

# Effect of Marketing Intelligence on Sales Performance of Commercial Banks in Kenya

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**Abstract:** Commercial banks in Kenya have witnessed social-economic complexities and increased banking industry competition. They have faced intense pressure to align the marketing of products to technological advancement and changing needs of the customers. Expanded technology use in various operations contribute to new developments in packaging and delivery of products and significantly influence the marketing activities of commercial banks in the Country. However, marketing intelligence as a component of marketing information systems has not adopted to the marketing conditions of banking sector in Kenya. Inefficient marketing information systems imply inadequate marketing intelligence which is detrimental to marketing and sales performance of commercial banks. Therefore, the purpose of this study was to establish the effect of marketing intelligence on sales performance in commercial banks in Kenya. The study was supported by the following theories; Technology Acceptance Model and Marketing Information Systems Model. A cross-sectional survey research design was employed. The target population for this study comprised 86 middle level marketing managers in the 43 commercial banks in Kenya. Since the target population of 86 marketing managers is fairly small, the study undertook a census study. In this study an appropriate method to collect the primary data was a self-administered questionnaire. The data was analyzed using both descriptive analysis methods (percentages, means and standard deviations) and inferential statistics (Pearson correlation and regression analysis) with the aid of the Statistical Package for Social Sciences. The results of the survey were presented in tables. The findings indicated that marketing intelligence ( $r = .740^{**}$ ,  $p = .000$ ) had a strong and positive effect on sales performance in commercial banks in Kenya. Based on the study findings, it was concluded that commercial banks focus on techniques of modifying current marketing products and strategies. The researcher also concluded that commercial banks review employee decision making regarding the marketing process of products which enables better market planning. The study recommends enhanced usage of marketing intelligence for increased sales performance in commercial banks. The study findings will benefit commercial banks by providing an empirical link between marketing intelligence and the overall sales performance of commercial banks in Kenya. It will also be beneficial to the policy makers in the country as a whole since it highlights the importance of marketing intelligence in enhancing performance of commercial banks which are key enablers of economic growth.

**Keywords:** Marketing Intelligence, Sales Performance, Commercial Banks

## I. Introduction

Marketing is rapidly becoming a game where information, rather than raw marketing muscle, wins the race for competitive advantage. As a result, Marketing Information Systems (MKIS) have become a vital element for effective marketing. These tools are designed to support marketing processes including marketing intelligence, planning, budgeting, and controlling (Queiroz & Oliveira, 2014). To help managers to foresee these changes in markets and customer's preferences, marketing information system (MKIS) are often used. MKIS collects the relevant data, organizes it into meaningful information, makes recommendations based on these figures and then stock it up for future use (Hosseini, 2014). According to Alafeef (2015) marketing information system is a computerized system that is designed to provide an organized flow of information to enable and support the marketing activities of an organization. It serves collaborative, analytical and operational needs of the firm and is designed to be comprehensive and flexible in nature and to integrate with each other (Armstrong & Kotler, 2013). MKIS increases the number of options available to the decision-maker and supports every element of marketing strategy. The benefits of MKIS include the enhancement of functional integration, market monitoring, strategy development and strategy implementation. Furthermore, MKIS

provides users with a variety of approaches, methods and techniques helpful and useful for making high quality of decision.

Marketing intelligence as a component of marketing information systems is utilized in collection of data about target markets and decision making on same market (Askoul&Lalitha, 2016). Today, with the rapidly increasing business changes, organizations are confronted with different numerous challenges. For Kenyan commercial banks in particular, many have witnessed challenging times as technology keeps advancing from time to time (Kirigo, 2011). Furthermore, many banks have adopted different technologies including Automated Teller Machines (ATM), plastic cards, mobile banking, internet banking among others to leverage on the advancements in Information Communications Technology (ICT). However, this has also brought about a number of challenges that served to reduce the gains made from ICT adoption. In order to improve their competitiveness, commercial banks have implemented MKIS; however, its effect on marketing performance has not been exhaustively investigated.

Marketing information systems (MKIS) have been investigated globally will conflicting findings. For example, in the USA, Kenneth, Evans &Schlacterb (2013) in their study on the role of sales managers and salespeople in a marketing information system sought to investigate the extent to which salespeople and sales managers are utilized within a firm's marketing information system, the nature of information provided by the sales organization to the marketing information system and the characteristics associated with effective implementation of an marketing information system. Their study indicated that information solicited from the sales force and sales management tends to be limited and primarily pricing-related. Furthermore, their study noted most salespeople indicated limited or no formal recognition of sales force and sales management participation in the MKIS.

Regionally, various studies have investigated marketing information systems (MKIS) with varied findings. For example, in South Africa, Venter and Rensburg (2014) sought to investigate the relationship between marketing intelligence and strategic marketing in South African organizations and found that the availability of various categories of marketing intelligence has an indirect effect on strategic marketing. Their study noted that marketing intelligence was a strategic tool in achieving or attaining competitive edge. They concluded that the impact of competition in the business environment had compelled many organizations to turn around and start scanning the environment for information, so as to have competitive edge over other similar organization within the industry.

Locally, Kirigo (2011) sought to establish the influence of marketing intelligence practices on product growth in the banking sector using case of standard Chartered Bank Kenya Limited. The research revealed that the bank used marketing intelligence in its products development/modification by building brands through the creation of identities, interactions, and experiences. Similarly, Wachira and Kariuki (2018) sought to establish how integrated marketing communication affects the performance of Unilever Kenya Limited and found that advertising, direct marketing, sales promotion, public relations and personal selling all had positive correlation on performance. They noted that in every result driven organization, achieving greater performance is foremost on the minds of both sales leaders and finance executives hence the need for an organization to properly coordinate and integrate its marketing communication programs in order to deliver a clear, consistent, credible and competitive message to the targeted and potential audience about itself and its products.

### **1.2 Statement of the Problem**

According to CBK (2019), the average commercial banks' deposit rate declined to 8.04% in 2018, driven by the interest rate capping law and liquidity conditions. Furthermore, the report notes that customer deposits were the main source of funding for commercial banks, accounting for 74.1% of total liabilities in 2018, which was higher than the 72.3% in 2017. Commercial banks in Kenya have witnessed social-economic complexities and increased banking industry competition. They have faced intense pressure to align the marketing of products to technological advancement and changing needs of the customers. This implies that there is marketing inefficiencies among commercial banks. Inefficient marketing information systems are detrimental to marketing and sales performance of commercial banks. The need to stabilize capital and optimize sales revenue is leading to consolidation of commercial banks through mergers and acquisitions. The merging banks have different marketing approaches hence proper integration of marketing information systems will be highly essential in consolidating marketing activity and improving sales performance. Commercial banks rely on their information systems for sustainable profitability and growth (Kirigo, 2011). However, coming up with the right product that can meet the needs of the customers depends on picking the right product mix strategy and using the proper development process. Since these strategies are implemented based on the existing marketing intelligence through information systems, effective usage of marketing intelligence would thus be expected to result in enhanced sales, profitability and overall organizational performance. Furthermore, marketing managers rely heavily on marketing intelligence component marketing information systems (MKIS). MKIS increases the number of options available to the marketing managers and supports every element of marketing strategy (Armstrong & Kotler, 2013). However, previous studies have focused less on the research regarding marketing intelligence and sales performance of commercial banks. The current study examined the effect of marketing intelligence on sales performance of commercial banks in Kenya.

### **1.3 Objective of the Study**

The objective of the study was to examine the effect of marketing intelligence on sales performance in commercial banks in Kenya.

### **1.4 Research Hypothesis**

$H_{01}$ : Marketing intelligence has no statistical significant effect on sales performance in commercial banks in Kenya.

## **II. Literature Review**

This section outlines the theoretical review, conceptual framework, empirical review of literature and research gaps.

### **2.1 Theoretical Review**

In this section the theories in which the study is anchored on are presented. The following theories are presented in relation to the effect of marketing intelligence on sales performance in commercial banks in Kenya: Technology Acceptance Model and Marketing Information Systems Model.

#### ***Technology Acceptance Model***

Technology Acceptance Model (TAM) was proposed by Davis in 1985. TAM argues that the intention to adopt or use new information system is determined by perceived usefulness and perceived ease of use. The final conceptualization of TAM excluded the attitude construct in order to better explain intention parsimoniously (Ross, McGowan & Styger, 2012). The objective of TAM is to provide an explanation of the determinants of computer acceptance that is general capable of explaining user behavior across the board range of end user computing technologies and user population, while at the same time being both parsimonious and theoretically justified. Consequently, factors like ease-of-use, which were used to predict technology adoption, might not be appropriate anymore. At the same time, new factors, which are not integrated in any of the existing models, might not be appropriate anymore. For example, Guarda, Santos, Pinto, Silva and Lourenço (2012) showed that the social situation, in which a context-aware technology is used, significantly influences the acceptance of the system. Further, they note that acceptance of future information technologies is not determined by usefulness and ease-of-use alone, but is also affected by a variety of other factors. Hence, it is important to investigate marketing intelligence component of marketing information systems in the banking sector and use this knowledge to adapt existing acceptance model to the characteristics of future information systems.

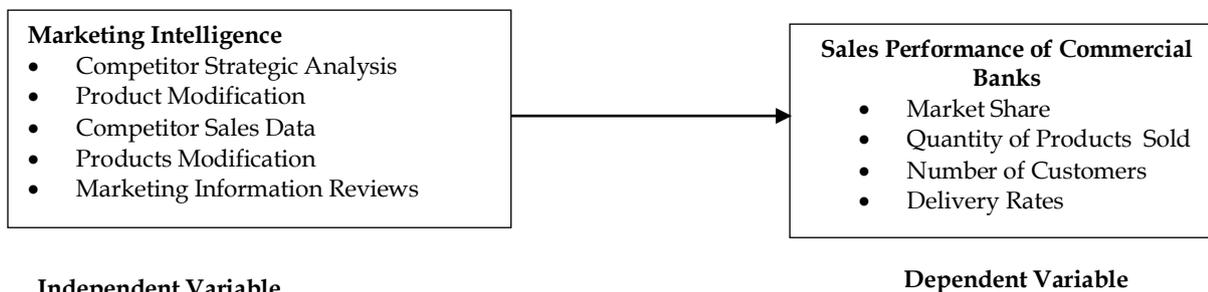
#### ***Marketing Information System Model***

Marketing information system model is composed of four main components that include; internal records, marketing research, marketing intelligence and decision support. According to Hashem (2016) management information systems use information technology to collect and communicate the information used by the commercial banks' operations. Types of management information system depend on the departments and functions of the organization. They include; management reporting system, process control system, decision support system, marketing reporting system, enterprise collaboration system and marketing information systems (Askoul, & Lalitha, 2016). Decision Support System is a database designed to guide a marketing manager to make a decision when need arises. Sales performance is determined by the effectiveness of the marketing carried out by the organization. Decision support system is used to collect data from internal and external sources to help the marketing manager to make a decision on how to undertake marketing and improve the level of sales (Pearlson, Saunders, & Galletta, 2019). Moreover, marketing managers apply decision support system to analyze the internal and external factors affecting marketing activities while setting sales targets.

Management reporting system is designed to report marketing operations of a company. Tactical/middle level managers use management reporting systems to generate regular reports comparing current and past sales performance to determine sales growth. MRS is also applied by the top management to compare the efficiency of company's marketing operations against sales performance goals. Marketing information systems are used to execute and track the effectiveness of sales and marketing activities (Novikova, 2015). Marketing information systems are also utilized in developing products, sales forecasting, tracking advertising schedules, pricing and implementation of effective sales promotions. The reports generated by sales and marketing information system guides the management on the products to focus on (Novikova, 2015).

## 2.2 Conceptual Framework

A conceptual framework shows or illustrates the relationship among variables used in the research study. The current study comprised of independent and dependent variables. The independent variable was marketing intelligence and dependent variable was commercial banks' sales performance.



### Conceptual Framework

## 2.3 Empirical Review of Literature

### Marketing Intelligence

Marketing intelligence systems are systems that involve set of procedures responsible of sorting information and information sources useful for marketing management decision making (Tsiakis, 2015). Marketing intelligence is the information base of entrepreneurs and management within an organization. Marketing intelligence can be acquired primarily or through secondary sources. This forms a large base and unlike market research which is conducted periodically, market intelligence is conducted regularly (Tsiakis, 2015). Market intelligence alludes to the way procuring and dissecting data with a specific end goal to comprehend the market both existing and potential clients in order to decide the present and future needs and inclinations, states of mind and conduct of the market; and to evaluate changes in the business environment that may influence the size and nature of the market later on.

Marketing intelligence is an industry-focused insight that is created on dynamic parts of aggressive occasions occurring among the 4Ps of the marketing blend (evaluating, place, advancement, and item) in the item or administration commercial center keeping in mind the end goal to better comprehend the engaging quality of the market (Hoseini, 2014). It helps in market and client introduction to advance outer focus, recognizable proof of new open doors in order to distinguish new patterns in the business sectors and contenders. Through promoting insight, an organization can get early cautioning of contender moves in this manner demonstration appropriately to guarantee they stay in front of the competitor. This aides in minimizing venture hazards by identifying dangers and patterns early, better client communication, heightened client market view and better market choice.

Marketing intelligence systems increasingly provide the data that drivers both strategic and tactical decision for enterprise (Askoul&Lalitha, 2016). Many businesses have already invested heavily to aggregate data from diverse system and applications in order to create a whole-enterprise view to fully reflect the daily state of business, as well as support more effective, informed decisions (Rotich, 2016). A marketing intelligence system is a set of procedures and data sources used by marketing managers to sift information from the economic and business environment that they can use in their decision making. Moreover, Ismail (2011) study reveals that there is a positive relationship between utilizing and adopting marketing intelligence and the right decision making, which also agrees with these research findings.

Various studies in literature have attempted to link marketing intelligence with various performance measures in different sectors and regions with mixed findings. A research study Rotich (2016) sought to find out whether Financial Institutions' bancassurance sales performance was affected by the marketing intelligence. The effect of marketing intelligence on sales performance was measured against the indicators; sales volume, profitability, market share, the growth of customers, market share and bancassurance premiums. The findings of regression analysis showed that marketing intelligence was strongly correlated to sales performance indicators. The relationship between marketing intelligence and performance was very strong ( $R=0.882$ ) while coefficient of determination explained a larger variation  $R^2=0.778$  in performance. The implication from the analysis was that marketing intelligence greatly affected the sales performance concerning to bancassurance by financial institutions in Kenya.

A research by Kumar (2014) examined the impact of Marketing Information Systems' effectiveness on financial sector business performance in India. The research respondents included 504 executives from banks, insurance companies and other financial institutions. Findings indicated that 23.8% of the executives had utilized MKIS for a period of more than

10 years while 70.20% had used marketing systems for more than 5 years. It was noted that MKIS was used as support for marketing decisions and operational planning. It was also utilized in market analysis and product design by banks and insurance companies.

Kenneth, Evans and Schlacterb (2013) in their study on the role of sales managers and salespeople in a marketing information system sought to investigate the extent to which salespeople and sales managers are utilized within a firm's marketing information system, the nature of information provided by the sales organization to the marketing information system and the characteristics associated with effective implementation of an marketing information system. 235 sales managers and sales executives were interviewed. The results indicate that information solicited from the sales force and sales management tends to be limited and primarily pricing-related. Most respondents indicated limited or no formal recognition/reinforcement of sales force and sales management participation in MKIS.

Another study by Alafeef (2015) aimed to reveal the interest that exerted by the stores in the Kingdom of Saudi Arabia in applying the marketing information systems and its role to raise the marketing sales, also the impact of marketing information systems on employers' skills. The study was based on using the statistical descriptive approach where the data collected by the primary and secondary sources. To achieve the objective of the study, 130 questionnaires were distributed. The study established that there was statistical significance between marketing information systems and sales growth. Their study recommended that firms must invest in the effective and activated marketing information systems because it has a role raising firm productivity which results in enhanced sales growth.

Mukangu and Ndungu (2016) sought to investigate the role of computer based information system on organizational performance in the aviation industry in Kenya and noted that information and communication technology increases productivity and operational efficiency, reduces costs and impacts on intangible assets such as quality improvement in design processes and inventory management. This study adopted a descriptive research design and targeted Kenya Airways employees stationed at the company headquarters in Nairobi County using a census approach of 144 employees. The main instrument of primary data collection was a self-administered, semi structured questionnaire. Secondary data was obtained from published sources. Qualitative and quantitative techniques were used in the analysis of data. Their study recommended enhanced use of information systems in order to enhance the performance of the firm.

Ngelechei and Olweny (2016) did a study on Management information systems and achievement of sustainable competitive advantage in the Kenyan Banking Sector. Findings revealed that knowledge sharing, operational efficiency, customer relationship management and marketing intelligence influenced competitive advantage of Kenya Commercial Bank. A mean of 4.65 resulted from the respondents who indicated that MIS enabled sharing staffs' talents and expertise. Gichuki and Ogollah (2014) undertook a study on the factors influencing the choice of marketing strategies of commercial banks in Kenya. They applied content analysis as a way of analyzing qualitative data. Results from analysis revealed that choice of marketing strategy was determined by innovation, technology and employees competence. The P-values were 0.01, 0.02 and 0.04 for innovation, technology and the employees' competence respectively. It implied that innovation affected choice of marketing more than other variables.

Waruguru (2015) investigated the factors that influence sales and marketing strategies adopted by Commercial Banks: A case of KCB Bank, Kencom House Branch, Nairobi County-Kenya. Findings indicated that corporate strategy, organizational culture, target market and consumer behavior influenced strategies' choices in regard to sales and marketing. 48% of the respondents indicated that target market had greatest influence on the choice of sales and marketing strategies of the KCB Bank. Furthermore, findings revealed that 70.2% of the respondents agreed that levels of sales and marketing were determined by the corporate strategy. Moreover, 39.0% of the respondents strongly agree that direct responsibility of marketing influenced choice of sales and marketing strategy.

### *Sales performance*

Despite the numerous number of financial and non-financial isolated measures, marketing performance as a whole, translated into a clear and reliable universal instrument by which the respective merits can be evaluated, has received limited attention in the literature (Ambler & Riley, 2010). Additionally, marketing as a discipline has focused more on results than on the processes and systems enabling them. Traditionally, marketing productivity analysis- mainly from efficiency perspective; and the marketing audit concept-mainly from effectiveness perspective have dominated the approaches to marketing performance assessment. But according to Morgan, Clark and Gooner (2012), neither these two approaches by themselves provide a complete framework for an integrated evaluation, due to conceptual and implementation limitations.

Fundamentally, evaluating performance should not be confused with filing maps or reports (reporting system) but instead seen as a process allowing phenomena understanding that progressively will lead to better decisions and improved results (decision guiding system). As noted by Rust, Ambler, Carpenter, Kumar and Srivastava (2014), the importance is not so much the final quantitative score but the understanding of the situations that led to such scores and therefore what can be improved next time. On the other hand, competitiveness theory suggests that marketing performance is a process composed of three stages. Firstly, it identifies superiority sources regarding the firm's resources and capabilities' acquisition, implementation, and development. Secondly, it evaluates superiority positions

arising from designing and implementing marketing strategies. Thirdly, it knows the financial and no financial outcomes as a consequence of the previous ones.

Sales performance relates to the volume of offers accomplished inside a predefined period contrasted with predetermined sales levels (Groza, Locander, &Howlett, 2016). Accomplishing more noteworthy sale execution is the most essential part of sales pioneers as it specifically impacts on their key execution pointers. Sales performance has been conceptualized to incorporate both the result and behavioral measurements. Sales results have dependably been seen by execution situated sales representatives as proof to their behavioral execution and therefore a positive relationship has been found to exist between occupation association segment of responsibility and sales performance. In today's dynamic working business environment, organizations that depend on poor information to settle on key deals sales performance decisions, risk being rendered clumsy by the opposition. As organizations develop more idealistic about open doors for development, the weight is on for deals staff to meet ever-higher income targets (Askoul, &Lalitha, 2016).

Mugwe and Ogwoka (2013) sought to determine whether marketing information system components impacted on quality managerial decision making in financial institutions in Kenya. The study applied the logit model and chi-square in data analysis. Results of the data analysis indicated a strong relationship ( $r_s=0.294$ ) between marketing information and the decision quality of the financial institutions. It implied that marketing decisions were improved through marketing research. The relationship between quality of decisions and marketing intelligence was also strong ( $r_s=0.164$ ). It means that the quality of managerial decisions was greatly determined by the marketing intelligence component of marketing information system model. Furthermore, the study findings revealed that utilization of marketing decision support systems contributed to the effectiveness of marketing decisions by the organizational managers. The value ( $r_s=0.164$ ) depicted a strong relationship between marketing decision support systems and effectiveness of marketing decisions.

Abeka (2012) conducted a study on the association between user satisfaction and acceptance of web based marketing information system among microfinance institutions in Kenya. The study used satisfaction indicators that included MkIS accessibility, ease of use, and reliability and information comprehensiveness as predictors of MkIS acceptance. The study findings showed that MKIS satisfaction influence the acceptability of the marketing system model. Inferential findings, regression analysis in particular indicated t-value 5.1568 with p-value 0.005. It implied that MkIS model satisfaction and its acceptable were had a strong relationship. Therefore, MkIS accessibility, ease of use, reliability and information comprehensiveness influence acceptable of MkIS model among microfinance institutions.

Ismaeel (2015) examined the importance of applying the marketing information systems in five stars hotels working in Jordan. Findings indicated that five star hotels in Jordan employed information systems in marketing decision making and sorting of marketing related problems. Findings further revealed a strong relationship between internal records and market share of five star hotels. Furthermore, the marketing research influenced the level of market share significantly. The regression analysis indicated that the correlation between marketing information systems and market share was  $R=0.422$  and explained 17.8% variation in market share aspect of performance.

### **2.4 Research Gaps**

Research gaps were identified from previous studies related to intelligence and sales performance. These gaps led to undertaking of the current study. Therefore, the variables used are different from Abeka (2012) who applied satisfaction and acceptability dimensions of MkIS. The research by Mugwe and Ogwoka (2013) applied chi-square and logit model in data analysis. The current study employed correlation analysis and multiple regressions to establish the relationship between marketing intelligence and sales performance of commercial banks. It was used to determine the market share and number of products sold components of sales performance.

The current study considered other performance indicators apart from market share as it was the case with Ismael (2015). The study included number of products, number of customers and delivery rates as indicators of sales performance. The study was also carried out from commercial banks in Kenya and not Hospitality industry. The current research study fills the gap identified from the study by Ngelechei and Olweny (2016) through using marketing intelligence as part of marketing information system. The association between marketing intelligence and sales performance was established. The study by Gichuki and Ogollah (2014) failed to recognize the influence of marketing information systems as part of technology in determining the choice of marketing strategy. The current study has used marketing intelligence as the independent variable. Knowledge gaps were identified from the study by Waruguru (2015). Inferential data analysis was not considered but it has been well incorporated into the current study. The current study is more specific; established the relationship between marketing intelligence and sales performance rather than assessing the factors influencing sales and marketing choice of strategies.

Mukangu and Ndungu (2016) noted that information and communication technology increases productivity and operational efficiency, reduces costs and impacts on intangible assets such as quality improvement in design processes and inventory management. However, their study focused in on only one firm and thus the findings may not be generalized. The current study focused on marketing managers of 43 commercial banks in Kenya and the findings were more detailed.

### **III. Research Methodology**

A research design is a plan or a framework for guiding a study (Walliman, 2017). The design connects the questions or objectives of the study to the data collected. For purposes of this study, a cross-sectional survey design was employed. The method is preferred as it permits gathering of data from the respondents in natural settings (Gray, 2019). Survey designs result in a description of the data, whether in words, pictures, charts, or tables, and whether the data analysis shows statistical relationships or is merely descriptive. The design was used to describe the what, who, when, how and whereof the phenomenon. According to the Central Bank of Kenya banks supervision report of 2019, there are 43 licensed commercial banks in Kenya. The target population for this study therefore comprised 86 middle level marketing managers in the 43 commercial banks in Kenya. The study targeted middle level marketing managers since they are individually and collectively involved in the marketing intelligence in their commercial banks, they collect, analyze and communicate all sale performances data. Furthermore, sales performance and its measurement will likely be made with their direct involvement and as such any challenges arising from marketing intelligence would be known to them. Since the target population of 86 marketing managers is fairly small, the study undertook a census study and thus all the 86 marketing managers formed the sample. From the sample, purposive sampling was used in targeting the said marketing managers in each commercial bank. Purposive sampling is most suitable because marketing managers would be in position to address study objectives adequately since they are part of the marketing decision-making process in the banks.

Primary data was sourced from the responses the participants gave during the survey process. In this study an appropriate method to collect the primary data was a self-administered questionnaire. The questionnaire is appropriate since it allows data from sampled groups to be collected in a quick and efficient manner. The use of a survey questionnaire makes it possible for descriptive and inferential statistical analysis (Antwi& Hamza, 2015). The questionnaire comprised of close-ended questions and was divided into various sections. The first section contained questions on the age, gender, educational level and working experience of the target population. The next sections contained statements on the independent variable; marketing intelligence and the dependent variable (sales performance) based on a 5-point Likert scale. In the Likert Scale, 5 represent Strongly Agree; 4 represent Agree; 3 represent Neutral; 2 represent Disagree; and 1 represent Strongly Disagree. The data collected from the questionnaires was analyzed using both descriptive (means and standard deviations) and inferential statistics (correlation and regression) with the aid of the Statistical Package for Social Sciences (SPSS). The results of the survey were presented in tables. For the purpose of analyzing the relationships between independent variable and the dependent variable, the study used the t-test and the F-test to test both the effect of each variable and the overall effect of the marketing intelligence on the sales performance using the following regression model:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where: Y= Sales Performance

$\beta_0$  = Constant

$X_1$  = Marketing Intelligence

$\beta_1$  = Beta Coefficient for Marketing Intelligence

$\varepsilon$  = Error Term

IV. Research Findings and Discussions

4.1 Descriptive Findings for Marketing Intelligence

The descriptive findings for marketing intelligence are presented in Table 1. From the findings, it was established that majority of the respondents (86.6%) agreed that commercial banks undertakes strategic analysis of their competitors' products and services in order to develop tailor-made products for their customers while 11.9% were unsure. This finding implies that commercial banks use intelligence gathered from their competitors in order to develop unique and tailor-made products and are thus responsive to market needs and competitor orientations.

Table 1: Marketing Intelligence

Statement	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	SD
Our bank undertakes strategic analysis of our competitors' products and services in order to develop tailor-made products for our customers	0	1.5	11.9	41.8	44.8	4.30	.739
Our bank focuses on techniques of modifying current marketing products and strategies	4.5	1.5	9.0	50.7	34.3	4.09	.949
Our bank also analyzes business risks and threats from our competitors	1.5	6.0	19.4	37.3	35.8	4.00	.969
We normally conduct periodical assessment of our competitors business processes	1.5	0	16.4	38.8	43.3	4.22	.832
Our bank continuously reviews pertinent marketing information arising from our market analysis	0	1.5	10.4	50.7	37.3	4.24	.698
Our banks intelligence gathering process is anchored on our information systems which has therefore enhanced our sales performance	0	3.0	10.4	65.7	20.9	4.04	.661

Similarly, it was established that majority of the respondents (85%) agreed that commercial banks focus techniques of modifying current marketing products and strategies while only 9% were unsure. The finding implies that commercial banks have internal mechanisms of continuously modifying products and strategies and thus are able to maintain competitive edge over their competitors. Similarly, majority of the respondents (73.1%) agreed that commercial banks analyze business risks and threats from their competitors which implied that banks undertake systematically undertake opportunities and threats analysis and use this information to strategically place themselves to react accordingly. Furthermore, as noted by majority of the respondents (82.1%), commercial banks normally conduct periodical assessment of their competitors' business processes which they then use to address performance gaps in their processes and enhance those business processes that are superior to those of their competitors. Finally, it was established that majority of the respondents (88%) agreed that commercial banks continuously review pertinent marketing information arising from their market analysis. This finding alludes to the fact that commercial banks in Kenya continuously undertake market analysis before reviewing any of their strategies and products. Similarly, it was established that majority of the respondents (86.6%) agreed that banks intelligence gathering process was anchored on their information systems which has therefore enhanced our sales performance. It can thus be deduced commercial banks have and use their marketing information to gather and analyze market information which is then used to develop and implement various strategies and products. The study further undertook an analysis of the means and standard deviations of the statements. As seen in Table 4.1, majority agreed that commercial banks undertake strategic analysis of their competitors' products and services in order to develop tailor-made products for their customers (Mean= 4.30, SD = .739), that banks focus on techniques of modifying current marketing products and strategies (Mean = 4.09, SD = .949), that banks analyze business risks and threats from competitors (Mean = 4.00, SD = .969), that banks normally conduct periodical assessment of competitors business processes (Mean = 4.22, SD = .832), that banks continuously review pertinent marketing information arising from market analysis (Mean = 4.24, SD = .698) and that the banks' intelligence gathering process is anchored on marketing information systems which has therefore enhanced their sales performance (Mean = 4.04, SD = .661). It can thus be deduced that commercial banks marketing intelligence systems which they often use to analyze market trends and react accordingly. The findings concur with Mugwe and Ogwoka (2013) who used MkIS model to determine the quality of marketing decisions. The study found that marketing information system model impact on decision quality of the financial institutions at a great extent.

**4.2 Descriptive Findings for Sales Performance**

The descriptive findings for propositions on sales performance is shown in Table 2.

**Table 2: Sales Performance**

Statement	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	SD
Our banks usage of marketing information systems has led to increased market share	0	0	3.0	55.2	41.8	4.39	.549
We have increased our loan portfolio due to enhanced use of marketing information systems	0	0	7.5	55.2	40.3	4.33	.613
We have continuously increased the number of products due to our use of information systems	0	1.5	22.4	32.8	43.3	4.18	.833
Our bank has enhanced customer perception about our products and services through our continuous and timely interaction aided by usage of information systems	0	1.5	4.5	35.8	58.2	4.51	.660
We have managed to reduce process delays and enhanced our delivery rates to our customers	0	3.0	6.0	44.8	46.2	4.34	.729
Our marketing efficiency has thus been enhanced due to our effective use of information systems	0	0	1.5	41.8	56.7	4.55	.530

From the findings in Table 2, it was established that majority of respondents (97%) agreed that commercial banks usage of marketing information systems has led to increased market share while only 3% were unsure. This finding implies that commercial banks attach significant importance to marketing information systems and effectively utilize these systems to enhance their ability to increase market share. Furthermore, it was established that majority of the respondents (92.5%) agreed that commercial banks have increased their loan portfolio due to enhanced use of marketing information systems while only 7.5% were unsure. This is an indicator that commercial banks have multiple applications of their marketing information systems such as in enhancing loan application, processing and management which have all helped to increase their respective loan portfolios. Similarly, the study established that majority of the respondents (76.1%) agreed that commercial banks have continuously increased the number of products due to their use of information systems while only 22.4% were unsure. The finding indicates that commercial banks actively employ their marketing information systems in the development of new products, their promotion and management and their continuous performance reviews which hasten decision making in their entire product development process. Further, majority of the respondents (94%) agreed that commercial banks had enhanced customer perception about their products and services through their continuous and timely interaction aided by usage of information systems while only 1.5% disagreed. It can thus be deduced that marketing information systems provide effective communication channels which commercial banks effectively exploit to alter and manage customer perceptions about their products. Finally, the study established that majority of the respondents (91%) agreed that commercial banks had managed to reduce process delays and enhanced their delivery rates to their customers while 6% were unsure. This implies that commercial banks have managed enhanced efficiency arising from their use of marketing information systems. Further, it was established that majority of the respondents (56.7%) strongly agreed that marketing efficiency had been enhanced due to their effective use of information systems while 1.5% were unsure. It can thus be deduced that marketing information systems play a critical role in enhancing banks timeliness in service delivery, enhanced and quicker decision making, wider and targeted market reach, timely and planned product development and enhanced interactions between the commercial banks and their customers. An analysis of the means and standard deviation of the proposition in Table 4.4 indicated that most respondents agreed that banks usage of marketing information systems had led to increased market share (Mean = 4.39, SD = 0.549), that banks have increased loan portfolio due to enhanced use of marketing information systems (Mean = 4.33, SD = .613), that commercial banks have continuously increased the number of products due to their use of information systems (Mean = 4.18, SD = .833), that banks have enhanced customer perception about products and services through their continuous and timely interaction aided by usage of information systems (Mean = 4.51, SD = .660), that banks have managed to reduce process delays and enhanced delivery rates to customers (Mean = 4.34, SD = .729), and that marketing efficiency has thus been enhanced due to the banks effective use of information systems (Mean = 4.55, SD = .530). Research findings differ from findings by Gichuki and Ogollah (2014) on the factors

influencing the choice of marketing strategies of commercial banks in Kenya. The findings are similar to Abeka (2012) whose findings indicated that MkIS satisfaction influenced the acceptability of the marketing information system model.

### 4.3 Correlation Analysis

The study undertook Pearson correlation analysis to establish the strength and direction of effect of the independent variables on sales performance and the findings are shown in Table 3.

**Table 3: Correlation between Marketing Intelligence and Sales Performance**

		Sales Performance
Marketing Intelligence	Pearson Correlation	.740**
	Sig. (2-tailed)	.000
	N	67

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

From the correlation analysis findings marketing intelligence ( $r = .740^{**}$ ,  $p = .000$ ) had a strong and positive effect on sales performance in commercial banks in Kenya. The findings are in agreement with those of Freihart (2012) who sought to establish the relationship between the major components of marketing information system, and the decision-making in Jordanian shareholding medicines production companies and found a statistically significant relation between each of the following marketing information system components (internal records, marketing research, and marketing intelligence) and decision-making. Similarly, Alafeef (2015) sought to investigate marketing information systems and its role to raise the marketing sales and found a statistical significant relationship between marketing information systems and sales growth. The findings relate to the study by Ngelechei and Olweny (2016) on Management information systems and achievement of sustainable competitive advantage in the Kenyan Banking Sector. Mugwe and Ogwoka (2013) found a strong relationship between MkIS model and quality of marketing decisions.

### 4.4 Regression Analysis

Regression analysis was undertaken and the results are presented in Table 4, Table 5 and Table 6.

**Table 4: Regression Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.740 <sup>a</sup>	.547	.540	.24250

a. Predictors: (Constant), Marketing Intelligence

The regression model summary results shows that correlation coefficient was ( $R=0.740$ ) and coefficient of determination was  $R^2=0.547$ . The fitted model R square of 0.547 implied that the marketing intelligence explained 54.7% of variation in sales performance in commercial banks.

**Table 5: ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.623	1	4.623	78.608	.000 <sup>b</sup>
	Residual	3.823	65	.059		
	Total	8.445	66			

a. Dependent Variable: Sales Performance

b. Predictors: (Constant), Marketing Intelligence

From Table 5, it can also be deduced that overall model was statistically significant ( $F = 78.608$ ,  $P < 0.05$ ). Therefore, marketing intelligence affected sales performance in commercial banks.

From the regression analysis, the regression coefficients, standardized parameters and the significance of the estimates obtained were as shown in Table 6.

Table 6: Regression Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized	t	Sig.	
	B	Std. Error	Coefficients Beta			
1	(Constant)	2.405	.225	10.686	.000	
	Marketing intelligence	.477	.054	.740	8.866	.000

a. Dependent Variable: Sales Performance

From the fitted model, the study established the following regression function:

$$Y = 2.405 + 0.477X_1$$

Where: Y= Sales Performance, X<sub>1</sub> = Marketing Intelligence

#### 4.5 Hypothesis Testing

This study sought to establish the effect of marketing intelligence on sales performance in commercial banks. In order to arrive at this objective, the study undertook to hypothesis testing at 5% significance level. The first null hypothesis stated: H<sub>01</sub>: Marketing intelligence has no statistical significant effect on sales performance in commercial banks in Kenya. From Table 4.6, marketing intelligence had beta coefficient ( $\beta=0.477$ ,  $P<.05$ ), the study rejected the null hypothesis leading to a conclusion that marketing intelligence significantly affect sales performance in commercial banks. The current findings concurs with those found by Freihat (2012) who sought to establish the relationship between the major components of marketing information system, and the decision-making in Jordanian shareholding medicines production companies and found a statistically significant relation between each of the following marketing information system components; marketing intelligence and decision-making.

#### 5. Summary of Findings

The study findings revealed that marketing intelligence component of marketing information systems, affected sales performance of commercial banks in Kenya. The results further established that commercial banks normally conduct periodical assessment of their competitors' business processes which they then use to address performance gaps in their processes and enhance those business processes that are superior to those of their competitors. They continuously review pertinent marketing information arising from their market analysis. This finding alludes to the fact that commercial banks in Kenya continuously undertake market analysis before reviewing any of their strategies and products. Similarly, it was established that commercial banks intelligence gathering process was anchored on their information systems which has therefore enhanced our sales performance. It can thus be deduced commercial banks have and use their marketing information to gather and analyze market information which is then used to develop and implement various strategies and products. It can thus be deduced that commercial banks marketing intelligence systems which they often use to analyze market trends and react accordingly. Banks use market intelligence to minimize market hazards, acquire clear market view and establish undiscovered potential which they then use to enhance their competitive advantage.

#### V. Conclusion

The study concluded that sales performance of commercial banks in Kenya is dependent on the effectiveness of marketing intelligence. Commercial banks undertake strategic analysis of their competitors' products and services in order to develop tailor-made products for their customers. The study also concluded that commercial banks focus on techniques of modifying current marketing products and strategies. Furthermore, it was concluded that commercial banks analyze business risks and threats from competitors in order to focus on products and services that give them a competitive edge over their competitors. Similarly, the study concluded that commercial banks normally conduct periodical assessment of competitors' business processes aimed at enhancing the internal process to better enhance their operational efficiency. Finally, it was concluded that banks continuously review pertinent.

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