

**CLIENTS PERCEPTION OF THE ROLE OF MARKETING STRATEGIES
ON PROFITABILITY OF SACCOS IN TANZANIA: A CASE OF DODOMA
CITY**

TOBESI MATIKU

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CERTIFICATION

The undersigned certifies that he has read and hereby recommends for acceptance by The Open University of Tanzania a dissertation entitled: **“Clients Perception of the Role of Marketing Strategies on the Profitability of SACCOS in Dodoma City, Tanzania”**. In fulfilment of the requirements for the award of the degree of Master of Business Administration (MBA-Finance) of the Open University of Tanzania.

.....

Dr Joseph Magali

(Supervisor)

.....

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DECLARATION

I **Tobesi Matiku**, declare that, the work presented in this dissertation is original. It has never been presented to any other University or Institution. Where other people's works have been used, references have been provided. It is in this regard that I declare this work as originally mine. It is hereby presented in partial fulfillment of the requirement for the Degree of Master of Business Administration of The Open University of Tanzania.



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Signature

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Date

DEDICATION

This dissertation is dedicated to my family, especially my beloved wife Bento James, my daughter Mariam, and my sons Timothy and Lucas. Thanks for your prayers, I love you all.

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ABSTRACT

This study assessed the clients' perception of the role of marketing strategies on the profitability of SACCOS in Dodoma city, Tanzania. The study specifically addressed the five specific objectives which are: the influence of product, service delivery, price, promotion and place strategies on the profitability of SACCOS in Dodoma City. This study used the descriptive and explanatory design where the regression analysis was used to determine the relationship between the marketing strategies and profitability of SACCOS in Dodoma City. The information was collected from the 112 members of SACCOS in Dodoma City using the systematic sampling technique. Data were collected through a questionnaire and data were analysed by Statistical Package for Social Science (SPSS). The findings revealed that clients' perceived that the product, service delivery, pricing and place strategies influenced negatively and significantly the profitability of SACCOS in Dodoma City. Therefore, this study recommends that the SACCOS management continue improving the marketing strategies tools of service delivery, price, promotion and place for sustainable profitability of SACCOS in Dodoma City.

Keywords: *Clients' perception, marketing strategies, profitability of SACCOS, Dodoma city*

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LIST OF ABBREVIATIONS

CBE	College of Business Administration
COASCO	Cooperative Audit and Supervision Corporation
CRDB	Cooperative Rural Development Bank
KKKT	<i>Kanisa la Kiinjili la Kilutheri Tanzania</i> or Evangelical Lutheran Church in Tanzania
LAPF	Local Authorities Pension Fund
LTD	Limited
MBA	Master of Business Administration
MFIs	The Microfinance Institutions
OUT	The Open University of Tanzania
SACCOS	Savings and Credits Cooperative Societies
SPSS	Statistics Package for Social Science
TCDC	Tanzania Cooperatives Development Commission
TMA	Tanzania Meteorological Agency
TV	Television

CHAPTER ONE

INTRODUCTION

1.1 Overview

This chapter introduces the background of the study which comprises background to the study problem, problem statement, objectives, scope and significance of the study.

1.2 Background of the Study

Marketing is drawing attention to the ability of the organization to reach the public. It is organized under the influence of five elements in the marketing mix (Ngaka, 2019). Marketing activities is one of the demanded aspects in the microfinance sector due to increased competition (Mutua and Murigi, 2019). The marketing function integrates the use of a variety of marketing tools and process to achieve the goal in terms of sales (Abiodun and Kolade, 2020). The organizational higher products sales performance is achieved if the business firm has potential staffs to use the marketing tools (Anania, 2018).

According to Oloko, Anene, Kiara, Kathambi and Mutulu (2014), a marketing strategy is a plan that guides the implementation of the goals of the business organizations. Product, Price, Promotion and Place are the four core product marketing mix strategy proposed by Kotler and Keller (2006). However, people, process and physical evidence are used as marketing strategies for the services. Oloko et al (2014) argued that poor marketing strategy can limit the profitability of the business firm. This notion has been confirmed by many scholars. For instance,

Daniel (2018) regarded a marketing strategy as an instrument for achieving a holistic firm's performance. Abiodun and Kolade (2020) exhibited that price, promotion, product and packaging, strategies as business performance indicators.

The Savings and Credit Co-operative Societies (SACCOS) are the self-help, democratic, unique member-driven financial co-operatives. They are being formed, owned, governed and managed by their members who have the same common bond uniting them. The bond can be working for the same employer, belonging to the same church, labour union, social group or producing and marketing the same product in the community (Absanto & Aikaruwa, 2013).

SACCOS performance is quite challenging based on the nature of market strategies employed. Generated profit in SACCOS indicates that SACCOS has performed in a particular time (Murangiri and Wario, 2014). However, the lack of effective market strategies may be one of the factors which accelerate the poor performance of SACCOS (Kiura, 2016). Market strategy influences the number of potential customers in the market platform (Kwizera, 2011). SACCOS apply the marketing strategy to increase sales, profit and asset investment (Shisia, Marangu & Omwario, 2014).

The products must be competitive to promote organizational performance (Li, 2010). They should cover the organizational marketing scope (Hien, 2008). For the SACCOS, the scope is the low-income clients who demand financial services such as loans, savings, deposits and repayment of bills (Nyamsogoro, 2010; Mwakajumilo, 2011).

Various studies on the role of marketing strategies on Microfinance Institutions (MFIs) performance concentrates on strategies such as promotion, publicity and advertisement, product expansion and positioning, 4Ps marketing strategies such as product, price, promotion and place and service marketing, relationship marketing and competition strategies (Murangiri and Wario, 2014; Jaishankar and Goedegebuure, 2011; Yongesa, 2018; Murugi, 2017; Homaid, Minai and Faaeq, 2019; Wondirad, 2020).

Marketing strategy studies done in SACCOS assessed the following variables Jeje (2015) examined the link between the increment of SACCOS members and product and market development of SACCOS. The analysis from the literature indicates that diverse studies from Kenya have analyzed competitive marketing strategies composing of focus, cost leadership and differentiation (Njoki, 2019), customer concentration strategy (Kavulya, Muturi, Rotich and Ogollah, 2018), core products and service marketing strategies (Muchena, Lyria, Ntongai and Ruuri, 2016), service differentiation strategies (Mbugua and Kinyua, 2020). Moreover, Kipkosgei and Njeru (2014) focused on the influence of new product development strategies. The literature shows that only Ngaka (2019) explored the marketing strategies used by CRDB bank to attract new and retain existing customers. Therefore, the literature shows that none of the studies was done in SACCOS in Tanzania to analyse how marketing strategies influence the performance, particularly, the profitability of SACCOS in Tanzania. However, this study concentrated only on SACCOS clients' perception of the role of marketing strategies on the profitability of SACCOS in Dodoma City, Tanzania.

1.3 Statement of the Problem

Lack of Marketing strategies has been identified as a major obstacle to the SACCOS members expansion (Mwakajumilo, 2011; Mashal, 2017). The total SACCOS members in Dodoma City as of February 2021 are approximately 2500 is almost only 1.4% of the Dodoma City population (TCDC, 2021; Dodoma City Profile, 2021). Based on the low number of members of SACCOS in the city, the authors question whether SACCOS recognize the role of marketing strategies in promoting its performance in Dodoma City. These questions triggered the researchers to conduct this study to assess the same.

The studies on the role of marketing strategies on MFIs performance have focused on various variables. For instance, Murangiri and Wario (2014) analyzed the relationship between sales promotion, publicity and advertisement and MFIs profitability). Also, product expansion and positioning and social performance were examined by Jayashankar and Goedegebuure (2011). Other studies such as Murugi (2017) analyzed how 7Ps marketing strategies promoted the MFIs growth. Moreover, Homaid, Minai and Faaeq (2019) evaluated how marketing orientation influenced the MFIs performance in Yemen while Wondirad (2020) examined the influence of competition on (MFIs) financial and social performances in India.

Marketing strategies studies done in SACCOS include Mbai (2007), Sagwa and Kembu (2016), Ngatia, Muya and Ngacho (2018), Njoki (2019). The literature shows that only Ngaka (2019) explored the marketing strategies used by CRDB bank Azikiwe branch in Dar es salaam, Tanzania and none of the studies on marketing

strategies was done in Tanzania. The author perceives that this is the first study that assesses the influence of marketing strategies on the profitability of SACCOS in Tanzania.

1.4 Objective of the Study

1.4.1 General Objective

The overall objective of this study was to assess the clients' perception of the role of marketing strategies on the profitability of SACCOS in Dodoma city, Tanzania.

1.4.2 Specific Objectives

Specifically, the study will include the following objectives;

- i) To assess the influence of product strategies on the profitability of SACCOS in Dodoma City.
- ii) To assess the influence of service delivery strategies on the profitability of SACCOS in Dodoma City
- iii) To assess the influence of price strategies on the profitability of SACCOS in Dodoma City.
- iv) To examine the influence of promotion strategies on the profitability of SACCOS in Dodoma City.
- v) To assess the influence of place strategies on the profitability of SACCOS in Dodoma City.

1.5 Research questions

- i) What is the influence of product strategies on the profitability of SACCOS in Dodoma City?

- ii) What is the influence of service delivery strategies on in profitability of SACCOS in Dodoma City?
- iii) What is the influence of price strategies on in profitability of SACCOS in Dodoma City?
- iv) What is the influence of promotion strategies on in profitability of SACCOS in Dodoma City?
- v) What is the influence of place strategies on in profitability of SACCOS in Dodoma City?

1.6 Significance of the Study

This research aimed to assess the role of marketing strategies on SACCOS profitability in Dodoma City, Tanzania. This study explained the promotion, advertisement and innovative products towards the sales, profit and member performance. It will alert SACCOS management on the existing promotion, advertisement and innovative products for the SACCOS performance.

The awareness will also be provided to the SACCOS management team of the selected SACCOS in Dodoma City. The Cooperative management in Tanzania will be alerted to identify the role of marketing strategies for example promotion, advertisement and innovative products on the performance of SACCOS in Tanzania.

1.7 Scope of the Study

This study was considered only five SACCOS located in Dodoma City. The study covered 3 best performing SACCOS and 2 poor-performing SACCOS.

1.8 Organization of the Study

The dissertation was organized as follows; chapter one covers the background to the study problem, statement of the problem, scope, significance and organization of the study. Chapter two present the definitions of key concepts, theoretical and empirical literature review, the research gap and the conceptual framework. Chapter three comprises research philosophy, design, sampling procedures, data collection and analysis techniques, data validity and reliability, variables and measurement, research ethical issues consideration and research limitations. Chapter four presents the results and discussion while chapter five covers the summary of the findings, conclusion, recommendations, contribution of the study to theories and direction for future studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Overview

This chapter presents the theoretical, empirical literature which assesses the role of marketing strategies on SACCOS Profitability in Dodoma City. The empirical literature is presented from global and Tanzania in particular for the knowledge gap extension. The conceptual framework was also discussed in this chapter.

2.2 Theoretical Literature Review

This section was divided into subsection such as the definition of key concept and theories which were related to this study.

2.2.1 Definition of Key terms

Marketing strategy: This refers to the plan of business in the overall future perspective to reach prospective consumers through promotion, advertisement and innovative products with the focus of turning them into customers of the products or services that a business provides (Nyamsogoro, 2010).

Promotion: Promotion is a part of a specific effort to encourage customers to tell others about their services. This is the key to the market exchange process for potential stakeholders, and the general public. Every firm or store must cast itself into the role of communicator and promoter. Kotler and Keller (2006) reported that promotion appears as an issue of how to create an optimal mix of marketing

communication tools to get a product's message and brand from the producer to the consumer. Abiodun and Kolade (2020) define promotion as sales promotion, advertising, personal selling, public relations and direct marketing. Daniel (2018) asserted that promotions have become a critical factor in the product marketing mix which consists of the specific blend of advertising, personal selling, sales promotion, public relations and direct marketing tools that the company uses to pursue its advertising and marketing objective. Murangiri and Wario(2014) revealed a significant relationship between promotion strategies and MFIs performance.

Products strategies: According to Kotler and Armstrong (2006), innovative products is defined as a modified product to be offered to a market for attention, acquisition and use that might satisfy a want or need. The innovative products are about quality, design, features, brand name and sizes. Murangiri and Wario (2014) argued that innovated product is the modification types and terms in the financial services.

Market penetration strategy is related to the concentrated growth strategy to a firm to develop and exploits knowledge and expertise in the specific target market with known products (Brafu-Insaidoo & Ahiakpor, 2011).

One of the goals is to increase present customers' rate of use. This can be achieved through increasing the size of the purchase, maximising the rate of product obsolescence, finding new users for the product, advertising other uses and offering incentives for increased use (Murugi, 2017).

Place Strategy: Daniel (2018) described a place as a location where a customer can get a product or a service. Kotler (2007) regarded place as important factors which promote the performance of the business firm. Kotler and Keller (2006) postulated that a place integrates the distribution strategies for a product or a service.

Service delivery strategies: Kotler and Keller (2006) described service as anything intangible which led to customer satisfaction. The service also lacks ownership, storability has variability and inseparable. The provision of good customers' services promotes business performance (Birdir, 2002). Customer service is all company effort to ensure that the service process satisfies the customers. The marketing strategies for service delivery are people, process and physical evidence.

SACCOS: The Savings and Credit Co-operative Societies (SACCOS) are the self-help, democratic, unique member-driven financial co-operatives. They are being formed, owned, and governed and membership management in the same common relationship. The bond can be; working for the same employer, belonging to the same church, labour union, social group or producing marketing dimension in the community (Mwakajumilo, 2011).

The SACCOS membership is open to all people who belong to the group, regardless of race, religion, color, creed, tribe and gender or job status. These members agree to save their money together in the SACCOS at reasonable rates of interest. Interest is charged on loans, to cover the cost of savings and administration (Kwizera, 2011).

The members are the owners and have the decision on how the money will be used for the benefit of each other. The SACCOS are organizations in which decisions are made in a structured democratic way. Members elect a board that in turn employs staff to carry out the day-to-day activities of the SACCOS. The number of board members can be 5 to 9 members. Members also elect a supervisory committee to perform the function of an internal audit.

Performance: Performance is described as the direction or technique of doing a challenge or function. It is a goal phenomenon that is measured in a set of attributes of a program to the micro-enterprise overall performance (Mashal, 2017).

The performance in the micro-enterprise is measured in terms of objectives towards sales, market share, customers satisfaction and capital level (Rukaka, 2011). However, in this study, we concentrated only on the profitability variable.

2.2.2 Factors Affecting the Profitability of SACCOS

The profitability of SACCOS is highly affected by several factors which need serious review to trace the relationship in the SACCOS profitability. Economic environment, are special factors factor which affect SACCOS profitability, simply because when the economy is well-performing it means that members would manage to pay loan obligation. Failure of the economy to perform well the profitability of SACCOS is highly affected. The economy specifically based on the business operation, borrower's ability to engage in the economic activities and the price and inflation. The value for money is factors related to the performance of the economy. Whenever

these economic factors perform badly it means SACCOS performance would be adversely affected (Oloko, Anene, Kathambi & Mutulu, 2014).

Borrowers' information, in this aspect ability of SACCOS to get enough and relevant information on borrowers, is of special importance to the performance of SACCOS. These include the type of business conducted, the ability of borrowers to repay the loan, asset ownership, the credit history of borrowers. These factors are relevant to be accessed by SACCOS failure to accumulate this information and more is a disaster to the SACCOS performance. The relevant accessibility of this information increases the assurance to the SACCOS on the loan repayment, which is a significantly important factor in the SACCOS profitability (Mwakajumilo, 2011).

SACCOS needs to know exactly the risk of the borrowers business. This increases the chance for SACCOS profitability. Simply because the SACCOS depend on the ability of borrowers to repay in the profitability maximization. Once, there is a high risk involved in the business high possibility to maximize the profitability of SACCOS is limited (Nyamsogoro, 2010).

2.2.3 Theories Related to this Study

This study applied a model of competitive advantages which regard SACCOS as a competitive advantage entity, with formulated strategies.

2.2.3.1 The Model of Competitive Advantage

This model states that competitive advantage is based on the factors that permit a company to produce goods or services better or more cheaply than its rivals. These

factors provide an opportunity to generate more sales or superior margins compared to its market rivals (Nair & Bhattacharyya, 2019). Competitive advantage is originated from the work of Michael Porter in 1985 who focused to produce a sustainable competitive advantage in his company. The variables of the model are competitors, firm, firm asset, financial fees, price, location, quality, selection, speed, turnaround and service (Kotler & Keller, 2006).

Al Shobaki and Abu-Naser (2017) argued that the competitive advantages model has been advanced to capture the strategy for low cost and differentiation composition. This has developed to capture the element of innovation and competitive advantage (Anning, 2018). The model in 2000 was used by Kearns and Lederer (2000) included the variable of information to create a competitive advantage on the core products or services, between major suppliers and customers. In 2001, Kearns and Lederer stated that the information in the competitive sphere must be grounded on the side of competitors. The competitive advantage also focused on the use of planning to deals with uncertainty and information intensity. Competitive advantage based on the firm focuses on customer satisfaction and product or service (Zhou, et al. 2009). The competitive advantage is based on the ability to deals with competitive move in the environment, focus on the qualitative business perspective and suggests the procedures to keep information on the external context (Kalmuk & Acar, 2015). The model gap which this study is attempted to fill is on the specific product strategies and price strategies to deals with profitability, and the promotion strategies and the way it affects the profitability. Therefore, this study is conducted to fill this gap.

Some of MFIs lack competitive strategies to deal with the products or services that they provide (Campion, Ekka, & Wenner, 2010).

The model of competitive advantage helps SACCOS to format for effective utilization of their resources. For instance, SACCOS can institute a range of low fee techniques in raising focus to the public about their products, and recruit extra contributors and borrowers. The low cost provided promotes SACCOS to increase their competitiveness (Campion, Ekka, & Wenner, 2010).

On the other hand, SACCOS use the competitive advantage model to differentiate each other and compete effectively. It may disburse loans at a shorter time than other SACCOS while maintaining the loan portfolio quality. These strategies can include offering good customer care services to external customers, debtors and members.

2.3 Empirical Literature Review

The literature review covers the study done to assess the influence of marketing strategies on MFIs performance and those done to assess the influence of marketing strategies on SACCOS performance.

2.3.1 Marketing Strategies and MFIs Performance

Murangiri and Wario (2014) examined how the MFIs' performance in Kenya was influenced by the marketing mix. The study applied Pearson correlation analysis, 13 and 60 marketing managers and business development officers participated in the study. The findings revealed that sales promotion, publicity and advertisement influenced the performance of MFIs. However, the results found that the influence of

pricing strategies on profitability was insignificant but the influence of pricing strategy on marketing share was confirmed. This study did not cover the product and place strategies.

Jayashankar and Goedegebuure (2011) by using the regression analysis and 177 MFIs clients found that there was a strong connection between the marketing strategy components and the social performance of Indian MFIs. The findings exposed that product expansion and positioning strategy components had a higher influence on social than relationship plan elements. The promotional and product strategies were not covered.

Murugi (2017) assessed the influence of marketing strategies on the growth of MFIs in Kenya through descriptive and qualitative analysis where the sample size of 13 respondents participated in the study. The study revealed that the 4Ps marketing strategies such as product, price, promotion and place and service marketing strategies which are, processes people and physical evidence promoted the growth of MFIs in Kenya. However, the study did not cover the customer service marketing strategies.

Brafu-Insaidoo and Ahiakpor (2011) applied descriptive statistics to examine the level of a marketing orientation for MFIs in Ghana. The study disclosed that some MFIs in Ghana were not market-oriented in the services delivery. For instance, 2 of the 6 MFIs asserted that they did not prepare the marketing plans and 3 of them lacked the marketing objectives.

Khandker, Koolwal and Badruddoza (2013) found the interest rate is the major determinants that promoted the sustainability of the MFIs. The study argued that it can be used as a pricing strategy to attracts clients of MFIs in Bangladesh. The study stressed that improper computing of the interest rate may threaten the new MFIs and discourage clients, especially when the performance of MFIs were poor.

Ibok and Etuk (2013) unveiled that MF banks in Akwa Ibom State in Nigeria possessed low knowledge in marketing. The study further witnessed the significant and positive correlation between marketing orientation and marketing functions performance. Yongesa (2018) affirmed that relationship marketing promoted both social performance and customer retention in the MFIs in Kenya. The findings, however, did not ascertain the relationship between the IT features and retention of MFIs customers.

Wondirad (2020) examined the influence of competition on (MFIs) financial and social performances using 183 Indian MFIs. The findings indicated that competition moderated positively the social and financial performance of MFIs. Homaid, Minai and Faaeq (2019) found that marketing orientation components responsiveness and dissemination of intelligence determined the performance of MFIs while generation of intelligence dimension's influence was insignificant.

Ngaka (2019) explored the marketing strategies used by CRDB bank Azikiwe branch in Dar es salaam, Tanzania. The study revealed that CRDB applied products and pricing strategies to overcome its competitors. One of the strategies was to use the

current technologies when providing its services. Moreover, the use of social media and advertisements were used as promotional strategies to fascinate new customers and to enhance the retention of the customers.

2.3.2 Marketing Strategies and SACCOS Performance

Jeje (2015) affirmed that the increment of SACCOS members contributed to the product and market development of SACCOS in Kenya. The study used regression analysis and 167 members of SACCOS participated in the study. Mutua and Murigi (2019) established that business growth strategies particularly, cost leadership, market focus, product differentiation and product innovation positively and significantly influence Kitui County's SACCOS performance. The study used correlation and regression analysis and 65 clients of SACCOS were involved in the study.

Njoki (2019) applied the correlation and regression analysis to examine the association between results demonstrated that competitive strategies (differentiation, cost leadership and focus competitive strategies on growth measured by turnover. The study used eight active SACCOS and 64 clients in Kenya. The findings disclosed that all of the three variables of the competitive market strategy were positive and significant when all of the two methods of data analysis were executed.

Mbai (2007) examined the Kenyan Mwalimu SACCOS' competitive strategies using the descriptive analysis and a sample size of 20 management team. The findings indicated that that the SACCOS applied unequally the competitive strategies of focus, product differentiation and cost leadership. Ngatia, Muya and Ngacho (2018)

used 214 clients who were from managers, accountants, tellers, human resource and marketing officers and descriptive, correlation and regression analysis to investigate the connection between the competitive marketing strategies and performance of Mwalimu SACCOS in Kenya. The findings confirmed the positive and significant association between the competitive strategies and the performance of Mwalimu SACCOS.

Kavulya, Muturi, Rotich and Ogollah (2018) found that both correlation and regression analysis exhibited that customer concentration strategy influence the SACCOS performance in Kenya both positively and significantly. The questionnaires were distributed to 181 SACCOS Business development managers and Chief Executive Officers.

Muchena, Lyria, Ntongai and Ruuri (2016) applied the 80 managers and descriptive analysis to examine the SACCOS products, promotions, asset strategic and controlling prices and Services strategies in Kenya. The findings revealed that on average, the SACCOS applied the listed strategies to enhance their competitiveness, despite there were weaknesses on some of the strategy items. These include training on loans management, language barrier, and training in investment analysis.

Mbugua and Kinyua (2020) examined the relationship between service differentiation and 123 Kenyan deposit-taking SACCOS performance. descriptive statistics and regression analysis were used to analyze data. The study revealed that provision of consistent service, commissions, incentives distinguished mobile

financial services customer's complaints handling influenced positively and significantly the performance of the deposit-taking SACCOS.

Sagwa and Kembu (2016) examined the influence of the competitive strategy of the 42-deposit taking SACCOS (DTS) of the Nairobi count in Kenya by using resource-based view theory and regression analysis. The findings indicated a positive and significant relationship between differentiation, focus and cost leadership with SACCOS performance.

Kipkosgei and Njeru (2014) analyzed the influence of new product development and new SACCOS clients' attraction in Kenya. The study involved 5 SACCOS and 384 clients and descriptive and chi-square data analysis were applied. The findings revealed that 78% of the clients agreed that new customers are attracted by the new products and services. The chi-square test confirmed that new product development influenced new potential clients to join SACCOS.

2.4 Research Gap

The studies on the role of marketing strategies on MFIs performance have focused on diverse variables. For instance, Murangiri and Wario (2014) assessed the interrelation between that sales promotion, publicity and advertisement and MFIs profitability. Jayashankar and Goedegebuure (2011) investigated the relationship between product expansion and positioning and social performance. Yongesa (2018) measured the link between relationship marketing and social performance. Murugi (2017) analyzed how 4Ps marketing strategies such as product, price, promotion and

place and service marketing strategies which are, processes people and physical evidence promoted the growth. Homaid, Minai and Faaeq (2019) evaluated how marketing orientation influenced the MFIs performance. Wondirad (2020) examined the influence of competition on (MFIs) financial and social performances.

Marketing strategy studies on the influence of SACCOS performance include Jeje (2015) who examined the link between the increment of SACCOS members and product and market development of SACCOS. The analysis from the literature indicates that diverse studies from Kenya have analyzed how competitive marketing strategies composing focus, cost leadership and differentiation influenced the performance of SACCOS. These studies include Mbai (2007), Sagwa and Kembu (2016), Ngatia, Muya and Ngacho (2018), Njoki (2019). Other variables considered to influence SACCOS performance in Kenya were customer concentration strategy (Kavulya, Muturi, Rotich and Ogollah, 2018), core products and service marketing strategies (Muchena, Lyria, Ntongai and Ruuri, 2016), service differentiation strategies (Mbugua and Kinyua, 2020). Moreover, Kipkosgei and Njeru (2014) focused on the influence of new product development strategies.

The literature indicates that the variables covered previous do not assess the clients' perceptions of the role of marketing strategies on promoting the profitability of SACCOS. Assessment of the perception of SACCOS clients on the adequacy of marketing strategies is essential to boost the profitability of SACCOS. This study considered the perceived good products, perceived services delivery, pricing, promotion and distribution/place strategies. From the literature, we find that only

Ngaka (2019) explored the marketing strategies used by CRDB bank Azikiwe branch in Dar es salaam, Tanzania for attraction of the new customers and retention of existing customers where only the three strategies of products, pricing and promotion were covered. The study was done in a commercial bank which is a fully formal and regulated financial institution. In this study, we found that it is essential to analyze how the marketing strategies promote the profitability of SACCOS which are semi-financial institutions. Based on our knowledge, this is the first study that assesses the influence of marketing strategies on the profitability of SACCOS in Tanzania.

2.5 The Conceptual Framework

This conceptual framework is prepared to address the variables in terms of dependent, intermediaries and independent variables. The independent variables are presented as promotion such as social media, reflect and newspapers Innovative product such as loan and saving. Advertisement such as through meetings, information and awareness. The actors tend to be under the control of SACCOS policy and business environment. The policy is the source of direction and procedures of the SACCOS to grow and even attain adequate marketing strategy. These factors are expected to influence the performance of SACCOS in terms of profit, sales and numbers of customers (See figure 2. 1).

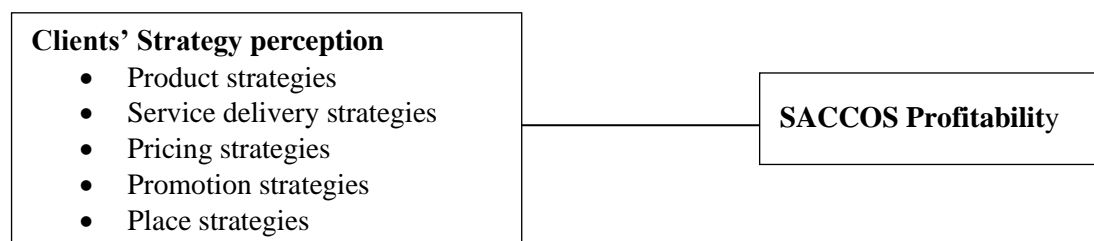


Figure 2.1: The Conceptual framework

Source: Consolidated from Empirical Literature Review

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Overview

This chapter presents the research design, study area, target population, sample and sampling procedures. Data collection techniques were used to obtain information, validation instruments as well as ethical considerations, moreover, it also covers the data analysis section.

3.2 Research Philosophy

Saunders, Lewis and Thornhill (2019) define a research philosophy as logical approaches that guide data collection and analysis as proposed by the school of researchers. The major research approaches are positivism which is usually used for quantitative studies, interpretivism which is used for qualitative studies and pragmatism which is applied for mixed studies. Since this study is quantitative, the positivism philosophy was applied. The philosophy meets the desired criteria which is the separation of researchers and collected fact, large sample size and testing of hypotheses.

3.3 Research Design

The research design describes the procedures used for data collection and analysis. The major designs are exploratory for qualitative study and descriptive and explanatory for quantitative studies (Denscombe, 2010). This study applies the descriptive and explanatory design because the descriptive analysis was used to analyse demographic and other descriptive variables while the regression analysis

was used to determine the relationship between the marketing strategies and profitability of SACCOS in Dodoma City. The study also was used a cross-sectional design where data are collected only at once. This design is chosen because of limited research resources such as time and funds.

3.4 Description of the Study Area

The study was conducted in Dodoma City. Since the transfer of Capital City from Dar es salaam to Dodoma, different enterprises have been struggling to promote their performance. However, other enterprises have not managed to catch up. Therefore, the selection of the city is because it gives a good picture of how the best performing and poor performing SACCOS execute their marketing strategies to promote their profitability.

3.5 Study Population

The target population for this study was the number of SACCOS in Dodoma City, which were 55. The total number of SACCOS clients in the city in 2020 were 11,237 (males 5894, females 5093 and 250 groups).

3.6 Sampling Design and Procedures

This study employed both probability and non-probability sampling. On non-probability sampling. The study was used the purposive sampling technique and simple random sampling technique as probability sampling. This study used a purposive sampling procedure to sample SACCOS for the survey. This research was conducted in KKKT Arusha road SACCOS, KKKT women SACCOS Ltd, Gema SACCOS, CBE and TMA SACCOS located in Dodoma Capital. These SACCOS

were selected because two were the best performing SACCOS while the remaining three were the poor performing SACCOS for the basis of comparison and even to provide reasons on the type of market strategies used. The clients from the SACCOS were selected using systematic random sampling where nth clients of the SACCOS from the list were included in the survey.

3.6.1 Sample Size

The sample size of 10% of the population from each SACCOS was drawn for the survey. Bullen (2014) maintained that a sample of 10% of the population is approved for the analysis of data.

Table 3.1: Sample Size Distribution

SACCOS name	Total clients			Sample size
	Males	Female	Total	10%
KKKT Women SACCOS Ltd	0	114	114	12
GEMA SACCOS	22	66	88	10
KKKT Arusha road SACCOS	302	379	681	70
TMA SACCOS	46	28	74	10
CBE SACCOS	51	40	91	10
Total	1103	1335	2455	112

3.7 Data Collection Methods

This section covers primary and secondary data collection method.

3.7.1 Primary Data Collection Method

The primary data collection methods comprise the following

3.7.1.1 Questionnaire

Closed questionnaires were used to collect data from SACCOS through questionnaires to reflect on the questions asked and allows the researcher to collect

quantitative data as a basis of analysis. The questionnaire was used to collect information on the role of marketing strategy on the performance of SACCOS. It was appropriate for the current study because tend to save time, ensures the collection of adequate information in a short duration, prevents bias and guaranteed the confidentiality of respondents.

3.7.1.2 Survey

The study was administered the questionnaire to clients. The questions captured how the product, service delivery, pricing, promotion and place strategies on profitability, price strategies promote the profitability of SACCOS. The structured questionnaires which comprised the demographic and market strategy variables were used for data collection. The questionnaire was pretested to confirm its validity before administering it to a large number of SACCOS clients. The information from the SACCOS clients was provided understandings, expectation and perspectives on the role of marketing strategy on the performance of SACCOS.

3.7.2 Secondary Data Collection

SACCOS documents were reviewed to obtain secondary data. The marketing strategies documents were read to ascertain the constructs of marketing strategies and their roles in enhancing the profitability of SACCOS.

3.8 Data analysis

Data were processed manually and edited to check for errors, omission and outliers before coding. Quantitative data were sorted, cleaned and compiled ready for

processing and running data outputs to produce information for presentation. Quantitative data were processed and analysed using Statistical Package for Social Science (SPSS) by using descriptive analysis to produce frequencies and percentage to decide the majority opinions. The Likert Scale in which 1 indicates strongly disagree, 2 disagree, 3 Neutral, 4 agree and 5 strongly agree.

$AV^b = \frac{\sum SPXf}{(n)}$ Where by AV^b = Average, \sum = Sum of, f = Frequency, X = Times

n = Sample size, SP = scale preference such as 1, 2, 3, 4, and 5.

The regression analysis was used to ascertain the relationship between the marketing strategies and the profitability of SACCOS. The model guiding the Multiple Linear Regression model is written as follows;

$$y_i = B_0 + B_1x_{i1} + B_2x_{i2} + B_3x_{i3} + B_4x_{i4} + B_5x_{i5} + E$$

Where;

y_i = dependent variable – SACCOS Profitability

x_{i1} = Clients' perception of product Strategies

x_{i2} = Clients' perception of service delivery strategies

x_{i3} = Clients' perception of Pricing strategies

x_{i4} = Clients' perception of Promotion strategies

x_{i5} = Clients' perception of Place strategies

E = random error in prediction, that is variance that cannot be accurately predicted by the model; also known as residuals.

B_0 = y-intercept at time zero.

B_1 - B_5 are the regression coefficient that measures a unit change in the dependent variable when x_{i1} changes

The multiple regression model was tested against the assumptions of normality, linearity, homoscedasticity, multicollinearity and autocorrelation.

3.9 Validity and Reliability

3.9.1 Validity

Validity means measuring what was intended to measure (Cooper and Schindler, 2014). In this study, the validity of data was ensured by first running a pilot study to test the research tools its applicability, collection of relevant information and selecting a proper tool for analysis. The researcher also obtained approval from the supervisor before the data collection. The researcher has traced the questionnaires from the previous studies to make the comparison of questions and ensured that the questions match with the theory and the response was easy to correct (criterion and content validity). The questions were also assessed to ensure that they address well the variables of the specific objectives.

3.9.2 Reliability

Reliability reflects the consistency of the same findings with the same interpretation over times when done at different times even if done by someone else (Cooper and Schindler, 2014). To ensure reliability in this study all interviews were scheduled and familiarizations of questions by the researcher. The reliability was measured by using Cronbach Alpha, in which reliability above 0.7 was suitable (Quansah, 2017).

3.10 Ethical Consideration

The researcher was based on the research approval from the Directorate of Postgraduate Studies at the Open University of Tanzania. Before data collection, the objective of the study was explained to the respondents and they were free to participate or not to participate in the study. Furthermore, respondents were free to withdraw from the study at any time during the study. Respondents were assured confidentiality of the information obtained from them throughout the study, and no name was used, just code numbers. A written or verbal informed consent was obtained from the respondents before conducting the study. The study also considered other ethical consideration variables such as data fabrication, falsification and plagiarism.

3.11 Variables and Measurements

Except for the age of the SACCOS clients, the number of dependents and the amount of loan borrowed last year, which were measured using interval or ratio scale, all of the demographical independent variables were measured using a nominal scale. The variables of marketing strategies and performance of SACCOS was measured using the 5-range Likert scales which fall under ordinal scales. The ratings are as follows: (5 –Strongly Agree, 4 –Agree, 3 –Neutral, 2 –Disagree, 1-Strongly Disagree).

3.12 Research Limitations

The major limitations were the inadequacy of funds which was limited the study coverage. Other limitations were mitigated by the use of social science research techniques and the proper design of the research. Therefore, it is the anticipation of

the researcher that problems such as none and the false response did not prevail during the data collection. Moreover, the researcher did not distribute the questionnaires to respondents without their consents.

CHAPTER FOUR

DATA PRESENTATION AND DISCUSSION OF THE FINDINGS

3.1 Overview

This chapter presents and discusses the findings in line with study objectives. Firstly, the presentation of demographic information, secondly the influence of product strategies on the profitability of SACCOS, thirdly the influence of service delivery strategies on the profitability of SACCOS, fourthly the influence of price strategies on the profitability of SACCOS, fifthly the influence of promotion strategies on the profitability of SACCOS and six the influence of place strategies on in profitability of SACCOS in Dodoma City. The study registered a 100% of response rate.

3.2 Demographic Information of Respondents

This section presents respondents in terms of gender, age, marital status, number of years borrowed in the SACCOS, number of dependents, education level and loan activity. The discussion of the factors in demographic information based on the role of marketing strategies on SACCOS Profitability in Dodoma City.

3.2.1 Gender of Respondents

Findings in Table 4.1 revealed that about 58.9% of respondents were males compared to 41.1% of females counterparty. These findings imply that the market strategies of SACCOS are needed more for both male and female respectively. These findings are significantly related to what suggested by Nyamsogoro (2010) that marketing strategies are grounded to affect the opinion of both male and female. This

is the responsibility to win the entire perception for the advantage of the organization.

Table 4.1: Distribution of respondents by gender

Category	Frequency	Percent
Male	66	58.9
Female	46	41.1
Total	112	100.0

3.2.2 Age of Respondents

Findings in Table 4.2 presented respondents in terms of age, a large proportion (54.5%) appeared in the age group between 31-40 years, followed by 37.5% found in the age group between 41-50 years and a small proportion (8%) were found in the age group between 18-30 years. These findings imply that majority of SACCOS members are found in the active age group for more productivity. Similar findings are traced by Wario (2014) who argued that the active age group are also active in the participation of the marketing activities. The ability to engage in production is well improved with active people within the productivity age.

Table 4.2: Age of respondents

Category	Frequency	Percent
18-30	9	8.0
31-40	61	54.5
41-50	42	37.5
Total	112	100.0

3.2.3 Numbers of Years Borrowed Loans in SACCOS

Findings in Table 4.3 presents respondents in terms of years borrowed in SACCOS, a large proportion (47.3%) had borrowed 8-11 years in the SACCOS, and compared to

(9.8%) borrowed 1-3 years and (42.9%) borrowed 4-7 years. These findings imply that majority of SACCOS members have enough experience of borrowing in SACCOS. For this study, these respondents were an important resource to share information on the role of marketing strategies on SACCOS Profitability. These findings also relate to that of Brafu and Ahiakpor (2011) who argued that the experience of SACCOS members to borrow was well comprehended on the number of years borrowed in the SACCOS.

Table 4.3: Numbers of years borrowed loans in SACCOS

Category	Frequency	Percent
1-3	11	9.8
4-7	48	42.9
8-11	53	47.3
Total	112	100.0

3.2.4 Respondents' Distribution By Marital Status

Respondents distribution by marital status is presented in Table 4.4. The data shows that the majority (67%) of respondents were married, compared to 25.9% who appeared to be single, while a small proportion (6.2%) were divorced/separated and about 9% were widows. These findings imply that SACCOS membership mainly composed of married people because of family responsibility accomplishment. Yongesa (2018) reported that most of the SACCOS are composed of married people because of two reasons; firstly, the accomplishment of family responsibilities and SACCOS services are extended easily for people with social collateral, in most instances being married is one of the social collaterals.

Table 4.4: Respondents' distribution by marital status

Category	Frequency	Percent
Single	29	25.9
Married	75	67.0
Divorced/separated	7	6.2
Widow	1	.9
Total	112	100.0

3.2.5 Education Level of Respondents

Findings in Table 4.5 presents the education level of respondents, the majority (31.2%) had primary education level, followed by 29.5% who had secondary education, about 19.6% had University education and minority 13.4% had a diploma and a slight minority (6.2%) had the certificate. These findings imply that SACCOS members appeared in the majority to have primary education because of being compulsory in Tanzania. Ngaka (2019) argued that education level provides more knowledge and experience to provide argument and suggestion. This is because it is termed to have at least basic and necessary education as an important catalyst of human development.

Table 4. 5: Education level of respondents

Category	Frequency	Percent
Primary	35	31.2
Secondary	33	29.5
Certificate	7	6.2
Diploma	15	13.4
University	22	19.6
Total	112	100.0

3.2.6 Number of Dependants

Findings in Table 4.6 presented responses of the respondent on the number of dependants. A large proportion (50.9%) had 8-10 dependants, followed by (35.7%)

with 11 and above dependents, a small proportion (7.1%) had 5-7 dependants, 2.7% had 3-4 dependants and about 3.6% have 1-2 dependants. These findings imply that marketing strategies also have to address the needs of the dependents. The composition of the market strategy should align with the needs of dependants. These findings related to that of Mutua and Murigi (2019) who argued that business growth, specifically relied on the needs of dependants. This specifically important in most of the African countries where the large population are dependants.

Table 4.6: Number of dependants

Category	Frequency	Percent
1-2	4	3.6
3-4	3	2.7
5-7	8	7.1
8-10	57	50.9
11 and above	40	35.7
Total	112	100.0

3.2.7 Loan Activity

Findings in Table 4.7 presents respondents loan activity. About (75.9%) of respondents use the loan for business purpose, compared to (17%) who use the loan for farming purpose and a small proportion (3.6%) reported using the loan for education financing. These findings imply that market strategies in SACCOS could be directed to business needs. The designation and formation of SACCOS products must suit the business needs. Also, Jeje (2015) affirmed that SACCOS growth is extended to the ability to form products of business nature, which attract the majority of people to be a member and even to engage in the utilization of its services and products.

Table 4.7: Distribution of respondents by loan activity

Category	Frequency	Percent
Farming	19	17.0
Business	85	75.9
Education	4	3.6
Artisan	4	3.6
Total	112	100.0

3.3 Descriptive Analysis

Mean scores were computed respondents level of agreement on the influence of product, service delivery pricing, promotion and place strategies on in profitability of SACCOS in Dodoma City. A mean score of 5.0 is termed as the highest and 1.0 the lowest.

3.3.1 The influence of Product Strategies on the Profitability of SACCOS in Dodoma City

The means score analysis on the study findings showed that a large proportion of respondents disagreed that the procedure for loan appraisal was fair as indicated by a mean of 2.7411, the amount of loan issued is not sufficient as indicated by mean of 2.3304, the repayment schedule for the loan was not convenient as shown by a mean of 2.4018, respondents were satisfied with the means of loan repayment. For example, cash/mobile money as shown by a mean of 3.7768, the loan recovery procedures were not convenient as indicated by a mean score of 2.1964. Also, respondents were not satisfied by the MFIs effort to facilitate the availability of health insurance services for clients as shown by a mean of 2.7054. Similarly, respondents were not satisfied by the type of training provided by SACCOS as

shown by a mean of 2.1518. However, respondents were indecisive about whether the savings and deposits procedures were okay as shown by a mean of 3.1339.

Table 4.8: The influence of product strategies on the profitability of SACCOS in Dodoma City

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Deviation
The procedure for loan appraisal is fair	19 (17.0)	45 (40.2)	10(8.9)	22(19.6)	16(14.3)	2.7411	1.34060
The amount of loan issued is sufficient	22(19.6)	64(57.1)	5(4.5)	9(8.0)	12(10.7)	2.3304	1.19600
The repayment schedule for loan is convenient	26(23.2)	52(46.4)	4(3.6)	23(20.5)	7(6.2)	2.4018	1.22629
I am satisfied with the means of loan repayment i.e cash/mobile money	5(4.5)	12(10.7)	6(5.4)	69(61.6)	20(17.9)	3.7768	1.01084
The loan recovery procedures are convenient	21(18.8)	70 (62.5)	3(2.7)	14(12.5)	4(3.6)	2.1964	1.00305
I am satisfied by the MFIs effort to facilitate the availability of health insurance services for clients	16(14.3)	51(45.5)	4(3.6)	32(28.6)	9(8.0)	2.7054	1.24942
I am satisfied by the type of training provided by SACCOS	40(35.7)	46(41.1)	4(3.6)	13(11.6)	9(8.0)	2.1518	1.25353
Savings and Deposits procedures are okay	12(10.7)	38(33.9)	3(2.7)	41(36.6)	18(16.1)	3.1339	1.33218

Overall mean= 2.6797 Standard deviation = 1.2015

Njoki (2019) argued that product strategies are very weak in most of the SACCOS, depending on the way they provided products to its members, the nature of its design and even presentation to the people. The type of training SACCOS members receive, loan accessibility and type are also very weak. Mbai (2007) argued that most of the SACCOS failed to use competitive strategies to manage the need and desire of customers. Ngatia, Muya and Ngacho (2018) argued that lack of competitive knowledge weak the marketing product strategies.

3.3.2 The Influence of Service Delivery Strategies on the Profitability of SACCOS in Dodoma City

The mean score analysis in Table 4.9 shows that respondents disagreed with the statement that clients are served without favouritism with a mean score of 2.6518, majority of respondents agreed that the opening and closing hours were maintained shown by a mean score of 3.6518. Also, the majority disagreed that SACCOS workers served using polite language shown by a mean score of 2.2232. Respondents also disagreed to obtain clarifications on various SACCOS issues timely as shown by the mean score of 2.4286. The findings further revealed that workers served without a polite face as indicated by 2.3125. Also, it was reported that SACCOS workers listened to phones when they attend to customers as indicated by a mean score of 2.1786. Respondents disagreed to be satisfied with services provided by SACCOS as shown by the mean score of 2.3393.

Table 4. 9: The influence of service delivery strategies on the profitability of SACCOS in Dodoma City

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Deviation
Clients are served without favoritism	19(17.0)	52(46.4)	6(5.4)	19(17.0)	16(14.3)	2.6518	1.33362
The opening and closing hours are maintained	11(9.8)	13(11.6)	4(3.6)	60(53.6)	24(21.4)	3.6518	1.22076
SACCOS workers serve using polite language	20(17.9)	71(63.4)	2(1.8)	14(12.5)	5(4.5)	2.2232	1.02851
I get clarifications on various SACCOS issues timely	21(18.8)	59(52.7)	6(5.4)	15(13.4)	11(9.8)	2.4286	1.22080
SACCOS workers serve us when they have polite face	30(26.8)	53(47.3)	3(2.7)	16(14.3)	10(8.9)	2.3125	1.25942
SACCOS workers do not listen phones when they attend customers	27(24.1)	62(55.4)	5(4.5)	12(10.7)	6(5.4)	2.1786	1.08399
I am satisfied with the services given by SACCOS	21(18.8)	63(56.2)	5(4.5)	15(13.4)	8(7.1)	2.3393	1.14336

Overall mean= 2.5408 Standard deviation = 1.1844

Mbugua and Kinyua (2020) argued that SACCOS should offer their services based on the services delivery principles. The effective strategy is based on the ability to deliver the services to the entire customers' audience. The delivery is connected to the way to handle the relationship or extend the services. Kipkosgei and Njeru (2014) argued that service delivery is different from product delivery, services tend to be provided in terms of staffs' preparedness and even willingness to serve such as, without favouritism, with polite face and good language must be used.

3.3.3 The Influence of Price Strategies On The Profitability of SACCOS in Dodoma City

Mean score analysis as indicated in Table 4.10, respondents disagreed to be satisfied with the interest rate charged for loans as shown by the mean score of 2.4911. Respondents also disagreed to be satisfied with the penalty paid for delayed loans as shown by a mean score of 2.1071. Similarly, they disagreed to be satisfied by the amount sat as entrance fees as shown by the mean of 2.5714. They further disagreed to be satisfied by the amount sat as member's share as shown by a mean score of 2.4911. Likewise, the majority of respondents disagreed to satisfied by the amount sat as dividend as shown by a mean score of 2.1696.

Muchena, et al. (2016) argued that SACCOS ability to set price must be comprehended on the side of making a profit in comparison to that of member interest. The ability to charge a satisfactory interest rate, satisfying entry fees also promotes the profitability of SACCOS. Wondirad (2020) price strategy must be well

improved to affect the profitability of SACCOS, which is almost based on the products provided by SACCOS.

Table 4. 10: The influence of price strategies on the profitability of SACCOS in Dodoma City

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Deviation
Iam satisfied with interest rate charged for loans	21(18.8)	54(48.2)	7(6.2)	21(18.8)	9(8.0)	2.4911	1.22287
Iam satisfied with penalty paid for delayed loans	41(36.6)	46(41.1)	5(4.5)	12(10.7)	8(7.1)	2.1071	1.21816
Iam satisfied by the amount sat as entrance fees	15(13.4)	62(55.4)	3(2.7)	20(17.9)	12(10.7)	2.5714	1.23547
Iam satisfied by the amount sat as member's share	19(17.0)	59(52.7)	3(2.7)	22(19.6)	9(8.0)	2.4911	1.21548
Iam satisfied by the amount sat as dividend	38(33.9)	46(41.1)	7(6.2)	13(11.6)	8(7.1)	2.1696	1.22208
Overall mean= 2.3661 Standard deviation = 1.2228							

3.3.4 The Influence of Promotion Strategies on in Profitability of SACCOS in Dodoma City

The mean score analysis of promotion strategies respondents disagreed that SACCOS staff/leaders visited the different area to promote the SACCOS as shown by a mean score of 2.0893. SACCOS use of social media to promote its activities scored a mean of 2.4286 while the use of brochures to promote the SACCOS activities scored a mean of 3.7589. The findings signify that SACCOS used brochures to promote their activities. However, SACCOS did not use influential government/political/religious/local leaders to promote the SACCOS as indicated by

a mean score of 1.9107. Respondents also did not ever hear/watch the radio/TV/Newspaper media which promote their SACCOS as indicated by a mean score of 1.7589. The SACCOS participation in the famous local/international exhibitions scored a mean score of 2.0268.

Table 4.11: The influence of promotion strategies on in profitability of SACCOS in Dodoma City

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Deviation
SACCOS staff/leaders visits different area to promote the SACCOS	40(35.7)	48(42.9)	4(3.6)	14(12.5)	6(5.4)	2.0893	1.17445
SACCOS use social media to promote its activities	14(12.5)	68(60.7)	5(4.5)	18(16.1)	7(6.2)	2.4286	1.09638
SACCOS has prepared the brochures to promote the SACCOS activities	9(8.0)	16(14.3)	3(2.7)	49(43.8)	35(31.2)	3.7589	1.26096
SACCOS use influential government/political/religious/local leaders to promote the SACCOS	42(37.5)	54(48.2)	5(4.5)	6(5.4)	5(4.5)	1.9107	1.01833
I ever heard the radio/TV/Newspaper media which promote our SACCOS	57(50.9)	39(34.8)	6(5.4)	6(5.4)	4(3.6)	1.7589	1.02444
SACCOS participate in famous local/international exhibitions	28(25.0)	69(61.6)	4(3.6)	6(5.4)	5(4.5)	2.0268	.95351
Overall mean= 2.3289 Standard deviation = 1.0880							

3.3.5 The Influence of Place Strategies on in Profitability of SACCOS in

Dodoma City

Mean score analysis by the use of the Likert scale shows that majority of respondents disagreed with the statement that SACCOS is located in the area which is easily seen as shown by 2.6429. Also, they asserted that the distance from home to SACCOS is not near as indicated by a mean of 2.1339, The transport cost from home to SACCOS is not fair as shown with a mean score of 2.3036. The respondents also disagreed that

the SACCOS premise was innovated well and hence attracted new potential customers as indicated by a mean of 2.6071.

Table 4.12: The Influence of Place Strategies on Profitability of SACCOS in Dodoma City

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Deviation
Our SACCOS is located in the area which is easily seen	24(21.4)	46(41.1)	7(6.2)	16(14.3)	19(17.0)	2.6429	1.40691
The distance from home to SACCOS is not very fare	37(33.0)	47(42.0)	8(7.1)	16(14.3)	4(3.6)	2.1339	1.13499
The transport cost from home to SACCOS is fair	34(30.4)	44(39.3)	8(7.1)	18(16.1)	8(7.1)	2.3036	1.25805
Our SACCOS premise is innovated well and hence attract new potential customers	17(15.2)	53(47.3)	4(3.6)	33(29.5)	5(4.5)	2.6071	1.18821
Overall mean= 2.4219 Standard deviation = 1.2470							

3.4 The Regression Analysis

The regression analysis was carried out to analyze the influence of the marketing strategies on the profitability of SACCOS in Dodoma City. The findings show that the coefficient R square was 0.731 which show there is a strong relationship between the variables studied. which depicts the existence of variation of 71.8% in the profitability of SACCOS due to change in clients perception of product marketing strategy construct, specifically service delivery, pricing strategies, promotional strategy and place/distribution strategies. This show the explanatory power or the goodness of fit of the research model where most of the variance is indicated leaving only a small percentage unexplained. In Table 4.8 about 71.8% of the variance in the profitability of SACCOS is explained by the clients' perception of product marketing

strategy construct, Clients perception of service delivery, Pricing strategies, Promotional strategy and Place/distribution strategies leaving only 25.1% unexplained. This evidence was strong enough in support of a strong relationship between variables.

Table 4. 13: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.855 ^a	.731	.718	.07065

3.4.1 Analysis of Variance

The analysis of variance, to show the influence of marketing strategies (product strategies, service delivery strategies, price strategies, promotion strategies and place strategies) on in profitability of SACCOS in Dodoma City. Findings presented as follows in Table 4.14.

Table 4.14: Analysis of Variance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.435	5	.287	57.499	.000 ^a
	Residual	.529	106	.005		
	Total	1.964	111			

Findings in Table 4.14 showed the significant level is .000^a. This implies that the regression model is significant in predicting the influence of product strategies, service delivery strategies, price strategies, promotion strategies and place strategies on the profitability of SACCOS in Dodoma City.

By using the relevant F- test, the tabulated value for F (5,5% and 106) is less than 57.499, meaning that the model was statistically significant in predicting the

influence of product strategies, service delivery strategies, price strategies, promotion strategies and place strategies on in profitability of SACCOS in Dodoma City.

3.4.2 Multiple Regression Analysis

The study used multiple linear regression analysis so that to obtain the profitability of SACCOS and five marketing strategies; client's perception of product marketing strategy construct, Clients perception of service delivery, pricing strategies, promotional strategy and place/distribution strategies.

Table 4.15: Multiple regression coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.230	.050		4.628	.000
	Clients perception of product marketing strategy construct	-.039	.019	-.130	-2.000	.048
	Clients perception of service delivery	-.557	.048	-.679	11.500	.000
	Pricing strategies	-.132	.035	-.224	3.729	.000
	Promotional strategy	.029	.015	.108	1.875	.064
	Place/distribution strategies	-.074	.029	-.180	2.594	.011

The regression equation is written as:

$$y_i = B_0 + B_1x_{i1} + B_2x_{i2} + B_3x_{i3} + B_4x_{i4} + B_5x_{i5} + E$$

Where;

y_i = dependent variable – SACCOS Profitability

x_{i1} = Clients' perception of product Strategies

x_{i2} = Clients' perception of service delivery strategies

x_{i3} = Clients' perception of Pricing strategies

x_{i4} = Clients' perception of Promotion strategies

x_{i5} = Clients' perception of Place strategies

E = random error in prediction, that is variance that cannot be accurately predicted by the model; also known as residuals.

B_0 = y-intercept at time zero.

B_1 - B_5 are the regression coefficient that measures a unit change in the dependent variable when x_{i1} changes

From the equation taking all factors (Clients perception of product marketing strategy construct, Clients perception of service delivery, pricing strategies, promotional strategy and place/distribution strategies) constant at zero, the profitability of SACCOS was 0.230. The regression analysis showed that clients perception of product marketing strategy construct, clients perception of service delivery, pricing strategies and place/distribution strategies have the statistical significance of .048, .000, .000, and .011 respectively. However, their Beta values are negative. This shows that clients perceived that product, service delivery, pricing, place/distribution strategies negatively influenced the profitability of SACCOS in Dodoma City. However, the findings indicate that the contribution of promotional strategies to the profitability of SACCOS is not significant.

The findings from this study are contrary to those of Jeje (2015) who reported that SACCOS members contributed to the product and market development of SACCOS and the regression analysis showed the positive relationship between the market strategies and profitability of SACCOS. Similarly, Mutua and Murigi (2019) argued

that cost leadership, market focus, product differentiation and product innovation positively and significantly influence SACCOs performance.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Overview

This chapter entails the summary of findings, conclusion, recommendations, the contribution of the study to theories and directions of future studies.

5.2 Summary of Findings

5.2.1 The Influence of Product Strategies on the Profitability of SACCOS in Dodoma City

The means score analysis on the study findings showed that a large proportion of respondents disagreed that the procedure for loan appraisal, the amount of loan issued, the loan repayment schedule, loan recovery procedures, the availability of health insurance services and type of training provided by SACCOS but they were satisfied with the means of loan repayment.

5.2.2 The Influence of Service Delivery Strategies on the Profitability of SACCOS in Dodoma City

The clients were not satisfied with the opening and closing time, workers using polite language, timely clarifications on various SACCOS issues, workers serving with a polite face and listening phones when they attend them.

5.2.3 The Influence of Price Strategies on the Profitability of SACCOS in Dodoma City

SACCOS' clients were not satisfied with the interest rate charged for loans, the

penalty paid for delayed loans, entrance fees, amount sat as member's share and the amount sat as dividend for them.

5.2.4 The Influence of Promotion Strategies on in Profitability of SACCOS in Dodoma City

SACCOS perceived that the use of social media, brochures, prominent leaders, media such as TV, radio and Newspapers and participation in the famous local/international exhibitions was inadequate.

5.2.5 The Influence of Place Strategies on in Profitability of SACCOS in Dodoma City

SACCOS' clients perceived that the distance from home to SACCOS was not near, the transport cost from home to SACCOS was not fair and the premise was not innovated well to attract new potential customers.

5.3 Conclusion

The findings from the descriptive analysis indicate that SACCOS clients from Dodoma City disagreed that the product, service delivery, pricing, promotional and place/distribution strategies influence the profitability of SACCOS in Dodoma City. The results from the multiple regression analysis found that all of the strategies, under analysis, except the promotion strategies influenced negatively and significantly the profitability of SACCOS. The findings further indicated that there is no significant influence of promotion strategies on the profitability of SACCOS.

5.4 Recommendations

Recommendations presented to the SACCOS management board, SACCOS staffs and SACCOS members as follows:

- i) For sustainable profitability of the SACCOS, the management should institute effective product, service delivery, pricing, promotion, place strategies on the profitability of SACCOS in Dodoma city.
- ii) SACCOS members should support the management to promote the profitability of the SACCOS
- iii) SACCOS staff should work hard to provide services in such a way that retain the existing client and attract the new potential client to join SACCOS.

5.5 The Contribution Of The Study to the Theories

This study applied a model of competitive advantage that permit a company to produce goods or services better or more cheaply than its rivals as suggested by Michael Porter in 1985. The variables of the model are competitors, firm, firm asset, financial fees, price, location, quality, selection, speed, turnaround and service (Kotler & Keller, 2006).

This study considered the product, service delivery, pricing, promotional and place/distribution strategies as tools to increase the profitability of SACCOS in Dodoma City. The findings indicate that SACCOS in Dodoma City were not able to use the market strategies to increase their profitabilities because the clients rated the constructs of the market strategies used as unsatisfactory. The study recommends the

SACCOS in Dodoma City to improve the implementation of the marketing strategies to become competitive in MFIs markets.

5.6 Suggestions for Further Studies

This study did not manage to cover each and everything on marketing strategies of SACCOS in the profitability. Anyone interested should study the other variables which are untouched by this study. The study should extend to other areas with other marketing strategies to check its relevance for the profitability of SACCOS. The following studies may be further studied.

- i) The impact of marketing strategies on the performance of SACCOS focusing SACCOS management and staff instead of clients
- ii) The use of other performance elements as dependent variables such as ROA, ROE, customer satisfaction and market share
- iii) Use of the mixed study designs
- iv) Use of the advanced method of data analysis such as factor analysis or Structural Equation Modelling
- v) Increase the sample size and number of SACCOS with wide coverage in the whole of Tanzania

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APPENDIX

QUESTIONNAIRE A: FOR CLIENTS

CLIENTS PERCEPTION ON THE ROLE OF MARKETING STRATEGIES ON PROFITABILITY OF SACCOS IN DODOMA CITY, TANZANIA

Table 1: Socio-economic characteristics of the FHHs

S/N	Question	S/N	Question
1.	Ageyears Name of SACCOS.....	2.	How many years have you borrowed loans in SACCOS?.....Years.
3.	Number of your dependants.....members	4.	Gender....1. Male....2. Females... (Tick)
5	Marital status { } Single { } Married { } Divorced/separated { } widow{ }	6	Education level { } Primary { } secondary { } certificate { } Diploma { } { } University
7.	What is your loan activity? { } Farming { } Business { } Employment { } artisan { } others	8.	Amount of Loan borrowed the last years.....(Tsh)

Loans borrowed in 2020 _____ TZS

Loans repaid in 2020 _____ TZS

Which social media you using a client to communicate with the SACCOS
leaders/staff? (please tick

- i. Whatsapp { } ii. Telegram { } iii. Facebook { } iv. Twitter { } v. Instagram
vii. None { } Vii. Others (Please specify) -----

The table below seeks to establish the SACCOS' clients perception of the
relationship between Marketing strategy and clients welfare. The ratings are as
follows: (5 –Strongly Agree, 4 –Agree, 3 –Neutral, 2 –Disagree, 1-Strongly
Disagree)

Please put a tick (✓) in the given statements below so as to indicate the level of your agreement in each of the following statements.

SN	Statement	5 -SA	4-A	3 N	2 D	1 SD
	Client's perception of product Marketing Strategy Construct					
1	The procedure for loan appraisal is fair					
2	The amount of loan issued is sufficient					
3	The repayment schedule for a loan is convenient					
4	I am satisfied with the means of loan repayment i.e cash/mobile money					
5	The loan recovery procedures are convenient					
6	I am satisfied by the MFIs effort to facilitate the availability of health insurance services for clients					
7	I am satisfied by the type of training provided by SACCOS					
8	Savings and Deposits procedures are okay					

SN	Statement	4-A	3 N	2 D	1 SD	4-A
	Client's perception of service delivery					
1	Clients are served without favouritism					
2	The opening and closing hours are maintained					
3	SACCOS workers serve using polite language					
4	I get clarifications on Various SACCOS issues timely					
5	SACCOS workers serve us when they have polite face					
6	SACCOS workers do not listen to phones when they attend to customers					
7	I am satisfied with the services given by SACCOS					

SN	Statement	5 -SA	4-A	3 N	2 D	1 SD
	Pricing strategies					
1	I am satisfied with the interest rate charged for loans					
2	I am satisfied with the penalty paid for delayed loans					
3	I am satisfied by the amount sat as entrance fees					
4	I am satisfied by the amount sat as member's share					
5	I am satisfied by the amount sat as a dividend					

SN	Statement	5 - SA	4-A	3 N	2 D	1 SD
	Promotional strategy					
1	SACCOS staff /leaders visit the different area to promote the SACCOS					
2	SACCOS use social media to promote its activities					
3	SACCOS has prepared the brochures to promote the SACCOS activities					
4	SACCOS use influential government/political/religious/local leaders to promote the SACCOS					
5	I ever heard the radio/TV/Newspaper media which promote our SACCOS					
6	SACCOS participated in the famous local/international exhibitions					

SN	Statement	5 - SA	4-A	3 N	2 D	1 SD
	Place/distribution strategies					
1	Our SACCOS is located in an area that is easily seen					
2	The distance from home to SACCOS is not very fare					
3	The transport cost from home to SACCOS is fair					
4	Our SACCOS premise is innovated well and hence attract new potential customers					
	SACCOS Profitability					
	The market strategy promotes our SACCOS profitability					