

Application of ICT strategy in enhancing competitive advantage among commercial banks in Kenya

The study is a comprehensive evaluation of the response of Kenyan commercial banks to the adoption of ICT strategy in enhancing competitive advantage. Various variables were used to establish the extent of the adoption and implementation of information technology devices in banking processes. These include the nature and degree of adoption of ICT technologies; degree of utilization and the impact of the adoption of ICT devices on banks operations. The study targeted 42 banks in the country of which 35 or 81% responded. The study revealed that ICT has been discovered to be the main driving force of competition in the banking industry during the period of study. The importance of ICT strategy in banking industry is further confirmed by the fact that 100% of the banks under study had ICT departments adequately staffed and that all have adopted technology devices like Electronic Data Interchange (EDI), M-pesa, ATM, e-mail and Visa card in order to increase operational efficiency, cut costs and to meet the customer demands. Banks also use ICT strategy as a means of increasing switching costs to customers (Porter, 2008). The adoption of ICT in banks has improved customer services, facilitated accurate records, ensures convenient business hour, prompt and fair attention, and enhances faster services.