

**COMPETITIVE STRATEGIES AND PERFORMANCE OF DEPOSIT TAKING
SAVINGS AND CREDIT COOPERATIVES IN MERU COUNTY KENYA**

RUTH KATHIMUURI

D53/CTY/PT/27304/2018

**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS,
ECONOMICS AND TOURISM IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF A DEGREE IN MASTER OF
BUSINESS ADMINISTRATION (STRATEGIC MANAGEMENT) OF
KENYATTA UNIVERSITY**

NOVEMBER, 2023

DECLARATION

Declaration by candidate

The originality of this project solely is my effort and has previously not been presented for examination or award in Kenyatta University or any other learning institution. The authorization of Kenyatta University/author may be sought for in written before any part of this project shall be replicated.

Signature:.....Date.....

Ruth Kathimuuri

D53/PT/CTY/27304/2018

Supervisor's Declaration

I confirm that this project has been submitted by the candidate under my supervision.

Signature..... Date.....

Dr. David Kiiru

Business Administration Department,

School of Business, Economics and Tourism,

Kenyatta University.

DEDICATION

My husband Mark Muthomi and our daughters Amara and Astra deserve all the credit for their support and affection, which is why this research project is dedicated to them. I dedicated this also to the All-Powerful God who created me and gave me life and sound health.

ACKNOWLEDGEMENTS

I would want to convey my appreciation to my supervisor, Dr. David Kiiru, for all of his guidance and advice given to me as I developed this project. I want to appreciate my husband Mark Muthomi and parents Timothy Kathimuuri and Charity Kananu for their financial and emotional support during the creation of this project. Most significantly, I thank God, the Almighty, for giving me life and for inspiring me to continue studying and help others.

TABLE OF CONTENTS

DECLARATION	ii
LIST OF FIGURES	ix
ABBREVIATIONS AND ACRONYMS	xii
ABSTRACT	xiii
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Study	1
1.1.1 Organisational Performance	4
1.1.2 Competitive Strategies	6
1.1.3 Sacco's in Meru County Kenya	10
1.2 Statement of the Problem	10
1.3 Objectives of the Study.....	12
1.3.1 General Objective.....	12
1.3.2 Specific Objectives.....	12
1.4 Research Questions.....	13
1.5 Significance of the Study.....	13
1.6 Scope of study	14
1.7 Limitations of Study	14
1.8 Organization of Study.....	14
CHAPTER TWO	16
LITERATURE REVIEW	16
2.1 Introduction	16
2.2 Theoretical Literature Review	16
2.2.1 Michael Porters Generic Strategies Model.....	16
2.2.2 The Resource Based View theory	17
2.2.3 Evolutionary Model Theory	19
2.2.4 Balanced Scorecard Model.....	19
2.3 Empirical Literature Review	21
2.3.1 Cost Leadership and Organisational performance	21
2.3.2 Differentiation Strategy and Organisational performance	23

2.3.3 Focus Strategy and Organisational performance	25
2.3.4 Innovation Strategy and Organisational performance.....	26
2.4 Summary of Literature Review and Research Gaps.....	28
2.5 Conceptual Framework.....	32
CHAPTER THREE	33
RESEARCH METHODOLOGY.....	33
3.1 Introduction	33
3.2 Research Design	33
3.3 Target Population	33
3.4 Sampling Design.....	34
3.5 Data Collection Instrument.....	35
3.6 Data Collection Procedure.....	35
3.7 Validity and Reliability of data collection instruments	36
3.7.1 Validity of data collection instruments	36
3.7.2 Reliability of data collection instruments.....	36
3.8 Data Analysis and Presentation	37
3.9 Ethical Considerations	38
CHAPTER FOUR.....	39
DATA ANALYSIS AND DISCUSSION	39
4.1 Introduction	39
4.1.1 Response Rate	39
4.1.2 Reliability Analysis	40
4.2 General Information	40
4.2.1 Duration of the Employment.....	41
4.2.2 Gender of the Respondents	42
4.2.2 Position in the SACCO	43
4.2.3 Educational Qualification.....	43
4.3 Descriptive Analysis	45
4.3.1 Cost Leadership Strategy	45
4.3.2 Differentiation Strategy.....	48
4.3.3 Focus Strategy	50
4.3.4 Innovation Strategy	52
4.3.4 Organisational Performance	54

4.4. Inferential Analysis	56
4.4.1. Correlation Analysis.....	56
4.4.2. Model Summary	57
4.4.3. Analysis of Variance (ANOVA)	58
4.4.4. Multiple Regression Analysis	59
4.5 Interpretation of Findings	60
CHAPTER FIVE.....	64
SUMMARY, CONCLUSION AND RECOMMENDATIONS.....	64
5.1 Introduction	64
5.2 Summary of Findings	64
5.3 Conclusion.....	65
5.4 Policy Recommendations	66
5.5 Contribution to Knowledge	67
5.6 Suggestions for Future Research.....	68
REFERENCES	69
APPENDICES	74
Appendix 1: Respondents Letter	74
Appendix 2: Questionnaire.....	75
Appendix 3: List of SACCOS in Meru County, Kenya.....	78

LIST OF TABLES

Table 2.1 Summary of Literature Reviewed and Research Gaps.....	29
Table 3.1: Distribution of Target Population	34
Table 3.2: Sampling Distribution of Target Population.....	35
Table 4.1: Response Rate	39
Table 4.2: Reliability Analysis	40
Table 4.3: Position the Respondents	43
Table 4.4: Cost Leadership Strategy Descriptive Statistics	46
Table 4.5: Differentiation Strategy Descriptive Statistics.....	48
Table 4.6: Focus Strategy Descriptive Statistics	51
Table 4.7: Innovation Strategy Descriptive Statistics	53
Table 4.8: Organisational performance Descriptive Statistics	55
Table 4.9 Correlation Results.....	57
Table 4.10: Model Summary.....	58
Table 4.11 ANOVA	58
Table 4.12: Regression Results	59

LIST OF FIGURES

Figure 2.1 Conceptual Framework of the study	32
Figure 4. 1 Duration of Employment	32
Figure 4. 2 Gender of the Respondents	42
Figure 4. 3 Educational Qualification of the Respondents.....	44

OPERATIONAL DEFINITIONS OF TERMS

Competitive Strategies	Strategies pursued by deposit taking savings and credit cooperatives to achieve good organisational performance. They include cost leadership, differentiation, focus and innovation strategies.
Cost Focus	A method through which a deposit-taking savings and credit cooperative aims to acquire an advantage in costs in its segment target, which must have consumers with unusual preferences or a production and distribution setup different from that of other segments.
Customer Loyalty	Relationship between deposit taking savings and credit cooperatives and customers which is determined by how willing a customer is to get products and services and repeat business from the deposit taking savings and credit cooperatives rather than from its competitors.
Customer satisfaction	It measures how well deposit taking savings and credit cooperatives products and services satisfy and meet the expectations of their customers
Differentiation	A situation where deposit taking savings and credit cooperatives attempt to distinguish themselves as exceptional in the market or industry along specific traits that customers appreciate highly. The participant or company chooses crucial characteristics for lots of customers in a market, then positions itself in a special way to suit those wants and charges a price for this.
Differentiation Strategy	Strategy by which deposit taking savings and credit cooperative identify customer needs and provide unique services and products based on the needs of the specific segment. It is attained through product and process differentiation.

- Focus Strategy** A strategy by which deposit taking savings and credit cooperative focuses on needs of specific segment and provides products and services that are specific to the identified segment.
- Innovation Strategy** Refers to plan by deposit taking savings and credit cooperatives whose main aim is to come up with product innovation and process innovation.
- Organisational performance** This is the basic extent to which deposit taking savings and credit cooperative by using its processes, strategies, and action plans, it achieves its goals. It is measured through how organization attains customer satisfaction, customer loyalty and employee motivation

ABBREVIATIONS AND ACRONYMS

CEO	Chief Executive Officer
ICA	International Cooperative Alliance
SACCO	Savings and Credit Cooperative Society
SASRA	SACCO Societies Regulatory Authority
SPSS	Statistical Package for Social Scientists
WOCCU	World Council of Credit Unions

ABSTRACT

Savings and credit cooperatives help in mobilising of member savings and provision of credit facilities. Based on world council of credit unions report of 2017, there are about 1.2 billion members being served by the 300 million Savings and Credit Cooperative Societies worldwide. Kenya Savings and Credit Cooperative Societies mobilise around 400 billion making it a large savings contributor to the economy. Reduced customer retention, low customer loyalty and reduced sales volume has to be dealt with by the management as these have led to the deposit taking savings and credit cooperatives poor performance in Meru County, Kenya. Competitive strategies are useful in enabling the Savings and Credit Cooperative Societies to perform. This survey attempts to determine how competitive strategies affect the performance of Meru County's savings and credit cooperative societies in Kenya. The inquiry was constructed around Michael Porter's generic strategies theory, evolutionary theory, resource-based view model and balanced scorecard hypothesis. The investigation's particularly is to ascertain how cost leadership, differentiation, focus, and innovation strategies affect deposit-taking savings and credit cooperatives' performance in Meru County, Kenya. Customer retention, customer loyalty and sales volume was utilized as the preferred metrics for performance. Descriptive research design was applied where a census of 14 Meru County's deposit taking savings and credit cooperatives in Kenya and 308 respondents was used. The employment of random stratified sampling was applied to select board of directors, senior management, middle level management, and other employees. A sample of 92 respondents was selected using 30% of the target population. Primary data was gathered using both closed and open-ended questionnaires. The instruments were examined for reliability using test-retest method and expert opinion while. An expert's opinion was used to evaluate the content validity. To analyze the data, both descriptive (mean and standard deviation) and inferential (correlation and regression) statistics were applied. The study is relevant to investors who want to invest in savings and credit cooperative societies, management in making informed decisions, scholars whereby it formed basis for further research and policy makers in coming up with policies that enhance savings and credit cooperative performance. The discoveries of the investigation demonstrated that cost leadership strategy positively affected performance significantly; differentiation strategy significantly affected performance positively; focus strategy affected performance positively in an insignificantly; while innovation strategy negatively affected savings and credit cooperative performance insignificantly in Meru County, Kenya. The research suggests that the cost leadership strategy be increased in order to boost the savings and credit cooperative societies' performance in Meru County, Kenya. Therefore, the management of the savings and credit cooperative societies should endeavor to increase the amount of resources channeled into the training of leaders to optimize their managerial potential for optimum growth of the savings and credit cooperative societies.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Globally, cooperative societies play a key role in both poverty alienation and economic growth. There are 800 million people who are active customers of the SACCOs and they have provided employment to around 100 Million people. In Europe the number of registered SACCOs is estimated at 58000 serving 13.8 million of the population with estimated 72000 SACCOs serving 140 million people in the United States of America. This is a clear indication that SACCOs have a very pivotal role in developed economies worldwide (Daniel, 2017).

The world has been gradually changing over the recent past. This is as a result of the opening up of the world economy through globalization and high technological advancements in various industries. Organizations need to remain competitive and hence they have to utilize the existing opportunities and explore more opportunities that are presented by the changing world of business (Yunis, Tarhini & Kassar, 2017). The IMF estimation of the global SACCO market share in the whole world was 14% as at the beginning of 2014. This is a clear indication that the savings and credit cooperatives serve a huge population worldwide and contribute largely to overall global economy. Due to high competition experienced in the DT- SACCOs subsector, organisational performance for some of the cooperatives has deteriorated. There has been a problem in SACCOs worldwide due to low customer retention, reduced customer loyalty and low sales volume which has reduced the employee morale (Waithira, 2020).

The pioneer countries to adopt the SACCO idea in Africa were; Ghana, Nigeria, Tanzania, Kenya and Uganda. The SACCOs in Africa have grown rapidly since then

and currently there are 27 countries within the continent that have embraced SACCO. Kenya is the leading country in Africa with a high contribution of its gross domestic product attributed to SACCOS (Waithira, 2020). Africa has experienced several changes in financial sector such as technological advancement, trade liberalization, removal of trade barriers and infrastructural development all of which have affected the activities of SACCOs. There has been renaissance of SACCOs in Africa due to SACCOs ability to provide services that well identify with the unique needs of groups of people and the accessibility in remote areas where they act as banks to the unbanked population. Africa has 17 million SACCO members with savings totaling USD 4.897 billion and loans totaling USD 5.912 billion. Although some SACCOs have had to close due to poor organisational performance, others have risen and taken their position thanks to effective use of competitive strategies (Chepchirchir, 2018).

According to the world council of Unions (WOCCU), Kenya is the fastest in growth of SACCOs subsector. The SACCOs sector in the country was identified by WOCCU as the best in Africa and the 7th worldwide. The good organisational performance of this subsector is attractive to both the domestic and international investors hence it attracts high levels of competition. This clearly brings out the need for SACCOs to strategize and position themselves in such a way that they remain competitive and perform well in the changing market (Otieno, 2016; Motari, 2018).

Since the start off of SACCOs in Kenya, with the first SACCOs in the country being formed at 1908, the societies have continued to have a considerable impact on a variety of industries, including storage, housing, banking, agro-processing, transportation, and credit among others. The SACCOs contribute at least 45 percentage of the nation's GDP. The closest following this high contribution in the world is New Zealand where

22% of the country's GDP comes from the SACCO subsector. At least 8 million people in Kenya are SACCO members, and at least 20 million people in Kenya indirectly rely on SACCOs (Njoki, 2018). In Kenya most of the middle- and low-income earners find SACCOs attractive for both savings and loan facilities due to the low interest rates charged on the loans compared to banks. The government of Kenya has embraced SACCOs as one of the ways of economically strengthening its citizens and as a result people have positively embraced the idea. As at 2021, there are 175 registered SACCOs serving a population of more than 4.73 million Kenyans with majority of the population being men due to the active role they play in the economic activities (Sasra, 2019). The deposits taking SACCOs in Kenya have been faced by various problems which have led to collapse of some SACCOs such as Ekeza. The poor organisational performance in the SACCOs has been related to low customer retention, decreased customer loyalty and reduced sales volume (Nganga, 2017).

According to Waituika (2017), the changes in the business world have resulted in the coming up of new industries, growth of others and death of some industries. How well a company interacts and responds to the changing world determines its position in the market. By effectively utilizing competitive strategies such as innovation, differentiation, cost leadership and focus strategy, some firms have been positioned for high organisational performance, while others have become market leaders and rendered others obsolete. Competitive strategies have been well utilized by organizations to gain competitive advantage in harsh environment that is external. An organization can gain competitive benefit by either differentiating its products or cutting its costs. The narrower version of differentiation and cost leadership is focus differentiation and cost leadership (Muchomba, 2018).

1.1.1 Organisational Performance

Organisational performance can be described as the utilization of resources available at the disposal of any firm to achieve optimum goals and objectives within a particular timeframe. According to Asiaei, Rezaee, Bontis, Barani and Sapiei (2021) organisational performance ascertained the efficiency of organisational assets and resource utilization. WOCCU developed protection, asset quality, liquidity, rates of return, effectiveness of financial structures, liquidity and signs of growth system as the monitors and measures of SACCOs performance. Overtime the SACCOs have used these measures to determine their liquidity and stability positions. Under the CAMELs model of organisational performance; capital, asset, quality, management, earnings and liquidity measurement are necessary in measuring the performance of organizations since all these aspects are relevant to the financial examiners and the regulators (Daniel, 2017). The non-financial organisational performance measurements, however, which are also important organisational performance indicators like loyalty, customer happiness, and brand image, are not included (Hallencreutz & Parmler, 2021). Customer retention, customer loyalty and sales volume are organisational performance metrics that were used in this survey to evaluate organisational performance. Non-financial and financial indicators provide a comprehensive view on the organisational performance of SACCOs since they provide an overview on the progress of the SACCOs progress in meeting social objectives such as banking for the unbanked and also helping in local economy build up. It also well reviews how well the SACCOs are managing their operations as well as their contribution to the economy of the local society they operate in (Kiarie, 2022).

Shen, Chen and Wang (2016) describe and explain the balanced scorecard model as the perfect measure of organisational performance since it incorporates both financial and non-financial organisational performance. The perspectives outlined in their theory are customer, internal business process, financial and the business process perspectives.

Otto, Szymanski and Varadarajan (2020) observed that customer retention is a good indicator of organisational performance since it outlines the problems in an organization, satisfied customers give word of mouth recommendations which can result to increase in customers in the deposit taking SACCOs and also nurtures and builds stronger relationships between the customers and the organizations which results to customer loyalty which places the SACCO at a better position than its competitors (Alomari & Aljawarner, 2020).

Customer retention is a key indicator of a client's degree of satisfaction with a company's products or services (Paais & Pattiruhu, 2020). It's a useful tool for gauging organisational performance because it tells you how a customer feels. Every business strives to satisfy clients and go above and beyond to earn their satisfaction with their goods and services. Retention of customers, high lifetime value, and higher company value are products of high customer satisfaction levels, all of which are beneficial for maintaining businesses' viability and for strong brand building (Ali, Danish & AsrarulHaq, 2020).

Aluri, Price and McIntyre (2019) noted that customer loyalty can be determined through loyal customer program enrolment, rate of participation, repeat business, average spend, percentage of sales or customer retention. Customer loyalty is a good indicator of organisational performance in all organizations since it shows customers have trust in the organizations products and services. In the case of SACCOs, loyal

customers get their financial services from the Specific SACCOs continuously. Customers who are loyal spend 32% more than new ones. After a bad experience, 45% of repeat customers are inclined to continue making purchases from a company (Alomari & Aljawarner, 2020). A little improvement in client retention significantly impacted on the company's profitability. Through brand loyalty, customer loyalty extends reach to new customers, fosters recurring business, boosts return on investments, and establishes meaningful relationships with customers. Keeping a customer is easier than gaining a new customer. Satisfied customers are loyal customers which ranges from loyalty program loyal, convenience loyal, truly loyal customers or low price loyal (Ali, Danish & AsrarulHaq, 2020).

Paais and Pattiruhu (2020), explained sales volume as the number of units sold. Through sales volume an organization is able to determine how aggressive their sales personnel are pushing their brand to people. Increase in percentage of sales volume increases the probability of the organization hitting their goals (Aluri, *et al.*, 2019).

1.1.2 Competitive Strategies

According to Fleming (2016), competitive strategies are actions and policies employed by firms in an industry to rival-out other competitors and gain significant customer base for optimum profit. This allows the firms determine the best strategy to be employed in a dynamic business environment to gain advantage over other firms. Strategies were previously used in politics and military in laying of rules on how to compete and outshine competitors in political arena and wars respectively. The word entered the world of business after World War II. Businesses are in battlefield as well in the quest to outdo each other hence there is need to apply strategies that will enhance their organisational performance and help them attain organisational growth.

Competitive strategies are strategies that businesses can pursue in order to gain more market share and remain competitive in the rapidly changing market environment. Although a sector's attractiveness affects an organization's organisational performance in terms of profitability, the methods the organization employs are as important because they influence the firm's position within the industry. A well-positioned organization in a less attractive sector and industry can be more profitable and well performing than a poorly positioned organization in an attractive industry. The positioning of an organization depends on the strategies that the organization has employed (Iyer, Davari, Zolfaghanan & Paswan 2019).

Differentiation, cost leadership and focus strategy are among the generic Porter's strategies. The focus strategy can further be split to focus cost leadership and focus differentiation strategy. Though not supported by Porter's generic strategies theory, the study also included innovation strategy as the fourth competitive strategy since the new ideas, product and processes have resulted to higher organisational performances of deposit taking SACCOs (Mungóra, 2020). Since these tactics may be used at the firm level in any company, regardless of the industry of the firm they are known as generic strategies (Islami, Mustafa & Topuzovska 2020).

Ngugi (2021) argues that the company concentrates on having a low cost of production under the cost leadership approach. If a company is successful in producing its goods or providing its services at a low cost, it puts its rivals at a competitive disadvantage since it can sell those goods or provide those services for a lower price. Cost leadership is attained by utilizing economies of scale, using technology in production, and having exclusive access to raw resources. In comparison to other rival companies in the same industry, low production costs lead to low prices, which in turn draw in more consumers and increase market share and profits (Yenipazarli, 2019). Low cost is the

vital component of the cost leadership strategy, and an organization aims to emerge as the lowest cost industry's producer. Cost advantage is based on a variety of factors, most of which are determined by how an industry is set up. Controlling costs and the pursuit of economies of scale are some of the sources of cost advantage mentioned.

According to Michael Porter, if a company is successful in obtaining and maintaining cost leadership as a whole, it will perform better than average in its industry (Islami, *et al.*, 2020). The pursuit of economies of scales in product offerings is one of the aspects of cost leadership that is informed by this. This would be accomplished through widespread dissemination and production. Optimal capacity utilization, the development of connections with important service providers, the pursuit of initiatives to improve cost management and operational effectiveness within the organization are all other ways to achieve cost leadership (Asiaei, *et al.*, 2021).

According to Guajardo and Cohen (2018) differentiation is the provision of unique products as well as services to the various groups in the market. It is one of competitive strategies that an organization can pursue. The offering of differentiated products in relation to packaging, quality, pricing and such other factors enables the customers to perceive the products and services of an organization superior to that of competing brands and hence positions the organization at a competitive advantage (Asiaei, *et al.*, 2021). In bigger firms dominated market, differentiation strategy gives you an edge. The company's differentiation strategy should be successful in conveying the idea that the product stands out from all other similar ones on the market (Andaleeb, 2016). Differentiation tactics might help create a sense of value among consumers and prospective clients. Also, it enables businesses to try to win in markets other than pricing that may hurt all participants. Differentiation of product that is successful given the strategies also increases consumer brand loyalty (Lina, 2022; Shrotriya, 2019).

Keiningham, Aksoy, Bruce, Cadet, Clennell, Hodgkinson and Kearney (2019), describes focus strategy as strategy where the organization well understands its customers and its market and segments the market and offers a group of its customers' products or services based on their needs. The organizations pursue the focus strategy to either get cost advantage (cost focus) or to get unique market groups where they can maximize their efforts and gain more profits (differentiation Focus) (Shrotriya, 2019). The niche strategy, works well for the niche being targeted since they get the goods and services based on their specifications, however it doesn't go well with the customers who are outside the niche since they feel left out (Islami, *et al.*, 2020). The study adopted focus on market niche based on customer's preference and customization of products in consideration of unique market niche needs as the indicators under focus differentiation.

Innovation strategy aims at the creation of new value which consumer is willing to pay for. They include new ideas, processes or product which contributes to higher organisational performance of organizations. An innovative organization lasts long since it keeps bettering its processes and procedures now and then. There are 4 different innovation types which are innovation process, innovation product, advertising and organisational innovation (Lee, Lee & Garrett, 2019). Innovation is an important part of a company's strategy, especially since it is one of the main ways that a company can look for new business opportunities. Regardless of the threat or level of uncertainty, a successful innovation could significantly impact on organisational performance and economic consequences of businesses. Organisational innovation, innovation process, innovation product, and innovation advertising are four distinct categories of strategic innovations that are recognized by the (Kahn, 2018). The process of coming up with and implementing new products is known as product innovation. These comprise sports

including technical design, research and development, and commercial sports involved in the promotion of a novel (or cutting-edge) product. Process innovation is the introduction of novel techniques and operating procedures to improve organisational performance or effectiveness and lower manufacturing and shipping costs (Lee, *et al.*, 2019). With the technological advancements in deposit taking SACCOs and commercial banks which are close competitors there is need for the SACCOs to advance their innovative strategies in order to foster organisational performance and organisational growth (Mung'ora, 2020).

1.1.3 Sacco's in Meru County Kenya

Kenya's Eastern side is home to Meru County. The main economic activities in the county include agriculture (both crop and animal farming). It is characterized by a population of 1,545,714 people. The county has 14 deposits taking SACCOs these SACCOs include, Yetu SACCO, Siraji SACCO, Dosha SACCO, Times U Sacco, Southern Star Sacco, Solution SACCO, Smart Champions SACCO, Nyambene Arimi Sacco, Nexus Sacco, MMH Sacco, Dhabiti Sacco, Imenti Sacco, Centenary Sacco and Capital Sacco (Sasra,2019).

The SACCOs are of much importance in this county since they are organizations that are formed by individuals who have come together and share economic interests. The people in the region benefit from the SACCOs since they can easily deposit their earnings from their day-to-day activities in these institutions and finance their activities as well using the low interest loans from these SACCOs. (Gitau & Mang'ana, 2021)

1.2 Statement of the Problem

The deposits taking SACCOs in Kenya have been faced by various problems which have led to collapse of some SACCOs such as Ekeza. The poor organisational

performance in the SACCOs has been related to low customer retention, decreased customer loyalty and reduced sales volume. There is need for the SACCOs to employ strategies that will help them overcome the poor organisational performance given that they operate in a very competitive environment both amongst themselves and other financial services providers (Nganga, 2017).

Little researches have touched the area of SACCOs' competitive tactics and non-financial organisational performance, despite the fact that competitive strategies and organisational performance have received a lot of attention.

Since SACCOs are among key areas that the government of Kenya has considered relevant for economic growth in the country, they cannot be ignored. The growth of SACCOs strengthens the members economically and consequently results to the overall economic growth. Whenever a sector is facing fast growth, there is an implication that the already established businesses are reaping high benefits. This attracts more new investors. To counter the competition, Michael Porter proposed the competitive strategies which if well utilized result to competitive advantage of the business. High competition in the SACCO subsector has resulted to death of some SACCOs and continuous growth of others. It all depends on how well management has utilized its strategies (Kariri & Kavinda, 2019).

Several people have undertaken various studies on competitive strategies. Njoki (2018) conducted an investigation on competitive strategies and Muranga County's deposit-taking SACCOs' organisational performance. Focus cost strategy; strategy of focus differentiation, differentiation and strategy of cost leadership, were the study's independent factors. Financial measures of organisational performance such as market share and turnover growth rate were used. Census approach was applied on all the 8

SACCOs in the County. Purposive sampling was used in selecting 64 respondents from the target population. Both inferential and descriptive statistics were utilized in data examination. The outcomes of the analysis of regression demonstrated a favorable correlation between organisational performance and competitive strategies.

Githumbi (2019) conducted a research on the strategy of differentiation and Kirinyaga County's large rice milling factories performance. The independent factors considered included product, physical and service differentiations. The 40 milling factories in the county served as the source of the sample. By use of stratified random sampling, 53 respondents were chosen. Data collection involved administering questionnaires. The instrument had those that are open and ended closed questions. The data analysis employed both descriptive and inferential statistics. The study discovered that the millers' success was impacted by both product and service differentiation.

1.3 Objectives of the Study

The objectives are outlined under this sub topic

1.3.1 General Objective

To establish the effect of competitive strategies on performance of deposit taking savings and credit cooperatives in Meru County Kenya.

1.3.2 Specific Objectives

- i. To determine effect of cost leadership strategy on the performance of deposit taking savings and credit cooperative societies in Meru County, Kenya.
- ii. To identify effect of differentiation strategy on the performance deposit taking savings and credit cooperative societies of in Meru County, Kenya.
- iii. To investigate effect of focus strategy on the performance of deposit taking savings and credit cooperative societies in Meru County, Kenya.

- iv. To determine effect of innovation strategy on the performance of deposit taking savings and credit cooperative societies in Meru County, Kenya.

1.4 Research Questions

- i. How does cost leadership strategy influence the performance of deposit taking savings and credit cooperative societies in Meru County, Kenya?
- ii. What is the effect of differentiation strategy on the performance of deposit taking savings and credit cooperative societies Meru County, Kenya?
- iii. What is the influence of focus strategy on the performance of deposit taking savings and credit cooperative societies in Meru County, Kenya?
- iv. How does innovation strategy contribute to the SACCOs performance in Meru County Kenya?

1.5 Significance of the Study

This survey would benefit investors who seek to invest in SACCOs since it would provide to them on the significant and insignificant competitive strategies to pursue to succeed in the competitive business environment. It is also relevant to the managers since it would provide empirical results of how the competitors are well utilizing the competitive strategies to remain as the market leaders.

The investigation shall be useful to managers of the deposit taking savings and credit cooperatives to come up with well informed decisions on the competitive strategies to adopt to position themselves well in the business arena and attain sustained competitive advantage that would enable them to overcome their competitors in the market.

The study benefits scholars as it would provide the recommendations for further research and they can as well conduct studies on competitive strategies and use this study as a benchmark to their studies. The researchers would have the opportunity to

undertake additional research or even critique the study's conclusions. The study would be important to decision-makers since it would improve SACCO organisational performance by judicious application of competitive strategies.

1.6 Scope of study

Due to the county's strong agricultural output and closeness to Kenya's capital city, the 14 Meru County's deposit taking SACCOs was the subject of the study, a decision influenced by the county's thriving cooperative development efforts. The study focused on how the SACCOs organisational performance in Kenya's Meru County is affected by cost leadership, focus, differentiation and innovation strategies. Essentially, the goal is to pinpoint and explain how each of the individual characteristics is related to the SACCOs' organisational performance in Meru County. For improved comprehension and comparisons, organisational performance was handled through customer satisfaction, customer loyalty, and employee motivation. The problem has lasted in SACCOs for the last three fiscal years, from 2019–2020 to 2021–2022.

1.7 Limitations of Study

The survey participants can be doubtful to provide information resulting from fear of intimidation or printing a bad review of them or their company. The core of the investigation was revealed by the researcher to the respondents to build their trust and confidence, which encouraged them to accept to participate in the study and increase the response rate.

1.8 Organization of Study

The five sections of this investigation are: The backdrop, the problem description, the goals of the research, its relevance, its scope, its constraints, and eventually its organization was covered in the first chapter. In chapter two, the body of theoretical

and empirical research was reviewed. While the previous studies that are linked to the study were evaluated in the empirical literature and the knowledge gaps was identified, the theories related to the study and how they are related clearly discussed in the theoretical literature. The conceptual framework that demonstrates the connection between explained and regressors factors was presented at the end of the chapter.

The third chapter describes how the study used tried-and-true research techniques in order to get trustworthy results. The population target from which the sampled study was selected, the methods used to select the sample, and the procedures for gathering and confirming data was covered in this part. This section also covered the analytical models that were employed in the investigation. Ethical review concluded the chapter that the study took into account. The fourth and fifth chapters of the investigation described the analysis of the information obtained from the field of the survey by employing descriptive, correlation and regression methods of evaluation with the summary, recommendation and conclusion in the last chapter of the investigation.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This investigation chapter includes the theoretical and empirical research of numerous academics who have investigated the subject at hand in diverse ways. The chapter made evident any gaps in the studies that have been conducted. The framework of the concept that demonstrates the association between the explained and explanatory variables is also included.

2.2 Theoretical Literature Review

This portion highlighted the propositions supporting the research variables, which include Michael porter's generic strategies theory, the evolutionary model theory, the balanced scorecard and the resource-based view model.

2.2.1 Michael Porters Generic Strategies Model

The theory was initiated by Porter in 1985. It explains how well an organization pursues competitive advantage in the industry. According to Porter (1985), generic strategies start from firm level and develop to national level. The nations do not compete in international level but it's the firms that compete. Hence, the important understanding of how firm creates advantageous competitiveness that is sustainable. Porter (1985) explains that cost leadership, differentiation and focuses strategies help organization to gaining competitive advantage which is the main determinant of the performance of organization.

According to Porter (1985) Competitive advantage that has its basis on capabilities and resources is better for an organization than the one based on market and product positioning only in contribution towards sustained high level of organisational

performance. The model has been used by a variety of strategic analysts to assess the organization's situation and decide its future goals, allowing them to select the best competitive strategies to adopt. This approach adds to the study because it views competitive strategies in terms of differentiation, cost leadership and focus strategies—as tactics that can give a company a competitive edge, which is directly related to the firm's high organisational performance. This theory supports cost leadership, differentiation and focus strategy.

2.2.2 The Resource Based View theory

Penrose (1959) was the pioneer of the hypothesis, and since then it has received several developments from Barney, (2001). The idea primarily focuses on how an organization might use competitive strategies, which are the firm's internal competencies and resources, to establish and retain competitive advantage in the market. Not all firm resources can help the firm achieve competitive advantage. The theory focuses on the firm value addition in the value chain of the customers.

According to Barney (2001), the firm possesses resources of two types: the tangible and intangible assets. The marketable resources that any company can purchase, such as land, buildings, machinery, and other such resources, are considered tangible assets. The second type of resource possessed by a firm are the intangible assets, this includes things like trademarks, brand reputation and intellectual property. These assets cannot be purchased by competitors in the market and are unique to the firm hence, proper utilization of these resources position the firm at a competitive advantage. The tangible assets can be purchased by any firm and hence all competitors can own them hence it does not give any firm a competitive advantage over the other.

For organisational sustained competitive advantage, organization's resources are assumed heterogeneous and immobile. The heterogeneous assumption posits that organisational resources vary and are dissimilar among organizations. For example, the skills in organizations differ from organization to organization. The immobility of the resources is stated as the second axiom. This suggests that resources are not easily transferable between organizations, giving the company a competitive edge (Donnellan & Rutledge, 2019).

According to King (2007), the criteria for evaluation of the resources that position the organization at a competitive advantage is that they must satisfy four characteristics which include; valuable, rarity, imperfect imitability and non-substitutability. Valuable resources are those resources that provide value to the firm by helping the firm gain more market and reduce the potential threats. Resources that possess rarity are hard to get by competitors in the industry hence they give the firm a competitive advantage. Imperfectly imitable resources are hard to imitate hence the competitors cannot easily copy them. Lastly, non-substitutable resources are those that can't be replaced. The competitor cannot get similar results by using an alternative resource.

Powell (2002) stated the theory's primary flaw is that it is highly challenging to locate resources in the real world that can adequately satisfy the 4 characteristics and the theory also ignores the role of the product markets which is key in all organization's organisational performance. The assumption of the immobility and heterogeneity of resources also does not hold.

The theory is relevant since it examines organisational performance well and how firms tend to achieve and maintain high organisational performance by exploiting their advantages. According to chepchirchir (2018), organisational performance difference

between organization is brought about by how responsibly and thoughtfully organization utilizes its capacity and sources of information. This theory is linked to personnel differentiation as indicated in conceptual framework.

2.2.3 Evolutionary Model Theory

Nelson, Richard and Winter (1982) coined the proposition. According to the theory organizations behavior is based on discovered and fixed exercises and ideas. The best businesses exercise determines where they stand in respect to their rivals, similar to where a species is located in the evolutionary tree. Businesses cannot maintain their dominance based just on the concept of their existing exercises. Innovations support improvements in economic device by expanding new existing routines and improving old innovations. The continuous literature increase brings up the simultaneous relationship between innovation and organisational performance. Increase in economic system is defined according to technology and innovation which further is determined by proportion of gross domestic product dedicated to those sports. These developments have well informed technological changes and growth in organizations and also informed social sciences and economics (Grossman, Gene & Helpman, 1994).

The theory relates to the study since it is associated with innovation within organization as improvement within firms enables them to come up with new routines and develop on existing ones as well. Innovations help keep the firm updated in terms of technology, organization, product and processes. These innovations can increase the organisational performance within the organization.

2.2.4 Balanced Scorecard Model

Kaplan and Norton (1992) initiated the balanced score card. The main use of the balanced score card is the monitoring of employee performance and the results of their

performance. The balanced score card method of measuring performance takes into account both the financial and non-financial dimensions of success. For a long time, the primary measure of performance was the financial performance. The balanced score card aids in the strategic management of companies. It has a variety of viewpoints, including the financial, customer, business process and organisational capacity perspectives. According to a financial perspective, the firm's major goal is to achieve a high return on investment, which will satisfy the needs of the shareholders, consumers, and suppliers. Shareholders are the financiers of the firm and hence satisfying their needs is very vital to the firm. This can be done via several methods which include value proposition and cutting down of costs (Kaplan & Norton, 1992).

Under the perspective of the customer, the customer satisfaction is considered. How well customers view an organization in relation to competitors is vital for the organisational performance. The perception of the customers on the organization determines how well an organization will perform. Bad customer reputation can result to less customers and hence poor organisational performance as well (Scheiderman & Arthur, 2006).

Internal business process perspective puts into consideration the objectives and measures how well these objectives increase the effectiveness and efficiency of the organization. The organisational capacity perspective is important for an organization to optimize its goals. The employees in each level of the organization should show their concern and hard work towards attaining organizations goals and objectives (Scheiderman & Arthur, 2006).

The main limitations of the balanced scorecard approach are that; it requires managerial support; it requires a lot of data and finally the balanced scorecard for each firm should

be designed differently. One organization balanced scorecard cannot be used by another organization. The balanced score card requires huge investment and each organization should consider how applicable it is in its structure before adopting it (Gazi 2022).

In modern world, the performance of organization cannot be narrowed down to the financial performance only since there are several other aspects of organizations that determine the organisational performance. Both financial and non-financial measures of organisational performance which are customer loyalty, customer retention, and sales volume were used in the study, hence this theory is pertinent.

2.3 Empirical Literature Review

This chapter examined literature works on studies connected to this research. It clearly illustrated the concepts, methodologies, the theoretical findings and the recommendations by the various researchers. The chapter is important since it helps to easily identify the research gaps in relation to the research topic.

2.3.1 Cost Leadership and Organisational performance

Kiarie, Paul & Peter (2022), studied Effect of Cost Leadership Strategy on fundraising performance among Small and Medium Nonprofit making organizations in Kenya. The survey was conducted using a descriptive design. All the 2232 organizations that are classed as small and medium nonprofit making organizations made up the population. Random stratified sampling was used for the sampling. Data gathering was via questionnaires. Data analysis employed both inferential and descriptive statistics. Accordingly, cost leadership and the effectiveness of nonprofit organizations in Kenya are positively correlated. SACCOs was the subject of current study.

Using cost leadership Gitau & Mang'ana, (2021) determine its effect on commercial banks' organisational performance in Nairobi County. Descriptive design was used. All

40 of the county's banks were included in the population. It made use of the census survey. The sample was chosen via purposive sampling. The chosen respondents were given questionnaires both closed and open-ended. Data analysis employed both descriptive and inferential techniques. The outcome showed a strong correlation between Kenyan commercial banks' performance and cost leadership. The isolation of focus and differentiation strategies by the former was applied in this study.

Chepchirchir, Omillo & Munyua (2019), conducted a study on cost leadership strategies effect on logistic firms' performance at Jomo Kenyatta international airport in Kenya. The survey investigated the extent cost leadership techniques enhanced performance. The study's research design was exploratory. Employing inferential and descriptive statistics, cost leadership strategies had a favorable and noteworthy impact on the organization's organisational performance. The descriptive research design was used in the current investigation.

Nganga (2019), did research in Kiambu County, Kenya on the evaluation of SACCOs cost leadership strategies applied to enhance their financial performance. Cost leadership, focus and differentiation strategy were independent variables. 80 people were drawn from the 400 people that made up the target group. The sampling was done using stratified random sampling. For the purpose of gathering data, both questionnaires with open questions and closed ended questions were utilized. The data analysis employed both descriptive and inferential techniques. According to the investigation's conclusions, cost leadership and performance are positively correlated. The study recommended SACCOs to well invest in their market research to well establish their customer needs and identify their target market well in order to reduce their operational costs which consequently place the SACCOs at a competitive advantage. A larger sample size was used in current study.

2.3.2 Differentiation Strategy and Organisational performance

Waithira (2020) undertook a survey on differentiation strategies and Nairobi County's DT-SACCOs' performance in Kenya. The target population included management staff from Nairobi County's 41 SACCOs that accepted deposits and were registered with SASRA. There were 410 people in total. Using stratified random selection, 123 individuals from the population were chosen as the sample. A likert scale-structured instrument was utilized, which was evaluated via inferential and descriptive statistics. Product differentiation, people differentiation, market differentiation, and service distinction were the study's independent variables. The market and product differentiation had a favorable but small link with the performance of the SACCOs in contrast to the personnel and service differentiation. The researcher advised SACCOs to implement service differentiation to stand out from the competition and draw in a sizable customer base. Cost leadership, focus, differentiation and innovation strategies were considered as independent variables in current study.

Githumbi (2019) performed an investigation on how the strategy of differentiation affected performance of Kirinyaga County's large rice milling factories. The independent variables of the study were product differentiation, physical and service differentiation. Descriptive was the study's chosen type of research design. The 40 milling factories in the county served as the source of the sample. By use of stratified random sampling, 53 respondents were chosen. Data collection involved administering questionnaires. There were both closed and open-ended questions on the survey. Mean, standard deviation as well as regression was deployed. The study discovered that the millers' success was impacted by both product and service distinction. This study used census for SACCOs and Stratified random sampling to select respondents.

Kiprono (2021) conducted a research on the way Nairobi City County service delivery among selected insurance firms is affected by differentiation strategy in Kenya. Product differentiation, image differentiation, channel distribution, and people differentiation were the independent factors. Employees from APA insurance, GA insurance, and Jubilee insurance made up the population. 338 employees made up the whole population. A sample of 100 people was stratified sampled. The framework of regression and correlation evaluated the information obtained via the structured questionnaire. The products discovered a strong linkage between difference and service delivery. In the current study, product and personnel metrics was used to assess differentiation strategy.

In an investigation published by Waema and Kioko (2018) examined how strategies for differentiation affect Kenya's independent petroleum companies' market share. The research design used was descriptive. 27 registered petroleum companies were selected as a sample. The samples were chosen via purposeful sampling. A structured instrument was used to obtain the information. Inferential as well as descriptive techniques were applied on the information analysis. According to the research, differentiation and the market share of petroleum firms are strongly positively correlated. The research recommended use of differentiation strategies by the petroleum companies in order to make their products unique and hence retain and win more customers. This study was carried out in SACCOs.

Kamongo and Kilonzo (2021), did research on the differentiation strategies effect on Nairobi County's veterinary pharmaceutical firms' performance in Kenya. The theories used were porters five forces theory, dynamic capabilities theory and CAMELs model of performance. A survey of the 30 veterinary pharmaceutical companies was conducted. Descriptive techniques analyzed the data which was collected using

questionnaires. According to the research, focus strategy improve performance more than differentiation and all other competitive strategies, veterinary pharmaceutical companies should employ the focus strategy more often. The main theory which anchors performance in the current study was balanced scorecard.

2.3.3 Focus Strategy and Organisational performance

Isaboke (2019) researched on focus strategies and Nairobi County's small and micro enterprises performance in Kenya. The survey was descriptively conducted. All 1115 sole owners in the county were counted in this census. A self-administered, semi-structured questionnaire was employed. Data analysis employed both descriptive and inferential statistics. Consequently, focused cost leadership improves the small and micro businesses performance in Nairobi County. The report further advocated government assistance and engagement from all interested parties to ensure that the policies are successfully implemented and that small and micro business, which are the foundation of the nation, are operating successfully. In current study the sample was selected using stratified random sampling.

Otieno (2019) conducted research on focus strategy and performance of banks in Uasin Gishu County, Kenya. 34 commercial banks in the county that are listed by the Kenyan central bank were included in the study's population. Using simple random, stratified, and purposive sampling, 112 workers from the 34 banks were chosen as the sample size. The sample's participants were given structured questionnaires to complete. Data analysis employed was assessed via correlation and regression statistics. Accordingly, focus cost leadership and organisational performance are strongly positively correlated. The advice was for commercial banks to actively implement cost leadership techniques in addition to other competitive strategies in order to maintain a competitive edge over

other rival banks. Non-financial performance measures were utilized to describe performance in current study.

Weyao and Wanyonyi (2018), undertook a survey on Bamburi, Portland focus cost leadership cement, Athi river mining firms and East African Portland cement. The primary goal was to examine strategies types used by mining businesses and to gauge how well each performs in relation to the method it employs. The cross-sectional design was used for the investigation. Among a population of 142 top management personnel, a sample size of 42 was chosen. To choose the samples, random stratified sampling was employed. Both formal questionnaires and interviews were used. In the context of the information analysis, associational and regressing techniques were used. According to the research, there was a slight but positive link between the strategy of focus cost leadership and business performance. The focus cost leadership strategy should be used effectively by the company and in the most pertinent groups in order to boost performance. In current study, a descriptive design was applied, and both board members and staff were included as respondents.

2.3.4 Innovation Strategy and Organisational performance

Mung'ora (2020) investigated the effectiveness of SACCOs' innovative methods in Kenya's Nyeri County. The regressor variables included product, marketing and process innovations. For the six SACCOs in Nyeri County, a census was taken using a descriptive study design. Data gathering methods included the use of questionnaires that are unstructured and structured. Statistics were applied for data analysis, both descriptive and inferential. According to the findings, there is a strong association of a positive nature occurred between the dependent and the independent variables. Innovation was ascertained in terms of innovations product and process.

Research on innovation strategies and performance was done by Ngugi and Njuguna (2021); they looked at insurance companies' performance in Kenya's Nyeri County. The intended audience consisted of 25 insurance company personnel in the county. Purposively 125 staff members to represent the population from the target population were chosen. Structured questionnaires were administered to the sample members. The statistical methods employed for data analysis included regression parameters, mean and deviation from standard statistics. The conclusions; there is a significant linkage between insurance firms' organisational performance and innovation. The research recommended that the insurance companies should pursue competitive strategies to win in the market. In the current study focus was on DT SACCOS and not insurance firms.

Kagwima and William (2020) undertook research on innovation strategies and oil marketing companies' performance in Kenya's Nairobi County. The research method of choice was the descriptive. The investigation targeted the 5 main marketing companies in the industry. The population targeted 156 members of the county's corporate staff. Via purposive sampling method, a group of 36 responders was chosen as the sample. Data analysis employed descriptive approach and inferential technique. According to the inquiry, innovation and performance are positively correlated. The research further recommended the adoption of innovation strategies by various oil marketers to gain sustained competitive advantage against their competitors. In this study, performance is ascertained by customer retention, customer loyalty and sales volume.

Nyanchwaya and Marigaa (2019) undertook research on innovation strategies and Mombasa County commercial banks performance in Kenya. The design utilized descriptive means. The 280 employees of the county's banks served as the population target. By use of random stratified sampling, 84 participants made up the sample. A

structured pick-and-drop questionnaire was utilized to gather information from the chosen sample. Techniques for data analysis used qualitative and quantitative methods. According to the results, innovation and performance are positively correlated. The recommendation was for the commercial Banks to change and shift more to focused differentiation for improved organisational performance in the organization. This study was carried out in SACCOs.

2.4 Summary of Literature Review and Research Gaps

Many researchers have researched on competitive strategies and performance. Many gaps which include contextual on the need to apply the survey in SACCOs, and methodological inadequacies on the necessity to take into account non-financial success measures are visible from prior studies. To advance knowledge in this crucial area, the researcher conducted an examination of the organisational performance and competitive strategies used by Meru County's DT-SACCOs in Kenya.

Here, the empirical literature was evaluated, and the knowledge gaps it presents was clearly highlighted. How the study focused in researching on these gaps was as well illustrated.

Table 2.1: Summary of Literature Reviewed and Research Gaps

Scholar	Study Focus	Outcomes	Gaps in Knowledge	Current Study Focus
Kiarie (2022)	Cost Leadership Strategy and Kenya's Small and Medium Nonprofits' Fundraising performance	Cost leadership and performance of SMEs Nonprofit Making Organizations in Kenya have a positive association.	The study was carried out on Small and Medium Nonprofit making organizations in Kenya	This study focused on SACCOs
Gitau (2021)	Cost leadership and commercial banks' Performance in Nairobi County	Cost leadership and performance are positively correlated	Exploratory design was used.	The investigation adopted descriptive design
Kiprono (2021)	Differentiated service delivery methods and approaches among a selected few insurance providers in Nairobi County, Kenya	Differentiation and service delivery of insurance firms have a positive relationship	Differentiation measured through service and image	Differentiation was measured through personnel and product differentiation
Ngugi and Njuguna (2021)	Competitive strategies and performance: an example from the insurance industry in Kenya's Nyeri County	The performance of insurance firms and innovation are positively correlated	Focus was on insurance firms performance	Focus was on DT SACCOs performance
Waithira (2020)	Performance and differentiating tactics of deposit-taking SACCOs	SACCO performance and differentiation are significantly positively correlated	The study focused on only one competitive strategy which is differentiation	This study incorporated other competitive strategies to determine their effect on performance
Kagwima and William (2020)	Performance of oil marketing enterprises in Nairobi County, Kenya, and competitive strategies	Organization that have well implemented the innovation have superior performance to those that have not	Financial measures of performance were used.	Performance metrics were customer loyalty, customer satisfaction and employee

		implemented it		motivation
Otieno(2019)	Banks' performance and competitive strategies in Kenya's Uasin Gishu County	Banks' performance is positively correlated with the focus on strategy	Financial indicators of performance were used to measure performance	Non-financial & financial indicators of performance was used in performance measurement
Isaboke (2019)	Competitive strategies and performance of SMEs in Nairobi County, Kenya	A relationship of a positive nature was established with focus strategies and performance of contributed more to change in performance than all other independent variables in the study	SMEs were investigatively focused upon	SACCOs were the study focal point
Nyachwaya and Marigaa (2019)	Commercial banks in Mombasa County, Kenya, and their competitive strategies and performance	Discovery showed that a significant link between the county's commercial banks' performance and focus strategy.	Centred on return on investment as a gauge for the commercial banks' internal financial performance	Focused on SACCOs non-financial performance
Chepchirchir <i>et al</i> (2019)	Cost leadership strategies effect on logistics companies performance at Kenya's Jomo Kenyatta International Airport	The study discovered a positive correlation between logistics organizations' performance and cost leadership.	Exploratory research design is used.	The study's research methodology was descriptive
Githumbi, (2019)	Large rice milling plants in Kirinyaga County's performance and differentiation	Differentiation and milling factory performance have a positive association.	Used stratified random sampling in sample selection	Census was used in the population selection and stratified random

	strategy			sampling on sample selection
Weyao and Wanyonyi(2018)	Competitive tactics of the East African Portland cement, Bamburi Portland cement, and Athi River mining companies	Significantly positive connection of performance with innovation	Cross sectional design was employed	The survey used descriptive research design.

2.5 Conceptual Framework

The conceptual framework illustrated the manner through which the explained and explanatory factors are related. Competitive strategies were the independent variable in this investigation while performance was the dependent variable.

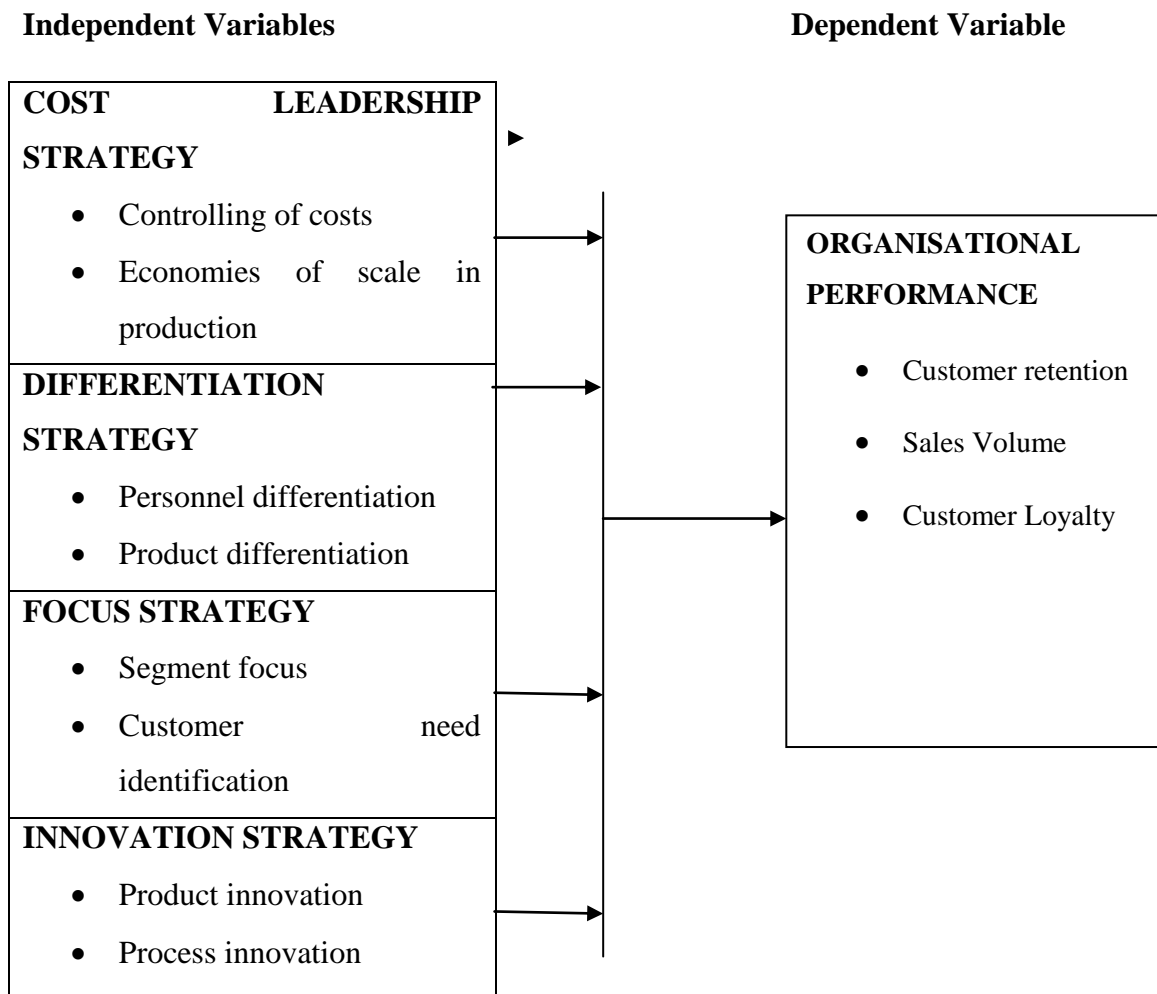


Figure 2.1 Conceptual Framework of the study

Source: Author, (2023)

The illustration of figure 2.1 demonstrated conceptual framework that shows how the explained variable, which is performance, and the explanatory variables; cost leadership, differentiation, focus strategy, and innovation, relate. Customer retention, customer loyalty, and sales volume serve as performance indicators.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the steps that were carefully followed when conducting the investigation, as well as the tools and techniques that were used to accomplish the goals. The design, sample size, target population, data collection tools, sampling and processes, data reliability and validity, data analysis techniques, and potential ethical issues that came up throughout the study are all covered in this chapter.

3.2 Research Design

The design which was descriptive in nature was utilized in this investigation. The technique can concentrate on observing and measuring the intended variables without changing them. Without the involvement of the environment, this sort of design aims to explain the link between the explanatory and explained factors, in this case competitive strategies and performance (Heale & Twycross, 2015).

The descriptive design explains the situation of what, how and where. It is the perfect research design for this investigation since the competitive strategies and performance involves studying the current state of happenings on ground and the variables under study could not be manipulated in either way (Vasileiou & Barnett, 2017).

3.3 Target Population

Ott and Longnecker (2015) noted that population target is defined as a group of people who share certain traits and from which a sample can be taken in order to perform a study. The population target for the survey consisted of the board of directors, top management, middle management, and various staff groups of the 14 Meru County's DT-SACCOs in Kenya that are SASRA registered. The population consists of 9 board

members from each SACCO as recommended by the SACCO societies act that each SACCO should have from 5 to 9 board members, 2 senior managers, 3 middle level managers and 8 employees from each SACCO. The table below is an illustration of the study target population;

Table 3.1: Distribution of Target Population

Category	Number per SACCO	Total number of deposits taking SACCOs in Meru County Kenya	Target population
Board of Directors	9	14	126
Senior management	2	14	28
Middle level management	3	14	42
Other employees	8	14	112
TOTAL	25	14	308

Source: SASRA, (2021)

From the above table the population target consisted of 308 members obtained from the 14 registered Meru County’s DT-SACCOs in Kenya.

3.4 Sampling Design

Stratified random sampling was employed. The population was classified into four strata which are board of directors, senior management, middle level management and other employees. This ensured the entire population is well represented (Loftus, Allen, Call & Everson-Rose, 2018).

According to Vasileiou and Barnett (2017), a size of sample of 20% of the population target is sufficient enough to draw conclusion from the target population. 30% population was drawn across the different levels in the target population as illustrated below;

Table 3.2: Sampling Distribution of Target Population

Category	Target population	30% of the target population
Board of directors	126	38
Senior management	28	8
Middle level management	42	12
Other employees	112	34
Total	350	92

Source: SASRA, (2021)

92 people were chosen as the sample size from the population target. This is above the recommended sample size of 30% by Heale & Twycross (2015), hence it is a sufficient sample size to draw conclusions about the entire population. 7 members were picked from each of the 14 clusters.

3.5 Data Collection Instrument

Questionnaire was employed as research instruments because the study used primary data. The technique a researcher employs to gather data is referred to as a research instrument. In order to collect data, both open-ended and closed-ended questionnaires were adopted. Where the respondents' opinions are crucial, open questions were used; otherwise, closed questions were used for simpler comparison and when a question has few other options (Singer & Couper, 2017). Questionnaires are the best research instruments for the study since they seek to get feedback directly from the respondents. The questionnaires were dropped and picked later in order to allow sufficient time for the respondents to answer the questions.

3.6 Data Collection Procedure

Questionnaires were utilized to gather data. A questionnaire is a tool of research created to collect data important to the study. To gather first hand data which the investigation utilized, a likert scale structured questionnaire was used. Before collecting data,

permission was obtained from the deposit-taking SACCOs management and the Graduate School of Kenyatta University. The method of administration of the questionnaire that was used is drop and pick method since some of staff members have very busy schedules and others were away for leave.

3.7 Validity and Reliability of data collection instruments

Validity and reliability contribute to the investigation's increased accuracy and transparency. Validity and reliability were used in the study to support its conclusions.

3.7.1 Validity of data collection instruments

Validity refers to magnitude to which the research mechanism used ascertained what it is exactly supposed to measure or the degree by which the results being analyzed relate to situation as it is on ground (Heale & Twycross, 2015). The researcher concentrated on construct, content and face validity to gather data. The other members of the academic field alongside the supervisor from the school of business provided their expertise in the area of strategic management, ensuring face validity. By conducting a thorough and comprehensive examination of pertinent theoretical and empirical literature, it was possible to attain content and construct validity. To improve the validity and reliability of the anticipated outcomes from the questionnaires, a pilot study of the results was carried out.

3.7.2 Reliability of data collection instruments

The reliability of the instruments measures how an instrument gives the same research results after repetitive trials (Heale & Twycross, 2015). To make certain the instrument reliability, test-retest method and expert opinion was employed. Cui, Xi and Zhang (2017) assert Cronbach alpha of 0.7 index at least as a good benchmark for determining

the instruments reliability which the study adopted the same. The coefficient of reliability was computed by means of the Statistical Package for Social Science.

3.8 Data Analysis and Presentation

Data cleaning was performed on the data. Here, the data was examined for any omissions, mistakes, or discrepancies. Using statistical software for social sciences, the data was examined and presented as graphs, bars, and pie charts. The linkage associated with the explained and regressor factors was determined using multiple regressions;

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where;

Y = Performance

X₁ = Cost leadership

X₂ = Differentiation

X₃ = Focus Strategy

X₄ = Innovation

ε = Error term

β₁, β₂, β₃, β₄ are the coefficients

β₀ = Constant

3.9 Ethical Considerations

A letter was obtained from Kenyatta University graduate school before data collection.

A letter of assurance of safety was attached to each of the questionnaires given to the respondents. No video was recorded or photographs taken during the data collection activity. The research is for educational purpose only. Before starting to collect data, a letter was acquired from the National Commission for Science, Innovation, and Technology.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION

4.1 Introduction

In this section, the investigation's outcomes were provided. The results of the investigation were evaluated both descriptively and inferentially. The findings are presented along with the outcomes using the precise objectives of the investigation. The response and non-response rates of the respondents, as well as the quality of the data for analysis, were investigated.

4.1.1 Response Rate

Table 4.1 contains the results of the response and non-response rates, which were used to determine the respondents' response rate.

Table 4.1: Response Rate

Rates	Frequency	Percent
Response	89	97%
Non-Response	3	3%
Total	92	100

Source: Field Survey (2023)

The survey's outcomes demonstrated that while the participants' responses were not fully retrieved, they were nevertheless acceptable. This suggested that not all questionnaire responses from respondents were collected. 97% of the survey respondents responded compared to 3% who did not. The survey's results as pointed out by Cooper and Schindler (2009) are acceptable and sufficient for further investigation of the responses.

4.1.2 Reliability Analysis

With a proposed coefficient ranging from 0 to 1.00, the questionnaire reliability was evaluated using the Alpha method. Table 4.2 presented the results of the estimation of the survey reliability coefficient.

Table 4.2: Reliability Analysis

Variables	Reliability Cronbach's Alpha
Performance	.773
Cost Leadership Strategy	.809
Differentiation Strategy	.874
Focus Strategy	.806
Innovation Strategy	.884

Source: Field Survey (2022)

The study found that all components of competitive strategies had Alpha values higher than 0.7. Table 4.2 presented the values of the pertinent components, including performance, cost leadership, focus, differentiation and innovation strategies. The investigation's factors are therefore reliable because they accurately reflect the instrument's measurement's strength.

4.2 General Information

To assess the reliability of the researcher's assessment of the information offered by the respondents, personal information pertaining to SACCO employees in Meru County, Kenya, was gathered. This led to the gathering of data regarding the respondents' gender, educational level, length of employment, and position within the workforce.

4.2.1 Duration of the Employment

Information on the respondents' length of time that has been employed in the SACCOs was ascertained. The outcome of the business with respect to the duration of time which the employees have been in the organization is depicted in Figure 4.1.

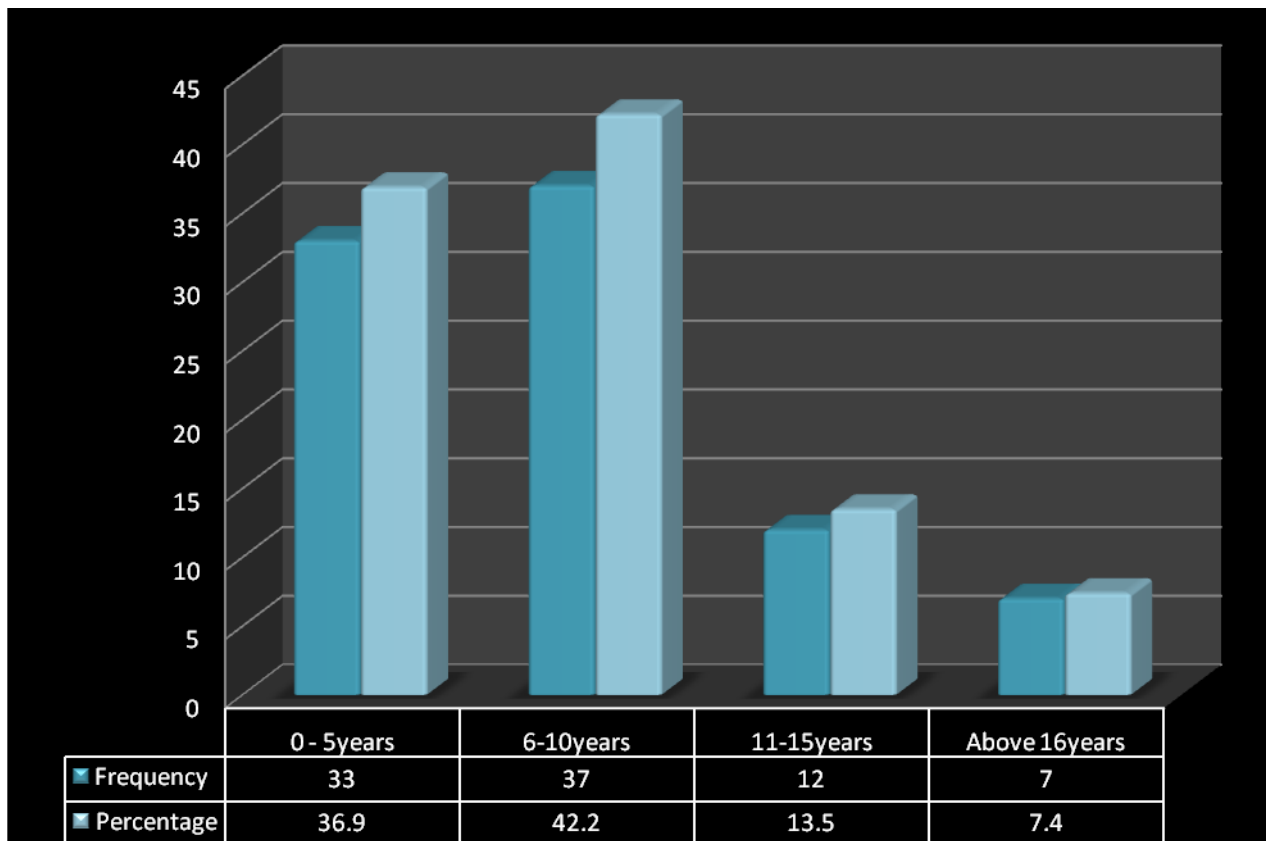


Figure 4.1: Duration of Employment

Source: Field Survey (2023)

The duration to which the employees have been in the SACCOs was evaluated in the area of the study. It was revealed that 33 (36.9) of the employees have been employed for a period ranging from zero to five years, 37 (42.2%) of the participants have been employed for a range of six to ten years. Within eleven to fifteen years, 12 (13.5%) of the employees have been employed by the studied SACCOs in Meru County. Further evidence portrayed that only 7 (7.4%) of the employees have been in the SACCOs employment status for a period above sixteen years. The outcome recorded that many

respondents have been in the employment status for a period of 6 to 10 years in Meru County, Kenya. This outcome depicted a situation of sufficient knowledge by the employees of the SACCOs in providing relevant information that could support the study's reliability.

4.2.2 Gender of the Respondents

This section of the analysis chapter provides information on the gender distribution of the research participants. Figure 4.2 presented the field observation regarding the gender of the SACCO respondents in Meru Country, showing the proportion of both male and female SACCO employees.

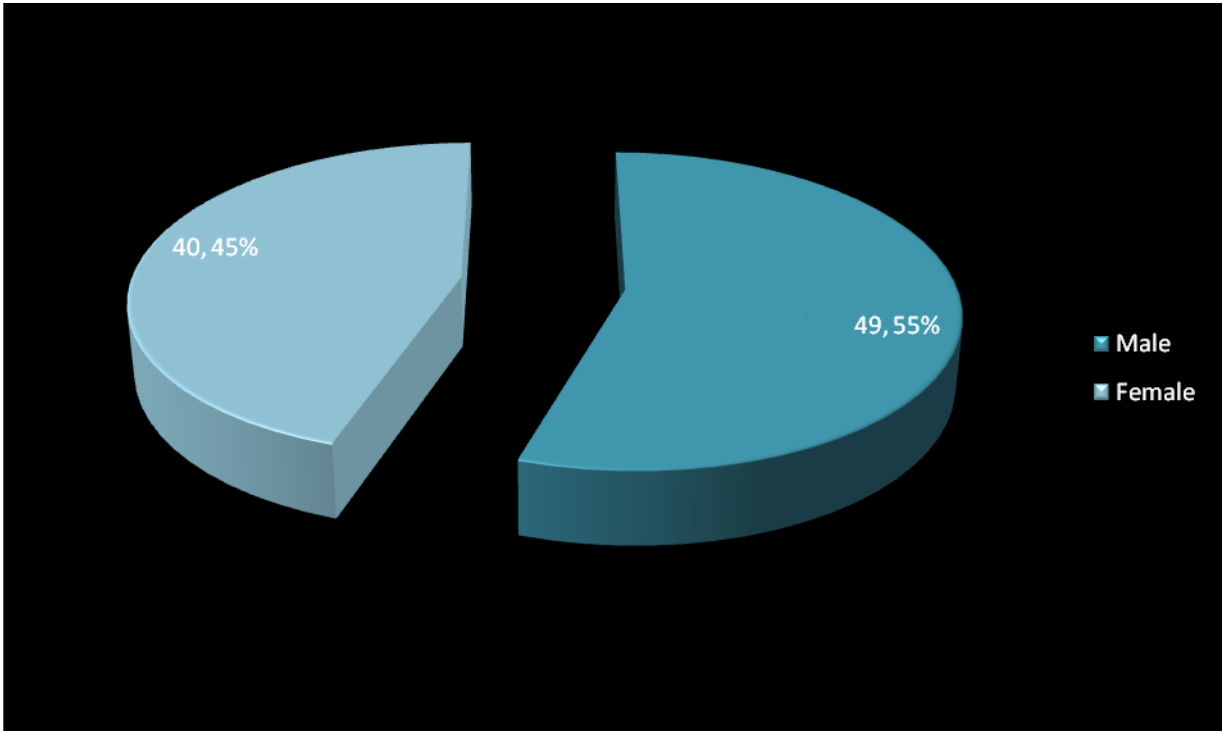


Figure 4.2: Gender of the Respondents
Source: Field Survey (2023)

Both men and women were represented in the sample, as shown by the distribution of the participants' gender in Figure 4.2, with male respondents being 49 (55%) and females 40 (45%). The outcome indicated that both males and females were

represented in the investigation. The predominance of male employees could be attributed to the nature of SACCCOs operations in the area of study which demands the involvement of more men than women.

4.2.2 Position in the SACCO

The position occupied by the employees of the SACCOs that responded to the survey instrument was examined. This is to ascertain the depth of information at the disposal of the respondents. The information collected from the field respondents' had its presentation illustrated in Table 4.3.

Table 4.3: Position the Respondents

Position	Frequency	Percentage
Board of Directors	18	20.2
Senior Management	46	51.7
Middle Level Management	9	10.1
Other Employees	16	18.0
Total	89	100

Source: Field Survey (2023)

The position occupied by the SACCOs respondents was determined in this segment of the investigation. Out of the total respondents, 18 (20.2%) of the participants were board of directors interrogated, 46 (51.7%) of which were Meru County's SACCOs senior management. Additionally, the respondents who falls into the category of middle level management were 9 constituting 10.1% while 16 (18%) were categorized under other employees in the SACCOs. This is a signal that many employees of SACCOs used in the investigation were senior management members thus, depicting the depth of information employed in the study.

4.2.3 Educational Qualification

Knowledge is bred by education, and knowledge inspires innovation. This gives employees' insight into the chance they have to outwit competitors in the market. In

this section of the enquiry, the educational qualifications of the employees were determined, and the result is illustrated in Figure 4.3.

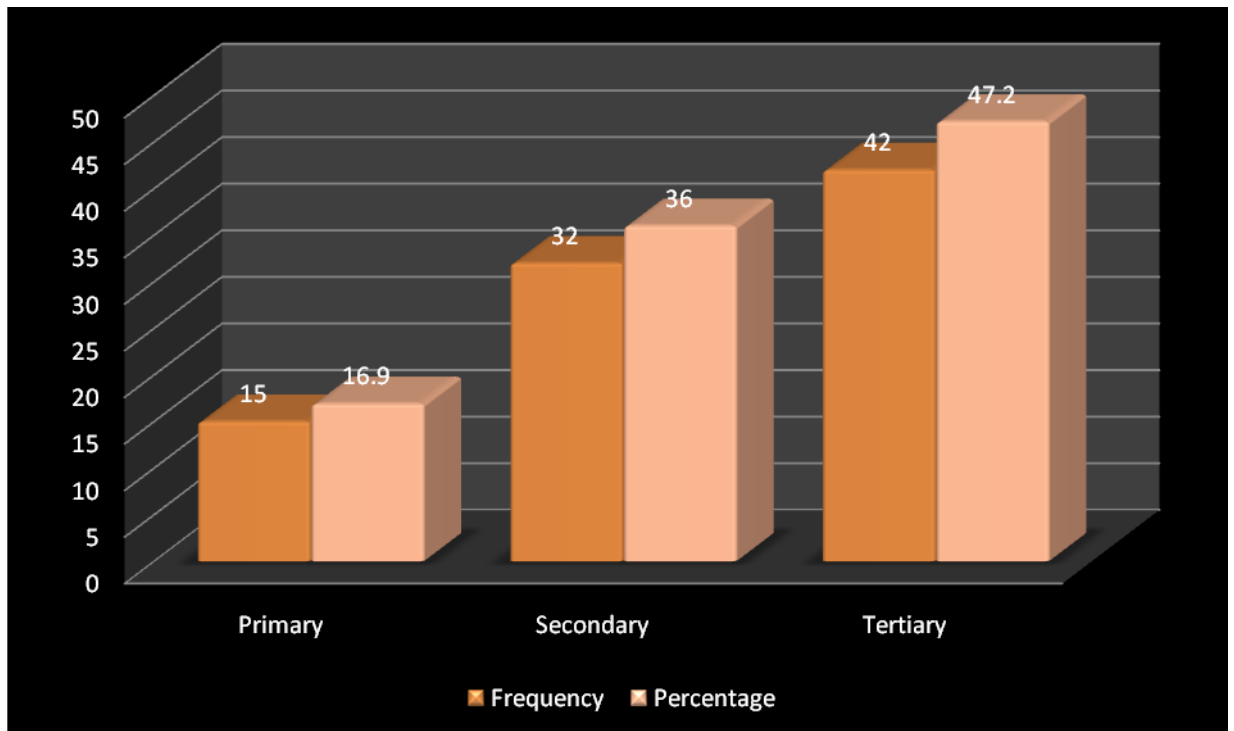


Figure 4.3: Educational Qualification of the Respondents

Source: Field Survey (2023)

Distribution of the employees by their educational level as shown in Figure 4.3 indicated that 15 (16.9%) had primary school certification, 32 (36%) possessed secondary school qualification. With notable interest, the employees having tertiary educational qualification were 42 constituting 47.2% of the total target audience. This result suggested that many of the participants had tertiary educational qualification implying that there is high possibility of the information to be relied upon by the researcher in reaching out valid conclusion on the SACCOs located in Meru County, Kenya.

4.3 Descriptive Analysis

The evidence supported by the descriptive statistics results was based on the representation of 1 to 5 options representing "not at all" to "very large extent," which was drilled from the 5-point Likert scale responses of the research participants in Meru County. The value of 2 was deemed to be of little extent, the value of 4 to be of large extent, and the value of 3 to be of moderate extent. By using the percentage of replies that conformed to the survey's 5-point rating scale, the evaluation of the research's goal was able to determine whether it had been accomplished. Additionally, decisions regarding the accomplishment of the target were made using the mean and standard deviation. The decision was determined as a consequence of the composite mean, which is the average of all the survey questions combined.

4.3.1 Cost Leadership Strategy

The amount of resources invested in the training of leaders in any organization plays a great role in the progress of the SACCOs. The information of the participants was collected to ascertain the degree of the acceptance or rejection of the cost leadership strategy effect on SACCOs' performance. Table 4.4 demonstrated the mean, percentage, and standard deviation of the items taken from the inquiry's objectives.

Table 4.4: Cost Leadership Strategy Descriptive Statistics

Statement	Percentage					Mean	Std. Deviation
	1	2	3	4	5		
To keep costs under control, the SACCO obtains financing from low-cost sources	3.4	20.2	14.6	43.8	18	3.528	1.108
The SACCO consistently develops low-cost cost-control measures.	1.1	12.4	15.7	62.9	7.9	3.640	.842
To control costs, the SACCO has low-cost distribution channels	5.6	16.9	19.1	38.2	20.2	3.505	1.159
To gain economies of scale, the SACCO lends to big groupings	4.5	24.7	19.1	36.0	15.7	3.337	1.147
To attain economies of scale, the SACCO mobilizes its membership in large numbers	4.5	24.7	20.2	38.2	12.4	3.292	1.109
The SACCO has been continuously expanding its operations to gain economies of scale	2.2	22.5	6.7	44.9	23.6	3.651	1.139
The SACCO pursues low cost strategy to improve performance	1.1	30.3	16.9	25.8	25.8	3.449	1.206
N = 89 Av. Mean = 3.486 Std. Dev. = 1.101							

Source: Field Survey (2023)

To keep costs under control, the SACCO obtains financing from low-cost sources. With informed knowledge of the respondents' responses, it was revealed that many of the survey participants noted that to a moderate extent as confirmed by a mean score of 3.528, that to keep costs under control, the SACCO obtains financing from low-cost sources. The SACCO consistently develops low-cost cost-control measures as observed by a mean of 3.640 indicating that to a large extent the SACCO consistently develops low-cost cost-control measures. With a confirmation of a mean score of 3.505 indicating that an option of to a large extent was chosen by many of the respondents that to control costs, the SACCO has low-cost distribution channels. To gain economies

of scale, the SACCO lends to big groupings in which the opinion of the respondents was sourced. The validation of the responses regarding this statement was supported by the option that to a moderate extent, to gain economies of scale, the SACCO lends to big groupings as noted by a mean of 3.337.

To attain economies of scale, the SACCO mobilizes its membership in large numbers which was claimed by the research. However, the information gathered from the respondents confirmed that to a moderate extent, to attain economies of scale, the SACCO mobilizes its membership in large numbers as affirmed by a mean of 3.292. The statement that the SACCO has been continuously expanding its operations to gain economies of scale was seconded by majority of the respondents with an option of a large extent as affirmed by a mean of 3.651. The SACCO pursues low cost strategy to advance performance was claimed by the researcher in which a mean of 3.449 was documented to confirmed that to a moderate extent, the SACCO pursues low cost strategy to improve performance. Adding up the average mean score which was 3.486, an affirmation that cost leadership strategy significantly affected SACCOs performance in Meru County in Kenya was certain.

The comments from the open-ended questionnaire noted that SACCOs in Nairobi City County can better improve their performance by concentrating on creating new market space rather than rivalling other financial firms in an ever-contestable market space. This is because the market space with financial services has been saturated creating little or absolutely no space for new entrants to thrive. Therefore, there is need for the SACCOs to breed new incontestable market space by providing unique services to members and other clients shifting the culture from competitive to innovation.

4.3.2 Differentiation Strategy

Differentiation strategy is employed by businesses to provide unique identification and loyalty by customers for existing or new products in the market. According to this viewpoint, it was required to compile the participants' opinions, as shown by the percentage that was recorded and the standard variance when the mean scores of the various items were taken into account on the survey tool results shown in Table 4.5.

Table 4.5: Differentiation Strategy Descriptive Statistics

Statement	Percentage					Mean	Std. Deviation
	1	2	3	4	5		
The SACCO participates in personnel training and development to increase employee skills in order to attain personnel differentiation	20.2	36	7.9	20.2	15.7	2.752	1.400
The SACCO personnel are equipped with unique skills to handle the unique customer needs	19.1	38.2	3.4	18	21.3	2.842	1.476
The SACCO encourages communication to enhance personnel credibility	11.2	31.5	19.1	30.3	7.9	2.921	1.179
The SACCO provides a wide range of products to meet different needs	10.1	33.7	22.5	23.6	10.1	2.898	1.177
The SACCO constantly creates new goods and services	11.2	30.3	19.1	29.2	10.1	2.966	1.210
Technology innovation is used to differentiate products and services	4.5	9	33.7	40.4	12.4	3.471	.978
The SACCO pursues differentiation strategy to improve performance	3.4	20.2	24.7	38.2	13.5	3.382	1.060
Average Score	N=89 Av. Mean = 3.033 Std. Dev. = 1.211						

Source: Field Survey (2023)

The SACCO participates in personnel training and development to increase employee skills in order to attain personnel differentiation followed the certain confirmation of a moderate extent by most of the respondents. This claim made by the researcher putting such across to the participants followed the option that to a little extent as signified by a score mean of 2.752. The SACCO personnel are equipped with unique skills to handle the unique customer needs was confirmed by the majority of the respondents with an option of a moderate extent as observed by a mean value of 2.842. With the SACCO encourages communication to enhance personnel credibility, majority of the participants as confirmed by 29.21 mean score are of the idea that to a moderate extent the SACCO encourages communication to enhance personnel credibility.

The SACCO provides a wide range of products to meet different needs as depicted by the score mean of 2.898 displayed that the interviewees noted with a moderate extent that the SACCO provides a wide range of products to meet different needs. The SACCO constantly creates new goods and services was a claim made in the survey which the respondents observed with a score mean of 2.966 that the SACCO constantly creates new goods and services to a moderate extent. Majority of the interviewees as illustrated by 3.471 mean showed that to a moderate extent technology innovation is used to differentiate products and services. The SACCO pursues differentiation strategy to improve performance which majority of the participants noted that to a moderate extent as confirmed by a mean of 3.382 that the SACCO pursues differentiation strategy to improve performance. A composite mean of 3.033 validate that differentiation strategy affected to a moderate extent the Meru County's SACCOs performance in Kenya.

Comment on the differentiation strategy of SACCOs in Meru County explained the need for up scaling in the pursuit of SACCOs continuous products development to enhance their market penetration strategy as well as the acceptability by both members and other customers. Therefore, driving the growth and objective of SACCOs entails the consistency of the SACCOs in the unique branding of services in the new market space and the spread of such products to the existing financial market. As such the satisfaction derived from the consumption of the SACCOs products enables customers feedback which is added or modified in the development of the product making such product unique in form and taste.

4.3.3 Focus Strategy

The focus of every business is to expand profit and dominate the market by gaining a larger share of the market. To ascertain whether focus strategy deployed by the SACCOs affects its performance, responses were collected from the interviewees in the study area. Drawing from this, description of the responses was recorded in regard to the percentage, standard deviation and mean as noted in Table 4.6.

Table 4.6: Focus Strategy Descriptive Statistics

Statement	Percentage					Mean	Std. Deviation
	1	2	3	4	5		
The SACCO segments its market based on customer demographics	4.5	15.7	11.2	57.3	11.2	3.550	1.033
The SACCO segments its market based on geographical location	3.4	27	11.2	41.6	16.9	3.415	1.156
The SACCO segments its market based on customers behavior	2.2	22.5	13.5	46.1	15.7	3.505	1.077
The SACCO provides excellent clientele service	4.5	20.2	18	39.3	18	3.460	1.138
The SACCO offers unique goods and services to a select customer base	5.6	13.6	16.9	48.3	15.7	3.550	1.087
The SACCO emphasizes responsiveness to customers	4.5	23.6	7.9	43.8	20.2	3.516	1.188
The SACCO pursues focus strategy to improve performance	12.4	20.2	13.5	32.6	21.3	3.303	1.343
Average Score	N=89 Av. Mean = 3.471 Std. Dev. = 1.146						

Source: Field Survey (2023)

The respondents' agreement that the SACCO segments its market based on customer demographics had a mean score of 3.550, implying that to a large extent the SACCO segments is market based on customer demographics. The SACCO segments its market based on geographical location as signified by 3.415. The mean of such nature depicted that the respondents noted that to a moderate extent, the SACCO segments its market based on geographical location. The SACCO segments its market based on customers' behavior recorded a mean average score of 3.505, a sign that to a large extent the SACCO segments its market based on customers' behavior in Meru County. The SACCO provides excellent clientele service as illustrated by an average score mean of

3.460. This depicts a situation where many of the interviewees responded with a moderate extent option that the SACCO provides excellent clientele service.

The SACCO offers unique goods and services to a selected customer base as majority of the participants noted with a large extent option as noted by a score mean of 3.550. As regards to the claim that the SACCO emphasizes responsiveness to customers, the respondents observed that to a large extent the SACCO emphasizes responsiveness to customers as revealed by a mean of 3.516. Further records from the survey described that the SACCO pursues focus strategy to improve performance was noted by an option of to a moderate extent. This evaluation of the outcomes/responses arrived at a mean score of 3.303 as a way of the response confirmation. The items validation relating to focus strategy had a composite mean of 3.471 depicting that focus strategy moderately affected SACCOs' in Meru County's performance in Kenya.

The respondents also comment that the focus of the leadership of the SACCOs should be based on the quality of products they offer to their customer which should commensurate with the price charged. By doing so, the confidence of customers is built thus, creating customer loyalty to the brand of the product and thus enhancing the performance of the SACCOs in Meru County.

4.3.4 Innovation Strategy

Information on the innovation strategy employed in the survey was collected to decide how innovation strategy affected performance of Meru County's SACCOs. For this reason, the analysis of innovation strategy was recorded in this aspect of the investigation outlining the items evaluation of the mean, percentage and standard deviation in Table 4.7.

Table 4.7: Innovation Strategy Descriptive Statistics

Statement	Percentage					Mean	Std. Deviation
	1	2	3	4	5		
The SACCO regularly comes up with new products	4.5	32.6	7.9	43.8	11.2	3.247	1.160
New technology is embraced by the SACCO in product innovation	4.5	21.3	14.6	37.1	22.5	3.516	1.188
SACCO innovates more products and services based on customers demand	5.6	20.2	25.8	32.6	15.7	3.325	1.135
SACCO processes are continually improved by innovation	4.5	25.8	21.3	23.6	24.7	3.382	1.238
The SACCO improves processes by utilizing technology	4.5	25.8	24.7	28.1	16.9	3.269	1.155
The SACCO leads in process innovations	2.2	30.3	14.6	31.5	21.3	3.393	1.192
The SACCO utilizes innovation strategy to improve performance	2.2	21.3	7.9	47.2	21.3	3.640	1.110
Average Score	N=89 Av. Mean = 3.396 Std. Dev. = 1.168						

Source: Field Survey (2023)

The demonstration of the outcomes from Table 4.7 depicts the responses of the respondents as it regards innovation strategy. To this fact, a score mean of 3.247 was realized implying that to a moderate extent the SACCO regularly comes up with new products. New technology is embraced by the SACCO in product innovation as the claim of the investigation. The confirmation of this was linked to the recorded mean of 3.516 describing that to a large extent new technology is embraced by the SACCO in product innovation. With regard to SACCO innovation of more products and services based on customers demand a large number of the respondents noted that to a moderate extent SACCO innovate more products and services based on customers demand as exemplified by a mean of 3.325. SACCO processes are continually improved by innovation was claimed in the investigation. In response to this, a mean of 3.382 was found implying that majority of the interviewees replied with a

moderate extent that SACCO processes are continually improved by innovation.

The statement that the SACCO improves processes by utilizing technology was ascertained where majority of the respondents' responses resulted into a mean of 3.269 depicting that the SACCO improves processes by utilizing technology. The outcome of the survey with respect to the claim that the SACCO leads in process innovations was noted to affect the performance of the SACCOs to a moderate extent as depicted by a mean of 3.393. The SACCO utilizes innovation strategy to improve performance was claimed by the researcher where the responses collected from the respondents observed that with a mean of 3.640, denoting that to a large extent, the SACCO utilizes innovation strategy improve performance. Overall, the mean average score of 3.396 was recorded, implying that innovation affected the performance of SACCOs to a large extent in Meru County in Kenya.

Additionally, the comments from the respondents further reiterated that the SACCOs adoption of technical know-how provides an avenue where effective service delivery can be guaranteed. The application of digital technological systems in the enhancement of product delivery would create unique uncontestable market space for SACCOs while leveraging of the members' patronage. Consequently, this would result in the wide spread of these products thus, converting potential customers into actual customers in Nairobi City County.

4.3.4 Performance

Customers' satisfaction, customers' loyalty and employee motivation of SACCOs remained a measure used to assess the performance. Customers' satisfaction, customers' loyalty and employee motivation enhances their growth and expansion to meet up with the trend in the market thus, waging rivalry and competitive war in the

market environment. To assess the responses of the respondents in lieu of performance of the SACCOs, the descriptive analysis of the mean, percentage and standard deviation was presented in Table 4.8.

Table 4.8: Performance Descriptive Statistics

Statement	Percentage					Mean	Std. Deviation
	1	2	3	4	5		
Customer retention has increased with employment of competitive strategies	5.6	29.2	10.1	38.2	16.9	3.314	1.220
Sales volume has increased with the employment of competitive strategies	2.2	11.2	1.1	38.2	47.2	4.168	1.057
Customer loyalty has increased with employment of competitive strategies	2.2	14.6	7.9	53.9	21.3	3.775	1.019
Average Score	N=89 Av. Mean = 3.752 Std. Dev. = 1.098						

Source: Field Survey (2023)

Keeping in view the Meru County’s SACCOs performance, most of the interviewees who responded to the claims on the questionnaire observed with a mean average score of 3.314 that the customers’ retention has increased with employment of competitive strategies. Therefore, that the customers’ retention has increased with employment of competitive strategies to a large extent. Observing from a mean score average of 4.168,

sales volume has increased with the employment of competitive strategies. In essence, to a very large extent customer loyalty has increased with employment of competitive strategies. Due to this, the claim that customer loyalty has increased with employment of competitive strategies is validated by a mean score of 3.775. This connotes that to a large extent, customer loyalty has increased with employment of competitive strategies. The responses of the respondents are in line with the composite mean 3.752 denoting that SACCOs performance have been significantly affected by customers' retention, sales volume and customers' loyalty in Meru County, Kenya.

4.4. Inferential Analysis

The survey was analyzed using inferential techniques of analysis which include both correlation and regression. Correlation was deployed to examine the strength of the factors association with one another while multiple regression technique was used in the survey to investigate how the competitive strategies in Meru County affect SACCO performance, thus, allowing conclusions to be drawn based on the survey's specific objectives.

4.4.1. Correlation Analysis

The survey gives a general idea of the association analyses' findings of the factors used in the investigation. Accordingly, Table 4.9 offered the survey outcomes.

Table 4.9 Correlation Results

		PF	CL	DF	FS	IS
PF	Pearson Correlation	1				
	Sig. (2-tailed)					
CL	Pearson Correlation	.645**	1			
	Sig. (2-tailed)	.000				
DF	Pearson Correlation	.573**	.591**	1		
	Sig. (2-tailed)	.000	.000			
FS	Pearson Correlation	.493**	.590**	.638**	1	
	Sig. (2-tailed)	.000	.000	.000		
IS	Pearson Correlation	.500**	.699**	.748**	.768**	1
	Sig. (2-tailed)	.000	.000	.000	.000	

Source: Field Survey (2023)

Table 4.9 showed the products of the correlation evaluation of the experiment's variables. The investigation's findings showed a significant and positive correlation between the competitive strategies (cost leadership, differentiation, focus and innovation strategies) and the performance of the SACCOs in Meru County. The factors were all significantly correlated with Meru County SACCOs performance in Kenya, although having various degrees of association.

4.4.2. Model Summary

The model is summarized in Table 4.10 providing alongside the R square and the R square adjusted.

Table 4.10: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.698 ^a	.488	.463	.67036

Source: Field Survey (2023)

The R-value of 0.698 indicated a relationship of positive nature between competitive strategies and Meru County's SACCO performance in Kenya. Only 48.8% of the changes in the SACCOs' in Meru County performance could be accounted for by competitive strategies (cost leadership, differentiation, focus and innovation strategies), according to the R-square of 0.488. This showed that the explanatory factors' combined influence was responsible for 48.8% of the differences in SACCO performance. Therefore, in Meru County, Kenya, 51.2% of the performance of SACCOs could not be explained by the survey's components measuring competitive strategies.

4.4.3. Analysis of Variance (ANOVA)

The outcomes of the statistical analysis of variance completed to ascertain the significance of the model is shown in Table 4.11.

Table 4.11 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.924	4	8.981	19.985	.000 ^b
	Residual	37.749	84	.449		
	Total	73.673	88			

Source: Field Survey (2023)

The results of the analysis of variance were reported in the form of Table 4.11. The performance of the SACCOs, which acted as the dependent variable, was shown by the F value, which indicated whether or not the independent factors had significant effects

on it. A 19.985 F-value was demonstrated. Results were verified using a 0.000 p-value at a specified threshold of 5% significance. This shows that the joint marginal effect of the competitive strategy elements (cost leadership, differentiation, focus and innovation strategies) has significant effects on SACCO performance in Meru County, Kenya. Collectively, the findings demonstrated that Meru County, Kenya's SACCO performance is significantly affected by all of these factors.

4.4.4. Multiple Regression Analysis

The marginal effect of the explanatory factors constituting cost leadership, differentiation, focus and innovation strategies was ascertained on the SACCOs performance in Meru County, Kenya using the technique of regression assessment. Evidence of the outcomes relating to the variables effect on the explained factors was displayed in Table 4.12.

Table 4.12: Regression Results

Model		Robust Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.739	.357		2.07	.042
	CL	.626	.116	.515	5.40	.000
	DF	.347	.108	.350	3.19	.002
	FS	.168	.128	.145	1.32	.191
	IS	-.239	.357	-.234	-1.77	.080

Source: Field Survey (2023)

Considering the estimated parameters in Table 4.12, the stated regression equation that was estimated is illustrated as thus;

$$Y = 0.739 + 0.626CL + 0.347DF + 0.168FS - 0.239IS + \varepsilon$$

Where:

Y = Performance

CL = Cost Leadership Strategy

DF = Differentiation Strategy

FS = Focus Strategy

IS = Innovation Strategy

4.5 Interpretation of Findings

The outcomes of the investigation showed the effect that each explanatory variable had on the SACCO performance in Meru County, as shown in Table 4.12. This effect on SACCO performance may be seen in the values of standardised beta, which showed each explanatory factor effect on the explained factor. With a value of 0.739 and a corresponding p-value of 0.042 below the 0.05 threshold significance, the intercept of the regression estimate is positive.

The revelation from the estimation of the survey noted that cost leadership strategy had a coefficient of 0.626 that is positive. Drawing from this coefficient, an increase in the cost leadership strategy would trigger a rise in the Meru County's SACCOs performance. The positive value is occasioned by a significant p-value of 0.000 less than 0.05 significance point adopted in the survey. Synthesizing from the stated null hypothesis which noted that cost leadership strategy insignificantly affected SACCO performance in Meru County, the hypothesis of no difference was rejected. This demonstrates that the cost leadership strategy provided is important in the determination of SACCOs' performance in Meru County. Attributing the connection of the outcome could be due to the fact that an increase in the cost of leadership implies

that resources are invested in the training of leaders which is transferred to the running of the SACCOs thus enhancing their performance in Meru County. The outcome upholds Kiarie, Paul & Peter (2022) who realized that cost leadership and the effectiveness of nonprofit organizations in Kenya are positively correlated. SACCOs. Gitau & Mang'ana, (2021) reported a strong correlation between Kenyan commercial banks' performance and cost leadership. Chepchirchir, Omillo and Munyua (2019) found that cost leadership strategies had a favorable and noteworthy impact on the organization's performance. Nganga (2019) concluded that cost leadership and performance are positively correlated.

Differentiation strategy provided a positive ($\beta=0.347$) coefficient effect on SACCOs performance. It was noted by the outcome of the survey that a given threshold of significance 0.05 was far above the estimated p-value of 0.002 arrived at in the investigation, depicting that fact that differentiation strategy significantly affected SACCOs' performance in Meru County. Given that a positive effect was realized, an increase in differentiation strategy would amount to rising performance of SACCOs in Meru County. Drawing from the non-difference hypothesized claim that directs the investigation that differentiation strategy has no effect of a significant nature on SACCOs' performance, the null claim was rejected. With this outcome, it is right to state that differentiation strategy determines majorly the performance of SACCOs in Meru County. The reason for this product could be linked to the fact that differentiation strategy assists the SACCOs in providing unique scale of services that allows for easy identification by customers thus creating loyalty and higher patronage that boost performance of the SACCOs in Meru County. The product is constantly in line with Waithira (2020) discovered that the market and product differentiation had a favorable effect on the performance of SACCOs. Githumbi (2019) discovered that the millers'

success was impacted by both product and service distinction. Waema and Kioko (2018) documented that differentiation and the market share of petroleum firms are strongly positively correlated.

Focus strategy witnessed also a positive coefficient of 0.168 affecting SACCOs' performance in Meru County. By the outcome of the survey noting a p-value of 0.191 which is placed above the 0.05 threshold significance point, the null hypothesis of focus strategy having no significant effect on SACCOs' performance was upheld. This signifies that focus strategy do not determine significantly Meru County's SACCOs' performance in Kenya. This outcome showed that focus strategy has not often be deployed by the SACCOs in determining their performance as most of the focus might have been not to boost the performance of the SACCOs in Meru County. The outcome aligned with Isaboke (2019) who realized that focused cost leadership improves the small and micro businesses performance in Nairobi County. Otieno (2019) found that focus cost leadership and performance are strongly positively correlated. Weyao and Wanyonyi (2018) reported that there was a slight but positive association of focus cost leadership strategy and business performance.

The SACCOs' in Meru County's performance is affected negatively ($\beta = -0.239$) by innovation strategy. Drilling from the guidance which the hypothesis provided on the claim that, innovation strategy has insignificantly affected Meru County's SACCOs' performance in Kenya. Evidence from the outcome as demonstrated by a p-value of 0.080 above the 0.05 asymptotic threshold of significance leading to the null hypothesis is acceptance. In relation to the outcome, innovation strategy provided insignificant determination on SACCOs' performance in Meru County. Although technology is dynamically deployed in the production of services and products in Meru County, huge

cost of these technical knowhow has eroded the performance of the SACCOs as most of the resources are used to cater for the sustenance of the SACCOs in Meru County. The outcomes misaligned with Mung'ora (2020) that there is a strong positive association between innovative methods and performance of SACCOs. Ngugi and Njuguna (2021) found that there is a significant link between insurance firms' performance and innovation. Kagwima and William (2020) discovered that innovation and performance are positively correlated. Nyanchwaya and Marigaa (2019) found innovation to be related positively with performance. The variation in the outcomes of these researches could be due to the unique features of the environment which the studies were conducted.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

Emanating from the outcome of the investigation, the outcomes summary, recommendations, and the survey's conclusion are all documented in this section. This part also provides suggestions that further advance the field of this research thus contributing to the body of knowledge that has been in existence. The detailed evaluation was acted upon in accordance to the uniquely reported objectives of the investigation as it supports its outcomes.

5.2 Summary of Findings

The primary objective of the survey was to ascertain how competitive strategies affect Meru County's SACCO performance in Kenya. Having empirically used the regression analysis approaches for analysis, particular objectives of the survey such as cost leadership, differentiation, focus and innovation strategies' effect was ascertained on SACCOs' performance in Meru County, Kenya. Anchoring the survey on the basis of the evolutionary model theory, Michael porter's generic strategies theory, the balanced scorecard and the resource-based view model, the survey was evaluated.

The output of the correlation showed an association between the cost leadership strategy and the performance of SACCOs that was both significant and positive. Nevertheless, regression analysis revealed that a positive cost leadership strategy significantly affected the SACCOs' performance in Meru County. This result's significance is related to the fact that SACCOs perform better when a cost leadership approach is used.

Differentiation strategy indicated a positive and significant association with SACCO's performance as noted by correlation outcomes. SACCOs' performance as per regression products showed a positive and significant by differentiation strategy in Meru County. Pertaining to these results, it can be noted that increase in differentiation strategy would enhance the SACCOs' performance.

Depending on the outcomes of the correlation analysis, the survey's findings indicated a positively and significant relationship between the performance of SACCOs and the focus strategy. To the findings of the regression analysis, focus strategy had an insignificant effect on Meru County's performance that is positive. The implication of this outcome is that SACCOs' performance would be enhanced as a result of adopting a focus strategy.

There was a plethora of evidence indicating the correlation between SACCOs' performance and innovation strategy was positively significant. Regression evaluation's findings revealed that innovation strategy had a negative and insignificant effect on the SACCOs' performance in Meru County. The demonstration of the result showed that SACCOs' performance potentially is decreased by innovation strategy.

5.3 Conclusion

The results showed that competitive strategies, cost leadership, differentiation, focus and innovation strategies had a varying directional effect on the performance of SACCOs. Outcomes showed the significant effect of cost leadership strategy which is positively linked to the SACCOs' performance in Meru County, which was specifically relevant to the survey's aims. This depicts a situation in which the SACCOs' performance in Meru County is significantly affected by the cost leadership strategy.

Discovery that is in line with the objectives of the survey noted that differentiation strategy positively and relevantly affected the SACCOs' performance in Meru County, Kenya. This therefore, means differentiation strategy is a critical measure in the determination of SACCOs' performance. Thus, the study conclude that SACCOs' performance is affected in a manner that is significant attributable to the fact that the SACCOs have deployed differentiation techniques to increase the potential of SACCOs' performance.

Observably, the outcome that is linked to focus strategy demonstrated a positive but an insignificant effect on the performance of SACCOs in Meru County. Specifically, on the objective of the survey, the focus strategy possesses low level of effect on how the performance of SACCOs is determined. Conclusively, focus strategy is not an integral part of the SACCOs' performance as it insignificantly improves the performance in the study location.

The product of this survey showed evidence that the innovation strategy negatively in a way that is insignificant affects the SACCOs' performance in Meru County, Kenya. With this outcome, it can be said that innovation strategy plays an insignificant role in the determination of SACCOs' performance. In conclusion, huge potential that lies in innovation strategy has not been explored to a large extent to enhance the SACCOs performance.

5.4 Policy Recommendations

Regarding how competitive strategies affect Meru County SACCOs performance, suggestions are offered. Based on the survey's findings, which demonstrated that cost leadership strategy significantly affected SACCOs' performance positively, the research suggests that the cost leadership strategy be increased to boost the SACCOs

performance in Meru County, Kenya. Therefore, the management of the SACCOs should endeavor to increase the amount of resources channeled into the training of leaders to optimize their managerial potential for optimum growth of the SACCOs.

According to the reported outcome, the performance of SACCOs in Meru County was positively and significantly affected by differentiation strategy. Sequel to this outcome, the management of SACCOs should enhance their differentiation strategy. This would allow the management to significantly differentiate their products and services from their rivals own thus attracting customers' loyalty and consequently performance.

The regression results suggested that the SACCOs' performance in Meru County, Kenya, was insignificantly affected positively by focus strategy. It is advised therefore, that the management of the SACCOs should identify a strategy that would improve the SACCOs and focus on it thus realizing its optimal potential in enhancing the performance of the SACCOs in Kenya's Meru County.

As per reported by the investigation, innovation strategy had an inverse effect insignificantly on SACCOs' performance in Meru County. Noting from this product of the investigation, the research recommends that the management should identify cheap innovation strategy that would be deploy to enhance the performance of SACCOs in Meru County. This would allow the SACCOs survive in competitive environment thus gaining advantage over rival SACCOs in the industry.

5.5 Contribution to Knowledge

The newly established outcomes have added to the understanding of the association of competitive strategies with SACCOs' performance in Meru County, Kenya. The deployment of cost leadership, differentiation, focus and innovation strategies has been

reported to potentially affected SACCOs' performance with only focus and innovation strategies connoting insignificant effect.

The experiment's findings effectively evaluated a number of hypotheses that greatly influenced how cost leadership, differentiation, focus and innovation strategies affected the SACCOs' performance. This is clear from the use of a practical empirical model that demonstrated the significance or otherwise of the connection between competitive strategies and SACCOs' performance.

5.6 Suggestions for Future Research

This survey focused on how competitive strategies affected the performance of SACCOs. The survey's findings demonstrated that additional research can be done to ascertain why focus and innovation strategies had such an insignificant effect on SACCOs' performance. Further investigations can be carried out in other industry aside the SACCO industry, such as commercial, microfinance and other banks in Meru County, Kenya.

REFERENCES

- Ali, B.J., & Anwar, G. (2021). An Empirical Study of Employees' Motivation and its Influence Job Satisfaction. *International Journal of Engineering, Business and Management*, 5(2), 21-30.
- Ali, H. Y., Danish, R. Q., & AsrarulHaq, M. (2020). How corporate social responsibility boosts firm financial performance: The mediating role of corporate image and customer satisfaction. *Corporate Social Responsibility and Environmental Management*, 27(1), 166-177.
- Aluri, A., Price, B. S., & McIntyre, N. H. (2019). Using Machine Learning To Cocreate Value Through Dynamic Customer Engagement In A Brand Loyalty Program. *Journal of Hospitality & Tourism Research*, 43(1), 78–100. <https://doi.org/10.1177/1096348017753521>
- Andaleeb, S.S. (2016). "Market Segmentation, Targeting, and Positioning", Andaleeb, S.S. and Hasan, K. (Ed.) *Strategic Marketing Management in Asia*, Emerald Group Publishing Limited, Bingley, pp. 179-207. <https://doi.org/10.1108/978-1-78635-746-520161006>
- Asiaei, K., Rezaee, Z., Bontis, N., Barani, O. & Sapiei, N.S. (2021). Knowledge assets, capabilities and performance measurement systems: a resource orchestration theory approach. *Journal of Knowledge Management*, 25 (8), 1947-1976. <https://doi.org/10.1108/JKM-09-2020-0721>
- Barney, J. B. (2001). Resource-based theories of competitive advantage: A ten-year retrospective on the resource-based view. *Journal of management*, 27(6), 643-650.
- Chepchirchir, A. B., Omillo, F., & Munyua, J. (2019). effect of cost leadership strategy on performance of logistics firms at Jomo Kenyatta international airport, Kenya. *European Journal of Management and Marketing Studies*.
- Cui, Y., Xi, X. & Zhang, J. (2017). The safety attitudes questionnaire in Chinese: psychometric properties and benchmarking data of the safety culture in Beijing hospitals. *BMC Health Serv Res* 17, 590 (2017). <https://doi.org/10.1186/s12913-017-2543-2>
- Daniel, N. M. (2017). Evaluation of competitive strategies applied by savings and credit co-operatives in enhancing their financial performance: in Kiambu County Kenya.
- Fleming, C. M. (2016). *Clausewitz's Timeless Trinity: A framework for Modern War*. London: Routledge Taylor & Francis Group
- Gitau, J. N., & Mang'ana, R. (2021). The effect of cost leadership strategy on performance of commercial banks in Nairobi County, Kenya. *International Academic Journal of Human Resource and Business Administration*, 3(10), 167-179.

- Githumbi, V. N. (2019). Differentiation strategy and performance of large rice milling factories in Kirinyaga county, Kenya .*Doctoral dissertation, Masters Thesis Kenyatta University*.
- Grundy, T. (2006). Rethinking and reinventing Michael Porter's five forces model. *Strategic change*, 15(5), 213-229.
- Guajardo, J. A. & Cohen, M. A. (2018). *Service Differentiation and Operating Segments: A Framework and an Application to After-Sales Services. Manufacturing & Service Operations Management*, 1-16. doi:10.1287/msom.2017.0645
- Hallencreutz, J. & Parmler, J. (2021). Important drivers for customer satisfaction – from product focus to image and service quality. *Total Quality Management & Business Excellence*, 32 (5/6), 501-510, DOI: [10.1080/14783363.2019.1594756](https://doi.org/10.1080/14783363.2019.1594756)
- Heale, R. & Twycross, A. (2015). Validity and reliability in quantitative studies. *Evidence-Based Nursing*, 18, 66-67
- Heale, R. & Twycross, A. (2015). Validity and reliability in quantitative studies. *Evidence-Based Nursing*, 18, 66-67.
- Helfat, C. E., & Peteraf, M. A. (2009). Understanding dynamic capabilities: progress along a developmental path. *Strategic organization*, 7(1), 91-102.
- Isaboke, S. N. (2018). Competitive strategies and performance of micro and small enterprises in Nairobi County, Kenya. *Unpublished Master Degree in Business Administration (Strategic Management) Thesis: Kenyatta University*.
- Islami, X., Mustafa, N. & Topuzovska L. M. (2020). Linking Porter’s generic strategies to firm performance. *Futur Bus J* 6, 3. <https://doi.org/10.1186/s43093-020-0009-1>
- Iyer, P., Davari, A., Zolfagharian, M., & Paswan, A. (2019). Market orientation, positioning strategy and brand performance. *Industrial Marketing Management*, 81, 16-29.
- Kahn, K. B. (2018). Understanding innovation. *Business Horizons*, 61(3), 453-460. <https://doi.org/10.1016/j.bushor.2018.01.011>
- Keiningham, T., Aksoy, L., Bruce, H. L., Cadet, F., Clennell, N., Hodgkinson, I. R., & Kearney, T. (2019). *Customer experience driven business model innovation. Journal of Business Research*. doi:10.1016/j.jbusres.2019.08.003
- Ketchen Jr, D. J., & Wright, M. (2011). The future of resource-based theory: revitalization or decline? *Journal of management*, 37(5), 1299-1315.
- Kiarie, B., Paul, K., & Peter, W. (2022). Effect Of Cost Leadership Strtaegy On Fundraising Performance Among Small And Medium Npos In Kenya. *Academic Journal of Social Sciences and Education*, 10(1).
- Kiprono, B. K., & Kinyua, G. M. (2021). An Empirical Investigation on the Effect of Image Differentiation on Service Delivery of Selected Insurance Firms in

- Nairobi City County, Kenya. *International Journal of Managerial Studies and Research*, 9(6), 39-47.
- Kor, Y. Y., & Mahoney, J. T. (2004). Edith Penrose's (1959) contributions to the resource-based view of strategic management. *Journal of management studies*, 41(1), 183-191.
- Lee, R., Lee, J., & Garrett, T. C. (2019). Synergy effects of innovation on firm performance. *Journal of Business Research*, 99, 507-515. <https://doi.org/10.1016/j.jbusres.2017.08.032>
- Lina, R. . (2022). Improving Product Quality and Satisfaction as Fundamental Strategies in Strengthening Customer Loyalty . *AKADEMIK: Jurnal Mahasiswa Ekonomi & Bisnis*, 2(1), 19–26. <https://doi.org/10.37481/jmeb.v2i1.245>
- Loftus, J., Allen, E. M., Call, K. T., & Everson-Rose, S. A. (2018). Rural-Urban Differences in Access to Preventive Health Care Among Publicly Insured Minnesotans. *The Journal of Rural Health*, 34, s48-s55. <https://doi.org/10.1111/jrh.12235>
- Mbugua, J. W., & Kinyua, G. M. (2020). Service Differentiation and Organization Performance: An Empirical Analysis of Deposit Taking SACCOs in Nairobi City County, Kenya. *Journal of Business and Economic Development*, 5(2), 64-72.
- Motari, R. (2018). *Training and empowerment practices as a source of competitive advantage in service delivery and performance of savings and credit cooperatives in Nakuru County [Master Thesis]*, University of Nairobi.
- Muchomba, E. K. (2018). Strategy implementation and the growth of saving and credit cooperative societies in Tharaka Nithi County: a case of Trans nation SACCO (doctoral dissertation, Kenyatta University).
- Mutua, J. N., & Murigi, E. (2019). Corporate growth strategies on performance of SACCOs in Kitui County, Kenya. *International Academic Journal of Human Resource and Business Administration*, 3(7), 363-382.
- Mwangi, G. N. (2013). Determinants of efficiency of Savings and Credit Co-operative Societies in Nairobi County.
- Ngugi, N. S. (2021). Competitive strategies and performance: a case of insurance companies in Nyeri County, Kenya.
- Ngui, f. M. (2018). Strategic objectives and financial performance of deposit taking savings and credit co-operative societies in nairobi city county, kenya (doctoral dissertation, kenyatta university).
- Njoki, M. E. (2015). Competitive strategies and performance of deposit taking SACCOS in Muranga county, Kenya. Master of Business Thesis.

- Nyachwaya, J. M., & Rugami, J. M. (2020). Competitive strategies and performance of commercial banks in Mombasa County, Kenya. *International Journal of Business Management, Entrepreneurship and Innovation*, 2(1), 65-74.
- Olando, C. O., Mbewa, M. O., & Jagongo, A. (2012). Financial Practice as a Determinant of Growth of Savings and Credit Co-Operative Societies' Wealth (A Pointer to Overcoming Poverty Challenges in Kenya and the Region). *International journal of Business and social science*, 3(24).
- Otieno, K. (2016). *Growth strategies and transformational orientation adopted by Unaitas SACCO in Kenya [Master Thesis]*, University of Nairobi
- Ott, R. L., & Longnecker, M. T. (2015). An introduction to statistical methods and data analysis. Cengage Learning.
- Otto, A. S., Szymanski, D. M., & Varadarajan, R. (2020). Customer satisfaction and firm performance: insights from over a quarter century of empirical research. *Journal of the Academy of Marketing science*, 48, 543-564.
- Paais, M., & Pattiruhu, J. R. (2020). Effect of motivation, leadership, and organisational culture on satisfaction and employee performance. *The Journal of Asian Finance, Economics and Business*, 7(8), 577-588.
- Peter, P. W., Namusonge, M., Waema, C., & Ngonzo, C. L. (2014). Competitive strategies' effects on the market share of independent petroleum companies in Kenya. *International Journal of Innovative Research and Development*, 3(5), 149-153.
- Scheiderman, A. A. (1999). Why Balanced Scorecard Fail. *Journal of Strategic Performance Measurement*, 3(5), 6-11.
- Shen, Y., Chen, P. & Wang, C. (2016). A study of enterprise resource planning (ERP) system performance measurement using the quantitative balanced scorecard approach. *Computers in Industry*, 1-13. doi:10.1016/j.compind.2015.05.006
- Shrotriya, V. (2019). Product Differentiation: Key to Success in Marketing. *International Journal of Research and Analytical Reviews*, 6(2), 560-567
- Sims, J., Powell, P., & Vidgen, R. (2003). Developing e-learning strategy: an RBV approach.
- Singer, E., & Couper, M. (2017). Some Methodological Uses of Responses to Open Questions and Other Verbatim Comments in Quantitative Surveys. *methods, data, analyses*, 11(2), 20. doi:<https://doi.org/10.12758/mda.2017.01>
taking saccos in nairobi city county, Kenya.
- Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic management journal*, 18(7), 509-533.

- The SACCO societies' regulatory authority (2019). SACCO supervision Annual Report, SASRA.
- Vasileiou, K. & Barnett, J. (2017). Thorpe, S. *et al.* Characterising and justifying sample size sufficiency in interview-based studies: systematic analysis of qualitative health research over a 15-year period. *BMC Med Res Methodol*, 18, 148. <https://doi.org/10.1186/s12874-018-0594-7>
- Waema, M. A. L. U. K. U. (2020). The effects of competitive strategies on performance of dairy firms in Kenya. *Unpublished MBA Project, School of Business, Kenyatta University.*
- Wernerfelt, B. (1984). A resource- based view of the firm. *Strategic management Journal*, 5(2), 171-180.
- Weyao, E. W. (2010). A Research Study to Examine the Competitive Strategies of Bamburi Portland Cement, East African Portland Cement and Athi River Mining Cement Firms in Kenya (Doctoral dissertation, Kenyatta University).
- William, K. J., & Joyce, G. (2020). An Examination of how Pricing Strategy Affects Performance of Oil Marketing Companies in Kenya. *Journal of Marketing and Communication*, 3(2), 19-33.
- WOCCU (World Council of Credit Unions). (2019). 2019 Statistical Report
- Yenipazarli, A. (2019). *Incentives for Environmental Research and Development: Consumer Preferences, Competitive Pressure and Emissions Taxation. European Journal of Operational Research.* doi:10.1016/j.ejor.2019.01.037
- Yunis, M., Tarhini, A. & Kassar, A. (2017). *The role of ICT and innovation in enhancing performance: The catalysing effect of corporate entrepreneurship. Journal of Business Research*, 1-13. doi:10.1016/j.jbusres.2017.12.030
- Yunis, M., Tarhini, A. & Kassar, A. (2017). *The role of ICT and innovation in enhancing performance: The catalysing effect of corporate entrepreneurship. Journal of Business Research*, 1-13. doi:10.1016/j.jbusres.2017.12.030
- Zahra, S. A., H. J. Sapienza and P. Davidson (2006). 'Entrepreneurship and dynamic capabilities: a review, model and research agenda', *Journal of Management Studies*, 43, pp. 917– 955.

APPENDICES

Appendix 1: Respondents Letter

Ruth Kathimuuri,
P.O Box 5070, 01002
Madaraka, Kenya

To the Participants

RE: REQUEST TO PARTICIPATE IN THE STUDY

I am carrying out a research on competitive strategies and performance of deposit taking savings and credit cooperatives in Meru County, Kenya. Please take a moment to complete the questionnaire that is included. Provide a sincere and meaningful response. Your privacy is respected, as is the data you provide. I know you'll assist to this investigation. Your contribution to this study and the advantages you receive are priceless.

Yours Faithfully,

Ruth Kathimuuri

Appendix 2: Questionnaire

The following questionnaire is being used to obtain data on the competitive strategies and performance of deposit-taking savings and credit cooperatives in Meru County, Kenya. By completing or checking the corresponding black boxes, respond to all questions;

SECTION A: GENERAL INFORMATION

1. How long have you been employed by the organization

0-5 years () 6-10 years () 11-15 years () Above 16 years ()

2. Gender Male () Female ()

3. Position in the SACCO

Board of Directors () Senior Management ()

Middle Level Management () Other Employees ()

4. Level of education:

() Primary () Secondary () Tertiary

SECTION B: COMPETITIVE STRATEGIES

PART I: COST LEADERSHIP

How much do you agree that the SACCOs use the following cost leadership techniques in their regular business operations?

SCALE: 1) Not at All 2) Little Extent 3) Moderate Extent

4) Great Extent 5) Very Great Extent

		1	2	3	4	5
	To keep costs under control, the SACCO obtains financing from low-cost sources					
	The SACCO consistently develops low-cost cost-control measures.					
	To control costs, the SACCO has low-cost distribution channels					
	In order to gain economies of scale, the SACCO lends to big groupings					
	To attain economies of scale, the SACCO mobilizes its membership in large numbers					
	The SACCO has been continuously expanding its operations to gain economies of scale					
	The SACCO pursues low cost strategy to improve performance					

Comment on SACCOs implementation of low cost strategy.....

PART II: DIFFERENTIATION

Please describe, in your opinion, how the SACCO Society has applied the aforementioned differentiating tactics.

SCALE: 1) Not at All 2) Little Extent 3) Moderate Extent 4) Great Extent 5) Very Great Extent

		1	2	3	4	5
	The SACCO participates in personnel training and development to increase employee skills in order to attain personnel differentiation.					
	The SACCO personnel are equipped with unique skills to handle the unique customer needs					
	The SACCO encourages communication to enhance personnel credibility					
	The SACCO provides a wide range of products to meet different needs					
	The SACCO constantly creates new goods and services.					
	Technology innovation is used to differentiate products and services					
	The SACCO pursues differentiation strategy to improve performance					

Comment on SACCOs implementation of differentiation strategy.....

.....

PART III: FOCUS STRATEGY

How much do you agree with the following comments about the SACCO's Focus Strategy?

SCALE: 1) Not at All 2) Little Extent 3) Moderate Extent 4) Great Extent 5) Very Great Extent

		1	2	3	4	5
	The SACCO segments its market based on customer demographics					
	The SACCO segments its market based on geographical location					
	The SACCO segments its market based on customers behavior					
	The SACCO provides excellent clientele service.					
	The SACCO offers unique goods and services to a select customer base.					
	The SACCO emphasizes responsiveness to customers.					
	The SACCO pursues focus strategy to improve performance					

Comment on Sacco's implementation of Focus strategy.....

PART IV: INNOVATION STRATEGY

Please describe, in your opinion, the SACCO Society's level of application of the innovation initiatives.

SCALE: 1) Not at All 2) Little Extent 3) Moderate Extent 4) Great Extent 5) Very Great Extent

		1	2	3	4	5
	The SACCO regularly comes up with new products					
	New technology is embraced by the SACCO in product innovation					
	SACCO innovates more products and services based on customers demand					
	SACCO processes are continually improved by innovation					
	The SACCO improves processes by utilizing technology					
	The SACCO leads in process innovations					
	The SACCO utilizes innovation strategy to improve performance					

Comment on SACCOs implementation of Innovation strategy.....

SECTION C: PERFORMANCE

If you agree with any of the following assertions about your SACCO performance metrics, please indicate your level of agreement.

where; Very large extent=5, Large extent=4, Moderate extent=3, Little extent=2 and Not at all=1

Indicator	Very large extent	Large extent	Moderate extent	Little extent	Not at all
Customer retention has increased with employment of competitive strategies					
Sales volume has increased with the employment of competitive strategies					
Customer loyalty has increased with employment of competitive strategies					

What measures would you recommend to improve SACCO performance

Thank you

Appendix 3: List of SACCOS in Meru County, Kenya

S/No.	Name of the SACCO
1	YETU SACCO
2	SIRAJI SACCO
3	DOSHA SACCO
4	TIMES U SACCO
5	SOUTHERN STAR SACCO
6	SMART CHAMPIONS SACCO
7	NYAMBENE ARIMI SACCO
8	NEXUS SACCO
9	MMH SACCO
10	DHABITI SACCO
11	IMENTI SACCO
12	CENTENARY SACCO
13	CAPITAL SACCO
14	SOLUTION SACCO