

## EFFECT OF STRATEGIC ALLIANCE ON COMPETITIVENESS OF KENYA COMMERCIAL BANK IN THE NORTH RIFT REGION, KENYA

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### ABSTRACT

This research aimed at determining the effect of Strategic Alliance on Competitiveness of Commercial Bank. The study Specific Objectives of the study were to determine effect of Technological Alliance, assess the effect of Product Alliances, establish effect of Marketing Alliance, and evaluate the effect of Joint venture Alliance on Competitiveness of the Kenya Commercial Bank in the north rift region. The study adopted four theories, main one being The Resource Based View Theory. The study used Descriptive Research Design. The area of study was the Kenya Commercial Bank(KCB)North Rift Region. The target population of the study was 407 respondents in management departments in KCB north rift region. This study used Stratified Random Sampling Technique to collect data from the Sample Frame. Questionnaire was used as the main data collection instrument. The data was analyzed using Regression Analysis and Descriptive Statistics (SPSS version 24). There was a strong positive relationship between strategic alliance and competitiveness of the Kenya commercial bank. The findings of this study revealed that Technological Alliances had a positive and statistically significant effect on Competitiveness of Commercial Bank with ( $r=0.630$ ;  $p<0.05$ ), Product Alliances had a positive and statistically significant effect on Competitiveness of Commercial Bank with ( $r=0.605$ ;  $p<0.05$ ), Marketing Alliance had a positive and statistically significant effect on Competitiveness of Commercial Bank with ( $r=0.611$ ;  $p<0.05$ ) and Joint Venture Alliance had a positive and statistically significant effect on Competitiveness of Commercial Bank with ( $r=0.620$ ;  $p<0.05$ ). Recommendations; the Bank Managers to give more emphasis on utilization of Product Alliances since it helps the Bank in diversification of its products and services to the customers.

**Keywords:** Strategic Alliance, Competitiveness.

### INTRODUCTION

Competitiveness of banks focuses on prosperity created from economic activity that creates value by providing products and services at prices above their cost of production (Porter, 2011). A firm will attain competitiveness if it is able to deliver its products or services at a low cost than its competitors. If the quality of such products and services are satisfactory, this translates into higher returns for the firm (Bryson, 2018). Strategic alliance is a competitive strategy that differentiates companies from their active rivals hence maintains a very innovative way of survival. Thompson et al., (2007) stresses that without strategic alliance financial companies are at high risk of strong market participants who are more effective, efficient and profitable. study review by Grant (2016) show that competitiveness of commercial banks exists as open systems hence they are in constant interaction within the environment in which they operate. In this era of ever changing global economy with every organization striving to achieve a competitive advantage the changes present both opportunities and challenges. Pilbeam (2018)

noted that competitiveness of commercial banks is demonstrated by its common function of the strategies through value creation. Further, Sheikh (2015) established that competitiveness of commercial banks in economy is paramount because they execute monetary policies and provide means of facilitating payment for goods and services in the domestic and international trade.

### **Statement of the problem**

Strategic alliance is of great significance to the success of bank competitiveness. However more often, allied banks are unwilling to share relevant knowhow required especially in planning, budgeting and leadership of such allied banks. According to Grant (2016), The level of mutual sharing of the know how is still lagging in developing countries, including Kenya. Lack of attention to changes in the economic environment and competitive climate has made commercial banks competitiveness unimpressive, although commercial banks have tried to embrace strategic alliance; however, this has limited their attainment of a competitive advantage. Due to immense growth of the world economy competition in the global market have increased which necessitated strategic alliance formation among commercial banks. However, despite allying with other firms there were still issues of competitiveness in commercial banks. Some of the reasons attributed to this include, the non-performing loans, low credit standards for borrowers and lack of attention to changes in the economic environment. This have made it hard to achieve competitiveness in the Market.

### **Objectives**

- i. To determine the effect of technological alliances on competitiveness of commercial bank.
- ii. To assess the effect of product alliances on competitiveness of commercial bank.
- iii. To establish effect of marketing alliances on competitiveness of commercial bank.
- iv. To determine the effect of joint venture alliance on competitiveness of commercial bank.

### **Research hypotheses**

**H0<sub>1</sub>:** Technological alliances have no significant influence on competitiveness of commercial bank.

**H0<sub>2</sub>:** Product alliances have no significant influence on competitiveness of commercial bank.

**H0<sub>3</sub>:** Marketing alliances has no significant influence on competitiveness of commercial bank.

**H0<sub>4</sub>:** Joint venture alliance has no significant influence on competitiveness of commercial bank

## **LITERATURE REVIEW**

### **Technological Alliances and Competitiveness**

Koriyow and Karugu (2018) investigated the relationship between technology alliance and competitiveness of the commercial banks in Garrisa County, Kenya. The study realized that majority of the commercial banks in Kenya have embraced Competitive intelligence practices and have a functional CI (Continuous Integration) framework. Ngwili (2016) sought to find out which technological strategies have been used by Kenya Commercial Bank as it expands its horizons to the international markets. The study found out that strategy analysis and implementation was really important in the bank's decision of entering the international markets.

Aydalot and Keeble (2018) studied on growth and innovation on high technology on commercial banks in the United States. The study found that firms that have embraced

technology well have an advantage over those that have not. This study limited its analysis to a single industry, hence limited findings as well. The study found that three issues positively influenced a start up's time to Initial Public Offering. The better the reputations of participating venture capital firms and strategic alliance partners were, the more money a start-up raised, and the larger was the size of a start up's network of strategic alliances.

### **Product Alliances and Competitiveness**

Zaefarian, Forkmann, Mitreğa and Henneberg (2017) evaluated impact on product innovation success and commercial banks competitiveness in Lagos. Results showed that Product innovation success can be linked with the performance of the overall company. Without product innovation success, most companies will not be able to survive in the competitive market place. Previous research has found that product innovation success is linked to sustainable competitive advantages of the firm. Harrigan (2017) examined relationship between product alliances and competitive change in commercial banks Columbia.

### **Marketing Strategic Alliances and Competitiveness**

Husain, Dayan and Di Benedetto (2016) evaluated impact of marketing on competitiveness of commercial banks in India. The study found that Marketing alliances can increase firm value in several key ways. First, a marketing alliance supplies a firm with access to new knowledge and skills. Such access means that firms do not need to develop these internally.

### **Joint Venture Alliance and Competitiveness**

Shen and Cheung (2018) studied on how forming joint ventures may affect market. Concentration in commercial banking industry in Hong Kong. The findings showed that for active contractors, due to the network among them, forming JVs lowers market concentration for occasional contractors, forming JVs increases market concentration.

Yan and Luo (2016) researched on International Joint Ventures of commercial banks in Canada. The research study pointed out that parent companies of the Joint venture are usually separate entities, and a different group where one parent company has acquired.

## **Methodology**

### **Research design**

The study used Descriptive Research Design. According to Cooper and Schindler (2013), a descriptive study is concerned with finding out what, where and how a phenomenon in relation to the study findings. Descriptive research design was preferred because it enabled the researcher to generalize the findings to a larger population.

### **Target population**

The researcher targeted all the employees from Kenya commercial banks in Kenya and the accessible target population was 407 employees from Kenya Commercial bank in the North Rift Region: 22 Human Resource, 55 Credit operation officers, 110 Marketing officers, 77 Finance officers, 22 Managers, 11 Risk and Audit staff, 55 Supply officers and 55 Customer Relations officers. Appendix II shows 11 Commercial Banks located in the North Rift Region.

### **Sample size and sampling technique**

This study used Stratified Random Sampling Technique to collect data from the respondents' sample size of 407 employees was used. According to Fetcher (2009), if the target population is less than 10,000, then the sample can be determined using a Yamane (1967) formula. The sample size of this study was drawn using the formula as follows:

$$n = N / (1 + Ne^2)$$

Where

n represented corrected sample size,

N represents population size, and

e represents Margin of error (MoE) (0.05) based on the research condition.

$$n = 407 / (1 + 407 * 0.05^2)$$

$$n = 201$$

**Table 1.0 Sample Size**

| Employees          | Accessible population | Sample size |
|--------------------|-----------------------|-------------|
| Human Resource     | 22                    | 11          |
| Credit operation   | 55                    | 27          |
| Marketing          | 110                   | 54          |
| Finance            | 77                    | 38          |
| Managers           | 22                    | 11          |
| Risk and Audit     | 11                    | 6           |
| Supplies           | 55                    | 27          |
| Customer Relations | 55                    | 27          |
| <b>Total</b>       | <b>407</b>            | <b>201</b>  |

### Data analysis

After data collection, data was checked for consistency. Data was then analysed using both descriptive and inferential statistics. Descriptive statistics such as standard deviation, mean score, frequencies and percentages for each variable was calculated and tabulated using frequency distribution tables. In order to test the correlation of variables, correlation test including the Pearson Product-Moment Correlation Coefficient using multiple regression analysis.

### Results

#### Technological Alliances and Competitiveness of Commercial Bank

The first objective was to determine the effect of technological alliances on competitiveness of commercial bank in the North Rift Region. The descriptive results for technological alliances were presented in Table 4.6.

The results as presents in Table 4.6 showed that majority of respondents 134 represented by (83.2%, Mean =4.01 and Stdv=1.222) agreed that vertical alliances affects competitiveness of commercial banks. Respondents who disagreed on the statement were 25 represented by (15.5%).

**Table 4.6 Technological Alliances and Competitiveness of Commercial Bank**

|   | S<br>E      | E           | N           | A                | S<br>A           | Mea<br>n | Std.<br>Deviation |
|---|-------------|-------------|-------------|------------------|------------------|----------|-------------------|
| 1. Vertical alliances have helped Kenya commercial bank in building economies of                      | 1<br>4<br>8 | 1<br>1<br>6 | 2<br>1<br>1 | 6<br>7<br>4      | 6<br>7<br>4      | 4.01     | 1.222             |
| 2. Vertical alliances have enabled Kenya commercial bank share risks.                                 | 1<br>4<br>8 |             | 7<br>3<br>4 | 3<br>1<br>2      | 1<br>0<br>6      | 4.32     | 1.165             |
| 3. Horizontal alliances help the bank produce quality product and services and speed up productivity. | 5<br>3<br>1 | 1<br>4<br>8 | 1<br>1<br>6 | 3<br>7<br>2<br>3 | 9<br>4<br>5<br>8 | 4.25     | 1.107             |
| 4. Horizontal alliances encourage entry to the new markets with effective cost.                       | 1<br>6      | 7<br>4      | 6<br>3      | 4<br>8<br>2      | 9<br>9<br>6      | 4.47     | .814              |
| 5. The bank share technology expertise with its allied partners.                                      | 2<br>1      | 1<br>4<br>8 | 1<br>9<br>1 | 5<br>3<br>3<br>2 | 7<br>3<br>4<br>5 | 4.12     | 1.011             |
| Total N=161   |             |             |             |                  |                  |          |                   |

### Product Alliance and Competitiveness of Commercial Bank

The third objective of the study was to establish effect of marketing alliances on competitiveness of commercial bank in the North Rift Region. The findings indicated that majority of the respondents 140 represented by (87.0%, Mean=4.20 and Stdv=1.073) agreed that logistics alliance affects competitiveness of commercial banks. Respondents who disagreed were 17 represented by (10.6). The study also asked the respondents to opine on the statement product alliances contribute to diversification. The findings as presented in Table 4.8 revealed that 127 represented by (78.9%, Mean=4.15 and Stdv=1.056) agreed that product alliances contribute to competitiveness of commercial banks. The respondents who disagreed were 12 represented by (7.4%).

The study findings on service alliance revealed that 134 represented by (83.2%, Mean=4.16 and Stdv=1.127) of the respondents' agreed that service alliance leads to competitiveness of commercial banks. Respondents who disagreed were 14 represented by (8.7%). The study findings on product alliance revealed that majority of the respondents 134 represented by (85%, mean=4.24 and Std. Deviation= 0.967) agreed that product alliance affects competitiveness of commercial banks. The respondents who disagreed were 9 represented by (5.6%). The study findings were in line with Fang *et al.*, (2015) who posited that new product development alliances some involves marketing activities which improve firm shareholder value. Further the respondents were asked to respond to the statement on product alliance. The findings of the study as presented in Table 4.8 indicated majority of the respondents 149 represented by (92.6%, mean=4.31 and Std. Deviation= 0.846) agreed that product alliance encourages production of complementary products to the market. The respondents who disagreed were 8 represented by (5.0%).

**Table 4.7 Product Alliance and Competitiveness of Commercial Bank**

|  | S<br>D    | D            | A          | S<br>A                     | Mean | Std.<br>Devia<br>tion |
|--|-----------|--------------|------------|----------------------------|------|-----------------------|
| 1. Logistics alliance promotes supper production and service delivery within time frame. | 8<br>5.0  | 9<br>5.<br>6 | 61<br>37.9 | 7<br>4<br>9<br>.<br>1      | 4.20 | 1.073                 |
| 2. Product alliances contribute to diversification.                                      | 7<br>4.3  | 5<br>3.<br>1 | 50<br>31.1 | 7<br>4<br>7<br>.<br>1      | 4.15 | 1.056                 |
| 3. Service alliances lead to customer satisfaction and retention.                        | 12<br>7.5 | 2<br>1.<br>2 | 56<br>34.8 | 7<br>4<br>8<br>.<br>8      | 4.16 | 1.127                 |
| 4. Product alliances have a positive effect on customer satisfaction.                    | 6<br>3.7  | 3<br>1.<br>9 | 59<br>36.6 | 7<br>4<br>8<br>.<br>8      | 4.24 | .967                  |
| 5. Product alliance encourages production of complementary products to the market.       | 4<br>2.5  | 4<br>2.<br>5 | 75<br>46.6 | 7<br>4<br>4<br>.<br>6<br>. | 4.31 | .846                  |
| Total N=161  |           |              |            |                            |      |                       |

### Marketing Alliance and Competitiveness of Commercial Bank

The second study objective was to assess the effect of product alliances on competitiveness of commercial bank in the North Rift Region. The descriptive results for marketing alliances were presented in Table 4.7. The findings indicated that majority of the respondents 151 represented by (93.8%, mean=4.32 and Std. Deviation= 0.762) agreed that promotion alliances have enhanced the Competitiveness of Commercial Bank. Respondents who disagreed were 5 represented by (3.1%).

The study response on logistics alliance statements indicated that majority of the respondents 133 represented by (82.6%, mean=4.22 and Std. Deviation= 0.866) agreed that logistics alliance affect competitiveness of the commercial bank. Respondents who disagreed were 6 represented by (3.7%).

The study response on pricing alliance statement revealed that majority of the respondents 119 represented by (73.9%, mean=4.04 and Std. Deviation= 1.185) agreed that pricing alliance affects competitiveness of commercial banks. Respondents who disagreed were 29 represented by (18. 0%). The study response on product alliance revealed that majority of the respondents 149 represented by (92.5%, mean=4.36 and Std. Deviation= 0.795) agreed that product alliance affect competitiveness of commercial banks. Respondents who disagreed were 4 represented by (2.5%). Further respondents were asked to respond on the statement advertising alliances

encourage growth on market share of the Kenya commercial bank. The findings as presented in Table 4.7 indicated that majority of the respondents 149 represented by (92.5 mean=4.33 and Std. Deviation= 0.789) agreed that advertising alliances affect competitiveness of commercial banks. Respondents who disagreed were 4 represented by (2.5%).

**Table 4.8 Marketing Alliance and Competitiveness of Commercial Bank**

|   | S<br>D | D       | N      | A      | S<br>A  | Me<br>an | Std.<br>Deviat<br>ion |
|---|--------|---------|--------|--------|---------|----------|-----------------------|
| 1. Promotion alliances have enhanced the Competitiveness of Commercial Bank.                    | 3      | 2       | 5      | 8<br>2 | 6<br>9  | 4.3<br>2 | .762                  |
|   | 1      | 1       | 3      | 5<br>0 | 4<br>2  |          |                       |
|   | 9      | 2       | 1      | .<br>9 | 9       |          |                       |
| 2. Logistics alliance has promoted effective coordination of activities within the bank system. | 2      | 4       | 2      | 6<br>1 | 7<br>2  | 4.2<br>2 | .866                  |
|   | 1      | 2       | 1      | 3<br>7 | 4<br>4  |          |                       |
|   | .<br>2 | .<br>5  | 3<br>7 | .<br>9 | 7<br>7  |          |                       |
| 3. Pricing alliances has enabled Kenya commercial bank to remain competitive in the market.     | 3      | 2       | 1      | 3<br>8 | 8<br>1  | 4.0<br>4 | 1.185                 |
|   | 1      | 1       | 8      | 2<br>3 | 5<br>0  |          |                       |
|   | .<br>9 | 6<br>.1 | .<br>1 | .<br>6 | 3<br>3  |          |                       |
| 4. Product alliances have promoted production of quality products.                              | 4      | 0       | 8      | 7<br>4 | 7<br>4  | 4.3      | .795                  |
|   | 2      | 0       | 5      | 4<br>4 | 4<br>8  |          |                       |
|   | .<br>5 | .<br>0  | .<br>0 | .<br>1 | 8.<br>4 |          |                       |
| 5. Advertising alliances encourages growth on market share of the Kenya commercial bank.        | 4      | 0       | 8      | 7<br>4 | 7<br>4  | 4.3      | .789                  |
|   | 2      | 0       | 5      | 4<br>7 | 4<br>5  |          |                       |
|   | .<br>5 | .<br>0  | .<br>0 | .<br>2 | 5.<br>3 |          |                       |

**Total N=161,**

### Joint Venture Alliance and Competitiveness of Commercial Bank

The fourth objective of the study was to determine the effect of joint venture alliance on competitiveness of commercial bank in the North Region. The descriptive results for joint venture alliances were presented in Table 4.9.

The respondents were asked to respond to the statement that joint venture alliances increases survival chances in the banking sector. The findings of the study as presented in Table 4.9 indicate that majority of the respondents 145 represented by 90.0% (mean=4.18 and Std. Deviation= 0.836) agreed that joint venture alliances increases survival chances. The respondents who disagreed were 14 represented by (8.7%).

Respondents were requested to give their opinion on the statement that joint venture agreements strengthen limited cooperation of the bank. Majority of the respondents 151 represented by 93.8% (mean=4.18 and Std. Deviation= 0.836) agreed that joint venture agreements strengthen limited cooperation. The respondents who disagreed were 6 represented by (3.7%).

Also respondents were asked to give their opinion on the statement that separate joint venture increase market power. Findings showed that 150 represented by 93.1% (mean=4.34 and Std. Deviation= .751) agreed that separate joint venture increases market power on competitiveness of commercial banks. 5 respondents represented by (3.1%) disagreed with the statement that separate joint venture increase market power. Respondents further gave their views on the statement that joint venture alliances duration increases problem solving potential. Findings revealed that 138 represented by 85.7% (mean=4.20 and Std. Deviation= .717) of the respondents agreed that joint venture alliances duration affect competitiveness of commercial banks. 1 respondent represented by (0.6%) disagreed that joint venture alliances duration affect competitiveness of commercial banks.

Additionally, respondents gave their opinion on the statement that joint ventures attract business partnership with other corporations. Findings revealed that 131 represented by 81.4% (mean=4.17 and Std. Deviation= .875) agreed that joint ventures attract business partnership. The respondents that disagreed were 7 represented by (4.3%).

**Table 4.9 Joint Venture Alliance and Competitiveness of Commercial Bank**

|   | S<br>D | I | N | A | S<br>A | M<br>ea | Std.<br>Deviati |
|---|--------|---|---|---|--------|---------|-----------------|
| 1. Joint venture alliances increase survival chances in the banking sector. | 0      | 1 | 2 | 8 | 5      | 4.      | .836            |
| 2. Joint venture agreements strengthen limited cooperation of the bank.     | 2      | 4 | 4 | 7 | 7      | 4.      | .763            |
| 3. Separate joint venture increase market power.                            | 2      | 3 | 6 | 7 | 7      | 4.      | .751            |
| 4. Joint venture alliances duration increases problem solving potential.    | 1      | 0 | 2 | 8 | 5      | 4.      | .717            |
| 5. Joint ventures attract business partnership with other corporations.     | 2      | 5 | 2 | 6 | 6      | 4.      | .875            |
| Total N=161   | 1      | 3 | 1 | 4 | 4      |         |                 |

### Strategic Alliance and Competitiveness of Commercial Bank

The study focused on competitiveness of commercial banks and particularly addressed adoption of technological alliances, product quality improvement, tastes and preferences, service delivery and sales volume. The research study was interested with the opinions of the respondents on the extent to which such constructs affect competitiveness of commercial bank. The descriptive results were presented in Table 4.10.



The study respondents were requested to give their opinion on the statement that market share increased after adoption of technological alliance. The findings of the study as presented in Table 4.10 revealed that majority of the respondents 150 represented by 93.2% (mean=4.25 and Std. Deviation= .854) agreed and minority 10 represented by 6.2% disagreed that market share has increased over time since adoption of technological alliances. The study respondents were asked to respond to the statement that product quality has improved and are competitive in market. The findings as presented in Table 4.10 revealed that majority of the respondents 151 represented by (93.8%, mean=4.27 and Std. Deviation= .821) agreed that product quality has improved and is competitive in market.

Minority of the respondents 10 represented by (6.2%) disagreed with the statement. The study also asked respondents to give their views on the statement that banks provide tailored services/products to suit the needs, tastes and preferences to our customers. The study findings as presented in Table 4.10 revealed that majority of the respondents 151 represented by (93.8%, mean=4.31 and Std. Deviation= .808) agreed and minority 8 represented by (4.0%) disagreed that banks provide tailored services/products to suit the needs, tastes and preferences to our customers. The study requested respondent to provide their opinion on the statement that service delivery has improved tremendously with adoption of technological alliance. Findings revealed that majority of the respondents 147 represented by 91.3% (mean=4.33 and Std. Deviation= .907), agreed and minority 8 represented by (4.9%) disagreed with the statement that service delivery has improved tremendously since the adoption of multiple strategic alliances.

Finally, the study requested respondents to give their opinion on the statement that sales volume has increased since production process is good. Findings as presented in Table 4.10 showed that majority of the respondents 150 represented by (92.8%, mean=4.26 and Std. Deviation= .675) agreed that sales volume has increased since production process is good and minority 2 represented by 1.2% disagreed.

**Table 4.10 Strategic Alliance and Competitiveness of Commercial Bank**

|   | S<br>D      | L           | N           | A            | S<br>A      | Mea<br>n | Std.<br>De<br>viat<br>. |
|---|-------------|-------------|-------------|--------------|-------------|----------|-------------------------|
| 1. Market share has increased over time since adoption of technological alliances.                | 4<br>2<br>. | 6<br>3<br>. | 1<br>.<br>6 | 8<br>5<br>2. | 6<br>4<br>1 | 4.25     | .85                     |
| 2. Product quality has improved and is competitive in market.                                     | 4<br>2      | 4<br>2      | 2<br>1      | 8<br>5       | 6<br>4      | 4.27     | .82                     |
| 3. Provide tailored services/products to suit the needs, tastes and preferences to our customers. | 3<br>1<br>. | 5<br>3<br>. | 2<br>1<br>. | 8<br>4<br>9. | 7<br>4<br>4 | 4.31     | .80                     |
| 4. Service delivery has improved tremendously.  | 9<br>6<br>3 | 1<br>2<br>1 | 2<br>6<br>3 | 7<br>6<br>4  | .<br>8<br>5 | 4.33     | .90                     |
| 5. Sales volume has increased since production process is good.                                   | 2<br>1      | 0<br>0      | 9<br>5      | 9<br>3<br>5  | 5<br>7<br>3 | 4.26     | .67<br>6                |
| Total N=161   | .           | .           | .           | 7.<br>5      | 5           |          |                         |

**Correlation results**

The study conducted Correlation analysis using Pearson's product moment correlation coefficient and regression analysis. Correlation is a statistical technique that shows how strongly pairs of variables are related. The correlation coefficient ranges from -1 to +1. the correlation coefficient value of -1.000 indicates a perfect negative correlation and a correlation coefficient value of +0.001 to +1.000 indicates a perfect positive correlation and a correlation coefficient value of 0.000 implies that there is no relationship between the study variables (Orodho, 2013). The correlation results were as shown in Table 4.15.

**Table 4.15: Overall Correlation Analysis Results**

|   |                            | <b>Technological Alliances</b> | <b>Product Alliances</b> | <b>Marketing Alliances</b> | <b>Joint Venture Alliances</b> | <b>Competitiveness of Commercial Bank</b> |
|---|----------------------------|--------------------------------|--------------------------|----------------------------|--------------------------------|---|
| <b>Technological Alliances</b>            | Pearson<br>Sig. (2-tailed) | 1                              |                          |                            |                                |   |
| <b>Product Alliances</b>                  | Pearson<br>Sig. (2-tailed) | .574**                         | 1                        |                            |                                |   |
| <b>Marketing Alliances</b>                | Pearson<br>Sig. (2-tailed) | .461**                         | .610*                    | 1                          |                                |   |
| <b>Joint Venture Alliance</b>             | Pearson<br>Sig. (2-tailed) | .651**                         | .393*                    | .605**                     | 1                              |   |
| <b>Competitiveness of Commercial Bank</b> | Pearson<br>Sig. (2-tailed) | .630**                         | .605*                    | .611**                     | .620                           | 1   |

\*\*Correlation is significant at the 0.01 level (2-tailed).

**CONCLUSIONS**

The study concluded that vertical alliances have helped Kenya commercial bank in North Rift region build economies of scale. Horizontal alliances have helped Kenya commercial bank enter to the new markets with effective cost, logistics alliance promotes supper production and service delivery within time frame, product alliances have helped Kenya commercial bank in North Rift Region diversify in its products. Adoption of Product alliances has promoted production of quality products in the Kenya commercial banks. Joint venture alliances have enabled Kenya commercial banks increase survival chances in the banking sector and also joint ventures attract business partnership with other corporations. In addition, market share has increased over time since adoption of technological alliances and product quality has improved and is competitive in market.

## RECOMMENDATIONS

The study recommends to the bank managers to give more emphasis on utilization of product alliances since it helps the bank in diversification of its products and services to the customers. The study also recommends to the bank managers and stakeholders to further give more priority to pricing alliances because it will enable the commercial bank to remain competitive in the market

The study recommends to policy makers to consider incorporation of joint ventures since it attract business partnership with other corporations.

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