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ABSTRACT

Numerous scholars have noted that Kenyan microfinance institutions continue to suffer a variety of performance-related issues, such as their capacity to draw in and keep clients. The rivalry for clients has intensified due to the emergence of sophisticated fintech businesses that target the market historically served by MFIs and offer financial services like loans via mobile devices. As a result, MFIs are becoming more and more dependent on implementing marketing mix strategies to improve their performance and acquire a competitive edge. Thus, this study's objective was to ascertain how the marketing mix affects the performance of microfinance organizations in Nakuru Town, Kenya. The research's specific objectives were to investigate how pricing decisions, place decisions, promotion decisions, and product design decisions affect performance. The product life cycle theory, balanced scorecard model, and marketing mix theory served as guiding principles for the research. Explanatory and descriptive research designs were used in this investigation. The study's target population included one branch manager, one operations manager, and five operations employees from each microfinance institution, totaling 78 respondents. The validity of the research instrument (questionnaire) was assessed through expert evaluation by the expert judges. A structured questionnaire was employed to gather data. The reliability was tested using Cronbach's alpha coefficient. Data was analyzed using SPSS software. The regression analysis revealed that pricing decisions (β=0.589, p=0.002), place strategies (β=0.621, p<0.001), promotion strategies (β=0.673, p<0.001), and product design (β=0.520, p<0.001) all had statistically significant positive effects on MFI performance. The study concluded that pricing decisions, place strategies, promotion strategies, and product design decisions all significantly affect the performance of MFIs in Nakuru Town, Kenya. The study recommends that MFIs conduct regular market research, implement flexible pricing structures, expand outreach through partnerships and digital solutions, develop integrated marketing communication strategies, invest in product innovation, and provide staff training to optimize their marketing mix and enhance overall performance.

Key words: *Pricing Decisions, Place Decisions, Promotion Decisions, Product Design Decisions*

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INTRODUCTION

Performance refers to the efficiency in the creation of value for meeting the stakeholder value and expectations (Gopalakrishnan & Chen, 2021). Al-Lawama, Omar, Saadon, and Aburumman (2021) further mentions efficiency of resources utilization in meeting the stakeholder requirements and needs. Sadat and Lin (2021) further views the performance as the extent in which organizations achieves their overall objectives, goals or mandates in resources efficient manner. In agreement with the views of (Sadat & Lin, 2021 ;Azharyadi & Harmen, 2021) views performance as systematic and continuous application of efforts with a view of ensuring that the organization is able to achieve its organizational mandate. Aithal (2021) further views the performance to relate to the actual achieved objectives relative to the target objectives or goals of the organizations.

It is projected that global microfinance market will expand exponentially reaching US & 313.7 billion by 2025 (Drexler et al., 2020). The Asia – Pacific market is anticipated to experience the biggest growth in the global micro finance market due to confluence of a number of positive factors like rising consumer awareness, increased demand for goods and services and rapid industrialization. Within the Asian region, India, Vietnam and Bangladesh constitute the top three markets in terms of MFIs borrowers (Hermes & Hudon, 2018). The components of the marketing mix as well as the total performance of MFIs are correlated, according to a number of research (Jayashankar & Goedegebuure, 2012 ;Hermes & Hudon, 2018 ; Zhang et al., 2021).

These MFIs face diverse performance challenges as the ability of the MFIs to attract and retain customers in the competitive MFIs sector. The presence of developed fintech companies that provide financial services such as loans through mobile phones and targeting the market traditionally associated with the MFIs has further increased competition for customers. The customer loyalty and customer relationship has also been a challenge amongst MFIs due to the competition from alternative service providers with the same target market. There is thus high competition amongst the MFIs in Nakuru that is Faulu, KWFT, SMEP and Rafiki microfinance banks both amongst themselves and against the alternative financial services provides.

Diverse academics have varied conceptions of the marketing mix. Erlina and Hermawan (2021) define the combination of many marketing elements with the marketing mix with a goal of satisfying consumer expectations. While in agreement with Erlina and Hermawan (2021), Chun and Park (2021) additionally viewed the marketing mix, which is a collection of promotional resources that are utilized by the organization with a view of meeting the marketing target of an organization. On the other hand, Shafiee and Shahin (2021) views the marketing mix to refer to the diverse ways utilized by the organization with a view of preparing goods and services for offering into the market. According to Fuadah (2020), the marketing mix is the amalgamation of several factors in the marketing decision-making process that enables the business to advertise its products and services.

A marketing mix consists of four components: place, product, price, and promotion, according to Karim et al. (2021). According to Taufikqurrochman, Juliati, and Irawati (2021), pricing is what the client must offer in return for the goods and services they purchase. Prihatini and Gumilang (2021) further asserts that the price is a unit that must be exchanged for enjoying the benefits associated with the diverse goods and services. The price is the exchange from the customer to the owner of goods and services in order to take possession of those goods or services hence enabling enjoyment of such goods and services. Patci and Aldogan (2021) viewed the product as a bundle of benefits, functions and features that be exchanged for money and in fulfilment of diverse needs and wants. This view is further echoed by Baltaci (2021) and (Schwarzbach & Onoh, 2021). The product of an organization has been linked to organizational

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performance aspects (Ma et al., 2021). The product aspects that impacts on organizational performance include product innovations (Ali, Lazim, & Iteng, 2021; Saleh, Azmin, & Saraih, 2021), product quality (Lee et al., 2021; Suna & Liub, 2021), product attributes (Ullah, 2021), product packaging (Kumar & Andriani, 2021), and product designs (Das, 2021) amongst other aspects. The place is another component of the marketing components. The place impacts on the organizational performance in diverse ways. The place influences the organizational performance through the cost of distribution components, convenience in accessing goods and services, gaining of market competitiveness, customer attraction and retention aspects, and increased in sales based on strategic business location (Adekole, 2021; Amin, 2021; Boboev, 2021).

Promotion is another marketing component involved in organizational performance. Taye (2021) views the promotion to refer to the optimum mix of diverse communication strategies with a view of getting across product attributes and brand to the potential customers from the service or product seller. Linda and Schwarzbach (2021) asserts that the function of promotion include communication with the purpose of influencing the attitudes and behaviour of the potential customers of goods or services.

Diverse factors have been used to measure performance of the microfinance institutions. Scholars such as (Orichom & Omeke, 2021 ;Karugu, Muturi, & Muathe, 2021) have raised the concern of financial performance of the microfinance institutions. Diverse indicators can be used for the measurement of the financial metrics of the microfinance institutions. The microfinance institutions must meet their financial objectives in terms of earnings, asset return, equity return, cost effectiveness, and reduction of non-performing loans (Bharti & Malik, 2021; Mirembe, 2021; Villacruz et al., 2021). Other aspects of financial performance of microfinance institutions include credit risk management (Orichom & Omeke, 2021), ensuring adequate deposit ratio (Akbar, 2021), improving on credit risk exposure (Kiconco, 2021), working capital management (Victor, 2021), and appropriate capital structure of the MFIs (Orichom & Omeke, 2021).

According to rankings, Kenya has the most active microfinance market in Sub-Saharan Africa and among the leading in Africa due to its vast branch network and organized financial systems designed to meet market’s needs (Wairimu & Osieko, 2020). The passing of the Microfinance Regulations and the Microfinance Act (2006) and (2008) anchored Kenya’s microfinance industry on robust supervisory, regulatory, and legal framework, thus spurring its rapid growth in the subsequent years (Wafula et al., 2017). Information from the Central Bank of Kenya indicate that there are a total of thirteen (13) licensed microfinance institutions in Kenya, including Caritas, Century, Choice, Daraja, Faulu, Kenya Women, Rafiki, Remu, SMEP, Sumac, U & I, Uwezo, and Maisha Microfinance Bank Limited (Central Bank of Kenya., 2021b).

Statement of the Problem

The microfinance institutions provide critical monetary services in Kenya (Abdirashid & Jagongo, 2019; Ambunya & Moronge, 2019; Ngeno, 2019). The microfinance institutions have been associated with improved credit access (Mungutia & Wamugob, 2020), improvement in the financial standing of small and medium-sized businesses through provision of adequate financial services (Bundi & Ngali, 2021), and enhancing of financial services availability amongst financially excluded groups (Sembi, 2018; Sierra & Rodríguez-Conde, 2021). The MFIs have also been associated with the financial empowerment of the youth and women (Bharti & Malik, 2021; Kirubi, 2018).

In 2021, microfinance banks in Kenya had total assets of KSh 75.138 billions, profits before tax of negative KSh 721.79 millions, non-performing loans of KSh 12.894 billion, and core capital of KSh 6.528 billions. The following year, in 2022, their total assets decreased to KSh 70.427 billions, while losses increased with profits before tax of negative KSh

979.86 millions. Non-performing loans slightly reduced to KSh 12.501 billions, and core capital also declined to KSh 6.478 billions (Central Bank of Kenya, 2024).

In a 2017 study, Murangiri and Wario investigated how Kenyan microfinance institutions performed in relation to their marketing mix. They discovered that pricing methods had a negative correlation with profitability. Ndungu (2020) study investigated the impact of marketing mix techniques on Nairobi's microfinance banks' client base expansion and discovered a strong and positive correlation between MFB customer growth and product marketing strategy. Osundwa and Abayo (2022) looked into how promotion, which is a part of the marketing mix, affected the way microfinance banks in Nairobi County performed and it was shown that, as an independent study variable, promotion had a positive correlation with MFI institutions' performance. Thus, the goal of this research is to determine how the marketing mix influences the way microfinance institutions in Nakuru Town, Kenya, perform.

Objectives of the Study

The main objective of the study is to investigate the effect of marketing mix on performance of micro finance institutions in Nakuru Town, Kenya. The study was guided by the following specific objectives;

- To examine the effect of pricing decisions on the performance of Micro Finance Institutions in Nakuru Town, Kenya
- To determine the effect of place(distribution) decisions on performance of Micro Finance Institutions in Nakuru Town, Kenya
- To evaluate the effect of promotion decisions on performance of Micro Finance Institutions in Nakuru Town, Kenya
- To identify the effect of product design decisions on performance of Micro Finance Institutions in Nakuru Town, Kenya

Research Hypotheses

The study answered the following research hypotheses;

- Pricing decisions do not significantly affect the performance of Micro Finance Institutions in Nakuru Town, Kenya.
- Place decisions do not significantly affect the performance of Micro Finance Institutions in Nakuru Town, Kenya.
- Promotion decisions do not significantly affect the performance of Micro Finance Institutions in Nakuru Town, Kenya.
- Product design decisions do not significantly affect the performance of Micro Finance Institutions in Nakuru Town, Kenya.

LITERATURE REVIEW

Marketing Mix Theory

The theory is attributed to Prof. James Culliton who first mentioned it in 1948. The initial idea was further elaborated by Professor Neil Borden in 1953. The ideas further solidified with contributions from Jerome McCarthy and Phillip Kotler (Bhatti, 2018). The marketing mix include the ingredients that make it easy for the company to market its services and products thus enabling an increase in its productivity. These four Ps include price, product, place, and promotion. The product refers to the item satisfying a customer needs and can be both tangible and intangible in nature (Oke, Olarewaju, & Ayooluwade, 2016). This may include various attributes such as product design, assortment, branding, packaging and returns amongst other. The price is the amount that the clients are prepared to cover the cost of the purposes of consuming the product or services. Amongst the attributes of the pricing strategies that can be utilized include price strategy, payment terms, and allowances amongst other aspects (Amofah and Gyamfi, (2016). The place refers to the provision of the customer access to the services and goods. This includes market coverage and location. Finally, the promotion relates to the efforts made to increase awareness and lead to the uptake of the products or services.

Balanced Scorecard

The scorecard with a balanced approach was associated with the Robert Kaplan and Nolan Norton which commenced in the 1990s. Formally, the theory was published in the 1996 when The Balanced Scorecard is the book that the two co-wrote (Oke, Olarewaju, & Ayooluwade, 2016). The views on internal company procedures, clients, finances, and growth as well as learning are the four components that make up the balanced scorecard. The monetary viewpoint of the business enables the firms to enhance the financial measures in order to improve on the organizational performance aspects (Bhatti, 2018). These aspects of the financial perspective would include the KPIs are cash flow, sales growth, operating income, and return on equity. The customer perspective is key in the organizational performance. The customer perspective is interested in the aspects that improve the customer dynamics. The customer perspective are associated with the improved organizational performance (Amofah & Gyamfi, 2016).

Product Life Cycle Theory

The theory is attributable to Raymond Vernon who conceptualized it in 1966. The theory indicates that there are five stages the introduction, growth, maturity, saturation, and decline stages involved in the product lifecycle. The initial phase of introduction captures when the product is unknown in the market as it is being introduced and there is need for the promotion aspects of the study (Oke *et al*., 2016). The promotion of the product creates an awareness about it in the market. In the growth period, the products have become known in the market and attracted competitors due to its profitability aspects. This leads to the need to increase the promotional spending in order to continuously be profitable in the market. In the maturity stage of the business, the demand for the product is sustained and but there are diverse competitors at this stage (Ningsih, 2014). The original supplier of the product at this stage needs to lower their prices in order for them to compete. Thus, at this point, the product's price becomes crucial. When the market is fully saturated, there is no increase or decrease in the sales value which will lead to the need for the product attributes to be modified in order to attract new markets. The decline stage of the product occurs when there is falling demand for the product to the tune where it is no longer profitable to be produced by the company (Bangre *et al*., 2015).

Empirical Literature Review

Pricing Decisions and Organisational Performance

The pricing aspects has influences on the business performance across different types of business in the world. Bhatti (2018) looked at the price's effect on a buyer's intention to buy in a study conducted in Pakistan. The study specifically looked at how price reductions affected consumers' propensity to buy. The research used a quantitative methodology and derived its target population from university students. Bhatti (2018) study found that price had a statistically insignificant impact on the intention to buy amongst the university students in Pakistan. While the study by Bhatti (2018) asserts that the price had insignificant influence intention to purchase, the study doesn't indicate the reasons for such findings. The study was further based in Pakistan which has a different social economic set to Kenya. Thus, this study highlights a contextual gap that the current study will address.

In an investigation conducted in Nigeria, Oke, Olarewaju, & Ayooluwade (2016) looked at how pricing tactics affected business performance there. The research employed a panel data regression methodology on three Nigerian breweries that were specifically chosen for the investigation. For the study, secondary data sources were consulted. Pricing methods have an effect on how well Nigerian brewing enterprises function, according to Oke et al. (2016). Regression research showed that pricing strategies accounted for as much as 914% of the variation in the company's performance brewing sector. The Oke et al. (2016) study, which used Nigerian breweries while noting the pricing methods' significance for performance, it fails to demonstrate the specific pricing strategies influencing organizational performance. This research aims to close this conceptual gap.

Place Decisions and Organisational Performance

In Indonesia, Ningsih (2014) conducted a study that included, among other things, aimed to investigate the impact of place on the customers' purchase decisions . The study's intended audience was composed of consumers in traditional markets in Semarang and accidental sampling method was utilized for the study. The study used location and warehousing as the indicators of place. Ningsih (2014) revealed that place had an influence on the customers' purchase decision in Indonesia. This was attributed to the ease of access of the services and products influencing purchase decisions. While this study revealed the influence of place in influencing customer purchase decisions it provided both inadequacies in context and theory that this work aims to address. The conceptual study is present as the organizational performance has only been examined in terms of customers' intention to make purchase. In this context, the new study is based in Kenya, whereas the previous research was carried out in India.

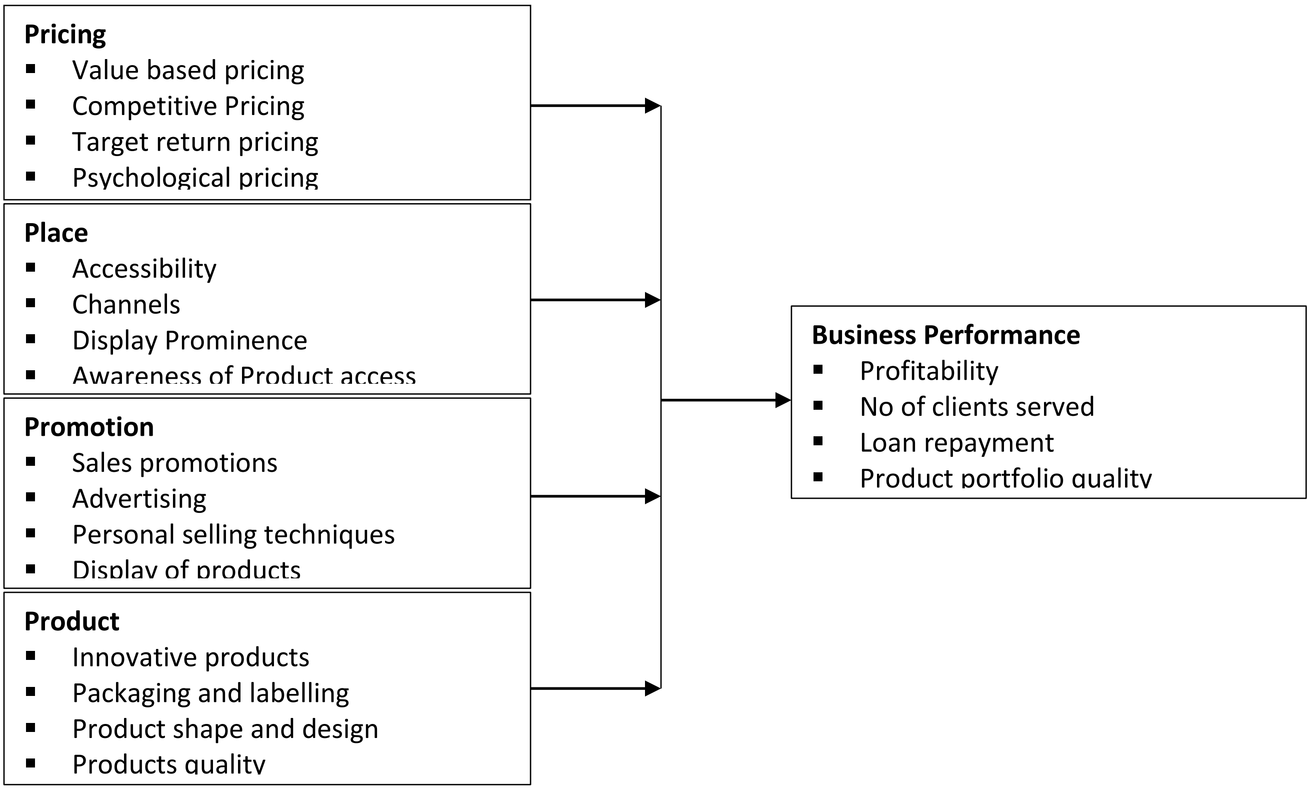
Promotion Decisions and Organisational Performance

The promotion strategies are an integral component of business performance. A study undertaken in Thailand by Zhang and Prasongsukarn (2017) sought to ascertain how price promotions affected client satisfaction and repurchase behavior in company's intentions. The study focused on the star bucks coffee shops. To collect data, 222 questionnaires were employed, and a 90.0% response rate was attained. The study conceptualized price promotions as temporary reductions in prices, discounts and mark downs. According to the study, there was positive but weak correlations between price promotions strategies and the performance of the Starbucks in Thailand. Amongst the aspects influenced by the price promotions is the customers' intention to purchase. The study recommended that the coffee shops in Thailand should implement price incentives like "Buy One, Get One Free" are used to boost store performance. As the research by Zhang and Prasongsukarn (2017) demonstrates the influence of price promotions on customers' intention to purchase, the research leaves a conceptual vacuum since it only examines performance in respect to customer intention to purchase. This study will examine performance from a more dynamic aspects.

Product Decisions and Organizational Performance

In Indonesia, Hadiyati (2016) undertook a study that looked at the connection between marketing mix and product purchase performance. The research derived its target population from online customers in Indonesia and used a sample size of ninety seven respondents. Hadiyati (2016) revealed that the product designs that led to the performance of the customer intention to purchase include the capacity of the product to satisfy the customer demands and product attributes. The study by Hadiyati (2016) while it examines the role of product on customer intention to purchase has only examined the performance in terms of intention to purchase. This research aims to address this conceptual gap through looking at other dimensions of performance such as market share.

Conceptual Framework



Independent Variables **Dependent Variable**

Figure 1: Conceptual Framework

METHODOLOGY

The study that was designed was mostly descriptive. The study unit of analysis is 13 MFIs operating in Nakuru. The research targeted the branch manager, operations manager, credit manager, customer relationship manager, business development manager and credit officer as per microfinance institution. The study thus used a target population of 78 respondents. The study employed a methodical questionnaire to gather data. This research's pilot study was conducted in Eldoret town in order not to contaminate the final study area. The study used the Cronbach alpha coefficient, a measure of internal validity, to evaluate the questionnaires' reliability. In order to confirm the reliability of the questionnaires, it was necessary to obtain a Cronbach alpha coefficient of at least 0.7, as recommended by Cooper et al. (2008). The completeness and accuracy of the data were verified. After the data has been coded, SPSS 20.0 is used to analyze it on a computer. The primary data was examined using descriptive statistics, including multiple regression analysis, frequency counts and percentages, pearson correlation, and measures of central tendency like mean and median that were obtained through the questionnaire. The gathered data will thereafter be shown in tables for convenience of comprehension and analysis.

FINDINGS AND DISCUSSIONS

Response Rate

Table 1: Response Rate

	Frequency	Percentage
Response (Returned Dully Filled)	71	91%
Non-Response (Unreturned /not dully filled)	7	9%
Total (Administered)	**78**	**100%**

The analysis of the frequency distribution indicated that out of the total of 78 surveys administered, 71 were returned duly filled, representing 91% of the total responses. Conversely, 7 surveys were not returned or were not filled properly, accounting for 9% of the total responses. This distribution highlighted the response rate and provided insights into the level of engagement and cooperation from the respondents. According to Cooper et al. (2008), a response rate of 80% is considered adequate. Achieving the above was attributed to explaining and providing letters allowing data collection.

Descriptive Statistics

The study conducted a comprehensive analysis of mean and standard deviation values across essential variables concerning Micro Finance Institutions (MFIs) in Nakuru Town, Kenya. These variables encompassed pricing decisions, place (distribution) decisions, promotion decisions, and product design decisions. By examining these statistical measures, the study aimed to gain deeper insights into the central tendencies and variability within these critical aspects of MFI operations. The examination of marketing strategies scrutinized the implementation extent of various pricing strategies adopted by microfinance institutions (MFIs), employing a Likert scale with five levels: 1. Very Little Extent, 2. Little Extent, 3. Moderate Extent, 4. High Extent, and 5. Very High Extent.

Pricing Decisions

Table 2: Price Decisions

	N	Mean	Std. Deviation
Value based pricing is practiced in the MFI’s	71	4.8028	.40070
Psychological pricing is adopted by the MFI’s	71	3.7324	.90960
The pricing strategy by Microfinance Institutions Services is competitive in nature	71	2.9437	1.06754
Target return pricing is adopted by the MFI’s	71	3.9577	.85250
Composite Scores	**71**	**3.8592.**	**0.8075.**

Value-based pricing emerged as the predominant strategy among MFIs, characterized by a mean score of 4.8028 and a relatively low standard deviation of 0.40070 (M=4.8028, SD=0.40070). This signified a widespread adoption of pricing structures aligned with perceived client value. By basing prices on the benefits received by clients, MFIs ensured fairness and equity while fostering trust and satisfaction. The consistent utilization of value-based pricing underscored a collective understanding within the microfinance sector regarding the pivotal role of customer-centric pricing models in long-term success and sustainability.

Conversely, psychological pricing exhibited slightly lower mean scores, with a mean of 3.7324 and a higher standard deviation of 0.90960 (M=3.7324, SD=0.90960). This indicated varied degrees of implementation across different institutions, suggesting disparities in the perceived efficacy or compatibility of this strategy with organizational goals. While psychological pricing could effectively influence consumer behavior and engagement, its adoption among MFIs varied, prompting further investigation into its impact on customer perceptions and institutional outcomes.

Competitive pricing also played a notable role, albeit with a lower mean score of 2.9437 and a higher standard deviation of 1.06754 (M=2.9437, SD=1.06754). This reflected significant variability in its prevalence, with some MFIs prioritizing competitiveness more than others. Competitive pricing strategies, aimed at attracting customers and gaining a market edge, underscored the diversity of approaches within the microfinance sector. Understanding the factors driving this variability could provide valuable insights into market dynamics and inform strategic decision-making among MFIs.

Target return pricing demonstrated a mean score of 3.9577 and a standard deviation of 0.85250, indicating widespread adoption among MFIs (M=3.9577, SD=0.85250). This approach, focused on achieving specific financial returns, enabled effective resource management and long-term sustainability while meeting client needs. Despite some variability, target return pricing allowed MFIs to balance financial objectives with social impact considerations, contributing to sector stability and effectiveness.

The composite scores provided an aggregate assessment of pricing strategies, with a mean of 3.8592 and a standard deviation of 0.8075 (M=3.8592, SD=0.8075). This reflected a moderately positive evaluation of collective pricing approaches within the microfinance sector, indicating a balanced and effective strategy overall. However, variability in individual strategy scores underscored the need for further research and refinement to optimize pricing strategies and enhance client service.

The analysis of pricing decisions within Micro Finance Institutions (MFIs) in Nakuru Town, Kenya, revealed that value-based pricing was the predominant strategy (M=4.8028, SD=0.40070), followed by target return pricing (M=3.9577, SD=0.85250). These findings align with the literature review, which highlights the importance of pricing strategies in organizational performance. For instance, Oke et al. (2016) found that pricing strategies had a significant influence on the performance of the brewery industry in Nigeria, accounting for up to 91.4% of the variation in company performance. Similarly, Amofah and Gyamfi (2016) discovered that value for money in terms of food quality and quantity positively affected repeat business in the restaurant industry in Ghana. The prevalence of value-based pricing among MFIs in Nakuru Town suggests that these institutions prioritize fairness and equity in their pricing structures, which can foster trust and satisfaction among clients, ultimately contributing to improved organizational performance. This is consistent with the views of Devie et al. (2021) and Liozu (2021), who linked pricing to organizational performance through its influence on purchasing decisions, market share, competitiveness, and market performance.

Place Decisions

The study assessed the extent to which MFIs' services and products were readily accessible, as well as the effectiveness of place strategies in these aspects. Composite scores were calculated to offer a comprehensive evaluation of the overall impact of place strategies and accessibility levels within the microfinance sector.

Table 3: Place Decisions

	N	Mean	Std. Deviation
Microfinance Institutions Services and products are easily accessible to customers	71	3.4789	.87602
The place strategies enhance capturing of new clients	71	3.9437	1.14502
Place strategies have enhanced MFI's market share	71	3.9014	.77745
Place strategy has reduced cost of reaching and serving clients	71	3.8028	1.07729
Composite Scores	**71**	**3.7817**	**0.9689**

Microfinance institutions ensured the accessibility of their services and products to customers, with a mean score of 3.4789 and a standard deviation of 0.87602 (M=3.4789, SD=0.87602). This signified a moderate level of accessibility, suggesting that while MFIs endeavored to make their offerings easily reachable to clients, there may have been room for improvement in ensuring universal access. Such accessibility is crucial for ensuring that financial services are available to those who need them most, promoting financial inclusion and empowerment.

Place strategies played a pivotal role in enhancing the capture of new clients, as indicated by a mean score of 3.9437 and a standard deviation of 1.14502 (M=3.9437, SD=1.14502). This underscored the importance of strategic placement and distribution channels in expanding the reach of MFIs and attracting new clients. Effective place strategies facilitated greater visibility and accessibility, thereby contributing to the growth and sustainability of microfinance operations.

Moreover, place strategies were instrumental in enhancing MFIs' market share, with a mean score of 3.9014 and a standard deviation of 0.77745 (M=3.9014, SD=0.77745). This indicated that strategic positioning and distribution channels enabled MFIs to effectively compete in the market and capture a larger share of clients. By optimizing their placement strategies, MFIs could leverage their strengths and differentiate themselves from competitors, thereby solidifying their position in the microfinance landscape.

Furthermore, place strategies were instrumental in reducing the cost of reaching and serving clients, with a mean score of 3.8028 and a standard deviation of 1.07729 (M=3.8028, SD=1.07729). This highlighted the efficiency gains achieved through strategic placement and distribution channels, resulting in cost savings for MFIs. By minimizing logistical expenses and streamlining operations, place strategies enabled MFIs to allocate resources more effectively, ultimately enhancing their capacity to serve clients and achieve their mission of financial inclusion.

The composite scores provided an overall assessment of the effectiveness of place strategies within the microfinance sector, with a mean of 3.7817 and a standard deviation of 0.9689 (M=3.7817, SD=0.9689). This reflected a moderately positive evaluation of the collective impact of place strategies on MFIs' accessibility, market capture, and cost-efficiency. However, the variability in individual strategy scores highlighted the need for continued refinement and optimization of place strategies to maximize their effectiveness and drive sustainable growth within the microfinance sector.

The examination of place decisions in MFIs in Nakuru Town revealed that place strategies played a crucial role in enhancing market capture (M=3.9437, SD=1.14502), market share (M=3.9014, SD=0.77745), and cost-efficiency (M=3.8028, SD=1.07729). These findings are consistent with the literature review, which emphasizes the impact of place strategies on organizational performance. For example, Ningsih (2014) found that place had a significant influence on customers' purchase decisions in traditional markets in Semarang, Indonesia, attributed to the ease of access to services and products. Similarly, Bangre et al. (2015)

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discovered that place influenced the performance of IT firms in Pune, India, through increasing customers' access to services. The results of the current study suggest that MFIs in Nakuru Town have recognized the importance of strategic placement and distribution channels in expanding their reach, attracting new clients, and optimizing resource allocation, thereby contributing to their overall performance and sustainability. This aligns with the views of Adekole (2021), Amin (2021), and Boboev (2021), who noted that place impacts organizational performance through the cost of distribution, convenience in accessing goods and services, gaining market competitiveness, customer attraction and retention, and increased sales based on strategic business location.

Promotion Decisions

Composite scores were computed to provide an overarching assessment of the effectiveness of these strategies within the microfinance sector.

Table 4: Promotion Decisions

	N	Mean	Std. Deviation
The Microfinance Institution often engages in sales promotions	71	3.0423	.83558
Microfinance Institutions frequently displays its Services products to clients	71	3.3239	1.18049
MFI's has adopted personal selling strategy in promoting its products and services	71	2.9437	.87648
MFI's uses various channels in sales advertisements	71	3.3099	.78543
Composite Scores		3.1549	0.9194

The Microfinance Institution often engaged in sales promotions, with a mean score of 3.0423 and a standard deviation of 0.83558 (M=3.0423, SD=0.83558). This indicated a moderate level of engagement in promotional activities, suggesting a concerted effort by MFIs to attract and retain clients through targeted marketing initiatives. These promotions likely encompassed a range of tactics aimed at incentivizing clients to access MFI services and products, thereby fostering engagement and loyalty within the client base.

Microfinance Institutions frequently displayed their services and products to clients, as evidenced by a mean score of 3.3239 and a standard deviation of 1.18049 (M=3.3239, SD=1.18049). This underscored the importance of visibility and accessibility in promoting MFI offerings, with frequent displays serving to increase awareness and drive client engagement. By showcasing their services and products regularly, MFIs could effectively communicate their value propositions and attract potential clients, thereby expanding their reach and impact within the communities they serve.

MFI's adopted a personal selling strategy in promoting their products and services, with a mean score of 2.9437 and a standard deviation of 0.87648 (M=2.9437, SD=0.87648). This indicated a moderate level of adoption of personalized sales approaches, suggesting a tailored approach to client engagement and outreach. Personal selling likely involved direct interactions between MFI representatives and clients, allowing for customized messaging and relationship-building efforts. Such strategies aimed to address individual client needs and preferences, thereby enhancing the effectiveness of marketing efforts and driving client acquisition and retention.

Moreover, MFIs utilized various channels in sales advertisements, with a mean score of 3.3099 and a standard deviation of 0.78543 (M=3.3099, SD=0.78543). This highlighted the diversity of marketing channels employed by MFIs to promote their offerings and reach target audiences. These channels likely included traditional media such as print and broadcast advertising, as well as digital platforms and community outreach initiatives. By leveraging multiple channels, MFIs could maximize their reach and effectiveness in communicating with clients, thereby increasing awareness and engagement with their services and products.

The composite scores provided an overall assessment of the effectiveness of marketing strategies within the microfinance sector, with a mean of 3.1549 and a standard deviation of 0.9194 (M=3.1549, SD=0.9194). This reflected a moderately positive evaluation of the collective impact of marketing efforts on MFIs' visibility, client engagement, and promotional effectiveness. However, the variability in individual strategy scores underscored the need for continued refinement and optimization of marketing approaches to maximize their impact and drive sustainable growth within the microfinance sector.

The analysis of promotion decisions in MFIs in Nakuru Town indicated that these institutions frequently displayed their services and products to clients (M=3.3239, SD=1.18049) and utilized various channels in sales advertisements (M=3.3099, SD=0.78543). These findings are in line with the literature review, which highlights the significance of promotion strategies in driving organizational performance. For instance, Saruni and Okibo (2016) found that push promotional strategies had a positive impact on market performance, penetration performance, and customer satisfaction in commercial banks in Narok County, Kenya. Similarly, Konyimbih and Mbura (2018) discovered that sales promotion strategies positively correlated with the business performance of rental office properties in Nairobi, Kenya. The current study's results suggest that MFIs in Nakuru Town have recognized the importance of effective promotional strategies in enhancing visibility, attracting new clients, and fostering long-term relationships, ultimately contributing to improved organizational performance. This is consistent with the views of Erlangga et al. (2021), Sugiono et al. (2021), Hapsari et al. (2021), Leonardo et al. (2021), Riskarini and Ardianto (2021), and Mohammed (2021), who linked promotion to organizational performance through improved sales performance, customer loyalty, brand image, customer trust, and market performance.

Product Design

The examination of product design focused on evaluating the effectiveness of product design within microfinance institutions (MFIs). It assessed various aspects related to product innovation, packaging and labeling strategies, and product shape and design to cater to client needs. Utilizing a Likert scale with five tiers, ranging from 1. Signifying Very Limited Extent to 5. Representing Considerable Extent, the study evaluated the perceived effectiveness of each aspect. Additionally, composite scores were computed to provide an overall assessment of the effectiveness of product design strategies within the microfinance sector.

Table 5: Product Decisions

	N	Mean	Std. Deviation
Our Microfinance Institutions have innovative products	71	3.2958	.88470
The Microfinance Institutions practice packaging and labelling strategies of its products	71	3.5493	.89105
Microfinance Institutions product’s shape and design to cater for our client’s needs.	71	3.7746	1.07168
The MFI’s products high variety of products leads to a big clientele served	71	3.7887	.75433
Composite Scores	**71**	**3.6021**	**0.9004**

Our Microfinance Institutions were characterized by their commitment to innovation, with a mean score of 3.2958 and a standard deviation of 0.88470 (M=3.2958, SD=0.88470). This indicated a moderate level of innovation within MFIs, suggesting a concerted effort to develop and offer new and improved products to meet the evolving needs of their clients. By prioritizing innovation, MFIs aimed to differentiate themselves in the market, enhance their competitiveness, and ultimately better serve their clientele.

The Microfinance Institutions practiced packaging and labeling strategies for their products, as evidenced by a mean score of 3.5493 and a standard deviation of 0.89105 (M=3.5493, SD=0.89105). This underscored the importance of effective branding and presentation in promoting product visibility and appeal. By implementing strategic packaging and labeling, MFIs could enhance the perceived value of their products, attract potential clients, and reinforce brand recognition and loyalty.

Furthermore, Microfinance Institutions tailored their product shape and design to cater to their client's needs, with a mean score of 3.7746 and a standard deviation of 1.07168 (M=3.7746, SD=1.07168). This highlighted a proactive approach to product development, wherein MFIs prioritized client feedback and preferences in shaping their offerings. By aligning product design with client needs, MFIs could enhance usability, satisfaction, and ultimately client retention, thereby fostering long-term relationships and loyalty.

The MFI's wide variety of products led to a large clientele served, as evidenced by a mean score of 3.7887 and a standard deviation of 0.75433 (M=3.7887, SD=0.75433). This reflected the diversity and breadth of product offerings within MFIs, enabling them to cater to the diverse needs and preferences of their client base. A wide product variety not only expanded the reach of MFIs but also increased client engagement and satisfaction, as clients could access a comprehensive range of financial solutions tailored to their individual circumstances.

The composite scores provided an overall assessment of product strategies within the microfinance sector, with a mean of 3.6021 and a standard deviation of 0.9004 (M=3.6021, SD=0.9004). This reflected a moderately positive evaluation of the collective impact of product innovation, packaging, design, and variety on MFIs' competitiveness and client satisfaction. However, the variability in individual strategy scores underscored the need for continued refinement and optimization of product strategies to maximize their impact and drive sustainable growth within the microfinance sector.

The examination of product design decisions in MFIs in Nakuru Town revealed that these institutions tailored their product shape and design to cater to their clients' needs (M=3.7746, SD=1.07168), and their wide variety of products led to a large clientele served (M=3.7887, SD=0.75433). These findings are consistent with the literature review, which emphasizes the impact of product design on organizational performance. For example, Hadiyati (2016) found that product designs that satisfied customer demands and included desirable attributes led to increased customer intention to purchase in Indonesia. Similarly, Umeze and Ohen (2015) discovered that product quality, menu variety, food presentation, and quantity had a direct influence on the performance of the restaurant business in the SME sector in Nigeria. The current study's results suggest that MFIs in Nakuru Town have recognized the importance of designing products that align with customer needs and preferences, leading to enhanced customer satisfaction, loyalty, and overall organizational performance. This aligns with the views of Ma et al. (2021), Ali et al. (2021), Saleh et al. (2021), Lee et al. (2021), Suna and Liub (2021), Ullah (2021), Kumar and Andriani (2021), and Das (2021), who linked product aspects such as innovation, quality, attributes, packaging, and design to organizational performance.

Performance of MFIs

The examination explored descriptive statistics related to various aspects of microfinance institutions (MFIs). It assessed the perceived increase in profitability level, high loan repayment rates, attracting a high number of customers being served, and maintaining a high product portfolio quality within MFIs.

Table 6: Performance of MFIs

	N	Mean	Std. Deviation
The MFIs have increased their profitability level	71	3.8310	1.02798
The MFIs have experience high loan repayment rates	71	3.3944	.90204
The MFIs have attracted high number of customers being served	71	3.5070	.92386
The MFIs have high product portfolio quality	71	4.0704	.81633
Composite Scores	**71**	**3.7007**	**0.9175**

The MFIs experienced an increase in their profitability level, as indicated by a mean score of 3.8310 and a standard deviation of 1.02798 (M=3.8310, SD=1.02798). This suggested a positive trend in financial performance, with MFIs successfully generating higher returns on their operations. Such profitability gains were likely driven by effective management practices, prudent financial decision-making, and the provision of valuable financial services to clients. The ability of MFIs to enhance profitability underscored their resilience and adaptability in navigating dynamic market conditions and advancing their mission of financial inclusion.

Moreover, the MFIs experienced high loan repayment rates, with a mean score of 3.3944 and a standard deviation of 0.90204 (M=3.3944, SD=0.90204). This highlighted the effectiveness of their lending practices and risk management frameworks in ensuring timely repayment by clients. High loan repayment rates are essential for sustaining the financial health and stability of MFIs, allowing them to recycle funds and extend credit to more clients in need. The achievement of consistently high repayment rates reflected the trust and confidence placed in MFIs by their clients, affirming the positive impact of their services on borrowers' lives.

Additionally, the MFIs attracted a high number of customers being served, with a mean score of 3.5070 and a standard deviation of 0.92386 (M=3.5070, SD=0.92386). This underscored the success of their outreach and marketing efforts in expanding their client base and reaching underserved populations. By attracting a large number of customers, MFIs were able to broaden their impact and extend financial services to more individuals and communities. The ability to serve a diverse clientele reflected the inclusivity and accessibility of MFIs, reinforcing their role as engines of economic empowerment and social development.

Furthermore, the MFIs maintained a high product portfolio quality, with a mean score of 4.0704 and a standard deviation of 0.81633 (M=4.0704, SD=0.81633). This highlighted the robustness and effectiveness of their product offerings in meeting the diverse needs of their clients. A high-quality product portfolio is essential for enhancing customer satisfaction, fostering loyalty, and driving sustainable growth. The achievement of high product portfolio quality underscored the commitment of MFIs to continuously innovate and improve their offerings to better serve their clients and achieve their mission objectives.

Overall, the composite scores provided an aggregate assessment of MFIs' performance across key indicators, with a mean of 3.7007 and a standard deviation of 0.9175 (M=3.7007, SD=0.9175). This reflected a positive evaluation of their overall performance, indicating strong performance across profitability, loan repayment rates, customer base, and product portfolio quality. However, the variability in individual scores underscored the need for continued vigilance and strategic management to sustain and enhance performance over time.

The analysis of MFI performance in Nakuru Town indicated that these institutions experienced an increase in profitability levels (M=3.8310, SD=1.02798), attracted a high number of customers (M=3.5070, SD=0.92386), and maintained a high product portfolio quality (M=4.0704, SD=0.81633). These findings are in line with the literature review, which highlights the various factors contributing to MFI performance. For instance, Orichom and Omeke (2021) emphasized the importance of financial performance metrics such as earnings, asset return, equity return, cost-effectiveness, and reduction of non-performing loans in assessing MFI performance. Similarly, Muhammad et al. (2021) and Audu et al. (2021) noted that market share acquisition was a crucial component of MFI performance. The current study's results suggest that MFIs in Nakuru Town have been successful in achieving profitability, attracting customers, and maintaining a high-quality product portfolio, which are essential indicators of strong organizational performance in the microfinance sector. This is consistent with the views of Gopalakrishnan and Chen (2021), Al-Lawama et al. (2021), Sadat and Lin (2021), Azharyadi and Harmen (2021), and Aithal (2021), who linked performance to the efficiency in creating value, meeting stakeholder expectations, achieving overall objectives, and the actual achieved objectives relative to the target objectives of the organizations.

Inferential Statistics

The study undertook both the correlational and regression analysis as part of the inferential statistics to determine the relationship between variables

Correlational Analysis

The correlational analysis between variables were examined and detailed in Table 7 below.

Table 7: Correlations

		MFI Performance	Promotion Strategies	Pricing	Place Strategies	Product Design
MFI Performance	Pearson Correlation	1	.680**	.460**	.750**	.718**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	71	71	71	71	71
Promotion Strategies	Pearson Correlation	.680**	1	.353**	.667**	.686**
	Sig. (2-tailed)	.000		.003	.000	.000
	N	71	71	71	71	71
Pricing	Pearson Correlation	.460**	.353**	1	.728**	.740**
	Sig. (2-tailed)	.000	.003		.000	.000
	N	71	71	71	71	71
Place Strategies	Pearson Correlation	.750**	.667**	.728**	1	.731**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	71	71	71	71	71
Product Design	Pearson Correlation	.718**	.686**	.740**	.731**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	71	71	71	71	71

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

The correlation analysis revealed significant positive correlations between Micro Finance Institution (MFI) performance and each of the marketing mix components: promotion strategies ($r = 0.680$, $p < 0.01$), pricing ($r = 0.460$, $p < 0.01$), place strategies ($r = 0.750$, $p < 0.01$), and product design ($r = 0.718$, $p < 0.01$). These findings indicate strong associations between MFI performance and the various marketing mix elements, highlighting their interdependence and collective impact on organizational outcomes.

The results of this study are comparable with those from the wider literature review. Several studies have reported similar findings regarding the positive correlations between marketing mix components and organizational performance. For instance, Oke et al. (2016) found a significant relationship between pricing strategies and business performance in Nigerian breweries, echoing the positive correlation observed in this study between pricing and MFI performance. Similarly, Hadiyati (2016) identified a positive correlation between product design and customer purchase performance in Indonesia, aligning with the significant association found in this research between product design and MFI performance. Additionally, Ampah (2016) highlighted the positive impact of promotion strategies on customer satisfaction among local authorities in Ghana, consistent with the strong correlation observed in this study between promotion strategies and MFI performance. These congruent findings across diverse contexts underscore the universal significance of the marketing mix in driving organizational success and performance.

Regression Analysis

The presented regression analysis aims to elucidate the factors influencing the Microfinance Institution (MFI) Performance, employing a comprehensive model that includes various predictors such as Product Design, Promotion Strategies, Place Strategies, and Pricing. The model evaluation is essential for understanding the extent to which these predictors collectively contribute to explaining the variability observed in MFI Performance.

Table 8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.837[a]	.701	.684	.41100

a. Predictors: (Constant), Product Design, Promotion Strategies, Place Strategies, Pricing

The model summary offers an extensive analysis of the interplay between critical factors—namely, Product Design, Promotion Strategies, Place Strategies, and Pricing—and their implications for MFI (Microfinance Institution) Performance. With an R value of 0.837 indicating a robust positive correlation, it becomes evident that variations in these key predictors are closely tied to shifts in MFI Performance. This underscores their pivotal role in shaping the operational dynamics within the microfinance sector, emphasizing their significance for stakeholders aiming to optimize strategic decision-making and operational efficiency.

In terms of explanatory prowess, the R Square value of 0.701 sheds light on the extent to which these specific predictors account for the observed variability in MFI Performance. This suggests that Product Design, Promotion Strategies, Place Strategies, and Pricing collectively wield considerable influence over the performance outcomes of microfinance institutions. Such a substantial proportion of explained variance underscores the pivotal role played by these predictors, highlighting their potential impact on the overall success and sustainability of MFIs in achieving both financial and social objectives.

Despite the marginally lower Adjusted R Square value of 0.684, the model continues to demonstrate a robust fit, factoring in the complexity introduced by multiple predictors. This adjustment ensures a more precise evaluation of the model's goodness of fit, thereby providing stakeholders with a reliable framework for assessing the intricate relationships between the predictors and MFI Performance. Consequently, it enables stakeholders to make more informed decisions and develop strategic plans within the microfinance domain with greater confidence and accuracy.

Moreover, the Std. Error of the Estimate, with a value of 0.41100, serves as a critical metric for evaluating the precision of the model's predictions. This metric reflects the average discrepancy between observed and predicted values of MFI Performance, with lower values indicating heightened accuracy in the model's estimations. Such precision is indispensable for stakeholders, as it enhances their confidence in utilizing the model outputs to inform strategic decisions, resource allocation strategies, and performance evaluation frameworks within the microfinance sector.

In summary, the model's findings underscore the profound impact of Product Design, Promotion Strategies, Place Strategies, and Pricing on MFI Performance. By offering a nuanced understanding of these relationships and their implications for performance outcomes, the model equips stakeholders with invaluable insights and actionable intelligence for steering organizational success and fostering sustainable growth within the dynamic realm of microfinance operations.

Table 9: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	27.314	4	6.829	40.425	.000[b]
1	Residual	11.655	69	.169		
	Total	38.970	73			

a. Dependent Variable: MFI Performance

b. Predictors: (Constant), Product Design, Promotion Strategies, Place Strategies, Pricing

In this study, ANOVA (Analysis of Variance) in regression analysis served the purpose of evaluating whether the regression model, with multiple predictors, significantly explained the variance observed in the dependent variable compared to a model with no predictors. It essentially assessed whether the included predictors jointly contributed to predicting the dependent variable's values.

The F-statistic, $F(4,69)=40.425, p<.001$, and it was used to determine the statistical significance of the regression model. By comparing the calculated F-statistic to the critical value at a specified significance level, typically 5%, the study made informed decisions regarding hypothesis testing. Upon comparing the calculated F-statistic to the critical value at the 5% level of significance, if the calculated F-statistic exceeded the critical value, it indicated that the null hypothesis was rejected. This suggested that the regression model, including the predictors, had a significant impact on the dependent variable.

In this instance, the calculated F-statistic of $F(4,69)=40.425$ surpassed the critical value at the 5% level of significance, indicating statistical significance. Additionally, with a p-value less than 0.001, it was concluded that the null hypothesis was rejected, and the regression model, comprising Product Design, Promotion Strategies, Place Strategies, and Pricing, collectively influenced MFI Performance significantly.

Therefore, based on the results, there was sufficient evidence to affirm that the included predictors collectively contributed to explaining the variance in MFI Performance, offering valuable insights for stakeholders in the microfinance sector to optimize strategies and enhance performance outcomes.

Table 10: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.687	.523		3.222	.002
	Pricing	0.589	.187	-.404	3.146	.002
	Place Strategies	.621	.121	.644	5.151	.000
	Promotion Strategies	.673	.157	.460	4.300	.000
	Product Design	.520	.128	.544	4.056	.000

a. Dependent Variable: MFI Performance

The coefficient results reveal the significance of each predictor in influencing MFI (Microfinance Institution) Performance. The intercept term, representing the baseline effect, showed a statistically significant coefficient (β = 1.687, Sig = .002 < 0.05) indicating its impact even when all predictors are zero. Furthermore, Pricing (β =0.589, Sig=.002<0.05), Place Strategies (β = 0.621, Sig=.000<0.05), Promotion Strategies (β = 0.673, Sig=.000<0.05), and Product Design (β =0.520, Sig=.000<0.05) all displayed statistically significant coefficients. These findings emphasize the crucial role of strategic decisions in pricing, distribution, promotion, and product design for enhancing MFI Performance within the microfinance sector.

Research Hypotheses

Pricing Decisions Do Not Significantly Affect Performance of Micro Finance Institutions in Nakuru Town, Kenya

The results of the regression analysis revealed several important findings regarding the relationship between marketing mix decisions and the performance of Micro Finance Institutions (MFIs) in Nakuru Town, Kenya. Unstandardized regression coefficients showed that pricing decisions, place strategies, promotion strategies, and product design all significantly impact MFI performance.

Hypothesis testing confirmed that pricing decisions, place strategies, promotion strategies, and product design decisions all have a statistically significant effect on MFI performance. This suggests that marketing mix decisions play a crucial role in shaping the success of MFIs in Nakuru Town.

Comparing these findings with existing literature, similarities emerge. For example, the positive coefficient for pricing decisions aligns with studies like Bhatti (2018) in Pakistan, which found pricing strategies to influence purchase intention. Similarly, the positive coefficients for place, promotion, and product design decisions resonate with research by Bangre et al. (2015) in India, Zhang and Prasongsukarn (2017) in Thailand, and Ampah (2016) in Ghana, respectively. These studies emphasize the significance of marketing mix elements in driving organizational performance.

However, differences exist as well. For instance, while the current study found a positive relationship between pricing decisions and MFI performance, Njeru (2017) in Kenya discovered that pricing strategies had a significant impact on supermarket organizational performance but in terms of product selection and quantity purchased. Additionally, while promotion strategies were found to positively influence MFI performance in the current study, Egwu et al. (2014) in Nigeria found that sales promotions had no significant effect on the performance of telecommunication services. These differences may be attributed to variations in industry dynamics, consumer behavior, and geographical contexts across different studies. Nonetheless, the overall consensus across the literature and the current study underscores the importance of strategic marketing decisions in enhancing organizational performance.

Place (Distribution) Decisions Do Not Significantly Affect the Performance of Micro Finance Institutions in Nakuru Town, Kenya.

The regression analysis conducted shed light on the significant implications of place decisions, particularly distribution strategies, on the performance of Micro Finance Institutions (MFIs) in Nakuru Town, Kenya. Notably, the positive and statistically significant unstandardized regression coefficient for place strategies ($\beta = 0.621$, $t = 5.151$, $p < 0.05$) underscores the pivotal role of distribution strategies in influencing MFI performance. This underscores the strategic importance of distribution channels and locations in determining the success and efficiency of MFIs in Nakuru Town.

Upon conducting hypothesis testing, the substantial impact of place strategies on MFI performance was reaffirmed, emphasizing the need for meticulous planning and strategic implementation of distribution channels by MFIs. This highlights the importance of maximizing accessibility and reach to effectively serve the target market, aligning with organizational objectives and market demands.

Comparing these empirical findings with existing literature reveals both congruences and disparities. For instance, Ningsih (2014) conducted a study in Indonesia, emphasizing the significant influence of place factors like location on customer purchase decisions in traditional markets. Similarly, Bangre et al. (2015) explored the impact of location on IT company performance in India, affirming the relevance of strategic place decisions in organizational success.

However, while the present study centers on MFIs, others like Konyimbih and Mbura (2018) in Kenya examined the performance of rental office properties, demonstrating positive correlations between place strategies and business performance across diverse sectors. Furthermore, Ampah (2016) delved into product design's impact on customer satisfaction among local authorities in Ghana, showcasing the interconnectedness of various marketing decisions in organizational outcomes.

In essence, while the specific contexts may differ, the collective literature and empirical evidence underline the criticality of strategic decisions, including distribution strategies, in driving organizational performance. By leveraging effective place decisions, MFIs in Nakuru Town can optimize operational efficiency, expand market reach, and bolster overall performance within the competitive financial services landscape.

Promotion Decisions Do Not Significantly Affect the Performance Of Micro Finance Institutions in Nakuru Town, Kenya.

The results of the regression analysis provided valuable insights into the effects of promotion decisions on the performance of Micro Finance Institutions (MFIs) in Nakuru Town, Kenya. The unstandardized regression coefficient for promotion strategies was found to be positive and statistically significant ($\beta = 0.673$, $t = 4.300$, $p < 0.05$), indicating a notable influence on MFI performance. This suggests that the promotional strategies employed by MFIs have a significant impact on their overall performance and success in Nakuru Town.

Hypothesis testing further confirmed the significant effect of promotion strategies on MFI performance, highlighting the importance of promotional activities in driving organizational outcomes. These results imply that MFIs need to carefully plan and execute their promotional campaigns to enhance customer awareness, engagement, and retention, ultimately leading to improved performance.

Comparing these findings with existing literature reveals both similarities and differences. For instance, Zhang and Prasongsukarn (2017) conducted a study in Thailand on the impact of price promotions on customer satisfaction and repurchase behavior in Starbucks coffee shops. While focusing on a different industry and aspect of promotion, their findings highlighted the positive influence of promotional strategies on customer behavior, aligning with the results of the current study.

Similarly, Saruni and Okibo (2016) investigated the impact of push approaches on bank performance in Kenya and found that push promotional strategies significantly affected market penetration, customer satisfaction, and overall bank performance. Although focusing on commercial banks rather than MFIs, their findings underscored the importance of promotional activities in driving organizational outcomes, consistent with the results of the present study.

However, differences in industry focus and geographic location may lead to variations in findings. For example, Songoi, Simiyu, and Bonuke (2017) examined the impact of sales marketing on brand equity in detergent companies in Nairobi, Kenya. While their study focused on a different aspect of promotion and industry, their findings highlighted the significant impact of sales promotions on brand equity, indicating the broader importance of promotional activities in organizational performance.

Overall, the empirical findings and comparisons with existing literature emphasize the crucial role of promotion strategies in shaping the performance and success of MFIs in Nakuru Town. By adopting effective promotional tactics tailored to their target market and objectives, MFIs can enhance their visibility, customer engagement, and ultimately, their overall performance and competitiveness in the financial services sector.

Product Design Decisions Do Not Significantly Affect the Performance of Micro Finance Institutions in Nakuru Town, Kenya

The regression analysis outcomes offer valuable insights into the influence of product design decisions on the performance of Micro Finance Institutions (MFIs) in Nakuru Town, Kenya. The results reveal a significant and positive relationship between product design and MFI performance, as indicated by the unstandardized regression coefficient ($\beta = 0.520$, $t = 4.056$, $p < 0.05$). This suggests that the design attributes of products offered by MFIs play a crucial role in determining their overall success and effectiveness in Nakuru Town.

Upon conducting hypothesis testing, the significant impact of product design decisions on MFI performance was further corroborated. This underscores the necessity for MFIs to prioritize product development and innovation initiatives to meet the evolving needs and preferences of their target market effectively. Consequently, enhancing product design can potentially lead to improved customer satisfaction, market competitiveness, and overall organizational performance.

Comparing these findings with existing literature reveals both similarities and differences. For instance, Hadiyati (2016) explored the relationship between product purchase performance and the marketing mix in Indonesia, highlighting the positive influence of product design on customer intention to purchase. Similarly, Umeze and Ohen (2015) emphasized the significant impact of product quality and design on the performance of SMEs in Nigeria's restaurant industry.

However, variations in industry focus and geographic location may lead to nuanced differences in findings. Subram, Khan, and Srivastava (2018), for example, examined the influence of product features and warranties on the performance of construction companies in India. While their study focused on a different industry, their findings underscored the broader importance of product attributes in organizational success, aligning with the results of the present study.

In summary, the empirical findings highlight the critical role of product design decisions in shaping the performance and success of MFIs in Nakuru Town. By prioritizing product design initiatives that align with customer needs and market trends, MFIs can enhance their competitiveness and overall performance in the financial services sector.

CONCLUSIONS AND RECOMMENDATIONS

The study concluded that pricing decisions significantly influence the performance of Micro Finance Institutions (MFIs) in Nakuru Town, Kenya, underscoring the strategic importance of aligning pricing strategies with market dynamics and client value perceptions. Findings revealed a positive and statistically significant relationship between pricing decisions and MFI performance, highlighting the necessity for well-informed pricing strategies to contribute to enhanced financial outcomes. This emphasizes the importance of evaluating pricing structures meticulously to ensure competitiveness while maintaining profitability, thereby fostering sustainable growth within the microfinance sector.

Additionally, the study found that place strategies, particularly distribution channels, play a pivotal role in determining MFI performance in Nakuru Town. The analysis unveiled a significant and positive association between place strategies and MFI performance, emphasizing the strategic imperative of maximizing market reach and accessibility. Effective distribution strategies enable MFIs to extend their services to a broader clientele, contributing to financial inclusion and bolstering competitive positioning within the local market.

Furthermore, the study concluded that promotion strategies significantly influence MFI performance, as evidenced by a statistically significant positive relationship between promotional activities and performance outcomes. Well-executed promotional campaigns enhance visibility, attract new clients, and foster long-term relationships with existing customers, contributing to sustained financial growth and organizational success. By investing in strategic promotional initiatives tailored to their target market, MFIs can effectively differentiate themselves from competitors and establish a strong market presence in Nakuru Town.

Finally, the study highlighted the significant impact of product design decisions on MFI performance, emphasizing the importance of innovative product offerings in meeting the evolving needs and preferences of clients. The positive and statistically significant relationship between product design and MFI performance underscores the strategic imperative of prioritizing product development and innovation initiatives. Continuous enhancement of product design attributes improves customer satisfaction, fosters loyalty, and drives positive performance outcomes within Nakuru Town's competitive microfinance sector, ultimately contributing to sustained growth and success for MFIs.

Regarding pricing strategies, it is crucial for MFIs to conduct regular market research to understand customers' willingness to pay and competitors' pricing tactics. This will enable them to implement flexible pricing structures that allow for value-based pricing and target return pricing approaches. Additionally, leveraging data analytics and decision support tools can inform pricing decisions and optimize profitability. Ensuring transparency in pricing information and clearly communicating the value proposition to customers is also essential.

In terms of place (distribution) strategies, MFIs should evaluate the effectiveness of existing distribution channels and identify opportunities for expansion or optimization. Exploring partnerships with agents, retailers, or digital platforms can increase outreach and accessibility, especially in underserved areas. Conducting market segmentation analysis can help identify strategic locations for new service points or delivery channels. Furthermore, establishing performance metrics to regularly monitor the efficiency and cost-effectiveness of distribution channels is recommended.

For promotion strategies, MFIs should develop an integrated marketing communication strategy that combines various promotion channels effectively. Tailoring promotional campaigns to specific target market segments, considering their preferences and behavior, is also crucial. Leveraging digital marketing tools and social media platforms can enhance visibility and customer engagement. Offering incentives or referral programs can encourage customer loyalty and word-of-mouth

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promotion. Monitoring key performance indicators, such as customer acquisition and retention rates, will help measure the effectiveness of promotion strategies.

Regarding product design strategies, MFIs should conduct regular market research to identify emerging trends, customer preferences, and unmet needs in the market. Investing in product innovation and diversification to cater to the evolving needs of customers is essential. Soliciting customer feedback and incorporating it into product design and development processes can improve product offerings. Exploring collaborations with technology partners can enable the development of digital solutions or enhance existing product offerings. Providing comprehensive training to staff on product features, benefits, and effective promotion techniques is also recommended.

By implementing these practical recommendations, MFIs in Nakuru Town can optimize their marketing mix strategies, enhance customer satisfaction, and ultimately improve their overall performance and competitive positioning in the microfinance sector.

Suggestions for Further Studies

For future studies, delving deeper into the specific attributes of product design that significantly influence MFI performance could be beneficial. Research focusing on customer preferences, market trends, and the impact of innovative product features on client satisfaction could provide valuable insights for MFIs seeking to enhance their offerings.

Exploring the effectiveness of different promotion strategies in the context of MFIs could also be valuable. Future research endeavors could consider factors such as target demographics, cultural nuances, and regional variations. Comparative studies analyzing the outcomes of various promotional campaigns and their influence on customer acquisition, retention, and overall MFI performance could offer practical guidance for marketing practitioners.

Further investigations into the role of distribution channels and location strategies in optimizing MFI performance could be insightful. Exploring the accessibility of financial services in underserved areas, evaluating the efficiency of different distribution models, and assessing the impact of geographic expansion on client outreach and operational efficiency could inform strategic decision-making within the microfinance sector.

Additionally, future research could explore the intersection of pricing strategies and MFI performance. Consideration of factors such as affordability, perceived value, and competitive positioning could be crucial. Comparative analyses of pricing models, pricing elasticity studies, and investigations into customer willingness to pay across different market segments could provide valuable insights for MFIs aiming to strike a balance between financial sustainability and social impact.

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