

**THE ROLE OF STRATEGIC MARKETING ON
ORGANIZATIONAL PERFORMANCE:
A CASE STUDY OF COMMERCIAL BANKS,
KISII TOWN, KENYA**

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CM11/ 0176/03

**A Research Project submitted to the Graduate School in
partial fulfilment of the requirements for the Degree of Master
of Business Administration, Faculty of Commerce,
Egerton University**

July, 2006



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DECLARATION AND RECOMMENDATION

This Research Project is my original work and has not been submitted for a degree or any other award in any University.

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DEDICATION

To my dad, Mr. Chrisanthus Moindi and mom, Mrs. Seraphine Kerubo Moindi for seeing me through very difficult times and persistent prayers.

To my wife Gaudencia and sons: Malcolm and Wayne without whose co-operation, understanding, support and encouragement, the completion of this Research Project could not have been possible.

ACKNOWLEDGEMENT

Many individuals have contributed to the successful completion of this Research Project. My special gratitudes go to my supervisors: Mr. P.A.C Kapsoot, Dean, Faculty of Commerce for his invaluable expertise that gave me a deep interest in strategic marketing, and Mr. Jonathan Onyango, Chairman, Department of Business and Management, Egerton University, for availing his valuable time to give me direction right from writing the proposal to completion of the research.

My sincere thanks go to all other academic and non-academic staff of Egerton University, Kisii Campus College, who gave me the necessary support in this work.

I appreciate the contributions of my Master of Business Administration student colleagues. They provided valuable suggestions and stimulating discussions important for this research work.

I also appreciate the efforts of Mr. Eric O. Oloo, with whom I spent valuable time typesetting and making this work in its final form.

Thank you all and may God bless you abundantly.

ABSTRACT

In the event of rapid environmental changes which are political, economic, socio-cultural, technological, legal and demographic, marketing organizations should continually evaluate their marketing strategies and tailor them to meet these changes. This, therefore, calls for the application of strategic marketing. This study was set to determine whether commercial banks operating in Kisii Town practise Strategic Marketing, its effect on performance and the relative importance of the various options on performance. Data was collected from six Commercial Banks operating in Kisii Town so as to determine the effect of Strategic Marketing on performance of these banks. The data was collected through questionnaires delivered to the bank personnel that include a manager, a marketing representative and a cashier in each organization. The data was analyzed by use of percentages, frequencies and means. Pearson's Product – Moment Correlation Coefficients were also calculated to establish the relationship between the various strategic marketing parameters and performance of the organizations. There was found to be a relationship between the application of strategic marketing and organizational performance. Pearson's Product – Moment Correlation Co-efficients also revealed that certain aspects of strategic marketing, notably mission statement, competition and social responsiveness had more bearing on performance of organizations. The knowledge obtained from this research is beneficial to the management of respective organizations, consultants and academicians.

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DEFINITION OF TERMS

- Performance indicator :** It is an aspect of the organization that reflects the level of success (Profits, increase in number of customers, growth, etc).
- Fiduciary Responsibility :** A relationship in which one party restores the custody of something of value to another party, based on Trust.
- HNWI-High Net Worth Individuals :** Individuals with high levels of income in our case those earning more than Kshs. 30,000/- per month.
- Strategy :** A game plan that describes how objectives will be achieved. It is a programme of goals and activities that help an organization to achieve success.
- Strategic marketing :** A process of setting objectives, formulating strategy, selecting of target market and development of market programmes based on environmental factors.
- Marketing programme :** Composition of the market mix, in terms of the 7Ps i.e. product, place, promotion, price, people, processes and physical evidence.
- Marketing:** all activities designed to generate and facilitate any exchange intended to satisfy human needs or wants.
- Mission statement :** A statement of purposes that defines the firm's business, customers and guides employees to work independently and yet collectively towards realizing the organization's goals and objectives.
- Opportunity :** An area of customer need in which a Company can perform profitably.
- Strength:** An aspect in which the firm or Company has a competitive edge over all other competing organizations.
- ATM :** Automated Teller Machines.
- SWOT analysis :** The overall evaluation of a Company's Strengths, Weaknesses, Opportunities and Threats.

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background

1.1.1 The concept of marketing and strategic marketing

Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of value with others (Kotler, 1997). It consists of all activities designed to generate and facilitate any exchange intended to satisfy human needs or wants (Stanton, 1987). As a management process, marketing has the role of influencing the level, timing and composition of demand in a way that will help an organization to achieve its objectives. It is responsible for identifying, anticipating and ensuring customer satisfaction profitably.

A strategy, on the other hand, is a programme of goals and activities that help an organization to achieve success. It is a today's plan of what to be done tomorrow. It is a game plan that describes how objectives would be achieved.

A number of authors have defined strategic marketing in the context of a process (Kotler (1991), Cravens(1994) and Kerin (1999)). This process is characterized by an emphasis upon business units on product/market decisions and on the principles of Segmentation, Targeting and Positioning (STP). Cravens (1994), for instance, defines strategic marketing as the process of strategically analyzing environmental, competitive and business factors affecting business units and forecasting future trends; participating in setting objectives and formulating corporate and business unit strategy; selecting target market strategies for the product markets in each business unit, setting markets objectives and developing, implementing and managing the market program positioning strategies designed to meet the needs of customers in each target market.

1.1.2 Strategic marketing process.

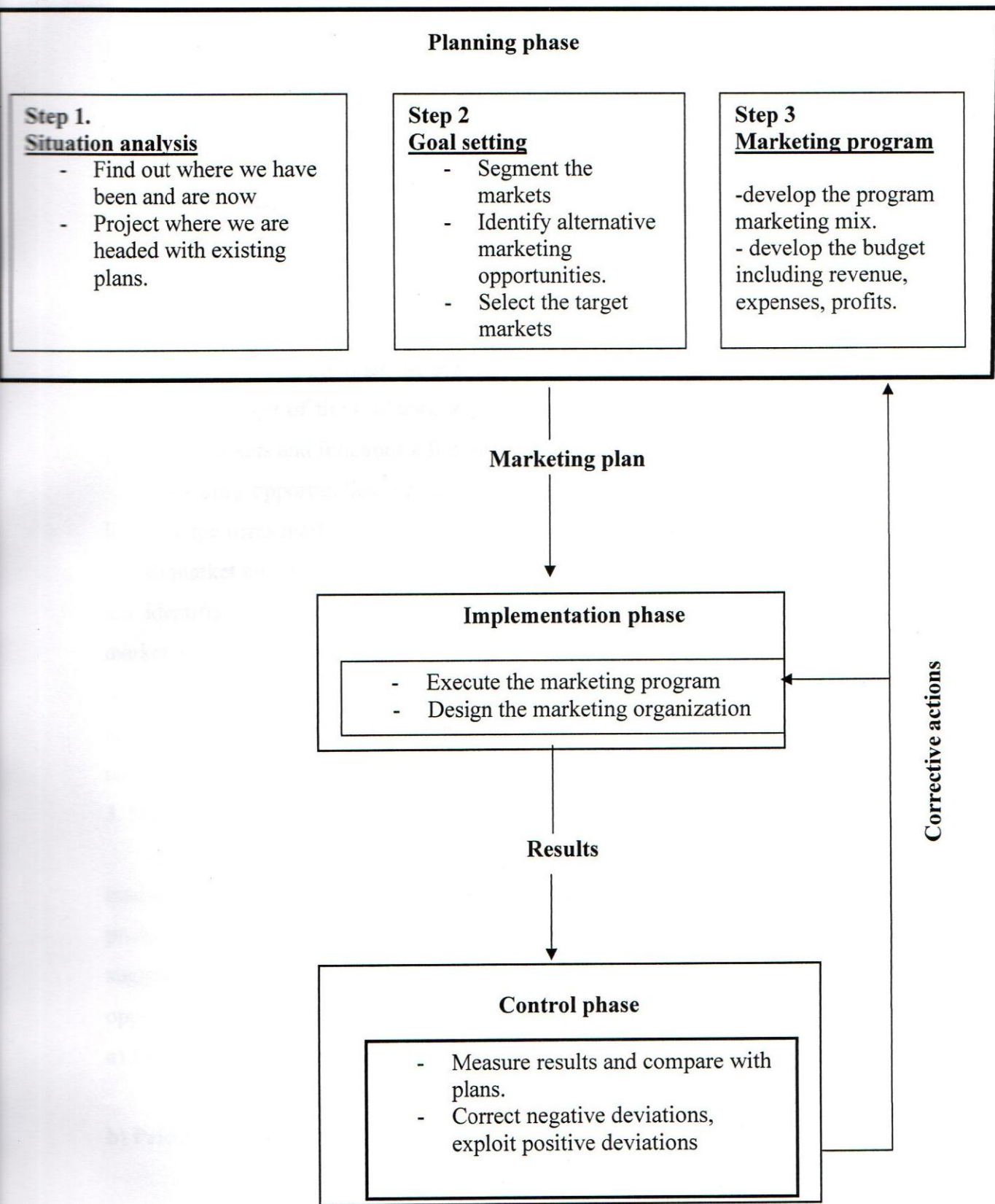
Strategic marketing process involves conducting a situational analysis, determining marketing, objectives, selecting target markets, designing a marketing mix, preparing a marketing plan, implementing the plan and controlling it.

According to Berkowitz N.E. et al (1994) the strategic marketing process can be represented by the model drawn overleaf.

Source: Berkowitz

Figure 1:

STRATEGIC MARKETING MODEL



Source: Berkowitz, N.E, et al (1994) Marketing, 4th Edition, Richard D. Irwin Inc. U.S.A.

1. Situation analysis

The self or internal analysis identifies an organization's strengths and weaknesses so that strategies can be developed to exploit the strengths and to address the threats. This analysis involves a detailed review of a company's present marketing mix to identify unique distinctive competencies. The areas of concern here are customer, competitor and environmental analysis.

2. Goal setting.

Marketing objectives derive from the larger organizational goals enshrined in the mission statement that defines the overall purpose for the existence of an organization. It clarifies the scope of the business, its product market segments, the nature of existing products. Markets and functions a firm presently provides.

Marketing opportunities, hence marketing strategies identified thus, have to be in line with the firms marketing objectives.

In market targeting, consumers who are likely to respond to the same marketing mix are identified. This becomes the focal group to which the business will factor its marketing effort. An effective strategy should consider the size of target markets and the number of competitors already in the markets and evaluate how entering the market will affect the firm's sales, costs and profits. Selected target markets must, therefore, be responsive, accessible and profitable.

3. Marketing program.

Once specific segments have been identified, a marketing mix can be developed. The marketing mix traditionally comprises what has been known as the 4Ps. These are product, price, place and promotion. John Atkinson and Ian Wilson (1966), however, suggest that service marketing mix of which banking is an example, comprises 7Ps as opposed to the traditional 4Ps and these are:

- a) **Product:** This refers to the service range, quality, level, brand name, service line, warranty, and after sale service.
- b) **Price:** This refers to the price level, discounts (allowances and commissions), payment, loans, customers' perceived value, quality/price and differentiation.
- c) **Place:** This refers to location of outlets, accessibility, distribution channels, and distribution coverage.

d) Persuasion (Promotion): This refers to advertising, personal selling, sales promotion, publicity, public relations.

e) People: This refers to personnel i.e. training, discretion, commitment, incentives, appearance and interpersonal behavior; attitudes; other customers i.e. behavior and degree of involvement; and customer contact.

f) Physical evidence: This refers to the environment (furnishings, color, layout, noise level etc), facilitating goods and tangible dues.

g) Process (management): This refers to the policies, procedures, mechanization, employee discretion, customer involvement, customer direction and flow of activities.

1.1.3 Performance Indicators of Commercial Banks

Commercial banks' performance is based on their ability to attract a large number of customers. One way of measuring commercial banks' performance is, therefore, the comparative proportion of account holders relative to other banks. The amount of deposits can also indicate performance as it portrays the trust that people have accorded to the bank with their finances. Another important performance indicator is the profits that are realized by the bank. Other performance indicators that can be used include growth.

1.1.4 Challenges facing banking sector

1. Service intangibility.

Unlike physical goods, services are intangible. This creates a challenge to the marketer in communicating the benefits to the consumer/customer and ensuring that those benefits are realized. It is difficult, for instance, for a marketer in a bank to convince customers that services offered are of a better quality than what other banks offer. Customers, therefore, tend to develop purchase behavior on the basis of three main elements: experience referrals and company/bank image.

2. Fiduciary responsibility.

Marketing banking services differ from marketing consumer or industrial products and services. Bankers persuade their customers to entrust personal or corporate finances to their care or to accept advice on investment, thus, incur a heavier responsibility. A banker's failure to discharge his fiduciary responsibility for safe guarding customer's funds or to provide responsible advice on financial matters can bankrupt a company or

ruin an individual's life. The best example here should be the implications of a given bank's insolvency on customers. A bank should therefore strive to earn customers trust and confidence for them to be able to entrust their finances to the bank.

3. Attracting deposits

A bank's operation to a large extent depends on deposits in addition to 'buying' in the money market and borrowing from other financial institutions like the Central Bank. The fact that depositors who are suppliers of money are at the same time customers makes the attraction of deposits a truly challenging situation.

4. External control regulations.

Banking being a vital sector of the economic infrastructure of trade and industry operates under some government control. Interest rates, for example, are controlled by the Central Bank of Kenya, through the Banking Act of 1968, CAP 491. This therefore limits profitability of banks.

1.1.5 Environment surrounding Kisii Town.

Kisii Town is centrally placed in the southern part of Nyanza. It is connected by a network of roads to several other towns among them Ogembo, Nyamira, Keroka, Sotik, Rongo, Oyugis, Homabay, Migori and Kilgoris. Due to the effective transport network in this region, other major towns that are connected to Kisii Town with regular traffic of people include Kisumu, Eldoret, Nakuru and even Nairobi City. It is, therefore, a hub of a number of services such as banking in the region.

There are a number of economic activities done by people of this region. The region is known for production of two of the major cash crops in the country: coffee and tea. These are produced basically in the three Gusii districts in this region. Other cash crops produced in the region include sugarcane in Sony sugar belt (Migori District) and pyrethrum (Gusii Districts). Apart from cash crops, other important crops farmed in the area include: cereals like maize and millet, beans, pineapples, bananas and vegetables to name but a few. In the same agricultural sector, fishing, especially, in Homabay, and dairy farming in Gusii districts are also popular. The economy in this region can in one word be described as agriculturally 'vibrant'

Other economic activities in the region include soapstone carving in Tabaka (Kisii South). Kisii Town is also the center of the transport system in the region with several transport companies and individuals operating from the town.

There are also a number of firms offering legal, medical and insurance services. Given the current state of the Kenyan economy, poverty and unemployment are also issues in the area. There is rapid population growth in the region. The HIV-AIDS pandemic has also not spared the region either: there are people living with HIV/AIDS, and affected people especially orphans.

The Commercial Banks are expected to offer their usual services of accepting deposits especially from traders and professionals; processing salaries; cash withdrawals and advances; and loan facilities. They also give overnight safe deposits for individuals handling large sums of money. The institutions are also expected to address problems in the region by providing social services and even give financial advice to farmers, traders and professionals.

Each bank is expected to identify needs of people in the environment of this region and offer its services in a way that reflects a higher value to their clients and the region in general if it is to enhance its customer base and also performance.

Strategic marketing ensures that an organization marketing strategy and objectives are suited to the situation in which the organization operates resulting to success.

The objective of strategic marketing approach is the development of a marketing plan to help achieve the firm's business goal. The plan sets out the relevant course of action related to the expected business conditions and should include the identification of target markets, and developing appropriate marketing mix for each segmented market. In addition resources must be devoted to environmental and target market analysis.

Competition among commercial banks also characterizes the environment in this region. Kisii being a central town in the region with a number of economic activities is served by a number of commercial banks among other financial institutions. There are four government associated banks i.e. Kenya Commercial Bank, Co-operative Bank, National Bank of Kenya and Post bank. There is also one local private bank, Credit Bank and one multinational subsidiary, Barclays Bank of Kenya.

In the event of stiff competition in business organizations, survival of any given organization is a matter of 'survival for the fittest'. Given the diversity of environmental factors in Kisii region, commercial banks need to incorporate strategic marketing in their operations for survival. There is, therefore, need to establish whether commercial banks employ strategic marketing principles. Further, there is also need to establish the extent to which strategic marketing does contribute to the performance of commercial banks given the environment in this region.

1.2 Statement of the problem:

It is evident that the vibrant economy that characterizes Kisii Region, requires the crucial support of financial services. Given the various organizations that offer financial services, however, there is a high level of competition. This challenge, therefore, requires the knowledge and application of strategic marketing for any particular organization to be successful in meeting its objectives that include profitability, solvency and growth.

1.3 Objectives of the study:

1. To determine the presence, nature and extent to which strategic marketing is applied in commercial banks operating in Kisii Town; and
2. To determine the effect and importance of strategic marketing practices on performance of commercial banks operating in Kisii Town.

1.4 Hypotheses.

1. Commercial Banks in Kisii Town do not practise Strategic Marketing.
2. There is a relationship between strategic marketing practices and commercial banks performance.
3. Some aspects of strategic marketing have more influence on commercial banks performance than others.

1.5 Significance of the study.

In the context of rapid environmental changes organizations need to adopt their operations in a way that will enhance their profitability, economic development of the country and the well being of the society at large in which they operate.

The research is a further contribution to the research work on marketing in the banking sector. Knowledge in this field will assist managers not only in commercial banks but other

organizations as well, to understand the importance of strategic marketing practices. The research findings will also make a contribution to the marketing practitioners in regards to the banking sector, marketing consultants who may wish to advise their clients on marketing will find this research extremely valuable.

To academicians, this research hopes to shed light in this area of strategic marketing, add knowledge, and hopefully stimulate further research into the field of strategic marketing in the rural setting.

1.6 Scope of the study

The study covered commercial banks in Kisii Town. Focus was on analytical aspects of strategic marketing studied. In the study, the following aspects of strategic marketing were considered:

- Organization vision and mission
- Environment analysis
- Goal/objective setting and
- Marketing program development (strategies used).

1.7 Limitations of the study

Whereas the researcher interviewed cashiers and marketing representatives in each of the banks with little difficulty, the managers had little time to spare due to the nature of their work. This, therefore, necessitated scheduling and rescheduling meetings that took a longer time whereas time was limited. Most banks had also adopted a centralized management system, thus, people in charge of marketing at the branch level did not have all the required information and at times had to contact the headquarters for such information. Financial resources also limited the extent to which the researcher collected the required information.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

Strategic Marketing is crucial to an organization because it takes into consideration fundamental changes in the environment thus making organizations proactive rather than reactive (Bett 1995). Strategic marketing is responsible for the development of relevant strategies within a given setting and it is these strategies that determine whether a firm excels, survives or dies (Okutoyi, 1988)

2.2 Related literature.

Strategic marketing is a fairly recent addition to the marketing discipline.

This being the case only a few studies have been carried out in this area. Some of the scholars who have studied this area include Okutoyi (1988) Bett (1995), Kassamani (1999) and Mutonyi (2003)

In the study of banks Okutoyi (1988) collected data from commercial banks operating in Nairobi city using questionnaires. He analyzed the data by calculating simple measures like percentages and frequency. He also subjected the data to Analysis of variance to establish the relationship between strategic marketing and performance of banks within Nairobi city. He found out that strategic marketing enhanced performance of these organizations.

In the study of the sugar sector Kassamani (1999) found that there was a positive correlation between strategic marketing and company performance. He used questionnaires to collect data from sugar companies in Kenya. He then analyzed the data using frequencies as well as correlation analysis. The study concluded that strategic marketing was vital in adapting sugar companies to changing conditions in the market and was to strengthen a company's competitive position.

In the fast growing micro finance sector, Mutonyi (2003) found out that competition is equally stiff especially with the co-operative societies. She took a sample of micro finance institutions operating in Nairobi city and collected data using questionnaires. She studied the extent of use of strategic planning practices more so the mission /vision statement and objectives setting. In the study she found out that highly performing micro finance institutions emphasized strategic planning in their activities.

In his study of the Dairy sector, Bett(1995)studied the marketing of dairy products. He took a sample of dairy product processors and using a questionnaire collected information on how these firms marketed their products in the diverse environments within the country using frequencies and percentage of application of strategic practices in various areas, he found out that firms that adapted their marketing practices to different environmental conditions in the regions where they sold their products were more successful than those that adapted the same marketing strategies.

Whereas the study by Okutoyi (1988) is likely to be the most relevant to the current topic of study, it was conducted over sixteen years ago. The business environment has changed a great deal over the past decade in the country. Most significantly is the political environment that has seen transformation from single party system to multiparty politics. This has therefore liberalized the operation of firms, which no longer undergo the influence of political patronage thus creating uneven playground in the banking industry.

The Kenyan economy has also been quite unstable over this period as indicated by the fluctuation of the exchange rates and of significant weakening the Kenya shilling against major currencies. There have also been significant technological advances resulting in more effective communications across the globe more so by the use of the Internet. Customers' perception of value in products or services offered by organizations has therefore been greatly enhanced, as they are able to compare a firm's product/services against offered by other firms elsewhere in the world.

At the time Okutoyi was conducting the study the number of commercial banks operating in the country were relatively few. Commercial banks are on the increase for instance the economic survey (1995:10) showed that in the 1980 there were less than 20 commercial banks, over 30 financial institutions and close to 40 building societies. The economic survey (1998) indicated that Kenya banking sector consisted of 53 commercial banks 15 financial institutions two mortgage finance companies four building societies, 34 insurance companies and 34 Forex bureaus. The decrease in the number of financial institutions and the increase in the number of commercial banks can be accounted for by the conversion of financial institutions to commercial banks.

With this increase in the number of Commercial Banks thus competition, the turbulent economic times experienced in the last couple of years has not spared the sector. A look at the 1994 - 1997 annual reports by the department of monopolies and prices commission in the

ministry of finance showed that there was an upward trend in the number of merges and take-overs in the country. Some banks mostly in the late 1990s and early 2000s were either placed under statutory management or closed including Exchange Bank, Heritage Bank, Pan Africa Bank and trust Bank. The increase in bad debts and non-performing loans also greatly contributed to this.

With increasing competition and the change of environment banks are faced with today, therefore, reward will go to those who can best read customer wants by continuously scanning the market environment and delivering greatest value to the target customers. These marketing skills will separate amateurs from professionals (Kipkorir 1995). In a nutshell, strategies that worked for an organization the last decade may be its own undoing this decade.

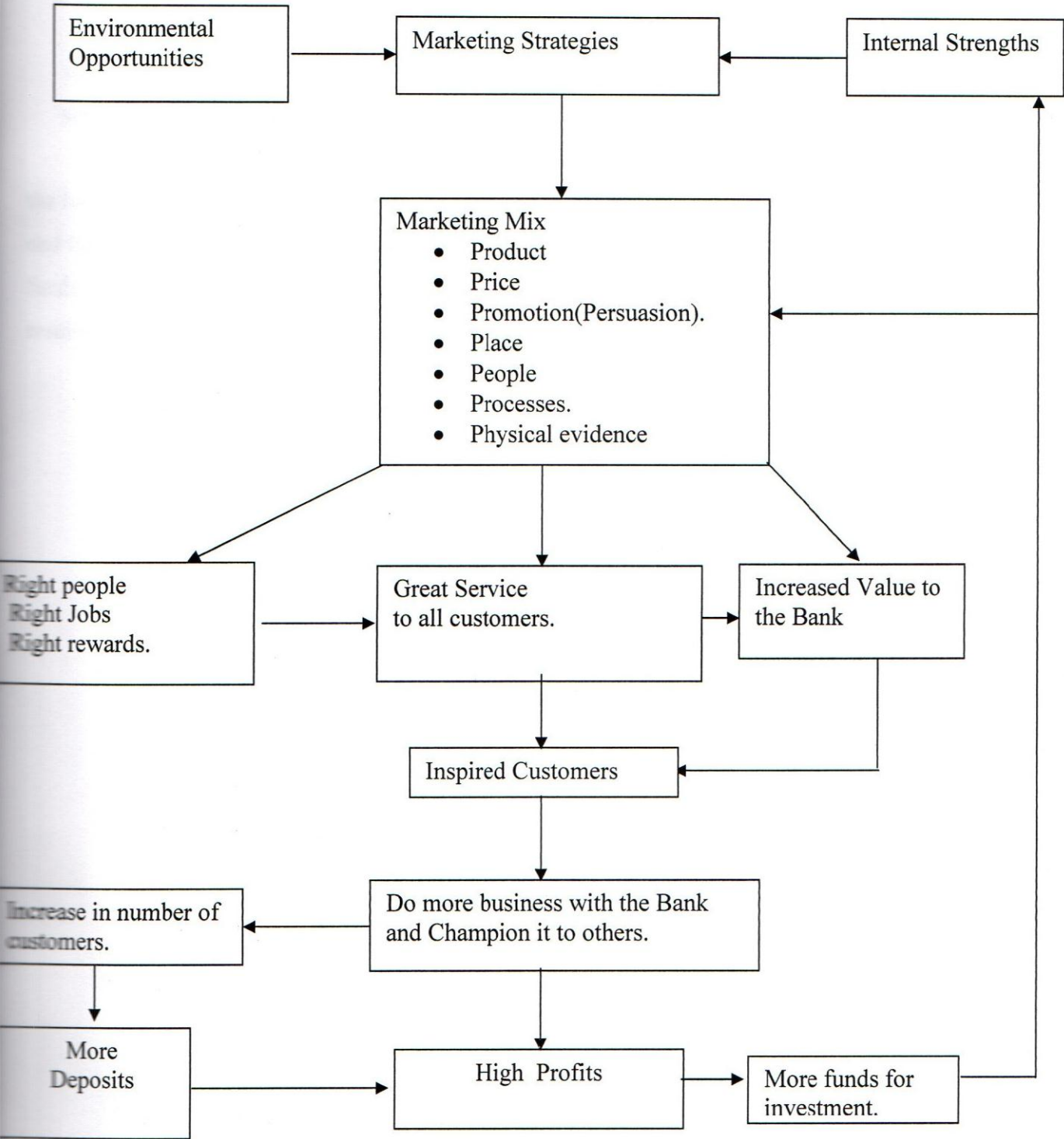
Most researchers have concentrated on strategic marketing of products among them Bett (1995) and Kassaman (1999). Further there are no studies that have been conducted to establish whether strategic marketing is practiced in firms including banks operating in Kisii town. There has also been no establishment of which aspects of strategic marketing are more important thus need to be emphasized.

Those who have studied strategic marketing in the service industry have mainly concentrated in Nairobi city. Findings from these researches may therefore not apply to firms in the rural setting like those in Kisii Town where there is a diversity of customers opposed to the majorly working class in Nairobi city and other major towns.

No studies have been carried out to establish the relationship between the application of strategic marketing practices and organization performance of commercial banks in Kisii region and if the application of strategic marketing practices and objectives are suited to the situation thus more likely to be successful.

2.3 Conceptual Frame Work

Figure 2:



Source: Author's own compilation.

The success of a bank starts when it develops marketing strategies based on its internal strengths that also take into consideration environmental opportunities. This then results in the development of the right marketing mix.

With the right marketing mix, the organization is sure to develop a right personnel that is well motivated and enhance its perceived value. This coupled with increased quality of service to customers results in inspired customers.

Once the customers are inspired they do more business with the Bank as well as champion the bank to other potential customers. This then increases the number of customers, transactions and thus profits. In turn, more funds are available for investment. Proper re-investment of these funds develops a more effective marketing mix and increases the bank's internal strengths resulting into an even better performance.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Research Design

The research was descriptive and sought to establish the relationship between strategic marketing and performance of commercial banks in Kisii Town.

3.1.1. The Population

The population for this study consisted of all commercial banks operating in Kisii Town. At the time, the number of these banks was six i.e. Kenya Commercial Bank (KCB); Co-operative Bank of Kenya, National Bank of Kenya; Post bank; Barclays Bank of Kenya (BBK); and Credit Bank. A census of all the commercial banks in Kisii Town was conducted due to their small number. Three bank personnel were selected and interviewed from each of the banks.

3.2 Data collection.

Quantitative and qualitative data was collected for purposes of comparison across the organizations.

Personal interviews were conducted. These interviews were by use of open-ended and closed-ended questions using questionnaires. The researcher interviewed managers from these organizations. The head of the marketing department and a cashier were also interviewed.

3.3 Data analysis tools and methods

The data collected was edited for completeness and consistency. The data was then coded and tabulated. Descriptive statistics were computed such as percentages, frequencies and means that were used to make comparisons across the organizations studied. Pearson's Correlation analysis was also used to establish whether there was a relationship between strategic marketing practices and performance of the commercial banks.

3.3.1 The model

$$Y_i = f(X_1, X_2, X_3, \dots, X_n)$$

Where Y_i is the dependent variable in this case profits, number of depositors, amount of deposits, and growth.

$X_1, X_2 \dots X_n$ are the various strategic marketing practices.

3.3.2 Pearson's Product-Moment Correlation Co-efficient (r)

Pearson's Correlation Co-efficient statistical technique was used to infer the relationship between the various strategic marketing parameters and performance as measured by profits, number of account holders, amount of deposits and growth. This was done through the use of an SPSS software package.

Pearson's Product – Moment Correlation Co-efficient (r) is given as below:

$$r = \frac{N \sum X_i Y_i - (\sum X_i) (\sum Y_i)}{\sqrt{[N \sum X_i^2 - (\sum X_i)^2] [N \sum Y_i^2 - (\sum Y_i)^2]}}$$

Where N = The Total number of organizations studied,

X_i = The strategic marketing parameter in consideration

Y_i = The performance of the organization i.e. profits, number of customers, amount of deposits or growth.

Pearson's Co-efficient (r) is based on the assumption that there exist a linear relationship between the independent factors (X_i) and the dependent factors (Y_i) i.e. it can be represented by the equation :

$$Y_i = a + b X$$

Where Y_i = The Dependent factor

X = The independent factor

a = Constant term

b = Relative change in Y_i to change in X_i

CHAPTER FOUR

4.0 DATA ANALYSIS AND DISCUSSION OF RESULTS

4.1: Overview of analysis

During the study, a total of 18 questionnaires were issued and personal interviews conducted. Of these 13 questionnaires were completed and this represented 72.6%. The data was then summarized from completed questionnaires in form of Tables, Percentages, and Mean Scores etc.

4.2.: Number of Branches

Table 1: Number of Branches

| Number | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------|-----------|---------|---------------|--------------------|
| 1 | 7 | 53.8 | 53.8 | 53.8 |
| 2 | 2 | 15.4 | 15.4 | 69.2 |
| 3 | 2 | 15.4 | 15.4 | 84.6 |
| 4 | 1 | 7.7 | 7.7 | 92.3 |
| 24 | 1 | 7.7 | 7.7 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source : Computed from the survey data.

Whereas place is considered to be one of the 7Ps of marketing mix, most of the commercial banks did not consider branches as an option of reaching out to customers. Table 1 indicates that most of the Commercial Banks had only one branch in the region. This formed 53.8%. There was however, no correlation between the number of branches and either profits or the number of Account holders. This indicates that there is a way of attracting customers to Banks other than simply the physical presence of a Bank to the customers.

4.3 : Profits

Table 2 : Profits

| Kshs | Frequency | Percentage | Cumulative Percentage |
|--------------|-----------|--------------|-----------------------|
| 94000000 | 1 | 20.0 | 20.0 |
| 205000000 | 1 | 20.0 | 40.0 |
| 382611000 | 1 | 20.0 | 60.0 |
| 793105000 | 1 | 20.0 | 80.0 |
| 3694000000 | 1 | 20.0 | 100.0 |
| Total | 5 | 100.0 | |

Source : Computed from the survey data

Table 2, indicates that profits from the Banks range from Kshs. 94 Million to Kshs. 3.6 Billion. Further investigations into the disparities indicated that profits are largely as a result of the overall size of operations of a particular bank.

4.4: Mission Statement

From the responses recorded it was clear that all commercial banks in the region had existing mission statement. The Mission statement captured among other things, solvency, cost, profitability, growth and customers. Correlation co-efficients were calculated by considering the availability of mission statements in various commercial banks relative to their performances. The correlation coefficients indicated that there is a significant relationship at 0.01 level of significance between the number of branches and the extent to which growth is captured in the mission statement.

There was a significant correlation at 0.05 level of significance between the number of Account holders and the extent which Profitability is captured in the mission statement.

4.5: Competition

Table 3 : Competition from other Commercial Banks

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------|-----------|---------|---------------|--------------------|
| Very serious | 10 | 76.9 | 76.9 | 76.9 |
| Serious | 3 | 23.1 | 23.1 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source : Author's compilation

Table 4 : Competition from Non-Banking Financial Institutions

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------|-----------|---------|---------------|--------------------|
| Very serious | 3 | 23.1 | 23.1 | 23.1 |
| Serious | 9 | 69.2 | 69.2 | 92.3 |
| Not at all | 1 | 7.7 | 7.7 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source : Author's compilation

Table 5 : Competition from mortgage firms

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------|-----------|---------|---------------|--------------------|
| Very serious | 1 | 7.7 | 7.7 | 7.7 |
| Serious | 5 | 38.5 | 38.5 | 46.2 |
| Not at all | 7 | 53.8 | 53.8 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source : Author's compilation

Table 6 : Competition from Micro-Finance Institutions

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------|-----------|---------|---------------|--------------------|
| Very serious | 4 | 30.8 | 30.8 | 30.8 |
| Serious | 6 | 46.2 | 46.2 | 76.9 |
| Not at all | 3 | 23.1 | 23.1 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source : Author's compilation

Tables 3 to 6 show that most Commercial banks operating in the region consider other banks to be the main competitors with 76.9% considering them very serious competitors. Most banks consider Non-Banking Financial Institutions and Micro-Finance as serious competitors with 69.2% and 46.2% respectively of the respondents indicating this. Mortgage firms were not considered to be competitors. Further analysis of the competitors indicated that there is a significant correlation at 0.01 level of significance between how serious a bank considers mortgage firms as competitors and profits. There was a significant relationship at 0.05 level of significance between serious a bank considers Micro-Finance Institutions as competitors and number of Account holders. This therefore indicate that there are a number of other significant competitors in the banking sector other than commercial banks.

4.6: External Environment

Table 7: Extent to which the Government affects operations of Banks

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------------|-----------|---------|---------------|--------------------|
| Valid Great extent | 1 | 7.7 | 7.7 | 7.7 |
| Little extent | 7 | 53.8 | 53.8 | 61.5 |
| Not at all | 5 | 38.5 | 38.5 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source: Author's compilation

Table 7, Indicates that most Banks, 92.3%, were affected either to a little extent or not at all by the Government and its policies. On the other hand, only 7.7% of the respondents indicated that communication affects their operations, whereas 92.3% did not consider the effect of communication as indicated in Table 8 below.

Table 8: Extent to which Communication affects Banks operations

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------|-----------|---------|---------------|--------------------|
| Little extent | 1 | 7.7 | 100.0 | 100.0 |
| Not at all | 12 | 92.3 | | |
| Total | 13 | 100.0 | | |

Source: Author's compilation

The economy and politics were however identified as affecting Commercial Banks operations.

Table 9: Economy effects on operations.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------|-----------|---------|---------------|--------------------|
| Great extent | 11 | 84.6 | 84.6 | 84.6 |
| Little extent | 2 | 15.4 | 15.4 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source : Author's compilation

Table 10: Extent to which Politics affects Banks operations

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------|-----------|---------|---------------|--------------------|
| Great extent | 11 | 84.6 | 84.6 | 84.6 |
| Little extent | 2 | 15.4 | 15.4 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source: Author's compilation

From Table 9 & 10, 84.6% of the respondents indicated that the economy and politics affected them to a great extent. This could be due to a number of reasons among them the poor state of economy, unequal distribution of resources especially in the rural setting where these banks are operating and fluctuating interest rates.

The general indication that other environmental factors do not affect most Commercial Banks could be due to the Application of Business Strategic Planning that entails SWOT analysis. The economy and politics, however, affects their operation because they are beyond an individual organizations control.

4.7: Segmentation of Customers.

Table 11 : Segmentation of Customers

| Category label | Code | Count | Pct of Responses |
|----------------------------|-----------------|-------|------------------|
| High Net Worth Individuals | 1 | 8 | 12.3 |
| Old people | 2 | 7 | 10.8 |
| Professionals | 3 | 12 | 18.5 |
| Youth | 4 | 8 | 12.3 |
| Students | 5 | 10 | 15.4 |
| Farmers | 6 | 11 | 16.9 |
| Children | 7 | 4 | 6.2 |
| Business or Traders | 8 | 4 | 6.2 |
| Corporate | 9 | 1 | 1.5 |
| | | ----- | ---- |
| | Total responses | 65 | 100.0 |

It is clear from Table 11, that all Commercial Banks have segmented their customers. It indicates further that the main segments served include: Professionals, farmers and students with 18.5%, 16.9% and 15.4% respectively of the responses indicating these as the segments served.

This could largely be due to the fact that Kisii town is in a rural setting with high Agricultural potential. Professionals form the highest percentage which could be due to the fact that salaries from most professionals especially in the Public sector go through Banks. The second largest segment of farmers could be due to the numerous Agricultural activities taking place in the town surroundings. Students who are another segments served could largely be coming from Institutions of Higher learning both within the town and its surroundings.

4.8 : Planning

Table 12 : Planning for developing new services.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------|-----------|---------|---------------|--------------------|
| Always | 10 | 76.9 | 76.9 | 76.9 |
| Sometimes | 3 | 23.1 | 23.1 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source : Author's compilation

From Table 12, 76.9% of the respondents indicated that their organizations always planned for developing a new service while 23.1% indicated that this is sometimes done. Further 84.6% and 76.9 percent indicated that they always identified the targeted customer and the specific need respectively to be served by the new service as indicated in Table 13 & 14.

Table 13: Identification of target customers for new services.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------|-----------|---------|---------------|--------------------|
| Always | 11 | 84.6 | 84.6 | 84.6 |
| Sometimes | 2 | 15.4 | 15.4 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source : Author's compilation

Table 14: Identification of need catered for by new services.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------|-----------|---------|---------------|--------------------|
| Always | 10 | 76.9 | 76.9 | 76.9 |
| Sometimes | 3 | 23.1 | 23.1 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source : Author's compilation

This data therefore reflects an element of planning in all the Commercial Banks in the region.

4.9 : Price

Table 15: Effects of Commission/Fee charges on customers consideration.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------|-----------|---------|---------------|--------------------|
| Always | 12 | 92.3 | 92.3 | 92.3 |
| Sometimes | 1 | 7.7 | 7.7 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source : Author's compilation

Table 15 : Shows that the effect of charges on customers is the most important consideration by the organizations with 92.3% of the respondents indicating that this consideration is always made. Other groups that are always considered include shareholders and the government as indicates by 53.8% and 38.5% respectively of the respondents. This is shown in Tables 16 & 17 below.

EGERTON UNIVERSITY LIBRARY

Table 16: Consideration of effect of charges on shareholders.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|------------|-----------|---------|---------------|--------------------|
| Always | 7 | 53.8 | 53.8 | 53.8 |
| Sometimes | 3 | 23.1 | 23.1 | 76.9 |
| Not at all | 3 | 23.1 | 23.1 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source : Author's compilation

Table 17: Consideration of effect of charges on the government

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|------------|-----------|---------|---------------|--------------------|
| Always | 5 | 38.5 | 38.5 | 38.5 |
| Sometimes | 4 | 30.8 | 30.8 | 69.2 |
| Not at all | 4 | 30.8 | 30.8 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source : Author's compilation

This information shows that these organizations not only identify the customers as the most important group but also recognizes other groups that have an input in their operations including shareholders and government agencies.

4.10: Promotion

Table 18: Promotional Strategy

| Category label | Code | Count | Percentage Responses |
|------------------|------|-------|----------------------|
| Advertising | 1 | 12 | 26.1 |
| Public relations | 2 | 12 | 26.1 |
| Sales promotion | 3 | 10 | 21.7 |
| Personal calling | 4 | 12 | 26.1 |
| | | ----- | ----- |
| Total strategies | | 46 | 100.0 |

Source : Compilation from survey data.

Table 19: Promotional Elements

| Category label | Code | Count | Percentage Responses |
|----------------------------|------|-------|----------------------|
| Print ads | 1 | 12 | 6.5 |
| Radio ads | 2 | 12 | 6.5 |
| Cinema ads | 3 | 1 | 0.5 |
| Mailing | 4 | 2 | 1.1 |
| In branch leaflets | 5 | 13 | 7.0 |
| Promotional magazines | 6 | 9 | 4.9 |
| Billboards | 7 | 10 | 5.4 |
| Posters | 8 | 12 | 6.5 |
| Websites | 9 | 5 | 2.7 |
| TV ads | 10 | 1 | 0.5 |
| Press kits | 11 | 5 | 2.7 |
| Speeches | 12 | 2 | 1.1 |
| Seminars | 13 | 11 | 5.9 |
| Annual reports | 14 | 8 | 4.3 |
| Sponsorship | 15 | 9 | 4.9 |
| Networking | 16 | 1 | 0.5 |
| Give aways | 17 | 4 | 2.2 |
| Fairs and trade shows | 18 | 11 | 5.9 |
| Exhibitions | 19 | 11 | 5.9 |
| Special discounts | 20 | 5 | 2.7 |
| Free banking | 21 | 3 | 1.6 |
| Branch managers | 22 | 11 | 5.9 |
| Account officer | 23 | 8 | 4.3 |
| Relationship manager | 24 | 9 | 4.9 |
| Seminar selling | 25 | 6 | 3.2 |
| Personal bankers | 26 | 1 | 0.5 |
| Business bankers | 27 | 1 | 0.5 |
| Sales managers | 28 | 1 | 0.5 |
| Cashiers | 29 | 1 | 0.5 |
| Total promotional elements | | 185 | 100.0 |

Source : Compilation from survey data.

Table 18, indicates that as much as all promotional elements are employed by the Commercial Banks as indicated in Table 19, advertising forms the bulk, 41.6% of the responses as represented by codes 1 -10. Of these, in-branch leaflets is the most common form of advertising with all the respondents identifying it. Other common modes of advertising are print ads, radio ads and posters that identified by 6.5% of the respondents each.

4.11: Social responsibility.

Table 20: Participation in sponsorship of projects.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------|-----------|---------|---------------|--------------------|
| Often | 9 | 69.2 | 69.2 | 69.2 |
| Rarely | 3 | 23.1 | 23.1 | 92.3 |
| Never | 1 | 7.7 | 7.7 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source : Author's compilation

Table 21: Participation in sponsorship of events.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------|-----------|---------|---------------|--------------------|
| Often | 9 | 69.2 | 69.2 | 69.2 |
| Rarely | 2 | 15.4 | 15.4 | 84.6 |
| Never | 2 | 15.4 | 15.4 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source : Author's compilation

Tables 20 and 21, shows that the organization participate in sponsorship of projects and events as indicated by 69.2% of the respondents. Further analysis of the data indicates that there is a significant correlation at the 0.05 level of significance between participation of events and the number of Account holders.

Table 22: Participation in seminars for businessmen and farmers.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------|-----------|---------|---------------|--------------------|
| Often | 6 | 46.2 | 46.2 | 46.2 |
| Rarely | 5 | 38.5 | 38.5 | 84.6 |
| Never | 2 | 15.4 | 15.4 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source: Author's compilation

From Table 22 above, 46.2% of the respondents indicate that their organizations also hold seminars of businessmen and farmers which had a significant correlation with profit and Account holders at 0.05 level of significance. The overall findings in this section indicates that customers associate themselves with organizations that illustrate commitment to the society.

4.12 : Place

Table 23: Ways of reaching customers

| Category label | Code | Count | Percentage Responses |
|----------------------------|------|-------|----------------------|
| Through our rural branches | 1 | 8 | 38.1 |
| Through our field force | 2 | 4 | 19.0 |
| Through ATM outlets | 3 | 8 | 38.1 |
| Agencies | 4 | 1 | 4.8 |
| | | ----- | ----- |
| Total responses | | 21 | 100.0 |

Source : Author's compilation

Table 23, indicates that most Commercial Banks have a way of reaching out to customers namely through rural branches and ATM outlets as indicated by 38.1% of the respondents each. Further some Banks have a field force or agents as indicated by 19% and 4.8% respectively. This indicates that place as one of the seven piece of marketing mix has been taken into consideration by Commercial Banks operating in the region. Indeed there are a number of services notably collection of cash and making payments as indicated by 25% and 37.5% respectively of respondents as shown in Table 24 below.

Table 24: Services extended outside the branches

| Category label | Code | Count | Percentage Responses |
|------------------------------------------|------|-------|----------------------|
| Collection of cash or receiving deposits | 1 | 2 | 25.0 |
| Making payments | 2 | 3 | 37.5 |
| Mobile banking services | 3 | 1 | 12.5 |
| Account opening | 4 | 1 | 12.5 |
| Issuance of FOSA | 5 | 1 | 12.5 |
| | | ----- | ----- |
| Total responses | | 8 | 100.0 |

Source : Author's compilation

4.13: Physical evidence

Table 25: Importance of furnishings.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------|-----------|---------|---------------|--------------------|
| Very important | 11 | 84.6 | 84.6 | 84.6 |
| Important | 1 | 7.7 | 7.7 | 92.3 |
| Not important | 1 | 7.7 | 7.7 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source : Author's compilation

Table 26: Unique features

| Category label | Code | Count | Percentage Responses |
|----------------|-----------------|-------|----------------------|
| Entertainment | 1 | 3 | 27.3 |
| Newspapers | 2 | 1 | 9.1 |
| Refreshment | 3 | 1 | 9.1 |
| None | 4 | 2 | 18.2 |
| Pens | 5 | 3 | 27.3 |
| Brochures | 6 | 1 | 9.1 |
| | | ----- | ----- |
| | Total responses | 11 | 100.0 |

Source : Author's compilation

Table 25 and 26, indicate that Commercial Banks consider how they look internally and externally very important to their success. This is supported by 84.6% of the respondents who identify furnishings as a very important feature and 72.7% who identify unique colours and branding as unique to their banks.

This indicates that commercial banks attach great value to their physical appearance and also go further to invest in areas that make customers comfortable and entertained as they await service in the banking hall.

4.14: Delivery system

Table 27: Consistency with Technological Trends

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------|-----------|---------|---------------|--------------------|
| Always | 10 | 76.9 | 76.9 | 76.9 |
| Sometimes | 3 | 23.1 | 23.1 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source : Author's compilation

Table 27, indicates that most of the Banks always evaluates technological aspects as indicated by 76.9% of the respondents.

Other aspects that are always evaluated and updated are customer trends and competitive trends as indicated by 76.9% and 69.2% respectively of the respondents as indicated in Table 28 and 29 below.

Table 28: Evaluation of consistency of customer trends with service delivery.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------|-----------|---------|---------------|--------------------|
| Always | 10 | 76.9 | 76.9 | 76.9 |
| Sometimes | 3 | 23.1 | 23.1 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source : Author's compilation.

Table 29: Evaluation of consistency of service delivery with competitive trends.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------|-----------|---------|---------------|--------------------|
| Always | 9 | 69.2 | 69.2 | 69.2 |
| Sometimes | 4 | 30.8 | 30.8 | 100.0 |
| Total | 13 | 100.0 | 100.0 | |

Source : Author's compilation.

The responses indicate that the organizations realized that the market is dynamic thus keep varying their delivery system to be consistent with the customers present needs and expectations.

4.15 : Employee development

Table 30: Training Programmes

| Category label | Code | Pct of Count | Percentage Responses |
|-------------------|------|-----------------|-------------------------|
| Training recruits | 1 | 12 | 26.1 |
| In servicing | 2 | 10 | 21.7 |
| Seminars | 3 | 11 | 23.9 |
| Scholarships | 4 | 4 | 8.7 |
| Sponsorship | 5 | 5 | 10.9 |
| Communication | 7 | 1 | 2.2 |
| Loans | 8 | 1 | 2.2 |
| On line training | 9 | 1 | 2.2 |
| | 30 | 1 | 2.2 |
| | | ----- | ----- |
| Total responses | | 46 | 100.0 |

Source : Compilation from survey data.

Table 30, shows that all respondents indicated all recruits are trained: 23.9% have seminars in the institutions while 21.7% of the Banks in-service their employees. In addition, a reasonable proportion revealed that the institutions have sponsorships and scholarships i.e. 10.9% and 8.7% respectively. Other than training and seminars, the organizations have also put in place performance enhancement measures including awards, bonuses and prizes as indicated by 32.4%, 29.4% and 20.6% respectively of the respondents as indicated in Table 31 below.

Table 31: Motivation of employees.

| Category label | Code | Count | Percentage Responses |
|------------------|------|-------|-------------------------|
| Prizes | 1 | 7 | 20.6 |
| Bonuses | 2 | 10 | 29.4 |
| Awards | 3 | 11 | 32.4 |
| Promotion | 4 | 3 | 8.8 |
| Salary increment | 5 | 3 | 8.8 |
| | | ----- | ----- |
| Total responses | | 34 | 100.0 |

Source : Author's compilation.

Table 32: Necessity of Marketing Background from Managers.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Yes | 8 | 61.5 | 66.7 | 66.7 |
| No | 4 | 30.8 | 33.3 | 100.0 |
| Total | 12 | 92.3 | 100.0 | |
| Missing Responses | 1 | 7.7 | | |
| Total | 13 | 100.0 | | |

Source : Author's compilation.

Table 32, indicates that 66.7% of the respondents felt that marketing background is important for their organization's top management as opposed to 33.3% who indicated that it is not.

This indicates that most of the organizations have well established employee development programmes.

4.16: Conduct of members

Table 33: Appearance and Conduct of members.

| Category label | Code | Count | Percentage Responses |
|---------------------------------------|------|-------|----------------------|
| Dress code or corporate wear | 1 | 8 | 29.6 |
| Employee badge | 2 | 2 | 7.4 |
| Mystery shopping by head office staff | 3 | 1 | 3.7 |
| Customer service manager office | 4 | 1 | 3.7 |
| Smile and greet customers | 5 | 1 | 3.7 |
| First come first serve basis | 6 | 2 | 7.4 |
| Code of conduct | 7 | 6 | 22.2 |
| Training on customer relations | 8 | 2 | 7.4 |
| Disciplinary measures for misconduct | 9 | 3 | 11.1 |
| Supervision | 10 | 1 | 3.7 |
| | | ----- | ----- |
| Total responses | | 27 | 100.0 |

Source : Compilation from survey data.

Table 33 indicates that to enhance appearance and conduct of the staff, various organizations have put in place certain measures. These include dress code/corporate wear and having a code of conduct as indicated by 29.6% and 22.2% of the respondents respectively. Other measures that have been put in place include: badges, first-come-first-served basis etc. Thus the organizations have embraced professionalism by the employees and to enhance this I have put in place certain measures to guide the employees on what is expected of them.

CHAPTER FIVE

5.0 CONCLUSION AND RECOMMENDATION

5.1 CONCLUSION

From the study, it is clear that Commercial Banks operating in Kisii Town employ strategic marketing principles in the activities. The study also revealed that there are certain aspects of strategic marketing that had more significant relationship with performance of commercial banks than others.

There is a significant relationship between Mission statement and performance. The extent to which profitability is captured in the mission statement was found to be related with the number of Account holders at 0.05 level of significance. The extent to which growth is captured in the mission statement was also found to be related with the number of branches at 0.01 level of significance. Growth and profitability are emphasized by the organization's studied. These are captured to a great extent in the mission statement as indicated by 61.5% and 53.8% of the respondents respectively. The customers are of great consideration by these organizations as 100% of the respondents indicated that they are captured in their organization's mission statements to a great extent. Solvency and cost are equally emphasized in the mission statement as indicated by 61.5% of the respondents each. However, the respondents encountered a lot of difficulty identifying what is captured in their mission statements. This was largely because the communication of the same to the employees was poorly done. It was unfortunate, for instance that none of the commercial banks had their mission statement displayed at positions for all employees to see.

The study also revealed that there is a relationship between how serious Commercial banks take competitors and performance. Particularly, the study established a significant relationship between how serious commercial banks consider mortgage firms as competitors and profits at 0.01 level of significance. However, a very small percentage of respondents, 7.7% considered mortgage firms as very serious competitors as compared to 76.9%, 30.8% and 23.1% respectively, who considered other commercial banks, micro-finance institutions and non-banking financial institutions as competitors.

The study revealed that most commercial banks in the region do not consider most aspects of the external environment to be affecting their operations, for instance, 92.3% of the respondents considered the government and communication infrastructure to either affect their operations to a

little extent or not all. The organizations however, identify the economy and politics to be affecting their operations to a great extent as indicated by 84.6% of the respondents in each case.

All commercial banks were found to have segmented their customers. In fact, at least six segments were identified in each of the organizations studied. Further, new services are developed with particular customers in mind. 84.6% of the respondents indicated that they identify the target customers for the new services, thus, emphasizing the importance of segmentation of customers to the organizations.

Promotion is emphasized in the commercial banks studied. All the four categories of promotion strategy studied were present in all the organizations. However, advertising was found to be the main promotional approach in all the commercial banks forming 41.6% of all the promotional elements.

Social responsiveness of the organizations was also found to be related to the number of Account holders and profits. Participation of the organizations in events was found to be significantly related to the number of Account holders at 0.05 level of significance. On the other hand, the extent to which the organizations held seminars for businessmen and farmers had a significant relationship with profits and number of account holders at 0.05 level of significance. In addition, most of the commercial banks indicated that they actively participate in other activities that cater for the community including raising funds for the less fortunate and participation in public demonstrations.

5.2 : RECOMMENDATIONS

To be able to survive in the competitive environment, organizations need to apply strategic marketing principles. There is need for instance organizations to display their mission statement and ensure that it is understood, internalized and owned by all members of the organization. This is important because it is this statement that spells out what an organization is to achieve and how to achieve it. By reading the displayed Mission statements from time to time, therefore, all employees as well as other stakeholders will be in a position to always know what is expected of themselves and the organization at large. They are also able to “live” their mission in their daily activities for it is a mission that provides employees with a shared sense of purpose, direction and opportunity.

Banking organizations also need to anticipate competition from all organizations that offer any of the services they offer. It is clear that the banks only consider commercial banks to be very serious competitors while in essence, non-banking financial institutions, mortgage firms and micro-finance institutions are very serious competitors. Indeed there was found to be a significant relationship between how serious banks consider mortgage firms as competitors and the number of Account holders. Organizations need to anticipate competition from all quarters i.e. from both direct and indirect competitors; within and without the industry and from both large and small organizations despite how insignificant they may seem.

To be successful, organizations generally need to actively participate in responding to the need of the society in which they operate. There was a clear indication that the level to which the commercial banks participate in sponsorship of events, and projects had significance in their overall performance. It is obvious that the organizations exist within a society from which they receive various inputs and to which they give their output. These organizations therefore need to strive to be accepted by the communities in which they operate and the best way of doing this is by responding to their needs.

There is therefore need to emphasize on all aspects of strategic marketing in total rather than only a few areas. Strategic marketing is a process and it is only if all steps are followed in the specified order that its benefits can be fully realized.

5.3 : AREAS OF FURTHER RESEARCH.

- I. A similar research to be conducted in other organizations other than commercial banks to test the validity of the findings.
- II. A study to be conducted in organizations operating in different settings like those located in the rural areas and big towns and cities.

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APPENDICES

APPENDIX I

INTRODUCTORY LETTER TO RESPONDENT.

STEPHEN MOSE MOINDI,
P.O BOX 1106,
KISII.
(DATE)

(RESPONDENT NAME
AND ADDRESS)

Dear Respondent,

RE: REQUEST FOR PARTICIPATION IN MY RESEARCH WORK.

I am a postgraduate student in the Faculty of Commerce, Egerton University pursuing a master of Business Administration (MBA) degree program. In order to fulfill the degree requirements, I am currently undertaking a research project on 'the Role of strategic marketing on Organization performance: A case study of commercial Banks in Kisii Town.'

Your firm has been selected to participate in this study. And I would highly appreciate if you spare some time for me to come to your office for a personal interview with you.

This exercise is strictly for academic purposes and any information obtained will be treated with the strictest confidence. A copy of the final research report will be availed to you once the study is complete upon request.

Thank you for your co-operation in advance yours faithfully,

Moindi Stephen Mose.

APPENDIX II

QUESTIONNAIRE

Please answer the following questions according to the instructions given.

SECTION I: GENERAL

1. a) Name of your bank (optional) _____
b) How many branches does this bank have in this region? _____
c) How long have you been operating in the region _____

2. Please indicate the total number of account holders you had as at the end of 2004 _____
a) Individuals (Retail customers) _____
b) Corporate customers (business, institutions) _____

3. Please indicate the total amount of deposits as at the end of 2004
a) Retail deposits (individual) Kshs. _____
b) Corporate (Business, institutions) Kshs. _____

4. What business do you consider yourself to be in? Briefly explain.

5. a) To what extent are the following aspects captured in your mission statement?

| | To a great extent 2 | To a less extent 1 | Not at all 0 |
|---------------|---------------------------|--------------------------|--------------------------|
| solvency | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| profitability | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| cost | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

growth

customers

b) How is your mission communicated throughout the organization?

SECTION II: ENVIRONMENTAL SCANNING.

6. How serious do you take the following institutions (businesses) as your competitors?

| | Very serious 2 | serious 1 | not at all 0 |
|---------------------------------------|--------------------------|--------------------------|--------------------------|
| Other commercial banks | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Non-banking financial Institutions | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Mortgage firms | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Micro finance Institutions | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

7. a) Do you collect information about your competitors?

Yes

No.

b) If so how do you do it? Please explain

8. To what extent are the following factors affecting your operations in this region?

| | Great extent 2 | Little extent 1 | Not at all 0 |
|---------------------------|--------------------------|--------------------------|--------------------------|
| The government | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Politics | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| The economy | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Social factors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Others (specify) _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

9. a) Have you had to change your promotional strategies due to certain changes in your region?

Yes No.

b) If yes in which ways?

SECTION III: SEGMENTATION

10. a) Have you segmented (divided your customers into distinct groups)

Yes No.

b) If yes, which of the following retail segments do you serve?

| | | | |
|---------------|--------------------------|------------|--------------------------|
| HNWI* | <input type="checkbox"/> | Old people | <input type="checkbox"/> |
| Professionals | <input type="checkbox"/> | Youth | <input type="checkbox"/> |
| Students | <input type="checkbox"/> | Farmers | <input type="checkbox"/> |

Others (specify) _____

*HNWI – High Net Worth Individuals.

11. If you serve the corporate market tick the segments that you serve from options below.

Schools

Companies

Colleges

Others(specify) _____

SECTION IV: MARKETING PROGRAMS

12. Indicate by ticking the appropriate response if you do the following:

| | Always | Sometimes | Not at all |
|------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| | 3 | 1 | 0 |
| a) Plan for developing anew service | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Identify customers who the new service us designed for | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Identify the precise need that the designed service is to meet | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Find out the reaction of competitors to your new product. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Work out how long it will take your Competitors to your new product | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Work out how long it will take your Competitors to respond. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

13. Please indicate by ticking the appropriate response if you do the following (if you don't know, tick not at all)

| | Always | Sometimes | Not at all |
|-------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| | 2 | 1 | 0 |
| a) Check whether your new service is consistent with your present range of services | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Find our whether there is any competition with existing services | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

- c) Indicate in advance the changes to be adopted for the new service
- d) Specify how to monitor progress
- e) Analyze the effects of not offering this service on other aspects of the bank business.

B: PRICING (CHARGES AND COMMISION)

13. How important are the following charges (interest and commission) setting objective to your bank. Tick (the appropriate responses):

| | Extremely | very | somewhat | Not too | Not at all |
|--------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | | Important | important | |
| | 4 | 3 | 2 | 1 | 0 |
| a) Current profit maximization | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Market share leadership | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Price/quality leadership | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Capacity maintenance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

14. Please tick the appropriate answers if you do the following. If you don't know, tick 'Not at all'

| | Always | Sometimes | Not at all |
|---------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| | 3 | 1 | 0 |
| a) Check whether you are servicing the needs of your best customers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Check if your competitors charges are lower | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

- c) Find out the effect on demand of different charges and commission levels for particular services
- d) Have different charges for different groups
15. Your bank service launching progress are basically: (tick the correct responses)
- a) Commission/ fee charges oriented
- b) Customer loss prevention oriented.

16. Do you consider the effect of commission/fee charges on: (Please tick appropriately)

| | Always | Sometimes | Not at all |
|-----------------------------|--------------------------|--------------------------|--------------------------|
| | 2 | 1 | 0 |
| a) Shareholders | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) External pressure groups | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) The government | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Customers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

C. PERSUASION (PROMOTION)

17. What is the composition of your existing promotion strategy? Tick appropriately:

- a) Advertising () (b) Public Relations ()
- c) Sales promotion () (d) Personal selling ()

18. (a) Of the many types of promotional elements shown below, choose by ticking the ones used by your bank. If some have been left out, write them in the space for others.

ADVERTISING

- (i) Print ads () (ii) Radio ads ()
- (iii) Cinema ads () (iv) Mailing ()
- (v) In branch leaflets () (vi) Promotional magazines ()
- (vii) Billboards () (viii) Posters ()
- (x) Websites ()

PUBLIC RELATIONS

- (i) Press kits ()
- (ii) Speeches ()
- (iii) Seminars ()
- (iv) Annual reports ()
- (v) Sponsorship ()
- (vi) Others (specify) _____

SALES PROMOTION

- (i) Give aways ()
- (ii) Fairs and trade shows ()
- (iii) Exhibitions ()
- (iv) Special discounts ()
- (v) Free banking ()
- (vi) Others (specify) _____

PERSONAL SELLING

- (i) Branch Managers ()
- (ii) Account officer ()
- (iii) Relationship Manager ()
- (iv) Seminar selling ()
- (v) Others (specify) _____

b) How often does your bank participate in the following. Please tick appropriately.

| | Often | Rarely | Never |
|------------------------------------------------|--------------------------|--------------------------|--------------------------|
| | 2 | 1 | 0 |
| a) Sponsorship of project | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Sponsorship of events | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Public demonstrations | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Seminars for business men and farmers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Walks to raise funds for the less fortunate | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

19. Does your bank promotion strategy specifically identify the following with regard to your promotional messages? (If you don't know or are not sure, tick 'Not at all')

| | Always | Sometimes | Not at all |
|---------------------------------|--------------------------|--------------------------|--------------------------|
| | 2 | 1 | 0 |
| a) Who to communicate with | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Where to communicate | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) When to communicate | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d) By what means to communicate | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

- e) How often to communicate
- f) Estimated cost of communication

20. Indicate by ticking the appropriate response if you do the following:

- | | Always | Sometimes | Not at all |
|-----------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| | 2 | 1 | 0 |
| a) Establish objectives for the sales promotion | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Set objectives for your public relations activities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Set objectives for your advertising strategy | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Evaluate competitor advertising against your own | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Undertake media planning to identify the most cost effective way of reaching your audience | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

D: PLACE

21. How do you ensure that the varied needs and interests of customers especially those in the rural areas are catered for? Tick appropriately.

- a) Through our rural branches ()
- b) Through our field force ()
- c) Through ATM outlets ()

22. a) Do you have any special arrangements to take certain essential services to customers outside your branch regularly?

Yes

No.

b) If yes, please list the services you extend outside your branch.

- i)
- ii)
- iii)
- iv)

E: PHYSICAL EVIDENCE

23. How important do you consider the following aspects to be appropriate in the bank? Tick

| | Very important | Important | Not important |
|---------------------------|--------------------------|--------------------------|--------------------------|
| | 2 | 1 | 0 |
| a) Furnishings | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Colour | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Noise levels | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Customer entertainment | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

24. Which materials do you provide to your customers in the banking hall to enhance your services. Please tick appropriately:

Entertainment

Newspapers

Refreshment

Others (specify) _____

25. Please describe any other features of physical appearance that are unique to your bank only both outside and inside.

F: PROCESS

26. What is the composition of your existing service delivery system (Tick appropriate ones)

a) Full service branch

b) Limited service branch

c) Speciality branch

d) Electronic point of sale

e) Card based system

f) Mobile banks

g) Others (specify) _____

27. Please tick appropriately if you are aware of the following. Tick 'not at all' if not sure.

| | Always | Sometimes | Not at all |
|------------------------------------------|--------------------------|--------------------------|--------------------------|
| | 2 | 1 | 0 |
| a) Procedure used by your competitors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) The trends for each type of procedure | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) The cost of each alternative process | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

28. Do you normally evaluate your delivery system (procedures) to ensure that it is consistent with: (Tick appropriately)

| | Always | Sometimes | Not at all |
|-------------------------|--------------------------|--------------------------|--------------------------|
| | 2 | 1 | 0 |
| a) Technological trends | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Customer trends | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Competitive trends | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

29. What technological innovations have you incorporated in your system to enhance your services (delivery system). Please tick.

| | | | |
|-------------------------|--------------------------|------------------|--------------------------|
| ATM | <input type="checkbox"/> | Phone banking | <input type="checkbox"/> |
| Banking hall | | e-banking | <input type="checkbox"/> |
| electronic notification | <input type="checkbox"/> | others (specify) | _____ |

G. EMPLOYEE DEVELOPMENT

30. What kinds of training programs does your bank organize for its employees

| | | | |
|-------------------|--------------------------|------------------|--------------------------|
| Training recruits | <input type="checkbox"/> | In servicing | <input type="checkbox"/> |
| Seminars | <input type="checkbox"/> | Scholarships | <input type="checkbox"/> |
| Sponsorship | <input type="checkbox"/> | others (specify) | _____ |

31. Do you consider marketing background important to top management in your bank.

Yes

No.

32. Do you offer the following to enhance performance and commitment of your employees.

(Tick appropriately)

a) Prizes

b) Bonuses

c) Awards

d) Others (specify) _____

33. What measures have you put in place to ensure that the appearance and conduct of your employees is appropriate to customers and colleagues? Please list.

i)

ii)

iii)

iv)

34. Through who are customers' views and complainant addressed? Tick appropriately.

a) The general manager

b) The cashiers

c) The relationship Manager

d) The enquiries desk

e) The suggestion box

f) Others (specify) _____

Thank you for your co-operation

APPENDIX III

CORRELATION ANALYSIS RESULTS

| STRATEGIC MARKETING ASPECT | PERFORMANCE INDICATOR | | | |
|-------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------------|------------------------------------------------|-------------------------------------------------|
| | Profit | Total number of account holders you had as at 2004 | Number of branches of this bank in this region | How long have you been operating in the region? |
| Profit | 1 | 0.433 | -0.234 | .773(*) |
| Total number of account holders you had as at 2004 | 0.433 | 1 | -0.229 | 0.634 |
| Bank name | -.614(*) | -0.427 | 0.036 | -.694(*) |
| Number of branches | -0.234 | -0.229 | 1 | -0.042 |
| Period operated in the region | .773(*) | 0.634 | -0.042 | 1 |
| Extent to which solvency is captured in mission statement | 0.303 | .(a) | -0.097 | 0.24 |
| Extent to which profitability is captured in mission statement | -0.514 | -.810(*) | 0.365 | -0.241 |
| Extent to which cost is captured in mission statement | -0.417 | -0.716 | -0.177 | -0.241 |
| Extent to which growth is captured in mission statement | -0.292 | .(a) | .676(**) | 0.212 |
| Extent to which customers is captured in mission statement | .(a) | .(a) | .(a) | .(a) |
| How serious other commercial banks as competitors | -0.262 | .(a) | -0.133 | .(a) |
| How serious non banking financial institutions are considered as competitors | -0.298 | -0.259 | 0.094 | -0.103 |
| How serious mortgage firms are considered as competitors | -.752(**) | -0.259 | 0.287 | -0.269 |
| How serious do micro finance institutions are taken as competitors | -0.214 | -.810(*) | 0.412 | -0.255 |
| Collection of information about competitors | -0.372 | -0.716 | -0.194 | -0.534 |
| Extent to which government affects operations. | -0.176 | -0.68 | -0.124 | -.728(*) |
| Extent to which politics affects operations. | -.556(*) | -0.68 | -0.098 | -.927(**) |
| Extent to which economy affects operations. | -0.354 | -0.033 | -0.104 | -0.475 |
| Extent to which social factors affect operations. | -0.025 | -0.278 | -0.32 | -0.292 |
| Extent to which communication affect operations. | .(a) | .(a) | .(a) | .(a) |
| Extent to which infrastructure affects operations. | -.997(*) | .(a) | 0.5 | -0.764 |
| Extent to which competition affect operations. | .(a) | .(a) | .(a) | .(a) |
| Extent to which technology affects operations. | .(a) | .(a) | .(a) | .(a) |
| Change of promotional strategies due to changes in the region. | 0.062 | 0.323 | -0.365 | 0.256 |
| Segmentation of customers. | .(a) | .(a) | .(a) | .(a) |
| Planning for developing new service. | -0.372 | -0.716 | -0.194 | -0.534 |
| Identification of customers new service designed for. | -0.372 | -0.716 | -0.175 | -0.534 |
| Identification of precise need to be met by the new service. | -0.372 | -0.716 | -0.194 | -0.534 |
| Determination of reaction of competitors to new service. | -0.194 | -0.682 | -0.26 | -0.482 |
| Determination of how it takes for competitors to respond. | -0.394 | -0.469 | -0.318 | -.798(**) |
| Determination of consistency of new service with current range of services. | -0.349 | -0.716 | -0.187 | -0.534 |
| Determination of competition with current services. | -0.194 | -0.716 | -0.227 | -0.402 |
| Indication in advance adjustment to be made for the new service. | -0.373 | .(a) | -0.162 | 0.033 |
| Specification of how to monitor progress. | -0.187 | -.810(*) | 0.133 | -0.436 |
| Analysis of the effect of not offering the service to other aspects of the bank business. | -0.248 | -0.716 | -0.272 | -0.534 |
| Importance of current profit maximization objective. | -.653(*) | -0.764 | 0.352 | -0.373 |
| Importance of current profit maximization objective. | -.551(*) | -0.033 | -0.225 | -0.37 |

| STRATEGIC MARKETING ASPECT | PERFORMANCE INDICATOR | | | |
|----------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------------|------------------------------------------------|-------------------------------------------------|
| | Profit | Total number of account holders you had as at 2004 | Number of branches of this bank in this region | How long have you been operating in the region? |
| Importance of market leadership objective. | -0.095 | -0.276 | .691(**) | -0.043 |
| Importance of price quality leadership. | -0.443 | -.945(**) | 0.222 | -.651(*) |
| Consideration whether service needs of best customers | -0.249 | -0.716 | -0.139 | -0.534 |
| Checking whether competitors charges are low. | -0.248 | -0.378 | -0.238 | -0.548 |
| Determination of the effect of different charges and commission levels of particular services on demand. | -0.359 | -.810(*) | .588(*) | -0.436 |
| Different charges for different groups | -0.111 | -0.716 | -0.225 | -0.241 |
| Sponsorships of projects | -0.456 | -0.634 | .690(**) | -0.324 |
| Sponsorships of events | -0.505 | -.854(*) | 0.141 | -0.47 |
| Participation in public demonstrations. | -0.128 | -0.388 | -0.299 | 0.208 |
| Participation in seminars for business men and on farmers. | -.594(*) | -.810(*) | 0.139 | -0.174 |
| Participation in walks to raise funds for the less fortunate | -.750(**) | -0.585 | 0.431 | -0.477 |
| Identification of who to communicate with in promotion | .(a) | .(a) | .(a) | .(a) |
| Specification of where to communicate | .(a) | .(a) | .(a) | .(a) |
| Specification of when to communicate | -0.26 | .(a) | -0.129 | -0.285 |
| Specifications of means of communication. | -0.132 | .(a) | -0.032 | .(a) |
| Specification of how often to communicate. | -0.132 | .(a) | -0.032 | .(a) |
| Specification of estimated cost of communication. | -0.161 | .(a) | 0.312 | .(a) |
| Establishment of objectives for sales promotion. | -0.349 | -0.716 | -0.187 | -0.534 |
| Setting of objectives for public relations activities. | -0.392 | -0.634 | .711(**) | -0.292 |
| Setting objectives for advertising strategy. | -0.349 | -0.716 | -0.187 | -0.534 |
| Evaluation of competitor advertising against self | -0.069 | -0.716 | -0.282 | -0.292 |
| Undertaking media planning to identify the most cost effective way of communication. | -0.387 | -0.716 | -0.158 | -0.402 |
| Special arrangement to take certain essential services to customers outside the branch. | 0.392 | -0.675 | 0.079 | 0.034 |
| Importance of furnishings in the bank. | -0.102 | .(a) | -0.053 | 0.215 |
| Importance of colour in the bank. | .(a) | .(a) | -0.07 | .(a) |
| Importance of noise levels in the bank. | -0.152 | .(a) | -0.042 | 0.215 |
| Importance of customer entertainment in the bank. | 0.08 | 0.126 | -0.441 | -0.195 |
| Knowledge of procedure used by competitors. | 0.107 | -0.437 | 0.008 | -0.545 |
| Knowledge of trends for each procedure used by competitors | 0.025 | -.948(*) | -0.028 | -0.43 |
| Knowledge of cost of alternative process. | 0.06 | -.948(*) | -0.033 | -0.537 |
| Importance of marketing background to top management. | -0.342 | -0.716 | -0.19 | -0.209 |

* Correlation is significant at the 0.05 level (1-tailed).

** Correlation is significant at the 0.01 level (1-tailed).

a Can not be computed because at least one of the variables is constant.

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