International Journal of
Business Strategies
(IJBS)

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AJPO

International Journal of Business Strategies
ISSN 2519-0857X (Online)
Vol.2, Issue No. 2, pp 1 - 20, 2017
www.ajpojournals.org

COMPETITIVE STRATEGIES AND MARKET SHARE OF SAVINGS AND CREDIT CO-OPERATIVES IN MERU COUNTY, KENYA

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Abstract

Purpose*:* The purpose of this study was to establish the competitive strategies' effect on the market share of savings and credit cooperatives in Meru County, Kenya.

Methodology*:* This study was quantitative in nature and utilized a descriptive research design. The study target population was 53 SACCOs registered in Meru Country. Stratified proportionate random sampling technique was used to select the sample. The study sample size was 120 respondents. The main instrument for the study was the use of questionnaires that were administered to the respondents. The data and information obtained through the questionnaires was first checked for completeness. Quantitative data gathered from correctly filled questionnaires was coded, tabulated and analyzed using SPSS version 20 by both descriptive statistics which included mean and standard deviation, and inferential statistics which included Pearson correlation and regression coefficient. A multiple linear regression model was used to test the significance of the influence of the independent variables on the dependent variable.

Results*:* The study findings revealed that there is a positive and significant association between service quality, corporate image; organizational structure; technology and market share of the firms. Further, the findings revealed a positive and significant relationship between service quality, corporate image; organizational structure; technology and market share of SACCOs in Meru County.

Unique contribution to theory, practice and policy: Based on the findings, the study recommended that SACCOs should invest in improving the quality of services they offer; should engage more in corporate social responsibility activities; should have a well-structured chain of command; and should embrace and adapt the use of modern technology in their operations.

Keywords: *competitive strategies, market share, savings and credit cooperatives, Meru County*

1.0 INTRODUCTION

1.1 Background of the study

The reasons for market share of the overall industry are unmistakable in many firms. The business execution and financial benefit of the firm can be condensed in market share. A standout amongst the most critical points of firms is to upgrade market share of the overall industry to accomplish more noteworthy scale in its operations and enhance benefit because of this the managers dependably need to grow their market share. In spite of the fact that, managers are touchy to market share of firms in any case, the components that impact on market share of the overall industry are still not clear and evident for a large portion of them (Fizebakhsh, 2012). Market share reacts to components of competitive strategy (Weiss, 2008).The ability of using the successful competitive strategies is critical for any organization's market share growth.

Competitive strategies are an expansive scope of procedures firms depend on so as to adapt to rivalry, beat rivalry or keep in front of contenders (Sum & Chorlian, 2013). There are different models of aggressive procedures. One such model is Michael Porter's bland aggressive methodologies which suggest that organizations can apply cost administration, separation or center procedures to increase upper hand against contenders (Prehalad & Gary, 2010). Firms additionally create aggressive procedures to empower them seize vital activities and keep up a competitive edge in the market (Sum & Chorlian, 2013). Day and Wensley (2008) clarify aggressive procedures as comprising of aptitudes and assets that are accessible for use by firms in a competitive industry. They characterize predominant aptitudes as far as staff capacity, frameworks or showcasing abilities not controlled by a contender. A predominant asset is characterized as far as physical assets that are accessible to help key usage. Cases incorporate working scale, area, and thoroughness of an appropriation framework, mark value, assembling or handling resources. They infer that building up a nonspecific technique in light of positional preferred standpoint in the commercial center will furnish a firm with unrivaled performance.

A SACCO is democratic, one of a kind part determined association; SACCOs are claimed, overseen and kept running by its individuals. The individuals choose how their cash will be utilized for the advantage of each other. SACCOs are overseen by board individuals who are justly chosen on the premise of one part one vote, individuals additionally choose supervisory advisory group that assume a review part. Previously, Co-agent social orders were begun by individuals to advance their welfare inside certain land area; in accordance with this, they likewise received names that were synonymous with the place. In different cases callings or primary movement was utilized to make a typical bond and the name. Be that as it may, in the recent past SACCOs have decided to rebrand with a specific end goal to open up the regular cling to all Kenyans regardless of the region and calling (Makena, 2014). The environment in which cooperative societies especially SACCOs are operating is very turbulent (Devlin, 2015).Technological, political, legal and socio-cultural factors are continuously changing. Competitive forces, threats of new entrants, substitute products and bargaining power of suppliers and clients cannot be underestimated. Furthermore, the government support is not likely to develop strategies for self-sustenance in dynamic business environment because of the dependency syndrome. However, most of the SACCO's competitive strategies even in the deregulated sector are still questioned. This brings in the dilemma as to the effectiveness of competitive strategies in an ever changing environment (Devlin, 2015).

1.2 Statement of the Problem

Firms have realized the need to adopt competitive strategies to cope with competition and accommodate changes in the external environment. This is driven by the need to serve the growing needs of customers for improved satisfaction. Porter (2004) pointed out that successful implementation of strategies leads to superior performance and competitive advantage against competitors. Successful implementation of competitive strategies enables the firm to distinguish it competitively and reflect its personality. These positions the firm competitively in the market place thus increasing its sales and market share. Porter (2008) concluded that competitive strategies enabled firms to target new and existing market segments hence improving their sales and market share.

The government of Kenya through the Vision 2030 strategy requires the monetary administrations division to assume a basic part in assembling the funds and speculations for advancement of the nation by giving better halfway amongst reserve funds and ventures. SACCOs are among the monetary administrations methodologies to be executed in this work out. Service provided by savings and credit cooperative organizations (SACCOs) and other major financial institutions will play a crucial role in improving the reach and access of financial services (currently only 19% of Kenyans have access to formal financial services). Financial services contribute around 4% to GDP and its benefits contribute equal to around 40% of GDP. In the vision 2030, there will be advancement of energetic and stable monetary framework to assemble investment funds, and to designate these assets all the more productively in the economy, the support of SACCOs will be exceptionally essential (Government of the Republic of Kenya, 2008). The sustenance of SACCOs would enlarge the money related incorporation "net" to incorporate the barred larger part.

Kenya has a vibrant co-operative movement in the region that aims at improving members' welfare within their common bond. However, the savings and credit cooperatives face serious competition from other financial organizations. The business environment is ever changing; due to macroeconomic variables like technology, customer preference, competition among others. This has forced firms in the financial industry to adjust and accommodate changes in the external environment in order to meet the ever-changing needs of customers. In Kenya, savings and credit cooperatives being one of the financial institutions should consider adopting competitive strategies that will guarantee the firm a sustainable market shares in the long-run and short-run.

Competitive strategies have been a subject for conceptual discussion and empirical investigation for decades. Although studies have been done in relation to; competitive strategies in the service firms: Moghaddam (2012) studied the influence of marketing mix on market share of polymer sheets manufactures firms in Iran. Lages et al. (2009) investigated a relationship on capabilities, quality, and innovation via a questionnaire through two types of respondents from the same Portuguese firm. Jansze (2006) determined the influence of technological innovation on organization`s performance, covering all commercial banks branches in Meru County. Despite the existence of previous studies on competitive strategies, none of them has focused on the relationship between competitive strategies and market share of savings and credit cooperatives in Meru County. This study, therefore, sought to fill this gap by establishing the competitive strategies' effect on the market share of savings and credit cooperatives in Meru County, Kenya.

1.3 Objectives of the study

To determine the effect of service quality on savings and credit cooperatives' market share in Meru County, Kenya

To establish the effect of corporate image on the market share of SACCOs in Meru County, Kenya

To examine the influence of organization structure on savings and credit cooperatives' market share in Meru County, Kenya

To determine the influence of technology on savings and credit cooperatives' market share in Meru County, Kenya

2.0 LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Resource-Based View

Prehald (1990) posit that firms align their resources, skills and expertise into core competence to gain a competitive edge against their competitors. Core competencies in this case are the activities that an organization does better than its competitors (Chi, 1994). A strategy acts as an integral part of the organization's goals and objectives in a firm, strategy acts as a plan of action that links together an organization's key goals, policies and action sequences towards achieving the vision and the vision (Barney, 1991). A strategy that is well aligned to the organization's goals and objectives play an essential role of assembling and allocation of an organization's resources into a viable setting based on the organizational capabilities, external environment and contingent moves by their competitors. Mintzberg (1987) defines a strategy as a plan of actions that is designed to achieve certain goals and objectives. Although most studies have shown that firms results to competitive strategies to boost their market share. This might not always be the case since the manner in which an organization implements these strategies depends on a number of factors for example leadership, resources, employees, technology and facilities. The resource-based view theory is applicable to this study as it shows a link between competitive strategic resources and organizations' market share.

2.1.2 Porters Theory of Competitive Advantage

Porter (2008) developed the "sustainable competitive advantage" term, so as to discuss the basic categories of competitive strategies that a firm can own, in order to attain a long run sustainable competitive advantage. He explained the necessary approach to business achievement in his book: creating and sustaining superior performance. The term (sustainable competitive advantage) means having greater performances. Porter explains that structural conditions of an industry as proposed in his 5 model establish the standard industry performances. Low costs and differentiation competitive advantage are approaches that firms in an industry derive their strong competitive advantage from (Ambec, Cohen, Elgie, and Lanoie, 2013). These methodologies are not options since when battle depends on separation, costs do make a difference. As indicated by Porters approach, separation and cost administration look for competitive advantage in expansive scope of market industry. They are both embraced in a slender industry. Separation involves selecting criteria utilized by purchasers as a part of a market and afterward situating the business remarkably to meet those criteria. This procedure includes charging a premium for the item with a specific end goal to reflect propelled generation expenses and more esteem included components accommodated the shopper (Magretta, 2011). The Porters Theory of Competitive Advantage is applicable to this study as it explains the various competitive strategies that firms' adopt in order to expand their market share.

2.2 Empirical Review

Treacy and Wiersema (2012) utilize client closeness to clarify the competitive techniques utilized by firms like Nike, Dell Computer and Home Depot to effectively rise and develop to world class brands. They take note of that these organizations prevailing by reclassifying clients' esteem in their separate markets, building frameworks that conveyed more esteem than rivalry furthermore by raising client's desire path past the scope of rivalry. As indicated by them, these organizations accomplished initiative in their businesses by narrowing their core interest. They concentrated on conveying predominant esteem by operational perfection, or client closeness, or item authority. By operational perfection firms goes for conveying items or administrations at focused costs and with negligible trouble or bother. Client closeness includes giving items to coordinate the organizations fragment and target markets. Item administration includes offering driving edge items that render equal merchandise outdated. They additionally take note of that through operational greatness a firm like Dell has possessed the capacity to undermine Compaq and other PC producers without bargaining quality. They likewise refer to the direct interface program was effectively used to change and reevaluate the General Electric (GE). Client closeness firms consistently tailor and shape items and administrations to fit an expanded meaning of value for the client. Organizations that seek after item initiative endeavor to deliver a nonstop stream of inventive items like Apple's Ipod and I-telephone or Sony's Walkman

Johnson (2014) characterizes service quality as client's general impressions of an association's service as far as relative predominance or inadequacy. Additionally, service quality is considered to meet as well as surpass client desires and ought to incorporate a nonstop change handle (Lloyd-Walker & cheung, 2008). Wanyama, (2011), takes note of that clients assess a business 'performance for the most part on the procedure of their interpersonal contacts and cooperation, service quality emerges from a correlation of the distinction between service desires created before an experience and the performance observations picked up from the administration conveyance in view of the administration quality measurements. As indicated by Zeithaml and Bitner (2011), service quality comprises of a few components including; effects; dependability; responsiveness; confirmation and compassion.

Roth (2015) study observes that corporate image in the consumer's mind portrays a series association of the organization it belongs to. The researcher acknowledge corporate image as an important area of study. Further, the researcher argues that firms can expand their market share and growth rates by establishing strong corporate image in their customers' minds (Roth, 2015).

Njehia (2013) paper investigated the relationship between corporate social responsibility and financial performance of Oil Marketers in Kenya. The study used secondary data in conducting the research. The study findings revealed that CSR activities are associated to profitability of Oil Marketers in Kenya. Further, the regression results showed a positive and significant relationship between CSR and financial performance of the Oil Marketers of Kenya. The study concluded that the financial performance of the oil marketers depends heavily on their social responsibility activities. In addition, the study concluded that socially responsible firms have an enhanced corporate image, which portrays a positive reputation among various stakeholders, especially, the consumers. The firms are also able to attract more competent and experienced employees and business partners. The study recommended that organizations should engage in corporate social responsibility activities. Through engaging in CSR activities, firms will be able to improve on their image, share prices and market share (Njehia, 2013).

Ammo (2013) underscores that human asset is the most vital factor to consider for achievement by any organization. Lee and Miller (2011), likewise takes note of that one of the key assets expected to execute an association methodology is its human capital. In this way, a committed and skilled workforce may serve as an important, rare, non-imitable asset that can help firms execute a proper situating methodology; in their investigation of Korean organizations how an Organization's Commitment to its Employees' well-being (OCE) can help in the beneficial execution of its situating methodologies, Lee and Miller (2011) found that OCE, without anyone else, here and there has a pitifully positive relationship with profit for resources (ROA). However, significantly more critical, we found that ROA is firmly and decidedly affected by the cooperation amongst OCE and the devoted quest for Porter's (1980), systems for accomplishing upper hand: these are cost authority, promoting separation and creative separation.

Guthridge, Komm and Lawson (2008) communicated concerns that a large portion of the organizations are caught off guard for the test of discovering, persuading, and holding fit specialists as they were ten years back. Business pioneers are profoundly concerned, based on two McKinsey Quarterly worldwide studies. The first, in 2006, showed that the respondents viewed observing gifted individuals as prone to be the absolute most essential administrative distraction for whatever is left of this decade. The second, directed in November 2007, uncovered that almost 50% of the respondents expect escalating rivalry for ability and the undeniably worldwide nature of that opposition-to majorly affect their organizations throughout the following five years. Organizations, for example, banks have figured out how to pull in experienced staff from different banks and respectable world class organizations.

Globally, embracing innovation has turned into the most competitive technique for working together today. Organizations, for example, banks have embraced agency and internet banking; multinational associations like the coca cola industry depend on nearby specialists from outside nations while every one of their exchanges and interchanges are secured on the stage of innovation (Oz, & Jones 2014). As of late, innovation has impacted the development of business market share. This is on the grounds that innovation has directly affected administration conveyance alternatives, Dabholkar and Bagozzi, (2012), and a significant impact on service quality (Bitner *et al*. 2010).

2.3 Conceptual Framework

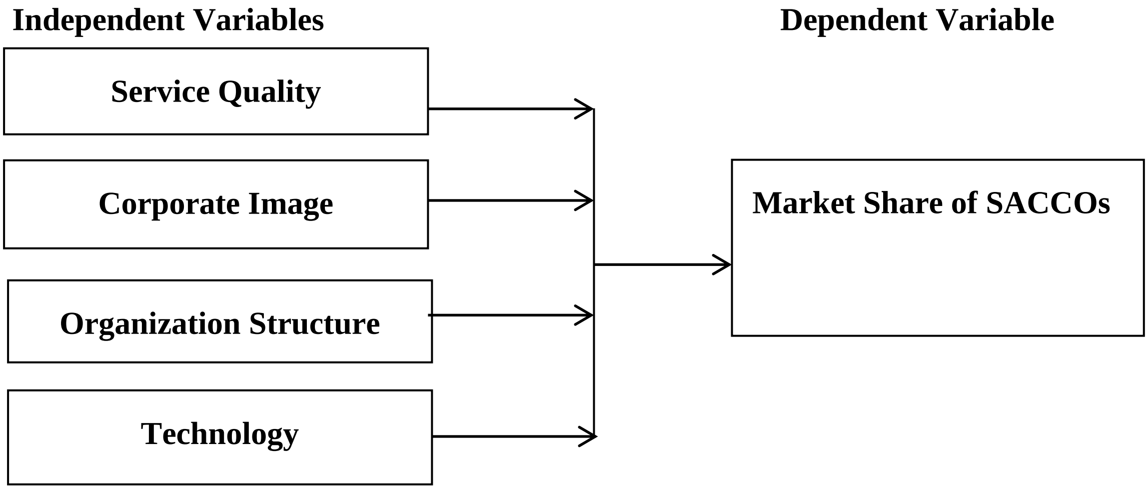

Figure 1: Conceptual Framework

3.0 RESEARCH METHODOLOGY

3.1 Research Design

This study was quantitative in nature and utilized a descriptive research design. The study target population was 53 SACCOs registered in Meru Country. Stratified proportionate random sampling technique was used to select the sample. The study sample size was 120 respondents. The main instrument for the study was the use of questionnaires that were administered to the respondents. The data and information obtained through the questionnaires was first checked for completeness. Quantitative data gathered from correctly filled questionnaires was coded, tabulated and analyzed using SPSS version 20 by both descriptive statistics which included mean and standard deviation, and inferential statistics which included Pearson correlation and regression coefficient. A multiple linear regression model was used to test the significance of the influence of the independent variables on the dependent variable.

4.0 RESULTS AND DISCUSSIONS

4.1 Demographic Characteristics

4.1.1 Gender of Respondents

The respondents were asked to indicate their gender. Results in table 1 revealed that majority (52.8%) were male while 47.2% were female. The findings imply that there are more male employees working in SACCOs than female employees. However, the gender composition of the respondents meets the constitutional threshold of 33.3%. The gender composition is likely to have an implication on the performance of SACCOs. It is prudent for the SACCOs to have a balanced composition of employees in terms of gender.

Table 1: Gender of the Respondents

Gender	Frequency	Percent
Male	56	52.8
Female	50	47.2
Total	**106**	**100**

4.1.2 Respondents' Level of Education

The respondents were asked to indicate their level of education. Results in table 2 reveal that majority (53.8%) of the respondents stated college level, 34.9% stated university level while 11.3% stated post graduate level. This implies that employees working in the various SACCOs have all attained minimum college level education. However, the percentage of those of who have acquired university education and post graduate is less than those who have college education. The education level is likely to have an impact of the SACCOs performance in terms of market share. Therefore, SACCOs should consider encouraging their employees to further their education.

Table 2: Respondents Level of Education

Education Level	**Frequency**	**Percent**
College Level	57	53.8
University Level	37	34.9
Post Graduate Level	12	11.3
Total	106	100

4.2 Descriptive Analysis

4.2.1 Service Quality and Market Share of SACCOs

The first objective of the study was to determine the effect of service quality on savings and credit cooperatives' market share in Meru County, Kenya. Results in Table 3 indicated that 87.8% (40.60+47.20) of the respondents agreed that the organization enjoys high customer retention, 96.2% agreed that the organization has Continuous in-service training for members of staff, 95.3% agreed that the organization employs staff that is well trained for the job, 95.3% agreed that the organization has a well facilitated customer care department while 96.2% agreed that the organization offers timely services to the customers.

Further, 95.3% of the respondents agreed that the organization provides customers with variety of products/services to choose from, thus customers have the power of choice, 95.3% agreed that the organizations products/services are easily accessible to the customers, 95% agreed that the organization has mechanisms that respond to customers issues efficiently and effectively, 95.3% agreed that the organization has a clearly established channel of communication. However, 94.4% disagreed that the organization continues to receive customer complaints even with a well facilitated customer care department. Using a five point scale likert mean, the overall mean of the responses was 4.13 which indicates that majority of the respondents agreed to the statement of the questionnaire. Additionally, the standard deviation of 0.64 indicates that the responses were varied. The results herein imply that service quality affects the market share of SACCOs in Meru County, Kenya.

The findings agree with those of Turban (2012) who noted that to be effective, service quality must mirror the flow of that environment. Client service is a progression of exercises intended to improve the level of consumer loyalty, that is, the inclination that an item or service has met the client desire. Further, Lages *et al.* (2009) study concluded that item quality and item development were perceived by scholars and directors as top determinants and item advancement and item quality prompted to firm performance improvement.

Table 3: Service Quality and Market Share of SACCOs

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev
The organization enjoys high customer retention	0.00%	4.70%	7.50%	40.60%	47.20%	4.30	0.81
The organization has Continuous in-service training for members of staff	0.00%	0.00%	3.80%	58.50%	37.70%	4.34	0.55
The organization Employs staff that are well trained for the job	0.00%	1.90%	2.80%	45.30%	50.00%	4.43	0.65
The organization has a well facilitated customer care department	0.00%	0.90%	3.80%	48.10%	47.20%	4.42	0.62
The organization offers timely services to the customers.	0.00%	0.90%	2.80%	48.10%	48.10%	4.43	0.60
The organization provides customers with variety of products/services to choose from, thus customers have the power of choice.	0.00%	1.90%	2.80%	54.70%	40.60%	4.34	0.63
The organizations products/services are easily accessible to the customers	0.00%	0.90%	3.80%	48.10%	47.20%	4.42	0.62
The organization continues to receive customer complaints even with a well facilitated customer care department.	38.70%	55.7%	3.80%	0.90%	0.90%	1.70	0.68
The organization has mechanisms that respond to customers issues efficiently and effectively	0.00%	0.90%	3.80%	41.50%	53.80%	4.48	0.62
The organization has a clearly established channel of communication	0.00%	0.90%	3.80%	46.20%	49.10%	4.43	0.62
Average						**4.13**	**0.64**

4.2.2 Corporate Image and Market Share of SACCOs

The second objective of the study was to establish the effect of corporate image on the market share of SACCOs in Meru County, Kenya. Results in Table 4 indicated that 96% of the respondents agreed that the organization engages in corporate social responsibility, 96% agreed that the organization is compliant with the set legal regulations, 95% agreed that the organization facilitates public training about various products and services offered, 96%

agreed that the organization enhances employees' career advancement while 94% agreed that the company practices are favorable to all the stakeholders, especially, the customers.

Further, 96% of the respondents agreed that the organization has a well-established logo and slogan, 95% agreed that the organization organizes customer/employees trainings on financial literacy and management, 95% agreed that the organization is regularly involved in marketing and public relations campaigns, 94% agreed that the organization has other branches in different locations. However, 65% disagreed that the organization has not been able to comply with some of the regulations, which have resulted to warnings and penalization from the regulatory body. Using a five point scale likert mean, the overall mean of the responses was 4.18 which indicates that majority of the respondents agreed to the statement of the questionnaire. Additionally, the standard deviation of 0.63 indicates that the responses were varied. The results herein imply that corporate image influences the market share of SACCOs in Meru County, Kenya.

The findings concur with that of Njehia (2013), who concluded that the financial performance of the organizations depends heavily on their social responsibility activities. In addition, the study concluded that socially responsible firms have an enhanced corporate image, which portrays a positive reputation among various stakeholders, especially, the consumers. The firms are also able to attract more competent and experienced employees and business partners.

Table 4: Corporate Image and Market Share of SACCOs

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev
The organization engages in corporate social responsibility	0.00%	0.00%	3.80%	48.10%	48.10%	4.44	0.57
The organization is compliant with the set legal regulations.	0.00%	0.90%	2.80%	50.00%	46.20%	4.42	0.60
The organization facilitates public training about various products and services offered.	0.00%	0.90%	2.80%	45.30%	50.90%	4.46	0.60
The organization enhances employees' career advancement.	0.00%	0.90%	2.80%	50.00%	46.20%	4.42	0.60
The company practices are favorable to all the stakeholders, especially, the customers.	0.00%	0.90%	4.70%	46.20%	48.10%	4.42	0.63
The organization has a well-established logo and slogan	0.00%	0.00%	3.80%	46.20%	50.00%	4.46	0.57
The organization organizes customer/employees trainings on financial literacy and management.	0.00%	0.90%	3.80%	50.90%	44.30%	4.39	0.61
The organization has not been able to comply with some of the regulations, which have resulted to warnings and penalization from the regulatory body.	40.60%	24.50 %	34.90 %	0.00%	0.00%	1.94	0.87
The organization is regularly involved in marketing and public relations campaigns	0.00%	0.90%	3.80%	50.00%	45.30%	4.40	0.61
The organization has other branches in different locations	0.00%	0.90%	4.70%	45.30%	49.10%	4.42	0.63
Average						**4.18**	**0.63**

4.2.3 Organizational Structure and Market Share of SACCOs

The third objective of the study was to examine the influence of organization structure on savings and credit cooperatives' market share in Meru County, Kenya. Results in Table 5 indicated that 87% of the respondents agreed the organization has put in place communication systems, which ensures effective communication among various stakeholders, 88% agreed that the organization has established measures to handle arising problems, 95% agreed that the organization has distinct departments that handle different duties, 95% agreed that there is well articulated chain of command in the organization while 93% agreed that the staff have the capacity and capability to handle our customers' needs.

Further, 95% agreed that the organization has sufficient personnel to attend to the customer needs, 94% agreed that the organization management is actively involved in the operations within the organization, 94% agreed that the role of each department within the organization is clearly stipulated, 96% agreed that there is good inter-departmental working relationship within the organization. However, 66% disagreed that the organization does not have adequate resources to achieve its objectives. Using a five point scale likert mean, the overall mean of the responses was 4.16 which indicates that majority of the respondents agreed to the statement of the questionnaire. Additionally, the standard deviation of 0.64 indicates that the responses were varied. The results herein imply that organizational structure influences the market share of SACCOs in Meru County, Kenya.

The findings agree with that of Ammo (2013) who underscores that human asset is the most vital factor to consider for achievement by any organization. Lee and Miller (2011), likewise takes note of that one of the key assets expected to execute an association methodology is its human capital.

International Journal of Business Strategies
ISSN 2519-0857X (Online)
Vol.2, Issue No. 2, pp 1 - 20, 2017
www.ajpojournals.org

Table 5: Organizational Structure and Market Share of SACCOs

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev
The organization has put in place communication systems, which ensures effective communication among various stakeholders.	0.00%	0.00%	11.30%	49.10%	39.60%	4.28	0.658
The organization has established measures to handle arising problems.	0.00%	0.00%	11.30%	53.80%	34.90%	4.24	0.641
The organization has distinct departments that handle different duties	0.00%	0.00%	4.70%	48.10%	47.20%	4.42	0.585
There is well articulated chain of command in the organization	0.00%	0.00%	4.70%	48.10%	47.20%	4.42	0.585
The staff have the capacity and capability to handle our customers' needs	0.00%	0.90%	5.70%	43.40%	50.00%	4.42	0.647
The organization has sufficient personnel to attend to the customer needs.	0.00%	0.90%	3.80%	47.20%	48.10%	4.42	0.616
The organization management is actively involved in the operations within the organization.	0.00%	0.00%	4.70%	40.60%	54.70%	4.5	0.59
The organization does not have adequate resources to achieve its objectives.	37.70%	28.30 %	34.00%	0.00%	0.00%	1.96	0.85
The role of each department within the organization is clearly stipulated.	0.00%	0.00%	5.70%	41.50%	52.80%	4.47	0.605
There is good inter-departmental working relationship within the organization.	0.00%	0.00%	3.80%	45.30%	50.90%	4.47	0.573
Average						**4.16**	**0.64**

4.2.4 Technology and Market Share of SACCOs

The fourth objective of the study was to determine the influence of technology on savings and credit cooperatives' market share in Meru County, Kenya. Results in Table 6 indicated that 94% of the respondents agreed that the organization has adapted modern technology to enhance operations effectiveness, 96% agreed that there is increased customer confidence following the adoption of technology in our systems, 93% agreed that the organization is able to provide speedy services to customers by using technology, 93% agreed that the organization's systems are updated on regular basis; this ensures incorporation of new technology while 92% agreed that the organization ensures that all its employees have full knowledge on the use of new technology.

Further, 94% agreed that through the adoption of modern technology, the organization is able to provide variety of financial products/services, 66% disagreed that the organization does not have the resource capacity to implement new technologies, 68% disagreed that the adoption of new technology has resulted to some employees losing their jobs, 91% agreed that the organization has a well-established technical department, 94% agreed that through the technical department, the Company is able to monitor all operations, thus ensuring efficiency, 93% agreed that the organization has a well maintained website. Using a five point scale likert mean, the overall mean of the responses was 3.96 which indicates that majority of the respondents agreed to the statement of the questionnaire. Additionally, the standard deviation of 0.68 indicates that the responses were varied. The results herein imply that technology influences the market share of SACCOs in Meru County, Kenya.

The findings concur with that of Jansze (2006) whose study concluded that financial performance of firms is positively influenced by innovation. Innovations adoption by firms presents a high potential of financial performance improvement therefore yielding increased returns for the shareholders.

Table 6: Technology and Market Share of SACCOs

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev
The organization has adapted modern technology to enhance operations effectiveness	0.00%	0.00%	4.70%	37.70%	57.50%	4.53	0.589
There is increased customer confidence following the adoption of technology in our systems.	0.00%	0.00%	3.80%	40.60%	55.70%	4.52	0.573
The organization is able to provide speedy services to customers by using technology.	0.00%	0.90%	4.70%	41.50%	52.80%	4.46	0.635
The organization's systems are updated on regular basis; this ensures incorporation of new technology.	0.00%	0.90%	5.70%	46.20%	47.20%	4.4	0.643
The organization ensures that all its employees have full knowledge on the use of new technology	0.00%	0.90%	6.60%	47.20%	45.30%	4.37	0.652
Through the adoption of modern technology, the organization is able to provide variety of financial products/services.	0.00%	0.00%	5.70%	50.90%	43.40%	4.38	0.593
The organization does not have the resource capacity to implement new technologies.	37.70%	29.20%	29.20%	3.80%	0.00%	1.99	0.91
The adoption of new technology has resulted to some employees losing their jobs.	41.50%	27.40%	25.50%	4.70%	0.90%	1.96	0.975
The organization has a well-established technical department.	0.00%	0.90%	7.50%	58.50%	33.00%	4.24	0.626
Through the technical department, the Company is able to monitor all operations, thus ensuring efficiency.	0.00%	1.90%	3.80%	44.30%	50.00%	4.42	0.661
The organization has a well maintained website	0.00%	0.90%	4.70%	54.70%	39.60%	4.33	0.613
Average						**3.96**	**0.68**

4.3 Inferential Analysis

4.3.1 Correlation Analysis

The correlation analysis results in table 7 revealed that there was a positive and a strong significant association between service quality and market share (r=0.948, p=0.000). The results indicated that there was a positive and a strong significant association between corporate image and market share (r=576, p=0.000). The results also indicated that there was a positive and a strong significant association between organizational structure and market share (r=.698, p=0.000). Further the results showed that there was a positive and a strong significant association between technology and market share (r=.954, p=0.000).The overall correlation results imply that both the independent variables (service quality, corporate image, organizational structure, technology) and dependent variable (market share of SACCOs) change in the same direction.

Table 7: Correlation Matrix

		Market share	Service Quality	Corporate image	Organizational structure	Technology
Market share	Pearson Correlation	1.000				
	Sig. (2-tailed)					
Service Quality	Pearson Correlation	.948**	1.000			
	Sig. (2-tailed)	0.000				
Corporate image	Pearson Correlation	.576**	.534**	1.000		
	Sig. (2-tailed)	0.000	0.000			
Organizational structure	Pearson Correlation	.698**	.675**	.337**	1.000	
	Sig. (2-tailed)	0.000	0.000	0.000		
Technology	Pearson Correlation	.954**	.950**	.524**	.659**	1.000
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	

** Correlation is significant at the 0.01 level (2-tailed).

4.3.2 Regression Analysis

Table 8 shows that the coefficient of determination also called the R square is 93.8%. This means that the combined effect of the predictor variables (service quality, corporate image, organizational structure, technology) explains 93.8% of the variations in market share. The correlation coefficient of 96.8% indicates that the combined effect of the predictor variables has a strong and positive correlation with market share.

Table 8: Model Fitness

Indicator	Coefficient
R	0.968
R Square	0.938
Adjusted R Square	0.936
Std. Error of the Estimate	0.0761739

Table 9 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant. Further, the results imply that the independent variables are good predictors of market share. This was supported by an F statistic of 381.734 and the reported p value (0.000) which was less than the conventional probability of0.05 significance level.

Table 9: Analysis of Variance

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	8.860	4	2.215	381.734	0.000
Residual	0.586	101	0.006		
Total	9.446	105			

Regression of coefficients results in table 10 shows that service quality and market share are positively and significantly related (β=0.510, p=0.000). The table further indicates that corporate image and market share are positively and significantly related (β=0.114, p=0.003). It was further established that organizational structure and market share are positively and significantly related (β=0.101, p=0.007). Finally, technology and market share were found to be positively and significantly related (β = 0.410, p=0.000).

Table 10: Regression of Coefficients

Variable	B	Std. Error	T	Sig.
(Constant)	-0.291	0.251	-1.158	0.250
Service Quality	0.510	0.118	4.320	0.000
Corporate Image	0.114	0.038	3.019	0.003
Organizational Structure	0.101	0.036	2.778	0.007
Technology	0.410	0.064	6.380	0.000

Thus, the optimal model for the study is;

Market Share=-0.291+0.510Service Quality+0.114Corporate Image+0.101Organizational Structure+0.410Technology

5.0 SUMMARY OF FINDINGS, CONCLUSIONS AND RECCOMMENDATIONS

5.1 Summary of Findings

The first objective of the study was to determine the effect of service quality on savings and credit cooperatives' market share in Meru County, Kenya. The study findings revealed that SACCOs enjoy high customer retention, have continuous in-house training for members of staff, employ staff that well trained for the job, have well facilitated customer care department and offer timely services to the customers. Correlation results indicated that there is a significantly positive association between service quality and market share of SACCOs. Further, regression results indicated that there is a positive and significant relationship between service quality and market share of SACCOs.

The second objective of the study was to establish the effect of corporate image on the market share of SACCOs in Meru County, Kenya. The study findings revealed that SACCOs engage in corporate social responsibility, comply with the set legal regulations, facilitate public training about various products and services offered, enhances employees' career advancement, organizes customer/employees trainings on financial literacy and management and have well-established logo and slogan. Correlation results indicated that there is a significantly positive association between corporate image and market share of SACCOs. Further, regression results indicated that there is a positive and significant relationship between corporate image and market share of SACCOs.

The third objective of the study was to examine the influence of organization structure on savings and credit cooperatives' market share in Meru County, Kenya. The study findings revealed that SACCOs have distinct departments that handle different duties, have well-articulated chain of command in the organization, have sufficient personnel to attend to the customer needs, the role of each department within the organization is clearly stipulated and there is good inter-departmental working relationship within the organization. Correlation results indicated that there is a significantly positive association between organization structure and market share of SACCOs. Further, regression results indicated that there is a positive and significant relationship between organization structure and market share of SACCOs.

The fourth objective of the study was to determine the influence of technology on savings and credit cooperatives’ market share in Meru County, Kenya. The study findings revealed that SACCOs have adapted modern technology to enhance operations effectiveness, there is increased customer confidence following the adoption of technology in our systems; provide speedy services to customers by using technology, systems are updated on regular basis to ensures incorporation of new technology and employees have full knowledge on the use of new technology. Correlation results indicated that there is a significantly positive association between technology and market share of SACCOs. Further, regression results indicated that there is a positive and significant relationship between technology and market share of SACCOs.

5.2 Conclusions

Based on the findings the study concluded that service quality influenced the market share of SACCOs in Meru County. This can be explained by the regression results which showed that the influence was positive and significant. The results revealed that service quality influenced the market share of SACCOs by 0.510units. Therefore, an increase in service quality by 1 unit would results to an increase in market share of SACCOs by 0.510units. Further, the hypothesis that Service quality has a positive and significant influence on savings and credit cooperatives’ market share in Meru County was supported.

Based on the findings the study concluded that corporate image influenced the market share of SACCOs in Meru County. This can be explained by the regression results which showed that the influence was positive and significant. The results revealed that corporate image influenced the market share of SACCOs by 0.114units. Therefore, an increase in corporate image by 1 unit would results to an increase in market share of SACCOs by 0.114units. Further, the hypothesis that Corporate Image has a positive and significant influence on savings and credit cooperatives’ market share in Meru County was supported.

Based on the findings the study concluded that organizational structure influenced the market share of SACCOs in Meru County. This can be explained by the regression results which showed that the influence was positive and significant. The results revealed that organizational structure influenced the market share of SACCOs by 0.101units. Therefore, an increase in organizational structure by 1 unit would results to an increase in market share of SACCOs by 0.101units. Further, the hypothesis that Organization structure has a positive and significant influence on savings and credit cooperatives’ market share in Meru County was supported.

Based on the findings the study concluded that technology influenced the market share of SACCOs in Meru County. This can be explained by the regression results which showed that the influence was positive and significant. The results revealed that technology influenced the market share of SACCOs by 0.410units. Therefore, an increase in technology by 1 unit would results to an increase in market share of SACCOs by 0.410units. Further, the hypothesis that technology has a positive and significant influence on savings and credit cooperatives’ market share in Meru County was supported.

5.3 Recommendations

Based on the findings the study recommended that SACCOs should invest in improving the quality of services they offer. The SACCOs should also enhance their in-service training for their employees. Further, the study recommended that the SACCOs should make their services more accessible to the customers.

Based on the findings the study recommended that SACCOs should engage more in corporate social responsibility activities. Through engaging in CSR activities, firms will be able to improve on their image, share prices and market share. Further, the study recommended that organizations should continue to manage and improve their corporate image.

Based on the findings the study recommended that SACCOs should have a well-structured chain of command. Further, the organizations should ensure that their employees have the capacity and capability to handle the customers' needs. Further, the study recommended that the organizations should establish good inter-departmental working relationship. This will lead to improved market share.

Based on the findings the study recommended that SACCOs should embrace and adapt the use of modern technology in their operations. Also, the organizations should equip their employees with necessary technical skills. Further, the study recommended that the organizations should invest adequate resources towards technological advancement.

5.4 Recommendations for Further Research

Further studies need to be done on the effect of competitive strategies on non-financial institutions such as telecommunication firms. Further, similar studies should be conducted in other counties for comparison purposes.

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