Journal of Strategic Management

The Effect of Porter's Generic Competitive Strategies on Customer Satisfaction in Commercial Banks within Nakuru Municipality, Kenya

Wendy Cherono Chebii & Tabitha Wangari Kibithe

ISSN: 2616-8472

Stratford Peer Reviewed Journals and Book Publishing
Journal of Strategic Management
Volume 2||Issue 3||Page 1- 24||August||2018|
Email: info@stratfordjournals.org ISSN: 2616-8472

The Effect of Porter's Generic Competitive Strategies on Customer Satisfaction in Commercial Banks within Nakuru Municipality, Kenya

[1*]Wendy Cherono Chebii

[1]Post Graduate Student: Egerton University

[2]Tabitha Wangari Kibithe

Post Graduate Student: Egerton University

[*]Corresponding Author's Email: cheronowendy@gmail.com

***How to cite this article*: Chebii, W. C. & Kibithe, T. W. (2018). The Effect of Porter's Generic Competitive Strategies on Customer Satisfaction in Commercial Banks within Nakuru Municipality, Kenya, *Journal of Strategic Management,* Vol. 2(3), 1-24.**

Abstract

This study was set to determine the effect of Porter's Generic Competitive Strategies on Customer Satisfaction within commercial banks in Nakuru Municipality. This study adopted a descriptive survey design and employed purposive sampling technique in the identification of the banks and systematic random sampling technique in the selection of the respondents. The study sample was obtained from bank customers that have operated in Nakuru Municipality for a period of more than five years. A representative sample of 384 bank customers was chosen and data was collected over a period of one month. The study used a questionnaire to gather data from the respondents. Data collected was analyzed for descriptive statistics and inferential statistics (correlation and regression) using Statistical Package for Social Sciences (SPSS) computer software version 15. Research findings were presented in the form of tabular summaries. The significance level used for the study was 0.05. Results revealed that differentiation, cost leadership and focus strategy were significantly positively related to customer satisfaction. The study concluded that differentiation, cost leadership and focus strategy affect customer satisfaction positively. The study recommended that banks need to improve on the implementation of the three porter's generic strategies especially differentiation and focus strategy and also deliver services that exceed customer's expectations in order to enhance customer satisfaction and that similar studies should be carried out in other parts of the country and in other sectors of the economy.

Keywords: *Porter's generic competitive strategies, customer satisfaction, commercial banks Nakuru Municipality, Kenya.*

Stratford Peer Reviewed Journals and Book Publishing
Journal of Strategic Management
Volume 2||Issue 3||Page 1- 24||August||2018|
Email: info@stratfordjournals.org ISSN: 2616-8472

1.0 Introduction

In a competitive business environment, services are gaining increasingly more importance in the competitive formula of both firms and countries. More specifically, over the past decades markets have enjoyed sustained growth advanced by factors such as development in information and communications technologies, population growth, market liberalization, greater credit availability, and the increasing size and geographic reach of companies. Economic growth has increased the purchasing power in customer segments therefore creating new opportunities for firms willing and able to access them, at the same time customers are seeking better options (Petruzzellis, D'Uggento & Romanazzi, 2006). Globalised competition has stressed the strategic importance of customer satisfaction in the battle for winning consumer preferences and maintaining competitive advantage. In order to optimize customer satisfaction and create competitive advantage, which ultimately leads to greater business performance, a firm knowledge and deep understanding of competitive strategies, is of up most importance.

Porter's generic model, which highlights cost leadership, differentiation and focus as the three basic choices for firms, has dominated corporate and business competitive strategy for the last 30 years (Pretorius, 2008). According to this model, a company can choose how it wants to compete, based on the match between its type of competitive advantage and the target market pursued, as the key determinants of choice (Akan,Allen,Helms & Sprawls, 2006). Porter (1985) argued that generic strategy model remains one of the most notable in the strategic management literature. A business can enhance customer satisfaction either by striving to be the low cost producer in an industry or by differentiating its line of products or services from those of other businesses; either of these two approaches can be accompanied by a focus of organizational efforts on a given segment of the market. Any organization that fails to make a strategic decision to opt for one of these strategies as a means of enhancing customer satisfaction is in danger of being outplayed by its rivals.

There is evidence that supports the proposition that Porter's generic competitive strategies have a great effect on customer satisfaction in the banking industry (Cohen, Gan, Yong & Choong, 2006). The present competitive business environment facilitates customers to switch banks easily seeking higher levels of satisfaction, thus posing a challenge. This study therefore seeks to determine the effect Porter's generic competitive strategy on customer satisfaction of commercial banks in the Nakuru Municipality.

1.2 Statement of the Problem

Technology, globalization and increased customer mobility have dramatically changed the way people bank (Harwood, 2002). Harwood argued that customer satisfaction, as a tool for survival, is critical in the banking industry where all firms offer about the same kinds of products. Hence, it is critical that banks have a comprehensive knowledge of customer's values, attitudes, needs and perceptions of various services the bank offers and adapt competitive strategies that will enhance customer satisfaction. A study conducted by Ovidiu, Anca, Razvan & Catalina (2009) on the use of Porter's Generic Competitive Strategies in the Romanian banking industry, indicated that there is a relationship between the three generic strategies and a firm's competitive advantage. The same study indicated that, out of the three set of generic strategies, differentiation strategies had the highest contribution to customer satisfaction. The findings further indicated that delivering superior service to bank customers is not enough, in effect; bank managers should deliver services that exceed customer's expectations in order to enhance customer satisfaction and maintain a positive image. Commercial banks in Nakuru Municipality apply Porter's generic competitive strategies but customer satisfaction is still a challenge for these banks since there is a strong mobility of customers shifting from one bank to another. It is therefore not known how each of the generic competitive strategy contributes to customer satisfaction in Nakuru municipality. This study seeks to determine the effect of Porter's generic competitive strategies on customer satisfaction of commercial banks in the Nakuru Municipality.

1.3 Specific Objective

i. To determine the effect of differentiation strategy on customer satisfaction in commercial banks within Nakuru Municipality.
ii. To determine the effect of cost leadership strategy on customer satisfaction in commercial banks within Nakuru Municipality.
iii. To determine the effect of focus strategy on customer satisfaction in commercial banks within Nakuru Municipality.
iv. To determine the composite effect of differentiation strategies, cost leadership strategies and focus strategies on customer satisfaction in commercial banks within Nakuru Municipality.

2.0 Literature Review

2.1 Concept of Competitive Advantage

Since the terminology of "competitive advantage" has appeared in the Porter's book, the term has distributed throughout marketing, management, economic and human resource publications (Flint & Gerald, 2000). Even though the term has been widely accepted, there are few attempts to clarify what competitive advantage actually is. The explicit explanation by Porter (1985) was that competitive advantage came from the value created by a firm for customers after subtracting the cost of producing the value. The concern is how to create a value greater than the related cost. Besides, Porter indicated two types of competitive advantages, which were cost leadership and differentiation.

Barney (2002) gave an explicit definition of competitive advantage, he stated that a firm is said to have a competitive advantage when it is implementing a value-creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy. Due to the complexity of competitive advantage, and the social as well as economic impacts from its related activities, different scholars and institutions in the world have done researches, amendments or re-definitions of "competitive advantage". The market place is the right place for any firm to experience their competitive differences. After a deep observation and analysis for the firm, the competitive differences can be obtained from any match of differential competencies, comparative advantages or non-market influences. Competitive differences help firms to obtain competitive advantages, if the competitive advantage endures for a firm over what is usually thought to be short-term within the firm's industry then the competitive advantage can apply with a long-term strategy (Flint & Gerald, 2000).

Competitive advantage grows out of value a firm is able to create for its buyers that exceeds the firm's cost of creating it. Value is what buyers are willing to pay, and superior value stems from offering lower prices than competitors for equivalent benefits. There are two basic types of competitive advantage: cost leadership and differentiation. Any business with a competitive advantage is able to attract more customers than its competitors by having some special factor that no one else possesses (Porter, 1985).

2.2 Overview of Commercial Banks in Kenya

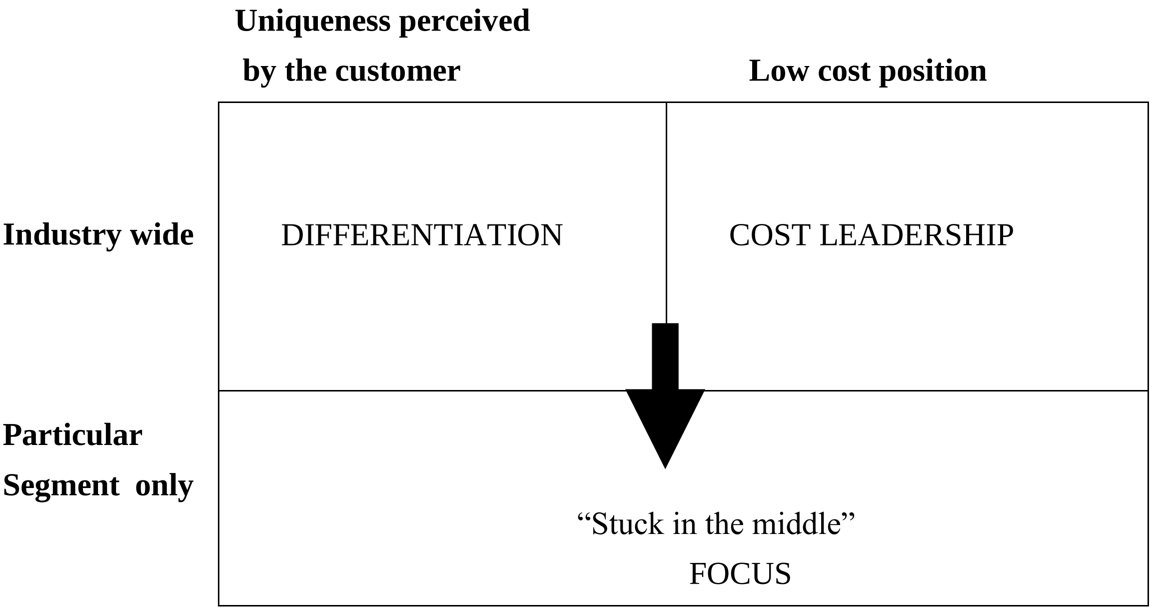
In essence, a bank aims at making profit by paying lower interest for deposits than the rate they charge on loans. Banks in most countries are supervised by a central bank for example Central bank of Kenya, Central Bank of Nigeria, Bank of England in the U.K, Bundes Bank in Germany and the Federal Reserve System in the USA. Crossley & Blandford (1995) assert that banks provide an efficient means through which customers obtain funds. Loans to customers are drawn on the funds deposited with the bank and yield interest which provides the profit for the banking industry and the interest on saving accounts. They also provide foreign exchange facilities for individual customers, as well as handling international money transfer. In short, commercial banks service our monetary system, this is a most important function without which it would be impossible to maintain let alone increase the level of production and consumption in the economy.

The banking industry is highly competitive, with banks not only competing among each other; but also with other financial institutions. The banking sector is comprised of three types of financial intermediaries: commercial banks, savings banks, and credit unions. In spite of the fact that, currently, the three groups are able to perform the same type of activities throughout the country, this has not traditionally been the case. Importantly, the differences between them not only have been conditioned by factors such as origin, governance system, or objective functions, but also by regulation which has determined both the scope of operation and the types of products and services offered. They are focused to competing for customers to enhance their survival (Ennew & Binks, 1996; and Woodruff, 1997). Competition in the banking industry is based on customer perception, service quality and pricing.

Stratford Peer Reviewed Journals and Book Publishing
Journal of Strategic Management
Volume 2||Issue 3||Page 1- 24||August||2018|
Email: info@stratfordjournals.org ISSN: 2616-8472

2.3 Michael Porter's Generic Model (1985)

STRATEGIC ADVANTAGE



Michael Porter's Generic Model (1985)

Figure 1: Michael Porter's Generic Model

Porter's (1985) model of generic strategies addresses practitioners with an analytical technique for gaining understanding of industries and competitors. By "practitioners" Porter implies "managers" seeking to improve the performance of their businesses, advisors to managers, teachers of management, security and analysts or other observers trying to understand and forecast business success or failure, or government officials seeking to understand competition in order to formulate public policy. The reason why strategic planning is a primary concern to business managers is that it may lead to significant benefits for a firm. In effect, an explicit process of strategy formulation can determine a firm's long-run competitive strength and generate a persistently higher performance than its rival's by creating a sustainable competitive advantage. However, in order to compete successfully in the long-run a firm must first choose an appropriate positioning. Porter (1985) argued that if the primary determinant of a firm's profitability is the attractiveness of the industry in which it operates, an important secondary determinant is its position within that industry. Even though an industry may have below-average profitability, a firm that is optimally positioned can generate superior returns. A firm positions itself by leveraging its strengths. Porter (1985) has argued that a firm's strengths ultimately fall into one of the two headings: cost advantage and differentiation. By applying these strengths in either a broad or narrow scope, three generic strategies result: cost leadership, differentiation and focus. These strategies are applied at the business unit level. They are called generic strategies because they are not firm or industry dependent.

Stratford Peer Reviewed Journals and Book Publishing
Journal of Strategic Management
Volume 2||Issue 3||Page 1- 24||August||2018|
Email: info@stratfordjournals.org ISSN: 2616-8472

2.4 Differentiation Strategy in the Banking Industry

Differentiation is the modification of a product/service to make it more attractive to the target market. This involves differentiating from competitor's products as well as the firm's own product mix. The changes are usually minor; they can be merely a change in packaging or may include change in the advertising theme. The objective of a product differentiation strategy is to develop a position that potential customers will see as unique. If the target market of a business views the product as different from the competitors, the firm will have more flexibility in developing its marketing mix. A successful differentiation strategy will move the product from competing primarily on price to competing on non-price factors such as product characteristics, distribution strategy or promotional variables (Bennet, 2002).

Differentiation strategy involves differentiating the product or service offered by the firm to make it perceived unique industry wide. Differentiation may be achieved in various ways, for example through design, brand image, technological features, customer service, and dealer network. Bases of differentiation may be sorted into three categories. Firstly, to achieve differentiation, a firm may focus directly on product or service attributes, for example product features, product complexity, timing of product introduction, or location. Secondly, a firm may focus on the relationship between itself and its customers, for example through product customization, consumer marketing and product reputation. Finally, differentiation may be achieved by focusing on the linkage within or between firms, which includes linkage within functions of a firm, linkage with other firms, product mix, distribution channels and service support. Ideally, the firm should differentiate itself along several dimensions (Porter, 1980). There may also be other ways for firms to differentiate than the examples mentioned above. In fact, Barney & Hesterley (2006) argue that, product differentiation is ultimately an expression of the creativity of individuals and groups within the firms. It is limited only by the opportunities that exist, or that can be created, in a particular industry and by the willingness and ability of firms to creatively explore ways to take advantage of those opportunities (Barney & Hesterley, 2006).

2.5 Cost Leadership Strategy

Cost leadership is perhaps the clearest strategies among three generic strategies, Porter (1985).Cost leadership means offering a lower price to customers compared to what competitors can offer with a similar product or service. By pursuing low costs, companies not only operate efficiently, but also become an effective price leader, undermining competitors' growth in the industry through its success at price war and undercutting the profitability of competitors. If the firm's cost of sale or cost of raw material is lower than its competitors, then the firm can offer lower prices, higher quality, or both. By innovative best-practice, organizational processes, with careful monitoring on purchasing expenditures, application of computer and communications technology in cost-effective way, trimming of overhead cost, and efficient operations, a firm can achieve the cost reduction. Sometime, cost reduction can also be achieved by outsourcing manufacturing and services when outsider providers offer lower-cost alternatives. With the same quality level but lower cost, the low-cost firm could be able to undermine the price of competing firms. When attempting to achieve an overall cost leadership position, low cost relative to competitors is the theme running through the entire strategy (Spulber, 2009).

The idea of cost leadership strategy is supported by Thompson & Martin (2005) when they stated that; “to achieve substantial rewards from this strategy the organization must be the cost leader and unchallenged in this position.” This view is also advanced by Porter, (1985) as cited in Wit & Meyer (2004) when he stated that; the strategic logic of cost leadership usually requires that a firm be the cost leader. Cost leadership as a generic strategy does not imply that the company will market the lowest price product or service in the industry because quite often the lowest price products are perceived as inferior and as such appeal to only a proportion of the market (Thompson &Martin, 2005). However, it should be noted that at equivalent or lower prices than its rivals, a cost leader’s low-cost position translates into higher returns (Wit & Meyer, 2002). Porter (1980) contends that cost leadership requires aggressive construction of efficient-scale facilities, vigorous pursuit of cost reductions from experience, tight cost and overhead control, avoidance of marginal customer accounts, and cost minimization in areas like research and development, service, sales force, advertising among others.

2.6 Focus Strategy

The third and final generic strategy is the focus strategy. Focus strategy is aimed at attending to specific small niches that require special features or prices. Porter proposed this strategy of competing as a means of penetrating into specific market segments either by focus on differentiation on products or by focus on costs. In a focus strategy a company selects a segment or a group of segments within the industry for which a strategy is tailored. The purpose is to serve this segment exclusively. The aim of a focus strategy is to achieve competitive advantage in the selected segment and not overall. There are two different types of focused strategies: cost focus and differentiation focus (Davidson, 2001). In the case of cost focus the firm seeks to achieve an advantage in the selected segment by reducing costs, while a company with a differentiating focus tries to achieve differentiation within the chosen segment. Both these focus strategies relies on the premise that there is a difference in the selected target segment and other segments in the industry (Wit & Meyer, 2002).

A focus strategy takes advantage of sub-optimization by largely targeted competitors. Competitors may be underperforming in meeting special customer needs in the segment, this opens up the possibility for differentiating focus. If competitors have broad targets they might be over-performing in meeting customer needs in the segment, this leads to higher costs than necessary for serving the segment. This opens up the opportunity for a cost focus strategy in just meeting the needs of such a segment and no more. The most important factor for a focus strategy to be successful is that the focuser’s target segment is different from other segments within the industry. If a company focuses on a segment similar to others the focus strategy will not succeed. If a firm can achieve cost leadership (cost focus) or differentiation (differentiation focus) in its segments and the segment is structurally attractive, then the focuser will be an above-average performer in its industry (Wit & Meyer, 2002).Some segments in the industry are more profitable than others, hence the importance of structural attractiveness when choosing segment.

2.7 Customer Satisfaction

According to Kotler (2006), customer satisfaction is the extent to which a product’s perceived performance matches a buyer’s expectations. He further argued that customer satisfaction depends on the product’s perceived performance relative to a buyer’s expectations. If the

Stratford Peer Reviewed Journals and Book Publishing
Journal of Strategic Management
Volume 2||Issue 3||Page 1- 24||August||2018|
Email: info@stratfordjournals.org ISSN: 2616-8472

product's performance falls short of expectations, the customer is dissatisfied. If performance matches expectations, the customer is satisfied and if performance exceeds expectations, the customer is highly satisfied or delighted. Highly satisfied customers make repeat purchases, cross buying and tell others about their positive experience with the product or services. Oliver (1997) defines customer satisfaction as the customers' evaluation of a product/service in terms of whether that product/service has met their needs and expectations. If it fails to do so, dissatisfaction with the product/service occurs. Further, 'satisfaction' is a feeling which is a short term attitude that can readily change in given circumstances. It is related from observable behaviors, such as product choice, complaining and repurchase and it resides in the user's mind. Satisfaction commonly has thresholds at a lower level (under fulfillment) and at an upper level (over-fulfillment).

Satisfaction may drop if a customer "gets too much of a good thing". Many people focus upon the lower threshold and neglect the potential for an upper threshold. Outcomes of satisfaction feelings may involve intent to repurchase, word-of-mouth and complaints. These outcomes are also moderated by other variables such as extreme dissatisfaction, where it will not necessarily generate complaint behavior, especially if the consumer believes complaining will be of no use. Oliver (1997) identified satisfaction and dissatisfaction in terms of the disconfirmation of consumers' expectation. A positive disconfirmation leads to customer satisfaction and a negative disconfirmation leads to customer dissatisfaction. Satisfaction is the consumer's fulfillment response (Boulding, Kalra, Staelin & Zeithaml, 1993). Customer satisfaction is important to a manager because it is generally assumed to be significant determinant of referrals, word of mouth, cross buying and repurchase. The objective of a customer satisfaction should be to nurture long-term relationships with customers through trust, responsiveness, customized services and reliability. Key to this objective should be the ability to utilize knowledgeable, intelligent customer information for the benefit of customers and to offer them quality of services (Grand, 2002).

2.8 Porter's Generic Strategies and Customer Satisfaction

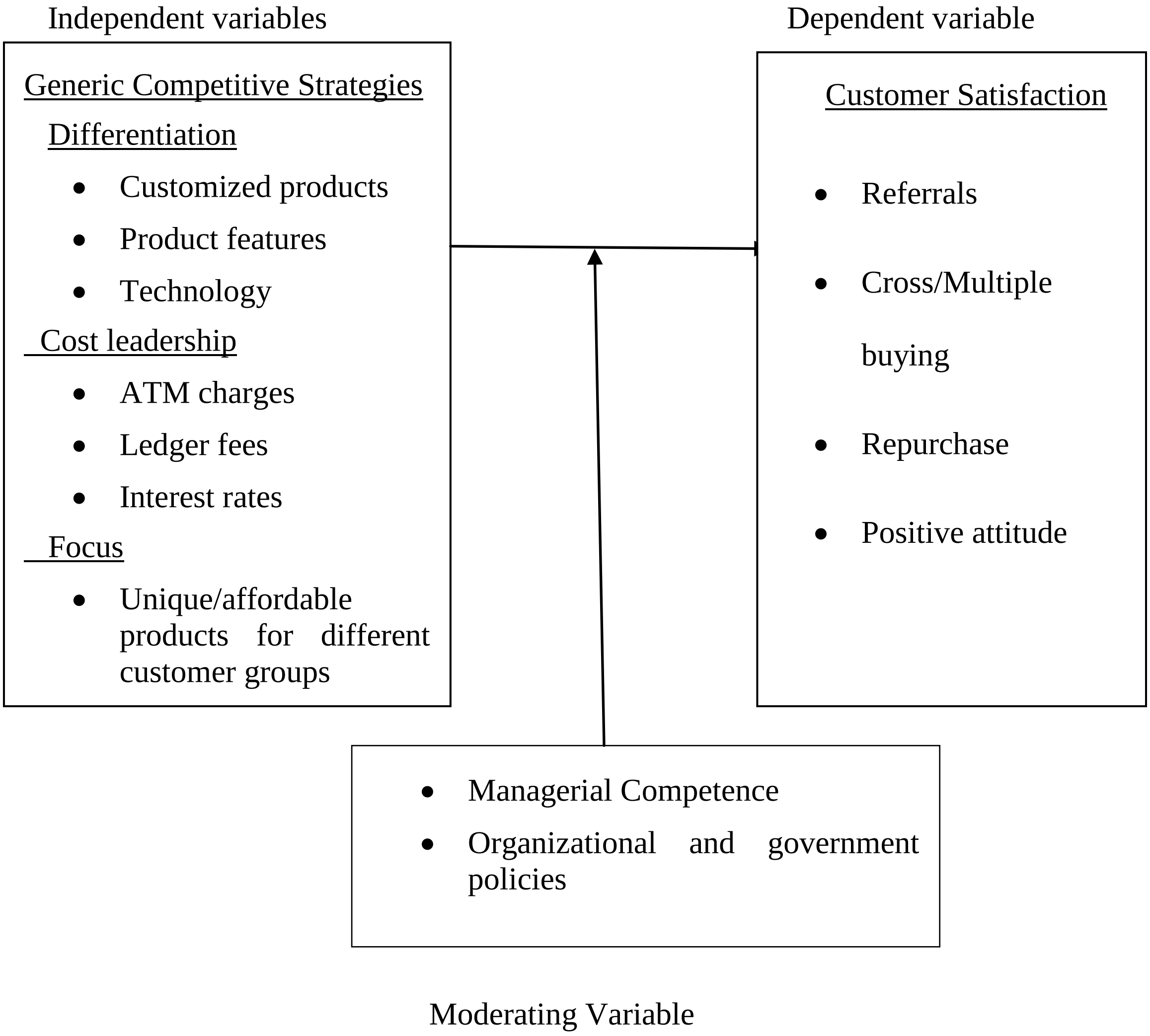
Previous studies have identified the benefits that customer satisfaction delivers to an organization. The longer a customer stays with an organization the more utility the customer generates (Ioanna, 2002). Indeed, customer satisfaction has for many years has been perceived as key in determining why customers leave or stay with an organization. Organizations need to know how to keep their customers, even if they appear to be satisfied Fornell (1992), in his study of Swedish consumers, noted that some of the benefits of customer satisfaction include ; repurchase ,referrals ,positive word of mouth and cross buying.

The relationship between Porter's generic competitive strategies and customer satisfaction has also been examined empirically by (Cohen,Gan,Yong & Choong, 2006) in a study on the effect of generic competitive strategies on customer satisfaction in Zealand .The findings that the three porter's generic strategies can enable an organization to attract more customers than its competitors .The study also indicated that it is important for firms to identify customer's wants and find a suitable channel to give it to them so as to meet and exceed their expectations. All the three strategies have the potential to enhance customer satisfaction; however, all three strategies may not be equally suitable for a firm (Cohen, Gan, Yong & Choong, 2006). The reason is that the three strategies differ on a number of dimensions and

Stratford Peer Reviewed Journals and Book Publishing
Journal of Strategic Management
Volume 2||Issue 3||Page 1- 24||August||2018|
Email: info@stratfordjournals.org ISSN: 2616-8472

pose different requirements, for example in terms of resources, skills, organizational arrangements, control procedures, incentive systems and management style. The study further revealed that cost leadership alone can not be used to gain competitive advantage without applying some elements of differentiation so as to enhance customer satisfaction.

2.9 Conceptual Framework



Source; Adopted from Michael Porter's Generic Model (1985)

Figure 2: Conceptual Framework

3.0 Research Methodology

The study adopted descriptive survey design. The study was conducted within Nakuru Municipality and targeted customers of banks within the study area. The study was conducted in commercial banks within Nakuru Municipality. The study used purposive sampling technique in the selection of the banks, whereby only banks that have been in operation for 5 years and above in Nakuru Municipality were used for the study. There are 12 commercial banks that have been in operation for more than 5 years in Nakuru Municipality with a population of 238,560 customers as per a preliminary survey conducted by the researcher in the May, 2011. The sample size for the study was obtained using the formula provided by Krejcie & Morgan (1970) . A representative sample of 384 bank customers was chosen and data was collected over a period of one month.

The study adopted a questionnaire method which was used for the collection of data from the bank customers. Validity was achieved by relying upon the views of experts in the Faculty of Commerce at Egerton University. The researcher ensured that the questionnaire captured relevant information that answered the objectives of the study. The questionnaire was pilot tested at KCB Eldama Ravine in Koibatek District. Simple random sampling technique was used for the selection of the banks for the pre-test.

Data collected was keyed in the computer, coded and analyzed with the aid of the Statistical Package for Social Sciences version 15 (SPSS) computer software. Descriptive statistics (frequencies and percentages) was used to describe the study findings while inferential statistics (correlation and regression).Pearson's correlation analysis was used in testing the first, second and third hypothesis while the fourth hypothesis was tested using regression analysis. Regression analysis enables confirmation of relationships between the independent and dependent variables since not all factors that are found to be significant in the correlation analysis affect the dependent variables. Research findings were presented in the form of tabular summaries, graphs and charts. The linear regression model used was;

$Y= a + B_1X_1 + B_2X_2 + B_3X_3 +e$

Where:

Y=Customer Satisfaction which is the dependent variable

a= Minimum value of the dependent variable if all the independent variables are zero

B_1=Coefficient of differentiation (D)

B_2= Coefficient of cost leadership (CL)

B_3= Coefficient of focus (F)

e=Error variable

4.0 Data Analysis

4.1 Demographic characteristics of the Respondents

4.1.1 Gender of the Respondents

Out of the respondents interviewed, 56.8% were male while 43.2 % were female as shown in the Table 1.

Table 1: Gender of the Respondents

Gender	Frequency	Percent
Male	218	56.8
Female	166	43.2
Total	**384**	**100.0**

Source; field data, 2012

4.1.2 Age of the Respondents

Majority (45.6%) of the respondents were of the age between 31-45 years with 19.8% being between 46-60 years of age while 34.4% were below 31 years. Those aged above 61 years were the least with 0.3% as shown in Table 2.

Table 2: Age of the Respondents

Age	Frequency	Percent
Below 31 Years	132	34.4
31-45 Years	175	45.6
46-60Years	76	19.8
Over 61 Years	1	.3
Total	**384**	**100.0**

Source; field data, 2012

4.1.3 Number of Years as a Bank Customer

The number of years customers have been with a bank is important since it may influence their satisfaction. The findings indicates that, majority of the customers have been with their respective bank for more than six years. The findings in Table 3, indicates that 31.8% of the respondents have been with their respective banks for less than five years, 46.1% for a period of between 6-10 years and 18.2% for a period of between 11-16 years while the remaining 3.9% have been with their respective banks for a period of over 61 years.

Table 3: Number of Years as a Bank Customer

No of Years	Frequency	Percent
Less Than 6 Years	122	31.8
6-10 Years	177	46.1
11-16 Years	70	18.2
Over 16 Years	15	3.9
Total	**384**	**100.0**

Source; field data, 2012

4.1.4 Level of Education of the Respondents

From the findings, 94.3% of the respondents had attained education level of above secondary level as shown in Table 4 while only 5.7 % of the respondents had attained up to primary level education.

Table 4: Highest Level of Education of the Respondent

Education Level	Frequency	Percent	Cumulative Percent
Primary Level	22	5.7	5.7
Secondary Level	197	51.3	57.0
Bachelors	146	38.1	95.1
Masters	19	4.9	100
Total	**384**	**100.0**	

Source; field data, 2012

4.2 Descriptive Statistics on Differentiation Strategies

The first objective of this study was to determine the effect of differentiation strategy on customer satisfaction in commercial banks within Nakuru Municipality. Differentiation strategy is one of the three Porter's generic competitive strategies. In this study, differentiation strategy was measured by the extent to which a bank customizes its products to suit customer needs and preferences, offers a broad range of products with numerous features and use up-to-date technology to improve its services.

Table 5: Summary of Differentiation Strategies Responses

Differentiation Strategies	SD (%)	D (%)	U (%)	A (%)	SA (%)
Customize products	0	0.5	0.3	50.2	49
Broad range of products	0	1	1.3	52.4	45.3
Up-to-date technology	0	0	1.1	50.5	48.4

Source; field data, 2012

Key: SD-Strongly Disagree; D- Disagree; U-Uncertain; A- Agree; SA- Strongly Agree

4.2.1 Customize Product's to Suit Customer Needs and Preferences

The study sought to know the extent to which a bank customizes its products to suit customer's needs and preferences so as to enhance customer satisfaction. Table 5 shows that 99.2 % of the respondents strongly agreed or agreed that their respective banks customize products to suit customer needs and preferences, 0.5% disagreed while 0.3% remained uncertain on the issue. This suggests that customer needs differ and that customers are keen on whether bank tailor's products to suit customer needs and preferences.

4.2.2 Broad Range of Products with Numerous Features

Broad range of products is another measure of differentiation strategy. In this study the researcher sought to know the extent to which customers agree with the ability of their respective banks in providing a broad range of products with numerous features. Table 5 shows that 97.6% of the respondents either agreed or strongly agreed while 1.1% disagreed, with 1.3% were uncertain on the issue.

4.2.3 Up-To-Date Technology to Improve Services

The other element of differentiation strategy in the banking industry is the ability of a bank to offer up -to-date technology for example agent banking, SMS banking, internet banking among others. The findings indicates that majority (98.9%) of the respondents agreed that their respective banks offer up -to-date technology to improve services while 1% were uncertain as shown in Table 5. This is an indicator that customers are concerned with the ability of their respective banks in offering latest technology since a majority of them agreed that the banks offer new technology in provision of services.

4.3 Descriptive Statistics on Cost Leadership

The second objective of the study was to establish the effect of cost leadership strategy on customer satisfaction in commercial banks within Nakuru Municipality. For a commercial bank to be an effective cost leader in a competitive banking environment, it must be able to offer lower prices to customers compared to the competitors with a similar product or service. In this study, cost leadership strategy was measured by the extent to which a bank offers

Stratford Peer Reviewed Journals and Book Publishing
Journal of Strategic Management
Volume 2||Issue 3||Page 1- 24||August||2018|
Email: info@stratfordjournals.org ISSN: 2616-8472

affordable ATM charges, charge reasonable interest rates on loans and affordable ledger fees for accounts maintenance.

Table 6: Summary of Cost Leadership Strategies Responses

Cost leadership	SD (%)	D (%)	U (%)	A (%)	SA (%)
Affordability of ATM charges	0	0.5	16.4	82.6	0.5
Reasonable interest rates on loans	0	8.1	11.2	60.9	19.8
Affordability of ledger fees	5.5	7.3	5.2	65.9	16.1

Source; field data, 2012

4.3.1 Affordable ATM Charges

The ability of a bank to offer affordable ATM charges is critical in today's banking industry since customers are looking for affordable services. The findings indicate that majority (83.1%) of the respondents agreed that their respective bank offer affordable ATM charges while 0.5% of the respondents disagreed as shown in Table 6 .A considerable number of respondents 16.4% were uncertain on the issue.

4.3.2 Reasonable Interest rates on loans

Due to the large number of financial institutions offering credit facilities to customers, commercial banks are striving to offer affordable interest rates on loans to remain relevant and competitive. The findings of the study indicate that 8.1% disagreed, 11.2% were uncertain, 60.9% agreed while 19.8% strongly agreed that their respective banks offer affordable interest rates on loans.

4.3.3 Affordable Ledger Fees

As more and more banks open branches particularly in Nakuru Municipality, managers are keen to offer reasonable account maintenance fees to enable them increase their customer base. The findings in Table 6 show that 12.8% of the respondents either strongly agreed or disagreed, 5.2% were uncertain while 82% either agreed or strongly agreed. This indicated that banks are keen to offering its customers reasonable charges for account maintenance.

4.4 Descriptive Statistics on Focus Strategy

The third objective of the study was to establish the effect of focus strategy on customer satisfaction in commercial banks within Nakuru Municipality. This entails tailoring the products of a specific segment exclusively to ensure that their needs are fully satisfied. Commercial banks target to attend to specific small niches that require special features or prices so as to enhance customer satisfaction. In this study, focus strategy was measured by the extent to which a bank offers different products for different customer groups, affordable products for different customer groups and unique products for different customer groups.

Table 7: Summary of Focus Strategy Responses

Empathy	SD(%)	D(%)	U(%)	A(%)	SA(%)
Different products for different customer groups	0	4.2	4.1	69.3	22.4
Affordable products for different customer groups	0	2.1	7.3	68.2	22.4
Unique products for different customer groups	0	3.1	5.5	67.2	24.2

Source; field data, 2012

4.4.1 Different Products for Different Customer Groups

The findings in Table 7 show that majority of the respondent (91.7%) strongly agreed or agreed that banks have different products for different customer groups for example, farmers, business people and children while some respondents disagreed (4.2%) with this opinion. 4.1% were uncertain on the issue. Based on the findings it can concluded that competition in today's banking environment has made banks to have a variety of products to suit the needs of the different customer segments.

4.4.2 Affordable Products for Different Customer Groups

The ability of a commercial bank to offer affordable products to different customer segments is critical for survival in today competitive environment as shown in Table 7. The findings of this study indicates that majority (90.6%) of the respondents strongly agreed or agreed with the opinion that their respective banks offered affordable products to their various customer groups while the remaining 9.4% either disagreed or were uncertain on the issue.

4.4.3 Unique Products for Different Customer Groups

It is critical that commercial banks have a comprehensive knowledge of customers' values, attitudes, needs and perceptions and develop unique products for each target group in a way that exceeds customers' expectations. The findings in Table 7 show that 8.6% of the respondents either disagreed or were uncertain that their banks offer unique products to the different customer group while the majority (91.4%) of the respondents strongly agreed or agreed with the opinion. The findings suggest that commercial banks strive to offer unique products to its various customer segments.

4.5 Customer Satisfaction

Customer satisfaction is the extent to which a product's perceived performance matches a buyer's expectations. Customer satisfaction was the dependent variable in this study.

Table 8: Summary of Customer Satisfaction Responses 1

Customer Satisfaction Aspects	VS(%)	S(%)	U(%)	D(%)	VD(%)
Easy to read and error free bank statements	46.4	50.8	2.3	0.5	0
Good and pleasant branch facilities	0	0	3.1	50.8	46.1
Doing things right first time	11.7	61.2	24.7	9	0
Offering convenient banking hours	19.5	69.8	6.5	4.2	0
Providing convenient branch locations	0.3	4.4	4.3	69	19
Providing quick customer service	10.9	60.4	25.5	3.1	0
Competent and professional staff	32.3	61.7	5.5	0.5	0
Understanding your specific financial needs	26.8	60.7	8.6	3.4	0.5
Competitive interest rates on deposits	7	59.1	20.6	10.7	2.6
Charging reasonable service fee	7.3	61.7	21.4	9.6	0
Affordable interest rates on loans	8.9	60.2	19	12	0
Providing various contact points with customers	9.1	69.8	16.1	4.7	0.3

Source; field data, 2012

4.5.1 Easy to Read and Error Free Bank Statements

This research sought to establish the opinion of respondents on how they rate their respective banks ability to provide easy to read and error free bank statements. The findings in Table 8 show that 0.5% were dissatisfied with the ability of their respective banks in providing easy to read and error free bank statements, 2.3% were uncertain, 50.8% were satisfied while 46.4% of the respondents were very satisfied. The findings suggest that majority of the customers were satisfied with the bank's ability to provide easy to read and error free bank statements and are therefore satisfied.

4.5.2 Pleasant Branch Facilities

The research sought to determine the extent to which customers perceived the pleasantness of the branch facilities. The study findings indicated that majority (88%) of the respondents were very satisfied or satisfied with the branch office facilities, 4.3% were uncertain while the remaining 4.7% were either dissatisfied or were very dissatisfied on the issue. This suggests that branch visual presentation is very important and has some influence on the level of customer satisfaction.

4.5.3 Doing Things Right First Time

Due to the high competition in the banking industry banks are investing in training their employees so that they can serve their customers better so as to enhance customer satisfaction. The study findings indicated that the majority (72.9%) of the respondents were very satisfied or satisfied with the manner in which their respective banks provide services right first time while the remaining 33.7% were either dissatisfied or were uncertain on the issue.

4.5.4 Convenient Banking Hours

The ability of a bank to offer convenient banking hours largely influences customer satisfaction since today's customer is busy and needs flexibility. This study sought to seek the opinion of the bank customers on the ability of their respective banks in offering convenient banking hours. The findings in Table 8 indicates that 4.2% were dissatisfied, 6.5% uncertain, 69.8% satisfied and 19.5% very satisfied. This therefore suggests that commercial banks in Nakuru Municipality are striving to enhance their survival by offering convenient banking hours.

4.5.5 Convenient Branch Location

The other aspect of customer satisfaction that was measured in this study was convenience of branch location. The respondents were asked to give their opinion on the extent to which they were satisfied with the ability of their respective banks in providing convenient branch location. The findings indicated that the majority of the respondents (96.9%) were very satisfied or satisfied while the remaining 3.1% were uncertain on the issue. It can therefore be concluded that bank customers consider convenient branch location as an important aspect of customer satisfaction.

4.5.6 Quick Customer Service

The products and services offered by banks are very similar in the industry, but the differentiator is the level of customer service and how customers perceive it. It is therefore critical that banks offer quick and quality customer service to enhance customer satisfaction. From the findings of this study majority of the respondents (60.4%) were satisfied with their respective banks ability to provide quick customer service while 10.9% were very satisfied. A substantial percent 25.5% were uncertain while the remaining 3.1% were dissatisfied.

4.5.7 Competent and Professional Staff

Bank staff being competent, professional and willing to help their customers at all times is very critical in the banking industry. The study findings indicated that the majority of the respondents (94%) were very satisfied or satisfied with competence and professionalism of bank staff in the provision of services to its customers while the remaining 6% were either dissatisfied or were uncertain on the issue.

4.5.8 Understanding Customers Financial Needs

Intense competition has made banks to modify their services to suit the financial needs of different customer's segment thus enhancing their competitive advantage. From the findings of this study majority of the respondents (60.7%) were satisfied with their respective banks ability to provide quick customer service while 26.8% were very satisfied. 8.6% of the respondents were uncertain while the remaining 3.9% were either dissatisfied or very dissatisfied. This suggests that banks have been striving to customize their services so as to meet customers' varied financial needs.

4.5.9 Competitive Interest Rates on Deposits

The ability of a bank to offer competitive interest rates on deposits to customer's in today's banking environment is critical since customers are looking for higher returns. The findings of this study indicates that majority of the respondents (59.1%) were satisfied with their respective banks ability to offer competitive interest rates on deposits, 7% were very satisfied and 20.6% were uncertain on the issue. Despite the fact that majority of the respondents were either satisfied or very satisfied, a considerable percentage 2.6% were very dissatisfied and 10.7% were dissatisfied with this opinion . Based on the above findings, it can be recommended that banks need to further revise their interest rates on deposits so as to enhance customer satisfaction.

4.5.10 Reasonable Service Fee

Bank managers in today's competitive banking environment must offer reasonable service fee, for example, ledger fees, over the counter withdrawals among others to enable them retain and attract customers. The findings of this study indicates that majority of the respondents (61.7%) were satisfied with their respective banks ability to offer reasonable service fee while 7.3% were very satisfied, 21.4% were uncertain while the remaining 9.6% were dissatisfied.

4.5.11 Affordable Interest Rates on Loans

In order to optimize customer satisfaction and survive intense competition commercial banks must offer affordable loans to customers for both business investments and personal development. The findings show that 12% were dissatisfied with the ability of their respective banks in offering affordable interest rates on loans, 19 % were uncertain, and 60.2% were satisfied while 8.9% of the respondents were very satisfied. The findings in Table 8 show that majority of customers were of the opinion that banks have been able to offer affordable loans.

4.5.12 Availability of Contact Points with Customers

Banks work tirelessly towards enhancing customer satisfaction by not only matching customer's expectations but by exceeding them. This can be achieved by providing various contact points within the bank for customers to access services conveniently. Contact points include cashiers, ATMs, agency banking, SMS banking and internet banking among others. This has been made possible due to the availability of modern technology. The study sought to gauge the satisfaction of respondents on the ability of their respective banks to provide contact points. The findings of this study indicate that majority (69.8%) of the respondents were satisfied with their respective banks ability to provide various contact, 9.1% were very satisfied while a considerable 16.1% were uncertain. 4.7% of the respondents were dissatisfied while the remaining 0.3% were very dissatisfied.

Table 9: Summary of Customer Satisfaction Responses 2

Customer Satisfaction	SD(%)	D(%)	U(%)	A(%)	SA(%)
I will remain with this bank in the future	0.3	0.8	17.7	55.7	25.5
I will buy the various products offered by the bank	0	0	9.9	69.3	20.8
I will refer potential customers to this bank	0	0	13	69	18

Source; field data, 2012

4.5.13 Remaining with the Bank in Future

The study sought to know the extent to which customers are willing to remain with their respective banks in future. 0.8% of the respondents disagreed that they will remain with their bank in the future 0.3% strongly disagreed, 17.7% were uncertain, 55.7% agreed while 25.5%

strongly agreed as shown in Table 9. The findings suggest that the respondents will remain with their respective banks in the future. This could imply that banks are adopting strategies that enable them retain customers.

4.5.14 Buying Various Products Offered by the Bank

The findings shown in Table 9, majority of the respondents (91.9%) were of the opinion that they would buy the various types of products offered by the bank for example children accounts, loan facilities, saving accounts, fixed deposits among others while the remaining 9.9% of the respondents were uncertain. This suggests that customers are satisfied with the banks products and are willing to buy the various products offered by their respective banks.

4.5.15 Referring Potential Customers to the Bank

The other aspect of customer satisfaction was the extent to which customers are willing to refer their respective banks to people they know. 13% of the respondents were uncertain, 69% agreed while 18% strongly agreed as shown in Table 9. This suggest that majority of the respondents will refer their respective banks to people they know.

4.6 Hypotheses Testing

The overall mean of the three aspects of the independent variables (differentiation strategy, cost leadership strategy and focus strategy) and the dependent variable (customer satisfaction) was obtained of all the 384 respondents.

Table 4.10: Summary of Correlations

			D	CL	F	CS
Pearson's	D	Correlation Coefficient	1.000	.375(**)	.353(**)	.441(**)
		Sig.(2tailed)	.	.000	.000	.000
		N	384	384	384	384
	CL	Correlation Coefficient	.375(**)	1.000	.405(**)	.605(**)
		Sig.(2tailed)	.000	.	.000	.000
		N	384	384	384	384
	F	Correlation Coefficient	.353(**)	.405(**)	1.000	.423(**)
		Sig.(2tailed)	.000	.000	.	.000
		N	384	384	384	384
	CS	Correlation Coefficient	.441(**)	.605(**)	.423(**)	1.000
		Sig.(2tailed)	.000	.000	.000	.
		N	384	384	384	384

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

Source; researchers compilation, 2012

Key: D- Differentiation, CL- Cost Leadership, F- Focus, CS-Customer Satisfaction

$H_0$1: There is no Significant Effect of Differentiation Strategy on Customer Satisfaction in Commercial Banks within Nakuru Municipality.

The correlation analysis shown in Table 10, indicate that there is a significant positive correlation between differentiation strategy and customer satisfaction (r= 0.441, P < 0.01). Therefore, the null hypothesis ($H_0$1) that there is no significant effect of differentiation strategy on customer satisfaction in commercial banks within Nakuru municipality was rejected. This could imply that bank customers in Nakuru Municipality believe that their respective banks are customizing products to suit their needs and preferences, offer broad range of products with numerous features and use up-to-date technology to improve services for them to remain satisfied. These results are consistent with other studies that show a significant and positive correlation between differentiation strategy and customer satisfaction (Russell-Bennett, McColl-Kennedy & Coote, 2007).

$H_0$2: There is no Significant Effect of Cost Leadership Strategy on Customer Satisfaction in Commercial Banks within Nakuru Municipality

The correlation analysis indicates that there is a significant positive correlation between cost leadership strategy and customer satisfaction, this means that the two variables are moving on a similar direction (r= 0.605, P< 0.01). Therefore the null hypothesis ($H_0$2) that there is no significant effect between cost leadership strategy and customer satisfaction was rejected. This could imply that customer satisfaction is enhanced by the ability of banks to offer affordable ATM charges to its customers, affordable ledger fees and affordable interest rates on loans. These results are consistent with other studies that show a significant and positive correlation between cost leadership strategy and customer satisfaction (Turel & Serenko, 2006).

$H_0$3: There is no Significant Effect of Focus Strategy on Customer Satisfaction in Commercial Banks within Nakuru Municipality

There is a significant positive correlation between focus strategy and customer satisfaction variables (r=-0.423, P< 0.01). In this regard, the null hypothesis ($H_0$3) that that there is no significant effect of focus strategy on customer satisfaction in commercial banks within Nakuru Municipality was rejected. This could imply that the banks effort to provide different products for different customer groups, affordable products for different customers groups and unique products with added benefits for different customer groups positively influences customer satisfaction. These results are consistent with other studies that show a significant and positive correlation between focus strategy and customer satisfaction (Cohen, Gan, Yong & Choong, 2006).

Ho4: There is no Single Independent Variable that Significantly Affect Customer Satisfaction in Commercial Banks within Nakuru Municipality

The regression analysis results on the study variables (differentiation strategy, cost leadership strategy and focus strategy) against customer satisfaction have been shown below.

Stratford Peer Reviewed Journals and Book Publishing
Journal of Strategic Management
Volume 2||Issue 3||Page 1- 24||August||2018|
Email: info@stratfordjournals.org ISSN: 2616-8472

Table 11a

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R square change	F Change	df1	df2	Sig. F Change
1	.682	.465	.461	.281	.465	110.291	3	380	.000

a Predictors: (Constant),D,CL,F

Source; researchers compilation, 2012

Table 11b

	Unstandardized Coefficients		Standardized Coefficients	Sig.	Collinearity Statistics	
	B	Std. Error	Beta		Tolerance	VIF
(Constant)	1.404	.152		.000		
D	.172	.033	.221	.000	.803	1.245
CL	.323	.029	.459	.000	.840	1.190
F	.134	.027	.204	.000	.808	1.238

a Dependent Variable: CS

Source; researchers compilation, 2012

The R^2 which is the co-efficient of determination was 0.465 as shown in Table 4.11a.This means that there was a relationship between the independent variables (differentiation strategy, cost leadership and focus strategy) and dependent variable which was customer satisfaction. The R^2 value of (0.465) indicates that 46.5% of the variation is explained by the independent variables while the remaining 53.5% could be explained by chance or error and other factors not discussed in the study that could affect customer satisfaction. Other factors that affect customer satisfaction include; corporate image, branding and promotion (Kurniawa, 2010).

Null hypothesis (H_04) which states that there is no one significant independent variable that affects customer satisfaction in commercial banks within Nakuru Municipality was rejected since $P< 0.05$ shown in Table 11b. This is consistent with a study by Cohen, Gan, Yong & Choong (2006) in a study on the effect of generic competitive strategies on customer satisfaction in Zealand which established a positive relationship between the three generic strategies and customer satisfaction.

The standardized beta coefficients shown in Table 11b are all positive, meaning that the contribution of the independent variables and the dependent variable move in the same direction. The coefficient of cost leadership, differentiation strategy and focus strategy, was

0.459, 0.221 and 0.204 respectively. The significance values of differentiation strategy, cost leadership strategy and focus strategy are all ($P< 0.05$) meaning the three strategies contribute significantly to the regression model thus null hypothesis 1, 2 and 3 should be rejected. These results are consistent with what was found in the correlation analysis. Cost leadership had the highest contribution to the regression model, followed by differentiation strategy with focus strategy contributing the least to the model. These results are inconsistent with a study by Ovidiu, Anca, Razvan & Catalina (2009) which found differentiation strategy with the highest contribution to customer satisfaction. The multiple regression equation derived from the analysis is shown below;

$CS= a + B_1DS + B_2CLS + B_3F +e$

Where:

Y=Customer Satisfaction which is the dependent variable

a= Minimum value of the dependent variable if all the independent variables are zero

B_1=Coefficient of differentiation (D)

B_2= Coefficient of cost leadership (CL)

B_3= Coefficient of focus (F)

e=Error variable

5.0. Conclusions

For survival in today's competitive banking environment, banks must focus on understanding customer's needs, attitude and behavioral patterns of the industry and adopt customer oriented strategies that enhance customer satisfaction. This is also because customers do not just buy core quality products or services; they also buy a variety of added value or benefits. Bank managers should not only deliver superior services to customers is but in effect deliver services that exceed customer's expectations.

Null hypothesis (H_01) that there is no significant effect of differentiation strategy on customer satisfaction in commercial banks within Nakuru municipality was rejected .This is because there was a significant positive correlation between differentiation strategy and customer satisfaction. It can therefore be concluded that banks are striving to customize products, provide broad range of products and use up-to-date technology. From the findings, it can be concluded that cost leadership strategy and customer satisfaction are positively correlated thus null hypothesis (H_02) that there is no significant effect between cost leadership strategy and customer satisfaction was rejected. Based on these findings it can be concluded that banks are also offering affordable ATM charges, reasonable interest rates on loans and affordable ledger fees. Based on the findings it can also be concluded that there is a significant positive correlation between focus strategy and customer satisfaction. For this reason null hypothesis (H_03) that that there was no significant effect of focus strategy on customer satisfaction in commercial banks within Nakuru Municipality was rejected. According to the findings it can be concluded that banks are striving to provide different, affordable and unique products to their different customer segments.

It can also be concluded that the three Porter's generic strategies (differentiation strategy, cost leadership strategy and focus strategy) affect customer satisfaction positively. This is because Null hypothesis $H_0 1$ was rejected ($P < 0.01$), Null hypothesis $H_0 2$ was rejected ($P < 0.01$) Null hypothesis $H_0 3$ was rejected ($P < 0.01$) and Null hypothesis $H_0 4$ was rejected ($P < 0.05$). This could imply that as banks adopt differentiation, cost leadership and focus strategy customer satisfaction significantly increases. It can also be concluded that despite the fact that the independent variables positively affect customer satisfaction, there are other factors not in the study that affect customer satisfaction.

6.0 Study Recommendation

Banks should improve on the implementation of the three porter's generic strategies especially on differentiation and focus strategy so that its impact can be felt by the bank customers. Bank managers should therefore deliver services that exceed customer's expectations in order to enhance customer satisfaction.

7.0 References

Akan, R.S., Allen, M.M., Helms, S. & Sprawls, A. (2006). Critical Tactics for Implementing Porter's Generic Strategies: *Journal of Business Strategy*, pp. 43-53.

Barney, J. & Hesterly, W. (2006). Strategic management and competitive advantage: concepts and cases. 2nd edition. UK : Prentice hall.

Barney, J.B. (2002). Gaining and sustaining competitive advantage, 2nd edition. N.J: Prentice hall.

Bennett, A. (2002). Marketing Business Management. A value chain approach: Van Schaik Publishers Pretoria pp. 178

Boulding, W., Staelin, R. & Zeithaml, V.A, (1993): A dynamic process model of service quality: from expectations to behavioral intentions: *Journal Marketing Research*, Vol. 30. pp, 7- 27

Chang, Z. Y., Chan, J. & Leck, S. L. (1997). Management of Market Quality for Correspondent Banking Products: *The International Journal of Bank Marketing*.

Cohen, A. & Mazzeo, M. (2004). Competition, Product Differentiation and Quality Provisions. An Empirical Equilibrium Analysis of Bank Branching Decisions. Northwestern University, Mimeo.

Cohen, D., Gan, C. , Yong, H. & Choong, E. (2006). The effect of Generic Competitive Strategies on Customer Satisfaction in Zealand.

Crossley, J. & Brandford, J. (1995). A history of Banking in many Countries 1925-1995 (London, Barclays Bank International Limited).

Davidson, S. (2001). Seizing the competitive advantage. Community Banker, pp. 32-47.

Ennew, C.T. & Binks M.R.(1996). The impact of service quality and service characteristics on customer retention.Small Businesses and their banks in the UK: *British Journal of Management*, pp. 219-230.

Flint, G.D. & Gerald, D. (2000).What is the Meaning of Competitive Advantage? Advances in Competitiveness Research, pp.3-8.

Fornell,C. (1992). A National Customer Satisfaction Barometer: The Swedish Experience; *a Journal of Marketing.*

Grand, P. (2002). Achieving excellent customer relationships. Manual of Customer Interface Management, pp. 69.

Hart, C. (2003). Doing a Literature Review, Sage: London.

Harwood, M. (2002). Branding on a Budget. Building the Community Bank's Image. Community Banker, 11(4), April, pp. 24-28.

Ioanna, P. D. (2002). The Role of Employee Development in Customer Relations. The Case of UK Retail Banks, Corporate Communication, 7(1), pp. 62-77.

Kotler, P. & Armstrong, G. (2006). Principles of Marketing, 11th edition, New Delhi.

Krejcie, R. & Morgan, D. (1970). Determining sample size for research activities in Education and psychological measurements,pp 30

Kurniawa, B. (2010). Factors affecting Customer Satisfaction in Purchase Decision on Ticket Online. A Case Study in Air Asia.

Oliver, R. (1997). Satisfaction: A Behavioral Perspective on the Consumer, Boston.

Ovidiu, N. B, Anca, I. B., Razvan, L.N & Catalina, S. M. (2009). The use of Michael Porter's Generic Strategies in the Romanian banking industry.

Petruzzellis, L.,D'Uggento, A.M., and Romanazzi, S. (2006) Student Satisfaction and Quality of Service in Italian Universities, Managing Service Quality, Vol. 16. No.4.

Porter, M.E. (1980). Competitive Strategy, Techniques for Analyzing Industries and Competitors. New York: The Free Press, pp. 396.

Porter, M.E. (1985). Competitive Advantage: Creating and Sustaining Superior Performance. The Free Press, New York, pp.557.

Pretorius,M. (2008). When Porter's generic strategies are not enough. Complementary strategies for turnaround situations: *Journal of Business Strategy,* Vol. 29, No. 6, pp. 19-28.

Russell-Bennett, R., McColl-Kennedy, J.R. & Coote, L.V. (2007) .Involvement, Satisfaction and Brand Loyalty in a Small Business Services Settings, *Journal of Business Research*, Vol. 60, pp. 1253-1260.

Spulber, D.F. (2009). Economics and Management of Competitive Strategy. World Scientific Publishing Company: *The Journal of Industrial Economics*, pp. 29, 4, 375- 84.

Thompson, F. & Martin, J. (2005). Strategic Management: Awareness and Change (5th edition). Thomson Learning.

Turel, O. & Serenko A. (2006). Satisfaction with Mobile Services in Canada: An Empirical Investigation of Telecommunication Policy, pp.314-331.

Wit, D.B. & Meyer, R. (2002). Strategy: Process, Content, Context 2nd edition, London, Great Britain: Thomson Learning.

Woodruff, B. (1997). Customer Value: The next source of competitive advantage.

Yin, R.K. (2003). Case study research: Designs and methods, 3rd edition.