AN INVESTIGATION OF MARKET SEGMENTS OF MWALIMU NATIONAL SACCO MEMBERS AND THEIR FINANCIAL SERVICES REQUIREMENT

BY

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DECLARATION

This is my original work and has not been presented to any other university for a degree award or anywhere else for academic purpose.

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This Management Research Project has been submitted for examination with my approval as the University Supervisor.

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This research project is dedicated to my parents; Mr. and Mrs. Peter Kamau Gachuhi, for guiding my educational path during the crucial formative stages.

ABSTRACT

Cooperatives provide the institutional infrastructure upon which both the poor and the middle class organize themselves socially, economically, culturally and politically. Saccos have been identified as one of the drivers to millennium development goals and the 2030 vision. Cooperative sector; especially Sacco sub-sector, has experienced increase in competition for business and customers. This development has brought about an environment in which survival of the SACCOs will depend on the ability to effectively compete in the market.

Development of market driven products and ability to beat completion is most crucial for survival of Saccos. Segmentation will allow the Saccos understanding of customers to better satisfy their needs and compete effectively in the market. This project studied the segmentation in the Saccos with an aim of achieving marketing concept. It was focused on Mwalimu National Sacco to establish the various segments of the Sacco members and their financial requirements.

The research design used was descriptive in nature and the population of interest was Mwalimu SACO members from Nairobi region. Primary data was collected using self-administered questionnaires. Data collected was analyzed using descriptive statistics.

The study findings indicated that Mwalimu National Sacco members can be segmented on demographic, psychographic and behavioral bases. The segments have unique financial services requirement. Limitation of the study arose mainly due to the time limit that made it impossible to reach all the targeted respondents.

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List of acronyms

SACCO	Savings and Credit Cooperative
MFI	Microfinance Institution
ICA	International Cooperative Alliance
TSC	Teachers Service Commission
BOSA	Back Office Services Activity
FOSA	Front Office Services Activity
NSE	Nairobi Stock Exchange

CHAPTER ONE: INTRODUCTION

1.1 Background

The FinAccess 2009 study indicates the strategic importance of the SACCO movement in Kenya to pro-poor financial sector development, with 9% of the adult population using SACCOs. By comparison, 3.4% use micro-finance institutions and 22.6% commercial banks. Saccos hold 31 percent of the total national savings estimated at Ksh. 210 billion ("New Sacco Laws," 2011). Co-operatives have for a long time provided the institutional infrastructure upon which both the poor and the middle class have organized themselves socially, economically, culturally and politically. It is estimated that the co-operative sector underpins 42-48% of the Kenyan economy. Perhaps in recognition of this, Saccos have been identified as one of the drivers to millennium development goals and the 2030 vision for financial services to create a vibrant and globally competitive financial sector in Kenya that will create jobs and also promote high- levels of savings to finance Kenya's overall investment needs (Kenya vision 2030).

A cooperative society can be defined as an association of persons who have voluntarily joined together to achieve a common end through the formation of a democratically controlled organization making equitable contribution to the capital required and accepting a fair share of the risks and benefits of the undertaking in which they actively participate (Wamuyu, 1998). The International Cooperative Alliance (ICA, 2004) defines a cooperative as an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others. Wamuyu (1998) acknowledges that the cooperative principles are the guidelines by which these values are put into practice.

The seven principles are: Voluntary and Open Membership - Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination. Democratic Member Control - Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

Member Economic Participation - Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership. Autonomy and Independence - Co-operatives are autonomous, self-help organizations controlled by their members. If they enter to agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

Education, Training and Information - Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation. Co-operation among Co-operatives - Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures. Concern for Community - Co-operatives work for the sustainable development of their communities through policies approved by their members.

The first Kenyan co-operative society, the Lumbwa Co-operative Society was formed in 1908 by the European farmers with the main objective of purchasing fertilizer, seeds and chemical and other farm inputs at radically reduced prices because of their numbers and on friendly terms to the members who paid in installments or when they harvested and then market collectively their produce. In 1930 the Kenya Farmers Co-operative was registered as a co-operative to take over the role of farm input supply played by the Lumbwa Co-operative Society. The African smallholder farmers seeing the success of the European Co-operatives fought for the formation of their own co-operatives and in the late 1950's they were allowed to form and register co-operatives for cash crops like coffee and pyrethrum. Consequently at independence in 1963, there were 1,030 co-operative societies with 655 being active with a total membership of 355,000 members.

Since independence investment in Kenya has been empowered and energized by the existence of the co-operative sector where pooling of resources was closely linked to Mzee Kenyatta's call of "Harambee". Currently, the co-operative movement is a serious economic actor cutting across all sectors of the economy namely: Agricultural marketing; Savings and Credit; Consumer finance; Horticulture; Insurance; Micro-finance; Handicrafts and Jua Kali. There are over 13,000 registered cooperative societies country-wide. The membership is over 8 million and has mobilized domestic savings estimated at over Ksh. 230 billion. The cooperatives have employed over 300,000 people besides providing opportunities for self employment. Indeed, a significant number of Kenyans, approximately 63% draw their livelihood either directly or indirectly from co-operative based enterprises.

Mwalimu National Saving and Credit Cooperative Society Limited (Sacco) was started in 1974. It is a national wide Sacco with head office at Nairobi and branches at Kisumu, Nyeri, Kisii, Webuye and Mombasa. It has 48,024 members drawn from Mwalimu National Sacco Society staff, TSC secretariat, TSC secondary School teachers, TSC lecturers, TSC primary school teachers (Diploma or Degree graduates), and members spouses in formal employment. Currently, the sacco is offering the BOSA, WSF(FOSA) and Business Loans. BOSA Credit products: Normal loan; Emergency loan; Development loan; Super loan; Vision loans – 72, 60 and 48 months loan. WSF(FOSA) Advances: WSF Advance; 12 and 48 months; Salary in advance; Advance against dividends. Business loans: Asasi; Entrepreneur, Commercial and Industrial loans. In addition, the sacco offers welfare services to the members, namely: Burial Benevolent Fund – BBF and Risk (Mwalimu National Sacco newsletter, 2011).

The Sacco was voted the best managed co-operative society in the concluded 89th International Co-operative day held on Saturday 2nd July 2011 at the KICC Grounds. This was in addition to five other awards got from different categories: Best Loan Services to Members in Govt/Local Govt Sector; Highest Average Savings in the Govt/Local Govt Sector; Best Insured Urban Sacco; Second best Most Innovative SACCO and Lowest

Expenditure SACCO in the Government / Local Government Sectors (http://www.mwalimusacco.coop).

The Co-operative sector has experienced increase in the number of institutions providing similar services previously preserve for Saccos. These comprise the formal financial institutions such as Banks, Rotating Savings and Credit Associations (ROSCA), micro finance institutions (MFIs) and NGOs. These development have brought about an environment in which survival of the Saccos depend on the ability to effectively compete in the market (Ndubi, 2006). According to Ouma 1990, the question of market driven products and ability to beat competition is a most critical for Survival of Saccos. Segmentation allows the firm understanding of customers to better satisfy their needs.

1.2 The concept of market segmentation

Market segmentation is the identification of portions of the market that are different from one another. Kibera and Waruingi (1998) define market segmentation as the sub-division of a market into small homogeneous sub-markets, which the organization might successfully satisfy. It entails splitting a total and heterogeneous market into small divisions or segments that are homogeneous in nature. Segmentation is based on the fact that customers differ according to age, sex, income, occupation, religion, geographical area, buying attitudes and buying habits.

Kotler (2004) classifies the level of market segmentation as a marketing mass (mass marketing) and marketing micro (micro marketing). Mass marketing treats the market as a homogenous group and offers the same marketing mix to all customers. Mass marketing allows economies of scale to be realized through mass production, mass distribution, and mass communication. The drawback of mass marketing is that customer needs and preferences differ and the same offering is unlikely to be viewed as optimal by all customers (Kotler, 2004; Porter, 1985; Bearden et al 2000).

According to Kwendo (2006), it is impossible to satisfy customers by treating them a like. If firms ignored the differing customer needs, another firm likely would enter the market with a product that serves a specific group, and the incumbent firms would lose those customers. Segmentation allows the firm to better satisfy the needs of its potential customers. According to Kotler (2004), the marketing concept calls for understanding customers and satisfying their needs better than the competition. But different customers have different needs, and it rarely is possible to satisfy all customers by treating them alike. Target marketing recognizes the diversity of customers and does not try to please all of them with the same offering. The first step in target marketing is to identify different market segments and their needs. Market segmentation is a pre-requisite for effective marketing (Kwendo, 2006).

1.3 Statement of the problem

The cooperative sector has experienced significant negative changes particularly in the past ten years. Donors and government support has been declining rapidly. The enactment of the 1997 cooperatives act and liberalization of the economy reduced the GOK involvement in the Sacco to regulatory and facilitative; this has left the Sacco to the vagaries of market forces (Ndubi 2006).
The sector has also experienced increase in the number of institutions providing similar services previously preserve for Saccos. These comprise the formal financial institutions such as Banks, Rotating Savings and Credit Associations (ROSCA), micro finance institutions (MFIs) and NGOs. These development have brought about an environment in which survival of the Saccos depend on the ability to effectively compete in the market (Ndubi, 2006).

According to Ouma 1990, the question of market driven products and ability to beat competition is a most critical for Survival of Saccos. Marketing concept calls for understanding customers and satisfying their needs better than the competition (Kotler, 2004).

Given that customers needs and wants differ, it is imperative for organizations to design and develop marketing strategies that are client responsive and produce market driven services if they have to survive and prosper in a competitive environment (Kwedo, 2006)

Segmentation allows the firm this understanding of customers to better satisfy their needs. Whereas segmentation in banks, MFIs and other sectors of the economy is well documented in the existing literature, segmentation in Saccos is yet to be adequately researched and understood yet the same is critical for their survival. Studies carried out on segmentation by Ng'ang'a (1991), Chepkwany (1992), Gacenga (2000), Mshenga (2000), Kwendo (2006), Kimani (2006), Mandala (2006) and Nyamweya (2008) mainly focused on medium and large manufacturing firms, TV Audience, radio audiences, micro and small manufacturing businesses, radio stations, life insurance companies, NSE and television stations respectively. Nzyoka (1993) and Mulwa (2009) carried out a study on market segmentation by commercial banks in Kenya. Wamalwa (2008) investigated into market segmentation strategies used by commercial banks in Kenya. Kimandi (2002) carried out a survey of segmentation practice of MFIs in Kenya. Kiama (2009) curried out a survey of the market segmentation practices by regulated MFIs in Nairobi. Segmentation practice varies from industry to industry and as such findings of these studies cannot apply to the cooperative sub-sector.

Other studies on Saccos have not focused on segmentation. Ssennyondo (1998) curried out a study on Members attitude towards the loan policy of the savings and credit cooperative societies in Kenya: The case of Chuna Coop Savings and Credit Society; Gachara (1990) on investment of reserve funds in savings and credit cooperatives in Nairobi; Ongore (2001) on managerial response to deregulation of the cooperative sector; Oyoo (2002) on financial performance of Saccos before and after deregulation; Mwangi (2003) on unit trusts investment by Saccos; Njiru (2003) on determinants of dividend payments by Saccos; Wangombe (2003) on corporate governance practices in cooperative societies; Ademba (2006) on corporate governance systems in sacco front office savings entities; Kiprop (2006) on effects of lending interest rates on Saccos in Kenya; Ndubi (2006) carried out a study on strategic responses of Saccos to changing operating environment; Kigiri (2007) on effects of non remittance of members deduction by employer to Saccos; Kimani (2007) on sources of competitive advantage for transport Saccos in the PSV industry; Mbai (2007) on competitive strategies adopted by Mwalimu Sacco as a result of external environmental changes since 1997; Tokei (2007) on use of corporate governance as a post liberalization strategy by Saccos in Kenya; Korir (2008) on the extent of delays of loan requests t members in Saccos operating at Nairobi province; Mathenge (2008) on responses of Afya Cooperative society limited to non-performing loans.

Recent studies on Saccos focused on other topics: Asewe (2009) studied strategic planning at Harambee Cooperative Savings and credit society limited; Boit (2009) on strategies employed in the transformation of Njiwa cooperative sacco limited in Kenya from small scale to medium scale enterprise. Gachungwa (2009) on how cooperative principles and values have shaped the organization culture of Ufundi cooperative society; Kathunzi (2009) on effectiveness of guaratorship in loans recovery in in co-operative saccos in Kenya: A case of Mealimu Sacco; Mutisya (2009) on responses by Gitunguri dairy farmers cooperative society limited to the increased macro environment turbulence. Mutua (2009) on strategic responses of Stima Sacco society limited to changing environment; Mwanza (2009) on corporate governance practices and performance of Afya Sacco society limited; Ndege (2009) on loan amortization practices by Saccos in Nairobi; Opondo (2009) on responses of Sacco based in Nairobi to changes in the external environment; Sigowo (2009) on the role of internal audit in promoting good corporate governance in Saccos; Waweru (2009) on strategic responses by Mwalimu Sacco society limited to challenges of competition; Mwiti (2009) on the extent of adoption of branding concepts by Kenyan cooperative societies; Nguta (2009) on strategic planning practices in saving and credit cooperative society; Ong'ombe (2009) on challenges of budgetary practices among savings and credit cooperative societies in Kenya.

It is over a decade since Saccos were exposed to market forces yet since then very little is known about the specific needs of Sacco members. Although segmentation may be practiced by Saccos, it may not be in the desired direction. One reason may be that some Saccos do not know how to segment their market. It is therefore not clear how the Sacco market can be segmented and the specific needs of each segment. The study seeks to determine the various segments of Mwalimu Sacco members and their specific needs by responding to the following research questions: What are the various segments of Mwalimu Sacco members? What are unique saving practices of the segments? What are unique loan requirements of the segments?

1.4 Objective of the study

The objectives of the study are to:

i) Identify the various market segments of Mwalimu National Sacco Members.
ii) Assess the segments unique saving practices.
iii) Assess the segments unique loan requirements.

1.5 Significance of the study

The management of Saccos may use this knowledge to develop marketing messages and products effective to targeted Sacco member segments. All the Saccos marketing teams will gain some knowledge about the relevance of market segmentation and also how they can segment their markets in order to achieve competitive advantage.

The study will also form a foundation for future researches who would like to pursue a study in the area of market segmentation practices – especially in the Sacco movement.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The Chapter presents the theories and concepts advanced by researchers and authors on customer perception on segmentation. It is structured into meaning and importance of segmentation, criteria for effective segmentation, bases/variables for segmenting consumer markets and the segmenting process.

2.2 Meaning and Importance of Segmentation

Consumers vary as to their needs, wants, and preferences for products and services. A single product item can seldom meet the needs and wants of all consumers; however, it can almost always serve more than one consumer. Thus, there are usually group of consumers who can be served well by a single item. If a particular group can be served profitably by a firm, it is a viable market segment (Peter & Donnelly, 1991). According to Kibera and Waruing (1998), the need for segmentation stems from heterogeinity of demand and supply. Kotler, 1991 defines a market segment as a group of customers who share a similar set of wants that an organization can profitably provide.

The concept of market segmentation involves two related ideas. One, the total market for any product can be sub-divided into groups of potential customers who are homogeneous with respect to wants and needs. Two, it might be advantageous to the seller (in terms of meeting his objectives) to serve one or more of these market segments (Kibera & Waruingi, 1998).

Market segmentation can be defined as sub-division of market into small homogeneous sub-markets which the organization might successfully satisfy. Market segmentation therefore bends supply to meet the will of demand.

According to Lancaster and Reynolds (2002), the notion of the varying needs and other buying factors in different individuals provide the rationale for segmentation. To be able to learn and systematically address the needs and wants of customers, both individuals and corporate firms need to segment their total heterogeneous market (Churchill & Peter, 1995). By so doing, firms will be able to create homogeneous market segments, whose target markets have almost similar characteristics as regard making final decision to purchase goods or services. Under this context, the firm will be in a better position to design and develop different marketing mixes for different market segments (Kwendo, 2006).

Perreault and Carthy, (1996) states that segmentation starts with the idea that each person is one of a kind but that it may be possible to aggregate some similar people in product market. As such, when firms try to segment their total heterogeneous markets, they have to design and develop different marketing mixes for each and every identified segment.

Walker, Boyd, & Larreche, (1996) argues that segmentation has become increasingly important in the development of marketing strategies. Segmentation enables a firm a better understanding of its customers, makes it easier to recognize and combat competition. With customer and competition knowledge, company's scarce resources can be concentrated more effectively on a few customers rather than spread thinly across the masses (Blythe, 2008). According to chartered institute of marketing (2002), market segmentation is the way forward for success – in which case the stake holders will be assured of maximization of their share value. As such, the key to providing value for money marketing lies in identifying segments and focusing attention on them by providing different marketing mix for each and every identified sub-market.

Organizations that have carefully segmented their total markets can be assured of success. Several authors (Bearden at al, 2001; Jordaan & Prinsloo, 2001; Morden, 1993) state that segmentation is important to all firms irrespective of their nature. With segmentation, the organization is in a better position to spot and service customers' needs and wants. Segmentation help firms to identify gaps which offer significant opportunities for expansion and growth and the marketing mix can be adjusted to the particular requirement of each segment. Segmentation also makes it easier for all customers to see why an organizations service is different from the competing brands. Consumers benefit from increased product variety and more closely tailored products, due to segmentation.

With application of segmentation, products more precisely match each segment's needs and wants and this comes closer to effecting the marketing concepts (Kibera & Waruingi, 1998). Segmentation ensures better matching of customer needs; through creating different offers for each segment to appeal to different customer needs. Therefore, segmentation leads to low costs of sales and therefore improves the profit margin of a firm.

According to Kewndo (2006), segmenting markets will more likely retain the current customers and even attract more new accounts – basically due to delivery of quality customer value that segmentation builds. Further to the above, segmentation improves the strategic allocation of marketing resources.

It is also worth noting that segmentation identifies opportunities for new product development. Often, a careful analysis of various segments of potential customers reveal one or more groups whose specific needs and concerns are not being well satisfied. With segmentation, there is an optimal return on investment. Bearden and others (2001) states that market segmentation is consistent with marketing concept and enhances a firm's ability to understand its core customers or who its core customers will be in the future. Ultimately, it is clear that through segmentation, organizations can often attain competitive production and marketing costs and become the preferred choice of the consumers. In simple terms, segmentation offers greater opportunities to smaller firms to effectively compete with giant firms.

From a marketing management point of view, selection of the appropriate target market is paramount to developing successful marketing programs (Peter & Donnelly, 1991). It is important to note that, for effective undertaking of the market segmentation process, the firm must conduct a marketing research so as to be able to identify customers with similar buying behavior to warrant a segment. Baker (1997) states that a prior segmentation research is significant in identifying potential segments. For instance, a prior segmentation is whereof a firm decided segmentation is on a level of usage, it should then conduct research to determine the demographic characteristics of heavy users, light users and so on.

Wind (1978) contends that market segmentation long has been considered one of the most fundamental concepts of modern marketing. It has become one of the dominant concepts in marketing literature and practice. Segmentation is one of the major strategies used to operationalise the marketing tasks and provides guidelines for firms marketing strategy and resource allocation. Kimandi (2002) argues that the strength and value of marketing process hinges on how well a firm handles the process of market segmentation. If the process of segmentation is wrongly done, there is likelihood of a mismatch between the firm's offerings and the customers' requirement.

Johnson (1997) states that in the long run, market segmentation allows management to identify its best profit opportunities and this result in a more efficient allocation of resources. Scarborough and Zimmerer, (1996) notes that small businesses curve a niche from the mass market. For instance, successful restaurants most often appeal to a specific clientele, rather than compete head on, with larger rivals and defend them fiercely. According to Dollinger

(1995), market segmentation is important for designing and developing marketing strategy, because it enables the venture to discriminate among buyers for its own advantage.

2.3 Criteria for effective market segmentation

Market segmentation can exist as effective or ineffective. Kotler, (2004), suggests that validity and viability of a market segment depends on size, or substantiality, measurability, accessibility, unique in response, stability and action ability. The chartered institute of marketing (1999) argues that one of the problems of market segmentation is determining to what extent definable market segments are worth pursuing especially when considering developing an individual promotional campaign.

The following factors should be taken into account when evaluating the effectiveness of a market segment; First, size – one of the first questions to be asked concerns whether the market is of sufficient size to justify attention or not. Secondly, Measurability – for effectiveness of a market segment, it is necessary to establish whether there are discrete groups of people with relatively homogeneous buying habits. Thirdly, Accessibility – A good market segment is one that is highly accessible in terms of infrastructure i.e. good transport and communication network. It is also important to note that a fairly scattered market segment in terms of geographic penetration would lead to wasted promotional expenditure if it appealed only to 10% of the market.

The forth criteria is unique in response, where the market segment identified must exhibit similar behavioral characteristics in as much as the individuals making up the segment would all respond in a similar way to a targeted marketing strategy. For instance, if price of the product is reduced, all the target market would increase their product purchase rate or usage rate. Fifth – stability – For any firm to divert resources to a particular market segment, it must reassure itself that the segment would remain fairly stable over a long-time period to warrant specific marketing attention. Sixth, Actionability – this is the degree to which marketing programmes can be formulated for attracting and servicing segments. For instance, a marketing programme to expand the volume of sales for existing Rolls Royce models by attracting people on only average income is obviously not actionable because it is a very expensive car. Therefore, if Rolls Royce chose to expand its targets, the best strategy would be to develop new product that is moderately not expensive for the average income earners market segment.

Walker and others (1996) states that all segments represent equally attractive opportunities for the firm. As such, firms need to prioritize segment by their potential. Therefore, marketers must evaluate segments future attractiveness and their organization's strengths and capabilities relative to the segments needs and competitive situations. Thus the above criteria for effective segmentation would automatically address this issue. Once the total heterogeneous market has been segmented along the relevant bases, the marketing manager must decide which market segment(s) to target. This would enable the firms to design and develop appropriate marketing mixes for each and every identified market segments.

Paliwoda and Thomas (1993) argue that market segmentation follows the rationale of concentrating resources on the best prospects. Further to the above, he stresses that it is where one adopts a ''rifle'' strategy at a given target segment as opposed to the general market at large which will constitute a ''short gun'' approach. This implies that where a firm focuses attention on a few selected market segments and develop appropriate marketing programmes for them, it would attain maximum return on investment.

Kotler (2004), acknowledges that market segmentation reveals the segments opportunities facing the firm. Walker and others (1996) argues that due to the unique characteristics of services like; Intangibility, perishability, heterogeneity, inseparability, consumer participation in their delivery and the simultaneous nature of their production and consumption; they are – when compared to goods, more difficult to understand and compare with competing services in the industry. This is so because they call for a clear understanding of emotional attributes of the service consumer.

Mason and others (1995) emphases that although market segmentation is useful and important, it cost more to package promote and distribute goods to many market segments than to a single total market. Management spends time and money defining various market segments and planning ways to reach them. Another limitation of segmentation is that segments are never static because customers switch preferences from product to another with time. Leader (1998) acknowledges that purchasing habits change markets and markets come and go, so the marketer must be constantly assessing markets if opportunities are not to be missed. Therefore, it must be remembered that in a large market oriented company, continuous study of market segment is a regular function and not something that is just done once at the beginning of a new product launch.

Perreault and Mc Carthy (1996) assert that managers sometimes face ethical decisions when selecting segmenting dimensions. For example, nutritionists criticize firms that market soft drinks, candy, snacks for children. Also, some hospitals only want to serve patients who have health insurance and others discourage parents from bringing sick children to the emergency room in the middle of the night. Bearden and others (2001) agrees with British Independent Television Commission that advertisements targeting children must not take advantage of their natural credulity, harm them and force them to pester their parents. Therefore, for appropriate segmentation, firms must understand ethical issues that surround each and every market segment. This will make them to be ethical when making segmentation decisions.

2.4 Bases for segmenting consumer markets

If criteria for effective segmentation are met, marketers must choose some means of dividing the total markets into segments. According to Kibera and Waruingi (1998), there is no one right way of segmenting markets; however, they have identified four most common ways on the basis of: Demographic, Geographic, Psychographic, and Behavioral variables. Other authors (Kotler, 2004; Blythe, 2008; Palmer, 2001; Leader & Kyritsis, 1989) have also identified the four traditional variables for segmenting a heterogeneous consumer market as explained below:

First, Geographic Segmentation – Where a total market is divided into different geographical units such as nations, regions, states, cities, provinces, districts, neighborhoods and so on. As such, due to varying consumers' tastes and preferences, many firms today are localizing their products, services, advertising, promotion and sales efforts so as to fit the needs of individual regions, cities and even neighborhoods.

Secondly, Demographic segmentation – which involves dividing a total and heterogeneous market for a firm on the basis of variables such as age, sex, family life cycle, income levels, education, occupation, religion, race, ethnic group and nationality.

Kibera and Waruingi (1998) states that the level of education in Kenya, and other African countries continues to rise and this has implications for marketers. With many young people finishing high school, marketers must prepare not only for more sophisticated discerning consumers but for consumers who have different needs and wants. Better educated consumers generally demand a higher quality in both goods and services. Product market segmented by education include: radio and TV programmes, books, magazines, art and theatre among others. This above scenario implies that as more people become educated in Kenya, the more the media firms have to redesign their segmentation strategies to address these challenges.

Sex as a sub-variable of demographic segmentation can be employed to segment markets like: deodorants, lotions, soaps, clothes and so on. Age as a sub variable is paramount in segmentation because consumers' tastes and preferences change with age. Kotler and others (2001) confirms that Procter and Gamble boldly targets is Olay Pro Vital series sub-brand at women over 50 years of age. This brand is especially designed to meet the increased moisturization needs of more mature skin. Religion highly influences consumers buying decisions – for example, viewing of pornographic programmes on TV is unacceptable among Christians.

Thirdly, psychographic segmentation – where buyers are divided into different groups on the basis of their lifestyles personality and social characteristics. According to the chartered institute of marketing (1999), lifestyle segmentation groups people on how they spend their time and money. Leader and others (1989) argues that psychographic segmentation arose as a result of discovering that buyers' needs may often be differentiated along lifestyle or personality lines. For instance, ford owners were at times described as independent, impulsive, masculine and lent to change and self confident; while Chevrolet owners were described as conservative, thrift, and prestige, conscious, less masculine and seeking to avoid extremes.

Fourthly, Behavioral segmentation – which is also referred to as product related segmentation. This is where a firm divides buyers into groups based on their knowledge, attitude, uses or responses to a product or service. Segments can be derived on the basis of: benefits sought, user status, usage rate and loyalty status.

Segmentation is a powerful form of marketing that groups buyers according to the different benefits that they seek from the product or service (Kwendo, 2006). One of the best examples of benefit segmentation was conducted in the toothpaste market and the research revealed four benefits namely: economic, medicinal, cosmetic and taste (Kotler, 2004). Behavioral segmentation entails the following variables: First, user status – where markets are segmented into groups of non-users, ex-users, potential users, first time users and regular users of a product or service. One study conducted in USA, found out that blood donors are low in self esteem, low risk takers, and more highly concerned about their health, while non-donors tend to be opposite on all the three dimensions. Second, usage rate – where markets can be segmented into light, medium and heavy users of a product. Thirdly, loyalty status – where buyers are divided into groups according to their degree of loyalty to a good or service. Note that consumers loyalty is likely to change with time. Hence it is recommended that companies should frequently analyze the degree of loyalty of their customers so as to gauge their changing patterns of loyalty and be able to redesign their segmentation strategy. Palmer (2001) suggests that if segmentation methods used by service organizations are examined more closely, it becomes apparent that demographic variables tend to be the most widely used segmentation bases.

2.5 Segmentation process

According to Kotler and Armstrong (2001), there is a three step procedure for identifying market segments, namely: Survey, analysis and profiling. At the survey stage, the researcher conducts exploratory interviews on focus groups to gain insight into consumer motivations, attitudes and behavior. The researcher then collects data on different product attributes and how they are rated by consumers in terms of their importance and delivery of value. This stage entails addressing the questions: who buys and what is bought? The second step is analysis stage, which involves analyzing the data collected in the first stage so as to identify different segments with isolated consumer behavior. This stage entails answering the question: who buys what and why customers buy products and services. The last stage in segmentation process is profiling stage – which involves describing the segments in terms of distinguishing attitudes, behavior, demographic variables and psychographic factors and so on.

Each segment profiled is given a specific name based on its dominant feature. For instance, Muslim market segment, teenager market segment and so on. This stage involves forming segments where customers' requirements are similar. When deciding on the segmentation scheme to adopt, organizations need to use a systematic approach that could address all the variables in the heterogeneous market.

Walker and others (1996) states that the objective of segmentation process is to divide the market into groups of prospective buyers of a product or a service who are relatively homogeneous with regard to their demands. The process must also describe these groups so that members can be readily identified, determine the size and value of each group, and describe all the differences in customer needs and wants. Therefore, the first step in the segmentation process is to determine whether and to what extent there are differences in the needs or benefits being sought by customers. The next step would be the selection of meaningful descriptors (i.e. variables) in a given market situation. By determining the differences in need, a firm would be able to identify those segments that are an attractive opportunity in view of customers need and firm's competitive strengths and weaknesses. It will also be able to identify unsatisfied segments which will represent opportunities.

Market segmentation planning process can be divided into five stages: The first stage involves the identification of dimension that a company might use for segmenting its markets based on its products or service portfolio. The second stage is the development of market segment profits or determines the differences in need. Third is where the organization need to forecast the total market potential for each segment identified. The fourth stage deals with the application of forecasting procedures in order to calculate the company's market shares and compare cost and benefits of each segment. The last stage includes the assessment of delivered benefits from each segment in relation to corporate goals which will provide the rationale and justification for further development of each market segment or evaluating the potential and likely success of the segments (Baker,1997; Bearden et al. 2000; Pearneauts & McCarthy,1996). Since customers' tastes and preferences are ever changing, it is paramount that firms have to keep on monitoring the behavioral trends of the segments through research.

In summary, the segmentation process should make management to understand how their market works, identify and list the key discriminating factors, capture details about decision makers, identify and list real needs of the target market and search for groups with similar needs to form appropriate segments. This implies that for successful segmentation, the focus should be on customer needs and wants.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

This is a descriptive study that seeks to establish the various segments of Sacco members and their specific needs. According to Cooper (1996), a descriptive study is concerned with finding out: who, what, where, and how of a research topic; which is the concern of this study. This type of research design has been used by other researchers such as Opondo (1998), Gichungwa (2009) and Githimba (2010).

3.2 The Population

The population of this study will be Mwalimu National Sacco Members within Nairobi region (Departments 44, 31 and 100). According to records at the Sacco's Head Office, there are 3,132 members from Nairobi region.

3.3 Sample Size

Given the size of target population, the study will adopt a sample method of study. Sampling frame will be divided into departments; a simple random sample will then be taken from each stratum. The size of the sample in each stratum will be taken in proportion to the size of the stratum. A sample size of 342 members will be used. This has been calculated using sample size calculator; Confidence Level **95%,** Confidence Interval 5, Population 3,132

3.4 Data Collection

Primary data will be collaborated with secondary data from the Sacco data base. Primary data will be collected using semi-structured questionnaires. Drop and pick later method will be used to administer questionnaires for members in Nairobi. The researcher will also conduct personal interviews where possible. Secondary data will be collected from Mwalimu National Sacco data base

3.5 Data Analysis

Data collected will be analyzed using descriptive statistics. These will include: frequencies percentages and mean scores. Where appropriate, pie charts and graphs will also be included.

CHAPTER THREE: DATA ANALYSIS

4.1 Introduction

This chapter presents the data findings on the market segments of Mwalimu National Sacco members and their financial services requirement and the analysis there-off. The study was conducted on Mwalimu Sacco members from within Nairobi region (Departments 31, 44 and 100). Out of 342 respondents, 250 filled in and returned the questionnaires which make a response rate of 73%. The commendable response rate was achievable after the researcher administered the questionnaires using the staff of the Sacco and encouraged them to request the respondents to fill in the questionnaire right away. The focus was on members patronizing Sacco head office and staff in general.

Descriptive statistics were used to analyze the data. Frequencies, percentages and mean scores were used. Pie charts and graphs were also used.

4.2 Findings on the segments

Demographic information

Gender

Table 4.1 Gender of the target population and respondents

	Population		**Respondents**	
Gender	No	% age	No	% age
Male	1247	40	158	63
Female	1885	60	92	37
Total	3132	100	250	100

Table 4.1 presents the data findings on the gender of the population and respondents. According to the table, 60% of the population was female with males constituting 40%. This shows that majority of members from Nairobi region are females. However, more males than females responded (63% to 37%) meaning that either more males than females patronize Mwalimu Sacco head office or males were bolder to respond.

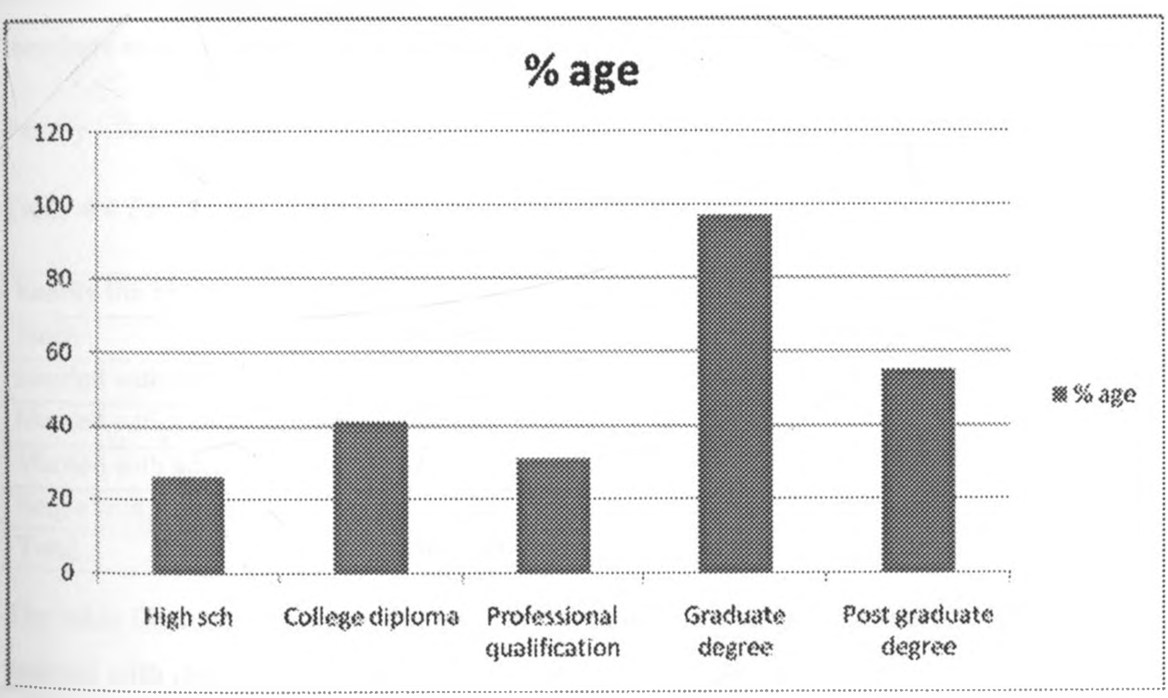
Education

Table 4.2 Level of education

Level of Education	No	% age
Secondary/High school certificate	26	10
College diploma	41	16
Professional qualification	31	12
Graduate degree	97	40
Post graduate degree	55	22
Total	250	100

Table 4.2 above presents the data findings on level of education of respondents. Majority of the members were graduate at 40% followed by post graduates at 22%. 16% have diplomas; 12% professional qualification with high school certificates constituting 10% only. The bar graph below presents these findings:

Figure 4.1: Level of education



Age

Table 4.3 Age

Age in Years	No	% age
20-25	10	4
26-30	16	6
31-35	46	19
36-40	61	25
41-45	51	20
46-50	46	18
51-55	20	8
56-60	0	0
>60	0	0
Total	250	100

On the question on the age of the respondents used for the study, the table above presents the data findings. Majority of the respondents are in the age 36-40 years with the mean age being 40 years. There were no respondent above 56 years. This represents the senior citizen; apparently they do not retain membership upon retirement despite the Sacco allowing members to retain membership even after retirement.

Family life Cycle

Table 4.4 Family life cycle

Family life cycle	No	% age
Single	36	14
Married without children	20	8
Married with young children	148	59
Married with adult children	41	17
Single with a child	5	2
Total	250	100

The table illustrates the data findings on the family life stage. The majority of members are married with children; 59% and 17% for families with young and adult children respectively. According to the findings, 14% were single; 8% married without children and 2% single with a child.

Level of income

Table 4.5 level of income

Level of income (gross) Ksh.	No	% age
10,000-20,000	5	2
21,000-30,000	10	4
31,000-40,000	46	19
41,000-50,000	31	12
51,000-60,000	51	21
61,000-70,000	36	14
71,000-80,000	20	8
>81,000	47	20
Total	246	98

On the question of income, the majority of respondents earn between ksh51,000-Ksh 60,000. This is followed by the category earning above ksh. 81,000/=. Third is the category that earns between Ksh.31,000-40,000. This is followed by those in the range Ksh61,000-Ksh70,000 at 14% then 41,000-50,000 at 12%; then Ksh71,000-Ksh80,000 at 8%; then Ksh21,000-30,000 at 4% and below Ksh20,000 at 2%. Two percent of the respondents did not respond to this question.

Behavioral information

Members' loyalty

Table 4.6 Membership to the sacco

Membership (years)	No	% age
0-1	20	8
1-3	20	8
3-5	10	4
5-10	41	16
10-15	56	23
15-20	76	31
20-30	27	10
Total	250	100

Majority of the members have been with the Sacco for 15-20 years. The average membership of the respondents is 12 years. According to the findings of this study, an impressive 10% have been with the Sacco for over 20 Years. Findings on other categories were 11-15 years at 23%; 6-10 years at 16%; 1-3 years at 8% and 4-5 years at 4%.

The loyalty is further tested with question on whether the respondents have borrowed from the Sacco. Majority of the members at 92% have borrowed from the Sacco. With the 8% that have not borrowed giving reason that they are new in the Sacco and have no enough deposits.

Products knowledge

Table 4.7 Products knowledge

Product	**Aware**		**Not aware**	
	No	% age	No	% age
Normal loan	250	100	0	0
BBF	250	100	0	0
Risk fund	250	100	0	0
Development loan	245	98	5	2
Super loan	235	94	15	6
Emergency/School fees	235	94	15	6
WSF advance-24 Months	235	94	15	6
WSF advance-12 Months	230	92	20	8
Savings account	230	92	20	8
Vision-72 Months	224	90	26	10
SAYE account	224	90	26	10
Vision-60 Months	219	88	31	12
Salary in advance	214	86	36	14
Advance against dividends	204	82	46	18
Vision-48Months	199	80	51	20
Fixed deposit account	189	76	61	24
School fees account	138	55	112	45
Business loans	117	47	133	53

The findings illustrate the awareness level of respondents to Sacco products. All the respondents were aware of Normal loan and welfare products. Also a good number (98%) was aware of Development loan. Emergency/School fees, Super and WSF advance-24 months were at 94%. Business loan was least known at 53%; perhaps because the product is relatively new. Also 45% did not know about school fees account. Generally, majority of the respondents were aware of the various Sacco products.

4.3 Segments and loan requirements

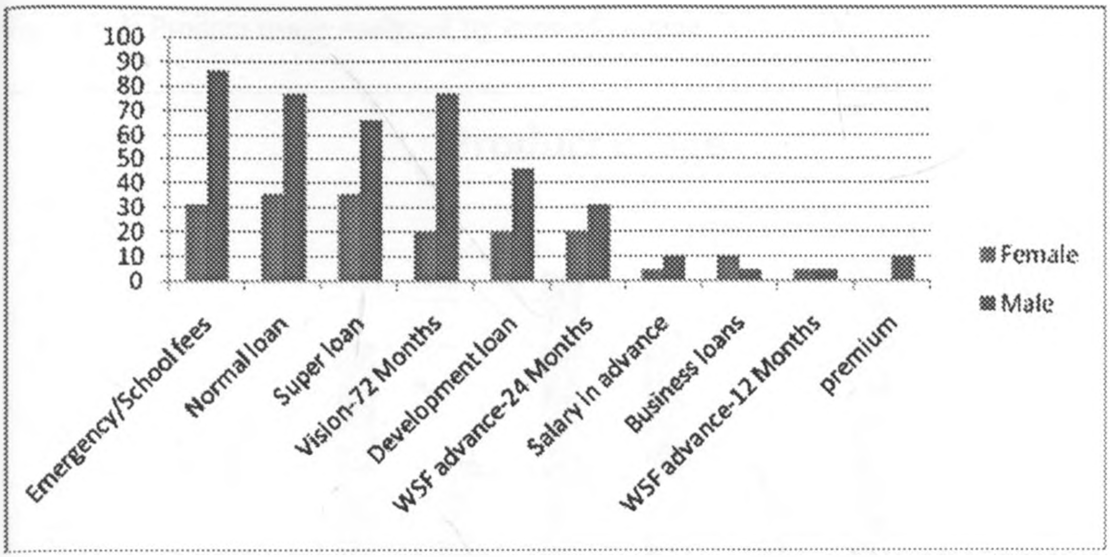
Products usage rate

Table 4.7 products patronage

Product	No. of respondents who have patronized the product	% age	Gender	
			Female	Male
Emergency/School fees	117	19	31	87
Normal loan	112	18	36	77
Super loan	102	17	36	66
Vision-72 Months	97	16	20	77
Development loan	66	11	20	46
WSF advance-24 Months	51	8	20	31
Salary in advance	15	3	5	10
Business loans	15	3	10	5
WSF advance-12 Months	10	2	5	5
premium	10	2	0	10
Vision-60 Months	5	1	5	0
Total	602	100	189	413

The findings indicate the usage rate of the various products. The respondents used Emergency and normal loan products most. Super loan and Vision-72 are also enjoyed good patronage at 17% and 16% respectively. Further, more males than females patronize Sacco products. Both males and females are more attracted emergency, normal and super loans more than the other products. Males are also attracted to vision-72 months loan. Vision-60 months was least patronized at 1%. WSF advance-12months and premium loan were also lowly patronized at 2%. The figure below further illustrates this finding:

Figure 4.2: Products patronage analyzed by gender.

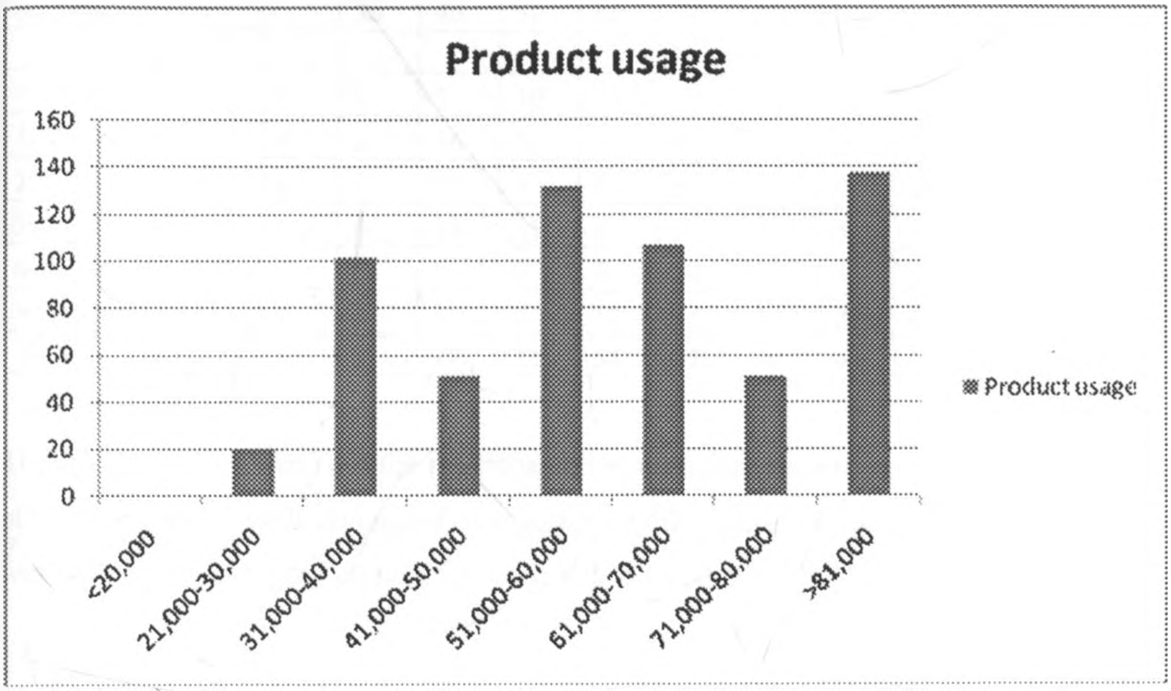


Usage rate analyzed by level of income

	Dev	Normal	Super	Vis-72	Emer	Sal in Adv	Business Loan	Sch fees	Adv-24	Adv-12	Premium	Vis-60	Total
<20,000	0	0	0	0	0	0	0	0	0	0	0	0	0
21,000-30,000	5	5	0	5	5	0	0	0	0	0	0	0	20
31,000-40,000	15	20	20	20	15	0	0	10	0	0	0	0	102
41,000-50,000	10	10	10	10	0	0	5	0	5	0	0	0	51
51,000-60,000	10	26	26	15	20	10	0	5	10	0	5	5	132
61,000-70,000	10	15	15	20	15	0	0	10	15	5	0	0	107
71,000-80,000	0	10	10	5	5	0	10	0	10	0	0	0	51
>81,000	15	26	20	20	15	5	0	15	10	5	5		138
Total	65	112	101	95	75	15	15	40	50	10	10	5	602

Respondents earning more than Ksh81,000 patronize Sacco products most. They are followed by the category earning between Ksh51,000-60,000. Respondents earning between 21,000 to 30,000 were the least in the usage of Sacco products. Normal loan enjoyed most preference from all the categories.

Figure 4.3: Product usage analyzed by level of income



4.4 Segments saving practices

Table 4.8: Saving levels analyzed by gender

Savings	**No**	**% age**	**Gender**	
			Female	**Male**
Below Ksh. 100,000/=	61	25%	31	31
Between Ksh. 101,000 – 200,000	31	13%	10	20
Between Ksh. 201,000 – 300,000	26	10%	10	15
Between Ksh. 301,000 – 400,000	36	15%	10	26
Between Ksh. 401,000 – 500,000	31	13%	10	20
Above Ksh. 500,000	61	25%	15	46
Total	245	100%	87	158

The findings indicate that the respondents had their savings on both extremes, with 25% at above Ksh500,000 and below Ksh 100,000. Generally, males had saved more than females with majority of males having above Ksh500,000. Majority of females have below Ksh100,000.

Table 4.9: Saving level analyzed by level of income

	Income '000								Total
Savings	<20	21-30	31-40	41-50	51-60	61-70	71-80	>81	
<100,000	5	0	5	10	15	5	0	15	56
101,000-200,000	0	0	16	5	5	0	5	0	31
201,000-300,000	0	5	5	5	5	5	0	0	26
301,000-400,000	0	0	15	11	6	0	0	5	37
401,000-500,000	0	0	0	0	5	11	10	5	31
>500,000	0	0	5	0	17	15	5	21	64
Total	5	5	47	31	54	37	20	47	245

The study sought to find out the relationship between income and saving practices. Majority of the respondents with savings of over Ksh500,000/= were earning above Ksh.81,000. This was followed by category earning between Ksh. 51,000-60,000 at 17 members.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

The chapter presents a summary of the research project whose objectives were to identify the various market segments of Mwalimu National Sacco members, assess the segments unique loan requirements and saving practices

Based on the findings, the chapter gives recommendations on how the responses can further be improved to meet the member demands of ever changing business environment. The limitation of the study and suggestion for further research are also discussed.

5.2 Summary

The study sought to investigate segments of Mwalimu National Sacco members and their preferences on the Sacco product. From the findings of the study, seven segments were identified. It was found that 60% of the Sacco members within Nairobi region are females; with males constituting 40%. The respondents were segmented on the basis of gender: 63% were males and 37% females. The second level of segmentation was on the level of education. Majority of the respondents; 40%, were graduates the post graduates at 22%; college diploma at 16%; professional qualification at 12% and high school certificate at 10%. The third level of segmentation was on age, Majority of the respondents were aged between 36-40 years with the mean age being 40 years. Other respondents were as follows: 20-25 years 4%; 26-30 years 6%; 31-35 years 19%; 41-45 years 30%; 46-50 years 18%; 51-55 years 8%. There was no respondent in the categories 56-30 years and above 60 years. The age of the respondents assumed a normal curve.

The forth category was on family life cycle: Majority of the respondents were married with young children. This was followed by respondents who were married with adult children at 17%; single at 14%; married without children at 8% and single with a child at 8%.The fifth category was on the level of income. Most of the respondents; 21%, were earning between Ksh. 51,000-60,000. Other categories are as follows: Ksh61,000-70,000 at 14%; Ksh31,000-40,000 at 19%; Above Ksh81,000 at 18%; Ksh71,000-80,000 at 8%; Ksh21,000-30,000 at 4% and Ksh10,000-20,000 at 2%. The sixth category was on loyalty. Majority of the respondents; 31%, have been members for between 15-20 years. 23% of the respondents have been members for between 10-15 years. The average membership is 12 years. The seventh category was on product knowledge. Majority of the respondents were aware of the

Sacco products with all respondents being aware of normal loan and welfare products. However, more than half; 47%, of the respondents were not aware of business loan.

The study also sought the loan requirements of the segments. On the basis of gender, the study established that more males than females use the various Sacco products. Both gender prefer Emergency, normal and super loans more than all other products. Vision-72 months enjoy very high preference with males with 77 of the respondents patronizing the product. Vision-60 months, Premium, WSF Anvance-12 months, business loan and salary in advance are least preferred by both gender. On the basis of income, respondents earning above Ksh81,000 patronized Sacco products most. The preference for this group was long term loans (Normal, Vision-72 and Super loans). The segment also preferred emergency/School fees loan. Respondents earning between Ksh51,000-60,000 were second on product usage. Their preference was also long term loans with lower interest rate (Normal and Super loans). The segment also preferred emergency/School fees loan. The third segment earning Ksh61,000-70,000 also preferred longer term loans in addition to emergency/school fees loan. Normal, Super and Vision-72 loans was popular with all segments.

Finally, the study sought the segments saving practices. On the basis of gender, more males had more savings than females on all categories. The highest number of respondents with most savings was from the category earning most. Next was the category earning Ksh51,000-60,000. Respondents earning more had generally saved more.

5.3 Conclusion and Recommendation

The study indicated the various segments of Mwalimu National Sacco members. It also indicated the loan preferences and saving practices of the various segments. From the study, it is clear that the various segments have differing needs and preferences. Given the ever growing number of institutions providing similar services previously preserve for Saccos, the question of market driven products and ability to beat competition will define the future of Saccos. Segmentation will allow Saccos; Mwalimu National Sacco included, an understanding of customers to better satisfy their needs. The study demonstrated that customers' preferences differ. It is therefore imperative for Saccos to design and develop marketing strategies that are client responsive and produce market driven services if they have to survive and prosper in the competitive environment.

5.4 Limitation of the study

Since the respondents were members who patronized the Sacco during data collection period, it was not possible for all the targeted respondents to participate in filling the questionnaire. This is so because only a few members physically visit the Sacco premises with most members preferring to telephone/mail their requests. This resulted to a response rate of 73%.

5.5 Suggestion for further research

There is still room to undertake further research on market segmentation in cooperative sector or on other types of cooperatives. This is so because the scope of this study was limited to a Saving and credit cooperative: Mwalimu National Sacco. Similar studies could be conducted in other countries of the world since financial services requirements are likely to vary from one country to another.

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APPENDICES.

Appendix 1: Mwalimu National Sacco Products

a) BOSA credit products

	Loan type	Repayment period	Maximum amount
1	Normal	36 Months	Shares multiplied by 3
2	Development	48 Months	Shares multiplied by 3
3	Super	60 Months	Shares multiplied by 4
4	Vision - 72	72 Months	Shares multiplied by 6
5	Vision - 60	60 Months	Shares multiplied by 6
6	Vision - 48	48 Months	Shares multiplied by 6
7	Emergency/School fees	12 Months	Ability to repay the loan In 12 months

b) WSF (FOSA) Advances

For members whose salaries or SAYE pass through their WSF Accounts

	Type of advance	Repayment period	Maximum amount
1	WSF advance	12 months	
2	WSF advance	24 months	
3	Salary in advance	One off payment	
4	Advance against Dividends	One off payment	

c) Business loans

For members running business enterprises.

Repayment period from 3 months to 24 months.

	Loan type	Loan amount
1	Asasi loan	30,000/= - 75,000/=
2	Entrepreneur	76,000/= - 250,000/=
3	Commercial & Industrial	251,000/= - 500,000/=

d) WSF (FOSA) accounts

1	Savings account	5	Holiday account
2	Save as you earn (SAYE) account	6	Medical account
3	Fixed deposit account	7	Junior account
4	School fees account		

e) Welfare services

Burial benevolent fund – BBF

Used to accord members and their immediate families decent burials

Monthly contribution is Ksh. 150/=

	Person	Entitlement in Kshs.
1	Self	48,000/=
2	Spouse	45,000/=
3	Own children	28,000/= (up to a max of six)
4	Own parents	15,000/=
5	Parents-in-law	10,000/=

Risk fund

A compulsory insurance scheme for all members.

Monthly contribution is Ksh. 150/=.

The fund is used to pay outstanding loans for deceased members and to double the shares paid to the nominee(s).

Appendix 2: Questionnaire

I kindly request you; as a member of Mwalimu National Sacco, to please spare some time and answer the following questions to facilitate completion of this study. Your response will be treated purely for academic purpose.

1. Your Employer ……………………………………………
2. Gender:

   Male ( ) Female ( )
3. Mode of employment:

   Permanent ( ) Contract ( ) Temporary ( ) Other (Specify)…………………
4. Level of education

   Secondary/ High school certificate ( )

   College diploma ( )

   Professional qualification ( )

   Undergraduate degree ( )

   Post graduate degree ( )
5. Age:

   Below 25 years ( ) Between 26 – 30 years ( )

   Between 31 – 35 years ( ) Between 36 – 40 years ( )

   Between 41 – 45 years ( ) Between 46 – 50 years ( )

   Between 51 – 55 years ( ) Between 56 – 60 years ( )

   Above 60 years ( )

6. Family life cycle:

   Single ( )

   Married without children ( )

   Married with young children ( )

   Married with adult children ( )

   Other (specify) ………………………………

7. Income level (gross)

Below Ksh 20,000/=	( )	Between 21,000 – 30,000	( )
Between 31,000 – 40,000	( )	Between 41,000 – 50,000	( )
Between 51,000 – 60,000	( )	Between 61,000 – 70,000	( )
Between 71,000 – 80,000	( )	Above 81,000	( )

8. How long have you been a member of Mwalimu National Sacco

Less than one year	( )	Between 1 – 3 years	( )
Between 4 – 5 years	( )	Between 6 – 10 years	( )
Between 11 – 15 years	( )	Between 16 – 20 years	( )
Over twenty years	( ) please specify ……………………years		

9. Are you aware of the following products offered by the Sacco?

	Aware	Not aware
Normal loan	( )	( )
Development loan	( )	( )
Super loan	( )	( )
Vision – 72 months	( )	( )
Vision – 60 months	( )	( )
Vision – 48 months	( )	( )
Emergency/School fees	( )	( )
WSF (FOSA) Advances		
WSF advance-24 months	( )	( )
WSF advance-12 months	( )	( )
Salary in advance	( )	( )
Advance against Dividends	( )	( )
Business loans	( )	( )
Asasi loan	( )	( )
Entrepreneur loan	( )	( )
Commercial & Industrial	( )	( )
WSF (FOSA) accounts		
Savings account	( )	( )
Save as you earn (SAYE) account	( )	( )
Fixed deposit account	( )	( )
School fees account	( )	( )
Welfare services		
Burial benevolent fund – BBF	( )	( )
Risk fund	( )	( )

10. Have you borrowed a loan from Mwalimu National Sacco? Yes ( ) No ( )

11. If yes, what loan product(s)?
    a) ……………………………………………
    b) ……………………………………………
    c) ……………………………………………
    d) ……………………………………………

12. What was the purpose(s) of the loan?
    a) ……………………………………………………………………………………
    b) ……………………………………………………………………………………
    c) ……………………………………………………………………………………
    d) ……………………………………………………………………………………

13. If no, please give the reason for not borrowing loans from the Sacco
……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………

14. What is your preferred loan specification:

	Loan type	Repayment period	Maximum amount	Interest (Per year)	Tick preferred loan
1	Normal	36 Months	Shares multiplied by 3	12%	
2	Development	48 Months	Shares multiplied by 3	13.2%	
3	Super	60 Months	Shares multiplied by 4	14.4%	
4	Vision - 72	72 Months	Shares multiplied by 6	17%	
5	Vision - 60	60 Months	Shares multiplied by 6	16%	
6	Vision - 48	48 Months	Shares multiplied by 6	15%	
7	Emergency/School fees	12 Months	Ability to repay the loan In 12 months	12%	
8	WSF advance	12 months	Net *12	1.5% Pm	
9	WSF advance	24 months	Net*12	2% Pm	
10	Salary in advance	One off payment	Net*80%	5% Pm	

15. What is your current savings?

Below Ksh. 100,000/=	( )
Between Ksh. 101,000 – 200,000	( )
Between Ksh. 201,000 – 300,000	( )
Between Ksh. 301,000 – 400,000	( )
Between Ksh. 401,000 – 500,000	( )
Above Ksh. 500,000	( )

16. What is your current saving rate ....per month

    What is your preferred saving rate ....per month

17. What aspect(s) attracts you to the Sacco
    a) ....
    b) ....
    c) ....
    d) ....

18. What aspects do you dislike about the Sacco
    a) ....
    b) ....
    c) ....
    d) ....

19. Your Name (optional)..

20. TSC No./Pf. No./ Sacco M/No (Optional).......................................

Thank you very much for your cooperation

END