

Competitive strategies applied by bank agents to sustain their market share(A case of commercial banks in Migori County)

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Abstract:

The banking industry has experienced a rapid growth in terms of profits, deposits and revenues in the recent past. This trend has triggered a lot of competition in the banking industry. Most commercial banks have managed to weather this competition to stand out among the most successful Kenyan businesses today. These banks have introduced and are currently thriving on agency banking business as well. This paper analyzes the strategies that are being used by bank agents to compete in the Kenyan banking industry. To achieve this, the study will focus on the following objectives; to establish the effects of service quality on bank agent's market share, to determine the value of technology on bank agent's market share, to examine the relationship between product knowledge and branding and bank agent's market share, to find out the influence of organization structure on bank agent's market share, to determine the agents monthly transaction volume. The study intends to use self-administered questionnaires to the target respondents who will be a sample of commercial bank agents in Migori County.

The study shall consider a sample of ten (10) agents each for the three commercial banks currently engaging in agency banking in Migori County. The research will also use secondary data for the study. The data will be analyzed using both descriptive and inferential statistical analyses. The study shall consider whether bank agents use the following strategies to respond to competition in the banking industry: Service quality, technology, product knowledge and branding, and organization structure. These variables are expected to build competitive advantages that can be exploited to sustain and further grow the available market share. The agent's case study is relevant to researchers studying the following topics: Business in Kenya, bank pricing, marketing, micro-finance, bank business model, and strategy. It is equally useful to all the players in the banking industry as it provides an insight to some of the revenue addition strategies.