EFFECT OF INNOVATION AND TECHNOLOGY AS A STRATEGY ON CUSTOMER RETENTION AT THE EQUITY BANK KENYA LIMITED

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, FACULTY OF BUSINESS AND MANAGEMENT SCIENCES, UNIVERSITY OF NAIROBI

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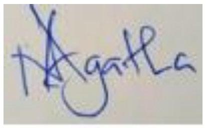
DECLARATION

This is my original work and has not been presented for a degree in any other university.



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This research has been approved for examination with my approval as the university supervisor.

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DEDICATION

This research is dedicated to the soul of my father who instilled in me a desire to learn, to my mother for her sacrifices so I would have access to high quality education from an early age and for always encouraging me, to my brothers with whom we have come a long way together, it can be done, to my husband and son for their unconditional love and support that have enriched my soul and inspired me to pursue and complete this research.

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ABBREVIATIONS AND ACRONYMS

ATM	Automated Teller Machines
CBK	Central Bank of Kenya
ICT	Information and Communication Technology
KCB	Kenya Commercial Bank
KRCS	Kenya Red Cross Society
RBV	Resource Based View
SACCO	Savings and Credit Cooperatives
SME	Small and Medium Enterprise

ABSTRACT

Innovation and technology strategy in today's organizations is paramount to the successful and profitable services delivery in those organizations and enhancement of customer retention. The aim of this study was to establish the effect of innovation and technology strategy on customer retention at Equity bank Kenya Limited. The study was based on the disruptive innovation theory, resource-based theory and diffusion of innovation theory. The research design was a case study which used primary data. The research instrument used to collect the data was an interview guide. The data obtained from the respondents was analyzed qualitatively by the use of content analysis. The study found that Equity Bank of Kenya Limited customers are well informed about the terms of services and products and the level of quality they expect to get from the bank. Innovation and technology strategy contributed to customer retention at the bank. Technology innovations had eased the delivery of service to the customers. In addition, the adoption of technology such as Equitel, mobile banking, internet banking and agency banking had helped the bank customers access the banks services irrespective of where they were located. The study also established product innovation helped the bank introduce new products to target new customers and give more options to the existing customers. Equity bank has been able to achieve customer retention through developing products that meets the customer's needs. The study revealed the following products contributed to customer's retention; vijana business loans, ordinary equity accounts, Fanikisha range products for women and Hunger Safety Net Programme. The study lastly established that marketing and process innovation had significantly contributed to the retention of customers at Equity bank. Process innovation streamlined the processes and procedures within the bank thus creating efficiency on loan applications, loan processing and accounts opening. Through process innovation the bank was able to remove procedures that were not relevant and thus able to serve the customer within a short period. Marketing innovation contributed to the bank reaching customers and non-customers all over the country. Through marketing innovations, the bank has been able to increase its customers number and build a strong brand and presence locally and internationally.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

In the process of competing for the future market, there is harmonious integration of skills plus capabilities which according to scholars lead to innovation and technology strategy (Torres, 2018). Importantly, the purpose of innovation and technology strategy in organizations is paramount throughout the world to the successful and profitable services delivery in those organizations and enhancement of customer retention. Additionally, innovation and technology strategy play a significant role in improving customer service as well as reducing the costs of banking transactions for customers leading to increased customer retention (Ahmed, Manwani, & Ahmed, 2018).

Disruptive innovation theory by Christensen (1997) is based on the idea that innovations can transform a prevailing market by improving access, ease, cost efficiency, as well as market easiness where items as well as services are expensive. The theory holds that use of disruptive technology is crucial in attaining customer retention (Oppong, 2014). In relation to the resource-based view (RBV), firms in a given sector may be diverse in terms of the resources they manage. However, the developments lead to exhibition of distinct reactions which are dependent on the controlling power regarding the resources (Barney, 1991). Diffusion of innovation theory by Rogers (1995) is about propagation techniques for a new thought to a certain societal system depends on making use of particular medium of choice.

The study focused on commercial banks in Kenya. Commercial banks play a significant role in a country's economy and their stability is critical and relevant to the financial sector (Nuhiu, Hoti & Bektashi, 2017). In Kenya, the banking sector contributes 9.3% of the GDP and about 30% of all corporate taxes collected by the government (CBK, 2018). The study was motivated by the fact that the last decade has seen banks in Kenya embrace technology and innovation strategies. Technology and innovation are available in Kenya in a number of forms, inclusive of mobile phone apps, mobile money wallets, as well as payroll borrowing (Mohamed, 2018). The current study sought to investigate how innovation and technology influenced customer retention among commercial banks.

1.1.1 Innovation and Technology Strategy

Innovation and technology strategy, according to Palmer and Kaplan (2016), is a comprehensive method that integrates business strategies, consumer insights, as well as strategic alignment as building blocks for innovation that help the organization attain its objectives. The process therefore involves use of new business models that change the game while creating superior value to consumers, and the company. Innovation and technology strategy has been used as a mechanism to an end though not the end itself. Globalization, volatility in client needs, competitiveness, and technical improvements are examples of external environment dynamics that have produced ongoing environmental upheavals and necessitate more strategic viewpoints from executives (Thompson & Strickland, 2013).

Innovation and technology strategy may also be defined as the value for clients' creation, the entry into new markets, and the description of existing markets, and the enhancement of the value of services and goods to clients (Gebauer, Worch & Truffer, 2011). As a growth technique, innovation and technology strategy aims to break into modern markets, share market increase, as well as provide a company a competitive advantage via employing strategies that are diverse from the competition. The rising competitiveness in international marketplaces has compelled firms to acknowledge the innovation and technology strategy essence as the business environment changes and traditional services as well as products lose value (Nbakk & Jensen, 2013).

Various innovation and technology strategies can be incorporated into business plans to provide outcomes like increased market share, productive operations which improve the firm's consumer perceptions, as well as overall enhanced efficiency. The following are some of the innovation and technology strategies that were investigated: Marketing, process, organizational, and product innovation are all areas where you may make a difference (OECD, 2006).

1.1.2 Customer Retention

Customer retention refers to actions taken by the enterprise in an attempt to lower the number of clients who are defecting (Khan, 2012). This mechanism enhancing full attendance to all newly acquired clients also ensures both new and old remains loyal to corporate products plus services (Khan & Fasih, 2014). According to the investigation carried out by Dannesh (2012), the major phase in customer retention is client's first contact within the entity which goes beyond to the entire firm's lifetime.

In spite of other mechanisms, the beginning of retention is marked on the first day of engagement between the supplier and the customer. In service ventures, the length of time taken to serve a customer reflects directly and proportional to the amount of profit earned. This is due to the fact that with time the relationship develops and customers become loyal hence spending more while serving them becomes less expensive. There is also building of trust which leads them to paying full rates including recommending new customers to the enterprise (Saravanakumar & Jayakrishnan, 2014). In recent years, many enterprises have realized the significance of fulfilling alongside retaining clients, as per Ford (2012), because the entity's wealth is yielded by consumers.

It is crucial for the firm to keep an eye on the revenue growth rate of the existing clients (Alexander, 2017). The other good indicator of loyalty is recurring purchase rate efficient in measuring performance including the client retention strategy in general mostly utilized by sales and marketing teams (Mceachern, 2017). Enterprises dealing with tangible products may use product return rate as a measure of the number of the total units sold which have been returned to the firm is crucial to be considered in relation to maintaining a client retention strategy (Winkler, 2017).

1.1.3 Commercial Banks in Kenya

According to CBK, any enterprise performing or intending to conduct banking activities in Kenya is known as a bank. Extending credit, accepting deposits, providing financial services in other areas along with processing financial transactions are operations of commercial banking. The financial industry benefits hugely from this sector especially due to its ability of mobilizing saving and processing loans to consumers also ventures. The banking sector in Kenya is closely governed by the CBK regulations. There are 13 MFIs, 1 mortgage finance institution plus 38 commercial banks populating the banking sector. Quoted at the NSE are 11 out of the 38 commercial banks (CBK, 2020).

The Kenyan banking industry has been very competitive characterized by entry of many foreign banks and mergers and acquisitions among local banks. The banks are also facing competition from microfinance banks and Savings and Credit Cooperatives (SACCOs) which have been on the rise in Kenya. The macro-economic environment has also been turbulent as exhibited by a depreciating currency, government controls such as the 2016 interest rate cap, high unemployment levels in the county and recently the Covid-19 pandemic. To survive in such an industry, the commercial banks have focused increasingly on innovations and technology as a strategic apparatus of attaining institution’s agenda of lowering costs while increasing revenues. These banks have been at the forefront of innovation and technology strategies. Other banks also have some aspect of innovation and technology strategies through their digital platforms (CBK, 2020).

Commercial banks have performed variably, with some recording improvement in customer base whereas a decline was recorded in others. Over the last 5 years, we have witnessed the closure of certain banks among them Chase bank caused by lackluster performance and this negatively affected their client base, while others such as National bank have also been acquired by KCB (CBK, 2020). Other banks such as Equity, Cooperative, KCB and Standard Chartered bank have reported an improvement in both performance and customer retention over the same period of time. This demonstrated the need to investigate whether innovation and technology strategy could explain customer retention among the banks in Kenya

1.1.4 Equity Bank Kenya Limited

This is a provider of financial services whose headquarters are located in Nairobi, Kenya. Equity bank is one of the innovative banks in the Kenyan economy since it has developed various banking products under its Fintech holdings to support its operations. Equity bank has adopted the basic technological innovations that is electronic, mobile and internet banking and it has taken extra mile to develop a sim card to enable banking of its customers most effective (Mwiti, 2018). The organization is licensed and authorized to perform financial transaction by the commercial bank, Central Bank of Kenya, and the national banking regulators (Okoth, 2018). Under its operation, there was introduction of agency banking model in 2010 after having been proved successful and it is still under CBK regulations (Wheelock & Wilson, 2017).

In the year 2014, there was a restructure of Equity Group Holding Limited which resulted to incorporation of Equity Bank Kenya Limited. It was after the restructure that Equity Bank made the announcement of the incorporation of the new wholly owned subsidiary, Equity Bank Kenya Limited under which it would transfer some of their assets, liabilities and banking business. Equity Bank Kenya Limited has gained more popularity in the past few decades due to the implementation of the technological innovations in their business operations. Ideally, this organization has the highest coverage area in Kenya and has the highest number of branches among other banks in Kenya (Katwalo & Huhanji, 2014). Technological innovation at Equity has enabled it to become the biggest bank in the African continent in relation to customer base (Riungu, 2010).

According to Dasgupta (2011), customer retention enables achievement of profitability which is the main goal of commercial banks. All the strategies including innovations and technology strategy are therefore meant to realize this grand objective of attaining good performance which is measured in terms of profitability and market share. Technology and innovations strategy in the banking sector attract customer base which in return the bank gains from various services that are offered to its clients as well as creating new avenues of revenue generations through innovation (Altendorf & Schreiber, 2015).

1.2 Research Problem

Among the most crucial marketing hurdles that have never been resolved is retention of customers which also for several years have been under discussion. The entities are faced with challenge to provide innovative products and services as an outlet for client retention (Mullan, Bradley & Loane, 2017). Ahmed et al. (2018) claim that innovation and technology strategy play a significant role in improving customer service in addition to lowering the clients' banking transactions costs leading to increased customer retention. Majority of consumers are well-educated and in touch with reality regarding changing times including having their own tastes, preferences plus requirements. This therefore, creates a vacuum which innovation and technology strategy occupies and assist businesses in attaining their customer retention target also in surviving in the current rivalry atmosphere.

The operating ground for banks located in Kenya is very dynamic which initiates the urgency in developing innovation and technology strategies to support their performance during turbulent times. However, despite these innovative strategies, there have been a reduction in number of clients in some banks, others have been put under receivership while worst others are totally wound-up (Koki, 2018). Equity Bank Kenya Limited is ranked at the top when it comes to adoption of innovation and technology strategies as evidenced by the introduction of Equitel and Eazzy banking app. At the same time, the bank has also recorded a rise in the customer base which offered a good context to investigate whether the innovation and technology strategy could explain customer retention at the bank.

In this field, research has been done. SMEs in Ghana were examined by Nkuah, Tanyeh, and Gaeten (2013) to see how technology affected their performance. Descriptive cross-sectional model was utilized during the investigation. A significant connection was found between technology use and performance in the research. A conceptual gap exists in the research since it concentrated on technology usage rather than innovation and technology strategy. Further, the probe depicts a methodological gap as it was quantitative in nature leaving the qualitative aspects unattended. In addition, the survey was undertaken in Ghana which has a dissimilar environment from Kenya.

In Turkey, Karabul (2015) focused on the influence of innovation strategy on performance of manufacturing institutions based in Turkey. The survey revealed that there is a substantial positive association amidst innovation plus entity's performance in manufacturing enterprises in Turkey. But, the investigation was in a developed context and therefore impractical in Kenya due to social and economic differences. Moreover, the research was a cross-sectional survey dealing with quantitative data and therefore a methodological gap as it did not capture the qualitative aspects. Further, the study reveals a conceptual gap as it did not relate innovation and technology strategy with customer retention.

In Yemen, Alqershi, Bin Abas, and Mokhtar (2018) focused on how the performance of Yemen manufacturing SMEs was affected by strategic innovation. The study discovered that strategic innovation absence was the poor performance root cause. This study was however a descriptive survey utilizing quantitative data and therefore failed to capture the qualitative aspects which is the aim of the current study. In addition, the survey unveils a conceptual gap as it paid attention to firm performance which is a different concept from customer retention. Further, the conduction of the study concentrated on the manufacturing context which cannot be generalized to represent the banking sector due to operational differences.

Karlsson and Tavassoli (2015) performed research in Europe on strategic innovation practices impact on telecoms firm performance. The study discovered a beneficial contribution of innovations to business performance. A conceptual gap arises from the survey as it did not relate innovation and technology strategy with customer retention. Also, the survey presents a methodological gap since it was a cross-sectional unlike a case study that focuses on an in-depth analysis of a firm. Contextually, the probe was conducted in a developed atmosphere thus unrealistic to utilize it in representing a developing country.

Locally, Kariuki (2014) conducted research in Kenya concerning the influence of strategic innovation on mobile communications performance and discovered that strategic innovation techniques impacted the performance positively. This survey was cross-sectional in nature utilizing quantitative data and therefore left a gap on the qualitative aspects. In addition, it was conducted in a different context from Equity bank. Further, the study did not take into account customer retention and therefore a conceptual gap.

Mwangi and Wekesa (2017) investigated the impact of technological factors on Kenya Airways' overall performance. According to the findings of the research, technological factors have an impact on Kenya Airways Limited's overall performance. A conceptual gap was created during the research since it failed to address how customer retention is affected by innovation and technology strategy. In addition, all though the research was a case study just like the current one, it was quantitative in nature which necessitates a qualitative study. A contextual gap was created since the survey addressed Kenya Airways.

Lilly and Juma (2014) in the process of investigating how the performance of Kenyan based commercial banks is affected by strategic innovation they unveiled that strategic innovation and bank performance are positively correlated. The study focused on banks generally without an in depth analysis of Equity Bank Kenya Limited and therefore a contextual gap. A methodological gap arises from the study as it was a cross-sectional survey utilizing quantitative data leaving a gap on qualitative aspects. Moreover, innovation and technology changes and customer retention were not taken into account.

Kamaki (2014) conducted another research in Kenya, this time looking at the effects of product innovation on banks' performance. According to the results, innovation led to improved performance, organizational efficiency, as well as market share control. The study presents a conceptual gap as customer retention was not taken into account. A methodological gap arises from the research as it was a descriptive survey utilizing quantitative data leaving a gap on the qualitative aspects. Contextually, the study focused on banks generally without an in-depth analysis of Equity Bank Kenya Limited.

The studies reviewed have shown that conceptually, there is no consensus on the effect of innovation and technology strategy on customer retention. Contextually, majority of the locally conducted surveys concerning innovation and technology strategy have focused on other industries whose operations are distinct from those of the banking sector. In addition, the studies carried out on innovation and technology strategy used a different methodology as they did not take into account the effect of innovation and technology strategy on customer retention using a case study approach. This research sought to fill these gaps by answering the research question: what is the effect of innovation and technology strategy on customer retention at Equity Bank Kenya Limited?

1.3 Research Objective

The objective of the study was to establish the effect of innovation and technology strategy on customer retention at Equity Bank Kenya Limited.

1.4 Value of the Study

The policymakers benefit from the study findings by measuring the development of regulations connected to the banking sector's mandate in the economy. Additionally, the survey outcomes helps policymakers by giving them insights regarding the linkage amidst innovation and technology strategy and customer retention..

The findings of this study aids in development of theories relating to innovation and technology strategy and customer retention. The results are also important to academics and scholars, revealing gaps in research linked to the study's subjects as well as research done to expand empirical literature.

The research is helpful to Equity bank’s management and employees by illustrating the significant changes in innovation and technology strategy and by providing them with new ideas on how to steer their businesses in a new direction. The management are able to align their strategies with the changes in the technological environment and this aids their survival and enhances their customer retention capability.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Literature review goes through the theory and evidence from literature that pertains to innovation and technology strategy, customer retention, and how they relate. The chapter begins by discussing the concepts that have provided these theories with credibility and flaws, empirical literature review displays correlations and inconsistencies, as well as research gaps that describes the conceptualized linkage amidst the study variables.

In particular, the theories covered in the literature review are disruptive of innovation theory by Christensen (1997) which is based on the idea that innovations can transform a prevailing market by improving access, ease, cost efficiency, as well as market easiness where items as well as services are expensive. The theory holds that use of disruptive technology is crucial in attaining customer retention (Oppong, 2014). In relation to the resource-based view (RBV), firms in a given sector may be diverse in terms of the resources they manage. However, the developments lead to exhibition of distinct reactions that are dependent on the controlling power regarding the resources (Barney, 1991).

The theoretically anticipated connection between innovation and technology strategy and customer retention is also discussed in this chapter because the two ideas constitute the foundation of the present research. Previous study has been done on this subject, and the outcomes are also depicted in this chapter. Additionally, this chapter highlights the study gaps which the current survey intends to address.

2.2 Theoretical Foundation

A literature review finds and evaluates previous research and scholarship on the studied variables in banking firms. This review offers a thorough understanding of what was being accomplished and serve as a benchmark to aid in translating the findings and overcoming the hardships faced during prior probes. The following segment describe and discuss various theories like the disruptive innovation theory, the RBV along with diffusion of innovation theory.

2.2.1 Disruptive Innovation Theory

Christensen (1997) pioneered the theory. It is based on the idea that innovations can transform a prevailing market by improving access, ease, cost efficiency, as well as market easiness where items as well as services are expensive. Disruptive innovation, according to Christensen (1997), is best pertinent in an unappealing market where new products and services later reshape the market. Comprehending the natural laws that leverage disruptive technologies in designing new commodities besides markets is the most effective path to success (Kostoff, Boylan, & Simons, 2004). Other critical concerns include understanding the disruptive technology dynamics or if management are able to adapt correctly to taking advantage of emerging chances.

Firms begin by focusing on the market's lower end clients (lower tier consumers) by offering goods as well as services which they can afford (Christensen, Baumann, Ruggles, & Sadtler, 2006). Disruptive innovation allows customers to buy products or services which previously they could not afford (Baumann, Ruggles, & Sadtler, 2006). This may not be the situation; there are variables that allow consumers to buy items and services that they could not formerly afford, such as competition and government rules.

According to Kostoff et al. (2004), moreover, the theory posits that enterprises that maintain innovation exclusively target high-end clients attempting to improve their performance. However, this might not always be the situation; the world's most inventive organizations target all types of clients. They can broaden their market segments scope, boost revenue, and improve performance this way. The theory hypothesizes a positive effect of innovation and technology strategy on customer retention.

2.2.2 Resource Based View

Penrose (1959) stated that the variety of productive resources accessible to a firm generates its uniqueness instead of the homogeneity of those resources. A set of valuable resources composes an entity and these resources can only assist a firm obtain a competitive edge if they are used in such a way that they are easy to access to the company. As a result, businesses must recognize their strengths and weaknesses in order to devise methods for outsmarting their competitors (Wernefelt, 1984).

According to RBV, the most valuable resources in an organization are the ones that influence the firm's success and competitiveness. RBV continues to point out that the main factors that affect and effect competitive advantage and how well an establishment operates are generated from the company's skills as well as its resources, which are almost impossible copy and highly valued (Barney, 1991). Firms, through reviewing their skills plus internal resources may use RBV which enables implementation and developing their business strategy (Sheehan & Foss, 2007).

Only when resources are deployed to implement strategies do they become valuable. Only by measuring the value created by strategies and attaching the gained value to the resources and capabilities can the value of the resources be determined. Controlling the factors that generate growth possibilities as well as change, as well as those that emerge as threats as well as demand reactions, is essential for a company's growth, change, and development. Management should not only be conscious of environmental changing, but also control the resources of a firm in order to capitalize on chances as well as mitigate risks. The strategic leader must guarantee that this occurs, as well as ensuring the organization's values and culture are suitable for meeting the key success criteria.

2.2.3 Diffusion of Innovation Theory

The pioneer of this idea was Rogers (1962). An innovation is any newly introduced ideas, practices or item into a social structure whereas, on the contrary, innovation dissemination is the way the new concept is transmitted over a period of time to the social system via a default route. In this regard, this theory attempts to outline how new innovations are accepted and utilized in a social system such as mobile banking and online banking (Clarke, 1995). Rogers (1995) broadened the idea by saying that the study on technological diffusion was insufficient, further explaining that the technology cluster had additional distinctive characteristics that were thought to be fully linked. That is why the advantages and repercussions of embracing or refusing to embrace innovation should be notified to people and societies at large. Rogers (2003) says plainly that interpersonal connections are necessary because dissemination includes a social process.

Robinson (2009) criticizes the theory for taking a dramatically different view of other theories of change. It is not about attempting to persuade people to change, but about making progress or re-inventing goods and character, so that they can better suit what the person wants or needs. In this idea, people do not change, but innovations have to adapt to the demands of the people. The invention process takes time, as per Sevcik (2004), and it does not happen immediately. He also believes that the spread of innovation and the opposition to changes has the greatest impact on the process of innovation because it delays it down.

Rogers (2003) argues that the perception of these characteristics by an organization affects the degree of breakthrough technology adoption. If an organization realizes the benefits arising from online commerce, these innovations are taken into account when additional technologies are available. Innovation is quicker adopted in companies having internet access and information technology than in those without. The theory supports the present research, which shows how innovation and technology strategy influence customer retention.

2.3 Innovation and Technology Strategy and Customer Retention in Commercial Enterprises

Globally, despite the perceived benefits of the innovation and technology strategy and the electronic commerce, there is still a debate on whether and how the adoption of this technology improves the customer retention of commercial banks (Matevu & Kerongo , 2015). The investment in innovation and technology strategy and electronic commerce by commercial banks needs organization and innovation costs which comes along with various risks that the banks should be willing to take in order for them to accurately assess the impact of the adoption on customer retention (Idun & Aboagye, 2014).

According to Asongu (2015) the growth of technology and innovations has impacted almost each aspect of life, among them being the banking domain. Mobile banking invention has changed and has redefined the way commercial banks are running since the technology is now regarded as a major input for the organization's achievement, for banks as they channel their finances more on offering customers with fresh technologies by means of mobile banking.

According to Dasgupta (2011) the most vital agenda of any commercial bank is increasing efficiency which in the recent years have been enabled by introduction of innovative products and services thus providing a wide range of services. The ability to access banking services plus facilities via use of electronic mobile devices such as mobile phones is referred to as Mobile Banking. Abdullai and Nyaoga (2017) argues that when elaborating on financial services provision through mobile phone networks, competing labels also definitions have been applied although mobile money attends to the convergence of mobile telephone and financial services.

2.4 Empirical Studies and Knowledge Gaps

Karlsson and Tavassoli (2015) performed research in Europe on strategic innovation practices impact on telecoms firm performance; a correlational research methodology was used in a 15-telecommunication firm's sample. Questionnaires were used to collect data, and firm repository offered secondary sources. The study discovered a beneficial contribution to business performance utilizing descriptive statistics and content analysis. According to Osuga (2016), strategic innovation alongside performance are perfectly linked. The performance of new products has improved.

Lilly and Juma (2014) employed a descriptive research approach in a sample of 30 banks to establish how bank performance in Thailand is influenced by strategic innovation. The results of the data analysis, which included descriptive statistics and correlation analysis, revealed that strategic innovation measures applied by banks had a substantial impact on bank performance. A positive relationship was discovered between features of strategic innovation cost management, continuous quality improvement and performance.

Kalay and Lynn (2015) utilized a descriptive survey as well as primary and secondary data to appraise the impact of strategic management innovation on the performance of Asian service organizations. The results of the analysis, which were based on descriptive statistics, revealed that the corporate structure, innovation culture in addition to innovation strategy all increased innovation performance.

Prifti and Alimhmeti (2016) focused their research on market innovation impact and organizational performance in Albania. Descriptive research was used, and 99 companies were chosen by random sampling. Structured questionnaire aided in collating primary data whereas structural equation modeling was helpful during data analyses. The findings revealed a nexus amidst artificial intelligence and marketing innovation.

Wolf and Pet (2005) and Walker (2009) carried out comparative research on the influence of product as well as process innovations on business performance. Revealing that a company's development was dependent on specific product upgrades. Product innovation in a bank's brands or goods was essential to get a competitive edge. Although market innovation permits for the formation of modern markets, process innovation is crucial for bank operations, resulting in increased efficiency and effectiveness. Information may flow freely and be delivered quickly to those who need it because to technological advancements (Ngugi & Karina, 2013).

Kamaki (2014) conducted another research in Kenya, this time looking at the impact on performance of commercial banks as a result of product innovation. Statistics were sourced from 43 licensed commercial banks located in Kenya and analyzed via a descriptive research design. Data was through Semi structured questionnaire gathered. According to the results, innovation led to improved performance, organizational efficiency, as well as market share control.

Lusweti (2009) performed research on the innovative techniques used by Kenyan radio stations. It was recognized that innovation strategies are vital in any firm and that the corporation must not be bothered about the innovation cost provided organizational aims are satisfied. The sort of strategy adopted, either collaborative or competitive, is crucial in monitoring as well as executing innovation in terms of strategy analysis.

Odhiambo (2008) observed that due to the rise of globalization, there has been a need to retain existing clients, therefore having to remodel their means of conducting business to guarantee they continue afloat in his research conducted at Standard Chartered Bank on the innovation tactics implemented. Innovative strategies can focus on a variety of aspects of a company's operations, such as improved items on the market, technological advancements, and customer service.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

A research technique is required to set up the study variables alignment. This segment gives an overview of the research design utilized during this survey. The chapter includes details on data collecting, data analyses including presentation mechanisms that were utilized in the research. The chapter begins by presenting the research approach that was used in studying the connection between customer retention and innovation and technology strategy in Equity bank Kenya. The research design is the timeline of processes which lead to a research topic being answered.

The study discussed the gathering and analysis of data. The data collected focused primarily on the research topic and was gathered via an interview guide that was designed to address this particular inquiry. The interview guide was preferred as it contained open ended questions and therefore gave the researcher an opportunity to prod the respondent further and by so doing gain additional information.

When it comes to data processing, the investigator provided a thorough explanation of the methodology used in handling the gathered data so that meaningful information may be produced. Content analysis was used to identify innovation and technology strategy and how they influenced customer retention of Equity bank in Kenya. The process involved derivation of themes in the collected data.

3.2 Research Design

As opined by Cooper and Schindler (2014), a research design is a mechanism attained procedurally and enables the scholar in answering questions effectively, correctly, inexpensively plus objectively. A research design as stated by Khan (2008), aims at improving the research capacity, operational plan designing for purposes of embarking on the multiple available practices including chores necessary to finish the task while making sure that the techniques adopted are capable of satisfying study concerns objectively, validly alongside with actual responses.

To ensure the validity, accuracy, objectivity, and economy of research, you should use a rigorous study design. When conducting a research study, one should strive to design a study to better conceptualize an operational plan and enable the researcher to utilize a number of different techniques. It is equally important to make sure the procedures utilized are satisfactory enough to obtain accurate and objective answers to the study research questions.

During the investigation a case study research model was applied. This involves investigating phenomena, human besides corporations (Cooper & Schindler, 2014). It benefits this probe hugely due to its in-depth review of an entity which gives more attention to depth analysis as compared to broad analysis. It is recommendable in case a specific study unit requires an in-depth plus comprehensive review. The case study as Yin (2018) opined ensures that the social units are thoroughly also rigorously monitored. Case study discloses behaviors besides patterns of almost everyone in the unit.

3.3 Data Collection

Survey made use of primary datum. Highlighted in Appendix I is the interview guide utilized for main data collation. The preference for interview guide was due to its ability in capturing facts from interviewees along with providing the scholar detailed study results. The academicians are in a position to acquire more updated statistics through the interview guide in addition to datum which the prior data assembling techniques would not have captured.

The survey focused on the four senior managers at Equity bank in Kenya namely; the head of ICT, head of operations, head of risk and head of marketing. There are two divisions in the interview guide. The interviewees' demographic information is captured in the first part, whereas the second part concentrates on the goals of the probe. The scholar utilized open questions whose aim is to ensure the survey apparatus obtains data from respondents as intended and gives extra questions in a scenario where the answer is not direct. The academician personally oversaw the interviews and later archived the documents containing every question posed as well as the respective answers.

3.4 Data Analysis

A qualitative evaluation of data assembled using the interview guide was conducted with the aim of analyzing the relationships amidst the data clusters. The scientist's capability of interpreting, criticizing in addition to describing study themes resulted to conduction of a qualitative analysis due to difficulties of accomplishing so quantitatively. To aid in undertaking the qualitative analysis the content analysis was utilized.

Content analysis helped in evaluating the answer, conclusion drawing as well as making recommendations. The procedures in the content analysis entailed; datum familiarization, codes are assigned to the preliminary data in order to describe the content, searching for patterns or themes in the codes via multiple interviews, appraising themes, themes definitions in addition to recognition plus lastly making conclusion using the outcomes.

This chapter highlighted the method that was utilized in carrying out the investigation. This was a case study. The chapter also emphasized the data gathering technique, which was dependent on primary data. The study targeted senior managers in Equity bank Kenya who were in a better position to shed insight on innovation and technology strategy and customer retention. The chapter demonstrated how content analysis was used to analyze data.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter discusses the results of the interview guide that the researcher collected from Equity Bank and summarizes the interview guide findings. The chapter has been divided into two sections, respondents' profile and innovation and technology strategy and customer retention. The researcher looked at how Innovation and technology strategy results into customer retention at Equity Bank.

4.2 Demographic of the Interviewees

The researcher interviewed the following respondents at Equity Bank; head of information communication and technology, head of risk, head of operations and head of marketing. The head of Information communication technology DevOps at Equity bank has worked there for a period of one year and seven months. The head of risk has worked for Equity bank for nine years and one month and five years and three months at the current position. The head of operations has worked for nine years and eleven months at the bank and seven years and three months at the current position. The head of marketing has worked as a marketing manager at Equity bank for fourteen years and three months. The interviewees have worked for Equity bank for a good period and thus able to provide the correct information about innovation and technology strategies at the bank. All the interviewees stated they were involved in Equity bank strategies.

4.3 Innovation and Technology Strategy and Customer Retention

This section discusses the different innovation and technology strategies adopted by Equity bank, the use of modern technologies to boost innovation and strategy at Equity bank, customer retention at equity bank as a result of its innovation and technology strategy, Adoption of innovation and technology strategy and Customer Revenue Growth at Equity Bank and lastly the researcher determined whether Equity bank achieved increased repeat purchase rate as a result of the application of appropriate innovation and technology strategy

4.3.1 Innovation and Technology Strategies Adopted by Equity Bank

The interviewees were asked to state different innovation and technologies adopted by Equity bank. The interviewees stated that most of the technologies adopted by Equity bank revolve around customer products, easy accessibility of customers to bank products, marketing promotions and continuous improvement of the bank processes. The interviewees further indicated the bank has four main innovation strategies; Technology innovation, product innovation, financial innovation and market innovation. The interviewees stated the bank has adopted the best technology to facilitate easy access of its services by the customers. One of the most impactful innovation and technology strategy the bank launched was Equitel which is a mobile money banking platform. Equitel processed 150.8 million transactions which was more than the aggregated transactions processed by branches, ATMs and the Agency networks.

The bank has distributed point of sales terminals to different merchants across the country. Eazzy 24/7 was launched as an SMS banking platform that makes it possible for customers to transact through their mobile phones. The bank has ATM branches across country which enables customers to access their money from any town. Internet banking is another innovation strategy that enables customers to transact from anywhere as long as they can access the internet. The bank also has call centers which makes it possible for customers to make inquiries from the comfort of their homes. In addition, the bank gets to receive feedback from its customers through the call centers. The bank has streamlined its operations with the help of technology by acquiring different softwares like Enterprise resource planning systems and customer relationship management systems. In addition, the back office has also been automated though creating paperless working environment, digitalizing process work flows, and using softwares for resource planning.

Product innovation deals with the products that have been developed by Equity bank. The bank has been innovative in the types of products they develop targeting different groups in the Kenyan market. Equity bank developed the fanikisha range of products for women so as to address the financial challenges women face while doing business. The bank also developed vijana business loan that targeted the youth by giving the loans at low interest rates and in addition train them on how to start and manage a business. The bank also launched Hunger safety network agency model which facilitated making payments to the northeastern communities.

Marketing innovation, the bank has developed new ways of reaching the customers irrespective of where they are located. The marketing manager stated that the bank has its marketing teams in different regions in the country to register and recruit new customers. In addition, the marketing teams also sell other products developed by Equity bank like loans. The Financial innovation developed by Equity bank include mobile banking through Equitel and SMS banking. This is supported by Prifti and Alimhmeti (2016) study on market innovation impact and organizational performance in Albania. The findings revealed a link between marketing innovation and performance of an organization. One of the reasons for Equity bank performing so well can be attributed to marketing innovation strategy.

4.3.2 Use of Modern Technologies to Boost Innovation and Technology Strategy

The interviewees agreed that the use of modern technologies have contributed greatly to innovation and technology strategies at Equity bank. The modern technology has played a role into the development of products and ways of reaching the bank customers around the world. Through technology the bank was able to come up with innovative delivery channels, innovative processes, technological innovations, innovative marketing campaigns and product development innovations. Through innovative delivery channels the banks customers are able to access the banks services with ease anywhere they are. The bank developed branch networks across the country and within East Africa. The marketing manager stated Equity bank pioneered the opening of branches in some parts of the country that other banks had shunned.

In addition, the bank set up village mobile units and the hunger safety agency network model so as to reach all customers in any part of Kenya irrespective of how remote the area is. This is supported by Ngungi and Karina (2013) who argues that information may flow freely and be delivered quickly to those who need it because of technological advancements.

The ICT manager stated innovative processes that were developed as a result of the modern technology has made the bank flexible and accessible by customers. Today the bank employees and services are accessible at any time, which makes the customers feel valued and appreciated. The ICT manager added on technological innovations, the bank has developed several channels which customers can use to access their bank accounts. The channels are internet banking, Equitel, USSD codes, Agency banking and Call centers.

The marketing manager stated the bank has developed innovative marketing campaigns as a way of reaching their customers and also reaching non customers. The bank uses the media, print, word of mouth, billboards and social media platforms as their marketing strategy. Lastly, through technology the bank has been able to develop innovative products for its customers. The products are developed to meet the needs of different clients and different groups. The products include vijana business loans, fanikisha range of products targeting women and Equity ordinary accounts.

This is supported by Kamaki (2014) research on commercial banks performance and product innovation in Kenya that found out that product innovation leads to improved performance of banks. The risk manager stated that the innovative strategies employed by the bank were very important as they enabled the bank to attract customers and retain existing customers. In addition, the bank has been able to grow very fast and make huge profits as a result of innovative and technology strategies.

4.3.4 Customer Retention at Equity Bank as a result of its innovation and technology strategy

The interviewees stated that the technologies developed by Equity bank have greatly played a role in customer retention. Technology has assisted Equity bank to transition from a brick and mortar to a digital driven bank. The 25,000 Agency network the bank has, has helped to take the services closer to the customers and thus creating customer satisfaction. The head of marketing indicated that the bank processed 46 million transactions through the agents which was more than what the branches and ATMS processed of 35 million transactions. The merchant digital banking increased by 38% which is an indication of more business people embracing the importance of technology. Equitel mobile banking in its first year captured 15% of the total mobile money transfers in the Kenyan market. Through Equitel, Equity bank was able to process ksh 30 billion loans which was a representation of 84% of the total loans granted by the bank in Kenya. This indicates that Equity bank customers prefer using technology to access the bank services. Digitalization of the bank services has increased its transactions as more people have embraced the power of using hand held devices for banking.

In support of the above the ICT manager stated that since Equity bank started transforming into a fintech the number of customers who physically visit the bank has significantly reduced. Equity bank and the Hunger Safety Net Programme (HSNP) was able to accomplish a mission which everyone thought was impossible. The bank established a network of agents in the villages in northern Kenya and 48,000 impoverished beneficiaries of the Hunger Safety Net Programme received monthly stipends. The ICT manager stated that such innovations is what makes Equity bank to be the best bank in the region. Diaspora remittances processed through PayPal and Equity Direct increased from 22% to 30%. The different innovation and technologies adopted by Equity bank have created efficiencies in the bank processes and made it possible for customers to receive bank services irrespective of where they are located. This has led to customer satisfaction which and in addition, the customers become loyal to the bank.

4.3.5 Adoption of innovation and technology strategy and Customer Revenue Growth at Equity Bank

The interviewees stated the adoption of innovation and technology has played a vital role to the growth of Equity bank. The interviewees indicated in 2021, out of all the 975.1 million transactions done at Equity bank only 30.1 million or 3% transactions were done from all the branches combined. The remaining 97% was done through different digital applications. The merchants digital payments led to an increase in the growth of the merchants revenue from Ksh 17.1 billion to Ksh 84.1 billion. The number of transactions also increased from 3.1 million to 15.8 million.

The interviewees stated the retail internet banking transactions increased from 400,000 transactions to 1.5 million transactions while the revenue increased from Ksh 16.6 billion to Ksh 83.5 billion. Corporate internet banking transactions increased by 42% and revenue increased by 77%. Eazzy app transactions increased by 82% while the revenue increased by 153%. The marketing manager stated that this has been possible because through innovation and technology Equity bank has been able to reach almost all Kenyans everywhere both locally and internationally and most of them bank with Equity.

All the interviewees agreed that the bank has been able to perform well because of having the right innovation and technology strategies. This is as a result of the kind of investment in IT and digital security Equity bank has put in place. The ICT manager stated that Equity bank was recognized both locally and internationally as the most innovative bank in Africa. The risk manager stated that the bank has been able to make a lot of profit because through innovation and the right technology the bank has minimized risks to its products substantially. In addition, the risk manager indicated that in 2021 the bank was able to reduce cost of its risks from 4.8% to 1.4% which translated into reduction of loan loss from Ksh 14.3 billion to Ksh 4.6 billion.

4.3.6 Has Equity bank achieved increased repeat purchase rate as a result of the application of appropriate innovation and technology strategy

All the interviewees stated the feedback that they have received from their clients on Equity banks innovation and technology are good, the clients have indicated they are happy with the strategies. The marketing manager stated this is directly linked with the performance of the bank. The main reason why the bank has been able to perform so well is because customers always come back to use their services. The operations manager stated Equity bank had reached places where other banks had never been to. In addition, the manager stated Equity's model is based on offering quality services at a lower cost to its customers.

The ICT manager stated that the bank offers a wide variety of financial services to its customers and all the services can be accessed digitally which creates convenience for customers. In addition, technology has reduced the number of crowded customers from the banking halls, leaving only urgent or critical issues to be dealt with at the bank. The manager further stated the fact that a walk-in customer does not spend a lot of time in the banking hall you are guaranteed of them returning or using your services more frequently.

The marketing manager stated when developing products, innovations plays a vital role. The products that Equity bank has developed are innovative and offer solutions to all customers irrespective of how much the customer makes in a month. In addition, the bank has developed different products for different groups of customers and this creates customer satisfaction and in return repeat business.

This is supported by Wolf and Pet (2005) and Walker (2009) whose research on the influence of product and process innovations on business performance revealed that product innovation in a bank is essential for the performance of the bank. All the interviewees agreed that Equity bank has been able to achieve increased repeat purchases as a result of the use of innovation and technology.

4.4 Discussion of Findings

Equity bank has adopted several innovative and technological strategies on customer retention. The innovative and technological strategies adopted by Equity bank include; product innovation, technological innovation, financial innovation and marketing innovation. Examples of technological and financial innovation adopted by Equity bank includes: Equitel mobile banking, Eazzy 24/7, Internet banking, ATMs, call centers and ERP systems. Product innovation includes: Fanikisha range products for women, Vijana business loans and Hunger Safety Net Programme. Marketing innovation includes: billboards, print, media, social media platforms and word of mouth.

The researcher established that Equity bank uses modern technologies to boost innovation and technology through innovation delivery channels, innovative processes, innovative marketing campaigns, technological innovation and product development innovation. Product development as an innovative strategy provided the bank with that ability to address the needs of the current customers and prospective customers on a continuous basis. Products development strategy also has increased customer base, increased profitability and increased staff levels. This was supported by Osuga (2016) who asserted innovation strategy improves on an organization’s products performance.

Technological strategy as an innovative strategy streamlined the processes within the bank and enabled the customers to be able to access the banks products at the tips of their fingers through internet banking and mobile banking. Marketing innovative campaigns reached the existing and non-existing customers through the media, billboards, social media and word of mouth. Innovative delivery channels enabled the customers to be able to access the banks services with ease irrespective of where they are located.

The researcher established that innovation and technology strategy has led to customer retention, growth and repeat business at Equity bank. The technology adopted by the bank had helped the bank transition from a brick and mortar to a fintech. Through the Agency network the banks services were taken closer to the customers which created customer’s satisfaction and loyalty. In addition, the adoption of Equitel, internet banking and mobile banking had increased the banks transactions as more customers embraced the technology. Equitel alone processed 150.8 million transactions which was more than the aggregated transactions processed by branches, ATMs and the Agency networks. The bank has distributed point of sales terminals to different merchants across the country. Eazzy 24/7 was launched as an SMS banking platform that makes it possible for customers to transact through their mobile phones.

The bank has achieved repeat purchases from its customers as a result of the efficiencies and easy access of the banks services they get from equity bank. Internet banking is another innovation strategy that enables customers to transact from anywhere as long as they can access the internet. The bank also has call centers which makes it possible for customers to make inquiries from the comfort of their homes. In addition, the bank gets to receive feedback from its customers through the call centers. The bank has also streamlined its operations with the help of technology by acquiring different software's like Enterprise resource planning systems and customer relationship management systems. In addition, the back office has also been automated though creating paperless working environment, digitalizing process work flows, and using software's for resource planning. Lilly and Juma (2014) study of 30 banks to establish the impact of strategic innovation on bank performance in Thailand found out that innovation strategies contribute to the performance of a bank which agrees with the above findings.

The researcher found out that marketing innovation has enabled the bank to come up with new and better ways of reaching the customers irrespective of where they are located. The bank has its marketing teams in different regions in the country to register and recruit new customers. In addition, the marketing teams also sell other products developed by Equity bank like loans. This is supported by Prifti and Alimhmeti (2016) study on market innovation impact and organizational performance in Albania. The findings revealed a link between marketing innovation performance of an organization. One of the reasons for Equity bank performing so well can be attributed to marketing innovation strategy.

The researcher found out that Equity bank has adopted modern technologies that have significantly contributed to the success of the bank. The modern technology has played a role into the development of products and ways of reaching the bank customers around the world. Through technology the bank was able to come up with innovative delivery channels, innovative processes, technological innovations, innovative marketing campaigns and product development innovations. This is supported by Ngungi and Karina (2013) who argues that Information may flow freely and be delivered quickly to those who need it because of technological advancements. The researcher also established that Equity bank had come up with the following technological innovations under delivery channels; internet banking, Equitel, SSD codes, Agency banking and Call centers. The researcher also established that the bank uses innovative marketing campaigns such as; the media, print, word of mouth, billboards and social media platforms as their marketing strategy. The study is in line with the findings of Yemen, Alqershi, Bin Abas, and Mokhtar (2018) who found out that innovative marketing strategies contributed to the performance of organizations positively.

The researcher established that the different innovation and technologies adopted by Equity bank have created efficiencies in the bank processes and made it possible for customers to receive bank services irrespective of where they are located. The researcher also established that the bank has been able to make a lot of profit because through innovation and the right technology the bank has minimized risks to its products substantially. The findings of the study are supported by Nkuah, Tanyeh, and Gaeten (2013) study which asserted that technology influences the performance of organizations positively.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This study sought to establish the effect of innovation and technology strategy on customer retention at Equity Bank Kenya Limited. The data was collected through the use of an interview guide and the data was analyzed through content analysis. This chapter summarizes the findings as discussed in chapter four. The section also discusses the conclusion, limitations of the study and suggested areas for further research. The findings of the study have been summarized alongside the objective of the study.

5.2 Summary of Findings

The objective of the study was to establish the effect of innovation and technology strategy on customer retention at Equity bank Kenya. The study found that Equity bank had adopted several innovation and technology strategies for the goal of retaining its customers. The strategies adopted include: product innovation, technological innovation, marketing innovation, financial innovation and process innovation. These strategies were adopted with the aim of helping Equity bank serve its customers in the simplest way possible, take the services closer to the customers and provide easy access of the bank services to its customers.

The product innovation strategy was adopted with the aim of helping the bank to develop products that meets the needs of its different clientele and besides just meeting the needs, satisfy them. The research found out that product innovation plays a vital role to the competitive advantage of the bank. Through introducing products that meet the needs of the clientele the bank was been able to increase its customers number and create loyalty from the already existing clients. The bank has invested heavily on research and development so as to conduct market surveys and be always updated on the needs of the clients and ways they can improve on how to meet those needs. Nagle and Muller (2017) assert that product innovation is about coming up with new products or improving on the characteristics of existing products with having the customer in mind.

The marketing innovation was found to highly contribute to the competitiveness of Equity bank. The interviewees agreed that market innovation has helped the bank to reach a wider clientele base through the billboards, social media, print and word of mouth. Furthermore, the interviewees also agreed that market innovation has helped the bank to establish strong products brand in the Kenyan market. The strong products brands are attributed to product differentiation for the different market segments. This has made Equity bank to always be ahead of its competitors.

The technology innovation such as ATM's, Mobile banking services, Internet banking, village mobile units, agency banking, automation of the bank processes and Equitel have significantly contributed to the success of Equity bank. These technological innovations have made it possible for the customers to access the bank services without having to visit the bank physically. As a result, the time it would take to access bank services was reduced to a matter of seconds from several hours a few years ago. The fact that clients are able to transact in seconds without being inconvenienced with long queues has created loyalty from the customers. All the innovation and technology strategies adopted by the bank have led to customer retention.

5.3 Conclusion

The modern customers are well informed in terms of the kind of services and products and the level of quality they expect to get from an organization. From the analysis, the researcher can conclude that innovation and technology strategy contributed to customer retention at Equity bank. Technology innovation has eased the delivery of services to the bank customers. Besides, technology has enabled the bank to connect with its customers irrespective of where they are through different platforms. The introduction of Equitel, mobile banking, internet banking and agency banking brought services closer to the customer.

Product innovation led to the introduction of new products by Equity bank to target new customers, existing customers and meet the needs of any customer who might have been left out with the previous products. In addition, through product innovation the bank was able to add new features to the existing products in order to accommodate a wider market segment. The researcher was able to identify that Equity bank achieves customer retention through developing products that meet every customer's needs. Furthermore, the bank keeps on updating the products features depending with the market needs. The study revealed the products that have contributed to customer retention include Vijana business loans, ordinary Equity accounts, Fanikisha range products for women and Hunger Safety Net Programme.

Lastly the study established that marketing and process innovation have significantly contributed to the retention of customers at Equity bank. Process innovation streamlined the processes and procedures within the bank thus creating efficiency on loan applications, loan processing and accounts opening. Through process innovation the bank was able to remove procedures that were not relevant and thus able to serve the customer within a short period. Marketing innovation contributed to the bank reaching customers and non-customers all over the country. Through marketing innovations, the bank has been able to increase its customers number and build a strong brand and presence locally and internationally.

5.4 Recommendations

Innovations and technology drive the world today and gives businesses a competitive advantage. However, technology can fail and end up causing great risks for an organization. The researcher recommends while adopting innovations and technological strategies it's important to have mechanisms in place that handle any challenges that might arise from the new innovations and technologies.

The study also recommends that Equity bank to incorporate data protection in its innovations and technology strategy. In today's century a lot of data is collected through the innovations and technologies that organizations acquire or develop. It is important to have measures in place that protects client's data from unauthorized access. Furthermore, clients want privacy which is the responsibility of banks to give them.

The study also recommends the government to offer support to institutions that adopt innovations and technologies strategies. The government should offer support through trainings in areas like data protection, developing policies that guide banks when adopting innovations and technologies to improve on their performance. Lastly the banking sector regulators should encourage all banks to adopt such technologies in order to improve on the services and products they offer to their customers.

5.5 Limitations of the Study

A detailed survey than this is necessary in order to completely comprehend the adoption of innovation and technology strategy in a firm, such would demand for extra resources like more taskforce also time in order to undertake interviews with more details from various managers, workers, suppliers and consumers of the establishment aiming to identify the various innovations and technology strategy that have been put in. The research was limited on the number of interviews that were conducted, as the researcher only focused on interviewing four managers only. With only four managers being interviewed the information availed might have been limited to infer conclusion from.

The researcher also faced the limitation of exercising discretion of data obtained from the interviewees so as not to disclose information that they may consider proprietary and confidential. To mitigate this limitation, the researcher provided the interviewees with introduction information which assured them of the confidentiality of the data that would be obtained. The researcher also provided them with introduction letter from the university which assured them that the information gathered would be solely used for academic research only.

The study was only limited to Equity bank Kenya, the findings from this research may not be applicable to other banks or organizations. To fully understand the importance or effect of innovation and technology strategy then one would need to do a research with a wider target sample from different banks. Kenya has 38 banks; one bank may not be sufficient to infer conclusion for all of them.

5.6 Suggestions for Further Research

The researcher recommends a study be carried out on Equity Bank limited investigating to what extent the adopted innovation and technology strategies influence performance of the bank. Secondly a similar study can be carried out with a wider sample to collect data from. This study focused on only four managers. The study can also include employees to get their views. More time and personnel need to be availed to carry out an in depth interviews with the various stakeholders in Equity bank.

Other researchers can adopt this study and use other methodologies such as the use of customers as the respondents in order to determine the perception of the customers on the innovation and technology strategy adopted by Equity bank. This was beneficial to the pool of knowledge on Equity bank because it gave an all rounded understanding on the innovation and technology strategy adopted by the bank.

This study was done in Kenya while Equity bank has other branches outside Kenya. The researcher recommends that a study can be done on the innovations and technology strategies adopted by Equity bank in other contexts such as South Sudan, Uganda, Tanzania, Democratic republic of Congo and Rwanda. This gives a better understanding on whether Equity bank has adopted the same innovation and technology strategies across all the six countries or whether different countries the strategy used is different.

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APPENDICES

Appendix I: Interview Guide

This interview guide is designed to collect data that helps in better understanding innovation and technology strategy and customer retention at Equity Bank. The data collected by this interview guide will be held with strict confidentiality.

The purpose of this interview is to:

i) Establish the innovation and technology strategy adopted by Equity Bank.

ii) Establish the effect of innovation and technology strategy on customer retention at Equity Bank.

PART A: RESPONDENT PROFILE

1) What is your current position in the firm?

2) For how long have you been with the firm overseeing this function?

3) Are you involved in strategies of the firm?

PART B: INNOVATION AND TECHNOLOGY STRATEGY AND CUSTOMER RETENTION

4) Please describe some innovation and technology strategies adopted by Equity Bank

5) Please describe how your organization has used modern technologies to boost innovation and technology strategy?

6) In your view, how has the customer retention at Equity Bank been as a result of its innovation and technology strategy?

7) Can you conclude that the adoption of innovation and technology strategy has improved existing customer revenue growth rate in your bank?

8) Has Equity bank achieved increased repeat purchase rate as a result of the application of appropriate innovation and technology strategy?

Thank you for your co-operation

Appendix II: List of Commercial Banks in Kenya

1	ABSA Bank Kenya	1916
2	Access Bank Kenya	8th January 1985
3	African Banking Corporation Limited	8th December 1994
4	Bank of Africa Kenya Limited	30th April 2004
5	Bank of Baroda (K) Limited	1st July 1953
6	Bank of India	5th June 1953
7	Citibank N.A Kenya	1st July 1974
8	Consolidated Bank of Kenya Limited	18th December 1989
9	Co-operative Bank of Kenya Limited	1st July 1968
10	Credit Bank Limited	30th November 1994
11	Development Bank of Kenya Limited	20th September 1996
12	Diamond Trust Bank Kenya Limited	15th November 1994

13	DIB Bank Kenya Limited	13th April 2017
14	Ecobank Kenya Limited	16th June 2008
15	Equity Bank Kenya Limited	28th December 2004
16	Family Bank Limited	1st May 2007
17	First Community Bank Limited	29th April 2008
18	Guaranty Trust Bank (K) Ltd	13th January 1995
19	Guardian Bank Limited	20th December 1995
20	Gulf African Bank Limited	1st November 2007
21	Habib Bank A.G Zurich	1st July 1978
22	I&M Bank Limited	27th March 1996
23	Kingdom Bank Limited	2nd March 2010
24	KCB Bank Kenya Limited	1st January 1896
25	Mayfair CIB Bank Limited	20th June 2017

26	Middle East Bank (K) Limited	28th November 1980
27	M-Oriental Bank Limited	8th February 1991
28	National Bank of Kenya Limited	1st January 1968
29	NCBA Bank Kenya PLC	5th November 2019
30	Paramount Bank Limited	5th July 1995
31	Prime Bank Limited	3rd September 1992
32	SBM Bank Kenya Limited	1st April 1996
33	Sidian Bank Limited	23rd March 1999
34	Spire Bank Ltd	23rd June 1995
35	Stanbic Bank Kenya Limited	1st June 2008
36	Standard Chartered Bank Kenya Limited	1910
37	UBA Kenya Bank Limited	25th September 2009
38	Victoria Commercial Bank Limited	11th January 1996

Source: CBK (2021)