



DIRECT MARKETING STRATEGIES AND MARKET PERFORMANCE OF DEPOSIT-TAKING SAVINGS AND CREDIT CO-OPERATIVE SOCIETIES IN NAIROBI CITY COUNTY, KENYA

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ABSTRACT

This study aimed at investigating the effect of direct marketing strategies on market performance of Deposit-taking Savings and Credit Co-operative Societies in Nairobi City County. The specific objectives were to; establish the effect of social media marketing, mobile phone marketing, direct selling, and email marketing on market performance of Deposit-taking Savings and Credit Co-operative Societies in Nairobi City County. The study adopted an explanatory research design research design in which all forty registered financial Deposit-taking Savings and Credit Co-operative Societies in Nairobi City County were considered using census technique. Data was collected using close ended questionnaires from marketing managers or other senior managers of the identified Deposit-taking Savings and Credit Co-operative Societies. Data was analyzed using descriptive statistic and inferential statistics using SPSS version 22. The results indicated that relationship between social media marketing, direct selling, email marketing and market performance of deposit taking Savings and Credit Co-operative Societies in Nairobi City County were significant (p value=0.00, 0.00, 0.035 and 0.001 respectively) while mobile phone marketing was not significant (P value =0.035) at 95% confidence interval. In addition the study had R squared of 0.691 indicating that social media marketing, mobile phone marketing, direct selling, email marketing contributed 69.1% on market performance. The study concluded that social media marketing, mobile phone marketing, email marketing and direct selling marketing affects the marketing performance positively. The study recommended that Deposit-taking Savings and Credit Co-operative Societies should improve their direct marketing strategies targeting the ideal customers, with aim of increasing sales to current and lapsed customers improve customer loyalty and create new business.

Key words: *Direct Marketing Strategies, Market Performance and Deposit-Taking Savings and Credit Co-Operative Societies*

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INTRODUCTION

Market Performance fever has manifested at global level in the recent times, with many organizations declaring that they want to reach performance, to measure their performance or to improve the performance of different aspects of their business. In particular, market performance and its measurement led to ample interest in the past years (Mirera, 2013). Market performance can be described as the improvement of the market position of the firm which may include the creation of awareness about the product, market infiltrations and furthermore forming clients' impression of the firm and their products (Izquierdo, Cillan, and Gutierrez, 2005). As indicated by a few researchers, the principle objective of market positioned organizations ought to be creation and maintenance of clients. Market performance can in this way be estimated by utilizing some performance pointers, for example, acquisition of fresh deals, acquiring new clients, expanding to new markets and diminishment of cost of sales (Krohmer, 2002).

In any organization marketing and operation functions play critical role in the accomplishment of its objectives. By securing and breaking down data concerning clients and contenders, marketing can be regarded as an external-focused functional area that informs the decision on what sort of products or services a firm ought to propose, through which channel and at what cost. The marketing strategies are very predominant in organization if there should be an occurrence of more extensive circumstance. The higher performing firms put more significance to an all-encompassing circumstance examination than the lower performing organizations (Garland and Brooks, 2008). The accomplishment for any marketing strategy is to envision competitors' activity in light of a legitimate concern for the company's moves. Enterprises should put more prominence on relationship marketing to achieve effectiveness of a firm (Akinyele, 2010).

Previous studies have shown that enterprises which are using direct marketing strategies such as social media, email and mobile marketing enjoys many benefits including improved brand affirmation, increased sales volume, site streamlining, activities on the internet, customer dependability, and firm's profits (Cate, Corcoran and Feugere, 2009). The use of direct marketing strategies enables the organizations to gain various advantages from developing clients' loyalty where the clients spread positive message, customers displaying lower price sensitivity and reduced costs in attracting new customers (Singh and Boora 2011).

Performance of financial institutions is a vital determinant of economic development, the distribution of capital, money related security and the intensity and advancement of the manufacturing and services sector (Beck, Demirguc-Kunt and Maksimovic 2004). However Bikker, (2010), argues that estimating the performance of financial institutions is difficult and the performance indicators vary in quality. Measures of performance of financial institution can be in terms either in market or accounting or combinations of measures (Merchant and Van der Stede, 2012). According R.o.K, (2008), the inherent liquidity problems resulting from fast growth of SACCOS led to a small sub-sector of them beginning to raise additional voluntary but more liquid deposit from members and even some non-members through the so termed front office savings activity (FOSA). A FOSA activity entails quasi-banking service conducted by a registered SACCOS. At one level the FOSAs' growth can be seen as a great success for the industry as total SACCOS deposits have grown rapidly. It's now equal to one quarter of all deposits in the banking system. Deposit-taking SACCOS (D.T.S) accumulates deposits from people which are later offered as loans to borrowers at higher interest rate. There are about one hundred and eighty six registered SACCOS with SASRA and which are authorized to carry out front office operations (SASRA, 2016). Over seventy per

cent of SACCO's assets and about seventy eight per cent of the SACCOS earnings can be attributed to D.T.S. activities.

Statement of the Problem

SACCOS contributes around twenty per cent of the country savings in Kenya. Besides around sixty three per cent of the Kenyan populace relies on the SACCOS related activities for a living (Makori et al., 2013). Due to their unique nature and increasing rural outreach, SACCOS have been the leading source of credit for many Kenyans followed closely by banks (both commercial and microfinance banks) until the year 2015. This position however seem to have changed and commercial banks are now the leading source of credit despite the fact that their products are relatively expensive. Surprisingly, mobile bank loans which is a new player in the financial markets, seems to be doing much better compared to SACCOS ,(Republic of Kenya(R.o.K), 2016). This scenario may be taken to suggest that, either the SACCOS are losing their customers to other financial institutions or they are not able to appeal to a large number of customers in the market. R.o.K (2010) established that the SACCOS were experiencing fierce competition from banks and other microfinance organisations which offer services aimed at enticing SACCO members to switch from SACCOS to their businesses. Further, a decline in the growth of deposit and assets for DT-SACCOS in addition to increase in the number of dormant membership may be an indicator of declining performance (SASRA, 2018).

There are several researches that have been done in relation to performance of SACCOS in Kenya, (Kiragu, 2012; Mwangi 2015; Kivuvo and Olweny, 2014; Obure and Muturi, 2015). These studies however considered financial performance of SACCOS only. Machoki (2014) studied marketing strategies and SACCOS performance in Kenya. The study however considered only rebranding strategies. Boora and Singh (2011), states that organisations can utilize direct marketing strategiesto tailor marketing, resulting to improved

client'srelationships and enhancedclient loyalty. High customer loyalty leads to augmented growth and profitability. Studies shows that in the United States and Canada SACCOS use direct marketing tools to market their products, improve company's image, communication, and relationship management (Kiechel, 2010). In Kenya the use of social networks, mobile phones and internet marketing tool is a new development and there is scanty information in this area hence the need to investigate effects of direct marketing strategies on market performance of Deposit Taking SACCOS's in Nairobi City County, Kenya.

Research Hypotheses

The study used the following hypotheses to test the relationship between the study variables:

- H_{01} : Social media marketing has no significant effects on the market performance of Deposit Taking SACCOS's in Nairobi City County.
- H_{02} : Mobile phone marketing has no significant effects on the market performance of Deposit Taking SACCOS's in Nairobi City County.
- H_{04} : E-mail marketing has no significant effects of on the market performance of DTS's in Nairobi City County.
- H_{03} : Direct selling has no significant effects on the market performance of Deposit Taking SACCOS's in Nairobi City County.

LITERATURE REVIEW

Social Presence Theory

Social Presence Theory was developed by social psychologists John Short, Ederyn Williams, and Bruce Christie, in 1976. Social Presence Theory argues that media differ in the ability to convey the psychological perception that other people are physically present, due to the different ability of media to transmit visual and verbal cues. It measures media of communication in light of the level of familiarity with the other individual in a communication interaction. The theory asserts that, communication is viable if the medium

of communication provides the suitable social presence needed for the level of inter-personal engagement required for an activity. The way the message is sent and the way other people construes that information reveals social presence. Consequently social presence characterizes the manner in which members identify with each other which thus affect their capacity to convey information adequately (Burgoon and Walther, 2012).

Gronroos (2011) argues that communication through the internet produces low social presence, meaning customer sustains a diminishing sense that the communication includes another person. This can result lessened sentiments of loyalty, trust and perception of transaction safety. In a social presence theory view, negligible social manifestation can weaken trust in the purchasing procedure and, consequently, cut off potential sale (Nass and Moon, 2010). Social media goes far in overcoming the absence of social presence. Businesses can utilize the two-path communication of social media to react to clients swiftly and with customized reactions, particularly when it involves a consumer issue, to enhance social presence and cement the links (Park & Lee, 2009). This theory contributes to the all the four objectives of establishing the effect of each direct marketing strategy on market performance of Deposit Taking SACCOs in Nairobi City County, Kenya.

Empirical Literature Review

Nobre and Silva (2014) carried out a study on social media marketing strategy in small and medium enterprise in Portugal. The study investigated the advantages that the small and medium firms got from the advancement of social media marketing strategy. Small firms were defined as those with less than fifty employees and with a sales volume of ten million while the medium firms are those with fewer than two hundred and fifty workers and fifty million in sales. A qualitative approach including multi-case study was employed in this study. Four small and

medium enterprises were chosen to participate in the study. The information was gathered using semi-structured management interviews. The results demonstrated that Facebook can encourage correspondences between SMEs, organizations and clients in addition to being an imperative device for expanding awareness and generating brand recognition. This study recommended that SMEs can develop profits from social media marketing strategy specifically Facebook which was seen to the most imperative channel that empowered firms to upsurge imminent customers and furthermore offer the present clients a closer relationship to the organization. The research concluded that Facebook can be valuable, cheap, and vibrant part small and medium firms' business strategy. The success of this tactics however would require knowledge centre, a very much created Facebook design, a comprehension of study and the boldness to connect with the consumers in a significant way. However, this study failed to show how this communication improves market performance.

Roach (2009) conducted a study on perceptions of mobile phone marketing in Australia. The study employed a deductive quantitative methodical approach to address the research question and hypothesis proposed. Data was gathered using self-administered questionnaire. The researcher issued dispersed two hundred and seventy one questionnaires and those that were returned totalled two hundred and fifty four. Data collected was analysed through correlation and regression analysis. Research findings indicated that on innovation features and consumers approval of mobile phone marketing and relative advantage compatibility related positively with buyer's choice to embrace mobile phone marketing. Furthermore, the study findings indicated that a customer who puts high level of prominence and assign importance on their telephone will simply recognize this advancement as a direct marketing channel. Consequently, it can be

concluded that mobile phones offers customer's an important platform for carrying out economical and effective information search as a major aspect of their general buying decision. The study however, only concentrated on perceptions of mobile phone but did not show how this could not contribute improved market performance.

A study by Engling and Dinca, (2012) examined the impact of mobile marketing on the customer-brand relation. The general objective of the research was to upsurge understanding of how mobile marketing influence customer-brand relationship. A cross-sectional research design was adopted for this study. The data was analysed using qualitative content analysis and grounded analysis. The study found out that mobile banking has empowered the customer. The communication between customers and brands has turned into a two-way dialogue and consent based marketing, one to one marketing, customer engagement has become the major tools employed for forming customer relationships. The study concluded that mobile marketing contributes positively to the customer satisfaction. The study however concentrated customer satisfaction but

failed to show how this translates into improved sales or profits of the firm.

In their study, Eid and El-Gohary, (2013) examined the impact of e-mail marketing on marketing success of small business enterprises. The study adopted a survey research design. Three hundred and ninety one small businesses in the U.K. were selected randomly to form the sample. The study findings show that email marketing affects marketing performance and effectiveness of the small business enterprises. Email marketing was seen to generate new deals, new clients, developing new markets and good relationships, enhanced profitability and improved productivity. The study concluded that small businesses can enhance marketing performance and boost efficiency through cost lessening coming about because of the utilization email to carry out routine marketing tasks. This lessening of cost resulting from email utilization enhances the organization productivity which leads to better marketing. The study concentrated on contributions of email marketing on market performance of SME sector alone.

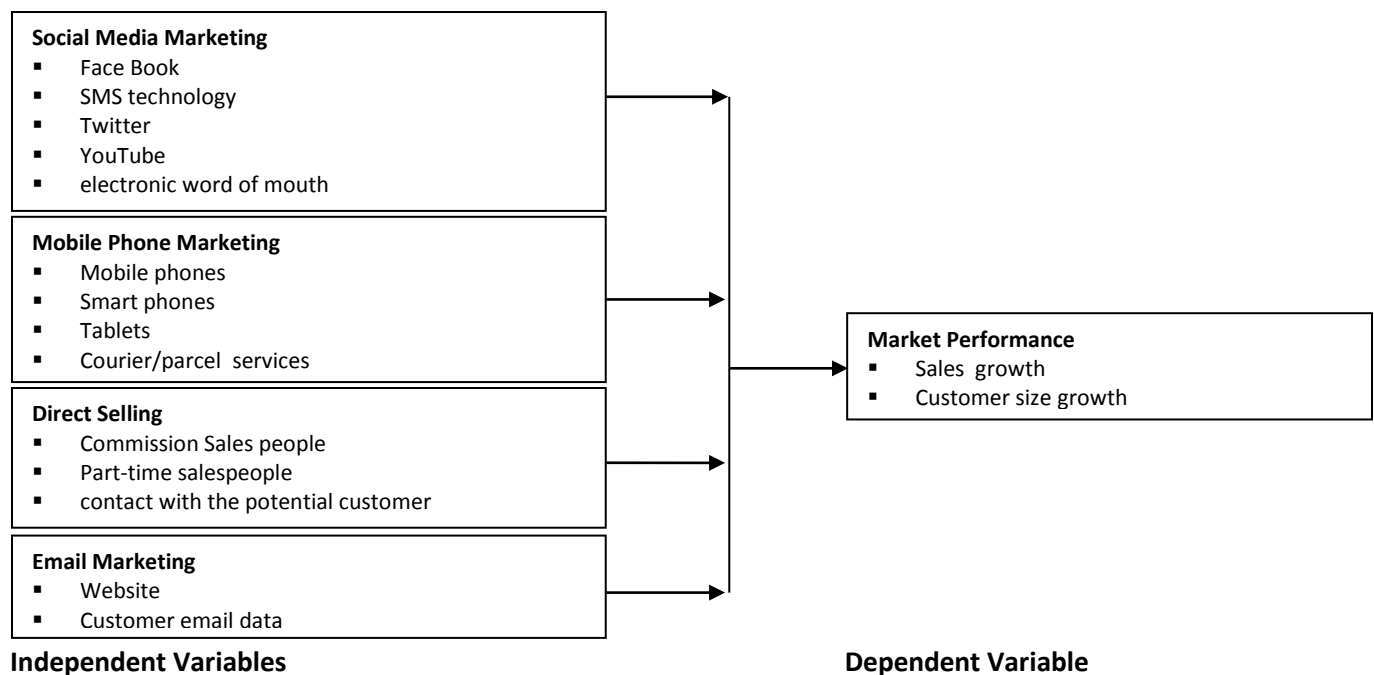


Figure 1: Conceptual Framework

METHODOLOGY

This study adopted explanatory research design. This was a census study of the forty marketing managers of forty DT-SACCOS operating as at 31st December 2018 in Nairobi County, Kenya. The reason for targeting these managers was because they are directly involved marketing activities of DT-SACCOS. Questionnaires were employed to collect data on the different variables under the investigation. Data was analyzed using both descriptive statistic and inferential statistics with the assistance of Statistical Package for Social Sciences (SPSS) computer software version 22. In descriptive statistic, measure of central tendency (mean) and measure of dispersion (standard deviation) were used while in inferential statistics correlation analysis and regression analysis. The Pearson correlation was also applied to establish the strength of the linear relationship between each of the independent variables and the dependent variables. T-test was used to determine the relative significance of each predictor variable (social media marketing, mobile phone marketing, direct selling, and email marketing) on market performance.

Multiple regression model was used to show the relationship between direct marketing strategies and market performance DT-SACCOS in Nairobi City County and was illustrated in mathematical equation as follow;

$$Y_i = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon \dots\dots\dots (1)$$

Where:

- Y = Market performance
- β_0 = intercept constant
- β_{1-4} = regression coefficients
- X₁ = Social media
- X₂ = Mobile phone marketing
- X₃ = Email marketing
- X₄ = Direct selling
- ϵ = Error term

FINDINGS AND DISCUSSION

Social media marketing

The respondents were asked to state their DT-SACCOS social media platform they used in their marketing strategies. Table 1 presents the study findings.

Table 1: Social media platform used by DT-SACCOS in their marketing strategies

Description	Mean	Std. Deviation
DT-SACCOS uses Facebook For Marketing	4.90	.305
DT-SACCOS uses Whatsapp For Marketing	4.87	.346
DT-SACCOS uses Blog For Marketing	4.27	.450
DT-SACCOS uses YouTube For Marketing	4.90	.305
DT-SACCOS uses LinkedIn For Marketing	4.47	.507
Aggregate mean score	4.68	0.383

Source: Survey data (2019)

According to table 1, the results indicated that the DT-SACCOS used Facebook and YouTube for marketing to greater extent with mean score of 4.9 and standard deviation of .305. WhatsApp was also used to a great extent with mean score of 4.87 standard deviation of 0.346. Blogs are used to a very great extent with mean score of 4.27 with standard deviation of 0.450 while LinkedIn are used

but to a great extent with mean score of 4.47 with standard deviation of .507. The use social media platform had an aggregate mean score of 4.68 and standard deviation of 0.383 indicating that social media platform were used to a great extent by the DT-SACCOS in their marketing strategies. The results showed that various social media platforms were used by DT-SACCOS in their direct marketing

strategies and this was attributed to the product/service. This was similar to Miller *et al*, (2009) who considered social media as significant due to the fact that it provided the interface amongst purchasers and the network and at the same time enabling of instant, asynchronous, relatively inexpensive and interactive communications

Table 2: Effect of Social Media on DT-SACCOS performance

Category	Mean	Std. Deviation
Social Media helps DT-SACCOS reach more people faster	4.70	0.714
Social Media helps DT-SACCOS facilitates communication with customers	4.47	0.718
Social Media helps DT-SACCOS reduce marketing cost	4.10	1.276
Social Media helps DT-SACCOS to send personalized content	4.23	0.907
Social Media helps DT-SACCOS to build relationships	4.73	0.728
Social Media helps DT-SACCOS to increase service level to customers	4.53	0.765
Social Media helps DT-SACCOS to increase outreach	4.43	0.828
Aggregate mean Score and Std. Dev.	4.46	0.848

Source: Survey data (2019)

According to table 2, the study findings showed that social media helped the DT-SACCOS to reach more people with mean score of 4.70 and standard deviation of 0.714. On the question of whether social media helped DT-SACCOS facilitate communication with customers, mean score was 4.47 and standard deviation of 0.718. It was established that social media helped DT-SACCOS reduce marketing cost to a high extent with mean score of 4.10 and standard deviation of 1.276. In addition, the analysis showed that social media helped to send personalized content to a high extent with mean score of 4.23 and standard deviation of 0.907. Social media was also seen to help DT-SACCOS to build relationships a high extent with mean score of 4.73 and standard deviation of 0.728. Similarly, social media helped DT-SACCOS to increase service level to customers to a high extent with mean score of 4.53 standard deviation of 0.765 while the statement that social media helped DT-SACCOS to increase outreach, to a high extent with a mean score of 4.43 and standard deviation of 0.828. An aggregate mean score of 4.46 with a standard deviation of 0.848 meant that there is

Effects of Social Media on DT-SACCOS Market Performance

The study sought to establish effects social media on the DT-SACCOS performance. Table 2 showed results of the findings.

an impact of social media on DT-SACCOS performance. The study therefore concluded that DT-SACCOS market performance is highly affected by use of social media. A high aggregate mean score of 4.46 supports this. There is a lesser variability as indicated by a smaller aggregate standard deviation of 0.848. This concurred with Miller *et al*, (2009) who found social media is considered significant due to the fact that it provides the interface amongst purchasers and the network and at the same time enabling of instant, asynchronous, relatively inexpensive and interactive communication and Vijay, Nobre, and Becker, (2013) who found that firms perceive that social networking shows another approach of interacting with clients, permitting the firm spread the interchanges, build up a reputation, and advance firm image.

Mobile Device the DT-SACCOS uses for communication and market performance

The study enquired on mobile device used by the DT-SACCOS for communication and marketing strategies. The results analysis was presented in Table 3.

Table 3: Mobile Device used DT-SACCOS

Description	Mean	Std. Deviation
DT-SACCOS uses Cellular Phone For Marketing	4.51	0.00
DT-SACCOS uses Smart Phone For Marketing	4.34	0.00
DT-SACCOS uses Tablet For Marketing	3.17	0.379
Aggregate mean score	4.00	0.126

Source: Survey data (2019)

According to figure 3, the findings of the study indicated high extent with mean score of 4.51 and standard deviation of 0. On the whether the DT-SACCOS use cellular and smart phones for communication and marketing efforts the mean score was 4.34 and the standard deviation with a standard deviation of 0. On the statement that use of tablets by DT-SACCOS in their marketing efforts respondent indicated very moderate extent with mean score of 3.17 and standard deviation of 0.379. An aggregate mean score of 4.0 with a standard deviation of 0.126 indicated that mobile device usage for communication by the DT-SACCOS in the marketing efforts with a high. The study therefore concluded

that there was a high usage of mobile device for communication. This was in line with Roach (2009) findings that indicated that on innovation features and consumers approval of mobile phone marketing and relative advantage compatibility related positively with buyer's choice to embrace mobile phone marketing.

Effect of Mobile Phone Marketing on Market Performance of DT-SACCOS

The respondents were required to state the effects of mobile phone marketing and the responses were analyzed in table 4.

Table 4: Effects of Mobile Marketing on Market Performance of DT-SACCOS

Description	Mean	Std. Deviation
Mobile marketing helps DT-SACCOS to increase customers responsiveness	4.83	0.791
Mobile marketing helps DT-SACCOS to improve loan Payment	4.77	0.817
Mobile marketing helps DT-SACCOS to decrease default rate	4.47	1.137
Mobile marketing helps DT-SACCOS to decrease arrears rate	4.27	1.112
Mobile marketing helps DT-SACCOS to customize content necessary for customer loyalty	4.80	0.761
Aggregate mean Score and Std. Dev.	4.63	0.924

Source: Survey data (2019)

The analysis in Table 4 showed that mobile marketing helped DT-SACCOS to increase customers' responsiveness to high extent with a mean score of 4.83 and standard deviation of 0.791 on the Likert scale. In regard to loan payment, the study showed that mobile phone marketing helps DT-SACCOS to high extent with mean score of 4.77 and standard deviation of 0.817. Mobile phone marketing helped DT-SACCOS to decrease default rate is moderately

with mean score of 4.47 and Std. Deviation of 0.817. Similarly, a mean score of 4.27 and standard of 1.112 indicated that DT-SACCOS were able to decrease arrears rate to a high extent. On whether mobile phone marketing helped DT-SACCOS to customize content necessary for customer loyalty, the study showed that there was high extent with mean score of 4.80 and standard deviation of 0.761. An aggregate mean score of 4.63 with a standard deviation of 0.924 indicating that e-mail marketing by the DT-SACCOS

greatly impacts the marketing performance. The study therefore concluded that usage of mobile phone marketing by the DT-SACCOS results to high effects on market performance. This was similar to Engling and Dinca, (2012) study that concluded that mobile marketing affects market performance of firms.

Effect of E-mail marketing on DT-SACCOS market performance

The study enquired on the extent to which various e-mail marketing elements influences DT-SACCOS market performance. The study results were presented in Table 5.

Table 5: Effects of E-mail marketing on market performance of DT-SACCOS

Description	Mean	Std. Dev.
Email Marketing elements help SACCOS to facilitate communication with customers	3.93	1.015
Email Marketing elements help SACCOS to improve communication performance	3.93	0.785
Email Marketing elements help SACCOS to audit communication streams	3.70	0.794
Email Marketing elements help SACCOS to reduce administrative costs	3.47	0.937
Email Marketing elements help SACCOS to reach wide range of customers	3.90	1.062
Email Marketing elements help SACCOS to facilitate promotion of its products	4.27	0.785
Aggregate mean Score and Std. Dev.	3.87	0.896

Source: Survey data (2019)

From table 5, the study results established that email marketing helped DT-SACCOS to facilitate communication with customers to moderate extent with mean score of 3.93 and standard deviation of 1.015. The findings also indicate that email marketing helps DT-SACCOS to improve communication performance to moderate extent with mean score of 3.93 and standard deviation of 0.785. Similarly, email marketing was found to help DT-SACCOS to audit communication streams, to a moderate extent with mean score of 3.70 and standard deviation of 0.794. The results indicate that email marketing help DT-SACCOS to reduce administrative costs to moderate extent equivalent to a mean score of 3.47 and standard deviation of 0.937. With a mean score of 3.90 and standard deviation of 1.062, it can be established that email marketing helped DT-SACCOS to reach wide range of customers to moderate extent. Further, email marketing help DT-SACCOS to

facilitate promotion of its products, the study showed that there is high extent with mean score of 4.27 and standard deviation of 0.785.

An aggregate mean score of 3.87 with a standard deviation of 0.896 means that e-mail marketing by the DT-SACCOS on market performance. It was therefore concluded that e-mail marketing usage by the DT-SACCOS does not greatly affect the market performance. This contradicted the findings by Eid and El-Gohary, (2013) that email marketing greatly impacts on the performance of firms in the United Kingdom.

Effect of Direct Selling on DT-SACCOS's Market Performance

The study enquired on the extent to which various direct selling influences DT-SACCOS's market performance of the. Table 6 showed the study findings.

Table 6: Direct selling influence on market performance in the DT-SACCOS

Category	Mean	Std. Deviation
Direct selling help the SACCOS to enhance its image	4.60	1.102
Direct selling help the SACCOS to facilitate personalized service to each customer	4.53	0.776
Direct selling help the SACCOS to enhance high level of customer satisfaction	4.53	0.860
Direct selling help the SACCOS to build relationship with the customers	4.33	0.922

Direct selling help the SACCOS to have fewer complaints from the customers	4.70	0.952
Aggregate mean Score and Std. Dev.	4.54	0.922

Source: Survey data (2019)

From table 6, the study showed that direct selling help the DT-SACCOS to enhance its image to a high extent with a mean score of 4.60 standard deviation of 1.102. The result findings also indicated that direct selling helps the DT-SACCOS to facilitate personalized service to each customer high extent with mean score of 4.53 standard deviation of 0.776. In addition, direct selling was found to help DT-SACCOS to enhance high level of customer satisfaction to high extent with mean score of 4.53 and standard deviation of 0.860. Similarly, direct selling was found helpful to the DT-SACCOS in building relationship with the customers moderately with mean score of 4.33 and standard deviation of 0.922. From the results direct selling help the DT-SACCOS to have fewer complaints from the customers highly with mean score of 4.70 and

standard deviation of 0.952. An aggregate mean score of 4.54 with a standard deviation of 0.922 means that there is impact direct selling by the DT-SACCOS on market performance. It can therefore be concluded that usage of direct selling by the DT-SACCOS results to high impact on market performance. The findings confirms findings of Mugenda and Kathuni (2012) study that use of direct selling strategy yields better results in improvement of sales in banks and other financial institutions.

Market performance of the DT-SACCOS

The study enquired on the extent to which market performance has been affected by direct marketing strategies in the DT-SACCOS. Table 7 presents study results.

Table 7: Market performance in the DT-SACCOS

Category	Mean	Std. Deviation
Direct Marketing in the SACCOS have reduced marketing cost	4.50	1.167
Direct Marketing in the SACCOS have enabled high profitability	4.77	0.679
Direct Marketing in the SACCOS have improved sales level	4.87	0.860
Direct Marketing in the SACCOS have enabled large customer base	4.50	0.820
Direct Marketing in the SACCOS have increased customer loyalty	4.90	0.548
Aggregate mean Score and Std. Dev.	4.71	0.815

Source: Survey data (2019)

The analysis in table 7 showed that direct marketing have reduced DT-SACCOS marketing cost to a high extent with mean score of 4.50 and standard deviation of 1.167. It was also found out that direct marketing in the DT-SACCOS have enabled high profitability with mean score of 4.77 and standard deviation of 0.679. Similarly, direct marketing in the DT-SACCOS was found to have improved sales level, to high extent with mean score of 4.87 and standard deviation of 0.860. With a mean score of 4.50 and standard deviation of 0.820 on the Likert scale, this is clear indication that direct marketing

have enabled large customer base in the DT-SACCOS. In addition, direct marketing in the DT-SACCOS have increased customer loyalty to high extent with mean score of 4.90 and standard deviation of 0.548.

An aggregate mean score of 4.71 with a standard deviation of 0.815 meaning that there is impact of direct marketing by the DT-SACCOS on marketing performance. It can therefore be concluded that usage of direct marketing by the DT-SACCOS results to high impact on market performance. This was in line with Direct Marketing Association (DMA), (2012), 78 per cent of all direct marketing strategies utilize

email. In addition, DMA reported direct marketing impact DT-SACCOS marketing performance contributes to high marketing returns on investment.

Correlation Analysis

The study sought to establish the correlation between the four independent variable (Social Media

marketing, Mobile phone marketing, Direct Selling, email marketing) with the dependent variable market performance. Various direct marketing strategies have affected market performance of the DT-SACCOS. Table 8 presents study findings.

Table 8: Bivariate Correlation analysis

Correlations		Market Performance
Social media marketing	Pearson Correlation	.592**
	Sig. (2-tailed)	.001
	N	30
Mobile phone marketing	Pearson Correlation	.506**
	Sig. (2-tailed)	.003
	N	30
Email marketing	Pearson Correlation	.488**
	Sig. (2-tailed)	.003
	N	30
Direct selling	Pearson Correlation	.677**
	Sig. (2-tailed)	.000
	N	30

Source: Survey data (2019)

The results affirmed that there is a statistically significant strong positive correlation between market performance and Social Media Marketing, ($r=0.592$; $p<0.001$), also there is a strong positive linear relationship between Mobile Phone Marketing and market performance as indicated by, ($r=0.506$; $p<0.003$). There exists a strong positive significant relationship between direct selling and market performance as it is revealed by ($r=0.488$; $p<0.003$). Finally there was a positive significant relationship

between Email Marketing and market performance ($r=0.677$; $p<0.000$).

Inferential Statistic

The initial tests were performed to help in identifying the best model in this study. The researcher carried out diagnostics test of normality and multicollinearity before regression model is determined. This study utilized Shapiro-Wilk test to confirm normality which assumed in many statistical analyses. The results tests were presented in table 9.

Table 9: Shapiro Wilk test on marketing performance

	Tests of Normality					
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Marketing Performance	.129	30	.200*	.979	30	.811

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

Source: Survey data (2019)

The test statistics were shown in table 9; the two tests of Kolmogorov-Smirnov and Shapiro-Wilk are

shown. Since the data set was made up of thirty (30) elements, Shapiro-Wilk test Shapiro-Wilk test was

used for this study. As shown in the table, the p-value was $0.811 > 0.05$. The alternative hypothesis was rejected and the study concluded that the data came from a normal distribution. On the other hand multicollinearity tests if there are similarities in the independent variables in regression analysis. It is a

problem that occurs if there is a high correlation of at least independent variable with a combination of the other independent variables exists. A VIF value ranging between 1 and 10 indicated that multicollinearity was absent.

Table 10: Multicollinearity Test

Model	Tolerance	VIF
direct selling	.694	1.441
email marketing	.279	3.580
mobile phone marketing	.209	4.795
Social Media Marketing	.186	5.382

Source: Survey data (2019)

Based on the results from Table 10, social media marketing had a tolerance of .186 and VIF of 5.382, mobile phone marketing had a tolerance of .209 and VIF of 4.795, direct selling had a tolerance of .694 and tolerance of 1.441, email marketing had a tolerance of .279 and VIF of 3.580. From the results variance inflation factors are less than 5 while tolerance values were above 0.1 this means that the independent variables, are not highly correlated. According to Belsley, et al., (2004), a tolerance with a value above 0.1 means there is little multi-collinearity, whereas a

value close to 0 suggests that multi-collinearity exists. On the other hand, according to Gujarati (2007), a VIF of more than 10 indicates a problem of multi-collinearity. Therefore, it can be concluded that there was no multi-collinearity.

A linear regression between the four independent variable (Social Media marketing, Mobile phone marketing, Direct Selling, email marketing) with the dependent variable marketing performance was conducted. The results of the findings are shown in Table 11.

Table 11: Model Summary

Model Summary	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.831 ^a	.691	.675	0.144

a. Predictors: (Constant), Social Media marketing, Mobile phone marketing, Direct Selling, email marketing

Source: Survey data (2019)

Table 11 presented the model summary where Adjusted R squared is coefficient of determination which tell us the variation in the dependent variable due to changes in the independent variable, from the findings in the above table the value of R squared was 0.691 an indication that there was variation of 69.1% on market performance due to changes in the independent variable which are social media marketing, mobile phone marketing, direct selling, email marketing. This showed that 69.1% changes in

DT-SACCOS performance could be accounted for by social media marketing, mobile phone marketing, direct selling and email marketing at 95% confidence interval. R is the correlation coefficient which showed the relationship between the study variable. From the findings shown in the table 11 there was a strong positive relationship between the study variable as shown by 0.831.

Further the analysis of variance (ANOVA) was done which describes the total variance accounted for in the model.

Table 12: Analysis of Variance

Model	Sum of Squares	Df	Mean square	F	Sig.
Regression	10.252	4	1.894	13.976	.000
Residual	7.089	25	0.0086		
Total	17.341	29			

a. Dependent Variable: Marketing Performance

b. Predictors: (Constant), Social Media Marketing, Mobile Phone Marketing, Direct Selling, email marketing

Source: Survey data (2019)

The results of the ANOVA for the regression model used showed an F statistic of 13.976 that had a significance level of 0.000 which was less than 0.05. This meant that the null hypothesis was rejected and concluded that there was a significant joint influence of the independent variables when taken together. This implied that the coefficients fitted in the multiple regression models were not equal to zero. Therefore, the model used was a good fit for the variables being tested. The finding meant that the four effects of

direct marketing strategies (Social Media marketing, Mobile phone marketing, Direct Selling, email marketing) on market performance of DT-SACCOS in Nairobi City County using the forward selection method had a significant growth branches which proxy indicators of marketing performance of DT-SACCOS in Nairobi City County.

A regression equation was developed based on the coefficients in table 13.

Table 13: Regression Coefficients

Model	Coefficients ^a					
	Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig.	
	B	Std. Error				
1	(Constant)	2.048	0.433		2.120	.0032
	Social Media marketing	.402	.058	.058	0.581	.000
	Mobile phone marketing	.451	.041	.041	0.368	.000
	Email marketing	0.056	.065	.065	.071	.035
	Direct selling	0.177	.067	.067	0.051	.001

a. Dependent Variable: Marketing performance

Source: Survey data (2019)

The established regression equation for market performance of DT-SACCOS's was:

$Y(\text{market performance}) = 2.048 + 0.402 \text{ Social media marketing} + 0.451 \text{ Mobile phone marketing} + 0.056 \text{ Email marketing} + 0.177 \text{ Direct selling} + \text{error term}$

From the above regression equation it was revealed that holding social media marketing, mobile phone

marketing, direct selling, email marketing at 95% confidence interval to a constant zero, market performance of the SACCOS's would stand at 2.048, a unit increase in one unit social media marketing would lead to increase in market performance by a factor of 0.402; a unit increase in mobile phone marketing would lead to increase in market performance by a factor of 0.451; a unit increase in

email marketing would lead to increase in market performance by a factors of 0.056; unit increase in direct selling would lead to increase in market performance by a factors of 0.177. All the predictor variables were significant in the model as their probability values were less than $\alpha=0.05$.

Hypothesis Testing

The first research objective was to establish the effect of social media marketing on market performance of DT-SACCOS in Nairobi City County, Kenya. The null hypothesis was stated as: H_{01} : There is no significant effect of social media marketing on the market performance of DT-SACCOS's in Nairobi City County. The study used multiple linear regression analysis, and result showed that was significant at 0.000 because p-value was less than 0.005 and therefore we rejected null hypothesis and conclude that social media marketing has a significant effect on the market performance of DT-SACCOS's

The second research objective was to determine the effect of mobile phone marketing on market performance Deposit Taking SACCOS's Nairobi City County, Kenya. The null hypothesis was stated as: H_{02} : There is no significant effect of mobile phone marketing on the market performance of DT-SACCOS in Nairobi City County. The study used multiple linear regression analysis, and result showed that is significant at 0.0035 because p-value is less than 0.005 and therefore null hypothesis is rejected and conclude that mobile phone marketing has significant effect on the market performance of DT-SACCOS

The third research objective was established the effect of e-mail marketing on market performance of DT-SACCOS's in Nairobi City County, Kenya. The null hypothesis was stated as: H_{03} : There is no significant effect of e-mail marketing on the market performance of DT-SACCOS's in Nairobi City County. The study used multiple linear regression analysis, and result show that was significant at 0.001 because p-value is less than 0.005 and therefore null

hypothesis was rejected and concluded that e-mail marketing has a significant effect on the market performance of Deposit Taking SACCOS's

The fourth research objective was to assess the effects of direct selling on market performance of DT-SACCOS's in Nairobi City County, Kenya. The null hypothesis was stated as: H_{04} : There is no significant effect of direct selling on the market performance of DT-SACCOS's in Nairobi City County. The study used multiple linear regression analysis, and result showed that was significant at 0.000 because p-value is less than 0.005 and therefore null hypothesis was rejected and concluded that direct selling has a significant effect on the market performance of DT-SACCOS

CONCLUSION

First, the study established there was positive correlation between social media marketing and market performance of DT-SACCOS. The study further established that social media marketing facilitates communication with customers and enables the DT-SACCOS to send personalized content which results to increased sales. In addition social media reduces marketing costs of DT-SACCOS. At the same time adoption of social media was found to increase the service levels to customers and build strong relationship with them which would in return translate to increased sales and expanded market share. The study therefore concludes that embracing social media marketing can greatly improve DT-SACCOS market performance.

Secondly, the findings indicated that there was positive correlation between mobile phone marketing and market performance of DT-SACCOS. The results further showed that mobile phone marketing that improved repayment and reduced default rate as result employing. With decreased default rate, the profitability of the DT-SACCOS is enhanced contributing to further growth of these organizations. The ability of DT-SACCOS to customize content

through mobile phone marketing increased customer loyalty encouraging repeat purchase hence increased sales and higher market performance of DT-SACCOS. The study therefore concluded that mobile phone marketing is significant in improving market performance of DT-SACCOS.

Thirdly results of the study confirmed that there was positive correlation between email marketing and market performance. Email marketing was found to have significant effect market performance of DT-SACCOS. Further the study established that email marketing facilitate communication with customers leading to improved communication performance. In addition email marketing was found to reduce administrative costs and enhance DT-SACCOS' ability to reach a wide range of customers facilitating promotion of SACCOS products. Email marketing generates new deals, new clients, developing new markets and good relationships, enhanced profitability and improved productivity. The study therefore concludes that email marketing contributes to improved market performance of DT-SACCOS.

Fourthly, the study findings showed that there is positive correlation between and direct market performance of DT-SACCOS. The findings on the study established that direct marketing contributes greatly to the improvement of market performance of DT-SACCOS. Engagement of direct sales representatives by these organizations enabled the DT-SACCOS to improve image and to personalized service to their customers leading high satisfaction translating to increased sales. In addition, the study established that direct selling contributed greatly to the reduction

customer complaints and building of strong relationship with DT-SACCOS. The direct consequence of this was increased and sale and improved market performance. The study therefore concludes that employment of direct selling has significant effect on market performance of DT-SACCOS.

RECOMMENDATIONS

The study recommended that DT-SACCOS should fully utilize social media marketing in its marketing effort to build and maintain strong relationship with current and potential customers. This would go a long way in expanding the DT-SACCOS' market share as well improve its profitability. The DT-SACCOS should also be innovative and create products and social media groups accessible to the clients and encourage interactions. The study also recommends that DT-SACCOS should utilize a mix direct marketing strategies to achieve significant results. This is informed by the findings that social media marketing, email marketing, mobile phone marketing and direct selling jointly influenced the performance of DT-SACCOS.

For policy makers this study recommended that it is necessary to develop a regulatory framework that promotes the use of social media, mobile phones and emails marketing by the DT-SACCOS. This would go a long way in creating confidence among the clients who are sometimes hesitant to embrace the new technologies citing security threats and other risks. This would also enable the DT-SACCOS to collect the necessary from customers to create database that is key to adoption of the social media, mobile phones and email marketing.

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