IMPACT OF CUSTOMER RETENTION STRATEGIES ON MARKET SHARE AMONG COMMERCIAL BANKS IN KENYA: A CASE OF I&M BANK

BY

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UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA

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A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement of the Degree of Masters in Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA

SPRING 2018
STUDENT’S DECLARATION

I declare that this research project is my original work and has not been submitted to any other college or university other than the United States International University in Nairobi for academic credit.

Signed: ___________________________    Date: ______________

Changole Sharon Chepkorir (623415)

This research project has been presented for examination with my approval as the appointed supervisor.

Signed: ___________________________    Date: ______________

Prof. Paul Katuse

Signed: ___________________________    Date: ______________

Dean, School Of Business
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ABSTRACT

The purpose of this study was to determine the impact of customer retention strategies on market share among commercial banks in Kenya, a case of I&M bank. The study aimed to answer four research questions: What is the impact of customer relationship management on market share? What is the impact of financial service diversity on market share? What is the impact of service quality improvement on market share? What is the impact of distribution channel diversification on market share?

The study used a descriptive research design. The population of the study was 1,931 staff of the 43 I&M Bank branches. The target population was 160 staff members comprising of senior management, branch managers, and customer care staff. Stratified random sampling was used to categorize the respondents into the senior management, branch managers, and customer care staff strata. Simple random sampling was then used to select participants from each of these strata. The sample size was established as 114 respondents using a mathematical sampling formula. The data was collected using quantitative methods. A structured questionnaire was designed which consisted of 5-point likert scale items and close ended questions for personal information. The data was analysed using Statistical Package for Social Sciences (SPSS) Version 23 software.

Descriptive statistics was used to summarize nominal data using frequencies and percentages and interval data was summarized using mean and standard deviation for each of the study variables. The study measured the relationship between the independent and dependent variables using the Pearson (r) correlation. Multiple regression analysis was also conducted to show the effect of predictor variables on the response variables. The personal information was presented in charts and the variables information was presented in tables and supported by the researcher’s interpretation. The findings show that a unit increase in service quality improvement results in a 0.259 increase in market share. A unit increase in financial service diversity results in a 0.230 increase in market share. A unit increase in customer relationship management results in a 0.193 increase in market share. A unit increase in distribution channel diversification results in a 0.096 increase in market share.
The study made the following conclusions based on the findings of the study: The study therefore concludes that I&M bank customer feedback system has a positive effect on market share; that financial services diversity through e-commerce strategy of I&M Bank contributed to their market share; that system automation strategy contributed to I&M Bank market share; and that that I&M branch network strategy contributed the least impact on the bank’s market share.

The study recommends that commercial banks and I&M Bank should continuously engage their customers by integrating customer feedback systems into their day to day operations so as to be able to identify the various customer issues and respond to these issues in real time; that commercial banks should adopt e-commerce and innovate e-commerce services and products to cater to the customer base that use online and digital platforms to conduct their business; that commercial banks should seek to improve their system automation by supporting banks’ back office operations so as offer seamless services for their customers; and that commercial banks should offer customer services through different channels that are available in the market. The study recommends for further study on the impact of customer retention strategy on market share adopting different research approaches and also future studies to collect data from customers of commercial banks.
ACKNOWLEDGEMENTS

As I reflect on the scope and magnitude of this project, I would like to thank the Almighty God for providing the energy, time and resources to make this research project a reality. I wish to extend my sincere gratitude to all the people who offered their time, assistance and support.

I am truly grateful to my supervisor, Prof P Katuse for his support, guidance and dedication as I prepared and completed this research project. I have appreciated and profited from his insightful advice and feedback concerning my research.

Lastly I would like to thank the United States International University (USIU) for providing me the opportunity to undertake this master’s programme.
DEDICATION

I would like to dedicate this research project to my loving family who has been my constant support system throughout my studies.
### ABBREVIATIONS AND ACRONYMS

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<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ATM</td>
<td>Automated Teller machines</td>
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<td>CBK</td>
<td>Central Bank of Kenya</td>
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<td>CRM</td>
<td>Customer Relationship Marketing</td>
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<tr>
<td>I&amp;M</td>
<td>Investments and Mortgages</td>
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<td>MFI</td>
<td>Micro Finance Institutions</td>
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<tr>
<td>MPC</td>
<td>Monetary Policy Committee</td>
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<tr>
<td>MSA</td>
<td>Metropolitan Statistical Area</td>
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<tr>
<td>PIN</td>
<td>Personal Identification Number</td>
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<tr>
<td>SACCO</td>
<td>Savings and Credit Cooperative Organizations</td>
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<td>SCRM</td>
<td>Social customer relationship management</td>
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<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
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<td>TALC</td>
<td>Technology Adoption Life Cycle</td>
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<td>UK</td>
<td>United Kingdom</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

Customer retention has consistently gained fame in the banking industry as well as other financial institutions. There is an extant literature on the concept of customer retention and the constructs that have been used to measure customer retention. However, there is still paucity on how customers are retained in the professional service firms. According to Rego, Morgan, and Fornell (2013) strategies used by firms’ employees are highly customized for each individual customers.

Rego et al. (2013) in their study found out that professional service providers need to place more effort on creating personal relationships with their clients in order to retain customers over time, which then results in strengthening the bond of the firm and the customer. In pursuit of retaining customers, organisations are creating switching barriers and creating customer satisfaction as the main strategies for customer retention (Tripathi, 2014).

In their study conducted by Han and Hyun (2015), it was found out that the financial consequences of attracting new customers can be five times as costly, as opposed to keeping and retaining new customers. According to Eid (2015), there are higher costs associated with attracting new customers than retaining existing customers and the best approach to keep these customers is to satisfy them. A consequence of retaining customers is that customers that are satisfied do not only participate in repeat purchases but spread favorable word of mouth about the firm and its services and products and thus customers pay less attention to competing brands and their various advertising methods.

Customer retention has greatly increased competition between commercial banks because customers can be able to easily compare the services offered by different banks. This type of business often raises customers’ expectations about products and services and makes them more likely to switch to other competing service providers. In an attempt to maximize opportunities and lessen threats, commercial banks should be actively engaged in retaining customers in the virtual place (Siu, Zhang & Yau, 2013).
Factors affecting customer retention have not been investigated in detail from the local Kenyan perspective. Empirical studies have established that there is a relationship between the service sector and customer retention. Customer commitment, however, in any business relationship often goes beyond customer satisfaction. In an environment of mass service and low customer contact, trust remains an important determinant of customer retention. Past studies have found that attractiveness of alternatives, interpersonal relationship, switching costs, and the recovery of the service includes establishing the switching barrier and thereby leading to a bigger impact (Scherer, Wünderlich & Von Wangenheim, 2015).

By the close of 2016, there were 49 commercial banks and 3 mortgage finance companies in Kenya. In addition, there were 8 licensed deposit taking microfinance institutions and 138 foreign exchange bureaus (Ketyenya, 2017). The commercial banking sector has an asset base of over 1.6 trillion Kenya Shillings and remains the largest industry in the financial service sector. The banking sector plays a significant role in intermediating the process between investors and savers under a limited and under the developed capital market (Onditi, 2013). The Companies Act, Central Bank of Kenya (CBK), and the Banking Act are the instruments and institutions that govern the banking industry in Kenya. Recently, there have been disagreements between the Monetary Policy Committee (MPC) and the CBK and stakeholders on the high spread between deposit rates and lending rates which indicates intermediation inefficiencies (Njane, 2013).

The banking sector in Kenya has seen major reforms undertaken and includes payment system improvements, activation of horizontal repos presents opportunities for enhanced banking sector performance, operationalisation of credit reference bureaus, and operationalisation of the Microfinance Act (Munyiri, 2014). These reforms have been influenced by the three key pillars of the financial sector in Kenya as described in the Vision 2030, these are access, stability, and efficiency. Thus, the efficiency of the banking sector is a significant part that remains the cornerstone of the anticipated economic growth and realisation of the Vision 2030 (Tarus & Rabach, 2013).

The increased efficiency of commercial banks enables them to offer more banking services at an affordable price. This then provides an environment of financial services that has an ability to draw a larger number of Kenyans in the financial services thereby expanding the banking clientele and customers.
The banks offer savings accounts, current accounts, fixed deposit accounts, corporate accounts, and foreign currency denominated accounts (Murali, Pugazhendhi & Muralidharan, 2016).

1.2 Statement of the Problem
Customer retention is continuously becoming a significant managerial matter in a market that is characterized by a lower growth of new customers and a saturated market (Soimo, Wagoki & Okello, 2015). Customer retention has become a major objective of relationship marketing, mostly because of its ability to deliver superior relationship economics, such that, it will cost less to remain with the same customer rather than acquiring a new one.

According to Mecha, Martin & Ondieki (2015), the determinants of a long-term relationship are often complicated to an extent that even customer satisfaction measures have become poor indicators for firms to predict their customers’ behaviour in the future. With the improvement of building societies into banking institutions; there has been frequent switching of customers from one bank to the other due to good competitive advantages like low interest rates on loans and a reduction in the ledger fees charged by the banks.

Micro Finance Institutions (MFI) and Saccos that offer banking services have also increased competition by putting pressure on big banks, in regards to customer retention due to their reduced service fees (Mutai, 2013). Further, customer knowledge and awareness levels have risen dramatically and some of them raise doubts about the capability of banks to be able to cater for their financial wellbeing. In this respect, commercial banks are changing their strategies on how, where, and what they can serve the ever increasingly demanding and informed customers (Ogongo, 2014). Although there are local studies that have been done on customer retention, they are old and do not take into consideration the latest developments in technology and national economy as a whole.

There are studies that have been conducted on customer retention strategies among commercial banks in Kenya. Ogongo (2013) research on Customer Retention Strategies Adopted by Commercial Banks in Kenya;
Mecha et al. (2015) analysis on the effectiveness of customer retention strategies in commercial banks; and Mugambi & Kagiri (2015) study on effects of customer retention strategy on performance of commercial banks. These studies however did not analyze the effects of customer retention strategies on the market share of commercial banks, a gap that this study intends to fill.

1.3 Purpose of the Study
The purpose of this study was to determine the impact of customer retention strategies on market share among commercial banks in Kenya, a case of I&M bank.

1.4 Research Questions
This study aimed to answer the following research questions;
1.4.1 What is the impact of customer relationship management on market share?
1.4.2 What is the impact of financial service diversity on market share?
1.4.3 What is the impact of service quality improvement on market share?
1.4.4 How does the distribution channel diversification affect market share?

1.5 Significance of the Study
1.5.1 Managerial I&M Bank
To the managers of I&M bank, this study is crucial for consideration of implications of their strategic efforts to achieve success through maintaining competitive advantage and relevance by customer retention strategies.

1.5.2 Banking Industry Regulator
The findings of this study would be useful for CBK and the regulatory board for effective control of commercial banks in Kenya. The findings and conclusions of the study would be helpful in the development of efficient plans to regulate the companies.

1.5.3 Future scholars and Researchers
To academicians and researchers, the results of this study would be of great contribution to the latest information regarding customer retention strategies considering the limited resources available today. The study would, therefore, be a source of reference for future scholars as well as suggesting preferable areas for further research.
1.6 Scope of the Study
This study will focus on the impact of customer retention strategies on market share among commercial banks in Kenya, a case of I&M bank. The respondents of the study will include the top-level management as well as staff working in the customer care departments from I&M bank. The study will be carried out in the month of February 2018 to May 2018. The study relied on information from senior management and staff in the customer service departments of the bank. The senior managers and staff in the customer service departments are the people most involved in the consistent changes of customer retention strategies in the organization and therefore considered appropriate to offer essential information for the study hence the selection.

1.7 Definitions of Terms
1.7.1 Customer Relationship Management
The practices, plans and techniques used by banks to analyse and direct customer interactions information through the consumer life cycle with the aim of improving business relationships with customers and promoting customer retention in the long-term (Rego et al., 2013).

1.7.2 Customer Feedback System
Refers to information retrieved from customers of a firm about the dissatisfaction or satisfaction they feel with a service or product. They include customer complaints and comments given to a business and are a critical resource for addressing and improving the wants and needs of the customer (Eid, 2015).

1.7.3 Customer Feedback Analysis
Customer Feedback Analysis involves identifying trends of customer behavior through observing customer feedback. It is one of the most important elements that help to analyze and interpret the data (Siu, Zhang & Yau, 2013).

1.7.4 Engagement of CRM Officers
Customer engagement is a business communication connection between an external entity and transparent concept of customer relationship management (Scherer, Wünderlich & Von Wangenheim, 2015).
1.7.5 Financial Service Diversity
This refers to widening the products and services of a firm so as to broaden the talents, in order to enhance workplace culture and improve financial services in banks, thus helping them to survive the competition in the industry (Onditi, 2013).

1.7.6 Distinct Customer Service Department
Refers to a set of activities that ensures product availability for trouble-free use to consumers over its useful lifespan (Ondieki 2015).

1.7.7 System Automation
Refers to a method, system, or technique of controlling or operating a process by highly automatic means, by using technological innovations in an effort to reduce human intervention to a minimum (Njane, 2013).

1.7.8 Agency Banking
Refers to contracting of retail or postal outlets by financial institution or a mobile network operator to process bank clients’ transactions (Munyiri, 2014).

1.8 Chapter Summary
This chapter comprised an introduction to the problem in the background of the study, the statement of the problem, purpose of the study, research questions, significance, and scope of the study. It also highlights the crucial definitions of terms used specific to this study. The second chapter of the study presents the literature review section of the study. Chapter three of the study presents the research methods and techniques that the study will use to achieve the research objectives. The results and findings of the study are presented in chapter four and chapter five presents a summary of findings, discussion, conclusions and recommendations of the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter highlights an empirical literature of previously done studies. It is based on the objectives; distribution, customer relationship, financial services, and service quality improvement. There is a summary of the chapter and research gap.

2.2 Customer Relationship Management on Market Share
According to Khodakarami and Chan (2014), customer relationship management includes all the practices, plans and techniques used by banks to direct and analyze customer interactions data throughout the customer lifecycle, with the goal of improving business relationships with customers, thereby helping in customer retention in the long-run. It involves a customer feedback system, analysis and the engagement of CRM officers.

2.2.1 Customer Feedback System
A customer feedback system is, according to Ramchandani and Ghias (2013), information retrieved from customers of a business about the dissatisfaction and satisfaction they feel with a service or product. These involve customer complaints and comments that are given to the firm and are a critical component for addressing and improving the wants and needs of the consumers. Odera (2013) undertook research on consumers of banks adopting a quantitative approach and confirmed that there are differences on the image barriers, usage, risk, value and tradition. Furthermore, the important relations between the decision to adopt internet banking experience, mobile internet, kind of mobile phone owned, and level of education.

Mutua (2013) noted that in order to attract consumers and make them want to provide feedback, firms can apply different approaches. Some firms use to a great extent the amount of possible feedback by providing channels to keep close to consumers, using certain devices of communication, customer processes and location. Moreover, the availability of obtrusive behaviour and multi-channel strategies do not always guarantee the consumers’ willingness to give feedback. Offering incentives to customers is also another strategy to attract consumers to give feedback, such as, lottery participation, discount opinions, and monetized compensation (Ramchandani & Ghias, 2013).
According to Oja (2013), in hospitals or clinical units, external consumers giving feedback when they are not sure of the validity of the test results, when these results are deficient or if there is a service delay. On the consumer point of view, all these factors are significant issues that may have an effect on safety and patient care. The process of customer feedback has to begin with clear objectives and the sources of the feedback have to be selected with the aim of providing essential customer feedback.

A structured process for handling feedback from customers should be placed and a classification system for incoming claims and comments should be suitable (Choudhury & Harrigan, 2014). There is an opinion that there are various platforms and tools to support customer feedback however there are still many bottlenecks and challenges with reference to the process (Koegler, Moghaddam, Haas, Wocher, Hartig, Rajamohan, & Ronnewinkel, 2013).

Through an analysis of the feedback after customers purchased a product purchase or service, it was established that only a few customers were really willing to spend extra time discussing it (Jocovic, Melovic, Vatin & Murgul 2014). Taking the assumption that a consumer is concerned with the update and extensions of her or his personal consumer demographic, a feedback collection mechanism needs to support consumers proactiveness in the process of feedback provision and the possibility to start providing feedback in the moment considered by the consumer as appropriate. There needs to be a capability of a consumer to be able to point to a part of a visual product representation that highlights a certain concept or a part of a text to access feedback providing tool with regard to the associated characteristics, service, or functionality (Navimipour & Soltani, 2016).

Analyzing and collecting customer feedback is crucial as it allows firms to be able to learn in a continuous approach to adopt their services to the preferences of their consumers (Sun & Li 2012). Gradually, consumers utilize different communication channels to give feedback and this makes it difficult for firms to develop effective and efficient processes to analyse and collect all the data. Firms that are able to manage customer feedback often are usually 6 % more profitable and 5 % more productive than their competitors (McAfee & Brynjolfsson 2012). The advances in technology have expanded the choices of availability of channels for firms to gather consumer feedback.
Quantitative surveys, which are structured feedback, is now gradually being used along with unstructured feedback methods, such as, emails, telephone calls, social media, where the consumers are able to describe their experiences freely (Tseng & Wu, 2014).

2.2.2 Customer Feedback Analysis
Customer Feedback Analysis involves identifying trends of customer behavior through observing customer feedback. It is one of the most important elements that help to analyze and interpret the data (Schoenwitz, 2014). While there are many different ways to achieve the views of consumers on services, such as, focus group interviews, satisfaction surveys, and customer complaints, firms are recommended to use a myriad of approaches and gather this information. Analysis is entirely important because it relies on the method of retrieval. Choudhury and Harrigan (2014) focused on business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes. Customer feedback documents including the subject matters of the reports, the investigations carried out and the actions taken were analyzed using qualitative content analysis.

The findings resulted in the conclusion that consumer perceptions are considered significant in numerous sectors in the manufacturing sectors, health care services, and service and trade. Giving better access to the vast amount of textual customer feedback information has a larger impact for the firms that need to know what the consumers dislike or like about their services and products and for consumers that want to establish the product that fits their wants and needs (Schoenwitz, 2014). Over time, retailers and manufacturers have gathered large amounts of reviews from their consumers. This form of feedback provided essential insight and information that can help various firms to correct service failures, enhance the quality of the products, and guide the consumers.

In most cases, consumers are asked to give a total mark or score on a product's quality and this may provide recommendations that are misleading. The attribute of a product that was significant for consumer A and thus has a significant effect on the total score of that consumer has given, maybe irrelevant for customer B. hence, this however does not mean that the characteristics aren’t available in the product or that the product is deficient. Moreover, it’s not enough for a firm to know which of their customers liked the least or best product consumers.
For Firms to learn from the feedback provided and to improve products accordingly, they need to know, which features of their services or products are disliked or liked. Furthermore, for marketing purposes, it is significant and interesting to see which categories of consumers exist in their target markets.

2.2.3 Engagement of CRM Officers

Customer Relationship Management (CRM) also known as relationship marketing is seen by some marketing practitioners and academics as the new example of marketing (Koegler et al., 2013). Nevertheless, despite the high level of growth in CRM adoption and practices by firms around the globe; and the widely accepted conceptual foundations of conflicting ideas, increased pessimism about the efficiency of the CRM strategy are numerous in the marketing literature. To this end, scholars are calling for more empirical research to determine the significance of CRM as a long term orientation (Salim, 2016).

Onashile (2017) while studying social customer relationship management (SCRM) in the Nigerian banking sector explored how successfully the Nigerian banking sector had used SCRM to engage its clients and to determine the willingness of the customers to follow along in this engagement. The findings indicated that customers see SCRM as a useful two-way tool for engaging with the banks and also considered it of high importance for banks to be actively present on social media.

2.2.4 CRM, market share, and banking sector

Several studies have been done and have shown a positive association between CRM and market share in the banking sector. In Nigeria, Opara and Opara (2016) study revealed that there is significant relationship between customer identification, retention, and market share. Similarly, Ohaka (2015) confirmed strong positive relationship between customer satisfaction and market share in the banking industry.

Kumar (2012) has observed that a greater focus on CRM is the only way the banking industry can protect its market share and boost growth. With ever increasing competition, declining market share, deregulations, smarter and more demanding customers, banks are competing to attain a competitive advantage over one another or for sustaining the competition. Sahu and Hota (2015) research indicated that CRM has emerged as the most widely prescribed solution for diminishing market share and customer retention through customer satisfaction.
In Kenya, Kabue, Gathenya, and Kihoro (2015) examined customer relationship initiation process and marketing effectiveness of commercial banks in Kenya. The study investigated the influence of identifying potential customers, evaluating prospects, and new customer acquisition on marketing effectiveness. The study found that banks in Kenya used CRM to attract and recruit new customers, monitor customer accounts, better handle customer data and complaints, create rapport with customers, increase the effectiveness of customer service, understand customer needs and expectations, identify their key customers and tailor products and services to meet customer needs and expectations.

Mwangi (2013), still in Kenya, assessed the influence of relationship marketing on performance of commercial banks in Kenya. The dimensions of relationship marketing considered in this study were customer satisfaction, brand trust, customer loyalty, customer interaction, and customer retention. Market share was one of the indicators for financial performance of commercial banks. The findings revealed that the market share of the company have been increasing tremendously recently owing to relationship marketing of the sampled banks.

Anuforo, Ogungbangbe, and Edeoga (2015) examined the impact of customer relationship management on bank growth in Nigeria. The study aimed to examine the influence of customer relationship management (CRM) practice on revenue (sales) growth and on the market share of commercial banks in Nigeria. A cross-sectional survey was conducted among 400 customers, management, and staff of two commercial banks. The findings revealed that there is a direct relationship between customer relationship management (CRM) and market share.

2.3 Financial Service Diversity on Market Share
Samuel and Ondiek (2014) define financial service diversity as the widening of a bank’s products and services so as to broaden the talents in order to enhance workplace culture thereby improving financial services in banks in turn helping them to survive the competition in the industry. The financial services industry, like many other, is still finding ways through which to enhance the diversity of its ranks, mostly in positions of leadership. The main areas of interest for candidates are those involved in making policies for diversity, while for employers, finding means to improve the hiring process and reduce biases which continue to the agenda.
2.3.1 Custodial Services

Custody is a service in which a fiscal institution takes hold of securities on behalf of the client. In the times when securities existed only in paper form, investors required a secure place to keep these certificates of value (Stewart, Currie, Arbeau, Leschied & Kerry, 2015). That secure place could either be clients’ own premises, or that of a security service provider. Currently, custody is offered by a range of institutions, chiefly by brokers, commercial banks and investment banks. These providers have developed particular services that accommodate diverse customer segments (Baran & Galka, 2016).

Kyalo (2016) surveyed the role of custodial services offered by banks in the settlements and management of pension funds. The purpose of this study was to establish the role of custodial services offered by banks in the settlements and management of pension funds by focusing on commercial banks in Kenya. The study established that custodial assets in the 12 commercial banks in Kenya include shares, provident funds and trust funds, bonds, treasury bonds, pension funds, insurance funds and commodities such as precious metals and currency.

Kyalo (2016) stated that some banks offer custodial services for treasury bills, land or real estates, title deeds, corporate bonds, commercial papers, offshore investment, unit trusts, money market investments and Escrow funds. In relation to challenges facing custodial services offered by banks, globalization of financial markets, increasing complexity and diversity, increasing technology, competition in cross border access and competition from CSDs and risks is incurred by both custodians and custody clients (Suvittawat, 2015).

According to Riley (2016) the major challenge facing custodians is how to keep up with their institutional investor client’s wider alternative of investment assets and the associated specialized service requirements. Financial market innovations and globalization increase the variety and frequently the complexity of financial instruments that institutional investors choose to buy. Derivatives and hedge funds, for example, have become relatively ordinary in institutionally managed portfolios (Stanley, 2014).

2.3.2 Card Services

The spread of usage and credit card ownership has grown over the last decade. A literature review on credit card shows that most research has been undertaken in western countries, notably, credit cards were first issued in the United States in the 20th century (Archer, Clavenna, Pate, & Hubner, 2016).
Over time, credit cards have become the most important exchange of payments and transactions that stimulate personal and household spending in developing nations around the globe.

Wakhisi (2015) surveyed adoption of Euro pay, MasterCard and visa technology and card fraud in the ken switch network environment. The study sought to examine factors affecting the usage of the card specifically cost and income level, education level of the customers, and culture of the customer. The study targeted Kenya Commercial banks in Nairobi County.

Mutua (2013) emphasized the fact that the use of credit cards in developing nations is different from that of western nations. Developing nations lack the technology infrastructure for credit card usage such as point of sales systems (POS) and Automated Teller Machines (ATMs) that both encourage and support credit card use. This information tends to slow the widespread distribution of credit cards in that it requires the users to act in drastic novel ways, modifying their behaviour patterns in a major way in developing countries, and changing their way of thinking. In a setting where use of cheques is rather low, the credit card is both a prestige and also a risk for the customer.

According to Hurry, (2017), there are two forms of debit; these are non-PIN debit and PIN-based debit. Non-PIN debit transactions need cardholders to insert or swipe their cards at the Point-of-Sale or have their number keyed in by the cashier or sign a receipt (Bolt & Schmiedel, 2013). PIN-based debit transaction need cardholders to insert or swipe their cards at the point of sale and key in their PIN to verify the cardholders and make authorizations for payment for services or goods (Ogilvy, 2013).

2.3.3 E-commerce

The literature shows that e-commerce is an activity that deals directly with the trading of services and goods and is linked with other related business enterprises where electronic communication channels in a central role. The activities involve the communication of data, payment management, the trading and negotiating of financial instruments, and transport management (Heng, 2003). The concept of e-commerce enabled accessibility of markets that should be inaccessible without automation in the long-run. For instance, consumers who may want to carry out transactions during the night are catered for by the availability of ATMs (Magutu et al., 2011).
The concept of e-commerce refers to the purchase of sales or exchange of services and goods or information is by utilizing a computer network and includes the internet. In terms of communication being able to give services, information, product, and payment using computer networks, electronic means, and telephone networks (El-Fitouri, 2015). There are three forms of e-commerce, these are, customer to customer, business to customer, and business to business (Azeem, Marsap, & Jilani, 2015).

According to Al-Zoubi (2016), some of the benefits of adopting e-commerce in the banking industry include saves time to executing some procedure for giving an example to payment for order, prepare order, delivery for goods and special if goods is soft copy, saving cost for when purchases are made from internet sites and it generates higher revenue for a firm and increase efficiency. In the modern global financial environment, most of the traditional banks have resorted to the use of various forms of ICT to able to grow their business and increase their market share. This has helped them to lead the competition (Baah-Acquah & Freeman, 2016). In Kenya, Asiabugwa (2012) found that the main factors which influenced the adoption of e-commerce strategy in banks to a larger extent are customer support service and the payment systems.

2.3.4 Financial service diversity, market share and banking sector

Kashmari, Nejad, and Nayebyazdi (2016) conducted a study on the impact of electronic banking innovations on bank deposit market share in India. The main aim of the study was to evaluate e-banking and this has a heavy cost on money and time as a means of attracting new customers as the most competitive tools and significant goals of a commercial bank. the findings indicated that the number of SWIF system and amount of banking facilities, PIN pad, POS, ATMs given by each commercial bank and has a link with explaining the increase of a commercial bank’ share in attracting deposits.

In Pakistan, Azeem et al. (2015) examined the effect of e-commerce on performance of firms in the banking industry. The researcher measured the effect of e-commerce on business operation, job performance, customer satisfaction, and market share. The study collected data from institutions in the Pakistani banking industry among 50 firms which were required to fill information online from 2012-2013. The results indicated a positive relationship between e-commerce and market share as a proxy for organization performance.
In Ghana, Baah-Acquah and Freeman (2016) investigated e-commerce in the banking industry of Ghana as an innovative approach to maximize banking profit and market share. The motivation for the study was to explain the low usage of e-commerce among commercial banks. The study adopted a mixed method technique, precisely both qualitative and quantitative methods. The study identified a positive significance between e-commerce and all the effects on profit and market share.

In Kenya, Magutu et al. (2011) investigated the adoption and usage of e-commerce services and products in the banking sector. The motivation for the study was to find out the constraints experienced and benefits that come from usage and adoption of e-commerce services and products in among commercial banks in Kenya. The findings showed that e-commerce usage among customers was relatively low.

Ngugi, Gakure, and Mugo (2012) studied the competitive intelligence practices and their effect on profitability of firms in the Kenyan banking industry. The study adopted a descriptive research design targeting the management staffs who directly deal with the day to day management of the banks were selected to collect primary data. The study found that the competitive edges accrued from technology intelligence include engaging in custodial services (sales and purchase of shares) after investing on the trading IT platform known as custodial know.

In India, Chopra (2016) evaluated e-business transformation in banking industry: opportunities and value assessment. The study was a desk research aimed at exploring the role of e-commerce in the commercial banking sector. The findings show that introduction of E-Commerce in the Banking Industry has had a significant impact on its operation both in physical branches and virtual transactions. The study concluded that commercial banks adopted the Business to Consumer (B2C) e-business model to increase market share.

In China, Chang, Jang, Li, and Kim (2017) conducted research on the relationship between the efficiency, service quality and customer satisfaction for state-owned commercial banks. The data used for the analysis was obtained from the 2015 Chinese Banking Statistics. The study found that the bank’s service quality has a positive impact on efficiency and customer satisfaction. The study concluded that improving quality increases efficiency, because it reduces costs and time for rework, testing, and service failures, which in turn increases sales and market share.
2.4 Service Quality Improvement on Market Share

Customer service entails what an enterprise delivers to gain customer retention and satisfaction. Some enterprises deliver service business and may not see themselves as being a physical product business. However, their consumers often measure the enterprise on the services that they experience after-sale and pre-sale (Dabholkar, 2015). Hence, customer service is becoming a gradual component of an enterprise activities. A customer services program contains training and standards where all employees follow these standard to make sure a particular service is maintained at the required level to keep their consumers happy.

2.4.1 Distinct Customer Service Department

Laudon and Laudon (2013) conducted a study on factors affecting the quality of customer service in the banking industry in Kenya. The purpose of the study was to establish factors affecting customer service delivery in Standard Chartered Bank of Kenya. The findings from the study indicated that most of respondents mentioned that staff training had an impact on customer service delivery to a large extent. The study concluded that staff training affected customer service delivery in standard chartered Bank of Kenya.

Customer satisfaction involves activities that are task oriented and is more than proactive selling of products and services through use of face-to-face interactions or by use of other communications means such as telephone or mail (Gallan, Jarvis, Brown, & Bitner, 2013). The goal of customer satisfaction should be designed, communicated and performed with the aim of achieving two goals which are to satisfy the customer and to achieve operational efficiency. The behavior and interaction of the service provider with customers for services that are offered face to face is a replica of what goes on inside the organization (Lesley & Faure, 2012).

2.4.2 Continuous Employee Training

Chen (2013) undertook an examination of the study to determine the factors that affected the quality of customer service in Ecobank Kenya among the Nairobi Region Branches. The study aimed at determining the extent to which the training of employees can influence the customer service quality in the bank. The findings indicated that there was a positive association between the internal processes and the quality of customer services. The study found that internal processes, staff attitude, and staff training on the customer service quality are considered as internal processes and have a larger impact.
The study recommended that Ecobank should ensure its internal processes are clearly designed and documented to guide employees in providing quality customer service.

According to McKinsey (2016), the enhanced, skills, knowledge, and capabilities of a talented staff have been seen to be a significant source of competitive advantage in the global economy. In order to develop the abilities, skills, and knowledge of staff to perform well on the job, it needs effective continuous training programs that may also influence staff commitment and motivation (Meyer & Allen, 2013). The realization of staff on their firm interest in providing them with training, they reciprocate to their organisation by giving their best efforts to achieving firm goals, and increase their job performance (Jehanzeb & Bashir, 2013). Continuous training is important in the work place and without training staff don’t have an organisation grasp on their duties and responsibilities. Staff training refers to programmes that provide staff with new skills, data, or professional development opportunities (Elnaga & Imran, 2013).

This struggle by the top management not only improves the employee performance but also creates a positive image of the firm worldwide; one of the most crucial functions of human resource management is employee development through proper training and development programs (Beer, Finnström & Schrader, 2016). Employee development refers to the capacity and capability building of an employee, and thus, enabling them to meet the standard performance level (Elena, 2013).

The more developed the employees are, the more they are satisfied with their job, hence increasing the firm productivity and profitability (Champathes, 2016). Some firms do not adopt continuous training for their staff as they feel that they are expensive and staff may miss out on their duties and responsibilities while attending this training and cause delay in project completion. The firms’ failure to comprehend the underlying merits of continuous training sessions and how these contribute to the firm and in the long term are misplaced (Padachi & Lukea Bhiwajee, 2016).

2.4.3 System Automation

Banks and other financial institutions strive to reach economies of scale, cost efficiencies, and effectiveness. Majority of these firms hold records so as to counter the needs of their customers. Moreover, the management of these records so as to reach the objectives had posed a great constraint to the commercial banks.
Majority of the banks had not yet established the amount of investment in records and the right record levels to hold for customer satisfaction. The commercial banks therefore moved to utilizing technologies so as to be able to deal with these challenges (Chen, 2011).

Kombo (2015) conducted a study on the influence of consumer satisfaction in the commercial banking industry in Kenya. The research revolved around learning the current pattern of consumer satisfaction in the banking sector. The findings indicated that the availability of bank branches had the largest effect on the satisfaction of the consumers. The findings also showed that customer dissatisfaction was from high cost of services and products. Moreover, both dissatisfaction and satisfaction has a partial influence on the number of products from banking that customers choose to create accounts with. The findings also gave suggestions for possible and policymaking areas for future study.

Samuel and Ondiek (2014) studied the inventory management automation and supermarkets performance in Kenya. The two objectives of the study were to determine the influence of inventory management automation and establish the extent of inventory management automation effected the supermarket performance. The findings indicated that inventory management automation influenced the performance of supermarkets and there existed the positive linear association between supermarket performance and inventory management automation.

2.4.4 Aligning Products with Customer Needs

Customer satisfaction is regarded as the basic criteria used to evaluate the relationships of banks within the commercial banking industry (Munari 2013). Furthermore, customer satisfaction was significant in driving the banks owing to the fact that higher customer satisfaction meant lower customer intention to leave the bank. Far from leaving the bank, dissatisfaction led to consumer queries and complaints. Schoenwitz (2014) conducted research on aligning processes and products to consumer wants in a prefabricated house building.

Stanko and Bonner (2013) did some customer interviews on protein purification and found out that the customers don't really do protein purification frequently enough to understand all the ins and outs of it. They lack in depth skills and do not really want to spend too much time thinking about what column to use, as long as it roughly does what they need it to do.
The downside of that is that they frequently got it wrong and was very frustrating wasting a lot of their precious protein. There is a real benefit to selecting the right product from the start. This presented a real opportunity for the company because they could actually position it as the expert in protein purification and really become the supplier that offers the simplest way to get the right separation column that works.

**2.4.5 Service quality improvement, market share and banking sector**

There are several studies that have investigated the link between service quality improvement and its effect on market share in the banking sector. For instance, Kheng, Mahamad, Ramayah, and Mosahab (2010) undertook a study on the impact of service quality on customer loyalty among commercial banks in Penang, Malaysia. The findings show that improvement in service quality can enhance customer loyalty.

In Latvia, Lace and Kozlovskis (2012) examined the development of research instrument with which to measure service quality among retail customers in Latvian banks to determine the most significant contributors to consumer satisfaction. Exploratory factor analysis was done that revealed five service quality constructs referred to as the EPICA model. These are expenses (E), Competence (C), Product (P), Image (I), and emotional intellect, access (A). The results showed that the strongest association was between consumer competence and satisfaction and employee emotional intellect.

Auka, Bosire, and Matern (2013) conducted a study on service quality perceptions and consumer loyalty in Kenya’s retail banking sector. The main objective of the study was to focus on the influence of service quality constructs on service quality. The information for the study was collected from existing consumers of retail banks on reliability, assurance, responsiveness, tangibility, and empathy. The findings revealed that these constructs of service quality did have a positive and significant effect on customer loyalty in retail banking.

Buchichi (2015) examined customer service improvement strategies at CFC Stanbic Bank Kenya limited after the merger and acquisition. The motivation for the study was to identify service improvement for the newly formed bank given the service challenges it was facing. The findings show that consumer development approaches utilized by banks to retain and satisfy consumers included in the harmonization of bank account systems and operating systems; management of ATM networks and by being more sensitive and proactive to customer issues which allow them to respond to customer needs on time.
2.5 Distribution Channel Diversification on Market Share
The channels used by a bank to avail its services to customers play a key role in determining the proportion of customers compared to other banks in the industry. The cost of those channels also plays a key role in determining the customers using the channel. This section discusses mobile banking, agency banking, branch network distribution and internet banking.

2.5.1 Mobile Banking
The Technology Adoption Life Cycle (TALC) is used to examine the mobile banking adoption which is described as new technologies and ideas in several cultures. Within the TALC, the phases through which a person adopts a new technology includes need awareness for the innovation, decision to reject or adopt an innovation, testing of and the initial use of the innovation, and the continues use of the innovation (Kyalo, 2016).

In these phases a diffusion is accomplished as there are five categories of adopters, these are, laggards, early majority, early adopters, innovators, and late majority. Early adopters are those who comprise of opinion leaders, embrace change opportunities and do not require convincing for change, and enjoy leadership responsibilities. Innovators are who are first in line to try the innovation or are willing to take risks and interested in new ideas.

The late majority are those who are fearful of change and will only use an innovation after it’s tested by the most. Early majority use new ideas before the ordinary person that they often need to view innovation work before they use it (Onashile, 2017). According to Terry, Rogers, and Craft (2013), laggards are those whom are conservative and bound by tradition and are fearful of an innovation.

The use of mobile banking was continuously increasing the use of wireless and mobile handsets in the near past. Early 2000 studies indicated that leaders in the mobile banking sector were Japan, Canada, France, Germany, and Ireland. Malaysia and Singapore experienced mobile banking increases and New Zealand and Australia were slow adopters (Mutaqi, Aghaei, Ganapathy & Nezhad, 2015). There was little reference of mobile banking in Africa which was in its infancy.
2.5.2 Agency Banking
Most of the foreign banks enter the United States market through agency banking as a form or organization. In adopting agency banking, this enables an international banks to participate in financial activity in the United States (Hanafizadeh et al., 2014). Most businesses in the United States who want to conduct a business with the parent bank can use an agent banking with the representatives at the agency being able to take care of issues like exchange of currency, funds transfer, and making deposits. Furthermore, the agency banking approach also created a means for investors in the United States to access other opportunities and access securities overseas with limited risks (Oliveira et al., 2014).

India saw the first agency banking introduced in 2006 where retail banks began to use post offices and microfinance institutions (MFIs) as channels for small deposit taking agents. Moreover, agency banking is referred to the points of transaction ranging from post offices in the rural parts of Australia where customers from every bank can perform their transactions and also in upcountry France where banks use corner stones to provide financial services, to small clients, lottery outlets, where consumers can access their bank accounts and receive social payments (Vutsengwa & Ngugi, 2013).

In Africa, the sector of finance has a major role to play in development of the economy. All over the continent, several banks are all promoting reengineering and sustainability of their operations to integrate agency banking models (Aduda et al., 2013). Nonetheless, in Africa, agency banking is a novel idea with the concept/model is becoming mostly used in South Africa and in Kenya. In South Africa, agency banking first began in 2005 (Musau, 2013).

2.5.3 Branch Network
In both domains of business and academic literature on banking, there has been much more discussion about the manner in which customers value their access to a banks network branches (Saropa, 2013). There is a common assumption that the consumer utility from selecting a specific bank is positively related to the size of the bank branches in a delineated market. Jaldesa (2015) conducted a study that estimated the spatial model of consumer choice in deposit banking institution and specifically on the geographical locations of the branches is a consideration. In this model, each consumer is required with an amount of deposits that they make to their bank of choice.
The main issue for the consumer is to ensure that the distance that they need to travel to the nearest bank branch is as near as possible. The distance often relies on the location of the branches and the location of the consumers (Geng, Abhishek & Li, 2015).

Githiri (2015) conducted a study on determinants of customer service delivery at Standard Chartered Bank. The findings of the study indicated that consumer can be in varying locations during the day. This form of behaviour has resulted to an association between the level of deposits received by one branch of the bank and the proximity of other branches in the network. Branches are required to create a dense and convenient network for their customers. This is because people are in different locations during the course of a day and they should be able to locate branches near or close to their residences but also close to where they shop or work or so on. In this matter, the proximity of branches then increases the share of customers (Githiri, 2015).

2.5.4 Internet Banking

Martins, Oliveira & Popović, 2014) perceive customer retention as the continual upholding of made relationship during trade for a long period of time. Kenyan businesses pose that, when customer retention level is low, it as an indication of high defection level. This can be expressed by evaluating how many clients a business has as its financial year ends usually stated in terms of percent to show clients active throughout the year (Nor & Pearson, 2015).

The objectives of customer retention strategies are to maintain a company’s customers and to keep hold of the revenue contribution, In other words, keeping of already existing clients from opting for rival brands. According to Chavan (2013) factors that can cause retention of customers include; creation of client satisfaction and trustworthiness, involving of buyers, create barriers to choosing, and effective communication. Quality service, proper pricing and developing several options for retaining customers are other factors that need attention especially in sector involving advertisement. From the study, it was found out that entities used highly customized strategies to specific customer retention.

The companies lacked guiding basic or standardized procedures for retaining clients. When a client is satisfied, the result is loyalty this means that the firm has a competitive advantage over it rivals and it gets easier to expand and grow (Yoon & Steege, 2013).
This is because the retained clients will advertise the firm’s products on its behalf. Consumer loyalty is also a great way to improve and maintain a company’s economic performance. Financial service institutions must therefore value customer retention through creating and maintaining relationships that lasts. The way performance is bound to increase (Okiro & Ndungu, 2013).

Wei, Li, Cao, Ou, and Chen (2013) study indicated that e-learning resulted to gains in productivity. The automation of bill payments, minimizing the needs to physically visit financial institutions, and the capability to perform work as needed rather than relying on banking hours, to decrease the time involved in performing the usual routine banking activities. Moreover, other programs, banking actions, online search tools can enable employees to investigate transactions and solve banking issues on their own without interacting with bank staff.

2.5.5 Distribution channel diversification, market share, and banking sector

In Poland, Filip, Jackowicz, and Kozłowsk (2017) conducted a study on the effect of social media and internet presence on local banks market share. The findings from the study showed that smaller banks that adopted new communication and new distribution later as compared to larger banks had to lose some of their market share to defend market power by reaching new consumers. This implies that banks that wait or are late adopters of alternative channels of distribution lose their market share.

Amara (2012) looked at the influence of marketing distribution channel approaches on organisation performance in the commercial banking sector in Kenya. The study used a descriptive research survey design consisting of the 43 commercial banks. Secondary and primary data was used in the study sourced from questionnaires and financial audited reports. The study findings showed that distribution strategies adopted by commercial banks had led to increased sales, market share and profits.

Chiteli (2013) conducted research on competitive strategy and banking operations of commercial banks in Kisumu County. The study focus was establishing the motivations for commercial banks to adopt agent banking, the constraints to adoption of agent banking, and identifying the measures used by commercial banks to regulate activities of their agents. The study revealed that the agent banking model allowed commercial banks to leverage on the additional costs on effective distribution channels to maintain their market share.
Kombe and Wafula (2015) conducted a study on the influence of internet banking on the financial outcome of commercial banks in Kenya. The study used a descriptive research design involving members of staff at Kenya Commercial Bank. The findings indicated that internet penetration and increased adoption had increased distribution channels to retail banking. The study therefore suggested that the ineffective use of ICT; banks could create distinctive competence which can enhance market share.

2.6 Chapter Summary
This chapter has explored literary studies from previous researchers both locally and internationally. It has arranged them in accordance to the objectives specified. The literature comprises studies conducted within five years for relevance of information in the data provided. First, the chapter examined CRM where customer feedback system and analysis were discussed together with engagement of CRM officers. It also reviewed financial service diversity including custodial services and card services were explored. It also examined distribution channels where mobile banking, agency banking, branch network and internet banking were elucidated.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter presents the methodology that was employed in carrying out the study by identifying the procedures and techniques that were used in the collection, processing and analysis of data. Specifically, the following subsections are included; research design, target population, data collection instruments, data collection procedures and finally data analysis.

3.2 Research Design
A survey research aims at collecting data from members of a population and describing the existing phenomenon by asking persons about their values, behaviour, attitudes, and perception (Mugenda and Mugenda, 2008). Surveys allow researchers to collect data from a sizeable population in an economic fashion. Furthermore, this design allows one to measure the association between one, two or more variables. The study used the descriptive research methodology and design aims to find out the how, where, and what of a phenomenon. This involves collection of information in useful ways and analyzing means of relevant conclusions and recommendations. The design was selected as it has been used in past studies (Amara, 2012; Chiteli, 2013) that investigated the influence of customer retention strategies and performance of commercial banks.

3.3 Population and Sampling Design
3.3.1 Population
According to Thompson (2013), the population is the entire universe of the elements that have a common trait about which some inferences can be made. A larger set of observations can be referred to as a population while a smaller subset is referred to as the sample. The population comprised of all 1,931 employees of I&M bank as at December 2017. I&M bank has a total of 43 bank branches.

The target population for the study is top-level management as well as senior staff working in the marketing and customer care departments. Top level managers were included in the target population because they have access to the relevant information on the market share of the bank which is a key study variable.
They are also involved in formulation of strategies aimed at improving market share of the Bank. Marketing staff members are important in availing the researcher their accounts of experience on their encounters with customers.

3.3.2 Sampling Design

3.3.2.1 Sampling Frame

A sampling frame is a set of units of a population where a researcher selects their sample size. It is a complete and exhaustive list of the units from which a researcher can be able to choose members for consist the sample of the study. The aim of a sampling frame is to give a means for selecting the specific members of the targeted population that are to be included in a research (Thompson, 2013). The sampling frame for the study comprised a total of 160 management staff members from the 43 branches of I&M Kenya.

3.3.2.2 Sampling Techniques

The researcher stratified the target population as top-level managers, branch managers and customer care staff. Cooper and Schindler (2008) posit that stratification enhances the efficiency of a statistical sample and enables a researcher to adequately provide data for analyzing different sub categories of the population and enable different research methods on different strata. The stratification of the population was followed by simple random sampling methods because of their capability to afford each member of the population an equal opportunity of being included in a study. This helps in eliminating biasness in the data collected.

3.3.2.3 Sample Size

A sample size refers to a group of individuals in the population who have been selected by a researcher for the purposes of interviews and whose responses was used to generalize the characteristics of the population (Kothari, 2004). The study adopted Yamane (1967) sampling formula which calculated a sample size of 114 respondents.

\[
n = \frac{N}{1 + N \times (e)^2}
\]

\[
n = \frac{160}{1 + 160 \times (0.05)^2}
\]
Table 3.1: Sample Size

<table>
<thead>
<tr>
<th>Position</th>
<th>Population</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Management</td>
<td>21</td>
<td>15</td>
</tr>
<tr>
<td>Branch Managers</td>
<td>43</td>
<td>31</td>
</tr>
<tr>
<td>Customer Care staff</td>
<td>96</td>
<td>68</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>160</strong></td>
<td><strong>114</strong></td>
</tr>
</tbody>
</table>

3.4 Data Collection Methods

Data collection method is the process of gathering and measuring information on targeted variables in an established systematic fashion, which then enables one to answer relevant questions and evaluate outcomes (Sullivan-Bolyai, Bova & Singh, 2014). This research collected primary data using a questionnaire. Close ended questions and a five-point Likert scale was employed for designing the questions. The questionnaire has two sections each. The first section established the respondents’ demographic data while the second section established the respondents’ opinions on the four variables (customer relationship management, financial service diversity, and service quality improvement and distribution channel diversification).

3.5 Data Collection Procedures

After development of the draft questionnaire, a pilot test was carried out with five customers from each category to test for any inconsistencies, ambiguity and incomprehension. The pre-test participants did not participate in the actual survey to avoid pre-emption of the study at the actual area. In the process of piloting, the study will ensure that the rectification of any errors of ambiguity existing in the research instrument. After the amendment of the final questionnaire, the researcher will explain the purpose of the research to the respondents and seek permission to carry out the research in the given topic.

The data collection procedure was done by the researcher through the drop and pick methods. Using this approach, each questionnaire was directly distributed to each of the 114 participants in each of I&M Bank Branches as they go about their daily duties. According to Creswell (2014), participants should not be inconvenienced during the process. To ensure a high response rate, the researcher will request them to fill and return the questionnaires immediately.
3.6 Data Analysis Methods

Before processing the responses, data preparation was done on the completed questionnaires by editing, coding, entering and cleaning the data. Data collected was analyzed using descriptive statistics as the first phase of analysis. The descriptive statistical tools assist in describing the data and determining the respondents’ degree of agreement with the various statements under each factor. Data analysis was done using Statistical Package for Social Sciences (SPSS) Version 23 and Microsoft excel to generate quantitative reports which were presented in the form of tabulations, percentages, mean and standard deviation. In addition, Pearson (r) Correlation was used to analyze the strength of association between variables. Multiple regression analysis was conducted so as to determine the extent to which the factors determined the impact of customer retention strategies on market share of I&M bank. The following model was used:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \]

Where: 
- \( Y \) = Market share
- \( \beta_0 \) = Constant
- \( \beta_1, \beta_2, \beta_3, \) and \( \beta_4 \) = Coefficients of independent variables
- \( X_1 \) = Customer relationship management
- \( X_2 \) = Financial service diversity
- \( X_3 \) = Service quality improvement
- \( X_4 \) = Distribution Channel diversification
- \( \varepsilon \) = Error term

3.7 Chapter Summary

Chapter three has enumerated the research methodology and design. It has given a detailed analysis of the population and the sampling process that were used in collecting the research data. Simple Random sampling technique was used to determine the population. This is appropriate to ensure the results are more representative to the managers of I&M bank. Primary data were collected from the managers through the application of a structured questionnaire. Data analysis was done using the SPSS Version 23.
CHAPTER FOUR

4.0 DATA RESULTS AND FINDINGS

4.1 Introduction
This chapter of the study presents the results and findings. The chapter is presented in sections that consist of the respondents’ personal information, descriptive statistics for each of the study variables, and inferential statistics section. The study was able to collect and use 102 questionnaire for analysis out of the 114 questionnaires administered. This corresponded to a response rate of 89.5 %.

4.2 Demographic information
This section presents the findings of the personal information of study participants which comprised of their current position at I&M Bank, working experience at I&M Bank, banking sector, education level, and previous work experience, and years worked in another commercial bank.

4.2.1 Current position
The study sought personal information of the respondents on their current position at I&M Bank. Figure 4.1 shows that most respondents were in the customer care department and accounted for 61.8 % of the sample, this group was followed by branch managers represented at 28.4 % and 9.8 % of respondents comprised of senior management.

Figure 4.1: Respondents’ current position at I&M Bank
4.2.2 Working experience

Figure 4.2 shows the respondents’ work experience which indicate that 25.5 % of the sample had 10-15 years’ experience, 23.5 % had 1-4 years’ experience, and 18.6 % had 5-9 years’ experience. Those with more than 20 years’ experience represented 16.7 % of the sample 15.7 % had 16-19 years’ experience.

![Figure 4.2: Respondents’ work experience at I&M Bank]

4.2.3 Education level

In terms of their education level, the results show that first degree holders were the majority of the respondents and accounted for 40.2 %, master’s degree holders was represented 29.4 %, 25.5 % were diploma holders, and 4.9 % had a certificate level of education as shown in Figure 4.3.

![Figure 4.3: Respondents’ highest education level]
4.2.4 Previous work

Figure 4.5 shows that majority of the respondents accounting for 76.5 % had worked in a bank before joining I&M banking compared to 23.5 % who did not have previous experience in another bank.

![Figure 4.4: Respondents previous work in commercial bank](image)

4.2.5 Work experience in banking sector

The respondents were asked to indicate the number of year’s worked in previous commercial banks. The findings show that 34.6 % had worked previously for less than three years, 28.2 % indicated working for more than ten years, 24.4 % mentioned working for 4-6 years, and 12.8 % cited working for 7-10 years as shown in Figure 4.6.

![Figure 4.5: Respondents work experience in other commercial banks](image)
4.3 Impact of customer relationship management on market share

The first research question of the study was to establish the impact of customer relationship management on market share. Table 4.1 shows the descriptive statistics which indicate that the overall mean score for customer relationship management was 3.89 and a standard deviation of 1.179.

Table 4.1: Descriptive statistics for customer relationship management

<table>
<thead>
<tr>
<th>Customer relationship management statements</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer feedback system</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our Bank has a system for capturing customer feedback</td>
<td>4.21</td>
<td>1.023</td>
</tr>
<tr>
<td>The system is efficient in capturing customer feedback</td>
<td>4.18</td>
<td>0.994</td>
</tr>
<tr>
<td>Our Bank has a structured process for handling feedback</td>
<td>3.85</td>
<td>1.220</td>
</tr>
<tr>
<td><strong>Customer feedback analysis</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our Bank analyses customer feedback to inform future strategy formulation</td>
<td>4.13</td>
<td>1.119</td>
</tr>
<tr>
<td>Our Bank uses customer feedback information to develop new innovative financial products</td>
<td>3.72</td>
<td>1.282</td>
</tr>
<tr>
<td>Information from Customer feedback system has helped the Bank provide better financial services</td>
<td>3.37</td>
<td>1.461</td>
</tr>
<tr>
<td><strong>Engagement of CRM officers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CRM has provided customer insights for long term relationships</td>
<td>4.04</td>
<td>1.341</td>
</tr>
<tr>
<td>Customer feedback system has provided an opportunity for cross selling the Bank’s financial products</td>
<td>3.98</td>
<td>1.191</td>
</tr>
<tr>
<td>Customer feedback system has helped attract customers to the Bank</td>
<td>4.37</td>
<td>0.935</td>
</tr>
<tr>
<td>Customer feedback system has improved the level of engagement among CRM officers</td>
<td>4.08</td>
<td>0.845</td>
</tr>
<tr>
<td>Our Bank has used CRM to determine their willingness to continue transacting with the Bank</td>
<td>3.40</td>
<td>1.320</td>
</tr>
<tr>
<td>Our Bank uses CRM officers to understand the aspiration of its customers</td>
<td>3.37</td>
<td>1.412</td>
</tr>
<tr>
<td><strong>Overall mean score</strong></td>
<td><strong>3.89</strong></td>
<td><strong>1.179</strong></td>
</tr>
</tbody>
</table>

4.4 Impact of financial service diversity on market share

The second research question aimed to determine the impact of financial service diversity on market share. The respondents were asked to indicate their level of agreement with the statements on financial service diversity and the observed overall mean score is 4.05 and a standard deviation of 0.916 as shown in Table 4.2.
Table 4.2: Descriptive statistics for financial service diversity

<table>
<thead>
<tr>
<th>Financial service diversity statements</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial service diversity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our Bank has diversified financial service offering to customers</td>
<td>4.00</td>
<td>0.812</td>
</tr>
<tr>
<td>Our financial products are tailored to the needs of customers</td>
<td>4.07</td>
<td>1.069</td>
</tr>
<tr>
<td>Our services have faced stiff competition from services offered by other banks</td>
<td>4.14</td>
<td>0.849</td>
</tr>
<tr>
<td><strong>Custodial services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our Bank offers custodial services to its customers</td>
<td>4.06</td>
<td>0.925</td>
</tr>
<tr>
<td>Our custodial services have been profitable</td>
<td>4.04</td>
<td>0.958</td>
</tr>
<tr>
<td>Our custodial services have faced stiff competition from other competitors</td>
<td>3.80</td>
<td>0.895</td>
</tr>
<tr>
<td><strong>Card services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our Bank offers debit card services to customers</td>
<td>3.99</td>
<td>0.964</td>
</tr>
<tr>
<td>Our Bank offers credit card services to customers</td>
<td>4.21</td>
<td>0.962</td>
</tr>
<tr>
<td>Our Bank has a diversified portfolio of card products</td>
<td>3.89</td>
<td>0.799</td>
</tr>
<tr>
<td>Our ATMs distribution encourages usage by customers</td>
<td>4.21</td>
<td>1.155</td>
</tr>
<tr>
<td>Our cards are internationally usable</td>
<td>3.70</td>
<td>0.954</td>
</tr>
<tr>
<td><strong>E-commerce services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enterprise customers can integrate payment processes within their websites</td>
<td>4.07</td>
<td>0.752</td>
</tr>
<tr>
<td>The bank’s e-commerce platform enables enterprises to sell goods and services online</td>
<td>4.31</td>
<td>0.852</td>
</tr>
<tr>
<td>The bank’s e-commerce offers a cost-effective payment option for enterprise consumers</td>
<td>4.24</td>
<td>0.872</td>
</tr>
<tr>
<td><strong>Overall mean score</strong></td>
<td>4.05</td>
<td>0.916</td>
</tr>
</tbody>
</table>

4.5 Impact of service quality improvement on market share

The third research question of the study was to determine the impact of service quality improvement on market share. The respondents were asked to indicate their level of agreement with service quality statements and the findings show that the overall mean score was 4.07 and a standard deviation of 0.973 as presented in Table 4.3.
### Table 4.3: Descriptive statistics for service quality improvement

<table>
<thead>
<tr>
<th>Service quality improvement statements</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our Bank has a distinct customer service department</td>
<td>4.11</td>
<td>0.835</td>
</tr>
<tr>
<td>Our customer service department is more proactive in its approach to customer issues</td>
<td>4.06</td>
<td>1.147</td>
</tr>
<tr>
<td>Our customer service department always looks for ways of delighting customers</td>
<td>4.05</td>
<td>0.876</td>
</tr>
<tr>
<td><strong>Continuous Employee training</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our Bank has training programs to improve the efficiency among staff</td>
<td>3.80</td>
<td>0.883</td>
</tr>
<tr>
<td>Training programs in the Bank are tailored to the diverse needs of departments / functions</td>
<td>3.95</td>
<td>0.994</td>
</tr>
<tr>
<td>Our Bank has trained employees on the importance of positive attitude when dealing with customers</td>
<td>4.24</td>
<td>0.961</td>
</tr>
<tr>
<td>Our Bank has a well-developed talent development programs for employees</td>
<td>4.33</td>
<td>0.896</td>
</tr>
<tr>
<td>Our Bank encourages on the job training for optimal impact</td>
<td>4.26</td>
<td>0.997</td>
</tr>
<tr>
<td><strong>System automation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our Bank has standardized back office operations for quality service delivery</td>
<td>4.47</td>
<td>0.955</td>
</tr>
<tr>
<td>Our Bank has trained its staff on new systems adopted in operations</td>
<td>3.88</td>
<td>0.962</td>
</tr>
<tr>
<td>Our Bank has adopted modern advanced technology for improved service delivery</td>
<td>3.85</td>
<td>1.024</td>
</tr>
<tr>
<td><strong>Aligning products with customer needs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our financial products are aligned to the needs of customers</td>
<td>4.04</td>
<td>1.076</td>
</tr>
<tr>
<td>Our Bank has diversified customer contact points for optimal service delivery</td>
<td>4.02</td>
<td>0.980</td>
</tr>
<tr>
<td>Employees are provided with adequate working equipment in the Bank</td>
<td>4.05</td>
<td>1.033</td>
</tr>
<tr>
<td><strong>Overall mean score</strong></td>
<td>4.07</td>
<td>0.973</td>
</tr>
</tbody>
</table>

### 4.6 Impact of distribution channel diversification on market share

The fourth objective of the study was to determine the impact of distribution channel diversification on market share. The respondents indicated their level of agreement with distribution channel diversification statements which revealed that the overall mean score was 3.60 and a standard deviation of 1.058 as seen in Table 4.4.
### Table 4.4: Descriptive statistics for distribution channel diversification

<table>
<thead>
<tr>
<th>Distribution channel diversification statements</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mobile banking channel</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our bank has invested in mobile banking technology</td>
<td>3.90</td>
<td>0.985</td>
</tr>
<tr>
<td>Our mobile banking technology has improved customer preference for our bank</td>
<td>3.50</td>
<td>1.331</td>
</tr>
<tr>
<td>Our Bank has a real time mobile banking services</td>
<td>3.78</td>
<td>1.110</td>
</tr>
<tr>
<td>Our Bank has created a partnership with all mobile money transfer firms</td>
<td>3.85</td>
<td>0.876</td>
</tr>
<tr>
<td><strong>Agency banking</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our Bank has adequate agency banking network for its customers</td>
<td>3.46</td>
<td>1.015</td>
</tr>
<tr>
<td>Our Bank agents provide similar quality services as those offered by the Bank</td>
<td>3.40</td>
<td>0.939</td>
</tr>
<tr>
<td>Our Bank has a well distributed agency network</td>
<td>3.63</td>
<td>0.946</td>
</tr>
<tr>
<td>Our bank has adequate agency distribution network for customers</td>
<td>3.66</td>
<td>1.235</td>
</tr>
<tr>
<td><strong>Branch network</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our Bank has sufficient branch network for its customers</td>
<td>3.40</td>
<td>1.011</td>
</tr>
<tr>
<td>Our branches are large enough for staff and customers</td>
<td>4.03</td>
<td>1.118</td>
</tr>
<tr>
<td>Our Branch network is well distributed across the country</td>
<td>3.63</td>
<td>0.902</td>
</tr>
<tr>
<td>Our branches have adequate personnel to serve customers</td>
<td>3.45</td>
<td>0.900</td>
</tr>
<tr>
<td><strong>Internet banking channel</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our bank has a well-functioning internet banking</td>
<td>3.21</td>
<td>1.033</td>
</tr>
<tr>
<td>Our internet banking is affordable to majority of the customers</td>
<td>3.64</td>
<td>1.254</td>
</tr>
<tr>
<td>Our internet banking is convenient for customers</td>
<td>3.79</td>
<td>1.227</td>
</tr>
<tr>
<td>Our internet banking has been adopted by a majority of customers</td>
<td>3.43</td>
<td>1.043</td>
</tr>
<tr>
<td><strong>Overall mean score</strong></td>
<td>3.60</td>
<td>1.058</td>
</tr>
</tbody>
</table>

### 4.7 Market Share

Table 4.5 shows the descriptive findings of the dependent variable (market share). The results show that the overall mean score for market share as indicated by respondents was 4.22 and a standard deviation of 0.830.
Table 4.5: Descriptive for market share

<table>
<thead>
<tr>
<th>Description</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The number of customers in our bank has increased</td>
<td>4.21</td>
<td>0.753</td>
</tr>
<tr>
<td>The volume transacted by customers in our Bank has increased</td>
<td>4.18</td>
<td>0.841</td>
</tr>
<tr>
<td>over the last five years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The profitability of our Bank has increased as compared to other banks</td>
<td>4.28</td>
<td>0.896</td>
</tr>
</tbody>
</table>

**Overall mean score**                                    | **4.22** | **0.830** |

4.8 Inferential statistics

The study conducted Pearson (r) correlation analysis between the predictor and responses variables to establish the strength of association between the two. A multiple regression analysis was also conducted to show the effect of each of the predictor variables on market share.

4.8.1 Correlation analysis

The findings from the correlation results show that there was a positive and significant linear association between the independent and dependent variables. The results show a positive and statistically significant relationship between customer relationship management ($r = 0.162, p = 0.040$), financial service diversity ($r = 0.181, p = 0.020$), service quality improvement ($r = 0.266, p = 0.015$), and distribution channel diversification ($r = 0.113, p = 0.033$) as seen in Table 4.6.

Correlation coefficients between .10 and .29 represent a small association, coefficients between .30 and .49 represent a medium association, and coefficients of .50 and above represent a large association or relationship (Cohen, Cohen, West, & Aiken, 2003). This findings imply that an increase in customer relationship management, financial service diversity, service quality improvement, and distribution channel diversification also resulted to an increase in market share for I&M Bank.
Table 4.6: Correlation coefficients results

<table>
<thead>
<tr>
<th></th>
<th>Customer Relationship Management</th>
<th>Financial Service Diversity</th>
<th>Service Quality Improvement</th>
<th>Distribution Channel Diversification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Relationship Management</td>
<td>Pearson Correlation</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>N</td>
<td>101</td>
<td></td>
</tr>
<tr>
<td>Financial Service Diversity</td>
<td>Pearson Correlation</td>
<td>.106</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.292</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>101</td>
<td>101</td>
<td></td>
</tr>
<tr>
<td>Service Quality Improvement</td>
<td>Pearson Correlation</td>
<td>-.067</td>
<td>.105</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.507</td>
<td>.296</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>101</td>
<td>101</td>
<td>101</td>
</tr>
<tr>
<td>Distribution Channel Diversification</td>
<td>Pearson Correlation</td>
<td>-.112</td>
<td>-.030</td>
<td>.074</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.263</td>
<td>.769</td>
<td>.462</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>101</td>
<td>101</td>
<td>101</td>
</tr>
<tr>
<td>Market Share</td>
<td>Pearson Correlation</td>
<td>.162</td>
<td>.181</td>
<td>.266</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.040</td>
<td>.020</td>
<td>.015</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>101</td>
<td>101</td>
<td>101</td>
</tr>
</tbody>
</table>

4.8.1 Model summary

Table 4.7 indicates an R squared (coefficient of determination) is 0.559 which means that the model explains 55.9 % of variation on market share.

Table 4.7: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.748a</td>
<td>.559</td>
<td>.022</td>
<td>.51129</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Distribution Channel Diversification, Financial Service Diversity, Service Quality Improvement, Customer Relationship Mgt

4.8.2 Analysis of Variance

The analysis of variance (ANOVA) results from the regression analysis indicate the significance of the model in explaining variation in the dependent variable (market share).

The Sig. column in Table 4.8 shows the p value which is less than 0.05 which means that the model is statistically significant. The F value is positive (F=7.650) and therefore we accept the influence of the model at 95 % confidence level.
Table 4.8: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1.632</td>
<td>4</td>
<td>.408</td>
<td>7.560</td>
<td>.001</td>
</tr>
<tr>
<td>Residual</td>
<td>25.097</td>
<td>96</td>
<td>.261</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>26.728</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Market Share
b. Predictors: (Constant), Distribution Channel Diversification, Financial Service Diversity, Service Quality Improvement, Customer Relationship Mgt

4.8.3 Coefficients results

The regression coefficient results show that the independent variables had a statistically significant effect on market share of I&M Bank. The findings show that a unit increase in service quality improvement results in a 0.259 increase in market share. A unit increase in financial service diversity results in a 0.230 increase in market share. A unit increase in customer relationship management results in a 0.193 increase in market share. A unit increase in distribution channel diversification results in a 0.096 increase in market share.

Table 4.9: Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.997</td>
<td>1.079</td>
<td>1.851</td>
</tr>
<tr>
<td></td>
<td>Customer Relationship Management</td>
<td>.193</td>
<td>.114</td>
<td>.082</td>
</tr>
<tr>
<td></td>
<td>Financial Service Diversity</td>
<td>.230</td>
<td>.176</td>
<td>.074</td>
</tr>
<tr>
<td></td>
<td>Service Quality Improvement</td>
<td>.259</td>
<td>.141</td>
<td>.047</td>
</tr>
<tr>
<td></td>
<td>Distribution Channel Diversification</td>
<td>.096</td>
<td>.134</td>
<td>.221</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Market Share

The regression results indicate that all the independent variables had a positive and statistical effect on market share. This means that the proposed regression model for the study was confirmed and thus becomes:

\[
\text{Market share} = 1.997 + 0.193 X_1 + 0.230 X_2 + 0.259X_3 + 0.096X_4
\]
4.9 Chapter summary
This chapter presented the interpretation of the study results. The chapter presented the demographic findings in charts and data was presented in frequencies. The descriptive section of the chapter summarized the study variables in terms of their means and standard deviation. Inferential statistics used were the Pearson (r) correlation and multiple regression analysis. The next chapter of the study presents a summary of the study, discussion of findings, conclusions of the study and recommendations for improvement and for further research.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter presents a summary of the study, a discussion of the study findings, conclusions of the findings, and recommendations for improvement. This sections are presented in line with the study research questions. Recommendations for further research are also highlighted in this chapter.

5.2 Summary of the Study
The purpose of this study was to determine the impact of customer retention strategies on market share among commercial banks in Kenya, a case of I&M bank. The study aimed to answer four research questions: What is the impact of customer relationship management on market share? What is the impact of financial service diversity on market share? What is the impact of service quality improvement on market share? What is the impact of distribution channel diversification on market share?

The study used a descriptive research design. The population of the study was 1,931 staff of the 43 I&M Bank branches. The target population was 160 staff members of senior management, branch managers, and customer care staff. Stratified random sampling was used to categorize the respondents into the senior management, branch managers, and customer care staff strata. Simple random sampling was then used to select participants from each of these strata.

The sample size was established as 114 respondents using a mathematical sampling formula. The data was collected using quantitative methods. A structured questionnaire was designed which consisted of 5-point likert scale items and close ended questions for personal information. The data was analyzed using Statistical Package for Social Sciences (SPSS) Version 23 software. Descriptive statistics was used to summarize nominal data using frequencies and percentages and interval data was summarized using mean and standard deviation for each of the study variables. The study measured the relationship between the independent and dependent variables using the Pearson (r) correlation. Multiple regression analysis was also conducted to show the effect of predictor variables on the response variables.
The personal information was presented in charts and the variables information was presented in tables and supported by the researcher’s interpretation.

The descriptive statistics indicate that the overall mean score for customer relationship management was 3.89 and a standard deviation of 1.179. In terms of financial service diversity, the observed overall mean score is 4.05 and a standard deviation of 0.916. Service quality improvement statements had an overall mean score was 4.07 and a standard deviation of 0.973. In regard to distribution channel diversification, the overall mean score was 3.60 and a standard deviation of 1.058. These descriptive suggest that respondents agreed that financial service diversity and service quality improvement were the major dimensions of customer retention strategies at I&M Bank. The correlation findings revealed positive and significant linear relationships between customer relationship management ($r = 0.162, p = 0.040$), financial service diversity ($r = 0.181, p = 0.020$), service quality improvement ($r = 0.266, p = 0.015$), and distribution channel diversification ($r = 0.113, p = 0.033$).

The multiple regression analysis indicated a coefficient of determination ($R^2$) value of 0.559 which means that the model explains 55.9% of variation on market share. The ANOVA results from the regression analysis indicated the significance of the model in explaining variation in the dependent variable (market share) with a $p$ value which is less than 0.05 which means that the model is statistically significant. The findings show that a unit increase in service quality improvement results in a 0.259 increase in market share. A unit increase in financial service diversity results in a 0.230 increase in market share. A unit increase in customer relationship management results in a 0.193 increase in market share. A unit increase in distribution channel diversification results in a 0.096 increase in market share.

5.3 Discussion

5.3.1 Impact of customer relationship management on market share

The study aimed to establish the impact of customer relationship management on market share. The descriptive statistics show that the overall mean score for customer relationship management was 3.89 and a standard deviation of 1.179. The findings show that respondents agreed that I&M bank has a system for capturing customer feedback.
The correlation results show a positive and statistically significant relationship between customer relationship management \((r = 0.162, p = 0.040)\) and market share. This was also confirmed by the regression analysis which revealed that customer relationship management had a 0.193 impact on market share and this was significant \((p < 0.05)\). The customer market is one of the many different markets that businesses need to consider – with research suggesting that customer retention leads to increased market share and bigger profits (Osunde, 2014).

This finding supports past studies that have found a positive relationship between customer relationship management and market share in the banking sector. Opara and Opara (2016) study revealed that there is significant relationship between customer identification, retention, and market share. Similarly, Ohaka (2015) confirmed strong positive relationship between customer satisfaction and market share in the banking industry.

Kumar (2012) opined that a greater focus on CRM is the only way the banking industry can protect its market share and boost growth. With ever increasing competition, declining market share, deregulations, smarter and more demanding customers, banks are competing to attain competitive advantage over or sustaining the competition.

Mwangi (2013) assessed the influence of relationship marketing on performance of commercial banks in Kenya and established that the market share of the company have been increasing tremendously recently owing to relationship marketing of the sampled banks. Sahu and Hota (2015) research indicated that CRM has emerged as the most widely prescribed solution for diminishing market share and customer retention through customer satisfaction.

Kabue et al. (2015) found that commercial banks in Kenya used CRM to attract and recruit new customers, monitor customer accounts, better handle customer data and complaints, create rapport with customers, increase the effectiveness of customer service, understand customer needs and expectations, identify their key customers and tailor products and services to meet customer needs and expectations.

Aluoch (2017) study on social media marketing and business growth of commercial banks in Kenya concluded that it was important for commercial banks to use social media marketing to respond to their consumers.
There is need for commercial banks to use social media to create and continue to monitor and develop an online presence which provides an avenue through which financial institutions can communicate with their customers as well as receive and send real time feedback processes, product, and services which in turn enhances their market share.

The results support those of Anuforo et al. (2015), who examined the impact of customer relationship management on bank growth in Nigeria. The study aimed to examine the influence of customer relationship management (CRM) practice on revenue (sales) growth and on the market share of commercial banks in Nigeria and established that there is a direct relationship between customer relationship management (CRM) and market share.

5.3.2 Impact of financial service diversity on market share

The study aimed to establish the impact of financial service diversity on market share. The overall mean score for financial service diversity was 4.05 and a standard deviation of 0.916. The findings also showed that respondents agree the bank’s e-commerce platform enables enterprises to sell goods and services online. The correlation results show a positive and statistically significant relationship between financial service diversity \( (r = 0.181, p = 0.020) \) and market share. This was also confirmed by the regression analysis which revealed that financial service diversity had a 0.230 impact on market share and was significant \( (p < 0.05) \).

The findings suggest that the bank’s e-commerce platform enables enterprises to sell goods and services online were the most important factors for consumers in terms of the financial service diversity. This finding is attributed to I&M Banks leadership in the commercial banking sector to introduce e-commerce services for its enterprise customers. This finding implies that the digitization of services by I&M enhanced their market share as a result of the e-commerce innovation in the commercial banking sector.

According to Al-Zoubi (2016), some of the benefits of adopting e-commerce in the banking industry include saving time to execute some procedure for example prepare order, payment for order and delivery for goods and special if goods is soft copy, saving cost for when purchased from online site and it generate high revenue for a company and increase efficiency.
In the modern global financial environment, most of the traditional banks have resorted to the use of various forms of ICT to able to grow their business and increase their market share. This has helped them to lead the competition (Baah-Acquah & Freeman, 2016). In Kenya, Asiabugwa (2012) found that the main factors which influenced the adoption of e-commerce strategy in banks to a larger extent are customer support service and the payment systems.

This finding agrees with Kashmari et al. (2016) finding that diversity of financial services offered by commercial banks over the years explained the increase of market share. Their study showed that the number of ATM machines, POS, PIN pad, SWIFT system and amount of banking facilities provided by commercial banks had causal relation in explaining the increase of the bank’s share in attracting deposits.

The results also agree with those of Azeem et al. (2015) who found evidence of a positive relationship between e-commerce and market share as a proxy for organization performance. In Ghana, Baah-Acquah and Freeman (2016) also identified a positive significance between e-commerce and all the effects on profit and market share. Ngugi, Gakure, and Mugo (2012) studied the competitive intelligence practices and their effect on profitability of firms in the Kenyan banking industry and found that the competitive edges accrued from technology intelligence include engaging in custodial services (sales and purchase of shares) after investing on the trading IT platform known as custodial Know.

Baah-Acquah and Freeman (2016) found that growth and market share emerged as the second best secondary impact of e-commerce in adoption in commercial banks in Ghana. However, this findings contradicts past studies that have shown that e-commerce usage in the banking sector in Kenya. Magatu et al. (2011) study on e-commerce usage and adoption found low levels of e-commerce utilization by customers of commercial banks. In India, Chopra (2016) evaluated e-business transformation in banking industry: opportunities and value assessment and concluded that commercial banks adopted the Business to Consumer (B2C) e-business model to increase market share.

5.3.3 Impact of service quality improvement on market share

The study sought to determine the impact of service quality improvement on market share.
The study results revealed that the overall mean score in regard to service quality improvement was 4.07 and a standard deviation of 0.973. The findings show respondents’ agreement that I&M Bank had standardized back office operations for quality service delivery. The correlation results show a positive and statistically significant relationship between service quality improvement ($r = 0.266$, $p = 0.015$) and market share. The multiple regression analysis supported the correlation showing that service quality improvement had a 0.259 impact on market share and this was significant ($p < 0.05$). The findings indicated that service quality improvement had the greatest influence on I&M bank market share.

Several studies in the literature show that commercial banks can increase their market share by improving on the services quality for their customers. Buchichi (2013) study on customer service improvement strategies at CFC Stanbic bank revealed that the Bank invested in customer improvement to boost its market share. This finding also supports earlier findings of Auka et al. (2013) that ability to provide a quality service improves a commercial banks’ ability to increase market share and profitability. Kheng et al. (2010) study also find evidence of a positive link between improvement in service quality and market share. These studies emphasize for the need for system automation of commercial bank services to be able to meet and exceed customer expectations.

The findings also indicate that system automation is the most important factor for customers. The respondents’ sentiments indicated that I&M Bank laid emphasis on its system automation as most respondents agreed that the bank had standardized back office operations for quality services delivery. This finding agree with previous research which found that commercial banks’ consumers are more concerned with the service quality that they receive from staff. For example, Lace and Kozlovsakis (2012) study on measuring service quality perception among commercial banks’ retail customers found that the strongest relationship was between customer satisfaction and competence and emotional intellect of staff.

Other studies support both arguments that commercial banks should seek to improve service quality by focusing on staff and systems to provide quality services for their consumers.
Chaoprasert, and Elsey (2004) recommended that commercial banks should focus on either personnel counter services or electronic banking services, or both, to improve their services delivered to customer which will finally leads to corporate profits and market share. Chang, Jang, Li, and Kim (2017) research on the relationship between the efficiency, service quality and customer satisfaction for state-owned commercial banks found that the bank’s service quality has a positive impact on efficiency and customer satisfaction. The study concluded that improving quality increases efficiency, because it reduces costs and time for rework, testing, and service failures, which in turn increases sales and market share.

Kombo (2015) study on the role of customer satisfaction in the Kenyan banking industry investigated current pattern of customer satisfaction in the banking industry. The results of the analysis demonstrated that the overall level of customer satisfaction was more than 60 per cent. The results also demonstrated that the most important factor for customer satisfaction was the wide availability of bank branches, and the factor most associated with customer dissatisfaction was the high prices of products and services. In addition, both satisfaction and dissatisfaction partially influence the number of banking products and banks that clients chose to open accounts with. The study further gives suggestions for policymaking and possible areas for future research.

**5.3.4 Impact of distribution channel diversification on market share**

The study aimed to identify the impact of distribution channel diversification on market share. The overall mean score for this variable was 3.60 and a standard deviation of 1.058. The findings also show a small number of respondents agreeing that I&M Bank branches are large enough for staff and customers. The correlation results show a positive and statistically significant relationship between distribution channel diversification ($r = 0.113$, $p = 0.033$) and market share. The regression analysis confirmed that distribution channel diversification had a 0.096 impact on market share and this was significant ($p < 0.05$).

The highest mean observed among the descriptive findings was that I&M banking halls were sufficient for customer service. The inferential findings show that distribution channel diversification had the least impact on market share of I&M Bank. This finding corroborates past studies that have a found a positive link between channel diversification and performance of commercial banks.
Amara (2012) study found that distribution strategies adopted by commercial banks in Kenya has led to increased sales, market share and profits. Chiteli (2013) study also showed a positive effect of agent banking model as being cost effective distribution channels to offer financial services thereby maintaining the market share of banks.

The study found that branch network was the most ranked factor distribution channel diversification. This suggests that I&M relies on the traditional distribution channel than mobile, internet, or agency banking to maintain its market share. This can be explained by the number of branches that I&M Bank has around the countries are located in areas that cater to their niche market. This finding goes against past studies that have established that internet banking is a more probable approach to creating and maintaining market share.

In Kenya, Musyoka (2011) investigated the relationship between branch network spread and financial performance of commercial banks in Kenya. The study adopted a descriptive research design in order to gather quantitative and qualitative data describing the relationship between branch network spread and financial performance of commercial banks in Kenya. The study found that there was a positive relationship between bank branch network and financial performance of the banks by increasing their market share.

Kombe and Wafula (2015) study which noted that increased adoption and penetration of internet has added a new distribution channel to retail banking. The study concluded that if ICT was effectively used, the banks can create distinctive competence which will enhance its market share. Filip et al. (2017) also found that distribution channel diversification had an impact on market share of small banks. Filip et al. study found that banks that wait or are late adopters of alternative channels of distribution lose their market share. Wei et al. (2013) conducted a study on e-banking which indicated that e-learning leads to productivity gains. Automating routine bill payments, minimizing the need to physically visit the bank and the ability to work as needed rather than on banking hours may decrease the time involved in performing routine banking activities.

Githiri (2015) studied on factors affecting customer service delivery at Standard Chartered Bank Kenya. The results of the study led to the conclusion that the consumer can be in different places during the day. He can be either in a place called home, or he can be in some other places that are within 30 miles of his home (this 30-mile radius circle constitutes the consumer’s “commuting” area).
Given this spatial randomness each consumer has to care about the location of all the branches of a given bank. They choose the bank with the most convenient network - the one with the lowest expected distance to a branch.

5.4 Conclusion

5.4.1 Impact of customer relationship management on market share
The study aimed at establishing the impact of customer relationship management on market share of I&M Bank. The concept of customer relationship was measured using three dimensions. These were customer feedback system, customer feedback analysis, engagement of CRM officers. The correlation results show a positive and statistically significant relationship between customer relationship management \( (r = 0.162, p = 0.040) \) and market share. This was also confirmed by the regression analysis which revealed that customer relationship management had a 0.193 impact on market share and this was significant \( (p < 0.05) \). The study therefore concludes that I&M bank customer feedback system has a positive effect on market share.

5.4.2 Impact of financial service diversity on market share
The study aimed to establish the impact of financial service diversity on market share. The concept of financial services diversity was measured using four dimensions. These were: Financial Service Diversity, Custodial Services, Card Services, and E-commerce. The correlation results show a positive and statistically significant relationship between financial service diversity \( (r = 0.181, p = 0.020) \) and market share. This was also confirmed by the regression analysis which revealed that financial service diversity had a 0.230 impact on market share and was significant \( (p < 0.05) \). The study therefore concludes that financial services diversity through e-commerce strategy of I&M Bank contributed to their market share.

5.4.2 Impact of service quality improvement on market share
The study sought to determine the impact of service quality improvement on market share. Service quality improvement was measured using four constructs: distinct customer service department, continuous employee training, system automation, and aligning products with customer needs. The findings show respondents agreement that I&M Bank had standardized back office operations for quality service delivery. The correlation results show a positive and statistically significant relationship between service quality improvement \( (r = 0.266, p = 0.015) \) and market share.
The multiple regression analysis supported the correlation showing that service quality improvement had a 0.259 impact on market share and this was significant (p < 0.05). The study therefore concludes that system automation strategy contributed to I&M Bank market share.

5.4.3 Impact of distribution channel diversification on market share
The study aimed at establishing the impact of distribution channel diversification on market share. Mobile banking channel, agency banking, branch network, and internet banking channel were the dimensions used to measure the concept of distribution channel diversification. The findings also show a small number of respondents agreeing that I&M Bank branches are large enough for staff and customers. The correlation results show a positive and statistically significant relationship between distribution channel diversification ($r = 0.113$, $p = 0.033$) and market share. The regression analysis confirmed that distribution channel diversification had a 0.096 impact on market share and this was significant ($p < 0.05$). The study therefore concludes that that I&M branch network strategy contributed the least impact on the bank’s market share.

5.5 Recommendations
5.5.1 Recommendations for Improvements
5.5.1.1 Impact of customer relationship management on market share
The study recommends that commercial banks and I&M Bank should continuously engaged their customers through their customers and also by integrating customer feedback systems into their day to day operations so as to be able to identify customer issues and respond to these issues in real time. The study recommends that the bank set up a customer relationship department to cater to the customer queries, compliments and complaints.

5.5.1.2 Impact of financial service diversity on market share
The study recommends that commercial banks should adopt e-commerce and innovate e-commerce services and products to cater to the customer base that use online and digital platforms to conduct their business. The study recommends that I&M Bank as an innovator in e-commerce services should enhance the services and products to maintain their market share.
5.5.1.3 Impact of service quality improvement on market share
The study recommends that commercial banks should seek to improve their system automation by supporting banks’ back office operations so as to offer seamless services for their customers. The study recommends that I&M Bank should develop strategies to provide customers with services that meet their lifestyles and needs. The study recommends that the bank establish a quality assurance department to improve the quality of service offered and to ensure that the service level standards are adhered to, so as to remain competitive in the market place.

5.5.1.4 Impact of distribution channel diversification on market share
The study recommends that commercial banks should offer customer services through different channels that are available in the market. That commercial banks should identify their target market and improve their distribution channels according to the needs of their target customers.

5.5.2 Recommendations for Further Research
The study recommends for further study on the impact of customer retention strategy on market share adopting different research approaches. This study was limited to primary data and there is need for future studies to measure the concept of market share incorporating secondary data. This study collected data from staff of commercial banks, there is need for future studies to collect data from customers of commercial banks.
REFERENCES


Geng, D., Abhishek, V., & Li, B. (2015). When the bank comes to you: Branch network and customer multi-channel banking behavior.


Dear Respondent,

I am a Masters student at the United States International University - Africa pursuing a Master’s in Business Administration (MBA). I have designed a questionnaire to gather information on “The Impact of Customer Retention strategies on market share among Commercial banks in Kenya: A Case study of I&M Bank”, I request you to assist me by answering the questions in the questionnaire as accurately as you can.

Kindly note that any information provided will be treated with utmost confidentiality and at no time will it be used for any other purpose other than for this project. Your name will also not be used in this research but rather the research number given to you by the researcher. Your assistance is highly appreciated. I look forward to your favorable response. Please tick as appropriate.

Yours Faithfully,

Changole Sharon Chepkorir

Email: changolesharon@gmail.com

Phone No: 0722 100 058

ID. 623415
APPENDIX B: QUESTIONNAIRE FOR I&M STAFF

SECTION 1: PERSONAL INFORMATION

1. Kindly indicate your current position at I&M Bank
   
   Senior Management [ ]
   Branch managers [ ]
   Customer care staff [ ]

2. For how long have you been working in I&M bank?
   
   1 - 4 Years [ ]
   5 to 9 years [ ]
   10 to 15 years [ ]
   16 to 19 years [ ]
   More than 20 years [ ]

3. Please indicate your education level?
   
   Certificate [ ]
   Diploma [ ]
   First Degree holder [ ]
   Masters [ ]
   PhD degree [ ]

4. (a) Have you worked in another bank before joining I&M Bank?
   
   Yes [ ]
   No [ ]

   (b) If Yes, please indicate the period you worked in other bank(s)?
   
   Less than 3 years [ ]
   4-6 years [ ]
   7-10 years [ ]
   More than 10 years [ ]
SECTION II: CUSTOMER RELATIONSHIP MANAGEMENT

5. Below are several statements on the impact of customer relationship management on market share of I&M bank. Kindly indicate the extent to which agree with each of the statement. Use a scale of 1-5 where; 1= Strongly Disagree, 2= Disagree, 3=Neutral, 4= Agree, 5= Strongly Agree.

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<td>i. Our Bank has a system for capturing customer feedback</td>
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<td>ii. The system is efficient in capturing customer feedback</td>
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<td>iii. Our Bank has a structured process for handling feedback</td>
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<td><strong>Customer Feedback Analysis</strong></td>
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<td>i. Our Bank analyses customer feedback to inform future strategy formulation</td>
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<td>ii. Our Bank uses customer feedback information to develop new innovative financial products</td>
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<td>iii. Information from Customer feedback system has helped the Bank provide better financial services</td>
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<td><strong>Engagement of CRM Officers</strong></td>
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<td>i. CRM has provided customer insights for long term relationships</td>
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<td>ii. Customer feedback system has provided an opportunity for cross selling the Bank’s financial products</td>
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<td>iii. Customer feedback system has helped attract customers to the Bank</td>
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<td>iv. Customer feedback system has improved the level of engagement among CRM officers</td>
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<td>v. Our Bank has used CRM to determine their willingness to continue transacting with the Bank</td>
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<td>vi. Our Bank uses CRM officers to understand the aspiration of its customers</td>
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SECTION III: FINANCIAL SERVICE DIVERSITY

6. Below are several statements on the impact of financial service diversity on market share of I&M bank. Kindly indicate the extent to which agree with each of the statement. Use a scale of 1-5 where; 1= Strongly Disagree, 2 Disagree, 3=Neutral, 4= Agree, 5= Strongly Agree.

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<td><strong>Financial Service Diversity</strong></td>
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<td>i. Our Bank has diversified financial service offering to customers</td>
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<td>ii. Our financial products are tailored to the needs of customers</td>
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<td>iii. Our services have faced stiff competition from services offered by other banks</td>
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<td><strong>Custodial Services</strong></td>
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<td>i. Our Bank offers custodial services to its customers</td>
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<td>ii. Our custodial services have been profitable</td>
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<td>iii. Our custodial services have faced stiff competition from other competitors</td>
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<td><strong>Card Services</strong></td>
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<td>i. Our Bank offers debit card services to customers</td>
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<td>ii. Our Bank offers credit card services to customers</td>
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<td>iii. Our Bank has a diversified portfolio of card products</td>
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<td>iv. Our ATMs distribution encourages usage by customers</td>
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<td>v. Our cards are internationally usable</td>
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<td><strong>E-commerce</strong></td>
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<td>i. Enterprise customers can integrate payment processes within their websites</td>
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<td>ii. The banks e-commerce offers a cost-effective epayment option for enterprise consumers</td>
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<td>iii. The bank’s e-commerce platform enables enterprises to sell goods and services online</td>
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SECTION IV: SERVICE QUALITY IMPROVEMENT

8. Below are several statements on the impact of service quality management on market share of I&M bank. Please indicate the extent to which agree with each of the statement. Use a scale of 1-5 where; 1= Strongly Disagree, 2 Disagree, 3=Neutral, 4= Agree, 5= Strongly Agree.

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<td><strong>Distinct Customer Service Department</strong></td>
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<td>i. Our Bank has a distinct customer service department</td>
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<td>ii. Our customer service department always looks for ways of delighting customers</td>
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<td>iii. Our customer service department is more proactive in its approach to customer issues</td>
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<td><strong>Continuous Employee Training</strong></td>
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<td>iv. Our Bank has training programs to improve the efficiency among staff</td>
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<td>v. Training programs in the Bank are tailored to the diverse needs of departments / functions</td>
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<td>vi. Our Bank has trained employees on the importance of positive attitude when dealing with customers</td>
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<td>vii. Our Bank has a well-developed talent development programs for employees</td>
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<td>viii. Our Bank encourages on the job training for optimal impact</td>
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<td><strong>System Automation</strong></td>
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<td>ix. Our Bank has standardized back office operations for quality service delivery</td>
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<td>x. Our Bank has trained its staff on new systems adopted in operations</td>
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<td>xi. Our Bank has adopted modern advanced technology for improved service delivery</td>
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<td><strong>Aligning Products with Customer Needs</strong></td>
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<td>xii. Our financial products are aligned to the needs of customers</td>
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<td>xiii. Our Bank has diversified customer contact points for optimal service delivery</td>
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<td>xiv. Employees are provided with adequate working equipment in the Bank</td>
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### SECTION V: DISTRIBUTION CHANNEL DIVERSIFICATION

10. Below are several statements on the impact of distribution channel diversification on market share of I&M bank. Please indicate the extent to which agree with each of the statement. Use a scale of 1-5 where; 1= Strongly Disagree, 2 Disagree, 3=Neutral, 4= Agree, 5= Strongly Agree.

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<td><strong>Mobile banking Channel</strong></td>
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<td>i. Our bank has invested in mobile banking technology</td>
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<td>ii. Our mobile banking technology has improved customer preference for our bank</td>
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<td>iii. Our Bank has a real time mobile banking services</td>
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<td>iv. Our Bank has created a partnership with all mobile money transfer firms</td>
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<td><strong>Agency Banking</strong></td>
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<td>v. Our Bank has adequate agency banking network for its customers</td>
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<td>vi. Our Bank agents provide similar quality services as those offered by the Bank</td>
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<td>vii. Our Bank has a well distributed agency network</td>
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<td>viii. Our Bank has adequate agency distribution network for customers</td>
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<td><strong>Branch Network</strong></td>
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<td>ix. Our Bank has sufficient branch network for its customers</td>
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<td>x. Our branches are large enough for staff and customers</td>
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<td>xi. Our Branch network is well distributed across the country</td>
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<td>xii. Our branches have adequate personnel to serve customers</td>
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<td><strong>Internet Banking Channel</strong></td>
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<td>iii. Our bank has a well-functioning internet banking</td>
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<td>iv. Our internet banking is affordable to majority of the customers</td>
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<td>xv. Our internet banking is convenient for customers</td>
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<td>vi. Our internet banking has been adopted by a majority of customers</td>
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SECTION VI: MARKET SHARE

7. Below are several statements on the concept of market share for companies. Kindly indicate the extent to which you agree with each in regard to your Bank. Use a scale of 1-5 where; 1= Strongly Disagree, 2 Disagree, 3=Neutral, 4= Agree, 5= Strongly Agree.

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<thead>
<tr>
<th>STATEMENT</th>
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<tr>
<td>Market Share</td>
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<tr>
<td>i. The number of customers in our bank has increased</td>
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<td>ii. The volume transacted by customers in our Bank has increased over the last five years</td>
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<td>iii. The profitability of our Bank has increased as compared to other banks</td>
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</table>

THE END

THANK YOU