

## **Abstract:**

The banking industry in Kenya has witnessed a tremendous growth in the last decade. This has led to an increase in the number of banks in the country and opened an environment for serious competition. In today's highly competitive business environment, banks must come up with strategies that aim to improve their performance. One of these strategies is customer experience strategy. With products becoming commoditized, price differentiation no longer sustainable and customers demanding more, banks are focusing on delivering superior customer experiences. A successful strategy should paint a vivid picture of how the company would like customers to perceive it across the three key dimensions: meeting customers' needs, being easy to work with, and being enjoyable to work with. It should call out the aspects of customer experience that are most critical to a company's aspirations for differentiating itself. This study sought to establish the effect of the customer experience strategy on the performance of Kenya Commercial Bank. The study indeed found out that the performance of KCB, as measured by the key performance indicators, has improved since the inception of the strategy in 2008. The growth of customer numbers, loans and deposits and profit before tax was phenomenal. The study used both primary and secondary data. Primary data was collected from senior managers of the bank by way of an open ended interview. This was the most appropriate method of collecting data as it involved the key people involved in the implementation and monitoring of the strategy. The study also found out that with the changing business environment, progress in service industry and the focus on customer service, has forced the bank to change their focus from customer acquisition to customer retention by building relationships with customers and adding more value to goods and services. In order for a customer experience strategy to succeed it requires executive commitment, company-wide empowerment and enabling technology. The involvement of the executive ensures that the customer experience advocacy permeates the entire organization, getting buy-in from leaders company-wide and ultimately ensuring a top quality customer experience across all customer touch-points. The implementation of this strategy has not been smooth. It received a lot of challenges thus making it difficult to achieve the desired levels of customer experience. The challenges have been internal to the bank and efforts have been put in place to mitigate their effects. Some of the challenges include: an organizational culture that is not supportive of the strategy, the employees' attitude towards the strategy, lack of adequate training for all employees due to expansive nature of the company and finally the inadequate infrastructure to support the strategy. The researcher recommends further studies to be done to find out how this strategy can be used to enhance the brand visibility and differentiation in the market. Studies also need to be done to establish other customer experience initiatives employed by other service organizations in meeting the customer expectations.