

# Distribution strategy as a source of competitive advantage among commercial banks in Kenya

Phoebe, Muli

## **Abstract:**

The strengths of an organization are grounded in its resources, capabilities and competencies that help accompany attain competitive advantage based on superior efficiency, innovation, and quality and customer responsiveness. The distribution channel strategy decision is usually based on finding the most profitable way to reach a market. Successful distribution channel strategy selection, implementation, and management cannot only help to meet the shopping needs and habits of the target customer's efficiently under the cost constraints of the seller; they must also mitigate the disadvantages caused by distribution channel conflicts such as double marginalization. The purpose of the study was to determine the influence of distribution strategy as a source of competitive advantage among commercial banks in Kenya. The study adopted cross sectional survey design. The population of the study consisted of all forty five commercial banks operating in Kenya. The study used primary data which were collected through self-administered structured questionnaires. The data was analyzed and presented using mean and percentages. The study found out that commercial banks derive competitive advantage through speed of offering the service, the added value, unique resources, superior quality of services, the banks' product and service diversity, service flexibility, differentiation strategy, cost leadership strategy and unique corporate culture were adopted. The distribution strategies used were multiple channel strategy, branch banking strategy and internet banking distribution strategies, personal computer banking strategy and telephone banking strategy. The distribution strategies acts as a source of competitive advantage as the commercial banks combines distribution strategy with other activities in the bank, takes uses distribution strategies that is cost effective, distribution strategy is crucial in the eventual acceptance and sales of a new product in the market, distribution strategies are not a major barrier to the diffusion of new electronic banking technologies and the distribution strategy award the commercial banks advantage that is independent of its size.