

**COMMUNICATION STRATEGIES AND CLIENTS RECRUITMENT:
A CASE OF DEPOSIT TAKING MICROFINANCE INSTITUTIONS IN KENYA**

BY

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DECLARATION

This research project is my original work and has not been presented for an award of any degree in any university. I further declare that the research project is the result of my work unless where otherwise stated in the citations.

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Declaration by Supervisor

This research project has been submitted for examination with my approval as the university supervisor.

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DEDICATION

This work is dedicated to my family who gave me moral support throughout the research project period.

ACKNOWLEDGEMENT

I have a distinctive gratitude to God for life and the energy he gave me throughout this project writing period. Through God all things are possible. I wish to acknowledge the precious support of my family who undergone many days of my absence as I tried to complete this project. To my parents and brothers your words of inspiration moved mountains, and to my friends, who contributed in various ways, I love you all. I have a special remark for my supervisor, **Dr. Raymond Musyoka** for his patience and advice. I am greatly beholden to him for his direction and the timely comments to this project.

ABSTRACT

Communication is such an essential part of management today that without it, practically nothing can be accomplished. Effective communication strategies are important feature in successful running of an institution. Effective communication has a lot more to do than providing the target audience with updates on management expectations, managers are required to provide information about change and its benefit to the institution. Communication strategies that yield success are supposed to be developed with a view of reaching every target audience, including the use of e-mail, newsletters, workshops and seminars. Communication strategies can be developed well and utilized strategically so that workers are more comfortable, well-motivated and informed to maximize productivity and minimize unrests; as these counterproductive acts may delay projects, increase costs and inconvenience the society. The study employed descriptive research design. The target population of the study was business development managers of the Licensed Deposit Taking Microfinance Institutions in Kenya. The study selected four managers from each of the Deposit Taking Microfinance Institutions. The total number of respondents was 52 managers. Primary data was collected using a questionnaire. Descriptive statistics such as, mean and frequencies and inferential statistics such as regression and correlation analysis were applied to perform data analysis. The study findings indicate that communication strategies have influence in clients' recruitment. There is a substantial and positive relationship between communication strategies and clients' recruitment in deposit taking microfinance institutions in Kenya. These findings are useful to firms in the financial sector in decisions formulation involving communication strategies and clients' recruitment. The study recommends for investment and improvement in communication strategies since clients are very delicate and prone to influence by strategies of competition. Adoption of communication strategies should be ensured to motive clients hence leading to high firms' performance in the long run.

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ABBREVIATIONS AND ACRONYMS

MFIs	-	Microfinance Institutions
NPL	-	National Poverty Line
MDIs	-	Microfinance Deposit Taking Institutions
DTMs	-	Deposit Taking Microfinance Institutions
PPI	-	Progress out of Poverty Index
ACP	-	African concrete products
MNCs	-	Multinational Corporations
ISCC	-	Internal Corporate Communication Conveying Strategy
NOCK	-	National Oil Corporation of Kenya
IMC	-	Integrated Marketing Communication
PR	-	Public Relations
FIs	-	Financial Institutions

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Communication is universal and studied in several settings from wide ranging perspectives including; information theory, semantics, and various subfields of social sciences such as psychology and sociology (Hansen, 2009). Institutional communication is viewed as a process of producing and deducing messages between people within the institution who interact either in directional or bidirectional manner (Stohl, 2011). Client recruitment is a process used by microfinance institutions to choose their clients guided their income levels (Hislop, 2011). Microfinance institutions have begun to cater for this market using innovative group lending tools, contracts and guarantees.

Several theories have been proposed by scholars to explain communication strategies and clients recruitment in organizations. This research study will use resource advantage theory and systems theory. Resource advantage theory claims that management has a responsibility of implementing and transforming strategies (Hunt & Morgan, 1995). The resource advantage theory suggests that managers should make use of externally oriented communication strategies to improve a firm's capacity to collect information about clients in an operational environment. Systems theory involves various components or sub-systems which must work together for the whole system to function. The theory asserts that for institutions to operate effectively, managers should have capacity to develop, implement and assess their communication strategies (Berthalanffy, 1968).

Worldwide, converting microfinance programs into deposit taking microfinance institutions is turning to be more attractive to majority of investors in microfinance sector. This is encouraged by the envisaged benefits to the institutions, the borrowers, savers and shareholders. The investors expect to benefit in the transformation process by accessing the license of deposit taking microfinance institutions to mobilize deposits from the public, attracting private investors, improvement in corporate governance, reaching significant growth levels, realizing financial self-sustainability and eventually being able to participate in growth of financial inclusion and poverty alleviation (Hishigsuren, 2006).

1.1.1 Communication Strategies

According to Bialystok (2010) communication involves the practice of sharing thoughts, information and messages among people in a specific time and place. Communication includes writing and talking as well as nonverbal communication, visual communication and electronic communication. Communication is significant in business, education and other circumstances where people encounter each other. Communication is an important part of personal life (Encarta, 2008). A communication strategy involves the choice of suitable objectives and the selection of the right strategy for brand awareness and attitude (Ashery, 2012). Strategic communication can imply either sharing an idea, a process or data that addresses a long term strategic goal of an institution by allowing use of advanced telecommunications or dedicated global network (George, 2012).

According to Blanton (2012), communication strategy is critical to successful institutional performance and communications for any organization is considered to be an equivalent of blood flowing in the human body. Therefore, any institution that understands the importance role communication strategies plays makes use of them in their work environment. Communication strategies guarantee coordination and organisation of factors of production especially material and human elements of organization as an effective network of change and development. According to Cadman (2011), communication strategies are initiated through the sender - encoding -the message - the channel decoding - the receiver - noise and feedback. It is projected that managers spend more than 80% of their day communicating with others since most of the basic management process including; planning, coordinating, organizing, leading and controlling cannot be accomplished without effective communication strategies.

1.1.2 Clients Recruitment

The capacity of an organisation to recruit poor clients is revealed by concentration of poverty among new clients upon entry (Belch, 2013). This is an important concern because various institutions focus different niche of clients including those living below the National Poverty Line (NPL). It is also important to appreciate that poverty is not a

fixed condition because there are those who move in and out of poverty. These susceptible poor clients living above the national poverty line may be affected by natural calamity or health crisis and easily slip back into poverty again. This segment, regardless of living above national poverty line is also target customers for the microfinance institutions.

Further than targeting tools, there may be institutional policies and procedures that are not related directly to clients' recruitment but affect poverty outreach (Sadler, 2010). In most cases, current group members decide on the recruitment of new clients to replace those who exit their borrowing groups. This makes it difficult for credit officers to assess the new clients as per the set poverty assessment criteria by their microfinance institutions. Particularly, where the borrowing groups have been in existence for several years, its members recruit more economically stable individuals, which eventually reduce the number of poor households among new entrants. Existing group require new entrants to have existing business and a guarantor. These creditworthiness requirements deter the recruitment of poorer clients in the microfinance program (Street, 2008). The amount of loan available to a group or individual also determines the types of potential clients to recruit. Microfinance institutions put in place these requirements to mitigate risks but at long run result to systematic exclusion of many poor households. Financial institutions should understand the effects of these requirements and product features so as to balance on poverty outreach and financial practicality.

While it is significant to monitor the ability of microfinance program to recruit poor clients, it is also important to assess and monitor the ability of to retain the same clients in the program. Good recruitment alone does not result to fulfilling the social mission if the new clients quickly exit due to program requirements that clients cannot cope with at long run. A good client's retention replicates quality services, surpassing clients' expectations and responding to clients' needs (Warwick, 2011). Institutions with ability to retain clients have better chances of services delivery and impact positively on their clients in the long term. It is important to assess clients who stay and those who leave the program in order to assess the ability of microfinance to retain their poor clients.

Additionally, tracking progress out of poverty index (PPI) scores of the same group of clients over time can reveal any movement in poverty levels.

1.1.3 Deposit Taking Microfinance Institutions in Kenya

The enactment of microfinance deposit taking institutions Act 2003 gave birth to Microfinance Deposit Taking Institutions (MDIs) which are allowed to mobilize and intermediate savings from their clients (Mburu, 2014). The Microfinance Act of 2006 and the Deposit Taking Microfinance Regulations of 2008 have provided a platform for institutional transformation in Kenya (Johnson, 2014). The Kenya's banking system is regulated by the Banking Act 2013 the Central Bank of Kenya Act 2015 and the Companies Act 2013. Additionally, there are several rules that are also in place. The Central Bank of Kenya is responsible for monetary policy and the banking systems and also releases information about interest rates, banking guidelines, and the status of financial institutions in Kenya.

The deposit taking microfinance institutions provide access to savings products, loan products and micro insurance products to small and microenterprises in both rural and urban areas. The deposit taking microfinance institutions are licensed to accept public deposits and contribute to economic empowerment while complying with the requirements of prudential financial management (Otondi, 2014).

Microfinance institutions in Kenya are concentrating on specific needs of customers which vary across a wide range of customers and according to the location. The recent years have witnessed a growing development in converting identified need of the customers into tailor made and context-specific product with unique eligibility requirements. Several financial services intermediaries across the country have enhanced research and development of new products that better addresses client's savings, credit and insurance needs. The Kenyan microfinance institutions (MFIs) have got some of the lowest profitability margins and highest operational costs (Aleke, 2012).

Microfinance institutions have been facing many challenges in the process of their development. Some of the challenges are corporate governance and regulatory inadequacies, weakness in the implementation of contracts, high levels of frauds, risks of

impounding, incapacitated regulatory institutions and bureaucratic procedures that are inefficient as well as information irregularities that limits the effectiveness of government involvements and the extent to which the benefits from financial sector reforms can reach the target clients (Kurland, 2012).

Microfinance institutions are exposed to economic and political shocks including; civil unrest and unanticipated changes in government policies which limits the time period of savers and investors alike as well as reducing the perspective over which governments can plan.

The banking sector is very powerful and key to economic growth; unfortunately few banks have got microfinance products. There is need to stresses the importance of encouraging main stream banks to be involved in the microfinance sector. However, microfinance lending in general is still heavily geared towards the short end of the market for various reasons: microfinance institutions face the challenge of lacking reliable information about creditworthiness of potential clients and difficulty of implementing contracts and creditor rights that increase the risk of non-performing loans. Weaknesses of the legal system especially concerning property rights, limit the number of eligible borrowers and the capacity of lending institutions, and other inefficiencies in the governance structure in Kenya (Njeru, 2012). Many customers are dissatisfied with the group lending product features, terms and conditions and have opted for individual lending products whose requirements are more favourable and relevant to their needs.

1.2 Research Problem

Communication is such an essential part of management today that without effective communication, almost nothing can be accomplished (Smith, 2009). It is alleged that for an organisation to be successful it has to develop effective communication strategies (Sadler, 2010). Effective communication means a lot more than just giving people regular updates with what is going to happen, managers have to emphasize the benefits of institutional change. Communication strategies that yield success are developed with a view of reaching every target audience, including the use of e-mail, newsletters, workshops and seminars. Communication strategies can be developed well and utilized

strategically so that workers are more comfortable, well-motivated and informed to maximize productivity and minimize unrests; as these counterproductive acts may delay attainment of goals, increase costs and inconvenience the society. Often, methodologies for communicating with clients and the public at large are included in planning. Recently, the microfinance business has become very competitive with new challenges coming in including demand for diversified products, and more selective customers (Ashery, 2012). This has resulted to growing client exit rates and in most cases low levels of client recruitment. This changing market trend calls for microfinance institutions to realize that their business can be strengthened by employing communication strategies. Microfinance institutions have created a customer-centric culture that strengthens the bonds between the institution and the customer. Some of the communications strategies they have adopted are personal selling, advertising, sales promotion, direct marketing and public relations. The institutions are in close physical contact with their customers, they have systematic approach to listening to their clients. Marketing has facilitated the institutions to design instruments that have enabled them to realize their clients' needs and wants. The marketing department has been the voice of the clients in the institution (Hislop, 2011). The marketing department ensures that the institution considers the client's needs at every decision point and discovers ways to respond to those needs. Microfinance institutions track client recruitment and client exit on daily basis and consider it as a performance indicator.

Various studies have been done on communication strategies Malm (2011), researched on internal communication in multinational corporations (MNC) an undervalued key to success. The study established that the barriers to an effective internal communication in the multinational corporations were related to the structure of the corporations, and that the barriers had similar consequences. The approach for diminishing the identified barriers and the consequences was to develop communication strategies, that considers the critical parameters of by whom, how, when, and what of the information to be communicated.

Oluoch (2007) did a study on evaluation of communication strategies at the Nairobi stock exchange. The study established that, the broking firms' staff were aware about mission

statement of their broking firms to a small extent; this implied that staffs were unqualified in communicating the firms' business to customers. It was discovered that the broking firms had no strategic plans and no documented communication strategies. Gachungi (2014) did a study on the effects of communication strategies in change management at Unilever Kenya limited. The findings revealed that communication strategies play a significant role in change management in Unilever including quick acceptance and reduced resistance.

Kaime (2013) did a survey of integrated corporate communications strategies in organizations (a case of the mobile phone service providers in Kenya). The survey found that most of the respondents were aware that there was a communication strategy in the organizations. The study also found that the involvement of departments in communication practices assisted the organization to realize better performance results.

Kabue (2003) did a research on marketing communication strategies in the insurance industry: A case of insurance firms in Nairobi. The research established that personal selling is the most popular tool in the industry and that currently, the trend is directed towards the use of direct marketing. In regard to the factors affecting choice of these tools, their effectiveness and target customers were found to be outstanding although availability of funds was also weighty.

Mukani (2012), did an investigation on the role of corporate communication strategy in organizational growth: a case study of the National Oil Corporation of Kenya (NOCK). The study found out that corporate communication had a great contribution to the organizational growth over the five years under review, 2008 to 2012 especially its role in improving the corporate and products brand equities as well together with unveiling and positioning of new products and services.

All the above studies have covered communication strategies in different sectors. Some of the studies have been undertaken in different business departments, thus, none has been done in banking industry especially in the microfinance institutions in Kenya. Therefore, the study seeks to answer the question; what is the influence of

communication strategies on clients' recruitment in the deposit taking microfinance institutions in Kenya?

1.3 Objective of the Study

The objective of the study was to establish the influence of communication strategies on clients' recruitment in the deposit taking microfinance institutions in Kenya.

1.4 Value of the Study

The study is useful to stakeholders in the microfinance sector in Kenya. It will help them better understand the effects that communications strategies have on clients' recruitment in the sector. The stakeholders will therefore be informed on the factors influencing the recruitment of clients. The study will help them in evaluating the effectiveness of the organizations through the communication strategies.

This study is also vital to the policy makers in the microfinance subsector especially the Central Bank of Kenya in developing policies which will manage microfinance institutions and spur growth in clients' recruitment in this sector. The Government will find the information useful in regulating the lending interest rates so that loans can be made available to the low income households and in return the microfinance institutions will increase their sales and thereafter, be able to recruit more clients.

Academicians in the field of finance, economics and strategy will find this study a useful guide for carrying out further studies in the area. The study will be an invaluable source of material and information to the many scholars in this field.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter provides a review of the relevant literature on the influence of communication strategies on client's recruitment as presented by various researchers, scholars, analysts and authors. The chapter also provides the theories supporting the study.

2.2 Theoretical Foundation

This section examines the various theories that will be used to inform the study on the influence of communication strategies and clients recruitment in the deposit taking microfinance institutions in Kenya. The study is guided by the following two theories; resource advantage theory and systems theory.

2.2.1 Resource Advantage Theory

Resource advantage theory is a general theory of competition that combines demand theory with the resource based theory of the firm. The theory supposes that superior performance is the most important objective of the firm (Hunt & Morgan, 1995). Resource advantage theory assumes that demand is heterogeneous across and within industries. Hunt & Madhavaram (2006), emphasizes that the resource advantage theory maintains that management has the role of identifying, understanding, selecting, creating, modifying and implementing strategies. The resource advantage theory advocates that externally oriented environmental dynamics enhances a firm's capacity to gather information about customers, competitors and developments in the microenvironment. This demanding role requires managers to make decisions guided by adequate, opportune and reliable information. Thus, collection, analysis and dissemination of market and competitive information are important for predicting the results of managerial decisions.

This theory classifies resources into seven categories that consist of financial, physical, legal, human, organizational, informational and relational. Communication strategy is one of the organizational resources whereas marketing strategies is associated with both informational and relational resources. Although a position of competitive advantage

relies on organizational abilities to understand and respond to customer needs, in many industries, information about consumers is imperfect and costly. Therefore, the theory emphasizes on innovation that motivates firms to learn through market research, intelligence gathering, benchmarking and test marketing.

Given that consumer perceptions influence value of the firm's market offering (Hunt & Morgan, 1995), Institutions need to conquer information unevenness by promoting adoption of communication strategies throughout the institution. In doing so, institutions create externally driven culture that proactively responds to market needs and reduces threats from competition through delivery of superior customer value. It is important to note the limitations of the resource advantage theory. The theory has been criticized for lack of evidence to justify its claims for superior explanatory and predictive power.

2.2.2 Systems Theory

Systems theory was first proposed by Berthalanffy (1968), Berthalanffy proposed a system which included the interrelations and the distinctiveness of an element. He focused on the comprehensiveness rather than concentrating on, the single peculiarities of the system in an attempt to bring consistency between various fields. He believed the wholeness can bring more importance to the system than focusing on each and every aspect. Through this method the scientists can raise their findings to a whole new perspective.

Everything around the world is being divided into various associations by which they are categorized into various systems. The systems theory is associated with unification of happenings separate from their subsistence. A system always has an entity depending on the nature of the system. This entity within the system has some general qualities and also holds a bond between them. Basically, systems theory explains the process of inputs, processes, outputs, and environment which groups engage in. Systems theory is deterministic, because the environment and the resources provide the processes that are used to gain the correct outputs (Ashby, 1991). It is scientific because it is one truth, which states that groups use processes and their resources within their environment to develop the desired outputs.

Systems theory views communication as a system binder, central for the survival and growth of organization. Binding the subsystems together facilitates internal stability and control (Klein, 2006). Binding the total system to the external environment, communication promotes organizational growth and goal attainment. The theory has however been criticized for having predictive power. The systems theory is able to predict the process and variables which groups use to make decisions, but the theory is not able to predict the exact outcome.

2.3 Empirical Studies

Fenech (2013), did a research on internal corporate communication on strategy and employee commitment. The research design was a single case study and the data was collected using a background study, semi-structured interviews and a survey. The qualitative data was analysed and emerging patterns were identified, the quantitative data was statistically analysed. The findings indicated that top-down and primarily one-way internal corporate communication conveying strategy met the employees' needs better than lateral and two-way internal strategy communication". The needs were recognized to include gaining strategy knowledge, gaining ability to use the knowledge and reducing equivocality and uncertainty.

Aidoo (2012) conducted a study on internal communication strategies in the construction industry: a case study of African concrete products (ACP) limited. Open-ended interviews with 10 employees mainly at the management level permitted respondents to answer in depth and allowed the researcher to probe for useful insights. Findings showed that the practice of internal communication was not effective enough as there is no documented communication strategy and consequently employees were not very familiar with the vision and mission of the organisation. Effective Internal Communication contributed to the achievement of an organization's goals and objectives by way of better coordination and so on, but the Grapevine was a major challenge to the flow and exchange of information and needed to be monitored and perhaps capitalized upon.

Kulvisaechana (2011), researched on the role of communication strategies in change management process: A Case Study of Consignia Brand and Business Status Introduction. The study used a case study as the research design. Regarding the data collection methods, multiple sources and modes of data were used. The findings of the study discovered that ten main themes in relation to the rebranding and the business status changed to a public limited company (plc) status. The findings also investigated some depth of understanding of how the executives perceived the internal communication process surrounding the change in Consignia”.

2.4 Integrated Marketing Communication Mix Elements

The several elements of the marketing communication mix are the techniques that marketers use to communicate with clients as well as other relevant audiences. Integrated Marketing Communication (IMC) is concept of marketing communication planning that combine and evaluate strategic role of different communication discipline to get the clarity, consistency and greater impact (Kurland, 2012). According to Percy et al. (2011) planning and execution of all marketing communications are required in same way to meet the objective. Process of developing and making use of the different communication programs and the possibility to have impact in future over time, IMC process begin with the customer and work to determine and define the methods and forms to develop the influential communications programs (Kurland, 2012).

Marketing communications are the fourth essential element of the marketing mix, with which the company aims to serve the target markets. Marketing communications build good company image and positive public attitude that facilitate business contacts and raising the necessary investment. Promotional mix or a marketing communication mix is the specific combination of instruments to promote that company used to convincingly communicate customer value and build customer relationships. The mix of marketing communications is a specific combination of elements; advertising, personal selling, sales promotion, public relations and direct marketing that companies use to implement their targets for advertising and marketing (McCarthy, 2008). All communication activities must be well prepared and conducted in good order through comprehensive management.

2.4.1 Sales Promotion

Sales promotion is the process of persuading a potential customer to buy the product. Sales promotion is designed to be used as a short-term strategy to boost sales. It is rarely suitable as a method of building long-term customer loyalty (Shimp, 2007). Encouraging sales techniques impact to the buyer through personal communication and a system of market tools to induce or accelerate the purchase of short-term effect. It includes marketing activities adding value to products for a limited period of time in order to stimulate consumer purchases and effectiveness of intermediaries. Sales promotion involves complex of actions with a single or short-term goal to encourage consumers and commercial firms by offering them additional incentives to increase sales (Sproull, 2011). It includes incentives that promote sales by providing additional incentives for purchase i.e. price reduction, premiums, samples, coupons and more. These incentives are a supplement, but not substitute for the basic benefits that the buyer gets when he buy the product.

A sales promotion aims to stimulate consumers to make immediate purchase. The promotional activities are carried out by producers or traders. These are price deals, coupons, samples, sweepstakes, contests, discounts, premiums, souvenirs, loyalty programs, samples, demonstrations and more. Stimulating sales oriented promotions, traders aims at promoting commercial intermediaries i.e. wholesalers, retailers, distributors and their sales staff to buy more to display and sell better products of the company. This approach uses posters, displays, competitions and lotteries, trade shows, cash bonuses and more (Blattberg, 2010). This approach stimulates the active involvement of sales representatives, has a high degree of flexibility, creates interest and helps test new products and support continued impact of advertising. This is highly effective in ensuring a change of consumer behavior in the short term. The promotional activities give a quick impact in terms of purchases and increases sales. Companies invest stimulus resources on marketing teams in order to perform effective business (Tellis, 2008).

2.4.2 Direct Marketing

Direct marketing is the process of selling products or services directly to the public by mail order or telephone selling rather than through retailers. It is one of the fastest growing sectors in the global economy by which institutions communicate directly with their target clients to generate reaction and transaction. The development of technology and the use of the Internet make possible to apply new and attractive forms of direct marketing that contain the potential for branding and generating sales. Such forms are web marketing, email marketing; direct mail, web seminars, telemarketing promotions, sales channels, direct sales, advertising flyers, catalogs and more (Chiang, 2012). Whether institutions focus on bringing new visitors to a website, increasing online sales, making phone rang or persuading customers coming back for more, they use direct marketing tools.

This type of communication with the audience is specific and personal, and most importantly measurable. This channel of communication facilitates the possibility for precise segmentation of target group and addressing each segment at the right time at the right place with the right information (Ling, 2012). Powerful internet and mobile technology have led to fast increase of company's capacity to offer their products and build relationships with customers through social media, websites, mobile applications, e-commerce and online promotions. Creating an online presence and finding the most appropriate way to communicate with the target audience is cost-effective, fast and reliable (Stone, 2013).

2.4.3 Advertising

Advertising is the business of producing advertisements for commercial products or services. Advertising is a form of marketing communication with objectives to encourage, persuade, or in some cases manipulate the audience to take or continue to take an action. Advertising as any paid form of non-personal presentation and promotion of ideas, goods or services from the sponsor evident by the print media (newspapers and magazines), telecommunications (radio and television), network communications (telephone, cable, satellite, wireless), electronic media (audiotape, videotape, videodisk,

CD-ROM, web page), and display media (billboards, signs, posters). It is an impersonal form of mass communication, which offers a high degree of control of those responsible for the preparation and implementation of promotional messages (Zeff, 2012).

Advertising accomplishes multiple functions, the main ones are; inform, persuade, remind, create additional utility and impact on people's perceptions. As a result of advertising certain products and brands look more upscale and stylish than competitors. Advertising adds value to the purchase of expensive and risky products. It supports other promotional resources and can attract a large and geographically dispersed market (Petty, 2013). The costs to reach one member of the target audience are lower as compared with personal sales. Advertisers have a number of alternative means of advertising and can exercise control over the content of the advertising message, its design, time and place of the broadcast.

2.4.4 Personal Selling

Personal sales are oral presentation of goods, services, ideas, in a private conversation with one or more potential buyers to motivate them to buy and assist them in purchasing (Weitz, 2009). Personal sales are communicated in a personal presentation of ideas and products to the client, in which the seller persuades and helps the buyer decide to purchase. Personal sales represent two-way communication between seller and buyer in order to influence the purchase by targeting long-term relationships with retailers and consumers. Personal selling is hardly used as a single agent for promotion (Bass, 2011).

Personal selling allows adjustment of the message as per the client, control over the audience and achieved delivery of information about consumer behavior and market trends (Boles, 2010). Personal contact can be expressed in making application or creative sales /demand of potential customers, need to form a product, product performance, etc. Personal sales are commercial departments of companies, commercial workers in their company stores, as well as their other various presentations of sales representatives and contacts with actual or potential users.

2.4.5 Public Relations

Public relations is defined as the management function which evaluates public attitudes, identifies the policies and procedures of an individual or organization with the public interest, and executes a program of action to earn public understanding and acceptance (Gruing, 2007). Public relations objective is generally broader than publicity, as its purpose is to establish and maintain a positive image of the company among its various publics.

Public relations make use of publicity and a variety of other tools including special publications, participation in community activities, fund-raising, sponsorship of special events, and various public affairs activities to enhance an organization's image. Organizations also make use of advertising as a public relations tool (Cutlip, 2012). Traditionally, publicity and public relations have been considered more supportive than primary to the marketing and promotional process. However, many firms have begun making public relations a central part of their predetermined marketing and promotional strategies (Dozier, 2013). Public relations firms are increasingly touting public relations as a communications tool that can take over many of the functions of traditional advertising and marketing.

2.5 Summary of empirical Studies and Knowledge gaps

A review of extant literature discussed relationships among communication strategies and clients recruitment. The review also discussed theories that support the study. In addition, several scholars have studied on the influence of communication strategies. Fenech (2013) did a research on internal corporate communication on strategy and employee commitment. The research found out that top-down and primary one-way internal corporate communication conveying strategy met the employees' needs better than lateral and two-way internal strategy communication. The needs were recognized to include gaining strategy knowledge, gaining ability to use the knowledge and reducing equivocality and uncertainty. Aidoo (2012), did a study on internal communication strategies in the construction industry: a case study of African concrete products (ACP) limited. The study found out that the practice of internal communication was not effective

enough as there is no documented communication strategy and consequently employees were not very familiar with the vision and mission of the organisation. Kulvisaechna (2011), Investigated on the role of communication strategies in change management process: A Case Study of Consignia Brand and Business Status Introduction. The investigation found out that there are ten main themes in relation to the rebranding and the business status changed to a public limited company (plc) status.

From the above review limited studies have concentrated on communication strategies and clients recruitment in the deposit taking microfinance institutions in Kenya. This study therefore seeks to fill this research gap by studying the influence of communication strategies on clients' recruitment in the deposit taking microfinance institutions in Kenya.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides discussions of the research methodology that was used in this study. Its main focus is on the research design, population of the study, data collection methods and concludes with data analysis and data presentation methods that were used in the study.

3.2 Research Design

The study employed a descriptive survey research design. Descriptive design is most appropriate for this study because surveys are suitable in describing the characteristics of a large population. Descriptive survey research designs are used in most preliminary and exploratory research studies to enable the researchers to collect information and summarize, present and interpret data for the purpose of clarification. The method was fitting since it allowed for collection of qualitative information such as those intended at measuring attitudes, opinions or habits (Mugenda & Mugenda, 2003).

3.3 Population of the Study

The target population of this study was the Licensed Deposit Taking Microfinance Institutions in Kenya. The study selected four managers from each of the Deposit Taking Microfinance Institutions. This implied that the total number of respondents were 52 managers as shown in the table 3.1.

Table 3.1: Population Target

Managerial Category	Number
Business Development Manager-Personal Accounts/Consumer Products	13
Business Development Manager-SME /Corporate Accounts	13
Business Development Manager-Micro Insurance Products	13
Business Development Manager-Asset Finance Products	13
TOTAL	52

Source: Researcher

3.4 Data Collection

Primary data was collected using semi-structured questionnaires. The researcher employed the drop and pick later method to distribute the questionnaires to all respondents. The structured questions were in form of a five point Likert scale, where respondents were required to indicate their views on a scale of 1 to 5. The questionnaire targeted business development managers of every licensed deposit taking microfinance institution in Kenya. This population was chosen since the people in the marketing department are the ones involved in the day to day running of advertising and sales promotion and thus are well familiar with the communication strategies that are suitable for an institution.

3.5 Data Analysis

The data collected was analysed using descriptive statistics to achieve the objectives of the study. The research yielded quantitative data. The quantitative data generated was analyzed with the help of Statistical Package for Social Sciences (SPSS) version 20.

Both descriptive and inferential statistics were employed. In particular, descriptive statistics involved frequencies, percentages, means and standard deviations. Inferential statistics involved correlation analysis. The justification for the use of correlation was that it showed which communication strategy is more effective in client recruitment. The findings were presented using tables, frequencies and percentages.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.0 Introduction

This chapter presents data analysis, findings and interpretation. Results were presented in tables. The analyzed data was arranged under themes that reflected the research objective.

4.1 Response Rate

The study focused on communication strategies and clients' recruitment in the deposit taking microfinance institutions in Kenya. A total of 52 employees were issued with the questionnaires which imply that the entire sample population was used for the study. The results of the analysis of the respondents are presented in Table 4.1.

Table 4.1: Response Rate

Response	Frequency	Percent (%)
Returned	45	87%
Unreturned	7	13%
Total	52	100%

Source: Field study

Table 4.1 shows that a total of 52 questionnaires were distributed to the respondents. Out of these, 45 questionnaires were properly completed and returned to the researcher. This represented an overall response rate of 87%. A response rate of 50% and above is adequate for a descriptive study. Return rates of above 50% are acceptable to analyze and publish, 60% is good while 70% and above is very good (Babbie, 2004). Based on these assertions from these studies, 87% response rate is considered to be very good for the study (Mugenda & Mugenda, 2003).

4.2 Demographic Characteristics

The information in this section describes basic characteristics; the gender of respondent, age of the respondent, level of education and years worked in their current position. Each respondent's demographic characteristics were important for the study since it helped to

understand the background of the respondents before embarking on obtaining the responses which were aimed to achieve the specific objectives.

4.2.1 Gender of the Respondents

The gender population of this study consisted of 27 men and 18 females. The numbers were arrived at by inputting the data into the SPSS software version 20, then running the descriptive frequencies to generate the gender frequencies. At the end of the analysis, 60% were male while 40% were female. Table 4.2 shows the analysis of men and women who participated in the study.

Table 4.2: Gender of Respondents

Gender	Frequency	Percent (%)
Male	27	60%
Female	18	40%
Total	45	100%

Source: Field study

According to the results in Table 4.2, 27 of the respondents who represented 60% were male while 18 representing 40% were female. This shows that majority of the respondents were male. This analysis is consistent with that of Ellis et al, (2007) who found that men dominate in the formal sector citing the ratio of men to women in formal sector as 74%:26% in spite of women being major actors in Kenya's economy, and notably in agriculture and the informal business sector. Other studies that have identified male domination in the formal and informal sectors include Gauge (2001) and Gakure (2003).

4.2.2 Age of the Respondents

The respondents were requested to indicate their age brackets. The aim was to find out if the age has an influence on response and overall results.

Table 4.3: Age of Respondents

Age	Frequency	Percent (%)
21-30 Years	8	18%
31-40 Years	21	47%
41-50 Years	16	35%
Total	45	100%

Source: Field study

From the results in Table 4.3, majority 47% of the respondents were on age bracket of 31-40 years. 35% were on age bracket of 41-50 years, while only 18% who were between 21-30 years old. This implies that majority of the managers were older staff, according to the Population Situation Analysis Report (2014) the trend of population growth for persons aged 31-40 years has increased from about 12% in 1999 to nearly 15% in the year 2009. Therefore, the finding of this study reflects the current trend of the Kenya population indices.

4.2.3 Highest Level of Education

The respondents were requested to indicate their highest level of education. The aim was to find out if the level of education has an influence on response and overall results.

Table 4.4: Level of Education

Level of Education	Frequency	Percent (%)
Undergraduate	17	38%
Masters	24	53%
Others	4	9%
Total	45	100%

Source: Field study

From the results in Table 4.4, 53% of the respondents had their highest level of education being masters level, 38% had undergraduate qualification while 9% had other qualifications. The results imply that, the respondents were expected to understand the

questionnaire and give valid response since they had a better understanding as guided by their level of education which in this case majority had university degree as the highest level of education. This finding is consistent with that of Adegoroye et al, (2012) who found out that firm performance depends on academic qualifications of the staff.

4.2.4 Duration of Being in the Employment

The respondents were requested to indicate their duration of being in the employment. The aim was to find out if the duration of being in the employment has an influence on response and overall results.

Table 4.5: Duration of Being in Employment

Period in Service	Frequency	Percent (%)
Below 2 years	4	9%
2-5 years	7	16%
6-8 years	24	53%
9 and above years	10	22%
Total	45	100%

Source: Field study

From the results in Table 4.5, 53% have been employed for 6-8 years, 22% have been employed for more than 9 years, and 16% have been employed for between 2-5 years while 9% have been in employment for a period less than less than 2 years. This implies that majority of the respondents have been in the employment for a good period of time and have gained adequate experience. This finding is consistent with that of Randoy et al, (2006) who found out that one's experience depends on the number of years of service in the sector involved. It is expected that the longer one worked in an organization, the more they understand the organization and hence the higher the ability to articulate issues relating to the organization (Afande, 2013).

4.2.5 Availability of Branches

The respondents were requested to indicate whether they had branches. The aim was to find out if the availability of branches has an influence on response and overall results.

Table 4.6 Availability of Branches

Statement	Frequency	Percent (%)
Yes	21	47%
No	24	53%
Total	45	100%

Source: Field study

From the results in Table 4.6, 53% of the respondents' firms did not have branches anywhere else, while 47% of the respondents in the study did have branches. This implies that the firms have close relation regarding the expansion of their infrastructure. According to Adrian & Shin, (2009) finding, banks with many branches had a collective higher number of clients as compared to banks with small number of network branches. This implies that organizations with more branches have recruited more clients as compared with those firms with less number of branches.

4.2.6 Ownership

The respondents were requested to indicate whether their firm was locally or foreign owned. The aim was to find out if the difference in ownership has an influence on response and overall results.

Table 4.7: Ownership

Ownership	Frequency	Percent (%)
Foreign	11	24%
Local	34	76%
Total	45	100%

Source: Field study

From the results in Table 4.7, majority of the firms are locally owned as shown by 76% of the respondents' reply on this question, 24% of the respondents in the study stated that

their firm was foreign owned. This implies that the majority of the firms have local ownership. This is consistent with Andow, & David, (2016) findings that show managerial and foreign ownership has negative impact on the performance of listed conglomerate firms under the study, while firm size positively impacted the firm performance. This implies foreign ownership shy away from investing in microfinance sector in developing economies.

4.2.7 Age of Institution

The respondents were asked to indicate the age of the institution. The aim was to find out if the difference in ages has an influence on response and overall results.

Table 4.8: Age of Institution

Age of Institution	Frequency	Percent (%)
Less than 10 years	12	27%
11 to 20 years	22	49%
21 to 30 years	5	13%
31 years and above	6	11%
Total	45	100%

Source: Field study

From the results in Table 4.7, 49% have got ages of between 11-20 years, 27% have been in operation for less than 10 years, and 13% have been in existence for between 21-30 years while 11% have been in operation for a period of more than 30 years. This implies that majority of the organizations are in a growth stages and therefore their communication strategies will have an impact in their growth. The finding is consistent with Onuonga, (2014) who asserts that Kenya being a developing economy, most of the financial institution are still in the growth stages and majority have been in operations for a less than five decades.

4.3 Communication Strategies in Organizations

Respondents were asked different questions on communication strategies in the organization. They were asked if they were aware of the communication strategies, if involvement of departments in communication strategies impacted on clients' recruitment in their organization, the extent to which departments in the organization got involved in communication practices in place and communication strategies adopted by their organization.

4.3.1 Communication Strategies Awareness

The respondents were requested to indicate their awareness of communication strategies in their organization. The aim was to find out whether there were communication strategies in place known by the respondents.

Table 4.9: Communication Strategies Awareness

Statement	Strategies Awareness	Percent (%)
Yes	37	82%
No	8	18%
Total	45	100%

Source: Field study

According to the results in Table 4.9, 82% of the respondents were aware of communication strategies while 18% were not. This shows that majority of the respondents were aware of communication strategies in their organization. Oluoch (2007), researched on evaluation of communication strategies at the Nairobi stock exchange. The research study found that, the staffs of broking firms were not aware about mission statement of their broking firms. This implies that lack of communication strategies awareness negatively affects organisations business.

4.3.2 Communication Strategies Impact on Clients' Recruitment

The respondents were requested to give their opinion on whether communication strategies have impact on clients' recruitment.

Table 4.10: Communication Strategies Impact on Clients' Recruitment

Statement	Frequency	Percent (%)
Yes	32	71%
No	13	29%
Total	45	100%

Source: Field study

According to the results in Table 4.10, 71% of the respondents were positive that communication strategies have got impact on clients' recruitment while 29% were not in agreement. This shows that communication strategies have got impact on clients' recruitment.

Mukani (2012) did an investigation into the role of corporate communication strategy in organizational growth: a case study of the National Oil Corporation of Kenya (NOCK). The study found out that corporate communication had a significant contribution to the organizational growth of NOCK over the 5 years under review, 2008 to 2012 especially its role in improving the corporate and products brand equities as well as in the unveiling and positioning of new products and services. This implies that communication strategies have an impact on recruitment of clients in the deposit taking microfinance institutions in Kenya.

4.3.3 Departments Involvement in Communication Practices

The respondents were asked to give their opinion on the extent to which departments are involved in communication practices in place.

Table 4.11: Departments Involvement in Communication Practices

Statements	Extent of Involvement	Percentage (%)
Very high extent	6	13%
High extent	15	33%
Moderate extent	14	31%
Low extent	8	18%
Very low extent	2	5%
Total	45	100%

Source: Field study

According to the results in Table 4.11, 33% of the respondents opined that the departments involve themselves in high extent, 31% in a moderate extent, 18% in low extent, and 13% in a very high extent while 5% are involved in a very low extent in department communication practices. This shows that majority of the departments are involved in communication strategies.

Communication strategy is vital to effective team performance and communications for any organization is like blood flow in the human body. Therefore, any organization that understands the importance of communication strategies uses them in their organizational environment. Communication strategies ensure coordination of factors of production and most importantly material and human elements of organization as an efficient network of change and advancement (Blanton, 2012).

4.4 Adoption of Communication Strategies.

In this study, Adoption of Communication Strategies was measured by six questions focusing on advertising, personal selling, direct marketing, sales promotion, public relations, and relationship marketing. The respondents were asked to give their opinion regarding clients' recruitment. Specifically, they were asked to rate on a scale of 1 to 5. 1=strongly disagree, 2=disagree, 3=moderately agree, 4=agree and 5= strongly agree.

Table 4.12: Adoption of Communication Strategies

Statements	Strongly Disagree	Disagree	Moderately Agree	Agree	Strongly Agree	Mean	Std. Dev
Advertising helps us inform, persuade and create additional utility and impact on customer's perceptions.	4.4%	11.1%	13.3%	35.6%	35.6%	3.87	1.16
Through personal selling we help the clients decide what to purchase.	11.1%	4.4%	17.8%	37.8%	28.9%	3.69	1.26
Direct marketing has led to rapid increase of our company's forces to offer our products and build relationships with the customers.	6.7%	8.9%	4.4%	57.8%	22.2%	3.80	1.10
Public relations make it easy to find consumers demand.	0.0%	11.1%	6.7%	28.9%	53.3%	4.24	1.00
We use sales promotion as a short-term tactic to boost our sales.	17.8%	4.4%	8.9%	11.1%	57.8%	3.87	1.58
Relationship marketing helps us set a long-term customer engagement rather than shorter-term goals.	4.4%	15.6%	8.9%	40.0%	31.1%	3.78	1.19
Average						3.88	1.21

Source: Field study

According to results in Table 4.12, majority of the respondents who represented 71.2% (35.6+35.6) agreed that advertising helps inform, persuade and create additional utility and impact on customer's perceptions, 66.7% agreed that through personal selling clients decide what to purchase, 80% agreed that direct marketing has led to rapid increase of company's forces to offer products and build relationships with the customers,82.2% agreed that public relations make it easy to find consumers demand, 68.9% agreed that sales promotion is used as short-term tactic to boost sales, while 71.1% of the respondents agreed that relationship marketing helped set a long-term customer engagement rather than shorter-term goals. On a five-point scale, the average mean of the responses was 3.88 which mean that majority of the respondents agreed with most of the statements; however, the answers were varied as shown by a standard deviation of 1.21. Standard deviation shows the difference in value of statements from the mean value, implying the standard deviation of 1.21 was relatively high.

4.4.1 Impact of Communication Strategies.

In this study focus was on the impact of communication strategies on clients' recruitment. The respondents were asked to give their opinion regarding communication strategies and clients' recruitment. Specifically, they were asked to rate their opinion on a scale of 1 to 5 where 1=strongly disagree, 2=disagree, 3= moderately agree, 4=agree and 5=strongly agree. The analysis is presented in Table 4.13.

Table 4.13: Impact of Communication Strategies

Statements	Strongly Disagree	Disagree	Moderately Agree	Agree	Strongly Agree	Mean	Std. Deviation
Personal selling can help to develop loyalty between a financial institution and a targeted customer base.	4.4%	4.4%	11.1%	40.0%	40.0%	4.07	1.05
Developing relationships with media that cover the microfinance industry can keep public informed of their best practices.	4.4%	4.4%	8.9%	42.2%	40.0%	4.09	1.04
Sales promotion is crucial in awakening and stimulating customer demand for a service.	11.1%	4.4%	13.3%	42.2%	28.9%	3.73	1.25
To enhance sales performance, microfinance institutions should use social media to interact with customers.	6.7%	17.8%	4.4%	31.2%	40.0%	3.80	1.33
Adoption of direct marketing enables the institutions to build relations with customers and prospects through regular, low-cost personalized communication.	11.1%	11.1%	8.9%	22.2%	46.7%	3.82	1.42
Offering training and employee motivation programs helps the microfinance institutions deliver on business promises to the clients.	6.7%	4.4%	15.6%	35.6%	37.8%	3.93	1.16
Microfinance institutions should focus on direct marketing as it emphasizes long-term relationship building with customers.	6.7%	8.9%	17.8%	24.4%	42.2%	3.87	1.25
Average						3.90	1.21

Source: Field study

According to results in Table 4.13, 80% of the respondents agreed that personal selling can help to develop loyalty between a financial institution and a targeted customer base, 82% agreed that developing relationships with media that cover the microfinance industry can keep public informed of their best practices, 71.1% of the respondents agreed that sales promotion is crucial in awakening and stimulating customer demand for a service, 71.2% of the respondents agree that to enhance sales performance, microfinance institutions should use social media to interact with customers, further 68.9% of the respondents agree that adoption of direct marketing enables the institutions to build relations with customers and prospects through regular, low-cost personalized communication, 73.4% of the respondents agree that offering training and employee motivation programs helps the microfinance institutions deliver on business promises to the clients, while 66.6 % of the respondents agreed that microfinance institutions should focus on direct marketing as it emphasizes long-term relationship building with customers. On a five-point scale, the average mean of the responses was 3.90 which mean that majority of the respondents agreed with most of the statements; however, the opinions were varied as shown by a standard deviation of 1.21. Standard deviation shows the difference in value of statements from the mean value, implying the standard deviation of 1.21 was relatively high.

4.4.2 Influence of Communication Strategies on Clients Recruitment

In this study, questions were focusing on Influence of communication strategies on clients' recruitment. The respondents were asked to give their opinion regarding Influence of communication strategies. Specifically, they were asked to rate on a scale of 1 to 5 where 1=strongly disagree, 2=disagree, 3= moderately agree, 4=agree and 5=strongly agree. The analysis is presented in Table 4.14.

Table 4.14: Influence of Communication Strategies on Clients Recruitment

Statements	Strongly Disagree	Disagree	Moderately Agree	Agree	Strongly Agree	Mean	Std. Deviation
Adoption of right marketing communication strategies allows institutions to develop a plan that enables them to offer the right product to the customers.	11.1 %	4.4%	8.9%	33.3%	42.2%	3.91	1.31
The effectiveness of the marketing communication tools is essential for an appropriate recruitment of customers.	4.4%	4.4%	11.1%	33.3%	46.7%	4.13	1.08
An effective marketing communication strategy enables marketers to sell more and win the market share.	4.4%	8.9%	17.8%	42.2%	26.7%	3.78	1.09
Effective marketing communication campaign enables the microfinance institution to successfully out-brand its competitors.	4.4%	11.1%	17.8%	26.7%	40.0%	3.87	1.20
Marketing communication efforts and know-how are instrumental in commercializing ideas.	8.9%	11.1%	13.3%	31.1%	35.6%	3.73	1.30
Average						3.88	1.20

Source: Field study

Results in Table 4.14, revealed that 75.5 % agreed that adoption of right marketing communication strategy allows institutions to develop a plan that enables them to offer the right product to the customers, 80 % agreed that the effectiveness of the marketing communication tools is essential for an appropriate recruitment of customers, 68.9% agreed that an effective marketing communication strategy enables marketers to sell more and win the market share, 66.7% of the respondents agreed that effective marketing

communication campaign enables the microfinance institution to successfully out-brand its competitors, while 66.7% of the respondents agreed that marketing communication efforts and know-how are instrumental in commercializing ideas. On a five-point scale, the average mean of the responses was 3.88 which mean that majority of the respondents agreed with most of the statements; however, the answers were varied as shown by a standard deviation of 1.20. Standard deviation shows the difference in value of statements from the mean value, implying the standard deviation of 1.20 was relatively high.

4.4.3 Trend in Recruitment of Clients (Dependent Variable)

The study assessed the trend in recruitment of clients by deposit taking microfinance institutions. The respondents were asked to respond to statements on trend in recruitment of clients. The responses were rated on a five Likert scale as presented in Table 4.15.

Table 4.15: Trend in Recruitment of Clients

Statements	Strongly Disagree	Disagree	Moderately Agree	Agree	Strongly Agree	Mean	Std. Dev
The client base for personal account and consumer products have been on the rise since the adoption of marketing strategies.	0.0%	0.0%	15.6%	44.4%	40.0%	4.24	0.71
The client base for SME accounts/corporate accounts have been on the rise since the adoption of marketing strategies.	6.7%	4.4%	8.9%	40.0%	40.0%	4.02	1.14
The client base for micro insurance products has been on the rise since the adoption of marketing strategies.	8.9%	11.1%	11.1%	33.3%	35.6%	3.76	1.30
The client base for asset finance products have been on the rise since the adoption of marketing strategies.	4.4%	4.4%	8.9%	40.0%	42.2%	4.11	1.05
Average						4.03	1.05

Source: Field study

Majority of the respondents who represented 84.4% (44.4% + 40.0%) indicated that client base for personal account and consumer products have been on the rise since the adoption of marketing strategies, 80% revealed that client base for SME accounts/corporate accounts have been on the rise since the adoption of marketing strategies, 68.9% indicated that client base for micro insurance products have been on the rise since the adoption of marketing strategies, while 82.2% revealed that client base for asset finance products have been on the rise since the adoption of marketing strategies. On a five-point scale, the average mean of the responses was 4.03 which mean that majority of the respondents indicated that communication strategies influence client recruitment; however, the answers were varied as shown by a standard deviation of 1.05. Standard deviation shows the difference in value of statements from the mean value, implying the standard deviation of 1.05 was relatively high.

4.5 Inter-Variable Relationships

Inferential analysis was conducted to generate correlation results, model of fitness, and analysis of the variance and regression coefficients. Pearson Product Moments correlation was used to test the association between key variables. The results are presented in form of Pearson statistic, having been worked out at the significance level set at 0.05. Regression model was used to check on the relationship between the variables. The mean scores of statements of each variable were used to run correlation and regression analysis. The analysis of variance (ANOVA) was adopted to test the overall model significance. In particular, the calculated f statistic was compared with the tabulated f statistic. A critical p value of 0.05 was used to determine whether the overall model was significant or not. The individual regression coefficients were checked to see whether the independent variables significantly affected clients' recruitment. A critical p value of 0.05 was also used to determine whether the individual variables are significant or not.

4.5.1 Correlation Analysis

The data presented before on adoption of communication strategies, Impact of communication strategies, influence of communication strategies and Clients recruitment

trends were computed into single variables per factor by obtaining the averages of each factor. Pearson’s correlations analysis was then conducted at 95% confidence interval and 5% confidence level 2-tailed. The Table 4.16 indicates the correlation matrix between the factors.

Table 4.16: Correlation Matrix

Client Recruitment	Pearson Correlation Sig. (2-tailed)	1			
Strategy Adoption	Pearson Correlation Sig.(2-tailed)	.400** 0.006	1		
Strategies Impact	Pearson Correlation Sig. (2-tailed)	.341* 0.022	0.05 0.744	1	
Strategies Influence	Pearson Correlation Sig. (2-tailed)	.333* 0.026	0.036 0.816	-0.18 0.229	1
** Correlation is significant at the 0.01 level (2-tailed).					
* Correlation is significant at the 0.05 level (2-tailed).					

Source: Researcher

Table 4.16 above presents the results of the correlation analysis. The results revealed that Strategy Adoption and Client Recruitment are positively and significant related ($r=0.400$, $p=0.006$). The results further indicate that Strategies Impact and Client Recruitment are positively and significantly related ($r=0.341$, $p=0.022$). Similarly, results showed that Strategies Influence and Client Recruitment are positively and significantly related ($r=0.333$, $p=0.026$).

4.5.2 Regression Analysis

Regression analysis was performed using the composites of the key variables. The data was input to the SPSS software. Results were then presented in Tables 4.17, 4.18 and 4.19.

Table 4.17: Model Fitness for the Regression

Indicator	Coefficient
R	0.641
R Square	0.411
Adjusted R Square	0.368
Std. Error of the Estimate	0.49339

Source: Researcher

The results presented in Table 4.17 present the fitness of model used in the regression model in explaining the study phenomena. The variables under study were found to be satisfactory. This is supported by coefficient of determination also known as the R square of 41.1%. This means that adoption of communication strategies; Impact of communication strategies, influence of communication strategies explains 41.1% of the variations in the dependent variable which is clients' recruitment. This results further means that the model applied to link the relationship of the variables was satisfactory.

Table 4.18: Analysis of Variance

Statements	Sum of Squares	df	Mean Square	F	Sig.
Regression	6.969	3	2.323	9.543	.000
Residual	9.981	41	.243		
Total	16.950	44			

Source: Researcher

Table 4.18 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant. Further, the results imply that the independent variables are good predictors of Client recruitment. This was supported by an F statistic of 9.543 and the reported $p < 0.05$ which was less than the conventional probability of 0.05 significance level.

Regression of coefficients results in Table 4.19 shows that Clients recruitment and Strategies Adoption are positively and significant related ($r = 0.507$, $p < 0.05$). The Table further indicated that Strategies Impact and Clients recruitment are positively and

significantly related ($r=0.247$, $p<0.05$). Similarly, results showed that Strategies Influence and Clients recruitment are positively and significantly related ($r=0.277$, $p<0.05$).

Table 4.19: Regression of Coefficients

Variable	B	Std. Error	Beta	t	sig
(Constant)	.196	.764		2.754	.798
Strategies adoption	.507	.166	.366	3.349	.004
Strategies impact	.247	.076	.394	3.858	.002
Strategies influence	.277	.086	.392	3.854	.003

Source: Researcher

4.6 Discussion of the Results

The results of the study established that adoption of communication strategies has influence on clients' recruitment in the microfinance sector. Deposit taking microfinance institutions that have adopted, invested and improved on the use of communication strategies have realised positive and significant results in clients' recruitment. This has also impacted positively in the growth of the financial institution in terms of financial position and number of clients.

The researcher also established that some respondents were not aware of communication strategies in their institutions and such managers were not involved in the formulation and implementation of the strategies. This implies that effective communication and departmental involvement is very important in realising successful implementation of communications strategies. The results revealed that all the deposit taking microfinance institutions had experienced a positive growth as a result of continued formulation and implementation of communication strategies. This trend is associated with the ability to gather information from the clients and utilizing the same to develop products suitable to the needs of the target customers. The various marketing communication mix are still relevant as pointed out by various scholars through the analysis of secondary data. Many institutions are now focusing on direct marketing as the most suitable strategy to grow the client base and impact positively on financial performance.

4.7 Chapter Summary

This chapter dealt with the presentation and analysis of the data collected organized as per the objective of the study. Descriptive data on demographics details of the respondents is provided. The description of variables captured using primary data is also presented. The descriptive statistics, analysis of the data and the responses from the respondents is also presented in detail. The results of the regression analysis, bringing out the meaning of the data as well as the outcome is presented. These findings are discussed in chapter five in the context of the literature to draw conclusions and recommendations.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter addresses the summary of the findings, the conclusions and the recommendations. This is done in line with the objective of the study.

5.1 Summary of Findings

This section provides a summary of the findings from the analysis. This is done in line with the objective of the study. The objective was to establish the influence of communication strategies on clients' recruitment in the deposit taking microfinance institutions in Kenya. Regression results reveal that adoption of communication strategies has a positive and significant relationship on clients' recruitment in the deposit taking microfinance institutions in Kenya. This means that adoption of communication strategies results to a positive improvement on clients' recruitment in the deposit taking microfinance institutions in Kenya. Adoption of communication strategies with the audience is specific and personal, and most importantly measurable (Ling, 2012).

The results revealed that communication strategies positively impact on clients' recruitment. This means that an improvement in communication strategies leads to an improvement on clients' recruitment in the deposit taking microfinance institutions in Kenya. This is also supported by the responses in the statements in the questionnaire. Fenech (2013), did a research study on internal corporate communication on strategy and employee commitment. The research method was case study and the data was collected using a background study, semi-structured interviews and a survey. The qualitative data was analysed and emerging patterns were identified, whereas the quantitative data was statistically analysed. The findings indicated that top-down and primarily one-way internal corporate communication conveying strategy met the employees' needs better than lateral and two-way internal strategy communication. The needs were recognized to include gaining strategy knowledge, gaining ability to use the knowledge and reducing equivocality and uncertainty.

Regression results also revealed that the influence of communication strategies has a significant effect on clients' recruitment. This means that improvement in both development and implementation of communication strategies leads to improvement on clients' recruitment in the deposit taking microfinance institutions in Kenya. Aidoo (2012), conducted a study on internal communication strategies in the construction industry: a case study of African concrete products (ACP) limited. Open-ended interviews with 10 employees mainly at the management level permitted respondents to answer in depth and allowed the researcher to probe for useful insights. Findings indicated that the practice of internal communication was not effective enough as there is no documented communication strategy and consequently employees were not very conversant with the vision and mission of the organization. Effective Internal Communication contributed to the achievement of an organization's goals and objectives by way of better coordination and so on, but the Grapevine was a major challenge to the flow and exchange of information and needed to be monitored and perhaps capitalized upon.

5.2 Conclusion of the Study

Based on the findings above the study concluded that adoption of communication strategies, impact of communication strategies, and influence of communication strategies positively affect clients' recruitment in the deposit taking microfinance institutions in Kenya. The study concludes that adoption of communication strategies is an essential foundation for clients' recruitment. Being a factor that supports the revenue generation, adoption of communication strategies constitutes a significant enhancer to implementation of firms' objectives. Better firms' performance requires the adoption and enhancement of communication strategies.

In addition, the study concluded that mastering the use of communication strategies will lead to growth in clients' base of deposit taking microfinance institutions in Kenya. It is also likely to become a core factor in generating the institutions' revenue. The study concluded that Influence of communication strategies play a crucial role in clients' recruitment in the deposit taking microfinance institutions in Kenya. It has great power to influence financial performance within the organizations.

5.3 Implication of the Study Findings

The findings from this study have implication to the theory and academia, policy formulation, industry and practice. The finding from this study will be useful for the management of deposit taking microfinance institutions in that it will inform the management on the benefits of communication strategies on clients' recruitment.

5.4 Limitation of the Study

Considering the sensitivity of the matters regarding performance of financial institutions, most departments keep their records as a secret. In most organizations, departments have instituted policies to treat with strict confidentiality access of such information. The researcher therefore encountered challenges in securing this vital information. The researcher was constrained by the fact that the response was depending on the current employees instead of using facts of the employees who have left the institutions in the past. Also, due to the fear of victimization, the respondents were not willing to share very important information regarding the study. The researcher assured anonymity to encourage the respondents to share their records for research purposes only.

5.5 Recommendation of the Study

The study recommends for investment and improvement in communication strategies since clients are very delicate and prone to influence by strategies of competition. Adoption of communication strategies should be ensured to motive clients hence leading to high firms' performance in the long run. Failure to adopt communication strategies may lead to poor performance leading non-attainment of institutional objectives.

5.6 Areas Suggested for Further Research

The study sought to find out the influence of communication strategies on clients recruitment in the deposit taking microfinance institutions in Kenya. It focused on employee responses. Thus, area for further studies could consider obtaining response from customers, investors and local community. Further studies could be done in other industries like manufacturing and processing industries for purpose of making a comparison of the findings with those of the current study.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

Section A: Demographic Information

1. Gender (Tick as applicable)

Male female

2. Age group of respondents (Tick as applicable)

15-20 21-30 31- 40 41-50

3. Please indicate the highest level of education attained? (Tick as applicable)

College Diploma

Undergraduate

Master

Others (specify)

4. Indicate your period of service in this institution (Tick as applicable)

Below 2 years 3 to 5 years

6 to 8 years 9 years and above

5. Does your institution have some branches? If yes, how many?

6. Indicate the banks ownership (Tick as applicable)

Foreign

Local

7. Indicate the age of your institution (Tick as applicable)

Less than 10 years

11 to 20 years

21 to 30 years

30 years and above

Section B: Communication Strategies in Organizations

8. Are you aware of the communication strategies in your organization?

Yes [] No []

9. Has the involvement of departments in communication strategies impacted on clients' recruitment in your organization?

Yes [] No []

10. To what extent do the departments in the organization get involved in communication practices in place?

- a. Very high extent
- b. High extent
- c. Moderate extent
- d. Low extent
- e. Very low extent

11. Indicate your level of agreement with the following statements relating to communication strategies adopted by your organization. Indicate by placing a tick in the appropriate place. (Key 1= strongly disagree, 2= disagree 3 = moderately agree, 4 agree and 5 = strongly agree)

Statements	1	2	3	4	5
Advertising helps us inform, persuade and create additional utility and impact on customer's perceptions.					
Through personal selling we help the clients decide what to purchase.					
Direct marketing has led to rapid increase of our company's forces to offer our products and build relationships with the customers.					
Public relations make it easy to find consumers demand.					
We use sales promotion as a short-term tactic to boost our sales.					
Relationship marketing helps us set a long-term customer engagement rather than shorter-term goals.					

12. Any other strategies?

.....

13. Indicate your level of agreement with the following statements relating to communication strategies. (Key 1= strongly disagree 2=disagree, 3= moderately agree 4= agree 5= strongly agree)

Statements	1	2	3	4	5
Personal selling can help to develop loyalty between a financial institution and a targeted customer base.					
Developing relationships with media that cover the microfinance industry can keep public informed of their best practices.					
Sales promotion is crucial in awakening and stimulating customer demand for a service					
To enhance sales performance, microfinance institutions should use social media to interact with customers.					
Adoption of direct marketing enables the institutions to build relations with customers and prospects through regular, low-cost personalized communication.					
Offering training and employee motivation programs helps the microfinance institutions deliver on business promises to the clients					
Microfinance institutions should focus on direct marketing as it emphasizes long-term relationship building with customers					

Section C: Influence of Communication Strategies on Clients Recruitment

14. Indicate your level of agreement with the following statements relating to influence of communication strategies on clients' recruitment (Key 1= strongly disagree, 2= disagree 3 = moderately agree, 4 agree and 5 = strongly agree)

Statements	1	2	3	4	5
Adoption of right marketing communication strategy allows institutions to develop a plan that enables them to offer the right product to the customers.					
The effectiveness of the marketing communication tools is essential for an appropriate recruitment of customers.					
An effective marketing communication strategy enables marketers to sell more and win the market share.					
Effective marketing communication campaign enables the microfinance institution to successfully out-brand its competitors.					
Marketing communication efforts and know-how are instrumental in commercializing ideas.					

Section D: Client Recruitment

Indicate your level of agreement with the following statements relating to the trend in recruitment of clients by deposit taking microfinance (Key 1= strongly disagree, 2= disagree 3 = moderately agree, 4 agree and 5 = strongly agree)

Statements	1	2	3	4	5
The client base for personal account and consumer products have been on the rise since the adoption of marketing strategies					
The client base for SME Accounts/corporate accounts have been on the rise since the adoption of marketing strategies					
The client base for micro insurance products have been on the rise since the adoption of marketing strategies					
The client base for asset finance products have been on the rise since the adoption of marketing strategies					

Thank you for your time

APPENDIX II: LICENSED DEPOSIT TAKING MICROFINANCE INSTITUTIONS IN KENYA

1. Choice Microfinance Bank Limited
2. Caritas Microfinance Bank Ltd
3. Century Microfinance Bank Ltd
4. Daraja Microfinance Bank Ltd
5. Faulu Microfinance Bank Ltd
6. Kenya Women Microfinance Bank Ltd
7. Maisha Microfinance Bank Limited
8. Rafiki Microfinance Bank Ltd
9. Remu Microfinance Bank Ltd
10. SMEP Microfinance Bank Ltd
11. Sumac Microfinance Bank Ltd
12. Uwezo Microfinance Bank Ltd
13. U&I Microfinance Bank Ltd

(Source: Kenya Business Directory)