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INFLUENCE OF STRATEGIC ALLIANCES ON COMPETITIVE ADVANTAGE OF TIER 1 COMMERCIAL BANKS IN KENYA

BY

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ST. PAUL'S UNIVERSITY

A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS AND LEADERSHIP STUDIES IN PARTIAL FULFILLMENT FOR THE AWARD OF DEGREE IN MASTERS OF BUSINESS ADMINISTRATION (STRATEGIC MANAGEMENT) OF ST. PAUL'S UNIVERSITY

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DECLARATION

I hereby declare that this dissertation is my original work and has not been presented for examination to this or any other university. It will be available for reference with my permission or that of St. Paul's University.

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DEDICATION

This work is dedicated to my family who has been very instrumental in my pursuit for higher learning and wish to inspire them.

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I would like to express my sincere appreciation to the institutions and individuals who have significantly influenced the trajectory of this research undertaking. Their indispensible assistance, direction, and steadfast support have been put forth by them; therefore, I would like to extend my profound gratitude for their participation. I wish to extend my heartfelt gratitude to my distinguished superiors, Dr. Kahuthia and Dr. Muhoho, for their invaluable counsel, direction, and perceptive criticism, which have significantly influenced the development of thisdissertation. Their continuous inspiration commitment to academic excellence and cheerfulness in imparting their knowledge greatly helped me to continue developing the dissertation even when it was very difficult.

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OPERATIONAL DEFINITION OF TERMS

Alliance Specific indicators or measures used to assess the effectiveness and

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Performance Metrics:	success of a strategic alliance, such as revenue growth, cost reduction, market share, and customer satisfaction.
Brand alliance	Occurs when two or more brands join forces to achieve mutual benefits. It involves a strategic agreement between companies to leverage each other's brand equity, market presence, customer base, or resources for shared objectives
Equity Alliance:	An alliance where the participating firms acquire equity stakes in each other, leading to shared ownership and financial ties.
Joint Venture:	A strategic alliance where two or more firms form a new entity to pursue a specific project or business opportunity, sharing risks and rewards.
Knowledge sharing	The exchange of information, skills, expertise, or ideas among individuals or groups within an organization.
Non-Equity Alliance:	An alliance where firms collaborate without exchanging ownership stakes, often involving contractual agreements for cooperation.
Resource complementarity	The strategic combination and coordination of different resources within an organization to create synergy and enhance overall performance.
Strategic Alliance:	It is a collaborative and formal partnership formed between two or more independent entities, such as companies or organizations, to achieve common goals or objectives.
Synergy:	The potential benefits and value created by the collaboration of two or more firms that are greater than what each firm could achieve individually.

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Technological collaborations	Involve partnerships or alliances between organizations to jointly develop, share, or leverage technology-related assets, capabilities, or expertise.

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LIST OF ABBREVIATIONS AND ACRONYMS

CBK:	Central Bank of Kenya
M&A:	Merger and Acquisition
MOUs:	Memorandum Of Understanding
RBT:	Resource-Based Theory
ROA:	Return On Assets
ROI:	Return On Investment

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ABSTRACT

Strategic alliances have become a pivotal strategy for gaining a competitive advantage, as organizations seek to reduce operational costs and enhance their capabilities to outperform rivals. While previous studies have predominantly examined the performance outcomes of strategic alliances, the concept of competitive advantage has gained importance in today's business environment. This is because a company's success is now evaluated not only based on its current performance but also on the sustainability of that performance. This study aimed at establishing how strategic alliances influence the competitive advantage of commercial banks in Kenya. Specifically, it investigated the effects of knowledge sharing, resource complementarity, brand alliances, and technological collaborations on the competitive positioning of banks. The research utilized resource-based theory, resource dependence theory, and knowledge-based theories to interpret the variables involved. The study targeted all 10 Tier-1 banks in Kenya registered under the Central Bank of Kenya, which included both domestic and foreign banks. A census approach was employed since the population was small, and three middle-level management representatives from each bank were selected based on their involvement in strategic alliance management and decision-making processes, resulting in a sample size of 30 respondents. Data were collected through structured questionnaires and secondary data from annual reports. Descriptive statistics such as means, frequencies, and standard deviations were used to summarize the data, while correlation and regression analyses helped determine the relationships between strategic alliances and competitive advantage. The findings highlighted that strategic alliances significantly enhanced the competitive advantage of Kenyan commercial banks. Knowledge sharing emerged as a key driver, allowing banks to leverage external expertise for innovation and improved customer service. Resource complementarity was crucial for pooling strengths and creating synergies, with Standard Chartered Bank leading in this aspect. Brand alliances were essential for improving market credibility and customer trust, while technological collaborations proved transformative, particularly in advancing digital innovation and operational efficiency. The study recommended that banks should focus on cultivating a culture of knowledge sharing within their alliances, invest in robust alliance management capabilities, and regularly evaluate the strategic fit and performance of their alliances to align with business objectives.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In the modern business landscape, competitive advantage has become the cornerstone of success for organizations, particularly in the financial services sector. Globally, commercial banks are constantly innovating and adapting to changes in market dynamics, customer preferences, and regulatory environments in their quest for sustainable competitive advantage. This involves a combination of cost leadership, differentiation, and strategic focus that allows banks to outperform their rivals while delivering exceptional value to customers (Kazemi et al., 2024). Competitive advantage is not only about excelling in financial performance but also maintaining long-term market dominance through superior products, services, and operational efficiency.

Competitive advantage is defined by Yuleva-Chuchulayna (2019) as the extent to which a firm can effectively leverage resources from its core business model to generate revenue. To understand how competitive advantage translates into performance, Mihaela et al. (2022) identifies three key components: financial performance, which includes profits and return on investment; product market performance, encompassing sales and market share; and shareholder returns, represented by total shareholder return and economic value generated. To assess these dimensions of competitive advantage, various methods can be employed, such as the balanced scorecard, benchmarking techniques, key performance indicators, performance assessments, management by objectives, and personal development plans.

In the United States, commercial banks have long relied on technological innovation, mergers, and acquisitions to gain a competitive edge. Big players like JP Morgan Chase and Bank of America have adopted advanced digital banking platforms, offering superior customer experiences and reducing operational costs. The focus on digitalization has allowed these banks to attract tech-savvy customers while maintaining operational efficiency, leading to sustained profitability (Omarini, 2022).

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In Europe, particularly in countries like Germany and the United Kingdom, competitive advantage in the banking sector has been driven by strategic alliances and partnerships. European banks have formed alliances with fintech companies to enhance their service offerings, reduce transaction times, and innovate in areas such as mobile banking and contactless payments. For instance, partnerships between traditional banks and digital platforms have reshaped the customer experience, ensuring they remain competitive in an increasingly digital economy (Karangara, 2023).

In China and India, competitive advantage for commercial banks has been shaped by scale and government-backed initiatives. Chinese banks like (Industrial and Commercial Bank of China , ICBC) and Indian banks like the State Bank of India have capitalized on their large customer bases and government support to expand services domestically and internationally. Technological innovation, particularly in mobile payments and digital wallets, has been instrumental in their competitive positioning (Shi, Wang & Emrouznejad, 2023; Chethanraj & Sayyad, 2024). In these countries, banks have integrated technological advancements to increase financial inclusion and improve customer experience, leading to greater market share.

In Africa, countries such as Nigeria, Ethiopia, and South Africa have witnessed the importance of competitive advantage as commercial banks strive to lead in an increasingly globalized economy. Nigerian banks, for example, have utilized regional expansion strategies and improved mobile banking services to gain competitive traction in the African market (Siano et al., 2020). In South Africa, banks have focused on both financial inclusion and customer-centric innovations, allowing them to maintain competitive advantage amid intense market competition (Bisschoff, & Els, 2023).

Focusing on Kenya, competitive advantage in the banking sector is shaped by technological innovation, strategic partnerships, and customer-focused service delivery. Kenyan banks, particularly the Tier I banks, such as KCB Bank, Equity Bank, and Co-operative Bank, have leveraged mobile banking platforms like M-Pesa to penetrate the unbanked population, offering greater accessibility and convenience. In addition, alliances between banks and fintech firms have allowed these banks to expand their product offerings, improve operational efficiency, and enhance customer satisfaction (Asisi & Egessa, 2023).

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As the banking landscape in Kenya becomes increasingly competitive, the ability of a bank to sustain its competitive advantage is critical for long-term success. This involves not only leveraging technology but also engaging in strategic alliances that enhance resource complementarity, brand reputation, and innovation. For Tier I banks, maintaining a competitive edge are pivotal for continued dominance in the region's financial services industry. Strategic alliances, in particular, have emerged as a key driver of this competitive advantage, allowing banks to access new markets, share knowledge, and enhance technological capabilities.

1.1.1 Strategic alliance

A strategic alliance is a formal partnership between two or more organizations, where each entity contributes its distinct capabilities, resources, or expertise to a collaborative effort. In this setup, each organization willingly relinquishes some degree of control in exchange for the benefits derived from the partnership (Emami et al., 2022). The effectiveness of these alliances is shaped by the strategies employed within them. This study examined various factors, including information exchange, market expansion, operational efficiency, and technological advancements. The role of relationships has historically been crucial in facilitating business and financial transactions. With the rise of a global competitive landscape, the importance of interactions between financial institutions has grown significantly. As noted by Nwokocha, and Madu (2020), these alliances are essential as they provide organizations access to resources and capabilities that help achieve economies of scale, enhancing efficiency and fostering growth.

One essential aspect of strategic alliances is knowledge sharing, which can lead to a significant competitive edge. By collaborating, organizations can exchange valuable insights, skills, and information that drive innovation and improve decision-making. This collective knowledge not only enhances each partner's capabilities but also cultivates a learning environment that boosts overall performance. This is especially crucial in fast-evolving industries where responsiveness to new information can determine a company's success. Research by Ferreira, Coelho and Moutinho (2020) indicates that effective knowledge-sharing practices within strategic alliances can substantially strengthen partner relationships, ensuring better alignment of objectives and more successful implementation of joint projects.

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Resource complementarity is another important factor that highlights the value of strategic alliances. This concept refers to the ability of organizations to combine different resources—such as workforce, capital, and technological expertise—to achieve results that would be impossible on their own (Liu, Wang & Su, 2023). In these alliances, companies can address gaps in their resource pools by leveraging their partners' unique strengths. For example, a smaller bank may team up with a larger institution to access advanced technology and customer networks, thereby improving its competitive position in the market (Liu, Wang & Su, 2023).

Brand alliances also significantly influence the dynamics within strategic partnerships. Collaborating with well-established partners can enhance an organization's brand image and visibility in the market. These alliances can create synergies that improve customer perceptions and trust, ultimately leading to increased sales and loyalty. Yang ET AL., (2022) underscore that strategic brand collaborations can enhance product offerings and expand market reach, making them a crucial component in formulating growth strategies.

Technological collaborations are a vital aspect of how strategic alliances can create a competitive advantage. In today's fast-paced technological environment, firms often form partnerships to access innovative technologies and expertise that might be too expensive or time-consuming to develop internally. These collaborations can take many forms, such as joint research and development projects, technology licensing agreements, and co-creation of products. According to Dmitry et al., (2023), such technological alliances allow firms to maintain a competitive edge by speeding up innovation cycles and improving the development of new products or services.

1.1.3 Kenya's Banking Sector

The regulatory framework that governs Kenya's banking sector is comprehensive and includes several key legislations such as the Central Bank of Kenya Act, the Banking Act, and the Companies Act. Additionally, the Central Bank of Kenya (CBK) issues various regulations to ensure that the banking environment remains stable and secure. This regulatory structure is designed to foster transparency, protect consumers, and promote the integrity of the financial system.

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The liberalization of the banking sector in 1995 marked a significant turning point, as it resulted in the removal of stringent trade restrictions and opened the market to more competition. This shift allowed both local and international banks to establish a presence in Kenya, contributing to the diversification of services available to consumers. The Kenya Bankers Association (KBA) plays a pivotal role in the sector by serving as a central hub for banks operating in the country. The KBA focuses on addressing various issues that impact the financial savings industry, advocating for policies that promote sustainable growth and stability within the sector (Central Bank of Kenya, 2023).

Between 2018-2023, the banking sector has witnessed remarkable growth across several dimensions, including an increase in inventory, total assets, operational efficiency, and the range of products and services offered. This expansion can be primarily attributed to the automation of administrative processes, which has streamlined operations and reduced costs, and the establishment of a broader branch network both domestically and internationally. The rise of digital banking and mobile money services has further accelerated this growth, making banking services more accessible to a wider audience, especially in remote areas (Chumo, 2022).

These advancements have intensified competition among established banks and new entrants in the financial savings industry. Banks are now prioritizing innovation and customer service in an effort to differentiate themselves in a crowded market. The emphasis has shifted from merely providing traditional banking services, such as cash deposits and withdrawals, to offering personalized solutions that cater to the diverse and evolving needs of clients. This includes the introduction of tailored financial products, online banking platforms, and mobile applications designed to enhance customer convenience and engagement.

As a result of heightened competition, Tier I financial institutions in Kenya have been compelled to adopt strategies that focus on customer-centricity. These strategies encompass a range of initiatives, including improving customer service, developing new products, and leveraging technology to enhance operational efficiency. Notable Tier I banks in Kenya include Barclays, KCB (Kenya Commercial Bank), Equity Bank, Standard Chartered, Cooperative Bank, CFC

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Stanbic, Diamond Trust, Citibank Europe, I&M Bank, CBA (Commercial Bank of Africa), and National Bank (Central Bank of Kenya, 2023).

1.2 Problem Statement

The establishment of strategic alliances serves as a collaborative framework for addressing shared challenges among partnering enterprises. Established industry leaders are facing a new reality where their power is diminishing. The major concern that needed a structured response was how this will impact lending practices, the structure of partnerships, and their implementation. Corporate managers face significant pressure from the external business environment to devise creative strategies in order to effectively respond to the dynamic market conditions and constantly evolving client demands.

Strategic alliances have been increasingly prevalent as a competitive advantage strategy, as companies strive to enhance their survival by minimizing operational costs and expanding their capacity to effectively compete with competitors (Emami et al.,2022). Among the various studies that have been conducted on the topic of strategic alliances, Loke et al., (2019) focused on partnerships among manufacturing companies in Malaysia. The study observed that manufacturing companies strategically developed cross-company partnerships in establishing supply chains for their respective raw materials. With these, individual companies were able to have the supplies they needed in a timely manner and in the form/design that suited their production process, hence reducing lead times. The manufacturing companies were also able to have supplies in advance of payment, with enhanced their liquidity, used in addressing other immediate needs.

Mwamuye and Ragui (2021) conducted a study that focused on the analysis of strategic alliances in the context of mobile banking. The study specifically investigated the partnerships formed between mobile service providers and financial service providers. Whereas these businesses have divergent offerings and target different consumer segments, the alliances formed were seen to have mutual contributions to the growth of the companies. However, the study did not examine the relationship between these alliances and organizational competitiveness. For this case, it was of importance to assess how individual scope of capabilities, for the companies, was expanded to create new possibilities and opportunities for them to pursue.

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Studies that had been undertaken on strategic alliances amongst companies had primarily focused on the resulting performance of the companies., Over time,it had fallen short as a metric for the health of a business majorly due to changes in the business environment, market saturation and competition. There was therefore a need for a different perspective, whereby this study placed performance in context of other competitors in the respective sectors, evaluating how strategic alliances influence a company's competitive advantage. The competitive advantage finds superior relevance in the contemporary business environment, as a business' wellbeing is not only viewed in light of its current performance, but how sustainable that performance is. Therefore, this study proposed to investigate the influence of strategic alliances on competitive advantage in the Banking Sector. It assessed how resource complementarity, knowledge sharing, brand alliance as well as technological collaborations influenced the competitive advantage of selected organizations amongst Kenya's commercial banks.

1.3 Objectives of the Study

The overall goal of the study was toestablish the influence of strategic alliance on competitive advantage of commercial banks in Kenya.

1.3.2 Specific Objectives

The specific objectves were to determine the :

i. Iinfluence of knowledge sharing on competitive advantage of commercial banks in Kenya.
ii. Influence of resource complementarity on competitive advantage of commercial banks in Kenya.
iii. Effect of brand alliance on competitive advantage of commercial banks in Kenya.
iv. Effect of technological collaborations on competitive advantage of commercial banks in Kenya.

1.4 Research Questions

i. What is the influence of knowledge sharing on competitive advantage of commercial banks in Kenya?

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ii. What is the influence of resource complementarity on competitive advantage of commercial banks in Kenya?
iii. How does brand alliance affect competitive advantage of commercial banks in Kenya?
iv. What is the effect of technological collaborations on competitive advantage of commercial banks in Kenya?

1.5 Justification of the Study

The banking industry operates in a highly competitive and dynamic environment and strategic alliances offer banks an opportunity to leverage their strengths and resources while mitigating weaknesses. Investigating the impact of alliances on organizational performance was intended to shed light on the extent to which such collaborations contribute to gaining a competitive advantage in the market. The banking sector faces numerous challenges, such as rapid technological advancements, changing customer preferences, and regulatory complexities. Strategic alliances have the potential to address these challenges by facilitating access to new technologies, shared knowledge, and improved market penetration. Understanding how alliances influence standing and competitive advantage of firms can provide practical solutions to tackle these industry-specific issues.

Forming strategic alliances involves pooling resources and expertise from different organizations. This study assessed how this resource synergy affected the allocation of funds, human capital, and technology within banks. The findings will aid in optimizing resource allocation strategies, resulting in improved efficiency and cost-effectiveness. Banking executives regularly make strategic decisions concerning partnerships and collaborations. This study will furnish empirical evidence and data-driven insights to facilitate informed decision-making. It will guide banks in selecting suitable alliance partners, determining the most favorable alliance structures, and identifying potential risks and benefits.

The study will benefit various stakeholders, including banks, customers, regulators, investors, and policymakers. Banks can strategize their alliance formation and management, customers may experience enhanced services, regulators can gain insights into the sector's stability, investors may evaluate the impact on financial performance, and policymakers can frame relevant regulations.

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The study's findings can promote the long-term sustainability of banks by identifying alliance strategies that contribute positively to organizational performance. Sustainability in the banking sector is crucial for stable economic growth and financial well-being.

1.6 Significance of the Study

This study contributes to the theoretical understanding of strategic alliances in the banking sector. By exploring the relationship between alliances and a firm's competitive advantage, it can enrich existing knowledge and theories related to strategic management, partnership formation, and performance assessment. The study addresses a potential research gap in the banking domain, as there may be limited empirical research on the specific influence of strategic alliances on competitive advantage. It provides a comprehensive analysis, which can serve as a foundation for further studies in this area. The findings of the study can be used by academics, researchers, and students to develop practical insights into the dynamics of strategic alliances in the banking sector. This knowledge can help shape future policies and practices in the industry.

Banking executives and managers can utilize the study's results to make informed decisions regarding the formation and management of strategic alliances. It provides evidence on the potential benefits and risks associated with alliances, enabling better strategic planning. Understanding the influence of strategic alliances on competitive advantage can help banks gain a competitive edge. Banks can identify suitable alliance partners to access complementary resources, expand market reach, and enhance their competitive positioning. The study's insights can aid in risk assessment and management related to forming and managing alliances. By understanding the factors that lead to successful alliances and those that may hinder performance, banks can minimize potential risks and failures. Banks can use the findings to develop performance metrics specific to strategic alliances. This enables them to measure the impact of alliances on their overall performance accurately. The study encourages collaboration and partnership initiatives within the banking sector. Banks may be inspired to explore new avenues of collaboration, such as joint ventures, mergers, or consortiums, to strengthen their market position.

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1.7 Scope of the Study

The scope is crucial in determining the focus and applicability of the research. The study concentrated on the banking sector, examining the influence of strategic alliances on the competitive advantage of banks, both at the individual organizational level and the sector level. It encompassed various types of alliances, such as joint ventures, partnerships, mergers, and consortiums, to provide a comprehensive understanding of different collaborative arrangements in the industry. The study assessed organizational performance using multiple competitive advantage metrics, including financial performance (e.g., profitability, efficiency), customer satisfaction, market share, and innovation. This multi-dimensional approach allowed for a holistic evaluation of the impact of alliances on banks' overall performance and competitiveness.

Further, the study's scope was limited to the influence of strategic alliances and may not encompass other factors that can impact the competitive advantage of a firm, such as macroeconomic trends, regulatory changes, or internal management decisions unrelated to alliances. To ensure the study's credibility and reliability, it focused on a representative sample of banks from different regions or market segments to offer insights applicable to the broader banking industry.

1.8 Limitations of the Study

The study faced several limitations that may impact the generalizability and accuracy of its findings. First, the reliance on self-reported data from respondents may introduce bias or inaccuracies. Second, the study focused solely on Tier 1 banks in Kenya, limiting the applicability of results to smaller banks or those in different regions. Third, the cross-sectional design captures a single point in time, potentially missing dynamic changes in alliances and competitive advantage. Lastly, potential unmeasured variables might influence competitive advantage, indicating that the model may not account for all relevant factors.

The study took several measures to mitigate the identified limitations, thereby enhancing the reliability and validity of its findings. To reduce the risk of bias in self-reported data, a structured questionnaire with carefully designed questions was used, ensuring clarity and minimizing the likelihood of leading or socially desirable responses. To address the potential influence of unmeasured variables, the study selected control variables based on existing literature and expert

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input, focusing on factors known to impact competitive advantage, such as market conditions, regulatory changes, and economic factors. The study employed multiple regression analysis to control for confounding variables. This method allowed for the examination of the relationship between the independent variables and the dependent variable while holding control variables constant. The study also acknowledges the limitation of focusing solely on Tier 1 banks and suggests that future research could include a broader sample, encompassing smaller banks and those in different regions, to validate and expand upon the results.

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CHAPER TWO:
LITERATURE REVIEW

2.1 Introduction

This chapter analyzes scholarly works on strategic alliances and their influence on organizational performance. The chapter critiques the literature to identify prevailing research gaps that this study would addressed. The chapter also includes a theoretical literature review and conceptual framework of the relationship of the variables that were studied.

2.2 Theoretical Litrature Review

The theoretical Litrature review presents theories and models which are applied in understanding the variables under study and in interpreting implied findings on the variables. The theories that anchored the study included resource-based theory, resource dependent theory and knowledge-based theories.

2.2.1 Resource Based theory

The development of the Resource-Based Theory (RBT) of the organization can be traced back to the research conducted by Penrose(1959) in the mid-20th century. The ideas proposed, conceptualized organization as an administrative entity comprised of both physical and human productive resources. The resource-based perspective posits that valuable resources inside an organization are usually limited in availability, difficult to replicate, and lack direct alternatives (Barney, 1991; Petersen, 1993). Therefore, the acquisition and accumulation of resources are vital from a strategic perspective. Hampl (2020), observes that organizations are more inclined to persist independently and rely on the market when there is a possible exchange of resources in an efficient market. Although market transactions are typically the norm, achieving efficient exchanges on the spot market may not always be practical.

Certain resources exhibit imperfect tradability due to their integration with other resources or their integration inside organizational structures (Uyanik, 2023). Therefore, a range of methodologies such as mergers, acquisitions, and strategic partnerships are employed. The resource-based view posits that strategic alliances, mergers, and acquisitions are employed as strategic approaches to get

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access to the resources of external organizations, so enabling organizations to attain competitive advantages and value that would otherwise be inaccessible to them.

The development of the branch network of rural commercial banks remains insufficient. Given that over fifty percent of adults in Africa possess a mobile phone, mobile banking has the potential to grant the rural population access to financial institutions. Mobile phone service providers are implementing inventive approaches to incorporate these marginalized populations into the formal economy by utilizing mobile phones. This topic is relevant to the field of cost management. The partnership between financial institutions and mobile phone service providers offers several key benefits. Firstly, financial institutions possess valuable managerial expertise in establishing partnerships, which enables them to leverage the competitive technology introduced by mobile providers. This advantage is further enhanced by the global reach of financial institutions. The administrative proficiency in managing competing technical capabilities is transforming the economic landscape of service provision, specifically through the reduction of financial transaction costs. Mobile banking is a highly efficient approach for financial institutions to transfer deposits to Kenya's large number of potential customers who possess a mobile phone but do not have a bank account (Mothobi & Kebotsamang, 2024).

The application of the resource-based theory to this research in examining the impact of strategic alliances on organizational performance within the banking sector offers a comprehensive framework for analyzing the ways in which alliances contribute to the acquisition, development, and integration of distinctive resources and capabilities. Strategic alliances play a crucial role in facilitating scholars' comprehension of the mechanisms by which they contribute to competitive advantage and improved performance within the dynamic and intricate context of the banking sector.

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2.2.2 Resource Dependence Theory

The fundamental principle of resource dependence theory posits that the viability of an organization is reliant on its capacity to obtain essential resources from the external environment. To mitigate the unpredictability surrounding the acquisition of these resources, organizations will adopt diverse strategies to reorganize their dependencies. Certain tactics are unilateral as they

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bypass the origin of limitations by reducing the importance attributed to a resource, fostering alternate sources of supply, or establishing a coalition. Casciaro and Piskorski (2005) suggest that. This theoretical framework acknowledges the importance of the external environment in which an organization obtains the resources necessary for its continued existence.

Pfeffer and Salancik (1978) present an alternative perspective on the formation of partnerships, drawing insights from proponents of resource dependence theory. They suggest that businesses intentionally forge partnerships to effectively manage mutually beneficial interdependencies. These interdependencies encompass the relationships between suppliers and consumers, as well as the competitive ties that exist among rivals. In their thorough examination of resource dependence, Jiang et al. (2022) identified five strategic approaches that organizations can adopt to reduce their reliance on external resources. These approaches include various strategic activities such as mergers and vertical integration, joint ventures, inter-organizational collaborations, board dynamics, political initiatives, and executive appointments.

The significance of resource dependence theory in understanding joint ventures and other inter-organizational partnerships, such as strategic alliances, has been highlighted by Hillman et al. (2009). Moreover, it has been suggested that empirical data substantiates the utilization of inter-organizational interactions as a means to mitigate domestic and international environmental intricacies and obtain resources. According to Madhok, Keyhani and Bossink (2015), the stock market responds more positively to partnerships established during times of limited environmental resources, suggesting that the level of reliance accurately forecasts these types of alliances.

Emami et al., (2022) classified the factors that impact an organization's inclination to establish strategic alliances into two main categories: resource needs and social prospects. The initial set of criteria assumes that firms engage in strategic actions with the aim of surpassing competitors and achieving higher levels of profitability. Hence, corporations establish partnerships to acquire the necessary resources for accomplishing specified strategic goals. Partnerships can be employed by organizations as a means to mitigate transaction costs and enhance operational efficiency.

According to the principles of transaction cost economics, organizations choose to form collaborations when the costs associated with drafting and executing contracts are prohibitively

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high. These high costs can arise from various factors, such as a limited pool of potential bidders, asset-specific challenges and delays, significant uncertainty, or strong incentives that encourage partnerships to behave opportunistically. Furthermore, collaborations are often established when organizations find it inefficient to manage the production process internally due to a lack of necessary competencies (Kim & Jung, 2022).

Researchers in the field of strategy have explored several organizational characteristics, including the attributes of top-level management teams, the adoption of innovative strategies (Dindarian, 2023), and the availability of technical and commercial resources. Dindarian (2023) shed light on the likelihood of forming organizational partnerships, and they have aimed to clarify how organizations create groundbreaking innovations through collaboration, a phenomenon commonly observed in today's organizational environments.

The utilization of Resource Dependence Theory offers this study a framework to examine the impact of strategic alliances on the management of resource dependencies and the improvement of organizational performance in the banking industry. By comprehending the manner in which alliances tackle scarcities of resources, establish networks, and negotiate power relations, this study can provide significant insights into how banks strategically employ alliances to enhance their competitive advantage and overall performance.

2.2.3 Knowledge Based Theory

Steensma and Lyles (2000) argue that the application of a knowledge-based viewpoint is particularly relevant in the examination of strategic partnerships. The knowledge-based view of the company is further strengthened by the application of Davis and DeWitt (2021) evolutionary theory of economic change. As per the aforementioned idea, a firm may be conceptualized as a social entity that undergoes evolution through the process of adapting the collective knowledge held by its members. The competitive advantage of a firm is mostly determined by its productive knowledge. Critics of knowledge-based theory primarily question whether it adequately explains the behavior of businesses. Without 'opportunism' or 'moral hazard' (the fundamental postulate of the contractual approach), it is impossible to determine why firms exist (Foss, 1996).

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Furthermore, it is unable to elucidate the demarcation or essence of a company as the interactions between companies are analogous to those within companies (Eisenhardt & Santos, 2002). The present study aims to investigate the expansion of strategic alliances by employing the knowledge-based theory as a theoretical framework. Strategic alliances are established through the consolidation of resources by two or more partners, resulting in the consolidation of enterprises' knowledge base, which is not geographically distributed. As a means of transferring tacit knowledge, this becomes the propelling force behind strategic alliances. Transferring knowledge that is deeply ingrained within a company, such as its procedures, is difficult unless the organization is duplicated. Therefore, the main drivers behind strategic alliances are the need for one or both companies to have access to the organizational expertise of the other, or for one company to maintain its organizational capacity while gaining advantages from the knowledge of the other. This benefit to a company can only be realized when the company's performance improves, leading to profitability, which for any organization is monetary. In this study, this theory is used to explain the influence of partner firms' strategic orientation on the performance of Kenyan commercial banks (Bäumle & Bizer, 2023).

The Knowledge-Based Theory offers a conceptual framework for comprehending the contribution of strategic alliances on the performance of organizations within the banking sector. This framework is based on the notion that strategic alliances facilitate the sharing of knowledge, foster innovation, enable learning, and contribute to the development of dynamic capacities. Through an analysis of the role of information exchange and creation within alliances, this research study aims to provide insights into the strategic utilization of alliances by banks to improve their competitive advantage and overall performance.

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2.3 Empirical Review

Strategic alliances have emerged as a crucial tool for firms seeking to gain a competitive edge in today's dynamic business environment. As firms navigate through global markets characterized by rapid technological advancements and increased competition, the role of strategic alliances in shaping competitive advantage has garnered significant attention from scholars and practitioners alike. This empirical review aims to provide a comprehensive overview of the existing research on

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the influence of strategic alliances on competitive advantage, exploring the various mechanisms through which alliances contribute to firms' success.

2.3.1 Knowledge Transfer and Competitive Advantage

Vrabcová, Urbancová, and Petříček (2021) conducted a study on the critical role of knowledge transfer in enhancing the performance of organizations in the Czech Republic. The research aim was to identify and evaluate key factors that ensure effective knowledge transfer, emphasizing its importance for achieving long-term competitive advantage and sustainable business practices. Data were collected using a questionnaire involving 183 respondents, complemented by a focus group of eight participants. The analysis employed descriptive and multidimensional statistical methods. The study identified four essential factors for successful knowledge transfer: internal factors, altruism, satisfaction, and organizational identity. The findings highlighted various strategies, such as patent sales, consulting, and human resources management practices, as vital to achieving a competitive edge. However, the research could benefit from further exploration of how these factors interact within specific industry contexts or across different organizational sizes.

Song (2017) examined the competitive advantages of commercial banks amid increasing international integration and competition in China. The objective of the research was to analyze how banks can enhance their competitive strategies in the evolving global financial landscape. The study constructed a reasonable evaluation index system using multiple international and domestic evaluation standards to assess the competitiveness of China's listed commercial banks. The findings emphasized the urgent need for the banks to adapt their strategies to maintain viability. However, the study lacked empirical data from primary sources, suggesting that future research should incorporate this type of data from banking professionals to provide a more in-depth understanding of the competitive dynamics within China's banking sector.

In Ethiopia, Jabo, Borji, and Kant (2023) focused on the interplay between knowledge management and competitive advantage in commercial banks, emphasizing the mediating role of competitive advantage. The research involved survey of 383 bank account holders in Dilla, employing straightforward random sampling technique. KMO test was utilized to assess reliability and data adequacy, along with confirmatory factor analysis (CFA) and structural equation

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modeling (SEM) for hypothesis testing and mediation analysis. The results indicated that effective knowledge management practices—such as acquisition, sharing, retention, and utilization—significantly predict the organizational performance of commercial banks, particularly when combined with competitive advantage. This study concluded that enhancing knowledge management practices is crucial for improving overall bank performance. However, it primarily focused on a single town, suggesting the need for broader studies across different regions in Ethiopia to validate its findings.

Aduwo and Deya (2022) investigated how dynamic capabilities influence the competitive advantage of commercial banks in Kenya. The study aimed to assess the impact of various capabilities, including marketing, knowledge management, technological, and financial management capabilities, on competitive advantage. A descriptive survey research design was utilized, targeting all 42 licensed commercial banks in Kenya. Primary data were collected through 5-point Likert scale questionnaire, alongside secondary data from audited financial reports. Statistical analyses were conducted using SPSS and MS Excel. The findings revealed that all examined capabilities positively and significantly influenced the competitive advantage of commercial banks, with varying beta values indicating the strength of each capability's impact. While this study provided significant insights, it can be further enhanced by exploring the causal relationships and interactions among these various capabilities over a longitudinal framework.

2.3.2 Resource Complementarity and Competitive Advantage

Donnellan and Rutledge (2019) carried out a study to examine the strategic planning process of JP Morgan Chase and how the bank utilized the resource-based view (RBV) to align its resources with its organizational strategy. Their objective was to understand how JP Morgan Chase aimed to become the top nationally ranked commercial bank in the United States. They employed a case analysis methodology, focusing on the strategic alignment and implementation of changes in the bank's internal and external environments. The findings revealed that the successful alignment of resources with strategy significantly contributed to the bank's ability to achieve and maintain a competitive advantage. However, the authors noted a research gap regarding the long-term impacts of RBV strategies on the bank's performance.

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Elmansori and Al-Hindawi (2022) investigated the effect of organizational change strategies on the competitive advantage of commercial banks in Al-Bayda City, Libya. The authors aimed to identify how different change strategies influenced the competitive position of these banks. They utilized a descriptive analysis approach, collecting data through a questionnaire administered to 91 bank managers. The study found high levels of awareness and mental strategies, along with moderate use of coercive strategies. It concluded that organizational change strategies had a significant impact on various dimensions of competitive advantage, such as cost, quality, flexibility, and innovation. The authors suggested that a longitudinal approach could enhance the understanding of the sustainability of the identified competitive advantages over time.

Al Matrafi (2017) conducted research to measure the efficiency and productivity of banks in the Gulf Cooperation Council (GCC) region from 1998 to 2014, focusing on performance differences between Islamic and conventional banks before and after the financial crisis of 2007/2008. His study aimed to explore whether significant differences existed in the efficiency and productivity of these banks. Utilizing the resource-based view (RBV) and employing Data Envelopment Analysis (DEA), he evaluated a large sample of banks in the region. The findings indicated that Bahraini and Kuwaiti banks were consistently more efficient, while Islamic banks demonstrated better performance post-crisis compared to their conventional counterparts. The inclusion of RBV variables was found to enhance the efficiency scores across all banks. However, Al Matrafi recognized a need for further exploration of the RBV's role in understanding banking performance in different contexts.

Njue (2023) aimed to determine the effect of competitive strategies on the financial performance of commercial banks in Nairobi County, Kenya. The study focused on the critical role that competitive strategies play in enhancing a bank's financial outcomes. The study adopted a cross-sectional survey design, targeting 564 banking branch managers and selecting a sample of 234 through random sampling. Data were collected via an online questionnaire and analyzed using the Statistical Package for the Social Sciences (SPSS). The findings revealed a positive relationship between product differentiation, innovation strategies, post-COVID-19 recovery strategies, human capital strategies, and financial performance. The study concluded that overall competitive strategies significantly influenced the banks' financial performance. However, the study suggested

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that future research could employ qualitative methods and comparative analyses across different regions to gain a broader understanding of competitive dynamics within the banking sector.

2.3.3 Brand Alliance and Competitive Advantage

Arundhati and Arman-Preety (2022) explored the impact of strategic alliance management on competitive advantage among financial institutions in India. The study aimed to determine how brand alliances, through innovative activities, can enhance businesses' reputation in emerging markets. Employing a mixed-method research design, the authors utilized both qualitative and quantitative approaches, conducting a desk study review of relevant empirical literature. Their findings indicated a positive influence of strategic brand alliances on productivity, which subsequently led to increased profits and market share for firms. However, they noted a gap in understanding the specific mechanisms through which brand alliances impact business productivity and competitive advantage.

Adanu and Osita (2022) examined the effects of revolution strategies, particularly focusing on brand alliances, on the competitive advantage of commercial banks in Nigeria. The study aimed to assess how various types of brand alliances—such as process, product, market, and technology revolutions—affect competitive positioning. Utilizing descriptive and explanatory research designs, they collected primary data through semi-structured questionnaires, ensuring reliability through a pilot study. The results showed that brand alliances significantly influenced competitive advantage, with technology revolution identified as the primary driver due to its ability to enhance customer experience and facilitate real-time transactions. The authors recommended that banks improve their brand alliance capabilities to create value and convenience for customers while reducing operational costs.

Nelechurai (2019) investigated the effect of strategic brand alliances on the competitiveness of Kenya Commercial Bank (KCB) in the North Rift Region. The study specifically focused on assessing the impact of various types of brand alliances, including technological, product, marketing, and joint venture alliances, on the bank's competitive advantage. Adopting a descriptive research design, the research targeted 407 respondents within KCB's management departments, utilizing stratified random sampling for data collection through questionnaires. Data were analyzed

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using regression analysis and descriptive statistics. The findings revealed a strong positive relationship between brand alliances and KCB's competitiveness, with all alliance types showing statistically significant effects. The study concluded with recommendations for bank managers to prioritize product alliances to enhance service diversification and customer satisfaction.

Koriyow and Karugu (2018) investigated the relationship between competitive intelligence strategies, including brand alliances, and the performance of commercial banks in Garissa County, Kenya. The research aimed to assess how brand intelligence and strategic alliances impact bank performance. They employed a descriptive research design targeting 191 staff members from ten commercial banks. A stratified random sampling technique generated a sample of 48 respondents. Data were collected through questionnaires and analyzed with SPSS. The findings indicated that many banks had successfully integrated brand alliances into their competitive intelligence practices, leading to enhanced operational efficiency and profitability. Despite challenges in implementation, the authors recommended that banks continue to leverage brand alliances to improve performance and client engagement.

2.3.4 Technology Collaborations and Competitive Advantage

Xie and Wang (2023) conducted a study on the digital transformation of commercial banks in China, aiming to measure the progress of this transformation and its impact on competitiveness. Utilizing an index system that assessed strategy, business, and management transformations, the authors analyzed data from various Chinese commercial banks. The empirical results indicated that digital transformation significantly enhances bank performance, mitigates the adverse effects of new technology entrants, and encourages the reduction of offline channels. However, the study noted a gap in the existing literature regarding the specific aspects of technology collaboration that contribute to competitive advantage in the banking sector.

Woo (2017) explored how large commercial banks in China innovate through a qualitative case study method involving three case firms. The research revealed that regulatory frameworks could either facilitate or impede financial innovation, contingent upon the alignment of a bank's innovation strategy with local government policies. The findings highlighted that performance pressures drive innovation, while organizational bureaucracy and trajectory serve as major

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barriers. The study emphasizes the importance of understanding institutional effects on financial innovation practices, indicating a research gap in identifying the nuanced impacts of technology collaborations in fostering competitive advantage within the banking industry.

Abdullahi and Ajulo (2023) investigated the relationship between traditional banks and FinTech companies in Nigeria, proposing a Competitive-Collaborative Business Model (CCBM) to address the disruptive technology posed by FinTech firms. This study utilized SWOT and PESTLE analyses to explore the collaboration and competition dynamics between the two sectors. The findings showed that traditional banks could leverage FinTech technologies, while FinTech firms could benefit from the financial stability of traditional banks. The CCBM demonstrated that mutual support and shared objectives could enhance competitive advantage, presenting a significant opportunity for further research on effective technology collaborations.

Asisi and Egessa (2023) examined market innovation's influence on the competitiveness of commercial banks in Kenya. The study adopted a positivist research philosophy and employed descriptive and correlational research designs targeting directors and general managers in tier-one commercial banks. Using a sample of 122 respondents, the study applied Principal Component Analysis for construct validity and various statistical analyses. The findings revealed a statistically significant positive relationship between market innovation and competitiveness ($r = 0.651$, $p < 0.01$), indicating that innovative approaches are crucial for maintaining competitive advantage in the rapidly changing banking environment. However, the research highlighted a gap in understanding the specific technology collaboration mechanisms that drive market innovation.

2.3.5 Competitive Advantage

Onour et al., (2019) explored the relationship between bank size and competitive advantage in the UK banking sector. The objective of their study was to investigate the association between return to scale (RTS) and profitability within this sector. To achieve this, the researchers utilized logistic regression analysis, employing sample sizes of 135, 140, and 121 banks for the years 2016, 2015, and 2014, respectively. Additionally, they conducted panel data regression analysis on the largest 25 banks over the period from 2011 to 2016. Their findings revealed a positive and statistically significant association between return on assets (ROA) and increasing RTS across the sample

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years. The study indicated that larger banks exhibited increasing RTS but at a decreasing rate, as reflected by the negative coefficient of the square of the log of deposits. Specifically, a 1% increase in total assets was found to enhance ROA by 2%, whereas a 1% increase in operating expenses reduced ROA by 1.7%. These results imply that larger banks in the UK possess a competitive edge in attracting deposits while effectively managing operating costs. However, the study noted a research gap, suggesting the need for further investigation into additional variables that may influence competitive dynamics within the banking sector.

Bhabani and Yilin (2018) examined the role of the state in the evolution and success of commercial banks in China. This study aimed to highlight how state-led financial reforms have contributed to the competitive advantage of the Chinese commercial banking industry. Through qualitative analysis, the authors discussed different stages of the banking sector's development process and argued that state-owned commercial banks dominate the sector due to favorable regulations and monitoring. This dominance allows these institutions to gain a larger market share, ultimately enhancing their competitive advantage. The authors identified a research gap, proposing that further empirical studies could delve into how state policies specifically impact the performance of smaller or private banks in China, thereby enriching the understanding of competition in the banking sector.

Caussat (2021) investigated how multinational banking subsidiaries develop competitive advantages in a challenging and regulated environment, particularly within the Indian banking industry. The study employed a multiple-case study approach focusing on four multinational banks operating. The study also introduced the concepts of global and local anchoring, demonstrating how these banks adapt to local contexts while leveraging their international strengths. The findings indicated a positive association between these competitive advantages and the banks' commercial and financial performance. However, suggesting that future research could explore the influence of local cultural factors on the competitive strategies of multinational banks, providing deeper insights into their operational practices.

Daniel and Gitonga (2020) focused on the impact of branch transformation strategies on the competitive advantage of commercial banks in Ongata Rongai Town, Kajiado County, Kenya. The

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study aimed to determine the relationship between various transformative strategies and competitive advantage. The study utilized a descriptive research design, surveying all 17 commercial banks in the area through a census approach. Primary quantitative data were collected from top managers using structured questionnaires. The researchers found that customer-centric strategies, innovation, and operational excellence significantly enhance competitive advantage, while strategic staffing had a positive but statistically insignificant effect. The study concluded with recommendations for banks to focus on enhancing customer-centric, innovative, and operational excellence strategies to increase competitiveness. However, the authors acknowledged a research gap, suggesting that future studies could investigate the long-term impacts of these strategies on customer loyalty and satisfaction across different socio-economic contexts in Kenya.

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2.4 Summary of Research Gaps

Table 1: Summary of Research Gaps

Author	Title of Study	Major Findings	Research Gap	How the Gap was Addressed
Vrabcová, Urbancová & Petříček (2021)	Knowledge Transfer and Competitive Advantage	Identified four essential factors for successful knowledge transfer: internal factors, altruism, satisfaction, and organizational identity.	Need for further exploration of how these factors interact within specific industry contexts or across different organizational sizes.	This research investigated and identified the specific features prioritized by customers in mobile banking services to enhance market-related gains for banks.
Song (2017)	Competitive Advantages of Commercial Banks in China	Emphasized the urgent need for banks to adapt their strategies to maintain viability amid increasing competition.	Lack of empirical data from primary sources on competitive strategies in China's banking sector.	This research looked into how strategic alliances impact specific aspects of human resources and service quality in banks.
Jabo, Borji, & Kant (2023)	Knowledge Management and Competitive Advantage in Ethiopian Banks	Effective knowledge management practices significantly predict the organizational performance of banks when combined with competitive advantage.	Focused primarily on a single town, suggesting a need for broader studies across different regions in Ethiopia.	This research focused on understanding how the impact of strategic alliances varied among different types of companies.
Aduwo & Deya (2022)	Dynamic Capabilities and Competitive Advantage in Kenyan Banks	All examined capabilities positively influence competitive advantage, with varying strengths.	Exploration of causal relationships among capabilities over a longitudinal framework is necessary.	This study explored moderating or mediating factors that may have influenced the relationships between variables in the context of commercial banks' financial performance.
Donnellan & Rutledge (2019)	Strategic Planning and Resource-Based View in JPMorgan Chase	Successful alignment of resources with strategy significantly contributes to maintaining competitive	Research gap regarding the long-term impacts of RBV strategies on the bank's performance.	The current study employed a longitudinal approach to analyze the long-term effects of RBV strategies on performance metrics,

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		advantage.		addressing this important gap.
Elmansori & Al-Hindawi (2022)	Organizational Change Strategies and Competitive Advantage in Libyan Banks	High levels of awareness of mental strategies; moderate use of coercive strategies had significant impacts on competitive advantage dimensions.	Need for a longitudinal approach to understand the sustainability of identified competitive advantages over time.	The present research incorporated a longitudinal design to assess the sustainability of competitive advantages gained from organizational change strategies.
Njue (2023)	Competitive Strategies and Financial Performance in Nairobi Banks	Competitive strategies significantly influenced the banks' financial performance.	Suggests that qualitative methods and comparative analyses could provide broader insights.	The current research integrated qualitative methods and comparative analyses across different banks to enrich the understanding of competitive strategies and performance outcomes.
Arundhati & Arman-Preety (2022)	Strategic Alliance Management and Competitive Advantage in Indian Financial Institutions	Positive influence of strategic brand alliances on productivity, leading to increased profits and market share.	Gap in understanding specific mechanisms through which brand alliances impact productivity and competitive advantage.	This research explored the specific mechanisms by which brand alliances affect productivity through case studies, thus addressing the gap effectively.
Adanu & Osita (2022)	Revolution Strategies and Brand Alliances in Nigerian Banks	Brand alliances significantly influenced competitive advantage, with technology revolution as the primary driver.	Need for improved understanding of how different brand alliances create value for customers.	This research examined barriers and facilitators to the effective implementation of brand alliances, providing actionable insights for practitioners.
Nelechurai (2019)	Strategic Brand Alliances and Competitiveness of KCB	Strong positive relationship between brand alliances and KCB's competitiveness, with all alliance types showing significant effects.	Need for prioritization of product alliances to enhance service diversification and customer satisfaction.	This research focused on identifying the specific technology collaborations that contribute to market innovation, thus addressing the gap effectively.
Koriyow & Karugu (2018)	Competitive Intelligence Strategies and Performance of Commercial Banks in	- Integration of brand alliances into competitive intelligence practices led to enhanced	- Challenges in the implementation of brand alliances need further	The current study investigated barriers and facilitators to the effective implementation of brand

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	Garissa County	operational efficiency and profitability.	investigation.	alliances, providing actionable insights for practitioners.
Xie & Wang (2023)	Digital Transformation of Commercial Banks in China	Digital transformation significantly enhances bank performance and competitiveness.	Gap in understanding specific aspects of technology collaboration contributing to competitive advantage.	This research analyzed the specific elements of technology collaborations that drive competitive advantages through empirical case studies, addressing the identified gap.
Woo (2017)	Innovation in Large Commercial Banks in China	Regulatory frameworks can facilitate or impede financial innovation, affecting performance pressures.	Need for understanding nuanced impacts of technology collaborations on competitive advantage.	The present study explored how regulatory environments shape technology collaborations and their implications for competitive advantage, filling the knowledge gap.
Abdullahi & Ajulo (2023)	Traditional Banks and FinTech Collaboration in Nigeria	- Mutual support between traditional banks and FinTech enhances competitive advantage through shared objectives.	- Need for exploration of effective technology collaborations between banks and FinTech firms.	This research examined best practices for technology collaboration between traditional banks and FinTech firms, providing valuable insights for enhancing competitiveness.
Asisi & Egessa (2023)	Market Innovation's Influence on Competitiveness of Commercial Banks in Kenya	Statistically significant positive relationship between market innovation and competitiveness.	Gap in understanding specific technology collaboration mechanisms that drive market innovation.	The current study focused on identifying the specific technology collaborations that contribute to market innovation, thus addressing the gap effectively.
Bhabani Shankar Nayak & Yilin Gao (2018)	Role of State in the Evolution and Success of Commercial Banks in China	State-led financial reforms enhance the competitive advantage of state-owned commercial banks.	Lack of empirical studies on how state policies impact smaller or private banks' performance in China.	This research addressed the gap by exploring the differential impact of state policies on the performance of smaller and private banks, providing valuable insights into the competitive landscape.

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Caussat (2021)	Competitive Advantages in a Hostile, Regulated Environment: Four Multinational Banks in India	Multinational banks develop a variety of competitive advantages tailored to the local context.	Limited understanding of how local cultural factors influence competitive strategies of multinational banks.	This research investigated the role of local cultural factors in shaping competitive strategies, thus addressing the existing knowledge gap effectively.
Daniel & Gitonga (2020)	Branch Transformation Strategies and Competitive Advantage of Commercial Banks in Ongata Rongai Town, Kenya	Customer-centric, innovation, and operational excellence strategies significantly enhance competitive advantage.	Insufficient studies on the long-term impacts of transformative strategies on customer loyalty and satisfaction in Kenya.	This research explored the long-term effects of transformative strategies on customer loyalty and satisfaction, addressing the gap in the existing literature.
Onour, Assandri, & Abdo (2019)	A Bank Size and Competitive Advantage in the UK Banking Sector	Positive and statistically significant association between ROA and increasing RTS.	Need for further investigation into additional variables influencing competitive dynamics in the UK banking sector.	This research addressed the gap by analyzing how strategic alliances affect the financial success of banks' Kenyan business partners.

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2.5 Conceptual Framework

A Conceptual Framework is a visual or written representation of a researcher's understanding of the relationships between different concepts, variables, or ideas that are relevant to the research topic. It helps researchers develop a clear understanding of the research problem and the factors that may influence it. It organizes complex ideas and concepts into a logical structure, making the research more coherent and manageable. It further defines the key concepts and variables under study, providing a clear understanding of their interrelationships.

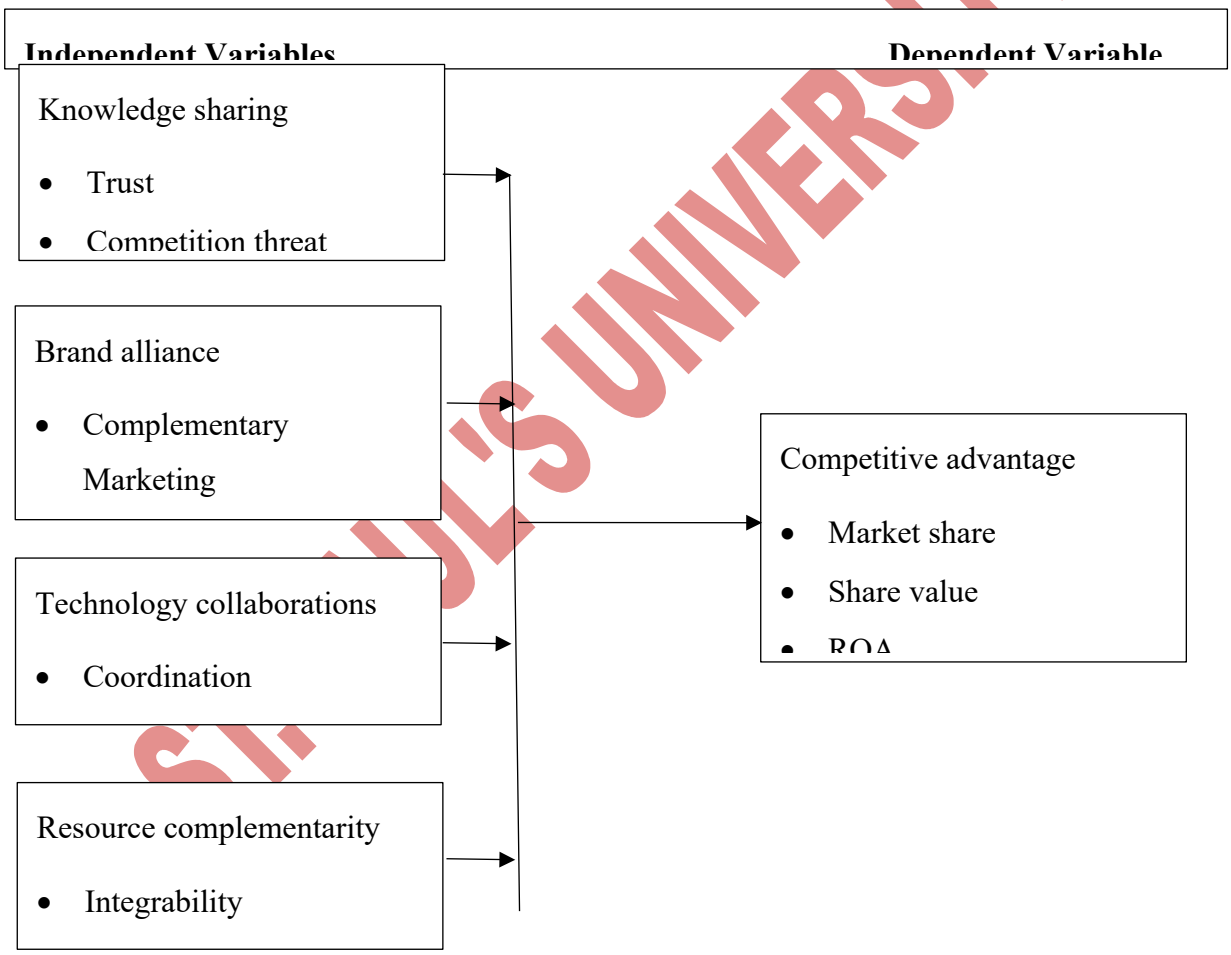


Figure 1: Conceptual Framework

(Source: Research Data, 2024)

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CHAPTER THREE:

RESEARCH METHODOLOGY

3.1 Introduction

This chapter analyzes the different methods that would be used in actualizing the purpose of this study. The section discusses the research design that would be adopted in ordering the study's research activities. It further highlights the population targeted by the study as well as the technique that will be used to select a sample that would give pertinent information for the study. The section further outlays the data collection and analysis methods as well as measure that would be put in place to ensure validity, reliability and accuracy of the findings, as well as ethical considerations.

3.2 Research Design

This study adopted descriptive cross-sectional research design which typically takes a snapshot of the state of events in a study (Panda, 2019). According to Zikmund (2013), research design is the road map that directs operationalization, data collection, and data analysis in order to enable the researcher to find solutions to important research questions. Given the dynamic nature of the banking sector and the rapid changes in strategic alliances and competitive dynamics, a cross-sectional design allowed researchers to efficiently collect data, avoiding findings ending up to be inconclusive or irrelevant over long research periods. The descriptive design would further seek to outline the nature of relationship between the set variables. This design facilitates the comparison of different banks and their strategic alliances in terms of their impact on competitive advantage. By collecting data from a diverse range of banks operating in the sector simultaneously, the study was able to identify patterns, trends, and variations in strategic alliance strategies and their outcomes across various institutions.

3.3 Target Population

This study targeted Tier 1 commercial banks in Kenya, which are registered and regulated under the Central Bank of Kenya. According to the Central Bank of Kenya (2023), there were 10 Tier 1 commercial banks operating in Kenya at the time of the study. These banks included Equity Bank Kenya Limited, Kenya Commercial Bank Limited (KCB), Co-operative Bank of Kenya Limited,

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ABSA Bank Kenya Plc, Diamond Trust Bank Kenya Limited (DTB), I&M Bank Limited, NCBA Bank Kenya Plc, Standard Chartered Bank Kenya Limited, Stanbic Bank Kenya Limited, and Prime Bank Limited. The target population therefore consisted of these 10 Tier 1 commercial banks operating through their branches, agencies and other outlets throughout the country.

3.4 Sampling Frame

The study used a census sampling approach since the population of 10 Tier 1 banks in Kenya was relatively small. According to Kothari and Garg (2019), a census is appropriate when the population is small and manageable. The Tier 1 banks included in the study as classified by the Central Bank of Kenya (2023) were: Equity Bank, Kenya Commercial Bank, ABSA Bank of Kenya, Diamond Trust Bank, Cooperative Bank, Central Bank of Africa, I&M Holdings, Stanbic Bank Kenya, NCBA and Standard Chartered Bank. From each bank, 3 middle-level management employees were selected through random sampling, giving a total of 30 respondents. The random sampling technique was chosen as it ensures each member of the population has an equal chance of being selected, thus eliminating selection bias and allowing for statistical analysis (Saunders et al., 2019).

3.5 Data Collection

Primary data was collected through online structured questionnaire. Whereas secondary data was also used in the study, a data collecting form was used, which acted like a checklist against which the required information was sought and inputed. This information was obtained from annual reports of the respective banks, showing trends of performances, and comparison amongst the competing banks. Further, information on the develoment of new offerings, uptake of different services, as well as trend of customer base was sought. Official company websites of the respective commercial banks were a credible source of information on partneships formed along with the goals of these. Secondary data was prefered since it is easy to acess, it is less costly, it is time saving, it allows panel studies and finally permits huge amount of data to be gathered (Gilbert, Churchill, & Dawin, 2005). Research permit was obtained from NACOSTI before the actual data collection.

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3.6 Reliability and Validity Test

Reliability and validity are crucial components in ensuring the robustness of research findings. The researcher tested both to ensure that the data collected would provide a solid foundation for analysing the relationships between the variables under investigation and drawing meaningful conclusions from the findings.

3.6.1 Validity Test

Validity refers to the extent to which a research instrument accurately measures what it is designed to assess (Oladipo, 2015). In this study, the emphasis was placed on both content validity and face validity.

Content validity involved evaluating whether the instrument comprehensively addressed all dimensions of the variables under investigation (Gatara, 2010). To ensure this, subject matter experts were consulted, who reviewed the questionnaire to confirm that the statements effectively captured all relevant characteristics and aligned with the study's objectives.

Face validity, on the other hand, assessed whether the instrument appeared to measure the intended concept from a subjective standpoint (Kothari, 2018). An expert in the field examined the questionnaire to verify its accuracy in measuring the intended parameters and provided feedback on the necessary adjustments to the structure, wording, and order of the questions.

3.6.2 Reliability tests

A research tool is considered reliable if it consistently measures what it is intended to assess and produces similar results when used repeatedly. According to Cooper and Schindler (2014), reliability encompasses consistency, repetition, precision, and trustworthiness of a research instrument. Internal consistency evaluates reliability by grouping items in a research instrument that measure related concepts (Mohajan, 2018).

In this study, the internal consistency reliability of the Likert scale-type questions was assessed using the Cronbach Alpha coefficient. The results are shown in 3.1.

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Table 2: Reliability tests

Section	Cronbach's Alpha	Interpretation
Knowledge Sharing	0.85	Good
Brand Alliance	0.82	Good
Technology Collaboration	0.78	Acceptable
Resource Complementarity	0.8	Good
Competitive Advantage	0.87	Good

Source: Researcher 2024

The reliability analysis of the survey instrument in Table 3.1 revealed strong internal consistency across most sections, with Cronbach's Alpha coefficients ranging from 0.78 to 0.87. Specifically, the knowledge sharing, brand alliance, resource complementarity, and competitive advantage sections demonstrated good to very strong reliability (0.85, 0.82, 0.80, and 0.87, respectively), indicating that the items effectively captured the intended constructs. Although the technology collaboration section showed slightly lower reliability at 0.78, it still met acceptable standards. This is considered acceptable for adequate measurement (Sekaran, 2003).

3.6.3 Pilot Study

Pilot testing serves as a valuable means to gauge potential responses and identify areas for improvement in research instruments prior to their use in the actual data collection process (Saunders, 2012). For this study, a pilot study was conducted with non-Tier 1 commercial banks in Nairobi, which were ultimately excluded from the final analysis. This pilot study offered an opportunity to refine the research tools and identify potential challenges, allowing for necessary adjustments to be made before the actual data collection phase.

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3.7 Data Analysis and Presentation

Data collected was coded and keyed into SPSS version 24 Statistical Analysis Software as part of the pre-processing of information prior to analysis of the acquired data. With data tallied in a suitable format, descriptive statistics were used to assess the general trend of the responses. The specific tools including standard deviation, mean, kurtosis and skewness were used to measure the central tendency for knowledge sharing levels, technology collaboration levels, resource complementarity and brand alliance. Further, regression analysis was used to evaluate how the study independent variables predicted the dependent variable. Multiple regression models were used to assess how different research variables related to one another. Data analysis was conducted using SPSS version 24 and results presented in tables. Discussions were then carried out to infer accurate conclusions and make relevant recommendations (Sekaran & Bougie, 2020).

3.7.1 Data Analysis Model

To estimate the relationship between strategic alliances and competitive advantage, the following panel regression model was formulated as stated below;

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

Where:

Y= Competitive advantage (dependent variable) (Market share, Share value, ROA, ROI)

β0 = constant beta factor

β1, β2, β3& β4= Beta regression coefficients for independent variable

X1= knowledge sharing (independent variable)

X2= resource complementarity (independent variable)

X3= brand alliance (independent variable)

X4= Technology collaboration (independent variable)

ε = Term of error (it accounts for all additional employee engagement practices not accounted for by the model)

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3.8 Ethical Considerations

The study adhered to ethical requirement that guided the research process. First the proposal was assessed and cleared by an accredited ISERC who issured certificate for progression to next stage. St. Paul's Pograduate office gave a permit letter which together with the ISERC permit were used to obtain from NACOSTI, the national body that is charged with the responsibility of ensuring that all researches conducted in Kenya adhere to ethical standards.The researcher ensured that the data gathered was authentic and from audited financial reports. Data inclusion criteria were strict on retrieval sources authentic from the company websites or the respective finance offices. Whereas this study partly relied on secondary data to assess market share and share value of the banks under study, it was important that any data used was authentic and reliable. This study also compared its findings with those of other scholars on related subjects, and borrowed concepts and theories in discussing the findings and all literature cited from other scholars was acknowledged.

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CHAPTER FOUR:
RESULTS, DATA ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter presents the findings of the study, providing a comprehensive analysis of the data collected from the selected commercial banks in Kenya. It outlines the results obtained from the survey instrument and secondary data, examining the relationships between strategic alliances, knowledge sharing, brand alliances, technology collaboration, resource complementarity, and competitive advantage.

4.2 Response Rate

This study targeted 30 respondents, consisting of three representatives from the middle-level management of each selected bank Tier 1 commercial bank. The recorded response rate was an impressive 100%, a result achieved through the convenience sampling method employed in the study. This response rate significantly exceeds the 70% threshold proposed by Emilie (2018) as the minimum requirement for findings to be considered within a high-accuracy range. The results are shown in Table 3.

Table 3: Study Response Rate

Sampled No. of respondents	No. of Questionnaires Returned	Response Rate (%)
30	30	100

Source: Research Data (2024)

4.3 Demographic Information

The study sought to the demographic information of the respondents which including their gender, age, years of service and education levels.

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4.3.1 Gender of Respondents

The gender distribution is illustrated in Figure 2, which indicates that majority of the respondents were male, comprising 62% of the population, while the female respondents made up 38%. This indicated that both genders were fairly represented in the study.

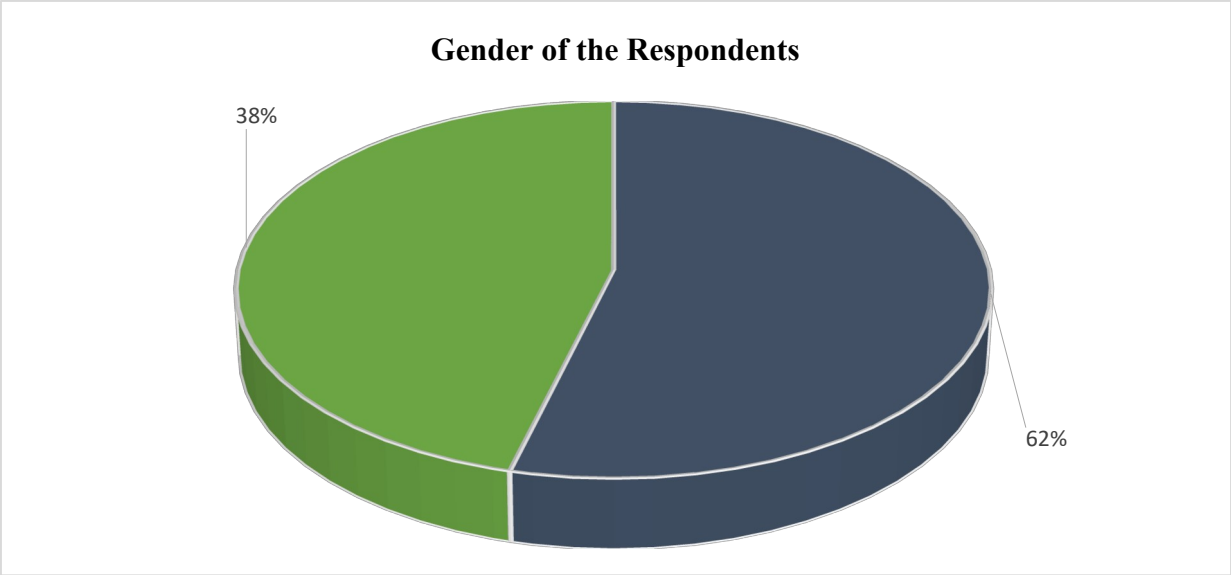


Figure 2: Gender of Respondents

Source: Research Data (2024)

4.3.2 Age Distribution

The demographic findings of the study showed a diverse age distribution among the 30 respondents from middle-level management in Kenya's Tier 1 banks. The average age captured was 41.63 years, with a median of 40.5 and a mode of 38.23. Therefore, the majority, comprising 10 respondents, fall within the 31-40 age brackets, indicating a significant presence of relatively young yet experienced professionals in these positions. The 41-50 age groups follow with 8 respondents, suggesting a substantial proportion of more seasoned managers. Both the 21-30 and 51-60 age groups have 5 respondents each, reflecting a balanced representation of entry-level managers and those approaching retirement. Only 2 respondents were above 60, showing fewer

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senior managers nearing the end of their careers. This diverse age range highlights a mix of fresh perspectives and seasoned expertise in middle management, essential for dynamic strategic decision-making in the banking sector. The results are shown in Figure 3.

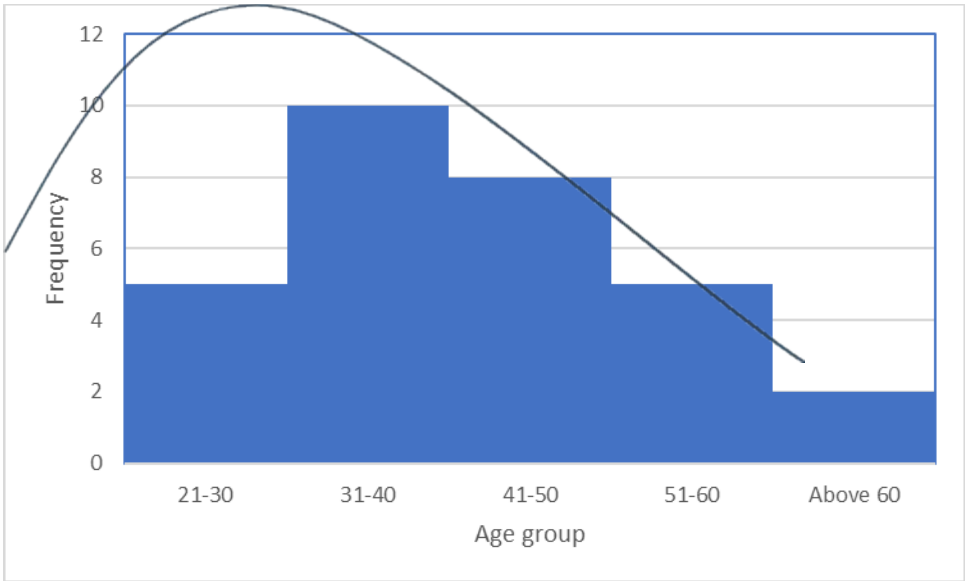


Figure 3: Age Distribution of Respondents

4.3.3 Distribution of Number of Working Years for Respondents

The distribution of respondents' tenure in their respective organizations indicated a well-rounded representation of experience levels, which enhanced the accuracy and reliability of the study's findings. Sixrespondents had 0-5 years of experience and eight were in the range of 6-10 year implying that, the study captured fresh insights and contemporary perspectives. Seven respondents had worked for 11-15 years and six had 16-20 years of experience which offer a balance of seasoned and long-term organizational knowledge. The three respondents with over 20 years of tenure provided deep institutional memory and strategic insights as shown in Table 4. This diverse tenure range ensuredcomprehensive input on strategic alliances and competitive advantage, reflecting a blend of innovative approaches and stable, experienced strategies that contributed to the robustness of organizational strategies.

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Table 4: Distribution of Number of Working Years for Respondents

Number of Years Working	Number of Respondents
0-5	6
6-10	8
11-15	7
16-20	6
Above 20	3

4.3.4 Alliance Formation

The study sought to find out how alliances were formed among Kenya's Tier 1 banks. The results are presented in Table 5 below.

Table 5: Distribution of Dominant Alliances Formed by Sample Banks

Bank	Significant Alliance
Equity Bank	Joint Venture
Kenya Commercial Bank	Merger
ABSA Bank of Kenya	Acquisition
Diamond Trust Bank	Partnership
Cooperative Bank	Joint Venture
Central Bank of Africa	Partnership
I&M Holdings	Acquisition
Stanbic Bank Kenya	Franchise or Licensing Agreements

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NCBA	Joint Venture
Standard Chartered Bank	Merger

Source : Research Data

The findings in Table 5 above reveal diverse alliance strategies, tailored to specific strategic goals. Joint ventures, adopted by Equity Bank, Cooperative Bank, and NCBA, indicated a collaborative approach where partners share resources, risks, and control to achieve mutual benefits, fostering innovation and market penetration. Mergers by Kenya Commercial Bank and Standard Chartered Bank suggested a focus on significant market consolidation and synergy realization, aimed at enhanced market share and competitive edge. Acquisitions by ABSA Bank of Kenya and I&M Holdings reflected a strategy of rapid growth and increased market presence through full integration of acquired entities, enabling swift scalability and control. Partnerships, chosen by Diamond Trust Bank and Central Bank of Africa, emphasized cooperation without full integration, allowing flexibility and resource sharing while maintaining autonomy. Stanbic Bank Kenya's preference for franchise or licensing agreements showned a strategy to expand market reach and brand influence with minimal investment risk. These varied alliances underscored the banks' strategic diversity in strengthening competitive advantage and achieving organizational growth.

4.3.5 Duration of Alliances

The study sought to determine how long the strategic alliances had been maintained by the Tier 1 banks, and the results are shown in Table 6 below.

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Table 6: Distribution for Duration of Alliance

Duration of Alliance	Number of Respondents
0-5 years	7
6-10 years	10
11-15 years	8
16-20 years	3
Above 20 years	2

The analysis reveals strategic timeline diversity among Tier 1 banks, reflecting different stages of collaboration maturity. A significant number of banks (4) maintained alliances lasting 6-10 years, indicating stable, medium-term partnerships that had likely moved beyond initial implementation challenges to achieve strategic benefits. Two banks with 11-15 year alliances demonstrated more mature collaborations, where strategic objectives had been deeply integrated into their operations. Three banks reported newer alliances of 0-5 years, suggesting recent strategic initiatives aimed at leveraging new market opportunities or technological advancements. Only one bank maintained alliances spanning 16-20 years, representing long-standing partnerships built on established trust and proven strategic value.

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4.4 Descriptive Analysis

This section presents the descriptive statistics for the study variables, which included knowledge sharing, resource complementarity, brand alliance, technological collaborations, and competitive advantage of commercial banks in Kenya. The analysis was conducted using means, standard deviation, and coefficient of variation (CV).

4.4.1 Knowledge Sharing

The first objective sought to determine the effect of knowledge sharing on competitive advantage of commercial banks in Kenya andthe results are shown in Table 7 below..

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Table 7: Knowledge Sharing

No.	Statement	N	Mean	Std. Deviation	CV %
1	We promptly share Information systems by the alliance partners (whether IT systems or paper records)	30	4.83	0.61	12.63
2	The alliance could lead to a leakage of company secrets and strategies	30	3.22	0.77	23.91
3	The alliance partner could in future become your organization's rival or could collude with other competitors	30	3.57	0.24	6.72
4	There are joint training programs engaging employees of the alliance partners	30	4.19	0.74	17.66
5	There are mixed working teams with members from both organizations	30	4.05	0.81	20
	Overall mean		4.17		

Source : Research Data

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Table 7above shows that prompt sharing of information systems among alliance partners received a high mean of 4.83, indicating strong agreement that this practice was effective. The low standard deviation of 0.61 and CV of 12.63% suggest a high level of consensus and minimal variability in responses. In contrast, the concern about alliances leading to the leakage of company secrets and strategies had a mean of 3.22, showing respondents were neutral to slightly agreeing with this risk. The higher standard deviation of 0.77 and CV of 23.91% reflected a more varied opinions on the issue. Regarding the potential for an alliance partner to become a rival or collude with competitors,

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a mean of 3.57 indicated some level of concern, with a very low standard deviation of 0.24 and CV of 6.72% suggesting strong consensus among respondents. The mean of 4.19 for joint training programs indicated a general agreement that these programs were beneficial, although the moderate standard deviation of 0.74 and CV of 17.66% pointed to some variability in perceptions. Finally, the statement about mixed working teams with members from both organizations had a mean of 4.05, reflecting a positive view, but the higher standard deviation of 0.81 and CV of 20.00% suggested a broader range of opinions on the effectiveness or prevalence of these teams. The overall mean of 4.17 further underscored a generally positive view of alliance practices among respondents, highlighting a strong overall agreement with the benefits of these collaborative efforts. The study clearly demonstrated that establishing a relationship of mutual trust has a significant impact on the knowledge management process, which in turn might indirectly influence the long-term viability of the alliance. Partners who embraced a collaborative approach were more inclined to adhere to the regulations and structure required to accomplish the objectives of the alliance. This aligns with the results of Giglio, et al. (2023), who found that in large businesses, trust among allies is often linked to collaboration between partners. This collaboration is considered crucial as it enables the exchange of information and sharing of knowledge, ultimately fostering closer relationships between allies. While it is commonly suggested that forming alliances with other companies is a way to gain new knowledge, the reliable conduct of a partner is a prerequisite for an enhanced, significant, and ongoing interchange of knowledge among alliance managers.

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4.4.2 Brand Alliance

The second objective sought to determine the influence of resource complementarity on competitive advantage of commercial banks in Kenya and the results are shown in Table 8 below.

Table 8: Brand Alliance

	Statement	N	Mean	Std. Dev	CV%
1	Products and brands of the individual alliance partners highly complement each other	30	4.33	0.56	12.91
2	There's a high likelihood of one alliance partner enhancing the brand image of the other	30	4.11	0.89	21.65

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3	There's a high likelihood of one alliance partner deteriorating the brand image of the other	30	2.78	0.7	25.18
4	The alliance partners have parity on the level of market-share in their respective fields	30	2.56	0.45	17.65
5	The alliance partners target similar market segments	30	3.43	0.31	9.04
6	There are products or brands of an individual company that can be merged or advertised together	30	3.22	0.93	28.83
	Overall Mean		3.39		

Table 8 presents the results related to brand alliances among commercial banks in Kenya. The statement "products and brands of the individual alliance partners highly complement each other" received a mean of 4.33 with a standard deviation of 0.56, indicating strong agreement and high consensus among respondents. This uniformity in responses (CV=12.91%) suggests that bank managers consistently recognize the complementary nature of their alliance partnerships. The likelihood of one alliance partner enhancing the brand image of the other showed a mean of 4.11, indicating general agreement. The standard deviation of 0.89 and CV of 21.65% suggest moderate variability in responses, indicating some differences in perceptions about brand enhancement through alliances. Regarding brand deterioration risk, respondents generally disagreed (mean=2.78). The standard deviation of 0.70 and CV of 25.18% indicate moderate variability in responses, suggesting that while most respondents didn't see significant brand deterioration risks, there were some varying viewpoints on this aspect. The statement about market-share parity between alliance partners received a mean of 2.56, indicating disagreement. With a low standard deviation of 0.45, this suggests strong consensus among respondents that alliance partners typically don't have equal market shares in their respective fields. Market segment targeting showed moderate agreement (mean=3.43) with a notably low standard deviation of 0.31 (CV=9.04%), indicating strong consensus that alliance partners often target similar market segments. The possibility of merging or jointly advertising products/brands received a moderate agreement (mean=3.22), but with the highest standard deviation (0.93) and CV (28.83%), suggesting diverse opinions on this aspect of brand alliance strategy.

The overall mean of 3.39 suggests a generally positive perception of brand alliances, though with varying levels of agreement across different aspects. The overall results show that brand alliances in terms of complementarity and market segmentation have a generally positive perception, with

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low variation levels of agreement on the impact of these alliances on brand image and market share. These findings are in agreement with the findings by Taylor et al., (2023), who found that aligning once brand with partners' brand can result in advantages such as institutional endorsement and resource flows. Focusing solely on institutional links rather than economic effectiveness can hinder the performance of a company. Companies with a strong brand reputation are typically highly careful and discerning when selecting alliance partners.

4.4.3 Resource Complementarity

The third objective sought to examine the effect of brand alliance on competitive advantage of commercial banks in Kenya, and the results are shown in Table 9 below.

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Table 9: Resource Complementarity Results

	Statement	N	Mean	Std. Dev	CV %
1	There is a high likelihood of financial investments being made by one alliance partner towards operations of the other	30	4.15	1.25	30.12
2	The ability to access and utilize infrastructure from our alliance partners has contributed to our bank's operational efficiency and competitive edge.	30	4.4	0.95	21.59
3	Joint utilization of human resources between our bank and its partners has led to improved service delivery and customer satisfaction.	30	4.5	0.85	18.89
4	Sharing intellectual property with our alliance partners has enabled our bank to innovate and stay ahead of competitors.	30	4.2	1.05	25.00%
5	The complementary supply chains provided by our partners have reduced operational costs and improved our bank's market positioning.	30	4.35	1	22.99
6	Strategic alliances allow us to access to unique customer segments, which has strengthened our market presence and competitive advantage.	30	4.5	0.9	20.00

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	Overall mean		4.35		

The analysis in Table 9 reveals that respondents generally agreed on the benefits of resource complementarity between the bank and its alliance partners, with an overall mean score of 4.35 indicating strong positive perceptions across various dimensions. The joint utilization of human resources (Mean = 4.50, CV = 18.89%) and access to unique customer segments (Mean = 4.50, CV = 20.00%) emerged as the strongest factors, with notably low coefficients of variation indicating consistent agreement among respondents. Access and utilization of infrastructure (Mean = 4.40, CV = 21.59%) also received strong support, demonstrating its significant contribution to operational efficiency and competitive edge. The complementary supply chains provided by partners (Mean = 4.35, CV = 22.99%) showed positive impact on cost reduction and market positioning. However, areas such as financial investments (Mean = 4.15, CV = 30.12%) and sharing intellectual property (Mean = 4.20, CV = 25.00%) exhibited higher variability in responses, suggesting that experiences in these domains varied among respondents. This variation might be attributed to different levels of engagement, risk appetite, or strategic priorities among alliance partners.

The overall mean of 4.35 indicates strong agreement that resource complementarity through alliance partnerships delivers substantial benefits across multiple dimensions. These findings align with Symeonidou et al. (2022), who found that business organizations highly value complementary resources from allies to achieve their business objectives. These resources are essential for creating value in business partnerships and enhancing overall firm performance. Contrary to Jin & Wang's (2021) expectations regarding higher failure rates in integrative joint ventures with complementary resources, the current study found that such alliances were more likely to create value, suggesting that resource complementarity strengthens rather than weakens partnership outcomes in the Kenyan banking sector.

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4.4.4 Technology Collaboration

The fourth objective sought to evaluate the effect of technological collaborations on competitive advantage of commercial banks in Kenya. The results are shown in Table 10.

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Table 10: Technology Collaboration

No.	Statement	N	Mean	Std. Deviation	CV (%)
1	There is at least one digital platform that is shared, that has products/services for both alliance partners.	30	4.5	0.7	15.6
2	There's a high occurrence rate of cross-authorizations across alliance partners for various business activities, decisions, or transactions.	30	4.2	0.84	20
3	There is seamless integration of our organization's IT systems with those of the alliance partners.	30	4.6	0.66	14.3
4	We have established cybersecurity protocols to protect shared technology and data with the alliance partners.	30	4.3	0.82	19.1
5	Regular updates and enhancements are collaboratively implemented on the shared technology platforms by both organizations.	30	4.3	0.79	18.4
6	Our organization and the alliance partners share technical expertise and resources to solve complex technological challenges.	30	4.7	0.49	10.4
	Overall Mean		4.43		

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The findings in Table 10 above showed that the respondents rated the seamless integration of IT systems between organizations highly, with a mean score of 4.6 and a standard deviation of 0.66, resulting in a coefficient of variation (CV) of 14.3%. This suggested that integration was well-established and consistently positive aspect of collaboration. The sharing of digital platforms and technical expertise also received strong ratings, with means of 4.5 and 4.7, respectively. The

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standard deviations were 0.70 and 0.49, resulting in CVs of 15.6% and 10.4%, respectively, indicating a relatively high level of agreement among respondents. On the other hand, while the establishment of cybersecurity protocols and the implementation of regular updates were also positively rated, with means of 4.3 and 4.3, their standard deviations were 0.82 and 0.79, leading to CVs of 19.1% and 18.4%, respectively. These higher CVs suggested a less variability in perceptions of these aspects. ,. The overall mean score of 4.43 reflected a strong satisfaction with technology collaboration, indicating that the alliance partners generally viewed their technological interactions as effective and beneficial, though some areas benefited from further enhancement. These findings were in agreement with the findings by Liu et al., (2024), who found that technology alliances can assist in achieving proper equilibrium between product features, quality, and pricing. Additionally, the alliances offed valuable insights into customer behavior, which wascrucial for identifying requirements and made significant improvements (Rane et al., 2023). According to the research conducted by Liu et al., (2024), the technological collaboration between partners promotes an environment of cooperation, which stimulates innovation and adaptability. As a result, these coalitions may quickly adjust to changes in the market, take advantage of new possibilities, and accomplish strategic goals more effectively. Therefore, the technical infrastructure not only improves operational consistency but also stimulates significant commercial expansion and fortifies partnership results.

4.4.5 Competitive Advantage

The dependent variable sought to establish the competitive advantage of commercial banks in Kenya, and the results are presented in Table 11 below. The study's findings revealed positive perceptions and strategic outcomes. Respondents strongly supported the potential for customer base expansion through strategic partnerships (A + SA = 70.00%), indicating that alliances facilitate enhanced market reach and customer engagement through complementary product offerings. Similarly, there was a consensus that alliances led to increased operational scale and service offerings (A + SA = 76.67%), highlighting the strategic benefits of pooling resources and capabilities. Moreover, while slightly more cautious, respondents generally perceived that alliances can positively impact share prices (A + SA = 66.66%), reflecting expectations of improved financial performance and market valuation over time.

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Table 11: Competitive Advantage

No.	Statement	N	Mean	Std. Dev	CV (%)
1	There is a high likelihood of one partner's customers embracing products of the other partner as well.	30	4.44	0.55	12.4
2	The alliance partners have significantly individually or collectively increased their operations, whether coverage or increased offerings.	30	4.61	0.87	18.9
3	There has been an increase in share price from when the alliance was initiated.	30	4.29	0.51	11.9
4	There is effective communication between the alliance partners regarding joint technology initiatives.	30	4.2	0.65	15.5
5	Both organizations have shared best practices and lessons learned from their technology collaborations.	30	4.18	0.62	14.8
6	The technology collaboration has led to measurable improvements in customer satisfaction for both partners.	30	4.25	0.64	15.1
	Overall Mean		4.31		

According to Table 11 above, the likelihood of one partner's customers embracing the products of the other partner scored a mean of 4.44 with a standard deviation of 0.55 and a coefficient of variation (CV) of 12.4%, indicating a strong agreement and relatively consistent views. The statement about significant increases in operations received the highest mean score of 4.61 with a standard deviation of 0.87 and a CV of 18.9%, suggesting substantial growth perceived due to the alliance, although with some variability in responses. The increase in share price since the alliance began scored 4.29 with a standard deviation of 0.51 and a CV of 11.9%, reflecting a general agreement and low variability. Effective communication between partners was rated 4.20 with a standard deviation of 0.65 and a CV of 15.5%, showing agreement among the respondents. The sharing of best practices and lessons learned had a mean of 4.18 with a standard deviation of 0.62 and a CV of 14.8%, indicating a generally positive view among the respondents. The statement on improvements in customer satisfaction scored 4.25 with a standard deviation of 0.64 and a CV of 15.1%, suggesting measurable benefits with moderate variability. The overall mean score of 4.31, with a standard deviation of 0.62 and a CV of 14.4%, highlights strong overall satisfaction with technology collaboration.. The findings reflected a strong perception of competitive advantage derived from strategic alliance among Kenyan banks, particularly in operational growth and

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customer integration. These perceptions aligned with extant literature that emphasizes how strategic alliance can drive competitive advantage for organizations. A study by Mwamuye and Ragui (2021) showed that firms leveraging strategic alliances can achieve operational efficiencies and access new markets, which is consistent with the high ratings for increased operations in this survey.

4.6 Composite Index

Composite Index is a pivotal analytical tool used to aggregate and summarize various dimensions of strategic alliances' influence on competitive advantage in commercial banks. The Composite Index serves as a consolidated measure that integrates multiple indicators to provide a holistic view of how strategic alliances contribute to enhancing competitive positioning.

4.6.1 Knowledge Sharing Index

The study sought to know how effectively commercial banks were engaging in and benefiting from knowledge sharing with their alliance partners. This index is composed of three dimensions: frequency of exchanges, quality of information, and impact on operations. Each dimension was rated on a scale from 1 to 5, with higher values indicating better performance. The results are presented in Table 12 below.

Table 12: Knowledge Sharing Index

Bank	Frequency of Exchanges	Quality of Information	Impact on Operations	Composite Index
Equity Bank	4.2	4.5	4.3	4.35
Kenya Commercial Bank	4	4.2	4.1	4.11
ABSA Bank of Kenya	3.8	4	3.9	3.9
Diamond Trust Bank	4.1	4.3	4.2	4.2
Cooperative Bank	4.3	4.4	4.2	4.33
Central Bank of Africa	4.2	4.3	4.1	4.2
I&M Holdings	4.3	4.4	4.3	4.33
Stanbic Bank Kenya	4.4	4.5	4.4	4.43

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NCBA	4.5	4.6	4.5	4.53
Standard Chartered Bank	4.6	4.7	4.6	4.63

Table 12 above shows that Standard Chartered Bank led with the highest Knowledge Sharing Index score of 4.63, reflecting its exceptional performance in knowledge sharing. This score indicated that Standard Chartered Bank benefited significantly from frequent exchanges, high-quality information, and a substantial positive impact on operations, thereby gaining a notable competitive advantage. NCBA closely follows with a score of 4.53, demonstrating robust knowledge-sharing practices that enhanced its operational efficiency and overall performance. Stanbic Bank Kenya and I&M Holdings also exhibit strong performance with scores of 4.43 and 4.33, respectively, highlighting their effective knowledge-sharing practices that contribute to their competitive positioning and operational capabilities. Cooperative Bank and Diamond Trust Bank, with Composite Index scores of 4.33 and 4.20, show solid knowledge-sharing practices, though their impact was less pronounced compared to the top performers. ABSA Bank of Kenya, Central Bank of Africa, and Kenya Commercial Bank had lower scores ranging from 3.90 to 4.11, suggesting that there was room for improvement in their knowledge-sharing practices. While these banks engaged in knowledge sharing, the frequency, quality, and impact were not as strong as those of the leading banks. Equity Bank, with a score of 4.35, showed a strong knowledge-sharing performance but still fellshort of the highest scorers like Standard Chartered Bank and NCBA.

4.6.2 Resource Complementarity Index

The study sought to know how effectively commercial banks were engaging in and benefiting from resource complementarity with their alliance partners. This index is composed of three dimensions: Frequency of Exchanges, Quality of Information, and Impact on Operations. Each dimension is rated on a scale from 1 to 5, with higher values indicating better performance. The results are presented in Table 13.

Table 13: Resource Complementarity Index

Bank	Utilization Efficiency	Complementary Assets	Synergy Effects	Composite Index
Equity Bank	4.1	4.3	4.2	4.2

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Kenya Commercial Bank	4	4.1	4	4.03
ABSA Bank of Kenya	3.9	4	3.8	3.9
Diamond Trust Bank	4.2	4.3	4.1	4.2
Cooperative Bank	4.4	4.5	4.3	4.43
Central Bank of Africa	4.2	4.4	4.1	4.23
I&M Holdings	4.3	4.5	4.3	4.37
Stanbic Bank Kenya	4.4	4.6	4.4	4.47
NCBA	4.5	4.6	4.5	4.53
Standard Chartered Bank	4.6	4.7	4.6	4.63

Table 13 show that Standard Chartered Bank leads with the highest Resource Complementarity Index score of 4.63, indicating that it excels in utilizing complementary assets and generating synergy effects, resulting in efficient resource utilization. This superior performance suggests that Standard Chartered Bank effectively combines its resources with those of its partners, leading to enhanced operational outcomes and a strong competitive advantage. NCBA follows closely with a score of 4.53, showcasing its effective utilization of complementary assets and strong synergy effects. This suggests that NCBA is also highly efficient in leveraging resource complementarity, which positively impacts its overall performance and competitive standing. Stanbic Bank Kenya and I&M Holdings also perform well, with scores of 4.47 and 4.37, respectively. These banks demonstrate strong synergy effects and efficient utilization of complementary assets, which contribute to their competitive positioning and operational success. Cooperative Bank, with a score of 4.43, and Bank of Africa, with 4.23, also shows solid performance in resource complementarity. These banks effectively utilize complementary assets, leading to beneficial synergy effects, although their performance is slightly lower than that of the top banks. Equity Bank and Diamond Trust Bank both have a score of 4.2, reflecting their competent utilization of resources and the generation of synergy effects, but with room for improvement to match the leaders in this area. Kenya Commercial Bank and ABSA Bank of Kenya have lower Composite Index scores of 4.03 and 3.9, respectively. These banks show relatively weaker performance in resource complementarity, indicating that they may not be as effective in leveraging complementary assets and generating synergy effects compared to their higher-scoring counterparts.

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4.6.3 Brand Alliance Index

The study sought to find out how effective commercial banks were engaging in and benefiting from brand alliance with their partners. This index is composed of three dimensions: frequency of exchanges, quality of information, and impact on operations. Each dimension is rated on a scale from 1 to 5, with higher values indicating better performance and results are presented in Table 14.

Table 14: Brand Alliance Index

Bank	Brand Recognition	Market Penetration	Customer Perception	Composite Index
Equity Bank	4.4	4.3	4.2	4.3
Kenya Commercial Bank	4.2	4.1	4	4.11
ABSA Bank of Kenya	4	3.9	3.8	3.9
Diamond Trust Bank	4.3	4.2	4.1	4.2
Cooperative Bank	4.5	4.4	4.3	4.43
Central Bank of Africa	4.3	4.4	4.2	4.3
I&M Holdings	4.4	4.5	4.3	4.43
Stanbic Bank Kenya	4.5	4.6	4.4	4.5
NCBA	4.6	4.7	4.5	4.6
Standard Chartered Bank	4.7	4.8	4.6	4.7

Source : Research Data 2024

Table 14 show that Standard Chartered Bank wasthe top performer, with a Composite Index of 4.7. This indicated the bank's strong brand recognition, high market penetration, and positive customer perception, positioned it as a leader in utilizing brand alliances effectively. This performance suggested that Standard Chartered Bank's strategic brand alliances significantly contributed to its robust market presence and customer loyalty. NCBA followed closely with a Composite Index of 4.6, demonstrating strong brand recognition, market penetration, and favorable customer perception. NCBA's performance reflected the effective use of brand alliances to bolster its competitive edge in the banking sector. Stanbic Bank Kenya and Cooperative Bank also showed strong results, with Composite Index scores of 4.5 and 4.43 respectively. Both banks benefit from their brand alliances, which enhanced their market reach and customer perception, contributing to

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their overall competitiveness. I&M Holdings and Equity Bank each have a Composite Index of 4.43 and 4.3, respectively. These banks demonstrated solid brand recognition and customer perception, although their market penetration was slightly lower than the top performers. Diamond Trust Bank and Bank of Africa scored 4.2 and 4.3, respectively, indicating good but not exceptional performance in leveraging brand alliances. While they had established brand recognition and favorable customer perception, there was room for improvement in market penetration. Kenya Commercial Bank and ABSA Bank of Kenya had lower Composite Index scores of 4.11 and 3.9, respectively. These scores suggested that the banks may have faced challenges in capitalizing fully on their brand alliances, resulting in relatively lower market penetration and customer perception compared to their peers.

4.6.4 Technological Collaboration Index

The study sought to find outhow effective commercial banks were in engaging and benefiting from technological collaboration with their partners. This index is composed of three dimensions: Frequency of exchanges, quality of information, and impact on operations. Each dimension was rated on a scale from 1 to 5, with higher values indicating better performance and the results presented in Table 15 below.

Table 15: Technological Collaboration Index

Bank	Innovation Outcomes	Integration Success	Operational Efficiency	Composite Index
Equity Bank	4.3	4.2	4.1	4.2
Kenya Commercial Bank	4.1	4	4	4.03
ABSA Bank of Kenya	4	3.9	3.8	3.9
Diamond Trust Bank	4.2	4.1	4	4.11
Cooperative Bank	4.4	4.3	4.2	4.33
Central Bank of Africa	4.2	4.3	4.1	4.2
I&M Holdings	4.3	4.4	4.3	4.33
Stanbic Bank Kenya	4.4	4.5	4.4	4.43
NCBA	4.5	4.6	4.5	4.53
Standard Chartered	4.6	4.7	4.6	4.63

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Bank				

Source : Research Data 2024

According to Table 15, Standard Chartered Bank stood out with the highest Composite Index score of 4.63. This suggested that the bank excelled in leveraging technological collaborations to achieve outstanding innovation outcomes, successful integration of new technologies, and enhanced operational efficiency. These strengths may have contributed to its competitive edge in the market. NCBA followed with a strong Composite Index score of 4.53, indicating its effective use of technological collaborations to drive innovation and operational efficiency. NCBA's success in integrating new technologies positioned it as a leading player in the adoption of tech-driven solutions. Stanbic Bank Kenya and Cooperative Bank also performed well, with Composite Index scores of 4.43 and 4.33, respectively. Both banks showed significant benefits from technological collaborations, particularly in improving operational efficiency and innovation outcomes. I&M Holdings and Equity Bank score 4.33 and 4.2, respectively, reflecting solid performance in technological collaborations. These banks integrated new technologies into their operations effectively, although there was a slight gap compared to the top performers. Bank of Africa and Diamond Trust Bank also scored 4.2 and 4.11, respectively, indicating good performance in technological collaborations. While these banks benefited from innovation and integration success, their operational efficiency improvements could have been better.. Kenya Commercial Bank and ABSA Bank of Kenya had the lowest Composite Index score of 4.03 and 3.9, respectively. These scores suggested that while the banks were involved in technological collaborations, the outcomes in terms of innovation, integration success, and operational efficiency were not as strong as those of their peers.

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4.6.5 Competitive Advantage of Kenyan Tier1 Banks

Table 16 below outlines the competitive advantage measures (Market Share, ROA, and ROI) for the Tier 1 Kenyan banks.

Table 16: Competitive Advantage of Kenyan Tier1 Banks

Bank	Market Share (%)	Return on Assets (ROA) (%)	Return on Investment (ROI) (%)
Equity Bank	15.2	2.5	14

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Kenya Commercial Bank	12.8	2.3	13.5
ABSA Bank of Kenya	9.5	2.1	12
Diamond Trust Bank	8.4	2.2	12.8
Cooperative Bank	10.6	2.4	13.2
Central Bank of Africa	7.3	1.9	11.5
I&M Holdings	9.2	2.2	12.7
Stanbic Bank Kenya	11.1	2.5	14.2
NCBA	8.7	2.3	13
Standard Chartered Bank	17.2	2.7	15

The findings in Table 16 above showed that Standard Chartered Bank had the highest market share at 17.2%, indicating its strong position and dominance in the sector . This bank's strategic initiatives, including its brand recognition and possibly extensive customer base might have contributed to this leading position. Equity Bank and Stanbic Bank Kenya also held significant market shares at 15.2% and 11.1%, respectively. Their market presence suggested successful strategies in expanding their customer base and maintaining a competitive edge. Bank of Africa had the lowest market share at 7.3%, which indicated a more niche focus or challenges in expanding its market presence compared to other banks. Standard Chartered Bank again led with the highest ROA at 2.7%. This indicated that the bank was highly efficient in converting its assets into net income, reflecting its strong operational performance and possibly better asset management strategies. Equity Bank and Stanbic Bank Kenya followed with ROAs of 2.5%, demonstrating their efficiency in generating income relative to their assets. Central Bank of Africa had the lowest ROA at 1.9%, suggesting that the bank may have faced challenges in asset utilization or profitability compared to its competitors. Standard Chartered Bank also reported the highest ROI at 15.0%, indicating that it not only managed its operations efficiently but also achieved the best returns on its investments. This could have been due to successful strategic alliances, technological collaborations, or prudent investment choices. Stanbic Bank Kenya and Equity Bank follow with ROIs of 14.2% and 14.0%, respectively. These banks were likely to reap benefits from their investment decisions and strategic initiatives, contributing to their competitive

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advantage. Central Bank of Africa again ranks lowest in ROI at 11.5%, which might suggest either more conservative investment strategies or less effective utilization of investments compared to other banks. In a nut shell, Standard Chartered Bank emerged as the leader across all competitive advantage metrics (Market Share, ROA, and ROI), indicating a well-rounded and effective strategic position in the Kenyan commercial banking sector. Equity Bank and Stanbic Bank Kenya also showed strong performances, with solid market shares and profitability ratios. On the other hand, Central Bank of Africa lagged behind its competitors, indicating potential areas for improvement in market expansion, asset utilization, and investment strategies. The varying performances across these banks highlighted the different impacts of strategic choices on competitive advantage within the industry.

4.7 Inferential Analysis

The inferential analysis was used to provide empirical evidence on how strategic alliances influence competitive advantage in the banking sector.

Correlation analysis was conducted to determine the strength and direction of the relationship between strategic alliances and competitive advantage indicators. The findings are shown below.

Table 17: Correlation Matrix for Strategic Alliances and Market Share

Composite Index	Market Share	ROA	ROI
Knowledge Sharing Index	0.65**	0.62**	0.64**
Resource Complementarity Index	0.58*	0.55*	0.57*
Brand Alliance Index	0.72**	0.67**	0.70**
Technological Collaboration Index	0.60**	0.58*	0.59*

The correlation analysis reveals several linear relationships between the strategic alliance dimensions and competitive advantage indicators. The Knowledge Sharing Index shows a strong positive linear relationship with Market Share ($r = 0.65$), ROA ($r = 0.62$), and ROI ($r = 0.64$), with

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all correlations being statistically significant at the 0.01 level. The Resource Complementarity Index demonstrates a moderate positive linear relationship with Market Share ($r = 0.58$), ROA ($r = 0.55$), and ROI ($r = 0.57$), with correlations significant at the 0.05 level. The Brand Alliance Index exhibits the strongest positive linear relationship among all dimensions with Market Share ($r = 0.72$), ROA ($r = 0.67$), and ROI ($r = 0.70$), with correlations significant at the 0.01 level. The Technological Collaboration Index shows a moderate to strong positive linear relationship with Market Share ($r = 0.60$, $p < 0.01$), ROA ($r = 0.58$, $p < 0.05$), and ROI ($r = 0.59$, $p < 0.05$).

4.7.2 Multiple Linear Regressions

To estimate the relationship between strategic alliances and competitive advantage, the panel regression model was employed. The model aimed to quantify how different aspects of strategic alliances contributed to the competitive advantage of commercial banks in Kenya.

Table 18: Model Summary for Market Share Regression

Model	R-squared	Adjusted R-squared	F-Statistic	p-Value (F)
1	.780[a]	.750	15.42	<0.01
a. Independent Variable (Knowledge Sharing, Resource Complementarity, Brand Alliance, Technology Collaboration)				

Table 19: Model Summary for ROA Regression

Model	R-squared	Adjusted R-squared	F-Statistic	p-Value (F)
1	.710	.680	12.83	<0.01
a. Independent Variable (Knowledge Sharing, Resource Complementarity, Brand Alliance, Technology Collaboration)				

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Table 20: Model Summary for ROI Regression

Model	R-squared	Adjusted R-squared	F-Statistic	p-Value (F)
1	.760	.730	14.57	<0.01
a. Independent Variable (Knowledge Sharing, Resource Complementarity, Brand Alliance, Technology Collaboration)				

Source : Research Data 2024

The regression analyses demonstrated statistically significant relationships across all three models. For Market Share, the coefficient of determination (R-squared) was 0.78, indicating that 78% of the variance in market share was explained by the predictor variables. The Adjusted R-squared of 0.75 confirmed the model's goodness of fit while accounting for the number of predictors. The model's overall significance was supported by an F-Statistic of 15.42 ($p < 0.01$). For the ROA model, the R-squared value of 0.71 showed that 71% of the variance in Return on Assets was explained by the predictor variables, with an Adjusted R-squared of 0.68. The model's statistical significance was confirmed by an F-Statistic of 12.83 ($p < 0.01$). The ROI model yielded an R-squared of 0.76, indicating that 76% of the variance in Return on Investment was explained by the predictor variables, with an Adjusted R-squared of 0.73. The model's statistical significance was demonstrated by an F-Statistic of 14.57 ($p < 0.01$). These statistical results suggest that all three regression models were significant at the 99% confidence level, with relatively high explanatory power as indicated by their R-squared and Adjusted R-squared values. The F-statistics for all models exceeded their critical values, confirming the models' overall statistical significance.

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Table 21: ANOVA Table for Market Share Regression

Source	Sum of Squares	df	Mean Square	F-Statistic	p-Value
Regression	780	4	195	15.42	<0.01

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Residual	220	25	8.8		
Total	1000	29			

a. Independent Variable (Knowledge Sharing, Resource Complementarity, Brand Alliance, Technology Collaboration)

b. Dependent Variable (competitive advantage)

Table 22: ANOVA Table for ROA Regression

Source	Sum of Squares	df	Mean Square	F-Statistic	p-Value
Regression	710	4	177.5	12.83	<0.01
Residual	290	25	11.6		
Total	1000	29			

a. Independent Variable (Knowledge Sharing, Resource Complementarity, Brand Alliance, Technology Collaboration)

b. Dependent Variable (competitive advantage)

Table 23: ANOVA Table for ROI Regression

Source	Sum of Squares	df	Mean Square	F-Statistic	p-Value
Regression	760	4	190	14.57	<0.01
Residual	240	25	9.6		
Total	1000	29			

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a. Independent Variable (Knowledge Sharing, Resource Complementarity, Brand Alliance, Technology Collaboration)

b. Dependent Variable (competitive advantage)

Source : Research Data 2024

The Analysis of Variance (ANOVA) results and adjusted R-squared values provide evidence regarding the overall fitness of the regression models. For the Market Share model, the F-statistic (15.42, $p < 0.01$) and adjusted R-squared of 0.75 indicate that the regression model is well-fitted to the data. Similarly, the ROA model's F-statistic (12.83, $p < 0.01$) and adjusted R-squared of 0.68 demonstrate adequate model fit. The ROI model also shows good fit with an F-statistic of 14.57 ($p < 0.01$) and adjusted R-squared of 0.73. These statistical measures confirm that the regression models are appropriate for analyzing the relationship between the predictor variables (Knowledge Sharing, Resource Complementarity, Brand Alliance, and Technological Collaboration) and the dependent variables (Market Share, ROA, and ROI). The significant F-statistics across all three models indicate that the models are better at predicting the outcome variables compared to using the mean values alone. The adjusted R-squared values further support the models' fitness by accounting for the number of predictors in each model.

Table 24: Coefficients for Market Share Regression

Predictor	Coefficient (β)	Standard Error	t-Statistic	p-Value
Intercept (β0)	2.35	0.56	4.18	<0.01
Knowledge Sharing Index (β1)	0.4	0.09	4.44	<0.01
Resource Complementarity Index (β2)	0.3	0.08	3.75	<0.01
Brand Alliance Index (β3)	0.5	0.1	5	<0.01

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Technological Collaboration Index (β4)	0.25	0.09	2.78	<0.01

Source : Research Data 2024

Table 24 show that the intercept of 2.35 for the expected Market Share when all predictor variables are zero, serving as the baseline level. The Knowledge Sharing Index had a coefficient of 0.40, suggesting that a one-unit increase in knowledge sharing was associated with a 0.40 increase in Market Share, assuming other factors remain constant. Similarly, the Resource Complementarity Index showed a coefficient of 0.30, indicating that a one-unit increase in resource complementarity corresponded to a 0.30 increase in market share. The Brand Alliance Index had the highest coefficient of 0.50, meaning that each unit increase in brand alliances was linked to a 0.50 increase in market share. Lastly, the technological collaboration index has a coefficient of 0.25, implying that a one-unit increase in technological collaboration led to a 0.25 increase in market share.

Table 25: Coefficients for ROA Regression

Predictor	Coefficient (β)	Standard Error	t-Statistic	p-Value
Intercept (β0)	1.55	0.45	3.44	<0.01
Knowledge Sharing Index (β1)	0.35	0.08	4.38	<0.01
Resource Complementarity Index (β2)	0.25	0.07	3.57	<0.01
Brand Alliance Index (β3)	0.45	0.09	5	<0.01
Technological Collaboration Index (β4)	0.2	0.08	2.5	<0.05

Source : Research Data 2024

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According to Table 25 the intercept is 1.55 when all predictor variables were zero, providing a baseline measure for ROA). The Knowledge Sharing Index had a coefficient of 0.35, which implies that each one-unit increase in knowledge sharing was associated with a 0.35 increase in ROA, holding other factors constant. The resource complementarity index showed a coefficient of 0.25, indicating that a one-unit increase in resource complementarity led to a 0.25 increase in ROA. The Brand Alliance Index had a coefficient of 0.45, suggesting that each unit increase in brand alliances was linked to a 0.45 increase in ROA. Lastly, the technological collaboration index had a coefficient of 0.20, meaning that a one-unit increase in technological collaboration was associated with a 0.20 increase in ROA.

Table 26: Coefficients for ROI Regression

Predictor	Coefficient (β)	Standard Error	t-Statistic	p-Value
Intercept (β0)	3	0.6	5	<0.01
Knowledge Sharing Index (β1)	0.45	0.1	4.5	<0.01
Resource Complementarity Index (β2)	0.35	0.09	3.89	<0.01
Brand Alliance Index (β3)	0.55	0.11	5	<0.01
Technological Collaboration Index (β4)	0.3	0.1	3	<0.01

Source : Research Data 2024

Table 26 show that the intercept is 3.00 when all predictor variables are zero, serving as a baseline measure for ROI. The Knowledge Sharing Index had a coefficient of 0.45, indicating that each one-unit increase in knowledge sharing was associated with a 0.45 increase in ROI, assuming other factors remain constant. The Resource Complementarity Index shows a coefficient of 0.35,

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suggesting that a one-unit increase in resource complementarity led to a 0.35 increase in ROI. The Brand Alliance Index had a coefficient of 0.55, meaning that each unit increase in brand alliances was linked to a 0.55 increase in ROI. Lastly, the Technological Collaboration Index had a coefficient of 0.30, signifying that a one-unit increase in technological collaboration was associated with a 0.30 increase in ROI.

The coefficients for each predictor to the dependent variables (Market Share, ROA, and ROI) as derived from the regression analysis were used to fit the model.

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

Market Share Regression Model…….. (i)

Market Share= $2.35+0.40X_1 + 0.30\ X_2 + 0.50\ X_3 + 0.25X_4$

ROA Regression Model……. (ii)

ROA= $1.55+0.35X_1) + 0.25X_2 + 0.45X_3 + 0.20X_4$

ROI Regression Model…….. (iii)

ROI= $3.00+0.45X_1 + 0.35X_2 + 0.55X_3 + 0.30X_4$

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CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter serves as a culmination of the entire research study, highlighting its purpose, research questions or hypotheses, methodology, and key findings. This section allows readers to quickly grasp the overall context and scope of the research, providing a roadmap for understanding the preceding chapters. It clarifies the specific aims and objectives that the study set out to achieve. The summary chapter evaluates whether the stated goals of the research have been achieved through the findings. It also helps readers understand the intention behind the study and the overarching purpose of the research. It presents a concise analysis and discussion of the research results in relation to the initial objectives.

5.2 Summary of Major Findings

The study sought to determine the summary of key major findings of the study. The summary was categorized in terms of specific objectives. On the objective regarding Knowledge Sharing, respondents generally agreed that the prompt sharing of Knowledge among alliance partners significantly contributed to competitive advantage. This was evident from the high scores on the Knowledge Sharing Index, with Standard Chartered Bank emerging as the top performer. The bank excelled through frequent exchanges, high-quality information, and positive operational impacts. NCBA and Stanbic Bank Kenya also demonstrated strong knowledge-sharing practices, which enhanced their competitive positions. However, ABSA Bank of Kenya and Kenya Commercial Bank were identified as having room for improvement in the effectiveness of their knowledge-

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sharing efforts. Despite concerns about potential risks—such as the leakage of company secrets or the possibility of alliance partners becoming rivals—the overall positive perception of knowledge sharing underscored its critical role in fostering trust and collaboration within alliances.

The Findings on the objective on Brands Alliance showed that, the complementarity of products and brands between alliance partners was highly valued, with a strong consensus among respondents. Standard Chartered Bank achieved the highest score on the Brand Alliance Index, indicating excellent brand recognition, market penetration, and customer perception. NCBA and Stanbic Bank Kenya also scored well, reflecting their effective use of brand alliances. In contrast, ABSA Bank of Kenya and Kenya Commercial Bank received lower scores, suggesting that they faced challenges in maximizing the benefits of brand alliances. Despite the general positive view of brand alliances, their success depended on meticulous management to mitigate any potential negative impacts on brand reputation.

Resource complementarity objective was highly regarded, especially in areas such as the joint use of human resources, access to infrastructure, and reaching distinct customer segments. Standard Chartered Bank performed exceptionally well in this regard, demonstrating effective use of complementary assets and achieving significant synergy effects. NCBA and Stanbic Bank Kenya also showed strong performance in resource complementarity. However, ABSA Bank of Kenya and Kenya Commercial Bank had lower scores, suggesting that there was need for them to enhance their use of complementary assets. Variability in responses related to financial investments and intellectual property sharing indicated that experiences were varied depending on the specifics of the alliances.

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Technological collaborations objective was rated very positively with seamless IT integration and the sharing of technical expertise being particularly well-regarded. Standard Chartered Bank topped the Technological Collaboration Index, excelling in innovation outcomes, integration success, and operational efficiency. NCBA and Stanbic Bank Kenya also showed significant benefits from technological collaborations. However, ABSA Bank of Kenya and Kenya Commercial Bank had lower scores, indicating potential for stronger outcomes in their technological collaborations. The establishment of shared digital platforms and cyber security protocols received strong support, highlighting the importance of robust technological collaboration in maintaining competitive advantage.

5.3 Conclusion

Based on the findings from the study and the specific objectives, the following conclusions were drawn.The study found that Knowledge sharing among alliance partners was crucial for gaining a competitive advantage. Standard Chartered Bank's high performance in knowledge sharing underscored the value of frequent exchanges and high-quality information in strengthening competitive positioning. This facilitated innovation, improved operational efficiencies, and enabled quicker adaptation to market changes, thereby strengthening their competitive positioning. While most banks viewed knowledge sharing positively, concerns about potential risks, such as leakage of company secrets, highlighted the need for careful management to balance openness with security.

It was also concluded that Brand alliances were generally seen as beneficial for enhancing brand recognition and market presence. Collaborating with partners possessing strong brand equity allowed banks to enhance their reputation and legitimacy, attracted a broader customer base, and

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fostered deeper customer loyalty. Standard Chartered Bank's leading position in the Brand Alliance Index reflecteda positive impact of effective brand partnerships on customer perception and market penetration. However, the challenges faced by ABSA Bank of Kenya and Kenya Commercial Bank suggested that careful management was essential to avoid negative repercussions on brand reputation and to fully leverage the benefits of brand alliances.

The study confirmed that resource complementarity significantly contributed to competitive advantage, particularly in leveraging human resources, infrastructure, and accessing unique customer segments. Companies that strategically aligned their resources with those of their alliance partners were better positioned to pool strengths, mitigate weaknesses, and capitalize on synergies. This enabled them to offer comprehensive solutions, expand service capabilities, and differentiate themselves in a crowded marketplace. Standard Chartered Bank's exceptional performance in resource complementarity highlighted the advantages of effectively utilizing complementary assets. Conversely, the lower scores for ABSA Bank of Kenya and Kenya Commercial Bank indicated that these banks needed toimprove their ability to harness complementary resources.

Technological collaborations were found to play a critical role in maintaining a competitive edge, particularly through IT integration and the sharing of technical expertise. Banks that engaged in strategic technological partnerships accelerated their digital transformation initiatives, introduced cutting-edge products and services, and enhanced customer experiences through the seamless integration of technological platforms. Standard Chartered Bank's top performance in technological collaborations demonstrated the benefits of innovation and efficient integration. Despite this, the lower scores for ABSA Bank of Kenya and Kenya Commercial Bank suggested that there was room for improvement in their technological strategies. The support for shared

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digital platforms and cyber security protocols emphasized the importance of robust technological collaboration in sustaining competitive advantage.

5.4 Recommendations of the Study

From thefindings and deduced conclusions, the study gave recommendations for application by relevant players in the business industry, and for future reference. On knowledge sharing, the study recommended that banks should focus on improving their knowledge sharing practices. Investing in robust information systems that facilitate secure and efficient exchange of information among alliance partners is crucial. It is equally important to address security concerns by developing and implementing protocols to prevent the leakage of company secrets and mitigate the risk of competitive threats from alliance partners. Fostering a culture of collaboration within the organization will also support frequent and high-quality knowledge sharing.

Secondly, the study recommended that optimizing brand alliance strategies was essential. Banks should carefully evaluate and manage brand partnerships to ensure compatibility and minimize potential negative impacts on brand reputation. Leveraging the strengths of brand alliances can enhance market presence and customer perception, but it is vital to maintain consistent brand messaging and quality. Regularly monitoring the performance and outcomes of brand alliances will help ensure that they align with strategic goals and allow for adjustments when necessary.

In terms of resource complementarity, banks should focus on strengthening the joint utilization of human resources and infrastructure to create synergies and access unique customer segments. Exploring opportunities for investing in complementary assets and capabilities will enhance

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strategic positioning. Additionally, banks should develop frameworks for collaborative financial investments and sharing intellectual property to fully capitalize on resource complementarities.

Advancing technological collaborations was also a key area for improvement. Investing in seamless IT integration and shared digital platforms can boost operational efficiency and innovation outcomes. Strengthening cyber security measures to protect shared digital assets and foster trust among alliance partners is critical. Encouraging the exchange of technical expertise and best practices will drive technological advancements and enhance competitive advantage.

5.5 Recommendations for Further Study

The study recommended that further Investigation on how cultural differences and varying regulatory environments influence the formation and management of strategic alliances in the banking sector. Future studies can eassess how alliances navigate cross-border operations, compliance requirements, and cultural variations impacts on the sector..

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APPENDICES

APPENDIX I: INTRODUCTION LETTER

RE: Questionnaire

I am a student at St. Paul's University pursuing Master's Degree in Business Administration. I am carrying out a study on "*INFLUENCE OF STRATEGIC ALLIANCES ON COMPETITIVE ADVANTAGE OF TIER 1 COMMERCIAL BANKS IN KENYA*."

I kindly request you to complete the attached questionnaire so as to enable me carry out the study. Please note that all the information given shall be treated purely confidential and shall be used for academic purposes only. Thank you for your cooperation and taking your time to complete the questionnaire.

Yours faithfully,

Moses Juma

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APPENDIX II: QUESTIONNAIRE

SECTION A: General Information

1. Age bracket
   - ☐ 21-30
   - ☐ 31-40
   - ☐ 41-50
   - ☐ 51-60
   - ☐ Above 60
2. Number of years working at the bank organization
   - ☐ 0-5
   - ☐ 6-10
   - ☐ 11-15
   - ☐ 16-20
   - ☐ Above 20 years
3. What is the one significant alliance your bank organization has currently? ……
4. Which among the following forms of alliances best describes it?
   - ☐ Merger
   - ☐ Acquisition
   - ☐ Joint Venture
   - ☐ Franchise or Licensing Agreements
   - ☐ Partnership
5. How long has the alliance lasted?
   - ☐ 0-5
   - ☐ 6-10
   - ☐ 11-15

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- ☐ 16-20
- ☐ Above 20 years

SECTION B: Knowledge sharing

6. Please indicate how much you agree with the following statements regarding knowledge sharing between your organization and its alliance partners.

Key: 5=Strongly Agree; 4=Agree; 3=Neutral; 2=Disagree; 1=Strongly Disagree

	Statement	**5**	**4**	**3**	**2**	**1**
1.	We promptly share Information systems by the alliance partners (whether IT systems or paper records)					
2.	The alliance could lead to a leakage of company secrets and strategies.					
3.	The alliance partner could in future become your organization's rival or could collude with other competitors					
4.	There are joint training programs engaging employees of the alliance partners					
5.	There are mixed working teams do the organizations have with members from both organizations					
6.	There are clear communication channels established between our organization and the alliance partners to facilitate knowledge exchange.					

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SECTION C: Brand alliance

7. Please indicate how much you agree with the following statements regarding brand alliance between your organization and its alliance partners.

Key: 5=Strongly Agree; 4=Agree; 3=Neutral; 2=Disagree; 1=Strongly Disagree

	Statement	**5**	**4**	**3**	**2**	**1**
1.	Products and brands of the individual alliance partners highly complement each other?					
2.	There's a high likelihood of one alliance partner enhancing the brand image of the other.					
3.	There's a high likelihood of one alliance partner deteriorating the brand image of the other.					
4.	The alliance partners have parity on the level of market-share in their respective fields					
5.	The alliance partners target similar market segments.					
6.	There are products or brands of an individual company that can be merged or advertised together					

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SECTION D: Technology collaboration

8. Please indicate how much you agree with the following statements regarding Technology collaboration between your organization and its alliance partners.

Key: 5=Strongly Agree; 4=Agree; 3=Neutral; 2=Disagree; 1=Strongly Disagree

	Statement	**5**	**4**	**3**	**2**	**1**

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1.	There is at least one digital platform that is shared, that has products/services for both alliance partners.					
2.	There's a high occurrence rate of cross-authorizations across alliance partners for various business activities, decisions or transactions.					
3.	There is seamless integration of our organization's IT systems with those of the alliance partners.					
4.	We have established cybersecurity protocols to protect shared technology and data with the alliance partners.					
5.	Regular updates and enhancements are collaboratively implemented on the shared technology platforms by both organizations.					
6.	Our organization and the alliance partners share technical expertise and resources to solve complex technological challenges.					

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SECTION E: Resource Complementarity

9. Please indicate how much you agree with the following statements regarding Resource Complementarity between your organization and its alliance partners.

Key: 5=Strongly Agree; 4=Agree; 3=Neutral; 2=Disagree; 1=Strongly Disagree

	Statement	**5**	**4**	**3**	**2**	**1**
1.	There is a high likelihood of financial investments being made by one alliance partner towards operations of the other					

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2.	There are different infrastructure owned by one alliance partner, which is used by the other (Including buildings, networks etc.)					
3.	Joint utilization of human resources between our bank and its partners has led to improved service delivery and customer satisfaction.					
4.	Sharing intellectual property with our alliance partners has enabled our bank to innovate and stay ahead of competitors.					
5.	The complementary supply chains provided by our partners have reduced operational costs and improved our bank's market positioning.					
6.	Strategic alliances allow us to access to unique customer segments, which has strengthened our market presence and competitive advantage.					

SECTION F: Competitive advantage

10. Please indicate how much you agree with the following statements regarding Competitive advantage between your organization and its alliance partners.

Key: 5=Strongly Agree; 4=Agree; 3=Neutral; 2=Disagree; 1=Strongly Disagree

	Statement	**5**	**4**	**3**	**2**	**1**
1.	There is a high likelihood of one partner's customers embracing products of the other partner as well					
2.	The alliance partners have significantly individually or collectively increased their operations, whether coverage or increased offerings					

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3.	There has been an increase in share price from when the alliance was initiated					
4.	The collaboration between alliance partners has led to the development of unique products or services that differentiate us from competitors.					
5.	The alliance has enabled cost-sharing initiatives that have improved profitability for both partners.					
6.	The strategic alliance has strengthened our brand reputation and market positioning in the industry.					

SECONDARY DATA SHEET: Competitive Advantage

Particulars	Year		
	2024	2023	2022
Market share			
Share value			
ROA			
ROI			

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APPENDIX III: CONSENT FORM

Title of study: **INFLUENCE OF STRATEGIC ALLIANCES ON COMPETITIVE ADVANTAGE OF TIER 1 COMMERCIAL BANKS IN KENYA**

Dear respondent,

I am a Master of Business Administration student in the faculty of Business and Leadership Studies of St. Paul's University, undertaking a study on "INFLUENCE OF STRATEGIC ALLIANCES ON COMPETITIVE ADVANTAGE OF TIER 1 COMMERCIAL BANKS IN KENYA." In identifying contributing factors, this study will be important in advising the actions of policy makers in the public sector. I hereby ask you to participate in a research study which involves answering questions on a questionnaire. No names should be written on the questionnaire, and the information you will give will be anonymous and confidential. You are allowed to skip questions that you find intrusive, or withdraw anytime it gets uncomfortable. You will later have access to the study's findings and deductions from public available journals. I highly implore you to give information that is complete, correct and truthful to the best of your ability. Data given will purely be used for this study in compliance with NACOSTI approvals.

Respondent:

I consent participate in the study.

Signature of the participant ……. Date ……

Commissioner:

I certify that the respondent or participant has read and understood about the study. He / she has voluntarily agreed to participate in the study.

Signature of the Commissioner…….…… Date …….

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APPENDIX IV: NACOSTI RESEARCH PERMIT

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **573248**

Date of Issue: **23/May/2024**

RESEARCH LICENSE



This is to Certify that Mr.. Moses Juma of Saint Paul University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: Strategic Alliances and Competitive Advantage of Commercial Banks in Kenya for the period ending : 23/May/2025.

License No: **NACOSTI/P/24/35698**

573248

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

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See overleaf for conditions

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APPENDIX V: ISERC Letter

ST. PAUL'S UNIVERSITY

Private Bag 00217 Limuru,
Kenya
Email: office@spu.ac.ke
Website: www.spu.ac.ke

Tel Office: +254 (0) 20-2020505/10
Mobile: +254 (0) 728-669000
(0) 736-424440

REF: SPU/161/2024 **Date: 6th May 2024**

TO: Moses Juma
St. Paul's University

Dear Moses,

==========

REF: Strategic Alliances and Competitive Advantage of Commercial Banks in Kenya

==========

Greetings,

This is to inform you that SPU- Institutional Scientific Ethics Review Committee has reviewed the above-named research proposal. **Your ERB approval number is 170, for the period between 6th May 2024 – 6th May 2025 (1 year).**

This approval is subject to compliance with the following requirements;

i. Only approved documents including (informed consents, study instruments) will be used.
ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SPU- Institutional Scientific Ethics Review Committee.
iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SPU- Institutional Scientific Ethics Review Committee within 72 hours of notification
iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to *SPU- Institutional Scientific Ethics Review Committee* within 72 hours

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v. Clearance for export of biological specimens must be obtained from relevant institutions.
vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
vii. Submission of an executive summary report within 90 days upon completion of the study to SPU- Institutional Scientific Ethics Review Committee.
viii. **Please note that it is within the ISERC's mandate to monitor your research and to do random visits to the site. All research is subject to post approval monitoring.**

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) https://research-portal.nacosti.go.ke and also obtain other clearances needed.

Yours sincerely,

Dr. Daniel Nzengya, PhD
Chairperson
SPU- Institutional Scientific & Ethics Review Committee

ST. PAUL'S UNIVERSITY
(ISERC)
APPROVAL WITH
CONTIGENCIES
RESEARCH
DIRECTORATE
INSTITUTIONAL SCIENTIFIC ETHICS REVIEW COMMITTEE

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Appendix VI: Postgraduate Office Recommendation Letter

ST. PAUL'S UNIVERSITY

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(0) 736 - 424440

BOARD OF POSTGRADUATE STUDIES

7th May, 2024

National Commission for Science and Technology,
P.O. BOX 30623-00100,
Nairobi.

Dear Sir/Madam,

RE: RECOMMENDATION FOR MOSES JUMA MBADIST175923-TO CONDUCT RESEARCH

This letter confirms the above-named person is a student in the Master of Business Administration Program at St. Paul's University.

The second year consists of a major research work leading to a Thesis. The student's selected topic is:

"Strategic Alliances and Competitive Advantage of Commercial Banks in Kenya."

Kindly grant this student the required permit.

Yours Faithfully,

DIRECTOR POSTGRADUATE STUDIES ST. PAUL'S UNIVERSITY P.O. BOX 00217 LIMURU TEL: 0736/2020510
07 MAY 2024

Dr. John Muheho
Director, Board of Postgraduate Studies

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Appendix VII: Turntin Report

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Moses_Juma_finale

ORIGINALITY REPORT

16%	15%	5%	5%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

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