DECLARATION

I declare that this research project is my original work and has not been presented for academic purposes in any other university.

Signed: .................................................. Date: ..............................

Denis Onyoro

D61/73262/2009

This project has been submitted with my approval as the university supervisor.

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ABSTRACT

The choice of a competitive strategy is critical for the survival and success of any company. Therefore, successful survival of any bank depends on production, packaging and delivery of products to those of competitors. Consequently, Multinational banks in Kenya have adopted strategies aimed at assisting them to maintain their competitive position in the market and improve their corporate performance. The major objective of this study was to find out the Competitive Strategies adopted by Multinational Banks and their impact on Performance. Porters generic strategies and the balanced score card formed the basis upon which the twin objectives were investigated. Internal and external factors were vital. The results of this study showed that Multinational banks in Kenya have moderate usage of low-cost leadership strategy with significant variations in its adoption. The use of cost cutting measures, improved business efficiencies and maximization of economies were most popular amongst the banks studied. However there was low extent in avoidance of loss making areas. Due to the competitive nature of the industry, most banks were aiming at being the low-cost leader in the market to gain a competitive edge. It is also evident that most of them also use the differentiation strategy especially introduction of unique features to a product or service and unique products and services. These were found to be more popular with the multinational banks in Kenya. Their impact on the performance was varied depending on the perspective. The greatest impact was on internal business processes and customer perspective. The strategies adopted had marked impact on strengthening internal control and higher levels of customer satisfaction. On financial perspective the greatest impact was on improving profit levels of the banks. The impact on learning and growth was not significant.