



CUSTOMER CAPITAL AND INCOME DIVERSIFICATION: AN EMPIRICAL ANALYSIS

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Abstract

The purpose of this empirical study was to examine the relationship between customer capital and income diversification. The study used panel data extracted from annual financial reports from the period 2008-2017. The sample consisted of 31 commercial banks that yielded 310 year observations. Data collected was analyzed through descriptive and inferential statistics. The hypothesis was tested through multiple regression analysis. The results revealed that customer capital had a positive and significant influence on income diversification in Kenyan commercial banks. The study concluded that market knowledge resources are beneficial to a firm's diversification strategy.

Key words: Customer Capital, Income Diversification, Competitive Advantage, Banks