COMPETITIVE STRATEGIES IMPLEMENTATION AND QUALITY SERVICE DELIVERY IN STANDARD CHARTERED BANK (K) LTD

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ABSTRACT

The banking industry in Kenya is quite competitive and the number of players in the Banking industry is relatively large. This makes the firms in the sector to continually create, implement, assess and improve on strategies so as to remain relevant and competitive in this market. Although, many banks have been implementing strategies in their respective organizations and reorganizing their business processes with regard to service delivery. It is important to note that more than 70 per cent of standard package implementation projects fail. The main objective of the study was to establish the competitive strategies implementation and quality service delivery in standard chartered bank (K) ltd. The study adopted a descriptive research design. The target population of this study was the 1787 standard chartered bank (K) ltd retail customers and 116 management staff working in standard chartered bank (K) ltd headquarters and Moi avenue branch, Kenyatta avenue branch, Harambee avenue and Koinange street branch. The study employed stratified random sampling technique in coming up with a sample size of 320 respondents from a total of 1903 of representatives of management staff working in standard chartered bank (K) ltd and retail bank customers. Primary data was collected. On the primary data, questionnaires were used to collect data. The quantitative data in this research was analyzed by descriptive statistics using statistical package for social sciences (SPSS) version 21. Data was presented in tables, charts and graphs. Content analysis was used in processing of this data and results presented in prose form. In addition, a multivariate regression model was applied to determine the relative importance of each of the three variables with respect to SCBK competitiveness. Based on the research findings the study concludes that cost leadership strategies have a great influence on service delivery in Standard Chartered bank. The study also concludes that market focus is very important strategy in influencing service delivery to the customers in Standard Chartered bank. The research further concludes that differentiation as a competitive strategy implemented by Standard Chartered bank contributes significantly to its service delivery to their esteemed customer. The study also concludes that product development strategies affects quality of service delivery to a moderate extent. The study recommends that Standard Chartered bank particularly should create marketing departments. The study also recommends that Standard Chartered bank should aim at achieving above-average returns over competitors and also improves its service delivery through monitoring the costs of activities provided and maintaining low charges on services offered. Since customer’s tests and preferences keep on changing, there is need for Standard Chartered bank to study the market to understand what the customers want and change with the changing times.

Key Words: *competitive strategies implementation, quality service delivery, Standard Chartered Bank (K) Ltd.*

INTRODUCTION

The business of the twenty first century irrespective of its size is going to be part of the global business community affecting and being affected by social change, events and pressures from around the world. This is so because the business environment is changing, dynamic, turbulent, discontinuous and highly competitive. In this period, the relationship between business and society has changed radically. Building long-term relationships with customers has become a critical strategy for most financial institutions in today's competitive financial markets (Olanipekun, 2014).

Globally, strategy implementation is slowly taking into account functional areas such as accounting, marketing, human resource management, or information management (Kibicho, 2015). The competitive business environment has resulted into complexity and sophistication of business decision-making. Managing various and multi-faceted internal activities is only part of the modern executive’s responsibilities. The firm’s immediate external environment poses a second set of challenging factors. To deal effectively with all that affects the ability of a company to grow profitably, executives design strategic processes they feel will facilitate the optimal positioning of the firm in its competitive environment. Strategic processes if well implemented allow more accurate anticipation of environmental changes and improved preparedness for reacting to unexpected internal and competitive demands (Fiberesima & Abdul, 2013).

According to Arthur, Strickland and Gamble (2008), strategy implementation can be referred to as the process in which the planned strategies are translated into carefully implemented action. It is the fourth phase in the strategic management process which comes after strategy formulation, analysis of alternative strategies and strategic choice. Pearce and Robinson (2011) observed that to ensure quality service delivery, the strategy must be translated into guidelines for the daily activities of the firm’s members. The strategy and the firm must also become one such that the strategy is reflected in the way the firm organizes its activities and in the firm’s values, beliefs and culture.

Strategic implementation enables banks define their strategies which provide a central purpose and direction to its activities to people who work in the bank and often to the outside world. Strategic implementation enables banks to adapt under conditions of external pressure caused by changes in environment. Banks can and often do create their environment besides reacting to it. The banking business environment in which firms operate is dynamic and turbulent with constant and fast paced changes that often render yesteryears strategies irrelevant. Top management and decision makers of banking firms must constantly think strategically about the future of their organizations. The environmental turbulence necessitates an equal need for rapid recognition of appropriate strengths, opportunities to be exploited, threats to be countered and weakness to be overcome (Pearce & Robinson, 2011).

Well justified decisions and clearly defined strategies if well implemented are vital if the firm is to achieve its goals and objectives while optimizing the use of its resources. The business environment has known various changes that have compelled managers to develop and adopt responsive strategies in order to remain relevant (Peng, 2013). Organizations that have ignored the severity of these changes and not made good strategic choices have shut down. Iravo et al. (2013) stated that one of the important questions in business has been why some organizations succeed and why others fail and this has influenced a study on the strategic implementation determinants of organizational performance. Strategic implementation determinants of performance involve the translation of business strategies into deliverable results. It combines financial, strategic and operating principles to gauge how a company is able to meet its targets (Mshenga & Owuor, 2009). Strategic implementation determinants of performance are closely linked to specific strategies and value drivers in order to maximize organizational performance and may include aspects such as an organization inherent strategic orientation and core competences including its capabilities.

Banks across African region are under intense pressure to perform in today's volatile market place. In the last two decades researches have shown that strategic management and human resource management are among the most important aspects of strategies to creating customer satisfaction (Mukhtar, Inam, Ashiq, Amjad & Nasar, 2014). The recent trend of competitive banking era focuses on formulation and execution of corporate strategies and planning practices and its significant effect on the financial performance of the banks (Sherer & Lee, 2014).

Taking the study into context and perspective, a review of the banking industry in Kenya portrays a slow surge in growth which has been attributed to various factors among them the low morale of employees, high turnover and also staff poaching. A study done by Seth et al. (2015) indicate that the banking industry has become complex and at the same time the dynamic mutation witnessed with regards to regulatory changes and increasing competition have rendered strategic planning and implementation unavoidable. The Kenya Banking Outlook report 2013 also indicate that there are emerging market in the banking industry thus a well formulated and accounted for strategy is needed for any success to be witnessed among industry players.

The average growth rate of General Banking business (GIB) was 15.9% in year 2011. However, 22% recorded negative growth, 35% recorded below average growth, 32% had 16% - 50% growth while 11% recorded growth of over 50% during the same year (Kenya Banking Survey, 2012). This shows that some banks have continued to perform poorly while others have been successful. Some factors leading to poor performance are inability to deal with intensive cut-throat competition, lack of innovative products and poor customer services. Majority of banking companies in Kenya may have developed concrete strategic plans but their performances have not improved. This may probably be due to poor strategy implementation. Some companies however, might not be having strategic plans and decisions are based more on ad hoc basis. Unless strategic plans are implemented successfully, the desired results may not be achieved (Mumo, 2012).

Availability of cost leadership strategies and product development strategies in many banking firms remains as a major challenge as most staff are not professionally trained in banking matters (Ogongo, 2014). This leads to new product innovation problems that greatly affect development of products with higher demand in the market. During strategy implementation, designing actions plans for guiding strategy implementation process is key problem facing many banking firms in Kenya (Ndede, 2010).

The Standard Chartered Bank Kenya Limited is one of the leading banks in Kenya, with an excellent franchise and brand. It has a total of 39 branches spread across the country, 95 automated teller machines (ATMs) and one thousand six hundred and ninety eight employees. The bank has local shareholding of about twenty six percent and has been a public quoted company on the Nairobi Securities Exchange since 1989. The bank trades under the symbol SCBK.

The Standard Chartered Bank Kenya Limited was the first Kenyan bank to be awarded the ISO 9002 certification in technology systems. The Kenyan subsidiary hosts the regional shared service center supporting the bank's technology operations in Uganda, Tanzania, Zambia, Botswana and South Africa on a real time basis. The bank was the first bank to introduce in Kenya the first automated banking Centre for 24-hour convenience. The Standard Chartered Bank Kenya Limited is committed to building a sustainable business in Kenya and believes that building a sustainable business will drive shareholder value. The bank's capital base, deposit base, and lending portfolio is reported in Kenya Shillings, and offer a variety of local and foreign currency accounts, both deposit and loan. The bank has a diversified portfolio cutting across select sectors that include business services, manufacturing, wholesale and retail trade, transport and communication, real estate, agriculture, energy and water. The Standard Chartered Bank Kenya Limited was also the first bank to launch banking business solutions for corporate customers and has also been awarded several awards for their excellence services e.g. Best Foreign Bank in Kenya 2012-EMEA Africa Finance Awards and second position Best Bank in Kenya 2012-Think Business Banking Awards.

STATEMENT OF THE PROBLEM

The banking industry in Kenya is quite competitive and crowded. According to Kibicho (2015), the number of players in the Banking industry is relatively large. There are Forty Three (43) Banks in a small market of about Kshs. 20 Billion. This makes the firms in the sector to continually create, implement, assess and improve on strategies so as to remain relevant and competitive in this market. Although, many banks have been implementing strategies in their respective organizations and reorganizing their business processes with regard to service delivery (Kibicho, 2015), it is important to note that more than 70 per cent of standard package implementation projects fail (Munoru, 2015). Menano (2014) stated that building long-term relationships with customers has become a critical strategy for most financial institutions in today's competitive financial markets. As the current economic environment becomes more competitive and introducing new brands becomes increasingly costly, companies must find new strategies to improve their service delivery and competitiveness. Corporate worldwide have been aggressively trying to build new competencies and capabilities, to improve on service delivery (Mantravadi & Reddy, 2008). As organizations seek to enhance their service delivery in an increasingly global marketplace, they are discovering that they can maintain quality and improve their performance by adopting different strategies which will enable them to position themselves favorably and improve their overall performance.

Banks in Kenya face the challenges of fluctuating demand and stiff competition from other financial institutions such as Saccos and MFIs and also an upsurge in the number of commercial banks in the country. Customers are increasingly following special interests and an upsurge in the number of financial institutions needs poses greater challenges for the players in the industry (Gatoto, Wachira & Mwenda, 2015). Banks have a daunting task of making sure that they receive a large number of customers who will also use word of mouth to market them to other customers. Many commercial banks in Kenya have not attained the status of excellence they desire for quality of service. They fail miserably in their attempts to consistently satisfy the needs and wants of cosmopolitan and culturally diverse customers in the global village of the 21st century. One main strategy used by companies in the banking industry including the Standard Chartered Bank in a bid to cut cost is downsizing. The Standard Chartered Bank as a result loses their market share and experience high employees' turnovers, diluting the workforce quality and therefore the quality of services offered (Menano, 2014). People complain about late deliveries, rude or incompetent personnel and needlessly complicated procedures. They express frustration about mistakes on their credit card bills or bank statements, mutter about poor value, and sigh as they are forced to wait in line almost everywhere they go. This is despite the Standard Chartered Bank daunting effort to implement a customer focus based on giving friendly, fast and accurate services, relationship management and solving customer financial needs. The bank has employed different strategies such as cost leadership, differentiation and focus strategies which have yielded different performance results. There are many gaps that need to be addressed for the banking industry to deliver appropriate and quality customer services. With the different results, one would wonder just what is the best strategy or strategies for a bank to adopt to improve quality service delivery. In the past, strategies and quality service delivery in the African and especially Kenyan banking industry was an understudied area. The studies and research in the banking sectors were mainly on specific studies and especially on marketing rather than on strategy implementations determinants. The research was also mostly conducted in the European market for example by Jungerhem and Larsson (2012).

However, there is much distrust of the banking sector among the low income earners, mostly out of ignorance, thus there is need for proper strategic implementation in order to tap the vastly un-served market of low income households in need of banking services. These challenges can be addressed effectively by strategic implementation. It is therefore imperative to study the competitive strategic implementation determinants of quality service delivery among individual banks in Kenya (Wachiuri, 2013). A lot of studies in the recent past by various authors which concentrated on the Kenyan banking industry such as Ogongo (2014) conducted a research on customer retention strategies adopted by commercial banks in Kenya and found that differentiation as a competitive strategy influenced performance positively. It however found no association between cost and focus strategies and performance. Abishua (2010) carried out a survey on the strategies used by equity bank to compete in the Kenyan banking industry. The researcher found that the bank has been able to create new markets in uncontested areas like hair salons, millet growing (for brewing) and dairy industry, so its competition strategies are heavily bent on using blue ocean strategies. In their research, Keteko (2014) provided recommendation on how commercial banks should remain competitive. The researchers advised that in order for banks to stay ahead of competition, it's imperative for them to continually scan the environment so that the organizations adjust their strategic responses to accommodate the demands of the environment.

Mwangangi (2014) investigated the effect of service recovery strategies on service quality in commercial banks in Kenya. The study found out those service recovery strategies: comprehensive formal strategy, accessibility and influence strategy, central authority strategy and intensity strategy are all adopted in almost equal proportions by banks in Kenya. Mumo (2012) researched on strategies used by Standard Chartered Bank in building a sustainable competitive advantage in international banks and revealed that the most commonly used competitive strategies in the industry are cost leadership and differentiation strategies. Arising from the above studies, it is evident that different banks adopt unique and different strategies to remain competitive. However, no study has been done to establish the effect of the competitive strategy implementation on the quality of service delivery in the banking sector. The study therefore aimed to determine the various strategies Standard Chartered Bank Kenya Limited have adopted in order to achieve a quality service delivery.

GENERAL OBJECTIVE

The main objective of the study was to establish the competitive strategies implementation and quality service delivery in standard chartered bank (K) limited.

SPECIFIC OBJECTIVES

1. To determine the effect of cost leadership strategies on quality service delivery in standard chartered bank (K) ltd
2. To establish the effect of differentiation strategies on quality service delivery in standard chartered bank (K) ltd
3. To determine the extent to which market focus strategies affects quality service delivery in standard chartered bank (K) ltd
4. To determine the effect of product development strategies on quality service delivery in standard chartered bank (K) ltd

THEORETICAL REVIEW

Porter's Generic Model

Porter (1998) identifies five forces of competition as fierce rivalry, threat to entry, threat to substitutes, power of suppliers and power of buyers. He upholds that understanding the forces that shape a sectors competition is the basis for developing a strategy. Generic strategies can be effectively correlated to organizational performance by using key strategic practices. Porter posits that if the forces are extreme, no organization earns striking returns on investment and if the forces are benign, most of the companies are profitable. The composition of the five forces varies by industry and that an organization needs a separate strategy for every distinct industry such as the banking industry. Porter's (1998) generic strategies comprise of low cost, differentiation, focus and combination strategies. These are commonly conventional as a strategic typology for all organizations.

Porter (2008) asserts that an organization is mostly concerned with the amount of competition within its industry. He asserts that low cost and differentiation are distinct ends of a continuum and that may for no reason be related to one another has sparked a great deal of theoretical debate and empirical research. This debate may have been partly encouraged by the absence of conceptual building blocks supporting his value system theory. Scholars have since postulated theories that argue against Porter’s point of view, proposing that low cost and differentiation may really be independent dimensions that should be strongly pursued concurrently (Sifuna, 2014). Empirical research using the MIS database by Miller and Dess (2013) suggests that the generic strategy framework could be enhanced by viewing cost, differentiation and focus as three dimensions of strategic positioning other than as three discrete strategies. The idea that pursuing multiple sources of competitive advantage is both feasible and desirable has also been supported by other researchers (Buhalis & Law, 2008). Thus, the research in strategic management following from Porter does not provide explicit support for Porter’s original formulation.

Porter’s model is an influential tool for methodically diagnosing the main competitive pressures in a market and assessing how strong and significant each one is. Gituku and Kagiri (2015) observed that a correct analysis of the five forces will assist a firm choose one of the generic strategies that will successfully enable the organization to compete profitably in an industry. Managers in the banking industry therefore can only develop and choose winning strategies by first identifying the competitive pressures that exists, measuring the virtual strength of each and gaining a profound understanding of the sector’s whole competitive structure.

Porters Model allows for the determination of the attractiveness of the industry. With the knowledge about intensity and power of competitive forces, banking industry in East Africa can then develop options to influence them in a way that improves their own competitive position. To survive, the banks must adapt their strategies to suit the dynamic market place. The winning strategy selected can change the impact of competitive forces on the firm. The aim is to decrease the power of competitive forces. Although numerous companies pursuing cost and differentiation concurrently may become trapped in the middle, there is patent evidence to suggest that at least some companies have been triumphant in achieving higher economic performance by pursuing both advantages (Simon, 2012).

Neo-Institutional Theory

Oliver (1996) posits that neo-institutional theory explains heterogeneity and differentiation. Through institutional embeddedness and interconnection, the creation of competitive advantages can be explained because institutional embeddedness has an impact on organizational behaviour, causing it to seek an economic and social fit. Differentiation supports and sustains competitive advantage, but conformity to institutional pressures provides legitimacy, resources, and competitive advantage. In contexts where institutional and competitive pressures exert strong influences, the strategic decisions of managers result both in conformity to institutional pressures, which leads to isomorphism and legitimacy, and in differentiation, which, following the resource-based view of the firm, can increase the possibility of creating a competitive advantage through heterogeneity in resources and capabilities. Although both alternatives have an influence on quality service delivery and the creation and maintenance of dominant market positions, little attention has been paid to the analysis of the influence of conformity on quality service delivery and competitive advantage.

Differentiation tends to reduce rivalry, increasing the possibility of building competitive advantages, whereas conformity improves the social support of stakeholders and therefore the legitimacy of the firm. Differentiation reduces competitiveness and the fight for scarce resources, thereby improving quality service delivery; but on the other hand, conformity makes all organizations similar and, therefore, the competitive pressures are stronger. Differentiation will create benefits and dominant positions that will last until competitors imitate a firm's key resources, and will be restored through the creation of new opportunities that result in a new competitive advantage and new entry barriers (Ogbonna & Harris, 2013). The new lines of institutional thinking answer this question and establish a point of connection with the resources-based view.

Mathematical Theory of Games

The mathematical theory of games was invented by Johnson and Scholes (2012). Game theory is the study of the ways in which strategic interactions among rational players produce outcomes with respect to the preferences (or utilities) of those players, none of which might have been intended by any of them. Game theorists, like economists and philosophers studying rational decision-making, describe these by means of an abstract concept called utility. This refers to the amount of 'welfare' an agent derives from an object or an event. Welfare refers to some normative index of relative well-being, justified by reference to some background framework. In the case of people, it is most typical in economics and applications of game theory to evaluate their relative welfare by reference to their own implicit or explicit judgments of it Mintzberg (2013).

Brands, as a result of innovations and differentiation, can be considered as a method of signaling quality and other product characteristics to consumers. This allows various models developed in game theory to be applied, such as Akerlof (1970) classic "market for lemons" model in which price signals quality. As is well known, patents and copyrights add value by deterring competitors from making use of the same work and allow the patent or copyright holder to enjoy exclusive use of the intellectual work for a limited time. However, game theory shows that such a deterrence effect can also occur in the absence of patents and copyrights. The simplest scenario is where the market is limited and there is overcapacity in the industry. In such a scenario, an incumbent that makes a pre-emptive move by making a large investment may deter new entrants if the entrant believes that the incumbent will react aggressively to entry, or if the move allows the incumbent to move so far down the learning curve that it is difficult for new entrants to catch up. The mere fact of making a large investment may be enough to deter entry even if there is no patent or copyright protection. Most of the examples that can be quoted are practical benefits of applying game theory in the valuation of quality service delivery. However, game theory provides additional benefits in allowing one to draw insights about how to gain strategic value from intellectual capital. The conventional strategic management wisdom expounded by many authors (Grant, 2002) is that, in order for a firm's resources (including product development strategy) to quality service delivery, they must be difficult to replicate, durable and imperfectly mobile or not easily traded.

Theory of Strategic Balancing

Strategic balancing is founded on the premise that the strategy of an organization is partly comparable to the strategy of an individual. Certainly, the performance of organizations is influenced by the actors' behavior, such as the system of leaders' values (Conger & Kanungo, 1988). An organization wavers between many antagonistic poles that signify cooperation and competition. This allows for existence of various configurations of alliances that disappear only if the alliance swings in the direction of a mainstream of poles of confrontation.

Strategic balancing is comprised of three models which include: relational, symbiotic and deployment models. Competition attests to be part of the relational model and the model of deployment. It can be liable to undulation between the two aggressive strategies, one being primarily cooperative as depicted by the relational model and the other being predominantly competing as exemplified by the model of deployment. The organization can then take turns in adopting the two strategies so as to keep their relationship balanced. This argument is very close to that of Belsley et al, (1980). According to Belsley et al (1980), there are three types of competitive relationships: competition-dominated, cooperation-dominated, and equal relationships. The latter is also comparable to the fluctuation between the relational model and the model of deployment as described by Barney (2002).

Market focus strategies, should concentrate on the customer preferences. A number of African banks have achieved this. Felter (2013) used the key intelligence topics (KIT) process to identify and prioritize the major intelligence needs of senior management and the organization itself. This made sure that intelligence operations were successful and suitable intelligence was produced. Their approach is valuable since it allows corporate intelligence staff to recognize strategic issues and as a result senior management can guarantee that action is taken regarding the results given. The additional advantages are that an early warning system can be created and this will allow possible threats to the organization and major players in the industry are identified and monitored.

RESEARCH METHODOLGY

Research Design

Frankfort-Nachmias and Nachmias (2012) describe research design as 'a logical model of proof that allows the researcher to draw inferences concerning causal relations among the variables under investigation'. The study adopted a descriptive research design. This approach was suitable for this study, since the study intended to collect comprehensive information through descriptions which was helpful for identifying variables. Bryman and Bell (2013) assert that a descriptive design seeks to get information that describes existing phenomena by asking questions relating to individual perceptions and attitudes. They further describe descriptive research studies as studies that have, as their main objective, the accurate portrayal of the characteristics of persons, situations, or groups, and/or the frequency with which certain phenomena occur. The method was chosen since it was more precise and accurate as it involves description of events in a carefully planned way (Orodho, 2003).

Target Population

According to Nassiuma (2000), a population is a well-defined or set of people, services, elements, and events, group of things or households that are being investigated. The target population of this study was the 1787 standard chartered bank (K) ltd retail customers and 116management staff working in standard chartered bank (K) ltd headquarters and Moi avenue branch, Kenyatta avenue branch, Harambee avenue and Koinange street branch. The study focused more on the top, middle and low level management staffs who are directly dealing with the day to day management of the bank since they are the ones conversant with the subject matter of the study.

Sample Frame and Sampling Technique

The sampling technique describes the sampling unit, sampling frame, sampling procedures and the sample size for the study. The sampling frame describes the list of all population units from which the sample will be selected (Cooper & Schindler, 2013). To obtain the desired sample size for the study with the population of 1903, Nassiuma (2000) formula was used. The study employed stratified random sampling technique in coming up with a sample size of 320 respondents from a total of 1903of representatives of management staff working in standard chartered bank (K) ltd and retail bank customers. Stratified random sampling is unbiased sampling method of grouping heterogeneous population into homogenous subsets then making a selection within the individual subset to ensure representativeness (Bryman & Bell, 2013). The goal of stratified random sampling is to achieve the desired representation from various sub-groups in the population. The method was used since the population could be divided into distinct groups bearing distinct characteristics. From each stratum, simple random sampling was used to select the respondents for the questionnaires.

Data Collection Instruments

Data collection is a means by which information is obtained from the selected subjects of an investigation (Sproul, 2011). The primary research data was collected from the management staff working at standard chartered bank (K) ltd. Closed ended questions were used in an effort to conserve time and money as well as to facilitate an easier analysis as they are in immediate usable form; while the open-ended questions was used as they encouraged the respondent to give an in-depth and felt response without feeling held back in revealing of any information. With open ended questions, a respondent's response gave an insight to his or her feelings, background, hidden motivation, interests and decisions

Data Collection Procedure

This refers to means by which the researcher used to gather the required data or information. The study used primary data (Kothari, 2003). On the primary data, questionnaires were used to collect data. The researcher administered the questionnaire individually to all respondents. Care and control by the researcher was exercised to ensure all questionnaires issued to the respondents were to be received. To achieve this, the researcher maintained a register of questionnaires, which was sent and received. The questionnaire was administered using a drop and pick later method to the sampled respondents.

Data Analysis

After data collection, data analysis was done. This process was important as it made data sensible. Data analysis tool that were used dependent on the type of data that was to be analyzed depending on whether the data was qualitative or quantitative. The quantitative data in this research was analyzed by descriptive statistics using statistical package for social sciences (SPSS) version 21. This version was used since it is the most recent version of SPSS and hence it has got advanced features. Descriptive statistics includes mean, frequency, standard deviation and percentages to profile sample characteristics and major patterns emerging from the data. In addition to measures of central tendencies, measures of dispersion and graphical representations were used to tabulate the information. To facilitate this Likert Scale was used to enable easier presentation and interpretation of data. Data was presented in tables, charts and graphs. Content analysis was used in processing of this data and results presented in prose form.

In addition, a multivariate regression model was applied to determine the relative importance of each of the three variables with respect to SCBK competitiveness. Multiple regressions was a flexible method of data analysis that may be appropriate whenever quantitative variables (the dependent)was to be examined in relationship to any other factors (expressed as independent or predictor variable). Relationships may be non-linear, independent variables may be quantitative or qualitative and one can examine the effects of a single variable or multiple variables with or without the effects of other variables taken into account (Cohen, West & Aiken, 2013).

In testing the significance of the model, the coefficient of determination (R2) was used to measure the extent to which the variation in quality service delivery in Standard chartered bank is explained by the variations in competitive strategies implementation determinants. F-statistic was also computed at 95% confidence level to test whether there is any significant relationship between strategic management determinants and SCBK quality service delivery.

This analysis was done using SPSS software and the findings presented in form of a research report. All necessary diagnostic tests were performed.

RESEARCH RESULTS

Pearson Correlation Analysis

Pearson correlation coefficient was used determine the strength and the direction of the relationship between the dependent variable and the independent variable.

Table 1: Pearson Correlation Analysis

		Service delivery	Market focus	differentiation	Product development	Cost leadership
Service delivery	Pearson Correlation	1				
	Sig. (2-tailed)					
Market focus	Pearson Correlation	.419	1			
	Sig. (2-tailed)	.070				
differentiation	Pearson Correlation	.825	.711	1		
	Sig. (2-tailed)	.054	.068			
Product development	Pearson Correlation	.673	.542	.440	1	
	Sig. (2-tailed)	.075	.066	.083		
Cost leadership	Pearson Correlation	.743	.565	.771	.715	1
	Sig. (2-tailed)	.029	.043	.073	.030	

From the table cost leadership has a weak positive correlation with quality service delivery and is significant at 0.029. Market focus correlates with quality service delivery with 0.419 and significant at 0.043. Differentiation also strongly correlates positively with quality service delivery with 0.825 and also significant with 0.073. Product development strategies have a positive correlation with quality customer delivery with 0.673 and also significant with 0.030.Cost leadership have a positive correlation of 0.743 and significant at 0.029

REGRESSION ANALYSIS

Regression analysis shows how independent variable is influenced with independent variable

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.829	.687	.607	1.00922

Table 2 is a model fit which establish how fit the model equation fits the data. The R2 was used to establish the predictive power of the study model and it was found to be 0.720 implying that 68.7% of quality service delivery in Chartered bank of Kenya is affected by the following variables; cost leadership strategies, market focus strategies, differentiation strategies and product development strategies leaving 31.3% unexplained. Therefore, further studies should be done to establish the other factors (31.3%) that influence the quality service delivery in Standard Chartered bank Kenya limited.

Table 3: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	4.946	4	2.986	2.932	.009
	Residual	1.019	10	1.019		
	Total	5.965	14			

The probability value of 0.009 indicates that the regression relationship was significant in determining how cost leadership strategies, market focus strategies, differentiation strategies cost and product development strategies that influence the quality service delivery in Standard Chartered bank Kenya limited. The F calculated at 5 percent level of significance was 2.932. Since F calculated is greater than the F critical (value = 2.4495), this shows that the overall model was significant.

Table 3: Coefficients of Determination

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.564	.455		1.045	.048
Cost leadership	.743	.663	.732	1.120	.016
Market focus	.419	.344	.409	1.217	.043
Differentiation	.825	.390	.802	2.114	.038
Product development	.673	.378	.581	.195	.027

The established model for the study was:

$$Y = 2.564 + 0.743\ X_1 + 0.419\ X_2 + 0.825 X_3 + 0.673\ X_4$$

The regression equation above has established that taking all factors into account (cost leadership strategies, market focus strategies, differentiation strategies and product development strategies). Constant at zero competitive strategies implementation the service quality delivery is 2.564.The findings presented also show that taking all other independent variables at zero, a unit increase in the cost leadership would lead to a 0.743 increase in the score of quality service delivery and a unit increase in the scores of market focus strategy would lead to a 0.743 increase in the scores of quality service delivery. Further, the findings shows that a unit increases in the scores of differentiation would lead to a 0.825 increase in the scores of service delivery in Standard chartered bank. The study also found that a unit increase in the scores of product development strategy would lead to a 0.673 increase in the scores of quality service delivery in Standard chartered bank. Overall, differentiation had the greatest effect on the on the quality service delivery in Standard Chartered bank; followed by cost leadership, and then market focus strategy had the least effect on quality service delivery in Standard chartered bank of Kenya. All the variables were significant ($p<0.05$).

DISCUSSION

Cost Leadership

From the study it was found that capacity utilization influences quality service delivery in the bank to a very great extent, linkages influences quality service delivery in the bank to a great extent. Furthermore integration influences quality service delivery to a great extent. Cost advantage has a moderate influence on quality of service delivery. Findings summaries that interrelationships influence quality of service delivery to a moderate extent. Finally, economies of scale influence the quality of service delivery in the charted bank to a moderate extent. The findings are in agreement with Kaliappen and Hilman (2014) study which notes that Cost leadership strategy helps firms to produce the standard, high-volume product or service at the most competitive price to customers.

Market focus

The study revealed that type of market segments influences quality service delivery in the bank to a great extent, Choice of segment influences quality service delivery in the bank to a moderate extent. The results also noted that need analysis influence quality service delivery to a moderate extent. The results are supported by McQuarrie (2014) who stressed that focus aims at growing market share through operating in a niche market or in markets either not attractive to, or overlooked by, larger competitors.

Differentiation

The findings summarize that product influences quality service delivery in the bank to a great extent, place influences quality service delivery in the bank to a moderate extent. Results of the findings summarize that distribution influences quality service delivery to a moderate extent. Promotion also influences quality of service delivery to a moderate extent. Findings also summarize that price influences quality of service delivery to a moderate extent. The findings supports Porter (1998) studies which posited that a firm may obtain a competitive advantage by creating a higher value for its customers than the cost of creating it, either by adopting a differentiation strategy or an efficiency strategy.

Product Development Strategies

The study established that branch network/agencies influences quality service delivery in the bank to a great extent and that innovation capability influences quality service delivery in the bank to a moderate extent. Product replacement influences quality service delivery to a moderate extent. Product line extension also influence quality of service delivery to a low extent. The findings are in conjunction with Porter, (1998) findings which highlights that the firm grows by diversifying into new businesses by developing new products for new markets.

Service Delivery

In relation to service delivery the study found that ability to provide services as promised of Standard Chartered bank is excellent. The study also summarizes Standard Chartered banks is good at providing services at promised time. Maintaining free error records is also good with Standard Chartered bank. Furthermore, standard chartered bank are fair in ability to perform the promised service accurately and dependably. Finally the results of the findings summarizes that Standard Chartered bank is poor in dependability in handling customers problem.

CONCLUSIONS

Based on the research findings the study concludes that cost leadership strategies have a great influence on service delivery in Standard Chartered bank. The company that takes into consideration of linkages, integration cost advantage, interrelationships and economies of scale has service delivery that is efficiency and appealing to the customers. The study also concludes that market focus is very important strategy in influencing service delivery to the customers in Standard Chartered bank. From the findings of the study we concludes that quality of service delivery is influenced by the following important aspects of market focus; type of market segments, choice of segment as well as need analysis. The research further concludes that differentiation as a competitive strategy implemented by Standard Chartered bank contributes significantly to its service delivery to their esteemed customer. Differentiation aspects adopted by Standard Chartered bank such as product differentiation, place analysis, proper distribution channel, increased promotion and proper pricing results to quality service delivery of the Standard Chartered bank. The study also concludes that product development strategies affects quality of service delivery to a moderate extent. Taking into consideration the following aspects in relation to product development; branch network/agencies, innovation capability, product replacement, and product line extension the quality of service delivery in the company improves with improve of these aspects.

RECOMMENDATIONS

Standard Chartered bank particularly should create marketing departments. Such departments need to be strengthened by employing people with the needed skills, knowledge and experience in marketing related functions. This will ensure revenue growth, customer satisfaction and financial sustainability. This is because marketing is the core of the forces that drive business success and profit. It is necessary for Standard chartered bank to fashion out customer service packages that include product availability and innovations. The nature of each component requires research as different service offerings with different interest rates are likely to be needed by each of them and different marketing strategies and approaches are likely to be essential. Standard Charted bank needs to strengthen their marketing planning capabilities especially in the area of environmental awareness. This is especially so, because of the consequences of changes in the environment on the operations of Standard Chartered bank and their implications for SCBK choice of strategy. There is also the need to introduce new products on an incremental basis. This ought to be done by introducing one or very few at a time, so that SCBK staff and clients can manage, monitor and understand them properly. Product innovations should not be a one-stop gap measure, but an on-going program to improve the quality of financial services being made available to clients. Furthermore, differentiation appears as a critical driver for quality service delivery in Standard Chartered bank, which could perform the role of a bridge that links the positive influence of customer satisfaction to organizational performance. Therefore, management ought to focus and invest more on differentiation as it could be used as a major competitive advantage tool against competitors in the industry and it is capable of guaranteeing the long term survival of the organization. The Standard Chartered bank should adopt differentiation strategies that address needs of specific market segments. To achieve this, clients' needs must be identified by way of continuously seeking customer feedback and promptly addressing them. So as to adequately address customers need the clients should be involved in product development. Research has shown that customer preferences keep changing, which translates into a guiding principle that products must keep changing so as to ensure sustained customer satisfaction.

It is evident that competitor keep changing their approach in bid to win and keep the clients. In response to this, microfinance institutions must not only scan the environment to identify the strengths and weaknesses of the competitors but also keep improving the quality of their personnel, systems, facilities and the feature of the existing products. Product differentiation equally serves to cushion the banks from competition in the industry. Products with superior features ensure that customer loyalty is guaranteed which ensures a wider customer base. When the foundation of the business is a clientele that keep growing high profits are reported hence strengthening the brand. A sizable market share enables the bank to compete effectively with other financial institutions in the country. The study recommends that Standard Chartered bank should aim at achieving above-average returns over competitors and also improves its service delivery through monitoring the costs of activities provided and maintaining low charges on services offered. The study recommends that Standard Chartered bank should incorporate new technology in the industry so as to ensure that they improve on quality and efficiency in service delivery. The study recommends that Standard chartered bank need to come up with policies that aim at delivering their services to customers who are in remote areas. By doing this, the bank will be able to expand the customer outreach and thus remain competitive in the industry as well improving its quality of customer delivery. Lastly, since customer's tests and preferences keep on changing, there is need for Standard Chartered bank to study the market to understand what the customers want and change with the changing times. It should offer products that are competitive and that attract customers.

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