INFLUENCE OF E-COMMERCE STRATEGIES ON COMPETITIVE ADVANTAGE OF EQUITY HOLDING LIMITED

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DECLARATION

I hereby declare that this research project is my original work and has not been presented in any other institution.

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This research project has been submitted for examination with my approval as the University supervisor.

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DEDICATION

I dedicate this research project to my beloved family; My lovely wife and our sons, my dearest parents and my siblings for their unwavering support through the various stages of the research work.

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ABBREVIATIONS AND ACRONYMS

E-Commerce	Electronic Commerce
GDP	Gross Domestic Product
H.R.	Human Resource
ICT	Information Communication Technology
WHO	World Health Organization

ABSTRACT

Businesses that are expanding into international markets need to have strong e-commerce strategies plans in place to succeed. The role of e-commerce in connection with the competitive advantage is often not acknowledged. Any business is likely to fail if the operations management team does not understand the role of e-commerce strategy. Various banks face challenges due to the dynamic market shift. Customers have grown more mobile and demanding than ever before, causing them to change their opinions at a quick pace, putting banks at risk of losing part or all of their services. The study's overall goal was to see how E-Commerce initiatives influenced competitive advantage at Equity Banking Limited. The transaction cost and the resource-based theory were used to base this research. The study used a case study theory, and data was collected using an interview guide. Content analysis was used to examine the data. Equity Holding Limited has embraced e-commerce tactics to handle technological advances, according to the results. The utilization of modern technical gear, internet connection, digital advertising, the production of new goods and services, and cooperation with other organizations are all examples of these methods. It is apparent that e-commerce strategies have improved the quality of service and this gives Equity holding a competitive edge over its competitors. The study henceforth recommends that all organization ought to adopt e-commerce strategies. This should also be adopted by public sectors as it would ensure quality products and services are provided.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

E-commerce tactics across sectors have evolved over the past two decades into instruments of competitiveness and determinants of what degree of competitive position a business in an industry possesses. According to Subramanian and Nilakanta (2015), in today's competitive business environment, e-commerce strategies have become a key factor in determining a company's long-term viability, and it's rare to find a company that hasn't implemented or has the potential to implement e-commerce at some point in the future. Companies that use e-commerce tactics have a larger worldwide market share, faster growth rates, more profitability, and a higher market value, according to Reguia (2014). Regardless of how important e-commerce is in establishing a company's competitive advantage.

This research was aided by two theories, namely transaction cost and resource-based theory. The transaction cost theory sheds light on transactions that are conducted between buyers and sellers, whereby key to the definition of the term transaction is the transference of products across a technically detachable interface (Williamson, 1985). The theory will be relevant to this study as it explains ways through which industries become competitive through e-commerce. The resource-based theory posits that the origin of an organization's advantage originates more from internal resources than external environment positioning. It is important to keep in mind that the e-commerce strategies must be supported by both people and financial resources.

Equity holding limited is perceived to be the Bank that, over the years, focused on the lower segment of customers. Maina (2020), quoting the CBK Bank Supervision report, notes that Equity holding limited is the largest listed Bank in Kenya with a customer base of 8.3 Million. Awori (2018) alludes that Equity holding limited has reinvented itself over the years to remain competitive. The Bank has evolved and extended service to SME and Corporate customers in addition to small bankers (Abishua, 2018). Equity holding limited continues to lead among other banks in serving small-medium enterprises hence owing to the keen attention to quality and ensuring great user experience among its consumers.

1.1.1 E-Commerce

E-commerce is the act of purchasing and selling or trading information, products as well as services across paperless media such as the Internet (Turbman, King, MacKay, Marshall, Lee & Viehland 2008). Laudon et al. (2009) present electronic commerce to be the utilization of the Internet and the web in transacting business or rather the utilization of a medium that is digitally enabled to conduct commercial transactions between and among firms. E-Commerce gives organizations an opportunity to efficiently and effectively connect their processes internally as well as externally, and also have a handy working association with suppliers and partners so as to ensure the needs and expectations of their clients are met, thus leading to the growth of the organization's business performance (Nkuru, 2015).

Hansen and Birkinshaw, (2007) considered e-commerce strategies as a conscious and active organization, execution and control of activities that results in innovation. Further, e-commerce strategies can be described as the manner in which an organization directs its resources for a given period of time and obtain capabilities that impact the performance. This includes organizational behaviors and economic perspective, which is concerned with internal operations. It is also acknowledged that organization forms association with other organization and trade, cooperate as well as compete with one another. Thus, the operations of individuals within an organization are also known to affect the e-commerce process.

E-commerce strategies mostly adopted originate from various typologies that include Strategic alignment, Organizational agility, business process and Inter-organizational Linkages (Rushe &Waples 2008). By improving the operation of processes and the actions of workgroups, strategic alignment helps to increase performance. Inter-organizational Linkages assisted in partnerships with both customers and suppliers. It has facilitated the flawless flow of resources while business process Integration enabled organizations to develop unique organization-specific processes. Organizational agility has helped the organization to move from Ridgid's traditional leadership styles (Windrum & De Berranger, 2002).

1.1.2 Competitive Advantage

Competitive advantage is described as the ability of a company or a nation to provide services or commodities at a low cost while still meeting the preferences and needs of consumers (Wagner, 2014). Customer service, intellectual property, cost structure, distribution network, quality, and brand are all aspects that contribute to a company's competitive edge. Organizations with a durable competitive advantage, according to Meihami & Meihami (2014), regularly create items or services that meet the primary purchase criteria for the majority of market customers. It entails generating better performance and economic value in the market over a lengthy period.

Many academics have found that certain kinds of competitive advantage are difficult to duplicate, allowing the business to gain long-term advantages. This notion has aided the development of the competitive advantage idea from a resource-based perspective and among industrial organizations (I.O.) in recent years, resulting in sustainable competitive advantage (SCA). As a result, competitive advantage is considered to be made up of two components: The first is the concept of superior performance as a relational metric within an industry, and the second is the notion of durability. Even while an industry's above-average performance may be justifiedly assessed in terms of returns relative to the industry's average, the concept of longevity is unclear.

According to Porter (1985) cost leadership, focus , and differentiation are among the competitive advantage parameters. In cost management, a company becomes the low-cost manufacturer in its industry. This may involve achieving economy of scale, patented software, favoring access to raw resources and other considerations. If a business can achieve an overall cost lead and sustain it will be more than the average manufacturer in its industry if it is able to manage prices at or near to average industries. (Porter, 1985). Differential strategy implies competing based on how a company can do things a different way from its rivals. Targeting a small market sector or focusing on a particular product or service is a niche approach. All of these need significant attention to achieve a competitive edge (Papulova & Papulova, 2006; Porter, 2004).

1.1.3 Commercial Banks in Kenya

In regard to the Central Bank of Kenya report (2021) Kenya has 42 licensed and operational commercial banks in Kenya (CBK, 2021). The CBK is given the mandate of financial policies formulation and implementation, managing the banks liquidity, creditworthiness as well as maintain a proper monetary policy system. The banking institutions that are regulated by the CBK are classified as economic firms that allow individuals to deposit money in their accounts and give out loans to customers (Githaiga, 2020). There were 43 approved financial institutions and one mortgage financing institution as of June 30, 2018, in Kenya. The banking sector was mostly indigenous, with 13 foreign-owned institutions.

The banks in the country serve not only the retail customers but also the corporate customers. Some of the functions, which they perform, are community savings, creation of money, ensuring the payment mechanisms run smoothly, ensuring international transactions flow smoothly, advancing credit facilities and storage of precious goods (Githaiga, 2020). In Kenya, the central Bank is mandated by the national treasury with formulating and executing monetary policies, and fostering liquidity as well as ensuring the commercial banks operates properly (CBK, 2018). The banking sector in Kenya has experienced several financial as well as regulatory reforms in the past. Those kinds of reforms have led to many significant changes within the industry, which has inspired foreign banks to start operating in the Kenyan marketplace (Irungu, 2013).

Collateral lending is another classic method for providing security against loan advances (CBK, 2011). Collateral has many issues in Kenya (FSD-Kenya, 2009). To begin with, the availability of loans is limited since no specific law exists for transferring collateral between lenders. Even in a climate of fluctuating interest rates, the debtor has little wiggle space if collateral is already attached by one institution. To top it off, discovering the loan amount due via the process of foreclosure, seizure, and enforcement proved to be tedious and expensive for lenders. Banks seek injunctions against borrowers, which in certain cases causes difficulties in the process of disposing property since the Bank does not get rid of the securities and loans that aren't performing. This strategy costs the institution KES 379,700 and 150 days of litigation time if the borrower chooses not to go to court. There is a risk that, in order to protect the company's data, the cost to manage the security will increase, and this may result in the cost increasing and lengthening to four years.

1.1.4 Equity Holding Limited

Equity Holding Limited needs to have a strong brand identity in the 21st century's altering banking environment if it wants to give top-notch services. A high-quality Equity holding company is required, one that is dedicated to exceeding the expectations of its customers, shareholders, and workers, while also diversifying its revenue streams (Balachandran, 2005). Between 2005 and 2009, the Bank's methods underwent a sea shift, and clients have come to expect banks to provide world-class quality services. Customers have a lot of options now, and they're not going to settle for anything less than the finest. To boost client loyalty and retention, banks must understand the characteristics that influence consumer pleasure in the banking industry. Banks have recognized the importance of meeting customers' needs and expectations (Onditi et al., 2012).

Customers of Equity bank Kenya were less satisfied in 2015, with the average customer satisfaction index (CSI) falling from 67% in 2011 to 60%, much below the industry average of 77%, according to a study done by Infotrak Research & Consulting (2015) in Kenya. Because of this, there's some fear that bank clients are switching to other institutions in the business in search of superior service. The last five years have seen tremendous changes coupled with challenges experienced within the Banking sector in Kenya. Automation has been on the frontline to counter the challenges of competition and globalization (CBK, 2017).

It has become paramount for Equity holding to rethink their strategies, leverage on technology to enhance sales (CBK, 2015). Strict regulations like the interest capping which allows Banks to lend at only 4% above the Central Banking lending rate has also been a big blow and a game-changer among banks. The interest rate capping has equalized all players in the market, the differentiator has been other factors like customer service and innovation. Such challenges require clear strategies to be thought out, formulated and implemented for a Bank to remain relevant in today's Banking environment in Kenya.

1.2 Research Problem

Businesses that are expanding into international markets need to have strong e-commerce strategies plans in place to succeed Arguments by Rodgers et al. (2002) point out that without ecommerce, organizations that aspire to be competitive can hardly manage. This is because of the increasingly digital economy and the shift in how business is being conducted in the current business environment. Moreover, every firm comprehends that an effective operations management is necessary in attaining business success. The role of e-commerce in connection with the competitive advantage is often not acknowledged. Any business is likely to fail if the operations management team do not understand the role of e-commerce strategy. Niwagba (2013) asserted that the application of e-commerce strategies significantly influence the competitive advantage of a firm.E-commerce strategies impacts competitive advantage negatively (Baker, 2007).

Commercial banks, like other businesses in Kenya, have spent a significant amount of money on different marketing strategies to recruit clients. Due to the dynamic market transition, several banks confront issues in the twenty-first century. Customers have grown more mobile and demanding than ever before, resulting in a quick shift in their views, putting banks at risk of losing access to part or all of their services (Gilaninia, 2014). When Equity bank limited has realized that the Bank must give excellent goods and services to remain in a competitive setting. Other tactics that helped the company scale up its distribution networks while also incorporating innovation were used by Obambo (2013) investigated Equity holding limited in Kenya and found that customer satisfaction was positively influenced by all service quality indicators. Customers' happiness has been impacted by a variety of factors, including communication quality, facilities, call prices, customer service, and service provider characteristics (Hsu & Su, 2002).

Various studies conducted in an effort to examine how e-commerce impacts usual business processes, argued that out of automation and optimization of regular firm operations, business processes are improved. A research conducted in Spain by Perez-Arostegui, Benitez-Amado, and Tamayo-Torres (2012) looked at 230 firms and which utilized the descriptive survey methodology to analyze how ICT impacted organizational competence indicated the presence of positive and direct link between integrating flexible I.T. infrastructures into a firm's strategy and superior performance thus giving the firm a competitive edge.Cho (2015) did a research aimed at ascertaining the important factors which had an influence on the incorporation of third party B2B portals among the garment industry in Hong Kong. The research methodology utilized in the study was a cross-sectional descriptive survey whereby results showed that apparent external pressure, revenue, size of the firm and apparent challenges impacted the implementation process of ecommerce among firms.

Upadhyay et al., (2010), looking at factors that have an influence on the adoption of ecommerce in Indian manufacturing organizations, adopted the descriptive cross-sectional survey to collect and analyze the data and found out that management support, organizational culture and effective communication were important factors that aided success. Kuncoro and Suriani (2018) examined how e-commerce affected rabbit meat merchants' competitive advantage. The study adopted regression analysis It was found out that e-commerce had a significant and direct influence on market driving while market driving significantly and positively influenced sustainable competitiveness. In Malaysia, Samad and Aziz (2016) explored how e-commerce affected the competitive advantage of Malaysian foods processing SMEs. Using the regression technique, the study established that competitive advantage was positively enhanced by e-commerce. The studies were based in developed nations and not developing countries.

Locally, in Kenya, Empirical studies include Njuru (2007), whose study focused on limitations encountered during the implementation of electronic banking strategy by commercial banks and concluded that among the biggest challenges that banks faced included the cost of adoption and resistance from employees. Ongare (2013) also did a study that focused on electronic banking and the performance of Kenyan commercial banks. His focus was a survey on the level one and two banks. The outcome of the study indicated a positive relation between ecommerce and performance. Aduda and Kingoo (2012) conducted a study that focused on determining the link between electronic banking and fiscal performance where the context was the local commercial banks, whereby they adopted a survey research design of all banks. Their findings implied that there was an existing link between electronic banking and the performance of the banks.

Odwesso (2011) research looked at ecommerce and sustainable competitive advantage in travel and tours companies operating in Nairobi City County. She identified aspects of ecommerce that positively affected competitive advantage as a database system and capabilities in data processing, quality products and client service, a management team that is outstanding as well as robust competencies in research and development. Dore (2018) assessed e-commerce strategies and their effects on the competitive advantage of health care products manufacturing companies. A descriptive survey was adopted and data collected from 22 manufacturing firms in Nairobi using questionnaires. The study concluded that e-commerce strategies significantly influence competitive advantage. The study however focused on manufacturing firms.

Even though the paybacks resulting from e-commerce solutions are often linked to competitive advantage, very few if any past studies have looked at the relationship between e-commerce and competitive advantage in Equity Holding limited and more specifically none of these studies has sought to ascertain how e-commerce impacts competitive advantage of Equity Holding limited in Kenya. The study aimed to address the following research question: What impact does Equity Holding Limited's e-commerce approach have on its strategic competitive advantage?

1.3 Research Objective

The goal of the research was to see how E-Commerce techniques affected Equity Holding Limited's competitive advantage.

1.4 Value of the Study

The research added and expanded the academic knowledge in the field of e-commerce and competitive advantage of commercial banks in Kenya, thus addressing identified gaps in literature while at the same time suggesting areas to conduct further research. This study will also provide insights on the applicability of the transaction cost and resource-based theory, with regards to the ecommerce and its input towards competitive advantage in organizations. The strengths of these theories are highlighted together with the weak points and the relevance in explaining the specific concepts.

This study enabled the policymakers to be guided when coming up with policies that would ensure the facilitation of a suitable environment that would promote the development of the banking sector in Kenya. The input of commercial banks to the country's economic growth is important, and therefore the research is expected to provide a basis for the policymakers to make informed decisions.

Finally, this study's findings shall be of significance to the strategic management practice by giving recommendations on how to enhance e-commerce strategies and competitive advantage. Managers have better understanding and appreciate the importance of technology in a firm. The findings of the study were significant to investors as they used the information from this study to approve the business operations of banks in Kenya.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviewed the work of previous writers and scholars regarding the concept of e-commerce strategies and competitive advantage. The researcher intended to look into the aspects brought out in previous literature as presented and explained in light of applicable theories under different contexts. This provided the researcher a foundation on which to base the arguments as presented in the findings

2.2 Theoretical Foundation

These ideas guided the research: transaction cost and resource-based theory.

2.2.1 Transaction Cost Theory

Transaction cost theory (TCT) was propelled by Williamson, (1985). The focus of the Transaction cost theory (TCT) is on the transactional relationship existing between buyers and sellers and whereby the term transaction is used to mean the transfer of goods "across a technologically separable interface (Williamson, 1985). Transaction cost theory provides a mechanism that is efficient for the assessment of costs of transaction costs as well as risks posed by inter organizational relationships (Simpson & Power, 2005). Transaction costs are linked with economic exchanges which fluctuate independent of the competitive prices of the exchanged products.

According to Malone, Yates, and Benjamin (1987), the enhancement of market coordination is achieved in communicating as well as brokering electronically, and also considering integration effects. TCT therefore assumes that efficient investments are made towards those systems developed to help in the management of the supply chain management that bring down costs of transactions, and this is what sources of competitive advantage are all about (Heide & Stump, 1995).

A growing number of empirical studies have however pointed out to a number of limitations with regards to the transaction cost theory (Tsang, 2000). Among them include the notion that isolation of transaction costs and benefits linked with the process of exchange can be a challenge, especially whenever more than two people are involved in the transactions. The theory adopts the competitive paradigm to discuss participants in the exchange as economic units. This is a key weakness since it does not take into consideration the long-term exchanges within economic and social relationships (Johanson & Matsson, 1987).

2.2.2 Resource-Based View

Resource based theory was propelled by Werner felt (1984). The resource-based view (RBV) is widely perceived as the most significant and broken down theory for explaining the resources of an organization and how they create a competitive advantage for organizations. Arguments fronted by the supporters of the theory purport that organizational resource have the most likelihood of facilitating positive organizational achievements such as minimized costs and superior revenues, are those which are valuable, heterogeneous, immobile, exclusively possessed by the firm, as well as hard to imitate by the competitors (Barney et al, 1995). The RBV argues that the link between resources and performance is likely to be determined by causal indistinctness that represents “the relative strain of decoding causal links between firm resources and output" (Lado et al., 2006). The key strength for the RBV is the aspect of causal ambiguity as it establishes a key barrier to imitation.

Critics nonetheless presents arguments that causal ambiguity is not a sufficient explanation because of limitations managers face as they try to comprehend the foundation of competitive advantage (Lado et al, 2006). That is to say that causal and effect relationship between resources and performance are smoky and therefore is not easy to interpret accurately (Godfrey & Hill, 1995). Latest research that has focused on RBV contends that the connection between firm resources, firms knowledge, as well as dynamic capabilities reconfigure the competitive advantage of an organization (Warnerfelt, 1984).

Barney (1991) argues that an organization's long term strategy is determined by the resources and capabilities owned by the firm and managers need to search for practical ways to build and sustain competitive advantage arising from possessing these resources and capabilities. This will ensue that manager's efforts are not frustrated in their effort to sustain a competitive advantage. Eisenberg (1985) proposes that leaders in the organization can use uncertainty conversationally to augment the current stakeholders' ascriptions of cause and effect relationships.

Despite various criticism of resource-based view from different quarters regarding the vagueness in defining resources, as well as the rigidity in the research approach when focusing on competitive advantage (Shanks et al 1993), the view provides an explanatory theoretical foundation. With regards to technological innovation solutions, RBV scholars contend that firms acquire IT-related products with the assumption that by investing these resources the firm will enjoy superior economic returns (Wade & Hulland, 2004).

Performance in firms are dependent on the synergy that results from integrating resources from both organizational, business, and technological levels (Zhuang & Lederer, 2006).

2.3 E-commerce and Competitive Advantage

Literature on the effects of e-commerce and competitive advantage focuses on its application and its impact on various business processes. Christensen and Methlie (2003) further did a research survey in Norwegian enterprises to try and establish if e-commerce impacted sales positively and significantly. The study collected data from 330 firms that had adopted e-business and were actively engaging in it. Analysis of data was done using descriptive statistics, cross-tabulations and exploratory factor analysis. From the findings, the researchers contended that utilizing e-commerce had no major effect on the performance of the organizations' financial and economic indicators.

Sanders (2007) conducted a research whereby confirmatory factor analysis was used in analyzing the link between e-commerce and strategic and operational benefits from the perspective of the supplier. The research targeted 1000 firms from the U.S. The three variables that were being researched on included cost efficiencies resulting from increased sales volumes, improvement to current processes and improved profitability. Findings indicated that integrating buyers and suppliers that is achieved through e-commerce resulted to both strategic and operational gains for the organizations. From the outcome, Sanders (2007) deduced that organizations benefit when they adopt the various e-commerce technologies

In Kenya, several studies have been conducted among them being Nakhumwa (2013) who conducted a study on the adoption of e-commerce payment systems by Kenyan commercial banks. The research employed a descriptive cross-sectional survey design using primary data to examine the issues under consideration. From the findings, it was established that banks perceived investing in e-commerce created value for the shareholders. Aduda & King'oo (2012), also did a research that looked at the effects of I.S. in managing customer relations. The findings from this research which was a descriptive survey indicated that merely investing in technology systems did not automatically result in superior performance but rather work was needed to be done to identify innovative ways of creating sustainable competitive capabilities.

Muriuki (2011) also conducted a research with a focus on technology and agency banking among financial institutions in Nairobi City County. The research objective was to find out the effect of technology adoption on agency banking, whereby the methodology adopted was descriptive Survey. The findings established that financial institutions have been embracing information systems to serve their clients better and also have a competitive advantage in the market.

Using a descriptive survey, Vargas (2015) investigated on the factors that determine e-commerce success, achievement of competitiveness and small businesses with high productivity in Greece. Primary data have been collected via questionnaires. The findings suggest that there is positive and strong proof that e-commerce affects competitiveness and performance of small businesses in Greece. Using Cross-sectional survey, Chege (2017) researched competitive advantage and strategic innovations of Kenyan commercial banks listed in NSE. The study reveals that the bank product range had increased upon the commercial banks adopting innovation strategy in their operations.

In the Mombasa County, Kenya running logistics company, Wanyoike (2016) examined the link between innovation tactics and competitive advantage. The study was descriptive. Primary data have been collected by use of questionnaires. The research shows that the competitive advantage of logistics organizations depends on innovation strategies, with product invention being among the important approaches. Shejero, (2016) also examined how competitive benefits is affected by technological innovations among SACCO in Mombasa County, Kenya. It utilized primary data which used the questionnaire. The results of the studies show that cost-saving methods and a growth in the variety of goods available to companies include key variables affecting the execution of innovation strategies with a view to attaining a competitive sustainable benefit.

Wachiuri (2013) analyzed strategies used by the Standard Chartered Bank of Kenya to create a sustained competitive advantage. The study took the case study. The research showed that e-commerce strategies are beneficial and substantially linked to competitive advantage and thus it is essential for the business to implement different sustainable innovation methods. Cheptegei (2012) reviewed Coca-Cola Kenya Limited's e-commerce strategy. The study used the design of a case study. Based on the results, Coca Cola Company has developed various entry tactics to address its profit and consumer base.

From the reviewed literature, conclusions can be made that organizations can benefit if they integrate e-commerce solutions in their day to day business processes which can result in improvement of most activities across the value chain. There is however a shortage of empirical studies that focus on whether the adoption of e-commerce does result to competitive advantage, as is usually purported in a number of studies.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter detailed the way the findings of this investigation was presented. Additionally, a step-by-step explanation of the data collection and analysis methods is provided. Further information about the research design and the study population was presented in depth.

3.2 Research Design

This research used a case study research approach. This is an examination of a particular individual, institution, or phenomenon (Kombo & Tromp 2006). It is suitable for this research since it included a thorough evaluation by a single institution, which is mainly focused on depth analysis rather than broad analysis. It is best suited if a comprehensive and thorough examination of a particular research unit is needed. Yin (2018) emphasized the case study's intensive and comprehensive monitoring of social units. A case study provides a first-hand look at a subject with elements that are not well recognized or acknowledged. In a case study, nearly everyone in the unit was examined for unearth patterns of behavior.

3.3 Data Collection

In this study, I used primary data which I collected through a use of interview guide as the critical method of data collection. The interview guide also provided the researchers with more up-to-date information and information that may not have been obtained by previous data collecting methods. The targeted respondents for this research are four senior managers at Equity holding who sit in the board and are involved in strategy namely, marketing director, chief of operations and head of finance, ICT manager and Human resource manager. To ensure that the investigative tool gets the information required from the participants, the researcher was asked open questions that, if the response was not evident, prompted more inquiry. The researcher conducted the interviews individually. Please maintain a record of all questions posed and their answers to these inquiries.

3.4 Data analysis

The interview guide's data was examined qualitatively so that we could make generalizations about how the categories of data were linked. Researchers could describe, interpret, and criticize their research topic qualitatively because doing so quantitatively would be difficult to achieve. In order to conduct a qualitative analysis, the content analysis was used.

In order to assess the answer, make conclusions and draw suggestions, content analysis was utilized. The content analysis included familiarizing the data, assigning preliminary data codes to represent the content, looking for patterns or themes in the codes via the many interviews, examining themes, defining and identifying themes, and finally drawing conclusions.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The data evaluated with the use of content analysis and a discussion of the research results are described in this chapter. This was accomplished thanks to the study's goal of analyzing the impact of E-Commerce initiatives on competitive advantage at Equity Banking Limited. The researcher planned to interview five heads of departments who all turned up for the interview secessions. However, two heads of departments (finance and operations) delegated the interview process to their assistants.

4.2 Demographics of Respondents

The interviewees worked in the following departments: Marketing, Research & Development, Strategy & Finance and Information Technology. These departments were thought to be relevant to matters of implementation of E-commerce strategies and competitive advantage. Interviewees' held the following positions in the Bank Head of Marketing, Head of products, Head of Finance and the Head of Operations. These categories of employees were directly involved in key decisions on the implementation of E-commerce strategy and its contribution to ICT innovativeness. Two of the interviewees' had first-degrees from distinguished universities while the rest had masters' degrees. This meant that they were qualified and hence understood the questions posed by the interviewer and were in a better position to provide responses that matched the set out study objectives.

Interviewees' worked for a duration that exceeded 10 years in the Bank. This implied that they had an elaborate experience with the bank processes and procedures and thus they were in a position to provide the researcher with accurate and reliable information. It was also reported that the interviewees had served in their recent positions for a period that exceeded 12 years meaning that they had a wealth of experience on E-commerce strategy.

4.3 E-commerce Strategies

The researcher sought to find out the how e-commerce strategies adopted at Equity Holding Limited and their impact. The respondents indicated that there are general technological changes which have taken place in Kenya and have impacted the banking industry as a whole which translates to impact on Equity Holding Limited. Equity Holding Limited has adopted internet connectivity in its operations. The whole Bank is connected through the Internet enabling data transfer from one point to another, data storage, analysis and presentation of the data. It has internal e-mail system where each employee has an e-mail address to ease the flow of information. It also has systems that are used in daily operations like the human resource system; one can use it to administer any human resource related issues like booking for leave, applying for a new position, checking job descriptions, remuneration, other rewards offered by the employer. This in return saves on time and meets the needs of employees thus they can be able to perform their duties in a satisfactory way.

Internet is an information infrastructure which has been brought about by technological change. It enables multiple networks to interconnect globally, thus enabling the transfer of data from one point of the globe to another. The introduction of Internet has made the world a small village where distance is no longer a hindrance to communication. Internet thus has been adopted by the banking industry in linking their banking systems and enabling faster communication. Transfer of data from one banking branch to another, banking meetings through telephones, teleconferencing, despite the distance between the Bank's branches has also been brought about by the Internet.

Introduction of Information communication systems has also impacted the Bank. This is because of the adoption within organizations'. Having internal mail systems, management information systems which have all management data like performance summaries, financial performance. One of respondent said that "*systems to do analytics in banks like tally data and figures, generating reports, give feedback. Some examples could be knowledge work systems to support professional workers and employees, decision support systems which analyze data and are used in decision making, office automation systems, transaction processing systems for banking operational systems to* *keep track of transactions and other elementary activities".* The Information communication systems are also used to link the banks.

Social media is a result of e-commerce where online communication channels are in a collection dedicated to interaction, social networking, sharing ideas, opinions and forums. It is also used to pass information. In the banking industry majority of the stakeholders participate in the social media, thus causing it to impact the Bank largely. The customers, shareholders, distributors, suppliers and even creditors tend to be involved in social media. One of the respondents said that the "*majority of people in Kenya are on the social media platform having accounts on facebook, twitter amongst others. Equity Holding Limited limited has also adapted to this by having its own facebook page and twitter where they are able to advertise their new products to the clients and even create awareness of the services they offer*". They may also respond to client questions and provide answers as necessary. This has given the Bank an opportunity to be a part of the daily activities of their clients, thus expanding their market base and clientele.

With E-commerce has come to a lot of innovation and invention of machinery, which is meant to increase productivity and reduce the time taken for production. In the banking industry, there have been several types of machinery introduced due to technological changes. It was indicated that "*equity bank limited adopted use of computers as opposed to writing manually or using a typewriter, there is also use of specialized scanners like cheque scanners for validating and recording cheques, money counting machines, and even automated teller machines (ATM)."* To enhance security, the Bank has seen security cameras being invented and installed in the Bank. This introduction of advanced technological machinery has had a huge impact causing changes in the banking sector.

Equity Bank has adopted the latest technological machinery in its daily operations. One of the respondents said that "*Each branch has several computers for use by their staff in data entry, processing data, storing data, communication and other processes. This makes processes fast and efficient. They have scanners for scanning documents either to be sent elsewhere or to be stored".* They have cheque readers to validate cheques, photocopiers, and money counting machines. They have gone ahead to even acquire air conditioning machines that regulate air temperatures in the banking halls, ensuring customers are comfortable.

In terms of securing the Bank, Equity Bank has adopted high technology security cameras which are well situated in the banking halls and their offices to ensure that the security measures are upheld. The interviewees unanimously concurred that "*the cameras are connected in a way that a security officer can be able to monitor activities even when not situated at that specific branch. This in turn gives the clients confidence with the Bank that their money and other transactions are safe"*. Another security facility is the access of the banking offices, especially where only the staff members or authorized personnel are meant to access. The doors have an inbuilt facility that allows only specific authorized personnel to open them. This authorization can be reviewed from time to time to ensure maximum security. The bank vaults are also technologically advanced because of the security of the money and other contents in them. They have systems that control and monitor them to ensure they are functioning properly.

Equity Holding Limited has also invested a lot in automated teller machines (ATMs). One of the respondents said that "*the Bank has 135 branches in Kenya and every branch has either one or more automated teller machines. This makes it convenient for customers to withdraw money or check their balances without having to queue in the banking hall to see a teller. This has improved the service and made it very fast*". This has given Equity a competitive advantage over other banks, which have fewer automated teller machines. This is because many people prefer accessing the ATMs near their workplaces or homes to avoid the hustle of going to the banking halls within banking hours.

To deal with technological developments, Equity Holding Limited has utilized the release of new goods as a strategy. These new products are not only technologically innovative, but they also help the Bank compete with its competitors. The Equity Auto-branch Visa Card is one of its offerings. The interviewees unanimously concurred that "*with technology came the ATMs which has to the introduction of debit cards but overtime the previous Magnetic strip cards had to be out faced due to security reasons. This has led* *them to introduce the debit card which has the Europay, MasterCard and Visa (EMV) technology*". These cards also have the chip and PIN (Personal Identification Number) technology. It authenticates credit and debit card transactions and also ensures security and that the card has global interoperability of chip-based payment cards. This has opened up the opportunity for online payments and also swiping the debit and credit cards at pay points like supermarkets, petrol stations, and others.

Online banking is also another product that has been introduced due to technology. Equity Holding Limited limited has very efficient online banking, which enables their clients to check their account balances, view and print account statements, transfer funds, manage standing orders, make online payments, among other services. Their online banking service is available 24hours in a day, making it convenient for customers who are in different time zones. It also benefits business customers by allowing them to conduct large-scale compensation payments and transfers promptly and efficiently. The Bank has also introduced 'Eazzy 24/7,' a mobile banking service. Customers may use their mobile phones to access their bank accounts as long as they are connected to one of Kenya's licensed communication service providers. This has brought about convenience and efficiency to the clients.

Other products introduced include Equity Agency banking. The agents are contracted by the Bank to conduct certain services on their behalf of the Bank. They may use technology to link to one's bank account and make withdrawals and deposits. This allows financial services to be accessed from even the most distant locations. It saves money while ensuring accessibility. It was indicated that "*the Bank also offers security services to clients like SMS (Short Message Services) and e-mail alerts on transactions in one's account. This is automated and it acts as an informant to the client to ensure that they are aware that certain transactions are taking place at the given time"*. The call center service has been enabled by technology where the clients can reach the Bank for queries over the phone for 24 hours a day. This is convenient and very efficient and leads to faster solving of issues presented.

E-commerce has brought about partnerships between Equity Holding Limited and the communication industry in order to make it possible to introduce certain services. Leading communication firms like Safaricom, Orange, Yu and Airtel have dominated to the money transfer services in Kenya. The firms utilize their high number of customers to tap the vast money transactions undertaken by their customers. One of the respondents said that "*Equity Holding Limited limited has partnered with each of these companies to enable all clients who have bank accounts with them can have access to transact money through their mobile network services*". Another collaboration is with Airtel, which has introduced a thin SIM that will provide phone, broadband, and mobile money transfer services. The clients can now purchase the SIM (Subscriber Identification Module) cards and use them for their transactions. The paper-thin card will enable the Bank to offer communication and banking services. The commercial Bank also seeks to launch and equip its Mobile Virtual Network Operator (MVNO) across the country. This is a strategy which is putting the Bank at a higher competitive level against its rivals.

Other partnerships include the partnership with MasterCard to issue millions of debit and prepaid cards with chip-enabled technology in order to ensure high client information security on the cards and make online payments more efficient. It has also partnered with Pay pal Limited to make it easier for clients to make payments across the globe and also withdraw. It is also able to auto-convert those funds into a different.

4.4 E-commerce Strategies and Competitive Advantage

The adoption of e-commerce strategies has enabled equity bank to minimize customer complaints. Today, equity bank has significantly minimized its customer complaints. The Bank has very strict Policies especially on selling wrong products to clients; matching products to account holders. One of the respondents said that "*When offering Products to the clients, there are preconditions that the clients have to meet to qualify for a certain product, for example a premier account that charges KES. 3100 a month can only be sold to a client earning a net salary of KES. 300,000.00 or more*". A student account, on the other hand, can only be offered to individuals who can prove that they are students at a college or university by providing a student I.D. for identification, accompanied by a national I.D. or passport depending on whether they are Kenyans or not.

The interviewees unanimously concurred that through e-commerce, equity bank has increased value for its products and services. It also designed products and services based on the needs of its customers. Equity bank reviewed its products regularly to identify any gaps that might arise, and to fill those gaps in terms of satisfaction. The staff are required by the Bank not only to explain the products and services to the customers but also to understand them and their business better in order to advise them accordingly and match the bank solutions to the unique needs of the customers. Some of the improvements in customer satisfaction that equity bank has made included the Bank's net promoter score that improved over the last 2 years, as at September 2017, it was at 60 Percent up from 40 Percent. More customers felt that they would recommend Barclays to their counterparts because of the satisfaction that they got. The number of customer complaints significantly declined over the last two years, this was an indication of improved customer satisfaction.

At the lending or credit department, you find that there are systems which have client details, their banking history and their creditworthiness. This is used by the analysts in making decisions on how to give credit facilities to clients. Other systems enabled by the Internet include procurement systems, suppliers, distributors, and other stakeholder’s management systems. One of the interviewee’s respondent that “*Internet has also made communication at Equity Bank faster and easier. The staff are able to hold meetings from various parts of the world through teleconference without meeting physically. They can also pass communication to a large number of people like employees or clients through calls, e-mails in a very short period of time*". The Internet has provided Equity Bank with a way of communicating without incurring high costs, faster and more efficiently. This has also made communication more efficient and thus with better services, they are able to meet the needs of their clients and remain competitive.

The adoption of e-commerce strategies has changed the customers' perception about the Bank's products and services, today, customer's feel that equity bank listen and act on their needs. Equity bank is amongst the large tier commercial banks, for a long time, people felt that the Bank targeted the high-end clients due to the nature of its products and its pricing model. However, with customer learning, the Bank has customized its products and services to the specific needs of different Market Segments and Clients; From the Mama Mboga who earns below Seven Thousand Shillings in a month, to the CEO who Earns Millions, from the NGO that depends on donations to run the Organization and the Multi-Million Shilling Companies. Customers feel satisfied and happy, with a wider variety of products and services, customers can now choose products and services based on their needs.

4.5 Discussion of Findings

The study found out that Equity Holding Limited has adopted a number of e-commerce strategies for instance internet that has enabled it to become more advanced technologically in aspects of machinery and systems that they used. In addition, the Internet has made it possible to introduce more competitive products which make it easier to serve clients. These products are more likely to focus on providing a one-of-a-kind service or improving efficiency in a way to lure a huge client base. These results coincide with the observations of Christensen and Methlie (2003) who argued that through e-commerce strategies, firms were able to offer value adding products and services and this contributed positively towards customer satisfaction.

The data show that Equity Holding Limited has used e-commerce strategies in order to remain competitive. This is in keeping with Porter's (1986) argument that companies should develop strategies that allow them to take strategic initiatives and sustain a competitive edge in the market. The findings are similar to those of the other studies presented in the literature review, which show that a company can gain a competitive edge by constantly responding to new in exterior trends and events, as well as internal analysis, competencies, and assets, and by efficiently constructing, trying to implement, and assessing strategy that takes advantage of those factors (Mintzberg, 1994).

The results are also consistent with research conducted by Ombati & Ogutu (2010), who found that commercial banks are using advances in communication technologies and online devices, such as mobile phones, to expand their client base. They explained that this makes it easy to obtain a lot of information, including interest rate fluctuations and other numerical data. Consumers are finding it simpler to get information from commercial banks by using self-service portals. Kenya's economy has benefited greatly from the use of technology in the online banking industry.

With the introduction of each new product by Equity Holding Limited, technology has shown to be highly dynamic, and in order to stay relevant, it must evolve swiftly. This is in line with the results of Kim, Nam, and Stimpert (2004), who underlined the importance of speed in gaining a competitive edge. They found that during the previous two decades, the velocity and intensity of change in global corporate environment had accelerated considerably. Change is occurring at the same pace as technology for Equity Holding Limited Kenya. They are not lagging behind their competitors since they are keeping up with the times. As a result, they have a competitive advantage in the industry.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the results from the preceding chapter, which were conducted in accordance with the study's goal of identifying the impact of E-Commerce tactics on competitive advantage at Equity Banking Limited. The following topics were covered in this study: a summary of results, a conclusion, recommendations, study limitations, and future research ideas.

5.2 Summary of the Findings

From the study findings, it was revealed that Equity Holdings Limited originated from Kenya and now is amongst the largest banks in Africa with regards to customer bases having over 8 million customers. Its mission is to support Africans' socioeconomic success, and as a result, it has grown within its region, with headquarters in Nairobi, Kenya, and subsidiaries in Tanzania, Rwanda, South Sudan, and Uganda. It offers financial services through a large network of branches, as well as delivery channels such as Visa-branded Automated Teller Machines (ATMs), Points of Sale (POS) where customers can shop, pay, and withdraw cash in major retail outlets, Internet and mobile banking channels, and Agency outlets.

In order to keep up with the technological advancements, Equity Holding Limited has used many e-commerce methods, according to the report. One of the most important steps in technology adoption is internet access. The Bank can link all of its branches to the Internet and create technologies that will make bank operations simpler, more efficient, and accurate. As a result, the Bank's bulk and erroneous activities will be reduced. Internet access improves communication among workers as well as with external stakeholders like customers, distributors, shareholders, creditors, and others.

According to the report, in order for a bank to stay relevant in its market and gain a competitive edge, it must be quick to adapt to these changes. With the implementation of new sophisticated technical apparatus, Equity Holding Limited accepts this. To be more efficient, it abandons the manual manner of doing things and replaces it with technology such as computers, photocopiers, scanners, cheque readers, high-security vaults, and money counting devices, among other things. It guarantees that it has gear in place that will make bank operations easier as well as safer and more precise.

The launch of new goods and services is also characterized by speed. The research reveals that as e-commerce evolves, the sector evolves as well, resulting in the introduction of new items to customers. Equity Holding Limited isn't left out of the picture. It swiftly launches technologically appropriate goods such as EMV debit cards, internet banking, mobile banking, and agency banking. It has also taken use of the open platform provided by social media to market its goods, communicate with customers on a personal level by answering their questions and resolving any concerns that may arise. As a result, it has been able to address a lot of questions and help customers feel more at ease and confident in banking with them.

5.3 Conclusion

Equity Holding Limited is a commercial bank that offers financial services to consumers in Kenya and the rest of the region. Internet access, contemporary technical equipment, digital advertising, the development of new goods and services, and partnership with other businesses are some of the competitive methods it has chosen to cope with technological innovation.

E-commerce tactics have improved long-term competitiveness in areas such as service quality. The services that are presently available are more efficient and quicker. Because the systems are digital, there is less reliance on paper, allowing procedures to move more quickly and easily. Clients no longer need to visit their branches for services; instead, they can conduct business from the comfort of their homes or offices using mobile and online banking. The methods have also enhanced the services by allowing them to communicate with their consumers via a platform. This may be done via social media, customer service, or effective and quick contact centers. The Bank has also been able to introduce new products as a result of its competitive initiatives. These products have continued to offer value to the company as well as the organizations with whom it collaborates.

5.4 Recommendations

The researcher makes some suggestions based on the results of the literature review and the study. To begin with, technology is here and it is dynamic. Every day, fresh ideas emerge, resulting in inventions and innovations. As a result, the banking sector must implement e-commerce techniques. This will help banks retain societal relevance while simultaneously preserving a worldwide competitive edge. They must embrace speed in order to keep up with the rapid pace of technological developments.

E-commerce strategies have a good and considerable impact on competitive advantage, according to the findings. As a result, managers of the Equity bank are urged to innovate their products and service offerings on a regular basis. Equity bank should upscale resources in development and research so that their products are of a better quality and diversity.

The study also recommends the industry maps out specifically what aspects of E-commerce strategies are relevant to their industry and invest heavily into those aspects so as to be competitive. Equity bank need to have structural reforms so that to be competitive in the Kenyan market.

5.5 Limitations of the study

In this research, there were some challenges. These challenges had to be countered by the researcher in order to get the information required. The main challenge was the availability of some respondents. Being executive managers of the Bank, finding time to interview them was not easy considering their busy schedules. In order to counter this challenge, several cancellations and rescheduling of interview meetings had to be done.

Information pertaining to strategic choices is always handled with care. Respondents also worry that the information they provide may be leaked to rivals. This made it difficult to persuade responders of the need of providing honest responses to the interview questions. In this case, the researcher had to inform the respondents that the purpose for the research study being carried out was for academic purpose only and not for investigation.

5.6 Suggestions for Further Studies

In addition to the findings of this study, further studies could explore several other areas. The goal of this research was to find out what competitive tactics Equity Holding Limited used to deal with technological developments. A study of the competitive tactics implemented by these firms is necessary, given the contextual distinctions of diverse organizations as a consequence of their mission and vision.

Another area of study could be on the partnerships being established between the banks and other organizations in different industries to cope with technological changes. We have seen especially the communication industry partnering with the banking industry. The study should establish if this is a sustainable strategy or it is affected by the dynamics of technology thus creating more threats.

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Appendix I: Interview Guide

Section A. Demographic Information

i. Which department do you belong to?

ii. Which position are you in?

iii. What is the highest level of education you have achieved?

iv. How long have you worked for this organization?

v. How long have you worked in your current position?

Section B: E-commerce Strategies and Competitive Advantage

1. What e-commerce changes have impacted the Bank?

2. What effect did these e-commerce changes have on your organization?

3. What effect did these ecommerce changes have on your customer base?

4. Did the same e-commerce changes affect all other banks in the industry?

5. What strategies did you adopt to counter this?

6. How long did it take you to adopt these strategies?

7. What were the challenges in implementing the strategies?

8. How long have will it take for the full implementation of the strategies?

9. How is your department directly linked with the implementation?

10. How effective do you find your approaches in dealing with challenges?

11. What was the response of your competitors to the same e-commerce changes?

12. Does your vision, mission, and values blend with the strategies and if so, how?

13. Have you done any restructuring since you adopted the new strategies?

14. Did you have to come up with training programmes for your staff concerning the new strategies?

15. How are you dealing with the competitors outside your industry like the communication companies who are posing threats to your Bank by introducing mobile banking?

16. With the constant changes in technology, what long term plans do you have to ensure you are ahead of your competitors?

17. Do you intend to introduce any new products any time soon in line with your e-commerce strategies?