

## **EFFECTS OF TECHNOLOGY AS A STRATEGY ON COMPETITIVE ADVANTAGE: A CASE OF SELECTED BANKING INSTITUTIONS IN ELDORET TOWN**

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### **ABSTRACT**

The use of technology in any institution especially a banking institution places it at a competitive advantage as compared to its contemporaries. The objective of the study was to establish the influence of technology as a strategy on competitive advantage. The study was guided by the game theory which explains how an institution can be competitive in the marketplace. The study adopted descriptive survey design. Ten banking institutions in Eldoret town were selected. The Managers and Senior Administrative staff of the institutions were purposively sampled. Employees were selected using simple random sampling. Data were collected from 97 participants using questionnaires and interview guides. The study used the mixed methods designs to analyze data. Descriptive and inferential statistics were used to analyze the data. SPSS (version 17) and Microsoft Excel Package were used to do descriptive statistics, Regression analysis and ANOVA. Regression analysis was used to identify the differentiation strategies considered in this study while Analyses of variances indicated that the factors fit into the regression model. In the test of hypothesis, the results indicated that there was a significant relationship between technology differentiation and competitive advantage, hence the hypothesis was rejected. The recommendations made included among others that the bank management should invest in technology in order to improve their competitive advantage, banks to treat their customers as their valuable assets as they determine organization's survival and banks should consider all groups of customers in defining the kind of technology to employ.

**Key Words:** Technology, Competitive Advantage, and Banking Institutions, Kenya