STRATEGY IMPLEMENTATION AND THE GROWTH OF SAVING AND CREDIT
COOPERATIVE SOCIETIES IN THARAKA NITHI COUNTY: A CASE OF TRANS
NATION SACCO

ELIZABETH KAGUURU MUCHOMBA
D53/OL/CTY/27159/2015

A PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS
FOR THE AWARD OF MASTERS OF BUSINESS ADMINISTRATION DEGREE
(STRATEGIC MANAGEMENT) SCHOOL OF BUSINESS OF
KENYATTA UNIVERSITY

November, 2018
DECLARATION

This project is my original work and has not been presented for a degree in any other University.

Signature: ……………………………………… Date: ………………………

Name: Elizabeth Kaguuru Muchomba
D53/OL/CTY/27159/2015

Declaration by the supervisor:

I confirm that the work in this project was done by the candidate under my supervision.

Signature: …………………… Date: ……………………….

Mr. James Oringo
School Of Business
Kenyatta University
DEDICATION

This project is dedicated to my family, all the business enterprises in Kenya, the management of the Trans Nation SACCO, and the students in the school of business.
I thank God for taking me through this project. My utmost appreciation is to my supervisor Mr. James Oringo for his priceless assistance, humility and patience. My special thanks to Walt and Frances Birchall and my guardians Joseph Kinyua and Mercy Kinyua. I also cannot forget to thank Margaret, Aurelia, Caroline, Blandina, and the rest of my family members and friends who encouraged and supported me. Finally, I appreciate the management and employees of the Trans Nation SACCO in Tharaka Nithi County for their cooperation.
# TABLE OF CONTENT

Declaration ........................................................................................................................................... ii  
Dedication ........................................................................................................................................... iii  
Acknowledgement ................................................................................................................................. iv  
Table of Content ................................................................................................................................. v  
List of Tables ......................................................................................................................................... viii  
List of Figures ......................................................................................................................................... ix  
Operational Definition of Terms ........................................................................................................ x  
Abbreviations and Acronyms .............................................................................................................. xi  
Abstract ............................................................................................................................................... xii  

## CHAPTER ONE: INTRODUCTION ................................................................................................. 1  
1.1 Background of the Study .............................................................................................................. 1  
1.1.1 Strategy Implementation .......................................................................................................... 3  
1.1.2 Growth of SACCOs ................................................................................................................. 6  
1.1.3 SACCO Societies ..................................................................................................................... 7  
1.1.4 Trans-Nation SACCO ............................................................................................................. 8  
1.2 Statement of the Problem ............................................................................................................ 9  
1.3 Objectives of the Study ................................................................................................................ 12  
1.4 Research Questions ..................................................................................................................... 12  
1.5 Significance of the Study ............................................................................................................. 12  
1.6 Scope of the Study ....................................................................................................................... 13  
1.7 Limitations of the Study .............................................................................................................. 13  
1.8 Organization of the Study ........................................................................................................... 14  

## CHAPTER TWO: LITERATURE REVIEW .................................................................................... 15  
2.1 Introduction ............................................................................................................................... 15  
2.2 Theoretical Review .................................................................................................................... 15  
2.2.1 Contingency Theory .............................................................................................................. 15  
2.2.2 Resource Based View ............................................................................................................. 16  
2.2.3 Porter’ Theory of Competitive Advantage ............................................................................ 18  
2.3 Empirical Review ....................................................................................................................... 19  
2.3.1 Product Development Strategy and Growth of SACCOs ................................................... 19  
2.3.2 Market Development Strategy and Growth of SACCOs ................................................... 22  
2.3.3 Direct Sales strategy and growth of SACCOs ...................................................................... 25  
2.3.4 Organizational Growth ........................................................................................................... 26
2.4 Summary of Literature Review and Research Gap ................................................................. 28
2.5 Conceptual Framework ........................................................................................................ 33

CHAPTER THREE: RESEARCH METHODOLOGY ................................................................. 35
3.1 Introduction .......................................................................................................................... 35
3.2 Research Design ................................................................................................................ 35
3.3 Empirical Model .................................................................................................................. 36
  3.3.1 Multiple Regression Model for Testing for the Relationship between Independent and Dependent Variables ........................................................................................................ 36
3.4 Target Population ............................................................................................................ 37
3.5 Sampling Design and Sample Size .................................................................................. 38
3.6 Research Instruments ....................................................................................................... 38
3.7 Validity and Reliability of Research Instrument .......................................................... 39
  3.7.1 Validity of Research Instrument .................................................................................. 39
  3.7.2 Reliability of Research Instrument ........................................................................... 39
3.8 Data Collection Procedures ........................................................................................... 40
3.9 Data Analysis and Presentation ...................................................................................... 40
3.10 Ethical Considerations ................................................................................................... 41

CHAPTER FOUR: RESULTS AND FINDINGS ...................................................................... 42
4.1 Introduction ....................................................................................................................... 42
4.2 General Information ......................................................................................................... 42
  4.2.1 Response Rate ........................................................................................................... 42
  4.2.2 Position of the Respondent in the SACCO ............................................................... 44
  4.2.3 Duration Working with the Firm ............................................................................ 44
  4.2.4 Range of Products and Services Offered by the Trans Nation SACCO ............... 46
  4.2.5 Whether the SACCO has a Strategic Plan or Not ................................................ 47
  4.2.6 Whether there has been Growth of the SACCO over the Last Few Years or Not ...... 48
  4.2.7 Indicators of Growth in Trans Nation SACCO ....................................................... 49
4.3 Strategies that Cause Growth of the Trans Nation SACCO ......................................... 51
  4.3.1 Product Development Strategy and Growth of the Trans Nation SACCO .......... 51
  4.3.2 Market Development Strategy and Growth of the Trans Nation SACCO .......... 53
  4.3.3 Direct Sales Strategy and Growth of the Trans Nation SACCO ........................... 56
4.4 Descriptive Statistics on the Growth of the SACCO .................................................... 58
4.5 Regression Results .......................................................................................................... 59

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS .................... 62
5.1 Introduction ...........................................................................................................................................62
5.2 Summary of Findings .................................................................................................................................62
  5.2.1 General Information .............................................................................................................................62
  5.2.2 Product Development Strategy .........................................................................................................63
  5.2.3 Market Development Strategy and Growth of the Sacco .................................................................64
  5.2.4 Direct Sales Strategy and Growth ......................................................................................................65
5.3 Conclusion ................................................................................................................................................66
  5.3.1 Product development Strategy and Growth of the Trans Nation SACCO ....................................66
  5.3.2 Market Development Strategy and Growth of the Trans Nation SACCO ....................................66
  5.3.3 Direct Sales Strategy and Growth of the Trans Nation SACCO ..................................................66
5.4 Recommendations ..................................................................................................................................67
  5.4.1 Suggestions for Further Research ......................................................................................................67
REFERENCES .................................................................................................................................................68
APPENDICES ..................................................................................................................................................72
  Appendix 1: Introductory Letter ..................................................................................................................72
  Appendix 2: Questionnaire ...........................................................................................................................73
  Appendix 3: Work Schedule ........................................................................................................................77
  Appendix 4: Research Budget ......................................................................................................................78
  Appendix 5: Approval for Data Collection from Kenyatta University ......................................................78
LIST OF TABLES

Table 2.1 Growth of Credit Co-operatives Globally from 2009 to 2011……………………………….27

Table 2.1 Summary of Literature Review and Research Gaps……………………………………29

Table 3.1 Target Population…………………………………………………………………………38

Table 4.1 Response Rate…………………………………………………………………………………42

Table 4.2 Position of the Respondent in the SACCO……………………………………………….44

Table 4.3 Duration Working with the Firm………………………………………………………….45

Table 4.4 Whether the SACCO has a Strategic Plan or Not……………………………………47

Table 4.5 Whether the SACCO has Grown for the Past Five Years or Not…………………….48

Table 4.6 Mean and Standard Deviation for the Product Development Strategies……………52

Table 4.7 Mean and Standard Deviation for the Market Development Strategies…………….54

Table 4.8 Mean and Standard Deviation for the Direct Sales Strategies…………………….57

Table 4.9: Descriptive Statistics on the growth of the SACCO…………………………………58

Table 4.10: Model Goodness of Fit……………………………………………………………………59

Table 4.11: Analysis of Variance…………………………………………………………………………60

Table 4.12: Regression Coefficients……………………………………………………………………60
LIST OF FIGURES

Figure 1 Conceptual Framework ................................................................. 33

Figure 2 Response Rate per Branch............................................................ 43

Figure 3 Duration Working with the Firm.................................................... 45

Figure 4 Products and Services Offered by the SACCO............................... 46

Figure 5 Whether the SACCO has a Strategic Plan or Not............................ 47

Figure 6 Whether the SACCO has Grown for the Past Five Years or Not........... 49

Figure 7 Growth Indicators........................................................................ 50

Figure 8 Product Development Strategy and Growth.................................... 51

Figure 9 Market Development Strategy and Growth...................................... 54

Figure 10 Direct Sales Strategy and Growth.................................................. 56
OPERATIONAL DEFINITION OF TERMS

**Direct Sales Strategy**  
This is where the Trans Nation SACCO sells its products and services on a one-on-one basis far from the fixed retail location.

**Growth**  
An increase in the profits, market share and company branches, uptake and repayment of loans of the Trans Nation SACCO in Tharaka Nithi County.

**Market development Strategy**  
This is a tactic used when a firm is seeking new clients for its current service in completely new markets in terms of the market segment or geographical location that were previously not their customers.

**Product Development Strategy**  
Where the Trans Nation SACCO develops new services or improves the existing ones to meet the market demands.

**Saving and Credit Cooperatives**  
Financial institutions that serve people with common characteristics such as low income, and who cannot access large financial institutions like banks.

**Strategy**  
A plan of action describing how a SACCO will achieve its mission and objectives.

**Strategy Implementation**  
Putting into action the chosen course of action by the SACCO management to achieve the objectives.
ABBREVIATIONS AND ACCRONYMS

BOSA  Back Office Service Activity

FOSA  Front office Service Activity

GLP   Gross Loan Portfolio

MIFs  Microfinance Institutions

NACOSTI  National Commission for Science, Technology and Innovation

SACCO Savings and Credit Cooperative Society

SASRA Sacco Societies Regulatory Authority

SCA   Sustained Competitive Advantage

SPSS  Statistical Package of Social Sciences

RBV   Resource Based View

VRIO Value, Rarity, Imperfectly imitable, Organization.
ABSTRACT

Strategy implementation refers to choices and activities that translate a strategic thought to organizational actions where the organization moves from planning to execution of the plans to achieve its goals. Past researchers have attributed the recent growth in the SACCOs to the shift to effectiveness of strategy implementation. The Trans Nation SACCO has experienced growth in terms of profits, share capital, members, and loans uptake. The Trans Nation SACCO has been offering new products and services to its members, and seeking out new market segments but not much has been done to find out strategy implementation and growth of the SACCO. The successfulness of strategy execution diminishes if devised strategies are not successfully put into action. Even with such developments, other SACCOs in the region are still opening and obtaining members. Regardless of the value of execution of a strategy, many studies have concentrated on formulation of strategy than on strategy implementation. The main objective of this study was to find out strategy implementation and growth of SACCOs in Tharaka Nithi County and it was conducted in the Trans-Nation. Specifically, the study sought to find out how product development strategies influence the growth of the Trans Nation SACCO in Tharaka Nithi County, to find out the influence of direct sales strategy on the growth of the Trans Nation SACCO in Tharaka Nithi County, and to find out how the market development strategy influences the growth of the Trans-Nation SACCO in Tharaka Nithi County. The study was guided by the resource based theory, contingency theory, and Porter’s model of competitive advantage. The study used a case study design. This study targeted the six branches of the Trans Nation SACCO in Tharaka Nithi County and it used a census. The sample size was 66 employees of the Trans- Nation SACCO who were the managers and other employees excluding the security personnel and cleaners. Data analysis was done using SPSS and presented by use of tables, charts, and graphs. Findings revealed that the Trans Nation SACCO has implemented product development, market development, and direct sales strategies. The major strategies adopted included the introduction of new products and services and creation of awareness of product and services, development of different products and services designed for a particular market segment, electronic marketing, aggressive marketing, the use direct emails, brochures and leaflets, and marketing in public shows. Regression results revealed that the growth of the Trans Nation SACCO can be attributed to product development strategies, market development strategies, and direct sales strategy. The results showed a correlation value (R) of 0.694 which depicts that there is a good linear dependence of the Sacco growth and all the predictor variables (product development, market development, and direct sales strategies). An adjusted R-squared of 0.712 indicated that product development strategies, market development strategies and direct sales strategies explain 71.2 percent of the variations in the growth of Nation Sacco while 28.8 percent is attributed to other factors that were not included in the model. The study recommended that the Trans Nation SACCO should consider aggressive marketing to attract more members as well as make the market aware of their products and services. Advertising the SACCO products and services via the media will help the SACCO achieve its growth objective.
CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Strategy implementation refers to a broad range of efforts focusing on the conversion of the strategic intentions of a firm to actions (Miller, 2002). According to Wheelen and Hunger (2008), when the strategy execution activities are properly carried out, they can improve the productivity of an organization and consequently the growth (Bakar, Tufail, Yusof, & Virgiyanti, 2011). Implementation of a strategy is an essential aspect in the strategic management of a firm. Strategy implementation entails putting into action the course of action by obtaining the temporary goals from the organizational long-term achievement targets, along with the organization setting the functional tactics from the business strategy (Pearce & Robinson, 2008).

Strategy implementation influences the organizational performance and is crucial for the effectiveness and success of an organization (Pearce & Robinson, 2011). Successfully implemented strategies give organizations a competitive edge against their rivals, especially in the industries where distinctive strategies are challenging to achieve. Short-lived competitive advantage of any firm characterized by recurrent disruptions has substituted the stable and long eras of the past where firms maintained a competitive advantage. The turbulent environmental nature gives strong pressures resulting to frequent organizational change to sustain a fit with the dynamic environments. The competency to put into action new strategies effectively is an indicator of the disparity between an organizational success and failure.

Many organizations ignore the process of strategy implementation because they assume that it is a straightforward process, a less fashionable and essential activity compared to formulation, believe that anyone can do the implementation, lack of knowledge and information, and the
difficulties involved in the implementation of strategies. Such problems may include misunderstanding of the chosen strategy, poor communication, insufficient time dedicated to strategy implementation, unaligned resources and systems in the organization, weak management skills, and poor reward systems. Unsuccessful strategy implementation could also result from a weak organizational culture, uncontrollable external environment variables, and weak management role (Aaltonen & Ikavalko, 2002; Alexander, 1991; Beer & Eisenstat, 2000).

SACCOs offer financial services to low income individuals and the transaction unit size is small (Li, 2010). It aims at serving people facing challenges in accessing finances from the bank. For many years, the microfinance sector has received growing publicity as Lieberman, Anderson, Grafe, Campbell, and Kopf (2008) assert. Globally, the Microfinance Institutions are growing rapidly. The number of borrowers, the total assets, and the overall loans portfolio has grown (Commonwealth Secretariat, 2007). The bank institutions hardly meet the demands for the microfinance services and there is a significant requirement for microfinances (Delfiner & Peron, 2007).

The microfinance sector offers various services like insurance, deposit accounts, money transfers, and housing finance. It is important for Microfinance institutions to modify the existing services offered by customary financial sector like credit, to customer oriented service, speediness of service, and agility to meet the needs of their customers well (Westley, 2006). In countries such as Philippines, India, Vietnam, Sri Lanka, and Thailand, cooperatives make the main supplier of the microfinance services. In Kenya, the microfinance institution is growing at a very fast rate, with a general increase in market share and financial performance since 2002. The Kenyan population offers a potential chance for growth for MFIs (Nyamsogoro, 2010).
In Tharaka Nithi County, there is little or no research that has been conducted on the influence of strategy implementation and the growth of SACCOs. This study will embark on three strategies; market development, direct sales, and product development and how they influence growth of the trans-Nation SACCO in Tharaka Nithi County. Johnson and Scholes (2002) assert that a strategy refers to the path that an organization takes over a lengthy period of time to accomplish its goal. The strategies of focus in this study were product development, market development, and direct sales strategies.

The product development strategy is where a firm produces a new service or modifies/improves an existing one to meet the present market demands (Bruhn & Georgi, 2006). SACCOs introduce new types of services like loans, loan requirements, loan processing time and repayment period. Market development is where a firm seeks new clients for its current service. New products/services are sold in completely new markets in terms of the market segment or geographical location that were previously not their customers. Direct selling is selling a service to the customers on a one-on-one setting, far from the permanent retail location. Most firms use the direct sales strategy to outdo their competitors (Brown, 2009).

1.1.1 Strategy Implementation

A strategy is an organization’s direction and scope aimed at achieving a competitive edge for the company through resource organization in a dynamic environment to accomplish the stakeholders’ wishes (Johnson & Scholes, 2002). The environment for the organizations is rapidly changing thus increased complexity and unpredictability. Strategic management is used to manage the future of organizations and firms require well formulated and successfully implemented strategies (Pearce & Robinson, 2007). The formulation of a tactical plan is difficult
but not as challenging when compared to executing or making the formulated strategy work (Hrebiniak, 2006). In the presence of the intensifying competitive business environment, the important determinant of success for the firm and its survival depends on successful strategy implementation (Chebat, 2006). Executing a strategy is a tough task because many managerial activities need attention like the management skills, overcoming resistance to change, and ensuring that an appropriate structure and culture are in place. A firm may formulate its strategies well but fail to produce better performance if not implemented successfully (Noble, 2006).

Strategy implementation entails the organization of the resources of the firm as well as the motivation of the employees to accomplish the objectives of the company. It is a phase in which the organization puts in place systems and procedures to collect and process data to enable regular measurements (Drazin & Howard, 2002). Strategy implementation is a process and involves various management activities that are significant in putting the strategy to motion, institution of controls to monitor progress, and eventually achieve the goals of the firm. Implementation of a strategy covers all the managerial activities; motivation, compensation, appraisal, as well as control processes, which involve cascading strategy to all the functional areas in a way to achieve vertical and horizontal logic along with enhancement of implementation policies (Raps & Kauffman, 2005).

In the presence of the turbulent business environment that businesses are operating today, the main focus of firms’ is on how to grow. According to Porter (1980), having a growth strategy helps a business achieve profitability and a sustainable market position. There are various growth strategies that firms can implement although not all are appropriate for each firm. According to Ansoff (1965), to come up with the appropriate strategy for your business you need to match the
specific strategy to the firm as well as the market environment. This study focused on how the implementation of the product development, market development, and direct sales influences the growth of the Trans Nation SACCO.

The product development strategy is where the organization attempts growth through the development of improved products for the current market. High growth is achieved best through the identification of novel markets for the products that already exist or coming up with new products for the customers who are exiting. In the SACCOs, product development reduces the lending costs and at the same time increase the loans demand (Amha, 2008). According to Mulunga (2010), the impact of product development is high in markets where diverse products and services are liked by poor people.

In the market development strategy, the company responds to the new market opportunities by the introduction of existing products to entirely new markets. It can mean increasing the sales through selling existing products in new markets. The market development strategy leads to increased sales of the present product in unexplained markets. A firm strives to acquire and satisfy its customers by offering new services and products to new markets (Bruhn & Georgi, 2006). A firm has to balance market awareness with its capability to meet the needs of the clients. As well, focusing on particular customer bases along with establishment of strong customer relationships and secure larger market shares to realize new and loyal clients can help a firm grow.

Direct selling is where a firm sells its products on a one-on-one basis far from the fixed retail location. Selling of the products/services is mainly through the in-home product demonstrations, one-on-one selling, at jobs, or through parties (Michael, Belch, & Belch, 2006; Xardel, 1993).
This strategy benefits individuals who want to earn income and to build their own business to the consumers who prefer substitutes to the shopping centers or department stores.

1.1.2 Growth of SACCOs

In the presence of the dynamic business environment, the focus of many firms is growth, which many firms perceive as the indicator of success. Growth brings challenges to the business as a whole. Growth comes with change and effective change requires supportive attitudes, behaviors as well as processes that focus on the tasks and processes that produce a mature and successful organization. Firms grow to achieve the economies of scale, economies of scope, and become the market leader (Barringer & Ireland, 2008). Other reasons for growth of a business are to gain influence, survival and power, accommodate more customers, and attract as well as retain competent employees. According to Thompson and Strickland (2003), business growth could also mean formulating and implementing strategies likely to earn profits for the firm, competing successfully with competitors in the same industry, and improving the market and financial performance.

Growth in the SACCOs may also mean an increase in the member deposits, uptake of loans, more branches, and improved loans repayment rate. In the past few years, SACCOs have experienced rapid growth of about 25% every year (Dunda, 2010) and these developments have been attributed to effectively implementing well formulated strategies in SACCOs. Rapid growth of a firm leads to higher profitability because new firms quickly enter into the markets on a large scale becoming more profitable (Macharia, 2015).
1.1.3 SACCO Societies

A cooperative is a self-directed union of individuals who willingly come together to accomplish mutual financial, social, and cultural desires as well as aspirations through common jointly owned and democratically organized business (Iriga, 2009). Credit unions are legally constituted non-profit financial institutions supervised and chartered by the SACCO law and their aim is to offer basic financial services to individuals who do not have access to the formal system of banking (International SACCO Alliance, 2000). The SACCOs form a larger part of the cooperative society in Kenya. The first cooperative society to form in Kenya was Lumbwa in 1908, formed by European farmers with the aim of purchasing farm inputs and marketing of the output.

The cooperative movement is growing with more than 13,000 registered cooperatives where over 8 million members benefit directly, and another 32 million of Kenyans benefiting indirectly (The Kenya SACCO Directory, 2011 Edition). SACCOs constitute a larger proportion of the Kenya’s financial sector regarding access, mobilization of savings, and creation of wealth. SACCOs focus on the development of the members and the enterprise itself. SACCOs serve members from different economic activities, both in the urban and rural areas and the offer Front Office Savings Activities (FOSAs), as well as the Back Office Savings Activities (BOSAs).

The main purpose of the financial cooperatives is to pool savings and lend to each member following the set bylaws (Kenya SACCO Societies Act, 2010). Kenya encountered a difficult economic time in early 1990s that resulted to the banks a higher minimum operating account balance to sustain their business. This made the middle and low income individuals unable to own bank accounts thus the cooperatives gained popularity by introducing the FOSA services at
reasonable rates. Some cooperative sectors are large, with over 15 billion Kenya shillings, while others are small with less than 10 million total asset base.

### 1.1.4 Trans-Nation SACCO

The Trans Nation SACCO was registered in 1993 on 28\textsuperscript{th} June after the giant Meru Teachers Sacco Society split with the aim to be a Sacco of choice in the provision of quality financial services in Tharaka Nithi County, a County in Kenya located approximately 222 KM from Nairobi city. It covers up an area of 2609 square kilometers, with a population of 365,330 as per the 2009 census. In Tharaka Nithi County, the following SACCOs are registered with SASRA include; Meru south Farmers Sacco, Trans Nation Sacco, Nithi Tea Growers Sacco, Ndosha Sacco, Solutions Sacco, and Thamani Sacco.

Trans-Nation SACCO is the former Tharaka Nithi Teachers Sacco. It draws its members from Tharaka north, Tharaka south, Maara and Meru south districts, with the highest percentage of the members being the primary school teachers, secondary school teachers, KNUT employees, Ministry of Education, Office of the President, Sacco staff, as well as all civil servants. The Sacco offers FOSA, BOSA, and Micro-credit loans services. The FOSA products include salary advance, FOSA loans, Jitegemee FOSA Loan, Dividends in advance, Okoa salary advance, members’ loans, and M-Sacco services. FOSA services include the ordinary savings account, fixed deposit account, teens account, tusomeni account, pamoja account, mstaharabu account, murabaha account, current account, and the overdraft facility.

The BOSA loan is a loan product offered to the members with a minimum repayment period of 48 hours. The BOSA products include karibu loan, development loans, special loans, prestige loan, emergency loans, self-guaranteed loan, school fees loan, business loan, and bima loan. It
also includes mkulima loan and retirement protection fund. BOSA services include share and deposits. Trans Nation SACCO offers micro-credit products such as the micro-credit loans and women enterprise fund, and micro credit services like savings and training.

The Trans-nation SACCO has six branches in Tharaka Nithi county; Chuka, Chogoria, Kathwana, Marimanti, Gatunga, and Mukothima in Tharaka Nithi County. It is situated approximately 142 KM, 148 KM, 158 KM, 222 KM, 231 KM, and 268 KM respectively from Nairobi city. In 2013, the Sacco was position one in regard to the best managed urban Sacco in Maara and Meru south districts in Tharaka Nithi County during the Ushirika day, and position three on the dividend/interest rate in the Teachers Sacco sector. In 2015, it was ranked position one as the county best managed urban Sacco, and third least expenditure Sacco at the national level. Currently, the Trans Nation SACCO has a share capital of KSHs. 72,843,424.45.

1.2 Statement of the Problem

There is the need for a business to have a sound strategy, but the importance of the strategy is realized through its execution (Kaplan & Norton, 2001; Martin, 2010). Organizations fail to execute about 70% of the formulated strategies and thus the value of the strategies is never realized. Since its formation in 1993, the Trans Nation SACCO has experienced growth in terms of membership, member deposits, and share capital. The growth in these parameters comes with challenges that require the Trans Nation SACCO to respond to ensure quality service to the members. Moreover, the operating environment of the Sacco is changing and therefore it needs a clear direction.

Trans Nation SACCO has been successful in integrating the government policies and information technology; it still faces challenges in expansion to new markets, membership, and
growth. According to Kourdi (2009), the highly competitive business environment pushes firms to execute unique strategies to enable them to attain competitive advantage as well as growth. The Trans Nation SACCO has been developing new products and services, and seeking out new market segments to enable its growth but still new SACCOs in the region are opening and obtaining members. Despite the significance of strategy execution, more studies have focused on strategy formulation than on strategy implementation.

Macharia (2013) studied strategy implementation at the Kenya Chase Bank using a case study design and the targeted respondents were the department heads. The study findings revealed that strategy implementation involves challenges such as time constraints and that a good strategic plan should have a well-documented vision and mission. The study also indicated that strategy implementation impacts on the firm’s profitability positively. However, the study design was a case study and cannot be generalized to the Trans Nation SACCO and again it did not relate how strategy implementation influences growth and the current study sought to bridge this gap.

Mbithi (2016) investigated the influence of strategy implementation on the Kenya Bureau of Standards’ performance by adopting a case study design. Data collected was primary data and the research instrument was an interview guide. Data was collected from five senior managers of the Kenya Bureau of Standards and analyzed through content analysis. The study findings showed that organizational structure, culture, style of leadership, staff involvement, communication, and information communication technology infrastructure are the challenges that strategy implementation faces at Kenya Bureau of Standards. However, the study’s dependent variable was performance and its focus on the independent variable was on the factors that affect strategy implementation. This is a gap that the current study sought to address by studying strategy implementation and growth of the Trans Nation SACCO.
A study by Macharia (2015) explored the strategies that spur growth of the Stima Sacco and found out that good operational policies and product development and innovation were the strategies that 70% of the respondents supported. The study employed a case study design and collected both primary and secondary data. Primary data was collected through a structured interview guide while secondary data was obtained through desk search techniques from published reports and other relevant documents. Data was analyzed through both qualitative and quantitative techniques. The study however was a case study and this limits the generalizability of the results and thus the current study intended to fill the gap by studying how strategy implementation influences the growth of the Trans Nation Sacco.

Muchira (2013) investigated the relationship between strategy implementation and performance of Kenyan commercial banks by adopting a cross-sectional survey design and targeting the commercial banks operating in Kenya. The study collected both primary and secondary data and analyzed using descriptive statistics. The study concluded that strategy implementation influences the performance and organizational growth. The study however was conducted in commercial banks operating in Kenya and therefore the current study aimed at bridging the gap by establishing the influence of strategy implementation on the growth of the Trans Nation Sacco in Tharaka Nithi County.

From the above discussion, little or no study has been done on strategy implementation and the growth of SACCOs in the Trans Nation SACCOs in Tharaka Nithi County. Trans Nation SACCO is one of the largest SACCOs in the region in terms of asset size and there was a need to conduct a study on strategy implementation and growth of the Trans Nation SACCO in Tharaka Nithi County.
1.3 Objectives of the Study

The main objective of this study was to examine how strategy implementation influences the growth of SACCOs in Tharaka Nithi County, a case of the Trans Nation SACCO. Specifically, the study focused on the following objectives:

i) To find out the influence of the implementation of the new product development strategy on the growth of the Trans Nation SACCO in Tharaka Nithi County.

ii) To find out how the implementation of the market development strategy impacts on the growth of the Trans Nation SACCO in Tharaka Nithi County.

iii) To find out how the implementation of the direct sales strategy influences the growth of the Trans Nation SACCO in Tharaka Nithi County.

1.4 Research Questions

i) How does implementation of the new product development influence the growth of the Trans Nation SACCO in Tharaka Nithi County?

ii) How does the implementation of the market development strategy influence the growth of the Tran Nation SACCO in Tharaka Nithi County?

iii) What is the influence of implementing the direct sales strategy on the growth of the Trans Nation SACCO in Tharaka Nithi County?

1.5 Significance of the Study

The Government

The government would benefit from the findings in ways of formulating policies to guide the operation of SACCOs in Kenya.
Management of the Trans Nation SACCO

The findings from this study would also help the Trans Nation SACCO management to adopt the best strategies to remain competitive in the industry.

Researchers and Academicians

Future researchers and academicians would benefit from the results of this study as it would act as a reference point for them. This study would spur further research in the Sacco society and other financial institutions to increase the body of knowledge in strategy implementation and growth of SACCOs.

1.6 Scope of the Study

The study was conducted in Trans Nation SACCO in Tharaka Nithi County. The study embarked on examining strategy implementation and the growth of the Trans Nation SACCO in Tharaka Nithi County for the past five years, 2013 to 2017 because it was a time when the SACCO had gained much fame and many other SACCOs established in the region. The variables of this study were product development strategy, market development, and the direct sales strategies as the independent variables, while growth which encompasses increase in profits, members, branches, loans uptake and repayment was the dependent variable.

1.7 Limitations of the Study

Balancing professional responsibilities and the project demands was a bit challenging but the researcher was organized and attended to all of them because they were equally important. Additionally, the respondents may have been biased in responding to the questionnaires by adopting a certain pattern in answering the questions. An example of this might be ticking on yes
for all the questions due to fatigue or unfamiliarity of some issues. To deal with this, the questionnaire was formulated in a simple, clearly understood language.

1.8 Organization of the Study

This project had five chapters. Chapter one presented a discussion of the background of the study, statement of the problem, objectives of the study, and the research questions. It further explained the significance of the study, the scope of the study, and the study limitations.

Chapter two entailed a discussion of the theories that informed the study and the empirical review of relevant literature related to the influence of strategy implementation and growth. The chapter also provided a summary of the reviewed literature and the research gaps, along with the conceptual framework.

Chapter three involved a presentation of the research methodology, research design, the target population, sampling design and sample size, validity and reliability of the research instrument, data collection methods and procedures, analysis of data and presentation, and the ethical considerations. Chapter four entailed data analysis, findings as well as the interpretation of the study results while chapter five summarized the findings, provided the conclusion, recommendations, as well as suggestions for further research.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter entails the theoretical framework, review of related literature, summary of the reviewed literature and gaps, and the conceptual framework.

2.2 Theoretical Review

This study was guided by the contingency theory, resource based theory, and Porter’s theory of competitive advantage.

2.2.1 Contingency Theory

The term “contingency theory” was first mentioned by Lawrence and Lorsch (1967). Contingency theory views organizations as systems composed of various sub-systems with identifiable boundaries from the environment within which they operate. The systems of organizations are interrelated with the environment and provide inter-relationships among the sub-systems. Chandler (1962) conducted a study in four large American companies and revealed that a firm would develop naturally to accomplish the needs of strategy. Hidden in Chandler's thoughts was that companies can act in a normal, sequential, and linear way to adjust to changes in their surroundings and that efficiency is a role of management's capability to acclimatize to the turbulent environment. Lawrence and Lorsch (1969) examined how firms adjusted to fit in their environments. Industries that were highly volatile reported the significance of giving power to the managers at each level to make decisions over their area. Managers would feel free to come up with decisions that fit the prevailing situation. According to Sirajul and Naveed (2014), there
is no universal guidance deemed appropriate for all the organizations and diverse environments need varying organizational relationships for maximum productivity and basis on a situational approach to organizations. The primary managerial duty is finding a suitable fit between a company and environment and an appropriate organizational plan that is more likely for efficiency and effectiveness of the firm.

The contingency theory was appropriate for this study as it explains that the environment of the Trans Nation SACCO is turbulent and therefore no one best strategies for every situation because the action taken depends on the circumstances it is facing. Additionally, the contingency theory helps in the planning of business expansion and in this case this theory was applicable in the growth of the Trans Nation SACCO. The contingency theory helps a business to catch up the new opportunities in the environment and in this case owing to the unpredictable business environments today, the Trans Nation SACCO can use this theory to outdo its competitors. As a result, the Trans Nation SACCO can have increased loans uptakes, profits, more members joining the SACCO, and increased branches that consequently lead to its growth.

2.2.2 Resource Based View

The resource based view (RBV) of the firm was designed by Grant (1991). According to the RBV, the quality and quantity of resources is essential for the execution of a strategy (Nderu, 2007). Resource based view of the firm assumes that the desired result of managerial endeavor within a company is achievement of sustained competitive advantage. Attaining a SCA enables the firm to make above-average returns. In return, this centers attention on how businesses accomplish and sustain advantages. The resource-based theory holds firms need resources that have characteristics such as value, duplication barriers, and relevance. Sustained competitive
advantage is attainable when a firm effectively utilizes these resources. Thus, the RBV stresses strategic choice, tasking the management of the firm with identifying, developing, and organizing vital resources to increase returns.

Resources comprise of the tangible and intangible assets, and capabilities. Organizational tangible resources are the fixed current assets such as the buildings and machines. Intangible assets are the intellectual property like trademarks and patents, brand and firm reputation, organizational networks and the databases (Makadok, 2001). Capabilities are difficult to describe and are invisible assets (Cort, Griffith, & White, 2007). Essentially, capabilities are the skills of the employees and the routines and interactions through which the firm’s resources get coordinated.

The main focus of many organizations is the attainment of an organization’s competitive position and the persistent enhancement of sustainability in performance so as to outweigh their competitors. A firm gains its competitive advantage through its unique attributes and resources so as to perform better than others in the same industry. Resources should be VRIO (Value, Rarity, Imperfectly imitable, Organization) (Pearce & Robinson, 2009). The relevance of this theory in this study was that the Trans Nation SACCO has its unique resources that it can employ in the implementation of strategies so that it can grow. Unique resources for the Trans Nation SACCO will enable it to be the leader in in terms of profits, customer base, branches, loans uptake and repayment, and consequently lead to its growth because VRIO gives a firm competitive advantage (Cardeal, 2012).
2.2.3 Porter’ Theory of Competitive Advantage

The proponent of the model of competitive advantage was Michael Porter (1980). A company that uses strategies that other firms find it hard to duplicate has a competitive advantage. An organization achieves competitive advantage if it is capable of increasing the economic worth over its competitors (Rothaermal, 2008). Competitive advantage is achieved by a firm through value addition for the consumers (Papulova & Papulova, 2006). The type of resources that an organization has and how these resources are managed gives it a competitive advantage.

The competitive advantage model helps the Sacco societies to effectively utilize its resources, for example, a SACCO can put in place low cost strategies to raise public awareness on its products, along with the recruitment of more members and increasing loan uptakes. Offering low cost services helps SACCOs to be competitive in terms of pricing (Papulova & Papulova, 2006). SACCOs use the model of competitive advantage to offer services that are different from those of their competitors through new product development, modification of existing products and services, and market penetration to attract more members, borrowers and savers. Other studies that have used this model include Macharia (2015) in investigating the strategies that spur growth at Stima SACCO in Kenya.

Michael Porter (1980) attributes the competitive nature of the business environment as emanating from competitive rivalry, threats of substitutes, new entrants, the bargaining power buyers and suppliers. The ability of new firms to establish in the market depends on the barriers to entry (Johnson & Scholes, 2002). Substitutes reduce the demand for other products because customers switch to alternatives. Rivalry among the existing firms can be in form of advertisement, price competition, and new product introduction. Powerful buyers can force the prices down, and demand quality services at the expense of the industry profits.
The relevance of this theory to the study was that many SACCOs are developing and almost all of them are offering similar services to the customers and thus competition is intensifying so that each can serve the members well at a profit. All firms function in a macro environment that is shaped by the population demographics, economy, government regulations and legislation, the societal values, and lifestyle. The strategies that the firm uses to respond to these forces determine the nature of the future profit prospects, whether poor, average or excellent (Pearce & Robinson, 2002).

2.3 Empirical Review

This entails the review of related studies on strategy implementation and growth of SACCOs, product development and market penetration strategies and SACCO growth, as well as the direct sales strategy and their influence on the growth of SACCOs.

2.3.1 Product Development Strategy and Growth of SACCOs

The product development strategy involves new products to the existing customers (Pearce & Robinson, 2001). A company grows through innovating, gradual replacement of the old products and services with new ones based on the wants of the customers and the new product technologies and depending on the different quality levels of the products. Organizations implement product development by creating novel firm products or improving products that already exist to serve prevailing market demands (Bruhn & Georgi, 2006). A firm can investigate its ability to add new features to their products, the possibility of expanding their product lines and a possibility to create new products for its existing markets. New products give a firm a number of benefits because the new features lead to increased sales and market share. In a SACCO, product development is bringing new services like loans frequently, frequently
altering the types of loans, reducing the loan processing time, and changing the loan requirements.

Growth in microfinance institutions can be in the form of extension of services to the population underserved by the financial institutions (Isern, Lafourde, Mwangi & Brown, 2005). It implies having a large number of borrowers in the organization, previously unable to access the service (Rahman & Luo, 2010). In this study, I will define the growth of a SACCO as an increase in profits, uptake of loans, number of members and branches, and a reduction in the loan repayment period. According to Thompson and Strickland (2001), when the life cycle of a product is short product development strategy becomes a necessary requirement for the firm. The firm can adopt product development to either prolong the product’s life cycle or take advantage of the favorable reputation and the brand name with an intention to catch the attention of satisfied clients to the new company products because of the positive experience they have had with what the firm was offering initially.

Developing new products increases the revenues of a SACCO and reduces the transaction costs for accessing the financial services (Amha, 2008). SACCOs can develop products such as insurance, business loans, insurance, emergency loans, and training (Brau & Woller, 2004). The International Bank for Reconstruction and Development (2004) asserts that there is a need to be innovative so as to increase the number of members and understand the risks, needs, opportunities, as well as develop specialized products for clients in the rural setting. Product development has significant impact in markets with diverse preferred services like savings, insurance, and cash transfers by the financially disadvantage people (Mulunga, 2010).

Some microfinance institutions are ever innovative in new product development while others remain satisfied with the existing product, for example, a focus on loans alone renders the
institution less productive, less sustainable, and operationally less self-sufficient than others in the same industry (Barry & Tacneng, 2009). In Asia and Africa for instance Namibia, the services to customers revolve around providing services the microfinance clients need (Mulunga, 2010). Modification of products and services is important if organizations have to grow and failure leads to inefficiencies and poor performance.

Mbithi, Muturi, and Rambo (2015) studied the relationship between product development strategy and performance of the sugar industry in Kenya adopting a cross-sectional survey. The target population was the nine sugar companies that were operating. The sample size was 120 respondents who comprised of senior and middle level managers from whom data was collected through a questionnaire. The results from the study revealed that introducing other products other than sugar was minimal while the sugar factories had improved existing products through branding as well as packaging. However, this study was finding out the relationship between product development and performance and therefore the current study will focus on strategy implementation and growth of the Trans Nation SACCO where it will investigate the influence of the implementation of the product development strategy on growth.

Macharia (2015) investigated the strategies that spur growth of the Stima Sacco and reported that good operational policies as well as product development and innovation significantly influence growth of the Stima SACCO. The design used for the study was a case study design and the study collected both primary and secondary data where primary data was collected through a structured interview guide whereas secondary data was acquired through desk search techniques from published reports and other relevant documents. Data was analyzed through both qualitative and quantitative techniques. Since the study was a case study, it limits the
generalizability of the results and thus the current study envisioned to fill the gap by studying how strategy implementation influences the growth of the Trans Nation SACCO.

2.3.2 Market Development Strategy and Growth of SACCOs

Market development is where a firm is pursuing new customers for its current products and it applies where the firm sells its current products in new markets. This strategy can entail moving to a new geographically located market, or a focus to new market segments. It also means that the firm concentrates on its existing products but at the same time looks at ways to market these products to new markets including the oversea markets. A firm utilizes the market development strategy by acquiring and serving new markets with existing services (Bruhn & Georgi, 2006). Through encouraging the members to save more, the SACCOs increase the GLP and eventually attract the non-members to the SACCO.

People of all the socioeconomic status gain access to the SACCOs because they are within their reach. It is through the recognition and targeting of clients with business ideas and who are likely to borrow money for their business that the MIFs realize the positive value of market development (Mulunga, 2010). There is a need to balance the market awareness with the ability to fulfill the needs of the clients. The Egyptian commercial banks focus on particular customer base, strengthening customer relationships, and securing a larger market share to attract new potential and loyal clients. The SACCOs in Philippines adopt the market development strategy and it attracts thousands of people who deposit their saving with them. The SACCO society competes through market development by diversifying into the market niches that the banks do not reach. SACCOs can also pursue market niches and proactively market their services through this strategy (IBRD, 2004).
When using the market development strategy an organization maintains the security of the present products and services while venturing into new market segments. A business that opens branches in new areas practices market development. In the same way, a firm that switches from using trade publications for advertising its services and products to using newspapers or the add jobbers to supplement the mail-order sales practice market development (Pearce & Robinson, 2002). Generally, the firms will be choosy in their market coverage and this may lead to no future opportunities in the present market segments. Like some companies have their reasons to opt for the product development strategy, others have strong preferences for the market development strategy. In the capital-intensive firms, a large number of the assets like money, plant and the skilled people are specifically devoted to a technology that will produce a certain product. Therefore, the distinctive competence of the company lies with the product and not the market leading to a continued exploitation of the products through market development.

Usually, the firm management employs the market development strategy in instances where the existing markets are stagnant and increasing the market share is difficult to achieve since the competitors in the industry are very powerful. A firm can implement the market development strategy through identifying new users, new geographical markets, or identifying new channels to help them reach new users. According to Doyle (1994), the market development strategy involves marketing the present products, often with minor modifications customers in the related market areas through the addition of different distribution channels or changing advertisement content or promotional media.

There are two main options for the market development strategy (Pearce & Robinson, 2000). The first option is opening extra geographical markets. Here the firm can undertake a regional expansion, national expansion, or international expansion. The other option is attracting other
market segments where the firm can develop product version that appeal to the other segments, developing new distribution channels, and advertisement in other media.

Samuel (2016) conducted a study on the link between the market development strategy and performance of multinational pharmaceutical firms in Kenya. The study involved twenty-two firms and involved a census and data was collected using a questionnaire. The study findings showed that multinational pharmaceutical companies have implemented the market development strategy and 45% of the firms had implemented the base of the pyramid strategy of market development, and 9% had implemented the blue ocean strategy of market development to improve performance. Only 22% of the multinational pharmaceutical firms had not implemented the market development strategy. Therefore, since this study was conducted in pharmaceutical firms and investigated the relationship between market development strategy and performance, there was a need to investigate how implementing the market development strategy growth specifically in the Trans Nation SACCO.

Mbithi, Muturi, and Rambo (2016) explored how the market development strategy affects the performance of the Kenyan sugar industry by adopting a descriptive cross-sectional survey design. The study targeted nine sugar companies and drew a sample of one hundred and twenty respondents from the nine firms using purposive sampling to fill the questionnaire and one respondent from each company to respond to the interview guide. The study revealed that extending to new geographical regions and developing new market segments does not lead to high profitability but increased market share, and this would ultimately positively affect profitability. Also, rebranding, different quantity packaging, and promotions allows accessing new market segments while opening outlets could boost spreading geographically for the sugar firms. However, this study’s dependent variable was performance and that it was conducted in
the sugar companies and therefore the current study sought to fill the gap by studying how strategy implementation influences growth of the Trans Nation SACCO, and the effect of implementing the market development strategy was studied.

2.3.3 Direct Sales Strategy and Growth of SACCOs

Direct selling is where a firm sells its products or services on a one-on-one basis far from the fixed retail location. The people tasked with this can be distributors, consultants, or representatives. Selling of the products/services is primarily through the in-home product demonstrations, one-on-one selling, at jobs, or through parties (Michael et al., 2006) and (Xardel, 1993). This strategy benefits individuals who desire to earn income and to build their own business to the consumers who prefer alternatives to the shopping centers or department stores.

According to Steve (2007) there are four approaches for direct sales approach namely; direct sales force approach, indirect sales channel approach, sales prospecting approach, and sales campaign strategy. The direct sales force approach is concerned with demonstrating how internal the direct sales channel is, and its focus is on signing new customers (Brown, 2009). It benefits the firm by allowing them to focus resources such as the account directors and bonus on the basis of achievable and measurable goals. To make this strategy successful, firms need more experienced managers and also offer training to the sales force (Glenn, 2009).

Indirect sales channel approach focuses on diverse sales channels that can leverage to increase the firm’s sales success, for example, the use of resellers, licensed partners, and franchise partners. The sales prospecting approach includes direct sales force, indirect sales channels, direct mails, search engine placement, and web advertising, while the sales campaign strategy
connects the dots of the direct sales force, prospecting, and indirect channels to campaign effectively to meet the objectives (Xardel, 1993). The firm has to design the campaign such that it lays a clear direction to maximize the available resources while targeting the right segment with clear ideas and messages. For many years the Barclays Bank Kenya employed the sales campaigns and the bank made it to achieve and surpass the financial objectives.

Muendo (2011) studied the effects of the direct sales strategy as used as a strategic response to the performance by commercial banks in Kenya because of the changing competitive environment in the country. The study used a descriptive design and targeted the commercial banks operating in Kenya. Data collected was primary data and the research instrument was a structured questionnaire. The study found out that many of the commercial banks had around ten to twenty branches in the country, which represented 44.4 percent, while those that had twenty and more branches were 40.7 percent, and those that had fewer branches represented 14.8 percent. This study was however focusing on commercial banks and therefore there was the need to study how the implementation of the direct sales strategy influences the growth of the Trans Nation SACCO.

2.3.4 Organizational Growth

From an organizational context, growth refers to the firm becoming bigger in size (Crowsby, 1990), and organizations grow to accommodate the increasing expenses that develop each year. Further, this author states that the salaries for the workers rise and they gain seniority, and there is an increase in the costs of benefits, and thus profit improvement and cost elimination needs to be on a continued basis; the revenues of the firm have to continue increasing for the company to broaden the base. According to the World Council of Credit Unions (WOCCU) (2013), the
global showed that there were one hundred countries in 2011 that had credit co-operatives and in total they were 51,013, and the membership was 196,498,738. In 2009, the number of co-operatives was 49,330 and membership was at 183,916,050, and this indicates that there was growth in co-operatives membership and number globally. According to the WOCCU (2013) report, Kenya was leading in membership, savings mobilization, and number of credit cooperatives in Africa and was ranked position seven globally. The growth of the credit co-operatives globally from 2009 to 2011 can be represented as shown in table 2.1 below.

**Table 2.1: Growth of the Credit Co-Operatives Globally from 2009 to 2011**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Countries</th>
<th>No. of SACCOS</th>
<th>No. of Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>100</td>
<td>51013</td>
<td>196,498,738</td>
</tr>
<tr>
<td>2010</td>
<td>100</td>
<td>52945</td>
<td>187,986,967</td>
</tr>
<tr>
<td>2009</td>
<td>97</td>
<td>49330</td>
<td>183,916,058</td>
</tr>
</tbody>
</table>


In Kenya, growth of SACCOS has been witnessed in terms of the registration of new co-operative movements, turnover, savings, surplus, share capital and membership. Co-operatives in Kenya are friendlier in providing credits for traders as well as small scale firms (MOC&D & M, 2008), and the SACCO sector is growing at a fast rate; 20 percent per annum, and SACCOS are attracting former bank customers who initially were left unbanked (Turtiainen, 2008).

A study by Uluma (2013) involved an assessment of the determinants of growth of SACCOS in Dagoretti District in Kenya by using a descriptive research design. The study used a sample of eighty-six SACCOs that were selected for study form a population of 115 SACCOs. The study
used primary data collected using a semi-structured questionnaire. Data obtained was analyzed through descriptive statistics. Multiple regression analysis was used to establish cause and effect as well as the strength of the relationship. The study findings indicated that wrangles increase when more members join the co-operative form other organizations. The study also reported that growth is a result of more members, and that implementation of information technology which improves the disbursement of loans as well as loans recovery.

Osoti (2014) examined the effect of growth of ‘front office services activity on demand for credit by members in savings and credit co-operative societies in Kenya by adopting a correlational research design. The study population was 135 SACCOS that were licensed with SASRA from which a sample of 30 SACCOS was drawn using cluster sampling. Data was collected by use of a questionnaire and analyzed through qualitative and quantitative techniques. Results of inferential analysis revealed that there was a significant relationship between FOSA growth and increasing membership and the study concluded that SACCOS that do not offer FOSA services can open them to attract more members because an increase in members will attract more loan uptakes and gains through interests charged on loans.

2.4 Summary of Literature Review and Research Gap

The contingency theory assumes that organizations are systems with many units that are interrelated. An organization that has the ability to grow in future is one that adopts strategies that are consistent with the situation it is facing presently. The resource based view holds that every firm has its unique resources that ensure its survival and growth. The resources of a firm must be valuable, rare, imperfectly imitable, and organizational to give it a competitive advantage that is crucial in the turbulent business environment. Porter’s theory of competitive
advantage for a firm to outdo its rivals it must use strategies that others find it difficult to imitate. Competitive advantage is achieved by a firm through adding value for their customers. The competitive advantage model helps the Sacco societies to effectively utilize its resources, for example, a SACCO can put in place low cost strategies to raise public awareness on its products, along with the recruitment of more members and increasing loan uptakes.

Product development strategy involves creating a completely new product/service or modification of an existing one. In a SACCO, product development is bringing new services like loans frequently, frequently altering the types of loans, reducing the loan processing time, and changing the loan requirements. Product developments lower the costs of lending and consequently increase the loans demands. The SACCO society competes through market development by diversifying into the market niches that the banks do not reach. Market development is where a firm is pursuing new customers for its current products and it applies where the firm sells its current products in new markets. This strategy can entail moving to a new geographically located market, or a focus to new market segments. Direct selling is where a firm sells its products or services on a one-on-one basis far from the fixed retail location, and there are four approaches for direct sales approach namely; direct sales force approach, indirect sales channel approach, sales prospecting approach, and sales campaign strategy.

Table 2.2: Summary of Literature Review and Research Gaps

<table>
<thead>
<tr>
<th>Author</th>
<th>Study</th>
<th>Findings</th>
<th>Methodology</th>
<th>Identified Gaps</th>
<th>Focus of the Proposed Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mbithi (2016)</td>
<td>Influence of strategy implementation on the Kenya Bureau of Standards’</td>
<td>Organizational structure, culture, style of leadership, staff involvement,</td>
<td>Case study design. Primary data collected. Instrument</td>
<td>Dependent variable was performance and its focus on the independent variable was on</td>
<td>Strategy implementation and growth of the Trans Nation SACCO</td>
</tr>
<tr>
<td>Study</td>
<td>Research question</td>
<td>Methodology</td>
<td>Findings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mbithi, Muturi, &amp; Rambo (2016)</td>
<td>Effect of market development strategy on performance of the Kenyan sugar industry</td>
<td>Rebranding, different quantity packaging, and promotions allows accessing new market segments while opening outlets could boost spreading geographically for the sugar firms. Descriptive cross-sectional survey design. Used purposive sampling. Data collected through questionnaire.</td>
<td>Strategy implementation influences growth of the Trans Nation SACCO, and the effect of implementing the market development strategy was studied.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Samuel (2016)</td>
<td>Relationship between the market development strategy and performance of multinational pharmaceutical firms in Kenya.</td>
<td>Multinational pharmaceutical firms have implemented market development strategies as follows: 45% base of the pyramid strategy of market development, and 9% blue ocean strategy, and 22% firms had not implemented the market development. Adopted a census. Data collected using a questionnaire. Study was conducted in multinational pharmaceutical firms and investigated the relationship between market development strategy and performance.</td>
<td>How implementing the market development strategy growth specifically in the Trans Nation SACCO.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authors</td>
<td>Title</td>
<td>Methodology</td>
<td>Data Collection</td>
<td>Findings</td>
<td></td>
</tr>
<tr>
<td>-------------------------</td>
<td>----------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Mbithi, Muturi, &amp; Rambo (2016)</td>
<td>Relationship between product development strategy and performance of the sugar industry in Kenya.</td>
<td>Introducing other products other than sugar was minimal while the sugar factories had improved existing products through branding as well as packaging.</td>
<td>Cross-sectional survey. Data collected using questionnaire.</td>
<td>Study was finding out the relationship between product development and performance.</td>
<td>Strategy implementation and growth of the Trans Nation SACCO where it investigated the influence of the implementation of the product development strategy on growth.</td>
</tr>
<tr>
<td>Macharia (2015)</td>
<td>Strategies that spur growth of the Stima SACCO</td>
<td>Good operational policies and product development, and innovation influence growth of the Stima SACCO</td>
<td>Employed a case study design. Used both primary and secondary data. Data collected through interview guide and from published reports and other documents.</td>
<td>Study was a case study limiting the generalizability of results.</td>
<td>Influence of strategy implementation influences the growth of the Trans Nation SACCO.</td>
</tr>
<tr>
<td>Author</td>
<td>Title</td>
<td>Methodology</td>
<td>Design</td>
<td>Results</td>
<td></td>
</tr>
<tr>
<td>-------------</td>
<td>----------------------------------------------------------------------</td>
<td>---------------------------</td>
<td>-------------------------</td>
<td>------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Macharia</td>
<td>Strategy implementation at the Kenya Chase Bank</td>
<td>Case study design.</td>
<td>Design was a case study and cannot be generalized to the Trans Nation SACCO and again it did not relate how strategy implementation influences growth.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Muchira</td>
<td>Relationship between strategy implementation and performance of Kenyan commercial banks.</td>
<td>Cross-sectional survey design.</td>
<td>Study was conducted in commercial banks in Kenya.</td>
<td>Influence of strategy implementation on the growth of the Trans Nation SACCO in Tharaka Nithi County.</td>
<td></td>
</tr>
<tr>
<td>Muendo</td>
<td>Effects of direct sales strategy as used as a strategic response to the performance by commercial banks in Kenya.</td>
<td>Adopted descriptive design.</td>
<td>Study focusing on commercial banks in Kenya.</td>
<td>Strategy implementation and growth of the Trans Nation SACCO in Tharaka Nithi County where implementation of the direct sales strategy on growth was studied.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Literature Review (2018)
2.5 Conceptual Framework

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategy Implementation</strong></td>
<td><strong>Trans Nation SACCO Growth</strong></td>
</tr>
<tr>
<td><strong>Product development</strong></td>
<td>• Profits</td>
</tr>
<tr>
<td>• New product/services</td>
<td>• Loan uptake</td>
</tr>
<tr>
<td>• Modification of existing product</td>
<td>• Number of branches</td>
</tr>
<tr>
<td>• Creation of product awareness</td>
<td>• Number of members</td>
</tr>
<tr>
<td>• Interest rates on loans</td>
<td>• Loan repayment</td>
</tr>
<tr>
<td><strong>Market development</strong></td>
<td></td>
</tr>
<tr>
<td>• Increase in number of branches</td>
<td></td>
</tr>
<tr>
<td>• Creation of market segment</td>
<td></td>
</tr>
<tr>
<td>• Market management</td>
<td></td>
</tr>
<tr>
<td><strong>Direct sales</strong></td>
<td></td>
</tr>
<tr>
<td>• Sending sales force to the field</td>
<td></td>
</tr>
<tr>
<td>• Use of direct mails</td>
<td></td>
</tr>
<tr>
<td>• Brochure/leaflets</td>
<td></td>
</tr>
<tr>
<td>• Use of public shows</td>
<td></td>
</tr>
</tbody>
</table>

Figure 1: Conceptual Framework

Source: Researcher (2018)

The conceptual framework in figure 1 above illustrates that the independent variables were product development strategy, market development and direct sales strategies and they all
influence the growth of the Trans Nation SACCO. Product development involves creating entirely new organizational products or modifying existing ones. Market development entails creation of new market segments, opening new branches, and market management strategies that will help the Trans Nation SACCO reach its growth objective. Direct sales refers to sending the sales staff out to seek out new members, use of direct mails, leaflets and public shows to market the SACCO to the outside world that consequently attracts more investors and borrowers leading to its growth. Growth was the dependent variable and it was defined by profits, uptake of loans, number of branches, number of members, and loan repayment.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research design, study variables, location of the study, target population, sample size and sampling procedure, research instruments, validity and reliability of the instrument, data collection procedures, data analysis and presentation, and ethical considerations.

3.2 Research Design

This study used a descriptive research design and it was a case study of the Trans Nation SACCO since it was relevant in addressing the how and what questions. A research design refers to arrangement of the conditions from collection to the analysis of data in a way that combine significance to the research purpose with considerations of the expenses (Upagade & Shende, 2012). According to Coopers and Schindler (2008), the research design describes a plan and structure of investment that people believe can obtain the answers to the research questions. The advantage of a case study is that it is free from the researcher’s subjectivity (Sekaran, 2004). It was relevant to this study since the only SACCO under study is the Trans Nation SACCO and in-depth information of this single unit is desired to provide a detailed insight to the unclear phenomenon.

According to Mugenda and Mugenda, (2003), a case study is a qualitative analysis that is highly powerful and involves a complete and careful examination of a social unit regardless of the type of unit being studied. A case study design narrows down instead of studying something wide. According to Yin (1994), a case study helps in relating descriptions and providing
generalizations thus the capability to suggest the possible links with phenomena. Other past studies that have used this design and obtained satisfactory results (Nyambura, 2012; Nyaoke, 2007; Onsomu, 2003). According to (Nyaoke, 2007), the examination of the data in a case study is conducted often within the context of its use. Again, the variations based on intrinsic, instrumental and, the collective tactics to apply in a case study allows for qualitative and quantitative data analysis. The comprehensive qualitative findings in the case study not only assist in describing data in the real-life environment but as well in explaining the complexity of the real-life situation.

3.3 Empirical Model

This study used the multiple linear regression model. The model was relevant because the study was establishing the influence of strategy implementation on the growth of the Trans Nation SACCO in Tharaka Nithi County. The linear regression model allows for estimation of the values of the dependent variable when the study involves several independent variables (Cooper & Schindler, 2011). This study used multiple linear regression model since it was investigating the effect of implementing various independent variables; product development strategy, market development strategy, and direct sales strategy on growth.

3.3.1 Multiple Regression Model for Testing for the Relationship between Independent and Dependent Variable

When using the regression model, Y was the dependent variable and X the independent variable. Since there are three objectives in this study, the multiple linear regression model was expressed as:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon \]
Where:

\[ Y = \text{Growth of Trans Nation SACCO} \]

\[ X_1 = \text{Product development strategy} \]

\[ X_2 = \text{Market development strategy} \]

\[ X_3 = \text{Direct sales strategy} \]

\[ \beta_0 = \text{The constant (intercept) which is the value of dependent valuable when all the independent variables are zero.} \]

\[ \beta_0 + \beta_1, \beta_2, \text{ and } \beta_3 = \text{regression constants/coefficients induced by } X_1, X_2 \text{ and } X_3 \text{ on } Y \]

\[ e = \text{the error term.} \]

### 3.4 Target Population

The target population of this study was the employees from the six branches of the Trans Nation SACCO. The target population comprised of 66 employees comprising of the management and staff excluding the security officers and the cleaners. A study population denotes the whole set of items or individuals that the study describes as being the area of study and which a researcher wants to observe the characteristics or behavior (Kothari, 2006). Mugenda and Mugenda (2003) define a population denotes a whole group of persons, objects or events with a common recognizable traits. Sekaran and Bougie (2011) define a population as the total number of persons, events or things of interest that a study wishes to examine. A target population must have some observable characteristics that the researcher wants to generalize the study results (Mugenda, 2003). In this study, the population was the employees of the six branches of the Trans Nation SACCO in Tharaka Nithi County. For generalization purposes, Cooper and
Schindler (2003) suggest that a sample of at least 30 participants must exist because larger samples minimize errors.

**Table 3.1: Target Population**

<table>
<thead>
<tr>
<th>Branch Name</th>
<th>Target population per branch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chuka (headquarter)</td>
<td>26</td>
</tr>
<tr>
<td>Chogoria</td>
<td>17</td>
</tr>
<tr>
<td>Gatunga</td>
<td>2</td>
</tr>
<tr>
<td>Kathwana</td>
<td>4</td>
</tr>
<tr>
<td>Marimanti</td>
<td>15</td>
</tr>
<tr>
<td>Mukothima</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>66</strong></td>
</tr>
</tbody>
</table>

Source: (Trans Nation SACCO Website, 2018).

### 3.5 Sampling Design and Sample Size

This study adopted a census since the population was small. This ensured that all the units of the population participate and the results more reliable. The sample size was 66 employees of the Trans Nation SACCO. Sampling is a process of choosing a percentage of the study population that will represent the whole (Fox, Hunn & Mathers, 2007), while a sample refers to a proportion of the target population that is chosen to take part in the research (Cooper & Schindler, 2006). Studies should use large samples because they are more representative and produce more accurate results.

### 3.6 Research Instruments

The study used self-administered questionnaires to collect data. A questionnaire refers to a data collection instrument comprising of a series of questions as well as other prompts to gather information from the respondents (Shao, 1999). The benefit of using the questionnaires is that the data obtained is standardized making it easy to process and analyze statistically (Jackson,
2009). Also, questionnaires aid in quick data collection from large numbers of respondents. Additionally, the results obtained can be compared with related studies in other institutions, the participants answer anonymously thus producing highly honest results, and that a single person can manage the entire process.

3.7 Validity and Reliability of Research Instrument

3.7.1 Validity of Research Instrument

Validity describes the extent to which a test measures what it purports to measure (Thomas & Magilvy, 2011). The validity of a research instrument specifies how effective a research instrument measures the construct being investigated (Mugenda & Mugenda, 2003). The Content validity was achieved by organizing the questionnaire based on objectives of the study. The questionnaire provided adequate measures covering the content of the research objectives, and that they adequately answered the research questions. Face validity of the questionnaire was achieved through the guidance given by the supervisor on how to arrange the questions in the questionnaire. Basing on the theories chosen for the study, the issue of construct validity was met since they were in line with the research topic.

3.7.2 Reliability of Research Instrument

Reliability explains the accuracy of the measuring instrument and it implies that the findings of this study can be replicated by others if conducted in the same population (Hernon & Schwartz, 2009). Inter-rater reliability was used, that similar questionnaires were administered to different employees and then the results compared. This gave correspondences or disparities in the responses rated to establish the reliability of the research instrument.
3.8 Data Collection Procedures

The procedure for data collection involved obtaining an approval letter and an introductory letter to undertake data collection from Kenyatta University School of Business. A cover letter was included in the questionnaire to explain the purpose of the study and seek the participation of the respondents. The research instrument that was used was a questionnaire that was dropped at the offices of the various branches of the Trans Nation SACCO and then picked latter after completion. This study used primary data. Primary data was collected using self-administered, well-structured questionnaires to the participants on the basis of the study objectives. The benefit of this method is that it gave more truthful or valid responses since there was no interviewer to inject bias in the way questions were asked and also gave a high response rate (Trochim, 2006). The researcher distributed a total of 66 questionnaires.

3.9 Data Analysis and Presentation

A codebook was prepared before entry of the collected data. Coding involved assigning of numbers and symbols to questionnaire responses to group them into a limited number of categories (Cooper & Schindler, 2008). This enables quick data entry with minimal errors (Saunders et al., 2012). Data was statistically analyzed through the Statistical Package for Social Scientists (SPSS) Version 22, a windows based program that performs data entry and analysis so as to generate tables and graphs. SPSS can handle large amounts of data and as well carry out the analyses of the data quickly (Field, 2009). Data was summarized using frequencies, means, percentages, and standard deviation. The analyzed data was presented using tables, charts, and graphs to give a clear picture of the study findings. Regression analysis was used to establish the relationship between the independent and dependent variable.
3.10 Ethical Considerations

The researcher had an introductory letter from Kenyatta University Business administration department to allow her conduct the study. Permission was sought from the Trans Nation SACCO’s manager. The participants were briefed orally on the purpose of the study. This enabled them to make a decision to participate in the study. Freedom for withdrawal was granted to the participants and only those that agreed to participate in the study were given questionnaires to fill. A consent form was attached to the questionnaire and the participants had to sign as evidence that they agree to participate in the study. In ensuring confidentiality of the data collected, the participants did not write their names on the questionnaires and the information collected would not be revealed to unauthorized persons. The researcher also obtained the research permit from NACOSTI.
CHAPTER FOUR

RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the analysis of data and discussions of the study findings on strategy implementation and growth of the Trans Nation SACCO. The analysis was based on the objectives and the research questions as identified in the study and then analyzed using the SPSS software. The results were presented in form of tables, graphs, and charts.

4.2 General Information

4.2.1 Response Rate

The questionnaire was administered directly to the respondents in the six branches of the Trans Nation SACCO. A summary of the response rate per branch is as shown in Table 4.1.

Table 4.1 Response Rate

<table>
<thead>
<tr>
<th>Branch of the SACCO</th>
<th>No. of Targeted Respondents</th>
<th>No. of Returned Questionnaires</th>
<th>Response Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chuka</td>
<td>26</td>
<td>17</td>
<td>65.4</td>
</tr>
<tr>
<td>Chogoria</td>
<td>17</td>
<td>12</td>
<td>70.1</td>
</tr>
<tr>
<td>Gatunga</td>
<td>2</td>
<td>2</td>
<td>100</td>
</tr>
<tr>
<td>Kathwana</td>
<td>4</td>
<td>4</td>
<td>100</td>
</tr>
<tr>
<td>Marimanti</td>
<td>15</td>
<td>11</td>
<td>73.3</td>
</tr>
<tr>
<td>Mukothima</td>
<td>2</td>
<td>2</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>66</strong></td>
<td><strong>48</strong></td>
<td><strong>72.7</strong></td>
</tr>
</tbody>
</table>


This study had targeted 66 respondents; 26, 17, 2, 4, 15, and 2 from Chuka, Chogoria, Gatunga, Kathwana, Marimanti, and Mukothima branches respectively. The researcher distributed 66 questionnaires and out of this number, only 48 questionnaires, representing 72.7 % response rate.
were completed and given back by the respondents. This response rate was good since it was above the 70% that Mugenda and Mugenda (2003) recommend. The response rate per branch of the Trans Nation SACCO was also elaborated more using figure 2 below.

**Figure 2: Response Rate per Branch**

From the results, Chuka had the highest number of respondents at 17 followed by Chogoria 12 and Marimanti came with 11. Chuka, which is the headquarter is the largest branch thus produced the largest number of respondents. Also, Chuka and Chogoria have higher numbers of employees due to the fact they are the largest branches and established earlier than the rest. The response rate formed the basis for the analysis that was presented in this chapter.
4.2.2 Position of the Respondent in the SACCO

The study sought to establish the position held by each of the study respondents so that to establish the level of understanding of the respondents concerning strategy implementation in the SACCO. Data collected on this item is as represented in table 4.2 below.

Table 4.2: Position of the Respondent in the SACCO

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Assistant</td>
<td>1</td>
<td>2.1</td>
</tr>
<tr>
<td>Credit Manager</td>
<td>2</td>
<td>4.2</td>
</tr>
<tr>
<td>Clerk</td>
<td>2</td>
<td>4.2</td>
</tr>
<tr>
<td>ICT</td>
<td>2</td>
<td>4.2</td>
</tr>
<tr>
<td>Intern</td>
<td>4</td>
<td>8.3</td>
</tr>
<tr>
<td>SME Supervisor</td>
<td>1</td>
<td>2.1</td>
</tr>
<tr>
<td>Staff</td>
<td>33</td>
<td>68.7</td>
</tr>
<tr>
<td>Teller</td>
<td>3</td>
<td>6.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research Data (2018)

The majority of the respondents (68.7%) reported that they were staff. Additionally, the audit assistant, credit manager, clerk, ICT, interns, Supervisor, and teller were 1, 2, 2, 2, 4, 1, and 3 respectively. The respondents who reported that they were staff occupied 68.7%, followed by interns, tellers, ICT, clerk, credit manager, SME supervisor and audit assistant at 8.3%, 6.2%, 4.2%, 4.2%, 4.2%, 2.1%, and 2.1% respectively.

4.2.3 Duration Working with the Firm

The interest of the researcher was to find out the period of time that the employee had worked with the Trans Nation SACCO because the higher the duration of time the more knowledgeable on the operations of the firm. Data gathered on this item was presented in table 4.3 as shown below.
Table 4.3 Duration working with the Firm

<table>
<thead>
<tr>
<th>Duration</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Cumulative Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 3 years</td>
<td>21</td>
<td>43.7%</td>
<td>43.7%</td>
</tr>
<tr>
<td>Three To Five Years</td>
<td>15</td>
<td>31.3%</td>
<td>75.0%</td>
</tr>
<tr>
<td>Over Five Years</td>
<td>12</td>
<td>25.0%</td>
<td>100%</td>
</tr>
</tbody>
</table>


From the number of respondents who filled and returned the questionnaires, 43.7% of the respondents had been in the SACCO for not more than three years, 31.3% for three to five years, while 25.0% had worked with the SACCO for over years. The same information was presented in figure 3 below.

Figure 3: Duration Working with the Firm

Source: Research Data (2018)

The majority of the respondents (43.7%) had worked for the firm for less than three years, meaning that majority of them was new in the firm. However, this did not have a negative impact on the study findings since the respondents had knowledgeable on the Trans Nation SACCO and give credible responses.
4.2.4 Range of Products and Services Offered by the Trans Nation SACCO

In this item, the study sought to find out the products and services that the Trans Nation SACCO offers to its customers. The respondents provided several products and services that the firm offers and were presented in figure 4 below.

![Products and Services offered by Trans Nation Sacco](chart)

**Figure 4.4: Products and Services Offered by the SACCO**

Source: Research Data (2018)

From the responses, the SACCO offers ordinary savings accounts, emergency loans, pay bill services, school fees loans, long term loans, salary advance, training, shares, member loans, and business loans. From the figures, the major products and services for the Sacco are the ordinary savings accounts, reported by 10 of the respondents (20.8%) followed by long term loans and school fees loans. Shares and members loans follows while business loans, salary advance, training and paybill services are the least in that order.
4.2.5 Whether the SACCO has a Strategic Plan or Not

The researcher wanted to find out whether the Trans Nation SACCO has strategic plan that guides its operation and to test whether the respondents understand the topic of the study. The distribution of respondents in relation to this is as presented in table 4.4 below.

**Table 4.4 Whether the SACCO has a Strategic Plan or Not**

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Cumulative Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>48</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>No</td>
<td>0</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Source: Research Data (2018)

All the respondents (48 respondents) who completed the questionnaire reported that the SACCO had a strategic plan giving a 100% response on this item. The same information is presented in figure 5 below.

![Sacco's Strategic Plan](image)

**Figure 5: Whether the SACCO has a Strategic Plan or Not**

The findings in table 4.4 and figure 5 above demonstrate the knowledge the Sacco employees have on strategy and the effort the SACCO has made to sensitize their employees on the strategic direction of the Sacco.

4.2.6 Whether there has been Growth of the SACCO over the Last Few Years or Not

This study sought to test whether the respondents had an idea on SACCO growth. This study aimed at obtaining information from the respondents whether the Trans Nation SACCO has recorded growth over the past few years. The information gathered from the respondents is as in table 4.5 below.

Table 4.5 Whether the SACCO has grown for the Past Five Years or Not

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Cumulative Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>47</td>
<td>97.9</td>
<td>97.9</td>
</tr>
<tr>
<td>No</td>
<td>1</td>
<td>2.1</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>


Out of the 48 responses, 47 respondents answered in the affirmative that the Sacco has grown in the last five years, while 1 response was a No, that there was no growth and this represented 97.9% and 2.1% respectively. The above information was presented in figure 6 below.
The responses on whether the Trans Nation SACCO had growth for the past five years is further explained by the mean of 1.98 with a standard deviation of 1.44 indicating the data was statistically significant with a normal distribution and a mean value of 2.0. This implies that the respondents had knowledge on what growth means.

4.2.7 Indicators of Growth in Trans Nation SACCO

The aim of this item was for the respondents to give the measures that they consider as the appropriate indicators of the growth of the Trans Nation SACCO, having been tested on whether the SACCO had experienced growth over the past five years. The responses from the respondents were presented in figure 7 below.
Figure 7: Growth Indicators

Source: Research Data (2018)

From the data, majority of the respondents at 31% considered Sacco growth as indicated by increase in membership. The increase in the number of branches was considered the second indicator of growth by 27% of the respondents. Increase in profits was ranked number three as a growth indicator by 19% of the respondents. Loans uptake and increased products and services offered by the Sacco came fourth and fifth with 13% and 10% respectively.
4.3 Strategies that Cause Growth of the Trans Nation SACCO

This section presents findings on the study objectives, that is, the strategies that influence the growth of the Trans Nation SACCO.

4.3.1 Product Development Strategy and Growth of the Trans Nation SACCO

The aim of this item in the study was to test whether the respondents are aware of the product development strategies as well as the product strategies that are used by the Trans Nation SACCO. The respondents were to rate each statement using a Likert scale of 1 to 5, where 1 was strongly agree, 2 agree, 3 neutral, 4 disagree, and 5 strongly disagree. The means of the responses were computed and the data was as presented in figure 8 below.

![Product Development Strategy & Growth](image)

**Figure 8: Product Development Strategies and Growth**

Source: Research Data (2018)
Figure 8 above indicates the mean of all the responses on whether the participants were in agreement with the aspect of product development strategy and growth of the Trans Nation SACCO. The mean of all the responses was way above the standard deviation score of 1.65. For instance, the mean score of whether the SACCO has used product development strategies to improve existing products was computed at 2.5.

**Table 4.6 Mean and Standard Deviation of Product Development Strategies**

<table>
<thead>
<tr>
<th>Product Development Strategy</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Product Introduction in the last Year</td>
<td>2.50</td>
<td>1.65</td>
</tr>
<tr>
<td>There are Product Development Strategies</td>
<td>1.98</td>
<td>1.63</td>
</tr>
<tr>
<td>Creating Products and Services Awareness</td>
<td>1.95</td>
<td>1.60</td>
</tr>
<tr>
<td>Reduced Interest Rates on Loans</td>
<td>1.90</td>
<td>1.55</td>
</tr>
<tr>
<td>Sacco has Mobile Banking Platform</td>
<td>1.85</td>
<td>1.50</td>
</tr>
<tr>
<td>Sacco has ATM Networks</td>
<td>1.80</td>
<td>1.47</td>
</tr>
</tbody>
</table>

Source: Research Data (2018)

On whether the SACCO is creating product/service awareness, the mean score of the respondents was at 1.95. The SACCO is reducing interest rates on loans to attract more clients scored above normal distribution at 1.90 while providing Automated Teller Machines (ATMs) for ease of transactions was also considered an important aspect of growth at a mean value of 1.80. Lastly, SACCO employing mobile banking was also considered a significant factor in enhancing growth at a mean of 1.80. These mean values were way above the standard deviation of 1.65 on the contribution of product development strategy and its relation to growth. This implies that product development strategies are significant contributors of Growth in the Trans Nation SACCO.
These study findings agree with the findings of Amha (2008) who asserted that developing new products increases the revenues of a SACCO and reduces the transaction costs for accessing the financial services. Also, Macharia (2010) supports these findings because in his study product development and innovation were the strategies that 70% of the respondents supported to spur growth of Stima SACCO. Developing additional products for the existing market is appropriate where the strength of a business depends on its relationship with the customers (Burnes, 2000). This conforms to Ansoff’s matrix with respect to the development of new products in a firm.

4.3.2 Market Development Strategy and Growth of the Trans Nation SACCO

This study intended to test the knowledge of the respondents on market development strategies as well as find from the respondents the market development strategies that the Trans Nation SACCO employs. The respondents were asked to rate each statement using a Likert scale of 1 to 5, where 1 was strongly agree, 2 agree, 3 neutral, 4 disagree, and 5 strongly disagree. The mean of each of the responses was computed and the data was presented as in figure 9 below.
Figure 9: Market Development Strategy and Growth

Source: Research Data (2018)

Table 4.7 Mean and Standard Deviation of Market Development Strategies

<table>
<thead>
<tr>
<th>Marketing Development Strategy</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Different Products for Different Regions</td>
<td>2.00</td>
<td>1.60</td>
</tr>
<tr>
<td>Sacco Practices Electronic Marketing</td>
<td>1.95</td>
<td>1.58</td>
</tr>
<tr>
<td>Aggressive Marketing to Attract Members</td>
<td>1.90</td>
<td>1.50</td>
</tr>
<tr>
<td>Market Management to Maintain Members</td>
<td>1.85</td>
<td>1.47</td>
</tr>
<tr>
<td>Different Branches in Different Locations</td>
<td>1.80</td>
<td>1.45</td>
</tr>
</tbody>
</table>

Source: Research Data (2018)
The study assessed the role the market development strategies play in enhancing the growth of the Sacco. In this aspect, creation of market segments where certain products are designed for a specific group of people had the highest positive effect on the Trans Nation SACCO growth with a mean of 2.00, way above the standard deviation of 1.60. The era of digital operational activities has not passed the Sacco since they have employed digital services. In this regard, the SACCO practices electronic marketing which was rated with a mean value of 1.95, again higher than the standard deviation of 1.60. With regard to aggressive marketing to attract new members, this strategy employed by the Sacco scored highly at a mean score of 1.90 towards the growth of the Sacco. The aspect of the SACCO employing market management to maintain the members, the strategy was as well rated highly at 1.85 underscoring its importance in contributing to the growth of the Sacco. Finally, increasing the number of branches in different locations is a strategy employed by the Trans Nation SACCO in the marketing strategic decision. According to the respondents, this strategy was highly effective scoring a mean value of 1.85.

Having different products and services for different market segments in the Trans Nation SACCO support the assertions of IBRD (2004) that SACCOs compete through market development by diversifying into the market niches that the banks do not reach and that SACCOs can also pursue market niches and proactively market their services through this strategy. Market management ensures that the Trans Nation SACCO is aware of the market in which it operates and has strategies to outdo its competitors so as to achieve growth. The study finding supports the assertion by Barney and Hesterly (2008) that the analysis of the threats and opportunities facing the business must begin with the understanding of the general environment within which a firm operates. In the same way electronic marketing being the second supported market development strategy implies that the Trans Nation SACCO is aware of the dynamic
business environment and this supports the argument by Burnes (2000) that a firm needs to develop competency by responding to the demands of the customers and becoming more innovative in their ways of approaching the turbulent market environment. Also, Macharia (2010) is of the view that the market development strategy spurs growth of the firm where he found a significant impact of the market development strategy on the growth of the Stima SACCO.

4.3.3 Direct Sales Strategy and Growth of the Trans Nation SACCO

The study sought to understand the place of direct sales strategies in promoting the growth of the Trans Nation SACCO. The analysis of several parameters is represented in figure 10 below.

Figure 10: Direct Sales Strategy and Growth
Source: Research Data (2018)
### Table 4.8 Mean and Standard Deviation of Direct Sales Strategies

<table>
<thead>
<tr>
<th>Direct Sales Strategy</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of Direct Emails</td>
<td>2.00</td>
<td>1.44</td>
</tr>
<tr>
<td>Distribution of Brochures and Leaflets</td>
<td>1.95</td>
<td>1.43</td>
</tr>
<tr>
<td>Marketing in Public Shows</td>
<td>1.93</td>
<td>1.42</td>
</tr>
<tr>
<td>Sales People to the Market for Business</td>
<td>1.85</td>
<td>1.40</td>
</tr>
</tbody>
</table>

Source: Research Data (2018)

From the results, use of direct emails was the most effective sale strategy at a mean value of 2.00 above the standard deviation of 1.44. This demonstrates the effectiveness of the emails in sales strategic decisions of the Sacco. Secondly, the respondents at a mean value of 1.95 regarded distribution of leaflets / brochures as a sales strategy. Marketing in public shows came third ranked sales strategy from the respondents at a mean value of 1.93 and lastly sending the sales employees out to the market to pursue more business was lastly ranked even though is an effective sales strategy. The findings from this study support literature by Steve (2007) where he argues that the use of direct sales force, direct mails, web advertising, and indirect channels to campaign effectively helps a firm to meet the objectives. Additionally, the findings are in line with Michael et al. (2006) who asserts that selling of the products/services is can occur through one-on-one selling, in-home product demonstrations, at jobs, or through parties.
4.4 Descriptive Statistics on the Growth of the SACCO

Table 4.9: Descriptive results on the Growth of the Trans Nation SACCO

<table>
<thead>
<tr>
<th></th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>Median</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saving products</td>
<td>3</td>
<td>8,900</td>
<td>384.901</td>
<td>382.623</td>
<td>47.409</td>
</tr>
<tr>
<td>Increased products and services</td>
<td>2</td>
<td>3,000</td>
<td>128.780</td>
<td>125.007</td>
<td>19.745</td>
</tr>
<tr>
<td>Teller Machines</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in membership</td>
<td>5</td>
<td>11,000</td>
<td>476.913</td>
<td>475.091</td>
<td>53.294</td>
</tr>
<tr>
<td>Processing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Account Types</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased profits</td>
<td>5</td>
<td>3,000</td>
<td>128.712</td>
<td>127.658</td>
<td>16.842</td>
</tr>
<tr>
<td>Money Transfer</td>
<td>7</td>
<td>1,100</td>
<td>46.820</td>
<td>46.667</td>
<td>17.576</td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan uptake</td>
<td>2</td>
<td>8,500</td>
<td>347.212</td>
<td>346.712</td>
<td>44.892</td>
</tr>
</tbody>
</table>

Source: Research Data (2018)

There was a mean of 384.901 which was established in Saving products across the SACCOS branches surveyed, with the minimum amount at 3 and maximum at 8,900 both at a median of 382.623. A standard deviation of 47.409 was further recorded suggesting a variance of approximately Kshs 47,400.00 among the organizations. The growth and increased products and services was recorded across the branches recording a mean of 128.780 the highest organization recording 3,000 while the lowest a total of 2 at a median of 125.007. This was with a standard deviation of 19.745. Results further reveal a mean of increased membership of 476.913, maximum of 11,000, minimum of 5, at a 475.091 median value and a standard deviation of 53.294. A mean of 128.712 was further established on the increased profits across the branches.
with a standard deviation of 16.842 while minimum, maximum and median values at 5, 3,000 and 127.658 respectively. A mean value of 46.820 was further revealed on Money Transfer Services, with the statistic recording minimum, maximum and standard deviations of Kshs 7, Kshs 1,100 and 17.576 respectively with a median of 46.667. Lastly, the study established a mean Loan Products and uptake value of 347.212, maximum of 8,500, minimum of 2, median of 346.712 and standard deviation of 44.892. Overall, the finding depicts and healthy development of Nation Sacco.

### 4.5 Regression Results

A multiple regression model was applied to this end, which produced coefficients of determination and analysis of variance (ANOVA). While Coefficient of determination showed the strength of the relationship, the Analysis of variance was done to show whether there is a noteworthy difference in the mean between dependent and independent variables. The ANOVA was conducted at 95% confidence level.

#### Table 4.10: Model Goodness of Fit

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>R</strong></td>
<td><strong>R²</strong></td>
<td><strong>Adjusted R²</strong></td>
<td><strong>Std. Error of the Estimate</strong></td>
</tr>
<tr>
<td>0.694</td>
<td>0.482</td>
<td>0.712</td>
<td>0.036</td>
</tr>
</tbody>
</table>

Source: Research Data (2018)

The results showed a correlation value (R) of 0.694 which depicts that there is a good linear dependence of the Sacco growth and all the predictor variables (various strategies). An adjusted R-squared of 0.712, shows that product development strategies, market development strategies and direct sales strategies explain 71.2 percent of the variations in the growth of Nation Sacco while 28.8 percent is attributed to other factors that were not included in the model.

#### Table 4.11: Analysis of Variance
### Table 4.12: Regression Coefficients

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized</th>
<th>Standardized</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coefficients</td>
<td>Coefficients</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>6.181</td>
<td>.276</td>
<td>1.324</td>
<td>.076</td>
</tr>
<tr>
<td>PDS</td>
<td>1.713</td>
<td>.698</td>
<td>1.562</td>
<td>.022</td>
</tr>
<tr>
<td>MDS</td>
<td>0.634</td>
<td>.677</td>
<td>.586</td>
<td>.038</td>
</tr>
<tr>
<td>DSS</td>
<td>0.756</td>
<td>.553</td>
<td>.721</td>
<td>.032</td>
</tr>
</tbody>
</table>

Source: Research Data (2018)

The Analysis of Variance was conducted to determine the differences in the means of the dependent and independent variables in order to ascertain whether a relationship exists between the two. The P-value of 0.021 implies that the overall growth of the Trans Nation Sacco has a significant joint relationship with product development strategies, market development strategies and direct sales strategies which is significant at 5 percent level of significance.

Taking the model:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e \]

The established regression equation now becomes:
Overall Sacco Growth = 6.181 + 1.713 (Product Development Strategies) + 0.634 (Market Development Strategies) + 0.756 (Direct Sales Strategies) + \varepsilon

The results reveal that product development strategies, market development strategies and direct sales strategies are positively related to the overall growth of Trans Nation Sacco. Significant tests (T-tests and P-values) revealed that all of these relationships were significant. The regression results show that, when the product development strategies, market development strategies and direct sales strategies have zero values, the autonomous growth value would be 6.181 units.

It was further also established that a unit increase in product development strategies at ceteris paribus, would result in a 1.713 increase in overall growth of the Sacco. This was at a t value of statistic had a t-value of 2.454 at a p-value of 0.022 showing that the statistic is significant at 95% confidence level. Ceteris paribus, a unit increase in market development strategies would cause an increase in growth of the Sacco by 0.634. A t-value of 0.936 was established at .038 P-value. This shows that the statistics was also significant at 95% significance level. A unit increase in direct sales strategies would lead to a 0.756 increase in growth of the Sacco.
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This study sought to find out how strategy implementation influences the Growth of the Trans Nation SACCO. This chapter presents a summary of findings, conclusions, recommendations, as well as recommendations for further studies.

5.2 Summary of Findings

This section presents a summary of the study findings and it starts by giving an outline of the findings on the general information and then proceeds to summarizing the findings for each study objective; product development strategies, market development strategies, and direct sales strategies.

5.2.1 General Information

This included the number of participants involved in the study and their geographic location. From the analysis, only 48 questionnaires were returned out of the total 66, which were issued, and partly because of the geographic configuration of the locations of the various branches which were included in the research (6 branches). This was also explained by the nature of work for the participants involved. Majority of the respondents were involved in their daily work and might have gone to the field and other activities hence unable to receive the questionnaires. The response rate per location was quite impressive at Chuka and Chogoria. This was so because these are the oldest and largest branches of the Sacco hence much of the staff here were available
and had extensive knowledge of Sacco operations. As discussed in the chapter above, majority of employees in the Sacco are quite experienced with the highest percentage at 43 having worked in the Sacco for more than three years.

From the responses received, the Trans Nation Sacco has a wide range of products and services, which resonates well with the clientele on the ground. Their diversity in terms of products and services was also something, which provided a competitive advantage from the rest of players in the industry. In this regard, the Sacco offered ordinary savings account which majority of members’ preferred, school fees loans was also ranked high with long-term loans coming third. Emergency loans was also another famous product with the Sacco while shares, members loans, business loans, salary advance, training and pay bill services following the product and service line respectively.

In the current financial environment when innovations and competitive advantage is the only approach financial players ought to consider to avoid being drive off the market, players have diverse various approaches like discussed above. Measuring the growth of the Sacco, respondents regarded increase in the numbers of members as the strongest indicator followed by the expansion capacity in terms of new branches. Increased profitability trend of the Sacco was ranked third while loan uptake and increased products and services were ranked fourth and fifth respectively.

5.2.2 Product Development Strategy

The findings revealed that product development strategies influence the growth of the Trans Nation SACCO. The results showed that the Trans Nation SACCO has introduced a new product/ service in the last one year, meaning that it employs the new product development
strategy. Respondents indicated that, there has been growth in new products and services that the Sacco has introduced in the last one year hence propelling the Sacco to growth trajectory compared to other players in the industry. These new products and services, which have been introduced for the last one year, were mostly due to conscious steps undertaken to ensure product and services strategies are in place. Also, the SACCO creates awareness of its products and services to the public to ensure they are updated whenever they are planning to launch any product and services to cater for the ever growing need in the industry. In ensuring they remain as the market leaders, the Sacco has lowered its interest rates to attract more borrowers and make attractive the various products and services it has continued to develop. Additionally, the Trans Nation SACCO uses mobile banking and has ATMs to enhance efficiency of the services. This is driven by the market demand where customers are unwilling to spend hours queuing at the branches to access various services. The ease of doing business and advancement of technology has further necessitated the Sacco to establish a wide network of Mobile services and ATMs to leverage on technology for improved services and consequently growth of the Sacco.

5.2.3 Market Development Strategy and Growth of the Sacco

When the research considered market development strategy, Trans Nation SACCO ranked among the highest with regard to market development strategies. The Sacco develops new products and services for different market groups by recognizing the various and diverse market needs for different customers. The segmentation approach by the Sacco was ranked the highest with the Sacco catering for customer needs in different regions differently as opposed to extensive product and service delivery. Secondly, the age of digital migration, which has revolutionized the market especially in the financial sector, has helped the Sacco cover a niche due to its efficient electronic marketing approach. This has helped customers to conduct
transactions on their own without requiring any physical contact with the Sacco personnel. In ensuring the market is ever growing and maintaining their market leadership position in the financial sector, the Sacco has continued to conduct an aggressive marketing campaign to attract more members, which in the long run has borne fruits as attested to the increased membership, loan portfolio among other parameters discussed in earlier chapters. Capturing the market is not the ultimate objective of the Sacco since they have been intentional in establishing market maintenance structures to retain members. In ensuring increased market share, the Sacco has been aggressive in opening new branches in different location to ensure they cater for their clients in those regions. This geographical coverage of the Sacco has not only ensured its countywide coverage but also as the preferred financial provider in the region.

5.2.4 Direct Sales Strategy and Growth

The Sacco has recognized that product development as well as market strategies may not be the only drives in pushing the market share to favorable levels of the Sacco. In this regard, they have aggressively engaged in the direct sales approach to ensure their market share not only improves but also maintains the market dominance especially from the numerous players scouting the region to offer similar services. In this regard, the research identified use of direct emails as the best sales approach the Sacco has adopted and indeed the fruits are visible from the increased client base and satisfied client relationship they have witnessed over the years. Information is a powerful tool, whether to inform the client of a new product and service they have introduced in the market of update the customers of an upgrade of an existing one, use of brochures and leaflets have been effective in this regard. In ensuring a large-scale distribution of information, the Sacco has gone a step further and established a network of public shows to sensitize the public on their products and services as well as other benefits they offer. Finally, the research
identified the Sacco’s recognition of people and human touch in sales as one of the most effective strategies to drive growth. In this regard, they employ sales people to the market places to promote business and maintain their reputation as well as increased sales, which has been effective.

5.3 Conclusion

The conclusion of this study is that the Trans Nation SACCO has implemented strategies that influence its growth. This section presents a conclusion of the major findings per objective.

5.3.1 Product development Strategy and Growth of the Trans Nation SACCO

This study’s first objective was to find out the product development strategies that influence the growth of the Trans Nation SACCO. The study found out that product development strategies influence growth. The product development strategies that were seen to have the greatest influence were the introduction of new products and creation of awareness on their products and services.

5.3.2 Market Development Strategy and Growth of the Trans Nation SACCO

The market development strategy made the second objective of this study. Findings revealed that the Trans Nation SACCO employs the market development strategies to enhance its growth. Production of different products for different regions, electronic marketing, and aggressive marketing were found to have a significant impact on growth.

5.3.3 Direct Sales Strategy and Growth of the Trans Nation SACCO

The third objective of this study was to find out the type of direct sales strategies that the Trans Nation SACCO uses to grow. The study findings showed that the Sacco employs the direct sales
strategies and the major ones were the use of direct emails, use of brochures and leaflets, and public shows to make them known to customers.

5.4 Recommendations

The Trans Nation SACCO should conduct aggressive marketing to attract more members in key potential areas where it can open up more branches. The Trans Nation SACCO will achieve its growth objective as well as other objectives only if it concentrates on the needs of the market and develop products and services that the market desires. Therefore, as much as marketing in public shows is conducted, advertisements in televisions and radios can enable it achieve its objectives.

5.4.1 Suggestions for Further Research

The study focused on strategy implementation and growth of the Trans Nation SACCO in Tharaka Nithi County. A study should be conducted to establish whether the Trans Nation SACCO has adopted the recommended strategies. Additionally, this study can be conducted on other SACCOs to determine the strategies that lead to their growth. Also, a similar study can be carried out on other financial institutions like banks to establish the strategies that they adopt to enhance growth so that SACCOs could adopt such strategies in spurring growth.
REFERENCES


69


Raps, A. & Kauffman, D (2005), Strategy implementation – an insurmountable obstacle? Handbook of Business Strategy, Volume 6, Number 1, pp 141-146


Uluma, P. U. (2013). *An assessment of the determinants of growth of savings and credit co-operatives in Dagoretti District, Kenya* (Doctoral dissertation, School of Business, Department of Business Administration, Kenyatta University).


Dear Sir/Madam

REF: REQUEST TO CARRY OUT DATA COLLECTION.

I am Elizabeth Muchomba, a Master of Business Administration degree student at Kenyatta University. I am conducting a study that intends to find out **strategy implementation and growth of the Trans Nation SACCO in Tharaka Nithi County**. You have been selected to participate in this study as you are at a position to provide reliable information that will enable this study to achieve the objectives. Data collection will use a questionnaire. The information you give will be treated with utmost confidentiality. A copy of the final document shall be given to you if you request. Please do not write your name or any identifiable information. Your participation will be highly appreciated. Thank you.

Yours faithfully,

Elizabeth Kaguuru Muchomba.

Email Address: elizabethkaguuru@gmail.com
Appendix 2: Questionnaire

Note: Tick ☑ and fill where appropriate.

Section A: Background Information

1. Indicate the branch of the firm……………………………………………………………………

2. Indicate your position………………………………………………………………………………

3. How long have you worked with this firm?
   - Below three years [ ]
   - 3-5 years [ ]
   - Over 5 years [ ]

4. What is the range of services offered by the Trans Nation Sacco? =What are the products and services offered by the SACCO?
   …………………………………………………………………………………………………………..
   …………………………………………………………………………………………………………..
   …………………………………………………………………………………………………………..

5. Does your SACCO have a strategic plan? Yes [ ] No [ ]

6. Would you say that in the last few years there has been growth in the Trans Nation Sacco?
   - Yes [ ]
   - No [ ]

7. If yes to the above question, which parameter best describes the growth of your firm?
   - Profits [ ]
   - Branches [ ]
   - Loans uptake [ ]
   - No. of members [ ]
   - No. of products/services offered [ ]
   - Capital growth in net assets [ ]

Section B: Product development strategy and Growth of the Trans Nation SACCO
8. The Trans Nation SACCO applies the following product development strategies to enhance growth. Using a rating scale of 1 to 5, tick the appropriate: where 1 = Strongly Agree, 2 = Agree, 3 = Neutral, 4 = Disagree, 5 = strongly Disagree, rate the following.

<table>
<thead>
<tr>
<th>ITEM</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The SACCO has used product development strategies to improve existing products</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The SACCO is creating product/service awareness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The SACCO has introduced a new product/service in the last one year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The SACCO is reducing interest rates on loans to attract more clients</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The SACCO provides Automated Teller Machines (ATMs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The SACCO employs mobile</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Section C: Market Development Strategy and Growth of Trans Nation SACCO

9. The following market development strategies are used by the Trans Nation SACCO to spur its growth. Please tick ☑ where appropriate according to your view.

<table>
<thead>
<tr>
<th>ITEM</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing the number of branches in different locations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The SACCO practices electronic marketing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creating market segments where certain products are designed for a specific group of people</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aggressive marketing to attract new members</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The SACCO market management to maintain the members</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any other ..................................................................................</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Section D: Direct Sales Strategy and Growth of the Trans Nation SACCO

10. The following direct sales practices are exercised by the Trans Nation SACCO. Please tick where appropriate.

<table>
<thead>
<tr>
<th>ITEM</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sending the sales employees out to the market to pursue more business</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing in public shows</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution of leaflets/ brochures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use of direct emails</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Any other (Please specify).................................................................

........................................................................................................

Thank you.
## Appendix 3: Work Schedule

<table>
<thead>
<tr>
<th>2018</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
</tr>
</thead>
<tbody>
<tr>
<td>Literature review</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposal writing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposal submission</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposal correction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposal defense</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project writing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project submission</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

# Appendix 4: Research Budget

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost per unit (Kshs)</th>
<th>Quantity</th>
<th>Total (Kshs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airtime</td>
<td>1000</td>
<td>5</td>
<td>5,000</td>
</tr>
<tr>
<td>Internet bundles</td>
<td>3GB @ ksh1000</td>
<td>5(months)</td>
<td>5,000</td>
</tr>
<tr>
<td>Printing of draft proposal</td>
<td>300</td>
<td>8 Copies</td>
<td>2,400</td>
</tr>
<tr>
<td>Printing and binding of final proposal</td>
<td>500</td>
<td>8</td>
<td>4000</td>
</tr>
<tr>
<td>Data collection</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Printing of questionnaires and photocopying</td>
<td>Kshs 30 per questionnaire</td>
<td>66</td>
<td>3,300</td>
</tr>
<tr>
<td>Traveling expenses</td>
<td>2,000 per day (one day per branch)</td>
<td>6 days</td>
<td>12,000</td>
</tr>
<tr>
<td>Final project binding</td>
<td>1,500</td>
<td>8</td>
<td>12,000</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td></td>
<td>10,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>53,700</strong></td>
</tr>
</tbody>
</table>

Appendix 5: Approval for Data Collection from Kenyatta University

KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke
Website: www.ku.ac.ke

FROM: Dean, Graduate School
TO: Elizabeth Kaguuru Muchomba
C/o Business Administration Dept.

DATE: 15th May, 2018
REF: D53/OL/CTY/27159/2015

SUBJECT: APPROVAL OF RESEARCH PROPOSAL

We acknowledge receipt of your revised Research Proposal as per our recommendations raised by the Graduate School Board of 9th May, 2018 entitled “Strategy implementation and the growth of saving and credit societies in Tharaka Nithi County: A case of trans nation Sacco”.

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University’s Website under Graduate School webpage downloads.

Thank you.

ELIJAH MUTUA
FOR DEAN, GRADUATE SCHOOL

C.c. Chairman, Department of Business Administration
Supervisors:

1. Dr. James Oringo
C/o Department of Business Administration
Kenyatta University