KEY ACCOUNT MANAGEMENT AND BRAND PERFORMANCE OF MICROFINANCE INSTITUTIONS IN KENYA

BY

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A RESEARCH PROJECT PRESENTED IN FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTERS OF SCIENCE, MARKETING, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

2017

DECLARATION

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Supervisor's Declaration.

This thesis has been submitted for examination with my approval as a University

Signature…………………………………...Date…………………………...

MR. VICTOR NDAMBUKI

DEDICATION

I would like to dedicate this research to my family especially my dear husband, Isaac Muema and our darling daughter Taraji Mutheu. I sincerely thank you for your support and encouragement, for being there and lending a helping hand during the research period. I will forever be indebted to you. May God richly bless you and fulfil the desires of your heart. I also dedicate this project to The Kithinji and The Mutua Families for their invaluable input in the completion of this project. I specifically recognize my parents who cultivated a 'can-do attitude' in me and pushed me to always aim higher.

ACKNOWLEDGEMENT

My sincere gratitude's goes to many individuals and organizations who immensely contributed directly or indirectly in various aspects of this research. Special thanks go to the fellow classmates who helped obtain contacts from various banks that participated in this project.

My sincere appreciation goes to my supervisor Mr. Victor Ndambuki and Moderator Mr. Monayo for their unlimited support, and guidance during the entire period of this study. His opinions, constructive criticism comments and suggestions greatly helped shape this research to completion. His passion for key account management has not only made this an academic research but also an active study document that brings insight into the key account management field that is so sparsely researched in Kenya.

To my family members, I am very grateful for the constant love, care, encouragement, financial and moral support throughout my life and career development.

Finally I thank God for His Grace in undertaking this research; I have truly seen His hand and I know that I can do everything through Christ who strengthens me.

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List of Abbreviations

CBK	Central Bank of Kenya
DTMs	Deposit Taking Microfinance
FSAs	Financial Services Associations
GOK	Government of Kenya
KA	Key Account
KAM	Key Account Management
SPSS	Statistical Package for Social Sciences
K-Rep	Kenya Rural Enterprise Programmers
MFIs	Micro Finance Institutions
NGO	Non-Government Organization
ROSCAs	Rotating Savings and Credit Associations
Sacco's	Savings and credit cooperative societies

ABSTRACT

Key Account Management is the frequent running of the business to business relationship between sellers/providers and their customers. Brand performance on the other hand is the desirability and profitability in a brand – how a brand is attractive to its target and how this attractiveness brings financial gain to the owners of the brand. This research was to investigate what influence Key Account Management has to brand performance with special focus in the financial services sector. The research study made use of descriptive research design in attempting to seek answers to the research question. The respondents consisted of the customer service representatives and mid-level managers of the microfinance banks. The research study was completed by administering 20 questionnaires to the customer service representatives and mid-level managers of the microfinance banks. All the questionnaires administered were filled up and returned representing a response rate of 100%. The findings were in line with the findings other studies mentioned in this project that suggests that key account management affects the brand performance positively. The study concluded that there is a strong relationship between key account management and the brand performance of the Microfinance Institutions in Kenya. The study also concluded that Customer orientation; Top management and Relationship management affects brand performance of the Microfinance Institutions positively and in a statistically significant way.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Key Account Management is the frequent running of the business to business relationship between sellers/providers and their customers. It focuses on the handling of clients of a strategic nature to the company as their business support has a direct relationship to the company's profitability and bottom line.

The ever growing concerns regarding the significance of the strategic accounts management in business organization have with time heightened the complexity of the key account management practice and its incorporation into the organisation's operations (Morgan & Hunt, 1994). Increasing intricacies involved and the ever dynamic pace of changes in universal markets has caused companies to rapidly adapt their account management practice to the new power and demands welded by their customers. As a result, companies have strategically adapted key account management approach to keep their competitive edge over other competitors in the industry, improve their performance and to maintain a sustainable supplier-customer relation (Workman *et al.,* 2003).

The relationship between the key account management practices and the brand performance of the microfinance institutions will be informed by the following theories: The resource based theory, customer relationship theory and relationship marketing theory. According to customer relationship theory, key account management enhances the performance of the firm by providing better customer services and satisfaction. The key account management falls within the wider relational strategies and is very useful in providing better customer services. Relational marketing theory argues that key account management as a form of marketing enhances the creation of long enduring profitable relationship with the present and future customers, suppliers and other stakeholders of the firm. On the other hand resource based theory considers key account management as an organizational asset which is aimed at creating a platform for providing superior service to the customers and hence improving the firm's profitability (Penrose, 1959). These theories provide insight on the relationship between key account management practices and the brand performance.

In Kenya, Microfinance refers to an assortment of financial services, such as loans and savings made available to small and medium sized entrepreneurs who have no loan guarantees and wouldn't qualify to get a normal bank loan from the major financial services providers.

1.1.1 Key Account Management

Key account management refers to the methodical choice, examination and management of the most business critical and profitable present and future key customers of the organization, including the setting up and maintenance of infrastructure in order to satisfy them better, maximize mutual value and achieve mutually beneficial goals (Ryals& Humphries, 2007). A key account has been described as a customer identified to be of strategic importance (Millman & Wilson, 1995). In essence, KAM involves adaptation of facilities and merchandise offered by companies to their key customers (Salojärvi, Sainio & Tarkiainen, 2010). It is a pivotal commercial activity of any business establishment today and entails structuring relationships with major customers to create alignment within the organization and creating value to customers (Wengler*et al.*, 2006).

Differentiated service levels facilitated by the implementation of the key account management are drivers of customer satisfaction which in turn enhances the performance of the firm in the industry (Ryals& McDonald, 2008). Key account management can be measured by indicators such as Reduced Cost to Serve, Increased Relationship enhancement, Customer contentment, Increased Revenues, Customer Retention, Increased Share of wallet, Profit and Margins Shared Investment (McDonald*et al.*, 2000).

1.1.2 Brand Performance

Brand performance refers to how prosperous a brand is in the market and provides an evaluation of its strategic success. Research interest in Brand Performance (BP) is indicative of corporate brands role as a powerful tool for investors, employees and consumers (Coleman, 2004;Bridson&Mavondo, 2011). Brand performance is influenced by marketing practices, organizational characteristics and corporate image (Kim *et al*., 2011). The work of Ghosh *et al*. (1995) on the influence of industry structure, organizational learning and innovation on performance considered market share and profitability as indicators for brand performance. Brand Performance in the current study was viewed from an organization‘s perspectives focusing on characteristics of the organization in order to provide credibility of its products or services. To compete in today‘s competitive and complex environment, organizations need regular and reliable feedback on their performance. Research interest in Brand Performance (BP) is indicative of corporate brands role as a powerful tool for investors, employees and consumers. To compete in today‘s competitive and complex micro sector environment, organizations need regular and reliable feedback on their performance (Coleman, 2004).

1.1.3 Key Account Management and Brand Performance

Key account management practices play a significant role in enhancing the brand performance of Microfinance Institutions worldwide. Key account management enables businesses to be more aware of the customer's needs and is better able to meet them adequately by customizing solutions that eventually ensures the repeat orders. These repeated orders by the key customers of the organization leads to higher sales revenue, enhancing of present market image, more customer referrals, client retention, improvement of internal organizational operations, competitive advantage over other market participants, creation of the shareholder wealth and joint ventures (Gosselin &Bauwen, 2006).

Key account management has radically changed the operations of the different organizational processes by enhancing the relationships with strategically-important customers which in turn has produced measurable business benefits. According to Cannon & Perreault (1990), Key account management, enhances customer orientation which enables the firm to customize their products to their key customers, this ultimately have a positive influence on the financial performance of the entities. These customer orientations also assist the firm to understand their key customer needs, and provide services and products that satisfy their needs. When customer needs are met and are satisfied, repeated orders will increase brand performance of the company.

1.1.4 Microfinance Sector in Kenya

According to Gibson (2012) microfinance is explained as the provision of financial services to low& middle income and financially challenged self-employed individuals.

This sector began operation in the country with the introduction of Kenya Rural Enterprise Programme (K-Rep), which was founded by world partners in 1984 as a Non-Government organization support programme for small and micro enterprises. After five years of operation as a NGO, K-Rep changed its operations to micro-credit lending. According to the Microfinance Act (GOK 2006), Microfinance sector is licensed and regulated by the Central Bank.

The Kenya Micro Finance sector development is recognized as a prerequisite to growth and poverty. The Microfinance sector in Kenya is categorized into various groups which include regulated Microfinance Institutions (MFIs),typical Commercial Banks, , transforming MFIs under MFIs Act, non-regulated, credit only MFIs, financial wholesalers, micro-insurance providers and capacity providers/development institutions. There are 50 microfinance institutions in Kenya serving more than 6.5 million people throughout the country. Out of these, eight MFIs are classified as deposit taking microfinance (DTMs) and 42 as retail MFIs reduction (Chibba, 2009).

1.2 Research Problem

The concept of key account management in building strategic business relationship among the customers and the suppliers has been of concern to many scholars and researchers. Numerous businesses have adopted relational strategies such as key account management in their business operations with the aim of achieving competitive advantage through partnership with their customers. One such strategy that has been relied upon by suppliers in managing their business relationships with strategically significant customers is Key Account Management (KAM). However, suppliers have been having difficulty putting such KAM programs into use successfully, most likely because academic investigation hasn't shed light into what activities explain the performance of KAM initiatives and their effects on the performance of entities. Various studies have been conducted on key account management globally and locally. Internationally, Gounaris (2013) did a study investigating the key account management orientations and its effects on the performance of the entities and concluded that suppliers who adopt key account management as part of their philosophy are likely to achieve superior business performance both financial and non-financial. Moreover, he suggested that suppliers should move from the traditional sales management techniques to adopting key account management style which is a more relationship-oriented approach if they seek to get superior performance and enjoy the benefits of the key account management relationship. Stevenson (1981) carried out a research study investigating the implementation of the key account management in the business to business markets and established that key account management practices among the business organization leads to increased business profits, share of the purchases and improved communication of the business and its vital customers. Gounaris & Tzempelikos (2013) carried out a research study investigating the implementation of the key account management practices in the financial sector and established that key account management plays a significant role in the performance of the firms in the financial sector.

Locally, Muthoni (2015) did a research study on the perceived effects of customer relationship management on the quality of the services at the Chase bank and established that the perceived effects of the customer relationship management had a significant positive impact on the quality of the customer services. Wainaina (2011) conducted a project on the relationship between Client Relations Management (CRM) and the competitiveness of the commercial banks in Kenya and found that this had significant effects on the banks competitive ability. Muro*et al*.,(2013) did a research study on the benefits and the challenges encountered in the implementation of the CRM systems among the commercial banks in Kenya and established that customer relationship management is an essential system in enhancing the relationship with the banks customers and improving of the profitability. The past studies on the key account management practices in generality have so far been limited and non-existent in relation to the financial services. This has therefore created a gap in literature what this research study seeks to fill by enquiring into the subject matter.

1.3 Research Objective

The general objective of this research study is to determine how key account management and brand performance relate in the Microfinance sector in Kenya.

1.4 Significance of the Research Study

The research study will be useful to the top management of Microfinance Institutions in coming up with policies which are aimed at enhancing the performance of the Microfinance Institutions by providing them with information on how the key account management affects the brand performance of the Microfinance Institutions in Kenya

The study will be beneficial to managers in the financial services deploying technology and staff resources in support of their key customers by providing them with a better framework of knowledge to aid in their decision making processes. The research study will also assist marketing managers in establishing customer relationship management department to address the needs of the key customers and provide better customer services by providing them with comprehensive literature on the effects of key account management on the brand performance of the Microfinance Establishments in Kenya.

The study will also be of great importance to the future researchers and scholars by providing them with information and literature on the effects of how the key account management affects the brand performance of the Microfinance Establishments in Kenya. The study will also be beneficial to the market regulators such as the MSK and CBK in coming up with marketing and financial policies to regulate the financial sector in order to enhance the performance of the economy.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature relating to the effects of key account management and the brand performance of the Microfinance Institutions in Kenya.The chapter also reviews the theoretical and the empirical studies which relate to the key account management.

2.2 Theoretical review

This chapter reviews theories which try to explain the relationship between key account management and the brand performance of the Microfinance Institutions in Kenya. These theories includes: Resource based theory, customer relationship theory and relationship marketing theory.

2.2.1 Resource Based Theory

The Resource Based Theory originated from research that acknowledged the importance of organizational specific resources to firm success and was developed further by Penrose (1959). The Resource Based View (RBV) suggests that sustainable superior performance and competitive advantage of any firm is the result of the accrual and consumption of 12 resources, managerial views, factor market shortcomings and strategic industry factors (Grant, 1991). This theory views firms as a combination of skills, resource and capabilities.

2.2.2 Customer Relationship Theory

The Customer relationship Theory developed by Westch, (2005 is focused on the customer by employing relationship marketing and justice theory. Justice theory engages trust, contentment and fidelity where these elements should have in the relationship between organizations and their customers. In all marketing activities a customer oriented approach is strategic to companies nowadays than before. Thus, relationships with customers have to be maintained successfully (Lahtinen & Isovita 1994).

2.2.3 Relationship Marketing Theory

The Theory of Relationship marketing argues that relationship marketing is the creation and development of profitable, long-term and interactive relationship with existing and potential customers, suppliers and various interest groups.

2.3 Key Account Management and Brand Performance

Key account management entails customer orientation which refers to the practice of selling and building good customer relations by business organizations. The adoption of the key account management practices by the business entities enables employees to place much emphasis on helping existing customers to cater for their needs and business wants. It has also been described as the organizational ability to recognize, understand and respond to the needs of its target buyers and continuously create value for them.

According to Wilson & Woodburn (2014), KAM helps business organizations in building good relationships with the major customers and often needs a large structuring of the organization. Key account management practice is concerned with the practice of recognizing and identifying the most important customers of the organization often known as the key accounts and working towards their needs and business wants with more attention and close collaboration as compared to the other customers possessed by the business organization. It is normally practiced by business organizations with the aim of establishing and maintaining strong relationships with key customers in a long-term perspective and enhances the performance of the brands (Davies & Ryals, 2013).

According to Deshpandé*et al.*,(1993), the organizational success depends much on creating and maintaining a customer-oriented business culture. Establishing a customer-oriented business culture enables an organization to deliver superior customer value which in turn helps them to achieve and maintain a competitive advantage in any conceivable environmental situation and create sustainably superior value for their customers (Slater &Narver, 1994). Ojasalo's (2001) view on key account management involves four aspects; identifying, analyzing, selecting effective relational strategies and constantly developing operational-level capabilities to enhance a mutually beneficial relationship. It is vital when operating with key account management to work with long term collaboration with their KA rather than short-term transactions (Ojasalo, 2001).

According to Tzempelikos & Gounaris (2010), the success of the brand performance usually depends much on the commitments of the senior management team in offering the needed support in terms of the skills in case of skill gap, resource allocation and any other support which is paramount in the implementation of the key account management. According to the Tzempelikos (2015) involvement of top management executives has a positive effect on economic performance of the KAM programmes. Millman &Wilson (1999) also indicates that without involvement from top management executives, KAM would not be possible to implement and reap the benefits associated with it. Key account management is a strategic concern for many business undertaking and the process should be started and monitored by the top management executives in order to enhance the performance of the entity (Millman & Wilson, 1999).

Relationship Management refers to the ability to establish, sustain and improve good working relationships with the organizational customers and other strategic partners (departments) inside and outside the entity at a positive yield so that the goals of the all the institutions involved are actualized. This is often met by the shared exchange and implementation of pledges. The increased business pressures from the ever increasing competition, globalization and recognition of the significance associated with the customer retention, the traditional perspective of transactional business has changed to a relational approaching style towards customers. Key account management enables the organizations to build a more lasting relationship by focusing more closely to the needs and the wants of the key customers (Morgan & Hunt 1994).

2.4 Empirical Studies

Mahmoudiana and Ishanian (2014) carried out a research study investigating on the impact of factors affecting the brand performance with internal branding methodology. They employed a case study approach in their research study and collected primary data using cluster sampling and questionnaires. The collected data was then analyzed by the application of the SPSS software. The findings indicated that commitment, brand identity and job satisfaction of employees is the relatively of good level, but loyalty to the brand is at a low level. Also, in applying the Spearman correlation coefficient of positive significant impact, internal branding on commitment and brand identity to employees is important but has no significant impact on job satisfaction and brand loyalty.

Gounaris & Tzempelikos (2013) carried out a research study investigating the implementation of the key account management practices in the financial sector. The study gathered primary data from myriad sectors such as consumer and non consumer sectors through the utilization of the personal interviews. They established that key account management plays significant role in the performance of the firms in the financial sector.

Wairimu (2011) did a study on the effect of CRM on customer retention in commercial banks. The study used descriptive survey and analyzed the data using SPSS. The study found established that customer recognition was not a common practice in the customer retention efforts. While that would have been most preferred, technology, brand and promotion were extensively used which had led to increased customer retention and profitability but conversely created resentment by some customers as some of them felt that the bank was using them to make huge profits and that the bank did not genuinely care about their relationship. The research showed that it was essential to uphold a better relationship between customers and the bank in general.

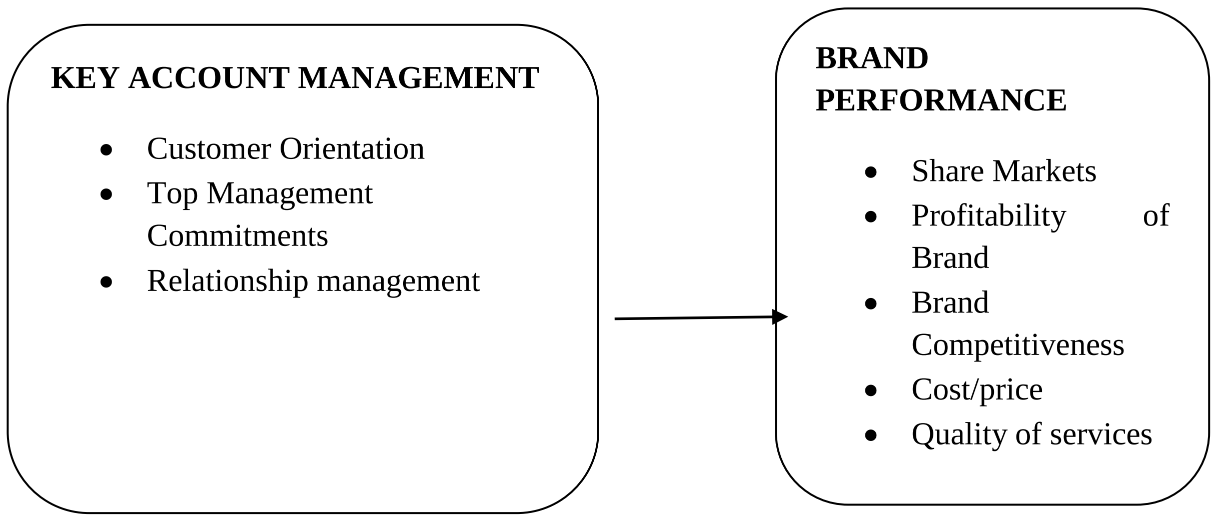
Kabue and Gathenya (2012) carried out an inquisition on Client Relationship Initiation Process and Marketing Effectiveness of Commercial Banks in Kenya. The study employed cross-sectional explanatory research design where the researcher sought to examine and explain the relationship between CRM initiation and Marketing Effectiveness. The study found that CRM initiation was positively associated with marketing effectiveness in terms of customer satisfaction, customer retention and value of customers. The study recommends that bank management should do selective recruitment of customers to ensure that they initiate relationships with value adding customers whose life time value exceeds the cost of acquisition. The study also recommends the use of targeted communications by marketing managers and channel selection with regard to suitability of the channel to the targeted customers, so as to enhance the recruitment process.

Muro (2011) carried out a study on The strategic use of CRM systems among commercial banks in Kenya demonstrated that banks in Kenya use CRM to attract and recruit new customers, monitor customer accounts, better handle customer data and complaints, create rapport with customers, increase the effectiveness of customer service, understand customer needs and expectations, identify their key customers and tailor products and services to meet customer needs and expectations. Liberalization, increasing number of new entrants, massive expansion and changing customers needs have intensified competition among commercial Banks in Kenya.

2.5 Conceptual Framework

This depicts the relationship between the key account management practices (customer orientations, top management commitments and relationship management) as the independent variables and the brand performance as the dependents variables.

Figure 1 – Relationship between Key Account Management and Brand Performance



Independent VariablesDependent Variables

Source- Researcher (2017)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the research approach that was utilized in completing the research study.

3.2 Research Design

Research design entails coming up with a specified plan or a specified data collection framework and the successive statistical analysis, which contains the research approach and the objectives which are of much concern to the researcher (Ghauri & Gronhaug, 2005). The research study made use of descriptive research design in attempting to seek answers to the research question. The design is preferred for the reason that it facilitates description of the context area of research, institute the relationship and explain the data collected with aim of establishing the differences and similarities within a given time frame. The design is regarded as appropriate as its main goal is to enquire into the viable relationship and describe the key account management and the brand performance of the Microfinance Institutions in Kenya.

3.3 Target Population

According to Kombo& Tromp (2003), Population refers to the entire group of individuals, objects or items with common characteristic from which data is collected for analysis. The population of this research study was consisting of 10 Microfinance Institutions in Kenya who formed the population of this study. Since the targeted population of the research work is very small, the research adopted a census approach in seeking answers to the research question.

3.4 Data Collection

The study employed primary data in seeking answers to the research question. The data was collected using a semi- structured questionnaire. According to Mugenda and Mugenda (2003) questionnaire method is the most suitable tool for collecting relevant comprehensive information. The questionnaire contains both open ended and closed ended questions in order to gather views, opinions and attitudes from the respondents. The open ended questions were used because they give unrestricted freedom of answer to respondents. The respondents consisted of the customer service representatives and mid level managers of the microfinance banks as outlined in appendix III.

3.5 Data Analysis

The collected data was cleaned for completeness and consistency in preparation for analysis. After this, the information was imported into the SPSS version 21 system for analysis. The data collected was then be analyzed using descriptive and inferential statistics. Descriptive statistics entails the use of measures of central tendency like the mean, frequencies, percentages and standard deviation. Inferential statistics on the other hand was used to draw conclusions. Multiple regression analysis was used in this case in order to determine the effect of key account management and the brand performance of the Microfinance Institutions in Kenya. The following regression model shall be used:

$$Y = a + \beta 1X1 + \beta 2X2+\beta 3X3+\acute{\varepsilon}$$

Whereby Y =Brand performance

a= Constant

X1 = Customer Orientation

X2 = Top Management Commitment

X3= Relationship Management

΄E = error term

β1, β2, β3 represented regression coefficients. These help in the generalization of the findings on the influence of key account management and the brand performance of the Microfinance Institutions in Kenya.

CHAPTER FOUR: DATA ANALYSIS AND RESEARCH FINDINGS

4.1 Introduction

This chapter presents the result of data analysis and the research findings of the study. The chapter also presents the effects of the relationship between key account management and the brand performance of the Microfinance Institutions in Kenya.

4.2 Response Rate

The research study was completed by administering 20 questionnaires to the customer service representatives and mid level managers of the microfinance banks in order to establish the effect of relationship between key account management and the brand performance of the Microfinance Institutions in Kenya. All the questionnaires administered were filled up and returned representing a response rate of 100%.

4.2.1 Gender of the Respondents

The study sought to establish the gender of the respondent and established the following results as shown in the table below.

Table 4.1: Gender of the Respondent.

Gender	Frequency	Percent
Male	13	61.9
Female	8	38.1
Total	21	100.0

Source: Research Data, (2017)

Majority of the total participants were males with a representation of 61.9% of the total participants while the females accounted for the 38.1% of the total research participants. This indicates that most Microfinance Institutions in Kenya prefer to hire more males than the females because of the nature of the work to be performed.

4.2.2 Age of the Respondents

The study sought to establish the age of the respondent and established that most of the respondents were aged between 21-30 years with a representation of 52.4%, followed by the respondent aged between 31-40 years with a representation of 42.9% and finally those who were aged between 41 years and above as shown by a representation of 4.8% of the total employees. From these research findings, it is evident that the respondents were well distributed in terms of age and that they are actively involved in servicing customers hence contributing constructively in the effects of between key account management and the brand performance of the Microfinance Institutions in Kenya.

Table 4.2 Age Bracket of the Respondents

Age	Frequency	Percent
21-30 years	11	52.4
31-40 years	9	42.9
41years and above	1	4.8
Total	21	100.0

Source: Research Data, (2017)

4.3 Level of the Education

The research sought to establish the education levels since the quality of the responses could be affected by the level of know- how of the respondents and established the following results as shown in the table 4.3 below:

Table 4.3 Level of Education of the Respondent

Education level	Frequency	Percent
Bachelor Degree	15	71.4
Masters	6	28.6
Total	21	100.0

Source: Research Data, (2017)

Majority of the respondent were bachelor degree with a representation of 71.4% while the rest of the respondents were holders of master's degree with a representation of 28.6%. This information shows that they had attained the minimum level of education and hence, the respondents were knowledgeable enough to contribute positively in this study.

4.2.4 Duration Respondents have worked in the Company

The research study sought to find out the length of time that the participants had been working in the courier firms. This was vital in ascertaining the extent to which the respondents comprehended the study issues. The findings indicated that, the majority of the respondents had an experience of between 0- 5 years in the Microfinance Institutions with a representation of 85.7% while the rest had worked in the Microfinance Institutions in Kenya for the period between 5-10 years with a representation of 14.3%. This shows that majority respondents had enough work experience in the Microfinance Institutions in Kenya. From these research findings, it is evident that most Microfinance Institutions in Kenya have good policies for attracting and retaining its workforce, hence the respondents were conversant with the research issues which the research sought to find out on the effect of key account management and the brand performance of the Microfinance Institutions in Kenya. The results of the study are shown in the table 4.4 below.

Table 4.4 Duration Worked

Duration	Frequency	Percent
Less Than 5 Years	18	85.7
Between 5-10 Years	3	14.3
Total	21	100.0

Source: Research Data, (2017)

4.3 Inferential Statistics

Multivariate regression was used to establish the correlation between key account management and the brand performance of the Microfinance Institutions in Kenya. The analysis applied the Statistical Package For Social Sciences (SPSS) version 21.0 to compute the measurements of the multiple regressions for the study.

4.3.1 Model Summary

The overall results of the subject study are as shown in Table 4.5.

Table 4.5 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.886[a]	.786	.748	.29880

Source: Research Data (2017)

The model summary findings indicated that there is a strong (R= .886[a]) relationship between key account management and the brand performance of the Microfinance Institutions in Kenya. The study also recorded an adjusted R-squared value of .786. This implies 78.6% of the total variance in brand performance of the Microfinance Institutions in Kenya can be attributed to key account management.

4.3.3 Analysis of Variance (ANOVA)

The study further ought to establish the goodness of fit of the regression model using ANOVA statistics. According to Mugenda & Mugenda (2003), ANOVA is a statistical technique for the data analysis, which is applied in establishing whether any significant differences among two or more groups or samples at a chosen level of probability exist, or not. An explanatory variable is said to be a significant predictor of the dependent variable if the absolute t-values of the regression coefficient related with that independent variable is greater than the absolute critical t-values. The results of the study are as shown in

Table 4.6 Analysis of Variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.563	3	1.854	20.768	.000[a]
	Residual	1.518	17	.089		
	Total	7.080	20			

Source: Research Findings (2017)

According to the findings in the study as above, the regression model had a significance level of 0.0% which indicates that regression model is perfect for predicting future brand performance of the Microfinance Institutions in Kenya given key account management variables. This is because the significant value (p-value) was far much less than 5% which was used as an indicator of statistical significance.

4.3.2 Coefficients of Determination

Regression co-efficient indicates the direction of the relationship between dependent and independent variables. The results of this study are as shown in Table 4.7.

Table 4.7 Coefficients of Determination

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.934	.905		1.032	.317
	Customer orientation	.934	.320	.454	1.796	.090
	Top management	.388	.208	.367	1.865	.080
	Relationship management	.214	.362	.122	.590	.563

Source: Research Data (2017)

The findings above indicate that, the brand performance of the Microfinance Institutions in Kenya is .934 when all other independent variables (Customer orientation, Top management and Relationship management) are held constant with a value of Zero. A unit increase in the value of the Customer orientation will lead to .575 increases in the value of the brand performance. Unit increase in the value of the Top management will lead to .388 increases in the value of the brand performance. Similarly, unit increase in Relationship management will results to .214 increases in the value of the brand performance. The following regression equation can be obtained from the analysis

$Y = .934 + .934X_1 + .388X_2 + .214X_3 +$

Where Y = brand Performance,

X_1= Customer orientation

X_2 = Top management

X3= Relationship management

4.4 Chapter Summary

The objective study was to examine the effects of key account management and the brand performance of the Microfinance Institutions in Kenya. The results of the study indicated that there is a strong (R= .886[a]) relationship between key account management and the brand performance of the Microfinance Institutions in Kenya. The study also recorded an adjusted R-squared value of .786. This implies 78.6% of the total variance in brand performance of the Microfinance Institutions in Kenya can be attributed to key account management. ANOVA statistics revealed that the regression model was ideal since it had a significance level of 0.0%. The study further established that Customer orientation; Top management and Relationship management affects brand performance of the Microfinance Institutions in Kenya positively and in a statistically significant way. The findings were in line with the findings of Kabue and Gathenya (2012), Wairimu (2011) and Mahmoudiana and Ishanian (2014) suggest that key account management affects the brand performance positively.

CHAPTER FIVE: SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the research findings, the conclusions drawn based on the study objectives and the recommendations for policy change. It will also discuss suggestions for further research and limitations experienced during the study.

5.2 Discussion and Summary of Findings

The objective study was to examine the effects of key account management and the brand performance of the Microfinance Institutions in Kenya. The research study involved 20 respondents from various Microfinance Institutions in Kenya. All the questionnaires were filled up representing response rate of 100%. Descriptive research design was adopted for this research study. Analysis was done with the help of Statistical Package for Social Science (SPSS) version 21 and Microsoft's Excel. Regression analysis was also used to establish effect of key account management and the brand performance of the Microfinance Institutions in Kenya. Analysis of variance (ANOVA) was used to test the goodness of fit of the regression model to the data collected.

The results of the study indicated that there is a strong (R= .886[a]) relationship between key account management and the brand performance of the Microfinance Institutions in Kenya. The study also established that 78.6% of the total variance in brand performance of Microfinance Institutions in Kenya can be attributed to key account management. The remaining 21.4 % of the variance in brand performance can be attributed to other determinants of brand performance which were not the subject of this study. ANOVA statistics revealed that the regression model was ideal since it had a significance level of 0.0%. The study further established that Customer orientation; Top management and Relationship management affects brand performance of the Microfinance Institutions positively and in a statistically significant way. The conclusions were therefore in line with the findings of Kabue and Gathenya (2012), Wairimu (2011) and Mahmoudiana and Ishanian (2014) suggest that key account management affects the brand performance positively.

5.4 Conclusion

The study concludes that there is a strong relationship between key account management and the brand performance of the Microfinance Institutions in Kenya and that 78.6% of the total changes in brand performance of the Microfinance Institutions in Kenya can be attributed to key account management. The study also concludes that Customer orientation; Top management and Relationship management affects brand performance of the Microfinance Institutions positively and in a statistically significant way. Form the ANOVA statistics, the study concluded that the regression model was derived is reliable and has goodness of fit.

5.5 Recommendations of the study

The research study recommends that Microfinance Institutions in Kenya should practice key account management in order to enhance their brand performance since key account management was found to have a positive impact on the brand performance of Microfinance Institutions in Kenya.

Microfinance Institutions in Kenya should invest heavily in key account management such as Customer orientation; Top management and Relationship management as this will lead to improvement in the brand performance of the Microfinance Institutions.

5.5 Limitations of the Study

The study faced several limitations. First, financial constraints and funding was a major challenge causing the study to be under-powered. Consequently, it did not reach optimum statistical significance, by obtaining maximum response rate.

The research study focused on Microfinance Institutions in Kenya and therefore the result from the analysis thereof cannot be applied to other firms in different industries since the results might not be conclusive for non- Microfinance Institutions in Kenya.

5.6 Suggestions for Future Studies

The research study recommends another study be done regarding the relationship between key account management and the brand performance among firms in Kenya with a focus on firms across various sectors of the economy in Kenya in order to establish whether the findings from this research study still holds true with the findings from other firms across various industries in Kenya.

In future, a study should be carried out to investigate the challenges faced by Microfinance Institutions in Kenya when adopting key account management. This will also shed light on how these challenges can be tackled.

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Appendix I:

Research Questionnaire

The purpose of this questionnaire is to collect data on the key account management and the brand performance of the Microfinance Institutions in Kenya. Please fill in the following questionnaire by answering all the questions given as instructed. All information obtained will be treated confidentially and will only be used for the purposes of this research. Please do not indicate your name in the questionnaire.

SECTION A: DEMOGRAPHIC INFORMATION

(Tick Appropriately)

1. What is your gender?

(a) Male ☐

(b) Female ☐

2. What is your age bracket?

(a) Below 20 years ☐

(b) 21 to 30 years ☐

(c) 31 to 40 years ☐

(d) 41 years and above ☐

3. What is your highest level of education?

(a) Certificate ☐

(b) Diploma ☐

(c) Bachelor's Degree ☐

(d) Masters ☐

(e) PhD. ☐

Others

(Specify)..

4. How long have you engaged with this microfinance bank?

(a) Less than 5 years ☐

(b) Between 5 – 10 years ☐

(c) Between 10 – 20 years ☐

(d) 20 years and above ☐

SECTION B: KEY ACCOUNT MANAGEMENT

5. To what extent do you agree with the following statements in the effects of customer orientations on the brand performance of the Microfinance Institutions in Kenya? Rate on a scale of 1 to 5 where 1= no extent, 2= little extent, 3= moderate, 4= large extent and 5 is to a very large extent

Statements	**1**	**2**	**3**	**4**	**5**
Satisfying the needs of the account is a major objective for us					
We always monitor the extent to which we satisfy our client needs					
We try to deliver superior value to our account through our products					
We often measure the level of satisfaction of our account					
We pay a lot of attention on the after sale services of our accounts					
We place much emphasize on helping customers to cater for their needs and wants.					
Customer focus is a preferred trait for us					
We create channels of feedback for our customers					

6. To what extent do you agree with the following statements in relation to the effects of the top management commitment to the orientations on the brand performance of the Microfinance Institutions in Kenya? Rate on a scale of 1 to 5 where 1= no extent, 2= little extent, 3= moderate, 4= large extent and 5 is to a very large extent.

Statements	**1**	**2**	**3**	**4**	**5**
Top management affirms the importance of KAM as a major strategic orientation for the company					
Top management sets an example to KAM for the rest of the company					
Top management closely overviews all the activities in relation to the management of the accounts					
Top management always stress the importance all the units can contribute in delivering value to our accounts					

Top management has no hesitation to spend time in management of the accounts					
Top management allocates the required resources for the KAM tasks					
Top Management personally know the key decision makers of the accounts					
Top management support staff efforts in Key Account Management					

7. To what extent do you agree with the following statements on in relation to the effect of relationship management on thebrand performance of the Microfinance Institutions in Kenya? Rate on a scale of 1 to 5 where 1= no extent, 2= little extent, 3= moderate, 4= large extent and 5 is to a very large extent

Statements	**1**	**2**	**3**	**4**	**5**
We have a good working relationship with all units as regards sharing information on accounts in order to deliver value to them					
We frequently contact our customers					
We plan with our customers ahead in time when possible					
We work closely with customer follow up and put much consideration to their feedback					
key account managers/ sales managers work closely with customers					
We highly value the feedback from the customer					

SECTION C: BRAND PERFORMANCE

8. To what extent do you agree with the following statements in relation to the how KAM has impacted on the brand performance as indicated by the following performance indicators? Rate on a scale of 1 to 5 where 1= no extent, 2= little extent, 3= moderate, 4= large extent and 5 is to a very large extent

Brand performance	1	2	3	4	5
Improved Market share					
Brand competitiveness					
Enhanced quality of customer service					
Reduction in the cost/price of servicing customers					
Improved profitability of the brand					
Improved Customer Loyalty and satisfaction					
Improved share of customer wallet					
Customer referrals to prospective customers					

9. What other information would you like to share about the effects of the key account management and the brand performance of the Microfinance Institutions in Kenya?

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…………………………………………………………………………………………………

10. What do you think should be done to enhance the greater application of key account management in order to improve the brand performance of the Microfinance Institutions in Kenya?

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…………………………………………………………………………………………………

THANK YOU FOR YOUR CO-OPERATION.

Appendix II: Letter of Introduction

Frider Kawira Kithinji
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5th October 2017
To Whom It May Concern
Dear Sir, Madam

RE: LETTER OF INTRODUCTION

Academic Research Titled: **Key Account Management And Brand Performance Of Microfinance Institutions In Kenya**

I am a Master of Science- Marketing student at the University of Nairobi conducting an academic research on the above subject.

Customer service representatives and mid level managers of micro finance institutions have been identified as respondents for the study to provide insight into the subject matter.

I am kindly requesting for your permission, support and cooperation in allowing me to administer a questionnaire to them directly.

Be assured that any information provided will be treated in the strictest confidence and none of the participants will be individually identifiable in the resulting thesis, report or other publications.

Any enquiries you may have concerning this project should be directed to me at the address given above or by telephone

Thank you for your attention and assistance.

Yours sincerely

Frider Kawira Kithinji

Appendix III: List of Micro Finance Institutions

1. Rafiki Microfinance Bank
2. Faulu Kenya
3. Century Deposit Taking Microfinance Limited
4. SMEP microfinance Bank
5. Choice Microfinance Bank
6. Maisha Microfinance Bank
7. Sumac Microfinance Bank
8. Kenya Women Microfinance Bank
9. Caritas Microfinance Bank
10. ECLOF Kenya