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The Strategic JOURNAL of Business & Change MANAGEMENT
ISSN: 2312-9492 www.strategicjournals.com
Vol. 9, Iss. 4, pp 1583 – 1599. November 23, 2022. www.strategicjournals.com, ©Strategic Journals

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Accepted: November 9, 2022

ABSTRACT

The purpose of this study was to determine the influence of competitive strategies on the performance of deposit taking savings and credit cooperative societies in Embu county Kenya. The research design adopted was descriptive research design; the population was drawn from the deposit taking cooperative societies in Embu County. This study adopted a census owing to the few numbers of respondents. Closed and open ended questionnaires were used to collect primary data. Validity and reliability of the data collection instrument was tested. The study used quantitative and qualitative data. To analyse qualitative and quantitative data, descriptive and inferential statistics were used. The Statistical Package for Social Sciences was used to code and analyze the data. Tables were used to display the outcomes. The qualitative data provided in open-ended questions were analyzed using content analysis. The study established that there was a positive and significant influence between cost leadership strategy, differentiation strategy, focus cost strategy and focus differentiation strategy and the performance of the selected deposit Taking Savings and Credit Cooperative Societies in Embu County Kenya. The study concluded that the cost leadership strategy enables the Deposit Taking Savings and Credit Cooperative Societies to gain a competitive edge by charging a reasonable price for their products, eventually achieving sustainability thanks to more customers. The instistitutions focuses on providing a unique experience for customers, usually by offering a premium good or service. The instistitutions on their focus cost strategy charges low prices relative to other financial institutions that compete within the target market. The instistitutions through focus differentiation strategy offers unique features that fulfill the demands of a narrow market. The study recommended that the institutions should manage their cost leadership strategy in an effective way that can bring in profits and also brand recognition in the market that will help in the long run of the institution. For the instistitutions to achieve long-term competitive advantage, the product differentiation through credit cards should be improved. The instistitutions should carry out their focus cost strategy based on price to target a narrow market. The instistitutions should aim at targeting a small group of customers with differentiated products and focus on narrow market coverage, seeking only to attract a small, specialized segment.

Key Words: *Cost Leadership Strategy, Differentiation, Focus Cost Strategy, Focus Differentiation Strategy*

CITATION: Mwaniki, P. I., & Kiiru, D. (2022). Competitive strategies and performance of selected deposit taking savings and credit cooperative societies in Embu County Kenya. *The Strategic Journal of Business & Change Management,* 9 (4), 1583 – 1599.

INTRODUCTION

The Kenyan Vision 2030's economic pillar envisages a growing, vibrant and globally competitive financial sector. Savings and Credit Cooperative Societies (SACCOs) are poised to be a key pillar in the achievement of this vision. The Kenyan SACCO movement has however faced many challenges and threats emanating from weak governance, competition from commercial banks and microfinance institutions amongst others (Njoka, 2021).

According to Ombado, (2010), SACCOs have existed for quite a while providing services to more than hundred and twenty million members throughout the world. Membership of SACCOs cut across all segments of society, rural and urban poor, low and middle income earners, market women, artisans, petty traders, farmers and professionals. In Western Europe for instance there are 11,000 local and regional saving and credit cooperatives banks, a 33 million strong membership with a market share of 17 percent of savings.

In Kenya SACCOS contribute 45% of the country's GDP and to date the sub sector has effectively mobilized over Ksh.200 billion deposits and assets totaling to Ksh210 billion (MCD &M 2010). These enormous resources should give SACCOS a basis to compete in a liberalized environment. Despite these facts the performance and sustainability of SACCOs has been a great challenge for majority of them. This has resulted to under performance and low survival rate of cooperative enterprises. The scenario is reflected in numerous cases where cooperative enterprises have failed to meet their stated objectives, at times even leaving their members worse off (Mude, 2016).

Organizations play a critical role in the economics of countries, and hence, successful organizations are a critical component for developing countries. Any organization's focus should be on continuous performance because it is only through performance that organizations can grow and progress. Every organization's primary goal is to improve its performance. To determine an organization's performance, its output response or accomplishments are compared to its anticipated goals. Organizational performance is based on the idea that an organization is the intentional interaction of productive assets, such as people, material, and financial stock, with the objective of achieving the common goal (Barney, 2011).

Michael porter defines competitive strategy as a long-term marketing plan that companies develop to defend their market position and gain a competitive advantage. Porter has presented a set of generic strategies that firms can employ in their quest fora position in the market. Although the attractiveness of a sector determines the profitability of the industry players, the positioning of the firms is also critical and as such well positioned firms in less attractive sectors may make superior returns compared to poorly position ones in more attractive sectors (Akan, Allen, Helms, & Spralls, 2016).

Competitive strategy is the foundation from which an organisation might achieve a competitive advantage against its business competitors. Thus improving or eat into a market position within an industry will be contingent on a firm`s course of action. Competitive strategy reacts not only to the market but also tries to remake the market in an organisation's favour and to the handicap of rivals. The most significant feature of originating a competitive strategy according to Porter (1980) links an organisation to both the exogenous and endogenous environmental concerns. How an industry is organised or configured will have a strong impact on how the competitive rules of the game are played as well as what strategies should be applied so as to gain advantage (Johnson and Scholes, 2018).

Deposit-taking SACCOs in Kenya form a key and vibrant segment of SACCOs. According to SASRA (2018), deposit -taking SACCOs serve over 81% of total SACCO membership; hold 80% of share capital and 78% deposits of all SACCOs in Kenya. They also earn over 79% of total annual turnover earned by all SACCOs and grant 78% of all loans by SACCOs.

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Deposit taking SACCOs also own 79% of total assets. Further, operations of deposit taking SACCOs in Kenya are well regulated and supervised by SASRA and the governments.

Despite enactment of an effective regulatory and operational mechanism for SACCOs, the number of deposit taking SACCOs has stagnated at 215. To make matters worse, by December 2017, only 164 of the 215 SACCOs had met the regulatory requirement to operate FOSAs (SASRA, 2018). According Griffiths (2004) and Galor (2004) to address performance instability in cooperatives, one would require clear understanding of factors that influence their success or failure. Chamberlain (2010) explains further and suggests that understanding the influence of strategy is a prerequisite to performance of a firm.

SACCO societies in Kenya were established in Africa in (1931). The major objective was to improve the social economic well-being of low income earners. The concept was first practices in developed countries where English was the native language. First countries in Africa that adopted the concept of SACCO'S were; Ghana, Uganda, Nigeria, Tanzania and Kenya. Mostnon-English speaking nations in Africa appreciated SACCO'S much later. In Kenya, the first co-operative society was Lumbwa co-operative Society formed in 1908 by the European Farmers with the aim of supporting agricultural activities and products to take advantage of economies of scale (Kenya Union of Savings and Credit Co-operatives, 2014). SASRA (2015) revealed that after independence, the Kenyan government recognized co-operatives as suitable for achieving economic development of the nation. Necessary steps were then taken by the government which saw the rapid expansion and growth of SACCO society movement in the country. The SACCO sub-sector is part of the larger co-operative movement in Kenya that has contributed greatly on social economic developments. The major categories of co-operatives operating in Kenya include: Financial co-operatives (Savings & Credit co-operatives societies – SACCO'S) and Non-financial co-operatives (includes farm produce and other commodities marketing co-operative, housing, transport and investments co- operative). In the recent past, SACCO'S have witnessed faster growth than other co-operatives. And the establishment of SACCO societies Act2008 places regulation under the armpit of SACCO regulatory Authority (SASRA). The new legal framework has been introduced to guide the growth and development of SACCO'S (KUSCCO, 2014).

Statement of the Problem

SACCOs in Kenya have high growth potential but are bedevilled by challenges such as strong competition from commercial banks, insufficient capital base, and slow adoption of information technology, poor loan pricing strategies and weak governance. SACCOs across sub-Saharan Africa have a potential of realizing 31% growth rate per annum. SACCOs in Ethiopia for example have witnessed growth in terms of membership and capital and have growth rate of 28% per year. Despite the high growth potential, SACCOs in Kenya have only registered a growth rate of 20% per year. This raises questions as to which strategies SACCOs are adopting to survive the stiff competition and attain at least 31% of the projected growth rate per year.

Studies on competitive strategies have also been conducted by a number of scholars in Kenya. For instance, Warucu (2001) looked at competitive strategies employed by commercial banks. Kiptugen (2003) carried out a research on strategic responses to a changing competitive environment in the case study of Kenya Commercial Bank. Mbwayo (2005) focused on the strategies applied by commercial banks in Kenya in anti-money laundering compliance programme. Gathoga, (2001) in his study focused on competitive strategies used by commercial banks in Kenya. Kimotho, (2012) did a study on the impact of competitive strategies on the financial performance of CFC Stanbic Bank Limited. Murage, (2011) focused on competitive strategies in the petroleum industry. Waiganjo (2013) focused on effect of competitive strategies on the relationship between strategic human

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resource management and firm performance of Kenya's corporate organizations. Whereas the cited studies focused on competitive strategies and how they are implemented in various organizations, the studies were majorly case study.

A survey of empirical studies on the topic indicates contextual, conceptual, and methodological gaps that should be addressed in order to provide more meaningful evidence and advance scientific knowledge. It is therefore imperative for local research that focuses on the SACCOs, which has been overlooked in most past studies. Methodological gap scan be addressed by incorporating additional objective a criterion, which had been overlooked in earlier studies. This study therefore looked at the influence of competitive strategies on the performance of deposit taking savings and credit cooperative societies in Embu county Kenya. To help bridge the gaps identified.

Objectives of the Study

The general objective of the study was to establish the influence of competitive strategies on the performance of deposit taking savings and credit cooperative societies in Embu County Kenya. The study was guided by the following specific objectives;

- To establish the influence of cost leadership strategy on the performance of deposit taking savings and credit cooperative societies in Embu County Kenya
- To determine the effect of differentiation strategy on the performance of deposit taking savings and credit cooperative societies in Embu County Kenya
- To assess the effect of focus cost strategy on the performance of deposit taking savings and credit cooperative societies in Embu County Kenya
- To establish the influence of focus differentiation strategy on the performance of deposit taking savings and credit cooperative societies in Embu County Kenya

LITERATURE REVIEW

Theoretical Framework

Michael Porter's Five Forces Theory

This study is anchored on Porter's theory of competitive strategy which was authored by Porter (1979) and essentially illustrates a framework of five competitive forces that shape the choice and application of business strategy. Porter states that strategy target either cost leadership, differentiation or focus and that a firm must only choose one of the three strategies or risk waste of precious resources. Porter's theory is necessary in understanding the competitiveness of firm suggesting that competitive advantage stems from the competitive strategies adopted to deal with strength, weaknesses, opportunities and threats facing an organization (Lu, Shem and Yam, 2018).

A firm's relative position within its industry determines whether a firm's performance is above or below the industry average. The fundamental basis of above average profitability in the long run is sustainable competitive advantage. There are two basic types of competitive advantage a firm can possess: low cost or differentiation. The two basic types of competitive advantage combined with the scope of activities for which a firm seeks to achieve them, leads to three generic strategies for achieving above average performance in an industry: cost leadership, differentiation, and focus. The focus strategy has two variants, cost focus and differentiation focus Porter (1980, 1985).

Configuration Theory

The configuration school which perceive strategy formulation as a transformation process was developed in the 1960s and 70s. Major contributors to configuration school are Chandler (1962), Mintzberg and Miller (late 1970s) and Miles and Snow (1978). The concept of configuration theory postulates that the performance of an organization depends on the fit of environment and organizational design. The basic assumption behind the theory is that the best performance can be achieved when organization structure matches

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external contingency factor. Only those organizations that align their operation with the current environment achieve maximum output. The general model implicit in configuration theory assumes that for organizations to be effective there must be an appropriate fit between structure, strategy and environmental context (Fincham & Rhodes, 2005).

The basic paradigm of contingency theory is that organization seeks effectiveness by fitting characteristics of the organization with contingencies that reflect its situations (Donaldson, 2001). Early contingency theories argued that high performance is associated with the suitability of contingencies such as organizational size, technology level, strategy and also environment with types of organization structure that an organization chose (Chowdury and Shamsud, 2002). Changes in contingencies, such as size or strategy, would render the structure to be unfit with the organization and lead to lower performance. Hence, adjustment to the structure was needed to regain the fit condition, in which would lead to higher performance. These researches on contingencies and organization structure were later known as structural contingency theory.

Dynamic Capabilities Theory

The Dynamic Capabilities Theory was proposed by Teece, Pisano and Shuen (1997) on the foundational premise that organizations should constantly reshape their internal resources in order to achieve sustainable performance in an atmosphere defined with unending change and intense competition. It concerns the effectiveness and efficiency with which an entity integrates, builds, and reconfigures internal and external proficiencies to withstand rapidly changing environments (Helfat & Peteraf, 2009).Zahra, Sapienza and Davidsson (2006) argue that the dynamic capabilities is about obtaining and sustaining a firm's competitive advantage.

While operational capabilities is about the current organisational processes, dynamic capabilities entails the ability of an entity to continually create, extend, or modify their resource base to win long-term competitive advantage (Helfat & Peteraf, 2009). The approach therefore concerns modification of short-term competitive situations into long-term competitive advantage. In the context of generic strategies, the theory supports constant market feedback to guide enhancement of products and services through either differentiation or cost as the sure route to superior performance. According to Zahra, Sapienza, and Davidsson (2006), as similation of customer feedback in the firm guides the transformation of strategic assets to fit the new strategic directions.

Resource-based View Theory

The foundation of resource based view can be drawn back to previous research of Penrose (1959), this theory simply emphasizes the idea that an organization must be seen as a bundle of resources and capabilities to create value and therefore gain competitive advantage. The resource-based view further posits that firms can achieve overall competitiveness and performance if they possess tangible or intangible resources that are valuable, rare, inimitable and non-substitutable(Barney, 1991).

These four characteristics of resources describe what Barley (2007) considers strategic assets that, if properly mobilized build and sustain a firm's competitive advantage and improve its performance. According to Barney (1991), enterprises in the same sector can be heterogeneous in respect to their own resources and as resources are not perfectly transferable among enterprises, the heterogeneity and the consequent competitive advantage achieved could be durable over time. However, resources and capabilities are not valuable on their own and are essentially unproductive in isolation Newbert (2008). As such, Newbert contends that the key to attaining a competitive advantage is by exploitation of a valuable resource-capability combination. This view is further supported by Bitar and Hafsi (2007), who opine that resources and capabilities are sources of competitive advantage, but they do not necessarily contribute to competitive advantage.

Empirical Literature

Baraza (2017) considered the influence of cost leadership strategy on performance of East Africa Breweries (Kenya) Limited. The study used a descriptive research approach. Information was gathered from top management who were considered well versed with the details. Descriptive statistics and inferential statistics were used in the analysis. The regression analysis was a key inferential analysis tool. The study concluded that cost leadership strategy positively influences firm performance. Gaps emerge on the need to consider more firms to enhance comparison of results.

Mwanzia (2015) investigated the effect of differentiation strategy on market share of tea export firms in Kenya. The study employed a descriptive cross-sectional survey design and the target population comprised of the seventy two (72) active tea export firms in Kenya registered by the Tea Directorate, in 2014. Primary data was collected using semi-structured questionnaires that were administered through drop-and-pick and e-mails correspondences. Sixty two (62) firms out of the targeted 72 responded translating to86.1% response rate. Secondary data was obtained from the statistics of market share of the tea export firms between 2010 and 2014. Descriptive and inferential statistics were used in data analysis and the results were presented in tables and graphs. The study found that the extent of adoption of differentiation strategies ranges from 66.6% to 77.8% with the highest being value added products strategy while the least was pricing. Amongst the value-added strategies, product features (quality) is the most adopted strategy while certification is the least applied strategy. The effect of differentiation strategies on market share of the firms was low at 11.6%.

A study by Rasouli and Sepideh (2018) on differentiation strategy and performance of women clothing stores in Tehran, applied a sample of 100 in the study focusing on women managers. Pre-test was done with 30 questionnaires. Cronbach's alpha was used to test reliability. SPSS software was used in analysis. The study found a strong relationship between employee differentiation and performance. The study focused on women clothing while this study focused on financial institutions with a bigger sample but confirmed the previous study noting that there was a strong relationship between personnel differentiation and organizational performance.

Mutindi *et al*., (2013) carried out a research on the influence of Focus Cost Strategy on performance of the hotel industry in Kenya. The study used a mixed research method which was both quantitative and qualitative using descriptive survey. The study acknowledged Focus Cost Strategy as some of the tools that drive performance in the hotel industry. It recommended to hotels that they ought to embrace the adoption of strategic management drivers.

Kamau (2015) also completed an examination on Focus Cost Strategy embraced to drive industrial performance in the telecommunications industry in Kenya. The information was gathered from the nine firms in Kenya; Safaricom Ltd, Airtel Kenya, Telkom Kenya, Jamii Telkom, Access Kenya, Liquid Telkom, Internet Solution, MTN Business and Wananchi Group. The study revealed that companies in the telecommunication industry embrace different techniques including: differentiation, cost initiative and market focus in order to obtain and maintain competitive advantage. The study further concluded that the cost strategy was visible in the organizations and they modify it from time to time when it was not successful anymore.

The study by Hamel (2013) observed that Real Estates employ strategies which kowtows Porters Generic Strategy as Real Estates serve customers from diverse income groups. Consequently, other studies on Kenyan organizations, show that financial institutions especially commercial banks adopt competitive strategies, whereby they lend unsecured personal loans at attractively low interest rates; offer exclusive services such as

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letters of credit to importers as well as other produce based loans to farmers

The study findings of Nyakichi (2009) show the viability and profitability of implementing cost leadership, differentiation, and the combination of the singular strategies. Nevertheless, the incremental performance benefits to firms implementing a combination strategy do not significantly differ from the performance of firms implementing only the differentiation strategy. In addition, organizations that apply articulate competitive strategy (combination, cost-leadership, or differentiation) tend to gain considerable incremental performance benefits.

Conceptual Framework

The conceptual framework consists of four independent variables as well as the dependent variable.

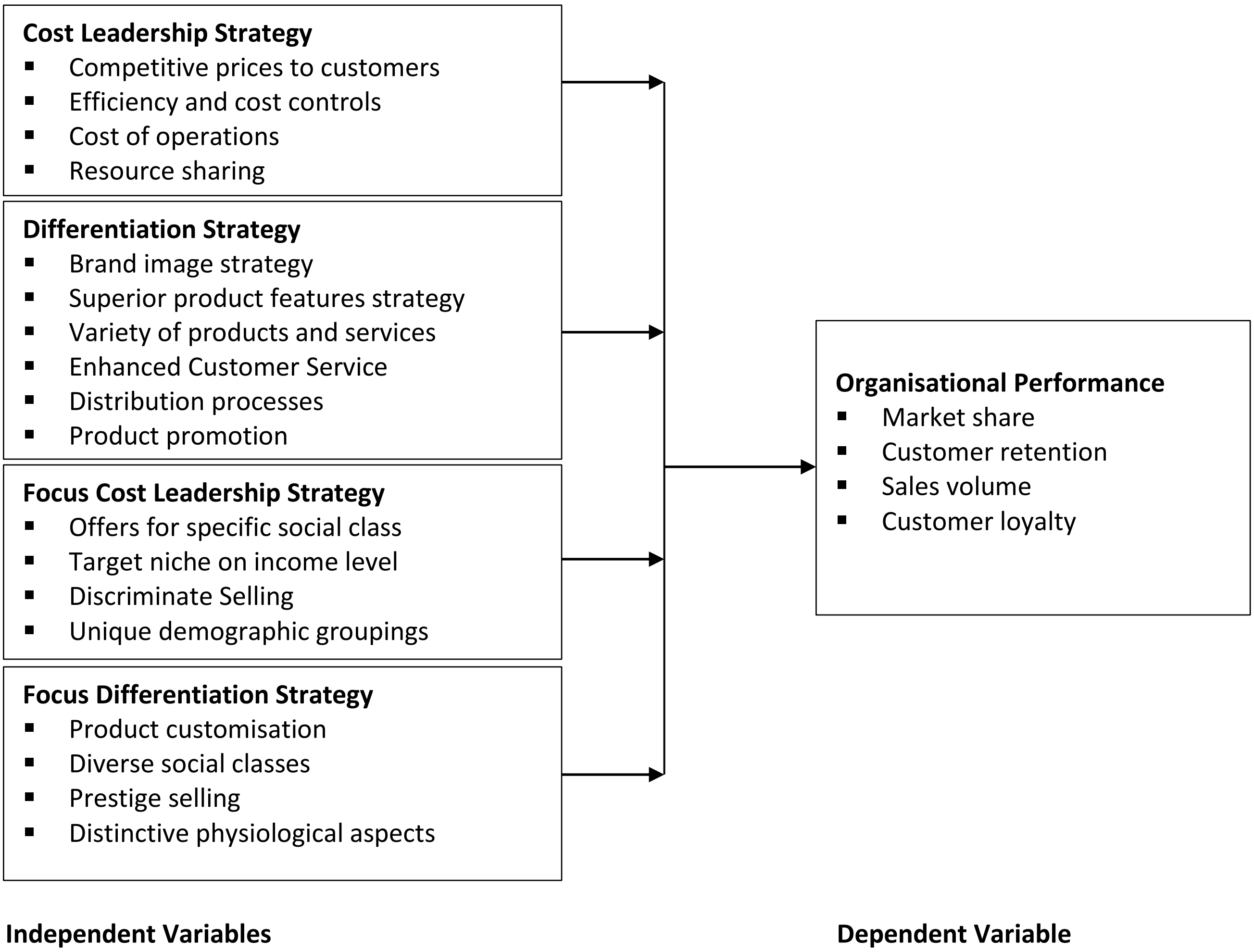

Figure 1: Conceptual Framework

METHODOLOGY

This study adopted a descriptive research design to assess the influence of competitive strategies on the performance of deposit taking savings and credit cooperative societies. The population of the study consisted of all the 7 deposit taking SACCOs registered and actively operating in Embu County. The target respondents comprised of all CEOs, accountants, credit managers, marketing managers, human resource managers and all the 4 executive board Members of each SACCO society. This study used closed and open ended questionnaires to collect primary data.

This study used quantitative and qualitative data analysis. To analyse qualitative and quantitative data, descriptive and inferential statistics were used. According to Krathwohl (2003), descriptive statistics is a type of data analysis which helps to describe, demonstrate, and/or summarize data in a significant form so it may be interpreted more easily. Descriptive statistics included standard deviations and means. Inferential statistics included regression and correlations. The Statistical Package for Social Sciences (SPSS) was used to code and analyze the data. Tables were used to display the outcomes. The study adopted a multiple regression model as given.

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Where,

Y = Performance of SACCOs

X_1= Cost Leadership Strategy

X_2= Differentiation Strategy

X_3= Focus Cost Strategy

X_4 = Focus Differentiation Strategy

ε = Error Term.

$\beta_1, \beta_2, \beta_3, \beta_4$ =Coefficients

β_0= Constant

FINDINGS AND DISCUSSIONS

Descriptive Analysis Results

The results of descriptive statistics are presented as follows using Mean (M) and Standard Deviation (SD) that were generated using the SPSS version 17.0 as per the variables.

Cost Leadership Strategy

The respondents were required to rate a list of statements concerning the cost leadership strategy. The following Table 1 gives the descriptive results obtained.

Table 1: Cost Leadership Strategy

Statements	Mean	Std. Dev.
My organization use technology to lower costs	3.51	0.581
Our services are offered more efficiently than our competitors	4.01	1.065
Outsourcing help us save on costs	4.42	0.764
There is emphasis on maximum capacity utilization to reduce wastage	4.56	1.002
The SACCO highly utilizes economies of scale through mass production	4.62	0.237
The SACCO highly utilizes economies of scale through mass distribution of its products.	4.07	1.274
The SACCO pursues key linkages with service providers to ensure minimization of costs	3.94	0.624
The SACCO pursues key alliances strategic institutional partners to ensure minimization of costs	4.53	0.912

Source: Survey Data (2022)

The results in Table 1 illustrates that the respondents strongly agreed on the statements that; The SACCO highly utilizes economies of scale through mass production (M=4.62, SD=0.237), there is emphasis on maximum capacity utilization to reduce wastage (M=4.56, SD=1.002), The SACCO pursues key alliances strategic institutional partners to ensure minimization of costs (M=4.53, SD=0.912). The finding agree with Grant (2015) who argues that common to the success of Japanese companies in consumer goods industries such as cars, motorcycles, consumer electronics, and musical instruments has been the ability to reconcile low cost with high quality and technological progressiveness.

The respondents agreed on the statement that; Outsourcing help us save on costs (M=4.42, SD=0.764), the SACCO highly utilizes economies of scale through mass distribution of its products (M=4.07, SD=1.274), their services are offered more efficiently than our competitors (M=4.01, SD=1.065), the SACCO pursues key linkages with service providers to ensure minimization of costs (M=3.94, SD=0.624) and that their organization use technology to lower costs (M=3.51, SD=0.581). The finding concurs with Ireland, *et. al*, (2011) cost leadership strategy is an integrated set of action taken to produce goods or services with features that are acceptable to customers at the lowest cost, relative to that of competitors.

Differentiation Strategy

The respondents were required to rate a list of statements concerning the differentiation strategy. The following Table 2 gives the descriptive results obtained.

Table 2: Differentiation Strategy

Statements	Mean	Std. Dev.
My organization is always introducing new products	4.63	0.154
My organization is always improving on existing products	3.52	1.196
We engage customers using new technology	4.50	0.847
We are fast and flexible in dealing with change	3.67	1.247
We use qualified staff to engage our customers	3.99	0.641
My firm Offers a wide range of services	4.05	1.632

Source: Survey Data (2022)

The results in Table 2 illustrates that the respondents strongly agreed on the statements that; their organization is always introducing new products (M=4.63, SD=0.154) and that they engage customers using new technology (M=4.50, SD=0.847). The finding agree with Best (2012) who observe that a successful product differentiation strategy will move products from competing based primarily on price to competing on non-price factors, or promotional variables. Scholars further argue that, if customers value a firm's offer, they will be less sensitive to aspects of competing offers; whereby price may not be one of these aspects.

The respondents agreed on the statement that; their firm offers a wide range of services (M=4.05, SD=4.05), they use qualified staff to engage our customers (M=3.99, SD=0.641), they are fast and flexible in dealing with change (M=3.67, SD=1.247) and their organization is always improving on existing products (M=3.52, SD=1.196). The result agree with Genessa*et al,* (2006) who argue that differentiation is a business strategy where firms attempt to gain competitive advantage by increasing the perceived value of their products or services relative to the perceived value of other firm's products or services Thus, other firms can either be that firm's rivals or firms that provide substitute products or services.

Focus Cost Strategy

The respondents were required to rate a list of statements concerning the focus cost strategy. The following Table 3 gives the descriptive results obtained.

Table 3: Focus Cost Strategy

Statements	Mean	Std. Dev.
My organization focus on a specific market segment	3.53	1.096
We Outsource support staff to save on costs	4.05	0.619
We Offer different products to different geographical areas	4.41	1.301
My organization applies discriminate pricing for its products to effectively meet customer demands	4.59	0.813
The firms strategy price is determined by the unique characteristics of customers from different market segments	4.51	1.206

Source: Survey Data (2022)

The results in Table 3 illustrates that the respondents strongly agreed on the statements that; their organization applies discriminate pricing for its products to effectively meet customer demands (M=4.59, SD=0.813) and that the firms strategy price is determined by the unique characteristics of customers from different market segments (M=4.51, SD=1.206). The results agree with Darrow *et al*., (2012) who indicate that the firm can choose to focus on a selected customer group, product range, geographical area or service line. Focus is based at growing market share through operation in a niche market, in markets not attractive to or overlooked by larger competitors.

The respondents agreed on the statements that; they offer different products to different geographical areas (M=4.41, SD=1.301), they outsource support staff to save on costs (M=4.05, SD=0.619) and that their organization focus on a specific market segment (M=3.53, SD=1.096). The results agree with the David (2014) who observes that a successful focus strategy depends upon an industry segment large enough to have good growth potential but not of key importance to other major competitors. Focus strategies are most efficient when customers have distinct preferences and when the niche has not been pursued by rival firms.

Focus Differentiation Strategy

The respondents were required to rate a list of statements concerning the focus differentiation strategy. The following Table 4 gives the descriptive results obtained.

Table 4: Focus Differentiation Strategy

Statements	Mean	Std. Dev.
The firm focuses on unique customer preferences to guide niche product design	4.67	0.459
The firm gives attention to different income levels of clients in targeting particular market niche	4.54	1.160
The firm considers unique demographic groupings in design of products targeting particular market niche	4.09	1.607
The firm considers different social classes to inform focus on particular niche	3.91	0.954
The firm considers unique physiological aspects in informing differentiation of products for particular market niche	4.56	0.823

Source: Survey Data (2022)

The results in Table 4 illustrates that the respondents strongly agreed on the statements that; the firm focuses on unique customer preferences to guide niche product design (M=4.67, SD=0.459), the firm considers unique physiological aspects in informing differentiation of products for particular market niche (M=4.56, SD=0.823) and that the firm gives attention to different income levels of clients in targeting particular market niche (M=4.54, SD=1.160). The finding agrees with Lamdari and Fagan (2005) who conducted a study to determine the effectiveness of the low cost model and effect it has on profitability. They found that the lowest costs would earn the highest profits in the event the products are essentially undifferentiated and selling in a standard market price

The respondents agreed on the statements that; the firm considers unique demographic groupings in design of products targeting particular market niche (M=4.09, SD=1.607) and that the firm considers different social classes to inform focus on particular niche (M=3.91, SD=0.954). The results are

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consistent with the study findings of Nyakichi (2009) who observe that organizations that apply articulate competitive strategy (combination, cost-leadership, or differentiation) tend to gain considerable incremental performance benefits.

Organizational Performance

The respondents were required to rate a list of statements concerning the focus differentiation strategy. The following Table 5 gives the descriptive results obtained.

Table 5: Focus Differentiation Strategy

Statements	Mean	Std. Dev.
Our company has improved in market share in the recent years	4.49	1.348
Our company has gained more customers in the recent years	4.03	0.914
Our company increased its sales volume in the recent years	3.94	0.671
Our company has retained most of its customers	4.37	1.073
Our company has improved in employee welfare in the recent years	3.82	1.316
Our customers are loyal	4.25	0.935

Source: Survey Data (2022

The results in Table 5 illustrates that the respondents agreed on the statements that; their company has improved in market share in the recent years (M=4.49, SD=1.348), their company has retained most of its customers (M=4.37, SD=1.073), their customers are loyal (M=4.25, SD=0.935), their company has gained more customers in the recent years (M=4.03, SD=0.914), their company increased its sales volume in the recent years (M=3.94, SD=0.671) and that their company has improved in employee welfare in the recent years (M=3.82, SD=1.316). Akan, Allen, Helms and Spralls (2016) observe that although the attractiveness of a sector determines the profitability of the industry players, the positioning of the firms is also critical and as such well positioned firms in less attractive sectors may make superior returns compared to poorly position ones in more attractive sectors. The most significant feature of originating a competitive strategy according to Porter (1980) links an organization to both the exogenous and endogenous environmental concerns. How an industry is organized or configured will have a strong impact on how the competitive rules of the game are played as well as what strategies should be applied so as to gain advantage (Johnson and Scholes, 2018).

Inferential Statistics Results

The inferential statistics results were done involving correlation analysis and regression analysis. The results are presented as follows:

Correlation Analysis

The correlation coefficient which is the unit of measurement used to calculate the intensity in the linear relationship between the variables involved in a correlation analysis was examined and the findings are presented in Table 6.

Table 6: Correlation Analysis

		Cost leadership strategy	Differentiation strategy	Focus cost strategy	Focus differentiation strategy	Employee performance
Cost leadership strategy	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	61				
Differentiation strategy	Pearson Correlation	.453*	1			
	Sig. (2-tailed)	.017				
	N	61	61			
Focus cost strategy	Pearson Correlation	.176**	.647	1		
	Sig. (2-tailed)	.137	.102			
	N	61	91	91		
Focus differentiation strategy	Pearson Correlation	.509**	.490*	.530	1	
	Sig. (2-tailed)	.211	.137	.071		
	N	61	61	61	61	
Organizational performance	Pearson Correlation	.816*	.693**	.752	.803	1
	Sig. (2-tailed)	.001	.000	.002	.000	
	N	61	61	61	61	61

Source: Survey Data (2022)

As indicated in Table 6 the correlation coefficients for all the variables were greater than zero with cost leadership strategy ($r=.816$, $p<0.05$), differentiation strategy ($r=.693$, $p<0.05$), focus cost strategy ($r=.752$, $p<0.05$) and focus differentiation strategy ($r=.803$, $p<0.05$). Therefore, it can be concluded that the independent variables studied had a strong correlation with the dependent variable. In addition, increase in cost leadership strategy, differentiation strategy, focus cost strategy and focus differentiation strategy would lead to an increase in performance of the selected deposit Taking Savings and Credit Cooperative Societies in Embu County Kenya.

Regression Analysis

The regression analysis was done to estimate the relationships between the independent variables and the dependent variable. The results are presented as follows:

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.722[a]	.819	.810	1.005.

Source: Survey Data (2022)

From the findings in Table 7 the value of adjusted r squared was 0.810 (81.0%). This shows that the performance of the selected deposit Taking Savings and Credit Cooperative Societies in Embu County Kenya was influenced by the changes in cost leadership strategy, differentiation strategy, focus cost strategy and focus differentiation strategy to 81.0%. This therefore means there is a remaining19.0% that explains variables left out in the study.

Table 8: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	541.004	4	135.251	380.99	.000
	Residual	20.241	57	.355		
	Total	122.783	61			

Source: Survey Data (2022)

The results in Table 8 indicate that the statistical F value is 380.99 more than the statistical mean value of 135.251. The significance value is 0.001[a] which is less than 0.05 thus the model is statistically significance in predicting how the independent variables had an influence on dependent variable. Therefore, this indicated a linear relationship among the variables under the study meaning there was 95% chance that the relationship among the variables was not due to chance.

Table 9: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	.647	.124		5.218	.000
Cost leadership strategy	.803	.345	2.318	2.328	.001
Differentiation strategy	.715	.296	4.120	2.416	.000
Focus cost strategy	.784	.407	1.614	1.926	.001
Focus differentiation strategy	.641	.331	3.713	1.937	.001

Source: Survey Data (2022)

The results as presented in Table 9 indicated that, holding the independent variables to constant, performance of the selected deposit Taking Savings and Credit Cooperative Societies in Embu County Kenya would be at 0.647. The regression coefficient for cost leadership strategy, differentiation strategy, focus cost strategy and focus differentiation strategy was 0.803, 0.715, 0.784 and 0.641 respectively representing the extent to which the performance of the selected deposit Taking Savings and Credit Cooperative Societies in Embu County Kenya would be respectively if cost leadership, differentiation strategy, focus cost strategy and focus differentiation strategy are individually increased by one unit. Therefore, the resulting regression equation was as follows:

$Y = 0.647 + 0.803X_1 + 0.715X_2 + 0.784X_3 + 0.641X_4$

Where Y = Organizations performance

X_1= Cost leadership strategy

X_2= Differentiation strategy

X_3= Focus cost strategy

X_4= Focus differentiation strategy

The results in Table 9, also indicate that cost leadership strategy had a positive t- value of 2.328 and a level of significance less than 0.05 at 0.001. Therefore, there was a positive and significant influence between cost leadership strategy and the performance of the selected deposit Taking Savings and Credit Cooperative Societies in Embu County Kenya. The finding agrees with Baraza (2017) study that considered the influence of cost leadership strategy on performance of East Africa Breweries (Kenya) Limited. The study concluded that cost leadership strategy positively influences firm performance. Gaps emerge on the need to consider more firms to enhance comparison of results.

The t-value for differentiation strategy was positive at 2.416 with a significance value of 0.000 less than 0.05. Therefore, it can be concluded that differentiation strategy had a positive and significant influence on the performance of the selected deposit Taking Savings and Credit Cooperative Societies in Embu County Kenya. The findings concur with a study by Rasouli and Sepideh (2018) on differentiation strategy and performance of women clothing stores in Tehran, applied that found that there was a strong relationship between personnel differentiation and organizational performance.

The study found that focus cost strategy had a positive and significant influence on the performance of the selected deposit Taking Savings and Credit Cooperative Societies in Embu County Kenya as evidenced by t-value of 1.926 with a significant value of 0.001. The finding is in line with Oyedijo (2012) study on focus cost strategy and performance in the Nigerian Telecommunication Industry. The study revealed that it impacts the focused performance of media transmission firms in Nigeria and that there is a big connection between Focus Cost Strategy and competitive performance.

The study revealed that focus differentiation strategy had a positive and significant influence on the performance of the selected deposit Taking Savings and Credit Cooperative Societies in Embu County Kenya as evidenced by t-value of 1.937 with a significant value of 0.001. The finding is supported by Diris, Iyiola and Ibidunni (2013) study that examined product differentiation as a tool for competitive advantage on optimal organizational performance, focusing on Uniliver, Nigeria Plc. The results indicated that product differentiation as a tool for competitive advantage has positive and significant influence on organizational performance of manufacturing companies.

CONCLUSIONS AND RECOMMENDATIONS

The study concluded that the cost leadership strategy enables the Deposit Taking Savings and Credit Cooperative Societies to gain a competitive edge by charging a reasonable price for their products, eventually achieving sustainability thanks to more customers. These institutions go for the cost leadership strategy in order to gain a larger marketplace and profit. The cost leadership strategy helps the organization control the competition by preventing the loss of customers and market share to rivals. By using penetration pricing, a high sales volume can be produced to make up for low prices. Offering lower prices than competitors will attract potential customers with certainty.

The study concluded that the Deposit Taking Savings and Credit Cooperative Societies focuses on providing a unique experience for customers, usually by offering a premium good or service. Innovation, powerful branding, and the capacity to provide high-quality service is the sources of differentiation. The Deposit Taking Savings and Credit Cooperative Societies utilize differentiation, striving to be distinctive in the products it offers and market penetration techniques. When a bank differentiates, it offers its clients special goods and services.

The study concluded that the Deposit Taking Savings and Credit Cooperative Societies on their focus cost strategy charges low prices relative to other financial institutions that compete within the target market. The nature of the narrow target market varies across these institutions that use a focused cost leadership strategy mostly based on customers' demographics. The target market is defined by the sales channel used to reach customers.

The study concluded that the Deposit Taking Savings and Credit Cooperative Societies through focus differentiation strategy offers unique features that fulfill the demands of a narrow market. The narrow markets are defined in different ways in different settings. These institutions concentrate their efforts on a particular sales channel, such as selling over the internet only. The unique features provided by these institutions following a focused differentiation strategy are often specialized.

The study recommended that the institutions should manage their cost leadership strategy in an effective way that can bring in profits and also brand recognition in the market that will help in the long run of the institution. Before implementing the

The Strategic Journal of Business & Change Management. ISSN 2312-9492 (Online) 2414-8970 (Print). www.strategicjournals.com

cost leadership marketing strategy these institutions should understand the requirement and functions of the changing market trends. The management team of these institutions should constantly work towards reducing the cost of not just one product, but the entire range of products in the institution’s portfolio.

The study recommended that for the Deposit Taking Savings and Credit Cooperative Societies to achieve long-term competitive advantage, the product differentiation through credit cards should be improved. It is important to recognize and identify the appropriate market for visa and master credit cards to improve the customer's payment options and position them to improve their performance by gaining a competitive advantage. These institutions should also concentrate on their strengths, create a powerful marketing strategy, and have a distinctive logo, brand, and image In order to have a long-lasting competitive advantage that improves performance.

The study recommended that the Deposit Taking Savings and Credit Cooperative Societies should carry out their focus cost strategy based on price to target a narrow market. The institutions should adopt a focus-cost strategy that aims to fill specific small niches that demand specialized features or prices to improve on their performance. The institutions should employ a focus cost strategy by deciding on a segment or group of segments within the industry for which a strategy is specifically designed. The institutions ought to have various areas where they can concentrate or illustrate how it is impossible to view things from a wider perspective because these facts result in trade-offs and imitation barriers.

The study recommended that the Deposit Taking Savings and Credit Cooperative Societies should aim at targeting a small group of customers with differentiated products and focus on narrow market coverage, seeking only to attract a small, specialized segment. The Deposit Taking Savings and Credit Cooperative Societies should provide products with attributes most valued by their niche market segment by establishing a reputation of quality, service and excellence based on the needs of that group. These institutions can also more quickly adapt to changing product demands and expectations.

Suggestions for Further Studies

The suggest that other studies can be done that focus on other variables apart from cost leadership strategy, differentiation strategy, focus cost strategy and focus differentiation strategy to address the gap of remaining19.0% that explains variables left out in the study as established in regression analysis results. The study also suggests that similar studies should be carried out the focus on other financial institutions except the deposit taking savings and credit cooperative societies in Embu County Kenya.

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