EFFECT OF MARKET POSITIONING STRATEGIES ON PERFORMANCE OF KCB BANK GROUP LTD, KENYA

AGNES NDULU KIVITI

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DECLARATION

I hereby declare that this research project is my original work; it has not been presented to any other institution of higher learning for academic purposes.

NAME : AGNES NDULU KIVITI

REG NO : D61/74153/2014

Signed .... Date ....

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

SUPERVISOR : PROF. JUSTUS MUNYOKI

School of Business

University of Nairobi

Signed .... Date ....

DEDICATION

I would like to dedicate this work to my loving husband and children who understood my busy schedule while undertaking this research project.

ACKNOWLEDGEMENT

I would like to thank the Almighty God for giving me the gift of life and the strength to see the successful end of this research project. I would also like to thank my supervisor Prof. Justus Munyoki who worked tirelessly to see me through the different stages, giving me the knowledge and guidance throughout the process.

ABSTRACT

Market positioning has long been recognized as a vital tool to confront competitive pressures and improve organizational performance. Firms which position themselves within a particular market place relative to competitors, earn higher rates of return. Competition and profitability pressures mean that firms must be responsive to the market conditions. The study sought to determine the effect of market positioning strategies on performance in KCB Bank Group Ltd. The study aimed to assess the effect of brand positioning strategy on performance of KCB Bank Group Ltd; analyze the effect of product positioning strategy on performance of KCB Bank Group Ltd and establish the effect of price positioning strategy on performance of KCB Bank Group Ltd. The study was done though depth interview with 5 senior managers of KCB Group Ltd This study employed case study method. Data was collected through an interview guide and data analyzed using content analysis. The results revealed that, market positioning strategy has a positive effect on the performance of the bank. Kenya Commercial Bank has implemented brand, product and price positioning strategies. The study concluded that banks need to adopt positioning strategies as this would enhance rapid firm growth and more profitable relative to its competitors, improve sales of new products, enable bank to offer financial services that have important attributes in delivering benefits, attain a big market share, isolate and target specific markets, and deliver a highly valued benefit to the target customers which they can afford to pay for the difference and profitable ways. Challenges that were faced by Kenya Bank Group comprised resistance to change where most of the employees are not ready for the change that is expected of them, change in culture like the introduction of balance score card to measure performance, economic recession, inadequate resources and resource constraints. Insufficient leadership, insufficient buy-in and weak strategy. The study recommends that banking institutions should adopt market positioning strategies such as product differentiation, promotion, distribution and demographic positioning for the enhanced performance as well as profitability of the firm.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Basically, consumers' willingness to buy a product and the availability of the resources required by the consumer to buy a product is what marks the beginning of the product. Marketing efforts are elevated by a good positioning strategy that assists the buyer switch from product's knowledge or service to its purchase. In a market set up, positioning has been perceived as the paramount tool to challenge the competitive pressure in commercial banks and at the same time it marks the improvement of the bank's performance. Besides, strategic positioning cohesively links together the product, prices and the organizational brand. Any organization in the global map rely much on market positioning strategies so as to maintain stability and remain competitive in the global marketing segment. (Armstrong, Kotler, Harker & Brennan, 2015).

The theory of buyer behavior and market positioning theory were used in this study. According Banerjee (2017) market positioning theory basically determines the reasonable location of a product in the future minds of the potential customers. Positioning it's not about making inventions in the market environment but to attract the minds of the people in what is referred to as opening the legend of a knot. The theory of buyer behavior on the other side gives a detailed framework about organizations, groups or individual customers make choice, purchase and utilize the idea, goods or services with a sole aim of satisfying their needs (Howard & Sheth, 1969).

Competitiveness in the global economy is very pivotal for the development of products that will quickly meet the demands of the potential customers. In the case of

KCB bank group; Automated Teller Machines, Fuel cards, advantage cards, prestige card and minimum balances have been introduced to increase the level of consumer satisfaction. Furthermore, KCB bank group has also opened very many branches in almost every county in Kenya so as to increase their service networks. They have also adopted positioning strategy to widen their general management of business, minimize costs, improve the efficiency of operation and boost their revenue performance in the market segment. However, the vision of the most commercial banks is not clearly revealed to their customers because the number of customer defection has been increasingly taking place through delayed service provision, issues of unreliability and many complaints from customers. Therefore, this is what provoked the need to research about the effects of market positioning strategies on performance of KCB Bank Group Ltd, Kenya.

1.1.1 Market Positioning Strategies

Tang and Wezel (2015), defines market positioning as the ability to manipulate consumers' perception in relation to a product or a brand closely related to its competitors. In the market strategy, market positioning plays a crucial role in ensuring that what the customers perceive is provided. It is understood that some roles in the transaction market are played by a company or an organization (Reis, 2013). In an economic perspective, market positioning is expressed as scenario where by the competitors and the investors are brought together to operate in a common market.

Analysis of the agents involved in the market and the key functions of each agent is the first step in market positioning and depicts the competitive variations in businesses. Positioning in this case refers to how companies make their market decisions so as to come up with the right place that the company, type and its products are situated so as to capture many customers as possible and identify the exact market environment that will earn them maximum returns (Tang & Wezel, 2015). Therefore, market positioning entails adjusting the strategies in response to market change with the use of the appropriate resources and controlling the resources to fit the desired environment.

Consumer perception about a particular organization and its products and the company's particular character that relates to that of the competitors is clearly reflected though market positioning (Kotler, 2009). In other terms, positioning can be described as one of the competitive market tool that surpasses image-making. Besides, it is the key determinant of how an organization can dominate a particular market environment by outdoing its competitors. This has to do with the ability of the organization to establish and maintain a distinctive image and place that will automatically convince the potential customers why it should be preferred instead of its competitors (Ries and Trout, 1986). Good positioning in a specific market segment, that is relative to that of the competitor is what makes a company to be consistently favorable in the eyes of the targeted buyers and the outcome is high returns to the company. The profitability and the competition pressure that the company undergoes depicts how stable and responsive the company is in terms of its positioning.

Ordinin, Micelli and Maria (2004) discuss the key determinants of profitability potential, customer selection, relation strategies with different business partners, marketing methods, the type of products and services to be offered and the effectiveness of positioning. For Reis (2013), when selecting a market positioning strategy, one has to consider the following criteria: team (network of contacts, competence, and experience), financial (origin of investment, level of investment and profit), and market (quantity and the capability scale).

The economic value of a company is greatly influenced by market positioning which affects the company's ability to make high returns due to the online visibility. Market positioning can be quantified through geographical localization and customer service quality, that is, localization outside familiar terminals and the level of local competition. (Neirotti, Raguseo & Paolucci, 2016). According to Reis, Ladeira and Fernandes (2015) market positioning is evaluated so as to create the best business model. Tang and Wezel (2015), reveals that it was not possible to find in the literature a reference model that could assist in the decision-making process and at the same time guide an entrepreneurial team. Generally, marketing position is the process of communicating messages about a particular brand and price to a specific group of customers that assist in positioning the company brand.

1.1.2 Organisational Performance

Organizational performance according to Gomez-Mejia, Berrone and Franco-Santos (2014) is the organizational' ability to adventure its environment for increase access to and the use the available limited resources. An organization is said to be successful, if it effectively attains its goals using least resources possible. Therefore, Institutional performance can be said to be an arrangement of non- financial and financials related pointers which depicts the relationship with the esteems to the level of achieving the results and the objectives. The main objective of an organization is performance. Therefore, it marks the relevance of the end findings while strategic planning aligns the outcomes in the appropriate way.

Business and project performance are the two constructs that are used to measure the performance of an organization (Yazici, 2018). Project success traditionally has been quantified in terms of project completion total cost and time and the performance quality. In the process of achieving the success of a project by a team, success is measured by how cohesively did the team work (Borman & Motowidlo, 2014). Efficiency is portrayed when the objectives are timely met and when the anticipated budget is also met. Basically, the two constructs of performance measure operate as follows; project efficiency is about timely objectives and healthy budgets while project effectiveness is about team satisfaction and fulfilling the expectations of the customers. Organizational performance can as well be measured through overall competitive position, market-share gain, return on investment and sales growth Chen, Wang, Nevo, Jin, Wang and Chow (2014). Also, project success can as well be measured through the project's ability to produce a new line of products or services. The determinants of internal organization success are: overall business performance, projects resulting in sales growth and Savings benefits of projects compared with the previous year.

Performance evaluation is very significance to commercial banks and unless the organisational performance is examined continually, political leaders, administrators and citizens lacks important information concerning the effectiveness of the bank services in their societies (Chen et al., 2014). Commercial bank performance evaluation is needed at individual performance appraisal, evaluation of the entire organizational performance and examination of the programs and strategies. Citizens, political officials and the bank administrators always are in need of the information to make the judgment on bank performance.

1.1.3 The Banking Industry in Kenya

Banking Act Cap 488 and Central Bank of Kenya Act are used to guide an regulate the banking industry in Kenya through various pragmatic rules by the Central Bank of Kenya (CBK). The CBK which operates in the Finance Ministry docket is in charge of design and execution of monetary guidelines and advancing solvency, liquidity and proper working mode of the monetary structure. The CBK circulates information on Kenya's financial organizations, loan fees and other publications and rules (Mokaya & Kipyegon, 2014). The banks have an umbrella body known as the Kenya Bankers' Association (KBA), which acts as a hall for the banks premiums furthermore delivers matters relating to its affiliates. The Kenyan banking industry has banks owned by foreign entities and others owned by local entities. The banks are under the umbrella of the Kenya Bankers Association (KBA), which lobbies for the bank's interests. KBA serves a platform for members to address issues influencing them. In the course of the last couple of years, the Banking industry in Kenya has kept on becoming gigantically as far as resources, deposits, products offering and profitability.

The banking industry in Kenya has improved significantly as compared to 10 years ago. The Central Bank deserves credit for the improvement in the regulatory processes that have resulted in Kenyans having more faith in the banking industry and thus increasing their borrowing and total deposits. But the key question remains whether this growth has been brought about by the strategic planning practices that the commercial banks engage in. According to Mungania, Waiganjo and Kihoro (2016), the banking sector has depicted a very pivotal role in financing all the pillars of the economy ranging from Microfinance, youth and women empowerment, infrastructural development, education, health and agriculture. Emergence of micro-credit institutions such as K-rep Bank, Family Bank and Equity Bank targeting small and medium enterprises as well as small scale farmers especially in the rural areas has led to significant growth of the Kenyan economy. These banks have grown compared to other banks over the period they have been in existence. Banks now have direct sales representatives countrywide specifically to increase their customer deposits and lending power in both rural and urban areas hence play a crucial role towards the attainment of Vision 2030.

1.1.4 KCB Bank Group

The KCB Group is a significant institution in banking and financial sector in Kenya with an asset base of over Ksh. 565 billion. Reviewing the KCB's history, it started back in 1896 after the National Banks of India started a branch in Mombasa (Omolo, Yang, Schell, Austin, Howard and Yaetman, 2016). In 1904, another bank was opened in Nairobi which acted as the headquarters of expanding railway line to Uganda. Thereafter in 1958, National and Grindlays Bank was found after the merging of the National Bank of India and the Grindlays Bank. After Kenya attained its independence, the government of Kenya acquired more than 60% of its shares and then acquired 100% of its shares later in 1970 and formed the largest commercial bank in Kenya.

In 2010, Kenya Commercial Bank was renamed to KCB Bank group. This was approved by its shareholders. In focus to regulatory approvals, the re-organisation exercise would see the current company, KCB Limited, transfer its banking business to KCB Bank Kenya Limited which is a new subsidiary. It is made of KCB Kenya, S&L, a mortgage division; KCB Tanzania Limited, KCB Rwanda Limited, KCB

Burundi Limited, KCB Sudan Limited and KCB Uganda Limited. Today, KCB Group has the broadest system of 6 outlets which is comprised of; 210 branches across the region, 175 branches in Kenya, 14 in Uganda, 2 in Burundi, 11 in Tanzania and 11 in Rwanda and access to over 940 Automated Teller Machines and over 4,627 group bank agents (KCB, 2015). In 2015, The Group's steady performance was driven by increased revenues, tight cost management and improved efficiencies, with customer deposits of Ksh. 424 billion, total assets of Ksh. 558 billion. The importance of market positioning strategy to KCB Group cannot be gainsaid. KCB Group has gone through very many upheavals in the attempt to adopt to different market positioning strategies, however it has not been easy to achieve optimum strategy implementation.

1.2 Research Problem

Positioning is considered a powerful tool which ensures that a company creates a good image for itself. Recently, the banking industry has experienced more emphasis on how to improve its culture and foster effective implementation of marketing programmes. This growing concern comes from the belief that good marketing practices are an important source of competitive advantage in the service sector. This is shown by having high interaction levels between the company and its customers. A strong marketing culture leads to better customer relations, which lead to high profit margins (Ries and Trout, 2000). A good image of a company is determined by how good the positioning strategy is. Recently, the effective implementation of marketing programmes is fostered through an increased emphasis on the cultivation of a culture as it can be testified by the banking industry. This implies that, sound marketing practices plays an important role in providing the competitive advantage in the service sector which creates a good avenue for the free interaction between the service providers and the customers an aspect that develops the growing attention stems of the firms.

According to Ries and Trout, (2000) higher returns in a firm emanates from the ability to retain its customers which is determined by how strong its marketing structure is. This flat year-on-year performance is attributed to the implications of interest rate capping law and restructuring costs by the lender. This means that, marketing position is very important for the banking sector to become more profitable and maintain high performance in the market dominance. Moreover, competitive pressure in the banking market environment can be confronted though a good Market positioning, and as result the performance is also improved. However, limited studies have been done on market positioning and it effects on firm’s performance in Kenya though the concept has been highly appreciated. The study seeks to examine the impacts of market positioning strategies on the performance of banking industry with specific reference to KCB Bank Group.

Various studies related to market positioning strategies and performance have been carried out. Tang and Wezel (2015) carried out a study on marketing positioning and performance of Hong Kong films. The findings indicated that positive returns were gotten from new companies entering the market. Due to this type of differentiation led to the right positioning of the new entrants where there was market uncertainty, frequent adoption of this combination by competitors dampens the performance returns derived from it. Similarly, Ekmen-Ozcelik and Guzin (2014) investigated Turkey's comparative advantages and dynamic market positioning in the EU Market. The results showed that Turkey had a successful restructuring in using the diminishing segments of the EU-15 market, as specified by Turkeys decreasing shares in the “retreat” groups.

Similarly, Prinsloo, Gronewald and Pelser (2014) did a research on market positioning of branded meat products and concluded that conceptual framework which they presented made a positive influence to the market positioning of branded meat products. Munene (2013) studied strategic positioning and organizational performance and found that positioning strategies had some effect on performance. Mutua (2012) carried out a research on effects of positioning strategies on performance in the micro and small scale enterprises. The results indicated that firms used product traits positioning such as; quality positioning, customer positioning, competitor positioning and customized positioning. From the studies little has been done on the influence of employee satisfaction with benefits on retention, therefore this answered the question: What is the effect of market positioning strategies on performance of KCB Bank Group Ltd?

1.3 Research Objectives

1.3.1 Main Objective

The main objective of the study was to investigate the effect of market positioning strategies on performance of KCB Bank Group Ltd

1.3.2 Specific Objectives

The objectives of this study were;

i. To assess the effect of brand positioning strategy on performance of KCB Bank Group Ltd.

ii. To analyze the effect of product positioning strategy on performance of KCB Bank Group Ltd.
iii. To establish the effect of price positioning strategy on performance of KCB Bank Group Ltd.

1.4 Value of the Study

This study can be useful to academicians and researchers in the banking industry. The study added knowledge on influences of market positioning strategies on performance of banks in Kenya. Significantly, the research will contribute to literature on market strategies for future researchers and academicians. It will also help in identifying other areas of market strategies that requires further research studying. The study will bring out clearly the various indicators of market positioning strategies and therefore be in a position to show how they can lead to better organizational performance. At the same time, the study will also highlight areas of challenges which could be exploited further by these commercial banks. The study will also benefit microfinance and insurance companies who also compete for the same customers.

Government organizations and policy makers may use the study to enact positive state policies based on the framework which is applicable to the forces which has an impact in the banking industry in Kenya. This study will be useful to managers in KCB Bank Group. It will help them to learn the importance of effective positioning for their services and products thus adopt the right positioning practice for their services. The research findings will also provide recommendations as well as reference to Potential investors in the banking industry in forming a better understanding of the banking industry and enable them to make well informed investment decisions. Moreover, this study will identify attitude and value based gaps in employees for training needs requirements.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The aim of this chapter is to offer an analysis of previous studies on market positioning strategies and organizational performance. It begins with theories that support market positioning strategies and organizational performance. The chapter also includes a conceptual framework and concludes by having a summary of some of the reviewed literature.

2.2 Theoretical Framework

All firms operate in an active environment. A company's external environment is made up of the firm itself and the people with whom the company interacts with. The external environment comprises of competitors, suppliers and clients. The need to maintain a competitive advantage in another environment made the firms adopt varied market positioning strategies. It is significant to comprehend the importance of these strategies (Porter, 1980) since government regulations affect a business or firm performance. This study was based on two theories: market positioning and and buyer behavior theories.

2.2.1 Market Positioning Theory

Market positioning theory was developed by theorists Ries and Trout in 1969. They were both directors of marketing services. This theory places emphasis on manipulating the minds of individuals. The most significant about positioning is the hearts of clients is always the marketing environment. They published their first article predicting the forthcoming era in communication and marketing sector. They stated that the upcoming era would put more focus on not only product features but also on establishing a position in the minds of prospective customers. They were able to advice top management of different organizations to evaluate objectively their offerings from customer's point of view and relate to what is already in their prospects minds, that it, to take advantage of positions already owned. Ries and Trout (1969) stressed that strong positioning programs were cumulative in nature, flexible yet consistent.

The most significant phenomenon is not to make different things, however, human mind manipulation. Positioning is based on the hearts and the minds, that is, client's preference. The positioning means aspects which include establishing current positions, filling the gap strategy, having a single location strategy, having positioning analogies and classification of brand positioning. Market positioning theory distribution of information from varied sources can be attributed to the era of information explosion, which has a significant impact on business operations.

2.2.2 The Theory of Buyer Behavior

The first consumer decision model was established by Howard in 1963. In 1969, it was further developed to become Theory of Buyer Behavior by Howard and Sheth (Howard & Sheth, 1969). The theory provides a dynamic integration of psychological, marketing and social influences on what the consumer chooses into the comprehensible sequence of information processing. Much of the buying behavior is repetitive thus the buyer ends up making purchase cycles for varied products which get to determine how often the consumer will buy (Howard & Sheth, 1969). Some products, for instance, durable appliances, and this type of cycle is long and purchase is not as common. Food and personal care items, show that the purchase cycle is short since they get to be purchased frequently. Having a monotonous brand choice decision meant the client had to simplify his task by having appropriate information and founding a routine in the resolve process. Theory of buyer behavior identifies the elements of a consumer's decision making, observes the transformation that transpire eventually as a result of continual nature and show them a mix of decision aspects search process and include information from the buyer's profitable and social setting (Baker & Saren, 2016).

There are three important notions which are involved in defining brand alternatives. The buyer then employs decision mediators to match his or her motives. Buyer behavior is a methodological approach which clients follow when they want to buy something. Step by step customer decision making process as well as different methods of decision making are useful when coming up with marketing strategies (Monroe, Rikala & Somervuori, 2015). The first step is the need to be recognized. This is the phase where customers become aware of both their emotional and functional need. In a marketing strategy, it is usual to emphasize on the stimulating need awareness to bring on more buyers to the brands side. Adverts done for restaurants discuss matters pertaining human hunger then go on to present the visual image of the food in order to try and incite customers to the need for food and the need to have the restaurant experience (Wind, Thomas & Sheth, 2014). In the same way, marketing directly and having personal selling strategies is beneficial in getting clients and drawing necessary need recognition. When a customer discovers a need, they start making considerations and begin to make comparisons on the most significant needs. This particular phase is important for marketers as they use it to persuade clients that they can be able to offer the best solutions for their needs. Making marketing planes comprises of a positioning strategy. This is the unique image marketers create in the minds of customers putting emphasis on why their benefits are better than that of their competitors. In markets that are highly competitive, effective positioning and brand development is important in influencing clients as they look for that thing that will satisfy their need.

2.3 Market Positioning Strategies

Market position describe the extent to which consumers perceive a product or the performance of a company on specific attributes as compared to that of its competitors (Kotler, 1994). Positioning is more than image-making and makes a company be more competitive. It distinguishes a firm from its competitors so as to be the most preferred in the market. The three major classification of market positioning strategies include brand positioning strategy, product positioning strategy and price positioning strategy.

2.3.1 Brand Positioning Strategy

Brand positioning goes far beyond rational perception of customers. It is not about saying what they should think about a brand – is more about what remains in prospect's mind after being touched. Positioning should be as simple as possible sending not more than one or two main messages that are acceptable and not so distinct from customer's beliefs and ideals. Nowadays a lot of people use one buzz word (expression) "keep it simple"(Baker & Saren, 2016). It has very strong substantiation in daily life and mind limitations. As a result of the sheer volume of messages we face daily, an individual's mind starts to handle with understanding them all. Also perceptions and memory are selective. We have to be selective because of the amount of information and that is why we get to one conclusion – being different, unique, remarkable, and memorable and the idea has to be so clear to persist rather than confuse.

As mentioned above brand positioning is more about emotions. And we can help to these emotions to rise up and affect people's meaning about our brand. Positioning is only an idea how to be perceived and branding is the tool to execute this purpose or idea (Jobber, 2010). Many experts refuse a view of branding and positioning as one. In fact I would want to be so audacious not to agree. These two terms are like fire and smoke. There is no fire without smoke and no smoke without a fire. Smoke as branding helps us to notice the fire even from miles far away. We don't have to see the fire to understand the nature and smell smoke and understand the fire.

2.3.2 Product Positioning Strategy

Product positioning is the idea that first comes to the marketer's mind about their product as compared to that of the competitor. Product positioning is an important element in the buying process. It offers an opportunity to impact the market's discernments of available products. Ries and Trout (2000) describes product positioning as not what is done to a product but the perception in the mind of a customer. This means that a product is positioned in the mind of the individual. Positioning is done to the product and it involves change. However, the change made on the price, name and package are not changes in the product. Acording to Wang, Xie, Jagpal and Yeniyurt (2016), positioning is the first section that is considered when it is hard to market in a given society. Positioning a product or service means it needs to first know its market segmentation and also comprehend its target market.

The main difference between mass marketers and small enterprises is small firms engage in product positioning which is not much costly as compared to the big companies. Small business position their products based on the opinions of the owner, his friends and clients (Ries & Trout, 2000). They act as the sample. To some extent, small companies also have experimental studies once they introduce a new product to the market. They observe carefully on the type of consumers who opt for the product, get feedback from them and later give response, change how they advertise the particular products, they also change how they display the products as well as how they package the products.

2.3.3 Price Positioning Strategy

Price positioning strategy is the attempt in which a business creates a promising fair pricing method. This approach states that the perceived price is determined by the perceived total value of the product or service being sold. Pricing can influence the market positioning a firm and know how to use it as a branding tool (Gonzalez-Benito, Gonzalez-Benito & Munoz-Gallego, 2014). Revenue associated with the particular products does not only show how the profits are earned but also show the value of the particular brand. A good reputation can be created from the quality of the product and its value. Entrepreneurs may decide to remain on the competitive zone offering subsidized prices. Here the business may get just a little reputation but not compared to those business on the higher zone. The entrepreneur is often regarded as simple and minimalistic since they offer cheap prices. The customers are likely to attract entrepreneurs who want painless solutions for an easy price.

On the other hand, there are expensive brands. If an entrepreneur higher social standing, then he or she is likely to have a good reputation. Most people have the perception that high quality things are expensive. This is because people have been shown that they always get for what they pay for. Nevertheless, there are always exceptions. Some expensive products are not that good thus do not do very well in the market (Gonzalez-Benito et. al, 2014). This puts more pressure on to other big brands to perform better. Products being expensive does not mean they are effective. A good reputation needs to be built. The product has to offers good reputable to justify its quality and explain for its high market price. Pricing is crucial but cannot be done alone. Marketing has to be considered as well as other elements when planning on the price of a product. This means that marketing can work as an effective branding tool. It has to be considered side by side with marketing and other elements of business so that it can work as an effective branding tool. Price positioning strategies can be used to place businesses in better market positions (Wirtz & Lovelock, 2017).

2.4 Market Positioning Strategies and Performance

Studies have being carried on the effects of market positioning strategies on performance of commercial banks. Blankson and Crawford (2012) conducted a study on the impact of positioning strategies on service of organizational performance. The study investigated on how positioning strategies could be applied in retail companies in Texas. The study adopted a case study design. Four case studies were used and observation made on retail positioning in an active marketplace. The most significant positioning strategies included attractiveness, branding, reliability, value for money and service. Different firms placed emphasis on different positioning strategies. All companies attained a favourable client viewpoint once they implemented the positioning strategies. The results also showed that several positioning strategies related to several performance indicators.

Farshid (2011) did a study on the influence of export marketing strategy determinants on firm export performance between 1993 and 2010. They used the questionnaire research design. They discovered that there can exist a design export marketing strategy which were key determinants on export performance model. This would later aid companies focus more on aspects related to export marketing strategy as one of the significant aspects which later enhanced export performance globally.

Locally, Orwa (2012) did a study on market positioning and differentiation strategies on Telkom Kenya on how they affect the performance of the firm. The results showed that Telkom Kenya used positioning and differentiation strategies which were not effective in marketing their product. However, the findings have tariffs which are fairer to the market. Clients were also distinguish between Telkom Kenya's products from that of its competition. TKL employees believed that payphone services would perform better in the certain features were installed, more advertisement and client education was enhanced. The study noted that TKL ignored the role of advertisement as a good positioning tool. It also failed to identify with the society as it did not have many public engagement events. TKL staff felt as if more marketing activities needed to be done through the various media channels, and be able to expose the new products. It was recommended that TKL should come up with more efficient ways of avoiding vandalism so as to improve their service towards their customers.

Similarly, Masua (2012) studied the effects of positioning strategies on performance in the micro and small scale enterprises. This study aimed to comprehend how positioning. A descriptive research design was adopted for this study, concentrating majorly on the furniture industry in Huruma Estate. The study targeted a population of 50 micro and small scale enterprises. The findings from the study indicated that firms used positioning strategies to attain a stable competitive advantage in the market. They used quality and customized positioning, product aspects or clients' benefits and positioning by the competitor. The study recommends that the government use this study as body of knowledge to contribute in informing its efforts in the growth of the SMEs, particularly in its goal of achieving vision 2030.

Mokua, Kanyagia and M'Nchebere (2012) did a study on effect of market positioning on organizational performance in the airlines industry in Kenya; case of Kenya Airways. The study targeted 215 respondents from a population of 1230 staff and clients. Content analysis was used to analyze the data. Findings indicated that variations in performance could be explained by the pricing strategies used. A confidence interval of 95%. Strategies used in pricing had a significant effect on cost strategies, performance, service quality, innovation and varied benefits. The study also indicated a positive relationship between pricing strategies and perceived service quality. Average relationship was found between pricing strategies and innovation

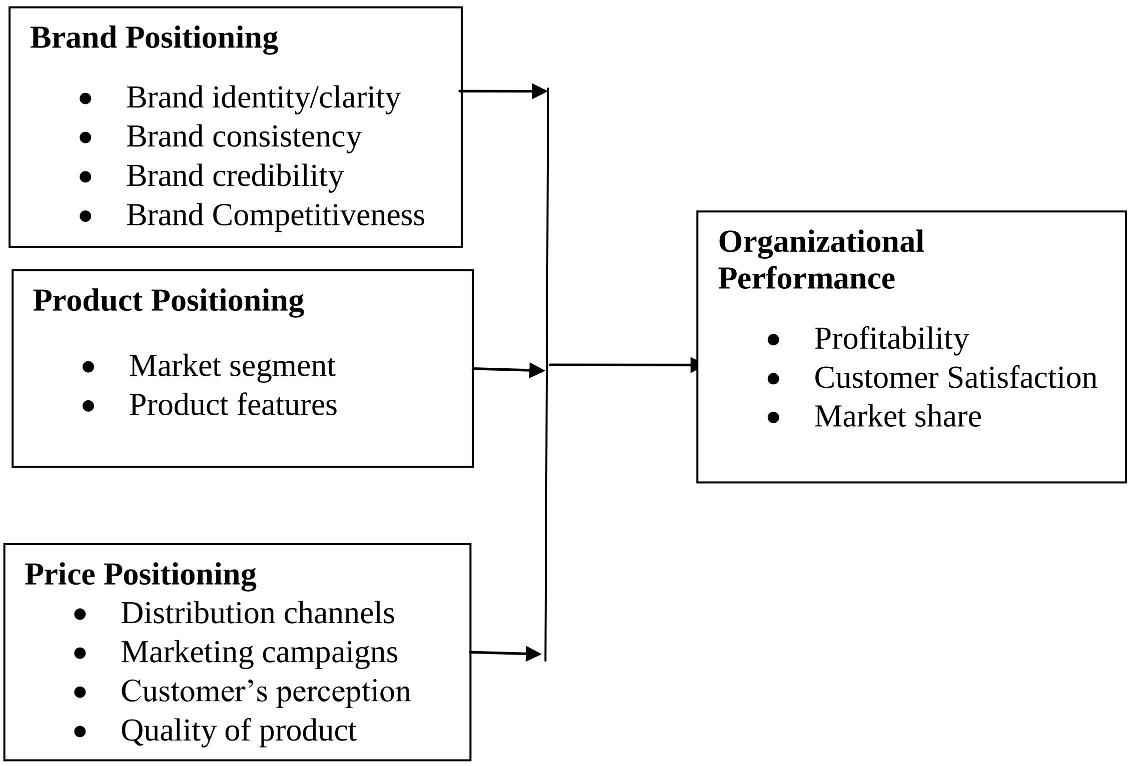
Muthengi (2015) did a study on the impact of marketing strategies on sales performance. Target population was commercial banks in Kenya. A descriptive research design was used where data was collected using semi-structured questionnaires. The findings indicated that marketing was a major function in the banking sector since the industry has high competition due to bank consolidations and reforms. Bank staff were involved in the bank marketing. Thus there was a relationship between bank reforms and marketing activities. Competition in the banking industry facilitated effective deposit organization, convenient banking services, high performance, low costs, and lack of client exploitation, high technical efficiency, high compensations and increased savings which were said to transform service quality. The findings also showed overall high significance of marketing variables even though there was no much effect observed on the marketing variable as compared to bank performance once isolated from other variables.

Blankson and Crawford (2012), Orwa (2012), Masua (2012) and Mokua et al. (2012) agree that market positioning strategies have an impact on organizational performance. However, Blankson and Crawford (2012) study market positioning strategies in retail firms, Orwa (2012) studies positioning and differentiation strategies on product performance, Masua (2012) studies positioning strategies in micro-finance institutions and Mokua et al. (2012) studies market positioning in an airline industry. Muthengi (2015) affirms that strategic marketing has a great impact on business performance. These studies widely acknowledged that multiple positioning strategies relates to multiple performance indicators.

A limited number of researches carried out studies relating to market positioning strategies and firm performance both globally and in Kenya. From the literature review it has emerged that most of the researches carried out have engrossed on the positioning strategies, strategic marketing and organizational performance. It has emerged too that very little has been done to find out the effect of market positioning studies on firm performance of KCB Bank Group limited. This research sought to fill in the gap by investigating the influence of market positioning strategies on performance of KCB Bank Group in Kenya.

2.5 Conceptual Framework

The conceptual framework is a figure presentation of variables in a given study. The entire framework shows the relationship between dependent and independent variables. The independent variables for the study were brand positioning, product positioning and price positioning while the dependent variable is the organizational performance.



Independent Variables **Dependent Variable**

Figure1.1: Conceptual Framework

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology that were followed to complete the study. These include research design, data collection and data analysis.

3.2 Research Design

This study employed case study method which has evolved over the past few years as useful tool for an in-depth investigation of trends and specific situations. The design has been found appropriate since it focuses on specific and interesting cases. This design also allowed a thorough, meticulous and systematic data collection on the research problem Mayer (2015). Further, it gave a deep understanding of the issues, and allowed data collection using in-depth interviews and document analysis.

3.3 Data Collection

Primary data was used in this study. An interview guide was used to interview senior managers at KCB Bank Group headquarters in Nairobi. This involve in-depth discussion through individual meetings with 5 senior managers of KCB Group Ltd. The interview guide ensured that the respondents were able to give their interests, motivations, background and inside feelings. Copper and Schindler (2006) emphasized that personal interviews are important as they enable the researcher get in-depth and detailed information.

3.4 Data Analysis

Qualitative data was collected and analyzed using content analysis approach. Mugenda and Mugenda (2003) expounds that content analysis is important as it studies current and existing information so as to determine aspects that try elaborate on a given phenomenon. Content analysis is known to be the best approach when analyzing open ended questions since it's flexible and lets there to be objective, methodical and quantitative description on the content of information gathered.

Responses from 5 respondents were compared and a summary derived from their responses as per the objectives of the study.

CHAPTER FOUR: DATA ANALYSIS RESULTS AND DISCUSSION

4.1 Introduction

This section covers the analysis of the data and their discussions. The aim of the research was to establish the influence of market positioning strategies on performance in KCB Bank Group Ltd. An interview guide was utilized in the collection of the primary data which was administered to the bank senior managers of Kenya Commercial Bank. The data was later analyzed with respect to the study goal and findings presented.

4.2 Major Market Positioning Strategies adopted by KCB group in the last five years

The interviewees were asked to state some of the market positioning strategies used in their organization for the last five years. All the respondents agreed that market positioning was a Strategic procedure that includes promoting the brand or merchandise to create and build an identity or an image within the target market consumers' minds. The highest percentage of the respondents' concurred that positioning of a market of a brand or merchandise ought to be maintained throughout the brand's and product's life. They further included that a strategy of positioning can frequently be utilized, or adjusted marginally, as a tool for foreign markets entry. Doing this required progressing marketing activities proposed to fortify the perception of the target market of the brand or product.

One of the senior managers identified that positioning was one of the most powerful marketing concepts. He mentioned that positioning strategy was a purposeful plan of branding that operates on the symbolic dimensions of a client's cognizance, where meanings and associations, words by individuals genuinely hold weight. A strategy of positioning a market was based on information of a business and attempts to make the exact words to balance distinction, similarity, and differentiation concepts in a brand-narrative that is unified. Another interviewee expressed that it was a long time effort to imprint the organization's identity, and its services or merchandises, in a unique space inside the target market's minds. It was likewise concurred that strategy of positioning was an organized undertaking for the separation of a brand from the crowd and impact the perceptions of the market targeted. The interviewees gave out three major market positioning strategies they use. They are as highlighted below.

4.2.1 Influence of brand positioning strategy on performance in KCB Bank Group

The respondents were asked to explain the impact of strategy of positioning a brand on KCB bank performance. The interviewees identified strategy of brand positioning as one of the marketing strategies implemented by KCB Bank Group. They elaborated that brand positioning strategy was a conceptual place on which they targeted the consumer's mind, that is, the benefits they wanted their consumers to think of when they thought of their brand. The respondents identified the key components of brand positioning. First they mentioned category frame of reference. This mainly involved the competitive context of the firm. Majority of the respondents agreed that KCB Bank had to agree on the product category they should be associated with. Second component of brand positioning identified by the interviewees was target market. The respondents explained that target market was important when building a brand. The third key component of brand positioning strategy was identified as a statement of the key point of difference. The marketing department had to identify the benefits that the brand stands for and delivers on.

The respondents further identified the main measures of brand positioning strategies. They mentioned brand identity/clarity, brand consistency, brand credibility and brand competitiveness. They further identified key objectives of brand positioning at KCB Bank Group. One of the senior managers indicated that relevance was very important in the brand positioning strategy. Their customers had to find their brand appealing. However, if not, the brand would not make be considered irrespective of the difference and credibility of the product. Secondly was differentiation. This was also identified as a strong key objective by the respondents. They said that it was important and the core driver of success positioning. The brand has to be unique as compared to available competitive offerings. The respondents also agreed that a brand positioning strategy had to be credible and viable. One senior manager added that a strategy had to be credibly provided as offering otherwise the customer would leave with an empty promise.

There was considerable evidence that brand positioning strategy had an effect on performance. They identified five effects of brand positioning strategy on performance. The respondents identified that brand positioning strategy focused on a specific target market. They explained that providing limited services to limited audiences, resulted into effective and powerful marketing. The bank would then be perceived as a high-value expert. Secondly, the respondents stated that brand positioning strategy differentiated them from their competitors'. Their clients would know what differentiates the bank and be in a position to share information about the bank in a way that will excite its prospect customers. This ensures a positive growth in terms of overall performance. Brand positioning wins new clients. Majority of the interviewees agreed that positioning arms the development team of the business with important arguments they can utilize to nature and close the procedure. One senior manager stated that brand positioning drives creative decisions. He further explained that when the bank understands the core message it needs to communicate to its prospects, it can make appropriate decisions over the frame of the creative procedure. The positioning of the brand becomes the bank's DNA. Lastly, the respondents stated that brand positioning was a major driver of development of service and decisions of pricing. They identified that knowing how to compare with their competitors aided them in deciding what new services to offer, and when. This would thus have a positive effect on performance.

4.2.2 Influence of product positioning strategy on performance in KCB Bank Group

The respondents were asked to explain the impact of strategy of product positioning on KCB Bank performance. The interviewees revealed that good strategy of product positioning required assessment of both internal and external factors. First, bank as a whole needed to be positioned properly, then position the portfolio of the services and products. They stated that some banks failed to realize that their own offerings needed to "hang together" and make sense – relative to one another and to their overall business performance. One of the managers added that when a bank had diverging brans or offerings, they may best think about two varying banners. Similarly, when banks attempt to broaden the brand of a product in such a large number of bearings they can weaken the valuing of the offering and result in confusing the client.

More evidence indicated that with a portfolio of a product that makes sense, the bank likewise expected to effectively separate every product from its opposition. Regularly, the respondents identified three key positioning dimensions; functionality, differentiation, and relevance. At the point when offerings are new (maybe dependent on new innovation) and not well understood, the positioning of a product is around what is done by the offering (e.g., now you can watch movies in high definition). At the point when offerings are commodities, the positioning of the product is around your strategy of differentiation, and in outrageous cases, positioning around the emotional experience.

The respondents unanimously agreed that product positioning strategy had a positive effect on performance. A key part of positioning of a product is to connect the product with explicit advantages that interest individuals from your target market. At the point when shoppers trust that your product conveys these advantages, they're bound to purchase the product. For powerful positioning of the product, the client needs to infer the guaranteed advantages once the purchase of the product is made.

The respondents further agreed that product positioning makes entire organization market-oriented. One of the bank managers said that positioning of a product was a part of the more extensive philosophy of marketing. It concerned with identification of prevalent parts of product and matching them with buyers more adequately than competitors. The bank became market oriented as a result of the philosophy. They further concurred that positioning of a product helped the bank adapt to changes in the market. The obligation of the manager was not over when the product was successfully positioned. The manager needed to always watch the market. According to new improvements in the market place, new competitive advantages ought to be recognized, or developed to suit the changing market expectations. It made the managers progressively alert, active, and dynamic. Collective evidence indicated that product positioning promoted consumer goodwill and loyalty. Systematic product positioning reinforced the bank’s name, its product and brand. It popularized the brand. The bank could create goodwill and win customer loyalty thus enabling them to grow exponentially.

The respondents further agreed that product positioning enabled them attract different types of consumers. The interviewees agrees that consumers differed as far as their product expectations. Some required durability; some need unique features; some need novelty; some want safety; some want low costs, etc. By advancing diverse kinds of competitive advantages, the bank could draw in various types of purchasers. Lastly, the respondents agreed that they could face competition using product positioning. The bank could respond strongly to their competitors. It could improve its competitive strength.

4.2.3 Influence of price positioning strategy on performance in KCB Bank Group

The respondents were asked to explain the influence of price positioning strategy on performance in KCB Bank. The interviewees indicated that the valuing of any strategy of pricing was faulty on the off chance that it was not consistent with the general bank strategy. Strategies of positioning of pricing, which don't reflect goals of an organization, can adversely influence outcome performance and vice versa. The outcomes of strategies of pricing have essential implications on management and public policy. The highest percentage of the respondents were of the assessment (unequivocally concurred or concurred) that organizational performance is significantly influenced by pricing.

The respondents further agreed that pricing strategy has its roots in the very heart of competitive positioning. One of the managers stated that if the bank could boast of better product or service this could lead to a good market reputation (or brand) This could then give the bank an opportunity to command premium pricing. However, a starting question becomes: to what degree are clients sensitive to price? They all concurred that in many instances, particularly in SMEs, the outstanding value their offerings bring may completely legitimize a premium price. Then again, on the off chance that they come up short on a competitive presence or are liable to negative reputation, no pricing discount valuing may balance the bank's handicap. Understanding these fundamental dynamics in their competitive market place allowed the KCB Bank Group to create a model and inform on their pricing strategy. One of the critical questions they asked was the bank optimizing for volume, or margin, or for predictability? The bank's strategy for pricing took into consideration situations of opportunity, for example, catching first order to demonstrate an incentive for a more extended term relationship. The primary caution in building up an optimization strategy for pricing was that: the bank could not make its sales organization its sole source of input. The bank had to dig deeper and broader to ensure they had a balanced perspective.

The senior managers agree that the product costs communicates the bank's intended product value. Product pricing strategies that are too low or too high can have unintended outcomes. The respondents concurred that pricing as per a blend of the expense of creating the product and industry standard is simple, however is deficient of competitive strategies. The cost ought to be utilized related to alternate components of the marketing mix. In the event that an product should be high-end, it ought to be valued in like manner. They additionally included that the cost of the product ought to fluctuate all through the product's life cycle; the strategies of prices should set diverse costs for product introduction, growth, maturity and decline. Every one of the respondents concurred that strategy of positioning of price had a significant effect on performance of any given firm. They explained further that the pricing strategy tool works by enabling you to first enter in the factors that influence your decisions of pricing. The variables included incorporate market position, promotions, analysis, price versus demand, value, expense and costs of product, and environmental factors. There are different contemplations, however, these are the most well-known. When you use a pricing device, this device will represent these factors and others that influence pricing to enable you to land at the correct cost for your product.

One of the supervisors noticed that pricing is a strategy, not an undertaking. On the off chance that you consider pricing an insignificant undertaking, you will ignore numerous choices, factors, and plans that go into your pricing strategy and structure. Pricing is specifically identified with market positioning and it is one of the four components of your marketing mix. It additionally influences different components in different ways, so you need to ensure that you set your costs appropriately. Further reaction from the interviewees showed that with the assistance of a tool for pricing strategy, you will have the capacity to look at the different components, factor in all contemplations, and land at a reasonable and sensible price that represents everything and meets your pricing objectives. All respondents concurred that development and innovation are making a great deal of things less demanding KCB Bank and friends structures of pricing are only one zone where you can discover benefits. The bank needs to ensure that they have a mind blowing tool for pricing to enable you to get examples and learn the techniques behind the strategy of pricing. That way, the bank can be set for progress with legitimate pricing.

4.3 Factors influencing choice of the above mentioned Market Positioning Strategies

The respondents were asked on factors that influenced the choice of the three positioning strategies by KCB Bank Group. The senior managers first stated that banks have ended up confronting increasingly forceful rivalry, vulnerability and boundless chances. No bank can offer all products/services and be the best bank for all clients. They are compelled to develop new competition basis. A bank must inspect its opportunities and strengths and take an aggressive position in the competitive market place. One of the significant reasons they picked the techniques was to distinguish its target client base, evaluating the most critical highlights for those clients, choosing a product that conveys those features, lastly viably separating its products from its rivals' products.

One manager said that when banks position a service or a product, it is vital to choose if the product they make and convey creates a sustainable competitive advantage versus the opposition and if their workers can adequately position and communicate that competitive advantage. Products that have a sustainable advantage, or a one of a kind offering that contenders can't match, still frequently fail except if the front line can legitimately portray that advantage over the opposition. Particularly in commercial banks, where products are confounded and nuanced, the description and positioning ends up imperative and turns into a basic piece of the product. The respondents distinguished a few variables impacting decision of strategy of pricing. They incorporate

4.3.1 Role of past strategy

The respondents were asked on factors influencing the above market position strategies. The interviewees identified several factors. One of them was past strategy. One of the interviewees added that strategy has never been more problematic, or progressively critical, than in the present environment of worldwide rivalry, in which, strategies by corporations must rise above the outskirts of countries and markets. Such a large number of associations attempt to be everything to everybody, squandering assets in business sectors that may never give an advantageous investment return.

Their choice of current market positioning strategies was determined by the effect and role played by a past strategy. Strategy had to be coherent, unifying, integrative framework for choices particularly for business direction and utilization resource. For this to happen, past strategy had to be incorporated to the new market positioning strategies if and only if it had a positive effect.

4.3.2 Degree of firm's external dependence

Degree of the organization's external independence affected choice of market positioning strategies. The respondents answer to this question indicated that dependence on outside institutions, (for example, governments, suppliers, competitors, lenders, customers, and associations) who, straightforwardly and proportionately, could restrict an association's opportunity of decision in strategies and operations. The respondents further agreed that positive organizational performance and choice of market positioning strategy has been linked to firms that adapted their strategies faster to external forces, and also understood the industry's attractiveness and their own positions than those which did not. Strategy is basically a roadmap intended to provide common understanding, direction and action towards the achievement of organizational goals. Having a strategy facilitates the allocation and optimization of scarce organizational resources to achieve maximum effectiveness and efficiency. The interviewees indicated that the need to continually evaluate and modify strategy is necessary in order to manage the organizational risk profile, optimize returns and manage other stakeholder expectations. Lastly strategy development enables a firm to proactively address the overall strategic issues such as competitive advantage and strategic fit. The typical external environmental influences impacting strategy development include political, economic, social, technological, environmental and legislative forces.

4.3.3 Attitudes towards risk

Attitude toward risk may have a major impact upon strategy choice. The interviewees affirmed that while evaluating strategies, it is vital to represent the opportunities accommodated strategically changing in accordance with results of risk. They further insisted that since firms and individual directors have varying attitudes to risk, there is a differed and fluctuating arrangement of strategies that are picked. Individual administrators may expect a moderate market with changes that pursue past encounters; an unverifiable market with unusual volatility; a market boom while everything is by all accounts going up; or a subsidence while everything is by all accounts going down. What's more, business strategies are picked as a result of a desire for a market in either of those states.

One of the senior managers expressed that changing attitudes of risk ordinarily takes two courses. To start with, individual directors picked strategies, as their neglected desires erode their feelings about how the world functions. As these people at that point move their attitudes of risk, they will likewise move their way to deal with their business and the risks that they're willing to take. In the event that they are exceptionally insightful and versatile, they will change to a conviction that lines up with the present environment and the procedure will start once more. On the off chance that they are less versatile and keen, they may move to an alternate risk attitude that does not line up with the environment. Their organizations may then sway along from one type of sub-optimal performance to another.

4.3.4 Internal Political Considerations

Internal politics consideration affects choice of market positioning strategies of a firm. The interviews identified that political viewpoint is concerned with the manners by which parties involved can influence the procedure and results of strategic making of decisions either through the power they have or through measures they take to exert impact. Strategic choices are those which significantly affect the association and its long haul performance. The political point of view centers around how and why people, groups and associations practice power or accumulate impact in order to shape the key choices that are made for the benefit of associations. The interviewees additionally concurred that Strategic choices are especially liable to invigorate political activities since they are intricate, noteworthy, and subject to vulnerability. Their intricacy legitimates various perspectives as to suitable results or solutions, and additionally giving a power base to those groups which have extraordinary information or abilities to manage the complexity. While every strategic choice are, by definition, moderately significant, some might be especially so on the grounds that they are basic for an association's survival or potentially may convey real ramifications for the dissemination of assets inside the association.

4.3.5 Timing

It is believed that a company that aligns its strategy and structure with its business environment can have a greater chance of achieving higher performance than one without alignment. The respondents agreed that despite the important linkage between environment and strategy choice, many firms tend to focus on a strategic choice itself rather than the timing of that choice. They also do not appear to use any systematic procedure to determine the impact of economic or industry contraction or expansion on their specific business. The complexity posed by the industry dynamics requires different strategies by individual firms at different times. It was also agrees that it would be necessary for executives to adjust their activities to various phases of the industry cycle since the same strategy cannot be equally effective over the swings of industry demand. In the middle of a recession, firms may have competitive advantages through franchising because franchisors can minimize operational risks caused by the industry‘s deep decline in demand.

4.4 Challenges that Kenya Commercial Bank face when implementing market positioning strategies

The interviewees explained the various challenges that Kenya Commercial Bank face when implementing turnaround strategy. The major challenge is resistance to change. Most of the employees are not ready for the change that is expected of them. Change in culture like the introduction of market positioning strategies for better performance does not sit well with most staff. Change also affects the bank in that some of the good employees leave under the early retirement programme this means new staff have to be hired and trained. Resistance to change is handled through constant communication from top management who remind employees of the need to change.

This is managed through regular meetings, communication, team building and awareness exercise for all staff.

Economic recession is another challenge that faces the implementation of market positioning strategy. Most sectors of the economy like agriculture-tea, coffee which is a major client of the bank are not performing well. Additionally, the issue of non-performing loan hence persists even after the business is back on track. Large provisions for bad debts are necessary and they have negative impact on the financial performance of the bank. Inadequate resources are another major challenge. Resource constraints are both human and financial. There are no enough middle and top managers to steer the firm to profitability because the early retirement saw the exit of some key managers.

Insufficient leadership attention is another challenge that the respondents identified. Again and again, firm pioneers see the process of strategy development as a linear or finite activity. After experiencing a resource concentrated strategic planning process, the company's Managing Partner and individuals of the executive committee may result in once again bouncing into billable work erroneously believing that documenting the plan was most of the work included. Within the finalization of the plan weeks, strategies of market positioning start to gather dust, partners lose interest, and ultimately, months pass by with no or zero allusion to the plan or action from pioneers of the institution to propel for implementation.

The interviewees agreed that insufficient partner buy-in as another challenge to strategy implementation. In concluding planning of strategy, pioneers of the institution and partners involved in the procedure establish a strong understanding of the business behind the strategy chosen and the change requirements so as to accomplish goals of partners. However, partners not integrated in the procedure may find it difficult to understand the aims and strategies laid out by the leaders of the institution. These partners may not be in a position to establish the reasons for change, and in absence of foundational understanding and reason for the strategy chosen, these partners may never be drawn in support of the strategic plan and, therefore, will actively or passively interfere with the process of implementation.

Another challenge identified by the respondents is frail or unseemly strategy. Amidst the time frame of planning for the strategy, the lack of a sensible and legit appraisal of the institution will result in the advancement of a feeble, improper or possibly unachievable strategy. A weak strategy may result from implausible leaders of an institution or partners who embrace an ill-fitting strategy regarding the company's positioning or competitors. Without a suitable strategy, institutions find it difficult to implement the identified plan.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of key findings made by the study, conclusion drawn from the findings, and recommendations proposed by the researcher. The conclusions and recommendations are focused on addressing the main objective of the study. This chapter also discusses suggested areas for future research.

5.2 Summary of the Findings

From the findings, market positioning strategies are intentional branding plans which are integrated into a firms operations. A marketing positioning strategy is built on business data and comprises of differentiation concepts and distinction. This is a long term effort to identify the company, its products and services in a unique space laid out to its target customers. Market positioning strategies try set a part a brand and influence its clients' perception. There are three major market positioning strategies. They are brand, product and price positioning strategies.

Brand positioning strategy creates a distinct impression which allow the customers to engage with the company on a more personal basis. A number of positioning strategies are used to anchor a company's brand by increasing its awareness towards its clients. Product strategy is based on the plan of action which is likely to influence the product's image by reflecting characteristics and good image of the product. If a company shows better products and services leads to high market reputation.

From the findings, there is positive evidence that links business performance to educational attainment. Most productive firms have highly educated employees as compared to poor performing firms. Higher average levels of labour productivity in

Kenya Commercial Bank is linked to greater skills and knowledge of their employees, especially regarding to intermediate skills. Highly qualified staff boosts innovation and originality of technological activities in the company.

From the findings, brand positioning strategy has a positive effect on performance. In spite of its engineered methodology, brand positioning strategy is a vital marketing instrument from a vital perspective of dealing with an authoritative unit. It is a beginning stage for resulting movement sought after by a firm. It determines its tasks inside (situating as a guide and verifier of planned activities, as a device of working up relations with representatives, as a wellspring of motivation and incitement to act, as a indicator and controlling instrument) and additionally remotely (situating as a preface of building brand design, as a marker of development headings, as a pointer of the edges of the correspondence system). The large number of functionalities expected in an association adds to the way that positioning has its key significance as a key tool at each phase of the administration procedure: investigative, arranging, execution and control.

Similarly, product positioning strategy has a positive effect on performance. Product positioning is an essential component of a promoting/marketing plan. Product positioning is the technique advertisers use to decide how to best convey their products, ' ascribes to their objective clients dependent on client needs, aggressive weights, accessible correspondence channels and painstakingly created key messages. Viable item situating guarantees that promoting messages reverberate with target shoppers and propel them to make a move. Successful product positioning requires a reasonable comprehension of client needs so the correct correspondence channels are chosen and key messages will reverberate with clients. Viable positioning passes on to customers why this present organization's item or administration ought to be favored over other focused alternatives dependent on what the organization thinks about the intended interest group's needs. Product positioning enables advertisers to think about how their contributions are not the same as others that customers need to browse.

All these aspects lead to better performance of the firm, in this case KCB Bank Group.

Price positioning strategy has been seen to have a positive effect on organizational performance. It was concluded that price positioning is as powerful as positioning strategy because managers of small businesses, self-employed professionals and employees seeking het to know how to set their prices. Developing value enhancement models methodically consolidate contender value data into the determination of ideal value focuses. While thought of contender valuing at this strategic dimension is fundamental to amplifying momentary incomes and focus on the long haul effect of aggressive price positioning on execution.

From the findings, role of past strategy affected the choice of market positioning strategies. Today strategy is a very critical thing and should be enacted through comparison. Past strategies should be revised to see if they worked. If not they are replaced for better performance. Degree of external dependence is also a factor considered by KCB Bank group when choosing market positioning strategies. Organizations are environment dependant and serving and they must adapt or create a fit to their environment if they are to remain viable. This study established that external environment had statistically significant effect on choosing strategies.

From the findings, risk attitude was identified as a factor considered in choosing market positioning strategies at KCB Bank Group. Organizations are environment dependant and serving and they must adapt or create a fit to their environment if they are to remain viable. This study established that external environment had statistically significant effect on strategic responses. Hazard frame of mind is a wellspring of noteworthy predisposition on basic leadership and the viability of the risk management procedure. It pursues that to enhance chance administration we should see increasingly about risk attitude. There is a wide assertion that individuals are the most noteworthy basic achievement factor for viable administration of risk.

From the findings, internal political considerations are considered to be part of factors that influence choosing of market positioning strategies. The political context is maybe among the minimum unsurprising components in the business environment. A patterned political condition creates, as majority rule governments need to seek after re-appointment like clockwork. This outside component of business incorporates the impacts of weight gatherings. Weight bunches will in general change government arrangements. From the findings, timing was key in selecting the required market positioning strategies. Strategic choice and the timing of play are endogenous.

From the findings, the execution is a phase of extraordinary significance to situating on the grounds that it impacts its adequacy. All around characterized positioning supports the procedure of usage. It shows regions, strategies, methods and additionally apparatuses and implies which ought to be utilized in the usage procedure. The control work alludes to estimating the adequacy of tasks and the dimension of accomplishment of the goals. The estimations alludes to impression of a place mark in the partners' brains concerning consistence with the presumptions made for positioning.

Finally, the study identified challenges faced by Kenya Bank Group. These are resistance to change where most of the employees are not ready for the change that is expected of them, change in culture like the introduction of balance score card to measure performance, economic recession, inadequate resources and resource constraints. Insufficient leadership, insufficient buy-in and weak strategy. Without a practical strategy, firms' battle to take activities to adequately execute the arrangement recognized. In directing strategic planning, firm leaders and accomplices associated with the procedure build up a solid comprehension of the business basic behind the picked system and the requirement for change so as to accomplish accomplice objectives.

5.3 Conclusion

The main objective of this research was to identify the effect of market positioning strategies on performance in KCB Bank Group Ltd. From the research findings and in consonance with existing theory, market positioning strategy has a positive effect on the performance of the bank. Kenya Commercial Bank have implemented brand, product and price positioning strategies. The bank has continually grown and has a successful listing in the recent years which has enabled the bank to increase its capital base. It has also expanded with a current branch network and recently acquired a financial brokerage firm in attempts to become a one 'stop shop' for financial service. From the findings, the study concluded that banks need to adopt positioning strategies as this would enhance rapid firm growth and more profitable relative to its competitors, improve sales of new products, enable bank to offer financial services that have important attributes in delivering benefits, attain a big market share, isolate and target specific markets, and deliver a highly valued benefit to the target customers which they can afford to pay for the difference and profitable ways.

5.4 Recommendations

The study recommends that banking institutions ought to have market positioning strategies, for example, product differentiation, distribution, demographic positioning and promotion, for improved execution and also benefit of the firm. This guarantees that the banks will separate itself from its rivals, making a picture in respect to contenders and is recognized in the psyches of focused clients for their item and administrations.

The study recommends that commercial bank should analyze the key product component and primary importance to prospective consumers, plan product mix so as to have a package, physical product, brand and product services preferred by its target customers in order to create a competitive advantage for the customers through unique or superior products offered.

From the findings, commercial banks should hand over marketing responsibilities to train staff on how distribution can be done more effectively and to motivate staff so that to acquire more customers and manage the existing customers.

5.5 Implication on Policy and Practice

Policy makers can justify the reasons for growth of other firms using KCB's reasons for growth as found out in the study. Policy makers can also develop policies in regard to growth of firms in Kenya.

The study can empower policy makers to get information of the banking sector and the fitting turnaround systems to be connected to upgrade monetary execution and along these lines get direction from this examination in structuring proper strategies that will control the banking sector in the nation. The administration and different foundations associated with the nation's arrangement plan can't neglect the managing the banking sector as one of the significant supporter of the nation's GDP.

5.6 Limitations of the Study

The study was time limiting as it had to be conducted within a short period despite it being broad. The managers did not have sufficient time to explain all the issues in detail because they were attending a business conference. Being a case study, research findings cannot be generalized for other firms in other industries. This is because management is sensitive to environmental and organizational factors. The study was carried out within limited time and resources. This constrained the scope as well as the depth of the research.

5.7 Suggestion for Further Research

Further research can be carried out on situational determinants of market positioning strategies in greater detail, for instance, the role of change in top management and whether an organization should hire a market positioning expert. Further research should also be done on other firms apart from the banking sector so as to see the turnaround strategies and performance applied in the sectors.

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APPENDIX I: INTERVIEW GUIDE

1. How long have you worked in KCB Bank Group?
2. Give a brief description of your responsibilities in KCB Bank Group?
3. What are the major market positioning strategies that KCB Bank Group has adopted in the last five years?
4. What is the influence of brand positioning strategy on performance in KCB Bank Group? Explain
5. What is the influence of product positioning strategy on performance in KCB Bank Group? Explain
6. What is the influence of price positioning strategy on performance in KCB Bank Group? Explain
7. What are the main reasons why KCB Bank Group adopted these strategies?
8. Factors influencing choice of market positioning strategies in KCB Bank Group?
9. What are the challenges facing market positioning strategy implementation in KCB Bank Group? Explain