COMPETITIVE STRATEGIES AND MARKET GROWTH OF STANDARD CHARTERED BANK IN KENYA

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DECLARATION

This research project is my original work and has not been submitted for a degree in any other university.

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This research project has been submitted for examination with my approval as the University supervisor.

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DEDICATION

This work is dedicated to my wife Carolyne Kithuku for the support given all through the study period.

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ABSTRACT

Business growth strategies are approaches that can be used to increase the size of a business in terms of number of customers or their presence in the market place. The mainly appropriate business expansion strategies for any business will be to grow a business in size and value over the long-term and can also help in creating competitive advantage over competitors. The objective of this study was to establish the effect of competitive strategies on market growth of Standard Chartered Bank Limited in Kenya. This study took up a case study design targeting one organization. An interview guide was used to collected data which was analyzed by use of content analysis as a tool. The study established the bank had adopted competitive strategies in an effort to increase its market growth and realize the banks' overall objective. The bank adopted strategies alliances, cost minimization, use of advanced technology, applied partnership strategy, applied collaboration strategy, applied joint venture strategy and applied outsourcing strategy in meeting its strategic goals and objectives. Technology has enabled the bank attract and retain a new category of self service customers. Corporate clients are also drawn in through the use of advanced technology. The study also found that cost minimizations strategies were implemented in the activities of the bank such as account that have no charges or monthly levies where low income earning customers were attracted to them thus expanding the market for the bank. The study concludes that Standard Chartered Bank Limited has implemented several competitive strategies which have seen its increase in market presence. This has further increased the number of customers at the bank, the loan book portfolio has improved and so has the profitability as a result of these conceited efforts. The study also concludes that the bank's usage of partnership and collaboration with insurance firms has impacted positively on the market growth of the bank. The study recommends that the bank should adopt advanced technology that is safe which would easily be used to attract new customer base increasing its capability for achieving market growth and competitive advantage at the market place. The study further recommends that the bank should adopt more effective strategic alliances and partnership so as to realize higher returns and gain a competitive edge in the market place.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The operating milieu for businesses has altered tremendously following increased globalization scenarios, development in information communication and technology systems, high competition from local and international players and customers and consumers who demand for unique products and services in an effort to satisfying their needs. Mutua (2013) states that furthermore, the business environment has become turbulent facing many challenges associated with trade liberalization and globalization. This has led to the management teams and investors to rethink on their strategies, adopting new strategies and ways in trying to stay competitive and to survive in the current and the future market place. It is critical for the top management to understand the current market behavior, magnitude and the rate of competition within the industry as they engage in growth and expansion strategies that will enable them to counter the ecological challenges in order to gain cutthroat advantage over their competitors, increase their market presence, and encourage customer loyalty to their brand name and indeed for continued survival in to the future times (Parnell, 2011). Based on goals and objectives, firms adopt various strategies. The diverse strategies have dissimilar costs and related benefits that manipulate adoption. Thus enforcing a good strategy would give an organization an edge over its competitors leading to market growth in terms of their sales volume, market share and profits (Van Weele, 2009)

This learn will be anchored on two theories; the Resource Based View Theory (RBV), this is the application of a package of unique and valuable material or intangible resources at the disposal of the firm and which if utilized well by the firm, it is able to gain and sustain competitive advantage through giving it an edge over the firms' competition (Wernerfelt, 1984). The second theory is the open systems theory which asserts that organizations are open systems that are affected by the operating environment in the same manner that they affect it. This theory belief that organizations have to put into consideration the operating environment at all times to ensure that they do not negatively affect it because it will also negatively affect their operations.

The banking industry in Kenya has become very competitive following the entry of other banks and acquisition of small local banks by pan African banks like Ecobank. The industry currently boasts of 43 commercial banks all of which are fighting to grow their market share. The situation in the industry has been made worse with the introduction of interest rate capping which now means that they banks have to ensure operational efficiency if they are to improve their competitiveness. Standard Chartered bank is an international brand with operations across Africa, Asia and other continents. The Kenyan subsidiary has had challenges growing its Kenyan market share as more local indigenous banks have grown in asset size and customer base. This has brought about operational challenges which the Bank has to overcome if it has to grow its market share. As other banks invested in branch network expansion, the Standard Chartered Kenya Limited capitalized on information technology. The Bank currently has 36 branches in the country which are way below those run by competitors. This study will seek to establish the competitive strategies adopted by the Bank to develop its market share.

The Standard Charted Bank of Kenya limited has been facing a lot of challenges in the past few years, some including a lot of competition that has been experienced in the banking industry in Kenya, the customers have become more knowledgeable and having unique demands of goods and services that will satisfy them; changing regulatory provisions and prudential guidelines by the Central Bank of Kenya (CBK) and technological advancements. This is forcing the banks to have strategies and improve the ones they currently have and in an effort satisfy their customers and beat their competition. The Standard Chartered Bank is following suit too.

1.1.1 Competitive Strategy

Strategy is all about setting direction and having a more future oriented approach in undertaking future activities that would help a firm achieve its strategic goals and objectives. With the right strategy, all firms should be able to establish where we they are, where they want to go and how they will get there; all this is clearly stated in the strategic plan that the organization develops (Parnell, 2011). Competitive advantage is crucial for earning and sustaining superior performance in an organization. The level of performance is in turn directly related to the strategies the organization adopts and its implementation of the same. Parnell (2011) asserted that any business strategy capable of success to an organization must be grounded in competitive advantage and growth for it to have an upper hand against its competitors in protecting customers and defending itself against rivalry. . McGrath (2013) argued that an organization can only achieve competitive advantage over others if it has capabilities that the others do not have or have difficulty in obtaining. The management has to sit down and come up with competitive strategies that would give their organization a superior edge over other players in the same field or sector.

In order to maximize its capabilities and organization must effectively exploit its core competencies. Organizations must also focus on achieving competitive advantage that can be preserved over time. This is because a company's prosperity is dependent on how powerful and enduring its competitive advantages are in the current state and in future times. As Chevalier-Roignant and Trigeorgis (2011) argued, a firm can only attain competitive gain if it implements a worth creating activity that is not concurrently implemented by other competitors and when other businesses cannot copy the payback of this strategy. The importance of strategic intent cannot therefore be overlooked, by any firm seeking market growth and sustainability.

1.1.2 Market Growth

McGrath (2013) proposes that firms seeking growth via their markets either in new markets or expansion into new areas and customers whereby the organization stratifies the customers into homogenous groupings with an effort of creating goods or services to satisfy them and hence convert them into loyal customers. The management of an organization that is seeking market growth has various strategic options to look at, including market diffusion, market development, product improvement and product diversification. These strategies can be chosen depending on the organizations strategy preferences in terms of growth and the market situation. Baldwin and Scott (2013) argues that firms that decide to formulate and implement growth/expansion strategies regionally do so due to changes in the environment either in their home countries or in their preferred hosts countries; it could be because of changes in policies and guidelines in the industry. This can be because of increased competition, unfavorable legal framework, and unstable political situation, changing social-cultural setup that is unbearable to the firm or poor technological set-ups.

Environmental change in host nations can lead to high demand for the firm's product/services, government incentives or investors, availability of affordable credit facilities, political stability, availability of affordable labor, favorable legal framework. These are some of the reasons that make such firms seek market growth to new regions or join the global space (ABE, 2012). But these local firms seeking to grow regionally or globally need to know that effective strategic management is the key to their success in these new business environments. This means that they have to formulate better strategies which are accurately linked up with the results of the environmental analysis. Strategic management for such firms means effective scanning of the environment in the new host nation, developing of relevant expansion strategies, effective implementation, monitoring and review in order to acquire competitive advantage over other competitors in such states. The environmental scanning focuses both on internal and external environment with the external environment scanning enabling the firm to establish the challenges that they face in form of threats and opportunities for investments while the internal appraisal indicating the weakness and strengths of the firm. This helps the firm to be able to work on their weakness and improve them to boost their strength as they seek to deal with the threats and capitalize on the existing opportunities (Coase, 2012).

1.1.3 Competitive Strategy and Market Growth

Competitive strategy looks at building a lucrative and protracted position to counter the forces that decide business rivalry. The action plans developed by an organization to maneuver the market for competitiveness play an important role on its performance and market growth. It is concerned with how a business achieves a competitive advantage in its area of operations. Possession of competitive advantage is necessary for a firm to compete especially in circumstances where the competitiveness can be sustained for long (Kimando, Njogu, & Sakwa, 2012). Competitive advantage is built as a result of high value products; greater customer service and achieving low-running costs

To thrive in developing a long term competitive gain, firms should endeavor to manufacture what consumers will recognize as superior value that is worth paying more for (Porter, 2008). Bavarsad, Rahimi and Seyfi (2014) note that implementation of cost leadership and differentiation strategies positively influence firm performance. The application of competitive process as a sole coordinating process amongst major management processes such as tactical management, human resources management, technology management, and operations management may offer a power instrument to an organization. Jonsson & Devonish (2009) documented that businesses with correctly designed and applied competitive plans have likelihood to enjoy greater returns. Competitive strategies results to high organizational performance, client happiness and more competitiveness against competitors.

1.1.4 Commercial Banks in Kenya

History of banking in Kenya goes back to colonial period. Commercial banks started operations in Kenya in the 1890s and served purely the colonialists as there was no interest in, or association with, the Africans as most were uneducated, all businesses they handled was barter trade, thus they saw no need of banking. Much later on the commercial banks grew to serve even the African population. Today banks in Kenya are privately-owned or public-owned institutions that take deposits, process loans for both individuals and corporate, and offer other financial services, such as cross boarder banking, collections and trade financing. They are licensed and regulated by the Central Bank of Kenya. The bank licenses, supervises and regulates commercial banks, as provided for under the Banking Act (Cap 488). Kenya at present has 43 licensed commercial banks. Of these 43 banks, 31 are owned locally and 12 are owned by foreign entities. The Kenya Government has a considerable stake in three of Kenya's local commercial banks. The other local banks are majorly family owned.

Kenya's banking industry is controlled by the Companies Act, Banking Act and Central Bank of Kenya (CBK) Act. CBK, which is under the Finance Ministry, is in charge of formulating as well as implementing fiscal policy and nurturing liquidity, solvency along with appropriate functioning of the fiscal and banking system through the different prudential guidelines issued by the Central Bank of Kenya. Banks in Kenya have jointly come together under one umbrella, Kenya Bankers Association (KBA), an organization that lobbies for the banking sector's interests, addressing the issues affecting members of the association and the banking sector in the country. For many years now, the Kenya's Banking Sector has unrelenting desire to grow in assets, deposits, profitability and products offer. The growth can be witnessed through increase in branch networks across the country and expanding to neighboring countries like Uganda, Rwanda, Burundi and South Sudan. Over the last few years, competition has been on the rise due to increase in innovations within the banks, increased customer demands for cash and new entrants into the market (PWC Kenya, Industries: Banking Industry 2011).

This is an international bank with a presence in all the continents. It was established in 1969 as an amalgamation between the Standard Bank of British South Africa, which did business throughout the African continent, and the Chartered Bank of India, Australia and China, which operated branches throughout India, China, and South Eastern Asia. The Kenyan branch's official name is Standard Chartered Bank (Kenya) Limited, although commonly known as Stanchart Kenya, is a commercial bank in Kenya (Standard Chartered, 2016). The bank opened its first branch in Kenya in 1911 having one branch in Mombasa and another in Nairobi. Today it has a strong presence in the Kenyan financial and banking sector with 42 branches located countrywide, 94 Automated Teller Machines (ATMs) with 1,865 work forces (Standard Chartered 2016).

Since 1989, Chartered Bank remains a public company quoted on the Nairobi Stock Exchange. It is one of the oldest banks in Kenya that enjoys a market contribution of almost 27%. The Bank comprises of two banking segments; Corporate and Institution Banking and Retail Banking. To support the two segments, the bank has functions of Information Technology and Operations, Finance, Human Resources and Corporate Affairs (Standard Chartered, 2016). To serve the Corporate and Institutions clients better, the bank has opened up center in four major cities namely Nairobi, Mombasa, Kisumu and Eldoret. The banks' strategy is to be the world's best international bank, leading the way in Asia, Africa and the Middle East. Its center of attention is on building deep and long-standing relationships with its clients and customers and continuously looks to improve the quality of its products and services (Standard Chartered, 2016).

It is a public quoted company on the Nairobi Securities Exchange. The reporting of its capital, deposit and lending portfolio is done in local currency i.e. Kenya Shillings but if offers a variety of foreign currency accounts to customer for both deposits and loans. Its portfolio is diversified cutting across many sectors including Business services, Agriculture, wholesale and retail trade, Transport and Communication, Energy and water and real estate. Additional underpinning its significance, the bank hosts the regional Shared Service Centre sustaining the Bank's technology operations for Uganda, Tanzania, Zambia and Botswana and South Africa

1.2 Research Problem

Business growth strategies are approaches that can be used to increase the size of a business in terms of number of customers or their presence in the market place. The mainly appropriate business expansion strategies for any business will be to grow a business in size and value over the long-term and can also help in creating competitive advantage over competitors. Working strategically starts with setting goals and this process of goal setting can be very beneficial to the organization, since it outlines a step-by-step process in performing the plan in an effort to achieve its mandate and improve the performance of the organization.

There are several studies that have been done in this area including: Papulova and Papulova (2006) examined competitive strategy and competitive advantages of small and midsized manufacturing enterprises in Slovakia and established that through formulation and implementation of competitive strategies, the firms were able to build competitive advantage. Baloch and Inam (2016) examined the role of strategic competitiveness in creating firm’s future. From the study, it was noted that strategy provided the program of actions for attaining the desired results and together with objectives determines the future plan. . For Corporate growth to be successful, Objective setting, growth vector, Competitive Advantage and synergy must be put in consideration. Uchegbulam, Akinyele and Ayodotun (2015) studied competitive strategy and performance of selected Small and Medium Enterprises in Nigeria and established a connection linking product features and customer base; product customization and sales growth, value added products and revenue growth. Rennison, Novin and Verstraete (2014) studied firm strategy, competitiveness and productivity using the case of Canada and noted that due to better aggressive pressures in both local and foreign markets, firms were setting up fundamentally defensive uses for their capital budgets, aimed at additional decrease in their cost structure or at ways to distinguish their product offerings.

Locally, Mutua (2013) studied growth strategies and the competitive advantage of commercial banks in Kenya and established that the level of competitiveness relied heavily on the adopted growth strategy. The study established a positive relationship between growth strategies and Banks' levels of competitiveness. Musyoka (2012) examined competitive strategies adopted by Kenya Commercial Bank limited in retail banking. The results revealed that a number of strategic marketing variables were manipulated by banks to respond to a competitive intensity in the banking sector. These included; developing new products, market development and market focus.

Mutua (2013) examined competitive strategies implemented by National Bank of Kenya in coping with ecological changes. The findings show that NBK had competitive strategies in areas such as strategic transformation, corporate governance, strategic business growth and development, information communication technology, corporate social responsibility, risk management, market segmentation and product diversification, other competitive strategies by national bank of Kenya included retirement benefit obligations, fiduciary activities, and segmental reporting. Ghikas (2012) looked at how standard chartered bank has implemented the strategy of business process outsourcing. The findings show where behind the need for the bank to outsource its business operations to centers of excellence. The reasons include the need to realize cost efficiency, increased productivity, technical consideration and the need to focus on core activities

From the international studies examined above, it is noted that it covered a different context which limits their applications in the case of the current study. All these other local studies done in the banking industry none has looked at the impact of competitive strategies on market growth and therefore this study wishes to fill that gap. The study seeks to fill the gap in research by wanting to react to one research question: What is the effect of competitive strategies on market growth of Standard Chartered Bank Limited in Kenya?

1.3 Research Objective

The objective of this study was to establish the effect of competitive strategies on market growth of Standard Chartered Bank Limited in Kenya.

1.4 Value of the Study

Findings from the research would be helpful to policy makers in the financial institutions; the Central Bank of Kenya, the government of Kenya, the Kenya Bankers association and commercial banking sectors to come up with policies that would help players in this industry in implementing strategies for growth purposes.

The study would give insight to the management team at the Standard Charted Bank Kenya Limited as it tries to understand the competitive strategies and its impact to market growth. It would help the management team come up with strategies that in the long run would give them the competitive edge they seek.

To academicians and researchers, the findings from this study would contribute new knowledge in the area of competitive strategies and its impact on market growth in the banking sector and at Standard Chartered Bank. For the upcoming scholar, this study will act as a source of reference besides suggesting areas for advanced research

Findings from the study would add to the growth and application of the two theories used: the resource-based view theory and the open systems theory. It would help demystify the application of these theories in the field of strategic management to give details how organizations apply competitive strategies for sustained growth. The findings would also help inform other scholars on the role played by these theories in future studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The section presents an assessment of writings relevant to the study as presented by various researchers, scholars' analysts and authors. The segment looks at the theoretical framework in which theories on competitive strategies and market growth will be discussed. Empirical literature and the conceptual framework variables will also be discussed.

2.2 Theoretical Foundation

The study will be founded on two theories: Resource Based View Theory and the open systems theory.

2.2.1 Resource Based View Theory

This theory seeks to explain how an organization can apply internal sources of sustained competitive advantage in a given industry (Kraaijenbrink, Spender & Groen, 2010). The theory focuses on how organizations are well-organized and innovative in the use of wealth. Based on the theory, it asserts that bundles of fruitful resources that s firm controls vary considerably from one firm to another making diverse even if they are in the same industry (Barney & Clark, 2007). This therefore provides firm with unique bundle of resources which when well utilized would give them a competitive advantage. Elger (2002) too relies on the resource-based theory to elucidate performance as well as performance development. To perform is to bring into being valued consequences.

According to Elger, a performer can be an individual or a group of people involved in a joint effort.

Growing performance is considered to be an expedition, and stage of performance describes position in the expedition. Level of knowledge, context, identity level, skills at hand, personal factors and fixed factors are the key components that drive the current level of performance. . So as to gain effective performance improvements, three key factors are proposed. Personal mindset, engagement in reflective practice and immersion in an enriching environment. So as to gain performance increase, the performer must influence the factors below. Performer's attitude which includes actions that connects with positive feelings. Interest in a physical, social, and intellectual environment can elevate performance and arouse personal as well as professional development. Lastly, thoughtful behavior which involves actions that help people pay attention to and learn from experiences can also form part of worthwhile bundle of resources (Kraaijenbrink et al., 2010). The theory is applicable in this study since it helps explain the role of resources both financial and human capital competitive strategy formulation and implementation for growth of the Bank.

2.2.2 Open Systems Theory

The hypothesis was founded by Ludwig von Bertanlanffy (1956), a biologist (Scott, 2003). It examines institutions mutually as hierarchical systems and as slackly joined systems that affect the operating environment in the same extent that the environment affects them. Most of open systems do have similarities of clustering and levels. It supposes that all large institutions are made up of numerous sub-systems, which receives inputs from other sub-systems and later converts them to outputs for use by other systems (Hatch, 1997). Sub systems are not essentially characterized by sections in any organization but in its place bear a resemblance to prototype of activity. The reliance and links within a subsystem tend to be tighter than between subsystems. These "stable sub-assemblies" provide a separate endurance benefit to the complete system (Gortner, Mahler and Nicholson, 1997).

The theory echoes the principle that all institutions are distinctive in part due to the distinctive surroundings in which they function and that they ought to be planned to have room for exceptional challenges and opportunities (Hatch, 1997). These ecological aspects that affect the open systems can either be specific or general. Specific environmental factors would include the immediate suppliers, distributors, competitors and other government agencies that a business interrelates with. The broad setting covers four influences that originate from the geographic area in which the institute operates.

According to the Open System Theory, most institutions are made up of many related sub systems that does receive inputs from one another and converts them as output for utilization by supplementary systems. In this theory, departments do not necessarily represent the subsystems instead they resemble patterns of activity (Hatch, 1997). According to the theory, for an organization to attain its objectives and goals, it's vital that all its operations are in an open system in which it takes care of the environment it decision making process. Failure to comply will amount to failure to deliver on its objectives. To the study, the theory is relevant because it helps explain the interaction between an organization and its surrounding environment. It helps explain how organizations have to consider the society in which it operates when formulating and implementing its strategies.

2.3 Market Growth Strategies

Ayupp and Tudin (2013) argue that expansion is essential for any business so as to guarantee its ability to sustain a competitive edge inside any business milieu. It is measured in based on the capability to raise firm's capital or growth of its size and competence. victorious expansion focused businesses lay down the right growth direction by instituting a clear point of view into the future, develop product-market segment without being hindered by the past, come up with strong models to win and pursue reinforcing initiatives to manage growth.. They do understand their strength based on assessment of their capabilities and limitations, and grow their operational model to help in strategy growth. .

The Ansoff (1990) product-market growth matrix consent to managers to think about ways of growing business through current and/or new products, or in current and/or new markets. The design has four key strategies: market penetration, product development, market development and diversification. The matrix reflects a growth direction via the firms increase in current share of market product and does occur when a company penetrates existing market with existing products. The sole way to achieve the strategy is by acquiring the customers of the competitor or attracting non users of the product or by convincing consumers to use more of the product.

While developing a product, a company with a market for its current product can focus on the plan of coming up with new products to take care of the same market. Ansoff

(1970) explains that developing a new product is a critical business development strategy for firms in order to stay competitive. According to Ghafoor (2007), firms that are growing are active in coming up with new products and services for existing customers, always taking measures to make their products competitive and managing their product portfolio.. This therefore means that firms have to ensure that in order to remain and maintain the competitiveness and achieve growth; there is need for continued product modification and development through research and development. . In market development, a firm can develop new markets for its existing products either by targeting different customer segment or through geographical expansion. In diversification, the firm enters new markets with new products. New skills, new techniques and new facilities are usually required. In spite of the fact that high growth firms highly likely to own products which managers perceive to be innovative in some way than other firms, it is surprising that product innovation is not a common characteristic of all high growth companies.

The major aim in market penetration strategy is to have more sales volume for a product that is already in the market. The strategic intent is made up of getting a crucial market share or position of the market director. This ensures that a firm operates at a profit due to strategic positioning and the large number of customers which will ensure stability of the firm. The second strategy of Ansoff (1965) is the product development strategy where there need to increase sales by improving an already existing product or by coming up with a new product which has a big innovating potential/capability. This is achieved through new organizational structure or use of human labor, through project teams or interdisciplinary teams. This leads to attraction of more customers and even providing choice for the existing customers, increases in number of customer's leads to more sales hence high chances of huge profits as compared to competitors.

The third strategy is the market development strategy which desires to augment sale volumes for an already existing product via entering new markets. According to consumer's needs (Ansoff, 1965), the strategy focus on expansion of the geographical location and on the acquisition of new markets by coming up with new uses or adding new characteristics to the products. Growth oriented firms act in response to new market opportunities. It includes innovative products or services to offer current customers, getting fresh customers for existing products, or probably diversification into other activities. Readiness and capability to act in response to new market opportunities is a very important part of successful business expansion above an extended period of time. The fourth strategy according to Ansoff (1965) is the diversifying strategy which targets to expand the current business portfolio by inclusion of new products, by using new expertise, new allocation ways to the ones the company already has. This strategy can present the firm the benefit to use growing or characteristic competencies.

In technology based firms, managing growth is a difficult task due to the opportunities presented by technology which is considerably wider than any one firm is able to follow. In addition, the outside environment for these firms is exemplified by technological and market misgivings, customer needs for high levels of product performances, and the risk of possible rivalry. This blend of speedily shifting product-market environments and a surplus of opportunities results in a significant call for technology managers to understand the implications for performance of alternative growth strategies.

2.4 Competitive Strategies

Competitive strategies are developed by firms through the utilization of unique resources, activities, processes and systems. The competitiveness can be manifested in form of sales growth rate, share of the market, productivity as well as profitability attained by the firm. The competitive strategies that an organization adopts usually provide a direction to organization efforts which may take the form of cost leadership, differentiation or focus strategy to compete in the market, strategic alliances, joint venture, adoption of technology, partnerships, collaborations, concentration, integration among others. These strategies are discussed in details below.

In many industries, Strategic agreements are becoming an important form of business activity this is so because of the realization that companies are competing on a global ground. Firms can improve their competitive positioning, penetrate new markets, supplement critical skills, and share the risks and costs of major development projects through strategic alliances (Soares, 2007). By coming up with strategic alliances, companies donate to their surplus capabilities and resources with others and build a new entity to achieve competitive advantages. Entry into the foreign market by international firms has been made easier through growth in telecommunications, computer expertise and transportation. Forming a strategic alliance becomes a way to reduce the risk of market entry, global growth, research and development etc as compared to entering a market alone. Competition becomes more successful when partners make use of each other’s strengths, bringing synergy into the process that would be hard to accomplish if attempting to enter a new market or industry alone. Lin (2012) articulated a conceptual framework characterizing strategic alliances for environmental improvements. It is noted that the growing improbability and difficulty of the international business environment has compelled firms to relook at their strategies in order to remain competitive and improve their overall performance. This has led to formation of strategic alliances that are short and long terms in nature involving exchange, sharing new skills, and services to chase a common set of objectives or to attain a significant business want. The alliances involved inter-firm and cross sector formed with the aim of achieving a common goal.

Olufemi, Banjo, Lucas & Quadri (2015) studied network process, strategic alliance and performance using empirical evidence from Nigeria and established that network process offers beneficial contact to external resources that can equally balance the in-house strength of the firm and alternate for the strength that a firm is lacking. Strategic alliance is determined by the firm‘s aptitude to supervise its resources tactically. The level of cooperative arrangements between two or more firms to improve their competitive position has a positive impact on performance as resources are shared. A Joint Venture on an ongoing basis is the usual business mission. Joint ventures are commonly formed by firms operating either in same country or across borders. Major reason for formation of such ventures is to bring together common strength or overcome legal restrictions in a country. In some other circumstances, they are formed to help in dispute settlement. . They are also found to reduce business, tax and political threats. In future markets, joint ventures form a substitute to parent-subsidiary business partnership.

Developments in information communication and technology have improved the operational efficiency of many organizations and revolutionalized the way they conduct their businesses. Many organizations have adopted ICT in their operations with the aim of reducing operating costs and improving overall organization performance through excellent service deliver. Information and Communication Technology (ICT) is the computerization of processes, controls, and information construction using computers, telecommunications, software's and other gadget that ensure smooth and effective running of activities. Information and Communication Technology takes care of a wide range of electronic technology for the information needs of a business at all levels (Adeoti, 2005). The advancement in Information and Communication Technology (ICT) has enhanced the creation of new business models and revolutionized the distribution channels of financial system resulting in not only a reduction in the transaction costs but also has improved the convenience and accessibility for the customer. This has seen greater adoption of ICT among financial institutions for the purposes of transaction processing. Some of the activities automated through ICT include customer enquiries, automated teller services, telephone banking, internet banking, and mobile banking among others.

2.5 Competitive Strategies and Market Growth in organizations

Several studies have been done to explain the connection stuck between competitive strategies and market growth of firms. Wambua, Namusonge, Waema & Ngonzo (2014) examined competitive strategies' consequences on the market allocation of independent petroleum companies in Kenya and established that low cost leadership and product differentiation were the least used competitive strategies. The study applied the McCarthy's "4 Ps" marketing-mix involves four key variables, namely Price, Product, Place and Promotion. In another study, Absanto & Nnko (2013) conducted an analysis of business growth strategies and their contribution to business growth using a case of Tanzania. The study looks at growth in terms of increase in sales, profits, assets and an opportunity to take advantage of experience curve to cut down on per unit cost of production. Business market growth was measured using four broad indicators: business outcomes, business outputs, capacity and qualitative indicators. From the findings, it was clear that growth strategy is appropriate for any business; the challenge is to establish the correct strategy for a company. The rationale behind this is that improper strategy can have a devastating effect on a business.

Mugo, Wanjau & Ayodo (2013) conducted a study into competitive intelligence practice and their effect on profitability of firms in the banking industry using a case of Equity Bank. From the study findings, product differentiation strategies, market intelligence strategies, technological intelligence and strategic alliances form the competitive intelligence practices that banks in Kenya should apply for greater returns. Ayupp & Tudin (2013) examined strategies for Growth among Malaysian Food Processing Industry and established that the firm's ability to respond to market indicators, personal networking and systematic operational management of firms are the most crucial success factors

2.6 Empirical Studies and Research Gaps

Several studies have examined the competitive strategies and market growth which is one of the parameters used to measure firms' performance. Bavarsad, Rahimi & Seyfi (2014) conducted a study of the relationship between organizational learning, strategic flexibility, competitive strategy and firm's performance. In the current turbulent and unpredictable environment, achieving competitive advantage depends on a firm's ability to provide for a much-longer-term customer value. The findings indicated that implementation of cost leadership and differentiation strategies positively influence firm performance.

Ambastha & Momaya (2016) examined competitiveness of firms: review of theory, frameworks, and models. It is acknowledged that the 21st Century has witnessed high level of turbulence in the operating environment due to increased globalization and internationalization of firms. Developments in information communication and technology have not made things any better. In such times full of uncertainties, survival and success lay on competitiveness. The findings show that for one to compete favorably in a given sector, firms have to understand the competitiveness dynamics at the firm level. Further, application of competitiveness process as a key coordinating process among key management processes such as strategic management, human resources management, technology management, and operations management may provide a power instrument to an organization.

Arasa & Gathinji (2014) did a research on the mobile telecommunications industry in Kenya to establish the correlation connecting competitive strategies and organizational performance. . The research used a descriptive survey design and collected data from 63 respondents out of the sample size of 72 respondents selected. From the study, it was noted that competition is high in the industry and product differentiation and low coat leadership are the most commonly used strategies. Strategic alliance and specific market strategies were also used but at a lower scale. From the study, it concludes that strategies adopted by any firm will improve or worsen the overall firm performance.

Musyoka (2012) studied the competitive strategies adopted by Kenya Commercial Bank limited in retail banking. The results of this study established that the commercial banks are in competition and their products and services differential is quite narrow hence need for restructuring. The study also revealed that a number of strategic marketing variables are manipulated by banks to respond to a competitive intensity in the banking sector. These include; developing new products, market development and market focus.

Mutua (2013) in his study on competitive strategies adopted by National Bank of Kenya in coping with environmental changes established that NBK had competitive strategies in areas such as strategic transformation, corporate governance, strategic business growth and development, information communication technology, corporate social responsibility, risk management, market segmentation and product diversification, other competitive strategies by national bank of Kenya included retirement benefit obligations, fiduciary activities, and segmental reporting. As a result of the initiatives and changes, the bank was able to achieve desired business growth and in the long run realize the transformation goal that the bank intends to achieve in future. .

Ghikas (2012) looked at how standard chartered bank has implemented the strategy of business process outsourcing. The findings show where behind the need for the bank to outsource its business operations to centers of excellence. The reasons include the need to realize cost efficiency, increased productivity, technical consideration and the need to focus on core activities. The challenges facing Standard Chartered Bank Kenya Limited in implementing the adopted BPO strategies include lack of capable service providers, financial risk, lack of compliance with the contract, opposition from internal staff.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The section presents the actions undertaken to ensure exhaustive delivery on the research objectives. It specifically covers the following areas: research design, data collection and data analysis.

3.2 Research Design

This study adopted a case study research design because the unit of analysis was one institution: Standard Chartered Bank Kenya Limited. According to Yin (2004), a case study allows an inquiry to preserve the holistic and meaningful uniqueness of real life events. Kothari (2004) note that a case study involves a cautious and holistic examination of social units. Rather than breath, it is a method of in-depth and places more weight on the full analysis of a limited number of events or circumstances and other interrelations. Data collected from such a study is up to date and reliable.

3.3 Data Collection

The primary data collected using an interview guide was used. . The interview guide enabled the researcher to pull together qualitative data. The method was used in order to achieve a superior understanding and a more insightful elucidation of the results from the study. The designed interview guide was made up of three sections. Part one covered the demographic information; second part covered the competitive strategies while the third part covered market growth.

The interviewees included seven senior management staff within the bank including: Head Consumer Banking, Head Corporate Banking, Head Finance and Administration, Marketing Director, Information and Communications Director, Customer service manager, and the Human Resources Manager. In total, 7 interviews were planned to be conducted. The study deemed them important in having special knowledge on the competitive strategies and market growth of Standard Chartered Bank Limited in Kenya as they participate in strategy formulation and implementation at the Bank. They were also aware of the strategies, challenges and the ways and means of addressing them. It made it easier to obtain adequate and accurate information deemed necessary for the research.

3.4 Data Analysis

Data collected was qualitative in nature and was evaluated by use of content analysis. Qualitative analysis was adopted in this study because the researcher would be able to describe interpret and criticize the subject matter of the research. Qualitative data analysis tries to formulate general statements on how categories or themes are related (Kothari, 2004)

Yin (2004) explains content analysis to be analysis of the contents of documentary and verbal material, and explains it as a qualitative analysis relating to the broad import of message of the existing documents and evaluate commonness. The study analyzed the information given by the interviewees against known competitive strategic concepts. It permits the study to identify, interpret and make a scholarly judgment on the competitive strategies by organizations in response to challenges in the operating environment.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSIONS

4.1 Introduction

The chapter presents analysis and conclusions of the study as laid out in the research objective and the study methodology. The objectives of the study were to ascertain the effect of competitive strategies on market growth of Standard Chartered Bank Limited in Kenya.

The study targeted a total of seven (7) departmental heads at Standard Chartered Bank Limited in Kenya. The seven were drawn from different departments of the bank including; consumer banking, corporate banking, finance and administration, marketing, information and technology, customer service and human resources.

Out of the targeted seven (7) respondents, 6 heads of department availed themselves for the interview with the researcher this gives a response rate of 85%. As per Mugenda and Mugenda (2003), any response rate above 70% is deemed excellent, therefore this study's response rate conforms to their stipulation. The 85% reply rate was achieved after the researcher made substantial effort to contact the respondents through telephone calls and e-mails and physical visits to book an appointment and for the actual interview.

4.2 Background of the Study

The study collected some background information about the interviewees so as to determine their suitability in providing the information sought by the study. On the position the respondents held at Standard Chartered Bank (K) Limited; one was the marketing director, another the head of corporate banking, the third was the head of consumer banking, the fourth was the Information and Communications director, the fifth was the human resources manager and the last customer service manager.

On how long the interviewee had served in that position, they stated from 6 to 18 years showing they had worked long enough in their positions so as to be well versed in the competitive strategies that the bank used. The interviewees were asked how long they had worked at Standard Chartered Bank (K) Limited, the shortest time was 5½ years and the longest time was 16 years. This response shows that the respondents were well informed on the processes and activities at Standard Chartered Bank (K) Limited hence able to answer the research question.

On the department that the interviewees were based in, the six respondents were from marketing, corporate banking, consumer banking, Information and Technology, human resources and customer service. These findings show that the interviewees were distributed across all departments within the bank hence are more representative of the organization. When the interviews were asked on the years they had worked in that department, their stay ranged from 5 years to 14 years. This answer shows that the interviewees are well informed on the activities of the department and they have valuable information. When the interviewees were asked the number of employees working in their departments the numbers ranged from 47 staff to 219 staffs.

4.3 Competitive Strategies

The interviewees were asked to indicate some of the market competitive strategies applied in their departments, where they indicated strategies alliances, cost minimization, use of advanced technology, applied partnership strategy, applied collaboration strategy, applied joint venture strategy and applied outsourcing strategy were selectively applied within their departments in the organization. All these strategies are adopted in an effort to attain the set organizational objectives.

The interviewees agreed that the use of some of these strategies has enabled their departments to meet their annual goals much easily. For instance advanced technology has enabled the consumer banking department to process customers' loan applications very fast, this action has increased the bank's loan book as more customers come in applying for loans which has led to an increase of the market growth of the bank. On applied partnership strategy, the interviewees agreed that the strategy has seen the bank increasing its market growth as the bank's products are sold in partnership with other companies. The bank is selling insurance products using the bank's client information. This has improved the banks presence in the market as customers are able to get a variety of services in one shop. The bank in essence has become a one stop shop meeting all the client needs. Outsourcing as a strategy was agreed by the interviewees as easing up the banks' valuable time and assets towards achieving its strategic goals as other services are met by third party contractors.

4.4 Competitive Strategies and Market Growth in organizations

Regarding the impact of competitive strategies on product portfolio of the bank, the interviewees agreed that the use of advanced technology has improved the automation of processes leading to provision of efficient and extensive service delivery channels. This has increased the total number of customers the bank has due to efficient service provision. The bank’s loan book has increased with both individual and corporate clients this has increased the profitability that the bank realizes annually

The use of strategies alliances and cost minimization has helped the bank reduce the cost of banks product prices. This has resulted in an increased number of new customers who feel that our bank has their best interests at heart. With new and old loyal customers, the bank can lower costs as it recovers its profits from the large clientele numbers.

Regarding the ability of the bank penetrating into the market with both the current and the new financial products; the interviewees agreed that use of strategies like the advanced technology that the client has entered a new market with the use of internet based bank services. These actions have enabled the bank gain on market growth. While on the question on bank penetrating into the new market with both the current and the new financial products, the interviewees agreed that the bank has managed to use its good partnership to expand its presence in the market from Kenya to neighboring countries such as Uganda and Tanzania and in the West and South Africa. Furthermore, the interviewees agreed those cost minimizations strategies i.e. the account that have no charges or monthly levies, this has enabled them to attract and retain low income earning customers. This has enabled the bank to gain a competitive advantage over its competitors in the field. The bank has adopted the mission statement of ‘Put customers first’ it is this statement that has enabled the bank to enjoy loyalty and increased clientele base as noted from the responses.

The bank presence in many regions in the world had helped the bank compete favorably in the local market. Many clients both in the retail and corporate bank sector prefer opening accounts with Standard chartered bank as it connects them easily top outside world making it easy for them to trade with the rest of the world. From the responses received, the bank has presence in Europe, Asia and Middle East. These are the regions that Kenya had large markets for both imports and exports.

Regarding how the competitive strategies have affected the customer base of the Bank, the interviewees agreed that digitization has had a great impact on them. The strategies have enabled the bank to increase its customer base and for instance: in the last year the number of closed accounts has decreased significantly to almost less than 10% of the total accounts recorded as closed during the span of one whole year. And with technology where services are handed out much faster and loans processed much quicker, the customer base has increased. The competitive strategies have had a big impact on the loan portfolio of the bank; shown by the number of new applicants and the increase of many corporate having an account with them. The focus on alternative channels has played a role in increased customer base. The bank has invested in Straight2bank and ibanking channels for Corporate and retail customers respectively. The channels have played a great role as most of customers have been on boarded and are actively on them. Transaction volumes on the alternative channels were noted to be much higher than the manual transactions. From feedback received, the bank has digitized the account opening process and the Trade transaction initiation. The bank is moving away from paper drop processing- which is manual to digitalized processing.

Regarding the profitability of the bank as a result of the strategies, the interviewees agreed that as the banks' loan portfolio increased, the increase in customer base and expansion to new markets and attracting and retaining customers. The profitability index of the bank has risen up. The bank having invested in the competitive strategies has repeated by increase in market growth and high profits have been realized.

4.5 Competitive Strategies adopted by Standard Chartered Bank of Kenya to Changing Environment

The study investigated the changes that have taken place in the banking industry and what strategies the bank has taken to grow. The competition in Kenyan financial sector is getting tougher. The competition is mainly brought about by financial intermediation and the increase in microfinance institutions. In spite of the challenging ecological conditions, the financial sector especially the banks have continued to reflect double digit growth in almost all aspects. Growth in assets, portfolio, profits and even market penetration. The banking sector has indications of remaining very competitive with trends showing that this will even intensify in future with lot of competition for market share based on quality of customer service, efficiency and easy of doing accessibility.. Other notable competition trends in a crowded market include increased competition for talent, rebranding and regionalization. Standard chartered as a market player, has remained alert on this trend and hence noted the need to take action to remain in business. The desire of bank is not only to survive the competition but to grow business.

The main objective of the study was to determine the competitive strategies and market growth. The following subsections present the findings of the study.

4.5.1 Strategic Change

Over the financial year 2013/2014 the Board of Standard Chartered Bank of Kenya recognized that the bank had been performing below expectation. The peers and other players were seen to be aggressive and gradually penetrating the market widely. The investors had started to get worried as was noted with the fall in the market share price.

Even after turning profitable by exiting none performing loans from the balance sheet, the bank needed to undertake its next phase of transformation journey as a high performing organization. Hiring of staff with required talent and with necessary experience and background was inevitable.

From the feedback collected, the Board, from group level, appointed a new Group Managing Director and also approved the employment of senior executive team to drive the transformation agenda. The restructuring run down up to the country level and Standard chartered Kenya too, underwent a restructuring face.

The revolution agenda involved a number of changes that generally include: Change of reporting lines with new head of departments created. The departments were aligned to the value proposition that the bank wished to give to its clients. There was merging of departments to help reduce costs. Creation of new departments that were seen to be critical in the delivery of the bank promise.

The bank has also enhanced risk management capabilities and diversified its portfolios and businesses. There was more investment in risk monitory and compliance. Moreover, the bank realized that reward is key to performance and hence a new performance management framework was developed to ensure that good and excellent performance is well rewarded.

Driving the planned ideas requires investing and training the existing staff and in other circumstances hiring fresh talent to fill the gaps. The bank embarked on recruitment of qualified and skilled bankers to lead the new business divisions, drive business growth, handle customer relationship, steward business growth and effectively control all enterprise risks. To have a new and better focused bank, Standard Chartered has undertaken a major rebranding exercise that has transformed not only, tagline but also the service promise to its customers

4.5.2 Corporate Governance as Strategic Orientation

The bank has incorporated corporate governance as tool to improve service delivery and improve performance. Standard chartered Bank has a board of directors that is dedicated to ensuring that the bank leaves to the promise of being "*Here for Good*". They run the bank in a professional, equitable and transparent manner. This is to ensure that the value preposition of the bank remains relevant from top to bottom. The management leads by example putting the customer first.

To be able to guarantee that principles and standards held to by the board do not contravene the local regulations, the globally agreed on good corporate governance principles and practices were exceedingly considered. To this extend, the Board ensures that Central Bank's legislation alongside the group guiding principles are complied to. The Board fulfills its responsibilities to the shareholders by issuing policy direction and maintaining supervision over strategic, financial, operational and compliance risks of the Bank. While carrying out these duties, the board delegates some of its authority to the Managing Director to oversee the daily business operations.

The bank has an audit and risk department whose duty is to make sure that the banks has effective risk controls and appropriate administration of systems. Through this department, the Board is able to discharge its supervisory and good corporate governance responsibilities. The responsibilities include bank's relationship with external auditors, external communication, maintenance of an effective risk management framework including compliance and internal controls.

4.5.3 Information Communication Technology

The bank prioritizes information communication technology as mean to achieve great competitive advantage in the banking industry. The bank has adopted various electronic platforms to enable it provide efficient and quality services. The bank provides an online banking portal through which customers can log in and access their accounts information. The bank has a portal that enables new clients to open accounts online and a loans portal for details on loan acquisition. The banks website enable customers and the public to access information on corporate banking (opening bank accounts, premium banking, payment services, setting up of standing orders , electronic solutions-ATM services, mobile and internet banking), personal baking (current accounts, savings accounts, children accounts, cards, foreign currency, loans), business banking (working capital solution, business expansion, deposit products) investor information (exchange rates, share registry, shareholder annual general meeting, custodial services, annual reports, investor downloads), latest financial news, about us portal (registration , history social responsibility, board of directors, senior management, ATM locator, contacts, feedback)

From the responses received, the bank is focused on alternative channel migration that the branch expansion has been frozen. Any new account opened comes with online account set up.

Through Internet banking, customers are able to conduct financial transactions with the bank under a secure website. The service is available for both corporate and retail clients. some of the services provided by the alternative channels include; issuing of payment instructions to bank, balance viewing, reports on past transactions, statements extraction, balance inquiry and setting of standing orders. The bank has integrated the service with the local mobile providers to offer the internet banking services via mobile phones. This allows customers to send and receive money from their accounts via mobile phones.

Through partnership with Safaricom, the bank offers M-Pesa wallet money transfer. Both corporate and retail clients are able to send and receive cash via their mobile phones. The partnership has seen an increase in money transfer via mobile phones and a reduction of payroll payments.

4.5.4 Corporate Social Responsibility

Standard chartered Marathon race that takes place every year has been a key player in the bank's strategy. Giving back to the community through sight restoration remains the bank's social responsibility. The Race has become a global race and attracts a number of renown athletes and corporate bodies. The interviewees agreed to the fact that the race plays a role in the banks growth.

4.5.5 Risk Management

Banking sector is exposed to a number of risks and it requires proper management to mitigate or reduce the inherent risks. Risk taking is inevitable in banking but how to minimize the same or mitigate is critical. It is therefore in the bank's interest to achieve a suitable balance between risk and gains and reduce possible unfavorable effects on its financial performance. The major common types of risk include: Credit risk, Liquidity risk, and Market risk which includes currency, interest rate and price risk.

The bank's risk management policies are constituted to recognize and analyses the risks faced by the bank, to lay down suitable risk limits and controls, and to keep an eye on risks and adherence to limits. Risk management guidelines and systems are checked regularly to replicate changes in market conditions, products and services offered. The bank, through heavy investment, training and management standards and procedures, aims to build up a disciplined and useful control environment, in which all employees understand their roles and obligations.

4.5.6 Market Segmentation and Product Diversification

As a measurement of the restructuring process, the bank employs market segmentation and product diversification strategies as means to enhance competitive advantage.

Standard chartered bank has segmented its target market by products that target specific market segments. The bank moved away from the former 2 main banking segments (Corporate and retail) to more Customer Target segments thus we have Corporate and Institution Clients, Commercial Banking Segments and Retail Client Segment. The approach was to provide each segment with the desired product as it was established that the client needs differed at every stage of growth.

Standard Chartered Bank of Kenya has diversified its product to cater for diverse needs of its customers. Some of the products available to clients include: Asset Financing which give power to customers in the acquisition of assets e.g. motor vehicles, tractors and machinery and pay for them later; Mortgage Facilities accessible for the purchase of residential and commercial properties. The bank also offers Financing facilities to corporate, real estate developers, salaried employees and individual business owners. Loan overdraft facilities are extended to clients to meet their capital requirements. Interest is merely charged on the utilized debit balance; Trade financing is one of the major products that the bank gives to its clients. The bank enjoys the advantage of having a global presence and hence when it comes to trade, the clients are able to use the network to facilitate their transactions.

4.6 Chapter Summary

This chapter presented data analysis, findings and discussions as collected from the interviewees according to the research objectives. The findings are arranged in thematic areas to enable adequate response to the objectives of the study. The area covered was the adopted competitive strategies and how these competitive strategies have impacted on the market growth of the standard chartered bank.

From the findings, The interviewees were asked to indicate some of the market competitive strategies applied in their departments, where they indicated strategies alliances, cost minimization, use of advanced technology, applied partnership strategy, applied collaboration strategy, applied joint venture strategy and applied outsourcing strategy were selectively applied within their departments in the organization. All these strategies are adopted in an effort to attain the set organizational objectives.

The study sought in the direction of exploring the competitive strategies and market growth at Standard Chartered Bank limited. This chapter highlights the summing up of findings and conclusions drawn from the data findings. It presents the recommendations of the study. All this had been geared toward achieving the major goals of the study.

From the study it is established that the bank had adopted competitive strategies in an endeavor to boost its market growth and realize the banks' overall objective. The bank adopted strategies alliances, cost minimization, use of advanced technology, applied partnership strategy, applied collaboration strategy, applied joint venture strategy and applied outsourcing strategy in meeting its strategic goals and objectives.

The study further established that the bank used advanced technology in its operation in loan processing systems, the use of internet for banking and mobile phones platforms for customers. Technology has enabled the bank attract and retain a new category of self service customers. Corporate clients are also drawn in through the use of advanced technology. It also found out that the bank used strategic alliance as a strategy to gain market growth. The alliance has been made between insurance companies and the bank.

The study also found that cost minimizations strategies were implemented in the activities of the bank such as account that have no charges or monthly levies where low income earning customers were attracted to them thus expanding the market for the bank. Outsourcing of some of the non core banking activities to other vendors has helped the bank not only to minimize cost but also increase efficiency. The study further established that outsourcing strategy was implemented, leaving the bank staffs fully committed and involved to meeting their core duties and functions as per their contract with the bank. The other third party contractors provided non-core banking services to the bank which enabled the bank to meet its set objectives.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The study sought to investigate the competitive strategies and market growth at Standard Chartered Bank limited. This chapter five has sections covering a study summary finding, the conclusions gathered from these findings. It has a section of recommendations, the limitation of the study and areas that are suggested that need further studies to be covered.

5.2 Summary of Findings

The study established the bank had adopted competitive strategies in an effort to increase its market growth and realize the banks' overall objective. The bank adopted strategies alliances, cost minimization, use of advanced technology, applied partnership strategy, applied collaboration strategy, applied joint venture strategy and applied outsourcing strategy in meeting its strategic goals and objectives.

The study further established that the bank used advanced technology in its operation in loan processing systems, the use of internet for banking and mobile phones platforms for customers. Technology has enabled the bank attract and retain a new category of self service customers. Corporate clients are also drawn in through the use of advanced technology. It also found out that the bank used strategic alliance as a strategy to gain market growth. The alliance has been made between insurance companies and the bank.

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5.3 Conclusion

The study concludes that Standard Chartered Bank Limited has implemented several competitive strategies which have seen its increase in market presence. This has further resulted into an upward surge in the number of customers at the bank, the loan book portfolio has improved and the profitability of the bank has also improved as a consequence of these conceited efforts.

The study additionally concluded that the utilization of advanced technology, has improved the efficiency of service delivery to the customers, this has made them happy and satisfied with the bank. Satisfied customers are good for word of mouth advertisement which led to increase in market growth.

The study also concludes that the bank's usage of partnership and collaboration with insurance firms has impacted positively on the market growth of the bank

5.4 Recommendations

The study further noted that at the increasing rate at which individuals and institutions are buying electronic devices including mobile phones, computer hardware and software as well as using the internet for information and communication is evidence of the increasing awareness of information and communication technology in the Kenyan market. Therefore this study recommends that the bank should adopt advanced technology that is safe which would easily be used to attract new customer base increasing its capability for achieving market growth and competitive advantage at the market place.

The use of strategic alliances and partnership with other organizations in selling banks products has led to increased profitability and more customers. Thus the study recommends that the bank should adopt more effective strategic alliances and partnership so as to realize higher returns and gain a competitive edge in the market place.

5.5 Limitations of the study

Conducting interviews was difficult due to the stringent bank's policy on confidentiality of information either on banks' strategies or on customer information. The interviewees expressed fear of such information being shared with competitors or misrepresentations of information obtained. Despite these challenges the validity of the findings emanating from this study was not compromised.

Given the nature and sensitivity of banking practice, most respondents were cautious about giving away too much information on their competitive strategies. They were therefore giving scanty responses in the excuse of protecting the privacy of their business. Thus these could have hindered the accuracy of the results.

5.6 Suggestions for Further Studies

This study was a case study of Standard Chartered Bank Kenya Limited in a market with more than 43 players in the commercial banking business. As a result, every aspect of competitive strategies was as it is applicable only at the Standard Chartered Bank and therefore the findings could not be exhaustively analyzed and applied in all banks. Thus the study suggests that research be done on competitive strategies and its impact on market growth on all the banking industry players in the Kenyan market.

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APPENDICES

APPENDIX I: INTERVIEW GUIDE

SECTION A: GENERAL INFORMATION

1. What is your current position at Standard Chartered Bank (K) Limited?
2. How long have you served in this position?
3. How long have you worked at Standard Chartered Bank (K) Limited?
4. What departments are you based in?
5. How many years have you worked in your department?
6. How many employees are in your department?

SECTION B: COMPETITIVE STRATEGIES

1. What market competitive strategies have you applied in your department towards realization of the organizational wide objectives?

   ………………………………………………………………………………

2. Please explain how the competitive strategies have been applied in your department

   …………………………………………………………………………………………

SECTION C: COMPETITIVE STRATEGIES ON MARKET GROWTH

1. In what ways have the competitive strategies affected product portfolio in the Bank?

   …………………………………………………………………………………………

   In what ways have the competitive strategies affected product pricing in the Bank?

   …………………………………………………………………………………

2. How have the competitive strategies affected the ability of the Bank to penetrate the market with current and new financial products?

…………………………………………………………………………………

3. How have the competitive strategies affected the ability of the Bank to penetrate new market with current and new financial products?

   ……………………………………………………………………………………………

4. How have the competitive strategies affected the customer base of the Bank?

   …………………………………………………………………………………

5. How have the competitive strategies affected the loan portfolio of the Bank?

   ……………………………………………………………………………………………

6. How have the competitive strategies affected the profitability of the Bank?

   ………………………………………………………………………………………………

APPENDIX II: LIST OF COMMERCIAL BANKS IN KENYA

1) African Banking Corporation Ltd.
2) Bank of Africa (K) Ltd.
3) Bank of Baroda (K) Ltd.
4) Bank of India
5) Barclays Bank of Kenya Ltd.
6) CFC Stanbic Bank Ltd.
7) Charterhouse Bank Ltd.
8) Chase Bank (K) Ltd.
9) Citibank N.A. Kenya
10) Commercial Bank of Africa Ltd.
11) Consolidated Bank of Kenya Ltd.
12) Co-operative Bank of Kenya Ltd.
13) Credit Bank Ltd.
14) Development Bank of Kenya Ltd.
15) Diamond Trust Bank Kenya Ltd.
16) Dubai Bank Kenya Ltd
17) Ecobank Ltd
18) Equatorial Commercial Bank Ltd.
19) Equity Bank Ltd.
20) Family Bank Ltd.
21) Fidelity Commercial Bank Ltd.
22) Fina Bank Ltd.
23) First Community Bank
24) Giro Commercial Bank Ltd.
25) Guardian Bank Ltd.
26) Gulf Africa Bank (K) Ltd
27) Habib Bank A.G. Zurich
28) Habib Bank Ltd.
29) Housing Finance Ltd.

Source: Central Bank of Kenya, 2016