

**INFLUENCE OF MARKETING STRATEGIES ON GROWTH OF MICROFINANCE  
INSTITUTIONS IN KENYA**

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REQUIREMENT FOR THE AWARD OF MASTER OF BUSINESS ADMINISTRATION  
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**DECEMBER, 2017**

**DECLARATION**

I declare this research project is my original work and has not been previously published or presented for award of degree in any other university.

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## **DEDICATION**

I dedicate this project to my family for their unfailing encouragement and love and specifically to my Mum Irene Kaburu, Dad Bjorn Kaburu and my Brothers whose prayers and support kept me going and also my supervisor who supported and encouraged me throughout the course.

Above all my gratitude goes to God my Father who upheld me and gave me endurance and victory in all that was required to complete the project. To Him be Glory, honour and praise for his unfailing love and grace.

## **ACKNOWLEDGEMENT**

I wish to thank most sincerely all those whose contributions have made this project a success. To my supervisor Dr. Mary Kinoti for her assistance and advice all through making this project a success, to my parents and family for their support both morally and financially. Most of all I thank God for the gift of wisdom and strength to complete this project.

## **LIST OF ABBREVIATIONS AND ACRONYMS**

<b>MFI</b> s	Micro Finance Institutions
<b>CBK</b>	Central Bank of Kenya
<b>NSE</b>	Nairobi Stock Exchange
<b>SME</b> s	Small & Medium Enterprises
<b>RBV</b>	Resource-Based View
<b>IT</b>	Intermediate Technology
<b>KBA</b>	Kenya Bankers Association
<b>BCG</b>	Boston Consulting Group

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## **ABSTRACT**

The purpose of this study was to establish the influence of marketing strategies on growth of micro finance institutions in Kenya. This study undertook a descriptive survey of the thirteen micro-finance institutions in Kenya. The study findings indicated that most of these microfinance firm's adopted relevant marketing strategies especially on service oriented focus putting a greater emphasis on various marketing mix elements that is product/ service, price, place, promotion, people, processes and physical scape. The study findings indicated that most of these firms had automated their operations to increase and enhance quality service delivery amongst its clientele. The study noted that these firms were classified as small medium & large. The findings indicated that there has been enormous growth in the industry. Industry parameters of growth included customer deposits, loan portfolio (Net), Return on assets, return on shareholder funds, number of branches and number of staff as well as pre-tax profits. The study had challenges of time and resource constraints in its undertaking further research need be undertaken to undertake a comparative analysis with other bank institutions.

## CHAPTER ONE: INTRODUCTION

### 1.1 Background of the Study

Businesses all over the world are faced with the challenges posed by the ever changing and turbulent competitive environment. The business world is never static (Brown and Eisenhardt, 1998). To survive in the ever-changing business environment, microfinance institutions need to put in place strategies that give superior value to the customers with innovation being the main source of advantage (Porter, 2008). The increasing competition has been powered development in communication sector and liberalization of key world economies. Therefore, every microfinance institution requires marketing strategies that bring about sustainable advantage and differentiate itself from the rest, otherwise there is a risk of being imitated. It is argued that a company can attain a high-performance level over competitors in one of the following two ways: supplying identical products or services at a relatively low price, or supplying services or products that are differentiated to an extent that a company enjoys what is commonly known as a cost advantage. In the second case, the objective of a company to become the price leader in its sector of market segment (Lopez, 2007).

According to Porter (2008) a company must choose an effective marketing strategy that is different from the one used by competitors to deliver unique values to its customers. The study also uses Ansoff Matrix Model that provides a framework to help executives managers and senior marketing managers to devise strategies for future growth by analysing the marketing strategies that an organisation may use to grow the business (Igor Ansoff 1965).

To survive in the ever-changing business environment, microfinance institutions need to put in place strategies that give superior value to the customers with innovation being the main source

of advantage (Porter, 2008). The increasing competition has been powered development in communication sector and liberalization of key economies. This has contributed to reducing the world into a global village in terms of time taken to transact business among individuals located in different locations. Consequently, microfinance institutions are now facing severe competition from foreign and local competitors. To favourably compete and to survive in the current modern competitive market, different microfinance institutions have adopted different marketing strategies. There are thirteen (13) micro-finance institutions in the banking industry in Kenya. These institutions offer critical finance solutions to most of the SME's enterprises in the county. The microfinance individual entrepreneurs and offering financial solutions to their diverse financial demands.

### **1.1.1 Marketing Strategies**

Shaw (2012) indicated that a marketing strategy refers to a plan of marketing actions that a business intends to take to achieve specific goals and objectives. According to Jain (2000) strategic marketing include looking at the entire business's portfolio of markets and products and managing them to attain business's overall goals and objectives.

A marketing strategy is viewed as a company's overall plan for reaching a certain group of people and converting them into regular consumers of services or products that the company provides. The marketing strategy of a business includes the business's values, marketing messages, information directed to targeted customers, as well as other high-level elements. A marketing strategy is important as it informs a company's marketing plan which is a document that outlines marketing activities and their timing (Kotler, 2009). The marketing strategy of a company should have a longer lifespan when compared with an individual market plan because

key elements of its brand and value proposition reside in a marketing plan. Ideally, these things do not shift easily over time.

Marketing strategy has been considered as a constituent of the long-term plan of the marketing function. Using the concept of positioning and segmentation, marketing strategy has been defined as a method of identifying the target markets towards which marketing actions are to be focused and the forms of competitive advantages that are to be created and exploited in every target market. The aim of marketing targeting strategy is to identify target customers that a company wishes to attract. Once the company's target customers are identified and their respective importance to the business is determined, the company is in a position to choose the company's positioning strategy (Shaw, 2012). According to Jain (2000) strategic marketing include looking at the entire business's portfolio of markets and products and managing them to attain business's overall goals and objectives.

### **1.1.2 Concept of Organizational Growth**

Organizational growth strategies are a key ingredient in any business venture. Business portfolio models or metrics are some of the preferred techniques of categorizing business and benchmarking them relative to their success. Firm's growth is depicted in a firm's progressive performance coupled with expansion or acquisition of related business firms. Finance firm frequently uses merger and acquisition strategies as a form of growth; these lead to firm's economies of scale, skill and competence resources; and wider market segment coverage(s). Portfolio analysis enables firms to recognize particular strategy options which can enhance their operations in an attempt to increase their performance; the popular models used include the Boston consulting group (BCG). The matrix which focuses on stars, dog's cash flows and

question marks; there is also market attractiveness and business strength matrix (Majimudar, 1996).

Organizational growth strategies are a key ingredient in any business venture. Business portfolio models or metrics are some of the preferred techniques of categorizing business and benchmarking them relative to their success. Finance firm frequently uses merger and acquisition strategies as a form of growth; these lead to firm's economies of scale, skill and competence resources; and wider market segment coverage(s). Portfolio analysis enables firms to recognize particular strategy options which can enhance their operations in an attempt to increase their performance; the popular models used include the Boston consulting group (BCG). The matrix which focuses on stars, dog's cash flows and question marks; there is also market attractiveness and business strength matrix. (Majimudar 1996)

Goldsmith & Lafferty (2002) argued that web marketing strategy is the use about e-marketing platforms to result in high organization's efficiency in established marketing activities. Besides, technology development has transformed much marketing into new business models that promote not only customer value but also company profitability.

### **1.1.3 Banking Industry in Kenya**

In Kenya, banking and other financial institutions are regulated under the Companies Act (Chapter 486) of the Laws of Kenya. The banks are regulated by Central Bank of Kenya (CBK), Banking Act, and other supplementary operational guidelines given out by CBK. The banks also practice self-regulation through the Kenya Bankers Association (KBA), which is also the main lobbying body for Kenyan banks. Currently the banking sector comprises 42

commercial banks of which 3 are public financial institutions, 10 banks listed on the NSE, 12 deposit-taking microfinance institutions, 8 subsidiary offices of foreign banks, 14 money remittances providers, 80 foreign exchange bureaus, 2 banks under statutory management. There are also agency banking practices in the cooperative bank, commercial bank and equity bank introduced Equitel money transfer services.

(KBA annual report 2016).

#### **1.1.4 Microfinance Institutions in Kenya**

Microfinance (Deposit Taking Institutions) Regulations 2008 and the Microfinance Act 2006 set out the regulatory, legal, and supervisory framework for regulating microfinance sector in Kenya effected on May 2, 2008. The Microfinance Act 2006 aim at regulating the introduction, business and functioning of deposit-taking microfinance institutions in Kenya through supervision and licensing. MFBs, serving as financial intermediaries, play a crucial role in supplementing commercial banks. This implies that MFBs are seen as supplements of commercial banks as opposed to competitors, by providing vital service channels for the better portion of the Kenyan population that have limited access to commercial institutions (Imady and Seibel, 2003).

Therefore, microfinance industry plays a crucial part in expanding financial markets and augmenting authority to financial services to a significant proportion of Kenyan constitution.

Currently there are 13 Microfinance Institutions in Kenya, they offer both savings and loan products to their customers. Given the growth trend in the finance industry, questions have been raised on how we can stimulate growth and further develop the microfinance sector. In the last few decades, Kenyan finance industry has grown to a great extent (Mbogo and Ashika, 2011).

The 13 Microfinance Institutions in Kenya namely; Faulu Kenya is one of leading Microfinance providing loans to Kenyans. Just like other Microfinance Institutions operating in Kenya, this microfinance has both savings and loans products. Another popular microfinance institution is Choice Microfinance Bank Limited. The choice among the biggest community-based Microfinance Institutions in the country. Authorized to function as microfinance institution on March 31st, 2010, Kenya Women Microfinance Bank Ltd (KWFT) is among the leading deposit-taking Microfinance Institutions in Kenya. Rafiki Microfinance Bank Ltd is one of the banks in Kenya that offer diaspora banking, savings and loans products. Other Microfinance Institutions in the country include: Caritas Microfinance Bank Ltd (owned by the Catholic Church of Kenya) (CBK 2016 report).

## **1.2 Research Problem**

Corporate executives in marketing departments constantly monitor and assess the dynamic marketing environment, especially customer needs, desires, competitive actions, laws and regulations and other critical factors which affect their own marketing strategies. Firms need to device corporate strategy(s), business unit strategy(s) and operational marketing strategies to enable the firm to navigate through this dynamic environment; through modern marketing practices encompasses modern approaches relationship marketing. The relationship is a customer bonding and guarantees especially for service firms, strong customer relations with the organization guarantees loyalty and business continuity and firms' growth creating opportunities exist in the world of business which can be exploited through the use of relevant marketing strategies (Kandapully 2007).



Microfinance institutions and programs have been considered as important methods of reducing poverty and promoting SMEs development. Nevertheless, knowledge concerning the achievements of these institutions remains only partial and contested. Because this state of affairs the analysis of microfinance programs is still an essential field for policymakers, researchers, MFIs and development practitioners.

Seth and Parvatiyar (2007) indicates a number of reasons why consumers engage in relationship marketing practices, these reasons compound of personal factors sociological factors and institutional influence factors; these include, reduction in perceived risk associated with future choices and adherence to influence of peer groups, social class, and reference groups. Christopher et al (1993) summarize the various benefits attributed to relationship practices thus include a focus on customer recantation; pursuit of long-term vision; the emphasis of exemplary service; engendering customer commitment; and quality assurance. Zelthmal and Bitner (1996) observe five key benefits gained by the adoption of relationship marketing as a modern practice; those include, increased purchases; free advertising through word of mouth, reduced costs, worker's retention and lifetime value of retained customers.

Internationally acknowledged research includes Erasmus & Lebani (2009) undertook a study on consumers use and satisfaction with store cards a marketing promotional tool in shopping malls in Botswana. Results indicated that social factors use the key determinants and influencers in e-payments for the product. It was recommended that consumers uplift their status result the current purchase pattern & behavior. Mahotra et al (2014) researched on factors which influenced adoption of internet banking practices amongst the banking fraternity. The study attributed low consumer adoption to the e-marketing practices and lack confidence as part of the slow growth.

Locally Njeru, Otey and Mutua (2013) undertook a survey on microfinance SME's in Nairobi, the result indicated much penetration attributed to improved marketing practices adopted; improved customer service, and access to global markets; Kipkech (2009) undertook a research on evaluation of e-commerce application by microfinance institutions in Kenya. The findings indicated that challenges exist as firms try to automate, lack of clear communication, long procedures inadequate technology & lack of awareness. From the above studies and Knirn study has been undertaken.

The study therefore seeks to answer the research question; what is the influence of marketing strategies on the growth of microfinance institutions in Kenya?

### **1.3 Objectives of the study**

The objective of this study is to establish the influence of the marketing strategies on the growth of microfinance institutions in Kenya.

### **1.4 Value of the Study**

Scholars can use it as a basis for future research Scholars in the field of marketing will use the information to understand the operations of the microfinance institutions better. They will also use the information as a reference point to research on the fast growth rate of micro finance institutions

The study findings may help boost MFIs sector development and investments which is the engine of growth and development. MFIs will also use the findings in drafting marketing strategies on how to operate in a competitive and turbulent Kenyan market. It will help the

managerial team to understand better strategic moves mostly applied by competitors to maintain their market shares in Kenya. Development practitioners can use this research to come up with future programmes for the alleviation of poverty and promotion of businesses. Players in the MFI industry can benefit from this study by justifying their demand for subsidies. The study findings may help boost MFIs sector development and investments.

This research will make a contribution to policy makers and the government in its journey towards attaining vision 2030. The government can use the study to come up with practical poverty reduction strategies. As the Microfinance sector grows the government has to come up with a regulatory framework. In addition, it will guide in the area to improve on as the market is dynamic and the needs of the investors are always changing.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter presents the empirical and theoretical literature review of the study. It covers the types of marketing strategies and the relationship between marketing strategies and organizational growth.

### **2.2 Theoretical Foundation**

The study is supported by the resource-based view and the Ansoff matrix model theory(s).

#### **2.2.1 The Resource-Based View Theory**

According to Wernerfelt (1984) Resource-Based View (RBV) theory hold that competitiveness may be attained by using innovation to deliver high value to consumers in ways that customer's consider appropriate. This theory considers a firm as a collection of resources. Nevertheless, not all these resources have the potential of providing a company with sustainable competitive advantage (Barney, 1991). The RBV theory holds the identification and possession of crucial resources containing essential features along with their deployment and development that enable a firm to attain and maintain a competitive advantage. 12 Resource-based strategy theorists such Barney (1991) contended that sustained competitive advantage is grounded on attainment and effective use of a bundle of destructive resources that market competitors cannot easily copy. Destructive resources have four traits; they are rare, valuable, imperfectly imitate and non-substitutable. Barney further defines these key resources to include capabilities, all assets, firm's attributes, organizational processes, knowledge, information etc. controlled by a company and

that allows it to formulate and implement effective and efficient strategies. This theory is appropriate to the study in that the resources to be used to achieve competitive advantage in the market are the marketing department. The marketing department is served with the responsibility of formulating and implementing marketing strategies.

### **2.2.2 Ansoff Matrix Model**

Igor Ansoff was business manager and mathematician who was seen as the father of strategic management. The Ansoff product defines these key resources to include capabilities, all assets, firm's attributes, organizational processes, knowledge, information etc. controlled by a company and that allows it to formulate and implement effective and efficient strategies. This theory is appropriate to the study in that the resources to be used to achieve competitive advantage in the market are the marketing department. The marketing department is served with the responsibility of formulating and implementing marketing strategies. This new product is then marketed to its existing customers. This is very common in automobile sector where companies update their models to replace the existing ones.

Destructive resources have four traits; they are rare, valuable, imperfectly imitate and non-substitutable. Barney further defines these key resources to include capabilities, all assets, firm's attributes, organizational processes, knowledge, information etc. controlled by a company and that allows it to formulate and implement effective and efficient strategies. This theory is appropriate to the study in that the resources to be used to achieve competitive advantage in the market are the marketing department. The marketing department is served with the responsibility of formulating and implementing marketing strategies.

Business diversification is where a company remains in a market that is familiar to it. Unrelated diversification refers to the production of completely new products, using different technology and marketing networks from existing ones.

Market penetration Larreche et al (2006) articulates the various components of a strategy and outlines the following key components of the marketing strategy, the scope in terms of firms' domain product lines, market segment, & plans; goals and objectives in terms of levels of accomplishment of their performance; resource deployments financial and human. Identification of sustainable advantage and synergy. There are three levels of strategies; these are a business level strategy the corporate strategy, and functional strategy.

Market development is various components of a strategy and outlines the following key components of the marketing strategy, the scope in terms of firms' domain product lines, market segment, & plans; goals and objectives in terms of levels of accomplishment of their performance; resource deployments financial and human. Identification of sustainable advantage and synergy. There are three levels of strategies; these are a business level strategy the corporate strategy, and functional strategy.

### **2.3 Types of Marketing Strategies**

Larreche et al (2006) articulates the various components of a strategy and outlines the following key components of the marketing strategy, the scope in terms of firms' domain product lines, market segment and plans; goals and objectives in terms of levels of accomplishment of their performance; resource deployments financial and human. Identification of sustainable advantage and synergy. There are three levels of strategies; these are a business level strategy the corporate strategy, and functional strategy.

The marketing mix helps outline the marketing components for efficient positioning the market is being offered. Modern marketing practitioner should embrace the 7P's marketing mix if their service strategies need be successful; these include the product, place, the price, promotion, physical evidence, people, and processes (Longenecker, et al., 2006). Therefore, marketing mix is a good framework used to develop marketing strategies.

### **2.3.1 Market Segmentation, Targeting and Positioning**

According to Kotler (2000), process is a critical component and the essence of a service, the actual delivery of a service is part of overall integrated service systems. Service organizations need identity changing preferences and buying motivations, the adjustment of the service strategy should be affected by the changes and trends in the marketplace becomes apparent. Modern marketing practitioner should embrace the 7P's marketing mix if their service strategies need be successful; these include the product, place, the price, promotion, physical evidence, people, and processes. (Boshoff et al, 2002: 154).

### **2.3.2 Product Strategies**

A product or service is an item produced to satisfy customer needs. Marketers always do an in depth analysis on the product life cycle that they are manufacturing. Products have a specific understanding and managing a firm's customers have become an important ingredient more than managing the 4P's of the marketing mix for goods and 7P's for services mix, companies and organizations are focusing on managing the customer relationship. Jones and Tumm (2005) indicate that CRM is not the only customer oriented, it has an important role for key constituents within the firm. They add that CRM impacts on sales, customer service, customer contact

personnel and Internet-based commerce; CRM provides contact and top management for the sales force, cross-selling and upselling opportunities for marketer's product weaknesses for customer contact (CCP) to forward to engineering and web design opportunities for internet marketers. (Grundy, 2006).

Targeting is strongly argued that in the advent of technological development, business has experienced more problems than before, hence the technological inventions have also come up with more innovative offerings to enable services and products be customer centered and compliance levels, the technological innovations have reduced product life cycles hence reducing patronage levels among its customers. (Minett, 2002).

### **2.3.3 Price Strategies**

Price can be defined as the technological inventions have also come up with more innovative offerings to enable services and products be customer centered (Solomon et al 2009). view performance in terms of results the degree of attainment of objectives as relates to firms' operations and goals; systematic and objective performance indicators need be put in place to evaluate, monitor and report any changes. Rust (2010) finally indicates that performance is a combination of profitability; firms, images; the service level; and concludes the technological innovations have reduced product life cycles hence reducing patronage levels among its customers

### **2.3.4 Place Strategies**

Place strategy of a company includes the technological innovations have reduced product life cycles hence reducing patronage levels among its customers. (Kotler and Armstrong, 2010). Firms should maintain other traditional methods of communication as all are relevant and



productive. Marketing strategists should embrace the advent of technology and utilize the same in improving service delivery and service quality. IT support for customers is a key ingredient in firm's growth and performance. The firm's management should embrace the benefits of IT to realize the maximum advantage of IT in terms of enhancement of the effectiveness of the individual functions of operations, marketing and human resources.

### **2.3.5 Promotion Strategies**

Promotion is additionally a very vital element, firms should maintain other traditional methods of communication as all are relevant and productive (La Monica 1999). Marketing strategists should embrace the advent of technology and utilize the same in improving service delivery and service quality. IT support for customers is a key ingredient in firm's growth and performance. The firm's management should embrace the benefits of IT to realize the maximum advantage of IT in terms of enhancement of the effectiveness of the individual functions of operations, marketing and human resources.

### **2.3.6 People**

People include all human interaction occurs during service delivery process and should aim to reinforce this initial seeking of trust. Mckenna (1991) maintains that firms should maintain and strengthen relationships, as customers want to be loyal. Customer relationship management entails the use of customer database to monitor customer behavior; firms should also adopt customer retention strategies like monitoring customer relationship, loyalty programmes, effective recovery systems, creating bonds, customer clubs and extraordinary customer service. (Zeithaml et al, 2008)

### **2.3.7 Process**

Process is the actual marketing strategists should embrace the advent of technology and utilize the same in improving service delivery and service quality. IT support for customers is a key ingredient in firm's growth and performance. The firm's management should embrace the benefits of IT to realize the maximum advantage of IT in terms of enhancement of the effectiveness of the individual functions of operations, marketing and human resources.(Bonoma et al., 1988)..

### **2.3.8 Physical Evidence**

Physical evidence is the location that customer loyalty is not attained easily, it's the end result of on-going relationships grounded on the organizations ability to maintaining and extent to marketing contacts with consumers; Relationship marketing is all about acquiring and maintaining loyalty and trust the challenge for firms is not success but maintenance of success; the firms focus should be beyond merely customer attraction to seeking their loyalty and on-going patronage for a longer term.

## **2.4 Marketing Strategies and Organizational Growth**

Marketing strategies have been used for many years by majority of the organizations. These strategies are already being used by some microfinance establishments. The success of these strategies comes in once applying those practices and henceforth professionally executed. According to Achrol (1991) strongly argues that in the advent of technological development, business has experienced more problems than before, hence the technological inventions have

also come up with more innovative offerings to enable services and products be customer centered and compliance levels.

Marketing strategists should embrace the advent of technology and utilize the same in improving service delivery and service quality. IT support for customers is a key ingredient in firm's growth and performance. The firm's management should embrace the benefits of IT to realize the maximum advantage of IT in terms of enhancement of the effectiveness of the individual functions of operations, marketing and human resources.(Bonoma et al., 1988). Market development is part of growth strategy where organization market their products in a new location. Therefore firms should maintain other traditional methods of communication as all are relevant and productive (La Monica 1999). Marketing strategists should embrace the advent of technology and utilize the same in improving service delivery and service quality.

## **CHAPTER THREE RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter details the various approaches that facilitated the execution of the study to satisfy the research objectives. This includes the research design to be adopted by the researcher, the target population, the sampling procedure, the data collection method used and data analysis.

### **3.2 Research design**

The study adopted a descriptive cross-sectional survey research design. A cross-sectional survey is done to be able to describe the features of the variable of interest in the study. Cooper and Schindler (2003) held that cross-sectional survey allows data to be collected across a number of respondents at the same time. A descriptive research design is used when the researcher is clear about the issues at hand and seeks to describe them systematically and precisely (Kothari, 2007). Descriptive studies are supposed to describe who, what, where, when and how of a known phenomenon. This research design was appropriate to this study since the study sought to describe the marketing strategies that determine the growth of MFIs in Kenya.

### **3.3 Population of the Study**

A population need have some observable features which the scholar will analyse the outcome of the study, (Mugenda & Mugenda 2003). The population in this study will be the thirteen microfinance institutions in Kenya. A census approach will be undertaken

The population in this study was the thirteen microfinance institutions in Kenya regulated by the Central Bank of Kenya (CBK 2016). A census approach was undertaken. This is to ensure that each MFI is given an equal opportunity of being interviewed and also because the sample size is small. A list is attached as appendix ii

### **3.4 Data Collection**

The study utilized primary and secondary data. Primary data was collected by use of a questionnaire. The use of a questionnaire was recommended because it covered a large population with minimal cost and has relatively a high response rate. The questionnaire had both structured and unstructured questions to enable respondents ease of response. The respondents comprised of marketing managers and their equivalent. The secondary sources were collected from the firm's annual performance records, monthly summaries and any relevant data.

### **3.5 Data Analysis**

Data collection will be quantitative and qualitative in nature. Quantitative data will be scrutinized through the techniques of measures of central tendency averages. To allow conceptualization of the research results and findings of these data will be presented in through tables, bar, graphs, pie charts, and through proportions. Qualitative data will be analyzed and categorized according to themes used to ascertain the qualitative findings.

## **CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION OF RESULTS**

### **4.1 Introduction**

This chapter presents the outcome of the findings of research as obtained from the respondents. The objective of the study was to determine the influence of marketing strategies on growth of micro finance institutions in Kenya. The findings have been presented using frequency tables.

### **4.2 Response Rate**

Out of Thirteen (13) questionnaires distributed to all the categories of management respondents, comprised of the top marketing managers and their equivalent, a total of thirteen (13) questionnaires were successfully administered and returned which represented 100%.

This response rate was excellent, Mugenda and Mugenda (2003) indicated that a 50% response rate is satisfactory 60% is good and 70% and above response rate of is excellent. The excellent response rate achieved was due to cooperation and involvement.

**Table 4.1 Response Rate**

<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Response	13	85%
Non response	10	15%
Total	13	100%

**Source Researcher 2017**

### **4.3 Demographic Information of the Respondents**

### 4.3.1 Position in the organization

The study sought to understand the position of the respondent in the organization. This enabled the researcher to evaluate whether the respondent were knowledgeable of information given on the marketing strategies adopted to ensure growth by micro finance institutions. Table 4.2 below indicates details.

**Table 4.2 Management Positions**

<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Top management	10	77%
Middle management	3	23%
<b>Total</b>	<b>13</b>	<b>100%</b>

#### **Source researcher (2017)**

In the table 4.2 above 77% of the respondents of the thirteen micro finance institutions were top management in marketing department, while 23% were in middle level management. The positions of these respondents signify their authoritative participation and input of the firm's decision making.

### 4.3.2 Years of Experience

The researcher wanted to investigate the number of years the respondents have worked in their organizations, this investigation was relevant as it was meant to unearth the quality of decisions related to marketing scenarios and challenges in the industry. The relevance of experience in the study relates to the ability of respondents to make critical business decisions.

**Table 4.3 Years of Experience**

<b>Year of experience</b>	<b>Frequency</b>	<b>Percentage</b>
Up to 20 years	6	46%
Up to 10 years	5	39%
Less than 5 years	2	15%
Total	13	100%

**Source Researcher (2017)**

As per table 4.3 above the findings indicate that 46% of respondents had worked for up to twenty years; 39% had been working for up to ten years and 15% have worked for less than five years. The long period of work of years of experience indicates the familiarity of the respondents with the micro finance institutions operations and marketing strategies.

**4.3.3 Academic Qualification**

The study sought to understand the academic qualifications of the respondents. This analysis was critical to gauge the quality of decisions made by the respondents.

**Table 4.4 Academic Qualifications**

<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
-----------------	------------------	-------------------



Degree Education & Professional Qualifications	4	30%
Post graduate Qualification	9	70%
<b>Total</b>	<b>13</b>	<b>100%</b>

**Source Researcher (2017)**

The study indicated that 30% the respondents had university education and 70% had postgraduate qualifications. This level of education of respondents indicate that those in charge of operations of these micro finance institutions have relevant education required for effective marketing strategy implementation. Qualified personnel are critical in strategic evaluation of target, market segments, and this concurs with Kotler et al (1996) assertion that opportunities need to be evaluated on credible objectives. Shipho and Olweny (2011) argue that the micro economic factors affecting the micro finance institutions are globally influenced by the performance and contribution of employees in decision making in firms' operations is significant in the growth of these micro finance institutions.

Micro finance institutions rely on customer deposits, Strickland et al (2008) indicates that the adept implementation of strategy largely depends on adequate competitive capabilities, competent experienced personnel and eternal organizations which is effective. These micro finance institutions growth can be linked with effective and relevant marketing strategies, Pearce et al (2005) agrees with these views and adds that operational leadership is critical in strategic leadership which drives strategy information and implementation.

Lareche and Millins (2006) articulates the various market components of a strategy and outlines the following key components of the marketing strategy, the scope in terms of firms domain

product lines, market segment, & plans; goals and objectives in terms of levels of accomplishment of their performance; resource deployments financial and human.

#### **4.4 Organizational Demographics**

This section presents firm demographics in relation to the duration of years of operation, of individual firms, the customer base and size of the firm.

##### **4.4.1 Age of Firm**

The study sought to investigate the number of years the firm has been in operation, in the banking industry. From the study findings 45% of the firms had operated for more than twenty years, 30% had operated up to fifteen years in the industry. The balance of 25% of the firm had operated for up to ten years.

**Table 4.5 Age of firm**

<b>Age of the firm</b>	<b>Frequency</b>	<b>Percentage</b>
20 – 25	6	45%
15 – 20 years	4	30%
Less than 15 years	3	25%
<b>Total</b>	<b>13</b>	<b>100%</b>

**Source Researcher (2017)**

The long term operations of these micro finance firms establishes that they have positioned themselves well in the market. This view concerns with Lareche et al (2006) that positioning can

enhance firm's images and growth in an industry and render the firm competitive, several perceptual positioning attributes can be enlisted as consumer orientation, perceptual attributes, perceptual measures.

#### **4.4.2 Size of the Firm**

The study investigated the size of the firm with a view to understand which firms were small/ large/ medium. The study analysis and findings indicated that majority of these establishments fall under medium enterprises since they comply with parameters of medium sized organizations in terms of investment level; employee numbers; and structural as well as operational requirements the firm size.

#### **4.4.3 Customer Base**

Consumers are the cornerstone of any business. Firms always strive to ensure success with their customers. The study sought to find out the number of customer base for these organizations. The study revealed that most of these micro finance institutions had a customer base between one hundred thousand and five hundred thousand, thus significantly translated into an adequate market segment for these businesses. The essence of analyzing the customer base is for the application of segmentation practices which are key in any marketing strategy initiatives. The study indicated that for effective segmentation to be productive the segments should be large enough to exhibit the necessary characteristics which could be under investigation(s).

This view is shared by Drummond et al (2001) who concludes that a service strategy enhances the development and maintenance of firm's market position. It facilitates all other forms of promotion to communicate the positioning message in the industry. The service strategy determines the conception and delivery of service offering. A service-oriented strategy percolates

effectively throughout the organization structures, strengthens the service culture and the entire organization image. The service strategy communicates the business mission & vision, the key operational priorities and firms targets.

#### **4.5 Marketing strategies.**

In this section the study sought to understand the extent to which these microfinance firms adopted various marketing strategies to attain growth.

**Table 4.6 Marketing Strategies**

<b>Statement</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Interpretation</b>
Price charges	4.456	1.352	Very great extent
People trainings/ skill/ dev	4.257	1.134	Very great extent
Processes of service delivery	4.256	1.132	Very great extent
Product, physical features/ attributes	4.135	1.248	Very great extent
Physical scape & other facilities	3.670	1.173	Moderate extent
Promotion	3.667	1.166	Moderate extent
Place strategy	3.651	1.169	Great extent

**Source Researcher (2014)**

The analytical findings indicated that the price charges, mean 4.456, std. deviation 1.352; people/skills mean 4.257, std. deviation 1.134; processes of service delivery mean 4.256, std. deviation 1.132; product features mean 4.135 std. deviation 1.248; were greatly practiced in terms of application and rated almost the same weightage. The study noted that the people/ skill element reflected well trained manpower/ service providers who serve the clients, these included

an excellent customer care centres where complaints, suggestions are undertaken. It was also reflected through the study findings that the service recovery procedures were well managed. The study findings on price factor reflected the interest rates charged on loans and related products. This rates were also competitive and immensely contributed as a success factor in the firm's operations. The processes of service delivery included the use of technology to serve the customer; this was highly practiced through automation of various processes like ATM automated machines use of electronic channels of money transfers like use of Safaricom M-pesa and other electronic platforms.

The study findings indicated that promotion element mean 3.667 std. deviation 1.667; place strategy mean 3.651 std. deviation 1.169; physical scape mean 3.670, std. deviation 1.173; all had moderate extent in terms of application; the study indicated that the promotion element shifted from traditional media of print advertisements and information flow to more aggressive direct marketing electronic channels through telephone handsets, via whatsapp, twitter, instagram and other social media networks, which had a great number of subscribers. Place strategy is the retail outlets whose services are offered over the counter and banking halls; Physical scape encompasses the immediate environment where the services are being offered, these also enhanced the positive application of marketing approaches.

The findings concur with McDonald (1992) that firms need identify gaps, which need be met and satisfied through creative offer of services. Firms need to assess market segment suitability and any weakness the competitors have not identified or are poorly serving (Kotler 2003). The findings further relate to the nature of the service environment which is evolving as a result of changing patterns of the business environment the technological, economic, social and legal;

service quality parameters, pressures to improve productivity, internationalization and globalization pressures Lockelock et al (2004).

The effects has contributed to dynamism in service operations and increased competitive pressures as consumers have become more informed through high technology innovation(s). Zelthmal and Bitner (1996) indicate for service firms survival, there is need to differentiate themselves through service offering and understanding the customer, hence need to develop service marketing strategies which are responsive to market needs and satisfaction. Newman (2001) identified that perceived service quality was as a result of satisfaction. Gronroos (1990) indicates that the mutual exchange and promise fulfilment between customers and service providers is critical in achievement of customer satisfaction, loyalty and firms growth. Newman (2001) stresses that customer satisfaction greatly affects business, its image, customer acquisition and increase of customer base and growth.

#### **4.6 Growth Measurements**

The study sought to investigate the growth of these microfinance banks in the period of 2013 – 2016, with a view of assessment of the contribution of the marketing strategies towards this growth phenomenon. Several growth parameters were examined to realize the intended objective(s); the parameters included, customer deposits; loan portfolio (net). (Table 4 below indicates these variations and progression in growth in 2013 – 2016

##### **4.6.1 2014 Micro-Finance Banks Growth**

From the study analysis the following findings were noted, Asset Base of Microfinance Banks (MFBs) registered enhanced growth in the year 2014. From the study analysis the subsequent findings were noted, plus Base of Microfinance Banks (MFBs) registered increased growth within the year 2014.

The microfinance banks market share was supported a weighted composite index comprising assets, deposits, capital, range of deposit accounts and loan accounts. The microfinance banks were classified into 3 peer teams particularly giant, medium and tiny. supported the weighted composite index, a microfinance bank is classed giant if it's a market share of five per cent and above; medium if it's a market share between one per cent and five per cent and tiny if its market share is a smaller amount than one per cent. As at thirty first December 2014, there have been three giant microfinance banks with Associate in Nursing mixture market share of ninety two.74 per cent, two medium microfinance banks with a market share of five.09 per cent and four tiny microfinance banks with a market share of two.17 per cent

The study findings additional indicated that Microfinance Banks in giant contemporaries knowledgeable a drop by their combined market share from ninety five.44 per cent in December 2013 to ninety two.7 per cent in December 2014 as a result of the exit of SMEP Microfinance bank that rapt to the medium contemporaries. Microfinance Banks in tiny contemporaries knowledgeable a rise in their combined market share from one.71 per cent in December two013 to 2.17 per cent in December 2014 as a result of the entry of Sumac Microfinance bank that rapt from the medium contemporaries.

**Table 4.7 Performance of MFBs - Kshs. 'M'**

<b>Parameter</b>	<b>2013</b>	<b>2014</b>	<b>% Change</b>
Customer Deposits	24,745	35,862	45%
Loan Portfolio (Net)	27,477	39,184	43%
Return on Assets	2%	2%	-
Return on Shareholder's funds	15%	9% -	37%
Number of Branches	91	97	7%
Total number of staff	3,903	4,329	11%

**Source: CBK (2017)**

#### **4.6.2 2015 Micro-Finance Banks Growth**

The study findings indicated the following growth patterns, the number of regulated microfinance banks redoubled from 9 (9) in December calendar month 2014 to 12 (12) as at thirty first December calendar month 2015. The microfinance banks registered a growth of twenty-two.1 per cent in total assets from Ksh. 56.9 billion in December calendar month 2014 to Ksh. 69.5 billion in December calendar month 2015. This was a lower growth compared to thirty eight per cent in 2014 from Ksh. 41.4 billion in December calendar month 2013 to Ksh. 56.9 billion in December calendar month 2014. loaning thus remained the foremost important activity undertaken by the MFBs. throughout the year, client deposits remained the most supply of funding for microfinance banks, accounting for fifty eight per cent of total funding compared to sixty three per cent in 2014. The call in deposit funding was salaried by redoubled borrowings from twelve per cent in 2014 to nineteen per cent in 2015. As at December calendar month 2015,



the loan portfolio amounted to Ksh. 47.1 billion and deposits amounted to Ksh. 40.6 billion, that is associate indicator that the MFBs area unit able to fund an outsized proportion of their loan portfolio of client deposits.

The study wanted to research the market share analysis, Microfinance Banks Market Share Analysis. As at thirty first December calendar month 2015, there have been three giant microfinance banks with AN mixture market share of ninety two.26 per cent, One (1) medium microfinance bank with a market share of three.79 per cent and eight little microfinance banks with a market share of three.95 per cent. Microfinance banks in medium generation intimate a visit their combined market share from five.09 per cent in December calendar month 2014 to three.79 per cent in December calendar month 2015 because of the exit of Remu Microfinance Bank that touched to the tiny generation. The combined market share for the tiny generation accumulated from a pair of.17% in 2014 to three.95% in 2015 as a results of Remu moving from the medium generation and therefore the licensing of selection MFB and Daraja MFB in 2015.

**Table 4.8 Performance of MFBs - Kshs. 'M'**

<b>Parameter</b>	<b>2014</b>	<b>2015</b>	<b>% Change</b>
Customer Deposits	35,862	40,589	13%
Loan Portfolio (Net)	39,184	45,749	17%
Return on Assets	2%	1%	-50%
Return on Shareholder's funds	10%	5%	-50%
Number of Branches	97	109	12%
Total number of staff	4,329	4,500	4%

**Source: CBK (2017)**

#### **4.6.3 2016 Micro-Finance Banks Growth**

The study sought to analyse the findings of growth, during the year 2016, the Central Bank of Kenya granted a nationwide licence to Maisha Microfinance Bank Limited. This increased the number of regulated microfinance banks (MFBs) from twelve (12) to thirteen (13) as at 31st December 2016. The microfinance banks registered enhanced growth in the year 2016 with total assets increasing by 5 percent from KShs 69.3 billion in December 2015 to KShs 72.5 billion in December 2016. This was a lower growth in comparison to 2015 and 2014 with 22 percent and 38 percent growth respectively. There was no significant growth in the loan book compared to the previous year. Most institutions put on hold loans disbursement so as to recover and reduce the outstanding non-performing.

The study findings further noted that as at 31st December 2016, there were 3 large microfinance banks with an aggregate market share of 90.0 percent, 3 medium microfinance banks with a market share of 6.6 percent and 7 small microfinance banks with a market share of 3.4 percent. The market share analysis indicates significant growth from small to medium peer group where the combined market share has grown from 3.98 percent in 2015 to stand at 6.6 percent in 2016. The medium peer group microfinance banks registered an increase of 55 percent and 46 percent in total net assets and total deposits respectively. Sumac MFB and Caritas MFB were ranked as medium in 2016 each with a market share of 1.3 percent compared to the previous ranking of small with a share of 1.0 percent and 0.5 percent in 2015 respectively

**Table 4.9 Performance of MFBs - Kshs. 'M'**

<b>Parameter</b>	<b>2015</b>	<b>2016</b>	<b>% Change</b>
Customer Deposits	40,539	40,198	-1%
Loan Portfolio (Net)	45,564	47,047	3%
Return on Assets	1%	(0.5)%	-150%
Return on Shareholder's funds	5%	(3.2)%	-164%
Number of Branches	109	112	3%
Total number of staff	4,500	4,423	-2%

**Source: CBK (2017)**

#### **4.7 Correlation analysis between Marketing Strategies and Growth of microfinance institutions in Kenya**

The study sought to establish the relationship between the marketing strategies and growth of microfinance institutions in Kenya. Pearson Correlation analysis was used to achieve this end at 95% confidence level ( $\alpha = 0.05$ ). The research question was addressed by a comparative analysis of the results shown in Table 4.10

		Price charges	People trainings/ skill/ dev	Processes of service delivery	Product, physical features/	Physical scape & other facilities	Promotion	Place strategy
<b>Price charges</b>	<i>Pearson Correlation</i>	1						
	<i>Sig. (2-tailed)</i>	-						
	<i>N</i>	13						
<b>People trainings/ skill/ dev</b>	<i>Pearson Correlation</i>	.517**	1					
	<i>Sig. (2-tailed)</i>	.022	-					
	<i>N</i>	13	13					
<b>Processes of service delivery</b>	<i>Pearson Correlation</i>	.901**	.899**	1				
	<i>Sig. (2-tailed)</i>	.055	.062	-				
	<i>N</i>	13	13	13				
<b>Product, physical features/ attributes</b>	<i>Pearson Correlation</i>	.595**	.764**	.955**	1			
	<i>Sig. (2-tailed)</i>	.031	.055	.074	-			
	<i>N</i>	13	13	13	13			
<b>Physical scape &amp; other facilities</b>	<i>Pearson Correlation</i>	.495*	.547**	.745**	.621**	1		
	<i>Sig. (2-tailed)</i>	.018	.014	.048	.041	-		
	<i>N</i>	13	13	13	13	13		
<b>Promotion</b>	<i>Pearson Correlation</i>	.680**	.874**	.879**	.744**	.511**	1	
	<i>Sig. (2-tailed)</i>	.043	.059	.069	.041	0.36	-	
	<i>N</i>	13	13	13	13	13	13	
<b>Place strategy</b>	<i>Pearson Correlation</i>	.196*	.036*	.547**	.468*	.218*	.393*	1
	<i>Sig. (2-tailed)</i>	.000	.024	.002	.008	0.00	.008	-
	<i>N</i>	13	13	13	13	13	13	13

\*\* Correlation is significant at the 0.01 level (2-tailed). \* Correlation is significant at the 0.05 level (2-tailed).

#### **Table 4.10 Pearson Correlation analysis: Growth and Marketing Strategies**

**Source: Researcher (2017)**

Table 4.10 shows that there were significant correlation coefficients were established between marketing strategies and growth of microfinance institutions. Very good and positive linear relationships were determined between processes of service delivery and Product, physical features/ attributes ( $R = 0.955$ ,  $p = .074$ ); promotion ( $R = 0.879$ ,  $p = .069$ ); and, price charges ( $R = 0.901$ ,  $p = .055$ ). This depicts that processes of service delivery positively influence growth of microfinance institutions.

This means that the inter-variable correlations between the independent variables were strong enough to influence the relationship with the dependent variable. Results of the Pearson's correlation depicts significant positive relationship between marketing strategies and growth of microfinance institutions

## **CHAPTER FIVE: SUMMARY OF FINDINGS CONCLUSIONS AND RECOMMENDATIONS.**

### **5.1 Introduction**

This chapter provides a summary of the findings from the study. It also contains conclusions and recommendations. The objective of the study was to establish the influence of marketing strategies on growth of micro finance institutions in Kenya.

### **5.2 Summary**

The study indicated that majority of respondents had university education level of education, which reflected a high level and quality of marketing strategy & implementation; The study also indicated that these micro-finance institution adopted various marketing strategy to undertake their operations, thus strategies have greatly enhanced the growth of these institutions in the periods of 2013 to 2016.

From the findings it was indicated that marketing strategies on products/ service, price charges, processes of service delivery and people, skills & development rated highest with a mean score of 4.456 and Std. deviation of 1.352 on the average rating. The study findings indicated that the marketing strategy on service delivery greatly contributed to the growth of these institutions; The customer usage of self-serving technologies like ATM; Pay through e-platforms have provided benefits to the firm such as reduction in costs of operations savings and growth is realized.

The study realized that the success of these self-serving technologies was due to customer readiness in terms of utilizing the platforms. The study findings indicated that social media has become a very popular medium of direct customer communication. The micro finance firms can easily reach various target audience through use of these platform, other forms of direct marketing channels adopted include the e-mails, telephone, fax; The study findings also rated the strategy of physical scape management as critical in success of these financial institutions. The study revealed that physical scape encompassed of facility exterior in terms of design, signage, parking, landscape, surrounding environment; layout air quality & even temperature. The respondents further indicated that the following were also part of tangibles comprising of physical scape elements, the use of business cards, stationery reports, employee dress, uniforms, brochures, webpages and virtual services scape, policy issues & periodic updates.

The study findings outlined the various growth parameters as fellows, the level of customer deposits, loan portfolio (Net), return on assets, return on shareholders' funds, number of branches, total number of staff and pre-tax-profits. The sector growth in the year 2014 was 38% increase in total assets from Ksh 41.4 billion in December 2013 to Ksh 56.9 billion in December 2014; the study also noted that these micro finance institutions are classified as small, medium, large. There was an increase in the number of finance banks from nine (9) to twelve (12) as at December 31<sup>st</sup> 2015. These micro finance banks registered a growth of 22.1% in total assets from Ksh 56.9 billion in 2014 to 69.5 billion in December 2015.

The study findings also indicated that in terms of market stage analysis only three (3) large banks had a market share of 92.26 percent one medium bank had 3.79 and eight (8) small micro finance banks had a market share of 3.79 percent, the growth element was also noted that during the year 2016 the central bank granted one more bank to operate (Masha micro finance bank Ltd) to

increase the number of banks from 12 to 13: Asset growth was also registered at 5% increase from Ksh 69.3 billion in December 2015 to 72.5 billion in December 2016.

### **5.3 Conclusion**

Based on the results and findings the study concluded that the effective adoption of marketing strategies enhanced the growth of these micro finance banks. On the ratings and analysis it was concluded that particular marketing mix elements registered highly in terms of their adoption and relevance in the marketing strategy, this elements of the services marketing mix include the service/ product component, the price charges, people/ service providers input in terms of skills and training and development, the processes of service delivery, all these registered a positive response. Other elements of the service marketing mix like promotion place and physical scape also were rated averagely or to moderate extent of application and adoptability.

Another notable conclusion was that there was an eminent growth of these sector in terms of industry participants which grew from nine (9) in 2013 to thirteen (13) in 2016 respectively. The study further concluded that parameters of service growth reflected the actual firm achievements on the ground; in line with registered growth trend the study concluded that there is need to increase the use of self-serving technologies to make the industry vibrant and increase the element of convenience to the customers.

### **5.4 Recommendations**

The study therefore recommends that effective application of marketing strategies has a positive correlationship with the firm's growth and operations. The management of individual micro finance institutions should harmonize various strategic moves towards innovative marketing practices to give banks competitive edge. The study recommends that these firms to invest



adequately in technology especially in the field of self-serving technologies. The study also recommends that the promotional mix and service scape mix element be adequately addressed in terms of investment and management.

### **5.5 Limitations of the study**

During the research exercise few hitches and shortcomings were registered, pronounced hitches was the time constraints in data collection. Time was not quite adequate relative to the nature and demands of the exercise. Another limitation was the difficulty in assessing the correct industry figures especially in growth sector though this was solved through central bank sources of financial estimates and records.

### **5.6 Areas for further research**

The study suggests that similar studies are undertaken on individual firms response to the marketing strategies other that collectively as has been the study. The approach will enable getting a comprehensive study on the marketing strategy effect on firm's growth. Further studies need be undertaken to compare similar strategies to commercial banks against the micro-finance banks sector. This will be a comparative study approach.

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## APPENDICES

### APPENDIX I: QUESTIONNAIRE ON THE INFLUENCE OF MARKETING STRATEGIES ON GROWTH OF MICRO-FINANCE INSTITUTIONS IN KENYA.

#### SECTION A: RESPONDENT DEMOGRAPHICS

Q1. a) Name of respondent (optional) \_\_\_\_\_

b) Position in the organization

• Higher Management [ ]      Middle Management [ ]

c) Experience(yrs)

• Less than 5 years [ ]      • 6-10 years [ ]      • 20 and above years [ ]

d) Academic qualification

• Diploma [ ]      • First Degree [ ]      • Master's Degree [ ]

## **SECTION B: ORGANIZATIONAL DEMOGRAPHICS**

**Q2.** Name of Firm \_\_\_\_\_

**Q3.** Duration of years in operation

- Less than 5 years [ ]
- 6-10 years [ ]
- 11-15 years [ ]
- 16-19 years [ ]
- 20 and above years [ ]

**Q4.** Size of the firm

- Small [ ]
- Medium [ ]
- Large [ ]

**Q5.** What is your customer base?

- Less 100,000 [ ]
- 100,000-500,000 [ ]
- 500,000-1,000,000 [ ]
- 1,000,000 and above

## **SECTION C: MARKETING STRATEGIES**

**Q6.** To what extent does your firm utilize the following marketing mix strategies to attract/ retain customers.

Use scale of 1-5

5 = very great extent; 4 = great extent; 3 = moderate extent; 2 = low extent; 1 = very low extent.

<b>Statement</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
Product, physical features/ attributes					
Price charged – low/ high					
Promotion – nature					
Place strategy					
People – training/ skill dev.					
Processes of service delivery					
Physical & cape & facilities					

#### **SECTION D: GROWTH MEASUREMENTS**

**Q7.** To what extent are the following growth indicators influenced by marketing strategies in the Microfinance sector in Kenya?



<b>Growth Measures in percentage</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
a) Customer Deposits	[ ]	[ ]	[ ]
b) Loan Portfolio	[ ]	[ ]	[ ]
c) Return on Assets	[ ]	[ ]	[ ]
d) Return on Shareholders' funds	[ ]	[ ]	[ ]
e) Number of Branches	[ ]	[ ]	[ ]
f) Total number of Staff	[ ]	[ ]	[ ]

**Q8.** Explain some of the challenges associated with growth phenomenon.

**APPENDIX II: LIST OF MICROFINANCE INSTITUTIONS IN KENYA**

CENTRAL BANK OF KENYA

DIRECTORY OF LICENCED MICROFINANCE BANKS

1	Caritas Microfinance Bank Limited  Website: <a href="http://www.caritas-mfb.co.ke">www.caritas-mfb.co.ke</a>
2	Century Microfinance Bank Limited  Website: <a href="http://www.century.co.ke">www.century.co.ke</a>
3	Choice Microfinance Bank Limited  Website: <a href="http://www.choicemfb.com">www.choicemfb.com</a>
4	Daraja Microfinance Bank Limited  Website: <a href="http://www.darajabank.co.ke">www.darajabank.co.ke</a>
5	Faulu Microfinance Bank Limited  Website: <a href="http://www.faulukenya.com">www.faulukenya.com</a>
6	Kenya Women Microfinance Bank Limited  Website: <a href="http://www.kwftdtm.com">www.kwftdtm.com</a>

7	Rafiki Microfinance Bank Limited  Website: <a href="http://www.rafiki.co.ke">www.rafiki.co.ke</a>
8	Remu Microfinance Bank Limited  Website: <a href="http://www.remultd.co.ke">www.remultd.co.ke</a>
9	SMEP Microfinance Bank Limited  Website: <a href="http://www.smep.co.ke">www.smep.co.ke</a>
10	Sumac Microfinance Bank Limited Website:  <a href="http://www.sumacmicrofinancebank.co.ke">www.sumacmicrofinancebank.co.ke</a>
11	U & I Microfinance Bank Limited Website:  <a href="http://www.uni-microfinance.co.ke">www.uni-microfinance.co.ke</a>
12	Uwezo Microfinance Bank Limited  Website: <a href="http://www.uwezodtm.com">www.uwezodtm.com</a>
13	Maisha Microfinance Bank Ltd  Website: <a href="http://www.maishabank.com">www.maishabank.com</a>