

**FACTORS INFLUENCING BANKING INDUSTRY TO ADOPT
STRATEGIC POSITIONING ON MOBILE BANKING**

BY

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ABSTRACT

Over the past couple of decades, the term strategic positioning has gained a much broader definition that includes other customer wants, needs and desires. People will sometimes buy from companies that are perceived to be more advanced technologically, or more environmentally friendly, or more socially responsible, so that strategically positioning a company in the market has become more complex than just thinking of the four Ps and how they match to market niches. Mobile Banking is developing to be one of the most widespread mobile commerce applications. There are various mobile applications that major banks and similar financial institutions are rolling-off using this newfound medium of reaching out to their customers. Most of these services can be deployed using more than one channel.

This study was set to examine the factors influencing banking industry to adopt strategic positioning on mobile banking. The study used a descriptive survey design and the target population was all the 43 commercial banks in Kenya. Data was collected by use of questionnaires from 86 respondents who included marketing and operations managers. The collected data was analyzed through the statistical package for social sciences (SPSS) package. Descriptive statistics, measures of central tendency and measure of dispersion was used to analyze the data.

This study concludes that banks had embraced mobile banking to a great extent. The factors that influence the adoption of mobile banking include; intensified competition in the banking sector, adapting to requirements of core target groups, mobile banking as source of revenue, mobile banking as image product and increasing customer satisfaction

This study found that some banks had adopted mobile banking to a moderate extent; it therefore recommends that commercial banks should emphasis more on implementation of mobile banking as a method of strategic positioning for source of revenue, image product and to increase customer satisfaction.

Keywords: mobile banking, strategic positioning, banking industry, technology, competition, globalization, sales volume, customer satisfaction and revenue.