

**CORPORATE STRATEGY AND MARKETING OF
PRODUCTS AND SERVICES AT KENYA COMMERCIAL
BANK LTD**

BY

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DECLARATION

This project is my original work and has not been submitted to any other university for the award of a degree

SignatureDate.....

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This Project has been submitted for examination with my authority as the university supervisor

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DEDICATION

I dedicate this document to my children who believed in my capacity , diligence and ability and whose words of inspiration and encouragement were a constant reminder that I owed it to myself and them to succeed, **Over to you** I have set the standard. Gratitude God bless You.

ACKNOWLEDGEMENT

I thank God for giving me the opportunity to pursue my studies at the University of Nairobi. His grace has been sufficient enough in seeing me through this course. My gratitude also goes to my supervisor, Prof. Martin Ogutu who tirelessly guided me through this research project. Without his guidance it would have been difficult to complete this project . God bless you,.

ABBREVIATIONS AND ACRONYMS

KCB:	Kenya Commercial Bank
CBK:	Central Bank of Kenya
PWC:	Price Waterhouse Coopers
GE:	General Electric
SWOT:	Strengths, Weaknesses, Opportunities and Threats

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ABSTRACT

Banks offer a wide range of products and services to personal and business customers; some of these products and services such as bank account, guarantor-ship, and investment advisory are needed by an appreciable number of customers. Banks need to take into consideration the process of marketing when developing their corporate strategies. This will aid in improving banks performance. The purpose of this study was to establish the role of corporate strategy in marketing of products and services at Kenya commercial bank ltd. The study had two objectives to be met: to determine the strategies adopted by KCB in marketing its products and to establish the role of corporate strategy in formulating the marketing strategies. Data was successfully collected from 10 senior

managers of Kenya commercial bank limited who work in the marketing and strategic planning departments through interview guides. The study revealed that KCB has several products that are tailored towards the needs of various customers. The marketing strategies used include using the KCB band name; sponsorship of activities among others. The marketing strategies are developed from the corporate strategy of the bank. The study recommends that it may be significant for the bank to try branding various products under different brand names in order to achieve greater results and that the bank should be encouraged to enhance the use of internet in marketing its products in order to reach most of the modern customers who happen to be techno savvy. The bank can also explore the possibility of leveraging on mobile marketing to enhance its marketing strategies.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Banks offer a wide range of products and services to personal and business customers; some of these products and services such as bank account, guarantor-ship, and investment advisory are needed by an appreciable number of customers, but many other products and services such as import/export services, money transfers, credit cards and among others have to be brought to the attention of potential users, who then must be persuaded to use them (Abolaji, 2009). According to Soyinbo (1988) as quoted by Oke (2012), many products and services offered by banks are also offered by rival business enterprises. Building societies have developed customer accounts which are similar in many ways to a bank account. Thrift and cooperative societies provide lending services to their numerous members and indirectly to the society at large. Solicitors act as executors, and trustees and accountants give advice and so on. This implies that banks not only compete with each other but also have to contend with challenges from other types of organization in the market. To do this successfully, banks need to take into consideration the process of marketing when developing their corporate strategies. This will aid in improving banks performance.

According to Collis et al. (1992), corporate strategy is concerned with deciding on the kind of businesses an organization engages in and the structure and management of the overall activities. As noted by one of the pioneers of strategic management, Kenneth Andrews, corporate strategy is the pattern of major objectives, purposes or goals and

essential policies and plans for achieving these goals, stated in such a way as to define the nature of the business the company is in or is to be in. It is also argued that corporate strategy describes a company's overall direction in terms of general attitude toward growth and management of its various business and product lines. The corporate level strategy is therefore responsible for defining the firm's overall mission and objectives, validating proposals emerging from business and functional levels and allocating resources with a sense of strategic priorities.

1.1.1 Corporate Strategy

According to Karami and Analoui (2003), corporate strategy is the selection and development of the markets or industries in which a firm competes. It deals with what industries or markets a firm seeks to compete. Porter (1996) points out that corporate strategy gives the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations.

Frambach and Nijssen (2001) note that a great corporate strategy begins with a vision of how a company's resources will differentiate it from competitors across multiple businesses. Further, the authors argue that a good corporate strategy also articulates the mechanisms that the company must embrace in order to accomplish its vision by indicating clearly the kind of coordination and control that the company must provide in order to effectively deploy its resources.

1.1.2 The Concept of Marketing

Marketing has several definitions that have kept on changing over time. The traditional definition of marketing refers to marketing as a business activity that is carried out by business organization. This definition implies that business organizations exist for the sole purpose of satisfying human material needs. Another definition refers to marketing as an exchange process that involves two parties who are willing to part with something of value in the process. Kottler also defines marketing as a social process through which individuals and even groups obtain what they want through the creation, offering and exchange of products and services of value with others (American Management Association,n.d).

The marketing concept emerged in the 1950s with the aim of orienting a firm completely to its customers. Important in the development of the marketing concept was the need for each and every department of an organization to focus on the customer if an organization has to be successful. The marketing concept requires that all departments of an organization must make decisions after carefully evaluating the marketing implications of such decisions. This does not however mean that the other departments are not important but rather indicates that marketing plays a central role in the success of an organization (American Management Association,n.d).

1.1.3 Corporate Strategy and Marketing of Products and Services

Corporate strategy plays a very crucial role in marketing of the firm's products and services. This is because the company's corporate strategy serves as a basis of formulating its marketing strategy. According to Ingram et al. (2009), marketing strategy

is a functional strategy that emphasizes the implementation aspect of corporate strategy. Proctor (2000) points out marketing strategy bridges the gaps between corporate strategy's decisions for creating customer value and filling in the marketing mix to realize it at the customer's end. It mainly involves segmentation, targeting and positioning as well as the consistent filling in of the marketing mix instruments to create customer value in line with the general decisions made at the corporate business levels. This implies that corporate strategy serves as a basis of originating the company's marketing strategy which determines the mechanisms a company uses in advertising its products and services to target customers.

Frambach and Nijssen (2001) observe that the firm's corporate strategy covers both the content of the marketing strategy and the management of the tasks involved. Marketing as a main supplier of market information is an important partner in the corporate strategy formulation process. Furthermore, as it is marketing's task to keep track of trends and market opportunities for instance identifying potential customers and new customer needs. An organization therefore uses the marketing strategy in order to appeal and approach customers and differentiate itself as well as deal with competitors. Proctor (2000), argues that in order for an organization to achieve its marketing objectives, it develops a marketing strategy that enables the firm to identify and analyze a target market and develop a marketing mix to satisfy individuals in the market. This is because the marketing strategy provides a firm with a plan of action for developing, distributing, promoting and pricing products that meet the needs of the target market.

Bruner et al. (2003) points out that an organization's corporate strategy ultimately yields the marketing strategy i.e. the framework for a market plan. The adherence to the firm's corporate strategy when developing the marketing objectives and strategies for the firm's products and services ensures that the marketing objectives are designed so that their achievement contribute to the corporate strategy and can be accomplished through efficient use of an organization's resources. Ferrell (2009), asserts that the strategies for marketing the company's products and services are best formulated when they reflect the overall direction of the organization and are coordinated with all the firm's functional areas. Thus, a great corporate strategy enables a company's management at the functional level of marketing to get insight into the needs of current customers and competitors and to scan the relevant business environment for future opportunities. This enables the company's marketing department to interpret the environment and to make decisions regarding the key customers to serve, the competitors to challenge and the bundle of product or services attributes to assemble for the marketplace.

1.1.4 Kenya Commercial Bank Limited

The Banking industry in Kenya is governed by the Companies Act, the Banking Act, the Central Bank of Kenya Act and the various prudential guidelines issued by the Central Bank of Kenya (CBK). The banking sector was liberalised in 1995 and exchange controls lifted. The CBK, which falls under the Minister for Finance docket, is responsible for formulating and implementing monetary policy and fostering the liquidity, solvency and proper functioning of the financial system (PWC, 2012). Players in this sector have experienced increased competition over the last few years resulting from increased innovations among the players and new entrants into the market. Among these

innovations include moving from the traditional decentralized banking to one branch banking that has been enabled by integration of various business functions. Kenya commercial bank limited operates under this environment being one of the 47 commercial banks operating in the country (PWC, 2012).

The history of Kenya Commercial Bank (KCB) dates back to 1896 when its predecessor, the National Bank of India opened an outlet in Mombasa. Eight years later in 1904, the Bank extended its operations to Nairobi, which had become the Headquarters of the expanding railway line to Uganda. The next major change in the Bank's history came in 1958. Grindlays Bank merged with the National Bank of India to form the National and Grindlays Bank. Upon independence the Government of Kenya acquired 60% shareholding in National & Grindlays Bank in an effort to bring banking closer to the majority of Kenyans. In 1970, the Government acquired 100% of the shares to take full control of the largest commercial bank in Kenya. National and Grindlays Bank was renamed Kenya Commercial Bank (www.kcbbankgroup.com).

KCB is currently the largest bank in East and central Africa in Asset base and profitability. The bank has in the recent past opened subsidiaries in all the East African branches, South Sudan and is finalizing arrangements to venture into Ethiopia. This ambitious expansion is a clear indication that the bank has in place a successful marketing strategy that enables it to market its products to the customers.

Kenya commercial bank offers its customers a variety of products which include: credit card services; foreign exchange transactions; custodial services; letters of credit; a variety

of accounts tailored towards various needs of the customers; mobile banking services; secured and check off loans; electronic funds transfer both locally and internationally through swift transfers; bank guarantees; microfinance services and debit card services just to mention but a few. All the above services must be marketed by the bank in line with its corporate vision of becoming the best bank in the region (www.kcbgroup.com). The bank however faces some other challenges such as rising regional insecurity; stiff competition from upcoming banks and these affect the type of marketing strategies they adopt so that they can maintain their market share.

1.2 Problem Statement

The corporate strategy of an organization is a very significant determinant of its business level strategies. The corporate strategy guides to a very large extent the content of the business level strategies. Service organizations that have increased their involvement in marketing realize that it is not simply enough to hire a marketing director but the entire corporate culture must change if they have to be market driven. According to Berry and Parasuraman (1991), in service businesses the least effective marketing department executives strive to be clever marketers; the most effective executives strive to turn everyone else in the organization into clever marketers. Part of the impetus for service organizations to change their missions has been the dramatic increase in competition. Competition has increased not only in number but also in form. A strong mission of service is a good starting point, but successful service companies have also been changing operational policies and organizational structures to achieve their marketing strategies (Linda, 1995).

The Commercial banking environment in Kenya has been faced with stiff competition thus making most of the banks to review their corporate strategies in order to keep up with the competition. A review of the corporate strategy affects the business level strategies such as marketing. As most Kenyan banks expand into the East African region in order to tap into the larger East African market, their marketing strategies are also changing. There are a number of studies that have been carried out on marketing strategies. For instance Valarie et al (1985) conducted a study on the problems and strategies in marketing of services. The study concluded that the marketing of services is becoming a very important aspect of marketing. According to a study carried out by Linda (1985) on the Trends in Marketing Services, Service marketing differs from product marketing due to the fact that services are intangible and typically require personal interaction with the customer hence the reason why quality of this service interaction becomes an important subset of marketing strategy.

Although there is evidence of research on the strategies of marketing services, it is still clear that there is little known research on the role corporate strategy plays in coming up with these strategies. There is need to conduct a study to find out how corporate strategy shapes the marketing strategies of organizations. This study therefore sought to address this gap by conducting an investigation into the role of corporate strategy in formulation of successful marketing strategies in KCB. The study sought to answer the following questions: What are the strategies adopted by KCB in marketing its products? And what role does corporate strategy play in formulating the marketing strategies?

1.3 Research Objectives

The study sought to achieve the following objectives

- i. To determine the strategies adopted by KCB in marketing its products
- ii. To establish the role of corporate strategy in formulating the marketing strategies

1.4 Value of the Study

The findings of this study will be beneficial to a number of people. The findings of this study will be able to contribute to the existing knowledge on corporate strategy. It will also assist to confirm the fact that business level strategies are drawn from corporate strategies of organizations.

Academicians who may be interested in conducting research on the role of corporate strategy in marketing of company products will also find the research beneficial to them. It will serve as a point of reference as they conduct their studies. Other institutions such as commercial banks will be able to benefit by getting a better understanding of the need for a clear corporate strategy as a guideline in crafting other business level strategies.

The policy makers at Kenya commercial bank as well as the entire banking industry in Kenya will also get a better understanding of the corporate strategic planning concept and where it converges with functional strategies such as marketing.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of the literature on corporate strategy and marketing of products and services. The sequence of the information presented in this chapter is as follows: Overview of corporate strategy; Marketing of products and services as well as the role of corporate strategy in designing marketing strategies. The last part of this chapter summarizes the discussions contained in the literature review.

2.2 Theoretical Foundations

There are a number of theories that seek to explain marketing of products and the strategies that organizations employ in order to market their products and services. One of such theory that is relevant to this study is the diffusion of innovations theory that was developed by Rodgers (2003). Initially Rodgers used technology and innovations as synonyms but the theory has been used to explain adoption of other products and services into the market. The theory assumes that diffusion is the process in which an innovation is communicated thorough certain channels over time among the members of a social system. For diffusion of innovations to be successful, there must be adoption of the same which involves the process of deciding whether to adopt a product or service. Every product or service has different categories of adopters including those who chose to adopt early (Sahin, 2006).

The diffusion of innovations theory further suggests that there are four main elements that are essential in the diffusion process. The first element is the innovation which is referred to as an idea or something that is considered new or different from the already

existing ones. If there is an innovation, there must exist communication channels that allow or enable participants to share or exchange information (Rodgers, 2003). The other important element is time factor since diffusion largely depends on the time when it takes place. The last element suggested by the theory is the social system which is a set of interrelated units joined together for the purpose of problem solving in order to achieve a common objective.

2.2 Overview of Corporate Strategy

There are several definitions of strategy. Chandler (1962) defines strategy as the determinator of the basic long term goals of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals. According to Mintzberg (1979) strategy is a mediating force between the organization and its environment and has to be consistent with streams of organizational decisions to deal with the environment. Prahalad (1993) also defines as allocation of resources or stretch and leveraging of resources. Porter (1996) equally defines strategy as being different from your competitors in the industry. He further argues that it involves deliberately choosing a different set of activities to deliver a unique mix of value to the organization.

The concept of strategy has its origin in the military realm. The term *strategy* was formulated from a Greek word *strategeos* which means a “military general”. The Greek Verb *stratego* means to put a plan in place for the destruction of one’s enemy through effective utilization of resources. After the Second World War in 1945, the concept of strategy became more relevant as business firms moved from relatively stable to more turbulent and competitive environments. These rapid changes in the environment were

attributed to application of science and technology in management of firms and accelerated change emanating from within business firms. Many authors including Michael porter have written about the concept of strategy since its inception (Bracker, 1980).

The strategic management process can be divided into three phases: The formulation phase is a strategy that aims at ensuring that organizations achieve their objectives (Certo and Peter, 1991). David (1997) stated that strategy formulation include deciding which business to pursue, how to allocate resources without hostile takeovers and whether to enter international markets. He also added that strategy formulation phase comprises development of a mission statement, identification of external opportunities and threats, determination of internal strengths and weaknesses, establishing long-term objectives, generating alternative strategies, and choosing the best strategy to be implemented. Second is the implementation phase that initiates activities in accordance to strategic plans (Sharplin, 1985). This requires firms to establish objectives, devise policies, motivate employees, and allocate resources to execute formulated strategies.

The importance of a strategy in a firm can be answered by analyzing the relationship between strategic management and organizational performance. Generally strategic management practices can improve efficiency in various organizations (Bakar et al., 2011). A strategy is designed to effectively relate the organization to its environment internal and external environment. Bracker (1980) argues that the major significance of strategy is that it gives organizations a framework for developing abilities for anticipating

and coping with change in the environment. Backer further indicates that a strategy helps an organization to deal with future uncertainty by defining goal accomplishing procedures.

For an organization to come up with a strategy, a number of steps have to be followed. Scribner (2007) suggests that the first step in the strategic management process is to get agreement not only to carry out the process but also to get agreement on how and when and by whom it will be carried out. Since the strategic management process is not a one-shot exercise, commitment to the longhaul is vital; without commitment, the exercise will be sterile and likely regarded as a waste of time. Who should be included in the strategic management process? At least three different types of individuals should be considered for inclusion: the organization's top decision-makers and those officials who will have direct responsibility in implementation of policy; those who have a major stake in the outcome of the policy, whether from within or outside the organization, whether supportive or oppositional, clients or resource suppliers; and those with specialized knowledge that can add to the analysis of the policy to be decided or implemented.

Identification of the organization's internal strengths and weaknesses is the next important step in the strategic development process. Analysis of resources by itself is not sufficient, the organization must also look at its task performance in order to what tasks it does well and which it does not. This will give a better idea of how the organization's resources are organized and how effectively those resources are put to use. An organization may well have excellent research skills, but if its primary tasks are in service

delivery, then such skills may be more a weakness than strength. It is also important to address the strengths and weaknesses. This is followed by assessment threats of and opportunities such as political, economic, social, and technological changes will influence the direction and shape of an organization's policies and objectives. What are the major trends that can be detected in each of these areas that will have some bearing on the activities of the organization? (Scribner, 2007).

The next step is the identification of identification of key constituents and stakeholders, their expectations and resources. This is followed by identification of key strategic issues. Strategic issues are the principal problems that must be dealt with effectively or the organization can expect undesirable results. The effective treatment of strategic issues can signify fundamental change in how the organization goes about its business. Design, analysis, and selection of strategy alternatives and options to manage issues identified is very paramount. The second last step is to implement the strategies and finally do monitoring and evaluation of the performance (Kiggundu, 1996).

2.2.1 Levels of Strategy

Thenmozhi (2010) indicates that there are three levels of strategy. Corporate strategy describes a company's overall direction in terms of its general attitude towards growth and management of its various business and product lines. Corporate strategy deals with three key issues facing the corporation as a whole. The first issue deals with the direction the firm is to take. The firm's overall orientation towards growth, stability and retrenchment. The two basic growth strategies are concentration and diversification. The growth of a company could be achieved through merger, acquisition, takeover, joint

ventures and strategic alliances. Turnaround, divestment and liquidation are the various types of retrenchment strategy.

The other important issue that the corporate strategy addresses is the portfolio of the company. This is done by analyzing the industries or markets in which the firm competes through its products and business units. In portfolio analysis, top management views its product lines and business units as a series of portfolio investment and constantly keeps analyzing for a profitable return. Two of the most popular strategies are the BCG Growth Share matrix and GE business screen. The corporate strategy also examines how coordination of activities and transfer of resources and cultivation of capabilities among product lines and business units are conducted (Thenmozhi, 2010).

Jones (2007) asserts that business level strategy is very important to an organization. Senior managers involved in the development and implementation of business level strategies are tasked with identifying the core competencies within the various functional departments of the company and combining them in a way that provides the company with the best opportunity for achieving and sustaining a competitive advantage in its chosen environment. The key choices that must be made when setting business level strategy include: selecting the domains in which the company will be competing for scarce resources (e.g., capital, personnel, technology, inputs and customers) and positioning the company in each chosen domain so that its function based core competencies are most effectively leveraged to establish a competitive advantage.

The overall goal of business level strategy is to protect the company's position in its current domain and, if possible, enlarge the domain in which the company can operate with a competitive advantage. The tools available to business level strategists are created at the functional level and may include core competencies in one or more key functional areas such as manufacturing, HR, materials management, sales and marketing and Research and Development (Porter, 1980).

2.3 Corporate strategy and Marketing of products

The corporate strategy of any organization determines to a large extent the type of marketing strategy that will be put in place. When formulating marketing strategies, senior managers need to examine the SWOT analysis that is conducted by the organization. SWOT analysis is a straightforward model that analyzes an organization's strengths, weaknesses, opportunities and threats to create the foundation of a corporate strategy. To do so, it takes into account what an organization can and cannot do as well as any potential favorable or unfavorable conditions related to the company's products or services (Thenmozhi, 2010).

Managers must not forget the need to satisfy the unique requirements of key customer groups. Simply put, customers don't care how companies organize their businesses, they simply want to know that contracts will be performed and expectations will be fulfilled. Business level strategists need to be mindful of the drawbacks associated with the traditional practice of using function based alignments of people and other resources (e.g., sales and marketing, procurement, or manufacturing departments). While using functions as the primary dimension when organizing a company's business activities can

be useful in achieving the benefits of task based specialization including the development of function based core competencies, and can result in substantial savings through economies of scale, it also can quickly become a hindrance in developing new products and services if a functional department continues to focus on its own goals and ignores the need to cooperate with other departments in order to deliver the new product or service to customers at the lowest price and highest level of quality (Jones, 2007).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter consists of the research methodology that was used in the study. This includes the research design, data collection method, and research instruments and data analysis. The chapter also looks at the data analysis techniques that were used in analyzing the data that was collected.

3.2 Research Design

A case study approach was chosen for the purposes of gaining a deeper understanding of how KCB Group Limited uses its corporate strategy to develop marketing strategies for its products. Kothari (1990) describes a case study as a form of qualitative analysis that involves a careful and complete observation of a social unit. He describes a social unit as a person, family or institution. A case study involves an intensive analysis of an individual unit, stressing developmental factors in relation to the context.

KCB Group Limited being a unit, a case study was the most appropriate research design to be adopted as it allowed probing of information to find out what is unknown, and confirm what is known.

3.3 Data Collection

This study used both primary data and secondary data. Data collection was done through interviews. An interview guide was used to collect primary data from the respondents. The interviews were conducted in a way that allowed flexibility to allow participants to develop issues and expand upon initial responses. Interviews with managers from

strategy and marketing divisions were conducted since they are the ones who may possess relevant information on corporate strategy and marketing of bank products. Secondary data was obtained from company's records like cascades and news flashes which are quarterly and weekly in-house publications by KCB Group limited, the strategic plan and the organogram for KCB Group Limited. These assisted in collecting data quickly and cheaply and assist in probing when primary data is being collected.

3.4 Data Analysis

The collected data collected was analyzed using qualitative techniques. The researcher employed content analysis so as to make inferences from the interviews conducted. According to Kothari (1990), content analysis consists of analyzing the contents of documentary materials such as books, magazines, newspapers and the contents of all other verbal materials which can be either spoken or printed. It is a technique for making inferences by systematically and objectively identifying specified characteristics of messages and using the same to relate to trends. Content analysis examines the intensity with which certain words have been used. Content analysis systematically describes the form or content and or spoken material.

CHAPTER FOUR: DATA ANALYSIS, INTERPRETATION AND DISCUSSIONS

4.1 Introduction

The purpose of this study was to establish the role of corporate strategy in marketing of products and services at Kenya commercial bank ltd. The study had two objectives to be met: to determine the strategies adopted by KCB in marketing its products and to establish the role of corporate strategy in formulating the marketing strategies. Data was successfully collected from 10 senior managers of Kenya commercial bank limited who work in the marketing and strategic planning departments through interview guides. This is an indication that the study managed to achieve a 100% response rate as far as data collection exercise is concerned. The findings are presented next.

4.2 Products Offered by KCB

The study sought to establish the various types of products that Kenya Commercial Bank limited offers to its customers. It was revealed from the study that Kenya Commercial Bank Limited is a Kenya-based bank with fully owned subsidiaries in all the East African member states. The bank provides corporate and retail banking services to various customers. It offers various personal banking products and services such as savings and current accounts, personal loans, easy pay loans, salary advances, and credit facilities; Visa and MasterCard credit and prepaid cards; advantage banking services that seeks to serve the executive wing of the Kenya commercial bank limited customers, and Biashara banking products mainly targeted for the customers who are involved in business.

The bank also operates Biashara Club that offers workshops on entrepreneurship and capacity building, networking, business advisory services, and business trips to tap into new markets. The main corporate banking products that are offered by the bank include custodial services such as safe keeping services of valuable items from customers, transaction settlement, corporate actions administration, activity reporting, trustee services , and capital and income services; asset finance and insurance premium finance services; corporate finance services, and trade finance products and services. The bank also provides foreign exchange products that enable people to convert currencies easily and also make remittances or cash travelers' cheques with ease.

It was confirmed that other than the above mentioned products the bank is one of the oldest financial institutions in the country that started offering mortgages to customers in order to enable its customers to own homes or business properties that were partially financed by the bank. Initially the bank opened and operated a wholly owned subsidiary in the name of Savings and Loan Limited that used to handle all the mortgage transactions on behalf of the bank. The study revealed that during the efforts made by the bank to restructure its operations in order to make it more effective and efficient, Savings and Loan Kenya Limited was amalgamated with Kenya commercial bank and hence became a department of the bank that is now within the head office. The department still handles the mortgage transaction of the entire bank but does not operate as a separate entity as before.

It was also evident from the findings of the study that Kenya commercial bank limited has other products that are tailored to meet special groups in society. For instance the

bank operates accounts that are specifically meant for children and they are called KCB cub accounts. These accounts are meant to encourage saving habits among young children. The study revealed that the KCB cub accounts are normally opened and operated by the parents of the children and they are provided with cub containers where to save money. It is also understood that the bank operates accounts for students who are in middle and higher level institutions of learning. These accounts are meant to assist the students to access financial services with ease. There are also products that are tailored to meet the needs of importers and exporters of various items. The respondents generally indicated that the products offered by Kenya commercial bank are numerous and may take volumes to explain but customers will always be able to get products that exactly fit their needs and financial requirements.

4.3 Strategies used by KCB in marketing its products

The researcher sought to find out the strategies used by KCB in marketing its products. The study findings reveal that Kenya commercial bank understands the significance of good marketing strategies in an organization. It is clear from the study that the bank usually takes into account various issues when developing its marketing strategies. One of the most important activities the bank does is to conduct a customer analysis. This exercise is normally conducted by the bank after identifying the market where to sell a product and it involves analysis of the specific end users of the product to be unveiled.

Precise data collection and customer segmentation allow the bank to better understand the needs of its customers as well as their preferences. The data collected by the bank is then analyzed in order to develop a specific marketing campaign to successfully reach the

target market and to assist the bank in better demand forecasting both in the short- and long- term. The respondents confirmed that once the bank understands fully the needs of its customers, the next stage is to engage in product development. The purpose for this is to enable the bank to design products that are able to meet the specific requirements of the target customers. This process is made possible by the help of experienced employees who are engaged by the bank. The company has invested substantial resources in research and development hence product development does not provide any challenges to the bank. The study indicates that product development in Kenya commercial bank limited may take the form of enhancing an existing product or developing a completely new one that can meet the needs of specific customers.

The respondents also confirmed that the bank carefully considers how to price the product they have developed depending on the customers they are targeting. This is done because the bank understands that product pricing is one of the most important elements of the marketing mix and it is often seen as an indicator of the quality of the product. The pricing decision of the bank depends on various factors such as the cost of providing the service as well as banking industry benchmarks. The bank has to consider whether other competitors in the industry are offering a similar product and the pricing for the same. The purpose of a carefully drafted pricing strategy is to attract customers and at the same time maximize the revenue earned by the bank. The study revealed that the bank does not concentrate so much in coming up with specific brands for the products that are offered to customers but rather the bank uses the umbrella brand of KCB as a brand for all the products they sell to customers. The respondents argue that KCB is a strong brand both locally and within the region hence the need to use an umbrella brand. The study revealed

that the use of a KCB umbrella brand, which is a strong brand image, means brand recognition, an emotional connection with the customers, increases customer loyalty, and drastically reduces costs of customer retention.

It is also clear from the findings that Kenya commercial bank has in place a number of product promotion and distribution strategies that enables it to unveil its products to the customers. The respondents indicated that the bank's wide branch network is one of the distribution strategies that enable the bank to provide its services to a wider market. The bank uses its network that extends to most parts of the country and within the East Africa region to market its products to customers. It is also evident from the findings that the bank has engaged a number of banking agents across the country who also assist the bank in unveiling some of its products to the customers. The agents are a source of information about the bank especially to those customers who may not have the ability of accessing this information from the branches that at times may not be within their proximity.

The findings also indicate that the bank engages or supports a number of activities that are aimed at creating awareness among customers on the various products that are offered by the bank. The respondents confirmed that one such an event is the motor sport usually dubbed the "Safari Rally" competitions. The respondents indicated that this sport is popular and it also gives the bank an opportunity to showcase its products to customers. The study also revealed that participation in corporate social responsibility is one of the strategies the bank employs in ensuring that its products are marketed to customers. By giving back to the community, it is one way of encouraging people to do business with the bank since they understand the ideals the bank supports.

The findings confirmed that Kenya commercial bank focuses on quality of service offered to its customers as one of the strategies of marketing its products to the customers. The respondents indicated that the bank has been focusing on fast and efficient service delivery as a way of promoting word of mouth marketing among its current customers. The bank understands that satisfied current customers are a very significant marketing tool that has the potential of marketing its products to other potential customers. It was clear from the study that that for the bank to achieve fast and efficient services to customers, the bank employs competent employees who are capable of providing the required quality of services to the customers. It was established that leveraging on modern technology has also been very effective in marketing the products of the bank to its customers both locally and even among its subsidiaries that are spread all over East Africa. The respondents confirmed that installation of modern efficient systems has been very instrumental in marketing the bank's products to customers.

It was further revealed that Kenya commercial bank limited utilizes the media in marketing its products to customers. Both the electronic and print media have been very instrumental in enabling the bank to market its products to customers. New products launched by the bank are usually advertised through the electronic media such as television advertisements and other outdoor electronic forms of advertising. The respondents confirmed that this marketing strategy has been very successful especially in unveiling the bank's products to the middle class majority of who reside in major towns in the country. The bank also makes use of the internet to create awareness among customers of the various products that it offers to customers.

4.4 Corporate Strategy and Formulation of Marketing Strategies

The researcher sought to establish how the corporate strategy of Kenya commercial bank influences the formulation of marketing strategies that are adopted by Kenya commercial bank limited. The respondents confirmed that corporate strategy plays a central role in formulating not only the marketing strategies of the bank but also all the other functional and operational strategies that are formulated in the bank. It was evident that the vision of the bank is to become the leading provider of financial services in the region and this is what guides the corporate strategy of the bank. They further indicated that the corporate strategy of the bank has been carefully designed to meet the expansion needs in the region and also the quality of services provided so as to enable the bank to be the leading provider of financial services in the region.

The study revealed that the Kenya commercial bank strategic plan currently focuses on the expansion of the bank to the Great Lakes Region including the Democratic Republic of Congo once the security situation in the country improves. The purpose of this expansion is to enable the bank to position itself as a regional giant in the provision of financial services.

The study revealed that the corporate strategy of the bank is such an ambitious plan and the bank is determined to make it a success. The respondents confirmed that the performance targets that are cascaded down to the employees of the bank are usually derived from the bank's corporate strategy. The study established that for the bank to be able to achieve its objectives of expanding and becoming the giant in the region, there is need for every department including marketing to take part in translating the corporate strategy into action plans that can enable the bank to realize the objective. The

respondents indicated that marketing plays an important role in providing the sales volume that in return will give the bank the revenue that is required to fund the expansionist policy. It was revealed that the marketing targets are therefore a direct reflection of the revenue that the bank intends to achieve within a specified period of time. It was also revealed that the marketing strategies adopted by the bank must reflect the cultural diversity since the bank operates in a number of countries that have a significant variation in cultural practices.

The findings from the study confirmed that development of corporate strategy at Kenya commercial bank limited cannot be complete without the input of the Marketing Director of the bank. The respondents confirmed that the Director of Marketing is among the key people who are usually charged with the responsibility of developing the company's strategic plan. The directors of other departments within the bank are also actively involved in developing the strategic plan since they are considered as executive employees of the bank who are charged with the responsibility of providing the bank with direction. The findings further confirmed that each and every department must align its activities to the corporate strategy of the bank as the sole document providing direction to all the employees of the bank.

4.5 Discussion of Findings

The study reveals that the corporate strategy of Kenya Commercial Bank Limited is the basic document from which the marketing strategies of the bank are developed from. These findings are commensurate with the position that is held by Thenmozhi (2010) who asserts that the corporate strategy of any organization determines to a large extent the type of marketing strategy that will be put in place. He further argues that when

formulating marketing strategies, senior managers need to examine the SWOT analysis that is conducted by the organization. SWOT analysis is a straightforward model that analyzes an organization's strengths, weaknesses, opportunities and threats to create the foundation of a corporate strategy.

It was also clear from the study findings that during the development of the corporate strategy at Kenya Commercial Bank Limited, the input of the marketing Director is very important. This implies that the marketing manager is part of the corporate strategic planning and implementation team. It was also clear that the marketing director is charged with the responsibility of developing business level strategies that address the corporate objectives of the organization. This agrees with Jones (2007) who established that senior managers are involved in the development and implementation of business level strategies and are tasked with identifying the core competencies within the various functional departments of the company and combining them in a way that provides the company with the best opportunity for achieving and sustaining a competitive advantage in its chosen environment.

The study also revealed that Kenya Commercial Bank Limited adopts various strategies in marketing its products. However, the bottom-line of the marketing strategies is that they must address the needs of the customers who are targeted. These findings agree with Jones (2007) who indicates that managers must not forget the need to satisfy the unique requirements of key customer groups. He further indicates that customers don't care how companies organize their businesses but rather simply want to know that contracts will be performed and expectations will be fulfilled. Business level strategists need to be mindful

of the drawbacks associated with the traditional practice of using function based alignments of people and other resources.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This study was conducted with the sole purpose of establishing the role of corporate strategy in marketing of products and services at Kenya Commercial bank limited. In this chapter, the researcher presents the summary of the research findings; the conclusions that she managed to draw after carefully considering the findings; the recommendations based on the research findings as well as the suggestions for further research work in order to assist in bridging any research gaps that may arise due to the findings of the study.

5.2 Summary of the Study

It was revealed from the study that Kenya commercial bank limited has a variety of products that it offers to its customers. These products range from ordinary banking services such as deposits and withdrawals to specialized services that are tailored towards meeting specific needs of some specific customers. For instance the study established that the bank provides loans that are tailored towards meeting the needs of salaried customers and also the bank provides mortgages that enable its customers to own homes or even business properties. Among the products that the bank provides to those seeking foreign exchange transactions include exchange of foreign currency and cashing of travelers cheques. It was also evident that those customers engaged in export and import of products have a variety of products that can assist them achieve their business goals. However, the products are many and it depends on the specific needs of customers.

The bank uses various strategies in marketing its products to customers. The study confirmed that key among these strategies is the provision of fast and efficient services that portray high quality. The purpose for adopting this strategy as revealed from the study is to enhance word of mouth marketing since the bank understands the significance of a satisfied customer in marketing its services and products. It was also established that the bank leverages on modern technology as one way of marketing its products and services to customers. Technology attracts customers through its efficiency and effectiveness in service delivery. The study equally revealed that Kenya Commercial Bank limited has positioned itself as a very strong brand image and all its products are provided under the same brand name. This provides customers with confidence since the bank has already build a name in the past. Sponsorship of some events such as the motor sport rally also provides the opportunity for the bank to showcase its products to customers. The study finally confirmed that the print and electronic media have also played a very crucial role in the marketing of KCB products and services.

The research findings also revealed that the vision of KCB is to become the preferred provider of financial services within the Great Lakes Region including the Democratic Republic of Congo once there is political stability in the country. It is clear that this expansion plan is the main ingredient of KCB's strategic plan. The strategic plan spells out the activities and duration when the bank can be able to achieve its objectives. The study revealed that the bank's strategic plan is developed by a team that comprises of Departmental Directors including the Director in charge of marketing at the bank. It was clear from the findings that the Marketing department develops its marketing strategies after carefully considering the content of the corporate strategy since all the business

level targets are cascaded down from the corporate strategy. It was also clear that the targets set for the marketing department are a reflection of the revenues estimations for the entire organization since it is through sales that the bank earns its revenue to finance its strategic development goals.

5.3 Conclusions of the Study

Kenya commercial bank limited has a variety of products that are offered to its customers. The products are however tailored towards meeting the needs of specific needs of its customers. Before developing a new product, the bank conducts a customer analysis exercise aimed at identifying the needs of customers, and then products are developed to meet these needs. The bank markets its products through strategies such as provision of fast and efficient services; provision of quality services; leveraging on modern technology; sponsorship of events; corporate social responsibility and through electronic and print media. Corporate strategy is very central in developing marketing strategies since business level performance targets are drawn from the corporate strategy of the bank. All departmental heads play a significant role in the formulation of both corporate and business strategies.

5.4 Recommendations of the Study

The study has established that the bank uses the umbrella KCB brand to market its products since it is a strong brand name. It may be significant for the bank to try branding various products under different brand names in order to achieve greater results.

It has been confirmed that the bank uses electronic media and internet as a way of marketing its products. The bank should be encouraged to enhance the use of internet in marketing its products in order to reach most of the modern customers who happen to be

techno savvy. The bank can also explore the possibility of leveraging on mobile marketing to enhance its marketing strategies.

5.5 Limitations of the Study

The study was subject to time and financial resource limitations hence the reason why a case study was preferred to a survey of all commercial banks operating in Kenya.

The findings of the study are directly relevant to Kenya Commercial Bank Limited and not any other commercial bank because of the varying trends in strategic planning practices and marketing strategies adopted by various organizations.

5.6 Suggestions for Further Research

It will be important to replicate this study later after five years in order to establish whether some of the current marketing strategies will still be applicable in Kenya commercial bank limited.

A comparative study with another bank especially the leading multinational banks will be important so that Kenya commercial bank can benchmark for best practices in corporate strategy and marketing of products.

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APPENDICES

Appendix I: Interview Guide

1. Please briefly discuss about the various products that KCB offers to its customers
2. How are these products developed?
3. Who are the people involved in product development? What role does each one play in the process?
4. Once the products are ready for unveiling to the customers, how do you ensure that they are properly marketed?
5. KCB has a variety of products, through which strategies has the bank been able to market them?
6. How successful has each strategy been in marketing of bank products?
7. KCB's vision is to become the leading bank in the region, how is its corporate strategy aligned to this?
8. How do various departments within the bank align their strategies to the corporate strategy?
9. How are the marketing strategies related to the corporate strategy of the bank?
10. What is the role of the marketing manager in designing the corporate strategy?