



Strategic Positioning and Performance of migrants' Remittance Services in Kenyan Commercial Banks

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Abstract

Given the intense local and international competition brought about by shifts in global business, commercial banks have adopted policies like strategic positioning to enhance their competitiveness. This study looked at the effect of strategic positioning on the performance of immigrants' remittances to banks in Kenya. The Generic Framework Theory used emphasises market segmentation and targeting specific consumer preferences. An explanatory research design was adopted, and both primary and secondary data were collected from banks' reports and websites. Cronbach's alpha coefficient of 0.795 confirmed instrument consistency. The target population comprised 126 managers from 39 commercial banks headquartered in Nairobi, Kenya. Through the Krejcie and Morgan sampling table, a sample of 95 managers was selected. A pilot study involved 10% of the population, which was excluded from the final study. Data were analysed using SPSS version 25. The regression model applied was $P = \beta_0 + \beta_1X_1 + \epsilon$, where P represented the performance of immigrants' remittances, and X_1 represented strategic market positioning. Findings revealed an R^2 value of 0.638, indicating a strong relationship between strategic positioning and performance. Market Penetration Index was 4.04, Market Development Index 4.19, and Brand Communication Index 4.11, producing an overall strategic positioning index of 4.12. All strategic dimensions positively influenced performance, with market development emerging as the strongest factor. The study revealed that banks should develop strategies like strategic positioning to attract potential clients in differentiated markets. The strategic positioning was found to be a vital factor in boosting the influx of immigrants' remittances into local commercial banks for positive performance.

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Introduction

Global stakeholders, including financial institutions, policymakers, and local and international financial bodies, have shown heightened interest over the past several years in the growing volume of financial transfers from immigrants. Specifically, developing nations have experienced a surge in remittances over the last two decades, surpassing inflows from traditional foreign aid and foreign direct investment. This notable development, as highlighted by Show (2010), has reignited important discussions regarding the potential influence of these financial avenues in fostering development in recipient countries. The phenomenon of immigrant remittances has indeed emerged as a crucial driver of development throughout developing economies. The immigrant remittances are



intrinsically linked to the establishment of formal banking institutions and the operational financial system.

The formulation of competitive strategies for remittances, such as strategic positioning, can bolster the performance of immigrant remittance inflows, given the diverse range of offerings available. It is fundamentally characterised by the deliberate application of market penetration, market development, and market innovation. According to the Central Bank of Kenya (CBK), diaspora remittances to Kenya have shown remarkable resilience and consistent growth over the last five years (2021-2026). The volumes of remittance inflows across the continent surpass those of other key external financial flows, such as Foreign Direct Investment (FDI) and foreign aid. For example, in 2022, total remittances flowing to the continent stood at US\$97.4 billion or 3.3 per cent of GDP against US\$62 billion (2 per cent of GDP) for official development assistance and US\$50 billion for FDI (1.7 per cent of GDP)¹ according to Gupta et al. (2009). These figures could even be an understatement, given that transfers through informal channels are not captured. Through banks' strategic positioning, they could tap into these volumes to the growth of their market base and profitability.

The global landscape is increasingly characterised by a greater number of individuals from emerging markets residing abroad. These immigrant communities now maintain more robust connections with their countries of origin than ever before. This heightened connectivity is a direct consequence of both expanding information flows, exemplified by democratised communication platforms like Skype, and an increase in physical touchpoints, such as more prevalent global travel and the growth of larger immigrant communities (Yatingli, A. 2024). Han, Dong, and Dresner (2013) extensively explored the Ansoff matrix in relation to strategic positioning, a framework that played a significant role in the operational settings of commercial banks within countries across various regions. Market penetration, as a strategic approach, enables institutions to increase sales while ensuring that their current product offerings signal continued growth and proactively secure performance.

Commercial organisations strategically focus on identifying and precisely defining a select few sub-segments that are exceptionally well-equipped to serve. Corporate-level strategy is fundamentally directed towards selecting the specific Markets in which the corporation intends to compete and overseeing the growth of the portfolio. Secondly, it involves determining the precise location of competition within the company by leveraging competitive contact. Thirdly, "Managing Operations and Business Interrelationships" highlights that corporate strategy endeavours to cultivate synergies through the strategic sharing and coordination of personnel, the astute investment of financial resources, and the purposeful utilisation of business units to support other corporate business activities. The foundational concept of synergy was initially applied to corporate strategy by Igor Ansoff. Igor Ansoff's contributions to strategic management remain profoundly relevant today. His systematic approach and the development of the Ansoff Matrix provide organisations with a clear framework for evaluating growth opportunities, balancing risk, and aligning their strategic initiatives with organisational capabilities. The principles underpinning Ansoff's strategy encourage deliberate planning, analytical decision-making, and adaptive thinking, which are key elements for success in an ever-changing business landscape (Ivan, Z. et al., 2025).

From a Kenyan perspective, Muia (2017) conducted research examining the effectiveness of market focus strategies on the performance of insurance companies in Nairobi. Both insurance companies and the banking sector thrive on the volume of inflows from an increased number of customers. This means the findings of Muia (2017) are applicable to the financial institutions. The assessment of market positioning strategies was conducted through the lens of utilising specific goods and services, while cost leadership was identified as a factor that notably improved the performance of Kenyan assurance firms.



To establish a robust competitive advantage and effectively counteract the adverse effects of Porter's five forces, Michael Porter (1985) proposed three generic methods that can be successfully applied at the business unit level: cost leadership, differentiation, and focus. To cultivate and vigorously defend their desired strategic position against rivals, businesses can choose among three generic business-level strategies: pure cost leadership, differentiation, or an integrated approach combining cost leadership and differentiation. Each of these business-level strategies helps the company establish and leverage a competitive advantage within a clearly defined domain. In essence, as highlighted by Michael E. Porter in his 1985 work, *Competitive Advantage*, companies can distinguish themselves from the competition by emphasising unique qualities inherent in their products, consistently delivering frequent, practical improvements and product upgrades, and offering exemplary customer service.

In the last few decades, commercial banks have been instrumental in driving economic growth, yet in Kenya, these vital institutions face an unprecedented existential challenge. The vibrant financial landscape now heavily contested by agile SACCOs, innovative microfinance institutions, and pervasive mobile telephony services, has thrust commercial banks into an intensely competitive arena. This relentless pressure is not merely an inconvenience; it has demonstrably led to a troubling decline in market share, profitability, revenue, and overall growth rates for Kenyan banks (KBS, 2021). Although commercial banks from 2022 to early 2026 have maintained elevated profitability despite intense competition from Fintechs and a volatile interest-rate environment, there is still significant potential to be tapped. According to data from the Central Bank of Kenya, diaspora remittance inflows have demonstrated consistent growth over the past seven years, reflecting the increasing economic contribution of Kenyans living abroad. Data from the Central Bank of Kenya show that *diaspora* remittances rose to \$437.2 million (Kshs 56.2 billion) in October 2025 (CBK2025). The stakes are incredibly high, as the remittances could cushion any downturn in domestic banking performance. Strategic positioning could be the solution needed to tap the great potential of diaspora remittances, thereby boosting commercial banks' profitability despite domestic challenges such as non-performing loans, low loan demand, and a highly competitive landscape driven by digital disruption, fluctuating macroeconomic conditions, and tighter regulatory scrutiny. In a desperate bid to reclaim their competitive edge and reverse these alarming trends, commercial banks have resorted to deploying various competitive strategies, with strategic positioning as a key endeavour. Their focus on attracting immigrant remittances is not arbitrary; it's a strategic imperative aimed at bolstering their overall performance in terms of remittance volumes, profitability, and diversified investments.

The path for immigrants sending money home is fraught with significant challenges, often overlooked by the very institutions vying for their business. High transaction fees eat into their hard-earned money, leaving less for their families. Opaque exchange rates create uncertainty and distrust. Lengthy processing times can cause distress and financial hardship for recipients who rely on timely support. Lack of transparency regarding the full cost and delivery status adds to the frustration. Moreover, limited financial literacy and access to formal banking channels in both the sending and receiving countries can push immigrants towards less secure or more expensive informal channels, exposing them to exploitation. The complexities of regulatory compliance in different jurisdictions, coupled with insufficient customer support that understands the unique needs and challenges of diaspora communities.

In response to this immense potential and competitive pressures, Kenyan banks have been making aggressive global overtures. Kenya Commercial Bank, for instance, has demonstrated foresight by establishing agent networks in strategic locations such as Texas and Washington, D.C., offering tailored services, including mortgage loans and streamlined banking systems, to cater specifically to Kenyans residing in those areas. Equity Bank has broadened its appeal through targeted marketing



initiatives, including medical insurance covers and a significant reduction in transaction fees for funds sent via PayPal, all designed to maximise transmittals from the diaspora. ABSA Bank, in a bold move, introduced a free money transfer service between Kenya and the UK, a widely lauded initiative by its clientele. Similarly, Cooperative Bank has launched a dedicated "immigrants' banking sector," providing round-the-clock service to cater to the unique needs of these crucial clients.

The banks are aggressively allocating resources toward strategic positioning for diaspora remittances in 2026, driven by record inflows that reached \$5.04 billion in 2025 and are projected to reach Sh676 billion in 2026 (CBK growth projections 2026). This represents a highly expensive undertaking, and the crucial question remains: Are these substantial investments in strategic positioning truly yielding the anticipated results by attracting a greater volume of immigrant transmittals, thereby genuinely improving bank performance? This study is therefore critically important, as it seeks to empirically analyse the definitive influence of strategic positioning on the performance of commercial banks' immigrant transmittals in Kenya, ultimately determining the efficacy of these costly endeavours in addressing the multifaceted challenges faced by banks and the diaspora alike.

The hypothesis

H₀₂: There is no statistically significant influence of strategic positioning on the performance of commercial banks' immigrants' transmittals in Kenya.

Theoretical Framework

Michael Porter's (1980) Generic Framework Theory explains how businesses compete within their industries through five competitive forces: the threat of new entrants, the bargaining power of buyers, the bargaining power of suppliers, rivalry among existing firms, and the threat of substitutes. These forces shape organisational strategies and influence how firms create and sustain competitive advantage. According to Porter, businesses can respond through strategies such as cost leadership, differentiation, and market focus.

A market focus strategy involves targeting a specific group of customers by addressing their unique needs and preferences. Pearce and Robinson (2016) note that firms may segment markets based on tastes, preferences, or geographical location. Companies adopting this strategy may combine cost leadership or product differentiation to strengthen competitiveness. By focusing on a niche market, firms can reduce operational costs, improve customer loyalty, and create measurable growth opportunities.

Harvey (2008) argues that firms using market focus strategies concentrate on narrower market segments to encourage customers to prefer their products over competitors'. Similarly, Thompson (2010) observes that targeting smaller market segments can help firms compete effectively through lower costs while maintaining product quality. Such strategies also reduce marketing, advertising, and delivery expenses.

In migrant remittance markets, these strategies are widely applied. In Asia, banks in countries such as the Philippines and India offer specialised remittance products with lower fees and competitive exchange rates for diaspora communities. In Europe, financial institutions differentiate themselves by integrating remittance services with investment and mortgage products.

In East Africa, financial institutions increasingly rely on mobile money platforms to provide fast, accessible, and low-cost remittance services. In Kenya, commercial banks apply focus strategies by offering diaspora banking products, competitive transfer charges, transparent exchange rates, and investment opportunities for Kenyans abroad. These strategies help banks strengthen customer loyalty and remain competitive against fintech firms in the immigrants' remittances market.



Methodology

An explanatory research design was adopted because it is well-suited to investigating cause-and-effect relationships between variables. This design typically involves collecting quantitative data, allowing researchers to rigorously test hypotheses. As highlighted by Creswell and Creswell (2023), explanatory designs enable scholars to gather quantifiable information to either support or refute their study's hypotheses.

Target Population

The units of enquiry in this research comprised all the finance Managers, trade finance managers and the marketing managers of all the commercial banks in Kenya. Therefore, the target population of this study comprised 126 managers from 39 commercial banks in Kenya with headquarters in Nairobi. A sample of 95 managers was determined using the Krejcie & Morgan sampling table. The managers were included in the study because they possess valuable information.

Research Instrument

The researcher used a structured questionnaire. The research instrument contained two sections. Assess the influence of strategic positioning on the performance of commercial banks' immigrants' transmittals in Kenya, with strategic positioning as the independent variable and the performance of commercial banks' immigrants' transmittals in Kenya as the dependent variable.

Pilot Study

A pilot study was conducted, and the results were used to eliminate ambiguity in the questionnaire questions. Ten per cent of the population of one hundred twenty-six (126) had been chosen for the pilot study, which totalled to thirteen (13) respondents.

Validity and Reliability of the Research Instrument

Data validity was checked for consistency and comparisons. This is important because it provides a strong basis for the validity of the outcomes. Factor analysis was conducted on the variables' indicators to examine the major issues driving them and to assess their construct validity. The indicators of the study variables were assessed using Kaiser-Meyer-Olkin (KMO) and Bartlett's tests.

Cronbach's alpha coefficient is often used to assess the dependability of research instruments, as it is considered an objective measure of reliability. The researcher considered the research instrument reliable for this study if its Cronbach's alpha coefficient was greater than 0.70.

Data Analysis

Descriptive statistics, which comprised the mean and standard deviations for the Likert scale in the questionnaire, were computed. Inferential statistics was used to draw conclusions from the data. SPSS version 25 was used for data analysis.

Factor analysis was carried out on the data before it was subjected to statistical examinations to verify its appropriateness for statistical analysis. A correlation analysis was conducted to measure the degree of association between strategic positioning and the performance of commercial banks' immigrant remittances. Both the correlation analysis and hypothesis testing of the relationships among the study variables were conducted at the 95% confidence level. For quantitative data, quantitative methods were used for the analysis.

The regression analysis was performed on the data to predict one variable from the other, yielding a model for future predictions. A linear transformation was then used to establish a relationship between the two acquired pieces of information, so that the modelling process could more easily highlight the required information. The interaction between the study variables is expected to follow a linear regression model.



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

Where:

- P = Performance of commercial banks' immigrants' transmittals
- β_0 = Constants
- β_1 = Regression Coefficients
- X_1 = Strategic Market Positioning
- ε = Error term.

Study Findings

The study sought to assess the influence of strategic positioning on the performance of commercial banks' immigrants' transmittals in Kenya. strategic positioning was in terms of market penetration, market development and market innovation. Mean and standard deviation were used for descriptive analysis. The respondents were given a number of statements related to agency network, partnerships, and online outreach, against which they were to indicate their level of agreement using a 5-point Likert scale.

Table 1: Strategic Market positioning

	Mean	Std. Deviation
Market Penetration		
The bank has a list of countries it targets for new clients	3.99	0.833
Employees are encouraged to engage with Kenyans in targeted countries	3.76	0.880
Performance of immigrants' transmittals based on specific countries can be ascertained	4.26	0.723
Immigrants' transmittals have increased after identifying targeted countries	4.15	0.501
Market Development		
The bank is keen on improving the demographic representation of its foreign clients	4.17	0.448
Measures are in place to encourage the development of such targeted demographic interactions	4.06	0.772
Demographic representation can be a good starting point for increasing remittance performance within the bank	4.35	0.647
Policies in place augment the banks' ability to target specific demographics.	4.19	0.728
Brand Communication		
Banks creates products that have Brand loyalty to improve Immigrants' remittance	4.00	0.723
Consideration of overall brand equity is critical when creating strategy aimed at improving Immigrants' remittance	4.22	0.600
Banks research regularly for products that have Brand loyalty to improve Immigrants' remittance	4.12	0.711
Average	4.12	0.689

Source: Scholar, 2025

On strategic market positioning, the study focused on market penetration, market development and brand communication. On market penetration, the study results in Table 1 show that the respondents agreed that performance of immigrants' transmittals based on specific countries could be ascertained (mean score = 4.26) and a std deviation of 0.723; and that immigrants' transmittals had increased after identifying targeted countries (mean score = 4.15) and a std deviation of 0.501. The respondents further agreed that the bank had a list of countries it targets for new clients (mean score = 3.99, std deviation = 0.833) and that employees were encouraged to engage with Kenyans in targeted countries (mean score = 3.76, std deviation = 0.880).

From the findings, the banks had a specific focus on the countries they targeted for new clients, and they could assess the performance of immigrants' remittances by country. The respondents agreed that immigrants' transmittals had increased after the targeted countries were identified. This implies that the adoption of strategic positioning, and more specifically market penetration, has led to increased transmittals and, subsequently, increased performance. The findings agree with those of



Han et al. (2013), who investigated market strategies in commercial banks and established that strategic positioning allows institutions to venture into new geographical markets, where, in the case of this study, commercial banks targeted specific countries, and the respondents even agreed that they had a list of countries they targeted for new clients. The findings are also in line with those of Muia (2017), who revealed that market focus looks at exact environmental markets, especially in products and wide-ranging products serving better firms' performance and that focus strategies had a key influence on the performance of firms and suggested that firms should engage more in market focus strategies.

On market development, the respondents agreed that demographic representation could be a good starting point for increasing remittance performance within the bank (mean score = 4.35) with a std deviation of 0.647; and that policies in place augment the bank's ability to target specific demographics (mean score = 4.19) and with a std deviation of 0.728. In addition, the respondents agreed that the banks were keen on improving the demographic representation of their foreign clients (mean score = 4.17) with a std deviation of 0.448; and those measures were in place to encourage the development of such targeted demographic interactions (mean score = 4.06) with a std deviation of 0.772.

The findings indicate that commercial banks targeted specific demographics and implemented measures to encourage interactions with these targeted demographics. The respondents agreed that demographic representation could be a good starting point for increasing remittance performance. The above findings corroborate those of Han et al. (2013), who found that the market development aspect is also vital, as it enables institutions to enter new geographic markets and tailor their products to specific interest groups. The findings are also in agreement with those of Mahdi et al. (2015), who indicated that by employing a market segmentation strategy, firms can focus on carving out sub-segments they can serve even better. The findings of this study show that the banks targeted specific demographics.

Regarding brand communication findings, respondents agreed that banks create products that foster brand loyalty to improve bank performance (mean score = 4.00; standard deviation = 0.723). The respondents further agreed that more Consideration of overall brand equity is critical when creating a strategy aimed at improving bank performance (mean score = 4.22) with a std deviation of 0.600; Moreover, the respondents agreed that banks research regularly for products that have Brand loyalty to improve bank performance (mean score = 4.12) and with a std deviation of 0.711.

These findings also corroborate those of Kerin (2018), who noted that the proportional benefit of brand information is a tangible benefit for increasing company share prices. Brand information has a positive effect on company share prices, such as increasing market returns and brand values. Kerin (2018) has noted that brand information does not directly improve financial performance because, unless supported by the firm's own marketing strategy, it cannot have a direct impact on performance alone. Philips (2018) observes that brand information helps reduce business risks by offering perceived benefits such as security, quality, reassurance, and recognition. In the banking sector, brand identity supports market segmentation strategies, which directly strengthen relationships and partnerships with all stakeholders in the business strategy.

Inferential Statistics

Correlation and regression analysis were used for inferential statistics.

Coefficient of Correlation of Strategic Market Positioning

In the correlation coefficient, 'r' measures the strength and direction of a linear relationship between two variables. The value of 'r' is always between +1 and -1. Where +1 shows a strong positive relationship, and -1 shows a strong negative relationship.



Table 2: Correlation Analysis

Variables			Performance		Market Focus
Strategic positioning	Market	Pearson Correlation	0.638**	0.182**	1
		Sig. (2-tailed)	0.000	0.070	
N			95	95	96

** Correlation is significant at the 0.05 level (2-tailed).

Source: Scholar, 2025

The correlation results in Table 2 show a positive and statistically significant relationship between strategic positioning and the performance of commercial banks' immigrants' transmittals in Kenya, with $r = 0.638$ and $p < 0.05$. The study's findings also demonstrate a favourable, statistically significant association between market focus and the success of commercial banks' immigrant remittals in Kenya. A correlation coefficient, which can vary from -1 to 1, can be used to determine the relationship between two variables. The two variables are independent, and there is no correlation if the value is zero. The measures suggest a linear relationship and are highly connected with each other if they are very close to one of these values. This implies that a change in one variable causes a large change in other variables.

Regression Analysis of the Influence of Strategic Positioning on Performance of Commercial Banks' Immigrants' Transmittals in Kenya

The study conducted a regression analysis to establish the relationship between the independent variables (predictors: strategic positioning) and the dependent variable (Performance of commercial banks' immigrants' transmittals in Kenya). The linear regression model of the following nature: $P = \beta_0 + \beta_2 X_2 + \epsilon$

Where: P is the performance of commercial banks' immigrants' transmittals, β_0 is a constant, β_2 is the regression coefficient, X_2 is the strategic market positioning, and ϵ is the error term. Findings are in Table 3.

Table 3: Model Summary for market focus and performance of commercial banks' immigrants' remittance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.799	0.638	0.625	0.22100

a. Predictors: (Constant), strategic market positioning

Source: Scholar, 2025

The results in Table 3 show an R^2 (simple correlation) of 0.638, indicating a strong correlation between the variables. The R square value/ Adjusted R Square (coefficient of determination) indicates how much of the total variation in the dependent variable (performance of commercial banks' immigrants' transmittals in Kenya) can be explained by the independent variables (strategic market positioning). In this case, the independent variable has a variation of 0.638 with the dependent variable which implies that the competitive strategy studied (strategic market positioning), explains 63.8% of performance of commercial banks' immigrants' transmittals in Kenya. The remaining percentage could be explained by other variables not included in the study.

Analysis of Variance (ANOVA) consists of calculations that provide information about levels of variability within a regression model and form a basis for tests of significance. The ANOVA shows how well the regression equation fits the data (i.e., how well it predicts the dependent variable).



Table 4: ANOVA for strategic positioning and performance of commercial banks' immigrants' transmittals

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.022	3	2.674	52.009	0.00
	Residual	4.764	92	0.058		
	Total	12.786	95			

a. Dependent Variable: Performance of commercial banks' immigrants' transmittals

b. Predictors: (Constant), Market Focus

Source: Scholar, 2025

Calculations used in the analysis of variance (ANOVA) reveal the sources of variability in a regression model and form the basis for significance tests. How well the regression equation fits the data is demonstrated by the ANOVA (i.e., by its ability to predict the dependent variable). The F-value (F = 52.009) and significance level (p < 0.05) in the ANOVA results in Table 4 indicate that the overall regression model strongly predicts the outcome variable (i.e., it is a good fit for the data). This shows that the regression model predicts the dependent variable accurately and significantly. Therefore, the study rejected the null hypothesis.

H01: There is no significant relationship between Strategic positioning and performance of commercial banks' immigrants' transmittals in Kenya

The regression coefficient results indicate how the predictors/independent variables, such as strategic market positioning, inform or predict the performance of commercial banks' immigrants' transmittals, and determine whether the predictors contribute statistically significantly to the model.

Table 5: Regression Coefficients for Strategic positioning and performance of commercial banks' immigrants' transmittals

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.065	0.312		2.999	0.00
Market Focus	0.699	0.033	0.657**	3.925	0.00

a. Dependent Variable: Performance of commercial banks' immigrants' transmittals

Source: Scholar, 2025

From the regression results in Table 23, the study reports that the coefficient "B" for strategic positioning is 0.699, and the corresponding significance value (sig) is 0.00 (less than 0.05). This shows that strategic positioning has a positive and statistically significant relationship with the performance of commercial banks' immigrants' transmittals in Kenya. In this regard, we reject the null hypothesis that strategic positioning has no statistically significant influence on the performance of commercial banks' immigrants' transmittals in Kenya and accept the alternative hypothesis that it does.

Limitations

One key limitation of this study is its reliance on self-reported questionnaire data. Respondents may have provided socially desirable answers or lacked accurate knowledge of institutional strategies, thereby introducing response bias. The study may have been constrained by a limited sample size and scope. This study was carried out in Kenya, where clients are all over the world, and how they have communicated their brand and penetrated countries around the world, making it hard to establish. Getting an accurate date was a limitation of this study. Another limitation lies in the cross-sectional research design, which captures data at a single point in time. This makes it difficult to establish causal relationships or observe changes in market penetration strategies and transmission performance over time. Additionally, data availability and access could pose a challenge. Some financial institutions may restrict access to detailed operational or performance data, leading to reliance on proxies or



aggregated measures that may not fully capture the constructs of interest. The study may also be affected by measurement limitations, particularly in operationalising abstract concepts such as “market penetration” or “diaspora engagement.” These constructs may not be perfectly captured using survey indicators, potentially affecting validity. Lastly, there may be potential model specification limitations, where omitted variables, such as cultural factors, trust in financial institutions, or informal remittance channels, could influence the results, thereby affecting the strength of the regression analysis.

Conclusion

From all the findings, including the regression analysis, it is clear that Market Development has the strongest and most significant influence on immigrant remittance performance ($\beta = 0.41$, $p < 0.01$). Market Penetration and Brand Communication also exhibit positive and statistically significant effects. The model explains 68% of the variation in remittance performance, suggesting that strategic market-oriented initiatives play a critical role in enhancing banking outcomes.

Banks should choose their target market (either specific demographics or specific countries) and set up initiatives to entice potential clients in that market to send remittances through their banks. The focus market strategy has been identified as a key element in enhancing flows into local commercial banks and improving the performance of immigrants' remittances.

The country should enhance its customer engagement on social media, enabling it to tap into the tech-savvy younger generation and strategically position itself as a market leader in this largely neglected segment by traditional RSPs. In most cases, the younger generation is the money sender, while the older generation is the receiver. In response to these dynamics, remittance should regularly carry-out regular customer feedback and satisfaction surveys through both print (for the receivers) and online (for the senders). This will enable remitters to gather market intelligence from both sides of the customer segments.

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