

**MANAGERS' PERCEPTION OF CUSTOMER VALUE STRATEGY AND
COMPETITIVE ADVANTAGE AT INVESTMENT AND MORTGAGES BANK
LIMITED, KENYA**

BY

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DECLARATION

The research project is my original work and has not been presented for the award of degree in any other university or institution for any other purpose.

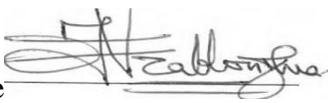
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DEDICATION

This piece of work is dedicated to my dear parents and loving siblings.

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The process of writing this masters project has been a wonderful experience coupled with its fair share of challenges. The completion of my studies opens a new beginning in my career journey.

First, I want to thank the Almighty God for giving me the grace to tackle each step of my school life.

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ACRONYMS AND ABBREVIATIONS

CA	Competitive Advantage
I&M	Investment and Mortgage
M&E	Monitoring and Evaluation
NSE	Nairobi Securities Exchange
RBV	Resource Based View
SCA	Sustainable Competitive Advantage
TPB	Theory of Planned Behavior

ABSTRACT

Organizations seeking to gain competitive advantage in their industries make choice of strategies that can guarantee such advantage. Customer value strategy is among the strategies that organizations chose. However, how the managers perceive the strategy's potential of creating competitive advantage varies among a cross-section of managers. This perception can have implications on how the managers carry out the strategy because different factors influence such perceived link. In its quest for competitive advantage in Kenya's banking industry, the Investment and Mortgage (I&M) Bank, Kenya Ltd pursues customer value strategy among other strategies. On this backdrop, this study was designed with the objective of determining the perceived link between customer value strategy and competitive advantage at I&M Bank Ltd as well as the factors that may influence the perception among managers of such link. Using a cross-sectional descriptive survey, primary data was collected from 75 managers of I&M Bank using a structured questionnaire and analyzed through descriptive statistics and one sample t-test at 95% confidence level. The findings of the study show that 24 out of the 29 descriptive statements presented to the respondents linking customer value strategy and competitive advantage has a mean score of 3.00 and above with majority of the statements have a mean score of above 4.00. The statements also had high t-values and demonstrable statistical significance ($p \leq 0.05$) meaning that the variation between the reported means and the normal distribution mean (3) was significant. This depicts an overall concurrence among respondents that customer value strategy is closely related to competitive advantage of I&M Bank Ltd. The results further show that organizational culture, (Mean ≥ 3.00), is the only factor that influences the perception of the managers of the link between customer value strategy and competitive advantage. Other factors reported means lower than 3 with negative t-values that were statically significant ($p \leq 0.05$). The study draws a conclusion that I&M's competitive advantage is linked to the adoption of customer value strategy and that organizational culture plays a pivotal role in influencing manager's view of such a link. The findings of this study, to a large extent, render support for Dynamic Capability and Resource Based theories as well as the Theory of Planned Behavior. The results of the study prove that to attain competitive advantage through implementation of customer value strategy, a business should have the ability to identify its uniqueness from that of its competitors. Customer value strategy is thus essential in value communication and establishment of customer value. It encompasses the concept in the psyche of organizations which permeates all organizational components and thus has an influence on how a manager perceived customer value and competitive advantage. Organizations can, therefore, rely on the results of this study to be customer-centric in their strategic behavior through an enriched organizational culture. Based on the study's limitations, further studies can be undertaken in different contexts as well as adopting different conceptualizations and methodologies.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Enterprises across the world are in existence to not only make profits but be as competitive as possible for their own survival (Teeratansirikool et al., 2013). The existence of such businesses, therefore, are often premised on efforts or strategies needed to progress the firm to desirable levels (Hitt et al., 2015). Consequently, many of these businesses have taken up technological innovation strategies, organizational structure formatting, inputs on positive organizational culture, diversification, mergers, strategic alliances, and outsourcing and customer focus strategies among many others (Keiningham et al., 2015). Petersen et al (2015) observed that the customer centric business environment that currently exists advocates the bottom up customer experience as opposed to the traditional top-down customer value has made managers acutely aware of the need to refocus on the customer to be successful. Accordingly, it is currently a global trend to seek to create customer value but the extent to which it is linked or is perceived by managers as a source of CA remains significantly unknown considering the lack of consensus both theoretically and empirically.

Theoretically, three theories, notably, the Dynamic Capabilities theory, the Resource Based View (RBV) of the firm and the Theory of Planned Behavior (TPB) have been noted to significantly apply to competitive advantage and customer focus. The RBV is a seminal theory of CA postulated by Wernerfelt (1984) and Barney (1991). It asserts that for a company to be said to possess CA, it ought to get and control uncommon, valuable, irreplaceable and distinctive resources and competencies within the context of organizational application. Dynamic capabilities theory as postulated by Helfat and Peteraf, (2003) notes that dynamic capabilities allow for connections that then permit

effective coordination, reconfiguration and formation of organizational assets and capacities in a manner that harnesses completion of tasks or projects or even competitive advantage in spite of changes in the organizational dynamics. Ajzen (1991) considers the TPB, as the attitude by which producing a behavior, and subjective values, alongside supposed control, describes behavioral intentions and conducts of an individual.

Investments & Mortgages (I&M) bank like most banks is engaged in a highly charged competitive market. This has been exacerbated by the innovation race and the interest cap legislation that set a ceiling on interest charged to clients. This has of course led to urgent strategic innovations one of which is customer value strategy. Petersen et al (2015) considers customer value strategy as a tool that could be used to improve competitive advantage of banks. However, the extent to which managers perceive both customer value strategy and competitive advantage in the banking sector has significantly not been investigated and hence the need for the present investigation.

1.1.1 Customer Value Strategy

Paananen and Seppänen (2013) described customer value strategy as forging efforts to understand the customer of today, offering opportunities for the buyer of tomorrow and shrewdly fostering innovations for payers. Zauner et al. (2015) on their part defined customer value strategy as the perceived and attributional quality that a customer places on the services and products that the said customer interacts with consistently and sufficiently to make the decision either to buy or not. Kumar (2018) succinctly defined customer value strategy as the economic value attached to the relationship of the customer with the firm.

Certain notable operational indicators used to measure customer value have been adduced. Keiningham et al. (2015) observed that customer value transcends just the purchasing of goods and the perception the customer has on the goods but considers four data aspects, namely; revenue per customer, lifetime value, profits per segment of sales and satisfaction related to buyer's intent to repurchase the product or service. Petersen et al. (2015) highlighted simplified operational measures to customer value as the average purchase value, number of services or products purchased, purchase frequency, referrals generated and finally the time between each purchase.

Czarniewski, (2014) asserted that there is an increasing emphasis on the customer as capital for any thriving business. He notes that the present thinking around business development and growth is centered on maximizing the value that a customer offers the said business and consequently, the issue no longer becomes the selection of customers but the relationship built between the provider of service the client, according to management and its direct positive effect on performance and positive correlation to CA of firms (Czarniewski, 2014). However, Petersen et al. (2015) asserted that there existed no conclusive empirical evidence that customer value strategy was significantly positively linked to CA. Consequently, the perception of management to the benefits that accrue from customer value strategy as a source of CA are varied; hence the need for the present study (Paananen & Seppänen, 2013; Zauner et al., 2015; Keiningham et al., 2015).

1.1.2 Competitive Advantage

Hitt, et al. (2015) described Competitive Advantage (CA) as a circumstance, context or condition that places a firm in a fortunate or superior business state as compared to other firms of similar purposes. Teeratansirikool et al. (2013) described competitive

advantage as that feature that allows a particular company to outclass its rivals as a result of its products or services that are either on high demand or differentiated. Porter (1985) as one of the original postulators of competitive advantage noted that an establishment experiences CA when “its actions within an industry is creating economic value and when few competing establishments are undertaking the same actions.” On his part, CA is defined as what permits a company’s products and services to have that superior element that endears the customer to choose over the rival’s products and services. The last definition is one of the reasons for a strong linkage between customer value strategy and CA.

Gerardo et al. (2014) contends that CA can be determined by using both the objective and subjective approaches. The objective approach highlights elements such as sales revenue, profitability, market share and return on investment while the subjective criteria consider such elements as improved reputation among customers, competitors and suppliers and enhanced quality of the delivered services. Another significant indicator of competitive advantage is based on the current seminal theory of CA, the RBV of the establishment. It asserts that for a company to be said to possess CA, it ought to both obtain and control uncommon, valuable, non-substitutable and inimitable resources and competencies (Wirda et al., 2019; Barney, 2001).

There have been numerous studies that have considered competitive advantage as a central component that almost singularly drives organizational performance (Wirda et al., 2019; Gerardo et al., 2014). In fact, Wirda et al. (2019) observed that competitive advantage is central to business because it is principally about a business core competence and thus permeates all the spheres of a company’s existence. Based on the definitions of competitive advantage, it is clear to see the significant intertwining of

customer value strategy and competitive advantage as the latter feeds the former (Keiningham et al., 2015). The consequent perception of managers as regards the linkage is however not agreed to in literature. Keiningham et al. (2015) for instance noted that managers were keener on competitive advantage in its generic sense but not in any way as linked to customer value. Gerardo et al. (2014) is of a contrary opinion by arguing that since customer value feeds the other, competitive advantage, the perception of any management inevitably must be similar, either positive or negative.

1.1.3 Overview of Investment and Mortgage (I&M) Bank Limited

The Investment & Mortgage (I&M) bank is a National Securities Exchange (NSE) listed subsidiary of I&M holdings PLC. The bank since its inception in the Kenyan market has engaged in progressive and innovative banking to the extent that its growth not only includes 41 branches across the country served by over 1000 staff but also includes presence in other countries like Mauritius, Rwanda and Tanzania. The bank is engaged in its second year of strategy implementation that among other things include an emphasis on customer value strategy (I&M Bank, 2019). The Strategy and Transformation office, an organ of I&M bank coined the 5-year strategy as *iMara* which is a term created to exemplify the rapport, teamwork and understanding that the staff could enjoy in the implementation process. Consequently, the categories of strategic options found within the strategic plan include the Enablers Work stream, Trust Work stream, Engagement Work stream and the One-Stop Shop and Relationship Work stream; the last being directly linked to efforts to improve customer value (I&M Bank, 2019).

I&M Bank like most banks are engaged in a highly charged competitive market. This has been exacerbated by the innovation race and the interest cap legislation that set a ceiling on interest charged to clients. This has of course led to urgent strategic innovations one of which is customer value strategy. Petersen et al. (2015) considers customer value strategy as a tool that could be used to improve competitive advantage of banks. However, the extent to which managers perceive both customer value strategy and CA in the banking sector has significantly not been investigated and hence the need for the present study.

1.2 Research Problem

Czarniewski (2014) asserted that there is an increasing emphasis on the customer as capital for any thriving business. Further, there have been numerous studies that have considered competitive advantage as a central component that almost singularly drives organizational performance (Wirda et al., 2019; Gerardo et al., 2014). However, based on the empirical reviews, there seems to be no consensus as to the perceived link between customer value strategy and competitive advantage and thus a study of the present nature is needed. Notable scholars have attributed robust competitive advantage to creation of customer value within organizations (Huber et al., 2016; Portolan, 2015). There are however other studies that offer a contrary take as regards the link between customer value and competitive advantage. For instance, Petersen et al., (2015) asserted that there existed no conclusive empirical evidence that customer value strategy was significantly positively linked to competitive advantage.

I&M Bank has heightened its strategy implementation efforts that among other things include an emphasis on customer value strategy. The customer value strategy according to the strategic plan is allegedly to among other things improve competitive advantage

of the bank. However, there are preliminary reports that suggest that while the customer value strategy has been done extensively, there still exists deep rooted problems associated with the banks competitive advantage indicators that include a not so impressive profitability and market share from the immediate previous financial year. It was thus necessary to investigate the perception of managers on the connection between customer value strategy and CA of the bank. This necessity is also compounded by the fact that empirical review demonstrated the lack of agreement among scholars as to the perceived link between customer value strategy and CA.

Studies have attempted to ascertain management perception of the link between customer value strategy and CA. Based on the definitions of CA, it is clear to see the significant intertwining of customer value strategy and competitive advantage as the latter feeds the former (Keiningham et al., 2015). The consequent perception of managers as regards the linkage is however not agreed to in literature. Petersen et al., (2015) in a study in India, asserted that there existed no conclusive empirical evidence that customer value strategy was significantly positively linked to CA. Consequently, the perception of management to the benefits that accrue from customer value strategy as a source of competitive advantage are varied. Zauner et al., (2015) in a study in the USA also contended that the connection between customer value and CA is assumed and not backed by significant empirical reviews and also considering the existing lacuna in theoretical modeling associated to customer value, it would not be difficult to see a problem in automatically trying to positively link the two.

In the Kenyan context, two studies have been done to also investigate somewhat the connection between customer value strategy and CA. Sheikh (2015) looked at sustainable competitive advantage and how it links to strategies including customer

value strategy. The study noted a positive connection between the two variables. However, the study used the traditional, albeit outdated top-down conceptualization of customer value strategy and not the bottom-up approach currently in vogue and did not consider the perception of managers towards the variables. Gitonga (2015) also looked at the strategies employed to gain CA for commercial banks in Kenya. The investigation observed that customer value strategy was a significant strategy employable to improve competitive advantage. However, the study did not do any correlational test to ascertain the level of significant relationship between customer value strategy and CA and how managers perceive them.

As demonstrated by the above studies, there appears to be conceptual and contextual knowledge gaps that this study was designed to address. Conceptual gaps manifest along lack of consensus among scholars on the nature of the perceived link between customer value strategy and competitive advantage while contextual gaps exist where studies that have interrogated these concepts have been done in different contexts. This means that their conclusions may not apply to I&M Bank. In addressing these gaps, the investigation was guided by the question: What is the managers' perception of the link between customer value strategy and competitive advantage in I&M Bank Limited, Kenya?

1.3 Research Objectives

The objectives of the study were to:

- i. Ascertain the managers' perception of the link between customer value strategy and competitive advantage of I&M Bank Limited.
- ii. Establish the factors that may influence the managers' perception of the link between customer value strategy and competitive advantage of I&M Bank Limited.

1.4 Value of the Study

The study may assist the bank management to understand the outstanding managers' perception on customer value strategy and competitive advantage. It will also provide them with an understanding on the factors that may impinge on the perception managers have on customer value strategy and competitive advantage. This will help them execute appropriate strategies which will help them realize and uphold their target goals.

In terms of policy, the study will be useful in understanding the nuances of customer value strategy and competitive advantage in a bid to create new policy or review existing ones that touch on the two issues. This will be useful to contextualize both customer value strategy and competitive advantage into the contemporary business environment.

The investigation will assist other researchers in undertaking further empirical studies on customer value strategy and CA. It will similarly aid the researcher to have an insight and establish the gaps that may be sealed in the present situation in dealing with different client bases within banks.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter highlights the review of literature on the aspects of customer value strategy and competitive advantage, the theoretical foundations that anchor the constructs and empirical literature on the variables.

2.2 Theoretical Foundations of the Study

The research will be grounded on the RBV of the Firm, the Dynamic Capabilities theory and the theory of Planned Behavior. The RBV is a seminal theory of CA postulated by Wernerfelt (1984) and Barney (1991). It asserts that for a company to be said to possess CA, it ought to both obtain and control uncommon, valuable, irreplaceable and distinctive resources and competencies within the context of organizational application. Dynamic capabilities theory as postulated by Helfat and Peteraf, (2003) notes that dynamic capabilities allow for connections that then permit effective coordination, reconfiguration and formation of organizational assets and capacities in a manner that harnesses completion of tasks or projects or even competitive advantage in spite of changes in the organizational dynamics. Ajzen (1991) considers the TPB, as the attitude by which producing a behavior, and subjective values, alongside supposed control, describes behavioral intentions and conducts of an individual. The three theories are linked because the organizational resources (RBV) must be well coordinated (DCT) for it to succeed. The success is also premised on the attitudes of the management (TPB).

2.2.1 Resource Based View

The RBV is a seminal paradigm of competitive advantage postulated by Wernerfelt (1984) and Barney (1991). It asserts that for an establishment to possess CA, it ought to both obtain and control uncommon, valuable, irreplaceable and distinctive resources and competencies within the organizational application (Wirda et al., 2019; Barney, 2001). The theory is touted as an improvement of core competence (Hamel & Prahalad, 1994), knowledge- based view (Grant, 1996) and the dynamic capabilities theory (Helfat & Peteraf, 2003).

The theory is viewed as simply and easily comprehensible because it speaks of how a profit-making organization can look within itself and offer better or differentiated products and services that would outperform its rivals (Wirda et al., 2019). The theory goes contrary to the traditional industrial organization that espoused the argument that a company's competitive advantage and performance lay external to the organization. RBV on the other hand, views the company as having internal capacities or resources that if well harnessed can drive organizational Sustainable Competitive Advantage (SCA). The theory also assumes that entities are generally profit-maximizers led by bounded rational managers working within a business organism that is both predictable and leading towards equilibrium (Wirda et al., 2019). If a rational manager can identify and harness the rare, valuable, non-substitutable and inimitable resources of the company better than the competitor, then the company is better placed to win the competition race (Barney, 2002).

The theory takes an inside-out view on why entities succeed or fail in the marketplace. According to this theory, a firm's abilities add value in the value chain or when developing new products or during expansion. valuable resources must enable an

organization to do things that lead to high sales, low costs, high margins or in other ways add financial value to the firm (Barney 1986). He asserted that a resource is deemed to be valuable if it helps an organization to improve its performance relative to its competitors. He further alluded on the resource distribution and whether it is freely available. if the resource is freely available to all firms then the competitive parity may be gained, allowing the firm to have the same resources as its competitors.

This theory considers the resources of the company to be uncommon, valuable, irreplaceable and distinctive is directly applicable to this study considering that competitive advantage is a dependent variable in this study but also because the features of RBV are the indicators or measures that will be used to describe CA.

2.2.2 Dynamic Capabilities Theory

This paradigm as postulated by Helfat and Peteraf, (2003) and espoused by Wright and Allen, (2014) notes that dynamic capabilities allow for connections that then permit effective coordination, reconfiguration and formation of organizational assets and capacities in a manner that harnesses completion of tasks or projects or even competitive advantage despite changes in the organizational dynamics. To harness the organizational task orientation, there is a need for the said organizations to build on their capabilities whether in technology, human resource, and organizational structure and even on their customer value.

The assets focus on customer value and its importance to an establishment is supposed to enhance profitability or CA (Heneman, 2014). These may be people, financial, novel, physical or authoritative. The more exceptional and specific the resources are, the more probably the establishment would possess center capability. Resources should be employed to enhance on the qualities and eradicate the flaws. Capacities imply

authoritative capabilities at coordination of its group of resources so that they may be used all more effectively and productively. Collectively for an establishment to remain focused, it is important that it impinges on its dynamic capabilities. In this way dynamic capabilities are essential in enhancing an establishment's intensity and acknowledge the most appropriate enterprise execution. This thus makes the dynamic capabilities theory appropriate for the present study as it links customer value strategy to competitive advantage.

2.2.3 Theory of Planned Behavior

This investigation will similarly be anchored on TPB proposed by Ajzen (1991). He established the paradigm as the attitude through which producing a behavior, and subjective values, alongside supposed control, describes behavioral intentions and conducts of an individual. TPB is essentially a development of the theory of reasoned action (TRA) that looks at an individual or group of individuals and why they came together to make a decision that then developed an action or achievement (Madden, Ellen & Ajzen, 1992; Yi et al., 2015).

The paradigm is grounded on the idea that a behavior is developed by a certain motive and that each action is undertaken if there are grounds that uphold such action. Basically, a manager for example will undertake customer value strategy stimulated by poor customer relationships and another will engage in training and skills of staff stimulated by future prospects of financial growth. However, the TRA was determined as inadequate as it merely allocated itself to motive projection but lacked the opportunity by balanced planning by an individual to change their action. TPB and TRA are pertinent to this investigation since one of the basic tenets in the present study has got to do managers' perception leading to behavior.

2.3 Perceived Link between Competitive Advantage and Customer Value Strategy

The study by Choi and Chu (2011) resolved that service and product quality, desirability quality, and value are the three top service features that govern customer value strategy. It is in this respect that quality service delivery develops into a significant means to improving competitive advantage. Huber et al., (2016) observed that customer value transcends just the purchasing of goods and the perception the customer has on the goods but considers four data aspects, namely; revenue per customer, lifetime value, profits per segment of sales and satisfaction related to buyer's intent to repurchase the product or service.

Zauner et al. (2015) also highlighted his understanding of customer value strategy to include client perceived value, cost, sacrifices and benefits all of which coalesce around customer value. The value, cost, sacrifice, benefits and sacrifices are hinged on the customers' attitude on the services offered by the service or product provider. The study noted that these attributes are also linked to competitive advantage hence the positive link between customer focus and competitive advantage.

Becker (2014) observed that customer value strategy is also tied to competitive advantage from which the customer feels valued. He thus mentioned the appropriate quality service delivery characteristics like tangibles categorized as attractive physical facilities, well-ordered reception desk staff and correct modern equipment are available and accessible. Other qualities stated by Parasuraman et al., (2013) are responsiveness categorized by the employee willingness to assist customers punctually; assurance where the employees implant confidence and conviction in customers and empathy where the staff give customized and individual care. Weiss, (2013) contends that if obstacles to such quality service delivery are professionally alleviated and if service

delivery is successfully and fully applied then customer satisfaction is certain to upsurge and the reverse is also true.

Day (2014) mentions that the predictable sources of sustainable competitive advantage are linked to customer focus and lie on the company's ability to engage in capacity building and resource allocation. Band and Wiley (2015) noted that consolidation of technologies is a concrete source of SCA as all other determinants find their purpose from technological innovation. Beeker (2014) on his part asserted that a business enjoyed SCA by focusing on its core competence and outsourcing any other service outside the core competence circle and the ability of the said company to adapt quickly to emerging market-based changes.

2.4 Factors Influencing Manager Perception on the Link between Customer Value Strategy and Competitive Advantage

As earlier noted, perception is an elementary consciousness process with sensory information as its mediator that is shaped by a perceiver's learning, expectation or memory (Snyder, 2015). Since there is no general consensus as regards the link between customer value and competitive advantage and since the managers themselves have diverse expectations as regards the two variables, perception becomes the appropriate connotation. However, there are some factors that have been noted to impact on managers' perception on customer value and competitive advantage.

Available literatures pertaining to perception of managers on customer value and competitive advantage lie with leadership. Leadership that is effective constantly reinforces that its attainment and use can have a significant influence on the perception managers had on any organizational goal. Bass (1985) describes a leader as 'one who motivates us to do more than we basically required to do' (p. 20). He also noted that

effective and practical leaders comprise of persons who both understand and contrive an awareness paradigm that gives followers the requisite information as pertains to the expected outcome and the means to get to them. This leadership by visionary leaders can offer a positive perception of managers to ensure they have related customer value and competitive advantage.

Another element touted by Williams (2010) is the idea that managers' perception is built from robust monitoring and evaluation that then says to managers that aspects like customer value and competitive advantage can work practically. Monitoring and evaluation (M&E) is a continuous activity utilizing the systematic gathering of information about certain determinants of activities or projects (Williams, 2010). He also defines M&E as a process that assists M&E personnel and administrators to enhance results and goals. The key meanings adduced define monitoring processes that ought not to end and one that essentially is grounded on goal setting and planning actions in each phase of a project. Similarly, monitoring encompasses particular benefits such as tracking operations, benchmarking performance as well confirming if they comfort with the established schedules and similarly is an ideal platform from which projects' evaluation would commence.

Then there is capacity building which is concerned with creating an environment that permits the human resources in particular to have the requisite competency to do a good job (Riad, 2012). Knowledge and skills are of course a renowned factor that impacts on manager perception on particular business tasks. Noteworthy though, is the place of organizational culture in advancing the perception of managers towards the success of customer value and competitive advantage. Shein (2010) is noted as having observed that organizational culture, by dint of being an all-encompassing concept in the psyche

of organizations, permeates all organizational components and thus has an influence on how a manager perceives customer value and competitive advantage; of course, this assertion did not have empirical support, hence the need for the present study. Organizational culture may be described as the assumptions and values that members of an establishment share, which influence the manner in which employees think, perceive and behave (Shein, 2010).

2.5 Summary Knowledge Gaps

The gaps arising from the review of empirical studies are summarized and presented in Table 2.1.

Table 2.1: Summary of Knowledge Gaps

Author	Title	Methodology	Findings	Gaps
Czarniewski, S. (2014).	Building Customer Value in Relationship Marketing	Descriptive statistics (Frequency, Percentage, Means and SD) Inferential (Z test)	The link built between the service provider and the customer, as per management, has a direct positive effect on performance and is also positively correlated to competitive advantage of firms	Whether customer value strategy and competitive advantage are empirically connected. Also, the context specific area of banking service; these two will be filled by the present study
Petersen et al, (2015)	Perceived Risk, Product Returns, and Optimal Resource Allocation: Evidence from a Field Experiment	Explanatory survey design Inferential (Pearson's correlations and regression)	The study revealed no conclusive empirical evidence that customer value strategy was significantly positively linked to	No conclusive empirical evidence that customer value strategy was significantly positively linked to competitive advantage

			competitive advantage	
Wirda et al, (2019)	CA Mediation Effect Between Entrepreneurial Competency and Business Performance Creative Industries in West Sumatera-Indonesia	Descriptive statistics (Frequency, Percentage, Means and SD) Inferential (correlation and regression analyses)	CA is central to business because it is principally about a business core competence and thus permeates all the spheres of a company's existence.	The study notes a gap that managers were keener on competitive advantage in its generic sense but not in any way as linked to customer value
Zauner et al, (2015)	Customer perceived value— Conceptualization and avenues for future research	Descriptive statistics (Frequency, Percentage, Means and SD) Inferential (correlation and regression analyses)	The link between customer value and CA is assumed and not backed by significant empirical reviews	The study was important in effectively conceptualizing customer value strategy and competitive advantage but did not link the two variables to managers' perception of the same
Sheikh (2015)	Realization of Sustainable CA Through Product Differentiation in Commercial Banks in Kenya: A Case Study of First Community Bank	Descriptive statistics (Frequency, Percentage, Means and SD) Inferential (correlation and regression analyses)	The study noted a positive link between customer value strategy and CA	The study used the traditional, albeit outdated top-down conceptualization of customer value strategy and not the bottom-up approach currently in vogue and did not consider the perception of managers towards the variables
Gitonga (2015)	Strategies for Gaining CA of Commercial Banks Listed at The NSE In Kenya.	Descriptive statistics (Frequency, Percentage, Means and SD) Inferential (correlation and regression analyses)	customer value strategy was a significant strategy employable to improve competitive advantage	The study did not do any t- test to ascertain the level of significant relationship between customer value strategy and competitive advantage and how managers perceive them

Source: Literature Review (2020)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This part outlines the research methodology utilized to eventually establish dependable and verifiable outcomes. It presents the research design, target population as well as the sampling procedures and data collection methods. It similarly describes the process of testing both validity and reliability of instruments and the manner in which the data was eventually analyzed and presented.

3.2 Research Design

This study was undertaken using descriptive survey research design. Kothari (2004) stated that descriptive survey research design regards occurrences in an investigation area which either occurred in the past or are continuing and which the investigator is not able to manipulate. Descriptive survey is also important because it answers the what, when and why questions which are often significantly associated with research. The design is of particular importance to the present study as it applies to quantitative data gotten from primary sources.

The study was descriptive because it highlighted the managers' perception of the link between customer value strategy and competitive advantage. The perception levels are understood to be describable based on the happenings and experiences in the bank set-up. Consequently, what is happening and the units of analysis presented from the customer focus strategy and competitive advantage efforts by the bank demand that descriptive surveys be used to anchor the investigation.

3.3 Population of the Study

Peil (2003) noted that the target population is a subset of the population that has the specific characteristic that properly answers the research questions. For this investigation, the target population was the 119-management staff working at I&M in Kenya (I&M Bank, 2019). The management is categorized as top management and middle level managers.

3.4 Sample and Sampling Technique

For the present investigation, the sample size was 97 participants based on the 119-management staff at the headquarters of I&M bank in Nairobi. Yamane (1997) formula.

$$n = \frac{N}{1+Ne^2}$$

Where,

n is size of sample

N is population of sample

e² is probability of error

Table 3.1: Sample Size

Category	Population	Formula	Sample size
Top management	20	$n = \frac{20}{1+20(0.0025)}$	18
Middle-level management	99	$n = \frac{99}{1+99(0.0025)}$	79
Total	119		97

Stratified sampling was used to delineate the management staff in terms of their positions, that is top, middle-level and other management staff. Stratified sampling is useful to separate respondents who show heterogeneous characteristics (Peil, 2003) (Table 3.1). Simple random sampling was then used to select 97 participants from various strata.

3.5 Data Collection

The investigation utilized primary data that was hugely quantitative. This data was gathered using a structured questionnaire. Lyon (2010) asserts that questionnaires help explain attitudinal responses which was essential especially eliciting perceptions of the managers regarding the subject under study. The questionnaire was developed using operational indicators of the concepts as established during literature review and converted into descriptive statements that were presented to the participants on a 5-point Likert scale. The questionnaire was designed along the study objectives with a preliminary section seeking demographic details of the respondents.

The use of the questionnaire as an appropriate instrument to gather data for the investigation was informed since the investigation was of descriptive nature and the units of analysis were also the respondents in the study. Consequently, the questionnaire was administered through email which involved email and physical drop and pick later approach. The participants were all sampled managers from both headquarter and the branches of I&M Bank across the country.

3.6 Data Analysis

The study obtained data that was hugely quantitative from the administered questionnaire. Given this fact, the study made use of both descriptive and inferential statistics in data analysis. Frequencies, means, percentages and standard deviations

were utilized in the analysis of participants' demographics as well as their responses to the descriptive statements capturing their perceived link between customer value strategy and CA. These offer a descriptive understanding of the investigation findings.

The inferential statistics used was the One Sample t-test at test value 3 and 95% confidence level. This was used to assess the statistical significance of the variation among the respondents' reported means from the test value of 3 (which was considered an average of a normal distribution). This helped establish whether the sample mean is statistically dissimilar from the normal mean. The Statistical package for Social Sciences (SPSS) was used for analysis.

CHAPTER FOUR

FINDINGS AND DISCUSSION

4.1 Introduction

This is a chapter on data analysis, presentation and interpretation of findings as well as discussion of the findings within the context of theory and empirical studies. The presentation of findings is guided by the study objectives but preceded by preliminary findings. The part commences by presenting the response rate of the investigation and the demographics of the participants. Substantive findings as per the objectives of the study are then presented and explained, followed by the discussion, which places the study findings with the relevant body of knowledge.

4.2 Response Rate

The investigation sampled 97 participants in total across all the branches of I&M Bank Ltd, all of whom were served with the questionnaire. Among the 97 administered questionnaires, 75 were fully completed and returned. This returned a response rate of 77.3% which was considered adequate for further analysis. The results of the response rate are presented in Table 4.1.

Table: 4.1: Response Rate

Response	Frequency	Percentage
Actual Response	75	77.3
Non response	22	22.7
Total	97	100%

Source: Primary Data (2020)

The response rate as illustrated in Table 4.1 satisfies Kothari's (2014) assertion that data response greater or equal to 70% is efficient for use in analysis. The response rate compares well with similar studies. This matches with the study of Wanjiku (2016) on strategies utilized to increase CA by commercial banks in Kenya whose data was gathered from 38 banks (90.4%) with each bank filling out one questionnaire.

4.3 Respondents' Demographic Information

This section outlines the results of the participants' demographics. Given the nature of the study, the demographics for which data were captured include the gender of participants, level of education, age of participants, years of experience and years in the current position. These demographics were important because they helped understand the composition of respondents whose perceptual inclinations were the subject of the study as well as the factors behind such perceptions. The findings of the study on these demographics are presented and explained in sub-sections 4.3.1 to 4.3.5

4.3.1 Gender of the Respondents

The participants were asked to point out their gender and the results of the study are presented in Table 4.2.

Table 4.2: Gender of the Respondents

Gender	Frequency	Percent
Male	39	52.0
Female	36	48.0
Total	75	100%

Source: Primary Data (2020)

The findings in Table 4.1 show that while the most of the participants were males (52%), there is a fair parity of gender given the proportion of females who participated in the study. This was important for this study to know fair views of the opposite gender on perceived connection between customer value strategy and CA at I&M bank, Kenya.

4.3.2 Respondents' Highest Level of Education

The participants were asked to indicate their level of education and the results of the investigation are presented in Table 4.3.

Table: 4.3: Level of Education

Degree Level	Frequency	Percent
Undergraduate Degree	32	42.6
Post Graduate Degree	43	57.4
Total	75	100%

Source: Primary Data (2020)

The outcomes in Table 4.3 point out that most of the participants are postgraduate degree holders (57.4%). The outcomes demonstrate that the dominant part of the respondents issued with questionnaires were knowledgeable. This suggests a large portion of the respondents are well educated and are therefore knowledgeable to give their true and fair view on the subject under study.

4.3.3 Respondents' Age

The participants were asked to indicate their age and the outcomes of the investigation are presented in Table 4.4.

Table 4.4: Age of Respondents

Age Bracket	Frequency	Percent
18-25	4	5.4
26-35	12	16
36-45	19	25.3
46-55	19	25.3
Over 55	21	28
Total	75	100.0

Source: Primary Data (2020)

The outcomes in Table 4.4 point out that at the time of the investigation, most of the participants (50.6%) were aged between ages 36-55 years old. This means that they essentially could understand and therefore canvass on issues to do with perceived link between customer value strategy and CA.

4.3.4 Respondents' Years of Experience

The participants were asked to point out their years of experience and the outcomes of the investigation are presented in Table 4.5.

Table 4.5: Respondents' Years of Experience

Years	Frequency	Percent
Below 2 years	6	8
3-4 years	7	9.3
5-6 years	29	38.7
6 years and above	33	44
Total	75	100%

Source: Primary Data (2020)

The outcomes in Table 4.5 reveal that most of the participants (82.7%) have experience spanning 5 years and above in the organization. Choi and Chu (2011) observe that dependability, verifiability and credibility of research issues are well explained by the participants with long-standing experience. This therefore means that the responses to the questionnaire items could be considered as reliable and reflective of reality given the many years of experience of respondents working for the organization.

4.3.5 Respondents' Years in the Current Position

The participants were asked to point out their years in the present position and the outcomes of the investigation are presented in Table 4.6.

Table 4.6: Years in the Current Position

Years	Frequency	Percent
Below 2 Years	8	10.7
3-4 Years	15	20
5-6 Years	26	34.6
6 years and above	26	34.6
Total	75	100.0

Source: Primary Data (2020)

The outcomes in Table 4.6 reveal that most of the participants (34.6%) have worked in their current positions for five years and above in the organization. Choi and Chu (2011) observe that dependability, verifiability and credibility of research issues are well explained by the participants with long-standing experience. This therefore means that the responses to the questionnaire items could be considered as reliable and reflective of reality given the many years of experience of respondents working for the organization.

4.4 Perceived Link between Customer Value Strategy and Competitive Advantage at I&M Bank, Kenya

The aim of the study was to determine the perceived link between customer value strategy and CA at I&M Bank Kenya, Ltd. To achieve this objective, respondents were presented with descriptive statements linking customer value strategy and CA. They were required to point out the extent of agreement with the statements in a 5point Likert scale.

A one sample t-test was carried out to determine the variation of perception at 95% ($p \leq 0.05$). The test was done at test value 3 (midpoint of the Likert scale). The findings are illustrated in Table 4.7.

Table 4.7: Perceived Link between Customer Value Strategy and Competitive Advantage at I&M Bank, Kenya

Descriptive Statement	N	Mean	Std. Dev.	t-value	Sig. (2-tail)
Focus on key customers has given the bank an edge over its competitors	75	3.9333	.84363	9.581	.000
Focus on service quality has given the bank an edge over its competitors	75	4.2133	.64291	16.344	.000
Focus on product quality has given the bank an edge and increased its competitive advantage	75	4.2133	.72211	14.552	.000
Focus on profits per segment of sales has given the bank an edge over its competitors	75	4.1467	.65126	15.248	.000
Focus on satisfaction related to buyer's intent to repurchase has given the bank an edge over its competitors	75	4.0000	.90045	9.618	.000
Focus on customer perceived value has given the bank an edge over its competitors	75	4.6533	4.55742	3.142	.002
Focus on customer perceived cost has given the bank an edge over its competitors	75	4.1467	6.53616	2.844	.006
Focus on customer perceived sacrifices has given the bank an edge over its competitors	75	4.1867	.78316	13.122	.000
Focus on customer perceived benefits has given the bank an edge over its competitors	75	4.0800	.81804	11.434	.000

Focus on correct modern equipment has given the bank an edge over its competitors	75	4.1333	.81096	12.103	.000
Focus on well-ordered reception desk staff has given the bank an edge over its competitors	75	4.2400	.75050	14.309	.000
Focus on employee willingness to assist customers punctually has given the bank an edge over its competitors	75	4.1333	.81096	12.103	.000
Focus on staff attire has given the bank an edge over its competitors	75	4.2400	.80270	13.378	.000
Focus on staff general outlook has given the bank an edge over its competitors	75	4.3200	.68102	16.786	.000
Focus on employees implanting confidence and conviction in customers staff has given the bank an edge over its competitors	75	4.2533	.79003	13.739	.000
Focus on empathy where the staff give customized and individual care has given the bank an edge over its competitors	75	3.9200	1.12418	7.087	.000
Focus on capacity building has given the bank an edge over its competitors	75	4.1600	.88593	11.339	.000
Focus on effective resource mobilization has given the bank an edge over its competitors	75	4.1600	.87054	11.540	.000
Focus on consolidation of technologies has given the bank an edge over its competitors	75	4.3600	.67062	17.563	.000
Focus on outsourcing has given the bank an edge over its competitors	75	4.3467	.62587	18.634	.000
Focus on core competencies has given the bank an edge over its competitors	75	4.0800	.88164	10.609	.000
The bank adapting quickly to changes in the market has created an edge over its competitors	75	4.0533	.85255	10.700	.000
Focus on emerging markets has given the bank an edge over its competitors	75	4.2133	.81029	12.968	.000
Focus on technological adoption has given the bank an edge over its competitors	75	4.2000	.83827	12.397	.000
Focus on customer satisfaction has given the bank an edge over its competitors	75	2.2400	.99784	-6.596	.000
Focus on customer attitude has given the bank an edge over its competitors	75	1.5067	.76004	-17.016	.000
Focus on customer conscious infrastructural development has given the bank an edge over its competitors	75	1.5467	.72211	-17.430	.000
Focus on customer rewarding has given the bank an edge over its competitors	75	1.6667	.85950	-13.435	.000
Focus on customer conscious pricing has given the bank an edge over its competitors	75	1.6667	.93481	-12.352	.000

Source: Primary Data (2020)

The results on the perceived link between customer value strategy and competitive advantage as presented in Table 4.7 show that 24 out of the 29 descriptive statements presented to the respondents linking customer value strategy and competitive advantage had a mean score of 3.00 and above with majority of the statements having a mean score of above 4.00. The statements also had high t-values and demonstrable statistical significance ($p \leq 0.05$) meaning that the variation between the reported means and normal distribution mean (3) was significant. This shows an overall concurrence among respondents that customer value strategy is closely related to competitive advantage of I&M Bank Ltd.

Portolan, (2015) observed that in a review of studies done on customer value and competitive advantage, adding value to customers ranks among the strongest predictors of competitive advantage for both small and big firms. Further, according to Huber et al (2016), even considering other predictors to competitive advantage like technological innovations, organizational structure, diversification and strategic alliances, customer value strategy ranks highest as a predictor as it feeds all the other determinants.

From the findings, it is clear that the elements of customer value strategy that were perceived to strongly and positively link with the bank's competitive advantage include customer service quality, product quality, market segmentation, keenness on satisfaction related to buyer's intent of repeat business, perceived customer value creation, customer perceived cost, customer perceived sacrifices, customer perceived benefits, well-ordered reception desk staff, employee promptness in assisting customers, staff presentation, knowledge sharing with customers, capacity building, effective resource mobilization around customers, outsourcing of some services, building of core competencies, focus on emerging markets, and technological adoption.

4.5 Factors Influencing Managers' Perceived Link between Customer Value Strategy and Competitive Advantage at I&M Bank, Kenya

The second aim of the study was to determine the factors influencing managers' perception of the link between customer value strategy and CA at I&M Bank, Kenya. To achieve this objective, descriptive statements were presented to participants in a 5-point Likert scale and they were asked to point out the extent of their agreement with the statements. The outcomes of the investigation are illustrated in Table 4.8.

Table 4.8: Factors Influencing Managers' Perceived Link between Customer Value Strategy and Competitive Advantage

Descriptive Statement	N	Mean	Std. Dev.	t-value	Sig. (2-tail)
My leadership role influences how I view the link between the bank's customer value strategy and its competitiveness	75	2.6133	1.16124	-2.884	.005
My age influences my perception of the link between the bank's customer value strategy and its competitiveness	75	2.3333	1.27696	-4.521	.000
My work experience influences my perception of the link between the bank's customer value strategy and its competitiveness	75	1.7867	1.15423	-9.104	.000
My level of education influences how I view the link between the bank's customer value strategy and its competitiveness	75	1.2400	.42996	-35.450	.000
My marital status has got something to do with my perception of the link between the bank's customer value strategy and its competitiveness	75	1.2267	.42149	-36.436	.000
My life exposure influences my perception of the link between the bank's customer value strategy and its competitiveness	75	1.8400	.88593	-11.339	.000

My peers influence my perception of the link between customer value strategy and its competitiveness	75	1.5467	.85887	-14.654	.000
My work environment influences my perception of the link between customer value strategy and its competitiveness	75	2.0400	.89201	-9.320	.000
My capacity building role has got something to do with my perception of the link between customer value strategy and its competitiveness	75	1.8800	.89985	-10.779	.000
The organizational culture of my organization influences my perception of the link between customer value strategy and its competitiveness	75	3.5467	8.6638 3	.546	.586
The Technology advancement of my organization influences my perception of the link between customer value strategy and its competitiveness	75	1.6267	.86639	-13.728	.000
The availability of expertise of my organization influences my perception of the link between customer value strategy and its competitiveness	75	1.6400	.79932	-14.735	.000
My communication approach influences of my organization influences my perception of the link between customer value strategy and its competitiveness	75	2.1200	.99946	-7.625	.000
My extrinsic motivation (rewards) influences of my organization influence my perception of the link between customer value strategy and its competitiveness	75	2.0000	1.2734 3	-6.801	.000
My intrinsic motivation (inspiration, job security and satisfaction etc.) influences of my organization influences my perception of the link between customer value strategy and its competitiveness	75	1.4267	.54953	-24.795	.000

Source: Primary Data (2020)

The outcomes pointed out in Table 4.8 show that all of the descriptive statements except one have mean scores below the test value '3' with minimal variations among the respondents as shown by the standard deviations. The very low mean scores report fairly high negative t-values that are statistically significant ($p \leq 0.05$). The outcomes imply that the factors presented to the respondents did not play any significant role in influencing their perception of the link between customer value strategy and competitive advantage of I&M Bank, Kenya. These factors include the leadership roles played by respondents, their age, work experience, level of education, marital status, life exposure, peer influence, work environment, capacity building role of the respondents, technological readiness, availability of expertise, communication approach, as well as extrinsic and intrinsic motivation. While it is generally assumed that perception is a phenomenon that is contingent upon some idiosyncratic attributes, the results have demonstrated that such attributes never played any role in influencing how the respondents perceived the link between customer value strategy and competitive advantage of I&M Bank, Kenya. The only factor that played a role in explaining the perceived link is the organizational culture within which the respondents work.

4.6 Discussion of Findings

This study endeavored to ascertain the perceived link between customer value strategy and competitive advantage and I&M Bank Kenya, Ltd. To achieve this objective, respondents were presented with descriptive statements linking customer value strategy and competitive advantage. The study found out that most elements of customer value strategy that were perceived to strongly and positively link with the bank's competitive advantage. These findings support the dynamic capabilities theory (Helfat and Peteraf, 2003 and Wright and Allen, 2014) that postulates that dynamic capabilities allow for

connections that then permit effective coordination, reconfiguration and formation of organizational assets and capacities in a manner that harnesses completion of tasks or projects or even competitive advantage in spite of changes in the organizational dynamics. In order to harness the organizational task orientation, there is a need for the said organizations to build on their capabilities whether in technology, human resource, and organizational structure and even on their customer value. Resource-based view (RBV) is a seminal theory of competitive advantage postulated by Wernerfelt (1984) and Barney (1991) it asserts that for a company to be said to possess CA, it ought to both obtain and control uncommon, valuable, irreplaceable and distinctive resources and competencies within the context of organizational application. These findings too have a great connection to the Theory of Planned Behavior by Ajzen (1991) that looks at attitudes that produce particular behavioral intentions and conducts of an individual. The study showed that the respondents were able to give their true and fair view on the descriptive statements presented in the questionnaire.

This study endeavored to ascertain the factors influencing managers' perception of the link between customer value strategy and CA at I&M Bank, Kenya. The study found out that these perceptions allow the bank's capability to realize competitive advantage through providing products or services at a cost as low as possible. I&M bank, Kenya has generally been able to attain this through applying a number of these perceptions. These generally include quality service delivery characteristics like tangibles categorized as attractive physical facilities, well-ordered reception desk staff and correct modern equipment are available and accessible. These outcomes of this investigation appear to be consistent with the investigation by Zauner et al. (2015) also highlighted his understanding of customer value strategy to include customer perceived value, cost, sacrifices and benefits all of which coalesce around customer value. The

value, cost, sacrifice, benefits are hinged on the customers' attitude on the services offered by the service or product provider. The study noted that these attributes are also linked to competitive advantage hence the positive link between customer focus and competitive advantage.

On organizational culture of my organization influences perception of the link between customer value strategy and its competitiveness the study found that it has a positive t-value hence a clear indication that the above statement has a huge significance to competitive advantage of I&M bank, Kenya. These findings therefore conform with Shein (2010) is noted as having observed that organizational culture, by dint of being an all-encompassing concept in the psyche of organizations, permeates all organizational components and thus has an influence on how a manager perceived customer value and competitive advantage; of course, this assertion did not have empirical support, hence the need for the present study. Organizational culture can be described as the assumptions and values that members of the organization share, which determine the manner in which employees think, perceive and behave.

The findings of this study demonstrated that most factors influencing manager perception in I&M bank, Kenya have a weaker link on its competitive advantage due to its negative t-value. These factors reduce the banks' ability to realize its edge on competitive advantage by creating obstacles in I&M bank, Kenya hence limiting the firm from applying a number of these factors. These findings are also consistent with that of Williams (2010) is the idea that managers' perception is built from robust organizational culture that then says to managers that aspects like customer value and competitive advantage can work practically. organizational culture is the collective beliefs, behaviors and values within a company. It is clear from the study that

organizational culture has a strong connection to customer value strategy and competitive advantage. Organizational culture and employee experience are a steady platform to encourage customer value and enhance competitive advantage.

The findings however contradicted those by Day (2014) who mention that the predictable sources of sustainable competitive advantage lie on the company's ability to engage in capacity building and resource allocation. In another study by Beeker (2014) on his part asserted that a business enjoyed SCA by focusing on its core competence and outsourcing any other service outside the core competence circle and the ability of the said company to adapt quickly to emerging market-based changes.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary, conclusions, recommendations and limitations of the study. This study focused on managers' perception on customer value strategy and competitive advantage in I&M bank limited, Kenya.

5.2 Summary of Findings

This investigation aimed to ascertain the perception managers have on customer value strategy and competitive advantage in I&M Bank Limited and to determine the factors that may influence the perception managers have on customer value strategy and CA in I&M Bank Limited. The first objective of the investigation was to determine the perceived connection between customer value strategy and CA and I&M Bank Kenya, Ltd. To achieve this objective, respondents were presented with descriptive statements linking customer value strategy and competitive advantage. They were asked to point out the extent of agreement with the statements in a 5-point Likert scale. The second objective of the study was to determine the factors influencing managers' perception of the link between customer value strategy and CA at I&M Bank, Kenya. To achieve this objective, descriptive statements were presented to respondents in a 5-point Likert scale and they were asked to point out the extent of their agreement with the statements.

On perceived link between customer value strategy and competitive advantage and I&M Bank Kenya, Ltd, it was found that 24 out of 29 descriptive statements presented to the respondents linking customer value strategy and competitive advantage had a mean score of 3.00 and above with majority of the statements have a men score of above 4.00. the statements also had high t-values and demonstrable statistical significance

meaning that the variation between the reported mean and normal distribution mean (3) was significant.

On the factors influencing managers' perception of the connection between customer value strategy and CA at I&M Bank, Kenya, it was found that majority of the statements had mean scores below 3.00 with negative t-values which showed that the only factor that influences the perception of managers on the link between customer value strategy and competitive advantage in I&M bank Ltd is organizational culture with a mean of above 3.00.

5.3 Conclusion

This study sought to determine the perception managers have on customer value strategy and competitive advantage in I&M Bank Limited and to determine the factors that may influence the perception managers have on customer value strategy and competitive advantage in I&M Bank Limited. The conclusion of the study is that most elements of customer value strategy are perceived to be strongly and positively linked with the bank's CA and the outcomes were in support of the theories; Dynamic capabilities' theory (Helfat and Peteraf, 2003 and Wright and Allen, 2014), Resource Based View by Wernerfelt, (1984) and Barney (1991) and Theory of Planned Behavior (Ajzen 1991).

On perceived link between customer value strategy and CA at I&M Bank, Kenya evidently, results of the study prove that to attain competitive advantage through implementation of customer value strategy, a business should have the ability to identify its ability and uniqueness from that of its competitors. Customer value strategy is thus essential in communicating value and establishing customer value. I&M Bank, Kenya is no exception as it is faced with a myriad of challenges like any other business.

Since the competitive strategies are generic, they are not industry specific and are therefore applicable to businesses. The conclusion of the study is that the critical role of I&M Bank, Kenya is to create strategic vision that outcomes from a combination of service, quality, developed image and the determined prices for products and services that consumers are willing to pay to satisfy their current and emerging needs. The outcomes were consistent with the RBV (Wernerfelt, 1984 & Barney, 1991), DCT (Helfat & Peteraf, 2003) and TPB (Ajzen, 1991).

On factors influencing manager perception on the link between customer value strategy and CA at I&M Bank, Kenya it was established that organizational culture of my organization largely influences managers' perception of the link between customer value strategy and its competitiveness. Knowledge and skills are of course a renowned factor that impacts on manager perception on particular business tasks. Noteworthy though, is the place of organizational culture in advancing the perception of managers towards the success of customer value and competitive advantage. The conclusion of the study is that organizational culture encompasses the concept in the psyche of organizations which permeates all organizational components and thus has an influence on how a manager perceives customer value and competitive advantage and the findings were in support of the dynamic capabilities' theory (Helfat & Peteraf, 2003; Wright & Allen, 2014).

5.4 Recommendations for Policy and Practice

Recommendations for policy and practice have been formed in line with the crucial findings of the study. This investigation sought to ascertain the perception managers have on customer value strategy and CA in I&M Bank Limited and to determine the factors that may influence the perception managers have on customer value strategy

and competitive advantage in I&M Bank Limited. From the findings, it was clear that the elements of customer value strategy were perceived to strongly and positively link with the bank's competitive advantage include customer service quality, product quality, market segmentation, keenness on satisfaction related to buyer's intent of repeat business, perceived customer value creation, customer perceived cost, customer perceived sacrifices, customer perceived benefits, well-ordered reception desk staff, employee promptness in assisting customers, staff presentation and knowledge sharing with customers. In line with these findings, it is therefore recommended for managerial practitioners and policy makers at I&M bank, Kenya ought to include managers in the formulation of customer value strategy and provide them with sufficient decision-making authority in the execution of the respective strategies.

There are factors that are not key in influencing their perception of the link between customer value strategy and competitive advantage of I&M Bank, Kenya. These factors include the leadership roles played by respondents, their age, work experience, level of education, marital status, life exposure, peer influence, work environment, capacity building role of the respondents, technological readiness, availability of expertise, communication approach, as well as extrinsic and intrinsic motivation. While it is generally assumed that perception is a phenomenon that is contingent upon some idiosyncratic attributes, the results have demonstrated that such attributes never played any role in influencing how the respondents perceived the link between customer value strategy and competitive advantage of I&M Bank, Kenya.

One factor was however perceived to a large extent. This was the adoption of organizational culture. Managerial practitioners and policy makers have to work harder to ensure acknowledgement and reward for novel discoveries and outstanding

competitive advantage, enhancement of customer value strategy to the organization's vision and mission and creation of an organization culture that embraces free thought and opinion as a source of new ideas. This is extremely critical especially for I&M Bank Kenya to build an enduring competitive advantage in the fast-changing business environment.

5.5 Implication to Theory

The findings of the study are that most elements of customer value strategies are believed to be directly and positively connected to bank CA, and these findings have a positive implication with dynamic capabilities' theory. Obviously, based on the link between customer value strategy and CA at I&M Bank, Kenya, the results of research demonstrate that to achieve competitive advantage through the implementation of the price strategy. Customer value, a business needs to be able to define its capabilities and uniqueness compared to its competitors. Therefore, customer value strategy is essential in conveying the value of customers and establishing customer value is important as it results in it being valuable. The findings of the study are that organizational culture encompasses the concept in the psychology of the organization, it traverses all sectors of the organization and thus affects how a manager perceives customer value and competitive advantages findings has a positive implication with the theories; RBV (Wernerfelt, 1984 and Barney, 1991), DCT (Helfat and Peteraf, 2003) and TPB (Ajzen, 1991).

5.6 Limitations of the Study

The research used cross sectional research design which did little to determine the cause and effect of the findings sought in this investigation. The research design chosen for the investigation could not analyze the behavior over a period of time. The research design made it difficult to choose the sampling size based on the variables of the population being studied.

The investigation sought to get information from 97 respondents. Only 75 responses were obtained. The non-response rate was 22.7% which might have affected the outcome of the investigation. The semi-high non-response rate could be attributed to the respondents' lethargy and disinterest in answering the questionnaires. This investigation sought to ascertain the perception managers have on customer value strategy and competitive advantage in I&M Bank Limited and to determine the factors that may influence the perception managers have on customer value strategy and competitive advantage in I&M Bank Limited. This limited the scope of the study as there are many other variables that can be used to gauge managers' perception on customer value strategy and competitive advantage in I&M bank limited, Kenya.

The research used correlational survey design which was a limitation as this survey cannot be used to draw conclusions about the causal relationships among the measured variables. Researcher's lack of control on the manner in which the respondents filled the questionnaire was also a drawback. Some respondents may have projected their opinion and perceptions in the study limiting their ability to provide objective views.

5.7 Suggestions for Further Research

The focus of the investigation was at I&M bank, Kenya only. As earlier mentioned, different banks have continued to open branches in different parts of the country. Further studies should therefore be carried out in other areas where there are similar kinds of banks for comparison purposes in regards to perceived link between customer value strategy and competitive advantage. This is to establish any common or unique factors that the banks share in common.

The framework utilized in this study assessed the managers' perception on customer value strategy and competitive advantage in I&M bank limited, Kenya based on only two variables as were captured in the research instrument. Researchers can further determine the suitability and effectiveness of this model especially as to whether it captures all the managers' perception on customer value strategy and competitive advantage in I&M bank limited, Kenya. This can further stimulate the growth of the frontiers of knowledge concerning managers' perception on customer value strategy and competitive advantage.

The cross-sectional descriptive survey used in the study cannot be used to draw conclusions about the causal relationships among the study variables because it was largely perceptual. Further research can be carried out that adopts the same design but adopts objective measures and using organizations as units of analysis hence provide a statistically plausible picture of how much of competitive advantage can be accounted for by adoption of customer value strategy.

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APPENDICES

Appendix I: Introductory Letter

Dear Sir/Madam

RE: Permission to Collect Data

Greetings, hopes this finds you well. I am **MERCY KWAMBOKA GEKONDE**, a Masters Student at The University of Nairobi pursuing a Masters of Business Administration. This questionnaire is offered to you as a respondent with the sole intention of helping the research get requisite information on the perception of managers on customer value strategy and competitive advantage at I&M Bank, Kenya. You are therefore requested to fill in all the questions and you are assured of privacy, explanation as the purpose of the study, anonymity, informed consent, integrity and ability to pull out of the study at will. Your efforts will greatly be appreciated.

Yours sincerely

Mercy Kwamboka Gekonde

Appendix II: Questionnaire for Managers

Q/No:.....

This questionnaire is offered to you as a respondent with the sole intention of helping the research get requisite information on the perceived link between customer value strategy and competitive advantage at I&M bank, Kenya. You have been selected as one of the respondents. Therefore, you are requested to fill the questionnaire as per the guidelines and you are assured of privacy, explanation as the purpose of the study, anonymity, informed consent, integrity and ability to pull out of the study at will.

PART ONE-DEMOGRAPHIC DATA

1. Position..... (Optional)
2. Gender (Sex)
(a) Male [] (b) Female []
3. Age Bracket (tick as appropriate)
(a) 18-25years [] (b) 26-35 years [] (c) 36-45 years []
(d) 46-55years [] (e) Over 55 Years []
4. Please indicate your highest level of education attained
(a) Diploma [] (b) Undergraduate Degree []
(c) Post Graduate Degree []
5. Years worked at the bank?
(a) Below 2 years [] (b) 3-4 years []
(c) 5-6 years [] (d) 6 years and above []

6. Years in the current position?
- (a) Below 2 years [] (b) 3-4 years []
- (c) 5-6 years [] (d) 6 years and above []

PART B- Customer Value Strategy and Competitive Advantage

7. The following statements describe the link between customer value strategy and competitive advantage. Please indicate your level of agreement with each of the following statements. Use the key below to tick [√] as appropriate.

SA-Strongly Agree (5), A-Agree (4), U-Undecided (3), D-Disagree (2), SD-Strongly Disagree (1)

Descriptive statement	SA	A	U	D	SD
	5	4	3	2	1
1. Focus on key customers has given the bank an edge over its competitors					
2. Focus on service quality has given the bank an edge over its competitors					
3. Focus on product quality has given the bank an edge and increased its competitive advantage					
4. Focus on profits per segment of sales has given the bank an edge over its competitors					
5. Focus on satisfaction related to buyer's intent to repurchase has given the bank an edge over its competitors					
6. Focus on customer perceived value has given the bank an edge over its competitors					
7. Focus on customer perceived cost has given the bank an edge over its competitors					
8. Focus on customer perceived sacrifices has given the bank an edge over its competitors					

9. Focus on customer perceived benefits has given the bank an edge over its competitors					
10. Focus on attractive physical facilities has given the bank an edge over its competitors					
11. Focus on correct modern equipment has given the bank an edge over its competitors					
12. Focus on well-ordered reception desk staff has given the bank an edge over its competitors					
13. Focus on employee willingness to assist customers punctually has given the bank an edge over its competitors					
14. Focus on well-ordered reception desk staff has given the bank an edge over its competitors					
15. Focus on well-ordered reception desk staff has given the bank an edge over its competitors					
16. Focus on employees implanting confidence and conviction in customers staff has given the bank an edge over its competitors					
17. Focus on empathy where the staff give customized and individual care has given the bank an edge over its competitors					
18. Focus on capacity building has given the bank an edge over its competitors					
19. Focus on effective resource mobilization has given the bank an edge over its competitors					
20. Focus on consolidation of technologies has given the bank an edge over its competitors					
21. Focus on outsourcing has given the bank an edge over its competitors					
22. Focus on core competencies has given the bank an edge over its competitors					

23. The bank adapting quickly to changes in the market has created an edge over its competitors					
24. Focus on emerging markets has given the bank an edge over its competitors					
25. Focus on technological adoption has given the bank an edge over its competitors					
26. Focus on customer satisfaction has given the bank an edge over its competitors					
27. Focus on customer attitude has given the bank an edge over its competitors					
28. Focus on customer conscious infrastructural development has given the bank an edge over its competitors					
29. Focus on customer rewarding has given the bank an edge over its competitors					
30. Focus on customer conscious pricing has given the bank an edge over its competitors					

PART C: FACTORS THAT INFLUENCE PERCEPTION

8. The following are descriptive factors that could influence your perceived link between customer value strategy and competitive advantage. Please indicate your level of agreement with each of the following statements. Use the key below to tick [√] as appropriate. SA-Strongly Agree (5), A-Agree (4), U-Undecided (3), D-Disagree (2), SD-Strongly Disagree (1)

Descriptive Statement	SA 5	A 4	U 3	D 2	SD 1
1. My leadership role influences how I view the link between the bank’s customer value strategy and its competitiveness.					
2. My age influences my perception of the link between the bank’s customer value strategy and its competitiveness.					
3. My work experience influences my perception of the link between the bank’s customer value strategy and its competitiveness.					
4. My level of education influences how I view the link between the bank’s customer value strategy and its competitiveness.					
5. My marital status has got something to do with my perception of the link between the bank’s customer value strategy and its competitiveness.					
6. My life exposure influences my perception of the link between the bank’s customer value strategy and its competitiveness.					
7. Peers influence my perceived link between customer value strategy and competitive advantage					
8. The work environment influences my perceived link between customer value strategy and competitive advantage					

9. Capacity building influences my perceived link between customer value strategy and competitive advantage					
10. Organizational culture influences my perceived link between customer value strategy and competitive advantage					
11. Technology advancement influences my perceived link between customer value strategy and competitive advantage					
12. Technology use influences my perceived link between customer value strategy and competitive advantage					
13. Availability of expertise influences my perceived link between customer value strategy and competitive advantage					
14. Communication approaches influences my perceived link between customer value strategy and competitive advantage					
15. Extrinsic motivation (rewards) influences my perceived link between customer value strategy and competitive advantage					
16. Intrinsic motivation (inspiration, job security and satisfaction etc.) influences my perceived link between customer value strategy and competitive advantage					

Thank you for taking your time to respond to this Questionnaire.