

**PRODUCT DIFFERENTIATION AS A STRATEGY FOR
SUSTAINABLE COMPETITIVE ADVANTAGE IN BANKS
ISSUING CREDIT CARDS IN KENYA.**

BY

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DECLARATION

This research project is my original work that has not been presented to any other University or Institution of Higher Learning for examination.

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DEDICATION

This research study is dedicated to my mother Elizabeth Iminza, your care ,love and drive for my success ,your presence during my high and low moments will forever be a debt I intend to repay. Consider this my first installment.

To my loving husband Dominique, my support in those tiring days and my comfort during the long nights. I am forever grateful for the understanding and support.

To my sons Dylan and Didier ,this should be used a stepping stone for you to emulate and surpass. You were the source of my smile and laughter when this seemed impossible.

To my Siblings Brilliant,Fauzia,Anwar and Raphael, maximize your potential. Learning has no end.

To the late Dr. Alfred Luoba you were an icon of success. Your legacy will forever be our guide to achieve the best. I wish I could mention each and everyone who has supported me ,my prayer is for the almighty God to bless you all abundantly.

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

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CHAPTER ONE: INTRODUCTION

1.1 Background of the study

The new paradigm of international competitiveness is a dynamic one, based on innovation. Competitiveness at the industry level arises from superior productivity; either in terms of lower costs than rivals or the ability to offer products with superior value (value adding) that justifies a premium price (Barney, 2009). Detailed case studies of hundreds of industries, based in dozens of countries, reveal that internationally competitive companies are not those with the cheapest inputs or the largest scale, but those with the capacity to improve and innovate continually (Stacey, 2003). Competitive advantage, then, rests not on static efficiency or on optimizing within fixed constraints, but on the capacity for innovation and improvement that shift the constraints.' (Porter and van der Linde, 1995)

Companies persistently striving to create mechanisms for differentiating themselves from their competitors within given markets (Barney 2001). Because many financial markets are quite saturated with numerous firms endeavoring toward like core competencies, commercial banks are forced to dissect their business processes for the purpose of determining what product to develop and offer to the market and attain a sustainable competitive advantage (Gold, Malhotra and Segars, 2001). The adoption of bank credit cards in delivering financial service has been a key to grasping and retaining competitive advantage has recently evolved into the more strategically focused management of knowledge (Foster and Kaplan, 2001).

One central measure of organizational effectiveness is the creation and continuance of a differentiation of organization products. Many broad initiatives such as efficiency, core

competency advancement, actualization of customer-centric products and services, and limitation of the fixed costs of doing business can help to achieve a sustainable competitive advantage within the marketplace. Product differentiation is a targeted expertise designed to impact productivity and innovation in profound ways. It represents a new technology that is changing the competitive landscape of contemporary business (Smith,2006).

The world is experiencing a new economic era in which knowledge has become the primary source of wealth (Hamel, 2001) and has been termed the “knowledge age”. With the rapid technological advancements and innovations, the gap between competing organizations has been narrowed such that the trend now is to regard the collective knowledge of the employees as the key factor in producing innovative and competitive products or services (Sunassee and Sewry, 2002).

Zack (1999) argues that commercial banks view product differentiation as their most valuable and strategic resource, while Porter, (1985) agrees by pointing out that in an economy, where the only certainty is uncertainty, the only sure source of lasting competitive advantage is differentiation. This change of focus since the early 1990s has forced organizations to re-think the way they manage their affairs given that the emphasis is no longer on tangible assets but on intangible assets as well in form of product differentiation and hence the need for product differentiation strategies to sustain competitive advantage (Barney, 2001).

1.1.1 Sustainable competitive advantage

Sustainable Competitive advantage is an important concept of strategic management. It defines the uniqueness of an organization verses its competitors. Competitive strategy of

the organization is the roadmap towards gaining competitive advantage. The strategy by which the sustainable competitive advantage is gained is known as business level strategy of the organization (Porter, 1990).

Sources of competitive advantage include high quality products, superior customer service and achieving lower costs than its rivals. The search for sustainable competitive advantage has been the dominant theme in the study of strategy for many years (Porter, 1980). Sustainable competitive advantage is a journey and not a destination - it is like tomorrow which is inescapable but never arrives. Sustainable competitive advantage only becomes meaningful when this journey is experienced. For most organizations, however, the problem is how to identify where the journey lies. In fast-moving competitive environments, the nature of the journey itself keeps changing in an unpredictable fashion. As a result, the process of identifying the journey presents the main challenge.

Hyper competition results from the dynamics of strategic maneuvering among global and innovative combatants. It is a condition of rapidly escalating competition based on price-quality positioning, competition to create new know-how and establish first-mover advantage, competition to protect or invade established product or geographic markets, and competition based on deep pockets and the creation of even deeper pocketed alliances. In hyper competition the frequency, boldness, and aggressiveness of dynamic movement by the players accelerates to create a condition of constant disequilibrium and change (Pearce and Robinson 2003). Market stability is threatened by short product life cycles, short product design cycles, new technologies, frequent entry by unexpected outsiders, repositioning by incumbents, and radical redefinitions of market boundaries as diverse industries merge. In other words, environments escalate toward higher and higher

levels of uncertainty, dynamism, heterogeneity of the players, and hostility ((Hamel and Prahalad, 2003).

Only recently, organizational theorists have come to acknowledge the importance of product differentiation is the source of competitive advantage. Marketing or product differentiation is the process of describing the differences between products or services, or the resulting list of differences. This is done in order to demonstrate the unique aspects of firm's product and create a sense of value which improves the performance of the firm. (Kotler, Philip and Kevin Lane Keller, 2006). In economics, successful product differentiation leads to monopolistic competition and is inconsistent with the conditions for perfect competition, which include the requirement that the products of competing firms should be perfect substitutes (Barney, 2001).

1.1.2 Product differentiation Strategy

Porter (1998) described competitive strategy as the search for a favorable competitive position in an industry, the fundamental arena in which competition occurs and further explains that competitive strategy aims to establish a profitable and sustainable position against the forces that determine industry competition. This involves identifying sources of competition in the ever changing environment then developing strategies that match organizational capabilities to the changes in the environment. According to Porter (1998), competitive strategy is about being different. This means deliberately performing activities differently and in better ways than competitors.

Competitive strategy consists of all those moves and approaches that a firm has and is taking to attract buyers, withstand competitive pressure and improve its market position (Thompson and Strickland, 2002). It concerns what a firm is doing in order to gain a

sustainable competitive advantage. Porter (1998) outlined the three approaches to competitive strategy these being Striving to be the overall low cost producer, that is, low cost leadership strategy, secondly Seeking to differentiate one's product offering from that of its rivals, that is, differentiation strategy and lastly Focus on a narrow portion of the market, that is, focus or niche strategy.

To maintain competitive strategy organizations need to carry out strong research and achieve development skills, product engineering skills, creativity and marketing skills, good cooperation with distribution channels, incentives based on subjective measures, to communicate the importance of credit cards characteristics and stressing on continuous improvement and innovation which attract highly skilled, creative people. In the landscape of modern business, commercial bank for example has persistently striven to create mechanisms for differentiating itself and developing competitive products to improve their financial service delivery, improve customer satisfaction and create and sustain competitive advantage for the bank (Seng and Lin, 2004).

The unique credit cards provide superior value for the customer and improve their satisfaction. Through the firm internet service customers are offered paying of bill through the net. It has also enabled the customers to ensure that they get their daily update of the bank statement transferring of cash and offsetting loans. This strategy has enabled the Barclays bank to provide considerable insulation from competition. However there are usually additional costs associated with the differentiating product features and this could require a premium pricing strategy (Wolters, 2000). Offering credit cards financial services therefore creates a more effective ways through which Barclays Bank gain competitive advantage and able to with stand high competition in the market.

1.1.3 Credit Card industry in Kenya

The Kenyan credit card industry has grown significantly in the last ten years with more commercial banks introducing credit card products. The Kenyan banking credit card industry is the most diverse in East Africa with Barclaycard being the majority shareholder. In total, the Kenyan credit card industry has eleven active credit card issuers.

Kenya commercial banks had implemented and applied credit card systems in their transaction and making it as a tool for marketing their products. Choose our internationally accepted KCB Serena MasterCard and enter a world of privileges and savings. This unique card allows you to access incentives in all Serena Hotels world wide e.g. 10% discount on published rates of laundry, food and beverage, complementary day room on the day of departure at Serena Hotel, half bottle of wine for each person and one free dinner for a minimum of 5 nights stay at Serena Hotel Mombasa. Apply for the Gold Credit Card that guarantees a credit limit of USD 2900 and above depending on your needs. This card is suitable for business owners and senior corporate managers who travel all over the world. Gold Credit card holders and their families enjoy VIP treatment a. The international credit card for the simple individual, with an income of USD 700 or more. KCB cards are competitive with a 3.5% interest on outstanding balances after a 45 days interest free period on all your purchases.

Choose a Card that meets your needs and enjoy the long lasting value it offers you. Get an NBK Visa Card and customer get what he want more variety, options and features. With a NBK Credit Card, the things customer wants out of life are suddenly well within reach. NBK Credit Cards are the most powerful way to give their best, to celebrate life's most precious moments. They gives customers more privileges designed to let their

family live to the fullest every single day. They urge their customers to take advantage of their Competitive Rates, Flexible Terms and easy Application Process. First Equity Visa and MasterCard credit cards are offered to the nation's most creditworthy small businesses and are accepted at literally millions of merchants, service providers, and financial institutions around the globe. National Bank cards are available by invitation only. If customers have received an invitation to apply for a First Equity card, they may apply online, or they may submit their application by mail or fax by following the instructions provided with their solicitation. Barclays has the largest range of card products offering in the market and holds the largest market share. Barclaycard Kenya is the credit card arm of Barclays Bank of Kenya Limited and is the oldest and largest issuer of credit cards in the country. It is divided into issuing business - deals with issuing and marketing of credit cards and Acquiring Business and deals with signing up and servicing of Merchant outlets.

1.2 Research problem

The rapid change in today's business environment where the marketplace is increasingly competitive and the rate of innovation is rising, together with the pressure of the emergence of global knowledge-based economy, have made commercial banks to realize that product differentiation is their key asset (Snyman and Kruger, 2004). On entering the new knowledge-based economy, Barclays face even more severe and stricter competition in the global marketplace than ever before. Know-how, process, and practice have thus become the key source of core competency for this industry (Seng and Lin, 2004).

Credit card is one of today's most ubiquitous financial instruments (Wolters, 2000). For bank management perspectives, identifying the appropriate market for the credit card, interpreting consumers' needs for the product and developing business strategies are crucial to cope with fierce competition in the credit card market. In addition, Bernthal, Crockett, and Rose (2005) indicated that credit cards came with important technology to help facilitate several financial transactions for consumers, but the cards have capacity to support consumers in their everyday life activities without much concerning about cash in hands. Brito and Hartley (1995) observed that another important service on credit card was about borrowing on credit cards. However, such borrowing came with high interest rates which might appear irrational, but low transactions costs can make credit cards attractive relative to bank loans ((Hamel and Prahalad, 2003).

Local studies in the credit card industry have mostly focused on challenges on uses of the credit card. For instance Muriu (2007) carried out studies investigating risk assessment practices and financial aspects of the bank cards. There is no known study that has focused achieving sustainable competitive advantage through product differentiations in commercial bank through credit cards. This study therefore seeks to fill the existing knowledge gap by investigating how product differentiation of bank credit cards has been used in creating sustainable competitive advantage in commercial bank, focusing on credit card commercial bank Issuers by answering the question how are commercial banks creating sustainable competitive advantage through Product differentiation of credit cards?

1.3 Research Objectives

To determine the extent to which banks achieve sustainable competitive advantage through product differentiation focusing on credit cards Issuers.

1.4 Value of the study

It is anticipated that the findings of this study will be important to the management of commercial banks as they it will help them understand the importance of credit cards in creating and maintaining competitive advantage .

The study will be significant to help commercial bank players as it will offer an insight on the best way to develop and improve strategies of using bank credit cards to enhance bank capabilities that will then help in creating and maintaining sustainable competitive advantage over their rival in the markets.

The government will also benefit from this study as it will shed light to the various banks through adopting credit cards strategies that could be adopted by financial institutions. This will help the government in formulating the best policies that will govern development of bank credit card for creating sustainable competitive advantage in financial institutions.

The academicians and researchers will find this study relevant when seeking information regarding bank credit cards as a tool for creating and sustaining competitive. The study will contribute to the general body of bank credit cards and form a basis for further research.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents the review of literature on how bank are achieving competitive advantage through product differentiation focusing on the use of credit cards. It comprise of competitive strategies, sustainable competitive advantage, Bank Credit cards

2.2 Competitive Strategies

Competitive Strategy consists of a company's move to attract customers, withstand competitive pressures and strengthen an organization's market position. The main objective of a Competitive Strategy is to generate a competitive advantage, increase the loyalty of customers and to beat competitors .Porter (1990) viewed competitive strategies as a two dimensional aspect with a supply side strategic scope; and a demand side strategic strength. He later simplified the scheme into three generic strategies, namely 'overall cost leadership', 'differentiation' and 'focus' (Reilly, 2002).

Johnson, Scholes and Wittington (2006) on the other hand, perceive competitive strategies from a business level perspective and believe that it is the achievement of competitive advantage by a business unit in its particular market. They advocate for a hybrid strategy which provides a market-facing element to Porter's model in the form of price as a new dimension and its combination with differentiation. Zineldin (1995) on the other hand sees competitive strategies as more skill-based and involving strategic thinking, innovation, execution, critical thinking, positioning and the art of warfare. Drucker (1958) noted that management is primarily about the continuing development of the organization and its employees. The demands and needs of the environment are

constantly evolving and the management must adjust the company according to the needs and demands of the environment. One of the environmental influences to a business normally arise from competition (Zineldin, 1995).

Combined strategy of local and multinational commercial banks involves matching its corporate objectives and its available resources. In development of strategy, local and multinational bank managers are concerned with reconciling the business the organization is in, with the available resources. This allocation process is concerned with the general purposes of both local and multinational commercial bank, whether it is part of the grand plan, the overall objectives or a 'strategy' designed to keep the organization in business (Porter 2004). Strategy is the pattern of major objectives, purposes or goals and essential policies or plans for achieving these goals, stated in such a way as to define what business the company is in or to be in and the kind of company it is or is to be (Dulo, 2006). In cost leadership, a firm sets out to become the low cost producer in its industry. The sources of cost advantage are varied and depend on the structure of the industry. Most banks will adopt cost leadership strategies in pursuit of economies of scale, proprietary technology, preferential access to resources and their influence in the policy formulations. A low cost producer must find and exploit all sources of cost advantage. In a differentiation strategy bank will seek to be unique on certain dimensions that are widely valued by buyers. Banking institutions in the developing countries adopt focus strategies attributing that many local customers perceive as important and uniquely positions it to meet those needs gaining uniqueness with a premium price (Porter 2004).

In cost focus, banks seeks a cost advantage in its target segment, while in differentiation focus banks will seeks differentiation in its target segment. Cost focus exploits differences in cost behavior in some segments, while differentiation focus exploits the

special needs of bank customers in certain segments. For Porter (2004), competitive strategies primarily evolve explicitly through a planning process or implicitly through approaches dictated by a firm's professional orientation and the incentives of its directors. However it is Porter's pioneering thinking and his "Five Forces Model" that has gained popularity and become the predominant framework for analyzing the competitiveness of firms within an industry.

2.3 Bank Credit Cards

The Bank of America's clearing system enabled other banks to join forces and thus achieve wider acceptability of their credit cards. Bank of America branded this service Bank Americard and licensed it to other banks across the USA, so that they could use that brand, its design and participate in the clearinghouse system. By 1970, 3,031 banks had affiliated to the scheme and its success had produced the rival Interbank Card Association and its Master Charge brand. The design of the card was based on the colors, blue, white and gold, and blue and gold were the colors adopted by Barclays in 1966, when they took the first overseas license of Bank Americard and launched Barclaycard in the UK.

Barclays Bank decided on Christmas Eve 1965, to launch the UK's first credit card – the Barclaycard. The decision followed an evaluation of how the bank credit card schemes had worked in the USA and a realization that there was considerable advantage to be gained from being a "first mover" in this new channel for the distribution of financial services. Prior to the launch of Barclaycard, merchants had to be found who would accept the card as a means of payment and, to aid their recruitment, Barclaycard promised to publish all their names and addresses on the launch day.

The success of Barclaycard and the fact that it was being offered to and taken up by customers of the other UK banks proved that the concept of the credit card as a payment instrument was an attractive proposition to consumers in the UK. Given the market lead established by Barclaycard, the other major UK banks realized that their response would be more effective, if it was collective rather than individual. Thus in 1972, National Westminster, Lloyds, Midland and the Royal Bank of Scotland combined to launch the Access brand of credit card, to be offered to their own customers, in an attempt to keep their total banking relationship in-house (Credit Card Research Group (2001)).

With the creation of the Bank Americard system and its expansion via licensing agreements, several other large banks in the USA decided that they would respond to this initiative by forming, in 1966, the Interbank Card Association, which, in 1980, became MasterCard International. Initially, both Visa and MasterCard required their member banks to offer only one or other of the two cards. However, by the late 1970s, the concept of “duality” had been established in the USA and many financial service providers are now members of both of the international card associations and hence issue both MasterCard and Visa cards. In 1970, the Interbank Card Association acquired the rights to the Master Charge name and the design of red and yellow interlocking circles have remained as the logo of the subsequently renamed MasterCard brand (Brooking, C. 2007).

The affinity credit card is a credit card offered by a financial institution to members or supporters of specific organizations, which are as diverse as football clubs, political parties and charities. At one time, the organizations, known as affinity partners, on whose behalf the affinity card was issued, could be characterized by the three Cs of causes, charities and clubs. Some of the well-known affinity cards that fit these categories are the

Labour Party, the British Heart Foundation and Manchester United Football Club. More recently, however, the proliferation of affinity cards has produced examples of “affinities” that are not based on support or membership of one of the three Cs, but on a looser affiliation with the image portrayed by the card’s name and design. Thus we now have the Garden Card, aimed at the gardeners, the London card for those who live in London, the Star Trek card for the Trekkies among us, the Planet Hollywood card and, launched in 2001, the Cricket Card. (Horne, Worthington, 2000).

Co-branded cards represent collaboration between a credit card issuer and a commercial organization, such as an airline, retailer, or motor manufacturer. Here, the two different organizations join forces to issue a co-branded credit card that features, as a minimum on the face of the card, the brand of the commercial co-brander and the brand of the acceptance marquee under which the co-branded card is issued, MasterCard, Visa or American Express. MasterCard, as the second largest of the bank card associations, have been more willing than Visa, to encourage their members to co-brand, and this has helped MasterCard to regain some market share, as these co-branded cards are very attractive to cardholders. This is because instead of the usage incentive going to an affinity partner, with co-branded cards, the usage incentive is returned to the cardholder, usually in the form of a rebate against the purchase price of the goods or services offered by the co-brand partner ((Hamel and Prahalad, 2003).

2.4 Product Differentiation

Differentiation involves creating a product that is perceived as unique. Product differentiation is achieved by offering a valued variation of the physical product. The ability to differentiate a product varies greatly along a continuum depending on the

specific product. Armstrong and Kotler (1999) indicated that that differentiation in banks can occur by manipulating many characteristics, including features, performance, style, design consistency, durability, reliability, or reparability and that differentiation allows a commercial banks to target specific populations in the market.

Common examples of differentiation for services include speed, performance, quality, responsiveness, availability, ease or integration. If organization is in the unique position of having only one product or service to offer potential customers then it should consider accessories, partners or other options to create a variety of levels from the perspective of its future customers (Porter, 1980).

Hyper competition and over-communication are key features of the new economy. What used to be national markets with local companies competing for business has become a global market with everyone competing for everyone's business everywhere. With the enormous competition markets today are driven by choice organization targeted customers have too many choices, all of which can be fulfilled instantly (Hamel, 2001). Choosing among multiple options is always based on differences, implicit or explicit, so financial organization ought to differentiate financial products and delivery means in order to give the customer a reason to choose organizational product or service. According to Kotler, Philip and Kevin (2006), differentiation looks to make a product more attractive by contrasting its unique qualities with other competing products. Successful usage of bank credits creates a competitive advantage for the bank enhancing bank performance as customers view these products as unique or superior. Product differentiation can be achieved in many ways. It may be as simple as packaging the goods in a creative way, or as elaborate as incorporating new functional features.

Sometimes differentiation does not involve changing the product at all, but creating a new advertising campaign or other sales promotions instead (Grant, 1991).

2.4.1 Differentiation of Product Technologies

A major concern in supply networks, especially for component and system suppliers, is the integration of new inventions into products and finding the right target market for the products. We apply here the technology-market positioning portfolio developed by Mäkelin and Vepsäläinen (1995) to describe the life cycles of product technologies. The dimensions of the positioning framework are technology integration that describes how innovations are combined into the product offerings (component, module, system) and type of target market (customers, segments, global markets) indicating the expected market potential. Three generic strategies over the life cycle are specified in the portfolio as special application, customized/flexible product, and standard system. Usually a product line relying on proprietary technology starts the life cycle from the lower left-hand corner, i.e. integrates new technology of a component into a customer-specific application, as described also by Fine (2000) in his double helix model. Later increasing demand motivates modular designs, and some successful products and systems reach global markets.

Even stronger than the individual effects of various technologies on the banking industry will be their combined effect. Just as the face of banking is changing, so is its core business shifting. Traditionally, banking has been in the financial services business; and more precisely, it has been in the saving and loan business (to put it coarsely). Changes in technology and the competitive environment, combines with changes in the regulatory environment, are widening banking's financial focus to include securities investments and

insurance services. But of even greater impact may be banking's shift toward being an information processor.

Imaging Technology, EDI, Smart Cards (with the Internet), and other technological advances place banks in the position of being producer, organizer, and disseminator of information in society. Not only can the banking industry determine access to and payment for information and information processing, but banks can move more into the consulting business. A bank can work with an individual firm (or an industry) to develop an information, payment, and financing system most appropriate for the business.

The emphasis in the evolving markets is shifting away from the role of innovator to positioning as module supplier or market specialist, and there is a threat of head-on competition with major component manufacturers or system integrators. There are very different patterns of differentiation indicating that the companies are specializing in terms of technological roles and strategies to gain competitive advantage over its rivals.

2.4.2 Differentiation of Organizational Resources

Rapid international expansion coupled with the life cycle of engineering organizations can be analyzed based on the organization-resource positioning portfolio (Jahnukainen and Vepsäläinen, 1998). The portfolio has two dimensions: the resource base and the organizing principle of the company. The resource base considers the increasing geographical scope of sourcing, production and marketing activities from local to multinational and further to global. The other dimension indicates the organizing principle starting with functional hierarchy (leadership of a pioneer) and developing via

multidivisional and matrix forms (functional management) to increasingly complex structures of distributed units and process-based structures.

The theoretical hypothesis is that fast international growth moves an organization from simple functional hierarchy to product or customer divisions and sometimes all the way to a global network organization. According to the earlier studies in credit cards development strategies is that strong differentiation of the organizational resources create competitive advantage for the firm.

2.5 Sustainable competitive advantage and Bank Credit cards

Bank credit card is one of today's most ubiquitous financial instruments (Wolters, 2000). For bank management perspectives, identifying the appropriate market for the credit card, interpreting consumers' needs for the product and developing business strategies are crucial to cope with fierce competition in the credit card market and for attaining and gaining competitive advantage. Brito and Hartley (1995) observed that credit card was about borrowing on credit cards. However, such borrowing came with high interest rates which might appear irrational, but low transactions costs can make credit cards attractive relative to bank loans and this make the gain more customers increasing its customer base and subsequently increasing its performance in the competitive markets.

Porter (2004) suggested four competitive strategies that are differentiation, focus, cost leadership that could be adopted in order to gain sustainable competitive advantage by offering consumers greater value, either by means of lower prices or by providing greater benefits and service that justifies higher prices. Goyal (2004) stated that service products, such as banks credit cards, being intangible and experiential in nature were different to evaluate prior to purchase and consumption. Development of credit card with different

features for example change in different prices for different transaction embedded in the collective knowledge of the bank staff(inimitable), which is developed over a period of time (rare), and valuable as the firm's routines for managing people can direct employees' talent and behaviors to meet objectives and create value Information regarding supplementary services can help consumers make pre-purchase evaluation of credit cards enabling the bank attain and sustain competitive advantage in the markets (Hamel and Prahalad, 2003).

Building on Barney (2001) work, Peteraf has focused on heterogeneity, ex post limits to competition, imperfectly mobile, and ex ante limits to competition as the characteristic for strategic resources in generation of sustainable competitive advantage for the firm. The relative success in attaining competitive advantage could be measured enable the firm to generate more income. As credit card processing became more complicated, outside service companies began to sell processing services to Visa and MasterCard association members. Porter (2004) indicated that commercial bank could reduced the cost of programs for banks to issue cards, pay merchants and settle accounts with customers thus allowing greater expansion of the payments and attain competitive . Visa and MasterCard developed rules and standardized procedures for handling the bank card paper flow in order to reduce fraud and misuse of cards. The two associations also created international processing systems to handle the exchange of money and information and established an arbitration procedure to settle disputes between members (Jason Fargo 2000). Effective adoption of effective credit cards by a commercial bank enhances achievement of competitive advantage by the bank in the ever competitive financial markets. They advocate for a hybrid strategy which provides a market-facing

element to Porter's model in the form of price as a new dimension and its combination with differentiation (Zineldin, 1995).

Long and Vickers-Koch (1995) indicated critical core competencies through enhancing delivery product and service to customer that create satisfaction are capable of providing competitive advantage in the current context of the bank competitive environment, and cutting edge core capabilities that can be developed into tomorrow's competitive advantage. Core competencies, the basic unit of competitive advantage, rarely consist of narrow skills or outputs of a single functional department. Commercial banks need to gain their competitive advantage by linking the processes in their operations which gives them strength in delivery of products or services, based on capabilities coming from the entire value chain (Thompson and Strickland, 2001). Bernthal, Crockett, and Rose (2005) indicated that banks credit cards came with important technology to help facilitate several financial transactions for consumers, and improve capacity to support consumers in their everyday life activities without much concerning about cash in hands.

The keys to building up skills and know-how in developing bank credit card focusing on superior technology adoption, security, accessibility, networking, incentives, flexibility and good information processor to Quinn (1992) and the building up of internal human capital related capabilities will result in competitive advantage which will be sustainable, because of the difficulty in copying competencies based on technology, knowledge, skills and attitudes, built into processes and developed over time into working combinations in a particular organizational context (Long and Vickers-Koch, 1995). The more unobservable these competitive advantages are the more sustainable they will be and this particularly applies to competitive advantages which are based on

developing and exchanging information and knowledge through the firm's human capital (McEvily and Zaheer, 1999).

CHAPTER THREE:RESEARCH METHODOLOGY

3.1 Introduction

This chapter present the methodology that used to conduct the study. It covers the research design, the target population, data collection instruments and procedures and the method of data analysis.

3.2 Research Design

This research adopted descriptive survey design where the all population of interest commercial banks in Kenya were selected for the study. The design was deemed appropriate because the main interest is to explore the viable relationship and describe how the factors support matters under investigation in one organisation. Descriptive research design was chosen because it enables the researcher to generalise the findings to a larger population.

3.3 Target Population

A population is a well defined or set of people, services, elements, events, group of things or households that are being investigated Ngechu (2004), This definition ensures that population of interest is homogeneous. The study carried out a census of all the commercial banks who were credit card issuers (CBK, 2011)

3.4 Data Collection

A questionnaire was used as primary data collection instrument which was divided into two parts. The first part included the demographic and operational characteristics designed to determine fundamental issues including the demographic characteristics of the respondent, while the second part focuses on the main issues of the study. The

questionnaire included closed and open ended questions which sought views, opinion, and attitude from the respondents which might not have been captured by the closed ended questions. The questionnaire was administered through drop and pick method to the managers and assistant managers working in the credit card centers making a total of 44 respondents.

The question was designed to collect qualitative and quantitative data. The structured questions was used in an effort to conserve resources and collect quantitative data while the unstructured questions were used so as to encourage the respondent to give an in-depth of any information on issue of the study.

3.5 Data Analysis and Presentation

The collected data was thoroughly examined and checked for completeness and comprehensibility. The data was then be summarized, coded and tabulated. Descriptive statistics means and standard was used to analyze the data. Data presentation was done by the use of pie charts, bar charts and graphs, percentages and frequency tables for easy of understanding and interpretations. The content analysis was used to analyze the respondents' views on product differentiation in credit cards towards achieving sustainable competitive advantage in commercial banks.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.0 Introduction

This chapter discussed the interpretations and presentations of the findings. The objectives of this study were to determine the extent to which banks achieve sustainable competitive advantage through product differentiation focusing on credit cards issuers in Nairobi. This chapter focused on data analysis, interpretation and presentation and presents the discussion and conclusion of the study.

4.1 Response rate

From the study, the study population was 44 where 41 respondents responded and returned the questionnaires. The 41 respondents were managers and assistant managers working in the 11 commercial banks who are credit card issuers. This constituted to 93% response rate. Mugenda and Mugenda (2003) indicated a respondent rate of 50%, 60% or 70% was sufficient for a study and therefore a respondent rate of 93% for this study was very good.

Respondents' department

The study sought to investigate respondents' department. From the findings, most of the respondents indicated that they were in human resources, IT, operations, investment banking, portfolio and trust, treasury, credit management, corporate banking retail, wholesale, government accounts, financial markets strategy and conduct departments in commercial banks. This implied that the information for the study was collected from the individual involved in strategy implementation in the bank credit centres

Respondent's position

The study sought to know the position of the respondents in the bank. From the findings respondents indicated that they product development officer, IT officers, operation managers, marketing officers and corporate relations managers. This implied that commercial banks assign all of its rights and obligations pursuant to its staffs which enable them to deliver valuable credit card contribution and have long term association with the bank.

Respondent's year of joining the organization

The study sought to investigate the year in which the respondents joined the organization. From the findings, respondents indicated to have joined the banks in 2004, 2006, 2007 and other in 2008 to 2011.

Number of employees

The study sought to investigate the number of staff working in the commercial bank credit card centers. From the findings most of the respondents indicated that there was adequate number of employees between 50-60 staff. Other indicated that they had staff number ranging from 40-50 while still other indicated that the number of staff ranges from 25-40. This implied that commercial bank offering credit card services employed the number of staff that could handle the bank capacity.

Establishment of the organization

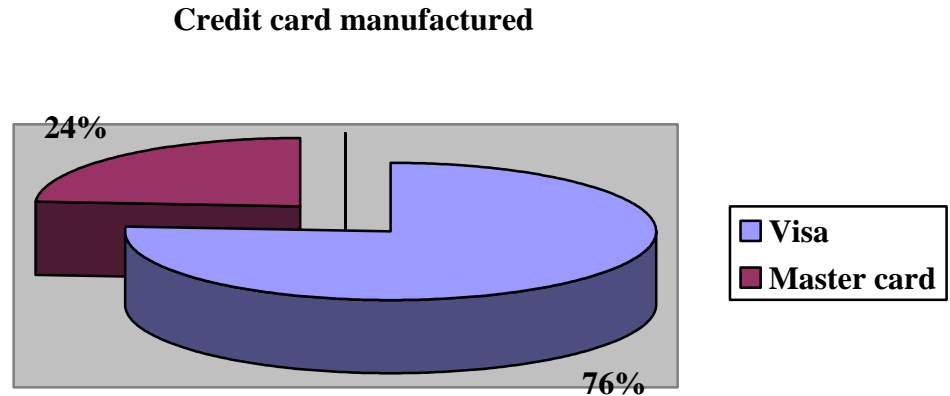
The study sought to investigate when the commercial banks were established. From the findings respondents indicated that the Barclay's banks was established in 1953, Kenya Commercial Bank in 1958, Investment and Mortgage Bank Limited became a

commercial bank in 1996, Cooperative bank was established in 1965, initially as a cooperative society. The study further found that Nic bank was founded in 1959 as a joint venture by Standard Bank Limited and Mercantile Credit Company Limited, Diamond Trust which was founded in 1946 and National Bank was established in 1968 as a 100% government-owned financial institution, Commercial bank of Africa was founded in 1962 in Dar Salaam, Tanzania soon, branches were opened in Kenya. This implied that the commercial banks had been in operation for many years and thus they could be in a position to adopt the strategies of achieving sustainable competitive advantage through product differentiation due to experienced gained in the market. These findings concurred with Snyman and Kruger, (2004), who also found that the rapid change in today's business environment where the marketplace is increasingly competitive and the rate of innovation is rising, together with the pressure of the emergence of global knowledge-based economy, have made commercial banks to realize that product differentiation is their key asset .

Credit card manufactured by bank

The study sought to investigate the credit card that was manufactured in the banks. From the findings, majority 76% of the respondents indicated that the visa credit card was manufacturing in the banks while 24% of the respondents indicated that master card was manufactured in the bank.

Figure 4. 1 Credit card manufactured



This implied that though both credit cards were being processed for payments methods visa card was generally recognized as the most widely accepted type of credit card and common to most commercial banks in Nairobi. This concurred with Wolters (2000), who stated that for bank management perspectives, identifying the appropriate market for the credit card, interpreting consumers' needs for the product and developing business strategies are crucial to cope with fierce competition in the credit card market.

Number of credit card products

The study sought to investigate the number of credit card products the bank offers. From the findings, majority 61% of the respondents indicted that their bank offered six credit card products, 29% indicated that five credit card products were offered while 10% of the respondent indicated that three products of credit card were offered in the bank.

Table 4. 1 Number of credit card products

Variables	Frequency	Percentages
Six	25	61
Five	12	29
Three	4	10
Total	41	100

This implies that the commercial banks offer a full range of card products these included business rewards, card prestige, card classic, business platinum card, commercial card, purchasing card, corporate card, and automated accounts payable solutions. This concurred with Brooking (2007), who found that Kenya commercial banks had implemented and applied credit card systems in their transaction and making it as a tool for marketing their products as well as enhancing quality financial service delivery.

Current Market Share

The study sought to investigate the current credit card market share. From the findings, majority 64% of the respondents indicated that the current credit card market share of the bank is 25%-45%, 24% of the respondents indicated that the current credit card market share of the bank is 10%-25%, 12% of the respondents indicated that the current credit card market share of the bank is 10%-10%.

Table 4. 2 Current Market Share

Variables	Frequency	Percent
10%-10%	5	12
10%-25%	10	24
25%- 40%	26	64
Total	41	100

From the findings, KCB enjoys market share of approximately 27%, Barclaycard has a market leadership with a market share of 34% in terms of credit cards issued enjoying low cost production, resulting from accumulated experience as the first credit card issuer in the Kenya and economies of scale derived from it high market share. This implies the organization have MasterCard to regain some market share, as these co-branded cards are very attractive to cardholders. This concurred with Foster and Kaplan, (2001) who found that Barclays has the largest range of card products offering in the market and holds the largest market share as it is the oldest and largest issuer of credit cards in the country .

Product differentiation strategy

The study sought to investigate whether the bank had a product differentiation strategy for the given common card features. From the findings, majority 70 % of the respondents indicated that the bank had co-brands, 65% of the respondents said interest charges while 61% said discount offers and 60% of the respondents said annual fees.

Table 4. 3 Product differentiation strategy

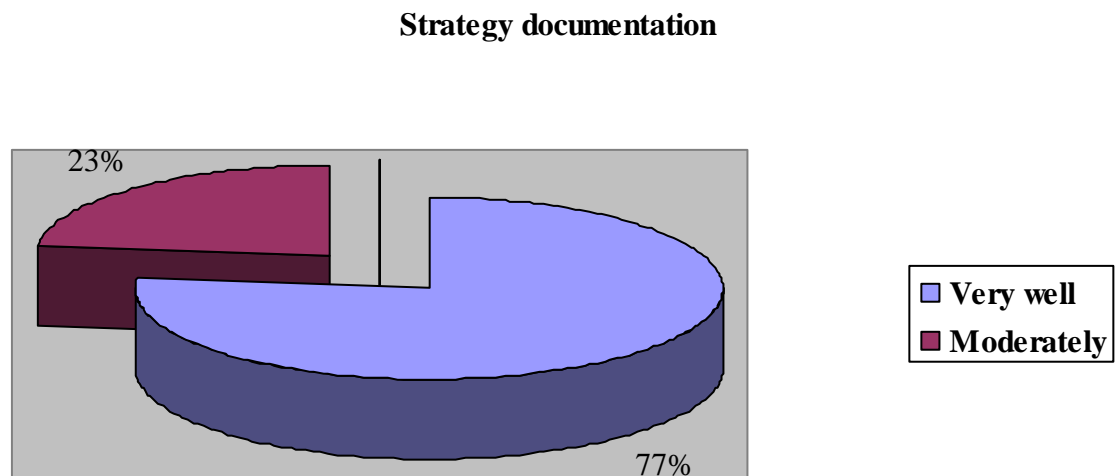
	Frequency		% of yes
Co- Brands	32	9	70
Interest charges	30	11	65
Discount offers	28	13	61
Annual fees	25	16	60
Payment options	23	18	50
Limit allocation	20	21	43
Travel insurance	18	23	39
Loyalty programs	16	25	35

This implies that commercial banks in Kenya that issues credit cards consider specific elements of credit cards and use them in positioning aimed at achieving large market share and drive out competition. This concurred with Wolters (2000), who found that product differentiation strategy has enabled the Barclays bank to provide considerable insulation from competition as it primarily impacts performance through reducing directness of competition. As the product becomes more different, categorization becomes more difficult and hence draws fewer comparisons with its competition.

Strategy documentation

The study sought to investigate how well documented was the strategy. From the findings, majority 77% of the respondents indicated that the strategy was very well documented while 23% of the respondent indicated that the strategy was not well documented.

Figure 4. 2 Strategy documentation



From the findings the study found that through the firm internet service customers were offered paying of bill through the net which enabled the customers to ensure that they get their daily update of the bank statement transferring of cash and offsetting loans. This implies that the commercial banks build upon the value of an existing strategy and as it promotes, reinforce, augmenting real or perceived credit card performance and communicating product use information. This in turn generate customer excitement and greater credit cards awareness, enhance consumer satisfaction, loyalty, and credit cards usage, drive cross-selling opportunities, enable premium pricing and help reduce the overall marketing expenditures. This concurred with Seng and Lin, (2004) who found

that commercial bank has persistently striven to create mechanisms for differentiating itself and developing competitive products to improve their financial service delivery, improve customer satisfaction and create and sustain competitive advantage for the bank.

Extent to which bank adopt the given strategy to remain competitive in the market

The study sought to know the extent to which bank adopted the given strategies to remain competitive in the market. From the finding majority of the respondents indicated that the bank adopted Co- Brands and Promotional merchant discounts, flexible payment options and loyalty programs and charging low fee and charges as a strategy to remain competitive in the market to a very greater extent as indicated by a mean of 4.89, 4.73 and 4.67 supported by standard deviation of 0.84, 0.81 and 0.63.

Table 4. 4 Extent to which bank adopted the given strategy to remain competitive in the market

Variables	Moderate extent	Greater extent	N	Mean	Std deviation
Adopt charging low fee and charges as a strategy to remain competitive in the market	6	35	41	4.67	0.63
Adopt Co- Brands and Promotional merchant discounts as a strategy to remain competitive in the market	11	30	41	4.89	0.84
Adopt allocating high limits as a strategy to remain competitive in the market	17	24	41	4.48	0.43
Whether bank adopt flexible payment options and loyalty programs as a strategy to remain competitive in the market	13	28	41	4.73	0.81

From the findings, the study further found that most of the respondents indicate that banks adopted allocating of high limits as a strategy to remain competitive in the market as indicated by a mean of 4.48 supported standard deviation of 0.43. This implies that bank adopts Co- Brands and Promotional merchant discounts, flexible payment options, loyalty programs, charging low fee and charges and allocating of high limits were strategies to remain competitive in the market.

Adoption of credit card issuing

The study sought to investigate the extent to which the banks had achieved sustainable competitive advantage through adoption of credit card issuing. On the adoption of credit card issuing, a five point likert scale was used to interpret the respondent's responses. Accorded to scale those issues that were at were not considered at all were awarded 1 while those which were considered to a very great extent were awarded 5. Within the continuum are 2 for low extent, 3 for moderate extent and 4 for great extent. Mean and standard deviation were used to analyze the data. According to the study, those factors with a mean close to 4.5 were rated as to a strongly agree while those with a mean close to 1.0 were rated to a strongly disagree or even not considered at all. On the same note the higher the standard deviation the higher the level of disagreement or dispersion among the respondents.

Table 4. 5 Adoption of credit card issuing

Variables	Moderate extent	Great extent	Very great extent	N	Mean	Std deviation
Offering of customized services with low volumes of many differentiated services	6	12	23	41	4.78	0.64
High volumes of few standardized products	1	9	31	41	4.74	0.59
Commodity products with high production volumes	2	14	25	41	4.86	0.71

From the findings, majority of the respondents indicated that the bank had achieved commodity products with high production volumes, offering of customized services with low volumes of many differentiated services and high volumes of few standardized products through adoption of credit card issuing to a very great extent as indicated by a mean of 4.86, 4.78 and 4.74 supported by standard deviation of 0.71, 0.64 and 0.59. The findings summaries management perception's of credit card contribution and benefits at commercial banks in Kenya. Customized services offer a wide variety of services customized to suit a client's specific needs. The approaches to adaptation of credit card issuing strategy in the commercial banks can also achieve a potential profit over a rival in supplying an identical and differentiated product/service at a low cost in such a way that the customer is willing to pay a price premium that exceeds the cost of the differentiation.

Adoption of product differentiation as competitive strategies

On the opinion, on whether the adoption of product differentiation as competitive strategies of any value to the commercial banks, all 100% of the respondents indicted that the adoption of product differentiation as competitive strategies of value to the firm. This implies that commercial bank must constantly engage product differentiation and focus on proven differentiation strategies to corner specific segments of the market in their industry, using existing competitors' strategies as a starting point to identify fresh opportunities and gain and sustain competitive advantage. The Commercial banks should be uniquely positioned to deliver on each of its attributes basing its strength on leadership, expertise, technology, customer focus, service, support and convenience to avail variety of high quality products at a low price, that are featured and beneficial to the customers.

Criterion used to determine the type of customer needs

The study sought to investigate the criterion used to determine the type of customer needs to be satisfied by the use of credit cards. From the findings, majority 90% of the respondents indicated that types of resources determine the type of customer needs to be satisfied by the use of credit cards.

Table 4. 6 Criterion used to determine the type of customer needs

Variables	Frequency		% of yes
	Yes	No	
Frequency and timeliness of transactions	28	13	68
Level of uncertainty	29	12	70
Complexity of information involved	30	11	73
Types of resources used	37	4	90

From the findings the study found that majority of the respondents indicated that complexity of information involved, level of uncertainty and frequency and timeliness of transactions were the criterion used to determine the type of customer needs to be satisfied by the use of credit cards as indicated by 73%, 70% and 68% of the respondents. This implied that the commercial banks would be in a position to understand the dynamics of customer need and define new market opportunities and drive innovation and revenue growth in every aspect of the banks through type of resources used, complexity of information involved, level of uncertainty, frequency and timeliness of transactions criterion. The Commercial banks have the ability to find market opportunities through reaching the potential customers and provide the credit cards they need and measure their satisfaction to achieving competitive advantage.

Use of credit card in achieving sustainable competitive advantage

The Table 4.8 indicates the extent to which respondents agreed on the given statement concerning use of credit card in achieving sustainable competitive advantage. On the use of credit card in achieving sustainable competitive advantage, a five point likert scale was

used to interpret the respondent's extent. Accorded to scale those issues that were strongly disagreed were awarded 1 while those which were strongly agreed on were awarded 5. Within the continuum are 2 for disagree, 3 for neutral and 4 for agree. Mean and standard deviation were used to analyze the data. According to the researcher, those factors with a mean close to 4.5 were rated as to a strongly agree while those with a mean close to 3.0 were rated to a strongly disagree or even not considered at all. On the same note the higher the standard deviation the higher the level of disagreement or dispersion among the respondents.

Table 4. 7 Use of credit card in achieving sustainable competitive advantage

Variables	Neutral	Agree	Strongly agree	N	Mean	Std
Use of credit card lead to offering of financial service with speed	0	9	32	41	4.25	0.33
The bank is able to offer Customized/ and flexible product	0	10	31	41	4.75	0.77
The credit card the bank provide financial service easily through effective feature of the cards	0	0	41	41	4.60	0.50
Through use of credit cards, the bank delivery of services more reliably than competitors	0	16	25	41	4.15	0.38
Operating through credit card enable bank to offer financial service with ease	3	10	28	41	4.70	0.51
Bank offer integrated financial service through credit cards	3	18	20	41	3.90	0.29
Low transactions costs make credit cards attractive relative to bank loans and this make the gain more customers increasing its customer base for the bank	2	17	22	41	4.48	0.49
Through use of credit card , identifying the appropriate market for the credit card, interpreting consumers' needs for the product and developing business strategies enhance company competitiveness in the market	0	17	24	41	4.63	0.57
The credit cards increase the bank performance in the competitive markets	3	5	33	41	4.46	0.42
Bank offer credit card at different prices for different transaction embedded in the collective knowledge of the bank staff	0	7	34	41	4.53	0.54

From the finding, majority of the respondents strongly agreed that the banks were able to offer customized/ and flexible product, operating through credit card enable bank to offer financial service with ease, through use of credit card , identifying the appropriate market for the credit card, interpreting consumers' needs for the product and developing business strategies enhance, the credit card the bank provided financial service easily through effective feature of the cards and that bank offer credit card at different prices for different transaction embedded in the collective knowledge of the bank staff as indicated by a mean of 4.75, 4.70, 4.63, 4.60 and 4.53 supported by standard deviation of 0.77, 0.51, 0.57, 0.50 and 0.54. The study also found that respondents agreed that low transactions costs made credit cards attractive relative to bank loans making the banks gain more customers increasing its customer base for the bank, the credit cards increase the bank performance in the competitive markets, use of credit card lead to offering of financial service with speed and that through use of credit cards, the bank delivery of services more reliably than competitors as indicated by a mean of 4.48, 4.46, 4.25 and 4.15 supported by standard deviation of 0.49, 0.42, 0.33 and 0.38. The study further found that most of the respondents were neutral on whether bank offer integrated financial service through credit cards as indicated by a mean of 3.90 supported by standard deviation of 0.29. This implied that the use of credit and debit cards enabled the commercial banks to offer customized/ and flexible product, financial service with ease, identifying the appropriate market for the credit card, interpreting consumers' needs for the product, develop business strategies enhance effective feature at different prices for different transaction at low transactions costs. Credit cards also enabled the commercial banks to increase its customer base for the bank, performance in the competitive markets due to the reliable service delivery. Therefore the credit card differentiation strategy in acceptance and use of credit cards would enable the commercial to gain sustainable

competitive advantage. This concurred with Porter (1980), who stated that sources of competitive advantage include high quality products, superior customer service and achieving lower costs than its rivals.

Rating the importance of the given data

The study sought to rate the importance of the given data to the organization in applying differentiation strategies. On the rating the importance of the given data, a five point likert scale was used to interpret the respondent's extent. Accorded to scale those issues that were not important were awarded 1 while those which were most important were awarded 5. Within the continuum are 2 for slightly important, 3 for moderately important and 4 for important. Mean and standard deviation were used to analyze the data. According to the researcher, those factors with a mean close to 4.5 were rated as to a strongly agree while those with a mean close to 3.0 were rated to a strongly disagree or even not considered at all. On the same note the higher the standard deviation the higher the level of disagreement or dispersion among the respondents.

Table 4. 8 Rating the importance of the given data

Variables	Moderately	Important	Most important agree	N	Mean	Std deviation
The External environment	3	16	22	41	4	0.79
competition and competitor actions	3	11	27	41	4	0.88
Economic trends	5	10	26	41	4	0.68
Political and regulatory issues	3	23	15	41	4	0.77
Relevant markets	4	8	29	41	4	0.56

From the finding, majority of the respondents indicated that competition and competitor actions, external environment, and regulatory issues, economic trends and relevant markets were most important to the organization in applying differentiation strategies as indicated by a mean of 4.89, 4.87, 4.67 and 4.61 supported by standard deviation of 0.88, 0.79, 0.77, 0.68 and 0.56. From the findings, the ability of commercial bank to market a differentiated product, and obtain above-normal economic profits, depends on that product either neutralizing threats or exploiting opportunities. The study also found that political factors influence the importance of the credit usage in the market as indicated by a mean of 4.03 .Credit cards differentiation could help banks take advantage of environmental opportunities. This implied that the decision to implement a credit cards differentiation strategy could significantly impact on how a commercial banks acts in competition and competitor, external environment, political and regulatory issues, economic trends and relevant markets. The environment poses a big threat and opportunity to the industry by opening up of new markets and competitors. Therefore management should modify the culture within the firm to accommodate new changes. This concurred with Wolters, (2000) who stated that in credit cards development

strategies is that strong differentiation of the organizational resources create competitive advantage for the firm.

Challenges in implementing the differentiation strategies through credits cards

The table 4.10 indicates the respondent's response on the extent to which they have encountered challenges in implementing the given differentiation strategies through credits cards. A five point likert scale was used to interpret the respondent's extent. Accorded to scale those issues that were not considered at all were awarded 1 while those which were considered to a very great extent were awarded 5. Within the continuum are 2 for low extent, 3 for moderate extent and 4 for great extent. Mean and standard deviation were used to analyze the data. According to the researcher, those factors with a mean close to 4.5 were rated as to a strongly agree while those with a mean close to 1.0 were rated to a strongly disagree or even not considered at all. On the same note the higher the standard deviation the higher the level of disagreement or dispersion among the respondents.

Table 4. 9 Challenges in implementing the differentiation strategies through credits cards

Variables	Moderate	Great extent	Very great extent	N	Mean	Std deviation
Offering a wide range of services	1	11	19	41	4.00	0.35
Engaging highly skilled staff	6	19	16	41	2.99	0.34
Use of publicity	5	10	26	41	4.67	0.63
Intensive staff training	9	11	21	41	4.03	0.41
Automation of business processes	1	16	24	41	4.11	0.53
Liaising with competitors	0	8	33	41	4.65	0.66
Using market segmentation	7	5	29	41	4.50	0.49
Use of unique packaging	3	7	31	41	4.56	0.50

From the finding, majority of the respondents indicated that the commercial banks encountered challenge in implementing use of publicity, liaising with competitors, use of unique packaging and using market segmentation differentiation strategies through credits cards to a very great extent as indicated by a mean of 4.67, 4.65, 4.56 and 4.50 supported by standard deviation of 0.63, 0.66, 0.50 and 0.49. From the findings, most of the respondents indicated that commercial banks encountered challenges during implementation of automation of business processes, intensive staff training and offering a wide range of services differentiation strategies through credits cards to a great extent as indicated by a mean of 4.11, 4.03 and 4.00 supported by standard deviation of 0.53, 0.41 and 0.35. The study further found that most of the respondents indicated that the commercial banks encountered challenge in implementation of engaging highly skilled staff in differentiation strategy of credits cards to a moderate extent as indicated by a mean of 2.99 supported by standard deviation of 0.34. The found that besides the above

listed challenges, others are, core competence, such as training, skills, leadership, technology, design, branding, pricing, research, based which consists of personnel, finance, and people. Moreover, environmental challenges such as culture, governmental, societal, compliance with international standards, stiff competition from other credit issuers and inadequate interdepartmental communication. This implied that there were challenges facing differentiation strategies through credits cards in commercial banks. Therefore the need to strengthen training programs, employ, evaluate the skills required to produce a competitive credit cards cheaply, and leadership need to empower employees to go for exemplary innovations hold regular staff meetings need to enhance team work and creativity. These findings were in line with Long and Vickers-Koch (1995), who indicated that critical core competencies through enhancing delivery product and service to customer that create satisfaction are capable of providing competitive advantage in the current context of the bank competitive environment, and cutting edge core capabilities that could be developed into tomorrow's competitive advantage.

Respondent's recommendation as the best practices

The study sought to know what the respondent recommended as the best practices for credit cards differentiation strategies. From the findings, respondents recommended that the commercial banks management should empower its staff giving it front line ability to effectively facilitate customer satisfaction, understand customer needs through analysis of multiple attributes, match the products built to the company's strength in order to create revenue and value, marketing campaign through developing slogans, messages, and phrases about the strength of the cards and have a unique logo, brand, and image of the card which customers can more easily remember and recognize. From the findings, commercial bank's opportunities for creating uniqueness in financial services in the

markets. Therefore the credit card features, performance, complementary services, intensity of marketing activities brands fulfill multiple roles such as guaranteeing the consumer of the quality of the credit card which ensures the bank is legally and morally accountable for the credit cards offered to customer. This implied that the commercial banks in Kenya need to adopt a number of best practices to create differentiation through credit cards focusing on strengths, marketing campaign, a unique logo and brand, and a unique image in order to have sustainable competitive advantage. This concurred with Thompson and Strickland (2001), who stated that Commercial banks need to gain their competitive advantage by linking the processes of in operations and enhanced delivery of financial services.

Respondent's comments

On the respondent's comments on the impact of product differentiation in achieving sustainable competitive advantage, the study found that commercial banks have opportunities for differentiating its products offering to customers, although the range of differentiation opportunities depends on the characteristics of the product, economically valuable bases of product differentiation could enable commercial banks to increase its revenues, neutralize threats and exploit opportunities.

From the findings, commercial banks need to articulate customer experience and goal in order to identify important business interactions that are important to the customer. Evaluate performance and improvement then focus on the areas that require greatest attention as this would provide the greatest potential return. Various departments in the commercial banks must be required to standardize data using one integrated set of

analytical data throughout the company for ease in decisions making about how much to invest in a particular customer

4.3 Summary of the Chapter

The chapter presented the interpretations and presentations of the findings. The objective of the study was to determine the extent to which banks achieve sustainable competitive advantage through product differentiation focusing on credit cards Issuers. From the findings, credit card firms need to articulate customer experience and goal in order to identify important business interactions that are important to the customers. The study found that commercial banks offer a full range of card products these included business rewards, card prestige, card classic, business platinum card, commercial card, purchasing card, corporate card, and automated accounts payable solutions. From the analysis and interpretations of credit and debit cards enabled the commercial banks to offer customized/ and flexible product, financial service with ease, identifying the appropriate market for the credit card, interpreting consumers' needs for the product, develop business strategies enhance effective feature at different prices for different transaction at low transactions costs. Credit cards also enabled the commercial banks to increase its customer base for the bank, performance in the competitive markets due to the reliable service delivery leading commercial banks achieving competitive advantages.

CHAPTER FIVE ;SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

In this chapter a summary of the findings from chapter four were, discussed, conclusions drawn and recommendations of the study based on the objectives of the study. The main objective of this study was to determine the extent to which banks achieve sustainable competitive advantage through product differentiation focusing on credit cards issuers in Nairobi.

5.2 Summary of the findings

From the findings, the study established that the organization have MasterCard to regain market share, as these co-branded cards are very attractive to cardholders. This concurred with Foster and Kaplan, (2001) who found that Barclays had the largest range of card products offering in the market and holds the largest market share as it is the oldest and largest issuer of credit cards in the country being divided into issuing business which deals with issuing and marketing of credit cards. From the findings, the study established that commercial banks in Kenya consider specific elements of product differentiation and use them in positioning aimed at achieving large market share and drive out competition. This concurred with Wolters (2000), who found that product differentiation strategy has enabled the Barclays bank to provide considerable insulation from competition as it primarily impacts performance through reducing directness of competition. As the product becomes more different, categorization becomes more difficult and hence draws fewer comparisons with its competition.

From the findings, the study established that that the commercial banks build upon the value of an existing strategy and as it promotes, reinforce, augmenting real or perceived product performance and communicating product use information. This in turn generate customer excitement and greater product awareness, enhance consumer satisfaction, loyalty, and product usage, drive cross-selling opportunities, enable premium pricing and help reduce the overall marketing expenditures. This concurred with Seng and Lin, (2004) who found that commercial bank has persistently striven to create mechanisms for differentiating itself and developing competitive products to improve their financial service delivery, improve customer satisfaction and create and sustain competitive advantage for the bank.

From the findings, the study established that bank adopted co- brands and promotional merchant discounts, flexible payment options and loyalty programs and charging low fee and charges as a strategy to remain competitive in the market to a very greater extent as indicated by a mean of 4.89, 4.73. From the findings, the study established that that bank adopts co- brands and promotional merchant discounts, flexible payment options, loyalty programs, charging low fee and charges and allocating of high limits as a strategy to remain competitive in the market.

From the findings, majority of the respondents indicated that the bank had achieved commodity products with high production volumes, offering of customized services with low volumes of many differentiated services and high volumes of few standardized products through adoption of credit card issuing to a very great extent as indicated by a mean of 4.86, 4.78 and 4.74. From the findings, the study established that Customized services offer a wide variety of services customized to suit a client's specific needs. The approaches to adaptation of credit card issuing strategy in the commercial banks can also

achieve a potential profit over a rival in supplying an identical and differentiated product/service at a low cost in such a way that the customer is willing to pay a price premium that exceeds the cost of the differentiation.

From the findings, the study established that companies must constantly engage product differentiation and focus on proven differentiation strategies to corner specific segments of the market in their industry, using existing competitors' strategies as a starting point to identify fresh opportunities. The firm should be uniquely positioned to deliver on each of its attributes basing its strength on leadership, expertise, technology, customer focus, service, support and convenience to avail variety of high quality products at a low price, that are featured and beneficial to the customers.

From the findings, the study established that 90% of the respondents indicated that types of resources used were used to determine the type of customer needs to be satisfied by the use of credit cards. Complexity of information involved, level of uncertainty and frequency and timeliness of transactions were the criterion used to determine the type of customer needs to be satisfied by the use of credit cards as indicated by 73%, 70% and 68% of the respondents. From the findings, the study established that the firm would be in a position to understand the dynamics of customer need and define new market opportunities and drive innovation and revenue growth in every aspect of the organization through type of resources used, complexity of information involved, level of uncertainty, frequency and timeliness of transactions criterion. The firms need to have the ability to find market opportunities through reaching the potential customers and provide the products they need and measure their satisfaction over time will differentiate both you as a marketer.

From the findings, the study established that is able to offer customized/ and flexible product, operating through credit card enable bank to offer financial service with ease, through use of credit card , identifying the appropriate market for the credit card, interpreting consumers' needs for the product and developing business strategies enhance, the credit card the bank provide financial service easily through effective feature of the cards and that bank offer credit card at different prices for different transaction embedded in the collective knowledge of the bank staff as indicated by a mean of 4.75, 4.70, 4.63, 4.60 and 4.53 supported by standard deviation of 0.77, 0.51, 0.57, 0.50 and 0.54. The study further found that most of the respondents agreed that low transactions costs make credit cards attractive relative to bank loans and this make the gain more customers increasing its customer base for the bank, the credit cards increase the bank performance in the competitive markets, use of credit card lead to offering of financial service with speed and that through use of credit cards, the bank delivery of services more reliably than competitors as indicated by a mean of 4.48, 4.46, 4.25 and 4.15 supported by standard deviation of 0.49, 0.42, 0.33 and 0.38.

From the findings, the study established that the use of credit and debit cards in Kenya is most advanced in banks. This enabled the commercial banks to offer customized/ and flexible product, financial service with ease, identifying the appropriate market for the credit card, interpreting consumers' needs for the product, develop business strategies enhance effective feature at different prices for different transaction at low transactions costs. Credit cards also enabled the commercial banks to increase its customer base for the bank, performance in the competitive markets due to the reliable service delivery. Therefore the differentiation strategy in acceptance and use of credit cards would enable the company to separate itself from the competition rather gain sustainable competitive

advantage. This concurred with Porter (1980), who stated that sources of competitive advantage include high quality products, superior customer service and achieving lower costs than its rivals.

From the finding, majority of the respondents indicated that competition and competitor actions, external environment, political and regulatory issues, economic trends and relevant markets were most important to the organization in applying differentiation strategies as indicated by a mean of 4.89, 4.87, 4.73, 4.67 and 4.61 supported by standard deviation of 0.88, 0.79, 0.77, 0.68 and 0.56. From the findings, the ability of commercial bank to market a differentiated product, and obtain above-normal economic profits, depends on that product either neutralizing threats or exploiting opportunities. Product differentiation can also help a firm take advantage of environmental opportunities.

From the findings the study established that decision to implement a product differentiation strategy can have a significant impact on how a firm acts in competition and competitor, external environment, political and regulatory issues, economic trends and relevant markets. The environment poses a big threat and opportunity to the industry by opening up of new markets and competitors. Therefore management should modify the culture within the firm to accommodate new changes. This concurred with Wolters, (2000) who stated that in credit cards development strategies is that strong differentiation of the organizational resources create competitive advantage for the firm.

From the finding, majority of the respondents indicated that the firm encountered challenge in implementing use of publicity, liaising with competitors, use of unique packaging and using market segmentation differentiation strategies through credits cards

to a very great extent as indicated by a mean of 4.67, 4.65, 4.56 and 4.50 supported by standard deviation of 0.63, 0.66, 0.50 and 0.49.

From the findings the study established that The found that besides the above listed challenges, others are, core competence, such as training, skills, leadership, technology, design, branding, pricing, research, based which consists of personnel, finance, and people. Moreover, environmental challenges such as culture, governmental, societal, compliance with international standards, stiff competition from other credit issuers and inadequate interdepartmental communication. This implied that there were challenges in implementation differentiation strategies through credits cards in the commercial banks. Therefore the need to strengthen training programs, employ, evaluate the skills required to produce a competitive product cheaply, and leadership need to empower employees to go for exemplary innovations hold regular staff meetings need to enhance team work and creativity. These findings were in line with Long and Vickers-Koch (1995), who indicated that critical core competencies through enhancing delivery product and service to customer that create satisfaction are capable of providing competitive advantage in the current context of the bank competitive environment, and cutting edge core capabilities that can be developed into tomorrow's competitive advantage

On the respondent's recommendation of the best practices for credit cards differentiation strategies the study established that firm management should empower its staff giving it front line ability to please the customer which in turn would effectively facilitate customer satisfaction, understand customer needs through analysis of multiple attributes, match the products built to the company's strength in order to create revenue and value, marketing campaign through developing slogans, messages, and phrases about the strength of the cards and have a unique logo, brand, and image of the card which

customers can more easily remember and recognize. From the findings, commercial's opportunities for creating uniqueness in its offerings to customers arise in virtually everything that it does. Therefore the credit card features, performance, complementary services, intensity of marketing activities brands fulfill multiple roles such as guaranteeing the consumer of the quality of the credit card which ensures the bank is legally and morally accountable for the credit cards offered to customer.

From the findings the study established 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. This concurred with Thompson and Strickland (2001), who stated that Commercial banks need to gain their competitive advantage by linking the processes in their operations which gives them strength in delivery of products or services, based on capabilities coming from the entire value chain.

On the respondent's comments on the impact of product differentiation in achieving sustainable competitive advantage, the study established that that any firm have opportunities for differentiating its offering to customers, although the range of differentiation opportunities depends on the characteristics of the product, economically valuable bases of product differentiation can enable a firm to increase its revenues, neutralize threats and exploit opportunities. The respondents further stated that when firms sell differentiated products, they gain some ability to adjust their prices whereby a firm can sell its output at very high prices and produce relatively smaller amounts of output, or it can sell its output at very low prices and produce relatively greater amounts of output.

5.3 Conclusions of the study

From the findings the study concluded that commercial banks achieve sustainable competitive advantage through credit card differentiation. A wide range of card products offering such as business rewards, card prestige, card classic, business platinum card, commercial card, purchasing card, corporate card, and automated accounts payable solutions need to be considered with specific elements and use them in positioning aiming at achieving large market share and drive out competition. Product differentiation strategy enables the commercial banks to provide considerable insulation from competition as it primarily impacts performance through reducing directness of competition.

From the findings, the study concluded that the value of an existing strategy promotes, reinforce, augmenting real or perceived product performance and communicating product use information which in turn generate customer excitement and greater product awareness, enhance consumer satisfaction, loyalty, and product usage, drive cross-selling opportunities, enable premium pricing and help reduce the overall marketing expenditures.

From the findings, the study concluded that bank must adopts co- brands and promotional merchant discounts, flexible payment options, loyalty programs, charging low fee and charges and allocating of high limits as a strategy to remain competitive in the market.

From the findings, the study concluded that commodity products with high production volumes, customized services with low volumes and high volumes of few standardized products, potential profit could be attained through adoption of credit card differentiation.

From the findings, the study concluded that commercial banks must constantly engage product differentiation and focus on proven differentiation strategies to corner specific segments of the market in the industry. The firm should be uniquely positioned to deliver on each of its attributes basing its strength on leadership, expertise, technology, customer focus, service, support and convenience to avail variety of high quality products at a low price, that are featured and beneficial to the customers.

From the findings, the study concluded that firm must be in a position to understand the dynamics of customer needs, define new market opportunities, drive innovation and revenue growth through type of resources used, complexity of information involved, level of uncertainty, frequency and timeliness of transactions criterion. This will enable the firms to find market opportunities through reaching the potential customers and provide the products they need as well as measuring their satisfaction over time.

From the findings, the study concluded that the use of credit and debit cards in Kenya is most advanced in banks which enables the commercial banks to offer customized and flexible product, financial service with ease, identifying the appropriate market for the credit card, interpreting consumers' needs for the product, develop business strategies enhance effective feature at different prices for different transaction at low transactions costs. Differentiation strategy on credit cards enables the company to separate itself from the competition, increase its customer base for the bank performance in the competitive markets due to the reliable service delivery

From the findings, the study concluded that the decision to implement a product differentiation strategy can have a significant impact on how a firm acts in competition and competitor, external environment, political and regulatory issues, economic trends

and relevant markets. The environment poses a big threat and opportunity to the industry by opening up of new markets and competitors. Therefore management should modify the culture within the firm to accommodate new changes.

There are difficulties in firm's implementation of use of publicity, liaising with competitors, use of unique packaging and using market segmentation differentiation strategies through credits cards. These challenges include core competence, such as training, skills, leadership, technology, design, branding, pricing, research, based which consists of personnel, finance, culture, governmental, societal, compliance with international standards, stiff competition from other credit issuers and inadequate interdepartmental communication. From the findings, the study concluded that the commercial banks need to strengthen training programs, employ, evaluate the skills required to produce a competitive product cheaply, empower employees to go for exemplary innovations and hold regular staff meetings need to enhance team work and creativity in order to curb the challenges encountered in implementation differentiation strategies through credits cards.

From the findings, the study concluded that commercial banks' management should empower its staff giving it front line ability to understand customer needs, match the products built to the company's strength in order to create revenue and value, develop slogans, messages, and phrases about the strength of the cards and have a unique logo, brand, and image of the card which customers could more easily remember and recognize enabling commercial banks offer quality financial services.

From the findings, the study concluded that product differentiation has an impact of in achieving sustainable competitive advantage in that the opportunities for differentiating

firm's offering to customers depends on the characteristics of the product, economically valuable bases of product differentiation enables the commercial banks to increase its revenues, neutralize threats and exploit opportunities.

From the findings, the study concluded that firm needs to articulate customer experience and goals in order to identify important business interactions that are important to the customer. Evaluate performance and improvement then focus on the areas that require greatest attention as this would provide the greatest potential return and enabled the commercial bank sustains competitive advantage.

5.4 Recommendations of the study

From the conclusion the study recommended that management in commercial banks should improve the product differentiation through credit cards to achieve sustainable competitive advantage. Recognition of visa and master credit cards and identification of its appropriate market should be promoted to enhance the customer's payments methods aiming at positioning the commercial banks in achieving sustainable competitive advantage.

From the findings and conclusion, the study recommended commercial banks should adopts co- brands and promotional merchant discounts, flexible payment options, loyalty programs, charging low fee and charges and allocating of high limits as a strategy to remain competitive in the market. From the findings and conclusion, the study recommended commercial banks implement differentiation strategy on credit cards in order to separate itself from the competition, increase its customer base for the bank performance, understand the dynamics of customer needs, offer customized and flexible product and offer financial service with ease.

The study recommends that in order to overcome challenges related to core competence it needs to strengthen training programs, employ, evaluate the skills required to produce a competitive product cheaply, and leadership need to empower employees to go for exemplary innovations.

From the findings and conclusion, the study recommended commercial banks should focus on strengths, develop a strong marketing campaign and have a unique logo, brand, and image best practices in implementation of products differentiation through credit card in order to have sustainable competitive advantage.

5.5 Recommendation for further study

The study investigated the extent to which banks achieve sustainable competitive advantage through product differentiation focusing on credit cards issuers in Nairobi. The study recommends that a further study should be carried out to establish ways through which banks could enhance product differentiation so as to improve customer satisfaction and enhance positive perception on banks. A further study should be carried out to establish the effects of product differentiation on financial performance of commercial banks.

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APPENDICES

Appendix 1 : Letter of Introduction

Orry Diana Musiburu Seem

School of Business,

University of Nairobi,

P.O. BOX 30197,

NAIROBI

September 2011

Dear respondents,

RE: REQUEST FOR RESEARCH DATA

I am a Postgraduate student at the University of Nairobi, School of Business. In partial fulfillment of the program Master in Business Administration (MBA) requirement, I am undertaking a management research project titled.

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

You have been selected as part of the study. This is to request you to assist me to collect the data by filling out the attached questionnaire. The information you will provide will be used exclusively for academic purposes. My supervisor and I, assure you that the information you will give, will be treated with strict confidentiality. A copy of the final report will be availed upon request.

Your cooperation will be highly appreciated, thanking you in advance.

Yours Faithfully,

Orry Diana Musiburu Seem

MBA Student

Dr.J.Gathungu

Supervisor

Appendix 2: Letter of Authorization



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

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

P.O. Box 30197
Nairobi, Kenya

DATE.....

TO WHOM IT MAY CONCERN

The bearer of this letter: ORRY DIANA MUSIBORU SEEM

Registration No. D61/73644/2009

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

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 your assistance to enable him/her collect data in your organization.

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.

JUSTINE MAGUTU
ASSISTANT REGISTRAR
MBA OFFICE, AMBANK HOUSE

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA OFFICE
P. O. Box 30197
NAIROBI

Appendix 3: Research Instrument

Section A: General information

Department/ Section that you are Based.....

Position held in the organization

When did you join the organization (Year)?

How many employees are there in your department?

When was the organization established?

Section B: specific information

Kindly indicate the credit card manufactured in your bank?

Visa []

MasterCard []

2. How many credit card products does your company offer?

One []

Two []

Three []

Four []

Five []

Six []

>Six []

3. What is your current credit card Market share?

<10%-10% []

>10%-25% []

>25%- 40% []

>40% -60% []

>60% []

4. Does your bank have a product differentiation strategy for the following common card features?

	Yes	No
Annual fees	[]	[]
Interest charges	[]	[]
Limit allocation	[]	[]
Travel insurance	[]	[]
Loyalty programs	[]	[]
Payment options	[]	[]

Discount offers	[]	[]
Co- Brands	[]	[]
Any other (please indicate)	[]	[]

5. How well documented is this strategy?

Very well	[]
Moderately well	[]
Lowly well	[]
Not documented	[]

6. To what extent do you adopt charging low fee and charges as a strategy to remain competitive in the market?

Greater extent, () Moderate extent, () Low extent (), not at all ()

7. To what extent do you adopt Co- Brands and Promotional merchant discounts as a strategy to remain competitive in the market?

Greater extent, () Moderate extent, () Low extent (), not at all ()

8. To what extent do you adopt allocating high limits as a strategy to remain competitive in the market?

Greater extent, () Moderate extent, () Low extent (), not at all ()

9. To what extent do you adopt flexible payment options and loyalty programs as a strategy to remain competitive in the market?

Greater extent, () Moderate extent, () Low extent (), not at all ()

10. To what extent has your bank achieved the following through adoption of credit card issuing?

Variables	Very great extent	Great extent	Moderate extent	Low extent	Not at all
Offering of Customized services s with low volumes of many differentiated services					
High volumes of few standardized products					
Commodity products with high production volumes					

11. What is the criterion used to determine the type of customer needs to be satisfied by the use of credit cards?

- Frequency and timeliness of transactions []
- Level of uncertainty []
- Complexity of information involved []
- Types of resources used []
- Timeliness []

12. To what extent do you agree with the following statement concerning use of credit card in achieving sustainable competitive advantage?

Variables	Very great extent	Great extent	Moderate extent	Low extent	Not at all
Use of credit card lead to offering of financial service with speed					
The bank is able to offer Customized/ and flexible product					
The credit card the bank provide financial service easily through effective feature of the cards					
Through use of credit cards, the bank delivery of services more reliably than competitors					
availability					
Operating through credit card enable bank to offer financial service with ease					
Bank offer integrated financial service through credit cards					
low transactions costs make credit cards attractive relative to bank loans and this make the gain more customers increasing its customer base for the bank					
Through use of credit card , identifying the appropriate market for the credit card, interpreting consumers' needs for the product and developing business strategies enhance company competitiveness in the market					
The credit cards increase the bank performance in the competitive markets					
Your bank offer credit card at different prices for different transaction embedded in the collective knowledge of the bank staff					

13. Rate the importance of the following data from 1-5 whereby 5 is the most important and 1 is the least important to the organization in applying differentiation strategies.

Variables	Most important	Important	Moderately important	Slightly important	Not important
The External environment					
competition and competitor actions					
Economic trends					
Political and regulatory issues					
Relevant markets					

14. To what extent have you encountered challenges in implementing the following differentiation strategies through credits cards?

Variables	Very Great extent	Great extent	Moderate extent	Low extent	Not at all
Offering a wide range of services					
Engaging highly skilled staff					
Use of publicity					
Intensive staff training					
Automation of business processes					
Liaising with competitors					
Using market segmentation					
Use of unique packaging					

16. What would you recommend as the best practices for credit cards differentiation strategies?

Section C: General

Questions here may not be all embracing and comprehensive. They may not have presented you an opportunity to say some things you want to say about the impact of product differentiation in achieving sustainable competitive advantage. Please make any additional comments in the space provided.

.....
.....
.....
.....

I sincerely thank you for your time and cooperation in filling this questionnaire. Please check to make sure that you have not inadvertently skipped any question.

Appendix 4: Commercial bank Issuing Credit Cards.

- Barclaycard from Barclay's banks

- Kenya Commercial Bank
- IM bank
- Cooperative bank
- Nic bank
- Diamond Trust
- Standard Chartered bank
- Post Bank
- National Bank
- CFC Stanbic bank
- Commercial bank of Africa

Source (CBK 2011)