

**ORGANIZATIONAL FACTORS INFLUENCING PERFORMANCE OF
CURRENT ACCOUNTS PRODUCTS: A CASE OF STANDARD
CHARTERED BANK KERICHO, KENYA**

BY

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DECLARATION

This research report is my original work and has not been presented for a degree or any other award in this or any other university.

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DEDICATION

This research report is dedicated to all members of my family whose love and support has been my greatest source of inspiration throughout this course.

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ACRONYMS AND ABBREVIATION

ATM:	Automated Teller Machine
CBK:	Central Bank of Kenya
CRM:	Customer Relationship Management
DEA:	Data Envelopment Analysis
ICTs:	Information and Communication Technologies
IT:	Information Technology
KCB:	Kenya Commercial Bank
PC:	Personalized Computer
SCB:	Standard Chartered Bank
SMS:	Short Message Services
WOM:	Word of Mouth

ABSTRACT

Banking services have been growing in Kenya in the past few years due to the diversified account products that are tailored to meet the needs of customers. The performance of these account products depends on factors including organizational support. Past research studies have mentioned the role of organizational framework in supporting current account products in the banking sector. Some past studies had only focused on the development of current account products and how they had been used to promote loyalty and overall competitiveness. Little had been done on organizational factors influencing the performance of current account products. This study aimed to establish organizational determinants influencing performance of current account products guided by objectives that focused on: branch banking networks, management procedures, marketing strategies and technological accessibility. The study was inclined to social marketing theory propounded by Hendrika Meischke (1993), guided by a self-conceptualized conceptual framework. Descriptive survey research design with both qualitative and quantitative techniques was used as a blue print to guide the study. The target population of the study comprised of 1512 customers of Standard Chartered Bank in Kericho branch. The sample size of the study consisted of 333 customers drawn from Standard Chartered Bank- Kericho branch based on Glenn 1992 pre- determined table for sample size selection at 5% precision. The study employed the use of a structured interview guide with both open and closed ended questions administered through telephone interviews as an instrument for data collection. The validity of the instrument was determined through expert judgement by candidates' supervisors. Reliability of the instrument was ascertained through pilot testing the instrument on 10% of the sample size using half-split – technique which required only one testing session. Quantitative data was analysed using descriptive statistics in the form of frequencies, percentage counts, mean, mode and medium with the aid of SPSS (Statistical Package for Social Scientists). Qualitative data was transcribed, organized into various emerging themes according to the objectives of the study and reported in a narrative way. The following conclusions were drawn from the study: branch banking networks influenced the performance of current account products, current account holders appreciated product management services, account management services, customer relationship management services, query resolution and transaction notification services offered by the bank as management procedures, Standard Chartered Bank adopted market segmentation, direct sales and advertisement as marketing strategies on its current accounts products, mobile banking services had made banking accessible at home and away from the bank, internet banking (online banking) had eliminated the brick and mortar banking challenges. Finally, results of the study revealed that technological accessibility influenced the performance of Standard Chartered Bank current account products. Based on the findings of the study, the following recommendations were made: Standard Chartered bank to increase the number of ATMs across the country so as to meet the demands of the swelling number of customers, improve on management procedures so as to increase the number of customers utilizing current account products and new relationships, enhance the use of market segmentation, direct personal sales and advertisement marketing strategies to market their current accounts products. Finally, Standard Chartered Bank to conduct a multi-prolonged

awareness creation campaigns on the varieties of modern technologies they offer to enable customers appreciate their utilities.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The commercial banking industry has undergone significant change in the past 15 years. From the origin of commercial banking, the cost of its key ingredient- money was controlled. The business activities in which banks could and could not compete were largely determined by legislation (Sullivan, 1986). Today, large commercial banks operate in a far more dynamic market place. The cost of funds fluctuates rapidly and there is increased competition from both inside and outside the traditional banking industry (Yang, 1990). Federal and state legislation continues to exert influence on the industry, products and customers are increasingly sophisticated and the rate of change in the industry continues unabated (LeGrand, 1992). Such rapidly changing circumstances have prompted a number of significant changes in traditional bank management.

The banking sector is expected to sustain the growth momentum on the backdrop of a stable macro-economic environment, domestic and regional expansion by banks and increased economic activities through the devolved system of government. The number of Automated Teller Machines (ATMs) in the payment card industry increased by 6.4 percent from 2,292 ATMs in June 2012 to 2,439 ATMs in June 2013. This growth may be attributed to commercial banks' business expansion strategies. Mobile phone money transfer service usage continued to increase among the Kenyan public as indicated by the growth in the number of transactions which increased by 39.51 percent from 364.06 million transactions in the year to June 30, 2011 to 507.90 million transactions in the year to June 30, 2012.

The Central Bank of Kenya continues to monitor the developments in the banking sector in line with the Government's policy of enhancing financial inclusion and deepening especially for rural/urban poor and the un-banked (CBK Annual Report, 2013).

Canadians are served by more than 3,000 organizations providing financial services. Canada's 54 banks employ more than 221,400 people and the six largest banks have a payroll of about \$13.8 billion. This number represents about 1.6% of Canadian employment. This large network of branches across the country has not only made Canadian banks one of the major private sector employers but has also provided Canadians with the highest ratio of full service bank branches to population in the world. Moreover, Canada offer one of the most efficient, reliable and low-cost banking systems where 8,140 branches and 14,484 automated banking machines help manage and provide access to over \$1.2 trillion in assets. In 1997, the Bank Act and the legislation governing other types of financial institutions underwent major revisions and increased competition by permitting banks and loan companies to diversify into each other's markets. As this public-policy framework continues to evolve, rapid industry changes are taking place. These changes are powered by technological innovation, globalized financial markets and shifting customer demographics, new expectations and diverse behavior. These changes in technology and competition have provided customers with more innovative products, improved access to financial services, greater convenience and more attractive pricing (Chapman *et al.*, 1993).

The first Internet banking service in the United Kingdom was launched by the Nottingham Building Society in 1983. This service formed the basis for most of the Internet banking facilities that followed. Mols (2001) agrees that Internet banking is an innovative distribution channel that offers less waiting time and more convenience than traditional branch banking with significantly lower cost structure than traditional delivery channels. In addition to reduction in operational costs to the banks, Internet banking also results in higher levels of customer satisfaction and retention. Currently, it is evident that most of the financial

institutions in Pakistan are employing E-commerce technologies on a wide-scale basis. They provide a combination of Automated Banking/Teller Machine (ABM/ATM) facilities, automatic funds transfer, electronic bill payment, call centre services and with telephone banking being the latest e-commerce trend. Most of the institutions also have built websites to keep customers informed about their existing financial products and services as well as new ones that are being offered. In some cases the applications of e-commerce technologies goes beyond merely creating a presence on the Web. At least 28 commercial banks and 3 another financial institutions are now offering financial transactions over the Internet. This responsiveness to technological innovation may prove to be a prudent course of action, considering the fragility of the Pakistan Financial Sector over the Past decade (Solomon, 1989).

The banking system in Ghana, until recently, has seen resistance to change as preserving its stability. But in recent times, the banks have been pushed into ICT and this is changing the way banking business is done. Internet or online banking is the current face in the development of banking services in Ghana. With more people using Internet these days, many bank customers expect to be able to carry out most of their banking transactions using safe websites. They expect to be able to access features and functions via the Internet that would enable them to transfer money from one account to another, view their account balances and summaries as well as handle other services. According to Balachandher *et al.*, (2001), many Ghanaian bank customers want to be able to carry out financial transactions by simply using a computer with an Internet connection. The biggest change to the banking industry in Ghana came with the introduction of the ATM machine in 1995. Today, all the major banks operate ATMs. The current phase of development of the banking industry in the country, in line with the rest of the world, is the Internet banking which tends to provide bank

clients with even more convenience. The marketing strategies in the Nigeria Banking industry has witness tremendous changes since the post consolidation era of the industry. Several marketing strategies have been employed by different banks with the sole aim of increasing the bank deposits base. Marketing strategies was viewed by Roger (2002) as the techniques employed by management to identify anticipate and satisfy customer requirement profitably.

In Nigeria, markets for financial services have been segmented based on consumption or buying pattern hence the use of personal and business clients. Market segmentation as a survival strategy has proved successful for non-banking firms especially where it is possible to isolate certain sectors of the total market and products created are so uniquely designed that no immediate competition exist (Kotler, 2002).

Banking industry in Kenya is governed by Central Bank of Kenya Act Cap 466 and with various prudential guidelines issued by Central Bank of Kenya (CBK). The banking sector was liberalized in 1995 and exchange controls lifted. The CBK which falls under the ministry of finance docket is responsible for formulating and implementing monetary policy and fostering the liquidity, solvency and proper functioning of financial system (CBK Annual report, 1996). During the period ended June 30, 2013, the Kenyan banking sector comprised 43 commercial banks, 1 mortgage finance company, 9 deposit taking microfinance institutions, 7 representative offices of foreign banks, 107 foreign exchange bureaus and 2 credit reference bureaus. The Banking Sector recorded enhanced performance with the size of assets standing at Ksh 2.5 trillion, loans and advances amounting to Ksh 1.5 trillion, while the deposit base stood at Ksh 1.9 trillion and profit before tax of Ksh 61.5 billion as at June 30, 2013. During the same period, the number of bank customer deposit and loan accounts stood at 18.9 million and 3.8 million, respectively (CBK annual report, 2013).

Customer deposits were the main source of funding for the banking sector assets, accounting for 75.5 percent of total liabilities and shareholders' funds. The deposit base increased by 21.4 percent from Ksh 1.4 trillion in June 2011 to Ksh 1.7 trillion in June 2012 mainly attributed to branch expansion, remittances inflows and receipts from exports. Deposit accounts have increased by 26.8 percent, from 14.9 million accounts in June 2002 to 18.9 million accounts in June 2013. Bank branches have domestically increased by 8.9 percent from 1,197 branches in June 2012 to 1,303 branches in June 2013. These results showed that Kenyan banks have continued to grow during the year to June 2013(CBK Annual report, 2013).

The banking sector is expected to sustain the growth momentum on the backdrop of a stable macro-economic environment, domestic and regional expansion by banks and increased economic activities through the devolved system of government. The number of Automated Teller Machines (ATMs) in the payment card industry increased by 6.4 percent from 2,292 ATMs in June 2012 to 2,439 ATMs in June 2013. This growth may be attributed to commercial banks' business expansion strategies. Mobile phone money transfer service usage continued to increase among the Kenyan public as indicated by the growth in the number of transactions which increased by 39.51 percent from 364.06 million transactions in the year to June 30, 2011 to 507.90 million transactions in the year to June 30, 2012. The Central Bank of Kenya continues to monitor the developments in this sector in line with the Government's policy of enhancing financial inclusion and deepening especially for rural/urban poor and the un-banked.

There are several challenges that the banking industries in Kenya are currently facing. These have to do with changes in environment such as legal changes, political changes, economic conditions, social factors and technological advancements.

Standard Chartered Bank (SCB) Kenya limited is an outlet of the Standard Chartered Group, a multinational that operates in 70 countries with 1700 branches worldwide (SCB Annual Report, 2012). Standard Chartered Bank opened its doors in Kenya in 1911 with the first branch in Treasury Square in Mombasa, the bank has grown into a formidable business and respected brand. SCB Kenya has remained in the fore front of providing access for financial services to its customers through a branch network of 39 branches and over 97 ATMs in the country.

The bank puts a strong emphasis on digitization by providing alternative delivery channels for its customers to undertake routine transactions traditionally done at branches (SCB annual report, 2012). SCB is one of the top banks in Kenya by profitability and market capitalization (CBK annual report, 2010). The bank attributes excellent performance to three things: clear strategy and being disciplined in sticking to be the world's best international bank, leading the way in Africa, Asia and Middle East. Its focus remains in doing business within chosen markets, with customers they well know and products they fully understand. The bank has stuck to the basics of banking, never losing sight of value of tightly managing liquidity and capital, focusing on cost control and efficiency and passionate about customer service. Standard Chartered Bank Kenya has current accounts that are designed to provide convenience and simplicity to clients' financial dealings. The personal current account products are; Diva Account, All-In-One Account, X-Account, Ordinary Current Account, Instant Access Account and Hifadhi Account. These current accounts targets personal salaried and non-salaried customers with transactional needs.

Banking services have been growing in Kenya in the past few years due to the diversified account products that are tailored to meet the needs of customers. The performance of these account products depends on factors including organizational support. Past research studies

have mentioned the role of organizational framework in supporting current account products in the banking sector.

Management policies and procedures are significant in understanding the performance of current account products. Bad management practices not only lower the morale of employees but also scare away customers (Kinyanjui, 2013). Given this background, this study examines organizational determinants influencing the performance of current account products with a view of providing measures to enhance the financial performance of Banks.

1.2 Statement of the Problem

Commercial bank managers face numerous challenges in today's dynamic marketplace. Challenges confronting bank managers include: developing a capacity to meet and exceed the performance levels of sophisticated competitors; a customer-focused marketing approach; an ability to manage numerous and often very diverse products and services; a capability to measure both market performance and product profitability; and initiative and entrepreneurial thinking within their organizations (Cooper *et al.*, 1994). Meeting these challenges requires new business and marketing strategies that boost revenues, improve operational efficiency, cut costs and enhance the overall management of business.

Maintaining competitiveness within the dynamic banking environment in Kenya has become a major subject of research. As corporate entities strive to come up with the most creative and innovative current account products, a need arises to determine the performance of the products (Mlambo, Kasekende & Murinde, 2012). Past research studies only focused on the development of current account products and how they have been used to promote loyalty and overall competitiveness (Kapsali, 2011). Little has been done on organizational factors influencing the performance of current account products, an omission that motivated the

researcher to initiate this study. Research has also articulated the role of technology in the current expansion of banks in Kenya. For instance, the advancements in mobile telephones have really contributed to the growth and performance of bank products such as accounts and loans (Kinyanjui, 2013). This is well documented in recent research studies in the financial sector. There was however, limited research on the performance of current account products particularly within multi-national banks.

This study is a major step towards understanding the drivers of performance and the obstacles that hinder the performance of current account products within the bank.

1.3 Purpose of the Study

This study purposed to investigate organizational determinants which influenced performance of current account products within Standard Chartered Bank Kericho branch in Kenya.

1.4 Objectives of the Study

The study was guided by the following objectives:

1. To determine the extent to which branch banking networks influence performance of current account products in Standard Chartered Bank Kericho branch, Kenya.
2. To examine how management procedures influence performance of current account products in Standard Chartered Bank Kericho branch, Kenya.
3. To assess the level at which marketing strategies influences performance of current account products in Standard Chartered Bank Kericho branch, Kenya.
4. To establish the extent to which technological accessibility influence performance of current account products in Standard Chartered Bank Kericho branch, Kenya.

1.5 Research Questions

The study sought to answer the following research questions:

1. To what extent do branch banking networks influence the performance of current account products in Standard Chartered Bank Kericho branch, Kenya?
2. What are the management procedures influencing the performance of current account products in Standard Chartered Bank Kericho branch, Kenya?
3. To what level do marketing strategies influence the performance of current account products in Standard Chartered Bank Kericho branch, Kenya?
4. To what extent does technological accessibility influence the performance of current account products Standard Chartered Bank Kericho branch, Kenya?

1.6 Significance of the Study

Competitiveness within the banking sector in Kenya is determined by the performance of innovative products such as the current accounts. It was hoped that data from this study will be useful in developing solutions to improve the performance of current account products in banks in Kenya and in other parts of the world. It was expected that findings of this study will form a lead to further studies to help Standard Chartered Banks to design the best current accounts that benefit both customers and banks. The researcher wished that the results of this study will be disseminated in workshops, published and stored in libraries thus contributing to the existing body of knowledge.

1.7 Basic assumptions of the Study

The study was conducted based on the following assumptions; branch banking networks, management procedures, marketing and promotions strategies and technological accessibility

influenced the performance of current account products in Standard Chartered Bank in Kenya. Other assumptions included: respondents honestly answering the research questions; data provided by respondents being useful and relevant to the study, the sample size selected for the study completely represented the targeted population, sampled clients picked-up mobile phones when rung by the researcher in order to provide the necessary information.

1.8 Limitation of the Study

The following constraints were experienced during the study; some respondents were reluctant to disclose some of the information required for fear of disclosing confidential information. The researcher assured such respondents of the confidentiality of their responses and highlighted to them the significance of their participation in the study. Little academic research had been done on organizational determinants influencing the performance of current account products, for this reason, the researcher depended on government publications, journals and internet search in order to obtain relevant information.

1.9 Delimitation of the Study

The study was delimited to current account holders within Standard Chartered Bank, Kericho branch. The study was also restricted to local currency current account holders in order to inform the researcher of accurate sample size selection for standardization purposes. The study was confined to current account holders only because current accounts formed a cheap source of funds to the banks. The study was delimited to use of structured interview guide administered via telephone.

1.10 Definition of Significant Terms used in the Study

- Organization:** Financial institution that takes deposits, lends money, provides financial advisory to its customers
- Branch banking networks:** This is the physical distribution of various branches and ATMs of Standard Chartered Banks within and across the country
- Marketing strategies:** Organization strategy which focuses on right product mix to achieve maximum product potential
- Management procedures:** Describe how, when and what the bank needs to do to comply with management policies
- Target client:** Market segment that the bank concentrates its promotion, Pricing and distribution of products and services
- Technology accessibility:** Alternative delivery channels that allow customers to access their current accounts 24 hours a day, 7 days a week
- Performance:** Achievement of set goals/ objectives by the organization in terms of increased deposit volume, increased trade, increased profit etc.
- Product:** Facility or service made available to customers under banking agreement.

1.11 Organization of the Study

This research report was organised into five chapters. Chapter one covered introduction of the study, the problem statement, research purpose, research objectives, research questions, significance of the study, limitations of the study, delimitations of the study as well as definition of significant terms used in the study. The second chapter looked at literature review which highlighted organizational factors and how they influenced performance of

current account products. It also looked at theoretical framework, conceptual framework and summary of literature review. Chapter three described research methodology which included; research design, target population, sample size and sample selection, data collection methods, reliability and validity of research instruments, data collection procedures as well as data processing, analysis and presentation. Chapter four dwelt on data presentation, data analysis, data interpretation and discussion. Finally, chapter five consisted of summary of findings, conclusion and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter brought out various literature sources related to organizational determinants influencing performance of current account products in the bank. It covers branch banking networks, managerial procedures, marketing strategies and technological accessibility. It also focused on theoretical and conceptual framework as well as a summary of literature review.

2.2 Branch Banking Network and Performance of Current Account Products

Historically the primary method of obtaining financial products and services was to frequent the branch office of a financial institution. With improvements in technology and a change in the way the world views financial services; numerous other methods of obtaining financial products have evolved. These, now almost fully matured services include: automated bank machines, telephone banking services and Internet. Recently, banking services have also become available through third-party vendor such as retail stores, supermarkets and local postal outlets. These services mean that customer can now select from any one of these delivery channels to procure products or services (Farquhar, 1990). Rossier's study (1973) suggests that banks should not open a branch without first analyzing market potential and determining the expenditure required to obtain a sufficient market share. The risk in expansion is not so much one of opening unprofitable branches, but rather of allocating scarce resources of managerial talent, qualified personnel and capital to marginal projects. A study by Meidan (1976) revealed that about 90 percent of the respondents banked at the branch nearest to their home place or place of work. Convenience, in terms of location, was also found to be the single most important factor for selecting a branch. Ron Laursen and Ron McTavish (1994) in their research found that workplace banking - the provision of banking

services to company employees at their place of work - was attractive to employers and employees and that they utilized the services to a great extent.

Many commercial banks are located in major towns but have network of branches across the country (Kariuki, 2005). The increasing use of online banking services is changing the way bankers interact with their customers. Now almost all large national and regional banks are offering an array of online banking services and many are expanding their physical presence by opening up new branch locations. The increasing popularity of online banking services, have removed the spatial barrier of distant competitors and substantially lowered the cost of providing banking services (De Young, 2004). An empirical study conducted by Kingoo (2011) on relationship between electronic banking and financial performance of commercial banks in Kenya reported that KCB (Kenya Commercial Bank) has invested significantly in expanding its service delivery channels to reach its widespread customers through use of mobile banking as a service delivery channel. This can be attributed to the 24/7 hours mobile banking system which has made banking services such as account transfer, ordering of cheques to be accessible at home and away from the bank.

In today's retail banking environment, where a more sophisticated consumer with less bank loyalty is becoming the norm, customer service quality is an indispensable competitive strategy. Furthermore, the stiff competition and the compression of the interest rates, forces banks to set up and put into effect all necessary decision support systems that will enable them to dynamically plan new locations, evaluate performance, and provide marketing support to their geographically separate units. Since branches occupy the key position in the bank's organization, the general policy is to develop flexible structured branches that are tailored to specific customers' needs or target special market segments. Branches are located in geographical areas, which are considered as communities that differ demographically and

socio-economically, each reflecting a different market area. The optimum number of branches, their optimum location, and the optimum mix of services each branch should provide are interrelated issues that have to be properly addressed, and emanate from the need for an inevitable reorganization of the branch network, which may include merging bank branches, reconfiguring the image and the types of services offered at the branch level, instigating a thorough and complete branch relocation process, and promoting the differences between products and services offered to different customers. The decisions related to the above needs are critical for the success of a bank and have a direct effect on its bottom-line, i.e., the Profit & Loss Statement. Thus, appropriate analytical tools, decision-making and deployment mechanisms that could address the optimization of the overall performance of all branches within a community must properly support them (Chelst, Schultz and Sanghvi, 1988).

Literature addressing branch performance measuring is large, but mainly focuses on management accounting approaches (Smith and Schweikart, 1992). On the subject of branch profitability, little research has been conducted to date (Avkiran, 1999). This eminent omission has motivated the researcher to initiate this study on organizational (banking) determinants influencing the performance of current account products. Concentrating on branch profit as a measure of performance has its serious drawbacks, in the form of finding equitable ways to allocate revenues and expenses (Davenport and Sherman, 1987). During the 1990s, data envelopment analysis (DEA) has been used extensively to evaluate banking institutions. Drake and Howcroft (1994) correlated the DEA technical efficiency score with cost-income ratios. Their results indicated that more efficient branches had lower cost-income ratios. Another study by Schaffnit, Rosen and Paradi (1997) concluded that branch efficiency has a very clear positive effect on profit. According to Boufounou (1995), one of the most

important characteristics of a branch's performance is the volume of deposits. This metric determines, together with other criteria, the branch's order in hierarchy. In addition, the estimated volume of deposits that will be attracted is one of the main decision variables in selecting locations for establishing new branches. Hence, it could be argued that it is important for a bank to have a model that estimates the deposits power of any branch in relation to the features of the area where it is, or may be, located.

2.3 Management Procedures and Performance of Current Account Products

In response to the need for more responsive management approaches, banks began implementing product management. Product management is a logical choice when products are quite different from one another or if the number of products offered is too large to be managed by a functional department (Kotler, 1984). Major benefits of the product management system include: improved customer focus, product specialization and coordination, maximum use of resources, product accountability and the generation of new ideas. Placing a single person or even a department in charge of a product or a group of products is more likely to assure that no product is overlooked in the marketplace (Eckles and Novotny, 1984). Banks have used the product management system for over a decade. While some banks continue to find new applications for product management, other banks are scaling back their reliance on product management in favor of more traditional management approaches (Berggren and Dewar, 1992). Although there is much anecdotal evidence of the uses and applications of product management in banking, little systematic research has been conducted to examine the other organizational determinants influencing the performance of various products offered by commercial banks; this study tends to focus on this area of omission.

customer-orientation, some important issues like accountability to customer demand i.e. service diversification and new initiative services have to be taken into account. Regarding electronic world concept in these days, banks must use electronic banking tools and patterns to be successful (Ayadi, 1996).

CRM is a system, which assists organization in maintaining a long-term relationship with customer designed based on win-win strategy and is profitable and valuable for both sides. Every interact is an opportunity i.e. it is not only selling services but also organizations can obtain useful information from customers to improve organizational learning and hence finding new ideas and interests. CRM is a comprehensive business strategy, which integrates technology, processes and activities around customer by creating individual relationship, using accounts information (Devlin *et al.*, 1997). First strategy of marketing is to develop competitive advantage (Devlin *et al.*, 1997). Conventional marketing strategies were based on 4P's to increase market share including Price, Product, Promotion and Place. The primary objective of this kind of marketing is to increase seller and buyer's trade volume (Wyner, 1999) but CRM is a business strategy that is more beyond increasing trade volume (Urgu.com, 2002). In CRM for maintaining a long-term relationship with customers, various concepts like knowledge management, data mining and data pool are combined together (Salami, 2005).

CRM is a technique, which enables organization investment towards managing customer behavior. This means aligning strategy with organizational culture and customer information and IT, which promotes a bilateral relationship between organization and customer (Salami, 2005). According to Barnett (2001), CRM is able to increase revenue, improving success, increasing profitability, increasing customer satisfaction, decreasing clerical, marketing and sales expenditures. Novel (2000) stated CRM as recognizing each customer value,

recognizing relative importance of each need, determining whether these values are influencing positively organizational objectives, offering appropriate values as they want, measuring results and returns. According to Swift (2001), CRM is improving relationship with real customer, offering appropriate products and services to customer, offering appropriate services by appropriate channels to customer, offering appropriate service in appropriate time. According to Kalakota and Robinson(1999), CRM is capable of increasing revenue, using relationship with customers, using integrated data for better services and introducing compatible methods (Buttle, 2012; Kumar, 2010).

CRM can be assumed as a method of marketing by using customer information. The relationship between organization and customers consist of a bilateral and ongoing connection. The relationship can be long-term or short-term, continuous or discontinuous, repetitive or sudden. Even if customers have positive attitudes with organization and its products, it is important to treat them with respect in purchasing occasions. CRM is not an activity in marketing division and it is clearly a permanent organizational evolution in cultures. Customer information changes to organizational knowledge thus it enables acting in a way using market opportunities (Urgu.com, 2002). CRM is importance in banking and most banks, collecting liquidity from customer's deposits, must place customer-orientation as primary element of its activity (Meyer & Schwager, 2007). Nowadays, regarding competitive environment and aggressive strategies, CRM plays essential role on customer retention (Salami, 2005). It is essential for banks to know customers well and to hold a strong and trusted relationship in financial services sector (Diacon *et al.*, 1996). CRM comprises six main stimuli including targeting, continuous contact with customer, forecasting effective customer for future, absorbing customer, using master or subsidiary sales techniques, creating

loyalty with appropriate services and maintaining and reserving customers (Lamparello, 2000).

2.4 Marketing Strategies and Performance of Current Account Products

An organizations' strategy consists of the business approaches and initiatives it undertakes to attract customers and fulfil their expectations, to withstand competitive pressures and to strengthen its market position. These strategies provide opportunities for the organization to respond to the various challenges within its operating environment. Firms also develop strategies to enable them seize strategic initiatives and maintain a competitive edge in the market (Porter, 1998). The success of every organization is determined by its responsiveness to the customer needs. The competitive aim is to do a significantly better job of providing what customers are looking for, thereby enabling the organization to earn a competitive advantage and outsmart rivals in the market place. The core of an organizations' marketing strategy consists of its internal initiatives to deliver satisfaction to customers but also includes offensive and defensive moves to counter the manoeuvring of rivals, actions to shift resources around to improve the firm's long term competitive capabilities and market position and tactical efforts to respond to prevailing market conditions. Assuming that there are a number of providers, customers will choose which offering to accept on their perception of value-for-money.

Kumar (1991) made an attempt to review and assess the extent of application of marketing concepts and techniques in the banking sector. Kumar recommended that while formulating marketing strategy, a bank should focus attention on consumer sovereignty, on the attitude, responsiveness and personal skills of their staff, on revitalizing the marketing department, on top management support to the marketing department, and on participation of marketing personnel in key bank decisions. Efforts should be made by the banks to understand and

estimate the attitude and perceptions of their customers as accurately as possible to enable them to plan the market segments and design service offerings to suit their customers. Stephenson and Kiely (1991) researched into the key issues facing banks in order to become better at selling in the personal banking market. The results indicate that the radical change in management style, training, motivation and recognition of branch sales personnel is called for. Developing a true sales culture requires major alterations to management structure and style, and is most likely to be successfully achieved by 'top-down' target setting based on corporate business objective.

The real need of market segmentation was investigated by Laurent (1979) employing a factor analysis centered around five banks that differed from each other on seven main attributes: friendliness, quality of service, community spirit, modernism of facilities, convenience, range of services and ownership. The main findings revealed that on the basis of perceptions of the overall image of the five banks relative to each other, there existed three distinct market segments: convenience, service, and staff friendliness-oriented segments. Laroche, Rosenblatt & Manning (1986) studied diverse demographic segments to find the services used and factors considered important in selecting a bank. Key findings included importance of location convenience, speed of service, competence and friendliness of bank personnel. Ricky Yee-Kwong Chan (1993) conducted a study on the banking behaviour of college students that confirmed several findings from western countries like limited banking demand of students, popularity of split banking in account ownership, price consciousness of students, and importance of location convenience and on campus promotion. Ricky Yee-Kwong Chan suggested that in order to turn this segment into lucrative one, bankers need to adopt a long-term perspective and place more emphasis on service quality and promoting the concept of "one-stop banking". Achim and Sebastian (2001) studied the use of segmentation by

demographic factors in bank marketing and found that the correlation of such factors with the needs of customers is often weak. Finding is that segmentation by expected benefits and attitudes could enhance a bank's ability to address the conflict between individual service and cost-saving standardization. Niels (1999) in his study found that the bank customers may be divided into an Internet banking segment and a Branch banking segment and that the former is growing and the latter is declining, necessitating the development of technology in bank marketing.

A market segment is simply a group of present or potential customers with some common characteristics that are relevant in explaining their response to suppliers' market stimuli; (Kotler, 2002). Doyle (2004) viewed market segmentation as a homogeneous group of customers each reacting differently to promotion, distributional communication, pricing and other variables of marketing mixes. When these views are applied to segmentation of bank product market, the implication is that it affords the marketer to distinguish portions of the market from one another say in terms of customer needs and so achievement of corporate profit target. Success in a market segmentation process is premised on the ability of a bank to identify individual differences and similarities within segments that have significant impact on purchasing patterns. The success of modern product marketing therefore hinges not on the ability of seller to influence the level, timing and composition of demand but more significantly the skill to partition the attributes that consumers possess as a means for targeting product offering to them. Multi-attribute segmentation practice have been adopted in relation to bank-service offering in many countries on the basis of such variables as level of income, saving pattern, risk preferences professional calling or demographic characteristics (SteeKamp *et al.*, 2002).

Market segmentation has become one of the most dominant concepts in both marketing theory and practice. In banking industry, like any other service industries, segmentation is considered as a major way of operationalizing the marketing concept, and providing guidelines for a bank's marketing strategy and resource allocation among markets and services (Rao and Wang, 1995). As theory, market segmentation is the process of dividing a market into distinct groups of individuals, organizations, who share one or more similar responses to some elements of the marketing mix (Pride and Ferrell, 1987). According to Day (1984), market segmentation is the process that a company adopt to divide the market into distinct group on the basis of needs, wants, behavior or taste for its different products or services. Rather than offer the same marketing mixes to vastly different customers, segmentation enables a firm to design product for specific target market and thus satisfy customers needs better. One of the primary aims of segmenting a business sales program is to focus on the subset of prospects that are mostly likely to purchase its offering.

According to Salami and Adewoye (2006), market segmentation when done properly will maximize returns for a given marketing expenditure. Essentially business needs for segmentation are often determined by the needs to match the benefits offered by the product and requirements of the prospects (customers). The segmentation process calls for dividing the total market into homogeneous segments, selecting the target segments, and creating separate marketing programmes to meet the needs and wants of these selected segments (Lilien and Kotler, 1983). As strategy, market segmentation is the allocation of marketing resources, given a heterogeneous market. The identification of segments, heterogeneous in response, allows the evaluation and refinement of a bank's marketing strategy. The effectiveness of the segmentation process and strategy depends on identifying segments that are measurable, accessible, stable, substantial, and actionable (Raaij and Verhallen, 1994).

An empirical study conducted by Obwana (2011) in Kisumu city on the extent to which market segmentation enhances competitive advantage of commercial banks in Kenya concluded that majority of clients for the bank were individual account holders and institutions with diverse financial needs hence segmentation to fulfil their unique needs to achieve customer retention. Obwana further reported that banks accrued various benefits derived from marketing segmentation which include; banks gaining competitive edge, achievement of customer satisfaction, customer retention and increased profitability. A good market segmentation will result in segment member that are internally homogeneous and externally heterogeneous, that is as similar as possible within the segment but as different as possible between segments. The attainment of market segmentation goals has been viewed as a major starting point for achieving organizational success. This view was supported by Salami and Adewoye (2006) in a study on the efficacy of market segmentation among Nigerian manufacturing companies.

A study conducted by Preston *et al.*, (1978) indicates that there is no significant difference between the retention rates of premium-attracted and of, non-premium offered deposit accounts. Consequently, the conclusion is that customers attracted by a free premium were just as loyal as those customers attracted by a lower-price banking service premium. Chidambaram (1994) studied the promotional mix available to bankers for the marketing of services such as direct marketing, public relations, social banking and customer meets. The study concludes that a good promotional mix is one that takes into account the objectives of the bank and lays emphasis on those services which are of current significance, reaches various customer segments very effectively, creates a desire to seek out the services offered, builds a positive image for the bank, and strike a balance between cost and effectiveness. Crane (1990) using a case study analysis, found that corporate advertising should be an

integral component of the marketing communications program of a financial services institution and recommends that managers need to pay more attention to successfully integrate corporate advertising integrated with product advertising. In Rayburn's study (1978), it was suggested that the purpose of the advertising and promotional functions is to create demand for the bank's services and to build and maintain goodwill towards the organization. Rao (1982) conducted a study to find out the influence of different media of advertisement and different forms of personal selling on the deposit mobilization of commercial banks both in urban and rural areas. The study suggested that the medium of English News papers need not be used widely as its impact is very little on urban customers and it is almost negligible on rural depositors. Personal selling or direct contact has been suggested as the best method: since it educates the potential rural customers into the bargain. Singh (1983) in his study examined the trends in bank advertising in the seventies in India. The study revealed that there is lack of professionalism in bank advertising and marketing. Suggestions were made to give stress on 'positioning the bank' rather than on selling the products after identification and prediction of customer requirements.

2.5 Technological Accessibility and Performance of Current Account Products

Technology is making a dramatic impact upon service industries generally and the financial services sector is no exception. Recent changes in banking regulations and innovations in financial and information technologies are revolutionizing the banking sector. The use of electronic banking can contribute to improved banking performance in terms of market share, expanded product range, customized products and better response to client demands (Kariuki, 2005). Today, Internet Banking, a form of Online Banking (Sherrod, 2000), has become a major distribution channel of banking products and services in developed world (Jasimuddin, 2001). Many European banks as well as banks in the United State have been quick to

embrace Electronic Business as a competitive weapon (Cunningham and Froschl, 1999). What banks are attempting to do by going online is primarily to retrain customers by reaching them more efficiently, and to increase market share (Fallenstein and Wood, 2000). Online banking is broad sector that covers checking/savings/deposits, balance information, fund transfer, bill payments and credit card services (Banks, 2001). According to Banks (2001), while online banking does not possess the 'glamour' and excitement of online trading, it is a business function that lends itself to the tools and technologies of the Internet.

In their study on 'Services Marketing - Challenges and Strategies', Chidambaram and Alameleu (1996) suggested that banks should become technology friendly. By investing in technology a bank can carve a niche for itself. Well-furnished premises are a must for the satisfaction of both employees and customers. Professionalized well-trained and motivated employees will improve the marketability of a bank. Gaston (1990) studied customer motivations towards the use and non use of Automated Teller Machine (ATM) customers of a financial institution. An analysis of results based on demographic variables revealed significant differences between users and nonusers in terms of education only. Results also showed that convenient accessibility of a financial institution and avoidance of waiting lines is the principal reasons for using the automated teller.

Rugimbana and Iversen's study (1994) was to determine the association between consumer ATM usage patterns and their perceptions of ATM attributes by identifying those variables that distinguish users and non-users. The results based on a survey of 630 retail banking consumers from two separate Australian banking institutions suggest that successful marketing strategies must focus on the most important attributes of ATMs as well as identify different user groups and develop strategies to maximize their patronage. Mathew *et al.*, (1999) explored the use of technology in the delivery of banking services as it is being

employed to reduce costs and eliminate uncertainties. Results indicated that consumers have perceptual problems with some aspects of electronic banking. Nelson (1999) studied the trends and patterns surrounding the interface between the marketing and information services functions within the financial services industry. It was found that many banks lack alignment or integration between their marketing and information services functions within the financial services industry. Improving this cross-functional interface may lead to more effective use of information technology to support the marketing function in many banks. The study by Yakhlef (2001) found that as more and more of the transaction processing load is taken over by technology, banks are concentrating on strengthening their marketing approach and re-inventing their business model. Traditional bank branches, with an infrastructure supporting transaction processing, were being transformed into an open-space interface within which bank experts engage intimately with their customers, delivering specialized, advisory services with more focus on retail banking.

Internet Banking is seen to offer far-reaching potentials (Bauer, 1999), not only to the financial institutions but also to their clients and the wider society. It can enhance the institutions' strategic initiatives and simultaneously empower customers, by enabling them to monitor their accounts 24-hours-a-day, seven-days-a-week, through the borderless environment. Financial services are thus being promoted because of the widespread use of the Internet. The Internet has turned out to be a tool of worldwide communication, promoting producers and entrepreneurs to sell their products online. In the light of this, many banking and finance organizations have come up with the idea of banking online via the Internet. Internet banking is thus a facility provided by such institutions to enable the user to execute bank related transactions through the Internet electronically without having to visit the brick-and-mortar bank (Al-Abed, 2003). Internet banking provides a variety of attractive

possibilities for remote account self-service access, including: availability of enquiry and transaction services around the clock, worldwide connectivity, easy access to transaction data- both recent and historical, direct customer control of international movement of funds without intermediation of financial institutions in customer's jurisdiction (Eriksson and Nilsson, 2007). Internet Banking particularly allows a customer to take care of business-perform various banking tasks – using any computer that has an Internet connection and a high-speed browser (Sherrod, 2000). Internet banking may be seen as an aspect that enhances electronic business (Seitz and Stickel, 2002).

Many banks have spent large amount of budgets to develop electronic banking services to increase competition. These services have developed for all the society and many banks encourage their customers to switch to newly introduced online banking. The advent of information and communication technology has taken the business environment by storm, and in response retail and corporate players are accordingly adjusting their ways of conducting business so as to keep abreast with the current developments. One trend in this line is the use of self-service technology (Perumal and Shanmugam, 2004). Technology is no longer an afterthought, in forming and shaping organization's strategy, but the actual cause and driver (Kalakota, Ravi and Marcia, 1999). Short Message Service (SMS) banking is one of these Information and Communication Technologies (ICTs) that have revolutionized the banking sector alongside other electronic banking technologies and many businesses are launching mobile services ranging from information communication to transaction processing. Short Message Service Banking (SMS banking) is the delivery of banking and financial services ranging from stock market transactions, administration of bank accounts and accessing customized information via telecommunications devices (Tiwari and Buse, 2007). The increasing application of wireless technologies of which mobile phones are just

one example, has provided banks with the opportunity to provide their services anytime, anywhere (Birch, 1999). Other technologies that preceded SMS banking include Automated Teller Machines (ATMs), Internet banking and telephone banking, showing that the race towards the creation of a cashless economy started long before the introduction of SMS banking. A study conducted by Kingoo (2011) in Kisumu city on relationship between electronic banking and financial performance of commercial banks in Kenya revealed that electronic banking has made banking transactions to be easier by bringing services closer to its customers hence improving banking industry performance. Customers can now have access to their accounts outside working hours and perform transactions. Withdrawals and deposits can be made anywhere, anytime using electronic means. Devlin (1995) studied the developments in the distribution of retail banking services in the UK, using the case study of First Direct, a subsidiary of Midland Bank that successfully introduced telephone-banking service. It was found that in an increasingly competitive and deregulated environment, superior distribution strategies concerned with how to communicate with, and deliver products to the consumer could provide institutions with significant competitive advantage in the market place.

2.6 Theoretical Framework

This study is inclined to social marketing theory propounded by Hendrika Meischke (1993). Social marketing theory has been defined as: "the design, implementation, and control of programs seeking to increase the acceptability of a product, social idea or practice in a target group. It utilizes concepts of market segmentation, consumer research, idea configuration, communication, facilitation, incentives, and exchange theory to maximize target group response. In social marketing the intervention is developed from a solid base of

communication and social-psychological theories: marketing techniques are used to supplement message development and program implementation.

Social Marketing theory is based on the marketing philosophy that people will adopt new products, behaviors, or ideas if they feel that something of value is exchanged between him/her and the social marketer. Thus, one of the goals of a social marketer should be to meet consumer needs and wants. Another assumption is that well-honed and demonstrably effective techniques from the commercial business sector can successfully and efficiently be applied to advance social causes. In brief, the product refers to the behavior or idea that the audience needs to accept. A product line refers to the variety in which the product can be promoted to attain the goal of adoption of the product.

The price of the product refers to the monetary as well as the non-monetary cost of a product. These non-monetary costs include psychological, social, or convenience costs. The place refers to the distribution sites of the product. The greater the number of distribution sites and the more convenient and appropriate the places where the product can be found the better chance that awareness and use of the product is facilitated. Promotion of a product refers to the ways in which the audience is made aware of the product, such as use of advertisements, direct marketing, market segmentation and other avenues. In the promotion of a product, social marketing campaigns rely on the interaction between mass media and interpersonal channels for increasing awareness and facilitating change. Positioning refers to the psychological "image" of the product. In relation to this study, to maximize the five P's in a social marketing campaign, identification of needs and wants of consumer is key to successful marketing of products, ideas and behaviors.

To find out more about the needs and wants of the audience is to conduct intensive audience analysis, including pre-production and production research and to design campaign elements

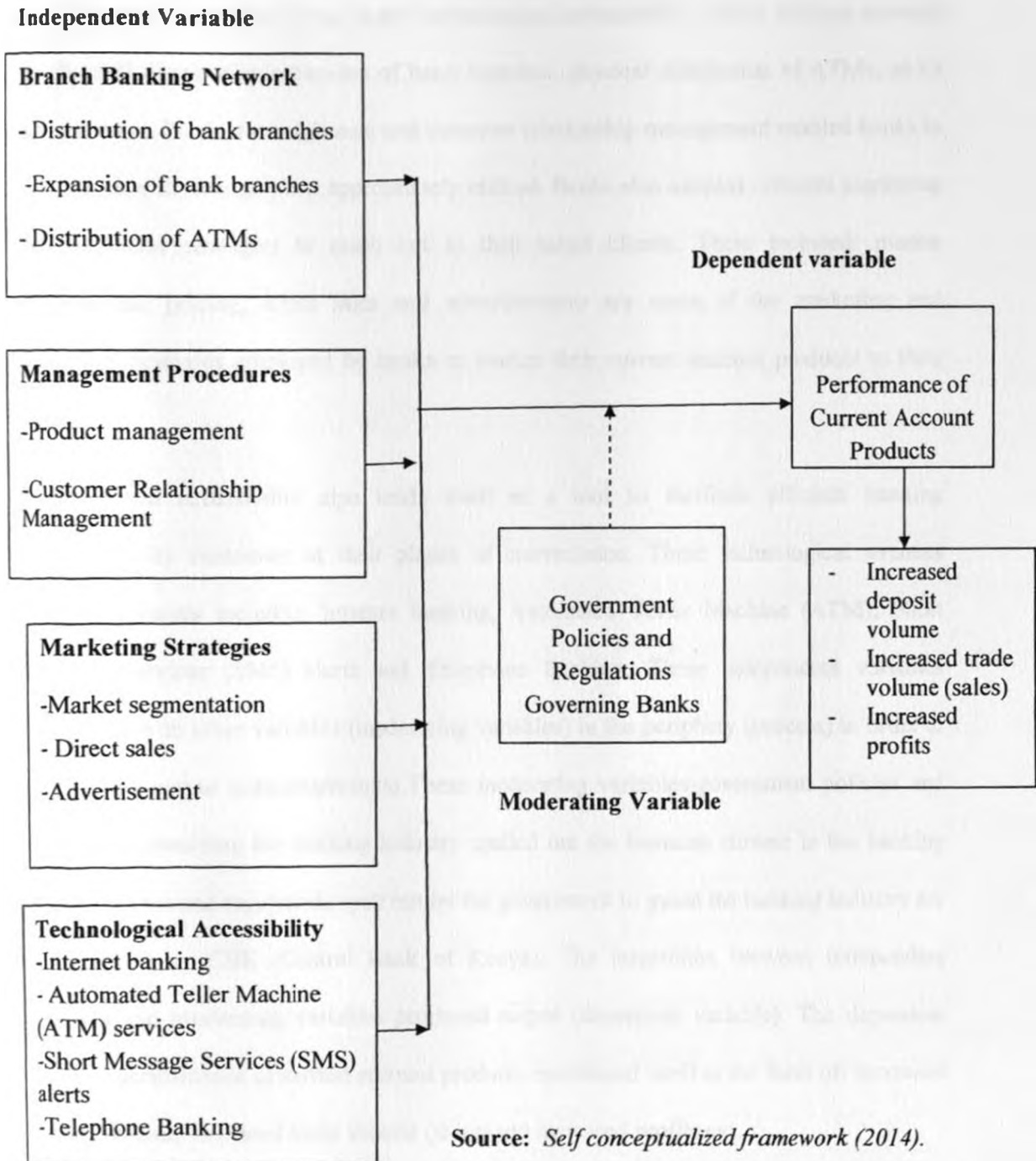
for different subgroups (audience segmentation). Audience segmentation refers to the process of breaking down the mass audience into smaller subgroups that are internally as homogeneous as possible while being as different as possible from other groups. However, the audience in a social marketing campaign consists of many different stakeholders. The success of social marketing campaigns is largely dependent on the buy-in of all the stakeholders i.e., the community at large. Most social marketing campaigns rely to some extent on the use of existing agencies in the communities for distribution and promotion of the product. Social marketing theory has become one of the most popular frameworks for the design, implementation and evaluation of banking interventions.

Evaluation of Social Marketing campaigns include many different formative, process and outcome measures from audience analysis i.e. focus group research to assessment of community involvement, tracking of promotional activities; counting of actual sales of Social Marketing products, as well as evaluation of changes in awareness, attitudes and behaviors. Indeed, one of the criticisms of social marketing has been that the main emphasis is on the individual rather than the individuals' larger environment. It appears that the endorsement, support and resources of individuals' social and physical environment facilitates or hamper campaign activities. It is not clear how the individual's belief is affected directly by the person's environment. Individuals' needs and desires is a corner stone of Social Marketing. Newer, interactive technologies are able to tailor messages to meet those needs in a quick and efficient manner. Use of computers in generating such messages and use of the worldwide Internet to facilitate the dissemination of this process will greatly enhance bankers' ability to target subgroups with relevant information.

2.7 Conceptual Framework

This section described the perceived conceptual framework that guided the study.

Figure 2.1: Conceptual Framework showing the interplay among the variables used in the study



Source: Self conceptualized framework (2014).

The schematic diagram (Figure 2.1) verbalized the interplay among the various variables used in the study using the input-process-output approach. The input (independent variables) in the study included: branch banking network, management procedures and policies, marketing and promotion strategies and technological accessibility. Branch banking network has physical distribution/expansion of bank branches, physical distribution of ATMs, as its sub indicators. Product management and customer relationship management enabled banks to form a competitive edge when appropriately utilized. Banks also adopted different marketing and promotion strategies to reach out to their target clients. These included: market segmentation, pricing, direct sales and advertisements are some of the marketing and promotion strategies employed by banks to market their current account products to their customers.

Technological accessibility also lends itself as a tool to facilitate efficient banking transactions by customers at their places of convenience. These technological avenues offered by banks included: Internet banking, Automated Teller Machine (ATM), Short Message Services (SMS) alerts and Telephone Banking. These independent variables interplayed with other variables (moderating variables) in the periphery (process) in order to produce the output (outcome/results). These moderating variables-government policies and regulations governing the banking industry spelled out the business climate in the banking sector. Policies and regulations spelt out by the government to guide the banking industry are implemented by CBK (Central Bank of Kenya). The interaction between independent variables and moderating variables produced output (dependent variable). The dependent variable- performance of current account products manifested itself in the form of: increased deposit volume, increased trade volume (sales) and increased profits etc.

2.8 Summary of Literature Review

From the literature reviewed, it was evident that branch banking network had an influence on the performance of banks. An empirical study conducted by Kingoo (2011) on relationship between electronic banking and financial performance of commercial banks in Kenya reported that KCB (Kenya Commercial Bank) has invested significantly in expanding its service delivery channels to reach its widespread customers through use of mobile banking as a service delivery channel. This can be attributed to the 24/7 hours mobile banking system which has made banking services such as account transfer, ordering of cheques to be accessible at home and away from the bank. A study by Meidan (1976) revealed that about 90 percent of the respondents banked at the branch nearest to their home place or place of work. Convenience, in terms of location, was also found to be the single most important factor for selecting a branch."Ron Laursen and Ron McTavish (1994) in their research found that workplace banking - the provision of banking services to company employees at their place of work - was attractive to employers and employees and that they utilized the services to a great extent.

Ennew (1996) examined the extent to which participation in the banking relationship occurs and the implications of this for quality of service. It was found that the development of effective customer relationships is the key element of marketing strategies in the service sector. The ability of an organization to develop and maintain a relationship with its customers will be dependent on their willingness to participate. For participation to be worthwhile, customers must perceive that it yields benefits that are greater than those which accrue from non- participation. The study by Barnes and Howlett (1998) offer a consumer focused approach to defining the principles of relationship marketing, and examine the conditions under which service marketers can expect to form relationship with their

customers. The research reveals that the affective dimensions of the service encounter best predict quality relationships. Dwayne *et al.*, (2001), using the four dimensions of interpersonal bonds i.e trust, care, rapport, and familiarity, found that as a customer's trust increases in a specific employee or employees, positive word of mouth (WOM) communication about the organization also increases. Such a trust is a consequence of three other interpersonal relationship dimensions: a personal connection between employees and customers, care displayed by employees, and employee familiarity with customers.

An empirical study conducted by Ingololo (2011) in Kisumu city on the extent to which market segmentation enhances competitive advantage of commercial banks in Kenya concluded that majority of clients for the bank were individual account holders and institutions with diverse financial needs hence segmentation to fulfil their unique needs to achieve customer retention. Ingololo further reported that banks accrued various benefits derived from marketing segmentation which include; banks gaining competitive edge, achievement of customer satisfaction, customer retention and increased profitability. Salami and Adewoye (2006) in a study on the efficacy of market segmentation among Nigerian manufacturing companies reported that attainment of market segmentation goals has been viewed as a major starting point for achieving organizational success. According to Salami and Adewoye (2006), market segmentation when done properly will maximize returns for a given marketing expenditure. Essentially business needs for segmentation are often determined by the needs to match the benefits offered by the product and requirements of the prospects (customers).

A study conducted by Kingoo (2011) in Kisumu city on relationship between electronic banking and financial performance of commercial banks in Kenya revealed that electronic banking has made banking transactions to be easier by bringing services closer to its

customers hence improving banking industry performance. Customers can now have access to their accounts outside working hours and perform transactions. Withdrawals and deposits can be made anywhere, anytime using electronic means. In their study on 'Services Marketing - Challenges and Strategies', Chidambaram and Alameleu (1996) suggested that banks should become technology friendly. By investing in technology a bank can carve a niche for itself. Well-furnished premises are a must for the satisfaction of both employees and customers. Professionalized well-trained and motivated employees will improve the marketability of a bank. Gaston (1990) studied customer motivations towards the use and non use of Automated Teller Machine (ATM) customers of a financial institution. An analysis of results based on demographic variables revealed significant differences between users and nonusers in terms of education only. Results also showed that convenient accessibility of a financial institution and avoidance of waiting lines is the principal reasons for using the automated teller.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discussed the research methodology that was followed so as to fulfil the study objectives. It comprised of: research design, target population, sample size and sampling techniques, data collection instruments, data collection procedure and analysis techniques.

3.2 Research Design

According to Mugenda & Mugenda (2003) a research design is a master plan or framework or blue print specifying the methods and procedures for collecting and analyzing the needed information. The study adopted descriptive research design. This type of research design reports things the way they are and attempts to describe such things as possible behaviour, attitudes, values and characteristics. This research design was also suitable because it was concerned with describing the characteristics of particular individual or group of individuals. The study was aimed at describing the current state of affairs at Standard Chartered Bank Kenya, an aspect that made descriptive survey design to be the most appropriate for this study. Mugenda & Mugenda (2003) assert that descriptive study design tries to discover answers to who, what, when, where, and sometimes how questions. This design is suitable for this research since it provides qualitative and quantitative data collection methods of selecting samples to analyze and discover occurrences (Oso and Onen, 2009). According to Kothari, 2004 descriptive survey design yields maximum information and provide an opportunity for considering different aspects of the problems.

3.3 Target Population

Target population is that population to which the researcher wants to generalize the results of the study. Walter (1988) defines target population as a universal set of the study of all members of real or hypothetical set of people, events or objects to which an investigator wishes to generalize the result. The target population of the study was customers of Standard Chartered Bank, Kericho branch. The target population was arrived at through data mined from the weekly deposits made by customers in the Bank. These were existing customers to the Bank and are current account holders. According to Standard Chartered Bank Kenya Limited Annual Report 2012, there were 1512 current account holders in Kericho branch.

3.4 Sample Size and Sample Selection

This section described the sample size and sample selection used in the study.

3.4.1 Sample Size

A sample is a sub-group carefully selected so as to be a representative of the whole population with relevant characteristics (Mugenda and Mugenda, 2003). The sample size for this study was 333 customers drawn from Standard Chartered Bank in Kericho branch based on Glenn 1992 pre-determined table for sample size selection at 5% precision (Refer to Appendix V).

3.4.2 Sample Selection

Sampling design is a definitive plan for obtaining a sample from a given population. It refers to the technique or procedure the researcher would adopt in selecting items for the study. According to Walter (1998), sampling is the process by which a relatively small number of individual, object or event is selected and analyzed in order to find out something about the entire population from which it was selected. Purposive sampling technique was adopted in

the selection of respondents used in the study. This involved tracking customers from data mined from their deposit in the current accounts. Kerlinger (1986) explained purposive sampling as another type of non probability sampling, which is characterized by the use of judgment and a deliberate effort to obtain representative samples by including typical areas or groups in the sample. In this study, 333 customers drawn from Standard Chartered Banks Kericho branch were sampled. (Refer to Table 3.1).

Table 3.1 Table for Sample Size Selection

Bank Branch	Target Population	Sample Size
Kericho Branch	1512	333
Total	1512	333

Source: Researcher (2014)

3.5 Research Instruments

The main research tool that was used for collecting data was a structured interview guide with both open and closed ended questions. A structured interview guide was suitable for this study because it enabled the researcher to collect detailed information from sampled clients through the open ended sections of the guide. The interview was administered through telephone to registered customers of Standard Chartered Bank in Kericho branch informed by the data mined from the deposits placed by existing customers. Questions in the interview guide strived to meet the objectives of the study as well as answer the research questions. The interview guide was drawn into sections in line with objectives of the study. The first section obtained information on demographic profile of customers. The preceding sections contained

information that enabled the researcher to obtain information on organizational determinants which influenced performance of current account products in Standard Chartered Banks.

3.5.1 Pilot Testing

According to Mugenda and Mugenda (2003), a pre-test sample of a 1/10th of the total sample with homogenous characteristics is appropriate for the pilot study. Pilot testing will be conducted on 34 customers' equivalent to 10% of the targeted population. Customers reached for pilot testing were not considered during the actual data collection phase. According to (Mugenda and Mugenda, 2003), subjects in the actual samples should not be used in the pre-test. The interview guide was administered to the selected Standard Chartered Banks in Kericho branch. Pilot testing is important in the research process because it helps the researcher to identify vague questions and unclear instructions. It helps the researcher to capture important comments and suggestions from respondents that will enable the researcher to improve on the efficiency of the instrument. The pilot test helped the researcher in enhancing the reliability of the instrument as a consistent measure of the concept being studied was to be determined. Through the pilot study, other common responses were captured and included in the tool. The data collected during pilot testing was prepared, analyzed and interpreted thus leading to further review of the instrument in readiness for the main study data collection phase.

3.5.2 Validity of Research Instruments

Validity of research instruments is the measure of the extent to which the instruments measure what they are intended to measure (Kathuri and Pals, 1993). A research instrument is valid if it actually measures what it is supposed to measure and when the data collected through it accurately represents respondents' opinions (Amin, 2005). The validity of the

research instruments was ascertained by conducting a pilot study. This ensured that the instructions were clear and all possible responses to a question were captured. The researcher ascertained the validity of the research instruments by studying the responses to the questions by respondents to determine whether respondents got the same meaning out of the questions. Content validity of a measuring instrument is the extent to which it provides adequate coverage of the investigative questions guiding the study. In this study, content validity was determined through consultation with the research supervisors within the university. The university supervisors' reviewed the instrument, recommended corrections and verified whether the instruments addressed the objectives of the study.

3.5.3 Reliability of Instruments

Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials (Mugenda and Mugenda, 2003). The researcher adopted split half technique of assessing reliability because it required only one testing session. This technique is also preferred because it eliminates errors due to the respondents ease in remembering responses from the first test, a common phenomenon in test-re-test technique. The split half technique overcomes this problem by developing one scale for each variable and then dividing the scale into two halves (odd and even) which are scored separately for each respondent. Since split half procedure is based upon a correlation between scores obtained on only half the test, a correlation is needed to determine the reliability of the entire test.

The Spearman Brown Prophecy formula is used to make corrections as follows:-

$$R = \frac{2r}{1+r}$$

Where R is the corrected reliability coefficient

r is the reliability coefficient from original calculation

If the correlation coefficient ranges from 0.6 to 0.8 then the two sets of scores i.e odd and even scores are related (Dalen, 1979). Using SPSS the researcher obtained a correlation coefficient of 0.89 which assured the researcher that the instrument was reliable.

3.6 Data Collection Procedures

In order to collect data from the target respondents, the researcher obtained an introductory letter from the University and permission from Standard Chartered bank to collect the data. Data was collected through primary resources. This was done through the use of a structured interview guide. An interview guide is a list of questions that need to be covered by the interview. The guide contains both open and closed questions. Questions in the interview guide are advantageous because: they are flexible, in-depth information is gathered, using the open and closed ended approach – the researcher gets a complete and detailed understanding of the issue under research.

Data was also collected using secondary data sources. A detailed literature review related to the topic of study was conducted through secondary data sources. Secondary data sources included: publications, Government publications, research institutions, internet publications, newspapers and journals.

3.7 Data Analysis Techniques

Mugenda and Mugenda (2003) observe that data analysis is the process of bringing order, structure and meaning to the mass of information collected. Both qualitative and quantitative methods of data analysis were used. In analyzing quantitative data, before processing the responses, the interview guide was edited for completeness and consistency. Data was then coded to enable the responses to be grouped into various categories. Quantitative data was

analysed using descriptive statistics in the form of frequencies and percentage tables with the aid of SPSS (Statistical Package for Social Statistics).

Findings were presented using frequency tables, percentage tables, means and other measures of central tendencies. Tables will be used to summarize responses for further analysis and facilitate comparison. Variables with the highest frequencies will be considered the preferred responses. Qualitative data analysis was used to make general statements on how categories or themes of data are related and their meaning. Qualitative data was transcribed, organized into various emerging themes informed by the objectives of the study and reported in a narrative way.

3.8 Ethical Issues in Research

Despite the high knowledge gained through research, knowledge cannot be pursued at the expense of human dignity (Osoo and Onen, 2009). Throughout this study ethical issues were upheld to ensure that dignity of participants is maintained. Mugenda & Mugenda (2008), suggests that protecting the rights and welfare of participants should be the major ethical obligation of all parties involved in the study. To maintain confidentiality, respondents' names were not required. Before collecting data, the researcher explained to the respondents the purpose of the study and assured them that the information they will give will be treated with utmost confidentiality. Participation in the study was voluntary.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSIONS

4.1 Introduction

This chapter presents findings of the study, which has been discussed under thematic and sub-thematic areas in line with the study objectives. The thematic areas include: branch banking networks, managerial procedures, marketing strategies, technological accessibility and performance of current account products. These results are summarized in the following sub-sections.

4.2 Questionnaire Return Rate

Poor response rates reduce sample size, and consequently the precision, and are a potential source of bias, lessening the confidence with which findings can be accepted and generalized. A total of 333 questionnaires were administered to the respondents, 329 questionnaires were returned for analysis which formed 98% return rate. According to Mugenda and Mugenda (2003), a response rate of 50% is adequate for analysis and reporting; a response rate of 60% is good and that of 70% and above is very good. This therefore meant that the questionnaire return rate of 98% was appropriate for the study. The 4 missing sampled respondents were not available on phone at the time of collecting data. The study managed to achieve this good response rate due to good organization and coordination of the parties involved. Most respondent were available on phone and were willing to participate in the study.

4.3 Demographic Characteristics of Respondents

The demographic characteristics that were considered in this section include: gender, age and the level of education of the participants. This gave a deeper insight on understanding the

relationship between the variables used in the study and how they influenced the performance of current accounts. The results are presented in the following sub-sections.

4.3.1 Distribution of Respondents by Gender

Gender refers to socially constructed roles, behaviour, activities and attributes that a particular society considers appropriate for men and women. It was necessary to determine the gender balance among Standard Chartered Bank account holders and relate it with performance of current account products. This is because gender type greatly influences participation and decision making pertaining money matters and thus an important link to performance of current account products. Respondents were asked to state their gender. Their responses were as presented in Table 4.1.

Table 4.1: Distribution of Respondents by Gender

	Frequency	Percentage
Male	196	59.7
Female	133	40.3
Total	329	100.0

Out of 329 respondents who participated in the study, 196(59.7%) were male and 133 (40.3%) were female. These findings indicate that gender disparity in the bank still exists, with the balance tilting in favor of male dominance.

4.3.2 Distribution of Respondents by Age

The study sought to establish the distribution of respondents by Age. This was because; the researcher was interested in ascertaining whether age of respondents had any influence on

performance of current account holders. In view of this, respondents were asked to state their ages. The results were as reflected in Table 4.2.

Table 4.2: Distribution of Respondents by Age

Age Bracket	Frequency	Percentage
18-30 Years	102	31.0
31-40 Years	125	38.0
41-50 Years	31	9.3
Over 50 Years	71	21.7
Total	329	100.0

Out of the 329 respondents who participated in the study, 102(31.0%) fell in the age category of 18-30 years, 125 (38%) fell in the age bracket of 31-40 years, 31(9.3%) fell in the age category of 41-50 years while 71(21.7%) fell in the age category of over 50 years. Results of the study revealed that majority of current account holders fell in the age bracket of 31-40 years.

4.3.3 Distribution of Respondents by Highest Educational Level

The researcher sought to establish the educational level of respondents. Knowledge of educational level of respondents could assist the researcher in gauging the capability of respondents in service delivery which by extension could enhance the performance of the Bank. In order to capture this important information, respondents were asked to state their highest educational levels. Their responses were as captured in Table 4.3.

Table 4.3: Distribution of Respondents by Highest Educational Level

Highest Educational Level	Frequency	Percentage
No formal education	70	21.3
Secondary	71	21.6
Tertiary	86	26.1
University	102	31.0
Total	329	100.0

Results obtained in Table 4.3 indicate that, 70(21.3%) of the respondents had no formal education, 71(21.6%) had secondary education, 86(26.1%) had tertiary education where as 102(31.0%) had university education. Findings of the study revealed that, majority of customers operating current accounts with Standard Chartered bank had university education. This could be due to the fact that one needs to appreciate the significance of owning an account before opening it, an aspect which requires good educational background.

4.3.4 Distance from the Nearest Bank to the Place of Residence

The study sought to establish the distribution of respondents by distance from the nearest bank to place of residence. The researcher wanted to establish whether distance from the nearest Standard Chartered Bank to place of residence had any influence on performance of current accounts. In view of this, respondents were asked to state the distance from the nearest Standard Chartered Bank to place of residence. Their responses were as illustrated in table 4.4.

Table 4.4: Distance from the Nearest Bank to Place of Residence

Distance	Frequency	Percentage
1-2 Km	10	3.1
3-4 Km	31	9.3
5-10 Km	64	19.4
More than 10 Km	224	68.2
Total	329	100.0

Out of 329 respondents who participated in the study, 10(3.1%) covered a distance of 1-2 Km before accessing the nearest Standard Chartered Bank branch, 31(9.3%) respondents covered a distance of 3-4 Km, 64(19.4%) respondents covered a distance of 5-10 Km while 224 (68.2%) respondents covered a distance of more than 10 Km before accessing the nearest Standard Chartered Bank branch. Findings of the study revealed that majority of Standard Chartered Bank customers covered more than 10 Km before accessing the nearest branch. This long distance compromises their ability to access to the services from the bank with ease, an aspect which negatively affects the performance of the Bank.

4.4 Branch Banking Network and Performance of Current Account Products of SCB,

Kericho branch

The first objective of the study sought to determine the extent to which banking networks influenced the performance of current accounts. This was done with a bid of establishing the physical presence of branch banking networks of Standard Chartered bank in the country. For an in-depth understanding of this theme, the researcher further sub-divided it into three sub-

themes i.e distribution of bank branches, expansion of bank branches and distribution of ATMs.

4.4.1 Distribution of Bank Branches

The researcher sought to determine the physical distribution of Standard Chartered bank branches. In order to achieve this, respondents were asked to indicate whether there were branch networking of Standard Chartered Bank across the country. Their responses were as illustrated in Table 4.5.

Table 4.5: Distribution of Bank Branches

	Frequency	Percentage
Yes	326	99.2
No	3	0.8
Total	329	100.0

As illustrated in table 4.5, out of 329 respondents who participated in the study, majority 326 (99.2%) agreed that there were branch networking of Standard Chartered Bank (SCB) in the country. On the other hand, 3(0.8%) of the respondents held a contrary opinion. The fact that majority of respondents nodded that SCB branches were rapidly being rolled down in the entire Country is a clear testimony that SCB management team were keen on reaching out to their customers by bringing their much needed services as close to the customers as possible. Findings of this study are in line with Kariuki (2005) report which revealed that many commercial banks are located in major towns but have network of branches across the country.

A study by Meidan (1976) revealed that about 90 percent of the respondents banked at the branch nearest to their home place or place of work. Convenience, in terms of location, was

also found to be the single most important factor for selecting a branch. Now almost all large national and regional banks are offering an array of online banking services and many are expanding their physical presence by opening up new branch locations.

4.4.2 Expansion of Bank Branches

The researcher probed respondents who acknowledged that branch networking of SCB branches was gaining ground by asking them to specify the number of branches of SCB that had stretched in the neighbourhood. Respondents gave various sentiments as depicted in Table 4.6.

Table 4.6: The number of SCB branches in the neighbourhood

No of Branches	Frequency	Percentage
1-4	123	37.7
5-10	95	29.1
11-20	52	16.0
over 20	56	17.2
NA	-	-
Total	326	100.0

Results reflected in Table 4.6 reveal that; out of 326 respondents who acknowledged that SCB branches were rapidly expanding in the neighbourhood, 123(37.7%) of respondents mentioned that there were up-to 1-4 branches in the neighbourhood, 95(29.1%) indicated that there 5-10 branches in the neighbourhood, 52(16.0%) identified 11-20 branches in the neighbourhood while 56(17.2%) mentioned over 20 branches in the neighbourhood. The fact

that all the 326 respondents were capable of pin-pointing the expanded branches of SCB in the neighbourhood proved that branch networking of SCB was real.

The researcher further probed respondents to indicate whether the rapid expansion of SCB branches had any significant influence on decision of esteemed customers in opening the current accounts. Respondents were asked to qualify whether the expansion of SCB enabled them to open new current accounts due to proximity. They gave various sentiments as presented in Table 4.7.

Table 4.7: Influence of Branch Networking of SCB on customers' decision to have an account

Responses	Frequency	Percentage
Yes	177	53.8
No	152	46.2
Total	329	100.0

As reflected in Table 4.7, majority of respondents 177(53.8%) acknowledged that branch networking of SCB influenced their decision to open new current accounts due to proximity. However, 152(46.2%) held a contrary opinion. Based on this observation; the researcher concluded that branch networking of SCB aided the performance of the bank in terms of opening new current accounts. This is in line with findings of Boufounou (1995) which concluded that one of the most important characteristics of a branch's performance is the volume of deposits made by customers through opening of new accounts. The estimated volume of deposits that will be attracted in any bank branch is one of the main decision variables in selecting locations for establishing new branches. Hence, it could be argued that

it is important for a bank to have a model that estimates the deposits power of any branch in relation to the features of the area where it is, or may be, located.

4.4.3 Distribution of ATMs

The researcher was interested in examining the extent to which SCB ATMs had been distributed in the neighbourhood. Through this, the researcher would be placed at a vantage point in gauging the extent to which SCB had networked. In lieu of this, respondents were asked to respond to the likert scale which required them to indicate their agreement/disagreement to the statement 'distribution of SCB ATMs across the country had increased the number of account holders'. Responses were as captured in Table 4.8.

Table 4.8: Distribution of SCB ATMs across the Country

Responses	Frequency	Percentage
Strongly agree	115	35.0
Agree	90	27.4
Neutral	66	20.0
Strongly disagree	58	17.6
Total	329	100.0

Out of 329 respondents who participated in the study, 115(35.0%) strongly agreed that the distribution of SCB ATMs across the country has increased the number of account holders, 90(27.4%) agreed, 66(20.0%) were neutral, 58(17.6%) strongly disagreed. Findings of the study revealed that majority 205(62.4%) agreed that the distribution of SCB ATMs across the country facilitated the opening of new accounts where as 124(37.6%) held a contrary opinion.

Based on this occurrence, the researcher concluded that the distribution of SCB ATMs influenced the performance of SCB through opening of new accounts.

Results of this study are in agreement with an empirical study conducted by Kingoo (2011) on relationship between electronic banking and financial performance of commercial banks in Kenya which reported that KCB (Kenya Commercial Bank) has invested significantly in expanding its service delivery channels to reach its widespread customers through use of mobile banking and ATMs as service delivery channels. This can be attributed to the 24/7 hours mobile banking system which has made banking services such as account transfer, ordering of cheques to be accessible at home and away from the bank.

In order to ascertain the extent to which branch banking networks influence the performance of SCB, the researcher cross-tabulated the distribution of SCB ATMs across the country with customers decision to have an account with them. Findings were as tabulated in Table 4.9.

Table 4.9: Cross Tabulation of Distribution of SCB ATMs across the country and Customers' decision to have an account

		Distribution of SCB ATMs across the country				Total
		Strongly agree	Agree	Neutral	Strongly disagree	
Customers' decision to have an account	Yes	61	57	33	58	209
	No	54	33	33	0	120
Total		115	90	66	58	329

Findings of the study revealed that, out of 115 respondents who strongly agreed that SCB ATMs were spreading across the country, 61 acknowledged that this distribution of SCB ATMs influenced customers' decision to have an account with them. However, 54

respondents held a contrary opinion. Of the 90 respondents who agreed that SCB ATMs were spreading across the country, 57 accepted that indeed the spreading of SCB ATMs influenced customers' decision to have an account with them while 33 held a contrary opinion. Based on the findings of the study, the researcher concluded that the distribution of SCB ATMs across the country facilitated the performance of SCB by enabling customers to open new accounts.

4.5 Management Procedures and Performance of Current Account Products

The second objective of the study sought to examine how management procedures influence the performance of current account products in Standard Chartered Bank. Knowledge of management procedures utilized by SCB would enable the researcher to appreciate its significance in facilitating the performance of the bank. For a deeper understanding of this theme, the researcher sub-divided it into two sub-themes i.e product management and customer relationship management.

4.5.1 Product Management

The researcher sought to establish the influence of product management on the performance of the bank in terms of increase in the number of account holders. In view of this, respondents were asked to indicate the extent to which product management as an aspect of the banks' management procedures lead to an increase in the number of account holders. Results were as depicted in Table 4.10.

Table 4.10: The extent to which product management lead to an increase in the number of account holders

		Management of Current Account			Total
		Very large	Large extent	Small extent	
To what extent does product management lead to increase in the number of account holders?	Very large extent	20	31	31	82(24.9)
	Large extent	31	176	0	207(62.9)
	Small extent	0	30	10	40(12.2)
Total		51	237	41	329

Out of 329 respondents who participated in the study, 82(24.9%) asserted that product management led to an increase in the number of account holders to a very large extent, 207(62.9%) said that product management led to an increase in the number of account holders to a large extent whereas 40(12.2%) opined that product management led to an increase in the number of account holders to a small extent. Findings of the study revealed that majority of customers 289(87.8%) acknowledged that product management led to an increase in the number of account holders. Product management is a logical choice when products are quite different from one another or if the number of products offered is too large to be managed by a functional department (Kotler, 1984). Major benefits of the product management system include: improved customer focus, product specialization and coordination, maximum use of resources, product accountability and the generation of new ideas.

Table 4.11: Customer Relationship Management Policy Practiced by SCB greatly influence Customers decision to make SCB their preferred bank of choice

Responses	Frequency	Percentage
Strongly agree	105	31.9
Agree	122	37.1
Neutral	61	18.5
Disagree	41	12.5
Total	329	100.0

4.5.2 Customer Relationship Management

The researcher examined customer relationship management (CRM) as an aspect of management procedures practiced by SCB. This was done with an intention of relating it to the banks' performance. In order to obtain information on the influence of CRM on customers' decision to make SCB their preferred choice, respondents were required to indicate their level of agreement/ disagreement to the statement: CRM practiced by SCB greatly influence customers' decision to make SCB their bank of choice. Results were as summarized in Table 4.11

Results depicted in Table 4.11 reveal that, out of 329 respondents who participated in the study, 105(31.9%) strongly agreed that CRM practiced by SCB greatly influenced customers decision to make SCB their preferred bank of choice, 122(37.1%) agreed, 61(18.5%) were neutral i.e neither agreed nor disagreed, 41(12.5%) disagreed. As depicted from Table 4.10, majority of customers 227(69.0%) agreed that CRM practiced by SCB greatly influenced customers decision to make SCB their preferred bank of choice.

CRM is a method of marketing by using customer information. The relationship between organization and customers consist of a bilateral and ongoing connection. The relationship can be long-term or short-term, continuous or discontinuous, repetitive or sudden. Even if customers have positive attitudes with organization and its products, it is important to treat them with respect in purchasing occasions. CRM is not an activity in marketing division and it is clearly a permanent organizational evolution in cultures. Customer information changes to organizational knowledge thus it enables acting in a way using market opportunities (Urgu.com, 2002).

CRM is importance in banking and most banks, collecting liquidity from customer's deposits, must place customer-orientation as primary element of its activity (Meyer & Schwager, 2007). Regarding competitive environment and aggressive strategies, CRM plays essential role on customer retention (Salami, 2005). It is essential for banks to know customers well and to hold a strong and trusted relationship in financial services sector (Diacon *et al.*, 1996). CRM comprises six main stimuli including targeting, continuous contact with customer, forecasting effective customer for future, absorbing customer, using master or subsidiary sales techniques, creating loyalty with appropriate services and maintaining and reserving customers (Lamparello, 2000).

In order to establish the influence of CRM on the performance of SCB, the researcher cross-tabulated CRM policy with customers decision to make SCB as the preferred bank of choice. Findings were as presented in Table 4.12.

Table 4.12: Cross-Tabulation of Customer Relationship Management Policy with customers' decision to make SCB as the preferred bank of choice

		Customers' decision to make SCB as the preferred bank of choice				Total
		Strongly agree	Agree	Neutral	Disagree	
Customer Relationship Management (CRM)	Very good	41	41	0	20	102
	Good	20	50	64	21	155
	Moderate	0	31	41	0	72
Total		61	122	105	41	329

Out of 61 respondents who strongly agreed that CRM policies influenced customers' decision to make SCB the preferred bank of choice, 41 asserted that the policies were very good while 20 consented that the policies were good. At the same time, out of 122 customers who agreed that CRM policies influenced customers' decision to make SCB the preferred bank of choice, 41 said that the policies were very good while 50 opined that the policies were good. Based on the results of this study, the researcher concluded CRM had a positive impact on the performance of the bank evidenced by 183 respondents who agreed that CRM policies influenced customers' decision to make SCB their preferred bank of choice. This conclusion was upheld by Kalakota and Robinson (1999) study which revealed that CRM is capable of increasing the banks revenue, using relationship with customers, using integrated data for better services and introducing compatible methods.

4.6 Marketing Strategies and Performance of Current Account Products of SCB,

Kericho branch

The third objective of the study sought to assess the level at which marketing strategies influence the performance of current account products in Standard Chartered Bank. According to Porter (1998), an organizations' strategy consists of the business approaches and initiatives it undertakes to attract customers and fulfil their expectations, to withstand competitive pressures and to strengthen its market position. These strategies provide opportunities for the organization to respond to the various challenges within its operating environment. Firms also develop strategies to enable them seize strategic initiatives and maintain a competitive edge in the market. The success of every organization is determined by its responsiveness to the customer needs. The competitive aim is to do a significantly better job of providing what customers are looking for, thereby enabling the organization to earn a competitive advantage and outsmart rivals in the market place. For extensive coverage of this theme, the researcher sub-divided it into sub-themes which include: market segmentation, direct sales and advertisement.

4.6.1 Market Segmentation

A market segment is simply a group of present or potential customers with some common characteristics that are relevant in explaining their response to suppliers' market stimuli; (Kotler, 2002). Success in a market segmentation process is premised on the ability of a bank to identify individual differences and similarities within segments that have significant impact on purchasing patterns. The success of modern product marketing therefore hinges not on the ability of seller to influence the level, timing and composition of demand but more significantly the skill to partition the attributes that consumers possess as a means for targeting product offering to them.

In order for the researcher to assess the level at which market segmentation as a marketing strategy of SCB influence the performance of current account products, respondents were asked to rate the influence of market segmentation on the growth and increase of SCB current account products. Their responses were illustrated in Table 4.13.

Table 4.13: Influence of Market Segmentation on the growth and increase of awareness of SCB current account products

Ratings	Frequency	Percentage
Very good	82	24.8
Good	227	69.0
Fair	20	6.2
Total	329	100.0

As captured in Table 4.13, out of 329 customers who participated in the study, 82(24.8%) rated the influence of market segmentation on the growth and increase of SCB current account products as very good, 227(69.0%) rated the influence as good while 20(6.2%) rated the influence as fair. Results obtained from the study reveal that majority of customers 309 (93.8%) who took part in the study rated the influence of market segmentation on the growth and increase of SCB current account products as good, signaling the fact that market segmentation as a marketing strategy adopted by SCB influence the performance of its current account products. This revelation concurs with an empirical study conducted by Obwana (2011) in Kisumu city on the extent to which market segmentation enhances competitive advantage of commercial banks in Kenya which concluded that banks accrued various benefits derived from marketing segmentation which include; banks gaining

competitive edge, achievement of customer satisfaction, customer retention and increased profitability. This view was supported by Salami and Adewoye (2006) in a study on the efficacy of market segmentation among Nigerian manufacturing companies.

4.6.2 Direct Sales

The researcher was interested in assessing the influence of direct sales as a marketing strategy adopted by SCB to market its current account products. Personal selling or direct sales is the best method in marketing the products of a bank since it educates its potential customers. For this reason, respondents were asked to rate the influence of direct sales on the growth and increase of SCB current account products. Findings were as captured in Table 4.14.

Table 4.14: Influence of Direct sales on the growth and increase of awareness of SCB current account products

Ratings	Frequency	Percent
Very good	41	12.4
Good	268	81.4
Poor	20	6.2
Total	329	100.0

As depicted in Table 4.14, out of 329 customers who participated in the study, 41(12.4%) rated the influence of direct sales on the growth and increase of awareness of SCB current account products as very good, 268(81.4%) rated the influence as good whereas 20(6.2%) rated the influence as poor. Results obtained from the study indicate that majority of customers 309(93.8%) rated the influence of direct sales on the growth and increase of awareness of SCB current account products as good. Based on this result, the researcher concluded that direct sales have significant influence on the performance of current account

products. Findings of this study validates Chidambaram (1994) study on the promotional mix available to bankers for the marketing of services such as direct marketing, public relations, social banking and customer meets. The study concluded that a good promotional mix is one that takes into account the objectives of the bank and lays emphasis on those services which are of current significance, reaches various customer segments very effectively, creates a desire to seek out the services offered, builds a positive image for the bank, and strike a balance between cost and effectiveness.

4.6.3 Advertisement

The researcher looked at advertisement as a component of marketing strategies adopted by SCB to market its current accounts products. According to Rayburn's (1978), the purpose of advertising and promotional functions is to create demand for the bank's services and to build and maintain goodwill towards the organization. In lieu of this, respondents were asked to rate the influence of advertisement on the growth and increase of SCB current account products. Results obtained from the study were as depicted in Table 4.15.

Table 4.15: Influence of Advertisement on the growth and increase of awareness of SCB current account products

Ratings	Frequency	Percentage
Very Good	41	12.4
Good	247	75.2
Fair	41	12.4
Total	329	100.0

As reflected in Table 4.15, out of 329 respondents, who participated in the study, 41(12.4%) rated the influence of advertisement on the growth and increase of awareness of SCB current account products as very good, 247(75.2%) rated the influence as good while 41(12.4%) rated the influence as fair.

Results obtained from the study reveal that majority of customers 288 (87.6%) rated the influence as good while 41(12.4%) rated the influence as good. Based on the results of this study, the researcher concluded that SCB employed advertisement as a marketing strategy to market its current account products.

Singh (1983) conducted similar studies on trends in bank advertising in the seventies in India which revealed that there is lack of professionalism in bank advertising and marketing. Singh stressed on 'positioning the bank' rather than on selling the products after identification and prediction of customer requirements.

The researcher further cross-tabulated marketing strategies adopted by SCB (market segmentation, direct sales, advertisement) with influence on growth and increase of awareness of SCB current account products. This was done with a bid of establishing the impact of marketing strategies adopted by SCB on the performance of its current account products. Table 4.16 summarizes the results obtained from the study.

Table 4.16: Cross-Tabulation of Marketing Strategies adopted by SCB with influence on growth and increase of awareness of SCB current account products

		Marketing and Promotion strategies adopted by SCB (market segmentation, direct sales, advertisement)				Total
		Large level	Medium level	Small level	Does not	
Influence on the growth and increase of awareness of SCB current account products	Very good	30	42	10	0	82
	Good	41	155	31	0	227
	Fair	0	20	0	0	20
Total		71	217	41	0	329

Out of 71 customers who asserted that SCB adopted marketing and promotion strategies to a large level, 30 rated the influence on the growth and increase of awareness of SCB current account products as very good while 41 rated the influence as good. Similarly, out of 217 customers who opined that SCB adopted marketing and promotion strategies to a medium level, 42 rated the influence on the growth and increase of awareness of SCB current account products as very good whereas 155 rated the influence as good. Based on the results obtained from the study, the researcher concluded that marketing and promotion strategies adopted by SCB (market segmentation, direct sales, advertisement) influence the performance of its current account products.

4.7 Technological Accessibility and Performance of Current Account Products of SCB, Kericho branch

The fourth and last objective of the study sought to establish the extent to which technological accessibility influence the performance of current account products in Standard Chartered Bank. Technology is making a dramatic impact upon service industries generally and the financial services sector is no exception. Recent changes in banking regulations and innovations in financial and information technologies are revolutionizing the banking sector. For an in-depth understanding of this theme, the researcher further sub-divided it into various sub-themes which include: Internet banking, Automated Teller Machine (ATM) services, Short Message Services (SMS) alerts and Telephone banking.

4.7.1 Internet Banking

Internet Banking is seen to offer far-reaching potentials (Bauer, 1999), not only to the financial institutions but also to their clients and the wider society. It can enhance the institutions 'strategic initiatives and simultaneously empower customers, by enabling them to monitor their accounts 24-hours-a-day, seven-days-a-week, through the borderless environment. Financial services are thus being promoted because of the widespread use of the Internet. In order for the researcher to appreciate the role of internet banking in marketing SCB current accounts products, customers were asked to state the extent to which internet banking had influenced customers' decision to continue banking with SCB. Their responses were as summarized in Table 4.17.

Table 4.17: Extent to which Internet Banking influence customers decision to continue banking with SCB

Ratings	Frequency	Percentage
Large	133	40.3
Medium	104	31.8
Small	51	15.5
NA	41	12.4
Total	329	100.0

As depicted in Table 4.17, out of 329 customers who participated in the study, 133(40.3%) rated the extent to which internet banking had influenced customers decision to continue banking with SCB as large, 104(31.8%) rated the influence as medium, 51(15.5%) rated the influence as small whereas 41(12.4%) did not rate the extent of influence. Findings of the study revealed that majority of customers who participated in the study 288(87.6%) acknowledged that internet banking adopted by SCB as an aspect of modern technology influenced customers decision to continue banking with SCB with varying degrees of ratings. Based on the results of this study, the researcher concluded that internet banking facilitated the performance of SCB. Results of this study concurs with an empirical study conducted by Kingoo (2011) in Kisumu city on relationship between electronic banking and financial performance of commercial banks in Kenya which revealed that electronic banking has made banking transactions to be easier by bringing services closer to its customers hence improving banking industry performance. Electronic banking enabled customers to have access to their accounts outside working hours, withdraw and deposit money anywhere, anytime.

4.7.2 Automated Teller Machine (ATM) Services

The researcher was interested in determining the role played Automated Teller Machine (ATM) as an aspect of technology adopted by SCB to market its current account products. In view of this, respondents were asked to state the extent to which ATM services had influenced customers' decision to continue banking with SCB. Table 4.18 summarizes their views.

Table 4.18: The extent to which ATM influence customers decision to continue banking with SCB

Ratings	Frequency	Percent
Large	173	52.7
Medium	115	34.9
NA	41	12.4
Total	329	100.0

Results depicted in Table 4.18 shows that, out of 329 customers who participated in the study, 173(52.7%) rated the extent to which ATM had influenced customers decision to continue banking with SCB as large, 115(34.9%) rated the influence as medium while 41(12.4%) did not rate the extent of influence. Results of the study revealed that majority of respondents 288(87.6%) opined that ATM adopted by SCB as an aspect of modern technology influenced customers decision to continue banking with SCB with varying degrees of ratings. This confirms that ATM services (a component of modern technology) adopted by SCB facilitated the marketing of its current accounts products. Gaston (1990) made similar observations in his study on customer motivations towards the use and non use of Automated Teller Machine (ATM) by customers of a financial institution. Results of his

study showed that convenient accessibility of a financial institution and avoidance of waiting lines is the principal reasons for using the Automated Teller Machine (ATM).

4.7.3 Short Message Services (SMS) Alerts

Short Message Service Banking (SMS banking) is the delivery of banking and financial services ranging from stock market transactions, administration of bank accounts and accessing customized information via telecommunications devices (Tiwari and Buse, 2007).

The researcher examined Short Message Services (SMS) alerts as an aspect of technology adopted by SCB to market its current account products. For this reason, respondents were asked to state the extent to which Short Message Services (SMS) alerts had influenced customers' decision to continue banking with SCB. Findings were as presented in Table 4.19.

Table 4.19: Extent to which Short Message Services (SMS) alerts influence customers decision to continue banking with SCB

Ratings	Frequency	Percentage
Large	184	55.8
Medium	94	28.7
Small	10	3.1
NA	41	12.4
Total	329	100.0

Findings of the study revealed that, out of 329 respondents who participated in the study, 184(55.8%) rated the extent to which SMS alerts had influenced customers decision to continue banking with SCB as large, 94(28.7%) rated the influence as medium while 10(3.1%) rated the influence as small. However, 41(12.4%) did not rate the extent of influence. Findings of the study indicate that majority of respondents who participated in the

study 288(87.6%) acknowledged that SMS alerts adopted by SCB as a component of modern technology influenced customers decision to continue banking with SCB with varying degrees of ratings. Based on the results of this study, the researcher concluded that SMS alerts aided SCB to market their current accounts products. These sentiments were echoed by Birch (1999) study which revealed that the increasing application of wireless technologies like SMS alerts through mobile phones has provided banks with the opportunity to provide their services anytime, anywhere.

4.7.4 Telephone Banking

The researcher looked at telephone banking as one of the modern technologies adopted by SCB to market its current accounts products. In lieu of this, respondents were asked to state the extent to which telephone banking had influenced customers' decision to continue banking with SCB. Results were as tabulated in Table 4.20.

Table 4.20: Extent to which Telephone Banking influence customers decision to continue banking with SCB

Ratings	Frequency	Percentage
Large	122	37.2
Medium	84	25.6
Small	82	24.8
NA	41	12.4
Total	329	100.0

Out of 329 respondents who participated in the study, 122(37.2%) rated the extent to which telephone banking had influenced customers decision to continue banking with SCB as large,

84(25.6%) rated the influence as medium, 82(24.8%) rated the influence as small. However, 41(12.4%) respondents did not rate the extent of influence. Results obtained from the study revealed that majority of respondents 288(87.8%) consented that telephone banking influenced customers' decision to continue banking with SCB with varying degrees of ratings. This insinuate that telephone banking as a modern technology marketing strategy adopted by SCB to market its current accounts products positively influenced customers decision to choose SCB as their banking destination. This shows that telephone banking enabled SCB to carve a niche against their competitors in the financial market. This observation is shared by Devlin (1995) in his study on the developments in the distribution of retail banking services in the UK, using the case study of First Direct, a subsidiary of Midland Bank that successfully introduced telephone-banking service. The study revealed that in an increasingly competitive and deregulated environment, superior distribution strategies concerned with how to communicate with, and deliver products to the consumer such as telephone banking could provide institutions with significant competitive advantage in the market place.

4.8 Influence of Technological Accessibility on the Performance of SCB Current Accounts Products

The final hurdle of the researcher was to establish the extent to which the various modern marketing strategies adopted by SCB such as internet banking (online banking), Automated Teller Machine (ATM) services, Short Message services (SMS) alerts and telephone banking impacted on the performance of the bank by influencing customers decision to choose SCB as their preferred bank of choice. For this reason, respondents were asked to indicate their extent of agreement to the statement 'technological accessibility adopted by SCB influence

the performance of the banks' current account products. Table 4.21 summarizes respondents' views.

Table 4.21: Technological Accessibility adopted by SCB influence the performance of its current account products

Ratings	Frequency	Percentage
Strongly agree	133	40.3
Agree	102	31.0
Neutral	74	22.5
Disagree	10	3.1
Strongly disagree	10	3.1
Total	329	100.0

Results captured in Table 4.21 reveal that, out of 329 respondents who participated in the study, 133(40.3%) strongly agreed that the modern technologies adopted by SCB to market current accounts products greatly influenced the performance of the bank. Similarly, 102(31.0%) agreed whereas 74(22.5%) were neutral (neither agreed nor disagreed), 10(3.1%) disagreed while 10(3.1%) strongly disagreed. Based on the results obtained from the study, the researcher concluded that technological accessibility adopted by SCB influenced the performance of its current accounts products.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter contains summary of findings, conclusion, recommendations, contributions to the body of knowledge and suggestions for further research.

5.2 Summary of Findings

The study sought to determine organizational determinants influencing the performance of current account products. Gender distribution of respondents revealed that 196 (59.7%) were male while 133(40.3%) were female. Looking at age distribution of respondents, the study revealed that majority of respondents 227(69%) fell within the age bracket of 18-40 years. The remaining 102 (31%) were 41 years and above. On distribution of respondents by highest educational level, findings of the study revealed that 70(21.3%) of the respondents had no formal education, 71(21.6%) had secondary education, 86(26.1%) had tertiary education while majority 102(31.0%) had university education. Finally on distance from nearest Standard Chartered Bank to place of residence, 224 (68.2%) of the respondents lived more than 10 km from the bank while 105 (31.8%) of the respondents lived between 1-10 km.

The first objective of the study sought to determine the extent to which branch banking networks influenced the performance of current account products in Standard Chartered Bank, Kericho branch. Data analysis and interpretation of responses from current account holders on distribution of SCB branches revealed that majority of respondents 326(99.2%) consented that there were physical presence of branch networks in the country. On number of SCB branches in the neighborhoods, 23(37.7%) of respondents mentioned that there were up to 1-4 branches, 95(29.1%) indicated that there 5-10 branches, 52(16.0%) identified 11-20 branches while 56(17.2%) mentioned over 20 branches in the neighbourhood. Finally, on

distribution of ATMs, 115(35.0%) strongly agreed that the distribution of SCB ATMs across the country had increased the number of account holders, 90(27.4%) agreed, 66(20.0%) were neutral while 58(17.6%) strongly disagreed.

The second objective of the study sought to examine how management procedures influenced the performance of current account products in Standard Chartered Bank, Kericho branch. Data analysis and interpretation of responses from current account holders on product management revealed that 82(24.9%) of the respondents asserted that product management led to an increase in the number of account holders to a very large extent, 207(62.9%) to a large extent whereas 40(12.2%) of the respondents opined that it led to an increase in the number of account holders to a small extent. On Customer Relationship Management (CRM), 105(31.9%) of the respondents strongly agreed that CRM practiced by SCB greatly influenced customers decision to make SCB their preferred bank of choice, 122(37.1%) agreed, 61(18.5%) were neutral i.e neither agreed nor disagreed, 41(12.5%) disagreed.

The third objective of the study sought to assess the level at which marketing strategies adopted by SCB, Kericho branch influenced the performance of its current account products. Data analysis and interpretation of responses from current account holders on market segmentation revealed that 82(24.8%) of respondents rated the influence of market segmentation on the growth and increase of SCB current account products as very good, 227(69.0%) rated the influence as good while 20(6.2%) rated the influence as fair. Looking at direct sales as a marketing strategy adopted by SCB, 41(12.4%) of the respondents rated the influence of direct sales on the growth and increase of awareness of SCB current account products as very good, 268(81.4%) rated the influence as good whereas 20(6.2%) rated the influence as poor. Finally, on advertisement 41(12.4%) of the respondents rated the influence of advertisement on the growth and increase of awareness of SCB current account products as

very good, 247(75.2%) rated the influence as good while 41(12.4%) rated the influence as fair.

The fourth and last objective of the study sought to establish the extent to which technological accessibility influenced the performance of current account products in Standard Chartered bank, Kericho branch. Data analysis and interpretation of responses from current account holders on internet banking (online banking) revealed that 133(40.3%) of the respondents rated the extent to which internet banking had influenced customers decision to continue banking with SCB as large, 104(31.8%) as medium while 51(15.5%) rated the influence as small. On Automated Teller Machine (ATMs) services, 173(52.7%) of the respondents rated the extent to which ATM had influenced customers decision to continue banking with SCB as large while 115(43.9%) rated the influence as medium.

On the same note, considering Short Message Services (SMS) Alerts as an aspect of technology adopted by SCB to market its current accounts products, 184(55.8%) of the respondents rated the extent to which SMS alerts had influenced customers decision to continue banking with SCB as large, 94(28.7%) as medium while 10(3.1%) rated the influence as small. Finally, while looking at telephone banking as a modern strategy adopted by SCB to market its current accounts products, 122(37.2%) of the respondents rated the extent to which telephone banking had influenced customers decision to continue banking with SCB as large, 84(25.6%) as medium, 82(24.8%) whereas rated the influence as small.

5.3 Conclusions

The following conclusions were drawn from the study: The first objective of the study sought to determine the extent to which branch banking networks influenced performance of current account products in Standard Chartered Bank, Kericho branch. Results of the study revealed that branch banking networks influenced the performance of current account products.

The second objective of the study sought to examine how management procedures influenced performance of current account products in Standard Chartered Bank, Kericho branch. Findings of the study revealed that current account holders appreciated product management services, account management services, customer relationship management services, query resolution and transaction notification services offered by the bank.

The third objective of the study sought to assess the level at which marketing strategies influenced performance of current account products in Standard Chartered bank, Kericho branch. Results of the study revealed that the bank adopted market segmentation, direct sales and advertisement as marketing strategies on its current accounts products.

The fourth and last objective of the study sought to establish the extent to which technological accessibility influenced performance of current account products in Standard Chartered Bank, Kericho branch. Findings of the study revealed that mobile banking services had made banking accessible at home and away from the bank, internet banking (online banking) had eliminated the brick and mortar banking challenges. Finally, results of the study revealed that technological accessibility influence the performance of the banks' current account products.

5.4 Recommendations

Based on the findings, the study made the following recommendations:

1. Standard Chartered bank to increase the number of ATMs across the country so as to meet the demands of the swelling number of customers.
2. Standard Chartered Bank to improve on management procedures so as to increase the number of customers utilizing current account products and new relationships.
3. Standard Chartered Bank to enhance the use of market segmentation, direct personal sales and advertisement marketing strategies to market their current accounts products.
4. Standard Chartered Bank to conduct a multi-prolonged awareness creation campaigns on the varieties of modern technologies they offer to enable customers appreciate their utilities.

5.5 Contribution to the Body of Knowledge

Table 5.1: Contribution of the Study to the Body of Knowledge

Objectives	Contributions to the Body of Knowledge
To determine the extent to which branch banking networks influence performance of current account products in Standard Chartered Bank, Kericho branch, Kenya	Standard Chartered bank to increase the number of ATMs across the country so as to meet the demands of the swelling number of customers.
To examine how management procedures influence performance of current account products in Standard Chartered Bank Kericho branch, Kenya	Standard Chartered Bank to improve on management procedures so as to increase the number of customers utilizing current account products and new relationships
To assess the level at which marketing strategies influence performance of current accounts products in Standard Chartered Bank, Kericho branch, Kenya	Standard Chartered Bank to enhance the use of market segmentation, direct personal sales and advertisement marketing strategies to market their current accounts products
To establish the extent to which technological accessibility influenced performance of current account products in Standard Chartered Bank, Kericho branch, Kenya	Standard Chartered Bank to conduct a multi-prolonged awareness creation campaigns on the varieties of modern technologies they offer to enable customers appreciate their utilities.

5.6 Suggestions for Further Research

This study did not explore certain areas that were equally important. Such areas were left out because the scope of this study warranted. In view of this, the researcher suggests the following areas for further research:

- a) Impact of rapidly expanding technology on the performance of banking sector in Kenya. A case of Standard Chartered Bank, Kisumu
- b) Socio-economic factors influencing the sustainability of products offered by banks in the financial market. A case of Standard Chartered Bank, Kakamega
- c) A replication of this study in a different branch in order to validate its findings.

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APPENDICES

Appendix I:

STRUCTURED INTERVIEW GUIDE FOR STANDARD CHARTERED BANK

CUSTOMERS

Introduction

I am, **Faith Christine Achieng**, a student at the University of Nairobi pursuing a Masters degree in Project Planning and Management. For the purpose of fulfilment of my degree requirements, I kindly request you to fill the questionnaire to the best of your knowledge with sincerity. My topic of research is "*Organizational Factors Influencing Performance of Current Accounts Products: A case of Standard Chartered Bank Kericho, Kenya*". The information given by you will be confidentially treated and only used for the said purpose.

SECTION A:

DEMOGRAPHIC INFORMATION OF RESPONDENTS

Instructions

The purpose of this section is to solicit information on demographic characteristics of respondents. Please answer the questions honestly. You are humbly requested to tick () in the appropriate box or give brief opinion where necessary.

1. Gender of respondent Male Female
2. Which age bracket do you belong?
18-30 yrs 31-40yrs 41-50 yrs Over 50yrs
3. What is your highest education level?
No Formal Education Primary Education
Secondary Education Diploma/ Certificate
Undergraduate/ University Degree Post Graduate/ Masters/ PHD
Any other (Specify).....

4. What is your current occupation?

Student []

Self Employed []

Employed []

Not Employed []

Other Specify

b) If Employed, Where do you work?
.....

5. How far is the nearest bank to your place of residence or place of work?

Less than a 1KM away [] 1 KM to 3 KM away []

3 KM to 5 KM Away [] 5 KM to 10 KM away []

More than 10 KM Away [] Don't Know []

SECTION B:

BRANCH BANKING NETWORK AND PERFORMANCE OF CURRENT ACCOUNT PRODUCTS

Instructions

The purpose of this section is to solicit the perceptions, views, opinions and insights of respondents on influence of branch banking network on performance of current account products. Please answer the questions honestly. You are humbly requested to tick (✓) in the appropriate box or give brief opinion where necessary.

6. a) Are there branch networking of Standard Chartered Banks across the country?

Yes []

No []

b) If No, why do you say so?
.....
.....
.....

c) If Yes, how many branches of Standard Chartered Bank are you aware of in the country, even if you have never been to them personally? [] [] []

d) Does this branch networking of Standard Chartered Bank influence your decision to have an account with them the more?

Yes []

No []

7. Please indicate your level of agreement/disagreement to the following statement

The distribution of Standard Chartered Bank ATMs across the country has increased the number of account holders, like you?

Strongly agree []

Agree []

Neutral []

Disagree []

Strongly disagree []

Don't Know []

SECTION C:

MANAGEMENT PROCEDURES AND PERFORMANCE OF CURRENT ACCOUNT PRODUCTS

Instructions

The purpose of this section is to solicit the perceptions, views, opinions and insights of respondents on influence of management procedures on performance of current account products. Please answer the questions honestly. You are humbly requested to tick (✓) in the appropriate box.

8. a) Rank the following management procedures from 1 – 5 based on the situation in your bank

	Very Good	Good	Moderate	Poor	Very Poor
Account management	1	2	3	4	5

Customer relationship management	1	2	3	4	5
Query resolution	1	2	3	4	5
Customer service offered	1	2	3	4	5
Transaction notification	1	2	3	4	5

9. a) In your opinion to what extent does product management lead to an increase in the number of account holders?

Very large extent [] Large extent [] Small extent []

b) To what extent would you say the way Standard Chartered Bank manages your current account influence your decision in ensuring Standard Chartered Bank is your Bank of choice?

Very large extent [] Large extent [] Small extent []

c) Please indicate your level of agreement/disagreement to the following statement

Customer relationship management policy practiced by Standard Chartered Bank Greatly influences your decision to make Standard Chartered Bank your preferred Bank of choice?

Strongly agree [] Agree [] Neutral [] Disagree [] Strongly disagree []

SECTION D:

MARKETING STRATEGIES AND PERFORMANCE OF CURRENT ACCOUNT PRODUCTS

Instructions

The purpose of this section is to solicit the perceptions, views, opinions and insights of respondents on influence of marketing strategies on performance of current account products. Please answer the questions honestly. You are humbly requested to tick (√) in the appropriate box.

10. Do Standard Chartered Bank participate in the following marketing and promotion strategies?

Marketing Strategies	Yes	No
Market segmentation		
Direct sales		
Advertisement		

11. How would you rate the influence of marketing and promotion strategies on the growth and increase of awareness of Standard Chartered Bank products?

Marketing Strategies	RATINGS			
	Very Good	Good	Fair	Poor
Market segmentation				
Direct sales				
Advertisement				

12. To what level do marketing and promotion strategies offered by Standard Chartered Bank influence your decision to make it your preferred Bank of choice?

Large level [] Medium level [] Small level [] Does not []

SECTION E:

TECHNOLOGICAL ACCESSIBILITY AND PERFORMANCE OF CURRENT ACCOUNT PRODUCTS

Instructions

The purpose of this section is to solicit the perceptions, views, opinions and insights of respondents on influence of technological accessibility on performance of current account products. Please answer the questions honestly. You are humbly requested to tick (✓) in the appropriate box.

13. a) Do Standard Chartered Bank avail technological facilities to you as an esteemed customer?

Yes [] No []

b). If yes, to what extent do the following technological facilities influence your decision to continue banking with Standard Chartered Bank? (Put a tick (✓) in the appropriate box).

Technological Facilities	EXTENT			
	Large	Medium	Small	NA
Internet Banking				
Automated Teller Machine (ATM)				
Short Message Services (SMS)				
Telephone Banking				

14. Please complete the following Likert scale of 1 to 5

1-Strongly Agree 2-Agree 3-Don't know, 4-Disagree, and 5-Strongly disagree

Mark by cross (x) the option applicable to you

Construct	1. Strongly Agree	2. Agree	3. Neutral	4. Disagree	5. Strongly disagree	6. Don't Know
Mobile banking has made banking services accessible at home and away from the bank.						
Internet banking has eliminated brick and mortar banking challenges						
Technological accessibility influence the performance of current account products						

Thank you very much for participating in this study

Appendix II:

DIAGRAMATIC WORK SCHEDULE

Duration of the study will be 10 months from the time of proposal development

No	Key Activities	Nov.	Dec.	Jan	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.
		2013	2013	2014	2014	2014	2014	2014	2014	2014	2014
1	Development and review of project proposal with aid of my supervisors										
2	Validate the suitability and applicability of the project proposal										
3	Obtaining permission to conduct research and sampling process										
4	Data collection and data entry into SPSS data base										
5	Preliminary data analysis and categorization of emerging themes										
6	Report writing and submission to supervisors for reviews										
7	Submission of the final report for adoption to the school of continuing and distance education										
8	Dissemination of research findings to relevant stakeholders										

Appendix III:

TABLE FOR SAMPLE SIZE SELECTION

Size of population	Sample size (n) Precision (e) of:			
	$\pm 3\%$	$\pm 5\%$	$\pm 7\%$	$\pm 10\%$
500	A	222	145	83
600	A	240	152	86
700	A	255	158	88
800	A	267	163	89
900	A	277	166	90
1000	A	286	169	91
2000	714	333	185	95
3000	811	353	191	97
4000	870	364	194	98
5000	909	370	196	98
6000	938	375	197	98
7000	959	378	198	99
8000	976	381	199	99
9000	989	383	200	99
10000	1000	385	200	99
15000	1034	390	201	99
20000	1053	392	204	100
25000	1064	394	204	100
50000	1087	397	204	100
100000	1099	398	204	100
>100000	1111	400	204	100

a = assumption of normal population is poor (Yamane, 1967). The entire population should be sampled

Source: Glenn, D. Israel (1992)

Appendix IV: RESEARCH AUTHORIZATION LETTER



**NATIONAL COMMISSION FOR SCIENCE,
TECHNOLOGY AND INNOVATION**

Commission for Science, Technology and Innovation
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www.nacosti.or.ke

10th November, 2014

NACOSTI/P/14/1893/4124

Dr. A. N. S. A. A. A.
University of Nairobi
P.O. Box 30197/00100
NAIROBI

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on *"Organizational factors influencing performance of current accounts products: A case of Standard Chartered Bank Kericho, Kenya."* I am pleased to inform you that you have been authorized to conduct the research in Kericho County for a period ending 5th December, 2014.

You are advised to report to the Chief Executive Officer, Standard Chartered Bank, the County Commissioner and the County Director of Education, Kericho County before embarking on the research project.

On completion of the research, you are expected to submit two hard copies and one soft copy in pdf of the research report/thesis to our office.

DR. S. K. LANGAT OGW
FOR SECRETARY/CEO

Copies to:

The Chief Executive Officer
Standard Chartered Bank

The County Commissioner
Kericho County

Appendix V: RESEARCH PERMIT

THIS IS TO CERTIFY THAT
MISS. FAITH CHRISTINE ACHIENG
of UNIVERSITY OF NAIROBI, 354-40100
Kisumu, has been permitted to conduct
research in Kericho County

Permit No. NACOSTI/P/14/2980/4124
Date Of Issue : 10th November, 2014
Fee Received USD 10

on the topic: **ORGANIZATIONAL
FACTORS INFLUENCING PERFORMANCE
OF CURRENT ACCOUNTS PRODUCTS, A
CASE OF STANDARD CHARTERED BANK
KERICHO, KENYA**

for the period ending
5th December, 2014



Applicant's
Signature

Secretary
National Commission for Science
& Innovation

CONDITIONS

- You must report to the County Commissioner within
the 10 days following the issue of this permit before
embarking on your research. Failure to do that
may lead to the cancellation of your permit.
1. Government Officers will not be interviewed
without prior appointment.
 2. No questionnaire will be used unless it has been
approved.
 3. Reproduction, filming and collection of biological
specimens are subject to further permission from
the relevant Government Ministries.
 4. You are required to submit at least two (2) hard
copies and one (1) soft copy of your final report.
 5. The Government of Kenya reserves the right to
modify the conditions of this permit including
its cancellation without notice.



REPUBLIC OF KENYA

National Commission for Science
& Innovation

RESEARCH CLEARANCE
PERMIT

Serial No. A 1000

CONDITIONS continue on page