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# Influence of Customer Intimacy Strategy on Organisations' Competitiveness in Tier III Category of Commercial Banks in Kenya

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**Abstract**
This study investigates how customer intimacy strategies influence the competitiveness of tier-III commercial banks in Kenya. Utilising a pragmatic research philosophy, it employs a mixed-methods approach and a descriptive cross-sectional design. Data were collected from middle and senior management across 21 tier III commercial banks, with a sample size of 288 respondents determined using Yamane's formula. Proportionate stratified random sampling ensured representativeness based on management staff functions. Regression analysis revealed a strong positive correlation ($R = 0.822$) between the Customer Intimacy Strategy and Organisational Competitiveness, explaining 67.5% of the variability. ANOVA results were highly significant ($F (1, 238) = 494.589$, $p < .001$), indicating the superiority of the regression model. The strategy showed individual significance with a t-statistic of 22.239 ($p < .001$) and a standardised beta coefficient of 0.822. Despite limitations, such as the focus on Kenyan tier III banks and potential response bias, the study provides actionable insights for banking sector decision-makers, emphasising the importance of prioritising customer intimacy for sustainable competitive advantages.

## Introduction

Value discipline strategies have also been found to influence the competitiveness of commercial banks in Africa. The customer intimacy strategy was also associated with the commercial bank's African organisational competitiveness. In this context, Getnet (2021) linked customer relationship management to the organisational competitiveness of commercial banks in Ethiopia. This was attributed to customer relationship management, leading to improved customer relationships, reduced customer complaints, and improved responsiveness to customer needs. Within Nigeria, diverse components of customer intimacy strategy have been found to have impacted the organisational competitiveness of the bank through customer relationship management (Kalu et al., 2021). In this context, Kalu et al. (2021) argue that customer relationship management led to the bank's competitive advantage by identifying and developing mutually beneficial relationships through value addition and individualised services provided to the bank customers.

In Ghana, Teye (2020) and Armah and Attafuah (2020) indicated that customer orientation and relationship management were associated with commercial bank competitiveness. In this context, Abemasiese (2019) asserted that Customer Relationship Management (CRM) impacted the commercial banks' competitiveness in Ghana through their impact on customer loyalty and value. Additionally, CRM as a facet of customer intimacy strategy was thus found to impact the commercial bank's organisational competitiveness through strengthening relationships. This enabled customer value, loyalty, and retention.

Within the Kenyan context, diverse scholars such as Thuita and Njeru (2021), Ngunjiri and Kago (2018), as well as Kipng'etich and Chepkilot (2018) have indicated the need for Kenyan banks to develop organisational competitiveness. According to Kabiru (2021), the need for banks to gain competitiveness in Kenya is influenced by the increasingly competitive banking environment in Kenya, which is characterised by changing demographics and customer needs and changing competitor strategies in the sector. Thuita and Njeru (2021) further mention that increasing improvement in the offered banking products, changing brand image, and increasing adoption of new technologies require commercial banks to reinvent themselves to achieve organisational competitiveness continuously. Muhumed (2018) lists other factors leading to the need for competitive strategies within the Kenyan context: diverse aggressive sales and marketing amongst the various banks, product development, continuous product and process innovation, and product duplication. Mutisya (2020) has linked strategic corporate social responsibility to the competitiveness of banks; Gichovi (2019) linked strategic planning to the competitiveness of family bank; Kabiru (2021) examined dynamic, innovative capabilities to the competitiveness of SBM bank in Kenya; Mwangi (2020) looked at electronic banking strategies and Gekonde (2020) looked at the customer Value disciplines strategies on driving competitive strategies at I&M bank.

**Objective of the Study**

To evaluate the influence of customer intimacy strategy on organisations' competitiveness in the tier III category of Commercial Banks in Kenya

**Research Hypothesis**

$H_0$: There is no statistically significant influence of customer intimacy strategy on the organizational competitiveness of the tier III category of commercial banks in Kenya.

**Empirical Literature**

Customer intimacy strategy is one of the value discipline strategies that this study theorises to influence organisational competitiveness. The study conducted by Mulia et al. (2020) examined the role of customer intimacy strategy in increasing customer loyalty within Islamic banks through the deployment of electronic and mobile banking strategies in Indonesia and collected data through self-administered questionnaires distributed to the country's customers. It was found that the customer intimacy strategy directly impacted customer loyalty through the adoption of mobile and electronic banking strategies. This was attributed to the customer intimacy strategy impacting customer loyalty of the Islamic bank customers through the importance and comfort of using mobile and electronic banking models. Customer loyalty was increased through improved customer-reported electronic and mobile banking technology approval.

The findings by Mulia et al. (2020) link the customer intimacy strategy and customer loyalty of mobile and electronic banking users of Islamic bank customers to these banking models' perceived use and usefulness. These findings were consistent with the wider empirical literature on adopting mobile and electronic banking models. In this context, Saputra and Rekarti (2021) link the perceived usefulness, perceived ease of use, and perceived security aspects with the adoption of mobile banking in Indonesia. On the other hand, Marliyah et al. (2021), and Sari et al. (2019) link service quality and customer satisfaction with mobile banking usage. The adoption and utilisation of electronic banking have further been perceived as a source of competitive advantage through the improvement of customer satisfaction, as noted by Ngaida (2020) in the Tanzanian banking sector, NweFpa et al. (2020) in Nigeria, and Zewge (2021) in respect to Hibret bank.

Within the context of Pakistan commercial banks, Hussain and Siddiqui (2021) examined the role of customer intimacy strategy on customer loyalty and intention to leave among customers of Islamic banking. The study conducted a survey and collected data from 310 respondents using close-ended questionnaires. The study viewed the customer intimacy strategy as involving close and mutual understanding and a shared value perception between an organisation and its clients. The study found that customer intimacy strategy within Islamic banking led to the development of customer trust in the bank. The link between customer intimacy strategy and trust found in this study by Hussain and Siddiqui (2021) appears bi-directional in the wider empirical literature.

In this context, Dahliani and Istifadah (2021) undertook a study that examined the role of customer intimacy strategy as a predictor of customer trust, customer loyalty, and customer satisfaction within Islamic banks in Indonesia and used 140 respondents. The study found that customer intimacy strategy statistically influenced trust, customer loyalty, and customer satisfaction. This was attributable to diverse components of the customer intimacy strategy aspects. The study argued that the customer intimacy strategy minimises conflicts between the organisation and its clients and utilises the provided customer details to provide services and products that help meet the customer's needs and adequately resolve any complaints they might have. While the study by Hussain and Siddiqui (2021) linked the customer intimacy strategy to customer trust, the study by Qadir et al. (2020) alludes to the interrelationship between customer trust, customer commitment, customer loyalty, and customer intimacy strategy.

**Conceptual Framework**

According to Gathii et al. (2019), the conceptual framework refers to the diagrammatic representation of the relationships between variables in a study. The conceptual framework in Figure 1 depicts the relationship between operational excellence and organisational competitiveness. Customer intimacy is also critical for Tier III commercial banks in Kenya. Banks can build strong relationships with their customers by understanding their customer's needs and preferences and tailoring their products and services to meet those needs. Evaluating customer relationship management practices, such as customer segmentation, profiling, and satisfaction surveys, is vital for assessing the effectiveness of customer intimacy strategies. Banks that excel in these areas are more competitive as they can offer personalised services that meet their customers' needs.

Organisational competitiveness hinges on cost efficiency, process efficiency, and customer retention. Cost efficiency entails optimising resources and achieving economies of scale through budgeting and strategic partnerships. Process efficiency involves streamlining workflows, embracing automation, and fostering a culture of continuous improvement. Customer retention relies on delivering personalised experiences, excellent service, and value-added benefits to build loyalty and trust. These dimensions collectively contribute to an organisation's ability to achieve its objectives at minimal cost, deliver products or services efficiently, and retain customers over time. By prioritising cost control, process optimisation, and customer-centric strategies, organisations can enhance their competitiveness, drive profitability, and sustain growth in dynamic market environments.

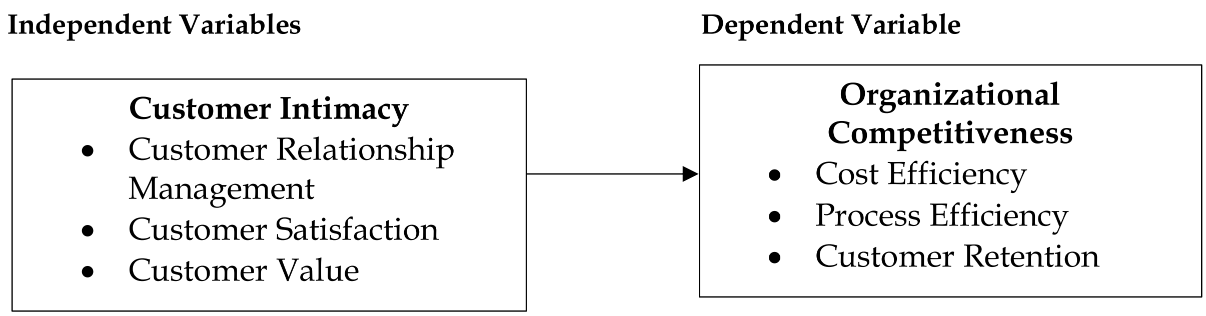


**Figure 1:** Conceptual Framework
Source: Researcher (2024)

The provided indicators are crucial for assessing the competitiveness of Tier III commercial banks in Kenya.

**Research Methods**

This study used the pragmatism research philosophy, which is interested in using practical guidelines and strategies to achieve the research objectives (Ramos, 2019). The pragmatism research philosophy was used to achieve the research objectives and thus utilised both the qualitative and quantitative research approaches. This enabled the researcher to examine the influence of the value discipline strategies on the organisations' competitiveness in the tier-III category of commercial banks in Kenya.

The researcher adopted a descriptive research design described by Ramos (2019), who posits that descriptive research refers to a research design in which the researcher collects the research data at a point in time and reports it without any manipulation. Customer intimacy was examined as they existed on the ground without any manipulation. The unit of analysis of this study is the tier III commercial banks in Kenya. The unit of observation of this study was the middle and senior management staff in charge of operations, customer service, marketing, finance, and product design aspects. The target population is shown in Table I below.

**Table 1:** Target Population

| Population Members | Population Size | Percentage |
|---|---|---|
| Operations Management Staff | 359 | 34.9% |
| Customer Service Management Staff | 267 | 25.9% |
| Marketing Management Staff | 144 | 14.0% |
| Finance Management Staff | 175 | 17.0% |
| Product Design Management Staff | 82 | 8.2% |
| **Total** | **1027** | **100%** |

Source: Central Bank of Kenya (2023)

The researcher calculated the sample size to be used in the study using the Yamane (1967) sampling formula which is as follows;

$$n=\frac{N}{1+N(e^2)}$$

Where n is the desired sample size, N is the target population size, and e is the margin of error. The sampling size was calculated as follows.

$n=\frac{N}{1+N(e^2)}=\frac{1027}{1+1027(0.05^2)}$ = 288 respondents

The study used a sample size of 288 respondents. Having determined the sampling size, the researcher used a proportionate stratified random sampling process. This study used the stratification based on the functions of the management staff: operations, finance, products, marketing, and customer service, since members of these subgroups of respondents undertake different functions and are non-overlapping. The advantage associated with proportionate stratified random sampling is the improvement in the sample's representativeness (Fain, 2020). The proportionate stratified random sampling was undertaken in the following manner.

**Table 2;** Sample Size

| **Members** | **Proportionate Distribution** | **Sample Size** |
|---|---|---|
| Operations Management Staff | (34.9%) *288 | 101 |
| Customer Service Management Staff | (25.9%) *288 | 75 |
| Marketing Management Staff | (14.0%) *288 | 40 |
| Finance Management Staff | (17.0%) *288 | 49 |
| Product Design Management Staff | (8.2%) *288 | 23 |
| **Total** | | **288** |

This study collected data using semi-structured questionnaires and interview guides. Using two research instruments for data collection enabled the triangulation of the research findings. According to Flick (2020), triangulation enables the cross-validating of the information obtained through one research instrument against those obtained from another, improving validity. The five-point Likert scale was used to construct the multi-item questions for measuring the latent variables.

The study also used a semi-structured interview guide to collect data. According to Gathii et al. (2019), semi-structured interviews refer to questions to be asked and answered verbally, where each of the respondents is asked a series of standard questions but additionally asked individual questions that are dependent on their responses. The semi-structured interviews aid in further triangulating research findings from the semi-structured questionnaires. The semi-structured interview guide was used on selected managers within the organisation.

Thematic analysis was employed as a suitable approach to analyse the data collected through the interview guide for the research objectives. Using thematic analysis involves identifying and analysing patterns, themes, and concepts within the qualitative data to gain insights and understand the underlying meanings and experiences shared by the participants.

**Data Analysis**

This section focuses on evaluating the effectiveness of the Customer Intimacy Strategy in tier III commercial banks. Participants responded to statements assessing various aspects, such as customer satisfaction with electronic banking products, efforts to enhance customer ease of use, alignment of electronic banking products with customer needs, cultivation of long-term customer relationships, utilisation of customer insights in product and process development, client segmentation for tailored services, innovation in service provision, customer-centricity in strategy development, and comprehensive resolution of customer complaints. The results are presented in Table 3 below.

*Table 3: Customer Intimacy Strategy*

| | NE Freq % | SE Freq % | ME Freq % | LE Freq % | VLE Freq % | Mean | Std.Dev |
|---|---|---|---|---|---|---|---|
| We examine customer satisfaction levels with our available alternative banking channels such as electronic banking products | 0<br>0.0% | 10<br>4.2% | 52<br>21.7% | 110<br>45.8% | 68<br>28.3% | 3.9833 | .81803 |
| We strive for the customer ease of use with our available alternative banking channels such as electronic banking products | 0<br>0.0% | 28<br>11.7% | 44<br>18.3% | 86<br>35.8% | 82<br>34.2% | 3.9250 | .99507 |
| We always ensure that the available electronic banking products can meet the customer's needs | 14<br>5.8% | 33<br>13.8% | 127<br>52.9% | 63<br>26.2% | 3<br>1.2% | 3.0333 | .82769 |
| We always cultivate ongoing long-term relationships with our customers | 12<br>5.0% | 40<br>16.7% | 56<br>23.3% | 89<br>37.1% | 43<br>17.9% | 3.4625 | 1.11600 |
| We often utilize the insights gained from the relationship with our customers in product development | 35<br>14.6% | 49<br>20.4% | 84<br>35.0% | 60<br>25.0% | 12<br>5.0% | 2.8542 | 1.10513 |
| We often utilize the insights gained from the relationship with our customers in bank process development | 0<br>0.0% | 31<br>12.9% | 124<br>51.7% | 58<br>24.2% | 27<br>11.2% | 3.3375 | .84255 |
| Our bank deploys segmentation of clients with a view of providing them with tailored products and services | 2<br>0.8% | 42<br>17.5% | 80<br>33.3% | 91<br>37.9% | 25<br>10.4% | 3.3958 | .92251 |
| Our bank creates innovative services to meet our customer needs and requirements | 7<br>2.9% | 25<br>10.4% | 85<br>35.4% | 81<br>33.8% | 42<br>17.5% | 3.5250 | .99339 |
| We are customer-centric in strategy development within our bank | 0<br>0.0% | 31<br>12.9% | 65<br>27.1% | 77<br>32.1% | 67<br>27.9% | 3.7500 | 1.00418 |
| In our bank, we always resolve customer complaints comprehensively | 0<br>0.0% | 24<br>10.0% | 63<br>26.2% | 120<br>50.0% | 33<br>13.8% | 3.6750 | .83503 |
| Average | | | | | | 3.5341 | 0.8459 |

The Customer Intimacy Strategy is assessed with a mean (M) of 3.5341 and a standard deviation of 0.8459. The mean score of 3.5341 indicates moderate agreement among respondents, suggesting a generally positive sentiment toward the Customer Intimacy Strategy. This score above the scale's midpoint indicates an overall favourable perception. The standard deviation of 0.8459 signifies a relatively low to moderate level of variability in responses, indicating that while there is a moderate level of agreement on average, individual responses exhibit some degree of dispersion around the mean. This implies that while the Customer Intimacy Strategy is generally viewed positively, there is still some diversity in respondents' opinions or experiences with this specific strategy.

Assessing customer satisfaction levels with alternative banking channels, particularly electronic banking products, provides valuable insights into the operational dynamics of Tier III commercial banks in Kenya. Respondents expressed diverse opinions on the effectiveness of these channels, as evidenced by the mean score of (M=3.9833, SD=0.81803). This nuanced perspective may be attributed to variations in the functionality and accessibility of electronic banking products across different banks.

To comprehend the observed results, exploring existing literature that underscores the importance of electronic banking channels in shaping customer satisfaction within the banking sector is crucial. Chipwatanga and Kaira (2019) highlighted the transformative role of electronic banking in enhancing customer experience and operational efficiency. The observed mean score suggests that while some customers may find electronic banking channels satisfactory, others may perceive room for improvement. This aligns with the findings of Saputra and Rekarti (2021), who emphasised the need for continuous enhancement of electronic banking services to meet evolving customer expectations.

In evaluating customer ease of use with available alternative banking channels, the mean score of (M=3.9250, SD=0.99507) indicates moderate agreement among respondents. This opinion diversity may be rooted in differences in user interfaces and accessibility features across electronic banking platforms. On the other hand, one of the interviewees noted that;

> *Striving for customer ease of use is embedded in our approach to alternative banking channels. Whether navigating our online platforms or conducting transactions through mobile banking, we focus on simplicity and convenience. We understand that user-friendly interfaces are key to a positive customer experience, and this guides our continuous efforts to enhance accessibility.*

The literature supports the significance of user-friendly interfaces in ensuring a positive customer experience (Saputra & Rekarti, 2021). The observed results underscore the importance of banks focusing on optimising the usability of their electronic banking products to enhance customer satisfaction.

An examination of ensuring that available electronic banking products meet customer needs reveals a mean score of (M=3.0333, SD=0.82769), suggesting moderate agreement. This implies varying perspectives on aligning electronic banking products with customer expectations. The interviewees noted the following:

> *Ensuring that our electronic banking products meet customer needs is a fundamental aspect of our strategy. We regularly evaluate customer expectations and align our offerings accordingly. This customer-centric approach drives our product development, ensuring that our electronic banking solutions resonate with the diverse needs of our customer base.*

> *Our bank prioritizes aligning electronic banking products with customer needs. We conduct thorough assessments to understand evolving customer expectations, allowing us to adapt and enhance our offerings. This proactive approach ensures that our electronic banking products remain relevant and valuable in meeting our customers' dynamic needs.*

The literature emphasises the pivotal role of customer-centric product development in driving satisfaction (Ngaida, 2020). The observed diversity in responses highlights the need for banks to continuously evaluate and adapt their electronic banking offerings to address evolving customer needs, aligning with the findings of Mulia et al. (2020).

The commitment to cultivating ongoing long-term relationships with customers, as reflected in the mean score of (M=3.4625, SD=1.11600), indicates moderate agreement among respondents. This suggests that while banks recognise the importance of relationship-building, there may be variations in the strategies employed to foster long-term customer connections. The literature supports the significance of sustained relationships in driving customer loyalty and satisfaction (Hussain & Siddiqui, 2021). The observed results call attention to the need for banks to adopt comprehensive relationship management strategies to ensure sustained customer engagement.

Utilising insights gained from customer relationships in product development, with a mean score of (M=2.8542, SD=1.10513), reveals moderate agreement. While some banks actively incorporate customer feedback into product development, others may not fully leverage these insights. On the other hand, it was noted from the interviews that;

> "*Utilizing insights gained from customer relationships is a cornerstone of our product development philosophy. Our customers' perspectives are invaluable, and their feedback directly influences our innovation pipeline. By actively incorporating customer insights, we ensure that our products meet and exceed expectations.*"

The literature emphasises the importance of customer-driven innovation in creating products that resonate with the target audience (Wahyu & Sigit, 2019). The observed variance suggests an opportunity for banks to enhance their responsiveness to customer insights, aligning with the findings of Saputra and Rekarti (2021).

Utilising insights gained from customer relationships in bank process development, the mean score of (M=3.3375, SD=0.84255) suggests moderate agreement. Banks may have differing approaches to incorporating customer perspectives into their operational processes. The literature supports that customer-centric processes enhance operational efficiency and customer satisfaction (Marliyah et al., 2021). The observed results underscore the need for banks to align their operational processes with customer expectations to drive overall satisfaction.

The deployment of client segmentation to provide tailored products and services, with a mean score of (M=3.3958, SD=0.92251), suggests moderate agreement. This implies that while some banks actively employ segmentation strategies, others may not fully leverage the benefits of customisation. The literature underscores the significance of tailoring offerings to specific customer segments to enhance satisfaction and loyalty (Wahyu & Sigit, 2019). The observed diversity in responses suggests an opportunity for banks to refine their segmentation approaches for more targeted service delivery.

Creating innovative services to meet customer needs and requirements, with a mean score of (M=3.5250, SD=0.99339), indicates moderate agreement. This suggests that banks may have varying levels of emphasis on innovation in service development. The interviewees also noted that;

> *Innovation in service creation is ingrained in our approach to meeting customer needs. We actively seek opportunities to introduce new, impactful services that address emerging customer requirements. Our commitment to innovation positions us as a bank that understands current needs and anticipates and meets future expectations.*
>
> *Creating innovative solutions to meet evolving customer needs is at the heart of our service strategy. Whether it's pioneering digital services or introducing unique financial products, our bank prioritises forward-thinking initiatives. This focus on innovation ensures that we remain at the forefront of the industry, consistently delivering value to our customers.*

The literature emphasises the role of innovation in maintaining competitiveness and meeting evolving customer expectations (Fatonah & Haryanto, 2021). The observed diversity in responses highlights the need for banks to prioritise innovation as a key component of their operational strategy, aligning with the findings of Ingsih et al. (2021).

The customer-centric approach in strategy development within the bank, with a mean score of (M=3.7500, SD=1.00418), indicates moderate agreement. This suggests that while banks recognise the importance of customer-centric strategies, there may be variations in how these strategies are embedded in overall organisational strategies. The literature underscores the significance of aligning strategic objectives with customer needs for sustained competitiveness (Ngaida, 2020). The observed results call attention to the need for banks to integrate customer-centricity more explicitly into their strategic planning processes.

Lastly, the resolution of customer complaints comprehensively, with a mean score of (M=3.6750, SD=0.83503), indicates moderate agreement. This implies that while banks acknowledge the importance of comprehensive complaint resolution, there may be variations in the effectiveness of their complaint management systems. This was in line with the interviews of the study;

> *The comprehensive resolution of customer complaints is a non-negotiable aspect of our customer service ethos. We view every complaint as an opportunity to improve and showcase our commitment to customer satisfaction. Our dedicated resolution mechanisms address immediate concerns and contribute to the overall enhancement of our services.*

The literature emphasises the critical role of responsive complaint resolution in maintaining customer trust and satisfaction (Saputra & Rekarti, 2021). The observed diversity in responses suggests an opportunity for banks to enhance their complaint resolution mechanisms for improved customer satisfaction.

***Regression Analysis***

The primary focus of this study was to examine how the Customer Intimacy Strategy impacts the competitiveness of organisations. Utilising a simple linear regression analysis, the researcher concentrated on the predictor variable, Customer Intimacy Strategy, and its correlation with the dependent variable, Organisational Competitiveness. The ensuing analysis led to crucial findings, shedding light on the intricate dynamics between strategies centred around customer intimacy and organisational competitiveness. The results are shown in Table 4 below.

*Table 4: Model Summary of Customer Intimacy*

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .822[a] | .675 | .674 | .37856 |

a. Predictors: (Constant), Customer Intimacy Strategy

The calculated R-value of 0.822 implies a robust positive correlation between the Customer Intimacy Strategy and Organizational Competitiveness. This indicates that organisations emphasising customer intimacy witness a notable positive shift in their competitiveness. This finding resonates with a study by Mulia et al. (2020), which explored the impact of customer intimacy on customer loyalty within Islamic banks. The alignment of this study's emphasis on the positive correlation between the Customer Intimacy Strategy and Organizational Competitiveness with Mulia et al.'s (2020) findings strengthens the credibility of the results.

It suggests that fostering a customer-focused approach is pivotal for enhancing organisational competitiveness; a sentiment echoed in a comparable study by Hussain and Siddiqui (2021).

Expanding on this understanding, the coefficient of determination, or R Square, assumes significance. R Square elucidates the proportion of variability in the dependent variable (Organizational Competitiveness) explained by the independent variable (Customer Intimacy Strategy). With an R Square of 0.675, approximately 67.5% of the variability in Organizational Competitiveness is attributable to the Customer Intimacy Strategy.

This underscores the substantial contribution of a customer-focused approach to observed variances in organisational competitiveness. Comparatively, Treacy and Wiersema's (1995) Value Disciplines Theory also highlights the importance of customer intimacy for achieving sustainable competitive advantages. The present study's results reinforce the theoretical foundations, providing empirical evidence for the strategic relevance of customer-focused approaches in fostering organisational competitiveness. Moreover, it aligns with Mulia et al.'s (2020) findings, indicating a shared recognition of the significant impact of customer intimacy on organisational outcomes.

*Table 5: ANOVA of Customer Intimacy*

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 70.878 | 1 | 70.878 | 494.589 | .000[b] |
| | Residual | 34.107 | 238 | .143 | | |
| | Total | 104.985 | 239 | | | |

a. Dependent Variable: Organizational Competitiveness
b. Predictors: (Constant), Customer Intimacy Strategy

The ANOVA results proved highly significant ($F(1, 238) = 494.589$, $p < .001$), signifying that the regression model, incorporating the Customer Intimacy Strategy, outperforms a model devoid of predictors. This suggests that the observed relationship is not merely a result of chance.

*Table 6: Coefficients of Customer Intimacy*

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .553 | .136 | | 4.069 | .000 |
| | Customer Intimacy Strategy | .851 | .038 | .822 | 22.239 | .000 |

a. Dependent Variable: Organizational Competitiveness

Shifting the focus to the individual effects of the Customer Intimacy Strategy, the t-statistic played a crucial role, yielding a value of 22.239 with a p-value of < .05, denoted as ($t(238) = 22.239$, $p < .001$). The p-value associated with the t-test for the Customer Intimacy Strategy was less than 0.05, signifying its significance. Consequently, the researchers concluded that the Customer Intimacy Strategy, as a predictor variable, independently contributes to the observed variance in Organisational Competitiveness. This finding is consistent with other findings in the wider literature review. In a study by Hussain and Siddiqui (2021), customer intimacy within Islamic banking led to the development of customer trust, a factor integral to enhancing organisational competitiveness. The results align with this, emphasising the significant individual contribution of the Customer Intimacy Strategy. This consistency across studies provides a robust foundation for asserting that a customer-focused strategy drives organisational competitiveness.

Delving into the implications of the predictor variable, both unstandardised and standardised beta coefficients underwent scrutiny. The unstandardised beta coefficient for the Customer Intimacy Strategy was established at 0.851, signifying the anticipated change in Organisational Competitiveness for every one-unit increase in the Customer Intimacy Strategy.

Simultaneously, the standardised beta coefficient (Beta), computed at 0.822, offered insights into the strength and direction of the relationship in standard deviation units. The unstandardised beta coefficient provides a tangible and interpretable measure of the magnitude of the effect of the Customer Intimacy Strategy. A value of 0.851 suggests that, for every incremental unit improvement in the Customer Intimacy Strategy, Organisational Competitiveness was expected to increase by 0.851 units. This tangible understanding of the effect's magnitude is particularly valuable for practitioners seeking actionable insights, providing a clear guideline for enhancing organisational competitiveness through improvements in the Customer Intimacy Strategy.

The current study aligns with theoretical frameworks such as Treacy and Wiersema's (1995) Value Disciplines Theory in the broader context of existing literature. This theory underscores the importance of customer intimacy for achieving sustainable competitive advantages. The results of this study reinforce the theoretical foundations, providing empirical evidence for the strategic relevance of customer-focused approaches in fostering organisational competitiveness.

In conclusion, the study sheds light on the pivotal role of the Customer Intimacy Strategy in shaping Organisational Competitiveness. The robust correlation and substantial explanatory power position customer intimacy as a key driver of success for organisations. The findings provide actionable insights for decision-makers aiming to enhance their competitiveness through a customer-centric approach.

**Conclusions**

The study underscores the significant impact of the Customer Intimacy Strategy on enhancing Organisational Competitiveness within tier III commercial banks in Kenya. Through comprehensive data analysis, including descriptive statistics and regression modelling, the study reveals moderate agreement among respondents towards various aspects of the Customer Intimacy Strategy, indicating a generally positive sentiment. The regression analysis further establishes a robust positive correlation between the Customer Intimacy Strategy and Organisational Competitiveness, with customer-focused approaches contributing substantially to organisational success. These findings align with existing literature, highlighting the strategic relevance of customer-centric strategies in driving sustained competitiveness. Overall, the study provides valuable insights for banking decision-makers, emphasising the importance of prioritising customer intimacy to achieve long-term success and maintain a competitive edge in the market.

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