DECLARATION

The research project is my own work and to the best of my knowledge it has not been presented for the award of a degree in any university or college. No part of this work should be reproduced without the author’s consent or that of the University of Nairobi.

Signature………………………….. Date……………………………..

Edwin Nyabuga Ongera

Reg. No. (D61/71553/2014)

This research project has been submitted for examination with my approval as the University of Nairobi Supervisor.

Signature…………………….. Date……………………………..

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SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI
DEDICATIONS

No words are sufficient to describe my late mother’s contribution to my life. I owe every bit of my existence to her. This research project is dedicated to her memory.
ACKNOWLEDGEMENT

I thank God for enabling me complete this project. I would like to express my sincere gratitude to all those persons and organizations that made this research project possible. Special gratitude goes to my supervisor, Prof. Martin Ogutu and my moderator, Prof. Zachary Awino who accorded me all the help and guidance throughout the whole research exercise. Special gratitude also goes to the respondents drawn from the investment banks without which this study would not have been successful.

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### ABBREVIATIONS & ACRONYMS

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<th>Abbreviation</th>
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<tbody>
<tr>
<td>CBA</td>
<td>Commercial Bank of Africa</td>
</tr>
<tr>
<td>EBI</td>
<td>Ecobank Investment</td>
</tr>
<tr>
<td>ICT</td>
<td>Information &amp; Communications Technology</td>
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<tr>
<td>KCB</td>
<td>Kenya Commercial Bank</td>
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<td>NIC</td>
<td>Commercial Bank of Africa</td>
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<td>RBV</td>
<td>Resource-Based View</td>
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<td>REITs</td>
<td>Real Estate Investment Trusts</td>
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<tr>
<td>SACCOs</td>
<td>Savings and Credit Co-operative Societies</td>
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<td>SBG</td>
<td>Standard Bank Group</td>
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<tr>
<td>SMEs</td>
<td>Small Medium Sized Enterprises</td>
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<td>UK</td>
<td>United Kingdom</td>
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DEFINITION OF TERMS

**Competitive advantage**: The superiority gained by an organization when it can provide the same value as its competitors but at a lower price, or can charge higher prices by providing greater value through differentiation (Porter, 1985).

**Corporate strategy**: An action that a company takes to attain one or more of its goals with the aim of attaining superior performance (Thompson & Strickland, 2002).

**Strategy**: Means and plans by which a company sets out to achieve its desired ends objectives (McKeown, 2011).
ABSTRACT

Corporate strategy includes the approaches of a firm in attracting customers, withstanding competitive pressure and improving its market position (Thompson & Strickland, 2002). A company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces (Thompson & Strickland, 2002). Competitive advantage is born out of core competencies that yield long term benefit to the company. Past studies have illustrated the importance of competitive strategies but there is need to investigate the corporate strategies adopted by investment banks for competitive advantage. This creates a gap that sought to be addressed by the current study. What is the relationship between corporate strategies and competitive advantage in investment banks in Kenya? The study adopted a descriptive study design to survey a sample size of 14 investment banks using a semi-structured questionnaire. Data capture, cleaning, analysis and storage was done using Statistical Package for Social Sciences (SPSS-V20). The results were presented using tables, bar charts, graphs, pie charts and narrative texts. Asked to state which strategies the investment banks have adopted, 7 in every 10 investment banks responded by indicating that they have adopted investment strategies while slightly more than half (57%) have adopted talent management and marketing strategies each. Exactly half of the investment banks interviewed (50%) have adopted diversification strategy, ICT and financial strategies each. That the Chief Executive ensures goal congruence in the strategy adopted by the company scored the highest rating by the respondents (4.71, 94%). Besides the findings on the investment banks’ leadership, the respondents’ role in the implementation and communication of strategy (4.29, 86%), the role of shared resources in motivating corporate strategy (4.15, 83%), the support provided by transferred competencies in the implementation of corporate strategy (4.15, 83%) and broadening of companies’ product/service offering range (4.07, 81%) were also rated highly by the respondents. It was also found that investment banks are at least 8 times (out of 10) likely to implement competitive strategies including customer-care, product diversification, analyst coverage, innovation and information technology strategies. However, branch and regional expansion as well as fee and price competition are competitive strategies less likely to be adopted by the investment banks. Further, the relationship between competitive advantage and corporate strategy used by investment banks in Kenya are such that there exists a significant relationship between competitive advantage and corporate strategies, innovative strategies, customer management strategies, products and service-strategies.
CHAPTER ONE
INTRODUCTION

1.1. Background

Corporate strategy includes the approaches of a firm in attracting customers, withstanding competitive pressure and improving its market position (Thompson & Strickland, 2002). A company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces (Thompson & Strickland, 2002). Competitive advantage is born out of core competencies that yield long term benefit to the company.

The study will be based on the theory of strategic leadership, the competitive advantage theory and Resource Based Theory. The theory of strategic leadership finds its roots from the evolution of management theory by Fredrick Taylor in years 1856 to 1915. The essence of strategic leadership involves the capacity to learn, the capacity to change and managerial wisdom (Boal & Hooijberg, 2001). This theory highlights the functions of a leader and how they manage crisis and maintain proper organizational structures, processes and culture for purposes of gaining competitive advantage. The effort of a leader is therefore very essential in the achievement of competitive stand in the market. Competitive theory was developed by Porter (1985) and states that an organization tries to outdo its competitors through superior market position, competence or resources. This theory supports the concept of this study as it argues that effective resource management leads to competitive advantage which is important for superior performance. The resource based view/theory was developed by Wernerfelt (1984). The resource-based
theory refers to the firm’s internal environment as a driver for competitive advantage and emphasizes the resources that firms have developed to compete in the environment. The theory is relevant to the study by arguing that a resource management strategy can be developed to attain competitive advantage in a firm.

Investment banks are an essential part of the financial sectors of modern economies. Providing alternative savings tools to savers and non-bank sources of financing for enterprises, the markets promote economic growth through improved efficiency in savings mobilization (Hunter, 2003). Competition continues to affect investment banking in Kenya. Kenyan investment banks have had to develop strategies to respond to competition, to safeguard their niches and to enlarge their market share. The investment banks however have faced challenges in the development and implementation of strategies to help in deriving competitive advantage.

There is need to understand how the competitive advantage of investment banks has changed with the increased competition and challenges in the industry. Investment banks have faced challenges due to overlapping of their services and products with those of commercial banks and brokerage firms. This may result to lack of a competitive edge in the industry. The investment banks despite adopting the corporate strategies have continued to face challenges especially in the fight for the market share. No local study has been done to relate the corporate strategy adopted by investment banks and the competitive advantage. This study seeks to investigate how the strategies of the investment banks in Kenya relate to their competitive edge in order to fill this research gap.
1.1.1. Concept of Corporate Strategy

Pearce and Robison (2010) recommends that a corporate strategy must be consistent with conditions in the competitive environment; take advantage of existing and emerging opportunities and minimize the impact of major threats; and place realistic requirement on the firm’s resources.

In developing a strategy, firms undertake three sets of activities strategic analysis, strategic choice and strategic implementation. Typically, businesses are reported to assess their strategic position by scanning the environment for potential market opportunities and threats then evaluating their strategic capability and, assessing the enablers and constraints of strategy. Firms differ in how they undertake these activities (O’Gorman, 2006). Corporate strategy assists a firm in identifying the business areas in which it should participate in to maximize its long run profitability and take a competitive position in the market of its operation.

1.1.2. Competitive Advantage

Porter (1985) defined competitive advantage as the superiority gained by an organization when it can provide the same value as its competitors but at a lower price, or can charge higher prices by providing greater value through differentiation. Competitive advantage results from matching core competencies to the opportunities. Through competitive advantage a firm is in a position to achieve superior performance. This can be achieved through generic strategies which are cost leadership, differentiation or focus. Cost leadership involves the achievement of the lowest unit cost base of the industry, whereas differentiation involves the ability to charge a premium price for offering some perceived
added value to the customer. The focus strategy is the concentration within a narrow segment which will enable the organization to achieve either a cost advantage or differentiation (Ortega, 2010).

Competitive advantage is not a perpetual state as firms must work to sustain their advantages as the competition will play catch up. Competitive advantage is built upon set of conditions that are invalidated or reinforced as dynamics change in the environment. For instance, the strategies Cooperative bank used to compete with KCB were very different with the ones used by Equity Bank to dislodge KCB its market leadership (Abishua, 2010). Competitive advantage assists an organization in gaining and maintaining market leadership hence high profitability.

1.1.3. Corporate Strategy and Competitive Advantage

Corporate strategy consists of approaches that a firm takes to attract customers, withstand competitive pressure and improve the market position (Thompson & Strickland, 2002). A company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces. To create competitive advantage, corporate strategy can be applied amongst investment banks in Kenya. A corporate strategy allows a firm to develop unrivaled competencies such as marketing, and design (Owiye, 2009). These competencies can allow investment banks to create a competitive advantage. For example, an investment bank with the competence of marketing can use it to gain the competitive advantage in the investment banking industry in Kenya.
To make the most of the relationship between corporate strategy and competitive advantage, an investment bank should decide on the competitive advantage it wants to obtain and then develop the competencies needed. For example, if it wants to create a competitive advantage of competent staff it will need to invest in the competency development through employee training, motivation system and hiring experienced staff.

1.1.4. Investment Bank Industry in Kenya

Kenya has one of the most advanced and diversified financial sectors in the region. Investment banking is not well established in the country. The investment banking segment in Kenya relies on the expertise and sales reach of subsidiaries of major Kenyan banks such as NIC Capital, Genghis Capital, KCB Capital, Equity Investment Bank, CBA Capital standalone licensed investment banks such as Dyer&Blair Investment Bank, Standard Investment Bank, Faida Investment Bank, Kestrel Capital and local franchises of international players such as Barclays Financial Services, African Alliance, SBG Securities, EBI Investment Corporation and Renaissance Capital. Investment banks in Kenya are involved in offering advisory services on public offering of securities, corporate restructuring, takeover, mergers and acquisitions (M&A), privatization, corporate finance options, engaging in the business of a stockbroker, engaging in the business of a dealer, promoting or arranging underwriting or issuance of securities, promoting and acting as a fund manager of collective investment schemes, providing investment advisory services and contractual portfolio management (CMA, 2002).

Overall, the advisory arena is likely to remain accessible only to large corporates capable of drawing together complex teams of advisors in various fields and pay for the work.
One would hope to see a broadening of the product range and deeper value chains develop as the market for the services is driven by demand and rarely by supply. There has been increased competition in the industry from the stock brokers and other major commercial banks. The local investment banks have also faced stiff competition from foreign banks which are well established and have an upper hand in the competition.

1.1.5. Investment Banks in Kenya

An investment bank is a financial intermediary that provides services like raising Capital & Security Underwriting, Mergers & Acquisitions, Sales & Trading and retail and commercial banking. Investment Banks earn profit by charging fees and commissions for providing these services and other kinds of financial and business advice. They specifically participate in asset management, brokerage, corporate advisory and underwriting. Another revenue generator is proprietary trading, although this is by definition not a customer-facing role.

In terms of total income for the year ended December 31, 2014; the Kenyan investment banking industry was dominated by Dyer & Blair Investment Bank, SBG Securities, Kestrel Capital, Renaissance Capital, Standard Investment Bank, Genghis Capital, African Alliance Investment Bank, Equity Investment Bank and Faida Investment Bank. Their cumulative total income for the period was more than more than 70% of the Kenyan investment banking industry. Other investment banks include CBA Capital, KCB Capital, NIC Capital, Sterling Capital and EBI Investment Corporation. The small investment banks have faced stiff competition from big investment banks that have made
their products and services cheaper and accessible (CMA, 2015). The local investment banks need to come up with strategies that would enable them to compete in the industry.

1.2. Research Problem

Competition is characterized by intense and rapid competitive moves, in which competitors move quickly to build advantages and erode the advantages of their rivals. Corporate strategy is crucial to gaining competitive advantage as it provides the moves taken to ensure competence in a competitive environment (Vives, 2010). In investment banking competitive strategy is crucial given the competition faced by investment banks from commercial banks and stock brokers. The right corporate strategy like wide investment portfolio, high customer loyalty, highly trained and experienced workforce and quality services would make an investment bank to counter competition by taking a higher position in the market.

Competition in the investment banking space is intense considering the introduction of new products/services for instance advisory services, Real Estate Investment Trusts (REITs), futures among others. Change of regulatory requirements including increase of capitalization and liquid capital requirements have forced some of the investment banks to downgrade to a lower license limiting them on the kind of services they can offer, hence making their revenue streams limiting. Some licensees like stockbrokers have upgraded their licenses to tap into the services of investment banks. This has led to an increase in competition and reduced profitability in investment banks. Kenyan investment banks therefore have had to develop strategies to respond to competition, to both safeguard their niches and to enlarge their market share.
Trethowan and Scullion (2007) carried out a study on the strategic responses to competition in retail banking in the UK. The study established that the firms used strategic alliances, customer relationship management, market diversification and value chain improvement to manage their competitive advantage. Dhanaraj and Beamish (2003) examined the performance of Indian Small Medium Sized Enterprises (SMEs) in the export sector. The study found that export strategy positively influenced the SMEs’ competitive advantage. Afram (2011) evaluated the competitive strategies adopted by the Barclays Bank of Ghana. He established that Ghana adopted the niche or focus strategy to give more attention to its large corporate clients. Bakar and Ahmad (2010) in their study on the relationship between firm resources and product innovation performance showed that intangible resources of enterprises in Malaysia were significantly related to product innovation performance thus a gain of the competitive advantage of the company.

Local studies have investigated the subject of corporate strategy and competitive advantage. Abishua (2010) carried out a study on the competitive strategies used by Equity Bank. The study found that the bank created new markets in uncontested areas like hair salons, millet growing (for brewing) and dairy industry. Ndede (2010) did a study on the strategies employed by Barclays Bank of Kenya to achieve competitive advantage. The researcher found that the bank ensured its competitiveness by a wide range of products, strategic location, offering discounts and reasonable loan rates. Ndungú, Machuki and Murerwa (2014) did a study on the response Strategies by Commercial Banks to Economic Change in Kenya. The study recommended that it’s imperative for banks to scan the environment in order to adjust their strategic responses
to accommodate the demands of the environment. Kairu (2013) sought to examine the factors influencing sustainable competitive advantage among top 100 companies in Nairobi County. The study found that the major factors affecting sustainable competitive advantage, were their competition from competitors, increased number of new companies, strategic alliance, their capabilities, customer relationship management, cost of doing the business and focus in the market. Past studies have illustrated the importance of competitive strategies but there is need to investigate the corporate strategies adopted by investment banks for competitive advantage. This creates a gap that sought to be addressed by the current study. What is the relationship between corporate strategies and competitive advantage in investment banks in Kenya?

1.3. Research Objectives

i. To determine the corporate strategies used by investment banks in Kenya.

ii. To establish the competitive strategies used by investment banks in Kenya.

iii. To investigate the relationship between competitive advantage and corporate strategy used by investment banks in Kenya.

1.4. Value of the Study

The study may contribute to the theoretical foundation on strategy for competitive advantage. The study will add to the theory by establishing the relationship between corporate strategy and competitive advantage in investment banking in Kenya.
The study may add to the body of knowledge on corporate strategy and competitive advantage. The study may form a basis for further research on corporate strategy and competitive advantage in investment banking. This study may also provide literature which can be used by scholars in their academic research and assignments.

The study may be used by the management of investment banks in the development of policies that would ensure effective corporate strategies and competitive advantage. The management of other institutions may use the study to determine policies for improved performance and competitive advantage in their firms. The government can also develop policies in investment banking based on the findings of this study. This may lead to improved performance and competitiveness of investment banking industry in Kenya.

The study may provide information on the competitive strategies and corporate strategies used by investment banks in their operations. The management of investment banks can use the findings of this study to establish relevant corporate strategies for competitive advantage in the investment banking sector.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction
This chapter focuses on the documented literature relevant to the current study whose focus is to find out the relationship between corporate strategy and competitive advantage. This chapter also looked at the corporate and competitive strategies that create a competitive advantage. The chapter also explains the relationship between corporate strategy and competitive advantage and reviews empirical studies done on the topic under study.

2.2 Theoretical Foundation
The theories that best explain corporate strategy and competitive advantage in organizations are the theory of strategic leadership, the competitive advantage theory and Resource Based Theory.

2.2.1 The Theory of Strategic Leadership
The theory of strategic leadership finds its roots from the evolution of management theory by Fredrick Taylor in years 1856 to 1915 (Buuren, 2008). The essence of strategic leadership involves the capacity to learn, the capacity to change and managerial wisdom (Boal & Hooijberg, 2001). This theory highlights the functions of a leader and how they manage crisis and maintain proper organizational structures, processes and culture for purposes of gaining competitive advantage. The effort of a leader is therefore very essential in the organization of human capital, financial resource, organization structure and process to achieve a competitive stand in the market. Different leadership approaches
impact the vision and direction of growth and the potential success of an organization. To successfully deal with change, all executives need the skills and tools for both strategy formulation and implementation (May, 2013). This makes the theory relevant based on the need for effective management and leadership for corporate strategy and competitive advantage in investment banking industry in Kenya.

2.2.2 The Competitive Advantage Theory

Competitive advantage theory is based on the features that allow an organization to outdo its competitors, such as superior market position, competence or resources (Newbert, 2008). Competitive advantage is the business competitiveness. It seeks to address some of the criticisms of comparative advantage. Porter proposed the theory in 1985. Competitive advantage strategies through maximization of resources in an organization are very important for companies with the objective of gaining a competitive advantage in the market. Thus, this theory supports the concept of this study as it argues that resources and its efficient management leads to companies gaining a competitive advantage position which is important for companies to achieve superior performance.

2.2.3 Resource Based Theory

The resource-based theory or resource-based view (RBV) draws attention to the firm’s internal environment as a driver for competitive advantage and emphasizes the resources that firms have developed to compete in the environment. The theory was developed by Wernerfelt in 1984. The resource-based view (RBV) as a basis for the competitive advantage of a firm lies primarily in the application of a bundle of valuable tangible or intangible resources at the firm's disposal (Wernerfelt, 1984). A resource-based view of a
firm explains its ability to deliver sustainable competitive advantage when resources are managed such that their outcomes cannot be imitated by competitors, which ultimately creates a competitive barrier (Hooley and Greenley, 2005). RBV explains that a firm’s sustainable competitive advantage is reached by virtue of unique resources being rare, valuable, inimitable, non-tradable, and non-substitutable, as well as firm-specific (Barney 1999). The theory is relevant to the study given that investment banks have to develop a corporate strategy based on their resources in order to gain competitive advantage in the industry.

2.3 Corporate strategy

Corporate strategy is the expected contribution of the various functions in the realization of the firm’s overall strategy (Hax and Majluf 1991). Due to its importance, strategy is the work of the chief executive and may take as much as 80% of his time. In implementing and communicating the strategy the chief executive is assisted by the department heads who oversee their respective functional strategies. For strategy to succeed the Chief executive must ensure all the functions have goal congruence. This ensures all managers pull together without any of them hindering or contradicting the effort of the others.

According to Porter (1985), corporate strategy is the selection and development of the markets (or industries) in which a firm competes. Corporate strategy deals with what industries (or markets) a firm seeks to compete in. Corporate strategy is motivated by the three building blocks of corporate strategy: shared resources, transferred competencies, and the creation of specific assets. While there are many possible reasons given for things
like diversification, they can almost all be traced back to one of these three motivation. Porter (1985) studied the diversification records of 33 large, prestigious U.S. companies over the 1950-1986 period and found that most of them had divested many more acquisitions than they had kept. The corporate strategies of most companies had dissipated instead of created shareholder value.

The corporate strategies that can be used by investment banks include diversification, talent, ICT, marketing, and financial strategies. Diversification has been widely studied in economics, management, and finance. Diversification occurs when a firm enters a new industry or market. The literature on bank structure suggests both efficiency and agency rationales for diversification (Klein and Saidenberg, 1998). Diversification strategies have involved the broadening of product offering range and the geographic diversification strategy pursued by investment banks, which will enable the local investment banks to expand to other countries apart from internal expansion in Kenya.

Competitive strategy set forth a framework for analyzing industries and competitors. He therefore embraces strategy as both a plan and position. Competition erodes profitability; as competition increases the interest of different stakeholders converge around the goal of survival (Grant, 2005). It is therefore important that investment banks in Kenya respond strategically to survive the competitive challenging environment. According to Thomson, Strickland and Gamble (2010), a competitive strategy concerns the specifics of management’s game plan for competing successfully and securing a competitive advantage over rivals. The objective of competitive strategy is to knock the socks off rival companies by doing a better job of satisfying buyer needs and preferences.
He continues to say that there are countless variations in the competitive strategies that companies employ mainly because of each company’s strategic approach entails custom-designed actions to fit its own circumstances and industry environment.

2.4 Keys to Competitive Advantage in Organizations

A competitive advantage is an advantage gained over competitors by offering customers greater value, either through lower prices or by providing additional benefits and service that justify similar, or possibly higher, prices. Sources of competitive advantages include government subsidy or support, monopolistic markets, innovation, operational efficiencies, superior service offering and highly skilled human capital. A firm builds a competitive advantage when it creates or develops attribute/s or resources that enable it to outperform its competitors.

Due to globalization, technological advances and changing consumer needs has forced the competitive paradigms to change continuously (Singh, et al., 2010). These changes have driven firms to compete along different dimensions such as designing and developing new products, adopting smart approaches to manufacturing, implementing quick-to-market distribution, purchasing cutting-edge communication and developing appropriate marketing strategies (Vargas & Rangel, 2007). As a result of such measures, investment banks in Kenya are now exposed to the pressures from the competitive international business environment.

Porter recommends that a firm should use one or a combination of the five porters’ generic strategies to compete. These include cost leadership, differentiation and focus. Cost leadership enables a firm to deliver the same services as its competitors but at a
lower cost. Differentiation advantage enables a firm to deliver superior products at the same price or lower price than its competitors. Under the focus strategy a firm concentrates its marketing effort on a narrow market segment (market niche), aiming at achieving a local rather than industry wide competitive advantage (Davis, 2007). However this strategy seems to have been modified as investment banks have redefined their markets to include advisory services and a corporate department to address the high end markets. Bakarand (2010) found that intangible resources of enterprises in Malaysia were significantly related to product innovation performance thus a gain of the competitive advantage of the company.

2.5 Corporate Strategy and Competitive Advantage

A Corporate strategy refers to the extent to which roles in or contributions to corporate strategic planning are structured into the organization of the planning process and the activities of the persons involved are governed by explicit procedures. The formulation of strategy as defined by Wheelen and Hunger (2012) is the development of long range plans for the effective management of environmental opportunities and threats, in light of corporate strength and weaknesses. It includes defining the corporate mission, specifying achievable objectives, developing strategies and setting policy guidelines.

Corporate strategy is contingent upon the deliberateness and conspicuous amount of time spent in planning on a part of a firm. It has to be an identifiable process, well documented and communicated through the width and breadth of the organization. It is evident that the lack of formal strategy spells doom for any organization. The organization will in effect lack the direction, sense of purposes to achieve its missions and will be found
wanting if it is to gain competitive advantage. The firm choices of corporate strategies must lead to competitive advantage. A company is said to have competitive advantage over its rivals when its profitability is greater than the average profitability and profit growth of other companies competing for the same customers. Hill and Jones argued that competitive strategies are based on distinctive competencies. Distinctive competencies are those firm specific strengths that allow a company to differentiate its products from those offered by rivals and/or achieve substantially lower costs than its rivals.

Fletcher (2013), states that a firm creates competitive advantage by discovering and applying better and innovative ways to the products and services and ensuring that the market is aware of such acts of innovation. This is a deliberate process to shift the competitive advantage when the rivals fail to perceive new ways of competing or are unable to respond. One of the ways a firm can gain competitive advantage is by performing the strategically important activities in a more cheaply or different way than its competitors. Additionally, a firm might also deliver benefits that exceed the benefit of its competitors’ products.

**2.6 Empirical Studies and Research Gaps**

Trethowan and Scullion (2007) carried out a survey among a population of major UK and Irish retail banks. The study sought to establish the strategic responses to competition in retail banking in the UK. The study established that the firms used strategic alliances, customer relationship management, market diversification and value chain improvement to manage their competitive advantage.
Dhanaraj and Beamish (2003) examined the performance of manufacturing small and medium enterprises in the export sector in India. The study established that the enterprise, technological intensity and firm size were predictors of export strategy, and export strategy also positively influenced the firm’s competitive advantage.

Bakar and Ahmad (2010) did a study on the relationship between firm resources and product innovation performance based on the resource based view. The study was carried out in the banking sector in Malaysia. They found that intangible resources of banks in Malaysia were significantly related to product innovation performance. They indicated that product innovation in the banking sector led to competitive advantage of the banks.

Afram (2011) evaluated the competitive strategies adopted by the Barclays Bank of Ghana. The study revealed that, the environment in which Barclays Bank of Ghana finds itself is highly competitive and that bank operates in the area of pricing, products, and customer service as well as customer assets mobilization. Barclays Bank of Ghana adopted the niche or focus strategy to give more attention to its large corporate clients.

Ndede (2010) carried out a study that explored the challenges faced by Barclays Bank of Kenya and the strategies it employs to achieve competitive advantage. The finding of the study was that Barclays Bank of Kenya employs differentiation strategy that aims at achieving competitive advantage by offering better products or services at the same price or enhancing margins by charging a premium price, often to reflect the higher production costs and extra value added features provided to the customers.
Ogori (2010) did a study on the Strategies employed by commercial Banks in Kenya to build competitive advantage. The study found that the commercial banks have adopted both the lower cost structure and differentiated products in a bid to build competitive advantage. Lower cost structure has been achieved by charging fees lower than other banks. Differentiated products were achieved by identifying needs of prospective customers and focusing on products and services not offered by other banks. Resources which are the firm-specific assets were used to create a cost or differentiation advantage. Competitive advantage over rivals is through providing comparable value to the customer, but performing activities more efficiently than (lower cost), or performing activities in a unique way that creates greater buyer value and commands a premium price (differentiation).

Kitheka (2012) did a study on the impact of electronic trading on performance of investment banks and brokerage firms in Kenya. The study established that adoption of e-trading has strong and significance marginal effects on the performance of Kenyan investment banking industry. Thus, there exists positive relationship between e-trading and investment banks and brokerage firms' performance. It concludes that electronic trading has made investment banking transaction to be easier by bringing services closer to its customers hence improving investment banking industry performance.

Abishua (2010) analyzed the strategies used by Equity Bank to compete in the Kenyan banking industry. The study found that Equity Bank uses the following strategies to respond to competition in the banking industry; product offering diversification, branch and regional expansion, relationship marketing, financing, customer-care, innovation, and
information technology strategies. The study found that Equity Bank to be a very adaptive bank with a versatile reactionary mechanism to exploit any emerging gaps in the banking industry. The bank has been able to create new markets in uncontested areas like hair salons, millet growing (for brewing) and dairy industry, so its competition strategies are heavily bent on using “blue ocean strategies”. The study therefore concluded that Equity Bank has managed to build competitive advantages that can be exploited to sustain and further its growth. Mulaa (2004) examined the competitive strategies adopted by leading SACCOs in Nairobi. The researcher found that the major determinants of competitiveness were offering variety of products, ensuring high quality of products, offering of low interest rates and broad length of loan repayment.

Majority of the empirical studies done on corporate strategy and competitive advantage differ with the current study in focus and industry. Some focused on commercial banks (Abishua, 2010; Afram, 2011; Ogori, 2010; Ndede, 2010; Trethowan and Scullion, 2007) while others focused on sectors like manufacturing (Dhanaraj and Beamish, 2003) and Saccos (Mulaa, 2004). Kitheka (2012) focused on performance of investment banks other than corporate strategy and competitive advantage. Majority of the local studies focused on the competitive strategies and challenges in the banking sector but failed to establish the relationship between corporate strategy and competitive advantage. This creates a research gap that led to a study on the relationship between corporate strategy and competitive advantage of investment banks in Kenya.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction
This chapter comprises of the research design, population, data collection, procedures and the instruments to be used. It also describes the data analysis techniques that were used to analyze the objective stated in chapter one of this study.

3.2 Research Design
Cooper and Schindler (2011) define research design as the blueprint for collection, measurement and analysis of data. They stated that a descriptive study entails finding out who, where, what, how and when of a research study. This study was conducted through a cross-sectional survey. The survey methodology is used to investigate populations to analyze and discover occurrence. It is a study that is carried out at one point in time and provides numeric description of some part of the population.

A survey is economical, there is rapid data collection and one is able to understand a population Owen and Osu (2009). It provides quick inexpensive, efficient and accurate means of assessing information about the problem; hence it served as the best option for the study of corporate strategy and competitive advantage of investment banks in Kenya.

3.3 Population of the Study
According to Cooper & Schindler (2008), a population is the total collection of elements about which we wish to make inferences. Population can also be said to be the entire set of people, things, services, elements, events or objects to be studied. Target population in statistics is the specific population about which information is desired.
According to the Capital Markets Authority, there are only 14 licensed investment banks and out of the 14 institutions, 7 institutions are locally owned and 7 are subsidiaries of local and foreign owned commercial banks. Therefore, the population for this study constituted all the 14 investment banks in Kenya.

3.4 Data Collection

The study used both primary and secondary data. The primary data were collected using a questionnaire. The questionnaire had four sections with questions developed to obtain information from the respondents based on the study objective. Section A gathered general information of the investment bank and the respondents. Section B contained questions on corporate strategy and how it is practiced by the investment banks. Section C had questions on competitive advantage used by the investment banks and finally Section D contained questions on corporate strategy and competitive advantage of investment banks in Kenya.

The respondents of the study were from the top management level from each investment bank. They included the Chief Executive Officer/Managing Director, Operations Manager, Human Resource Manager, Finance Manager, Marketing Manager and the Information & Communications Technology (ICT) manager. These respondents were efficient in providing the required data since they are in a leading role and they are the ones who carry out the managerial functions that may help an investment bank in competitive advantage.

Secondary data was obtained from documented materials on the subject. The data source included annual reports, records, print media, academic works audited accounts and
journals. Competitive advantage was measured using market share, efficiency and customer base of the investment banks. The secondary data was used because it is factual and can be verified in the published reports.

3.5 Data Analysis

The data collected was analyzed by the use of descriptive statistics. According to Mugenda and Mugenda (2003) descriptive statistics enable meaningful description of a distribution of scores or measurements using a few indices or statistics. Descriptive statistics gives a quick picture of how the variables. It was effectively used by Okello (2014) in his study on sustainable competitive advantage among Savings and Credit Cooperative Societies (SACCOs) in Nairobi County.

Considering the qualitative and quantitative nature of data, both inferential and descriptive statistics were used. Descriptive statistics which describe the main features of the data collected (mean, frequency, percentage) was used; while inferential statistics was used for verification of the report conclusions about the whole population. The results were presented using tables, bar charts, graphs and pie charts. The data obtained were compared with existing literature in order to establish areas of agreement and disagreement in order to ascertain the facts.
CHAPTER FOUR
DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction
This chapter presents the data analysis, findings and discussion to the corporate strategies adopted by investment banks for competitive advantage as well as the relationship between corporate strategies and competitive advantage in investment banks in Kenya. All the fourteen (14) investment banks that were targeted for the study were successfully interviewed; hence a 100% response rate was achieved.

4.2 Study Findings

4.2.1 General Information

Figure 1 Gender Distribution

On the respondents demographic characteristics, 57% (n=80 were male whereas 43% (n=6) were female (See Figure 1).
Table 1 Age, Service Period and Education Levels

<table>
<thead>
<tr>
<th></th>
<th>Frequency (n)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age Distribution</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25-35</td>
<td>9</td>
<td>64%</td>
</tr>
<tr>
<td>36-45</td>
<td>4</td>
<td>29%</td>
</tr>
<tr>
<td>46-55</td>
<td>1</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Service Period</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>2</td>
<td>14%</td>
</tr>
<tr>
<td>1-5 years</td>
<td>7</td>
<td>50%</td>
</tr>
<tr>
<td>6-10 years</td>
<td>5</td>
<td>36%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Level of education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Master’s degree</td>
<td>6</td>
<td>43%</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>8</td>
<td>57%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14</td>
<td>100%</td>
</tr>
</tbody>
</table>

Sixty four percent (n=9) were aged between 25 and 35 years, 29% (n=4) were aged 36 and 45 years whereas 7% (n=1) were aged 46 and 55 years (See Table 1). Also, 50% (n=7) of the respondents have served in the investment banking industry for a period not less than a year but not more than 5 years. Thirty six percent (n=5) have served for a period between 6 and 10 years whereas 14% (n=2) have served for a period less than a year. On education levels, 57% (n=8) were holding Bachelor’s degree certificates whereas 43% (n=6) had Master’s Degree (See Table 1).
Table 2 Position and Departments

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency (n)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk/ Compliance Officer</td>
<td>5</td>
<td>36%</td>
</tr>
<tr>
<td>Head, Legal/ Group Head of Legal</td>
<td>3</td>
<td>21%</td>
</tr>
<tr>
<td>Director/ Executive Director</td>
<td>2</td>
<td>14%</td>
</tr>
<tr>
<td>Chief Executive Officer</td>
<td>1</td>
<td>7%</td>
</tr>
<tr>
<td>Finance Manager</td>
<td>1</td>
<td>7%</td>
</tr>
<tr>
<td>General Manager</td>
<td>1</td>
<td>7%</td>
</tr>
<tr>
<td>Head of Operation</td>
<td>1</td>
<td>7%</td>
</tr>
<tr>
<td>Managing Director</td>
<td>1</td>
<td>7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Departments</th>
<th>Frequency (n)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal</td>
<td>7</td>
<td>50%</td>
</tr>
<tr>
<td>Operations</td>
<td>2</td>
<td>14%</td>
</tr>
<tr>
<td>Marketing</td>
<td>2</td>
<td>14%</td>
</tr>
<tr>
<td>Risk Management and Compliance</td>
<td>2</td>
<td>14%</td>
</tr>
<tr>
<td>Stockbrokerage</td>
<td>2</td>
<td>14%</td>
</tr>
<tr>
<td>Advisory Services</td>
<td>1</td>
<td>7%</td>
</tr>
<tr>
<td>Compliance</td>
<td>1</td>
<td>7%</td>
</tr>
</tbody>
</table>

Investigations into the positions held by the respondents revealed that 36% were Risk/Compliance Officers, 21% were Head of Legal/Group Head of Legal, 14% were Directors/Executive Directors while 7% each were Chief Executive Officer, Finance Manager, General Manager, Head of Operation and Managing Director. Further, 50% were based in the Legal Departments of their respective investment banks, 14% each were based in Operations, Marketing, Risk Management and Compliance and Stockbrokerage departments whereas 7% each were based in Advisory Services and Compliance Departments.
4.2.2 Corporate Strategies

Table 3 Familiarity and Adoption of corporate strategies

<table>
<thead>
<tr>
<th>Familiar with the term corporate strategy</th>
<th>Frequency (n)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>14</td>
<td>100%</td>
</tr>
<tr>
<td>No</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company adopt corporate strategies</th>
<th>Frequency (n)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>14</td>
<td>100%</td>
</tr>
<tr>
<td>No</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategies Adopted by Company</th>
<th>Frequency (n)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment strategies</td>
<td>10</td>
<td>71%</td>
</tr>
<tr>
<td>Talent management</td>
<td>8</td>
<td>57%</td>
</tr>
<tr>
<td>Marketing</td>
<td>8</td>
<td>57%</td>
</tr>
<tr>
<td>Diversification strategy</td>
<td>7</td>
<td>50%</td>
</tr>
<tr>
<td>ICT</td>
<td>7</td>
<td>50%</td>
</tr>
<tr>
<td>Financial strategies</td>
<td>7</td>
<td>50%</td>
</tr>
</tbody>
</table>

All the respondents (100%, n=14) acknowledged being familiar with the term corporate strategy. Asked to explain their understanding of corporate strategy, the respondents listed the following:

i. Designing company products, processes and operations to achieve the company strategy and objectives while maintaining a competitive edge (4, 33%).

ii. Is the direction and scope an enterprise takes in achieving set enterprise wise goals and objectives after the enterprise reviews its nature of business and activities against the environment, market, competition etc. (3, 25%).
iii. Is the "how" to move the company forward, it provides directions for the benefits of the business (1, 8%).

iv. It focuses a company to service markets that are uniquely available to it (1, 8%).

v. Setting the vision of an enterprise and defining the strategic choices and initiatives (1, 8%)

vi. To create value: creation and deriving value for corporation stakeholders (1, 8%).

vii. Having a plan using common sense to execute plan. Using common sense in ensuring you are a world class player (1, 8%).

It was also noted that 71% (n=10) of the investment banks interviewed have adopted Investment strategies while 57% (n-8) have adopted talent management and marketing strategies each. Others (50%, n=7) have adopted diversification strategy, ICT and financial strategies each.
### Table 4 Corporate Strategy Ratings

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Mean Rating</th>
<th>Percentage Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Chief Executive ensures goal congruence in the strategy adopted by my company</td>
<td>86%</td>
<td>0%</td>
<td>14%</td>
<td>0%</td>
<td>0%</td>
<td>4.71</td>
<td>94%</td>
</tr>
<tr>
<td>Management has assisted in the implementation and communication of strategy in my company</td>
<td>50%</td>
<td>29%</td>
<td>21%</td>
<td>0%</td>
<td>0%</td>
<td>4.29</td>
<td>86%</td>
</tr>
<tr>
<td>Corporate strategy in my company is motivated by shared resources</td>
<td>31%</td>
<td>54%</td>
<td>15%</td>
<td>0%</td>
<td>0%</td>
<td>4.15</td>
<td>83%</td>
</tr>
<tr>
<td>Transferred competencies have supported the corporate strategy of my company</td>
<td>23%</td>
<td>69%</td>
<td>8%</td>
<td>0%</td>
<td>0%</td>
<td>4.15</td>
<td>83%</td>
</tr>
<tr>
<td>My company has broadened their product/service offering range</td>
<td>29%</td>
<td>57%</td>
<td>7%</td>
<td>7%</td>
<td>0%</td>
<td>4.07</td>
<td>81%</td>
</tr>
<tr>
<td>My company has been expanding to new geographic locations in the last three years</td>
<td>29%</td>
<td>29%</td>
<td>29%</td>
<td>14%</td>
<td>0%</td>
<td>3.71</td>
<td>74%</td>
</tr>
<tr>
<td>The creation of specific assets is crucial to corporate strategy</td>
<td>15%</td>
<td>31%</td>
<td>46%</td>
<td>8%</td>
<td>0%</td>
<td>3.54</td>
<td>71%</td>
</tr>
</tbody>
</table>

Seven statements were designed on a 5-point likert scale on a continuum ranging from strongly agree to strongly disagree to investigate the respondents’ opinions on corporate strategy (See Table 4). The respondents strongly agreed that the Chief Executive ensures goal congruence in the strategy adopted by the company (86%) and that they have
assisted in the implementation and communication of strategy in the company (50%). Others agreed that the corporate strategy in their companies are motivated by shared resources (54%), that transferred competencies have supported the corporate strategy of their companies (69%) and that their companies have broadened their product/service offering range (57%). However, 14% disagreed that their companies have been expanding to new geographic locations in the last three years while another 8% disagreed that the creation of specific assets is crucial to corporate strategy.

These findings were weighed on weighted average scale to obtain mean ratings (out of 5.00) and percentage ratings (out of 100%) (See mean rating and percentage rating in Table 4). That the Chief Executive ensures goal congruence in the strategy adopted by the company scored the highest rating by the respondents (4.71, 94%). This was followed by the respondents’ role in implementation and communication of strategy (4.29, 86%), the role of shared resources in motivating corporate strategy (4.15, 83%), the support provided by transferred competencies in the implementation of corporate strategy (4.15, 83%) and broadening of companies’ product/service offering range (4.07, 81%). However, expansion to new geographic locations (3.71, 74%) as well as the significance of creation of specific assets to corporate strategy (3.54, 71%) scored the least ratings from the respondents.

4.2.3 Competitive Strategies

All the respondents interviewed (100%, n=14) acknowledged that their companies have adopted competitive strategies to survive in the capital markets industry.
Table 5 Implementation of Competitive Strategies

<table>
<thead>
<tr>
<th></th>
<th>V. G Extent</th>
<th>G. Extent</th>
<th>M. Extent</th>
<th>L. Extent</th>
<th>No extent</th>
<th>Mean Rating</th>
<th>Percentage Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer-care</td>
<td>50%</td>
<td>43%</td>
<td>7%</td>
<td>0%</td>
<td>0%</td>
<td>4.43</td>
<td>89%</td>
</tr>
<tr>
<td>Product diversification</td>
<td>36%</td>
<td>50%</td>
<td>14%</td>
<td>0%</td>
<td>0%</td>
<td>4.21</td>
<td>84%</td>
</tr>
<tr>
<td>Analyst coverage</td>
<td>43%</td>
<td>43%</td>
<td>7%</td>
<td>7%</td>
<td>0%</td>
<td>4.21</td>
<td>84%</td>
</tr>
<tr>
<td>Innovation</td>
<td>43%</td>
<td>36%</td>
<td>14%</td>
<td>7%</td>
<td>0%</td>
<td>4.14</td>
<td>83%</td>
</tr>
<tr>
<td>Information technology strategies</td>
<td>43%</td>
<td>36%</td>
<td>14%</td>
<td>7%</td>
<td>0%</td>
<td>4.14</td>
<td>83%</td>
</tr>
<tr>
<td>Branch and regional expansion</td>
<td>29%</td>
<td>29%</td>
<td>36%</td>
<td>0%</td>
<td>7%</td>
<td>3.71</td>
<td>74%</td>
</tr>
<tr>
<td>Fee and price competition</td>
<td>21%</td>
<td>21%</td>
<td>50%</td>
<td>7%</td>
<td>0%</td>
<td>3.57</td>
<td>71%</td>
</tr>
</tbody>
</table>

NB: V-Very, G-Great, M-Moderate, L-Little

Asked to rate to what extent their respective companies have applied the following competitive strategies, 50% noted that customer care strategies have been implemented to a very great extent while another 50% noted that product diversification have been greatly implemented (See Table 5). Analyst coverage, Innovation and Information technology strategies were noted by 43% (each) as having been implemented to a very great extent. Seven percent noted that branch and regional expansion have not been implemented while another 7% noted that fee and price competition have been implemented to just a little extent.

On mean/ percentage ratings, implementation of customer-care had the highest score rating with a mean and percentage ratings of 4.43 and 89% respectively. This was followed by product diversification (4.21, 84%), analyst coverage (4.21, 84%), innovation (4.14, 83%) and information technology strategies (4.14, 83%)

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However, Branch and regional expansion (3.71, 74%) as well as fee and price competition (3.57, 71%) had the lowest ratings from the respondents.

Table 6 Competitive Strategy Ratings

<table>
<thead>
<tr>
<th></th>
<th>S. Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>S. Disagree</th>
<th>Mean Rating</th>
<th>Percentage Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive strategy enables company compete successfully hence securing a competitive advantage over rivals</td>
<td>43%</td>
<td>50%</td>
<td>7%</td>
<td>0%</td>
<td>0%</td>
<td>4.36</td>
<td>87%</td>
</tr>
<tr>
<td>The investment banking industry in Kenya is highly competitive</td>
<td>50%</td>
<td>29%</td>
<td>7%</td>
<td>14%</td>
<td>0%</td>
<td>4.14</td>
<td>83%</td>
</tr>
<tr>
<td>My company has been expanding to new geographic locations in the last three years</td>
<td>43%</td>
<td>21%</td>
<td>21%</td>
<td>7%</td>
<td>7%</td>
<td>3.86</td>
<td>77%</td>
</tr>
<tr>
<td>Competition erodes profitability in investment banks</td>
<td>29%</td>
<td>29%</td>
<td>0%</td>
<td>36%</td>
<td>7%</td>
<td>3.36</td>
<td>67%</td>
</tr>
<tr>
<td>My company concentrates its marketing efforts on a narrow market segment</td>
<td>14%</td>
<td>36%</td>
<td>29%</td>
<td>14%</td>
<td>7%</td>
<td>3.36</td>
<td>67%</td>
</tr>
<tr>
<td>My company has a differentiation advantage due to its superior and cheaper products/services</td>
<td>0%</td>
<td>29%</td>
<td>57%</td>
<td>14%</td>
<td>0%</td>
<td>3.14</td>
<td>63%</td>
</tr>
<tr>
<td>My company offers the same services at a lower cost</td>
<td>7%</td>
<td>0%</td>
<td>43%</td>
<td>36%</td>
<td>14%</td>
<td>2.50</td>
<td>50%</td>
</tr>
</tbody>
</table>

*NB: S-Strongly*

Table 6 above presents findings to the respondents’ opinions and ratings concerning competitive strategy. Fifty percent of the respondents agreed that competitive strategy enables company compete successfully hence securing a competitive advantage over
rivals while similar proportion strongly agreed that investment banking industry in Kenya is highly competitive. Further, 43% strongly agreed that their companies have been expanding to new geographic locations in the last three years while 29% also strongly agreed that competition erodes profitability in investment banks. However, a total of 21% disagrees that companies concentrates its marketing efforts on a narrow market segment, 14% disagree that their companies have differentiation advantage due to its superior and cheaper products/services while another 50% disagreed that the companies offers the same services at a lower cost.

The effect of competitive strategy in enabling companies compete successfully was rated highly by the respondents with mean and percentage rating of 4.36 and 87% respectively. This was followed by the competitiveness of investment banking industry in Kenya (4.14, 83%), expansion to new geographic locations (3.86, 77%), erosion of profitability in investment banks due to competition (3.36, 67%) and concentration of companies in marketing efforts on a narrow market segment. However, differentiation advantage due to superior and cheaper products/services (3.14, 63%) and offering same services at a lower cost (2.50, 50%) scored the lowest rating by the respondents.
Majority of the respondents noted that high customer loyalty (79%) and skilled work force (79%) are the main source of competitive advantage in their companies. These were followed by operational efficiencies (71%), innovation (71%) and superior service offering (64%).

4.2.4 Corporate Strategy and Competitive Advantage

All the respondents (100%, n=14) believe that corporate strategies affects competitive advantage of their company. Further, the study sought the respondents’ opinions on matters relating to corporate strategy and competitive advantage in investment banks.
The following were the findings (See Table 7).

### Table 7 Corporate Strategy and Competitive Advantage Ratings

<table>
<thead>
<tr>
<th>Description</th>
<th>S. Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Mean Rating</th>
<th>Percentage Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company choices of corporate strategies should lead to competitive advantage</td>
<td>71%</td>
<td>29%</td>
<td>0%</td>
<td>0%</td>
<td>4.71</td>
<td>94%</td>
</tr>
<tr>
<td>A company creates competitive advantage through innovative strategies to the products and services</td>
<td>43%</td>
<td>57%</td>
<td>0%</td>
<td>0%</td>
<td>4.43</td>
<td>89%</td>
</tr>
<tr>
<td>Customer management strategies have enabled my company to gain competitive advantage through high customer loyalty</td>
<td>43%</td>
<td>43%</td>
<td>7%</td>
<td>7%</td>
<td>4.21</td>
<td>84%</td>
</tr>
<tr>
<td>My company achieves competitive advantage by offering better products and services</td>
<td>36%</td>
<td>50%</td>
<td>14%</td>
<td>0%</td>
<td>4.21</td>
<td>84%</td>
</tr>
<tr>
<td>Market diversification strategies adopted by my company have increased the customer base which has led to increased revenue and profits</td>
<td>29%</td>
<td>36%</td>
<td>36%</td>
<td>0%</td>
<td>3.93</td>
<td>79%</td>
</tr>
<tr>
<td>My company has formed strategic alliances for competitive advantage</td>
<td>21%</td>
<td>50%</td>
<td>21%</td>
<td>7%</td>
<td>3.86</td>
<td>77%</td>
</tr>
<tr>
<td>Marketing strategies adopted by my company has improved profitability</td>
<td>14%</td>
<td>57%</td>
<td>21%</td>
<td>7%</td>
<td>3.79</td>
<td>76%</td>
</tr>
<tr>
<td>Improved value chain in my company has led to improved management of competition</td>
<td>14%</td>
<td>50%</td>
<td>36%</td>
<td>0%</td>
<td>3.79</td>
<td>76%</td>
</tr>
</tbody>
</table>

*NB: S-Strongly*
Seventy one percent strongly agreed that their company choices of corporate strategies should lead to competitive advantage, 57% agreed that companies creates competitive advantage through innovative strategies to the products and services, 43% strongly agreed that customer management strategies have enabled their company to gain competitive advantage through high customer loyalty while 50% agreed that their companies achieves competitive advantage by offering better products and services. However, 7% disagreed that their companies have formed strategic alliances for competitive advantage whereas similar proportion disagreed that marketing strategies adopted by their company has improved profitability.

In terms of ratings, choices of corporate strategies and its effects on competitive advantage had the highest score rating (4.71, 94%) followed by creation of competitive advantage by companies (4.43, 89%) and effects of customer management strategies in enabling companies to gain competitive advantage through high customer loyalty (4.21, 84%). Formation of strategic alliances for competitive advantage (3.86, 77%), adoption of marketing strategies and its effects on improving profitability (3.79, 76%) as well as value chain and its effects on improving management of competition (3.79, 76%) scored the least ratings.

4.2.5 Tests of Association

Chi-Square test was carried out to test the relationship between competitive advantage and corporate strategy used by investment banks in Kenya. This was done at 95% level of confidence. Investment strategies were established to have a significant influence on a company’s differentiation advantage as a result of superior and cheaper products/services
(p value 0.04). The rest of the corporate strategy variables had no significant relationship with competitive advantage.

4.3 Discussion

This section presents the discussion regarding the research findings including comparison with the three theories stated in chapter two guiding the study. They are the Theory of Strategic Leadership, the Competitive Advantage Theory and Resource Based Theory. The results are also compared with other empirical studies undertaken in the past.

4.3.1 Comparison with the Theories

The Theory of Strategic Leadership finds its roots from the evolution of management theory by Fredrick Taylor in years 1856 to 1915. The essence of strategic leadership involves the capacity to learn, the capacity to change and managerial wisdom (Boal & Hooijberg, 2001). The study established that majority of the investment banks have highly prioritized investment strategies, talent management as well as marketing strategies compared to diversification strategy, ICT and financial strategies. That the Chief Executive ensures goal congruence in the strategy adopted by the company scored the highest rating by the respondents (4.71, 94%). It is evident that the theory of Strategic Leadership involving the capacity to learn, the capacity to change and managerial wisdom as explained by Boal & Hooijberg, (2001) is championed by the investment banks’ leadership. The effort of a leader has been described as very essential in the organization of human capital, financial resource, organization structure and process to achieve a competitive stand in the market. Besides the findings on banks’ leadership, the respondents’ role in implementation and communication of strategy (4.29, 86%), the role
of shared resources in motivating corporate strategy (4.15, 83%), the support provided by transferred competencies in the implementation of corporate strategy (4.15, 83%) and broadening of companies’ product/service offering range (4.07, 81%) were also rated highly by the respondents. Similarly, previous studies have shown than globalization, technological advances and changing consumer propels investment banking firms to adopt cutting-edge communication and develop new products by broadening of companies’ product/service offering range (Vargas & Rangel, 2007). This is similarly true for the Kenyan investment banks going by the findings as outlined. However, expansion to new geographic locations (3.71, 74%) as well as the significance of creation of specific assets to corporate strategy (3.54, 71%) scored the least ratings from the respondents. As explained above, the investment banks have performed dismally on diversification strategy compared to other strategies. Since diversification strategies have been proven to involve the broadening of product offering range and the geographic diversification strategy pursued by investment banks (Klein and Saidenberg, 1998), it is clear why the respondents have little approval for the bank efforts to expand to new geographic locations.

Competitive Advantage Theory was developed by Porter (1985) and states that an organization tries to outdo its competitors through superior market position, competence or resources. The study established that besides implementation of competitive strategies such as customer-care strategies, product diversification (4.21, 84%), analyst coverage (4.21, 84%), innovation (4.14, 83%) and information technology strategies (4.14, 83%) had higher ratings too. The effect of competitive strategy in enabling companies compete successfully was rated highly by the respondents with mean and percentage rating of 4.36
and 87% respectively. It is critical that the respondents understand and have noted the basic outcome of competitive strategy and its effects on their respective investment banks which is to allow an organization to outdo its competitors, such as superior market position, competence or resources (Newbert, 2008). It is therefore important to note that the investment banks interviewed have adopted the Competitive Advantage Theory which is the business competitiveness that seeks to address some of the criticisms of comparative advantage. After competitive strategy, the respondents rated competitiveness of investment banking industry in Kenya (4.14, 83%), expansion to new geographic locations (3.86, 77%), erosion of profitability in investment banks due to competition (3.36, 67%) and concentration of companies in marketing efforts on a narrow market segment in that order as the major effects of competitive strategy. With the adoption of various competitive strategies as explained above, the investment banks are bound to gain on the competitive advantage as explained by Bakarand (2010) who found that intangible resources of enterprises were significantly related to product innovation performance.

Differentiation advantage due to superior and cheaper products/services (3.14, 63%) and offering same services at a lower cost (2.50, 50%) scored the lowest rating by the respondents. Ndede (2010) carried out a study that explored the challenges faced by Barclays Bank of Kenya and the strategies it employs to achieve competitive advantage. The study found that the bank employs differentiation strategy that aims at achieving competitive advantage by offering better products or services at the same price or enhancing margins by charging a premium price, often to reflect the higher production costs and extra value added features provided to the customers. On the contrary, the investment banks interviewed have been found to less prioritize differentiation advantage
and cheaper products/services compared to other competitive strategies. They are therefore bound to achieving less competitive advantage due to failure to priorities differentiation strategy.

The Resource Based Theory was developed by Wernerfelt (1984). The resource-based theory refers to the firm’s internal environment as a driver for competitive advantage and emphasizes the resources that firms have developed to compete in the environment. The study established that both the physical and people resources are available in the investment banks which if utilized well can enable them have a sustainable competitive advantage. It is obvious that with the right choices of corporate strategies leading to distinctive competencies, a firm is bound to benefit from competitive advantage and high customer loyalty as evident from the study results. In fact according to Vives, (2010), gaining competitive advantage is a crucial product of right corporate strategies. Vives, (2010) further argues that this provides the moves taken to ensure competence in a competitive environment. Meanwhile, compared to other relationships, value chain and its effects on improving management of competition (3.79, 76%) as well as adoption of marketing strategies and its effects on improving profitability (3.79, 76%) had the least approvals as far as corporate strategies and competitive advantage is concerned. Value chain improvement and strategic alliances were noted by Trethowan and Scullion (2007) as some of the corporate strategies that firms used to manage their competitive advantage.

4.3.2 Comparison with Other Empirical Studies

Investing and using the development of new technologies, training employees’ and developing and effectively communicating the vision to all employees amongst others
contribute to competitive advantage of investment banks. Some of the investment banks which are doing well in the market have employed competent leaders who lead their companies to better performance and able to build competitive advantage.

Findings on familiarity with the term “corporate strategy” established mixed understanding, despite all respondents acknowledging that they knew what the term meant. According to Hill and Jones, (2001), corporate strategy is an action that a company takes to attain one or more of its goals, and more precisely, the action that an organization takes to attain superior performance (Hill and Jones, 2001). Therefore, description such as “is the "how" to move the company forward, it provides directions for the benefits of the business” were little off the exact meaning and understanding of what corporate strategy entails.

Based on less diversification strategies as established in this study, the investment banks stand a chance to lose on efficiency and agency rationales on their structure as suggested by Klein and Saidenberg, (1998). It is also interesting to note that despite globalization, technological advances and changing consumer needs that forces the competitive paradigms to change continuously (Singh, et al., 2010), some investment banks interviewed in this study are not yet keen in investing in ICT strategies.

One of the key elements of corporate strategy according to Thompson & Strickland, (2002) include approaches that a firm takes to attract customers, the customer care services. This study finding is parallel to the results as established by Abishua (2010) who analyzed the strategies used by Equity Bank to compete in the Kenyan banking industry. The study found that Equity Bank uses customer-care strategies among other
strategies as a competitive strategy. Similarly, Kitheka (2012) did a study on the impact of electronic trading on performance of investment banks and brokerage firms in Kenya and concluded customer care was boosted through electronic trading that made investment banking transaction to be easier hence improving investment banking industry performance.

The respondents’ role in implementation and communication of strategy, the role of shared resources in motivating corporate strategy, the support provided by transferred competencies in the implementation of corporate strategy and broadening of companies’ product/service offering range were also rated highly by the respondents. Similarly, previous studies have shown than globalization, technological advances and changing consumer propels investment banking firms to adopt cutting-edge communication and develop new products by broadening of companies’ product/service offering range (Vargas & Rangel, 2007).

The investment banks were also established to have performed dismally on diversification strategy compared to other strategies. Since diversification strategies have been proven to involve the broadening of product offering range and the geographic diversification strategy pursued by investment banks (Klein and Saidenberg, 1998), it is clear why the respondents have little approval for the bank efforts to expand to new geographic locations.

The study also established that differentiation advantage due to superior and cheaper products/services as well as offering same services at a lower cost scored the lowest rating by the respondents. Ndede (2010) carried out a study that explored the challenges
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On relationship between competitive advantage and corporate strategy, all the respondents believe that corporate strategies affects competitive advantage of their company. In terms of ratings, choices of corporate strategies and its effects on competitive advantage had the highest score rating. Hill and Jones (2008) argued that competitive strategies are based on distinctive competencies. These distinctive competencies are the firm specific strengths that allow a company to differentiate its products from those offered by rivals and/or achieve substantially lower costs than its rivals. Competitive advantage by companies (4.43, 89%) had the second highest rating while effects of customer management strategies in enabling companies to gain competitive advantage through high customer loyalty (4.21, 84%) followed. It is obvious that with the right choices of corporate strategies leading to distinctive competencies, a firm is bound to benefit from competitive advantage and high customer loyalty as evident from the study results. In fact according to Vives, (2010), gaining competitive advantage is a crucial product of right corporate strategies. Vives, (2010) further argues that this
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Majority of the empirical studies done on corporate strategy and competitive advantage differ with the current study in focus and industry. Majority of the local studies focused on the competitive strategies and challenges in the banking sector but failed to establish the relationship between corporate strategy and competitive advantage. This creates a research gap that led to a study on the relationship between corporate strategy and competitive advantage of investment banks in Kenya.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The purpose of this study was to investigate corporate strategy and competitive advantage of investment banks in Kenya. The chapter is therefore structured into summary of findings, conclusions, recommendations, limitations of the study and suggestions for further research.

5.2 Summary of Findings

Investigations into the corporate strategies used by investment banks revealed that all the respondents (100%) were familiar with the term corporate strategy. However, varied explanations on understanding of corporate strategies were listed by the respondents.

While others understand corporate strategy as designing company products, processes and operations to achieve the company strategy and objectives, others understand it as the direction and scope an enterprise takes in achieving set enterprise wise goals and objectives after the enterprise reviews its nature of business and activities against the environment, market and competition. Meanwhile other respondents were off the mark with their less precise understanding of what a corporate strategy mean. According to Hill and Jones, (2001), corporate strategy is an action that a company takes to attain one or more of its goals, and more precisely, the action that an organization takes to attain superior performance (Hill and Jones, 2001). Therefore, description such as “is the "how" to move the company forward, it provides directions for the benefits of the business” were little off the exact meaning and understanding of what corporate strategy entails.
All the respondents interviewed (100%) acknowledged that their companies have adopted competitive strategies to survive in the capital markets industry. Asked to rate to what extent their respective companies have applied competitive strategies, implementation of customer-care had the highest score rating with a mean and percentage ratings of 4.43 and 89% respectively. One of the key elements of corporate strategy according to Thompson & Strickland, (2002) include approaches that a firm takes to attract customers, the customer care services. This study finding is parallel to the results as established by Abishua (2010) who analyzed the strategies used by Equity Bank to compete in the Kenyan banking industry. The study found that Equity Bank uses customer-care strategies among other strategies as a competitive strategy. Similarly, Kitheka (2012) did a study on the impact of electronic trading on performance of investment banks and brokerage firms in Kenya and concluded customer care was boosted through electronic trading that made investment banking transaction to be easier hence improving investment banking industry performance.

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5.3 Conclusions

The main and distinctive corporate strategies used by investment banks in Kenya are investment strategies, talent management and marketing strategies. However, investment banks are less likely to invest in diversification strategy, ICT or financial strategies. Investment banks are at least 8 times (out of 10) likely to implement competitive strategies including customer-care, product diversification, analyst coverage, innovation and information technology strategies. However, branch and regional expansion as well as fee and price competition are competitive strategies less likely to be adopted by the banks.

The relationship between competitive advantage and corporate strategy used by investment banks in Kenya are such that the there exists a significant relationship
between corporate strategies and competitive advantage, competitive advantage and innovative strategies, customer management strategies and competitive advantage as well as products and service-strategies and competitive advantage. On a scale of 1-10, these relations had least ratings of 8.

5.4 Recommendations

From the study findings, the following interventions are recommended to improve corporate strategies and competitive advantages as well as the relationship between the two:

There’s need for the investment banks to consider investing in diversification strategies and more specifically expansion to new geographic locations and broadening of product offering range. From the study findings, investment banks have performed dismally on diversification strategies.

The investment banks need to insert more efforts in ICT investments due to the current globalization, technological advances and changing consumer needs. ICT as a corporate strategy was found to be an area less invested by the investment banks compared to other corporate strategies.

To achieve efficiency and agency rationales, the investment banks need to consider more diverse financial strategies which is one of the diversification strategies.

There is lesser investment on fee and price competition by the investment banks in Kenya. In order to gain competitive advantage over other competitors, there’s need for the investment banks to offer customers greater value, either through lower prices or by providing additional benefits and service that justify similar, or possibly higher, prices.
Also, Value chain improvement and strategic alliances were noted as areas of weakness by the firms interviewed. Current strategies put in place to ensure value chain improvement and strategic alliances needs to be revised in order to realize competitive advantage. Investment banks with lacking the two strategies need to formulate and implement strategies if competitive advantage is to be realized.

5.5 Limitations of the Study
The study was limited by scarcity of resources like time especially on the part of the respondents. The researcher had a lot of constraints in making appointments to see the respondents as they were senior managers of the respective investment banks.

Another limitation faced during the study was lack of cooperation by some of the senior managers. Some respondents were hesitant to complete the questionnaires since they felt their corporate strategies would be exposed and competitors would get to know how they run their investment banks. The respondents had to be convinced that this was purely an academic exercise.

Other limitations encountered were delays in answering the questionnaires by respondents hence delaying the data analysis, it was expensive to distribute the questionnaires, make phone calls for the follow up and collection of the questionnaires.

5.6 Suggestion for further research
This study was focused on corporate strategy and competitive advantage of investment banks in Kenya. The study constituted 14 investment banks in Kenya. There is need for further research on the impact of investing in diversification strategies, ICT, price competition, value chain improvement and strategic alliances. The findings of such
research will highlight the unexplored potentials and their benefits that the investment banks are yet to explore, utilize and reap benefits.
REFERENCES


APPENDICES

Appendix I: Introduction letter

Edwin Ongera
Department of Business Administration
University of Nairobi
P. O. Box 30197
NAIROBI

RE: Collection of Survey Data
I am a postgraduate student at the University of Nairobi, School of Business. As part of my course work assessment, am required to submit a management research project. In this regard, am undertaking a research on corporate strategy and competitive advantage of investment banks in Kenya.

This is to kindly request you to assist me by responding to the attached Questionnaire Form. The information you provide will be used exclusively for academic purposes.

My supervisor, Professor Martin Ogutu and I assure you that the information you give will be treated with strict confidence and at no time will your name appear in my report.

A copy of the final paper will be availed to you upon request.

Your co-operation will be highly appreciated.

Thank you in advance.

Yours faithfully,

Edwin Ongera

MBA Student
Appendix II: Questionnaire

A questionnaire on Corporate Strategy and Competitive Advantage of Investment Banks in Kenya

SECTION A: GENERAL INFORMATION

1. Name of the investment bank…………………………………………………………………………………………

2. What is your gender?     Male     [ ]     Female     [ ]

3. What is your age (please tick where appropriate)?
   - Below 25 years     [ ]
   - 25-35     [ ]
   - 36-45     [ ]
   - 46-55     [ ]
   - Above 55 years     [ ]

4. How long have you worked in your current company (please tick where appropriate)?
   - Less than 1 year     [ ]
   - 1-5 years     [ ]
   - 6-10 years     [ ]
   - 11-15 years     [ ]
   - More than 15 years     [ ]

5. What is your level of education (please tick where appropriate)?
   - Master’s degree     [ ]
   - Bachelor’s degree     [ ]
   - Diploma     [ ]
6. What is your current position?

7. What is your department (please tick where appropriate)?
   - ICT
   - Finance
   - Operations
   - Marketing
   - Human Resource Management
   - Fund Management
   - Advisory Services
   - Stockbrokerage
   - Legal

SECTION B: CORPORATE STRATEGIES

8. Are you familiar with the term corporate strategy?
   a) Yes  b) No

   If yes, what is your understanding on the role of corporate strategy?

9. Does your company adopt corporate strategies (please tick where appropriate)?
   Yes [ ]  No [ ]
If yes, which of the following strategies has your company adopted (please tick where appropriate)?

Diversification strategy [ ]
Talent management [ ]
ICT [ ]
Marketing [ ]
Financial strategies [ ]
Investment strategies [ ]

10. What is your level of agreement on the following statements relating to corporate strategy? Rate in a scale of 1 to 5 (1-strongly agree, 2-agree, 3-Neutral, 4-disagree, 5-strongly disagree)

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
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<tbody>
<tr>
<td>The Chief Executive ensures goal congruence in the strategy adopted by my company</td>
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<td>Management has assisted in the implementation and communication of strategy in my company</td>
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<td>Corporate strategy in my company is motivated by shared resources</td>
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<td>Transferred competencies have supported the corporate strategy of my company</td>
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<td>The creation of specific assets is crucial to</td>
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</table>
corporate strategy

My company has broadened their
product/service offering range

My company has been expanding to new
geographic locations in the last three years

SECTION C: COMPETITIVE STRATEGIES

11. Has your company adopted any competitive strategies to survive in the capital
markets industry (please tick where appropriate)?

Yes [ ] No [ ]

12. To what extent do you apply the following competitive strategies in your company?

Rate in a scale of 1 to 5 (1-very great extent, 2-great extent, 3-moderate extent, 4-little
extent, 5-no extent)

<table>
<thead>
<tr>
<th>Statement</th>
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<th>2</th>
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<tr>
<td>Product diversification</td>
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<td>Branch and regional expansion</td>
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<td>Fee and price competition</td>
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<td>Analyst coverage</td>
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<td>Customer-care</td>
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<td>Innovation</td>
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<td>Information technology strategies</td>
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13. What is your level of agreement on the following statements relating to competitive
strategy? Rate in a scale of 1 to 5 (1-strongly agree, 2-agree, 3-Neutral, 4-disagree, 5-
strongly disagree)
14. Which of the following are the sources of competitive advantage in your company (please tick where appropriate)?

<table>
<thead>
<tr>
<th>Innovation</th>
<th>Operational efficiencies</th>
<th>Superior service offering</th>
<th>Skilled work force</th>
<th>High customer loyalty</th>
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Competition erodes profitability in investment banks

Competitive strategy enables my company compete successfully hence securing a competitive advantage over rivals

My company has a differentiation advantage due to its superior and cheaper products/services

My company concentrates its marketing efforts on a narrow market segment

My company offers the same services at a lower cost

The investment banking industry in Kenya is highly competitive

My company has been expanding to new geographic locations in the last three years
SECTION D: CORPORATE STRATEGY AND COMPETITIVE ADVANTAGE

15. Do you think corporate strategy affects competitive advantage of your company (please tick where appropriate)?

Yes [ ] No [ ]

16. What is your level of agreement on the following statements relating to corporate strategy and competitive advantage in investment banks? Rate in a scale of 1 to 5 (1- strongly agree, 2-agree, 3-Neutral, 4-disagree, 5-strongly disagree)

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<th>Statement</th>
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<td>The company choices of corporate strategies should lead to competitive</td>
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<td>advantage</td>
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<td>A company creates competitive advantage through innovative strategies to</td>
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<td>the products and services</td>
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<td>Marketing strategies adopted by my company has improved profitability</td>
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<td>Customer management strategies have enabled my company to gain competitive</td>
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<td>Market diversification strategies adopted by my company have increased</td>
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<td>the customer</td>
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<td>base which has led to increased revenue and profits</td>
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<td>Improved value chain in my company has led to improved management of competition</td>
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<td>My company achieves competitive advantage by offering better products and services</td>
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Thank You
# Appendix III: List of Investment Banks in Kenya

<table>
<thead>
<tr>
<th>Bank Name</th>
<th>Contact Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>African Alliance Kenya Investment Bank Ltd.</strong></td>
<td>4th Floor, Kenya Re Towers, Upper Hill, P.O. Box 27639 – 00506, Nairobi Tel: 254 20 2710978/2718720 Fax: 254 20 2710247 Email: <a href="mailto:enquiries@africanalliance.co.ke">enquiries@africanalliance.co.ke</a></td>
</tr>
<tr>
<td><strong>Barclays Financial Services Limited</strong></td>
<td>The West End Building Waikyi Way, P.O. Box 30120-00100, Nairobi Tel: 254 20 332230 Fax: 254 20 213915 Email: <a href="mailto:barclays.kenya@barclays.com">barclays.kenya@barclays.com</a> Website: <a href="http://www.barclays.com">www.barclays.com</a></td>
</tr>
<tr>
<td><strong>CBA Capital Limited</strong></td>
<td>Mara and Ragati Roads, Upper Hill, Nairobi PO Box 30437 – 00100, Nairobi Tel: +254 20 2884444 Fax: +254 20 2734616 Email: <a href="mailto:cbacapital@cba.co.ke">cbacapital@cba.co.ke</a> Website: <a href="http://www.cba.co.ke">www.cba.co.ke</a></td>
</tr>
<tr>
<td><strong>Dyer &amp; Blair Investment Bank Ltd</strong></td>
<td>Loita House, 10th Floor, Loita Street, P.O Box 45396 – 00100, Nairobi Tel: 020 3240000 Fax: 254 20 218633 E-mail: <a href="mailto:admin@dyer.africaonline.com">admin@dyer.africaonline.com</a> Website: <a href="http://www.dyerandblair.com">www.dyerandblair.com</a></td>
</tr>
<tr>
<td><strong>Equity Investment Bank Ltd</strong></td>
<td>Equity Centre, Ground Floor Hospital Road, Upper Hill P.O. Box 74454 - 00200 Tel: 254 20 2736620 Fax: 254 20 2737276 Website: <a href="http://www.equitybank.co.ke">www.equitybank.co.ke</a></td>
</tr>
<tr>
<td><strong>Faida Investment Bank Limited</strong></td>
<td>Crawford Business Park, Ground Floor, State House Road Nairobi P.O. Box 45236-00100 Tel: +254 020 7606026-37 Mobile lines: 0701 346594,0735 188167 Fax: +254 20 2243814 Email: <a href="mailto:info@fib.co.ke">info@fib.co.ke</a></td>
</tr>
<tr>
<td><strong>Genghis Capital Limited</strong></td>
<td>Prudential Assurance Building, 6th Floor, Wabera Street, P. O. Box 9959-00100, Nairobi Tel: 254 20 2774195/199 Fax: 254 20 2246334 Email: <a href="mailto:info@genghiscapital.co.ke">info@genghiscapital.co.ke</a></td>
</tr>
<tr>
<td><strong>KCB Capital Limited</strong></td>
<td>KenCom Hose, 6th Floor Moi Avenue P.O. Box 48400-00100 NAIROBI</td>
</tr>
<tr>
<td><strong>EBI Investment Corporation Kenya Limited</strong></td>
<td>P. O. Box 49584-00100 Nairobi. <a href="mailto:RSIRO@ecobank.com">RSIRO@ecobank.com</a> Telephone: 2883343</td>
</tr>
<tr>
<td>NIC Capital Limited</td>
<td>Kestrel Capital (EA) Limited</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>------------------------------------------------------------------</td>
</tr>
<tr>
<td>NIC House, Masaba Road</td>
<td>ICEA Building, 5th Floor</td>
</tr>
<tr>
<td>P. O. Box 44599-00100, Nairobi</td>
<td>Kenyatta Avenue</td>
</tr>
<tr>
<td>Tel: 254 20 2888000</td>
<td>P.O Box 40005 – 00100, Nairobi</td>
</tr>
<tr>
<td>Fax: 254 20 2888505</td>
<td>Tel: 254 20 251758/251893</td>
</tr>
<tr>
<td>Email: <a href="mailto:service@nic-capital.com">service@nic-capital.com</a></td>
<td>Fax: 254 20 243264</td>
</tr>
<tr>
<td></td>
<td>Email: <a href="mailto:info@Kshstrelcapital.com">info@Kshstrelcapital.com</a></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>SBG Securities Limited</td>
<td>Standard Investment Bank</td>
</tr>
<tr>
<td>CFC Stanbic Center, Chiromo Road</td>
<td>ICEA Building, 16th Floor</td>
</tr>
<tr>
<td>Westlands</td>
<td>P.O. Box 13714-00800, Nairobi</td>
</tr>
<tr>
<td>P.O. Box 47198 - 00100, Nairobi</td>
<td>Tel: +254 (020) 2220225, 2228963/7/9</td>
</tr>
<tr>
<td>Tel. 254 20 3752900/1</td>
<td>Fax: +254 (020) 240297</td>
</tr>
<tr>
<td>Fax. 254 20 3752905/7</td>
<td>Email: <a href="mailto:info@sib.co.ke">info@sib.co.ke</a></td>
</tr>
<tr>
<td>Email: <a href="mailto:enquiries@cfcbank.co.ke">enquiries@cfcbank.co.ke</a></td>
<td>Website: <a href="http://www.sib.co.ke">www.sib.co.ke</a></td>
</tr>
</tbody>
</table>

**Source:** Capital Markets Authority (CMA) 13th July 2015