GROWTH STRATEGIES ON COMPETITIVENESS OF REGISTERED DEPOSIT TAKING SACCOS IN NAIROBI CITY COUNTY KENYA

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ABSTRACT

Competitiveness has become a paramount concern for business entities in their pursuit of maximizing shareholder wealth. Despite the high growth rate of the SACCO subsector in Kenya, several SACCOs continue to struggle financially, with some even being forced to shut down. Therefore, this study aimed to address the research gap by conducting an in-depth investigation into the impact of growth strategies on the competitiveness of registered deposit-taking SACCOs in Nairobi City County, Kenya. The study specifically sought to: determine the influence of market expansion on competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya, to establish the influence of diversification strategies on competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya, to assess the influence of acquisition strategies on competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya, and to determine the influence of cost leadership strategy on competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya. The study was anchored on Resource Based-View (RBV) Theory, Corporate Branding Theory and Dynamic capabilities Theory. The study used a descriptive, cross-sectional survey research design. All the 41 registered deposit taking SACCOs in Nairobi County with SASRA formed the study population. The unit of observation was top management positions including Chief Executive Officers, Operations manager, Strategy Managers, Finance and Administrations manager and human resource manager. In this research study, because the target population was small, a census survey was used. The study focused on a total of 205 respondents. The study relied on primary data collected using self-administered structured questionnaires. To ascertain reliability, validity a pilot test was conducted by administering the questionnaires on 21 participants. Statistical Packages for Social Sciences (SPSS) version 26.0 was used for analysis and presentation. The data was analyzed using descriptive and inferential statistics. Descriptive statistics included the mean, standard deviation, coefficient of variation and percentages. Pearson Correlation analysis was used to determine the relationship between individual variables in the objectives Multiple Regression analysis was used in testing the research questions by establishing the influence of each independent variable on the dependent variable. The significance of the model was interpreted using a significance level of 0.05. The results were presented on frequency tables, charts, and graphs. The coefficients analysis revealed hat all predictor variables, including Market Expansion (β = 0.774, p = 0.001), Diversification strategies (β = 0.572, p = 0.000), Acquisition strategies (β = 0.595, p = 0.000), and Cost leadership (β = 0.439, p = 0.000), significantly and positively influence the competitiveness of registered deposit-taking Savings and Credit Cooperative Societies (SACCOs) in Nairobi City County, Kenya. The study findings underscore the critical influence of market expansion, diversification strategies, acquisition strategies, and cost leadership on the competitiveness of registered deposit-taking SACCOs in Nairobi City County, Kenya. Based on the findings, the study suggests that SACCOs should prioritize investment in market expansion, diversification strategies, acquisition strategies, and cost leadership initiatives to bolster competitiveness. Additionally, policymakers should consider supportive regulatory measures to incentivize SACCOs' adoption of these strategies, fostering a conducive environment for sustainable growth and financial inclusion.

INTRODUCTION

Background of the Study

Savings and Credit Cooperative Organizations (SACCOs), are cooperative financial institutions that aim to pool savings from members and provide them with affordable access to credit (Gamba & Komo, 2018). Originally targeting financially excluded individuals, SACCOs have become a powerful tool for promoting financial inclusion and economic welfare worldwide. They have emerged as a critical component of the financial sector in many countries, providing financial services to individuals and small businesses that are often underserved by traditional banking institutions (ILO, 2020). Registered deposit-taking SACCOs, in particular, hold a significant position in the financial landscape, as they are authorized to accept deposits from the public.

In recent years, the competitive landscape for SACCOs has evolved significantly due to various factors. These include regulatory reforms, changing customer expectations, technological advancements, and increased competition from traditional banks and fintech startups (González et al., 2019). As a result, registered deposit taking SACCOs face the challenge of maintaining and enhancing their competitiveness in this dynamic environment. As these SACCOs strive to enhance their competitiveness in the market, it becomes essential to identify and analyze the growth strategies that can help them achieve this goal.

To address these challenges, SACCOs need to develop effective growth strategies that align with their mission and objectives while enabling them to remain competitive. Growth strategies can encompass various aspects, such as expanding membership base, diversifying product and service offerings, adopting innovative technologies, enhancing operational efficiency, improving risk management practices, and strengthening relationships with stakeholders.
The SACCO subsector in Kenya has experienced remarkable growth, earning recognition as one of the fastest-growing in the world according to the World Council of Credit Unions (WOCCU)

(Olando, Jagongo, & Mbewa, 2017). In 2017, WOCCU ranked Kenya's SACCO sector as the best in Africa and seventh worldwide, highlighting its thriving performance and competitive nature (Wanyama, 2019). Owing to this notable growth, this study sought to conduct an in-depth investigation into the relationship between growth strategies and the competitiveness of registered deposit-taking SACCOs in Kenya. The findings of this study contribute to the existing body of knowledge by providing valuable insights into the growth strategies that can help SACCOs enhance their competitiveness.

Global Perspective of Growth Strategies on Competitiveness of Deposit Taking SACCOs

When considering SACCO performance globally, it is evident that SACCOs face a competitive landscape as they strive to secure their market share. The cooperative movement, which gave rise to SACCOs, originated in Europe during the 19th century. The Shore Porters Society in Aberdeen claims to be the world's first cooperative, established in 1498. Consumer cooperatives began to emerge in various countries, with significant growth observed by the 1830s (Bibby, Shaw, & Bateman, 2015).

In Brazil, SACCOs take the form of credit unions, such as Sicredi and Sicoob, operating in a highly competitive financial industry dominated by private banks. To differentiate themselves and ensure profitability, these credit unions focus on innovation and enhancing the quality of financial services (Organization of Cooperatives in Brazil, 2018).

In Canada, credit unions play a significant role in the financial sector, offering deposit-taking services and various financial products to their members. Credit unions are regulated at the provincial level, and growth strategies vary across different provinces. For example, in British Columbia, credit unions have implemented expansion strategies by consolidating smaller credit unions to achieve economies of scale and enhance their competitiveness (Ramsay, 2019).

The United States has a vibrant credit union sector, with various growth strategies being implemented to enhance competitiveness. These strategies include expanding membership criteria, developing innovative digital banking solutions, and strengthening relationships with local communities (National Credit Union Administration, 2020). Additionally, credit unions in the U.S. often collaborate through shared branching networks and cooperative partnerships to expand their service reach and competitiveness (Brinig, 2019).

In the United Kingdom, credit unions operate under the regulation of the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA). Growth strategies in the UK credit union sector involve initiatives such as expanding product offerings beyond traditional savings and loans, investing in technology to improve operational efficiency, and forming strategic partnerships with other financial institutions (Financial Conduct Authority, 2020).

In Australia, deposit-taking credit unions, also known as customer-owned banks, compete with mainstream banks. These institutions often focus on building strong member relationships and offering personalized services as part of their growth strategies. Additionally, customer-owned banks in Australia leverage digital banking platforms and innovative technologies to enhance their competitiveness in the financial market (Deloitte, 2021).

Regional Perspective of Growth Strategies on Competitiveness of Deposit Taking SACCOs

Within Africa, SACCOs have gained prominence and expanded their presence across multiple countries. The formation of SACCOs in Africa led to the establishment of the Africa Confederation of Cooperative Society Savings and Credit Association (ACCOSSCA) in 1965. ACCOSSCA aims to promote SACCO principles, provide SACCO insurance, and educate members on SACCO-related matters (Ng'ombe & Mikwamba, 2018). Currently, 28 African countries have established SACCOs, with Kenya being a significant contributor. Kenya alone accounts for 54.31% of total savings and 63.14% of SACCO loans in Africa (World Council of Credit Unions, 2013).

Similarly, in Tanzania, deposit-taking SACCOs are seen as agents of economic progress, providing financial services to both rural and urban areas. In Tanzania, deposit-taking SACCOs, have gained prominence in providing financial services to the population. Growth strategies for SACCOS in Tanzania involve expanding membership base, diversifying product offerings, improving governance structures, adopting technology-driven solutions, and enhancing financial literacy programs (Mwakasema, 2017). However, sustainability challenges arise due to issues such as productivity and delinquency rates (Ombado, 2017; Chundu, 2018). Similarly, in Ghana, it is posited that lack of adequate growth of DT-Saccos has threatened their sustainability and therefore competitiveness becomes difficult. It is opined that proper allocation of funds and use of institutional capital may drive sustainability and therefore enhance competitiveness of an individual firm and also the industry (Orlanda, Havers& Kim, 2017).

SACCOs and cooperative banks in South Africa and Uganda face challenges as they strive to enhance their competitiveness. In South Africa, cooperative banks pursue growth strategies such as product diversification, expanding market reach, improving member engagement, and leveraging digital channels for service delivery (Tengeh, 2015). However, they encounter challenges related to regulatory compliance, limited access to capital, competition from traditional banks, technological infrastructure, and governance capacity.

On the other hand, SACCOs in Uganda focus on growth strategies such as expanding membership, improving access to financial services in rural areas, enhancing risk management practices, and adopting innovative technologies like mobile banking and agency banking (Bank of Uganda, 2018). These strategies aim to enhance competitiveness, but challenges exist in terms of rural financial inclusion, limited capital base, financial literacy, and default risk management.

Overcoming these challenges is crucial for SACCOs and cooperative banks to bolster their competitiveness, achieve sustainable growth, and effectively serve their respective markets.

Local Perspective of Growth Strategies on Competitiveness of Deposit Taking SACCOs

Deposit-taking SACCOs play a significant role in the country's financial sector, offering a range of financial services to members. Despite the challenges posed by the COVID-19 pandemic on the national economy, these SACCOs have shown resilience and steady growth. Key performance indicators used to evaluate their performance include total assets, net loans and advances, total loans, market share, non-performing loans, and the ratio of total deposits to total loans (SACCO Societies Regulatory Authority, 2021). As of December 31, 2021, the DT-SACCOs in Kenya held total assets worth KES 691.09 billion, contributing 5.71% to the country's GDP (SACCO Societies Regulatory Authority, 2021). The subsector's balance sheet size increased by 12.75% in 2020, reaching KES 627.68 billion (SACCO Societies Regulatory Authority, 2021). Total deposits and gross loans also witnessed growth, amounting to KES 431.46 billion and KES 474.77 billion, respectively, in 2020 (SACCO Societies Regulatory Authority, 2021). The 175 DT-SACCOs generated a total income of KES 86.04 billion in 2020, primarily driven by loans (SACCO Societies Regulatory Authority, 2021).

Furthermore, DT-SACCOs have expanded their physical presence throughout Kenya, with a total of 464 branches across the country as of 2017 (SACCO Societies Regulatory Authority, 2017). These branches, coupled with other financial delivery channels, have significantly increased the availability of financial services to the Kenyan population, particularly in small market and trading centers (SACCO Societies Regulatory Authority, 2017).

To ensure their survival and improved performance, SACCOs must consider various strategies and approaches. Competition within the market necessitates the adoption of appropriate competitive strategies and the implementation of innovative practices (Wanyama, 2009). SACCOs can explore strategies such as market expansion, diversification, and acquisitions (Okong'o, 2016). These strategies can contribute to their growth, profitability, and overall competitiveness.

The SACCO subsector in Kenya has been ranked as one of the fastest growing in the world by the World Council of Credit Unions. According to Olando, Jagongo, and Mbewa (2017), WOCCU ranked the sector's growth as the best in Africa and seventh worldwide in its 2017 report. A higher level of competition is obviously implied by the growth trends as all the companies compete for a piece of the market pie. Therefore, SACCOs must develop strategies to achieve a competitive edge, maintain relevance, and survive the competition (Wanyama, 2019). Due to this sector's thriving growth, both the number of participants and the degree of competitiveness are increasing daily. SACCOs must therefore devise methods for surviving the crowded market by ensuring that the appropriate competitive strategies are applied.

Despite their importance to the economy, SACCOs have not been without their share of difficulties, according to Mumanyi (2018). Due to competition, a significant number of players have been eliminated. Therefore, SACCOs must consider all available strategy options to ensure their own existence and improved performance. The SACCO subsector is well-known throughout the world as a powerful tool for advancing the goal of a financially inclusive society. It is imperative for an empirical study to be conducted to assess how various intensive growth strategies applied by SACCOs impact on their performance which is the focus of the study at hand.

Statement of the Problem

Competitiveness has become a paramount concern for business entities in their pursuit of maximizing shareholder wealth. Despite the high growth rate of the SACCO subsector in Kenya, several SACCOs continue to struggle financially, with some even being forced to shut down, as evidenced by the case of Tena SACCO (Gamba & Komo, 2018). The increasing competition within the SACCO system in Kenya has compelled firms to reconsider their growth strategies and target new markets more effectively. Local SACCOs have been compelled to expand their operations or maintain their market share to cope with the rising competition. However, poor strategic management has been identified as a major reason behind the failure of 70% of cooperatives in Kenya (SASRA, 2017).

Despite their significance to the economy, SACCOs face their fair share of challenges. Unsatisfactory member service delivery and poor performance have led to the closure and restriction of certain DT SACCOs in Kenya (Mathuva, Muthuma & Kiweu, 2016). Non-performing loans have also increased, rising from 5.23% in 2016 to 6.14% in 2017 (SASRA, 2018). Moreover, competition has eliminated a significant number of players from the market. To survive and achieve superior performance, SACCOs must explore available strategic options. Statistical evidence emphasizes the importance of registered deposit-taking SACCOs in the financial landscape of Kenya. As of December 31, 2021, the DT-SACCOs in Kenya held total assets worth KES 691.09 billion, contributing 5.71% to the country's GDP. The subsector's balance sheet size increased by 12.75% in 2020, reaching KES 627.68 billion. Total deposits and gross loans also experienced growth, amounting to KES 431.46 billion and KES 474.77 billion, respectively, in 2020 (SACCO Societies Regulatory Authority, 2021).

However, despite their growth and contributions, SACCOs face challenges in maintaining and enhancing their competitiveness. The World Council of Credit Unions (WOCCU) recognized the SACCO sector in Kenya as one of the fastest-growing in the world, but this growth has also brought increased competition (Olando, Jagongo, & Mbewa, 2017). Therefore, SACCOs must develop and implement appropriate competitive strategies to gain a competitive edge and thrive in the market (Wanyama, 2019).

Although there have been studies conducted on the impact of competitive tactics on business performance in Kenya's betting and other industries, limited research has focused specifically on growth strategies and their impact on competitiveness in the SACCO sector (Chege, 2017; Kinyuira, 2018). Furthermore, the existing studies often employ narrow frameworks and accounting-based measures of performance, overlooking market-based measures. Additionally, there is a scarcity of research conducted in Nairobi City County, despite the significant cooperative movement activities in the area. Therefore, this study aimed to address the research gap by conducting an in-depth investigation into the impact of growth strategies on the competitiveness of registered deposit-taking SACCOs in Nairobi City County, Kenya. The study provides valuable insights into the strategies that can help SACCOs enhance their competitiveness, improve their financial services, and overcome the challenges of the evolving financial landscape.

Objectives of the Study

General objective

The general objective was to establish the influence of growth strategies on competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya.

Specific Objectives

The study specifically sought to:

i. To determine the influence of market expansion on competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya
ii. To establish the influence of diversification strategies on competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya
iii. To assess the influence of acquisition strategies on competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya
iv. To determine the influence of cost leadership strategy on competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya

Research Questions

The study sought to answer the following research questions:

i. What is the influence of market expansion on competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya?
ii. How does diversification strategies influence competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya?
iii. What is the influence of acquisition strategies on competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya?
iv. To what extent does cost leadership strategy influence competitiveness of registered deposit taking SACCOs in Nairobi?

LITERATURE REVIEW

Resource Based-View Theory

This hypothesis was proponents by Penrose in 1959 but was later developed by Wernerfelt (1984). The RBV theory was later popularized and developed by Barney (2001) as a tool for gaining competitive advantage. The resource-based view (RBV) as a tool of competitive advantage has its foundation on the application of a bundle of valuable tangible or intangible resources at the firm's disposal. The theorists behind the resource-based view (RBV) see resources as key to superior firm performance and argue that organizations should look inside the company to find the sources of competitive advantage rather than looking for competitive advantage from the competitive environment. The resource-based view puts emphasis on resources and capabilities as the very beginning of competitive advantage. The model develops the body of knowledge of differential firm performance and ushers' new dimensions the understanding of strategic management as a corporate discipline (Barney & Clark, 2007).

The RBV proponents contend that using current business resources to exploit external chances in a novel way is much more viable than developing new skills for every new opportunity. The RBV framework's fundamental tenet is that resources have an impact on how well an organization performs. According to the RBV theory, resources can be divided into two categories: tangible and intangible (Arend, 2006). Physical assets such as land, buildings, machinery, equipment, and capital are referred to as tangible assets. Physical resources have the drawback of being readily available on the market, which means that in the long run, rivals would buy equivalent assets, negating the possibility of a sustained competitive edge. Other assets that don't have a physical presence are known as intangible assets, and these include things like intellectual property, trademarks, and brand recognition. Because they cannot be purchased on the open market and are acquired through time, such as brand loyalty, intangible assets can be a tremendous source of competitive advantage. As a result, theorists contend that intangible assets are a significant source of long-term competitive advantage for businesses (Galbreath, 2005).

However, the RBV theory makes two crucial assumptions about RBV, including the requirement that resources be both heterogeneous and immobile. According to the notion of heterogeneous resources, an organization's competencies and skills are different from those of other companies or enterprises. The basis for the competitive advantage is the idea that the organizations or enterprises have unique resources that they utilize in various ways to outsmart one another in the market. The RBV theorists also assume that resources are immobile. This means that resources cannot be transferred between companies in the short term. As a result, other businesses are unable to use the same rival's resources or techniques. Intangible resources, such as brand equity, processes, knowledge or intellectual property are usually immobile which assigns them the ability to sustainthe competitive advantage in the long run (Arend,2006).

The resource-based view (RBV) holds that by innovatively delivering superior value to customers, a firm would stand a chance to win competitive advantage. The theory's relevance to the current investigation is asserted by the notion that resources form the foundation of competitive advantage. It is crucial to reiterate that the study is especially interested in figuring out how intense growth methods used by SACCOs affect competitiveness relative to other techniques. Resources are at the very foundational level for organizations' capacity to create and maintain winning strategies, and this fact underscores the theory's relevance to the current study. In the context of SACCOs and the focus of the study, the RBV framework applies especially to the ability of the SACCO to utilize its internal resources such as staff competencies and knowledge base to develop winning growth strategies and then relying on long run firm resources such as firm's image to ensure the strategies are successful. With adequate resources at the firm level, the company is well placed to develop winning products, drive their success in the market and sustain the momentum. The theory was therefore a useful guide particularly on the analysisof the market expansion, diversification strategies and acquisition strategies objectives of the study.

Corporate Branding Theory

Corporate Branding Theory, proposed by Hankinson in 2007, offers a comprehensive framework for understanding the strategic management of corporate brands within organizations. This theory emphasizes the importance of aligning brand identity with various organizational activities and stakeholders. It suggests that effective branding extends beyond visual elements and marketing efforts, encompassing the collective perceptions and experiences of stakeholders, including employees, customers, and shareholders.

According to Corporate Branding Theory, successful corporate branding involves consistent communication of the organization's brand identity to all stakeholders. This requires regularity in conveying the organization's values, mission, and promises through various channels. Additionally, the theory highlights the significance of aligning brand identity with the desired reputation of the organization, ensuring that each member of the organization embodies the anticipated character and values associated with the brand.

Furthermore, Corporate Branding Theory underscores the role of organizational resources in managing the brand effectively. It suggests that an outstanding organization of brand resources leads to a favorable reputation brand, which enhances the organization's competitive position. Scholars such as Hulberg (2006) and Merrilees and Fry (2002) further emphasize the impact of corporate reputation on consumer behavior and brand loyalty, highlighting the importance of effectively managing the brand reputation in influencing consumer attitudes and purchase decisions.

When considering the variable of diversification strategies, Corporate Branding Theory provides valuable insights into how SACCOs can effectively manage their brand identity and reputation.

By aligning brand communication with organizational activities and stakeholder expectations, SACCOs can strengthen their competitive position and enhance customer loyalty across diverse market segments in Nairobi City County, Kenya. This alignment fosters trust and credibility among customers, ultimately driving their competitive advantage and performance in the market.

Dynamic capabilities Theory

Dynamic capabilities theory was authored by Teece, Pisano and Shuen (1997) with a proposition that to sustain performance in an environment of hyper competition, business firms must continually reconfigure internal resources and capabilities to assume corporate responsibility for adapting turbulent environment. Dynamic capability is used in reference to the capability of an organization to decisively adapt an organization's resource base.

Dynamic capabilities, in the opinion of Zahra, Sapienza, and Davidsson (2006), refer to company strategies that regularly integrate, recreate, reconfigure, and renew both internal and external resources. These activities are a result of the dynamic and quickly changing market circumstances that work against the firm's efforts to achieve and maintain a competitive edge. According to Teece (2007), the "Dynamic Capabilities Strategy" is based on timely responsiveness, rapid and flexible product innovation, along with the management capability to effectively coordinate and redeploy internal and external competences, as opposed to the "resource-based strategy" which tries to accumulate valuable technology assets and employ an aggressive intellectual property stance.

According to Winter's (2003) theory, the methodology of dynamic capacities offers a cogent basis for fusing existing conceptual and empirical information and facilitates practical corporate prescription. The theorists' overall conclusion is that a company's competitive advantage derives from flexible capabilities founded in high-performing internal processes. The origins of the firm's competitive edge are deeply ingrained in its operations and influenced by its history. Because of this, the question in the study at hand was not whether the SACCOs had the resources to engage in winning intense development strategies, but rather if they were able to position their processes in line with winning strategies and learn more from the past.

It is important to distinguish between ordinary or operational capabilities from dynamic capabilities. According to Zollo and Winter (2002), dynamic capabilities differ from operational or ordinary capabilities in that operational capabilities enable firms to perform their everyday engagements and activities and are used to maintain the status quo. In contrast Winter (2003) argues that dynamic capabilities enable a firm to constantly renew its operational capabilities and therefore achieve long-term competitive advantage and success. Similar differences are highlighted by Teece (2007), who contends that operational skills support an organization's technical suitability by ensuring daily operational effectiveness. Dynamic capabilities, on the other hand, enable the construction, expansion, and change of a firm's resource base, resulting in long-term competitive advantage and success. This contributes to the maintenance of a firm's evolutionary fitness. The creation, definition, discovery, and exploitation of entrepreneurial possibilities in complex and volatile external contexts in pursuit of a strategic alignment of resources and market demands can be explained by dynamic capabilities in the context of business organizations, and in the case at hand, SACCOs (Teece, 1997).

As such, the Dynamic Capabilities theory was applicable to the study at hand especially with the creation of long-term capabilities hereby referred to as dynamic capabilities toensure that the most viable corporate growth strategies are applied to drive the organization to new levels of competitive advantage. The theory was particularly useful in determining the worthor otherwise of engaging in intensive growth strategies as the researcher sought to establish the influence of the strategies on performance of SACCOs. To be specific, the theoretical orientation guided the assessment of the role of Market expansion, Diversification, and acquisition strategies in enhancing SACCOs' competitiveness.

Conceptual Framework

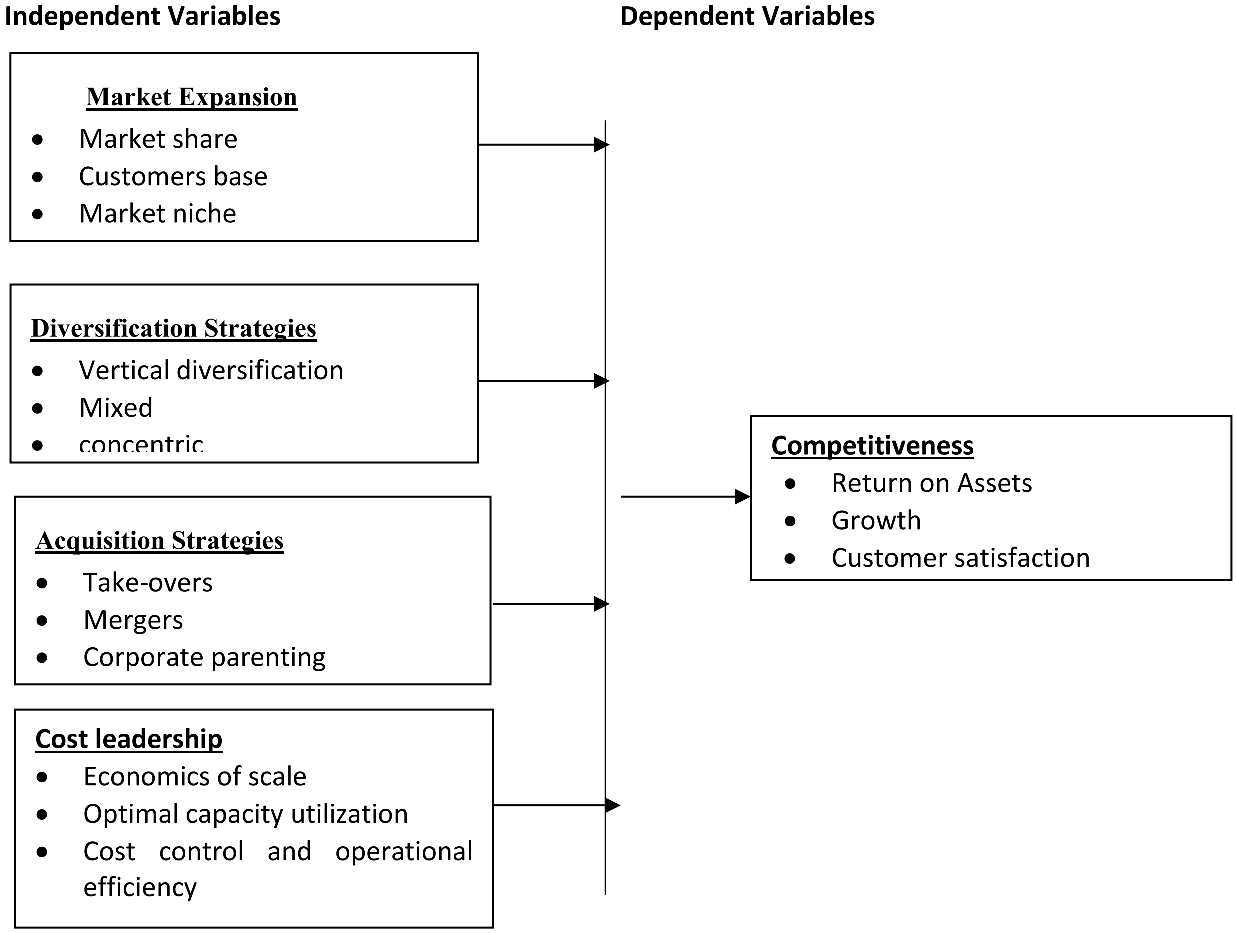

Figure 2.1: Conceptual Framework
Source: Researcher (2023)

Empirical Literature Review

Market Expansion Strategy on Competitiveness

Vargas-Hernández and Vargas-González (2021) studied market expansion and business growth from the perspective of resources and capabilities: the case of a micro-enterprise. This paper had the purpose to determine and to analyze the internal and externa variables to consider in the design and formulation of strategies to be implemented by the small enterprise the D-Ksa aimed to expand organizational capabilities from the perspective business growth based on market expansion. This study intended to answer the question, why, the participation in different promotional events and activities aimed to position the branding in the regional market, do not target to achieve more points of sale in the state of Jalisco? The hypothesis formulated assumed that strategic alliances increased the share and participation in the market. The strategic alliances gave the resources and capabilities required to carry out the business activities to growth and expand the market share.

Tangus and Omar (2017) studied the effects of market expansion strategies on performance of commercial banks in Mombasa County. Objectively the study sought to establish the influence of market expansion strategies on performance of commercial banks considering three major strategies; Market challenger, market leader and market niche strategies. Respondents of the study were 3 senior managers in each commercial bank selected randomly. Descriptive research design was used and proportionate simple random sampling method was employed. Overall finding of the study revealed strong correlation coefficient between firm performance and the three market expansion strategies all with a significance of above 95%. Furthermore, the findings of this study substantiate the call for banking institutions to use market expansion strategies to enhance their performance. These strategies by commercial banks require firms to put necessary policies in place for the strategies to succeed.

Mbithi, Muturi, and Rambo (2015) conducted a study to investigate the performance implications of two market strategy approaches: developing new market segments and extending geographically. The research employed a model that regressed market development strategy indicators on performance measures. The relationship between marketing development strategy and firm performance yielded mixed outcomes. Developing new market segments was found to have an influence on sales volume and total turnover, although the results were not statistically significant. On the other hand, extending into new geographical areas showed a statistically significant influence on sales volume. The findings suggest that both extending to new regions and developing new market segments do not directly lead to increased profitability but rather result in increased market share, which ultimately has a positive impact on profitability. The study also highlights the importance of rebranding, promotions, and different packaging quantities in accessing new segments of the market. Additionally, opening outlets or agencies can facilitate geographic expansion for sugar companies.

Gatwiri et. l., (2018) sought to determine the effects of expansion strategies on performance of selected commercial banks in South Nyanza region, Kenya. Five commercial banks were evaluated which included Co-operative Bank, Equity bank, Barclays bank, Kenya Commercial bank and Diamond Trust Bank. 47 respondents who are employees of these banks were used in data collection. The study revealed that through agency banking commercial bank were able to reach most people in the rural areas in Kenya and thus expand their banking activities. The study found that mobile banking positively influenced the performance of commercial bank to a great extent. Through strategic alliance commercial banks were able to provide financial service to their customer even where there were no bank branches. The study found that merger and acquisition influence the expansion of commercial banks as the commercial banks were able to get customer even in the region where they did not have actual branches.

Diversification Strategies on Competitiveness

Salem (2018) conducted a comprehensive study to investigate the impact of diversification on competitive advantage at Nuqul Group. The study utilized a questionnaire that was distributed to a random sample of approximately 23% of the total employee population, amounting to 290 employees out of 1,270. The study's findings indicated that diversification had a statistically significant impact on competitive advantage at Nuqul Group, with a significance level of $\alpha \leq 0.05$. Specifically, the study revealed that diversification had a significant impact on quality, innovation, and flexibility within the organization. The results suggested that diversification efforts positively influenced the quality of products and services offered by Nuqul Group, enabling the company to effectively meet the needs and expectations of its clients in the markets it operates in. Furthermore, diversification was found to contribute to innovation within the organization, fostering a culture of creativity and continuous improvement. Additionally, diversification was identified as a factor influencing the flexibility of Nuqul Group, allowing the company to adapt and respond to changing market conditions and customer preferences.

Oladimeji and Udosen (2019) studied the effect of diversification strategy on organizational performance. A quasi-experimental study with an ex-post facto research design were used for the study. The respondent population consists of thirty-one organizations listed in Nigerian Stock Exchange (NSE) for a period of 20 years (1997-2017), while the sample size is comprised of six organizations purposively selected based on their life-span and level of diversification. Three hypotheses were formulated and tested using ratio analysis, while performance was measured in terms of ROA, ROI and ROE; organization size, organizationvalue and growth; as well asleverage and liquidity. Data was drawn from the financial reports of the selected organizations, with E-View version 9 used for the data analysis. The study revealed that diversified organizations outperform undiversified ones in terms of ROA and ROI. While related diversified organizations were discovered to be positive in terms of ROA (26.8%), unrelated and hybrid diversified organizations were positive in ROE (81.7% and 20.5%). A diversification strategy leads to growth and profitability (20%) and a strong capital structure to cover liabilities (26%). The study concluded that diversification is a strategic tool for achieving strategic relevance and spontaneous performance.

Maragia and Kemboi, (2021) studied the effect of diversification strategy on organizational performance of manufacturing companies in Uasin Gishu County. The specific objectives of the study were to establish the influence of horizontal diversification on organizational performance of manufacturing companies in Uasin Gishu County. The study was guided by the contingency theory and target population was employees of the 36 manufacturing firms in Uasin Gishu County. The population of the study comprised of 5662 employees of selected manufacturing firms in Uasin Gishu County. A sample of 374 employees was selected using stratified, proportionate and simple random sampling techniques. The study relied on a structured questionnaire as the main

tool for data collection. A pilot study was conducted to test validity and reliability of the research instruments. The researcher tested content validity using expert judgment and used cronbanch's alpha coefficient to establish the reliability of each section of the questionnaire. The data collected was analyzed using descriptive statistics including mean, percentages and frequencies and inferential statistics. The study findings indicated that horizontal diversification ($\beta = 0.263$; $p < 0.05$) is significant factors that influence organizational performance of manufacturing companies. The study recommends that manufacturing companies that wish to achieve economies of scale and redeem their financial position in the face of downturn or decline in the product life cycle should diversify its product lines to better meet customers' demands as well as to achieve profitability and expansion as well as increase performance.
Mary and Barrack (2016) aimed to assess impact of diversification strategy use in enhancing competitive performance at Equity Bank Kenya. The study used Technology Acceptance Model, Diversification Strategy Model and the Systems Theory. The study used a survey and descriptive design. The study population consisted of branch managers, corporate managers and divisions' managers in charge of Bank assurance, electronic money transfers and Agency banking at Equity Bank. The study sample was selected randomly from the population. Data was collected using structured questionnaires. The collected data was analyzed using SPSS version 20. The study findings indicated that equity bank competitive performance was not significantly influenced by bank assurance, electronic money transfers, and agency banking. The findings also indicated that diversification strategies jointly influenced the competitive performance of Equity Bank

Acquisition Strategies on Competitiveness

Mburu (2018) sought to analyze competitive advantage (or lost) gained due to mergers and acquisitions: A Case of Dell EMC Central East Africa (CEA). To achieve this objective, the study was guided by three specific objectives which sought to establish the effects of M&A on product competitive advantage, effect of M&A on supply chain competitive advantage and the effects of M&A on business model competitive advantage. Descriptive research was adopted to aid in the data collecting from respondents on their perceptions on competitive advantage (or lost) gained due to mergers and acquisitions. Further, a correlational approach was adopted to establish the relationship between the M&A and product competitive, supply chain and business model competitive advantage. The target population for this study was 40 mid-level managers and 8 top level managers. A structured questionnaire was the tool adopted to gather the required information. The sampling technique was stratified random sampling method. From the initial target population of 48 questionnaires awarded only 35 were filled and returned giving a response rate of 73%. The study revealed that respondents were satisfied with the post-merger product offerings which gave the company more competitive advantage. Majority also agreed that the product offerings existed at various price points although the pre-merger product offerings had the right messaging.

Oliveira, Pereira and Dalmau, (2020) carried out a case analysis on the acquisition as generating strategy of competitive advantage. The methodology used for this research is a case study of qualitative nature. Data collection has been performed through literature review, documentary analysis and semi-structured interviews. In the analysis of collected data, specific objectives have been met. It was clear, therefore, the presence of features such as scale earnings, brand exposure, better management practices, synergies, tangible and intangible assets and market growth. So, those resources are classified according to the competitive implications. Then, it might be concluded that Texaco´s acquisition could bring competitive advantages for Ultra / Ipiranga Group. Respondents believe the sector is growing and businesses tend to grow despite the world crisis. They also confirmed that, in a highly competitive market, strategic alliances and market growing are factors that may ensure success to each company.

Lunani and Karau (2018) sought to establish the effect of Mergers and Acquisition (M&A) on a firm's competitive advantage in the IT industry. A descriptive research approach was adopted with a target population comprising of all employees at Hewlett Packard Company (HP) in Nairobi, Kenya. Horizontal mergers were found to be the most common types of mergers. These mergers were mainly driven by external economies of scale, market power, combined complimentary resources and customer service quality. The findings also established that the major elements of competitive advantage were volume of transactions and markets share. External economies of scale, market power and combined complimentary resources contributed positively to competitive advantage while surplus funds and idle resources did not drive competitive advantage. Based on the study, researchers recommended that decisions on M&A should be based on first understanding which facets of the business will be driven by the M&A in order to derive a competitive advantage. In addition, there is need for companies to do progress evaluation of the M&A specifically to review its impact on competitive advantage.

Omondi (2016) sought to establish the effect of merger and acquisition strategy on competitive advantage of ICEA and LION Group insurance company. It reviewed the market-based view theory, resource-based view theory, capability based theory and relational view of strategy for its literature in relation to mergers and acquisition strategy and competitive advantage. The research took the casual research design framework and data was collected through both primary and secondary data collection methods. The study found that mergers have a statistically significant effect on fundamental value of the merged or acquired entity hence competitive advantage.

Overall, merger and acquisition strategy and competitive advantage coefficients are significant indicating firms performing better after the resulting merger or acquisition. The study concluded that based on the data presented and the summary of the findings the merger and acquisition strategy had a positive impact on the company's competitive advantage. The study therefore recommends more insurance companies in Kenya and beyond to seek to attain positive competitive advantage through consolidating their firms through the merger and acquisition strategy as it has a positive impact on the success of attaining the set out corporate objectives.

Cost Leadership Strategy on Competitiveness

Chepchirchir, Omillo and Munyua (2018) examined the effect of cost leadership strategy on organizational performance of logistics firms at Jomo Kenyatta international airport, Kenya. This research was guided by Porters five forces theory. The study was informed by explanatory research design. It targeted a population of 151 respondents and a sample size of 110 top and middle level management forming the study population. The study data came from 10 logistics firms with active websites operating at JKIA Nairobi. The respondents identified were selected using simple random sampling technique. A questionnaire based on the variables of the study was used to collect data from respondents. Analysis of data involved use of descriptive and inferential statistics. It was found out that cost leadership had a significant positive effect ($p<0.05$) on logistics firms performance. it was found out that as a result of utilising this approach, there was increased sales volume and profits. Further, there was reduction of costs associated with operations that resulted to increased profit margin. The paper recommends that there is need for all logistics firms to consider integrating cost leadership aspects in all their departments and sections of the organization.

Atikiya, et, al., (2017) examined the effect of cost leadership strategy on the performance of manufacturing firms in Kenya. A survey questionnaire and an interview guide was used to collect data from 131 firms drawn from 12 key industrial subsectors located within Nairobi and its environs. The study adopted two tools of analysis namely; Pearson’s correlation to indicate positive correlation between the input and the output variable and regression analysis to explain the nature of relationship between the input and output variable. Fstatistics was also used to determine the validity of the model while R-squared was used to help determine the model goodness of fit. The study adopted descriptive and explanatory research design. The findings revealed that performance of manufacturing firms is significantly influenced by cost leadership strategy. Arising from the findings, the study concludes that the managers of manufacturing firms adopt cost leadership strategy to increase their competitiveness and performance.

Wairimu and Kirui (2020) aimed at investigating the influence of cost leadership strategy on the performance of tea processing factories in Murang’a County, Kenya. This study employed a descriptive survey design. The study targeted 9 tea processing factories in Murang’a County, Kenya. The total number of the respondents was 407 comprising of managers and support staff. The study used stratified sampling method and simple random sampling technique to select the respondents. Quantitative data was analyzed using descriptive statistics. The study established a positive and significant relationship between differentiation strategy, cost leadership strategy and focus strategy on organizational performance. The study established a positive and significant relationship between cost leadership strategy and organizational performance. The study concluded that cost leadership strategy focus on resource organization. The goal is to produce goods or services at the lowest possible cost by organizing every potential resource around the current production methods. The study recommended that the tea factories should offer a lower price entry with a product offering a competitive advantage in terms of quality. Carry out Research and Development (R&D) breakthroughs to advance technology for less expensive production or distribution.

Gitau and Mang'ana (2021) sought to determine the effect of competitive strategies on the performance of commercial banks in Nairobi County, Kenya. The theories underpinning this study were Porter's Generic Competitive strategies, Resource Based View (RBV) This study employed a descriptive research design and survey design. Since the listed banks are 40 in number, this study adopted a census survey where the entire population was included in the study. The study adopted purposive sampling to select the senior managers as respondents in the study. A questionnaire consisting of both open and close-ended questions developed by the researcher in line with the objectives of the study was used to collect primary data. Quantitative data analysis was done with the help of SPSS version 25 software and included descriptive and inferential analysis. Inferential analysis involved multiple regression analysis to determine the relationship between competitive strategies on performance of commercial banks. Both descriptive and inferential statistics showed that cost leadership strategy, significantly influenced performance of commercial banks in Nairobi County, Kenya. The study concluded that one cost leadership strategy significantly influences performance of commercial banks in Nairobi County; in terms of effective use of cost leadership approaches such as low interest, low operating costs and competitive pricing can enhance performance of commercial banks.

Critique of Existing Literature and Research Gaps

Vargas-Hernández and Vargas-González (2021) examined market expansion and business growth in a micro-enterprise. The study focused on the internal and external variables relevant to designing market expansion strategies. However, the study's limitation is that it did not specifically address the influence of market expansion on competitiveness. Therefore, the present study sought to fill this gap by investigating the influence of market expansion on the competitiveness of registered deposit-taking SACCOs in Nairobi City County, Kenya.

Tangus and Omar (2017) explored the effects of market expansion strategies on the performance of commercial banks. They found a strong correlation between market expansion strategies and firm performance. However, the study did not focus on registered deposit-taking SACCOs or specifically examine the influence of market expansion on competitiveness. The present study aimed to fill this gap by determining the influence of market expansion on the competitiveness of registered deposit-taking SACCOs in Nairobi City County, Kenya. Mbithi, Muturi, and Rambo (2015) investigated the performance implications of market strategy approaches, including developing new market segments and geographical expansion. They found that both strategies contributed to increased market share but did not directly lead to increased profitability. The study did not specifically focus on registered deposit-taking SACCOs or assess their competitiveness. Thus, the present study aimed to address this gap by examining the influence of market expansion on the competitiveness of registered deposit-taking SACCOs in Nairobi City County, Kenya.

Gatwiri et al. (2018) studied the effects of expansion strategies on the performance of commercial banks. They found that strategies like agency banking, mobile banking, and strategic alliances positively influenced bank performance. However, the study did not specifically focus on registered deposit-taking SACCOs or explore the influence of market expansion on competitiveness. Therefore, the present study sought to fill this gap by investigating the influence of market expansion on the competitiveness of registered deposit-taking SACCOs in Nairobi City County, Kenya.

Salem (2018) conducted a comprehensive study on the impact of diversification on competitive advantage at Nuqul Group. The study found that diversification had a statistically significant impact on quality, innovation, and flexibility within the organization. However, the study focused on Nuqul Group specifically and did not address the influence of diversification on competitiveness in a broader context. Therefore, the present study aimed to fill this gap by examining the influence of diversification strategies on the competitiveness of registered deposit-taking SACCOs in Nairobi City County, Kenya.

Oladimeji and Udosen (2019) investigated the effect of diversification strategy on organizational performance using a quasi-experimental design. The study revealed that diversified organizations outperformed undiversified ones in terms of return on assets (ROA) and return on investment (ROI). However, the study focused on organizations listed in the Nigerian Stock Exchange and did not specifically examine the influence of diversification on competitiveness. Thus, the present study sought to address this gap by exploring the influence of diversification strategies on the competitiveness of registered deposit-taking SACCOs in Nairobi City County, Kenya.

Maragia and Kemboi (2021) studied the effect of diversification strategy on the organizational performance of manufacturing companies in Uasin Gishu County. The study found that horizontal diversification significantly influenced the organizational performance of manufacturing companies. However, the study was limited to manufacturing companies in a specific county and did not specifically investigate the influence of diversification on competitiveness. Hence, the present study aimed to fill this gap by examining the influence of diversification strategies on the competitiveness of registered deposit-taking SACCOs in Nairobi City County, Kenya.

Mburu (2018) examined the effects of M&A on product competitive advantage, supply chain competitive advantage, and business model competitive advantage. The study utilized a descriptive research approach and collected data through a structured questionnaire from 35 respondents. The study found that the post-merger product offerings were well-received, giving the company a competitive advantage. However, the study was limited to a specific case study and did not explore the influence of acquisition strategies on competitiveness in a broader context. Therefore, the present study aimed to address this gap by investigating the influence of acquisition strategies on the competitiveness of registered deposit-taking SACCOs in Nairobi City County, Kenya.

Oliveira, Pereira, and Dalmau (2020) conducted a case analysis on the acquisition as a strategy for generating competitive advantage. The study employed a qualitative approach, including literature review, documentary analysis, and semi-structured interviews. However, the study did not specifically focus on the influence of acquisition strategies on competitiveness across industries. Lunani and Karau (2018) aimed to establish the effect of mergers and acquisitions on a firm's competitive advantage in the IT industry using a descriptive research approach. However, the study was limited to the IT industry and did not specifically explore the influence of mergers and acquisitions on competitiveness in other sectors. Hence, the present study aimed to address this gap by examining the influence of acquisition strategies on the competitiveness of registered deposit-taking SACCOs in Nairobi City County, Kenya.

Omondi (2016) sought to establish the effect of merger and acquisition strategy on the competitive advantage of ICEA and LION Group insurance company. The study utilized a causal research design framework and collected data through primary and secondary data collection methods. However, the study was focused on the insurance industry and did not specifically investigate the influence of acquisition strategies on competitiveness in other sectors.

Chepchirchir, Omillo, and Munyua (2018) examined the effect of cost leadership strategy on the organizational performance of logistics firms at Jomo Kenyatta International Airport in Kenya. The study utilized an explanatory research design and collected data from 10 logistics firms through a questionnaire. The findings indicated that cost leadership had a significant positive effect on the performance of logistics firms, leading to increased sales volume and profits, as well as a reduction in operational costs. However, the study was limited to logistics firms at a specific location and did not explore the influence of cost leadership strategy on competitiveness in other industries. Atikiya et al. (2017) examined the effect of cost leadership strategy on the performance of manufacturing firms in Kenya. The study collected data from 131 manufacturing firms using a survey questionnaire and an interview guide. The analysis included Pearson's correlation and regression analysis. The findings revealed a significant influence of cost leadership strategy on the performance of manufacturing firms. However, the study focused on manufacturing firms in Nairobi and its environs, and did not specifically address the influence of cost leadership strategy on competitiveness. Thus, the present study aimed to fill this gap by investigating the influence of cost leadership strategies on the competitiveness of registered deposit-taking SACCOs in Nairobi City County, Kenya.

Wairimu and Kirui (2020) aimed to investigate the influence of cost leadership strategy on the performance of tea processing factories in Murang'a County, Kenya. The study employed a descriptive survey design and collected data from 9 tea processing factories using a stratified sampling method. The findings revealed a positive and significant relationship between cost leadership strategy and organizational performance. However, the study was limited to the tea processing industry in a specific county and did not explore the influence of cost leadership strategy on competitiveness in other sectors. Hence, the present study aimed to fill this gap by investigating the influence of cost leadership strategies on the competitiveness of registered deposit-taking SACCOs in Nairobi City County, Kenya. Gitau and Mang'ana (2021) aimed to determine the effect of competitive strategies, including cost leadership strategy, on the performance of commercial banks in Nairobi County, Kenya. The study utilized a descriptive research design and surveyed all 40 listed banks in the county. The findings indicated that cost leadership strategy significantly influenced the performance of commercial banks. However, the study focused on commercial banks and did not specifically address the influence of cost leadership strategy on competitiveness in other sectors such as registered deposit-taking SACCOs. Therefore, the present study aimed to fill this gap by investigating the influence of cost leadership strategies on the competitiveness of registered deposit-taking SACCOs in Nairobi City County, Kenya.

Summary of Literature Reviewed

This chapter has covered the theories that anchor the study variables and their relevance to the study. The chapter discussed resource based-view theory, corporate branding theory and dynamic capabilities theory. Also, the conceptual framework that showed the link between the independent study variables and the dependent variable was presented. The literature review section discussed the four growth strategies; market expansion, diversification strategies, acquisition strategies, and cost leadership strategy. The research gap section showed research gaps that made it necessary to conduct this study.

RESEARCH METHODOLOGY

Research Design

The study used a descriptive, cross-sectional survey research design for the purposes of understanding and validation of the explain the influence of corporate growth strategy and competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya. According to Mugenda and Mugenda (2003), a descriptive survey research design entails identifying pre-existing relationships with variables without trying to change the environment. The descriptive survey approach, according to Bulmberg, Cooper, and Schindler (2011), aims to ascertain the "what, where, and how" of a certain occurrence. Determining what is happening in relation to specific variables is the focus of the descriptive survey research approach (Kothari, 2011). The justification for the choice of the descriptive survey research design for the study on the influence of corporate growth strategy on competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya is the fact that the phenomena under study could not be manipulated as it involved an already existing situation.

Target Population

A target population, according to Ott and Longnecker (2015), is the entire set of people or objects that share the same characteristics and from which a sample could be taken to perform an empirical study. In this study all the 41 registered deposit taking SACCOs in Nairobi County with SASRA formed the study population. The unit of observation was top management positions including Chief Executive Officers, Operations manager, Strategy Managers, Finance and Administrations manager and human resource manager. This group of respondents is chosen because, as corporate stewards and policymakers, they are the most qualified to provide the data needed for the study at hand.

Table 3.1: Target population

Category	Number per SACCO	Total For all SACCOs
C.E.Os.	1	41
Operations Manger	1	41
Strategy Managers	1	41
Finance and Administration managers	1	41
Human Resource Manager	1	41
TOTAL RESPONDENTS	**5**	**205**

Sample Size and Sampling Technique

Sample refers to a part of or fraction of population that is being investigated upon. It can also be defined as a group of individuals who are engaged or participating in a study (Wilson, 2010). In this research study, because the target population is a small, a census survey was used; no sampling was done. Where it is economically viable, Kothari (2011) advises doing a census study instead of a sample one since it produces more accurate data and minimizes sampling errors. The study used a census approach to identify and include all the registered and active Deposit Taking SACCOs in the county.

The CEOs, credit managers, accountants, and marketing managers were purposefully chosen by the researcher. Purposive sampling involves the researcher choosing the sample based on their own judgment (Oso & Onen, 2005). As a result, the study focused on a total of 205 respondents.

Data Collection Instruments

The study relied on both primary and secondary data collection instruments. Primary data was collected using self-administered structured questionnaires that are prepared based on the study's objectives and the conceptual framework. Primary data was collected on the effect of market expansion, diversification, acquisition strategies and cost leadership onthe competitiveness of DT-SACCOs in Nairobi City County. It had three sections. Section A was having the general information of the respondents. Section B on growth strategies enlisted as market expansion, diversification, acquisition strategies and cost leadership. Section C was on competitiveness. Section B and C had structured on a five-point Likert scale. Questionnaires are chosen because of their advantages of accessibility to large populations at low costs, proof of recorded evidence and chance to seek clarity. The questionnaires were distributed to senior-level managers or their equivalent in the 41 registered deposit taking SACCOs.

Published reports from relevant institutions such as SASRA and the business press were reviewed to extract secondary data. Secondary data was also collected by reviewing SACCOs financial, human resource and strategic plan reports.

Data Collection Procedure

Before embarking on data collection, relevant approvals were obtained. An introductory letter from the JKUAT Nairobi campus introducing the researcher to relevant authorities for field data collection was first obtained. This letter was used to obtain the permit for research from the National Commission for Science, Technology, and Innovation (NACOSTI). In addition, the researcher sought permission from the respective hospital in order to be allowed to collect data from the institution.

The researcher then used a letter of introduction from Jomo Kenyatta University of Agriculture and Technology to prove authenticity while administering questionnaires. This study adopted the self-administered questionnaire approach. The drop and pick technique distributed the research instruments to the Chief Executive Officers, Operations manager, Strategy Managers, Finance and Administrations manager and human resource manager from the 41 registered deposit taking SACCOs. The researcher called the respondents, if allowed by the respondents, to clarify the questions provided.

Secondary data was collected by reviewing SACCOs financial, human resource and strategic plan reports. The data was accessible on the companies, research companies and databases of regulatory bodies like SASRA.

Pilot Testing

The main objective of pilot testing is to highlight the appropriateness and accuracy of study instrumentation and design. Advantages of pilot testing are that it helps in; surveying the possibility of a review, planning an exploration convention and surveying whether it is sensible and functional, laying out whether the inspecting outline also, methods are successful, and distinguishing strategic issues which could happen with the technique intended to be utilized, deciding assets required for the review to be attempted and evaluating the information investigation strategies to uncover common issues.

To ascertain reliability, validity and reduce measurement error, a pilot test was conducted by administering the questionnaires to be used in the study to a small representative sample drawn from the same population frame. Newing (2011) states a pilot assessment of 10% of the model magnitude is sufficient. Therefore, the pilot study included pre-testing the questionnaires on 21 participants that were randomly selected from the 41 registered deposit taking SACCOs. Piloting aims to improve the surveys so that the participants in the significant research may not have difficulties responding to the queries. Respondents selected for pilot test was excluded from the final study.

Validity of Research Instruments

The study involved tests to ensure that the research instrument measured what it was intended to measure. Pre-test method and expert opinion methods were used to assess and improve the validity status of the research instrument. The responses that were obtained from the pretest participants informed improvements to that effect. The researcher also sought expert opinion from the supervisor and other lecturers in a bid to further ascertain the validity condition. The study considered recommendations by the experts and adjust and improvements to their satisfaction. Mugenda and Mugenda (2003) fronted expert opinion and pre-testing as helpful methods for assessing the validity of research instruments.

The questionnaire was validated further by pre-testing and this was done before actual data collection to test construct validity. The questionnaire measuring items are generated using the conceptual frame work indicators to guarantee that only items related to the study variables are included in the instrument, which ensures content validity. This guarantees that the instrument accurately measures the important research features it is designed to measure.

The construct validity of the questionnaire was determined using factor analysis. Factor loadings of 0.40 or more are considered highly significant, whereas factor loadings of 0.50 or more are considered more crucial (Hair, Black, Babin, Anderson, & Tathan, 2010). As a result, the threshold for a valid construct was 0.5.

Reliability of Research Instruments

Reliability is the extent to which processes; research instruments or products achieve the same results on repeated trials. The researcher examined and appraise the questionnaire with the supervisor and fellow scholars' help to remove ambiguous questions and inaccurate coding to improve the consistency of the research instrument. The questionnaires were subjected to the Cronbach Alpha test in SPSS to check if they have a coefficient of more than 0.7. A coefficient of above 0.7 will indicate that the instruments are reliable (Creswell, 2014)

Data Processing and Analysis

Data analysis was then conducted to establish the influence of growth strategy on competitiveness of registered DT-SACCOs. The raw data gathered through questionnaires were edited and coded using the Statistical Packages for Social Sciences (SPSS) version 26.0 for analysis and presentation. The data was analyzed using descriptive and inferential statistics. Descriptive statistics included the mean, standard deviation, coefficient of variation and percentages.

Pearson Correlation analysis was used to determine the relationship between individual variables in the objectives. Correlation value of 0 shows no relationship between the independent and dependent variable whereas when the value is not or equal to 1.0, there is a perfect negative or positive relationship respectively. Values shall be interpreted between 0 (no-relationship) and 1.0 (perfect relationship) (Levin & Rubin, 2018). Multiple Regression analysis was used in testing the research questions by establishing the influence of each independent variable on the dependent variable. F test helped determine the significance of the model, while student t-tests helped determine individual variables' significance at a 95% confidence level.

The regression model was; $Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$

Y= Competitiveness

X_1 is Market Expansion

X_2 is Diversification strategies

X_3 is Acquisition strategies

X_4 is Cost leadership

ε = Residual (error) term.

Where β_0 is the constant

β_1, β_2, β_3 and β_4 are coefficients

The significance of the model was interpreted using a significance level of 0.05. As such if P Value is greater than 0.05 i.e., $P < (\alpha = 5\%$ level of significance), then a conclusion would be made that the independent variable has significant influence on the dependent variable. The results were presented on frequency tables, charts, and graphs.

RESEARCH FINDINGS AND DISCUSSION

Descriptive Analysis

Descriptive analysis was used to describe the basic features of the data under study as they provide summaries about the sample and its measures. In this study descriptive analysis including means, and standard deviation, were used to describe the likert scale questions associated with each of the study variable. The study requested respondents to rate their responses in a scale of 1-5 where 1= Strongly Disagree, 2=Disagree, 3= Not Sure, 4=Agree and 5=Strongly Agree. The means and standard deviations were used to interpret the findings where a mean value of 1-1.4 was strongly disagree, 1.5-2.4 disagree, 2.5-3.4 Not Sure, 3.5-4.4 agree and 4.5-5 strongly agree. Standard deviation greater than 2 was considered large meaning responses were widely spread out and not tightly clustered around the mean.

Market Expansion

This subsection is concerned with determining the influence of market expansion on competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya. Respondents were asked to indicate their level of agreement or disagreement with the statements on the influence of market expansion. Table 4.4 present summary of findings obtained.

Table 4. 1: Descriptive Statistics on Market Expansion

Statements	Mean	Std. Dev.
Market expansion leads to improved brand recognition and reputation for registered deposit-taking SACCOs, enhancing their competitiveness.	3.981	1.908
Market expansion enhances the ability of SACCOs to attract and retain customers, thereby increasing competitiveness.	3.909	1.947
Market expansion enables SACCOs to diversify their product/service offerings, making them more competitive in the market.	3.874	0.452
SACCOs that actively pursue market expansion strategies outperform their competitors in terms of market share and profitability.	3.692	1.356
Expanding into new geographic markets provides deposit-taking SACCOs with a competitive advantage over their rivals.	3.667	0.287
SACCOs that prioritize market expansion strategies are better positioned to adapt to changing market conditions and stay competitive.	3.649	0.098
Aggregate Score	**3.795**	**1.008**

The findings show that the respondents agreed on average that market expansion leads to improved brand recognition and reputation for registered deposit-taking SACCOs, enhancing their competitiveness (M= 3.981, SD= 1.908); that market expansion enhances the ability of SACCOs to attract and retain customers, thereby increasing competitiveness (M= 3.909, SD= 1.947); and that market expansion enables SACCOs to diversify their product/service offerings, making them more competitive in the market (M= 3.874, SD= 0.452). They further agreed that SACCOs that actively pursue market expansion strategies outperform their competitors in terms of market share and profitability (M= 3.692, SD= 1.356); that expanding into new geographic markets provides deposit-taking SACCOs with a competitive advantage over their rivals (M= 3.667, SD= 0.287); and that SACCOs that prioritize market expansion strategies are better positioned to adapt to changing market conditions and stay competitive (M= 3.649, SD= 0.098).

The findings show that the respondents agreed on average that market expansion influences competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya as supported by an aggregate mean of 3.795 (SD= 1.008). The finding aligns closely with the literature on market expansion strategies and their impact on organizational performance. Tangus and Omar

(2017) found a strong correlation between market expansion strategies and the performance of commercial banks, emphasizing the importance of these strategies in enhancing competitiveness. Similarly, Gatwiri et al. (2018) demonstrated the positive effects of expansion strategies, such as agency banking and mobile banking, on the performance of commercial banks in reaching rural areas and expanding their customer base. These studies support the idea that market expansion initiatives contribute significantly to improving SACCOs' competitiveness by expanding their market reach, increasing customer engagement, and ultimately enhancing their overall performance.

Diversification Strategies

This subsection is concerned with determining the influence of diversification strategies on competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya. Respondents described their level of agreement or disagreement with the statements on the influence of diversification strategies. Table 4.5 presents summary of the findings obtained.

Table 4. 2: Descriptive Statistics on Diversification Strategies

Statements	Mean	Std. Dev.
Diversifying product/service offerings enhances the attractiveness of registered deposit-taking SACCOs to a broader customer base, improving competitiveness.	3.938	0.617
Embracing diversification strategies enhances the long-term sustainability and resilience of registered deposit-taking SACCOs, contributing to their competitiveness.	3.83	0.101
SACCOs that effectively implement diversification strategies outperform their competitors in terms of profitability and market share.	3.769	0.233
Diversification strategies provide registered deposit-taking SACCOs with a competitive advantage by tapping into new market opportunities.	3.756	1.435
SACCOs that pursue diversification strategies are better equipped to withstand market uncertainties and remain competitive.	3.718	0.747
Adopting diversification strategies allows SACCOs to reduce reliance on a single market, thus reducing vulnerability and increasing competitiveness.	3.672	0.653
Aggregate Score	**3.781**	**0.631**

The findings show that the respondents agreed on average that diversifying product/service offerings enhances the attractiveness of registered deposit-taking SACCOs to a broader customer base, improving competitiveness (M= 3.938, SD= 0.617); that embracing diversification strategies enhances the long-term sustainability and resilience of registered deposit-taking SACCOs, contributing to their competitiveness (M= 3.83, SD= 0.101); and that SACCOs that effectively implement diversification strategies outperform their competitors in terms of profitability and market share (M= 3.769, SD= 0.233). They further agreed that diversification strategies provide registered deposit-taking SACCOs with a competitive advantage by tapping into new market opportunities (M= 3.756, SD= 1.435); that SACCOs that pursue diversification strategies are better equipped to withstand market uncertainties and remain competitive (M= 3.718, SD= 0.747); and that adopting diversification strategies allows SACCOs to reduce reliance on a single market, thus reducing vulnerability and increasing competitiveness (M= 3.672, SD= 0.653).

Supported by an aggregate mean of 3.781 (SD= 0.631), the findings show that the respondents agreed on average that diversification strategies influences competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya. The findings resonate with the literature on the impact of diversification on organizational performance. Salem (2018) conducted a study on the impact of diversification on competitive advantage, finding that diversification positively affected innovation, flexibility, and quality within organizations. Similarly, Maragia and Kemboi (2021) explored the effect of diversification strategy on the organizational performance of manufacturing companies, concluding that horizontal diversification significantly influenced performance. These studies provide empirical evidence supporting the notion that diversification strategies contribute to enhancing the competitiveness of SACCOs by enabling them to explore new markets, product lines, and business opportunities, thereby strengthening their overall competitive position in the financial sector.

Acquisition Strategies

This subsection is concerned with determining the influence of acquisition strategies on competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya. Respondents described their level of agreement or disagreement with the statements on the influence of acquisition strategies. Table 4.6 presents summary of the findings obtained.

Table 4. 3: Descriptive Statistics on Acquisition Strategies

Statements	Mean	Std. Dev.
Acquisition strategies allow SACCOs to access new resources, capabilities, and technologies, enhancing their competitiveness.	3.959	1.386
Implementing acquisition strategies enables SACCOs to achieve economies of scale and cost efficiencies, improving their competitiveness.	3.766	0.731
SACCOs that engage in acquisition strategies gain a competitive edge by expanding their market reach and customer base.	3.641	1.526
Embracing acquisition strategies enables registered deposit-taking SACCOs to stay ahead of competitors and maintain a competitive position in the market.	3.615	1.609
Acquisition strategies facilitate the integration of complementary strengths, enabling SACCOs to offer enhanced products and services, increasing their competitiveness.	3.598	0.148
Acquiring other entities helps SACCOs to diversify their business portfolio and reduce risks, enhancing competitiveness.	3.571	0.447
Aggregate Score	**3.692**	**0.975**

The findings show that the respondents agreed that acquisition strategies allow SACCOs to access new resources, capabilities, and technologies, enhancing their competitiveness (M= 3.959, SD= 1.386); that implementing acquisition strategies enables SACCOs to achieve economies of scale and cost efficiencies, improving their competitiveness (M= 3.766, SD= 0.731); and that SACCOs that engage in acquisition strategies gain a competitive edge by expanding their market reach and customer base (M= 3.641, SD= 1.526). They also agreed that embracing acquisition strategies enables registered deposit-taking SACCOs to stay ahead of competitors and maintain a competitive position in the market (M= 3.615, SD= 1.609); that acquisition strategies facilitate the integration of complementary strengths, enabling SACCOs to offer enhanced products and services, increasing their competitiveness (M= 3.598, SD= 0.148); and that acquiring other entities helps SACCOs to diversify their business portfolio and reduce risks, enhancing competitiveness (M= 3.571, SD= 0.447).

The aggregate mean score of 3.692 (SD= 0.975) show that respondents were in agreement that acquisition strategies influences competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya. The findings indicating that acquisition strategies significantly influence the competitiveness of registered deposit-taking Savings and Credit Cooperative Societies (SACCOs) in Nairobi City County, Kenya, align closely with the literature on the impact of acquisitions on organizational performance. Mburu (2018) investigated the competitive advantage gained through mergers and acquisitions, finding that post-merger product offerings positively impacted competitiveness. Lunani and Karau (2018) also explored the effect of mergers and acquisitions on firms' competitive advantage, highlighting the importance of factors such as market share expansion and supply chain efficiencies. These studies support the idea that acquisition strategies play a crucial role in enhancing the competitiveness of SACCOs by enabling them to gain access to new markets, technologies, and resources, ultimately strengthening their competitive position in the financial sector.

Cost Leadership Strategy

This subsection is concerned with determining the influence of cost leadership strategy on competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya. Respondents described their level of agreement or disagreement with the statements on the influence of cost leadership strategy. Table 4.7 presents summary of findings obtained.

Table 4. 4: Descriptive Statistics on Cost Leadership Strategy

Statements	Mean	Std. Dev.
Effective cost management through cost leadership strategy allows SACCOs to achieve higher profit margins, enhancing their competitiveness.	3.998	1.682
Cost leadership strategy helps SACCOs to respond to market fluctuations and economic challenges, ensuring their long-term competitiveness.	3.807	1.468
SACCOs that successfully implement cost leadership strategy gain a competitive advantage by offering cost-effective financial services to their members.	3.718	1.095
Adopting cost leadership allows SACCOs to offer lower prices compared to their competitors, enhancing their competitiveness in the market.	3.705	0.646
Cost leadership strategy enables SACCOs to invest in technology and infrastructure, improving operational efficiency and competitiveness.	3.69	0.202
Cost leadership strategy enables SACCOs to attract a larger customer base due to their affordability, increasing their competitiveness.	3.587	1.879
Aggregate Score	**3.751**	**1.162**

The findings show that respondents agreed on average that effective cost management through cost leadership strategy allows SACCOs to achieve higher profit margins, enhancing their competitiveness (M= 3.998, SD= 1.682); that cost leadership strategy helps SACCOs to respond to market fluctuations and economic challenges, ensuring their long-term competitiveness (M= 3.807, SD= 1.468); and that SACCOs that successfully implement cost leadership strategy gain a competitive advantage by offering cost-effective financial services to their members (M= 3.718, SD= 1.095). They were also in agreement that adopting cost leadership allows SACCOs to offer lower prices compared to their competitors, enhancing their competitiveness in the market (M= 3.705, SD= 0.646); that cost leadership strategy enables SACCOs to invest in technology and infrastructure, improving operational efficiency and competitiveness (M= 3.69, SD= 0.202); and that cost leadership strategy enables SACCOs to attract a larger customer base due to their affordability, increasing their competitiveness (M= 3.587, SD= 1.879).

The findings above and an aggregate mean of 3.751 (SD= 1.162) show that respondents agreed that cost leadership strategy influences competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya. The finding is consistent with the literature on the impact of cost leadership on organizational performance. For example, Chepchirchir, Omillo, and Munyua (2018) examined the effect of cost leadership strategy on the performance of logistics firms, finding that it positively impacted firms' performance by reducing operational costs and increasing profit margins. Similarly, Gitau and Mang'ana (2021) investigated the influence of competitive strategies, including cost leadership, on the performance of commercial banks, concluding that cost leadership strategies significantly influenced bank performance by enhancing efficiency and profitability. These studies provide empirical support for the idea that cost leadership strategies play a crucial role in enhancing the competitiveness of SACCOs by enabling them to streamline operations, reduce costs, and offer competitive pricing, thereby strengthening their competitive position in the financial sector.

Competitiveness of Registered Deposit Taking SACCOs

This subsection is concerned with competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya. Respondents gave their level of agreement or disagreement with the statements on competitiveness of registered deposit taking SACCOs. Table 4.8 presents summary of the findings obtained.

Table 4.5: Descriptive Statistics on Competitiveness

Statements	Mean	Std. Dev.
Deposit-taking SACCOs are responsive to changing customer needs and preferences, enhancing their competitiveness.	3.897	0.69
The products and services offered by deposit-taking SACCOs are competitive in terms of quality and pricing.	3.7	0.524
Registered deposit-taking SACCOs consistently strive for innovation and improvement, making them more competitive in the market.	3.657	1.860
Registered deposit-taking SACCOs have a strong market position compared to other financial institutions.	3.634	1.299
Registered deposit-taking SACCOs are able to effectively differentiate themselves from their competitors.	3.632	1.732
The level of customer satisfaction with deposit-taking SACCOs is higher compared to other financial institutions.	3.6	0.284
Registered deposit-taking SACCOs have a strong brand reputation and image, contributing to their competitiveness.	3.564	0.456
Aggregate Score	**3.669**	**0.978**

The finding show that respondents were in agreement that deposit-taking SACCOs are responsive to changing customer needs and preferences, enhancing their competitiveness (M= 3.897, SD= 0.69); that the products and services offered by deposit-taking SACCOs are competitive in terms of quality and pricing (M= 3.7, SD= 0.524); and that registered deposit-taking SACCOs consistently strive for innovation and improvement, making them more competitive in the market (M= 3.657, SD= 1.860). They also agreed that registered deposit-taking SACCOs have a strong market position compared to other financial institutions (M= 3.634, SD= 1.299); and that registered deposit-taking SACCOs are able to effectively differentiate themselves from their competitors (M= 3.632, SD= 1.732). They were further in agreement that the level of customer satisfaction with deposit-taking SACCOs is higher compared to other financial institutions (M= 3.6, SD= 0.284); and that registered deposit-taking SACCOs have a strong brand reputation and image, contributing to their competitiveness (M= 3.564, SD= 0.456).

The findings reveal a strong consensus among respondents regarding various aspects contributing to the competitiveness of deposit-taking Savings and Credit Cooperative Societies (SACCOs) in Nairobi City County, Kenya. These findings align with several studies in the literature that have explored factors influencing organizational competitiveness in the financial sector. For instance, Gatwiri et al. (2018) investigated the effects of expansion strategies on commercial banks' performance, emphasizing the importance of customer-centric approaches such as mobile banking and strategic alliances in meeting changing customer needs and preferences. Similarly, Chepchirchir, Omillo, and Munyua (2018) examined the impact of cost leadership strategy on logistics firms' performance, highlighting the significance of competitive pricing and quality products and services in enhancing competitiveness. Additionally, Salem (2018) conducted a study on the impact of diversification on competitive advantage, emphasizing the role of innovation and improvement in fostering competitiveness. These studies collectively support the notion that customer responsiveness, product competitiveness, innovation, strong market position, differentiation, customer satisfaction, and brand reputation are essential elements contributing to the competitiveness of deposit-taking SACCOs in the financial market.

Correlation Analysis

The study computed correlation analysis to test the strength and the direction of the relationship that exists between the dependent and the independent variables. The correlation values range from 0 to 1; if the correlation values are r = ±0.1 to ±0.29 then the relationship between the two variables is small, if it is r = ±0.3 to ±0.49 the relationship is medium, and when r= ±0.5 and above there is a strong relationship between the two variables under consideration. Table 4.9 presents correlation analysis findings for this study.

Table 4. 6: Correlations

		Competitiveness	Market Expansion	Diversification strategies	Acquisition strategies	Cost leadership
Competitiveness of registered deposit taking SACCOs	Pearson Correlation	1				
	Sig. (2-tailed)					
Market Expansion	Pearson Correlation	.782**	1			
	Sig. (2-tailed)	.000				
Diversification strategies	Pearson Correlation	.742**	.144	1		
	Sig. (2-tailed)	.000	.217			
Acquisition strategies	Pearson Correlation	.785**	.088	.277	1	
	Sig. (2-tailed)	.000	.112	.309		
Cost leadership	Pearson Correlation	.757**	.003	.123	.076	1
	Sig. (2-tailed)	.000	.897	.371	.412	
	N	277	277	277	277	277

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

The findings show a significant positive correlation between market expansion and competitiveness of registered deposit-taking SACCOs ($r = 0.782$, $p < 0.05$). This implies that as SACCOs expand their market presence, their competitiveness tends to increase. This finding is consistent with prior literature such as Tangus and Omar (2017), who emphasized the positive correlation between market expansion strategies and the performance of commercial banks. Additionally, Gatwiri et al. (2018) demonstrated the positive effects of expansion strategies, including agency banking and mobile banking, on the performance of commercial banks, underscoring the importance of market expansion in enhancing competitiveness.

The strong positive and significant correlation between diversification strategies and competitiveness of registered deposit-taking SACCOs ($r = 0.742$, $p < 0.05$). This suggests that as SACCOs implement diversification strategies, their competitiveness tends to increase. This finding aligns with Salem (2018), who highlighted the positive impact of diversification on competitive advantage, emphasizing its role in fostering innovation and flexibility within organizations. Similarly, Maragia and Kemboi (2021) found that horizontal diversification significantly influenced the performance of manufacturing companies, indicating the importance of diversification in enhancing competitiveness.

The findings also showed significant positive correlation between acquisition strategies and competitiveness of registered deposit-taking SACCOs ($r = 0.785$, $p < 0.05$). This indicates that as SACCOs engage in acquisition strategies, their competitiveness tends to increase. This finding is consistent with Mburu (2018) and Lunani and Karau (2018), who highlighted the importance of mergers and acquisitions in gaining competitive advantage, particularly through product offerings, supply chain efficiencies, and market share expansion.

Finally, there was strong positive significant correlation between cost leadership strategies and competitiveness of registered deposit-taking SACCOs ($r = 0.757$, $p < 0.05$). This suggests that as SACCOs implement cost leadership strategies, their competitiveness tends to increase. This finding aligns with Chepchirchir, Omillo, and Munyua (2018) and Gitau and Mang'ana (2021), who demonstrated the positive impact of cost leadership strategies on organizational performance, particularly in reducing operational costs and increasing profitability.

Multiple Regression Analysis

The study computed multiple regression analysis to establish the influence of growth strategies on competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya.

Model Summary

The study used model summary to test the amount of variation in dependent variable as a result of changes in dependent variable. Using model summary, the study tested the amount of variation in competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya as a result of changes in cost leadership, acquisition strategies, diversification strategies, and market expansion.

Table 4. 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.833[a]	.695	.690	.35505

a. Predictors: (Constant), Cost leadership, Acquisition strategies, Diversification strategies, Market Expansion

The model summary indicates that the predictors included in the model, which are cost leadership, acquisition strategies, diversification strategies, and market expansion, collectively explain a substantial proportion of the variance in the competitiveness of registered deposit-taking Savings and Credit Cooperative Societies (SACCOs) in Nairobi City County, Kenya. The coefficient of determination (R Square) value of 0.695 suggests that approximately 69.5% of the variability in SACCOs' competitiveness can be accounted for by these predictors. This indicates a strong relationship between the selected strategies and SACCOs' competitiveness. The adjusted R Square value of 0.690, which considers the number of predictors and the sample size, confirms the robustness of the model. Overall, these findings suggest that the combination of cost leadership, acquisition strategies, diversification strategies, and market expansion significantly contributes to explaining and predicting SACCOs' competitiveness in Nairobi City County.

Analysis of Variance

ANOVA was used to test the significance of the fitted model. The significance of the model was tested at 95% confidence interval. Table 4.11 presents the findings.

Table 4. 8: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	78.004	4	19.501	154.695	.000[b]
	Residual	21.672	172	.126		
	Total	99.676	176			

a. Dependent Variable: Competitiveness of registered deposit taking SACCOs

b. Predictors: (Constant), Cost leadership, Acquisition strategies, Diversification strategies, Market Expansion

The ANOVA table indicates that the regression model, which includes the predictors cost leadership, acquisition strategies, diversification strategies, and market expansion, significantly contributes to explaining the variance in the competitiveness of registered deposit-taking Savings and Credit Cooperative Societies (SACCOs) in Nairobi City County, Kenya. This is evidenced by the highly significant F-statistic of 154.695 ($p < 0.05$), suggesting that the regression model is a good fit for the data. With a large F-statistic and a significant p-value, it can be concluded that the predictors jointly have a significant effect on SACCOs' competitiveness. Therefore, the regression model provides a meaningful explanation of the relationship between the predictors and SACCOs' competitiveness, indicating that Cost leadership, acquisition strategies, diversification strategies, and market expansion are important factors influencing SACCOs' competitiveness in Nairobi City County.

Beta Coefficients of the Study Variables

The coefficients table was used to fix the regression model.

Table 4. 9: Coefficients of the Study Variables

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.256	.149		8.430	.000
	Market Expansion	.774	.224	.675	3.460	.001
	Diversification strategies	.572	.128	.516	4.475	.000
	Acquisition strategies	.595	.077	.637	7.742	.000
	Cost leadership	.439	.080	.447	5.460	.000

a. Dependent Variable: Competitiveness of registered deposit taking SACCOs

From the findings, the following regression equation was fitted;

$$Y = 1.256 + 0.774 X_1 + 0.572 X_2 + 0.595 X_3 + 0.439 X_4$$

The coefficient analysis unveils that the predictor variable market expansion significantly influences the competitiveness of registered deposit-taking Savings and Credit Cooperative Societies (SACCOs) in Nairobi City County, Kenya. With a beta (B) value of 0.774, it suggests that for every one-unit increase in Market Expansion, there's a corresponding increase of 0.774 units in SACCOs' competitiveness. The highly significant p-value of 0.001 underscores the robustness of this relationship, indicating that it's statistically significant. This finding agrees with the sentiments of Gatwiri et al. (2018), who emphasized the pivotal role of market expansion strategies in enhancing the performance of commercial banks. It highlights the strategic importance of SACCOs venturing into new markets and segments to fortify their competitive edge and broaden their market presence.

Similarly, the predictor variable diversification strategies emerge as a potent influencer of SACCOs' competitiveness. With a beta (B) value of 0.572, it signifies that for every one-unit increase in Diversification strategies, there's a corresponding increase of 0.572 units in SACCOs' competitiveness. The highly significant p-value of 0.000 underscores the strength and reliability of this relationship. This finding agrees with the insights of Oladimeji and Udosen (2019), who underscored the positive impact of diversification strategies on organizational performance. It underscores the strategic imperative for SACCOs to explore new avenues for growth and adapt to evolving market dynamics to enhance their competitive position and ensure long-term sustainability.

Furthermore, the variable acquisition strategies also emerge as a significant driver of SACCOs' competitiveness. With a beta (B) value of 0.595, it indicates that for every one-unit increase in

Acquisition strategies, there's a corresponding increase of 0.595 units in SACCOs' competitiveness. The highly significant p-value of 0.000 affirms the robustness and validity of this relationship. This finding aligns with the findings of Lunani and Karau (2018), who emphasized the positive effects of mergers and acquisitions on firms' competitive advantage. It underscores the strategic significance of acquisition strategies in enabling SACCOs to strengthen their market position, expand their customer base, and diversify their product offerings, thereby enhancing their competitiveness in the financial market.

Lastly, the variable cost leadership exhibits a significant positive influence on SACCOs' competitiveness. With a beta (B) value of 0.439, it suggests that for every one-unit increase in Cost leadership, there's a corresponding increase of 0.439 units in SACCOs' competitiveness. The highly significant p-value of 0.000 underscores the robustness of this relationship. This finding resonates with the insights of Atikiya et al. (2017), who highlighted the positive impact of cost leadership strategies on the performance of manufacturing firms. It underscores the strategic importance of cost leadership strategies in enabling SACCOs to minimize operational costs, optimize efficiency, and offer competitive pricing, thereby bolstering their competitiveness in the financial market.

Based on the provided t-statistics, the variables with the greatest effect on the dependent variable, competitiveness of registered deposit-taking SACCOs, appear to be acquisition strategies ($t = 7.742$, $p<0.05$), followed by cost leadership ($t = 5.460$, $p<0.05$), diversification strategies ($t = 4.475$, $p<0.05$), and the least being market Expansion ($t = 3.460$, $p<0.05$). A higher t-statistic signifies a stronger relationship between the independent variable and the dependent variable. Therefore, Acquisition strategies exhibit the greatest effect on the competitiveness of registered deposit-taking SACCOs followed by Cost leadership, Diversification strategies, and Market Expansion, respectively.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary of Findings

This section of the study presents summary of study findings guided by the specific objectives of the study. The study specifically sought to determine the influence of market expansion, diversification strategies, acquisition strategies, and cost leadership strategy on competitiveness of registered deposit taking SACCOs in Nairobi City County Kenya.

Market Expansion

The study found that market expansion strategies play a pivotal role in enhancing the competitiveness of registered deposit-taking Savings and Credit Cooperative Societies (SACCOs) in Nairobi City County, Kenya. This is supported by both descriptive findings and correlation results, indicating a strong positive relationship between market expansion and SACCO competitiveness. Respondents overwhelmingly agreed on the positive impact of market expansion, with correlations showing significant associations between market expansion and SACCO competitiveness. They recognized that expanding into new markets not only leads to improved brand recognition and reputation but also enhances SACCOs' ability to attract and retain customers. Moreover, market expansion enables SACCOs to diversify their product and service offerings, making them more competitive in the market. This aligns with existing literature emphasizing the significance of market expansion initiatives in bolstering organizational performance and competitiveness.

Diversification Strategies

Diversification strategies emerged as key drivers of SACCO competitiveness, supported by both descriptive findings and correlation results. The descriptive statistics reveal respondents' agreement on the positive influence of diversification on SACCO competitiveness. Additionally, correlation results indicate a significant positive relationship between diversification strategies and SACCO competitiveness. SACCOs that effectively implement diversification strategies stand to gain significant competitive advantages. These strategies not only enhance the attractiveness of SACCOs to a broader customer base but also contribute to their long-term sustainability and resilience. Furthermore, diversification enables SACCOs to tap into new market opportunities, reducing reliance on a single market and increasing their ability to withstand market uncertainties.

This finding resonates with existing literature highlighting the positive impact of diversification on organizational performance and competitive advantage.

Acquisition Strategies

Acquisition strategies emerged as significant determinants of SACCO competitiveness, supported by both descriptive findings and correlation results. The descriptive statistics reveal respondents' agreement on the positive influence of acquisition strategies on SACCO competitiveness. Additionally, correlation results indicate a significant positive relationship between acquisition strategies and SACCO competitiveness. SACCOs that engage in acquisition strategies gain access to new resources, capabilities, and technologies, thereby enhancing their competitiveness. Moreover, these strategies enable SACCOs to achieve economies of scale, expand their market reach, and offer enhanced products and services. By acquiring other entities, SACCOs can diversify their business portfolio, reduce risks, and strengthen their competitive position in the financial market. This finding is consistent with literature emphasizing the role of acquisitions in driving organizational performance and competitive advantage.

Cost Leadership Strategy

Cost leadership strategies emerged as crucial drivers of SACCO competitiveness, supported by both descriptive findings and correlation results. The descriptive statistics reveal respondents' agreement on the positive influence of cost leadership strategies on SACCO competitiveness. Additionally, correlation results indicate a significant positive relationship between cost leadership strategies and SACCO competitiveness. SACCOs that effectively implement cost leadership strategies can achieve higher profit margins, respond to market fluctuations, and offer cost-effective financial services to their members. Moreover, these strategies enable SACCOs to invest in technology and infrastructure, attract a larger customer base, and maintain affordability, thereby enhancing their competitiveness. This finding aligns with literature emphasizing the significance of cost leadership in improving operational efficiency, reducing costs, and offering competitive pricing.

Conclusions

The findings highlight the pivotal role of market expansion strategies in bolstering the competitiveness of registered deposit-taking Savings and Credit Cooperative Societies (SACCOs) in Nairobi City County, Kenya. The positive correlations between market expansion and SACCO competitiveness indicate a significant relationship between these variables, emphasizing the importance of expanding into new markets to enhance SACCO performance. Moreover, the regression analysis underscores the substantial impact of market expansion on SACCO competitiveness, suggesting that SACCOs prioritizing market expansion strategies are better positioned to adapt to changing market conditions and achieve sustainable competitive advantages. Therefore, the study concludes that robust market expansion initiatives positively and significantly influence SACCO competitiveness, providing SACCOs.

Both correlation and regression analyses reveal compelling evidence supporting the positive influence of diversification strategies on the competitiveness of registered deposit-taking SACCOs in Nairobi City County, Kenya. The significant correlations between diversification strategies and SACCO competitiveness signify a strong association between these variables, indicating that SACCOs embracing diversification initiatives tend to exhibit higher levels of competitiveness. Furthermore, the regression analysis highlights the substantial impact of diversification strategies on SACCO competitiveness, suggesting that SACCOs effectively implementing diversification strategies outperform their competitors in terms of profitability and market share. Thus, the study concludes that robust diversification strategies play a crucial role in enhancing SACCO competitiveness.

The findings from both correlation and regression analyses underscore the significant influence of acquisition strategies on the competitiveness of registered deposit-taking SACCOs in Nairobi City County, Kenya. The positive correlations between acquisition strategies and SACCO competitiveness indicate a strong relationship between these variables, suggesting that SACCOs engaging in acquisition initiatives tend to achieve higher levels of competitiveness. Moreover, the regression analysis underscores the substantial impact of acquisition strategies on SACCO competitiveness, revealing that SACCOs adopting acquisition strategies gain competitive advantages by expanding their market reach, accessing new resources, and offering enhanced products and services. Therefore, the study concludes that strategic adoption of acquisition strategies positively and significantly influences SACCO competitiveness, empowering SACCOs to strengthen their market position, drive growth, and enhance overall performance in the financial sector.

The positive correlations between cost leadership strategy and SACCO competitiveness indicate a significant association between these variables, suggesting that SACCOs implementing cost leadership initiatives tend to exhibit higher levels of competitiveness. Furthermore, the regression analysis highlights the substantial impact of cost leadership strategy on SACCO competitiveness, revealing that SACCOs embracing cost leadership strategies achieve competitive advantages by offering cost-effective financial services, responding to market fluctuations, and investing in technology and infrastructure. Thus, the study concludes that strategic adoption of cost leadership strategies positively and significantly influences SACCO competitiveness, enabling SACCOs to streamline operations, reduce costs, and maintain affordability while enhancing their market position and overall performance in the financial sector.

Recommendations

Recommendations for Market Expansion

To capitalize on the opportunities presented by market expansion, SACCOs should conduct thorough market research to identify promising geographic markets and assess the demand for financial services in those areas. This research should inform strategic decisions regarding market entry and expansion. SACCOs should also prioritize a customer-centric approach, tailoring their offerings to meet the specific needs and preferences of the target market segments. By engaging with local communities and understanding their unique requirements, SACCOs can develop tailored products and services that resonate with potential customers. Additionally, SACCOs should explore opportunities for partnerships and alliances with local institutions, community organizations, and government bodies to facilitate smoother market entry and gain insights into local market dynamics. Collaborative ventures can provide access to valuable resources, networks, and expertise, strengthening SACCOs' competitive position in new markets. Finally, SACCOs must remain agile and adaptive in their market expansion efforts, continuously monitoring market trends, competitor activities, and regulatory changes to ensure their strategies remain relevant and effective over time. By adopting a proactive and strategic approach to market expansion, SACCOs can position themselves for sustained growth and competitiveness in the dynamic financial landscape of Nairobi City County, Kenya.

Recommendations for Diversification Strategies

To effectively leverage diversification opportunities, SACCOs should conduct a comprehensive analysis of their existing product and service offerings to identify gaps and opportunities for diversification. This analysis should consider market demand, competitive positioning, and potential synergies with existing offerings. SACCOs should prioritize innovations that align with their core strengths and address evolving customer needs and preferences. Secondly, fostering a culture of innovation and flexibility within SACCOs is crucial for encouraging experimentation and adaptation in diversification efforts. SACCOs should create platforms for employee engagement and idea generation, empowering staff to contribute creative solutions and drive innovation across the organization. Thirdly, SACCOs must implement robust risk management processes to mitigate potential risks associated with diversification initiatives. This involves conducting thorough risk assessments, developing contingency plans, and monitoring key performance indicators to track the success of diversification projects. Finally, SACCOs should engage with key stakeholders, including members, partners, and regulatory bodies, throughout the diversification process to ensure alignment with organizational objectives and regulatory requirements. Transparent communication and collaboration are essential for gaining support and buy-in for diversification initiatives, ultimately enhancing SACCOs' competitiveness in the financial sector.

Recommendations for Acquisition Strategies

Acquisition strategies present significant opportunities for enhancing the competitiveness of registered deposit-taking SACCOs in Nairobi City County, Kenya. To maximize the benefits of acquisition opportunities, SACCOs should prioritize strategic targeting, identifying potential acquisition targets that align with their long-term objectives and complement their existing capabilities. Thorough due diligence is essential to assess the financial health, cultural fit, and synergy potential of target entities before pursuing acquisition opportunities. Secondly, SACCOs must develop comprehensive integration plans to facilitate smooth post-acquisition integration and maximize synergies. This involves addressing cultural differences, aligning operational processes, and communicating effectively with employees and stakeholders to ensure a seamless transition. Thirdly, talent retention should be a top priority for SACCOs following acquisitions. Offering competitive compensation packages, career development opportunities, and clear communication channels can help reassure employees and mitigate potential turnover risks. Finally, SACCOs must ensure compliance with regulatory requirements throughout the acquisition process, engaging legal and regulatory experts to navigate complex regulatory frameworks and mitigate compliance risks. By adopting a strategic and proactive approach to acquisition strategies, SACCOs can strengthen their competitive position and drive sustainable growth in the financial sector of Nairobi City County, Kenya.

Recommendations for Cost Leadership Strategy

To effectively implement cost leadership strategies and drive sustainable cost savings, SACCOs should prioritize operational efficiency by implementing lean management practices and process optimization initiatives. This involves identifying inefficiencies, streamlining workflows, and eliminating waste to enhance productivity and reduce costs. Secondly, leveraging technology and automation solutions is crucial for driving cost savings and improving operational effectiveness. SACCOs should invest in digital banking platforms, fintech solutions, and data analytics tools to streamline processes, enhance customer experiences, and lower transaction costs. Thirdly, SACCOs must adopt a strategic approach to supplier negotiation, leveraging economies of scale and strategic partnerships to secure competitive pricing and favorable terms with suppliers and vendors. Finally, establishing robust monitoring and performance measurement mechanisms is essential for tracking the effectiveness of cost-saving initiatives and identifying areas for further improvement. SACCOs should regularly benchmark against industry peers, conduct variance analysis, and engage in continuous improvement efforts to sustain cost leadership over time. By implementing these strategic recommendations, SACCOs can enhance their competitiveness, drive sustainable growth, and maintain a strong foothold in the financial sector of Nairobi City County, Kenya.

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