

**EFFECT OF DIGITAL MARKETING STRATEGIES ON PERFORMANCE OF  
COMMERCIAL BANKS IN KENYA**

**BY**

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**MASTER OF BUSINESS ADMINISTRATION (MARKETING MANAGEMENT)**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE  
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**OCTOBER, 2024**

## DECLARATION

I declare that this Dissertation is my original work and has not been previously published or submitted elsewhere for award of a degree. I also declare that this contains no material written or published by other people except where due reference is made and author duly acknowledged.

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I do hereby confirm that I have examined the master's degree dissertation of

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And have approved it for examination.

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Project Supervisor

## ABSTRACT

Due to the advancement in technology, the world is changing at full speed. Our life has majorly been changed by the digital space in the world, from physical interactions, as well as to connect each person through social media and provide utmost convenience through the various applications we use every day. Digital marketing is today the most common way of communicating and create awareness since the evolution of digital technology. World over, stiff completion has been witnessed in the financial sector. Kenya has not been spared. This sector has had several challenges over time that has affected the industry's performance. The challenges include COVID-19 pandemic, increasing competition from fintech and other financial institutions locally and globally, shift in culture, change in models of business, higher expectations, retaining customers and breach of security, as well as regulatory compliance and outdated mobile experiences. This necessitated the need of this study to understand the effect of strategies that are used digitally market on how Kenyan commercial banks perform. The purpose of this study was to establish how strategies of digital marketing are related to commercial banks performance in Kenya. Porter's Five Forces Theory, Kotler Marketing Theory and Innovation diffusion theory guided the study. The study adopted descriptive research design. This study's target population was the 39 Kenyan commercial banks. This study adopted stratified sampling to select respondents from 80% of each of the 9 Tier 1, 8 Tier 2 and 21 Tier 3 strata of banks. The study used purposive sampling technique to allow the four heads of departments in each of the sampled commercial bank to respond. Therefore, the total sample size of this study was 120 respondents. Questionnaires were used for collecting data. Statistical Package for Social Sciences (SPSS), version 26 was used to analyse. Results show that commercial bank performance had a significant positive linear correlation with the following strategies: email marketing ( $r=0.432$ ;  $p=0.010$ ), social media marketing ( $r=0.470$ ;  $p=0.000$ ), website marketing ( $r=0.432$ ;  $p=0.000$ ) and mobile banking marketing ( $r=0.403$ ;  $p=0.008$ ). The regression model indicated an R value of 0.483, a squared R value of 0.233 and a modified R-squared value of 0.219. Therefore, email marketing, social media, website marketing and mobile banking marketing accounted for 23.3% of the variability in commercial bank performance. It further revealed that among the four independent variables, social media marketing strategy had the most significant influence on performance of commercial banks. Furthermore, the descriptive data suggested that most banks do not use website marketing strategy. Based on the findings, it is recommended that financial institutions should prioritize dedicating resources to social media marketing, as it had the most substantial effect on commercial bank performance. There is also need for the bank management to invest significant resources in utilization of website marketing. At the same time, commercial bank management should conduct their marketing strategies using the SWOT analysis so as to identify weak aspects of their respective strategies and make a deliberate investment in enhancing them. This study is significant to commercial banks and policy experts in that they can use the study findings to develop digital marketing strategies so as to enhance bank performance. Financial analysts and consultants can also gain knowledge that could help them to run their businesses. To the academia, this study contributes to the bulk of information that benefits researchers, scholars and students so as to stimulate additional research in marketing.

**Key words:**

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## **DEDICATION**

This research project is dedicated to the Almighty God, the creator, my source of inspiration, strong pillar, divine knowledge, wisdom and understanding. I also dedicate this work to my husband, James, my sons Jaydon and Jasiri, as well as my dear dad, Richard Kigane and loving mum, Ruth Okwisa.

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## ABBREVIATIONS AND ACRONYMS

<b>ANOVA</b>	Analysis of Variance
<b>AU</b>	African Union
<b>CBA</b>	Commercial Bank of Africa
<b>CBK</b>	Central Bank of Kenya
<b>CRM</b>	Customer Relationship Management
<b>ICT</b>	Information and Communication Technology
<b>KCA</b>	Kenya College of Accountancy
<b>KCB</b>	Kenya Commercial Bank
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MSN</b>	Microsoft Network
<b>NACOSTI</b>	National Commission for Science, Technology and Innovation
<b>NIC</b>	National Industrial Credit
<b>PLC</b>	Public Limited Company
<b>ROE</b>	Return on Equity
<b>ROI</b>	Return on Investment
<b>SACCOs</b>	Saving and Credit Cooperative Organization
<b>SDGs</b>	Sustainable Development Goals
<b>SEM</b>	Search Engine Marketing
<b>SEO</b>	Search Engine Optimization
<b>SME</b>	Small and Medium Enterprises
<b>SPSS</b>	Statistical Package for Social Sciences
<b>SSA</b>	Sub Saharan Africa
<b>TV</b>	Television
<b>USA</b>	United States of America

## OPERATIONAL DEFINITION OF TERMS

- Commercial banks** – According to the Economic Times (2023), a commercial bank is a financial institution whose purpose is to accept deposits from people and provide loans and other facilities. Commercial banks provide basic services of banking to their customers and small to medium-sized businesses.
- Digital marketing strategies** – These are technological strategies used in marketing to create a positive image with considerable potential (Sedlack, 2016).
- Email Marketing** – It is the promotion of services or products using computer-based messages and/ or telecommunication technology (Chaffey, 2011).
- Social media marketing** – It is the process of creating content for social media platforms to promote products or services, build community with your target audience, and drive traffic to your business (Baker, 2022).
- Website marketing** – This is the promotion of a website to drive relevant traffic to the site (Santos, 2022). It is aimed at attracting interested people to products or services of a particular company.
- Performance** – It is a measure of effectiveness and efficiency of the marketing, sales, managerial and financial activities, as well as strategies of enterprises (Lin & Lin, 2016). It is a way that business enterprises meet or rather realize specific goals, whether long-term or medium.
- Financial sector** – Financial sector is the set of institutions, instruments, markets, as well as the legal and regulatory framework that permit transactions to be made by extending credit (World Bank, 2023).

## CHAPTER ONE

### 1.1 Background of the Study

The financial sector has undergone through a period of major turmoil. It has been difficult to maintain the confidence and awareness of customers. Customers keep demanding for quality services from the financial institutions. This has increased competition of the sector. Therefore, it is crucial for commercial banks to work on strategies of developing, managing and monitoring enterprises efficiently to improve the overall performance (Minama, 2016). According to Pohjola (2015), marketing is an important endeavour for any business, especially commercial banks, since it enables the institution to focus on the customer, what they need, their preferences and inform them that the required products exist. According to Brenes, Mena and Mulina (2007), the performance of any enterprise depends on how marketing endeavours to mirror the needs of customers and how they can benefit from the use of the products or services. Therefore, it is crucial for the banks to employ current approaches of marketing that are meet the customer's needs that keep on changing.

At the moment, mobile banking and internet strategies are the largest channels to reach potential customers so that they make their transactions (Deutsche Bank, 2016). Statistics shown by Deutsche Bank in 2016 indicate that on daily basis; almost 20% international bank customers use interne in making their transactions while another 10% utilize mobile banking. At the same time, about 4% of the customers utilize services at the branch while almost 37% of them either never or rarely use the call centres (Deutsche Bank, 2016). At least 98% of the youth aged between 25 and 34 years in Finland, use internet for banking. This was the largest age group to do so (Statistics Finland, 2015). On the other hand, the lowest group was made up of people aged 75–89 years old, of which only 26% indicated to have used the internet for various bank transactions in a period of

the previous three months. In the same study, 95% of the working population revealed that they use internet-banking during the previous months (Statistics Finland, 2015). It is clear from these statistics, that mobile and internet banking services are reaching a good number of people.

In Africa, digitalization effects on the sector that deals with finances can be credited to the number of people that use internet for paying the bills since this is a major factor for many people's banking errands (Pohjola, 2015). Commercial banks, just like other industries mould new shapes due to improvement to technology and digitalization. Digitalization in banks and the general financial sector is heavily influencing potential of saving cost while at the same time, creating fresh sources of revenue (Olanrewaju, 2014). Improvements, which digitalization has had in the financial sector are on day-to-day banking, as well as services such as payment solutions and internet banking. Some of these services are not standardized and some have lowered frequency of customers visiting banks.

Chineye et al (2017), conducted research and stated that financial organisations with important means of competing in digitalizing the banking sector: so as to continuously improve services, develop of competences of personnel and policies, as well as formulating organisations culture that provide solutions to the increased need for digital expectations and services. Sentero (2013) indicates that in the coming days, for organisations to succeed, they will have to efficiently bring hardworking people together, have digital channels, conduct global business activities and implement globally acceptable policies. Proper application of digitalization may give financial sector more stabilization in profitability.

Recently, Kenya has laid groundwork for the bold decision to make digital economy the foundation to create a society that is empowered (Ndirangu & Nyamongo, 2015). According to the Central Bank of Kenya (2015), digital economy has made it possible for investment and innovation to take place in the main digital structure and create a prosperous technology start-up ecosystem for forward-thinking digital applications, as well as services in established mobile money in Kenya. There is also a regulatory environment that is favourable. Kenya has progressed in developing policies and other legal frameworks that has enabled digital identification system, as well as invested in funding systems that helps to access and utilize digital services. At the same time, Chege (2017) indicates that Kenyans are receptive to expanding and deepening their digital usage and are already benefiting from efforts to make digital services more accessible.

The increased use of the digital strategies for marketing has resulted into banks to invest in ICT methods in order to remain competitive. Rigorous ICT platforms have led largely towards financial institutions using digital promotion tactics, for instance, website, email, social media, and use of mobile phones to meet the demand of the increasing middle-class population (Central Bank of Kenya, 2015). Furthermore, Muiruri and Ngari (2014) indicated that technology is constantly changing. Consequently, commercial banks in Kenya have been forced to leave their old methods of offering monetary services so as to be applicable in the market. According to Ng'ang'a (2015), digital promotion is a novel marketing approach that when adopted by banks, it can expand the market infiltration of services and products in order to enhance productivity. Therefore, this study seeks to establish how digital marketing strategies affect Commercial Banks performance in Kenya.

### **1.1.1 Digital Marketing Strategies**

In the beginning of the twenty first century witnessed improvements in monetary services world over. Due to this, the digitizations of monetary activities, as well as expansion of the global economy on a large scale (Hacioglu & Sevgilioglu, 2019). The recent growth has led to direct and immediate efficiency, market infrastructure and general delivery in the banking sector. A number innovation in human knowledge has become possible due to the technology that is present in human lives daily (Diez-Martinez et al 2019). Efforts by commercial banks to market are important, especially to succeed in the sector of banking that is categorized by competition the sale of goods that are intangible. When marketing banking products, clients prefer products that will meet most if not all of their needs, reasonable interest rates, get a bank that emphasizes marketing and receive excellent customer service. Successful commercial banks, for a long time, have seen their businesses grow via word of mouth or traditional marketing methods so as to market products and services. When it comes to digital marketing expansion, there is a shift towards interactivity, client relationship, connectivity and service provision from the exchange of goods (Vargo & Lusch, 2004). Technological innovation, constant changes in the environment and new channels of marketing have enabled the shift. (Bhattacharya & Bolton, 2000).

Digital marketing is a recent realistic model in promotion of service and products through the internet together with other electronic media (El-Gohary, 2018). Communication between industries and customers has more influential, quicker and less expensive. It has helped companies in promotion, collecting data regarding their customers, adapting products and services and targeting potential customers (Bush, 2017). This is observed in the banking industry, where digital marketing strategies have enabled banks to have other of getting possible customers and improve

the services (Gartner, 2016). Tools like social media, mobile devices and digital tools have a role in strategies of marketing a business (Michopoulou & Moisa, 2019). Use of digital tools is necessary for business growth (Linton & Solomon, 2017). According to Etter et al. (2019), strategies of digital marketing such as social media lead to higher profits and better performance making the business have competitive advantage. However, for effectiveness, a digital marketing needs a well-implemented approach (Negotia et al., 2018). According to Eryigit (2017), owners of businesses who know effective digital marketing excel at acquiring buyers. The use of an effective approach in digital marketing can reduce the probability of failing to allocate budget to client attraction activities hence achieving business sustainability (Gilmore & Carson, 2018).

Chaffey (2011) indicates that digital marketing has to do with inspiring clients to communicate on the website of the company or through the presence of social media. Digital, electronic and internet marketing are similar in terms and all referred to as online marketing whether it is done via opt-in emails, online ads, interactive kiosks, mobile or interactive TVs (Chaffey & Smith, 2017). Lee and Kim (2009) reported that various digital marketing methods exist and they comprise social media channels, for instance such as twitter and Facebook, website marketing, email marketing, Search Engine, blogs, optimization mobile marketing, social media influencers and online personalities. Companies can also utilize digital marketing approaches for example sponsoring content on popular websites and video advertisement to carry out online sales in form of flash sales. Enterprises can use such channels of marketing to digitally endorse their products to the wider audience and make themselves more competitive.

While using digital marketing approaches related organisations can minimize on cost used for marketing because traditional marketing methods such as TV adverts, billboards and newspaper adverts are more relatively expensive compared to the digital ones. This fact is momentous to commercial banks since they value cost cutting, as well as working towards getting maximum outcome out of every investment (Lee & Kim, 2019). All types of digital marketing strategies provide an opportunity to commercial banks to present themselves on their services, and products they provide to communities, as well as individuals who may be interested (Roberts & Kraynak, 2008).

In Africa, marketing strategies, for instance those conventionally used in business undertakings are steadily dwindling. According to Ayedun et al. (2014), commercial banks are adopting more modern digital marketing methods, for instance social media, website and email marketing strategies to improve their performance. This is because these strategies are faster and more convenient when marketing their products and services to existing and potential clients.

According to Onaolapo, Salami and Oyedokun (2011), website, e-mail, social media and mobile are channels that trend in Africa and there is need to have information on them because customers utilize them to get suppliers either in their country or continent. Banks explore various digital marketing channels, for instance video ads, online promotion and sponsored content (Auta, 2016). Websites have been changed while microsites for products and promotions have increased. Online banking and graphics can be done through the internet and are recognized as information-oriented products. New technology is important for the company to gain strategic advantage (Kwarteng, 2015).

Digital marketing impacts business modes, marketing tools, as well as media channels that communication organization should provide. This has led to a major shift from the traditional communication models and channels that commercial banks develop so that service providers can adequately communicate their marketing plans digitally (Jalang'o, 2015). The shift indicates that commercial banks ought to embrace and always be up-to-date with digital technology not only to remain competitive but also to be able to meet the dynamic needs of their customers.

### **1.1.2 Performance of Commercial Banks**

Each organization exists to achieve a particular goal. Performance is a measure of efficiency and effectiveness of the sales, marketing, financial and managerial activities and strategies of initiatives (Lin & Lin, 2016). This is a point when businesses realize their short-term, medium, as well as long-term targets. Performance of businesses looks at whether or not they are able to attain set standards and objectives desired by operators and employees (Dzisi & Ofuso, 2014). It also explores how effective and efficient strategies of commercial banks are at actualizing organizational goals and objectives (Eagleman, 2013).

According to Johnson et al. (2006), performance comprises numerous activities that help to determine organization's goals, as well as monitor progress towards achieving the set targets. At the same time, three measures used by commercial banks for financial performance include Return on Equity (ROE), Return on Investment (ROI) and profits (Hopkins & Hopkins, 2007). This can also be measured by deposit growth that is distinctive from financial service and mobile. Furthermore, Rowley (2011) specified that the main indicator is percentage growth in sales

(profitability). Rowley (2011) also revealed financial indicators that are; good will and public image, indicate efficiency of operations, as well as quality of services. Barambah (1998) observed that the performance of any firm should incorporate both behaviours and results and not just results. In a period of increasing competition and aggressively negotiating with customers, traditional marketing methods simply do not work. The main approach that can lead to good performance or success is to create standards, which the buyer does not currently consider during her decision.

The commercial banking industry of Sub-Saharan Africa, like in any other developing countries, has undergone a major shift in the last two decades (Ngu & Tsegaye, 2009). The industry, however, is diverse entailing local private and foreign commercial banks characterized by poor performance. Sub-Saharan Africa has the world least developed financial sectors. Institutions in coverage are limited and even banking sectors, which dominate among financial institutions, are small (Oni & Matiza, 2014). Although regulation is generally with international norms and financial systems are sound, a history of forbearance has left a number of weak banks many of them state-owned. Also, while banks are on average profitable, their assets are more concentrated and the return on asset is lower than elsewhere in the world (Regional Economic Outlook SSA, 2006). The banking industry is really expanding in African continent making competition very stiff. International banks are performing better in Africa as compared to local banks because of their advancement in technology and their ability to meet the dynamic needs of its customers (Aikaeli, 2008). Commercial banks in Africa need to invest more in digital technology and digital marketing strategies that are able to match the ever-changing needs of its customers.

According to Mburu and Muathe (2020), Kenyan commercial banks experience low performance due to higher non-performing loans. Nevertheless, the performance of commercial banks just like other firms can be measured using many scales including profitability that comprises return on equity, return on assets and profit margins, among others. Recently, commercial banks in Kenya have performed poorly (Mutuku et al., 2019). Rabging from 2010 to 2019, three commercial banks were put under receivership. In the same period, the sector had many acquisitions and merging, which point to the struggle for small banks. Nyanaro and Bett (2018) indicated that Kenyan commercial banks have continued to struggle in the turbulent market setting together with hostile regulations, high non-performing loans, stiff competition, ever-changing markets, and low profits. Many of them were established on a model of large markets, including small-holder merchants, which are sensitive to the dynamic economic times and technology.

This makes the banks' income to remain low hindering long-term planning. For banks to realize stability, it is necessary to go digital so as to guarantee steady revenues, as well as long term strategic thinking (Mbugua, 2010). Nevertheless, Makori (2014) asserts that using digital marketing strategies is still a perpetual challenge to most bank administrators and practitioners in the general banking industry because of the ever-changing needs of its consumers, knowing which digital marketing strategy is appropriate for the commercial bank and cost implications since they need to be updated often with the ever-changing market needs. Therefore, the current study sought to find out the effects of digital marketing strategies on commercial banks' performance.

### **1.1.3 Commercial Banks in Kenya**

By the end of 2021, the banking industry in Kenya included the CBK, as the regulator and Commercial Banks that were regulated by CBK, which were 39. Of these 39, 36 banks were owned privately. The other 3 were owned by Government of Kenya, which owned majority of the shares. 22 of the privately owned, were local (main shareholders were Kenyans). On the other hand, 15 were owned by foreigners. Out of the 22 owned locally, 21 were commercial banks while one was a mortgage finance company (CBK, 2021).

Commercial Banks in Kenya are famous for their application of technology so that they can meet unique needs of their customers. This has enabled them to continue to grow in assets, deposits, profitability and product offering. The inception of COVID-19 in 2021 enhanced digitization in the banking sector. Cytonn Investment (2021) conducted an innovation survey in commercial banks. The survey revealed that banks had prioritized customers in their innovations. In addition, there was more interest in the innovation for sustainable improvement, as well as climate change awareness. This was more in the microfinance sub-sector. Furthermore, partnerships and collaboration were main drivers of inventions. Consequently, cyber risk, privacy of data and protection were noted as the main concerns of invention, arising from connectedness of the financial sub-sector.

The bank supervision annual report, 2021 indicates that commercial banks have and will continue refining their business models to support increased digitalization as well as keeping customer's needs at the centre of their business ecosystems. The Director of Bank Supervision Department in CBK, Gerald Nyaoma further gave insight in the Bank Supervision Annual Report of 2021 stating

that the on-going restructurings and new improvements planned were to be finalized in 2022. The key ones were to implement both the regulatory and legal frameworks for the digital-credit providers. As it regards this, CBK anticipated that all credit providers that operated without following the required laws would apply for licenses by September 2022 or else they stop to operate. The regulation mandate of CBK to license previously unregulated digital credit providers. Commercial banks in Kenya have experienced a lot of competition both locally and internationally during the previous few years causing increased inventions among the players, as well as new market entrants. All players in the industry are reinventing themselves, finding strategies to keep them afloat in the cutthroat competitive environment, and digitization plus innovation are the main drivers.

## **1.2 Statement of the Problem**

According to CBK (2020), poor performance has led to the collapse of a number of banks in Kenya. In the last decade, Kenya has witnessed an increased rate of mergers and acquisitions in the banking sector with recent cases witnessed in years 2019 and 2020. These were influenced by the decline in banks' performance resulting from ineffective digital marketing strategies that were put into place by the management. If this trend continues, Kenya would be left behind by peer nations in Africa and the world in general in terms of economic development based on the targets set out in both Sustainable Development Goals (SDGs) and African Union's Agenda, 2063 and. In addition, the country would suffer a setback of not achieving the anticipated gains as envisioned in the economic pillar of Kenya's Vision 2030. Commercial banks drive a crucial agenda, for they fuel economic growth in the country. At the same time, development of digital phase and macroeconomic setting are part of the role played by commercial banks. This continues to be a

vital role played by commercial banks. Banks also search for ways of addressing financial performance, investor and consumer expectation. They continue to prioritize the regulatory protection even as they reorganize so as to optimize business and operational models so as to generate sustainable profitability. Consequently, they will need to apply digitalization, invention and transformations that are business driven so that they can be relevant to the digital economy. According to Data Reportal Digital (2023), there are 17.86 million internet users in Kenya; comprising 63.94 million of cellular mobile connections and 10.55 million social media users. These statistics mean that all the 39 commercial banks have to be digital and use different digital marketing strategies to be able to reach out, tap and meet the needs of most if not all these users. Though research has been done on the usefulness of digital, internet and online marketing strategies regarding Kenyan SMEs Ng'ang'a (2015); Minama (2016); Kithinji (2014), very little or no study has been done on their effect on the performance of commercial banks in Kenya. Therefore, this study sought to fill this gap by establishing the effect of digital marketing strategies on performance of commercial banks in Kenya to enable commercial banks choose the best digital marketing strategies for their clientele base to ensure they achieve good performance.

### **1.3 Research Objectives**

The General objective of this study was to establish the effect of digital marketing strategies on performance of commercial banks in Kenya. The specific objectives were to:

- i. Examine the effect of email marketing strategy on performance of commercial banks in Kenya;
- ii. Evaluate the effect of social media marketing strategy on performance of commercial banks in Kenya;

- iii. Determine the effect of website marketing strategy on performance of commercial banks in Kenya; and
- iv. Establish the effect of mobile marketing strategy on performance of commercial banks in Kenya.

#### **1.4 Research Questions**

The study was guided by the following research questions:

- i. How does email-marketing strategy affect performance of commercial banks in Kenya?
- ii. How is the performance of commercial banks in Kenya affected by social media marketing strategy?
- iii. In which ways does website marketing strategy affect performance of commercial banks in Kenya?
- iv. In which ways does mobile marketing strategy affect performance of commercial banks in Kenya?

#### **1.5 Justification of the Study**

This study is expected to have more insightful inferences on how marketing using digital strategies affects performance of Kenyan commercial bank. The results of this study are significant to existing and upcoming commercial bank and other financial institutions. This is expected to help banks to find the best marketing approaches so as to improve their productivity. Furthermore, the study is expected to benefit marketers and agencies that provide marketing services to various organisations. At the same time, policy makers and stakeholders may use the findings of this study to develop new policies and review the existing ones to ensure commercial banks deploy useful

marketing strategies for effective and efficient banking platforms in order to improve on performance.

Companies that deal with financial services, as well as telecommunication can also find the study findings important thus may use it as a stepping-stone to use it mutually beneficial from the developments. This study is important for it added to the existing literature. Therefore, students of marketing and economics, economic experts, managers in-charge of corporate management and the general public who want to learn more about digital marketing strategies can utilize the study insights. Financial analysts and consultants can also gain knowledge that could help them in the conduct of their business. To the academia, this study contributes to the bulk of information that benefits researchers and scholars so as to stimulate additional research in marketing. The study may form a baseline for further studies in the use of digital marketing strategies.

### **1.6 Scope of the Study**

The study focused on how strategies that use digital marketing affect performance of Kenyan commercial banks. The key digital strategies used for marketing reflected for the study are social media, website, mobile and e-mail, marketing strategies. Commercial banks in Kenya were the unit of analysis. The study focused on the performance of 39 commercial banks for the previous ten years. The results of this study are significant to existing and upcoming commercial bank and other financial institutions. This can help banks find the best marketing approaches so as to improve their productivity. Furthermore, the study can benefit marketers and agencies that provide marketing services to various organisations. At the same time, policy makers and stakeholders may use the findings of this study to develop new policies and review the existing ones to ensure

commercial banks deploy useful marketing strategies for effective and efficient banking platforms in order to improve on performance. To the academia, this study would contribute to the bulk of information that may benefit researchers and scholars so as to stimulate additional research in marketing.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter covers literature from other researchers who have conducted related studies. The specific areas to be covered are theoretical literature review, empirical review, conceptual framework and operationalization of variables.

#### **2.2 Theoretical Review**

There are different theories on digital marketing, each identifying specific paradigm and concept about digital marketing. The study was linked to theories, which gave explanations on digital marketing and performance in commercial banks.

##### **2.2.1 Innovation Diffusion Theory**

The Innovation Diffusion Theory was developed by Rodgers (2009). According to the theory, Innovation refers to ideas, products, technologies or practices that are unfamiliar to the society. They are shared and spread through communication by people who belong to the same social system. Diffusion is the process by which inventions spread to the anticipated users over a period of time in the society. The implementation of inventions is not a one-off event. It takes place in the successive stages as follows: information on the invention, persuading people to adopt the invention, decision to adopt the invention or not, implementation of the invention and subsequent confirmation.

In simple terms, the diffusion of innovation refers to the process that occurs as people adopt a new idea, product, practice, philosophy, among others. Rodgers mapped out this process, stressing that in most cases, an initial few are open to the new idea and adopt its use. As these early innovators 'spread the word' more and more people become open to it which leads to the development of a critical mass. Over time, the innovative idea or product becomes diffused amongst the population until a saturation point is achieved. Rodgers distinguished five categories of adopters of an innovation: innovators, early adopters, early majority, late majority and laggards. Sometimes, a sixth group is added, known as non-adopters.

The decision to adopt an innovation or not is due to its perceived benefits, its compatibility to the existing processes and systems, its complexity, easiness of trying it, as well as visibility of adopting the innovation. It is important to examine why some innovations are successful and yet others are never generally accepted. Rodgers acknowledged 5 different innovation features to describe this mystery. The features comprise observability, complexity, comparative advantage, trial-ability and compatibility. As per Rodgers' explanations, the characteristics account for between 49% to 87% of the variation in adoption across all groups of those who adopt. They also give a valued assessment list for a project in technology that should be applied by leaders to when they initially consider innovative changes.

This theory is suitable for this study as it illuminates the digital marketing strategies adoption process and factors that influence commercial banks to adopt digital marketing. The advantages of adopting strategies in digital marketing comprise an increase in brand awareness, improved sales, better relations with customers and consequent better performance (Kithinji, 2014). The digital

marketing strategies are not fully harmonious with traditional marketing. However, you can utilize both concurrently. In addition, marketing using digital methods can be very difficult for the older people. However, this difficulty can be solved by employing competent digital marketers (Minama, 2016). In addition, the outcomes of the implementation of digital marketing strategy are usually seen by the banking sector players that comprise better sales, less cost of advertising, brand awareness, new markets and enhanced relations of customers (Nga'ng'a, 2015). This theory believes in integrating innovation and technology in the marketing strategies via digital means, which eventually lead to better performance.

### **2.2.2 Porter's Five Forces Theory**

In 1980, Michael Porter developed the generic Porters five forces theory. It provides means of providing corporations with an analysis of their competition and determining strategy. The theory covers the strength of 5 different competitive factors that when put together, they define lasting profits and competition. This theory has had a greater influence on business strategy than any other theory in the last half of the twentieth century. The theory points at competitive benefit to the outside environmental factors, which an organisation should respond to, for instance blocking entry of competitors, product difference, capital needs and buyer exchanging costs (Lado et al, 2002).

The theory specifies that competition in a sector is determined by 5 factors, which are conflict of competitors in the industry, danger of novel players, negotiating ability of the buyers, negotiating ability of dealers and the danger of additional products. This theory also explains that based on the weaknesses or strengths of the sector players, how the individual firms' competitive position of is

partly determined, in spite of the rest of outside fears. In addition, the new players in the industry, the negotiating ability of the players, the suppliers' negotiating ability, and risk of auxiliary products completely have a possibility of reducing significantly the attractiveness of firms in the market.

Porter's Five Forces is a useful tool for commercial banks to have in their business toolbox to do a competitive analysis of their particular digital business environment. Due to the fact that business conditions can change rapidly, they may need to do these competitive industry scans every year. Some scans can be time-consuming depending on how deep an organization needs to go, which will change according to the industry. If an analysis requires a deep dive every year or so, the organization will need to pick a few of its most important factors that can be gauged quarterly. These can be executive level summaries that scan for any significant changes, performance appraisal and emerging threats in an industry.

Businesses cannot anticipate all the changes that are happening in the digital business sphere, but Porter's methodology can help them make sense of competitive data. The concept of "finding the blue ocean" has entered the common vernacular of digital marketing strategy and planning. Porter's Five Forces has become a useful guidepost in helping commercial banks to spend their time on servicing their customers instead of swinging their elbows to jockey for position. The structure of the industry determines who can be able to get the value, but a company cannot be a prisoner of the structure of the industry – organisations can affect the 5 factors via their individual strategies they apply. The 5 factor frameworks highlight what is most beneficial, and guides leaders towards aspects that are most beneficial to lasting benefit. In the frameworks, attainment

of competitive advantage is usually decided majorly by reacting well to the specific needs of the industry. This five forces theory institutes a very important approach of how to analyse the ways of competition in a specific industry.

According to the theory, a business needs to respond to external environmental factors in order to meet customer needs. Recently, there was widespread acceptance of the digital marketing methods by various businesses in order to have competitive advantage while at the same time enhance profitability. This study focused on adoption of the use of email, social media, mobile and website as digital marketing strategies and assess their effects on performance of commercial banks, which was be measured by profitability and number of clients.

### **2.2.3 Kotler Marketing Theory**

This theory was developed by Philip Kotler ‘The father of modern marketing’ in 1967. The theory indicates that the marketing role of companies is to determine what the market requires and achieve the desired objectives in a way that would enhance the well-being of the consumer or society. Kotler (1996) linked good performance so that they meet the customers’ needs and societies’ well-being. So as to market efficiently, Kotler trusts that the purpose of marketing is to elevate the well-being of the consumers and it has to be at the centre of the strategy of organisation, and all managers should be practise it. He developed a marketing theory, which shows how to market something and the steps before that. This theory also clears out what is important for a successful marketing strategy for it is a bit more specific than “just” advertising on the TV or newsletter. In addition, the marketing process does not start with an idea for this, rather it starts with research to know the customer and the target group to create a customer-driven marketing strategy.

The theory has a five-step marketing strategy, which is essential for any industry. The first step is to understand the market place and customer needs and wants. We must differentiate needs, wants and demands. Needs are physical like food, social needs like affection and individual needs like knowledge. Wants are like needs shaped by culture and individual personality. Demands are human wants backed up by buying power. Getting this understanding will enable commercial banks figure out the best digital marketing strategy to use or to customize existing ones to bring the best market offerings to satisfy needs, wants and demands of its customers to improve its performance. The second step is designing a customer driven marketing strategy. The aim of this step is to find, attract, keep and grow the targeted customers by creating and delivering superior customer value. Having a good digital marketing strategy in place can help an organization select the target audience by dividing the market into customer segments and choose which segment to go after to get the best market share. This will also help the organization come up with the best value proposition.

The third step is to construct and integrate the marketing plan. The plan should outline the customers that will benefit and the value that will be created. The marketing plan contains the tools to be used in the implementation of the strategy comprising the product, place, price and promotion (four Ps). The theory's fourth step is to build relationship with customers at multiple levels. The relationship can be either basic or full partnership. Nowadays, organisations selectively choose their customers. The current technology has made it possible to have a two-way relationship with customers giving them more power and control. Marketing also encourages relationships that customers are empowered by the new digital technology; making them able to interact with

companies and with one another so as to form the relationships and respective brands. Finally, Kotler talks of capturing value. The lifetime value of the customer has to do with purchasing that the customer would do for the period of loyalty. Therefore, companies should work to ensure that the customer is retained for a longer time.

We live in a global village that is ever changing. Due to economic crisis, customers are today more careful to spend their money on any product or service. Technology has enabled customers to connect and get relevant information. This therefore gives marketers opportunities to track customers while at the same time, come up with products that meet their needs. Technology has also made it possible to use new approaches of advertising and communicating. Companies are also able to connect with customers across the world. Consequently, make it more sustainable as you market in an ethical and responsible way. The ultimate driver of marketing lies in the continuous promotion of customer value whose transition has long been the work of Philip Kotler. The theory is relevant to this study because having digital marketing strategies that consider promotion of customer value will lead to increase in the number of customers thus improved performance of commercial banks. Adopting and customizing digital marketing strategies that promote customer well-being and good relationships with its customers. This is because customers will always go for brands that have them at heart.

### **2.3 Empirical Review**

This section analyses and evaluates other authors' or researchers in strategies used for digital marketing and performance in organisations, as well as establish the significance of their

relationship. This reviewed literature is to establish the gaps in the research so as to substantiate this current study.

### **2.3.1 Email Marketing Strategy and Performance**

One of the most powerful elements in a commercial bank's digital marketing toolbox is email marketing. This makes them be able to easily communicate with the clients at a personal level through an acceptable common digital media. Selecting the right strategy for using e-mail to market is key. Chaffey (2011) indicates that email marketing is a method of promoting products and services using computers to send message. Email marketing is done by use of an electronic magazine, sent through a website or a newsletter sent via email also called e-Newsletters, which gives consistent customers information on discounts, new arrivals and products (Rita et al., 2003). It was also indicated that using email marketing was very fruitful for businesses in the Europe continent as well as the United States of America (USA) (Brodie, Winklhofer, Coviello & Johnston, 2007; Booth, 2009).

According to the Internet Marketing Academy (2011), the key components of email marketing approaches that have succeeded comprise retention email, direct email; here emails can be sent to both potential and current customer. These include regular and frequent emails that are sent to existing clients, as well as ads that are put email; these marketing ads are put in emails that are sent by other people. These strategies are referred to as digital when we compare to the analogue approaches of marketing using the mail. When emails are sent to current or potential clients, they would just be like flyers or envelopes, which fill a mailbox. Regular emails are similar to the printed newsletters that are sent to customers that are loyal and regular. On the other hand, ads that

are put within the email for the sake of marketing are similar to those put within magazine or a newspaper.

Email marketing involves the use of email marketing software to connect to customers through their personal emails (Adejoke & Adekemi, 2012). This type of advertising is dependent on authorization from the customer and can be used as a tool to enhance communication and corporate relationships (Nitungwesiga, 2020). Software and services associated with emails nowadays allow enterprises to aim at definite demographics so as to enhance efficiency in the process of email sending. Furthermore, we also have advanced methods that can be used to send emails that are personalized to specific individuals. This helped to build business relationship that is intimate to the client and makes the clients to be loyal to the brand. A loyal customer who has a personalized relationship with their commercial bank would most likely spread word to his/her family and friends who would join the commercial bank. This would in turn improve the performance of the commercial bank as more customers join and stay loyal.

It is also possible to monitor the campaigns for email marketing by commercial banks after the emails are sent to both prospective and current clients. Afterwards, the generated data can be analysed using several methods such as search enquiries, downloads, web analytics, visits to advertising events, as well as offline stores. This will help the commercial banks gauge the effectiveness of email marketing strategy and know how it has affected performance by how customers go through and act accordingly. It may not be practical for everyone to be able to read emails. However, the banks can enhance the possibilities of clients going through them. Muthuri (2019) examined the effect of digital banking strategies on the growth of commercial banks in

Kenya. The research adopted a descriptive cross-sectional research design, and the unit of observation was Kenya Commercial Bank (KCB). The study examines the effect of digital banking strategies on the growth of commercial banks but fails to expand knowledge on how it can improve performance. A gap that this study seeks to fill.

There was also a study by Jalang'o (2015) on how commercial banks utilize digital marketing in Kenya and performance is affected. Descriptive design was adopted and questionnaires used for data collection in this study. The study focused on 42 commercial banks in Kenya. The study by Jalang'o (2015) revealed that most banks advertised digitally and that they were changing their advertising approaches to the internet via mobile applications, social media, e-marketing, websites and display adverts. It was also established that email marketing had improved customer experience and interaction while at the reducing advertising and operating cost. This is a similar study because it uses the similar population that the current study wants to utilize. However, there is a methodological gap, which this study will endeavour to fill.

### **2.3.2 Social Media Marketing Strategy and Performance**

In the past decade, social media has been made universal especially for social networking and sharing and accessing content online. Due to its reliability, consistency and instantaneous features, social media opens a wider space for businesses such as digital marketing. Marketing that occurs via social media is called social media marketing. Companies have been able to easily reach customers due to social media, effectively and instantly. On the other hand, Baker (2022) indicated that marketing using social media involves developing content to be posted on the various social media platforms so as to advertise products or services while at the same time creating a good

relationship with the target audience, then create a good traffic for the enterprise. New features keep changing by the day and social media marketing is evolving continuously as times pass. Social media marketing helps commercial banks in meeting their target audience and customers where they are and as they socially interact with each other and their brand. While social media marketing as a whole is incredibly valuable and beneficial to commercial banks growth, their strategy will differ based on which social networks their audience spends their time on. When it comes to social media, marketers' top goals are advertising their products/services and increasing their brand awareness to enhance performance of commercial banks. According to HubSpot Blog Research (2021), many brands struggle with creating engaging content and reaching their target audience because they fail to understand which platform their audience spends their time on.

According to Kimani (2014). There are several key categories into which we can categorize social media. Social networking sites is the first category. It enables users to make their profiles, develop their own content, then share the content with the social media users. The second category is blogs that enable the advertisers to develop written, video or even audio content and then share with the social media users. The third category is where we have sites that are content oriented; here the advertisers develop content on specific subjects and share with the social media users. Some of the subjects include sports, real estate, and farming, among others. The fourth one is where there also forums and bulletin boards onto which advertisers post content and ideas relating to specific topics. Lastly, there are also sites with content aggregation that allow advertisers to select that content that they see on the internet.

Piabari (2022) in her article published in the British Journal of Marketing studies examined effect of digital marketing on performance of Port Harcourt's and commercial banks. Here, a descriptive survey was adopted. It was established that there was a significant relationship between customer loyalty and social media marketing in Port Harcourt's commercial banks. The study further indicated that social media marketing has reduced gap of communicating on brands and customers by designing a platform of communicating in a two-way form, which has generated significant revenue for the commercial banks and provided an excellent return on the investment required. The study is similar for it involved the similar demographics, which this current study targets. However, this study was conducted in the context of another country with different legal framework and banking environment, which is not the same as Kenyan situation. The use of social media marketing is mostly used by SMEs for attracting and retaining clients. It was revealed that social media had a high effect on the trust and confidence customers had on the products (Srinivasan, Bajaj & Bhanot, 2016). There is a reason for customers to find reliability in the service or product that influences acquisition and retention of the customers. It also established that revenue positively relates to the visibility of social media; there is a web-based social networking that promotes techniques that acquires and retains customers in the entire sector. However, this study specifically focused on retention of clients, which may not solely be used to measure stability and growth.

Fute and Lymo (2019) conducted a quantitative descriptive study in Tanzania and it focused on Barclays Bank and how digital marketing strategies influence performance. Its results revealed that a marketing strategy that utilizes social media gives clients with location, time sensitive

information and personalized to increase brand awareness. The study focused on one commercial bank in Tanzania while the current study will be based in Kenya focusing on all commercial banks.

A study by Ndegwa (2021) aimed at determining the influence of marketing strategies electronically regarding Kenyan Equity Bank Limited's performance. The study used descriptive cross-sectional survey and findings revealed that technology was developing at a high rate and banks moving with the same speed to adopt technology due to pressure from clients, change in technology and high competition. The findings of the study further indicated that banks that have adopted social media marketing strategies have improved performance. The study focused on Equity bank while the current one will look at all Kenyan commercial banks thus generating data that can be generalized to the banking sector.

According to Khamis (2018) who established how social media marketing influences Nairobi County SME's performance. This study targeted to adduce evidence empirically on how social media marketing is related to performance of SME organizations within Nairobi County. It was also established that utilization of social media by SMEs improved the relationship between the business and customers, increased brand awareness, improved profit maximization strategies adopted and thus improved business performance. The study focused on the social media marketing and SMEs while the current one will look at social media and commercial banks.

In addition, Njeri (2014) social media influences the banking sector. This study targeted all commercial banks that operate in Kenya. The study tried to establish on how social media marketing influences performance financially and it was revealed that social media marketing

enhanced commercial bank financial performance. Furthermore, the study established that it is through social media marketing that commercial banks were able to acquire many clients at lower cost. Social media marketing also led to higher uptake of loans that led to improved revenue. This study focused on specific sector, which left out a gap from all other sectors using social media marketing. This current study is going to focus on the collective effect of social media among other marketing strategies. Secondly, the study looked at only the financial performance. It did not establish any relationship between non-financial performance and social media marketing. This study focused on how social media marketing strategy affects both financial and non-financial performance.

### **2.3.3 Website Marketing Strategy and performance**

Use of websites is another approach that generates innovative methods of communicating, cooperating and sharing content (Enders, Denker, Hungenberg & Mauch, 2008). Majority of firms have websites, which have main business happenings, describing their products and services that they engage in. Nevertheless, many websites that are on internet make it difficult to promote products and services. Therefore, Search Engine Optimization is the strategy that can be utilized to enhance visibility, hence making the quantity and quality of traffic to the organisation's website (Khraim, 2015). Organisations can integrate websites with Search Engine Marketing (SEM) to enhance the promotional capacity. According to Chaffey (2011), Search Engine Marketing is an approach of using search engines to develop and market a website with the aim to improve its search engine results, including search advertising (paid search) and Search Engine Optimization (SEO). Google, Microsoft Network (MSN) or Yahoo can host SEO. This combined with SEM can

assist a firm in identifying market segments, attracting clients, generating brand awareness, as well as building trust through increase of the visibility of the firm's website (Tuten, 2014).

Commercial banks that are ranked higher based on the visibility of their websites appear to be on top in terms of search result page that is more likely to be visited by prospective customers. Search Engine Optimization is mainly focused on search of images, video, news, industry-specific vertical searches, as well as local search. SEO provide many strategies comprising more links to websites of other webpages of other firms; edit the website's content and restructure contents on the website of the organisation. Success of the website in making it attractive to visitors is enhanced by complementary happenings, such as creation of secondary websites, frequent actualization of website and social network activities linked to it (Park & Park, 2010).

According to Rita et al. (2003), there are four main constructs that can be used to operationalize web strategy comprising Web-CRM, Web-Promotion, Web-Design, Web-Price. On the other hand, company websites provide chance for commercial banks to advertise services and products; inform and entertain prospective clients (Wandaka, 2009; Costa, 2010). Furthermore, website profiles are useful in describing dimensions of the online presence of an organisation. Web advertising positively influences promotion effectiveness and penetration into the market domains by the industries (Constantinides, 2006). At the same time, Booth (2009) indicated that websites make commercial banks enabled in setting and announcing products or services precisely, because they can easily be tested. At the same time, clients' feedback can instantly be collected. Additionally, prices can easily be varied online. For instance, companies can vary prices accordingly, especially when responding to smaller variations in the conditions of the market,

demands of clients or behaviours of the competition. Click stream data and purchase history can also be utilized by the commercial banks. Click stream data, as well as purchase histories collected can also be used by commercial banks through internet to some customers to quickly give direct adverts or prices that are niche specific (Brenes et al., 2007). We can also use collaborative marketing using the websites to develop direct marketing networks between clients and commercial banks (Renner et al., 2008). At the same time, Shankar and Edward (2007) revealed that email messages can be sent by firms to provide service packages, specifically developed for prospective customers based on the assessment of the marketer regarding the unique interest of an individual. Advertising on the website has become an important segment utilizing tools of digital marketing by many firms worldwide (Ming, 2011).

On the other hand, Wisdom (2015) studied how use of e-marketing influenced performance. This was among the members of Midlands Meanders Association in South Africa. This as well used descriptive research design. It utilized the mixed methods approach to collect data. They included telephone and online surveys as well as analysing data that was in the public domain. It was indicated that members of the association moderately adopted e-marketing. However, they had appreciated the positive effects of e-marketing. It was also established that the association were easily to enhance the use of SEO, social media marketing and affiliate marketing. Unlike this study, which focuses on one company (Midlands Meanders Association), in South Africa, this current study focused on how Kenyan commercial banks' performance is affected by digital marketing.

In addition, Ardjouman and Asma (2015) investigated how website marketing strategies affects Cote d'Ivoire's SMEs' performance. The study adopted both descriptive and exploratory research designs. It was established that there was higher rate of awareness on the role that website marketing plays on the SMEs' performance financially. This study researched on how website marketing strategies affects SME performance in Cote d'Ivoire while the current study is expected to focus on how website marketing and other marketing strategies affect performance of Kenyan commercial banks.

On the other hand, Kisaka (2012) conducted a survey on how website marketing affects the performance SACCOs in Mombasa using descriptive research design. The findings established that there was a relationship between SACCO performance and website marketing. However, the relationship as casual. The study has a relationship to the current one since it targeted similar demographics. It focused on how performance of SACCOs if affected website marketing in Mombasa County. The current study is interested in establishing how commercial banks Kenya are affected by the website marketing as well as other digital marketing strategies.

Furthermore, there was a study by Achieng' (2016) on the use of online marketing by SMEs for competitive advantage. The study utilized social media, website and email marketing. This study used descriptive research design while data was collected by use of questionnaire. It was determined that Tembea Kenya Safaris was enabled by online marketing to improve customer base, as well as have personalized customer's travel packages. However, it was realized that website creation cost was very high. It was recommended that online marketing should be

embraced by SMEs in order to enhance customer base and make them advantageous. The current study focused on how Kenyan commercial banks are affected by digital marketing strategies.

#### **2.3.4 Mobile Marketing Strategy and Performance**

According to Kumar and Mukherjee (2013) in the last decade, a new era has been created where we have a society that is always connected. This has majorly re-shaped operations of the banking industry. According to Persaud and Azhar (2012), mobile phones have become very powerful. This is because they have their own operating system, which enables marketers to connect with their customers 24 hours a day. Due to this, purchasing behaviours of banking sector customers have also changed. This has made all commercial banks to enhance their online presence so that they improve their relationships with customers so that it can be stronger and maintain the same (Keynote, 2009). According to Abram (2013), the rise in the use of smartphones has made empowered customers who today walk with their banks in their hands.

Research by Krosel et al. (2017) published by a journal titled the Career Guide, reported that mobile marketing is used when targeting users of digital content on their mobile devices, for instance table or smartphones. Mobile marketing is normally used when you want to contact mobile users on their individual devices, especially when you want to optimize a website that is visited by those who use mobile. Firms and enterprises normally make use of mobile marketing to supplement other strategies of digital marketing so as to enhance brand awareness thus increasing their sales. Some of the strategies they use include SMS/MMS marketing, mobile app marketing, mobile ready websites and mobile optimized emails (Garcia, 2017).

According to Keynote, 2013; Ozuem, Howell & Lancaster (2008), there has been a major change in the clients' banking habits from the traditional physical banking and making long queues to banking at the comfort of their homes. Consequently, technological ways of banking have replaced the use of shopping displays and sales persons (Euromonitor, 2013). Customers today search for information on their smartphones. They neither consult sales persons nor rely on adverts. Smartphones also helps customers to access other services such as comparing prices, searching for information, review of products, consultation with friends or families before choosing a banking partner, as well as conducting a transaction online. It is therefore factual to indicate that smartphones have transformed the spatial and social aspects of customers (Brown et al., 2003). This has made people to always think of banking all the time (Babbitts, 2013). If commercial banks can effectively utilize mobile banking, they can position themselves very well in their markets.

Yameen, Tasneem and Fatema (2015) conducted research on how mobile banking affects the company's performance in terms of sales. Primary data was used in this study; data was collected and analysing was conducted correlation tests. Findings of this study revealed a positive correlation between performance in sales and mobile marketing. The study established that digital marketing strategies had positive effect on the sales of the company. This study has two key gaps identified. First, it focused on one measure of performance, which is sales performance. This current study focuses on a number of measures of performance, having sales performance as one of them. Second, this study looked at the effect of mobile banking strategy on a firm's sales performance while this current study looks at mobile banking and other approaches of digital marketing on the Kenyan commercial banks' performance.

Furthermore, Adegbuyi, Akinyele and Akinyele (2015) conducted a study on how mobile marketing affected small-scale businesses' performance. Correlation test and ANOVA were used to analyse data. In addition, the study indicated that the use of mobile marketing strategy to existing and potential customers increases brand awareness and brand trust which have a positive impact on customer acquisition and retention thus market share increase and good firm performance. On the other hand, Njau and Karugu (2014) conducted a study to establish the effect of e-marketing on the SMEs' performance in Kenyan's manufacturing sector. Specifically, the research analysed the influence that digital marketing (instance, search engine, blog, mobile and email marketing strategies) had on the SMEs' performance of in the manufacturing sector in Kenya. Sampling was done using the random sampling technique. The study sought to establish how SME performance was affected by e-marketing in the manufacturing sector in Kenya. This current research sought to establish how digital marketing affects commercial banks' performance in Kenya.

## 2.4 Conceptual Framework

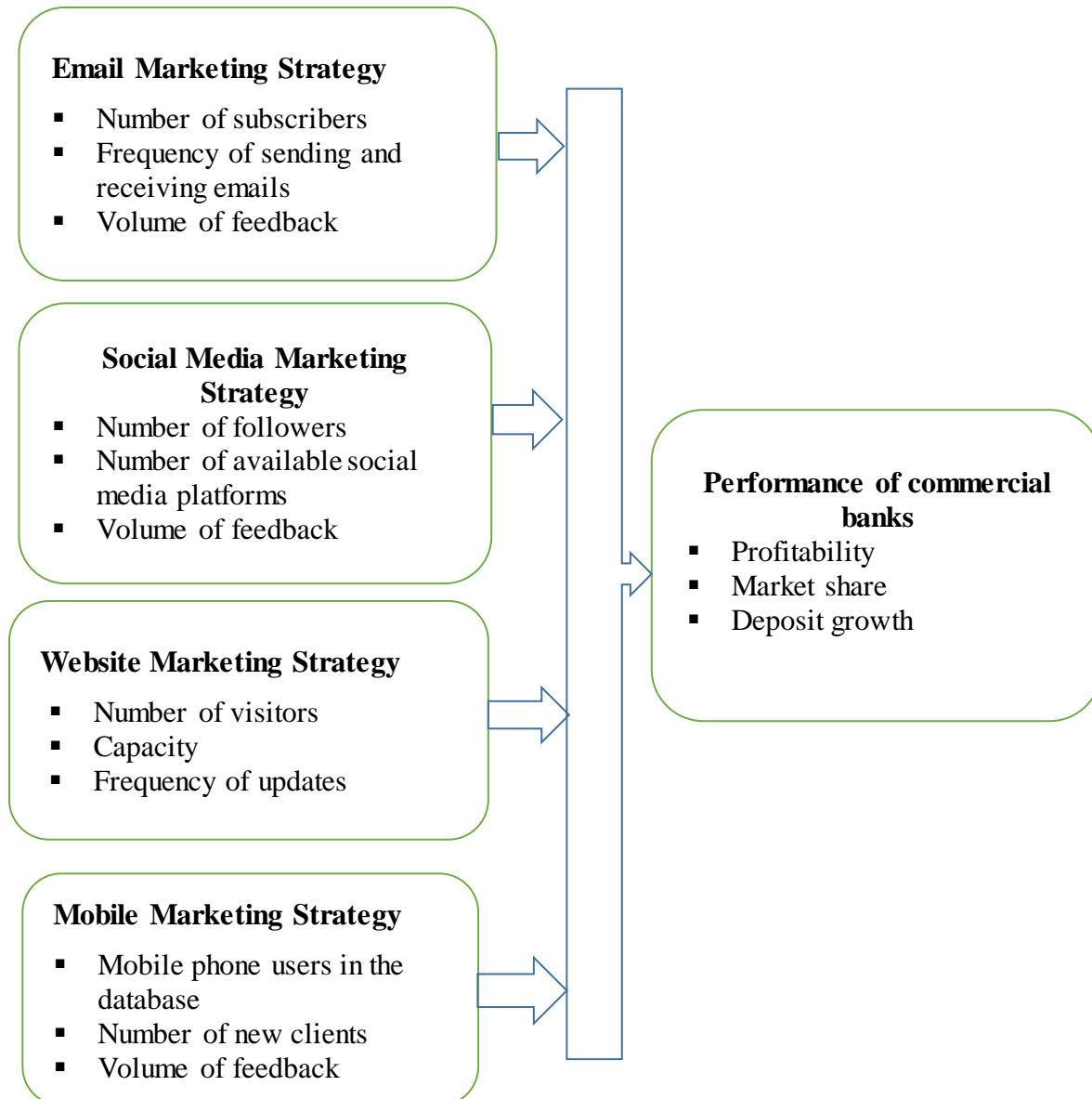
**FIGURE 2.1**

### **Conceptual Framework on Digital Marketing Strategies and Performance of Commercial Banks**

#### **INDEPENDENT VARIABLE**

#### **DEPENDENT VARIABLE**

#### **Digital Marketing Strategies**



## 2.5 Operationalization of Variables

This section shows how each variable will be operationalized under this study.

**TABLE 2.1**  
**Operational Framework**

<b>Objective</b>	<b>Variable Type</b>	<b>Indicators</b>	<b>Measurement Scale</b>	<b>Question in the Questionnaire</b>
Examine how performance of commercial banks is affected by email marketing strategy	<b>Independent</b> Email marketing	Number of subscribers Frequency of sending and receiving emails Volume of feedback Number of new clients	Interval	Section B
Evaluate how performance commercial banks is affected social media marketing strategy.	<b>Independent</b> Social media marketing	Number of followers Number of available social media platforms Volume of feedback Number of new clients	Interval	Section C
Determine how performance of commercial banks is affected by website marketing strategy.	<b>Independent</b> Website marketing	Number of visitors Capacity Number of new clients Frequency of updates	Interval	Section D
Establish how performance of commercial banks is affected by mobile marketing strategy.	<b>Independent</b> Mobile marketing	Number of mobile phone users on the database Number of new clients Volume of feedback	Interval	Section E
	<b>Dependent</b> Performance	Profitability Market share Daily transactions Deposit growth Number of clients	Interval	Section F

*Source; Author (2023).*

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter covers research design, target population, sampling, as well as sampling procedure; research instrument; instrument's validity and reliability; data collection procedure; as well as data processing and analysis.

#### **3.2 Research Design**

Research design is an organization of ways of collecting and analysing data in a way aimed at combining relevance to the study objectives (Sharma, 2018). It can also be defined as the conceptual framework in which a study is done and creates the plan to collect and analyse data (Boru, 2018). The study adopted a descriptive research design to examine a phenomenon, information or behaviour in the target population to establish the way it is at that particular moment in time (Yin, 2013). This made the study describe features of digital marketing strategies and performance of commercial banks with the aim of estimating the influence and making predictions (Cooper & Schindler, 2014). This design was suitable due to the fact that the subjects were observed in the natural environment for them to respond and provide an in-depth view of the topic under study (Sekaran & Bougie, 2010).

#### **3.3 Target Population**

Alasdair (2015) defined population as a set of people, events, services, items, elements, households or a group of things that are under investigation. On the other hand, target population a total group of interest in when it comes to the study and subsequent analysis (Barnsbee & Nghiem, 2018). The

target population of this study was 39 commercial banks in Kenya (CBK, 2020). The target population of the study will have four heads of department in-charge of Marketing, ICT, Monitoring and Evaluation (M&E), and Customer Experience drawn from the 39 commercial banks. This will lead to a target population of 152.

### **3.4 Sampling and Sampling Procedure**

According to Shona (2019), to sample is to select a number of units to be used for analysis for the findings to represent the true picture of the population where the sample is selected. This study adopted stratified sampling method to select respondents from 80% of each of the 9 Tier 1, 8 Tier 2 and 21 Tier 3 strata of banks. The tiers were based on the CBK classification. This sample size was deemed appropriate based on Creswell and Creswell (2017) who indicated that a sample size of 30% and above is appropriate to depict the overall picture of the population. The study used purposive sampling technique to allow the four heads of departments in each of the sampled commercial bank to respond. Therefore, the total sample size comprised 120 respondents.

### **3.5 Instrumentation and Data Collection**

The study used questionnaires for data collection. According to Cleave (2023), questionnaire gives researchers first-hand information for analysis and can be used to get information on the area of study. The study used a semi-structured questionnaire. The section that is structured enabled uniform responses to be easily data analysed. On the other hand, the open-ended section enabled respondents to give more information that cannot be provided in the structured section. The questionnaire has a 5-point Likert scale with section A containing demographic information and

subsequent sections B-D containing statements on the independent variables while section E covers the dependent variable.

Permission to collect data was sought from the school of graduate studies in KCA University. A data collection permit was applied by the researcher from the National Council for Science, Technology and Innovation (NACOSTI). Afterwards, the commercial banks were sampled. The sampled commercial banks were written to, for permission to collect data. Questionnaires were then administered to the four heads of department of each of the selected commercial banks. Questionnaires were then filled by the respondents for some time after which the field questionnaire were collected for data analysis.

### **3.6 Validity and Reliability of the Instrument**

#### **3.6.1 Validity**

Validity is when a measure represents true construct, which is supposed to measure (Zohabri, 2011). The validity of the research instrument was established by expert judgement as supported by Oluwatayo (2012). The questionnaire was given to the University Supervisor, digital marketing expert and peer reviewers who went through and provide corrections that was used to improve the structure and content of the questions. This enhanced the validity of the questionnaire thereby promoting the credibility of data collected.

#### **3.6.2 Reliability**

This is the extent to which a measure is repeated by different people on different times under differing conditions with alternative instruments and still get consistent results (Drost 2011). It is

when that measure is dependable or consistent. A pretest was conducted on the instruments to establish reliability of the research instruments to check whether it was applicable.

Therefore, a pilot study was meant to determine reliability and validity of the instruments of data collection. 12 respondents were involved in the pilot study. Those who were involved in the pilot study were not involved in the actual study. These respondents included 4 heads of department drawn from 3 commercial banks (one from each tier). Kothari (2004) indicated that a pilot study can be conducted with 10 – 20% of the sample size; making this size good for the pilot. In this study, test-retest method was utilized for the pilot study. After the pilot study, questions that were not clear to the respondents, were revised so as to enhance the validity of the questionnaires. Afterwards, the Cronbach coefficient was applied to test the reliability of the instruments of data collection. A Cronbach alpha coefficient of 0.7 and above indicated that the instrument was reliable. The pretesting gave a good picture as to how competent the research instrument was from the feedback provided by those in the pre-test (Creswell & Creswell, 2017).

### **3.7 Diagnostic tests**

Correlation analysis was utilized in ascertaining whether there is linearity between the independent and dependent variables. Further, the sign of the correlation coefficient, whether positive or negative indicated the direction of movement between the factors. The study utilized the Pearson's coefficient of correlation for this purpose. A negative finding, where the attained coefficient has a negative sign, suggested that the variables show a movement in the opposite directions and the regression coefficient ought to be negative as well. On the other hand, if the attained coefficient was positive then the variables was be judged to move in the same direction and thus the regression

coefficients ought to be positive as well. A zero coefficient suggests that the two variables reflect an absence of any association (Gujarati, 2004).

The significance value of each of the attained correlation coefficients, given by p-values, was examined. If the p-value was found to be less than 0.05, provided evidence that the linear relationship was significant. If the significance level was found to be above 0.50, it would be evidence that the linear relationship was not significant hence the variables were judged as being non-linearly related (Gujarati, 2004).

### **3.7.1 Multicollinearity Test**

Multicollinearity is described as situations in which the independent variables share an intense association or link. When two or more independent variables are linked, the regression model collapses because both variables must be removed from the model (Creswell & Creswell, 2017) and a robust technique for assessing multicollinearity is through the use of the Variance Inflation Factor (VIF). The VIF starts at 1 and it is not bound by an upper-limit, an attained value of 1 provides an indication of no correlation between the predictor variables and any others. On the other hand, an attained VIF ranging from 1-5 points out to a correlation that was moderate and required no further application of corrective actions. However, in the event a VIF was found to be above 5, it points out to the problem of multi-collinearity, which suggested that the correlation coefficients suffered from poor estimation leading to questionable p-values.

### **3.7.2 Normality Test**

Conducting the normality test serves to determine whether the data follows a normal distribution. The conditional mean is the foundation for the least-square fit. However, since the mean was not robust, determining the centre in extensively skewed distributions or multi-modal distributions was required through skewness and kurtosis testing. Skewness determines whether data has symmetry where there are similarities in the right and left with respect to the centre. Kurtosis tests determine the extent by which the data is heavily tailed or light tailed with respect to normal distributions. Trochim and Donnelly (2006) posit that levels of kurtosis that range from -2 to +2 are termed as being acceptable in providing evidence for normal univariate distribution existing whereas a measure of skewness ranging from -1.96 to +1.96 illustrates a normal distribution.

### **3.7.3 Heteroscedasticity Test**

The study conducted a heteroscedasticity test to examine the stationarity of the variance from the residuals. A variance that was non-constant indicated a violation since the variance of residuals was changing as the predictor variable changes. Heteroscedasticity in the current study was measured using the Breusch-Pagan Test. For the numerator value, the degrees of freedom for the F-Test should be equal to 1 and  $n-2$  in the denominator. If either of these results related to a significant value, then there was evidence for heteroscedasticity. Otherwise, the study would have failed to reject the null hypothesis of homoscedasticity.

## **3.8 Data Processing and Analysis**

When data collection was completed, the filled questionnaires had been checked. This was to find out whether they were filled accurately, consistently and in completeness. After that, data was cleaned so as to correct discrepancies and then classified based on the similarities before being

tabulated. After this, data was analysed to respond to the research questions. The collected data using the questionnaire, was analysed using the version 26 of the Statistical Package for Social Sciences (SPSS). To be specific, the findings were summarised using descriptive statistics (standard deviation, frequencies, percentages and means). The statistics showed both similarities and differences. Results were presented in form of charts and tables. Multiple regression analysis was used to analyse inferential statistics. This was to establish the relationship between the banks' performance and digital marketing strategies. All statistical interpretations were done at  $\alpha = 0.05$ .

The overall statement of relationship was:

$$Y = f(X_1, X_2, \dots, X_n)$$

Where, Y is the criterion variable while  $X_1, X_2, \dots, X_n$  are the explanatory variables.

Generally, the model was as follows:

$$Y = a_1X_1 + a_2X_2 + \dots + a_nX_n + c$$

$c$ =constant; and  $a_1, \dots, a_n$  are the regression coefficients

### **3.9 Ethical Consideration**

Ethics has to do with principles of moral conduct that guide an individual's behaviour. Ethics in research means doing what is right both legally and morally while conducting research. They are guidelines that describe both acceptable and unacceptable behaviour in research (Shona, 2019). Before proceeding to the field to collect data, requisite permissions were sought from both KCA University and the management of respective banks to meet both ethical and legal requirements. Participants had the right to either agree or disagree to participate in the study. To enhance confidentiality, respondents were asked not to put their identities on the questionnaires. At the same time, respondents were assured that their responses were only used for the sake of this study.

## CHAPTER FOUR

### RESEARCH FINDINGS AND ANALYSIS

#### 4.1 Introduction

This study explored how digital marketing strategies affect performance of commercial banks in Kenya. The findings of the same are presented in this chapter.

#### 4.2 Return Rate

Data collection for this study was conducted using questionnaires, which were administered to respondents in Tier 1, Tier 2 and Tier 3 commercial banks in Kenya. The number of questionnaires that were distributed were 120 out of which 112 were fully filled and returned for analysis. Table 4.1 indicates that Response rate.

**TABLE 4.1**  
**Response Rate**

<b>Response</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Returned	112	93.33
Unreturned	8	6.67
<b>Total</b>	<b>120</b>	<b>100.00</b>

The response rate was 93.33 % as shown in Table 4.1 above. According to Fincham (2008), a response rate of 30% to 40% is considered acceptable on average, although researchers should strive for a response rate of approximately 70% for their studies. According to Kothari (2019), a response rate of 60% or above is regarded as favourable while a rate of 70% is judged great. Consequently, the response rate for this study is deemed satisfactory since it was above 70%.

### 4.3 Pilot Test Results

The research instrument for this study was questionnaire. A pilot test was conducted to determine the dependability of the questionnaire. The test was conducted on 12 respondents drawn from 3 commercial banks, which were randomly selected in Nairobi.

**TABLE 4.2**  
**Reliability of Research Instrument**

<b>Variable</b>	<b>Cronbach's Alpha</b>	<b>Items</b>
Email marketing strategy	.711	12
Social media marketing strategy	.798	12
Website marketing strategy	.743	12
Mobile marketing strategy	.827	12
Commercial bank performance	.874	12

The factors, namely email marketing strategy, social media marketing strategy, website marketing strategy and mobile marketing strategy were observed to possess a Cronbach's alpha value exceeding 0.70, as indicated in the aforementioned Table 4.2. Each of the Cronbach's alpha coefficients exceeds the threshold of 0.7 recommended by Bryman (2008). This suggests that the questionnaire employed was reliable in gathering data pertaining to performance of commercial banks and the four independent variables (email marketing, social media marketing, website marketing and mobile marketing).

### 4.4 Demographic Analysis

Demographic data is important in research to show the characteristics of the target population under study (Swanson, 2014). For this study, the demographic analysis included gender, level of education and period worked.

#### 4.4.1 Gender of Respondents

Table 4.3 provides a summary of the results, which were obtained by asking the respondents to declare the gender they represented.

**TABLE 4.3**  
**Gender of the Respondents**

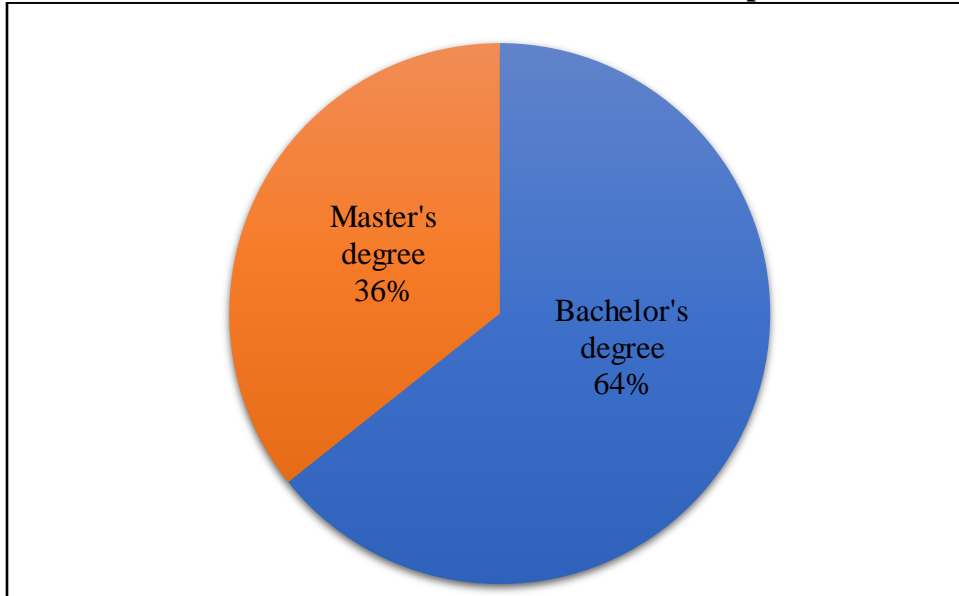
<b>Gender</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Male	72	64.30
Female	40	35.70
<b>Total</b>	<b>112</b>	<b>100.00</b>

Data in Table 4.3 indicate that majority of the respondents were male comprising 64.30% while another 35.70% of the participants were female. This indicates that the study was impartial towards gender and that the disparities between genders were not substantial enough to suggest any bias in the study towards gender. The findings revealed that a significant proportion of the participants in commercial banks were of the male gender. Nevertheless, there is a significant number of women employed in the sector.

#### 4.4.2 Education Level of Respondents

Respondents were asked to indicate their level of education. The outcomes for the same were as shown in Figure 4.1 that follows.

**FIGURE 4.1**  
**Level of Education of Respondents**

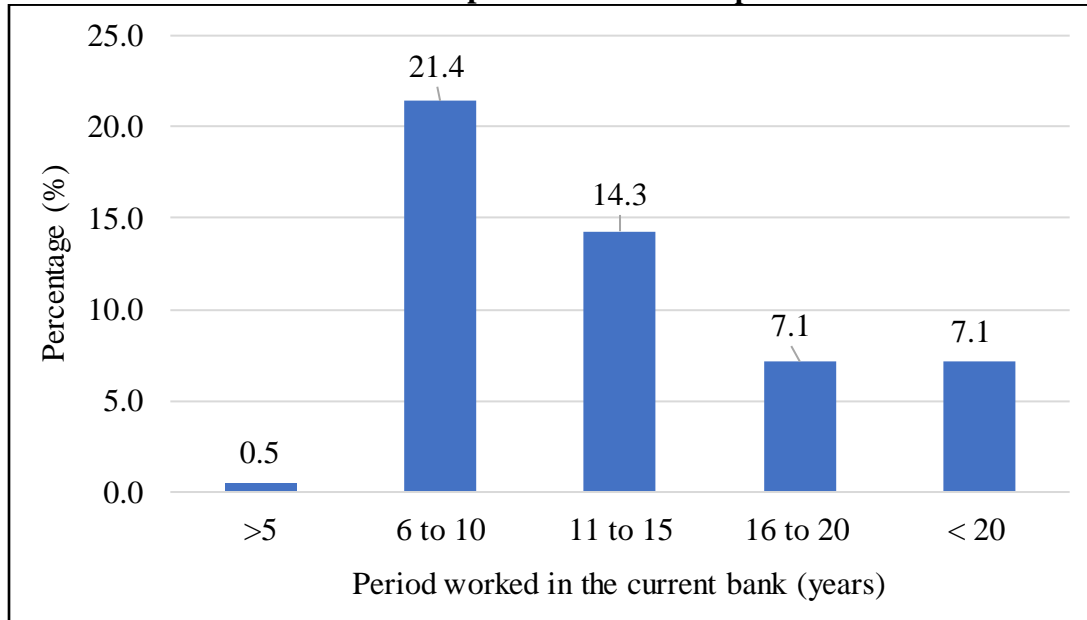


Based on the results presented in Figure 4.1, it is clear that majority of the respondents were bachelor's degree holders comprising 64% while another 36% of the respondents had master's degrees. These findings show that the respondents had intellectual capacity to understand the study at hand and interpret questions accordingly.

#### **4.4.3 Work Experience of Respondents**

Respondents were asked to indicate their level of work experience. The outcomes for the same were as shown in Figure 4.2 that follows.

**FIGURE 4.2**  
**Respondents' Work Experience**



Results shown in Figure 4.2 show that majority of the respondents had worked for 6 to 10 years while only 0.5% of them having worked for less than five years and below. These findings show that the respondents had the required experience in the commercial banks that enables them to respond to the issues in the study.

#### **4.5 Descriptive Statistics**

The descriptive statistics present the outcomes of surveys in which participants were requested to express their level of agreement or disagreement with certain propositions. Descriptive statistics were utilized to analyse each variable in this study.

##### **4.5.1 Email Marketing Strategy and Performance of Commercial Banks**

The first objective of this study was to examine the effect of email marketing strategy on performance of commercial banks. The descriptive statistics from the responses based on 112 respondents were as shown in Table 4.4 that follows.

**TABLE 4.4**  
**Email Marketing Strategy**

<b>Email marketing</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev.</b>
The commercial bank has an active email account	112	3.9316	1.2325
The commercial bank corresponds with clients via emails	112	3.7494	1.3201
Email use by clients is high	112	3.8932	0.8561
Most product and service requests are place via email	112	3.9098	1.1064
New products and services are marketed to clients through email	112	3.8272	0.8016
Email use promotes effective interaction between employees and clients	112	3.7846	0.9124

Commercial bank having active email account with a mean of 3.9316 and a standard deviation of 1.2325. The substantial standard deviation indicates a lack of agreement among the respondents. There was thus a disagreement in the responses gathered from the participants. Additionally, the findings indicate that commercial banks correspond with clients via emails (mean=3.7494, standard deviation=1.3201). The study also demonstrated that email use by clients is high (mean=3.8932, standard deviation=0.561). The low standard deviation indicates a high level of agreement among the responders. Consequently, they all reached a unanimous agreement with the message. Furthermore, the study revealed that most product and service requests are place via email, as evidenced by the data collected from 112 participants. The mean score for this was 3.9098, with a standard deviation of 1.1064. Similarly, the study findings indicate that new products and services are marketed to clients through email with a mean score of 3.8272 and a standard deviation of 0.8016. There was a lower standard deviation implying that the respondents were in agreement over this fact. Finally, it was determined that Email use promotes effective interaction between employees and clients. This fact is based on a mean of 3.7846 and a standard

deviation of 0.9124. The low standard deviation indicates a high level of agreement among the respondents. Consequently, they all reached a unanimous agreement with that fact.

These findings agree with Internet Marketing Academy (2011) who indicated that key components of email marketing attract both potential and current customer. The results also agree with Adejoke and Adekemi (2012) who asserted that personal email marketing connects well to customers. This is also in agreement with Nitumwesiga (2020) who revealed that email marketing enhances communication and corporate relationships with customers.

#### 4.5.2 Social Media Marketing Strategy and Performance of Commercial Banks

The second objective was to evaluate the effect of social media marketing strategy on performance of commercial banks in Kenya. The descriptive statistics from the responses based on 112 respondents are shown in Table 4.5 that follow.

**TABLE 4.5**  
**Social Media Marketing Strategy**

<b>Social media marketing</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev.</b>
The commercial bank has an account in all the common social media platforms	112	2.8195	1.2732
Bank products and services are advertised on the social media walls	112	4.0000	0.8215
The commercial bank interacts with clients on the social media platforms	112	3.6241	0.6502
Product and service requests are placed by clients through chats and posts	112	3.5940	1.2964
The commercial bank responds to client requests in time	112	3.8195	1.3232
Social media accounts have improved the interaction of clients with staff	112	3.5621	1.0815
Social media use has enhanced customer service	112	3.4625	0.7652
The commercial bank's social media accounts are always updated	112	3.5494	0.6644

Commercial bank having active account in all the common social media platforms with a mean of 2.8195 and a standard deviation of 1.2732. The substantial standard deviation indicates a lack of agreement among the respondents. There was thus a disagreement in the responses gathered from the participants. Additionally, the findings indicate that bank products and services are advertised on the social media walls (mean=4.000, standard deviation=0.8215). The low standard deviation indicates a high level of agreement among the responders on the fact that bank products and services are advertised on the social media walls. Consequently, they all reached a unanimous agreement with this fact. The study also demonstrated that commercial banks interact with clients on the social media platforms (mean=3.6241, standard deviation=0.6502). The low standard deviation indicates a high level of agreement among the responders. Consequently, they all reached a unanimous agreement that commercial banks interact with clients on the social media platforms. Similarly, the study revealed that product and service requests are placed by clients through chats and posts. The mean score for this was 3.5940, with a standard deviation of 1.2964. Additionally, the study findings indicate that commercial banks respond to client requests in time with a mean score of 3.8195 and a standard deviation of 1.3232. There was a higher standard deviation implying that the respondents were in disagreement over this fact. Further, it was determined that social media accounts have improved the interaction of clients with staff. This fact is based on a mean of 3.5621 and a standard deviation of 0.8015. The low standard deviation indicates a high level of agreement among the respondents. Consequently, they all reached a unanimous agreement with that fact. In addition, the study established that social media use has enhanced customer service at a mean score of 3.4625 and a standard deviation of 0.7652. This low standard deviation implies that there was a common agreement on this fact. Finally, the findings indicate that commercial banks' social media accounts are always updated at a mean

score of 3.5494 and a standard deviation of 0.6644. The low standard deviation indicates a high level of agreement among the respondents. Consequently, they all reached a unanimous agreement with this fact.

These findings concur with Kimani (2014) who reported that social media marketing enhances customer networking. In addition, the results agree with Piabari (2022) who revealed that there was a significant relationship between customer loyalty and social marketing. At the same time, Srinivasan, Bajaj and Bhanot (2016) indicated that revenue positively relates to visibility on social media marketing.

#### **4.5.3 Website Marketing Strategy and Performance of Commercial Bank**

The third objective of this study was to determine the effect of website marketing strategy on performance of commercial banks in Kenya. Table 4.6 has the descriptive statistics from the responses based on 112 respondents.

**TABLE 4.6**  
**Website Marketing Strategy**

<b>Website marketing</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev.</b>
The commercial bank has a functional website	112	4.2241	0.5214
The website is interactive and friendly to the users and clients	112	3.5592	0.8186
All bank products and services are posted on the website	112	3.8201	0.7234
Client feedback and requests are responded to on the website	112	2.4175	1.2825
The website allows interaction between the firm employees and clients	112	2.5245	1.1262

Findings in Table 4.6 demonstrate how website marketing enhanced performance of commercial banks. Regarding this, the study established that commercial banks have functional websites (mean = 4.2241, standard deviation = 0.5214). The low standard deviation suggests that there was a high level of agreement, which implies that all reached a unanimous agreement with this fact. In addition, it has been demonstrated that the websites are interactive and friendly to the users and clients. This finding is based on a sample size of 112, with a mean rating of 3.5592 and a standard deviation of 0.8186. The low standard deviation indicates that there was a high-level agreement among the respondents on this fact. This implies that most websites are generally interactive. The results also show that in most banks (mean=3.8201, standard deviation=0.7234) have posted all products and services on their websites. It is clear that this is a common practice among the banks for it also generated a low standard deviation indicating that there was a common agreement among respondents on this fact. Furthermore, the study established that clients' feedback and requests are responded to on the website. This was supported by a mean rating of 2.4175 and a standard deviation of 1.2825. The findings show that in most cases, feedback and requests are not commonly responded to via the website. The high standard deviation suggests that there was a high level of variation in the responses provided by the respondents. There was a high difference in the responses. Similarly, the study revealed that the websites allowed interaction between the firm employees and clients. This was based on a sample size of 112, a mean value of 2.5245 and a standard deviation of 1.1262. These results show that generally, respondents did not agree on this fact due to the high standard deviation observed.

These findings concur with Renner et al. (2008) who indicated that website marketing has a direct relationship with the customers loyalty. At the same time, Wisdom (2015) revealed that website

marketing influenced performance of organisations. Also, Ardjouman and Asma (2015) reported that website marketing strategies affected Cote d'Ivoire's SMEs' performance. The results also concur with Achieng' (2016) who reported that online marketing by SMEs for competitive advantage.

#### 4.5.3 Mobile Marketing Strategy and Performance of Commercial Bank

The fourth and final objective of this study was to establish the effect of mobile marketing strategy on performance of commercial banks in Kenya. The descriptive statistics from the responses are indicated in Table 4.7 that follows.

**TABLE 4.7**  
**Mobile Marketing Strategy**

<b>Mobile marketing</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev.</b>
The commercial bank has a functional mobile banking platform	112	3.8472	0.5887
The mobile banking platform is interactive and friendly to the users and clients	112	3.8517	0.5247
All bank products and services can be accessed on the mobile banking platform	112	3.1762	0.9452
The management posts updates on new products and services, location and promotions on the mobile banking platform	112	2.5724	1.0431
The commercial bank's mobile banking platform is usually updated	112	3.7423	0.6284

The findings in Table 4.7 demonstrate how mobile banking strategy enhances performance of commercial banks. The results established that commercial banks have functional mobile banking platforms (N=112, mean=3.8472, standard deviation=0.5887). The high mean shows that indeed most banks had functional mobile banking platforms. The low standard deviation suggests that there was a low level of variation in the responses provided by the respondents. This implies that

most of the respondents highly agreed on this fact. In addition, the study established that the mobile banking platforms are interactive and friendly to the users and clients. This finding is based on a mean of 3.8517 and a standard deviation of 0.5247. The high mean rating show that most respondents agreed with this fact. Similarly, the low standard deviation shows that there was low variation in the responds of provided by the respondents. This implies that they respondents unanimously agreed on the fact that the mobile banking platform was interactive and friendly to the clients.

Furthermore, the study established that all bank products and services can be accessed on the mobile banking platform. This was supported by a mean value of 3.1762 and a standard deviation of 0.91782. The modest standard deviation suggests that there was a moderate level of variation in the responses provided by the respondents. The results show that some respondents felt that not all bank products and services can be accessed on the mobile banking platform. This implies that some products and services may not be accessed on the mobile banking platform. At the same time, it was established that the bank management posts updates on new products and services, location and promotions on the mobile banking platform. This was based on a mean rating of 2.5724 and a standard deviation of 1.0431. The high standard deviation suggests that there was a high level of variation in the responses provided by the respondents. The results show that there was no unanimous agreement on this fact. Finally, the study findings indicate that the commercial banks' mobile banking platforms are usually updated at a mean rating of 3.7423 and standard deviation of 0.6284. The high mean rating shows that most respondents agreed with this fact. Similarly, the low standard deviation indicates that there was low variation in the responds of

provided by the respondents. This implies that they respondents unanimously agreed on the fact that the commercial banks' mobile banking platforms are usually updated.

The findings agree with Yameen, Tasneem and Fatema (2015) who established a positive correlation between performance in sales and mobile marketing. The findings also agree with Adegbuyi, Akinyele and Akinyele (2015) who established that positive impact on customer acquisition and retention thus market share increase and good firm performance. The findings also concur with Njau and Karugu (2014) revealed a positive effect of e-marketing on the SMEs' performance in Kenyan's manufacturing sector.

#### 4.5.4 Commercial Bank Performance

The study's dependent variable was commercial bank performance and its goal was to ascertain how well commercial banks performed. The findings were as shown in Table 4.8.

**TABLE 4.8**  
**Commercial Bank Performance**

<b>Commercial bank performance</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev.</b>
The number of clients has significantly increased	112	3.6461	0.5832
Our market share has gone up	112	3.6719	1.2093
Bank profitability has increased	112	3.5712	0.9547
Customer deposit has improved	112	2.3541	1.2624
Daily transactions have increased	112	3.7544	0.6236

As it regards performance, the study established that there was a significant increase on the number of clients. This was supported by a mean rating 3.6461 and a standard deviation of 0.5832. The

mean rating show that respondents agreed with this fact. The low standard deviation suggests that the respondents exhibited low variation in their responses. This implies that the respondents were generally in agreement that the number of clients had significantly agreed. Furthermore, the results demonstrated a rise in the market share (mean=3.6719, standard deviation=1.2093). The findings additionally demonstrated that bank profitability had increased (mean=3.5712, standard deviation=0.9547). The modest standard deviation suggests that there was a moderate level of variation in the responses provided by the respondents. This implies that it is not necessarily true that all banks had higher profits. The study also established that customer deposit has improved at a mean rating of 2.3541 and a standard deviation of 1.2624. The low mean shows that customer deposits had not improved in most banks. On the other hand, the high standard deviation suggests that there was a high level of variation in the responses provided. This study further established that transactions had increased. This was supported by a mean rating 3.7544 and a standard deviation of 0.6236. The mean rating show that respondents exhibited a high agreement with this fact. The low standard deviation suggests that the respondents exhibited low variation in their responses. This implies that indeed daily transactions had increased for most respondents had significantly agreed on this.

#### **4.6 Diagnostic Tests**

Rommel (2013) states that diagnostic tests are used to identify several types of predispositions that may occur in a study focused on assessing accuracy. To get impartial estimates of the study parameters, multiple assumptions of regression were examined. The tests conducted encompassed normalcy, multicollinearity and linearity.

#### 4.6.1 Normality Test

Prior to conducting data analysis, the Shapiro-Wilk test was employed to assess the normality assumptions. The null hypothesis when employing the Shapiro-Wilk test was that the sample was derived from a population with a normal distribution. During the process of conducting a normality test, the null hypothesis states that the data under consideration is derived from a population that follows a normal distribution (Razali & Wah, 2011). Table 4.9 presents the results.

**TABLE 4.9**  
**Normality Tests**

	Shapiro-Wilk		
	Statistic	DF	Sig.
Email marketing strategy	0.534	112	0.52
Social media marketing strategy	0.365	112	0.71
Website marketing strategy	0.589	112	0.67
Mobile banking marketing strategy	0.476	112	0.61
Commercial bank performance	0.521	112	0.62

The results of the normality tests indicated that the p-values for email marketing strategy, social media marketing strategy, website marketing strategy, mobile banking marketing and bank performance were 0.52, 0.71, 0.67, 0.61 and 0.62, respectively. Each of these p-values exceeded the 0.05 significance level indicating that the normality test confirmed the data's normal distribution. Consequently, additional analysis was performed.

#### 4.6.2 Multicollinearity Test

The purpose of the multicollinearity test was to determine if there was a statistically significant relationship among the independent variables used in the regression analysis. The Variance Inflation Factors (VIF) as employed to assess the presence of multicollinearity in this study.

O'Brien (2007) states that a Variance Inflation Factor (VIF) score beyond 10 signifies the presence of multicollinearity. The results of the multicollinearity test are displayed in Table 4.10.

**TABLE 4.10**  
**Multicollinearity Test**

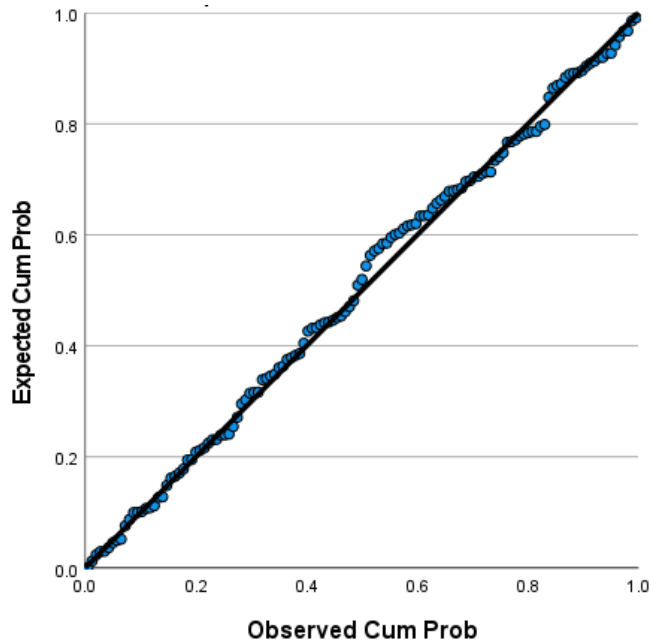
Item	Collinearity Statistics	
	Tolerance	VIF
Email marketing strategy	.986	1.021
Social media marketing strategy	.971	1.034
Website marketing strategy	.973	1.082
Mobile banking marketing	.964	1.031

The findings indicated that the Variance Inflation Factor (VIF) for email marketing strategy was  $1.021 < 10$ , social media marketing strategy was  $1.034 < 10$ , website marketing strategy was  $1.082 < 10$  and for mobile banking marketing, it was  $1.031 < 10$ . A Variance Inflation Factor (VIF) exceeding 4 and a tolerance below 0.24 suggest the potential presence of multicollinearity among the variables. Consequently, additional inquiry may be required. Field (2009) states that a Variance Inflation Factor (VIF) more than 10 or a tolerance lower than 0.1 indicates the presence of substantial multicollinearity that requires correction. Hence, the data pertaining to the variables of this investigation did not exhibit any multicollinearity that would impede the progress of the study.

#### **4.6.3 Linearity Test**

A linearity test is a statistical test used to assess the assumption of linearity in linear regression models that employ Ordinary Least Squares (OLS) estimation. A linearity test determines if the data distributions of the dependent and independent variables show a linear pattern. The regression employed is a linear regression model, hence it is imperative that the assumptions of linearity are met. This is shown in Figure 4.3.

**FIGURE 4.3**  
**Linearity Test**



The scatter plot graph (Figure 4.3) displays a positive linear trend line, sloping from the bottom left to the upper right. The linearity test, conducted using a scatter plot, confirms that the regression model satisfies the assumption of linearity. Thus, employing linear regression is indeed appropriate.

#### **4.7 Correlation and Regression Analysis**

The purpose of this study was to establish how digital marketing strategies affect performance of commercial banks in Kenya. Specifically, it was to ascertain the presence of any association among the variables under investigation. To determine the nature of the relationship between the independent and dependent variables, a correlation analysis was carried out. The correlation coefficients span from -1, representing a complete negative connection, to +1, representing a complete positive correlation, and finally to zero, indicating the absence of any relationship.

**TABLE 4.11**  
**Correlation Matrix**

		CBP	EMS	SMMS	WMS	MBMS
CBP	Pearson Correlation	1	.432**	.470**	.432**	.403**
	Sig. (2-tailed)		.010	.000	.010	.008
	N	112	112	112	112	112
EMS	Pearson Correlation	.432**	1	.089	.072	.048
	Sig. (2-tailed)	.010		.264	.246	.337
	N	112	112	112	112	112
SMMS	Pearson Correlation	.470**	.089	1	.089	.184
	Sig. (2-tailed)	.000	.246		.246	.098
	N	112	112	112	112	112
WMS	Pearson Correlation	.332**	.072	.186	1	.046
	Sig. (2-tailed)	.010	.246	.068		.326
	N	112	112	112	112	112
MBMS	Pearson Correlation	.403**	.048	.184	.046	1
	Sig. (2-tailed)	.008	.337	.098	.326	
	N	112	112	112	112	112

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

The correlation results in Table 4.11 indicated a positive linear relationship ( $r=0.432$ ;  $P=0.010$ ) between Email Marketing Strategy (EMS) and Commercial Bank Performance (CBP), implying that modifications in email marketing strategy would likewise impact changes in commercial bank performance. Given that the p value was below 0.05, it can be inferred that the association was statistically significant. The correlation results ( $r=0.470$ ;  $P=0.000$ ) demonstrated a clear and direct relationship between Social Media Marketing Strategy (SMMS) and Commercial Bank Performance. With a correlation coefficient of 0.432 and a p-value of 0.000, the correlation results indicated a substantial positive linear association between Website Marketing Strategy (WMS) and commercial bank performance. Since the p-value was less than 0.5, the correlation was

considered statistically significant. Similarly, the correlation results ( $r=0.403$ ;  $P=0.008$ ) demonstrated a clear and direct relationship between Mobile Banking Marketing Strategy (MBMS) and Commercial Bank Performance. With a correlation coefficient of 0.403 and a p-value of 0.008, the correlation results indicated a substantial positive linear association between mobile banking marketing strategy and commercial bank performance. Since the p-value was less than 0.5, the correlation was considered statistically significant. The correlation coefficients among the independent variables were weak, suggesting the absence of multicollinearity. As such, there was need to investigate the effects of the four independent factors on the dependent variable. These findings agree with Booth (2009) who established that there was a significant relationship between mobile banking marketing strategy with performance of SMEs. At the same time, Krosel et al. (2017) also indicated that there was indeed a correlation between website marketing and microfinance performance. The findings also agree with Keynote (2013) who established a positive correlation between social media marketing and customer loyalty in organizations.

#### 4.8 Regression Model Summary

An explicit explanation of how the independent variables affect the dependent variable can be found in the model summary. The provided information includes the standard error of the estimate, R-value, R-squared value, and modified R-squared value. The results are presented in Table 4.12 that follows.

**TABLE 4.12**  
**Regression Model Summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.483 <sup>a</sup>	.233	.219	.41055

a. **Predictors: (Constant), EMS, SMMS, WMS, MBMS**

b. **Dependent variable: commercial bank performance**

The model summary indicates a R value of 0.483 and a squared R value of 0.233. Finally, the modified R-squared value was 0.219. The coefficient of determination, R squared, indicates that the model accounted for 23.3% of the variability in the dependent variable. Specifically, the email marketing strategy, social media marketing strategy, website marketing strategy, mobile banking marketing strategy contribute to 23.3% of the variances in commercial bank performance. The remaining 76.7% can be attributed to other variables that are not accounted for in the current model.

These findings agree with Chaffey (2011) who established a significant relationship between email marketing and performance of financial institutions. Similarly, the results concur with Kimani (2014) who revealed that customer share had a significant relationship with social media marketing and Ming (2011) who reported that there was a positive correlation between website marketing and performance of paper industries.

#### 4.9 Analysis of Variance

The model's fitness was verified by undertaking an analysis of variance. The analysis produced an F-statistic, which is used to assess the importance of R. The findings are displayed in Table 4.13 that follow.

**TABLE 4.13**  
**Analysis of Variance**

<b>Model</b>	<b>Sum of Squares</b>	<b>DF</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>	
1	Regression	8.021	3	2.674	9.904	.001 <sup>b</sup>
	Residual	29.432	109	.270		
	Total	37.453	112			

a. Dependent Variable: commercial bank performance

b. Predictors: (Constant), EMS, SMMS, WMS, MBMS

Based on the findings in Table 4.13, the p-value was less than 5%, which is the predefined threshold for significance. Therefore, this implies that the model summary is statistically significant. The findings indicate that the regression model is precise, and the results demonstrate a statistically significant correlation between each predictor variable and the modelled variable. Consequently, the model worked well for its stated purpose of clarifying the relationships between the independent and dependent variables.

#### 4.10 Multiple Linear Regression Model

A multiple regression analysis was performed to assess the correlation between the predictor variable(s) and the dependent variable. The results are presented in Table 4.14 that follows.

**TABLE 4.14**  
**Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.668	.533		1.253	.213
Email marketing strategy	.224	.100	.174	2.232	.027
Social media marketing strategy	.420	.090	.366	4.654	.000
Website marketing strategy	.203	.099	.161	2.054	.042
Mobile banking marketing	.301	.095	.168	3.041	.038

From table 4.14, specific regression equation becomes  $Y = 0.224X_1 + 0.420X_2 + 0.203X_3 + 0.301X_4$

Where:

$Y$  = Commercial Bank Performance

$X_1$  = Email Marketing Strategy

**X<sub>2</sub>**= Social Media Marketing Strategy

**X<sub>3</sub>**= Website Marketing Strategy

**X<sub>4</sub>**= Mobile Banking Marketing

The constant term was determined to be 0.668, although it was not statistically significant at the 5% significance level ( $\beta_0=0.668$ ,  $p=0.213>0.050$ ). The significance of these findings is that, when all other variables are not included, the efficacy of commercial bank performance amounts to 66.8%. The use of email marketing strategy yielded a substantial positive beta coefficient ( $\beta_1$ ) of 0.224 ( $p=0.027<0.050$ ). Increasing utilization of email marketing strategy by 1 unit is expected to result in a 0.224-unit improvement in the commercial bank performance, assuming all other parameters remain same. The results indicated a significant relationship between social media marketing and commercial bank performance ( $\beta_2=0.420$ ,  $p=0.000<0.05$ ). Increasing social media marketing by 1% is expected to result in a 0.420-unit enhancement in the performance of commercial the banks, assuming no changes in other parameters. Furthermore, the beta coefficient ( $\beta_3$ ) for website marketing was found to be 0.203 with a p-value of 0.010. This p-value is lower than the specified significance level of 0.05 ( $\beta_3=0.203$ ,  $p=0.042<0.050$ ). These results suggest that a 1 unit rise in website marketing is associated with a 0.203-unit enhancement in the commercial bank performance, when controlling for all other independent variables. Similarly, the results indicated a significant relationship between mobile banking marketing and commercial bank performance ( $\beta_4=0.301$ ,  $p=0.038<0.05$ ). This means that increasing mobile banking marketing by 1% is expected to result in a 0.301-unit enhancement in the performance of commercial the banks, assuming no changes in other parameters.

These results concur with Nitumwesiga (2020) who reported a significant correlation between email marketing and overall performance of small business enterprises. At the same time, results also agree with Jalang'o (2015) who indicated that there as a positive relationship between email marketing and commercial institutions. Furthermore, the findings agree with Piabari (2022) and Baker (2022) who reported that social media marketing had a significant correlation with overall performance of microfinance institutions. In addition, Park and Park (2010) and Wisdom (2015) also reported a significant relationship between website marketing and performance of commercial banks. In addition, the findings agree with Njau and Karugu (2014) and Garcia (2017) who established a correlation between mobile banking marketing and the profits made by the commercial banks.

## **CHAPTER FIVE**

### **CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter offers a concise overview and definitive conclusions, as well as insightful recommendations derived from the objectives of this study. The summary elucidates the connection between the dependent and independent variables.

#### **5.2 Summary of Findings**

The model summary indicates that the email marketing strategy, social media marketing strategy, website marketing strategy, mobile banking marketing strategy contribute to 23.3% of the variances in commercial bank performance. The p-value was below than the predefined cut-off point of 5%, which indicated by the analysis of variance that the model summary was statistically significant. This indicates that the model effectively explains the correlations between the dependent and independent variables, serving its intended purpose.

##### **5.2.1 Email Marketing Strategy and Commercial Bank Performance**

The first objective was to ascertain the effect of email marketing strategy on commercial bank performance. The descriptive statistics indicated that commercial banks have active email accounts, correspond to clients via email and that the use of email is high. Similarly, it was established that most product and service request placed via email, new products and services are marketed to clients through email, and that use of email promotes effective interaction between employees and clients. The correlation research demonstrated a direct and positive relationship between the email marketing strategy and commercial bank performance. This implies that any

alterations made to the former would also impact the latter. Moreover, the beta coefficient ( $\beta_1$ ) for email marketing was shown to be statistically significant, indicating that a 1 unit increase in email marketing is likely to result in greater bank performance.

These findings concur with Jalang'o (2015) who established a significant positive relationship between email marketing and commercial banks' performance. At the same time, the results agree with Muthuri (2019) who also reported a positive relationship between utilization of email marketing and customer base of commercial banks in Kenya. In addition, the findings agree with Nitumwesiga (2020) who established that email marketing enhanced efficiency in communication and corporate relationship with customers.

### **5.2.2 Social Media Marketing Strategy and Performance of Commercial Banks**

The second objective was to ascertain the effect of social media marketing strategy on commercial bank performance. The descriptive statistics indicated that commercial banks have active email accounts, correspond to clients via email and that the use of email is high. Similarly, it was established that most product and service request placed via email, new products and services are marketed to clients through email, and that use of email promotes effective interaction between employees and clients. The correlation research demonstrated a direct and positive relationship between the email marketing strategy and commercial bank performance. This implies that any alterations made to the former would also impact the latter. Moreover, the beta coefficient ( $\beta_1$ ) for email marketing was shown to be statistically significant, indicating that a 1 unit increase in social media marketing is likely to result in greater bank performance.

The aforementioned findings agree with Njeri (2014) who established that social media influences the performance of the banking sector. This study targeted all commercial banks that operate in Kenya. Further, these findings concur with Khamis (2018) who established how social media marketing influences Nairobi County SME's performance. At the same time, Ndegwa (2021) established that social media marketing strategies established performance of Equity Bank Limited in Kenya.

### **5.2.3 Website Marketing Strategy and Performance of Commercial Banks**

The third objective of this study was to establish the effect of social media marketing strategy on commercial bank performance. The descriptive statistics indicated that commercial banks have functional websites. At the same time, the findings demonstrated that the websites are interactive and friendly to the users and clients. The results also show that banks have posted all products and services on their websites. Furthermore, the study established that clients' feedback and requests are responded to on the website. In addition, the findings show that in most cases, feedback and requests are not commonly responded to via the website. Similarly, the study revealed that the websites allowed interaction between the firm employees and clients. The correlation research demonstrated a direct and positive relationship between the website marketing strategy and commercial bank performance. This implies that any alterations made to the former would also impact the latter. Moreover, the beta coefficient ( $\beta_1$ ) for website marketing was shown to be statistically significant, indicating that a 1-unit increase website marketing is likely to result in greater bank performance.

These findings agree with Khraim (2015) who reported that website marketing strategy utilized enhanced organisation's visibility, hence making the quantity and quality of traffic to the organisation's website. The results also agree with Tuten (2014) who established that website marketing strategy enhanced the firm's capacity to identify market segments, attract clients, generate brand awareness, as well as build trust through increase of the visibility of the firm's website. In addition, the findings agree with Park and Park (2010) who reported success of the website marketing strategy in attracting visitors and social network activities linked to the organisation.

#### **5.2.4 Mobile Marketing Strategy and Performance of Commercial Banks**

The fourth objective of this study was to establish the effect of social media marketing strategy on commercial bank performance. The descriptive statistics indicated that commercial banks have functional mobile banking platforms. In addition, the study established that the mobile banking platforms are interactive and friendly to the users and clients. Furthermore, the study established that all bank products and services can be accessed on the mobile banking platform. The results also show that not all bank products and services can be accessed on the mobile banking platform. At the same time, it was established that the bank management posts updates on new products and services, location and promotions on the mobile banking platform. Finally, the study findings indicate that commercial banks' mobile banking platforms are usually updated. The correlation research demonstrated a direct and positive relationship between the mobile marketing strategy and commercial bank performance. This implies that any alterations made to the former would also impact the latter. Moreover, the beta coefficient ( $\beta_1$ ) for mobile marketing was shown to be

statistically significant, indicating that a 1 unit increase mobile marketing is likely to result in greater bank performance.

These findings agree with Piabari (2022) and Baker (2022) who established a significant positive correlation between social media marketing strategy and overall performance of microfinance institutions. The findings are also in concurrence with those of Garcia (2017) who revealed that there was a positive correlation between mobile banking marketing and the profits made by the commercial banks.

### **5.3 Conclusions**

Based on the findings of this study, the following conclusions are made based as per the objectives:

#### **5.3.1 Email Marketing Strategy and Commercial Bank Performance**

The results of the regression analysis indicated that the implementation of email marketing had a statistically significant positive beta coefficient. Based on the aforementioned findings, the present study draws the conclusion that the email marketing is expected to result into enhanced commercial bank performance, when other parameters are held constant.

#### **5.3.2 Social Media Marketing Strategy and Performance of Commercial Banks**

The study's findings also showed a favourable relationship between social media marketing and commercial bank performance. The study's conclusions suggest that utilization of social media marketing will probably lead to enhanced performance of commercial banks, other factors remaining constant.

### **5.3.3 Website Marketing Strategy and Performance of Commercial Banks**

Similarly, the statistical study indicated that the beta coefficient linked to website marketing held a considerable level of significance. Based on the results of this study, it is predicted that an increase in website marketing will result in enhanced performance of commercial banks, even when considering other factors held constant.

### **5.3.4 Mobile Marketing Strategy and Performance of Commercial Banks**

Moreover, the statistical study indicated that the beta coefficient linked to mobile marketing held a considerable level of significance. Based on the results of this study, it is predicted that an increase in mobile marketing will result in enhanced performance of commercial banks, when considering other factors.

## **5.4 Recommendations**

This study established that among the four independent variables, social media marketing strategy had the most significant influence on performance of commercial banks. Based on the findings and conclusions cited earlier, this study suggests that financial institutions should prioritize dedicating resources to social media marketing, as it has the most substantial impact on commercial bank performance. Furthermore, the descriptive data suggest that most banks do not use website marketing strategy. Therefore, there is need for the bank management to invest significant resources in utilization of website marketing. At the same time, commercial bank management should conduct their marketing strategies using the SWOT analysis so as to identify weak aspects of their respective strategies and make a deliberate investment in enhancing them.

### **5.5 Suggestion for Further Studies**

The model summary reveals that the incorporation of four separate components in the research explains 23.3% of the observed variability in the dependent variable. The remaining 76.7% is ascribed to supplementary factors that were not considered within the confines of this specific inquiry. Based on the aforementioned findings, it is advisable to do another research in the same industry, using different variables, to determine additional aspects that impact the performance of commercial banks in Kenya. To validate similar conclusions, it is essential to do a comparative analysis of other industries, such as insurance companies or cooperative societies.

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**APPENDICES**

**APPENDIX I: LETTER OF INTRODUCTION**

Name of the Company.....

Contacts.....

Dear Respondent,

I am a student pursuing Masters in Business Administration at KCA University. I am required to undertake a research dissertation as partial fulfilment for the award of MBA degree. I hereby, am requesting to be assisted in the collection of data from your organization to enable me accomplish the study on “Effect of digital marketing strategies on the performance of commercial banks in Kenya.”

I am requesting for responses in the questionnaire attached. Information given will be kept confidential. Thank you.

Yours Faithfully,

Amy Belinda Karagua

0711584506

## APPENDIX II: QUESTIONNAIRE

### SECTION A: BACKGROUND INFORMATION

Indicate by a tick what applies to you.

**1. What is your gender?**

Male ( )      Female ( )

**2. For how long have you worked in this organization?**

Less than 5 years ( )                      between 6 to 10 years ( )  
Between 11 to 15 years ( )                      between 16 to 20 years ( )  
Above 20 years ( )

**3. What is your highest level of education?**

PhD ( )                      Masters ( )                      Bachelors ( )  
Higher Diploma ( )                      Diploma ( )  
Certificate ( )                      Other, please specify: \_\_\_\_\_

**4. What is your current position in the organization?**

Senior manager ( )                      Middle manager ( )  
Banking Officer ( )                      Clerk ( )  
Casual worker ( )                      Other, please specify: \_\_\_\_\_

**5. For how long have you been in the current position?**

Less than 5 years ( )                      Between 6 to 10 years ( )  
Between 11 to 15 years ( )                      Between 16 to 20 years ( )  
Above 20 years ( )

**6. Which category does your bank belong to?**

Tier One ( )                      Tier Two ( )                      Tier Three ( )

## SEC B: EMAIL MARKETING STRATEGY AND FIRM PERFORMANCE

Please indicate the extent to which you agree with the following statements regarding use of email marketing strategy in your enterprise

Where; Strongly agree=5, Agree=4, Neutral=3, Disagree=2 and Strongly Disagree=1

<b>Indicator</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
The commercial bank has an active email account					
The commercial bank corresponds with clients via emails					
Email use by clients is high					
Most product and service requests are place via email					
New products and services are marketed to clients through email					
Email use promotes effective interaction between employees and clients					

## SEC C: SOCIAL MEDIA MARKETING STRATEGY AND FIRM PERFORMANCE

Please indicate the extent to which you agree with the statements with regard to the use of social media marketing strategy in your enterprise.

Where; Strongly agree=5, Agree=4, Neutral=3, Disagree=2 and Strongly Disagree=1

<b>Indicator</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
The commercial bank has an account in all the common social media platforms					

Bank products and services are advertised on the social media walls					
The commercial bank interacts with clients on the social media platforms					
Product and service requests are placed by clients through chats and posts					
The commercial bank responds to client requests in time					
Social media accounts have improved the interaction of clients with staff					
Social media use has enhanced customer service					
The commercial bank's social media accounts are always updated					

**SEC D: WEBSITE MARKETING STRATEGY AND FIRM PERFORMANCE**

Please indicate the extent to which you agree with the following statements regarding the use of website marketing strategy in your firm.

Where; Strongly agree=5, Agree=4, Neutral=3, Disagree=2 and Strongly Disagree=1

<b>Indicator</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
The commercial bank has a functional website					
The website is interactive and friendly to the users and clients					
All bank products and services are posted on the website					

Client feedback and requests are responded to on the website					
The website allows interaction between the firm employees and clients					
Clients place orders on the website					
The management posts updates on new products and services, location and promotions on the website					

**SEC E: MOBILE MARKETING STRATEGY AND FIRM PERFORMANCE**

Please indicate the extent to which you agree with the following statements regarding the use of website marketing strategy in your firm.

Where; Strongly agree=5, Agree=4, Neutral=3, Disagree=2 and Strongly Disagree=1

<b>Indicator</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
The commercial bank has a functional mobile banking platform					
The mobile banking platform is interactive and friendly to the users and clients					
All bank products and services can be accessed on the mobile banking platform					
The management posts updates on new products and services, location and promotions on the mobile banking platform					
The commercial bank's mobile banking platform is usually updated					

## SEC F: BANK PERFORMANCE

Please indicate the extent to which you agree to the following statements regarding performance of your bank.

Where; strongly agree=5, Agree=4, Neutral=3, Disagree=2 and Strongly Disagree=1

<b>Indicator</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
The number of clients has significantly increased					
Our market share has gone up					
Bank profitability has increased					
Customer deposit has improved					
Daily transactions have increased					