AN ASSESSMENT OF THE EFFECTIVENESS OF COMPETITIVE STRATEGIES BY COMMERCIAL BANKS: A CASE OF EQUITY BANK

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ABSTRACT

Commercial banks in Kenya are facing stiff competition necessitating the design of competitive strategies to guarantee their performance. These commercial banks have to consider how to enter a market and then build and protect its competitive position. Banks begin to realize that no bank can offer all products and be the best or leading bank for all customers. Banks should therefore not only come up with strategies to counter the competition but also measure the effects of the combined strategies that they employed. This study sought to assess effectiveness of competitive strategies on the financial performance of commercial banks in Kenya with specific reference to Equity bank limited. The study population comprised of the employees of equity bank based at the head office in Nairobi. Structured questionnaires were administered to respondent's selected using stratified sampling technique. Primary data was obtained through the use of questionnaires, which had both structured and unstructured questions. Quantitative data was analyzed using descriptive statistics; the mean, mode, median and standard deviation. This was presented by the use of frequency tables, cumulative tables, percentages and ranks. These data was then presented by way of tables, bar charts and pie charts. The study assessed different competitive strategies used by Equity Bank. These include customer focus strategy, price strategy, differentiation strategy and innovation strategy.