

**STRATEGIES USED BY ECOBANK KENYA TO  
GAIN COMPETITIVE ADVANTAGE**

**BY:  
MAINA PERIS WANGUI**

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## **DECLARATION**

I declare that this project is my original work and has never been submitted for a degree in any other university or college for examination/academic purposes.

Signature: .....

Date:.....

**PERIS WANGUI MAINA**

**Reg. No: D61/77116/2012**

The research project has been submitted for examination with my approval as the University Supervisor.

Signature.....Date.....

**DR. YABS,**

**SENIOR LECTURER,**

**SCHOOL OF BUSINESS,**

**UNIVERSITY OF NAIROBI**

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## **DEDICATION**

This project is dedicated to my entire family and friends for your great support. With your love, iron will and strength, you molded me into the person I am today.

## **ABSTRACT**

Organization being environmental dependent have to constantly adopt activities and internal configurations to reflect the new external realities since failure to do so, may put future success of the organization in jeopardy. The study aimed at establishing how Ecobank is achieving sustainable competitive advantage. To achieve this two research objectives were used to determine the basis of achieving sustainable competitive advantage at Ecobank. The research was conducted through a case study; The interview guide was developed in accordance with the objectives. Content analysis was performed with the information obtained. The study established that most of Ecobank branches are located in strategic locations, and offer a variety of products at affordable prices. The findings also revealed that when focusing on market, they begin by selecting a market niche where buyers have distinctive preferences. Ecobank Limited has adopted a low cost leadership basis to gain competitive advantage in order to lower overall costs than competitors. The study concludes that pricing strategy was used to a great extent adopting a cost conscious organizational culture, intolerance of waste, intensive screening of budgets and broad employee's participation in cost control efforts. The study also concludes that differentiation strategy approach was used to focus on developing a reputation for superior quality products. From the findings and conclusions, the study recommends that in order to keep up with completion, firms must constantly search for competitive strategy that will ensure competitive advantage in the long term and yield market leadership and that the management should engage various strategies to survive in a dynamic and highly competitive business environment. The research study was faced by resistance from target respondents fearing that the information requested would be used for other purposes, apart from academic. The study recommends that further research should be done on other organizations in the public sector so also get comprehensive information on how the other players in the sector have responded towards competition in their quest to achieve Sustainable Competitive Advantage.

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## **ABBREVIATIONS AND ACRONYMS**

- BIS :** Business Intelligent Systems
- CA:** Competitive Advantage
- CBK:** Central Bank of Kenya
- CSR:** Corporate Social Responsibility
- KBV:** Knowledge Based View
- MBV:** Market Based View
- MNC:** Multinational Corporations
- RBV:** Resource Based View
- SCA:** Sustainable Competitive Advantage

# **CHAPTER ONE: INTRODUCTION**

## **1.1 Background of the Study**

Operational effectiveness and strategy are both essential to superior performance which after all is the primary goal of any enterprise. But they work in very different ways. A company can outperform its rivals if it can establish a difference that can preserve. It must deliver greater value to customers or create comparable value at a lower cost or do both. The arithmetic of superior profitability then follows delivering greater value allows a company to charge higher average unit price, greater efficiency results in lower average unit costs (Aosa, 1998). Porter (1973) says that ultimately, all differences between companies in cost or price derive from the hundreds of activities to create, produce, sell and deliver their products or services such as calling on customers, assembling final products, and training employees. Cost advantage arises from performing particular activities more efficiently than competitors. Similarly differentiation arises from both the choice of activities and how they are performed. Activities are then the basic units of competitive advantage. Overall advantage results from all of a company's activities and not a few (Brown, 1991).

(Porter 1973) states that businesses need to be more customer-centric, especially since technology has evolved to allow the lower cost provision of information and customer solutions. These developments in turn require businesses to re-evaluate the value propositions they present to customers in many sectors, the supply side driven logic of the industrial era has become no longer viable (Porter 1973).

This study is based on three theories that drive home the concept of strategies used in business set up to gain competitive advantage in general; they are Market Based

View, Resource Based View and Knowledge Based View. The Market Based View explains how an organization can expand its market and gain a big market share in the industry. The Resource Based View focuses on how a firm can maximally utilize the available resources to maximize its profitability, while the Knowledge Based View pinpoint on the application of innovative and creativity skills that can be used in an organization to improve on quality, efficiency, effectiveness and hence maximizing on profitability and employees.

Based on the aforementioned theories different sustainable strategies have come out as a result. These strategies are the ones that can be used to gain competitive advantage, they include, the Porters generic strategies like; Cost Leadership, Differentiation, Cost focus and Differentiation Focus. Others are the use of Business intelligent Systems like the application of Computer programs, Information Technology like Internet Banking and last but not least Merger and Acquisition, where by an organization merges or acquires another for synergy.

### **1.1.1 Sustainable competitive advantage**

A sustainable competitive advantage occurs when an organization acquires or develops an attribute or combination of attributes that allows it to outperform its competitors. These attributes can include access to natural resources or access to highly trained and skilled personnel. It is an advantage (over the competition), and must have some life; the competition must not be able to do it right away, or it is not sustainable.

The goal of much of business strategy is to achieve a sustainable competitive advantage. According to Porter (1987), a firm can gain competitive advantage if it is able to create value for its buyers. If a firm wishes to pursue the strategy of cost leadership, it has to be the low cost producer. A firm may gain cost advantage through economics of scale, proprietary technology, cheap raw material, etc. The strategy of differentiation involves offering a different product, a different delivery system, or using a different marketing approach (Porter, 1987).

### **1.1.2 Competitive Strategy**

Business strategy is all about competitive advantage. Businesses need strategies in order to ensure that resources are allocated in the most effective way. Many studies of strategies and a lot of literature have been carried out that outline the importance of strategies in managing the businesses successfully. The word “strategy” is maybe one of the most used words in business and in everyday life, (Peteraf, 1993).

According to Schendel (1994), in the business world there are many preparatory strategies for almost every potential activity, starting from strategies for managing the employees to the strategies for knowledge management. In the first sight, we get the perception that a strategy is something simple which deals with the use of resources for realizing the beforehand planned objectives. But in practice, strategies differ in the time aspect, and its formulation and implementation cannot be perfect. There are also frequent conflicts between long term objectives and the actual needs, especially within the organization that operate in countries in transition, like Macedonia. When a firm sustains profits that exceed the average for its industry, the firm is said to possess a competitive advantage over its rivals (Peteraf, 1993).

According to Porter (1973), a business model articulates the logic and provides data and other evidence that demonstrates how a business creates and delivers value to customers. It also outlines the architecture of revenues, costs, and profits associated with the business enterprise delivering that value. The different elements that need to be determined in business model design are listed in. The issues related to good business model design are all interrelated, and lie at the core of the fundamental question asked by business strategists how does one build a sustainable competitive advantage and turn a super normal profit? In short, a business model defines how the enterprise creates and delivers value to customers, and then converts payments received to profits (Ebling, 2009). To profit from innovation, business pioneers need to excel not only at product innovation but also at business model design, understanding business design options as well as customer needs and technological trajectories. Developing a successful business model is insufficient to assure competitive advantage as imitation is often easy: a differentiated (and hard to imitate) yet effective and efficient business model is more likely to yield profits. Business model innovation can itself be a path way to competitive advantage if the model is sufficiently differentiated and hard to replicate for incumbents and new entrants alike (Porter, 1985).

According to Henry Mintzberg, business strategies could follow one of three modes: Planning, entrepreneurial, and adaptive mode. He argues that the right choice depends on contingency variables such as the size and age of the organization.

### **1.1.3 Banking Industry in Kenya**

The Kenyan banking sector remains sound and resilient whereas the Kenyan financial sector is developing and deepening faster than the overall economy. This is according to the Central Bank of Kenya in a released banking Sector Development Report for the second quarter ended 30<sup>th</sup> Jun 2012. The Banking industry in Kenya is governed by the Companies Act, the Banking Act, the Central Bank of Kenya Act and the various prudential guidelines issued by the Central Bank of Kenya (CBK). The banking sector was liberalized in 1995 and exchange controls lifted (Central Bank Report, 2008).

The CBK, which falls under the Minister for Finance docket, is responsible for formulating and implementing monetary policy and fostering the liquidity, solvency and proper functioning of the financial system. As at December 2008 there were forty six banking and non-bank institutions, fifteen micro finance institutions and one hundred and nine foreign exchange bureaus. The banks have come together under the Kenya Bankers Association (KBA), which serves as a lobby for the banking sector's interests the KBA serves a forum to address issues affecting members (Central Bank Report, 2008).

Over the last few years, the Banking sector in Kenya has continued to grow in assets, deposits, profitability and products offering. The growth has been mainly underpinned by; An industry wide branch network expansion strategy both in Kenya and in the East African community region, Automation of a large number of services and a move towards emphasis on the complex customer needs rather than traditional 'off-the-shelf' banking products.

Players in this sector have experienced increased competition over the last few years resulting from increased innovations among the players and new entrants into the market.

#### **1.1.4 Ecobank Limited**

Ecobank Kenya Limited provides retail, corporate, and treasury banking services in Kenya. The company offers deposit products, including saving deposits, amounts payable on demand, and term deposits; and various loans and advances. It operates through 25 branches in Kenya. The company was formerly known as EABS Bank and changed its name to Ecobank Kenya Limited in June 2008. Ecobank Kenya Limited is based in Nairobi, Kenya. Ecobank Kenya Limited is a subsidiary of Ecobank Transnational Incorporated.

Ecobank, whose official name is Ecobank Transnational Inc. (ETI), but is also known as Ecobank Transnational, is a pan-African banking conglomerate, with banking operations in 36 African countries. It is the leading independent regional banking group in West Africa and Central Africa, serving wholesale and retail customers. It also maintains Technology underpins. The strategy of the group, The “One Bank” concept is a major initiative designed to ensure that the group operates to the same consistent standards in terms of processes and service delivery anchored on the technology platform.

## **1.2 Research Problem**

How is Ecobank achieving sustainable competitive advantage? The study sought to establish the basis of achieving sustainable competitive advantage at Ecobank Limited thus maximizing on revenue and profitability. This research identified the key drivers of gaining sustainable competitive advantage and how they contribute towards the profitability of the banks. The banking corporations use strategies that drive towards market and cost. They have also gone beyond producing goods and services at a profit and focus on the quality of the organization in totality (Barney, 1991). These involve market and cost driven strategies. Barney (1991) continues that, corporations serve a greater range of human needs and values than are met by focusing solely on economic values. This poses a delicate balancing act for corporations that spend on strategy implementation (Penrose 1959).

This paper also established the factors that influence Sustainable Competitive Advantage; the focus was on maximizing on resource utilization, looking for a bigger market share and addressing the knowledge gap through the study of Market Resource and Knowledge Based Theories. To succeed in any business performance, an organization has to be aware of the environment in which it is operating. Its strategy has to be developed in accordance with its external environment.

The external environment is always dynamic, and therefore the firms need to manage threats and exploit opportunities for survive and success. The competitive abilities that a company should seek to build achieve and sustain or improve are the one that the competitiveness of an enterprise is centered on. This requires the formulation of strategies that constantly match the environmental requirements. Superior performance will come out as a result of implementing the competitive sustainable

strategies. (Shoemaker & Amit, 1994). Increased research is necessary to unveil what entails Sustainable Competitive Advantage. This study aimed to bridge this gap by focusing on competitive strategies employed by Ecobank Limited and find out if these strategies put in place by Ecobank Limited remain sustainable.

### **1.3 Research Objective**

This study was guided by the following specific objectives;

- (i) To determine the basis of achieving sustainable competitive advantage at Ecobank Limited
- (ii) To analyze the factors that influences Sustainable Competitive Advantage at Ecobank Limited

### **1.4 Value of the Study**

This study is going to be of paramount importance to the following parties.

The management of Ecobank Limited as they will be able to address the gaps that are there in their business strategic formulation, which when addressed will lead to revenue and profit maximization, through the implementation of proper business models.

This research is also going to help potential investors in setting their business strategies so that they can be able to maximize their revenues and profit through employment of better business models in their organizations.

The research will also help future researchers in doing further research to bridge the gap they feel need to be addressed and do more investigations on other factors that may affect the strategy formulations in the banking sector.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

Review of related information is very important because it provides the needed support to the researcher's rationale for undertaking research in a certain area. A literature review is a researcher's critique of findings from other studies done in related areas. In this chapter the researcher examined whether the problem links to any other research study that has been written in the same area or research and will derive its literature from the books, journals, research papers, and websites on the internet. The chapter presents theoretical review, critical review, summary of variables and conceptual framework.

### **2.2 Theoretical Foundation**

The development of theories that help explain competitive advantage has occupied the attention of the management community for the better part of half a century. This chapter aims to provide an overview of the key theories in this space. The overview has span a long timeline, starting from the 1960s to formulations that were introduced in mid-2013. Currently competitive advantage is still a phenomenon since there is no theory that has enough scope to capture the different elements or cause-and-effect relationships in many strategy formulation areas. This study is based on the theories below.

### **2.2.1 Market-Based View (MBV)**

The Market-Based View (MBV) of strategy argues that industry factors and external market orientations are the primary determinants of firm performance (Bain 1968; Caves & Porter 1977; Peteraf & Bergen 2003; Porter 1980, 1985, 1996). Bain's (1968) Structure-Conduct-Performance framework and Porter's (1980) five forces model, (which is based on the SCP framework) are two of the best-known theories in this category. The sources of value for the firm are embedded in the competitive situation characterizing its end-product strategic position. The strategic position is a firm's unique set of activities that are different from their rivals. Alternatively, the strategic position of a firm is defined by how it performs similar activities to other firms, but in very different ways. In this perspective, a firm's profitability or performance are determined solely by the structure and competitive dynamics of the industry within which it operates (Schendel 1994).

The Market-Based View (MBV) includes the positioning school of theories of strategy and theories developed in the industrial organization economics phase of Hoskisson's account of the development of strategic thinking (of which Porter's is one example) (Hoskisson et al. 1999; Mintzberg et al. 1998; Porter 1980). During this phase, the focus was on the firm's environment and external factors. Researchers observed that the firm's performance was significantly dependent on the industry environment. They viewed strategy in the context of the industry as a whole and the position of the firm in the market relative to its competitors.

Bain (1968) proposed the Industrial Organization paradigm, also known as the Structure-Conduct-Performance (SCP) paradigm. It describes the relationship of how industry structure affects firm behavior (conduct) and ultimately firm performance.

Bain (1968) studied a firm with monopolistic structure and found barriers to entry, product differentiation, number of competitors and the level of demand that affect firm's behavior. The SCP paradigm was advanced by researchers (Caves & Porter 1977; Caves 1980; Porter 1980) and explained why organizations need to develop strategy in response to the structure of the industry in which the organization competes in order to gain competitive advantage. In formulating strategy, firms commonly make an overall assessment of their own competitive advantage via an assessment of the external environment based on the five forces model (Porter 1979; 1985).

The five forces under consideration consist of the following: Barriers to entry, threat of substitutes, bargaining power of suppliers, bargaining power of buyers and rivalry among competitors (Porter 1985). In this perspective, a firm's sources of market power explain its relative performance. Three sources of market power are frequently highlighted; monopoly, barriers to entry, and bargaining power (Grant 1991). When a firm has a monopoly, it has a strong market position and therefore performs better (Peteraf 1993). High barriers to entry for new competitors in an industry lead to reduced competition and hence better performance.

### **2.2.2 Resource-Based View (RBV)**

The resource-based view of the firm (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. During the early strategy development phase of Hokinson's account of the development of strategic thinking (Hoskison et al. 1999), the focus was on the internal factors of the firm. Researchers such as Ansoff (1965) and Chandler (1962) made important contributions towards

developing the Resource-Based View of strategy (Hoskisson et al. 1999). From the 1980s onwards, according to (Furrer et al. 2008), the focus of inquiry changed from the structure of the industry, e.g., Structure-Conduct-Performance (SCP) paradigm and the five forces model) to the firm's internal structure, with resources and capabilities (the key elements of the Resource-Based View (RBV)).

Since then, the resource-based view of strategy (RBV) has emerged as a popular theory of competitive advantage (Furrer et al. 2008; Hoskisson et al. 1999). The origins of the RBV go back to Penrose (1959), who suggested that the resources possessed, deployed and used by the organization are really more important than industry structure. The term 'resource-based view' was coined much later by Wernerfelt (1984), who viewed the firm as a bundle of assets or resources which are tied semi-permanently to the firm (Wernerfelt 1984). Prahalad & Hamel (1990) established the notion of core competencies, which focus attention on a critical category of resource – a firm's capabilities. Barney (1991) also argued that the resources of a firm are its primary source of competitive advantage.

Early researchers simply classified firms' resources into three categories: physical, monetary, and human (Ansoff, 1965). These evolved into more detailed descriptions of organizational resources (skills and knowledge) and technology (technical know-how) (Hofer & Schendel 1978). Amit & Shoemaker (1993) proposed an alternative taxonomy involving physical, human and technological resources and capabilities. Lee (2001) argued for a distinction between individual-level and firm-level resources. Miller & Shamsie (1996) classified resources into two categories: property-based and knowledge-based. Barney (1991) suggested that other than the general resources of a

firm, there are additional resources, such as physical capital resources, human capital resource and organizational capital resources. Later, Barney & Wright (1998) adds human resource management-related resources to this list of additional resources of a firm. These resources can be tangible or intangible (Ray, 2004).

### **2.2.3 Knowledge-Based view**

While most researchers subscribing to the RBV regard knowledge as a generic resource, some researchers (Murray 2000; Teece. 1997; Tiwana, 2002) suggest that knowledge has special characteristics that make it the most important and valuable resource. Hamel and Prahalad(1994) argue that knowledge, know-how, intellectual assets and competencies are the main drivers of superior performance in the information age. Evans (2003) and Tiwana (2002) also suggest that knowledge is the most important resource of a firm. Evans (2003) pointed out that material resources decrease when used in the firm, while knowledge assets increase with use. Tiwana (2002) argued that technology, capital, market share or product sources are easier to copy by other firms while knowledge is the only resource that is difficult to imitate.

Grant (1996) argued that there are two types of knowledge: information and know-how.

Beckmann (1999) proposed a five-level knowledge hierarchy comprising data, information, knowledge, expertise and capabilities. Zack (1999) divides organizational knowledge into three categories: core knowledge, advanced knowledge, and innovative knowledge. Core knowledge is the basic knowledge that enables a firm to survive in the market in the short-term. Advanced knowledge provides the firm with similar knowledge as its rivals and allows the firm to actively

complete in the short term. Innovative knowledge gives the firm its competitive position over its rivals. The firm with innovative knowledge is able to introduce innovative products or services, potentially helping it become a market leader (Zack 1999).

### **2.3 Sustainable Competitive Advantage.**

Competitive advantage is a key determinant of superior performance, and ensures survival and prominent placing in the market. Superior performance is the ultimate, desired goal of a firm; competitive advantage becomes the foundation. It gives firms the ability to stay ahead of present or potential competition and ensures market leadership.

#### **2.3.1 Information Technology.**

In Kenya, majority of banks have introduced internet banking, mobile banking and other e-banking facilities, to enhance delivery channels to their customers. It is however, important that the introduction of these products be accompanied with programs to broaden consumer horizon by enhancing their knowledge in the new and more innovative way of conducting banking business. For example, while Internet banking is a fast and convenient mode of conducting banking transactions, this is yet to gain acceptance among banking consumers, due to fears of apprehension in this mode of banking.

Kenya commercial bank and Barclay's banks are in the second and third rank with 19.92 and 14.7% of total ATMs in Kenya. All information and communication technology developments are attributed to the realization of the advantages of

technology integration in the banking industry, E-banking is the use of electronic means to deliver banking services, mainly through the Internet. The term is also used to refer to ATMs, SMS Banking, Self Service (PC) Banking, POS Banking (Credit and Debit cards) telephone banking, Interactive TV, Intranet, Branchless Banking and use of plastic money, mobile phone banking and electronic funds transfers.

### **2.3.2 Business Intelligence Systems**

The new banking environment in Kenya is all about differentiating banking products, increased choices, security and accessibility. Majority of banks have introduced internet banking, mobile banking and other e-banking facilities, to enhance delivery channels to their customers. Kenya is one of the early adopters of transaction processing banking systems that automate transactions and process it as quickly as possible, (Finacle, 2012).

Finacle, (2012) says that banking is a data-driven business, and banks must be the trusted custodian of a plethora of customer and corporate data. In a market place that is very competitive, commoditized, heavily regulated, and facing continued economic challenges, success comes from differentiation enabled by the ability to better analyze and immediately convert data to information.

This is where innovative technologies like Business Intelligence will play a crucial role. Implementing BI tools (data warehousing, data mining, scenario development and reporting, analytical tools for predictive and descriptive modeling) will enable banks in Kenya to understand their business better, manage risk and compliance,

improve performance, expand their markets, increase their understanding of their customers, analyze channel profitability, devise product strategy, achieve operational excellence, and above all gain visibility into their profitability (Finacle, 2012).

In the view of these developments, Kenyan banks need to be proactive in managing and utilizing data if they want to keep up with or stay ahead of competition. Implementing business intelligence software will enable Kenyan banks to analyze the vast amounts of information they already have to make the best business decisions. The software will allow them to tap into their huge databases and deliver easy-to-comprehend insight to improve business performance and maintain regulatory compliance. Having a BI capability will enable them to examine profit and loss, including product sales analysis, campaign management, market segment analysis, and risk analysis. Banks can grow revenue by maximizing customer value over the long term and improving customer acquisition and retention. At the same time, they will be able to reduce costs by managing risk and preventing fraud, and improve operational efficiency (Finance Act 2008).

### **2.3.3 Generic Strategies**

Powers and Hahn (2004) examined the performance impact of generic strategies in banking. Their study indicated that banks fall into five clusters based on the type of strategy they used: general differentiation strategy, focus strategy, stuck in the middle, cost leadership strategy, and customer service differentiation strategy. One of Porters generic strategies is cost leadership (Malburg, 2000). This strategy focuses on gaining competitive advantage by having the lowest cost in the industry (Porter, 1987; Anon,

1998; Cross, 1999; Hyatt, 2001; Davidson, 2001). In order to achieve a low-cost advantage, an organization must have a low-cost leadership strategy, low-cost manufacturing, and a workforce committed to the low-cost strategy. One of Porter's generic strategies is cost leadership (Malburg, 2000). This strategy focuses on gaining competitive advantage by having the lowest cost in the industry (Porter, 1985). In order to achieve a low-cost advantage, an organization must have a low-cost leadership strategy, low-cost manufacturing, Cost and Differentiation Focus.

### **2.3.4 Mergers and Acquisitions**

A merger refers to a combination of two or more companies into one company (Pandey, 2006). Pandey (2006) continues to say that, one or more companies may merge with an existing company or they may merge to form a new company. According to Prasanna (2006), laws in India use the term amalgamation for merger for example, Section 2 (IA) of the Income Tax Act, 1961 defines amalgamation as the merger of one or more companies (called amalgamating company or companies) with another company (called amalgamated company) or the merger of two or more companies to form a new company in such a way that all assets and liabilities of the amalgamating company or companies become assets and liabilities of the amalgamated company and shareholders holding not less than nine-tenths in value of the shares in the amalgamating company or companies become shareholders of the amalgamated company. After this, the term merger and acquisition will be used interchangeably. Merger or amalgamation may take two forms: merger through absorption, merger through consolidation. Absorption is a combination of two or

more companies into an existing company. All companies except one lose their identity in a merger through absorption, (Damodaran&Aswath, 2005).

Wealth maximization is the main objective of financial management and growth is essential for increasing the wealth of equity shareholders. The growth can be achieved through expanding its existing markets or entering in new markets, (Pandey, 2006). A company can expand/diversify its business internally or externally which can also be known as internal growth and external growth, (Khan 2006). Internal growth requires that the company increase its operating facilities i.e. marketing, human resources, manufacturing, research, IT etc. which requires huge amount of funds (Khan, 2006). Besides a huge amount of funds, internal growths also require time. Thus, lack of financial resources or time needed constrains a company's space of growth. The company can avoid these two problems by acquiring production facilities as well as other resources from outside through mergers and acquisitions ( Prasanna 2006).

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter represented the research design, sampling design, sampling procedures, data collection, data analysis and reporting, limitations and expected outcomes.

### **3.2 Research Design**

A research design is the strategy specifying which approach will be used for gathering and analyzing the data. It specifies the methods and procedures for the collection, measurement and analysis of data (Cooper and Schindler, 2006). The research was conducted through a case study. This method was appropriate as it allowed an in-depth understanding of the competitive strategies adopted by retail companies and most especially at Ecobank Limited. It combined individual interviews with record analysis and observation.

The objective of a case study is to obtain multiple perspectives of a single organization, and the flexibility of this approach and emphasis on understanding the context of the subject allowed for a richness of understanding (Coopers and Schindler, 2006). (Kothari, 2004) says that the research design is needed for the smooth sailing of the various research operations thereby making research as efficient as possible.

### **3.3 Target Population**

According to Kothari (2004), a target population is a well-defined or set of people, services, elements, and events, group of things or households that are being

investigated in a certain study. The target population of the study was the staff working at Ecobank Kenya head office located in Nairobi region which consisted of 40 employees based at the head office in Nairobi region, this captured the 5 top and the middle level managers in the Marketing, Human Resource, Finance, IT, and Procurement department and senior subordinate staffs i.e, the credit administrators and the credit officers , this was based on the criteria that they have a lot of experience in the strategic formulation, decision making and implementation in Ecobank.

### **3.4 Sample Design**

A sample of 20 employees that represented the entire population was selected at the head office. According to Kothari (2004) a sample of thirty percent and above is adequate to make statistical inferences about the entire population and also would reduce margin of error thus enabling generalization. To get a representative sample of the study population, the researcher used stratified random sampling method since the population was heterogeneous in nature i.e. based on different levels of management and departments involvement in strategic formulation, decision making and implementation in Eco bank. The rationale behind is that, it is believed that the collection of data from all departments would enable the researcher to attain his objective for the research study.

### **3.5 Data Collection**

The study used both primary and secondary data. Secondary data was collected from policy documents at the organization including annual reports obtained from Ecobank Limited Website while primary data was collected using an interview guide. The interview guide was developed in accordance with the objectives.

The interviews were carried out using a structured interview to guide the questions order and the specific way the questions were asked. A face to face interview was also carried out with the respondents.

### **3.6 Data Analysis**

The data collected from the interviews was analyzed through content analysis. Content analysis according to (Cooper and Schindler, 2006) is a research technique for the objective, systematic and qualitative description of the manifest content of a communication. Content analysis was performed with the information obtained. The main purpose of content analysis was to study the existing information in order to determine factors which explain a certain phenomenon. Content analysis was used mainly to summarize the data from the interview, which was then combined with the data gathered from secondary sources for a more comprehensive analysis.

## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION**

### **4.1 Introduction**

This chapter presented analysis and findings of the study as based on the research objectives and methodology. The results were presented on how Ecobank Limited is achieving sustainable competitive advantage. The data was gathered exclusively from interview guides as the data collection instrument which was designed as per the objective of the study. The study targeted the five managers from the organization for better clarity of issues. The managers and credit staffs included the operations manager, Marketing Manager, Procurement manager, Finance and administration manager and human resource manager. The response rate was excellent and representative.

### **4.2 General Information**

The study sought to establish the position of the respondents in the organization the findings indicated that, five managers from the organization were interviewed for better clarity of issues. The managers included the operations manager, Marketing Manager, Procurement manager, Finance and administration manager and human resource manager. These managers were chosen upon because of their key role in strategy formulation and implementation in the organization. The study further sought to find out the number of years the interviewees had worked with the organization, the findings indicated that they had worked for several years with the least having worked for 7 years in the organization.

### **4.3 Basis of Achieving Sustainable Competitive Advantage at Ecobank Limited**

The study sought to establish how Ecobank bank has used market position as one of its strategies in attaining sustainable competitive advantage. The findings indicated that, most of Ecobank Limited outlets are positioned in strategic locations, their branches are very strategic and quality service delivery of a variety services takes place. The study further sought to find out whether Ecobank Limited used pricing as a strategy to attain competitive advantage. From the findings, it was clear that pricing strategy was used to a great extent adopting a cost conscious organizational culture, intolerance of waste, intensive screening of budgets and broad employee participation in cost control efforts. This was aimed at opening up a sustainable cost advantage over competitors and then use that lower cost as a basis for either under-pricing the competitors and gaining a larger market share at their expense or earning a higher profit margin by selling at the going price. Ecobank Limited offers very competitive prices to its customers.

On whether Ecobank Limited has used e-commerce as a strategy in gaining and maintaining sustainable competitive advantage, the interviewees indicated that in order to survive, it is critical that Ecobank Limited create an online platform to achieve a sustainable competitive advantage in their e-commerce strategy and plan for long-term strategic positioning. Further Ecobank Limited customers can now deposit their money and pay bills using Ecobank paybill services. The move follows a partnership agreement signed between integrated communications company Safaricom and leading financial institutions like Ecobank Limited the service will be the second on the M-Banking Paybills menu. Over 13.5 million M-Banking customers

now stand to benefit from this enhanced, safe and efficient banking experience offered by Ecobank Limited branches countrywide.

Asked whether Ecobank Limited used product variety in gaining and maintaining sustainable competitive advantage, the study established that the Company offers many products including bank loans deposit taking and insurance and investment services which are made to suit the needs of the customers . The study sought to find out whether Ecobank Limited has used expansion strategy in gaining and maintaining sustainable competitive advantage. From the findings, it was clear that, they have partnered with various insurance company to sell the policies on their behalf they have also partnered with organizations like Kenya Power, Nairobi Water and Sewerage Company Limited to take receive payments on their behalf.and operate ten exciting brands namely.

Ecobank Limited is continually researching on new products to address the needs of its customers in the markets it operates in. The market sentiments have been positive with customers feeling that the products offers a breath of fresh air with regard to affordability convenience of the product offering and the quality of the services.

Asked whether Ecobank has used merger and acquisition in gaining and maintaining sustainable competitive advantage, the interviewees indicated that, Ecobank Limited has used merger and acquisition as an expansion strategy this has been through collaborating with other financial institutions like insurance company to offer insurance services to its customers without directly going to the insurance companies This strategic transaction which is requisite due diligence, regulatory and corporate

approval fully in line with Ecobank strategy to be a major player in each market where it operates. It will bring to Ecobank strong operational synergies particularly in its network and in terms of complementarities of products, knowledge and know how to better meet the needs of its clients.

Asked whether Ecobank Limited used differentiation strategy in gaining and maintaining sustainable competitive advantage, the interviewees indicated that, differentiation strategy approach is used to focus on developing a reputation for superior quality products under this approach, Ecobank Limited focuses its brands as the premium brands associated with enhanced customer benefits, premium price, and ownership values.

Asked whether Ecobank Limited has used differentiation focus strategy in gaining and maintaining sustainable competitive advantage, the interviewees indicated that, Ecobank Limited has used focused marketing strategy in gaining and maintaining sustainable marketing advantage, it has concentrated on the market penetration strategy by advertising through the electronic and written media thus enabling it to secure a market niche in a wider geographical coverage. This has enabled Ecobank Limited brand name to be popular and thus gaining greater market share even beyond the local boundaries.

Quality perception of a product or service is dynamic and is liable to change due to competitors' actions, introduction of superior technology, change in customers' taste and preferences, and many other market forces. The study sought to establish whether Ecobank Limited has used focused marketing strategy in gaining and maintaining

sustainable competitive advantage, the study findings indicated that Ecobank Limited used a focused marketing strategy in gaining and maintaining sustainable competitive advantage in electronic and print media. They further indicated that they have lately been engaging in CSR where they have joined in the breast cancer awareness campaign program. The findings also revealed that when focusing on market they begin by selecting a market niche where buyers have distinctive preferences. The niche is defined by geographical uniqueness, specialized requirements in using the product or by special attributes that appeal to customers.

The marketing basis at Ecobank Limited for competitive advantage is lowering costs than competitors serving that market segment and offering customers with something different from competitors. Further a focused marketing strategy based on low cost depends on there being a buyer segment whose needs are less costly to satisfy than the rest of the market. On the other hand, a focused marketing strategy based on differentiation depends on there being a buyer segment that demands unique product attributes.

Further the study sought to find out the other strategies that Ecobank Limited used to ensure sustainable competitive advantage in the Kenyan market, from the findings, Ecobank Limited has adopted a low cost leader's basis for competitive advantage in order to lower overall costs than competitors. This was aimed at opening up a sustainable cost advantage over competitors and then use that lower cost as a basis for either under pricing the competitors and gaining a larger market share at their expense or earning a higher profit margin by selling at the going price. The study established that a cost advantage at Ecobank Limited has helped to generate superior profitability

as it is engaged in aggressive price cutting to win sales from rivals. In addition the interviewees said that, Ecobank has used Social Corporate Responsibility (CSR) to motivate its staffs and also to sell its brand around the environs, and also to create awareness of various diseases such as HIV Aids. Ecobank Limited has also sold its brand through supporting social causes like harambee contributions to support local communities.

#### **4.4 Factors That Influence Sustainable Competitive Advantage at Ecobank Limited**

The study sought to find out how competition has affected the competitiveness of Ecobank Limited , the research established that competition has greatly influenced the competitiveness of Ecobank Limited . The interviewees explained that, it is competition that determines the appropriateness of Ecobank Limited activities such as innovations, utilization of resources, cohesive culture or good implementation that contributes to its performance. Further, competition has threatened the attractiveness of the company, consequently reducing profitability of industry players due to shrinking markets.

When asked how resource availability influences SCA at Ecobank Limited, the study findings indicated that resources availability as and when they were required influenced the competitiveness of the organization. The respondents indicated that as a result of limited resources, the organization could not achieve all its planned strategies on time hence bringing about delays in strategy implementation. In some cases, the interviewees indicated that following delays in the implementation of planned strategies, competitors overtook the company in some markets.

The respondents also indicated that, human resource skills and competence influenced SCA at Ecobank Limited. The organization hired human resources with diverse education and professional backgrounds in the banking industry . As time passed by, some moved on to become competitors while others just left to develop their career somewhere else.

Asked how organization culture at Ecobank Limited affected its SCA, the interviewees indicated that, the options that are adopted by Ecobank Limited depends on their culture, educational, legal rules of the market in which they operate in. To succeed in building a sustainable competitive advantage, Ecobank Limited tries to provide what customers perceive as superior value. This entails good quality products and service delivery at affordable and convenient price, better quality products that are worth paying more for.

Asked how merger and acquisition at Ecobank affected its SCA, the interviewees indicated that, by giving a case, the acquisition of EBS stake by Ecobank increased the synergy and brought strong operational synergies particularly in its network and in terms of complementarities of products, knowledge and know how to better meet the needs of its clients.

Asked how Business Intelligence systems at Ecobank affected its SCA, the interviewees indicated that, Business Intelligence systems have enabled Ecobank Limited to have information management systems in place which are integrated to perform multiple tasks thus increasing efficiency and effectiveness in the services offered to its customers.

Asked how Information Technology at Ecobank affected its SCA, the interviewees indicated that, Information Technology has given ecobank an edge in the competitive world by providing a network with other institutions that are in need of financial services without physically going to them. This has been used as time and a cost saving strategy to Ecobank Limited.

Asked whether customer service at Ecobank affected its SCA, the interviewees indicated that, customer demands are known through inquiries and also the organization knows its position through customer complains recorded per day. An organization is able to improve the quality of its products through keeping a record of customers complaints and reviewing its processes from time to time.

Asked how quality improvement at Ecobank affected its SCA, the interviewees indicated that, quality improvement enables an organization to increase efficiency and effectiveness of its operations, in this case Ecobank has been able to save on cost and time thus increasing productivity enabling it to be a cost leader as far as the competition is concerned. Ecobank has also been able to focus on differentiation due to quality improvement.

Asked what other factors have affected the SCA at Ecobank the interviewees indicated that, fridge benefit advanced to its customers like free gift for example to the best performing customer in terms of savings and loan repayment. This will motivate the customers and also encourage them to bring in more customers to Ecobank Limited, thus increasing its client base.

## **4.5 Discussion**

The study demonstrated that Ecobank Limited used pricing strategy a great extent adopting a cost conscious organizational culture towards gaining sustainable competitive advantage. Ecobank Limited used differentiation strategy in gaining and maintaining sustainable competitive advantage, the interviewees indicated that, differentiation strategy approach is used to focus on developing a reputation for superior quality products and services under this approach. Ecobank Limited used a focused marketing strategy in gaining and maintaining sustainable competitive advantage in electronic and print media. They further indicated that they have lately been engaging in CSR where they have joined in sponsoring the needy projects and creating awareness against Aids campaign program.

### **4.5.1 Comparison with Theory**

The findings indicate that differentiation strategy approach was used to focus on developing a reputation for superior quality products and services under this approach, Ecobank Limited projects its brands as the premium brands associated with enhanced customer benefits, premium price, and ownership values. Quality perception of a product is dynamic and is liable to change due to competitors' actions, introduction of superior technology, change in customers taste and preferences, and many other market forces.

These findings are in line with the expectations of the relevant theories developed by Porter (1985) and Ansoff (1990) who argues that superior performance can be achieved in a competitive industry through the pursuit of a generic strategy, which he defines as the development of an overall cost leadership, differentiation, or focus approach to industry competition. If a firm does not pursue one of these strategy

types, it will be stuck-in-the-middle and will experience lower performance when compared to firms that pursue a generic strategy. These strategies are applied in the business unit level and are called generic strategies because they are not firm or industry dependent.

#### **4.5.2 Comparison with other Empirical Studies**

There are several researchers who have empirically investigated the impact of Porter's generic strategies on the performance of companies. Dess and Davis (1984) examined the performance effects of generic strategies based on a sample of non-diversified manufacturing firms. They found that those firms can be classified into four clusters based on the strategies they adopt: cost leadership, stuck in the middle, focus, and differentiation. In terms of sales growth, the four groups were found to be significantly different from one another. The focus cluster was found to have the highest sales growth, followed by cost leadership, differentiation, and stuck in the middle clusters. In terms of return on total assets, the performance difference was not significant among the four groups. While the highest return was evident in the cost leadership group, the lowest was evident in the focus groups.

Technology-driven operational efficiency remains key to the success of Ecobanks operations. Ecobank continues to build a modern technology platform to facilitate speedy and cost effective services to clients. The IT infrastructure is up-to-date, the systems are integrated and the branches are fully networked, creating the convenience and flexibility in transacting banking businesses at any outlet of the Bank. The Group is technology armed, e-Process International SA has achieved tremendous success in providing a shared gateway for the payment system and regional ATM network which

is aimed at improving the efficiency of support to all the subsidiaries. This is in line with what Central Bank Report (2012) put forward that in Kenya, majority of banks have introduced internet banking, mobile banking and other e-banking facilities, to enhance delivery channels to their customers. It is however, important that the introduction of these products be accompanied with programs to broaden consumer horizon by enhancing their knowledge in the new and more innovative way of conducting banking business. For example, while Internet banking is a fast and convenient mode of conducting banking transactions, this is yet to gain acceptance among banking consumers, due to fears of apprehension in this mode of banking.

The study found out that, Ecobank Limited used focus cost leadership and differentiation strategies in order to gain competitive advantage. The findings corroborate research conducted by Obado (2005) who looked at competitive strategies employed by sugar manufacturing firms in Kenya. He was able to establish that sugar firms utilized competitive strategies to gain market. According to Obado (2005) sugar firms used leadership and cost differentiation strategies with great emphasis on customer service, distribution and branding.

Through this lower overall costs, Ecobank Limited is able to open up a sustainable cost advantage over competitors and then use that lower cost as a basis for either under pricing the competitors and gaining a larger market share at their expense or earning a higher profit margin. These studies show consistency with those of Odongo (2011) who looked at the strategies adopted by private hospitals in Nairobi to gain competitive advantage and noted that, the ability of firms to survive in the business

environment is dependent upon their selection and implementation of competitive strategies that differentiate the firm from its competitors.

Ecobank Limited used differentiation strategy in gaining and maintaining sustainable competitive advantage, the interviewees indicated that, differentiation strategy approach is used to focus on developing a reputation for superior quality products under this approach. This was in tandem with (Ghemawat, 1968) who found that, A firm can differentiate itself by offering high quality and innovative products with superior design or brand image, technology or customer service, a strategy typically implemented by making investments in costly activities such as extensive research, product design, and marketing. These expenditures in turn enable the firm to earn price premiums relative to its competitors.

The study established that Ecobank Limited offers many products including insurance , loan products custodial services and remittance services. The study sought to find out whether Ecobank Limited has used expansion strategy like merger and acquisition as mentioned in the literature review in gaining and maintaining sustainable competitive advantage. This was in line with what Coyne (1986) contributed to construct by proposing that, in order to possess an SCA consumers must perceive some difference between a firm's product offering and the competitors offering. This difference must be due to some resource capability that the firm possesses and competitors do not possess. Also, this difference must be some product/delivery attribute that is a positive key buying criterion for the market (Coyne 1986).

## **CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter provides the summary of the findings in chapter four, and also gives the conclusions and recommendations of the study as per the objectives of the study. The conclusions and recommendations were drawn in pursuit of addressing the research question and achieving the research objectives, which were to determine the basis of achieving sustainable competitive advantage in the banking industry and to analyze the factors that influence SCA.

### **5.2 Summary**

This study had two main objectives, which were to find the basis of achieving sustainable competitive advantage at Ecobank Limited and to find out the Factors that influence this sustainable competitive advantage.

#### **5.2.1 Basis of achieving Sustainable Competitive Advantage at Ecobank Limited**

The study established that, most of Ecobanks branches are positioned in strategic locations. Ecobank Limited used pricing as a strategy to attain competitive advantage. From the findings, it was clear that pricing strategy was used to a great extent thus adopting a cost conscious organizational culture.

From the findings, differentiation strategy approach was used to focus on developing a reputation for superior quality products under this approach, Ecobank Limited projects its brands as the premium brands associated with enhanced customer benefits,

premium price, and ownership values. Quality perception of a product is dynamic and is liable to change due to competitors' actions, introduction of superior technology, change in customers' taste and preferences, and many other market forces.

The findings also revealed that, when focusing on market they begin by selecting a market niche where buyers have distinctive preferences. The niche is defined by geographical uniqueness, specialized requirements in using the product or by special attributes that appeal to customers. The marketing basis at Ecobank Limited for competitive advantage is lowering costs than competitors serving that market segment and offering customers with something different from competitors. Further a focused marketing strategy based on low cost depends on there being a buyer segment whose needs are less costly to satisfy than the rest of the market.

Ecobank Limited has adopted a low cost leader's basis for competitive advantage in order to lower overall costs than competitors. This was aimed at opening up a sustainable cost advantage over competitors and then use that lower cost as a basis for either under-pricing the competitors and gaining a larger market share at their expense or earning a higher profit margin by selling at the going price. The study established that a cost advantage at Ecobank Limited has helped to generate superior profitability as it has been used in aggressive price cutting to win sales from rivals.

### **5.2.2 Factors that influence Sustainable Competitive Advantage at Ecobank Limited**

The study established that, competition has affected the competitiveness of Ecobank Limited. The research established that competition has greatly influenced the competitiveness of Ecobank Limited . Competition determines the appropriateness of

Ecobank Limited activities such as innovations, utilization of resources, cohesive culture or good implementation that contributes to its performance. Further, competition has threatened the attractiveness of the company, consequently reducing profitability of industry players due to shrinking markets. The study also established that, as a result of limited resources, the organization could not achieve all its planned strategies on time hence bringing about delays in strategy implementation which sometimes led to competitors overtaking the company in some markets. Human resource skills and competence influenced SCA at Ecobank Limited. The company hired human resources with diverse education and professional backgrounds in the banking industry.

The study also indicated that, organization culture at Ecobank Limited affected its SCA. The choices that are adopted by Ecobank Limited usually depends on their culture, education, legal rules of the market in which they operate in. To succeed in building a sustainable competitive advantage, Ecobank Limited tries to provide what buyers perceive as superior value. This entails good quality products at affordable prices, and better quality products that are worth paying more for.

### **5.3 Conclusion**

The study concludes that pricing strategy was used to a great extent adopting a cost conscious organizational culture, intolerance of waste, intensive screening of budgets and broad employee participation in cost control efforts. The study also concludes that differentiation strategy approach was used to focus on developing a reputation for superior quality products under this approach, Ecobank Limited projects its brands as

the premium brands associated with enhanced customer benefits, premium price, and ownership values.

The study further concludes that the marketing basis at Ecobank Ltd to gain competitive advantage is through lowering costs than competitors serving that market. Offering customers with something different from competitors which was based on low cost depends on the existence of a buyer segment whose needs are less costly to satisfy than the rest of the market.

The study finally concludes that a low- cost leadership basis was adopted for competitive advantage in order to lower overall costs than competitors and open up a sustainable cost advantage over competitors and thus use that lower cost as a basis for either under-pricing the competitors and gaining a larger market share at their expense or earning a higher profit margin by selling at the going price.

#### **5.4 Recommendations**

From the findings and conclusions, the study recommends that, in order to keep up with competition, firms must constantly search for a competitive strategy that will ensure competitive advantage in the long term and yield market leadership and that the management should implement various strategies to survive in a dynamic and highly competitive business environment.

The study also recommends that, there is need to adopt a competitive strategy that will incorporate features that take into account the company strategy. If the company wants to differentiate itself, then it should emphasize the different features it has and

the competitor lucks. If a company wants to have a cost leadership strategy, it will incorporate features that reduce the overall cost of the product.

The study fully recommends that there is need to understand competitor strengths in the market and then position one's own offerings to take advantage of weaknesses and avoid head on clashes against strengths in order to cease all the duplication/imitation efforts by the rival companies through innovation and adopt a learning attitude in order to learn how to create new advantages that can help achieve sustainable competitive advantage.

In order to survive, it is critical that Ecobank Limited create an online platform to achieve sustainable competitive advantage in their M- Banking strategy and plan for long-term strategic positioning. Further Ecobank Limited customers can now pay for school fees, repay their loans and deposit money for goods using the globally acclaimed M-Banking pay bill service.

### **5.5 Limitations of the study**

The study faced financial limitation where the researcher had limited funds to facilitate comprehensive data collection and analysis. However, the researcher utilized the only available funds to undertake the study by interviewing key managers in the head office and some various branches. Secondly the study was also faced with time constraint.

The study also faced a challenge in terms of resistance from target respondents fearing that the information requested would be used for other purposes apart from

academic purposes. The researcher carried with her an introduction letter from the University of Nairobi to assure them that the information requested was only going to be used for academic purposes.

The study only focused on strategies adopted to gain sustainable competitive advantage at Ecobank Limited. This being a case study, therefore, the research findings may not be used to generalize the banking industry in Kenya as a whole.

### **5.6 Suggestions for Further Research**

The study recommends that, further research should be carried out on the general strategies adopted by Ecobank Limited in Kenya in order to maintain a sustainable competitive advantage with increased competition from new entrants, further research should be done on other organizations in the public sector so as to get comprehensive information on how the other players in the sector have responded towards competition in their quest to achieve sustainable competitive advantage.

More research can also be done on other evolving strategies like the balanced score card and Ansoff matrix to investigate whether firms are using it to achieve competitive advantage and if it leads to sustainable competitive advantage. There is also need for a more detailed study that incorporates more competitive strategies than those utilized in this study.

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## **APPENDIX 1: INTERVIEW GUIDE**

### **SECTION 1: GENERAL INFORMATION**

1. What position do you hold in the organization?
2. How many years have you worked with Ecobank Limited?

### **SECTION 2: BASIS OF ACHIEVING SUSTAINABLE COMPETITIVE ADVANTAGE**

3. How has Ecobank Limited used market position as one of the strategies in attaining sustainable competitive advantage?
4. Has Ecobank limited used pricing as a strategy to attain competitive advantage? Please explain
5. Has Ecobank Limited used e-commerce as a strategy in gaining and maintaining sustainable competitive advantage? Please explain
6. Has Ecobank Limited used product variety in gaining and maintaining sustainable competitive advantage? Please explain
7. Has Ecobank limited used expansion strategy (Merger and Acquisition) in gaining and maintaining sustainable competitive advantage? Please explain
8. Has Ecobank limited used Differentiation strategy in gaining and maintaining sustainable competitive advantage? Please explain
9. Has Ecobank Limited used focused marketing strategy in gaining and maintaining sustainable competitive advantage? Please explain
10. What other strategies has Ecobank Limited used to ensure sustainable competitive advantage in the Kenyan market?

### **SECTION 3: FACTORS THAT INFLUENCE SCA**

11. How has competition affected the competitiveness of Ecobank limited?
12. How has resource availability influenced SCA at Ecobank limited?
13. How has Human resource skills and competence influenced SCA at Ecobank limited?
14. How has organization culture at Ecobank limited affected its SCA?
15. How has Merger and Acquisition at Ecobank Limited affected its SCA?
16. How has use of Business Intelligence Systems impacted on SCA at Ecobank Limited?

17. How has Information Technology at Ecobank Limited affected its SCA?
18. How has customer service at Ecobank Limited affected its SCA?
19. How has quality improvement at Ecobank Limited affected its SCA?
20. What other factors have affected the SCA of Ecobank Limited?

## APPENDIX II

### LIST OF ECOBANK BRANCHES IN KENYA

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#### NAIROBI

**Branch:** CHAMBERS  
**Address:** GROUND FLR, ECOBANK CHAMBERS, TOM MBOYA ST.  
**tel.:** (254) 20 2883000,CELL 0719 098 000  
**fax.:** (254) 20 224 96 70  
**email:** kenya@ecobank.com  
**P.O. box:** 44430-00100 NAIROBI

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**Branch area:** NAIROBI  
**Branch:** ECOBANK TOWERS  
**Address:** ECOBANK TOWERS, MUINDI MBINGU ST, NRB  
**tel.:** (254) 20 288 3 000 / (254) 719 098 000  
**fax.:** (254) 20 224 96 70  
**email:** kenya@ecobank.com  
**P.O. box:** 49584-00100 NAIROBI

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**Branch area:** NAIROBI  
**Branch:** EMBAKASI  
**Address:** Greenspan Mall, Donholm, Nairobi  
**tel.:** 020 288 3000/0719 098 000  
**email:** kenya@ecobank.com  
**P.O. box:** 49584 - 00100 Nairobi

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**Branch area:** NAIROBI  
**Branch:** GIKOMBA  
**Address:** ROYAL SKY HOTEL BUILDING, NEW PUMWANI RD  
**tel.:** (254) 20 2883000,CELL 0719 098 000  
**fax.:** (254) 20 224 96 70  
**email:** kenya@ecobank.com  
**P.O. box:** 49584-00100 NAIROBI

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**Branch area:** NAIROBI  
**Branch:** INDUSTRIAL AREA  
**Address:** INDUSTRIAL AREA, DAR-ES-SALAAM ROAD, NRB  
**tel.:** (254) 20 2883000,CELL 0719 098 000  
**fax.:** (254) 20 224 96 70  
**email:** kenya@ecobank.com  
**P.O. box:** 18333-00500 NAIROBI

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**Branch area:** NAIROBI  
**Branch:** KAREN

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**Address:** OFFICE PARK NEXT TO CROSSROADS MALL  
**tel.:** (254) 20 2883000,CELL 0719 098 000  
**fax.:** (254) 20 224 96 70  
**email:** kenya@ecobank.com  
**P.O. box:** 49584-00100 NAIROBI

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**Branch area:** NAIROBI  
**Branch:** KITENGELA  
**Address:** Kenol/Kobil Petrol Station, Kitengela, Kajiado  
**tel.:** 020 288 3000/0719 098 000  
**email:** kenya@ecobank.com  
**P.O. box:** 49584 - 00100 Nairobi

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**Branch area:** NAIROBI  
**Branch:** PLAZA 2000  
**Address:** (254) 20 2883000,CELL 0719 098 000  
**tel.:** (254) 20 288 3 000 / (254) 719 098 000  
**fax.:** (254) 20 224 96 70  
**email:** kenya@ecobank.com  
**P.O. box:** 27607-00506 NAIROBI

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**Branch area:** NAIROBI  
**Branch:** RONGAI  
**Address:** MAASAI MALL  
**tel.:** (254) 20 2883000,CELL 0719 098 000  
**fax.:** (254) 20 224 96 70  
**email:** kenya@ecobank.com  
**P.O. box:** 49584-00100, NAIROBI

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**Branch area:** NAIROBI  
**Branch:** TRM  
**Address:** THIKA ROAD MALL, THIKA ROAD, ROYSAMBU ROUND ABOUT  
**tel.:** (254) 20 2883000,CELL 0719 098 000  
**fax.:** (254) 20 224 96 70  
**email:** kenya@ecobank.com  
**P.O. box:** 49584-00100, NAIROBI

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**Branch area:** CENTRAL  
**Branch:** KARATINA  
**Address:** PARKWAY TOWERS, BUSPARK ST-KARATINA  
**tel.:** (254) 20 2883000,CELL 0719 098 000  
**fax.:** (254) 20 224 96 70  
**email:** kenya@ecobank.com  
**P.O. box:** 353-101 101 KARATINA

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<b>Branch area:</b>	CENTRAL
<b>Branch:</b>	MERU
<b>Address:</b>	MILAN CENTRE, NJURI NCHEKE ST.
<b>tel.:</b>	(254) 20 2883000,CELL 0719 098 000
<b>fax.:</b>	(254) 20 224 96 70
<b>email:</b>	kenya@ecobank.com
<b>P.O. box:</b>	1554-60200 MERU
<b>Branch area:</b>	CENTRAL
<b>Branch:</b>	NYERI
<b>Address:</b>	ECOBANK BLDG, GAKERE RD, NXT TO MATHAI SUPERMARKET
<b>tel.:</b>	(254) 20 2883000,CELL 0719 098 000
<b>fax.:</b>	(254) 20 224 96 70
<b>email:</b>	kenya@ecobank.com
<b>P.O. box:</b>	926-01000 NYERI
<b>Branch area:</b>	CENTRAL
<b>Branch:</b>	THIKA
<b>Address:</b>	ECOBANK BLDG, STADIUM RD, THIKA
<b>tel.:</b>	(254) 20 2883000,CELL 0719 098 000
<b>fax.:</b>	(254) 20 224 96 70
<b>email:</b>	kenya@ecobank.com
<b>P.O. box:</b>	1381-0100 THIKA
<b>Branch area:</b>	COAST
<b>Branch:</b>	JOMO KENYATTA AVE
<b>Address:</b>	HABO PLAZA, JOMO KENYATTA AVE, MSA
<b>tel.:</b>	(254) 20 288 3 000 / (254) 719 098 000
<b>fax.:</b>	(254) 20 2883000,CELL 0719 098 000
<b>email:</b>	kenya@ecobank.com
<b>P.O. box:</b>	80113-80100 MOMBASA
<b>Branch area:</b>	COAST
<b>Branch:</b>	MALINDI
<b>Address:</b>	BLUE MARLIN COMPLEX, LAMU RD.
<b>tel.:</b>	(254) 20 2883000,CELL 0719 098 000
<b>fax.:</b>	(254) 20 224 96 70
<b>email:</b>	kenya@ecobank.com
<b>P.O. box:</b>	2020-80200 MALINDI
<b>Branch area:</b>	COAST
<b>Branch:</b>	MOI AVENUE
<b>Address:</b>	ECOBANK HSE, MOI AVE.
<b>tel.:</b>	(254) 20 2883000,CELL 0719 098 000
<b>fax.:</b>	(254) 20 224 96 70
<b>email:</b>	kenya@ecobank.com

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**P.O. box:** 81043-80100 MOMBASA

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**Branch area:** COAST  
**Branch:** NYALI  
**Address:** NYALI CENTRE, LINKS RD.  
**tel.:** (254) 20 2883000,CELL 0719 098 000  
**fax.:** (254) 20 224 96 70  
**email:** kenya@ecobank.com  
**P.O. box:** 81043-80100 MOMBASA

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**Branch area:** RIFT VALLEY  
**Branch:** ELDORET  
**Address:** OGINGA ODINGA ST, ELDORET ECOBANK BUILDING  
**tel.:** (254) 20 2883000,CELL 0719 098 000  
**fax.:** (254) 20 224 96 70  
**email:** kenya@ecobank.com  
**P.O. box:** 6070-30100 ELDORET

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**Branch area:** RIFT VALLEY  
**Branch:** KITALE  
**Address:** TANNA HSE, KENYATTA STREET.  
**tel.:** (254) 20 2883000,CELL 0719 098 000  
**fax.:** (254) 20 224 96 70  
**email:** kenya@ecobank.com  
**P.O. box:** 810-30200 KITALE

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**Branch area:** RIFT VALLEY  
**Branch:** NAKURU  
**Address:** ELGON HSE, CLUB RD  
**tel.:** (254) 20 2883000,CELL 0719 098 000  
**fax.:** (254) 20 224 96 70  
**email:** kenya@ecobank.com  
**P.O. box:** 12740- 20100 NAKURU

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**Branch area:** WESTERN  
**Branch:** BUSIA  
**Address:** BUSIA TOWN, KISUMU BUSIA HIGHWAY  
**tel.:** (254) 20 2883000,CELL 0719 098 000  
**fax.:** (254) 20 224 96 70  
**email:** kenya@ecobank.com  
**P.O. box:** 172-50400 BUSIA

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**Branch area:** WESTERN  
**Branch:** KISUMU MAIN  
**Address:** GROUND FLR, ECOBANK TOWERS, OGINGA ODINGA RD  
**tel.:** (254) 20 2883000,CELL 0719 098 000

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**fax.:** (254) 20 224 96 70  
**email:** kenya@ecobank.com  
**P.O. box:** 1001-40100 GPO KISUMU

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**Branch area:** WESTERN  
**Branch:** UNITED MALL  
**Address:** UNITED MALL, KISUMU/KAKAMEGA RD, KISUMU  
**tel.:** (254) 20 2883000,CELL 0719 098 000  
**fax.:** (254) 20 224 96 70  
**email:** kenya@ecobank.com  
**P.O. box:** 928-40123 KISUMU

## **APPENDIX III**

### **List of Commercial Banks in Kenya**

1. ABC Bank (Kenya)
2. Bank of Africa
3. Bank of Baroda
4. Bank of India
5. Barclays Bank Kenya
6. CfC Stanbic Holdings
7. Chase Bank Kenya
8. Citibank
9. Commercial Bank of Africa
10. Consolidated Bank of Kenya
11. Cooperative Bank of Kenya
12. Credit Bank
13. Development Bank of Kenya
14. Diamond Trust Bank
15. Ecobank Kenya
16. Equatorial Commercial Bank
17. Equity Bank
18. Family Bank
19. Fidelity Commercial Bank Limited
20. First Community Bank
21. Giro Commercial Bank
22. Guaranty Trust Bank Kenya
23. Guardian Bank
24. Gulf African Bank
25. Habib Bank
26. Habib Bank AG Zurich
27. Housing Finance Company of Kenya
28. I&M Bank
29. Imperial Bank Kenya
30. Jamii Bora Bank

31. Kenya Commercial Bank
32. K-Rep Bank
33. Middle East Bank Kenya
34. National Bank of Kenya
35. NIC Bank
36. Oriental Commercial Bank
37. Paramount Universal Bank
38. Prime Bank (Kenya)
39. Standard Chartered Kenya
40. Trans National Bank Kenya
41. United Bank for Africa
42. Victoria Commercial Bank