

**THE INFLUENCE OF GREEN MARKETING STRATEGIES ON COST
MANAGEMENT AMONG COMMERCIAL BANKS IN KENYA**

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DECLARATION

I declare that this research study for the award of an MBA degree in Marketing in the University of Nairobi has not been presented for a degree in any other University or an examination body.

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DEDICATION

This research project is dedicated to my family, and to my fellow University of Nairobi students who may find it to be of help to them in their studies.

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My deepest and sincere appreciation goes to my supervisor Dr. Mary Kinoti, a senior lecturer in the department of business administration, School of Business, at The University of Nairobi. Her dedication, commitment, and well-grounded research work in green marketing was pivotal in coming up with this research project. She provided professional and academic guidance through every stage of the development of my project.

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ABSTRACT

The purpose of this study was to determine the influence of green marketing strategies on cost management among commercial banks in Kenya. There were two objectives for the study ; the green marketing strategies used among commercial banks in Kenya and the link between green marketing and cost management in commercial banks in Kenya. A census survey study design was used and the main data collection method was through self-administered questionnaires. All the banks were targeted and a response rate of 27(62.7%) was achieved. The study revealed that the adoption of green marketing among commercial banks in Kenya was at 66.7% based on the number of banks that had departments of green marketing or those that specifically had the green marketing agenda in their operations. Among the strategies that were in place were green branding, green innovation and green operations. The study revealed that the most favorable strategy used in green marketing was green branding since it had a score of 3.5, followed by green operations 3.2 and green innovation which was 2.7. The measures were based on a scale of 1 to 5 where 5 meant that the strategy was used to a very large extent. The study revealed that there were strong policies in place to check on printing costs. It was also revealed that the adoption of more energy efficient systems such as solar energy use had been adapted to a moderate extent by banks. A regression model on the relationship between green marketing strategies revealed that cost management through green marketing accounts for more 84.6 % of controllable cost management. The study recommended that green marketing can be expanded to incorporate strategies that would involve the use of solar, energy saving bulbs, water harvesting to be used for cleaning, use of ATM outlets to communicate green marketing agenda.

ABBREVIATIONS AND ACRONYMS

UNEP: United Nation's Environmental Program

CBK: Central Bank of Kenya

ANEN: African NGO's Environmental Network

USA: United States of America

PCB: Polychlorinated biphenyl

AMA: American marketing association

SPSS: Statistical Package for social sciences

TABLE OF CONTENTS

DECLARATION	ii
ACKNOWLEDGEMENT	iv
ABSTRACT.....	v
ABBREVIATIONS AND ACRONYMS	vi
TABLE OF CONTENTS.....	vii
CHAPTER ONE: INTRODUCTION	1
1.1. Background of the Study	1
1.1.1 The Concept of Green marketing.....	2
1.1.2 The Concept of Cost Management.....	5
1.1.3 The Banking Sector in Kenya	6
1.1.4 Commercial Banks in Kenya	7
1.2 Research Problem	8
1.3 Research Objectives.....	9
1.4 Value of the Study	9
CHAPTER TWO: LITERATURE REVIEW	11
2.1 Introduction.....	11
2.2 Theoretical Foundations of the Study	11
2.2.1 Institutional Theory.....	11
2.2.2 Scarcity of Resources Dependency Theory	12
2.2.3 Stake holder Theory	12
2.3 Green Marketing Strategies	13
2.3.1 Green Marketing Innovation.....	13
2.3.2 Green Advertising/ Communication.....	14
2.3.3 Green Procurement	15
2.3.4 Green Operations	15
2.3.5 Green Branding.....	16
2.3.6 Green Marketing Mix	16
2.4 Green Marketing and Cost Management	18

2.5 Summary	20
CHAPTER THREE: RESEARCH METHODOLOGY	21
3.1 Introduction.....	21
3.2 Research Design.....	21
3.3 Population of the Study.....	22
3.4 Data Collection	22
3.5 Data Analysis	23
CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND INTERPRETATIONS	24
4.1. Introduction.....	24
4.2 Response rate	24
4.3 Demographic Profiles of Respondents.....	24
4.3.1 Gender of respondents	24
4.3.2 Age Bracket	25
4.3.3 Education level.....	26
4.3.4 Position of respondents	26
4.3.5 Work experience	27
4.4 Green Marketing Strategies adopted by Commercial banks in Kenya	28
4.4.1 Green Marketing Departments.....	28
4.4.2 Active campaign on Green Banking Practices.....	29
4.4.3 Social environmental Awareness	30
4.4.4 Green Bank products.....	31
4.4.5 Green Innovation and Branding.....	32
4.5 Content analysis on ways of enhancing green marketing practices in the banking sector.....	34
4.5.1 Green Branding Strategies	34
4.5.2 Rain Water Harvesting.....	34
4.5.3 Green promotion	35
4.5.4 Green Based Appraisal for Employees	35
4.5.5 Green labeling.....	35
4.6 Green cost management Operations	35

4.6.1 Printing Cost Management	36
4.6.3 Use of mail encouraged for correspondence.....	36
4.6.4 Green certified labels on printers	37
4.6.5 Solar Lighting in Banks	38
4.6.6 Green House Design	39
4.6.7 Group transport.....	40
4.6.8 Eco friendly lighting bulbs.....	41
4.7 Correlation between Green Marketing Strategies and Cost Management.	42
4.7.2 Analysis of variance.....	44
4.8 Discussion of findings.....	46
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS ...	47
5.1 Introduction.....	47
5.2 Summary of the findings.....	47
5.2.1 Green Marketing strategies	48
5.2.2 Green Marketing and Cost Management	49
5.3 Conclusion	49
5.4 Recommendations from the study.....	50
5.5 Limitations of the Study.....	50
5.6 Recommendations for further studies	50
REFERENCES	52
Appendix 1: Questionnaire	57
APPENDIX II.....	63
LIST OF COMMERCIAL BANKS IN KENYA	63

LIST OF TABLES

Table 4.3.1 Gender of respondents	25
Table 4.3.2 Age of respondents	25
Table 4.3.3 Education level	26
Table 4.3.4 Position	27
Table 4.3.5 work experience	27
Table 4.4.1 Green Marketing department	28
Table 4.4.2 Active campaign of green banking	29
Table 4.4.3 Social environmental awareness	30
Table 4.4.4 green bank products	31
Table 4.4.5 Green Innovation and Branding strategies	32
Table 4.6.1 policy on printing and stationary	36
Table 4.6.3 use of e-mail	37
Table 4.6.4 Green Certified Labels on Printers	37
Table 4.6.5 Solar Lighting in Banks	38
Table 4.6.6 Green House Design	39
Table 4.6.7 Group Transport	40
Table 4.6.8 Energy Efficient Bulbs	41
Table 4.7.1: Regression analysis	42
Table 4.7.2 ANOVA	44

CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

Green marketing is rapidly gaining prominence in the corporate world as a marketing strategy. Companies are increasingly seeking to adapt to new and changing customer expectations. This is informed by the need to address the world environmental challenges stemming from business activities such as fuel consumption, stationery consumption, electricity use, electronic waste, and equipment use and water usage. The need to conserve the environment from pollution is demanded by the society from banking and financial institutions. The advent of green marketing in banks was started with the objective of creating awareness amongst the banking fraternity of the need to rationalize their strategies, policies and activities towards responsive environmental behavior in the face of tightened regulations on environmental conservation (Belz, 1999).

Cost management is central to sustained corporate profitability and competitiveness in the face of increased competition and changing customer expectations. Firms are turning to green marketing in an attempt to address cost or profit related issues. Disposing of environmentally harmful by-products, such as polychlorinated biphenyl (PCB) contaminated oil are becoming increasingly costly and in some cases difficult. Therefore firms that can reduce harmful wastes may incur substantial cost savings (Thaker & Vaghela, 2013). In an attempt to manage costs, companies must minimize waste in both raw materials and products (Pawar, 2013). The management mantra today is conquering your costs, before they conquer you since customers will demand high quality in services but low cost in service and product offerings. The shareholders are also demanding a required rate of return on their investments.

The study shall be guided by three main theories. These are the stakeholder theory, institutional theory and the scarcity of resources dependency theory. According the stakeholder theory, business organizations do not operation in isolation but will tend to formulate their corporate strategies in the context of stake holder interests. According to scarcity of resources dependency theory natural resources are scarce and therefore their use must be optimized to realize maximum economic benefits. Institutional theory examines the relationships between institutions and how they must adopt to survive in their operating contexts by adjusting to the demands exerted by the external environment. The banking sector in Kenya is faced with the challenge of widening the gap between themselves and their competitors in costs so that more resources will be channeled to profitable growth. One of the strategies used is engagement in green marketing practices. Research studies reveal that there is a positive relationship between environmental engagement and economic performance (Aragón-Correa & Rubio-López, 2007). Empirical studies prove that companies operating in tightened environmental regulations are able to increase their competitive advantage through environmental engagement (Porter & Van del Linde, 1995; Rugman & Verbeke, 1998; Ambec & Lanoie, 2008).

1.1.1 The Concept of Green marketing

Green marketing concept emerges from societal marketing (Kotler, 1999). Green marketing, alternatively known as environmental marketing or sustainable marketing refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment (Pride & Ferrell, 1993). The American Marketing Association defines green marketing as, “the marketing of products that are presumed to be environmentally safe.” (AMA, 2011).green marketing has also been

defined as “the strategies to promote products by employing environmental claims either about their attributes or about the systems, policies, and processes of the firms that manufacture or sell them.” (Prakash, 2002,p. 285). Green marketing can also be defined as an attempt to characterize a product as being environmental friendly (eco-friendly).

The concept of green holds the view that marketing which is a part of business must both satisfy the interests of the consumer and take care of the interest of the community in general. That is, all those who are affected by the activities of a business should be kept in mind when setting the objectives and the policies of an organization. The concept of green marketing has been instrumental in the “greening” of companies. Karna et al (2003) views green marketing as a holistic management process responsible for identifying, anticipating and satisfying customer needs in a profitable and sustainable way. Belz & Peattie (2009, 29) defines green market as marketing management concept that incorporates stakeholders, customers and society. Ottman (2011, p46) observes that green marketing should be seen as a holistic marketing paradigm with a long term orientation.

The concept of green marketing has however often been misunderstood to mean the promotion and advertising of goods that are environmentally friendly. This may include recyclable materials, chemicals that do not deplete the ozone layer. While this can be true a broader concept according to Polonsky (1994) holds that green marketing consist of all activities designed to generate and facilitate any exchanges intended to satisfy human needs, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment. Green marketing has also been associated with environmental marketing or ecological marketing.

Green marketing has also been defined as the planning, development and promotion of products or services that satisfy the needs of consumers for quality, output, accessible prices and service, without having a negative effect on the environment (Peattie & Crane 2005, Grant 2008, Pride and Ferrell 2008). The American Marketing Association defines green marketing as the marketing of products that are presumed to be environmentally safe. In broad terms green marketing incorporates a range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising.

Green marketing has been identified as a key component of modern marketing strategy. According to Prakash (2002), a firm pursuing 'green' objectives should focus on value addition at firm level processes, management systems and product by designing processes, systems and products that eliminate waste and conserve the environment. Studies reveal that there are positive gains associated with adopting environmentally friendly marketing strategies (Luo & Bhattacharya 2006). Green marketing concept gained prominence in the late 1980s and 1990s based on the proceedings of the first workshop on Ecological marketing in USA, 1975. The agenda was to deliberate on the positive and negative aspects of marketing activities on pollution, and non-energy depletion energy resource depletion (Henion & Kinnear, 1976).

The adoption of green marketing practices is driven by the increasing social pressure on companies and organizations for ecologically responsible behavior. The adoption of green marketing practices also seems to have been influenced by scholarly work on marketing research which has dwelt on the study of ecological issues (Belz 2006; Kangun & Polonsky, 1995 et.al). According to Kinoti (2011) green marketing is an important

intervention strategy for sustainable environmental protection and development. Organizations therefore seek to incorporate green marketing practices in their corporate strategies (Banerjee, 2001; Buysse & Verbeke, 2003; Daub & Ergenzinger, 2005; Sarkis, 2003; Starik & Marcus, 2000). The green marketing agenda has also been gained prominence out of concern that conventional marketing practice does not consider environmental protection (Schaefer, 2005). Social awareness about ecological issues has led to the formation of action groups at national and international levels aimed at environmental protection. Some of the organizations include the green belt movement, European Environment bureau, United Nations environmental protection (UNEP) and the African NGO Environment Network (ANET). The groups form a strong external controlling force on the internal operations of organizations and can therefore not be ignored.

1.1.2 The Concept of Cost Management

Cost management is an ongoing continuous improvement program since customers are continually seeking for improved services at reduced costs. Cost management is closely related to cost reduction, cost control, cost saving and cost optimization. According to the chartered institute of accountants, cost control is the regulation by executive action of the cost of operating an undertaking particularly where such action is guided by cost-accounting. Cost reduction is the permanent reduction in the unit cost of goods manufactured or services rendered without impairing on the quality or suitability of the product or service. Cost management therefore focuses on simultaneously reducing costs and remaining sensitive to customer satisfaction on quality and price dimensions. Cost

management aims at achieving value at minimum cost, a cost management approach called cost optimization.

Faced with rapid technological changes, increased competition from local and global actors, the modern business, the concern of managers is how to balance between quality and total costs. Total cost management remains critical to sustained corporate profitability and competitiveness. Another strategy applied in cost management is cost leadership, where companies pursue competitive advantage through low pricing strategies. According to Armstrong & Kotler (2007) green or environmentally friendly activities are focused on energy-efficient operations, better pollution controls and recycled materials which yield significant cost saving and at the same time conserve the environment. The authors argue that match customer loyalty is created through matching customer expectations with company performance and the generation of customer value profitability.

1.1.3 The Banking Sector in Kenya

According to Oloo (2009), the banking sector in Kenya is the bond that holds the country's economy together since agriculture and manufacturing industries depend on it for growth. The banks in Kenya form the main financial intermediaries since the capital market is considered narrow and shallow (Kamau, 2009). the Kenyan economy is therefore said to be bank based since the financial services sector is mainly controlled and dominated by banks' statistics reveal that despite the overall profitability in the banking sector, the medium and small banks which comprise of 57% of the banks continue to register negative profits compared to large banks(CBK,2009).

The banking sector according to the central bank of Kenya (2013) supervisory annual report registered an overall 15.9 percent growth in total net assets, an increase from Ksh. 2.33 trillion in December 2012 to Ksh. 2.70 trillion in December 2013. Customer deposits grew by 13.5 percent from Ksh. 1.71 trillion in December 2012 to Ksh. 1.94 trillion in December 2013. Challenges facing the banking sector are myriad ranging from unstable foreign exchange regimes, inflation, competition and the ever changing customer expectations and demands.

1.1.4 Commercial Banks in Kenya

The central of bank of Kenya is charged with among other responsibilities regulating and creating monetary policy in the country. There were 43 registered commercial banks in Kenya as of December 2013 (CBK, 2013). Thirty three of the banks are local while the rest are foreign.

The banks are classified into three broad cluster categories namely large, medium and small based on a weighted market index. Six of the large banks control 52.39 % of the market share while 15 of the medium banks control 37.95 percent of the market share. Almost half of the banks control less than 10 percent of the market share. Some of the key objectives of the CBK are to increase access to financial services, stability and efficiency through the introduction of relevant policy reforms. A CBK banking survey of 2013 revealed that access to formal financial services was at 32.7% of Kenyan adult population. A total of 66.7% of the adult population had access to some form of financial services providers. According to the survey, the proportion of Kenyan adults using the informal financial services decreased from 33.3 % in 2006 to 7.8% in 2013. The

proportion of the financially excluded Kenyan stands at 25.4% from 39.3 in 2006 (CBK, 2013)

1.2 Research Problem

Green marketing strategies form an important pillar in the determination of the competitive dimension of business organizations. The adoption of green marketing strategies include practices, policies, and procedures on pricing , marketing communication and distribution that explicitly account for concerns about the natural environment (Menon et al. 1999). It has been argued that to satisfy environmentally conscious customers, companies should incorporate green marketing in their marketing program elements by designing and executing them in a manner that is less harmful to the environment (Dahlstrom, 2011& Kotler 2011).

Cost management remains a key concern to managers in an environment characterized by increasing competition and increasing customer demands. The influence of green marketing has proved to be a strong multidimensional tool and strategy for cost management in commercial banks. According to Menguc & Ozanne (2005), organizations having a green orientation are likely to achieve greater financial gains and market share. Financial gains if translated to better salaries, improved capabilities and employee motivation yield higher customer satisfaction and market share (Menguc & Ozanne 2005).

Various studies have been conducted to determine the influence of green marketing on competitiveness. A study on the effectiveness of green marketing mix on consumer satisfaction and loyalty revealed that green marketing mix has a significant effect on consumer satisfaction on amongst customers in of dairy products in Iran. It was also

revealed that consumer satisfaction had a significant effect on customer loyalty (Rakhsah & Majidazar, 2011). Local studies on green marketing in Kenya include green marketing as applied by manufacturing firms (Kalama, 2003), and green marketing practice in floricultural firms (Thiong'o, 2009). In conceptual PhD study, Kinoti (2011) observed that green marketing is a responsible business practice that contributes to sustainable development and environmental protection. None of the studies has addressed the issue of green marketing practices in commercial banks. The study therefore seeks to fill the research gap by seeking to determine the influence of green marketing practices on cost management in commercial banks in Kenya. The researcher shall be guided by two key research questions;

What are the green marketing strategies adopted by commercial banks in Kenya?

What is influence of green marketing strategies on cost management in commercial banks in Kenya?

1.3 Research Objectives

The aim of the research study was to achieve the following three study objectives:

To determine the green marketing strategies adopted by commercial banks in Kenya.

To establish the influence of green marketing strategies on cost management amongst Commercial banks in Kenya.

1.4 Value of the Study

The study will contribute to the development of new theories on green marketing strategies and cost management. The findings from this research study add new knowledge in the theory of green marketing in commercial banks through the research gaps in the study that have been identified in the study.

The research study will contribute knowledge which will be helpful to various groups and actors in the conservation of the environment through responsible business behavior. The greatest beneficiary to the study will be the academic community. The study adds to the already known knowledge in the field academic community through the generation of new knowledge. The research gaps identified in this study form a basis for further research in the area green marketing in commercial banks.

Managers in various business organizations will benefit through the knowledge generated in the study. The beneficiaries will include managers in the banking industry and other financial institutions who will be better informed on how to integrate green marketing in their business entities for competitiveness. The study shall also generate findings which shall be beneficial interested investors and investment managers in the banking industry and the marketing fraternity in general on how to grow their companies through cost savings obtained through green marketing strategies.

Governments play a key role in the environmental conservation efforts through the enactment of various legislation laws on environmental protection. The coordination of other environmental conservation efforts by such groups such as the UNEP, ANEN and the green belt movement is done by the government. The government through the knowledge gained through the study can play a better legislation and coordination role by incorporating the knowledge gained to improve policy formulation. This knowledge will aid in decision the making process among various government organs that deal the banking sector.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter covers the theoretical framework and the empirical related literature. The conceptual framework and studies on green marketing practices and cost management have been covered.

2.2 Theoretical Foundations of the Study

The research study is guided by the institutional theory Scott (1995), the scarcity of resources dependency (Pfeffer & Salancik, 1978.), and the stakeholder theory (Ansoff, 1965). The institutional theory which explains how organizations, banks in the context of this study interact with one another, and their interaction with the external institutions. Banks cannot act in isolation, but must interact with other institutions such as government, consumer groups and other societal organizations such as environmental conservation pressure groups. The scarce resources dependency theory and the stakeholder theory have also been discussed. The stakeholder theory explains how the behavior of organizations is influenced and controlled by stakeholders.

2.2.1 Institutional Theory

There are various definitions and interpretations on institution depending on the context and usage. The working definition adopted for this study shall be one posited by Scott (1995) a social scientist. He defines institutions as consisting of cognitive, normative, and regulative structures and activities that provide stability and meaning to social behavior. Institutional theory predicts that organizations are inclined to imitate the behavioral norms of other actors in the organization's field of operation.

According to Scott (1995), institutions must adapt themselves to the demands and constrictions of their external contexts in order to acquire legitimacy and survive in the long run. The institutional theory focuses on the relationship between institutions and their contextual operating environments. Banks as institutions operate in an environment that is increasingly becoming more informed about environmental issues. This includes the government, environmentalists, customers and various pressure groups that demand responsible business practices. The green agenda should be at the core of modern corporate management thought. This view is supported by Greenwood & Hinnin (1996) who observed that organizations react to both market and institutional pressures which explains organizational behavior towards green marketing in organizations.

2.2.2 Scarcity of Resources Dependency Theory

Resource dependency theory focuses on a firm's ability to access resources from other actors in the environment and describes how the scarcity of resources forces organizations to pursue new innovations that use alternative resources (Pfeffer & Salancik, 1978). The theory explains how firms when faced with pressure from competition and scarcity in resources seek to depend on other external actors in the environment. Competitive pressures and may depend on or be impacted by other actors in the environment. Scarcity of resources dependency theory is relevant to the study because it seeks to explain why banks must adopt green marketing strategies since this will ensure they optimize on limited resources to remain competitive.

2.2.3 Stake holder Theory

The concept of stake holders was first applied by Ansoff (1979) to describe the perception of socially responsible behavior. According to Freeman (1984), stakeholders

are individuals acting individually or collectively as a group whose actions can affect or influence firm's objectives. Stake holders of a firm include employees, creditors, suppliers, public interest groups, and customers.

Freeman argues that stake holders especially through government hold immense powers that determine the profitability of organizations through regulatory power. Environmental regulation and stakeholders can represent the external and imposed drivers of environmental orientation able to impact indistinctly on companies subjected to certain norms or stakeholder pressure. Various research studies reveal pressure groups influence organizations by demanding specific performance actions towards environmental issues (Henriques & Sadosky, 1999; Buysse & Verbeke, 2003).

2.3 Green Marketing Strategies

These are the strategies employed by companies in incorporating green marketing amongst them. Erdman (2008) claims that eco-consciousness is now an expectation and that numerous brands across categories are in a race to see who can be "greenest." Consumer concerns about the environment have been on the increase in recent years (Chitra, 2007).these developments give an impetus to the need for adopting strategies of green marketing to remain competitive and relevant.

2.3.1 Green Marketing Innovation

Research studies reveal that green marketing should focus on a wider business concept rather than be trapped in a narrow business vision described as marketing myopia. Marketing myopia is viewed as the marketing concept that focuses on the product features rather than the consumer benefits (Fowler, 2002). A classic case of marketing myopia is a case of a rat trap making company who seeks to improve on the quality of the

rat trap rather than focusing on how best to deal with the menace of rats to the customers. Green marketing should therefore follow example of creative destruction, where the old way of doing things is discarded in favor of new methods to meet the ever changing customer needs as envisaged by Joseph Schumpeter a pioneer of innovation theory of creative destruction.

One of the green marketing strategies being embraced by banks is the online banking practice, where bank transactions are done via the Internet. Customers are able to make deposits, withdrawals and pay bills through a secure online portal. The Bank will emphasize more on this channels to make available to the customers the easiest way that can help in conserving the environment by eliminating paper waste, saving gas and carbon emission, reducing printing costs and postage expenses. This strategy ensures that customers are served in a more convenient manner while the bank is able to save on costs associated with service provision. Regulation is known to trigger environmental related innovation (Linde, 1995, Delmas et al., 2007).

2.3.2 Green Advertising/ Communication

Research studies reveal that there are consumers who are more inclined to adapt to more environmentally friendly behaviors. These consumers called green consumers are more independent minded and according to Shamdasani et al. (1993) adapt green products more easily. Consumers with environmental awareness have self-efficacy against environmental pollution. They have a sense of obligation to protect the environment and can independently assess the impact of given actions can cause on the environment (Babaoğlu & Ozgun, 2008). In study carried out by Aracıoğlu & Tatlıdil, (2009), it was revealed that consumers tend to modify their buying behaviors when their awareness on

environmental issues increases. It was also observed that buyers were aware of the importance of recycling on environmental protection and therefore recycling practices when applied in organizations have a tendency of appealing environmentally conscious consumers.

2.3.3 Green Procurement

A product has been described as something that provides a useful output for the user and it exists because of its ability to fulfill the user's need (Alting, Hauschild & Wenzel 1997). A green product is that product that whose production, societal performance, usage and disposal significantly minimize on negative effects on the environment compared to traditional products (Peattie, 2005). Empirical evidence reveals that companies that are engaged in green agenda incorporate into their buying behaviors policies that encourage suppliers of green products (Wal-Mart, 2007; Woolworths, 2007). Green marketing practices can be used to promote purchase of products that are not only environmentally friendly but also cost effective. This can include such goods as packaging materials, using recycled paper, more energy efficient computers in terms of power consumption.

2.3.4 Green Operations

The capacity to reduce operational cost in organizations can result substantial dollar savings if applied across all the entire operational units in an organization. one strategy is to reduce paper consumption by avoiding making multiple copies, use of correct font size, use phone calls where paper can be avoided, use email communication rather than print where necessary, print on both sides, use of online documentation and proof reading before printing. The use of electricity for lighting, heating and on equipment such as lifts

should be minimized. Use energy saving bulbs which are cheaper to run and lasts longer. Other expenses that can be saved include fuel costs by using group rather than individual travel/transport.

2.3.5 Green Branding

A brand is a “name, term, logo, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition” (Keller, 2003, p.3). Green Branding has been described as the way to the future survival and performance of business organizations (Kim & periyayya, 2013). Branding “gives a product or a service a Meaning and defines its identity in space and time” (Dahlen, 2010, p.25). As marketers forage into green marketing, the need to stand out from the crowd becomes increasingly important and green branding as a strategy for differentiation and positioning.

Communication reveals brand and a company’s identity through verbal messages and strategic signals transmitted through media channels. Symbolism applied to visual and audible symbols helps company to differentiate and determine its identity from competitors (Van Riel & Fombrun, 2007, p.68). Branding creates the channel through which a company communicates its core values through promotion of multiple social experiences and lifestyles that lead to an emotional bond with a brand, as well as a commercial commitment (Grainge, 2008, p.26).

2.3.6 Green Marketing Mix

Green Marketing MIX forms the foundational structural framework for an innovative corporate marketing strategy. Variations exist among Organizations in the choice of the marketing mix. Some have 4 Ps and some have 7 Ps of Marketing Mix. The 4 Ps of green

marketing are that of a conventional marketing applied in an innovative manner such that environmental objectives are incorporated. Products and services in line with green marketing should reduce resource consumption, pollution and to increase conservation of scarce resources (Keller man, 1978). The products and services provided should be in line with the needs of the customers who prefer environment friendly products. Products can be made from recycled materials or from used goods.

Efficient products not only save water, energy and money, but also reduce harmful effects on the environment. Green chemistry forms the growing focus of product development. The marketer's role in product management includes providing product designers with market-driven trends and customer requests for green product attributes such as energy saving, organic, green chemicals, local sourcing, etc., For example, Nike is the first among the shoe companies to market itself as green. It is marketing its Air Jordan shoes as environment-friendly, as it has significantly reduced the usage of harmful glue adhesives. It has designed this variety of shoes to emphasize that it has reduced wastage and used environment- friendly materials.

Price is a critical and important factor of green marketing mix. Most consumers will only be prepared to pay additional value if there is a perception of extra product value. This value may be improved performance, function, design, visual appeal, or taste. Green marketing should take all these facts into consideration while charging a premium price. Green pricing takes into consideration the people, planet and profit in a way that takes care of the health of employees and communities and ensures efficient productivity. Value can be added to it by changing its appearance, functionality and through customization (Peattie & Beltz, 2009 p.14).

Green promotion involves configuring the tools of promotion, such as advertising, marketing materials, signage, white papers, web sites, videos and presentations by keeping people, planet and profits in mind. British petroleum (BP) displays gas station which its sunflower motif and boasts of putting money into solar power to emphasize their green orientation (Dahlstrom, p.18)

Green marketers can attract customers on the basis of performance, money savings, health and convenience, or just plain environmental friendliness, so as to target a wide range of green consumers. Consumer awareness can be created through customer education programs on environmental benefits of green products. Posting of profiles related to green marketing on social networks creates awareness within and across online peer groups. Marketing can also directly target the consumers through advertisements for product such as energy saving compact fluorescent lamps. Bank customers can be reached through messages on their bank statements, ATM cards and ATM machines.

Place is the choice of where and when to make a product available will have significant impact on the customers. Very few customers will go out of their way to buy green products. Green place is about managing logistics to cut down on transportation emissions, thereby in effect aiming at reducing the carbon footprint. The choice of products can create substantial cost savings and at the same time conserve the environment. The use of imported goods for instance increases environmental pollution arising out of transport and logistics, which adds to the already high cost of imported goods. Companies should for instance used local furniture, stationery, packaging materials and fittings to minimize on import costs and transportation costs.

2.4 Green Marketing and Cost Management

According to Barrett (1991), companies can manage their costs through the adoption of practices which would influence legislation by moving beyond compliance. Companies that go beyond the compliance requirements are able to minimize on disruptions and the associated costs, thereby positioning themselves for emerging market opportunities. Expenses incurred at the present may be lower than what is usually applicable when companies are in the last minute rush to comply. Taylor (1992) points out that shell petroleum company started disposing solid waste in incinerators in anticipation of legislation in UK way before this was enacted, after legislation was done in USA outlawed incineration of solid waste in the open. A sustainable strategy for cost management therefore should lie in forward looking cost management strategies for competitive advantage.

The use of strategic alliances in green marketing has been identified as an effective green marketing cost management strategy. According to Hartman (1997), green alliances which are partnerships between businesses and environmental groups can substantially help companies manage their costs. Green alliances enable organizations integrate their corporate environmental objectives into their marketing activities. Companies are able to manage their cost through environmentally responsible programs which are developed by stakeholders. This strategy reduces the burden on internal organizational resources on green marketing.

Using the stakeholder theory, crane (1998) argues that green alliance depends on the congruency of bonds between various stake holder actors such as suppliers, environmentalists and consumers. Alliances create the avenue through which companies are able to attain mutually beneficial goals based on combined synergy.

2.5 Summary

The study highlights the theoretical foundations that underpin this study. This includes the institutional theory, the stakeholder theory, and the systems theory. The theories explain why an organization may not operate sustainably in isolation of their operating environments. The need to conserve responsibly by addressing stakeholder expectations and adopting strategies for cost management through the green agenda has been discussed. Key green marketing practices and how they can be used to manage costs have also been highlighted. The chapter also addresses need for cost management through strategic alliances and partnerships with environmental conservation actors such NGOs and competitors.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology and procedures that were used in this study. It describes the research design, the population, sample size, sampling technique, nature of data to be used for the study, data collection tools, data collection procedure, as well as analysis techniques.

3.2 Research Design

According to Kothari (2004), research design is a strategy of investigation conceived so as to obtain answers to research questions. The role of research design is to integrate the different components of a research study in a coherent and logical manner. A Research designs provides an action plan or model which dictate the manner in which sampling, data collection and analysis is carried out (Creswell, 2003).

The research study shall adopt a descriptive census survey design. According to Mugenda and Mugenda (2003), a descriptive design is adequate in describing phenomena, attitudes, values and characteristics. Orodho (2003) argues that a descriptive design survey design allows researchers to gather, present and interpret information. A survey usually involves selecting a group of people or items to be studied for purposes of collecting information which is considered as representative of the entire group. Collected information when analyzed is used to draw generalizations for the entire group (Nworgu, 1991). A similar study on the factors that influence the adoption green marketing practices in Kenyan tea firms, Ofunya (2012) used the same design successfully owing to the small number of tea firms.

3.3 Population of the Study

Cooper and Emory (1995) define a population as the total collection of elements about which the researcher wishes to make inferences. The population for the study shall be all the 43 commercial banks registered and operating in Kenya by December 2013(CBK, 2014). Due to the small number of number of banks, a census survey shall be conducted on all the 43 commercial banks in Kenya.

3.4 Data Collection

Primary data was collected through questionnaires which were given out to the respondents. The data collected was used to provide answers to the research questions on green marketing strategies and their influence on cost management at the commercial banks in Kenya.

The questionnaires comprised of both open ended and closed questions. The questionnaires had three main sections. Section I contained the demographic information of the respondents. Section II of the questionnaire comprised of questions on green marketing strategies used in commercial banks in Kenya. Section III of the questionnaire had questions on cost management in commercial in Kenya.

In order to obtain reliable data and information, data was collected from departmental heads of the marketing departments in commercial banks in Kenya. These respondents were selected because they have information relating to green marketing strategies and how they are used for cost management in commercial banks in Kenya. The respondents were drawn from various bank branches in Kenya. The researcher employed a drop and pick method as this was found convenient. Some questionnaires were also emailed for respondent who could not be reached physically...

3.5 Data Analysis

Collected questionnaires was edited for completeness, coded and entered for data analysis using the statistical package for social sciences (SPSS version 20). Descriptive statistical analysis was used to summarize the collected. Data presentation shall be in the form of frequencies, percentages, charts and tables. The researcher shall use percentages, sum of frequencies, means and standard deviation to be able to summarize and interpret collected data. Further analysis shall be done on the data using correlation analysis and multiple linear regressions. To establish the relationship between green marketing strategies and cost management in commercial banks in Kenya.

A regression model was used to determine the relationship between cost management and the strategies used;

Cost management = $B_1 + B_2(\text{green marketing mix}) + B_3(\text{green innovation}) + B_4(\text{green procurement}) + B_5(\text{green operations}) + E$, where B_1, B_2, B_3, B_4 and B_5 are constants to be determined from the regression equation and e is an error term that was assumed to be zero.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND INTERPRETATIONS

4.1. Introduction

This chapter presents the key findings based on the two objectives of the study which were; to determine the green marketing strategies adopted by commercial banks in Kenya, and to establish the influence of green marketing strategies on cost management amongst commercial banks in Kenya. The interpretations of the findings have also been provided. The main purpose of the study was to determine the influence of green marketing strategies on cost management among commercial banks in Kenya.

4.2 Response rate

The respondents targeted for the study were marketing managers and the staff performing equivalent roles within commercial banks. Out of a total 43 respondents who were issued with questionnaires, a total of 27 fully filled and returned the questionnaires constituting 62.8% response rate. According to Mugenda and Mugenda (2003) a response rate of 50% is considered adequate for analysis.

4.3 Demographic Profiles of Respondents

The demographic profile of the respondents was considered important for the research. The researcher therefore among other characteristics was interested on the age, gender, work experience, education status and the banks they worked for. The findings are presented here below;

4.3.1 Gender of respondents

The respondents were required to indicate their gender. The findings are presented in Table 4.3.1

Table 4.3.1 Gender of respondents

Gender	Frequency	Percentage
Male	12	44.4
Female	15	55.6
Total	27	100.0

Source; Research data (2014)

The findings in table 4.3.1 revealed that there were 55.6% of the respondents who were female, while 44.4% were male. This finding agrees with the trends industry where majority of staff working within marketing departments tend to be female.

4.3.2 Age Bracket

The researcher also sought to know the age bracket of the respondents to be able to predict characteristics of the respondents. The findings are presented in Table 4.3.2

Table 4.3.2 Age of respondents

Age	frequency	percentage
21-30	8	29.6
31-40	16	59.3
41-50	3	11.1
Total	27	100.0

Source; Research data (2014)

The findings from table 4.3.2 showed that majority of staff working within marketing departments in banks were aged between 31 and 40 years, with 59.3%. There were 11.1% of the respondents who were aged over 40 years. It was therefore the opinion of the researcher that banks consider staff younger in age as being more aggressive in marketing and therefore better placed to advance the marketing agenda of the bank.

4.3.3 Education level

The education level of the respondents was important for the study. This was so because the level of education is an indicator of maturity and ability to provide answers based on informed opinion. The respondents were therefore required to indicate their level of education. The findings are contained in the Table 4.3.3

Table 4.3.3 Education level

Education Level	Frequency	Percentage
University	22	81.5
Masters	5	18.5
Total	27	100.0

Source; Research data (2014)

The findings from table 4.3.3 showed that majority of staff working within marketing departments in banks had first degrees (81.5%), while the rest (18.5%) had post graduate degrees.

4.3.4 Position of respondents

The researcher considered the rank of the respondents important for the study. This was because the answers expected were a function of the duties performed by the respondents based on the description of their job titles.

Table 4.3.4 Position

Title	Frequency	Percentage
Marketing director	5	18.5
Marketing Officer	7	25.9
Sales Director	2	7.4
Others	13	48.1
Total	27	100.0

Source; Research data (2014)

Terms used included corporate affairs managers. The findings from table 4.3.4 showed that there were 18.5% of the respondents who indicated that they were marketing directors, 25.9% marketing officers and 48.1% who were designated using other titles other than marketing. The researcher however considered that the ranks of the respondents placed in positions where they were well informed on the issues under the study. Two respondents 7.4% were designated as sale directors.

4.3.5 Work experience

The work experience of the respondents was considered important for the study. This was so because more experienced staff would be informed about marketing issues than those that are just starting work. The findings were summarized and tabulated as shown in Table 4.3.5.

Table 4.3.5 work experience

Years	Frequency	Percentage
less one year	6	22.2
2 to 5 years	12	44.4
6 to 10 years	9	33.3
Total	27	100.0

Source; Research data (2014)

The findings from table 4.3.5 revealed that the majority of the respondents had worked for more than two years. There were 44.4% of the respondents who had worked for between 2 and 5 years, while 33.3% of the respondents had worked for over six years. 6 of the respondents had worked for less than one year. The opinion of the researcher was that based on the wide of experience, the respondents understood well what was happening in their banks in green marketing.

4.4 Green Marketing Strategies adopted by Commercial banks in Kenya

The research study identified various parameters to use in gauging the extent to which green marketing had been adopted amongst commercial banks in Kenya. The parameters identified included having departments responsible for communicating and advancing the green agenda and the specific practices that the banks were involved in.

4.4.1 Green Marketing Departments

The researcher sought to know from the respondents if the banks had departments handling green marketing. The respondents were therefore required to indicate if the banks had created green marketing departments to address green marketing and sustainability issues and the findings are contained in Table 4.4.1

Table 4.4.1 Green Marketing department

Parameter to measure	frequency	percentage
Banks with green marketing department	18	66.7
Banks without green marketing department	9	33.3
Total	27	100.0

Source; Research data (2014)

From the findings from table 4.4.1 showed that the majority of the banks (66.7%) had identified green marketing as a strategic priority which was demonstrated by the creation of department's responsible green marketing. This implies that green marketing had been identified as a key strategy by commercial banks.

4.4.2 Active campaign on Green Banking Practices

Green banking is gaining prominence as a competitive weapon based on the realization that customers modify their buying behaviors based on environmental concerns of organizations supplying services goods or products (Aracıoğlu & Tatlıdil, 2009). The research study therefore sought to find from the respondents if their banks were actively involved in creating awareness about green banking practices. This was considered an important strategy in enhancing customer retention and therefore reducing costs associated with acquiring new customers. The respondents were therefore required to state if their banks were actively involved in promoting green banking practices. The findings are contained in Table 4.4.2

Table 4.4.2 Active campaign of green banking

Extent Of Campaign	Frequency	Percent
Not at all	5	18.5
moderate extent	12	44.4
large extent	8	29.6
Very large extent	2	7.4
Total	27	100.0

Source; Research data (2014)

The findings from table 4.4.2 showed that only 7.4% of the banks were actively involved in campaigning for green banking practices. The opinion of the researcher was that even among the banks that had green banking departments, there was not a strong campaign to promote green banking practices .The majority of the banks (44.4%) had a moderate on campaign on green banking practices. It was revealed that some banks (18.5%) made very little or no effort to promote green banking practices. This would explain as a perception that green marketing did provide a strategic marketing competitive advantage.

4.4.3 Social environmental Awareness

The research study sought to find out the banks carried out social environmental awareness about green marketing. This was considered important for the study because adoption of green products was an outcome of knowledge on the benefits of green products on the environment. The findings were captured and summarized as shown in Table 4.4.3.

Table 4.4.3 Social environmental awareness

Extent	frequency	Percent
Not at all	5	18.5
little extent	7	25.9
moderate extent	13	48.1
large extent	2	7.4
Total	27	100.0

Source; Research data (2014)

The findings from table 4.4.3 revealed that the majority of the respondents 13(48.1%) used social environmental awareness moderately. It was also evident that 25.9 % of the banks sampled used social environmental awareness to a little extent. This implied that social awareness was not considered as a strong marketing weapon. The number of banks that used the social environmental awareness to a large extent was less than ten percent. The opinion of the researcher was therefore that banks did not use social environmental awareness to a large extent because they felt that this did not provide a strong marketing competitive tool.

4.4.4 Green Bank products

The research study sought to find out the extent to which green products were used by commercial banks to manage costs. This was important because the adoption of green products was an evidence of green marketing adoption. Findings from the study were summarized and presented in Table 4.4.4

Table 4.4.4 green bank products

Extent	Frequency	Percentage
Not at all	3	11.1
little extent	4	14.8
moderate extent	14	51.9
large extent	6	22.2
Total	27	100.0

Source; Research data (2014)

The finding from table 4.4.4 shows that the banks that had adopted green bank products to a large extent were 22.2%. More than half of the banks were reported to be using green bank products to a moderate extent. About one quarter of the banks surveyed in the study based on the findings were not using green bank products in their operations.

4.4.5 Green Innovation and Branding

The respondents were required to indicate the extent to which their banks had adopted green innovation and branding strategies. Using a five point Liker type scale where 5 was to a very large extent, 4 was large extent , 3 was moderate , 2 was little extent and 1 not at all to which each of the strategies was applicable to their banks . The findings are presented in Table 4.4.5

Table 4.4.5 Green Innovation and Branding strategies

	N	Minimum	Maximum	Mean	Std. Deviation
Green Branding	27	1.00	5.00	2.93	1.54
Printed Paper	27	1.00	5.00	3.07	1.04
Teleconferencing	27	1.00	5.00	3.26	1.16
Online Banking	27	1.00	5.00	3.96	1.16
Online Bills Payment	27	1.00	5.00	4.11	1.21
New Account Without	27	1.00	5.00	3.19	1.14
Receipt Printing	27	1.00	5.00	3.81	1.52
Valid N (list wise)	27				
Average				3.04	1.25

Source; Research data (2014)

The findings from table 4.4.5 show that overall bank use green branding was moderately adopted with a mean score of 3.040 and standard error of 0.211. On specific green branding strategies, online bill payment, online banking and withdrawals without receipts were adopted by commercial banks to a large extent with mean scores of 4.1, 3.9 and 3.8 respectively. On the other hand, green image branding had the lowest mean score of 2.9

Strategies that were most prevalent in green branding seemed to be the emergence of online banking. The study revealed that most banks had adopted the online payment of bills which did not require the use of paper to a large extent (4.11).

The findings also revealed that online banking was used to a large extent with a mean of 3.96 (STD error =0.2369). It was also revealed that customers who did not print receipts were charged less by some banks as a means of encouraging trees conservation. The mean for receipts printing was found to be 3.814 and a standard error

of 0.29. Green branding and electronic advertising seemed to be least important strategies for cost management.

4.5 Content analysis on ways of enhancing green marketing practices in the banking sector

The research was interested to know from the respondents what would be done to enhance green marketing in their banks .this was important because they are the people involved in the implementation of green marketing programs and therefore better placed to identify roadblocks and challenges they face in managing cost through green marketing.

4.5.1 Green Branding Strategies

The findings revealed that banks can enhance green branding through the introduction of green branding messages on banking slips and ATM withdrawal receipts. It was also suggested that The ATM salutation messages can be branded with messages on green orientation. The stationary used and correspondence with customers it was suggested would enhance the green marketing for the banks.

4.5.2 Rain Water Harvesting

It was evident from the study that few banks harvest rain water for use in their branches and this would be enhanced to manage costs. Banks use huge amount water for cleaning, their premises and leaning of lavatories. Respondents indicated that by harvesting rain water, water bills can be reduced and the benefits passed on to customers besides conserving the environment through reduced carbon emissions arising from bumping water.

The use of glossy paper was also noted to be environmentally unfriendly and it was suggested that easily decomposable paper quality should be used. The creation of environment awareness on green marketing was suggested. This would include tree planting and environmental cleaning services.

4.5.3 Green promotion

The respondents indicated that banks can reduce cost through increased messages on green marketing in all the communication channels. This would include the social media, the print media and public awareness campaigns. The banks it was also suggested can partner with companies that promote green agenda by providing favorable finance terms to their projects.

It was also suggested that introduce green marketing as part credit appraisal system for people seeking loans. It was also suggested that that banks should form a consortium working on promoting green marketing in banks. It was also noted that banks rely heavily on billboard advertising which interferes with the environmental quality. This practice it was observed contributed to environmental pollution.

4.5.4 Green Based Appraisal for Employees

Respondents were of the opinion that t the internal appraisal systems of staff should include their participation and contribution to the green marketing agenda. This would ensure that the banking staff would step up efforts on green marketing. Respondents observed that Bank branches should be rated on how they handle their green agenda and if possible introduce interbank and inter branch competitions on green marketing.

4.5.5 Green labeling

Respondents indicated that banks should strengthen their green labeling policy such that suppliers of all consumables are required to adhere to sound green marketing practices. Green labeling policy will ensure that only suppliers that adhere to green marketing practices which emphasize on efficiency are preferred over those that do not.

4.6 Green cost management Operations

The research sought to find out from the respondents the strategies that had been adopted to manage costs through operations. The parameters chosen for this variable included the policies in place to control costs through green marketing , printing cost management , packaging, collaboration with green suppliers, design of buildings to use natural light, the management lighting costs. The findings were captured and presented in table 4.4.1

4.6.1 Printing Cost Management

Printing and stationary costs consume substantial financial resources in terms of tonner, ink, electricity bills and repair. The research therefore was interested in knowing if there was a policy on printing that sought to reduce paper wastage. The findings are captured and presented in Table 4.6.1

Table 4.6.1 policy on printing and stationary

Extent of application	Frequency	Percentage
little extent	3	11.1
moderate extent	7	25.9
Very large extent	17	63.0
Total	27	100.0

Source; Research data (2014)

It was evident from table 4.6.1 that majority of the banks (63%) had a policy on printing that was adhered to a very large extent. The respondents indicated that printing was restricted to two page printing as a means of reducing on paper costs. It was also noted that the banks that did not a have clear policy on paper waste and printing associated with printing were 3(11.1%). The respondents indicated that the policy on printing on both sides of paper applied to a little extent. This implied that lack of policy on printing was a reflection of the banks inability to recognize the cumulative costs savings as a result of applying the rule of printing on both sides of the page.

4.6.3 Use of mail encouraged for correspondence

The researcher was keen to know the extent to which e-mail communication was encouraged as a means of conserving on printing costs. The results were captured and presented in Table 4.6.3.

Table 4.6.3 use of e-mail

Extent of E-Mail Use	Frequency	Percentage
little extent	3	11.1
moderate extent	7	25.9
large extent	4	14.8
Very large extent	13	48.1
Total	27	100.0

Source; Research data (2014)

The findings from table 4.6.3 show that slightly less than half of the banks sampled relied on email communication as a strategy of saving on printing costs to a very large extent. This revealed that the banks had not realized the costs that could be saved by relying on e-mail communication. There were 48.1% of the respondents who indicated that email communication was used to a very large extent for internal communication while 14.8% of the banks used e-mail communication to a large extent.

4.6.4 Green certified labels on printers

The use of inefficient printers can be costly in terms of energy consumption and subsequent environmental degradation. The researcher was therefore interested to know if the banks had measures in place to purchase eco-friendly certified printers .The findings were captured and presented as show in Table 4.6.4

Table 4.6.4 Green Certified Labels on Printers

Extent	Frequency	Percentage
Not at all	7	25.9
moderate extent	16	59.3
large extent	2	7.4
Very large extent	2	7.4
Total	27	100.0

Source; Research data (2014)

The findings from table 4.6.4 revealed that slightly more than one quarter of the respondents did not consider the use of eco-friendly printers as important. There were four banks representing 14.8% of the banks that used certified printers. This implied that eco-friendliness not a strong consideration in the purchase of printing equipment for most of banks.

4.6.5 Solar Lighting in Banks

The research study sought to find out if the banks used solar lighting as a cost management strategy. This was important for the research study because heating and lighting costs consume substantial resources. The findings were captured and presented as shown in Table 4.6.5

Table 4.6.5 Solar Lighting in Banks

Extent	Frequency	Percentage
Not at all	14	51.9
little extent	4	14.8
moderate extent	9	33.3
Total	27	100.0

Source; Research data (2014)

The findings from table 4.6.5 show that the use of solar energy had not been extensively adopted amongst commercial banks. There were 51.9 % of the banks that did not use solar at all. Those banks that used solar energy to a moderate extent were 33.3%, while there were 14.8% banks that were using solar for lighting to a very little extent.

4.6.6 Green House Design

The research study sought to find out the extent to which the design of buildings incorporated the use of natural light. This is because the design of bank buildings if not incorporated in the architectural design of the buildings may result in higher lighting costs. The findings were captured and presented in Table 4.6.6

Table 4.6.6 Green House Design

Extent	Frequency	Percentage
Not at all	5	18.5
little extent	2	7.4
moderate extent	7	25.9
large extent	4	14.8
Very large extent	9	33.3
Total	27	100.0

Source; Research data (2014)

The research findings as shown in Table 4.6.6 revealed that 33.3% of the banks considered the architectural design of buildings into account to be able to use natural light to manage lighting costs to a very large extent. The findings revealed that the architectural design to accommodate natural lighting was considered to a very large extent by 33.3%. There however some banks that did not consider the use of natural light as important. There were 7(25.9%) banks where it was reported that the design was not very important. The opinion of the researcher was therefore that the banks did not consider lighting costs as comprising of any significant cost implications.

4.6.7 Group transport

The researcher was interested to know the extent to which the banks used group transport. The respondents were therefore asked to indicate the extent to which the banks had implemented this in their work place as a strategy on green marketing and cost management. Group transport has the advantage of reducing both the carbon footprint and the transport costs for the banks. The results were tabulated as shown in Table 4.6.7.

Table 4.6.7 Group Transport

Extent	Frequency	Percentage
Not at all	5	18.5
little extent	2	7.4
moderate extent	11	40.7
Very large extent	9	33.3
Total	27	100.0

Source; Research data (2014)

The findings as shown in table 4.6.7 indicated that group transport had not been fully integrated to a large extent by most of the commercial banks. There were 40.7% of the banks that were using group transport to a moderate extent. Those banks that used group transport to a moderate extent were 33.4%, while 18.5% did not use group transport at all. There were 7.4% of the banks that used group transport to a little extent.

4.6.8 Eco friendly lighting bulbs

One of the strategies used to save electrical energy and power consumption is through the use of energy efficient bulbs. This has the effect of reducing electricity bills and thereby reducing the overall burden on the budget. The researcher therefore was interested in knowing the light energy efficient bulbs were used. The findings were captured and tabulated as shown in Table 4.6.8

Table 4.6.8 Energy Efficient Bulbs

Extent	Frequency	Percentage
Not at all	2	7.4
little extent	3	11.1
moderate extent	12	44.4
large extent	2	7.4
Very large extent	8	29.6
Total	27	100.0

Source; Research data (2014)

The finding as shown in table 4.6.8 indicates that not all the banks in the study had implemented a policy of using energy efficient bulbs. The banks that were using eco friendly bulbs to a moderate extent were 44.4%, while 29.6 % the banks were using the eco-friendly bulbs to a moderate extent. Those banks that used the bulbs to a very little extent were 11.1%. The number of banks that used the eco-friendly bulbs to no extent was 7.4%. The management of lighting costs through eco-friendly light bulbs in the opinion of the researcher can yield substantial savings on the lighting budget and at the same conserve the environment.

4.7 Correlation between Green Marketing Strategies and Cost Management.

The researcher carried out a regression analysis to determine the key determinants of green marketing strategies for cost management among the commercial banks in Kenya. A total of 10 predictors were retained in a model that was generated by forward difference method, each of them being significant at $p < 0.001$ as shown in Table.4.7.1

Table 4.7.1: Regression analysis

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	3.755	.000		
	Department Of Green Marketing	-1.579	.000	-1.168	.
	Green Products	-.075	.000	-.105	.
	Social Media	.299	.000	.484	.
	Green Marketing Correspondence	2.871E-014	.000	.000	.
	Packaging	-.289	.000	-.562	.
	Group Transport	.625	.000	1.422	.
	Lighting	.462	.000	.889	.
	Green Branding	-.522	.000	-1.240	.
	Printed Paper	.531	.000	.847	.
	ATM Receipt Printing	-.522	.000	-1.222	.

a. Dependent Variable: company ownership

Source; Research data (2014)

The key predictors of green marketing as shown in table 4.7.1 were found to be department of green marketing, green products, Social media, packaging, Group transport, green branding, and printed paper and the printing of receipts. What was evident was that a regression model had both negative and negative linear relationships between the strategies that were used in cost management. Green branding had a negative constant of 0.522, since branding involves costs which in the long run can be recovered through enhanced brand equity. The constant for printing cost was 0.531 meaning that a unit changes in the printing paper volume would result a 0.5 marginal

cost in the printing cost. The cost associated with correspondence on bank forms would be negligible.

The regression equation generated indicated that a unit change in the group transport parameter would result in 0.25 changes in the overall transport. Lighting it was noted would the costs associated with lighting by a margin of 0.462.

The regression equation on cost management will therefore be of the form

Cost management = 3.75+0.53(cost of printing)+0.29(social media advertising)-0.522(green branding) +0.462(green lighting) + 0.625 (group transport) -(0.522) ATM paper printing- 0.289(green packaging)-0.075(green products)+ error term.

4.7.2 Analysis of variance

The researcher carried out an analysis to determine if the banks surveyed differed in the choice of strategies on green marketing depending on size. The findings were represented in Table 4.7.2 as shown.

Table 4.7.2 ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
green branding	Between Groups	.652	2	.326	.128	.881
	Within Groups	61.200	24	2.550		
	Total	61.852	26			
printed paper	Between Groups	1.652	2	.826	.757	.480
	Within Groups	26.200	24	1.092		
	Total	27.852	26			
teleconferencing	Between Groups	6.235	2	3.118	2.585	.096
	Within Groups	28.950	24	1.206		
	Total	35.185	26			
online banking	Between Groups	3.430	2	1.715	1.305	.290
	Within Groups	31.533	24	1.314		
	Total	34.963	26			
Online bills payment	Between Groups	2.783	2	1.392	.931	.408
	Within Groups	35.883	24	1.495		
	Total	38.667	26			
New accounts	Between Groups	5.941	2	2.970	2.534	.100
	Within Groups	28.133	24	1.172		
	Total	34.074	26			
Receipt printing	Between Groups	13.791	2	6.895	3.576	.044
	Within Groups	46.283	24	1.928		
	Total	60.074	26			

Source; Research data (2014)

The result from the analysis of variance (ANOVA) show that all the strategies on green marketing were not specific to nature of or size of bank ownership. The ANOVA

table 4.7.2 show that except for receipt printing, all strategies were applied in same manner across the banks with $P > 0.05$. The findings therefore indicate that green marketing strategies had taken root almost to the same capacity in both the large, small, medium and large banks

4.8 Discussion of findings

The objective of the research study was to determine the influence of green marketing strategies on cost management in commercial banks. One key observation was that green marketing had been identified as a cost management strategy amongst commercial banks given that more than half the banks (66.7%) had operational green marketing departments.

The parameters that were considered were green innovation, green branding and green operations. The findings revealed that the three strategies had been adopted at different levels by various banks. The implication of the findings was that the banks considered some of the strategies more important than others. Mean rank obtained for the strategies adopted were green branding (3.48), green operations (3.2) and green innovation (2.7). Green branding it would be argued was a more prevalent strategy for green marketing compared to green innovation and green operations. The researcher therefore suggests that all areas of green marketing need a closer evaluation so that cost management can be improved.

It was also noted that among the variable that were under investigation, the management of costs through printing policies, the use of online banking and green advertising were considered as the most significant cost management strategies. Printing was considered as the most important cost management strategy together with online payment systems which had scores of slightly more than 4.00.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

In this chapter, the researcher presents the summary of major findings, the discussions, conclusions, recommendations and the limitations of the study in that order.

5.2 Summary of the findings

The purpose of the study was to determine the influence of green marketing on the cost management amongst commercial banks in Kenya. A census survey study design was used for the study because of the small number of banks. The main instrument of data collection was a questionnaire which had both open ended and closed questions. The response rate achieved was considered adequate for analysis.

There were two main objectives for the study the green marketing strategies used in commercial banks and the influence of green marketing strategies on cost management. The findings revealed that majority of the banks had created departments that were in charge of green marketing to steer the cost management through green marketing.

It was observed that the banks had adopted strategies such as active campaign on green marketing and the use of social media to communicate the green marketing agenda. The use of green marketing advertising was used to a moderate extent by the banks. Social awareness was also noted to be used to a moderate extent.

Green Bank products were noted to be one of the strategies which banks on average to a moderate extent. Other strategies identified to be in use included innovation branding , electronic advertising , online bills payment , ATM withdrawals without receipt printing and the opening of new accounts using online portals which did consume paper therefore saving on paper cost and trees.

The banks were noted to be relying on billboards which it was observed were contributing to environmental pollution.

Eco-friendly bulbs use was noted to be used to a moderate extent, while few banks were using rain water harvesting as a strategy of cost management.

5.2.1. Green Marketing strategies

The study was guided by two objectives namely the strategies used in green marketing and the influence of the strategies on cost management. The strategies identified for the study were green innovation, green branding and green operations. The main finding under green marketing was that the variable was that green marketing was used to a moderate extent. The banks had adopted the green marketing by actually setting up green marketing departments.

The banks were noted to have adopted green marketing innovation through the introduction new products such as online banking, online cash payments, online marketing and the use of social media for marketing. It was however noted that the banks had not been aggressive in advertising and creating social awareness on green marketing.

The study noted that green branding as a strategy was more popular with banks as a strategy on cost management. The study revealed that green branding ranked highest among the strategies used in green marketing. This implied that the marketing department relied on green branding as a strategy of reducing marketing costs. This would be based on the perception that a green brand is easily noticeable and therefore less expensive to market because of a strong market presence.

The study identified green operations as one strategy of managing costs. This included the use of solar for heating and lighting, use of more efficient printers, saving on paper and

printing costs. Printing costs and the management of the costs of stationary were identified as the main green cost management strategy. It was noted that banks would reduce costs by using ATM outlets, use electronic marketing and online banking for green marketing.

5.2.2 Green Marketing and Cost Management

The study revealed that green marketing had been identified as a cost management tool among commercial banks in Kenya. The main areas identified as leveraging on cost management in green marketing centered on innovation through the use of technologically oriented green marketing practices.

Some of the practices identified included cost reduction through advertisement in the social media, the use of green marketing messages on bank paying in slips, ATM withdrawal receipts and bank statements. Other practices identified included cost management practices in the area of operations such as lighting, and cleaning using harvested water rather paying bills on piped water or transporting water in Lorries for cleaning within bank premises.

5.3 Conclusion

From the study findings, the researcher made the following conclusions based on the research questions; the green marketing strategies adopted to a large extent on cost management among commercial banks in Kenya included using ATMs, electronic media and the use of green banking products such as on line banking and payment of bills. The study revealed that cost management would significantly be influenced by among other strategies the use of; teleconferencing, internet in communication, and organized group transport system for staff, lighting costs management, printing and online advertising.

5.4 Recommendations from the study

Upon the conclusion of the study and after careful analysis of the findings, the researcher made the following policy recommendations. The green market strategies should be adopted by all commercial banks in Kenya since they lead to a reduction in operational cost of the banking industry. The green market strategies should be made more efficient through digital technologies in its relevant fields. Banks should encourage the use of strategies such as teleconferencing to reduce transport costs. Banks can substantially reduce their marketing costs by exploring how to save costs on water by creating water harvesting systems and use solar in lighting and in their offices. The costs that can be recovered in the long run by adopting the use of rain water and the use of solar for heating and lighting would reduce operational costs.

5.5 Limitations of the Study

One of the limitations of the study was the unwillingness of banking staff to give information freely and willingly. This contributes to low response rate in the study. An intensive case study design approach may yield more information since it will be easier to involve the whole organization as a whole organization.

5.6 Recommendations for further studies

The findings from the study identified various study gaps that form a basis for further research in green marketing in commercial banks. These studies if undertaken will enrich the findings of this study. One of the suggested studies is the study of on the influence of green branding on cost management among commercial banks in Kenya. Further studies can be carried out to determine the extent to which policies on printing can be impact on cost management in commercial banks in Kenya. It is further recommended that studies

be carried out on the impact of green marketing and the impact of using recycled paper on cost management among commercial banks in Kenya.

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Appendix 1: Questionnaire

Name of the bank-----

Size of the bank according to CBK classification (a) Small (b) medium (c) large

Section I. General Information

1. What is your gender ?

Male { }

Female { }

2 Kindly indicate your age

21- to 30 { }

31-40 { }

41-50 { }

51-60 { }

Over 60 { }

3. Kindly indicate your education level

Secondary { }

College { }

University { }

Masters, post graduate { }

others { }

4. Please indicate your job title as described by the bank or what you do

Marketing Director { }

Head of Marketing { }

Marketing officer { }

Sales Director { }

Others specify { }

5 .Kindly indicate the nature of ownership of your company

Fully locally owned { }

Local and foreign { }

Local and foreign { }

6 please tick the number of years you have been working in the marketing department for your bank.

Less than one year

2 to 5 years

6 to 10 years

12 and more

7. Please indicate if your bank has a green marketing department, dedicated to advancing the green marketing agenda

a. {Yes} b. {No}

Section II

(a) Kindly indicate in the check boxes below the extent to which your company is involved in the listed green marketing initiatives based on a scale of 1 to 5, where 5 =Very large extent, 4= Large extent, 3= Moderate extent, 2=little extent, 1= Very little extent

a. Green Innovation strategies

Parameter	5	4	3	2	1
Active campaign on green banking practices					
Creating social awareness on environmental protection					
Development of innovate green marketing products					
Existence of partnerships with green agenda organizations					
There is a strong partnership with the electronic media to enhance green agenda					
Social media is actively used to advance green marketing					
The bank actively uses ATMS for green marketing					
ATM cards have green marketing messages					
Correspondence with customers has green marketing undertones					
CSR activities actively involves the use of green marketing					
The company uses the internet for green marketing					

Please give suggestions on how the bank through green innovation can reduce costs

(b) This section concerns green marketing strategies in operations at your bank and the extent to which they are applied to manage cost in your bank. For each of the questions

tick one option in check box immediately after the question. The scale used is; 5 =Very large extent, 4= Large extent, 3= Moderate extent, 2=little extent, 1= Very little extent.

Parameter	5	4	3	2	1
There is a policy on printing restricting printing to both sides of the page					
Printing of internal memos is discouraged where an email can do					
All packaging in the bank is done using green packaging products					
All suppliers of stationary must ascribe to the use of recycled paper					
Group transport is encouraged to reduce fuel use					
The bank branches have been fitted with solar lighting systems					
All printers must have green certified labels as marks of efficiency					
The design of buildings ensures that natural light use is optimized					
The company uses energy conservation lighting bulbs in all its buildings					
the bank has invested in rain water harvesting for used in cleaning and washrooms					

These section deals with issues of green branding, green advertisement and the extent to which they are applied in your bank. A scale of 1 to 5 has been used, where 5 =Very large extent, 4= Large extent, 3= Moderate extent, 2=little extent, 1= Very little extent

Green Branding

Parameter	5	4	3	2	1
The company has developed a distinctive green brand image easily noticeable by green consumers					
Most of the adverts by the company avoid the use of printed paper					
Teleconferencing is frequently used for meetings to avoid physical movement of personnel					
Online banking by majority of our customers is encouraged to avoid them being physically present at the bank					
Customers are able to pay their bills online without having to visit the bank					
Most of the new bank customers can open accounts without having to fill paper forms					
Customers are encouraged to make ATM withdrawals without printing receipts (pay less in withdrawal charges) to encourage paper conservation					

Briefly give suggestions on how the bank can reduce cost through the following green branding strategies.

Green advertisement-----

Green labeling-----

Green promotion-----

APPENDIX II

LIST OF COMMERCIAL BANKS IN KENYA

1. African Banking Corporation Ltd
2. Bank of Africa Kenya Ltd
3. Bank of Baroda (K) Ltd
4. Bank of India
5. Barclays Bank of Kenya Ltd
6. CFC Stanbic Bank Ltd
7. Charterhouse Bank Ltd (Under statutory management)
8. Chase Bank Kenya Ltd
9. Citibank N.A.
10. Commercial Bank of Africa ltd
11. Consolidated bank of Kenya Ltd
12. Co-operative Bank of Kenya Ltd
13. Credit Bank Ltd
14. Development Bank of Kenya Ltd
15. Diamond Trust Bank Kenya Ltd
16. Dubai Bank Kenya Ltd
17. Eco bank Kenya Ltd
18. Equatorial Commercial Bank ltd
19. Equity Bank Ltd
20. Family Bank Ltd
21. Fidelity Commercial Bank Ltd
22. First Community Bank Limited

23. Giro Commercial Bank Ltd
24. Guaranty Trust Bank (Kenya)
25. Guardian Bank Ltd
26. Gulf African Bank Ltd
27. Habib Bank A.G Zurich
28. Imperial Bank ltd
29. Investments and Mortgages
30. Jamii Bora Bank Ltd
31. Kenya Commercial Bank Ltd
32. K-Rep Bank ltd
33. Middle East Bank (K) Ltd
34. National Bank of Kenya Ltd
35. National Industrial Credit Bank ltd
36. Oriental Commercial Bank Ltd
37. Paramount Universal Bank Ltd
38. Prime Bank ltd
39. South Credit Banking Corporation
40. Standard Chartered Bank of Kenya
41. Trans-National Bank
42. UBA Kenya Bank Ltd
43. Victoria Commercial Bank Ltd