

Competitive Strategies Adopted by Multinational Banks in Kenya

Abstract:

Strategy is a course of action to achieve an objective. Competitive strategy is a business strategy that is concerned with how a company can gain competitive advantage through an approach to competing. In spite of the increased competition in the banking industry over the years multinational banks have maintained their success in Kenya and this study's main objective was to determine the competitive strategies that the multinational banks have adopted in Kenya in order to maintain their advantage in the market. Specifically, it sought to determine the extent to which the banks adopted Porter's generic competitive strategies in the Kenyan market. The study was conducted by a census survey in September 2009 and data was collected using a questionnaire. The questionnaire had sections that outlined different strategies and the respondents were supposed to indicate in terms of rating on which ones they applied in their bank. The data was analyzed using descriptive statistics such as mean scores, percentages and frequencies. The SPSS tool of analysis was also used. The findings indicated clearly that for multinational banks to maintain their competitive edge in the market they have largely adopted broad differentiation strategy. The implication of the study was mainly on customer service differentiation. Customers' tastes and preferences tend to change all the time, especially if offered with better products. This therefore calls for the banks to set up research department in their organization which can help in understanding customers needs better so that they maintain their customers. The study gives insight regarding the competitive strategies that give multinational banks a competitive edge in Kenya.