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Clients Perception of the Role of Marketing Strategies on Profitability of Savings and Credits Cooperative Societies (SACCOS) in Dodoma City, Tanzania

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08 June 2021 This study assessed the clients' perception of the role of marketing strategies on the profitability of SACCOS in Dodoma city, Tanzania. The study specifically examined the influence of product, service delivery, price, promotion, and place strategies on the profitability of SACCOS. This study used the descriptive and explanatory design where the regression analysis was used to determine the relationship between the marketing strategies and profitability of SACCOS. The information was collected from the 112 clients of SACCOS using the systematic sampling technique. Data were collected through a questionnaire and were analysed by Statistical Package for Social Science (SPSS). The findings revealed that clients perceived that the product, service delivery, pricing and place strategies influenced negatively and significantly the profitability of SACCOS in Dodoma City. Therefore, this study recommends that the SACCOS management continue improving the marketing strategies tools for sustainable profitability of SACCOS in Dodoma City.

Keywords:
*Clients Perception,
Marketing Strategies,
Profitability Of SACCOS,
Tanzania.*

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INTRODUCTION

Marketing strategies foster the ability of the organisation to reach the public (Ngaka, 2019). Marketing activities are demanded aspects in the microfinance sector due to increased competition (Mutua and Murigi, 2019). The marketing function integrates the use of a variety of marketing tools and processes to achieve the firm's goal (Abiodun and Kolade, 2020). The organisation achieves higher performance if it uses effectively the marketing tools (Anania and Rwekaza, 2018).

According to Oloko et al. (2014), a marketing strategy is a plan that guides the implementation of the goals of the business organisations. Product, price, promotion and place are the four elements of the core product marketing mix strategies (Kotler and Keller, 2006). These elements are also known as 4Ps. However, people, processes and physical evidence are used as marketing strategies for the services. Oloko et al. (2014) argued that poor marketing strategy limits the profitability of the business firm. This notion has been confirmed by many scholars. For instance, Daniel (2018) regarded a marketing strategy as an instrument for achieving a holistic firm's performance. Abiodun and Kolade (2020) exhibited that price, promotion, product and packaging, strategies as business performance indicators.

The Savings and Credit Co-operative Societies (SACCOS) are the self-help, democratic, unique member-driven financial cooperatives. They are formed, owned, governed and managed by members who have the same common bond uniting them. The bond can be strengthened through working for the same employer, belonging to the same church,

labour union, social group, or producing and marketing the same products in the community (Absanto & Aikaruwa, 2013).

SACCOS performance is quite challenging based on the nature of market strategies employed. Profitability is used as one of the quantitative measures of the SACCOS performance (Murangiri and Wario, 2014). Other quantitative measures of SACCOS performance are returns on assets, and returns on equity. The lack of effective market strategies may accelerate the poor performance of SACCOS (Kiura, 2016). Contrary, the use of market strategy increases the number of potential customers for the SACCOS (Kwizera, 2011). SACCOS apply the marketing strategy to increase its sales, profit and asset investment (Shisia, Marangu & Omwario, 2014).

The products must be competitive to promote organisational performance (Nyongesa, 2018). They should cover the organisational marketing scope (Hien, 2008). For the SACCOS, the scope of products consists of loans, savings, deposits and shares (Nyamsogoro, 2010; Mwakajumilo, 2011). Moreover, to achieve higher performance, the business firm should integrate diverse core products and service marketing strategies (Muchena et al., 2016).

Various studies on the role of marketing strategies on Microfinance Institutions (MFIs) performance concentrate on promotion, publicity and advertisement, product expansion and positioning strategies. Others focus on 4Ps marketing strategies such as product, price, promotion and place; service marketing, relationship marketing and competition strategies (Murangiri and Wario, 2014;

Jayashankarand Goedegebuure, 2011; Nyongesa, 2018; Murugi, 2017; Homaid, Minai and Faaeq, 2019; Wondirad, 2020).

Marketing strategy studies done in SACCOS assess dissimilar variables. Moreover, the literature indicates that diverse studies from Kenya have analysed competitive marketing strategies composing of focus, cost leadership and differentiation (Njoki, 2019). Jeje (2015) linked the increment of SACCOS members and product and market development. Other marketing strategy variables that are linked with performance are customer concentration strategy (Kavulya et al., 2018), core products and service marketing strategies (Muchena et al., 2016), service differentiation strategies (Mbugua and Kinyua, 2020). Moreover, Kipkosgei and Njeru (2014) focused on the influence of new product development strategies. The literature shows that only Ngaka (2019) explored the marketing strategies used by CRDB bank to attract new and retain existing customers in Tanzania. Therefore, the literature shows that none of the studies was done in SACCOS in Tanzania to analyse how marketing strategies influence the profitability of SACCOS. Therefore, this study concentrated on SACCOS clients' perception of how the marketing strategies influence the profitability of SACCOS in Dodoma City, Tanzania.

Lack of marketing strategies has been identified as a major obstacle to the SACCOS members' expansion (Mwakajumilo, 2011; Mashal, 2018). The number of SACCOS' members in February 2021 was approximately 2500, which was almost only 1.4% of the Dodoma City population (Tanzania Cooperatives Development Commission-TCDC, 2021; Dodoma City Profile, 2021). Based on the low number of members of SACCOS in the city, the authors question whether SACCOS recognise the role of marketing strategies in increasing members and promoting their performance in Dodoma City. These questions

triggered the researchers to conduct this study to assess the same.

LITERATURE REVIEW

This section presents the theoretical, empirical literature which assesses the role of marketing strategies on profitability or performance from global perspectives and Tanzania.

The Model of Competitive Advantage

This model states that competitive advantage is based on the factors that permit a company to produce goods or services better or more cheaply than its rivals. These factors provide an opportunity to generate more sales or superior margins compared to its market rivals (Nair & Bhattacharyya, 2019). Competitive advantage is originated from the work of Michael Porter in 1985 who focused on producing a sustainable competitive advantage in his company. The variables of the model are competitors, firm, firm asset, financial fees, price, location, quality, selection, speed, turnaround and service (Kotler & Keller, 2006).

Al Shobaki and Abu-Naser (2017) argued that the competitive advantages model had been advanced to capture the strategy for low cost and differentiation. This has developed to capture the element of innovation and competitive advantage (Anning-Dorson, 2018). Kearns and Lederer (2000) avowed that information intensity creates a competitive advantage. Competitive advantage can be assessed on the level of customer satisfaction for products or services (Zhou et al., 2009). The competitive advantage helps the business firm deal to sustain itself in the competitive environment and hence maintaining the business performance (Kalmuk & Acar, 2015).

The model of competitive advantage helps SACCOS to design the effective utilisation of their resources. On the other hand, SACCOS may use the competitive advantage model to differentiate each other and compete effectively. It may disburse loans

at a shorter time than other SACCOS while maintaining the loan portfolio quality. These strategies can include offering good customer care services to external customers, debtors and members. The study treats the marketing strategies as competitive resources to promote the SACCOS performance.

Empirical Literature Review

The literature review covers the study done to assess the influence of marketing strategies on MFIs performance and those done to assess the influence of marketing strategies on SACCOS performance.

Marketing Strategies and MFIs Performance

Murangiri and Wario (2014) examined how the MFIs' performance in Kenya was influenced by the marketing mix. The study used the Pearson correlation analysis, 13 and 60 marketing managers and business development officers participated in the study. The findings revealed that sales promotion, publicity and advertisement influenced the performance of MFIs. However, the results found that the influence of pricing strategies on profitability was insignificant, but the influence of pricing strategy on marketing share was confirmed. This study did not cover the product and place strategies.

Jayashankar and Goedegebuure (2011) by using the regression analysis and 177 MFIs clients, found that there was a strong connection between the marketing strategy components and the social performance of Indian MFIs. The findings exposed that product expansion and positioning strategy components had a higher influence on social than relationship plan elements. The promotional and product strategies were not covered.

Murugi (2017) assessed the influence of marketing strategies on the growth of MFIs in Kenya through descriptive and qualitative analysis where the sample size of 13 respondents participated in the study. The study revealed that the 4Ps marketing

strategies such as product, price, promotion and place and service marketing strategies which are processes, people and physical evidence promoted the growth of MFIs in Kenya. However, the study did not cover the customer service marketing strategies.

Brafu-Insaidoo and Ahiakpor (2011) applied descriptive statistics to examine the level of a marketing orientation for MFIs in Ghana. The study disclosed that some MFIs in Ghana were not market-oriented in the services delivery. For instance, 2 of the 6 MFIs asserted that they did not prepare the marketing plans and 3 of them lacked the marketing objectives.

Khandker, Koolwal and Badruddoza (2013) found the interest rate is the major determinant of the MFIs sustainability. The study argued that it could be used as a pricing strategy to attract clients of MFIs in Bangladesh. The study stressed that improper computing of the interest rate might threaten the new MFIs and discourage clients, especially when the performance of MFIs was poor.

Ibok and Etuk (2013) unveiled that MF banks in Akwa Ibom State in Nigeria possessed low knowledge in marketing. The study further witnessed the significant and positive correlation between marketing orientation and marketing function performance. Nyongesa (2018) affirmed that relationship marketing promoted both social performance and customer retention in the MFIs in Kenya. The findings, however, did not ascertain the relationship between the IT features and retention of MFIs customers.

Wondirad (2020) examined the influence of competition on (MFIs) financial and social performances using 183 Indian MFIs. The findings indicated that competition moderated the social and financial performance of MFIs positively. Homaid, Minai and Faaeq (2019) found that marketing orientation components responsiveness and dissemination of intelligence determined the

performance of MFIs while generation of intelligence dimension's influence was insignificant.

Ngaka (2019) explored the marketing strategies used by CRDB bank Azikiwe branch in Dar es salaam, Tanzania. The study revealed that CRDB the applied products and pricing strategies to overcome its competitors. One of the strategies was to use the current technologies when providing its services. Moreover, the use of social media and advertisements were used as promotional strategies to fascinate new customers and to enhance the retention of the customers.

Marketing Strategies and SACCOS Performance

Jeje (2015) affirmed that the increment of SACCOS members contributed to the product and market development of SACCOS in Kenya. The study used regression analysis and 167 members of SACCOS participated in the study. Mutua and Murigi (2019) established that business growth strategies particularly, cost leadership, market focus, product differentiation and product innovation, positively and significantly influenced Kitui County's SACCOS performance. The study used correlation and regression analysis and 65 clients of SACCOS were involved in the study.

Njoki (2019) applied the correlation and regression analysis to examine the association between the competitive strategies (differentiation, cost leadership and focus competitive strategies) and turnover. The study used eight active SACCOS and 64 clients. The findings disclosed that all the three variables of the competitive market strategy were positive and significant. Mbai (2007) examined the Mwalimu SACCOS competitive strategies using descriptive analysis and a sample size of 20 management teams. The findings indicated that the SACCOS applied the competitive strategies of focus, product differentiation and cost leadership unequally. Ngatia, Muya and Ngacho (2018) used 214 clients who were managers, accountants,

tellers, human resource and marketing officers and descriptive, correlation and regression analysis to investigate the connection between the competitive marketing strategies and performance of Mwalimu SACCOS in Kenya. The findings confirmed the positive and significant association between the competitive strategies and the performance of Mwalimu SACCOS.

Kavulya et al. (2018) found that both correlation and regression analysis exhibited that customer concentration strategy influence the SACCOS performance in Kenya both positively and significantly. The questionnaires were distributed to 181 SACCOS. Muchena et al. (2016) applied the 80 managers and descriptive analysis to examine the SACCOS products, promotions, asset strategic and controlling prices and services strategies. The findings revealed that on average, the SACCOS applied the listed strategies to enhance their competitiveness, despite there were weaknesses on some of the strategy items. These include training on loan management, language barrier, and training in investment analysis.

Mbugua and Kinyua (2020) examined the relationship between service differentiation and performance where 123 Kenyan deposit-taking SACCOS were involved. Descriptive statistics and regression analysis were used to analyse the data. The study revealed that provision of consistent service, commissions, incentives, distinguished mobile financial services and customer's complaints handling influenced positively and significantly the performance of the deposit-taking SACCOS.

Sagwa and Kembu (2016) examined the influence of the competitive strategy of the 42-deposit taking SACCOS (DTS) of the Nairobi count in Kenya by using resource-based view theory and regression analysis. The findings indicated a positive and significant relationship between differentiation, focus and cost leadership and SACCOS performance. Kipkosgei and Njeru (2014) analysed

the influence of new product development and new SACCOS clients' attraction in Kenya. The study involved 5 SACCOS and 384 clients, descriptive and chi-square data analysis were applied. The findings revealed that 78% of the clients agreed that new customers are attracted by the new products and services. The chi-square test confirmed that new product development influenced new potential clients to join SACCOS.

Some studies analysed the determinants of the SACCOS performance without linking with the market strategy. For instance, Yitayaw (2021) analysed the determinants how profitability and SACCOS financial sustainability in Ethiopia. But only the variables of mobilisation of deposits, loan-to-deposit ratio and managerial efficiency were considered. Ndiege et al. (2016) linked the performance of SACCOS in Tanzania (measured by profitability) with loan repayment performance. Nthaga (2017) connected the variables of profitability and sustainability of SACCOS with return on assets, mobilisation of deposit, current ratio, capital structure, and size of membership. Marwa and Aziakpono (2014) aligned the profitability and efficiency of SACCOS.

Similarly, the studies on the role of marketing strategies on MFIs performance have focused on diverse variables. For instance, Murangiri and Wario (2014) assessed the interrelation between that sales promotion, publicity and advertisement and MFIs profitability. Jayashankar and Goedegebuure (2011) investigated the relationship between product expansion and positioning and social performance. Nyongesa (2018) measured the link between marketing and social performance. Murugi (2017) analysed how 4Ps marketing strategies such as product, price, promotion and place and service marketing strategies which are processes, people and physical evidence promoted the growth. Homaid, Minai and Faaeq (2019) evaluated how marketing orientation influenced the MFIs performance. Wondirad (2020) examined the

influence of competition on (MFIs) financial and social performances.

The analysis from the literature indicates that diverse studies from Kenya have analysed how competitive marketing strategies of focus, cost leadership, and differentiation influenced the performance of SACCOS. These studies include Mbai (2007); Sagwa and Kemu (2016); Ngatia, Muya and Ngacho (2018); Njoki (2019). Other variables considered to influence SACCOS performance in Kenya were customer concentration strategy (Kavulya et al., 2018), core products and service marketing strategies (Muchena et al., 2016), service differentiation strategies (Mbugua and Kinyua, 2020). Moreover, Kipkosgei and Njeru (2014) focused on the influence of new product development strategies.

The literature indicates that the variables covered previously do not assess the clients' perceptions of the role of marketing strategies on promoting the profitability of SACCOS. Assessment of the perception of SACCOS clients on the adequacy of marketing strategies is essential to boost the profitability of SACCOS. This study analysed how the perceived good products, services delivery, pricing, promotion and distribution/place strategies influence the profitability of SACCOS in Dodoma City. From the literature, we find that only Ngaka (2019) explored the marketing strategies used by CRDB bank Azikiwe branch in Dar es Salaam in Tanzania. The study specifically analysed what factors attract new customers and retain the existing customers. Ngaka (2019) focused only on the three strategies (products, pricing and promotion). Ngaka (2019) also conducted the study in a commercial bank that is fully formal and regulated. In this study, we perceive that it is essential to analyse how the marketing strategies promote the profitability of SACCOS which are semi-financial institutions. Based on our knowledge, this is the first study that assesses the influence of marketing strategies on the profitability of SACCOS in Tanzania.

RESEARCH METHODOLOGY

This study applied the descriptive method to analyse demographic and other descriptive variables while the regression analysis was used to determine the relationship between the marketing strategies and profitability of SACCOS in Dodoma City. The study also used a cross-sectional design where data were collected only at once. This design is chosen because of limited research time and funds. The target population for this study was the number of SACCOS in Dodoma City, which was 55. The total number of SACCOS clients in the city in 2020 were 11,237 (males 5894, females 5093 and 250 groups).

This study used a purposive sampling procedure to sample SACCOS for the survey. This research was

conducted in *Kanisa la Kiinjili la Kilutheri Tanzania* or Evangelical Lutheran Church in Tanzania (KKKT) Arusha Road, KKKT women, Gema, College of Business Administration (CBE) and Tanzania Meteorological Agency (TMA) SACCOS LTD located in Dodoma City. These SACCOS were selected because the two were the best performing while the remaining three were the poor performing SACCOS. The clients from the SACCOS were selected using systematic random sampling. The sample size of 10% of the population from each SACCOS was drawn for the survey. Bullen (2014) maintained that a sample of 10% of the population is approved for the analysis of data. Data were collected using the structured questionnaire and the survey technique was applied.

Table 1: Sample Size Distribution

SACCOS name	Total clients			Sample size
	Males	Female	Total	10%
KKKT Women SACCOS Ltd	0	114	114	12
GEMA SACCOS	22	66	88	10
KKKT Arusha road SACCOS	302	379	681	70
TMA SACCOS	46	28	74	10
CBE SACCOS	51	40	91	10
Total	1103	1335	2455	112

Data were processed manually and edited to check for errors, omissions and outliers before coding. The analysis of data was done using Statistical Package for Social Science (SPSS) version 20. Both descriptive and multiple regression were used to analyse data.

The Multiple Linear Regression model is written as follows;

$$y_i = B_0 + B_1x_{i1} + B_2x_{i2} + B_3x_{i3} + B_4x_{i4} + B_5x_{i5} + E$$

Where; y_i = dependent variable – SACCOS Profitability; x_{i1} = Clients’ perception of Product strategies; x_{i2} = Clients’ perception of Service delivery strategies; x_{i3} = Clients’ perception of Pricing strategies; x_{i4} = Clients’ perception of Promotion strategies; x_{i5} = Clients’ perception of

Place strategies; E = random error in prediction, that is the variance that cannot be accurately predicted by the model; also known as residuals. B_0 = y-intercept at time zero. B_1 - B_5 are the regression coefficient that measures a unit change in the dependent variable when x_{i1} changes.

The multiple regression model was tested against the assumptions of normality, linearity, homoscedasticity, multicollinearity and autocorrelation. The researchers traced the questionnaires from the previous studies to make the comparison of questions and ensured that the questions match with the theory and the response was easy to correct (criterion and content validity). The questions were also assessed to ensure that they address well the variables of the specific objectives. Pre-testing of the questionnaire also was done to

enhance the questionnaire's validity. The reliability was measured by using Cronbach Alpha, in which reliability above 0.7 was suitable (Quansah, 2017).

The researchers adhered to important ethical considerations such as obtaining the research clearance, seeking the respondents' consent before data collection and maintaining anonymity. The study also avoided data fabrication, falsification and plagiarism.

RESULTS AND DISCUSSION

The study registered a 100% of response rate. The presentation of the results is done starting with the client's demographic information. Later the regression analysis availed the connection between the market strategies variables and profitability of SACCOS.

Demographic Information of SACCOS' Clients

This section presents respondents in terms of gender, age, marital status, number of years borrowed in the SACCOS, number of dependents, education level and loan activity. Then we discuss how the demographic information relates to marketing strategies and SACCOS profitability.

Findings in *Table 2* revealed that about 58.9% of respondents were males compared to 41.1% female counterparty. These findings imply that the market strategies of SACCOS are needed for both males and females. These findings are significantly related to what was suggested by Nyamsogoro (2010) that marketing strategies are grounded to affect the opinions of both males and females.

Table 2: Demographic information of the SACCOS' clients

Demographic information		Frequency	Percent
Gender	Male	66	58.9
	Female	46	41.1
Age	18-30	9	8.0
	31-40	61	54.5
	41-50	42	37.5
Marital Status	Single	29	25.9
	Married	75	67.0
	Divorced/separated	7	6.2
	Widow	1	.9
Education	Primary	35	31.2
	Secondary	33	29.5
	Certificate	7	6.2
	Diploma	15	13.4
	University	22	19.6

Findings in *Table 2* presents respondents in terms of age, a large proportion (54.5%) appeared in the age group between 31-40 years, followed by 37.5% in the age group between 41-50 years and a small proportion (8%) were found in the age group between 18-30 years. These findings imply that majority of SACCOS members were found in the

active age group who can use the financial resources to produce more. Similar findings were revealed by Murangiri and Wario (2014) who argued that the active age group participate more in marketing activities.

Respondents' distribution by marital status is presented in *Table 2*. The data shows that the majority (67%) of respondents were married, compared to 25.9% who appeared to be single, while a small proportion (6.2%) were divorced/separated and about 9% were widows. These findings imply that SACCOS members were mainly composed of married people because of family responsibility accomplishment. Nyongesa (2018) reported that most of the SACCOS are composed of married people because of two reasons; firstly, family responsibilities make married couples participate in SACCOS to access the financial capital and in some instances, being married can act as social collateral.

Findings in *Table 2* presents the education level of respondents, the majority (31.2%) had primary education level, followed by 29.5% who had secondary education, about 19.6% had University education and minority 13.4% had a diploma and a slight minority (6.2%) had the certificate. These findings imply that SACCOS members appeared in the majority to have primary education because of being compulsory in Tanzania. Ngaka (2019) argued that education level provides more knowledge and experience to provide argument and suggestion. This is because it is termed to have at least basic and necessary education as an important catalyst of human development. Possession of the primary level of education promotes SACCOS to apply the marketing strategies to promote its profitability.

The Influence of Product Strategies on the Profitability of SACCOS in Dodoma City

Mean scores were computed from the respondents level of agreement on the influence of product, service delivery pricing, promotion and place strategies on in profitability of SACCOS in Dodoma City. A mean score of 5 indicates strongly agree, 4-agree, 3-Neutral, 2 disagree and 1-strongly disagree. The means score analysis on the study findings showed that a large proportion of respondents disagreed that the procedure for loan appraisal was fair as indicated by a mean of 2.7411, the amount of loan issued was not sufficient as indicated by mean of 2.3304, the repayment schedule for the loan was not convenient as shown by a mean of 2.4018, However, respondents were satisfied with the means of loan repayment. For example, cash/mobile money as shown by a mean of 3.7768, the loan recovery procedures were not convenient as indicated by a mean score of 2.1964. Also, respondents were not satisfied by the MFIs effort to facilitate the availability of health insurance services for clients as shown by a mean of 2.7054. Similarly, respondents were not satisfied by the type of training provided by SACCOS as shown by a mean of 2.1518. However, respondents were indecisive about whether the savings and deposits procedures were okay or not as shown by a mean of 3.1339.

Table 3: The influence of product strategies on the profitability of SACCOS in Dodoma City

Statement	SD	D	N	A	SA	Mean	Std. Dev
The procedure for loan appraisal is fair	19 (17.0)	45 (40.2)	10(8.9)	22(19.6)	16(14.3)	2.7411	1.340
The amount of loan issued is sufficient	22(19.6)	64(57.1)	5(4.5)	9(8.0)	12(10.7)	2.3304	1.196
The repayment schedule for loan is convenient	26(23.2)	52(46.4)	4(3.6)	23(20.5)	7(6.2)	2.4018	1.226

Statement	SD	D	N	A	SA	Mean	Std. Dev
I am satisfied with the means of loan repayment i.e., cash/mobile money	5(4.5)	12(10.7)	6(5.4)	69(61.6)	20(17.9)	3.7768	1.010
The loan recovery procedures are convenient	21(18.8)	70(62.5)	3(2.7)	14(12.5)	4(3.6)	2.1964	1.003
I am satisfied by the MFIs effort to facilitate the availability of health insurance services for clients	16(14.3)	51(45.5)	4(3.6)	32(28.6)	9(8.0)	2.7054	1.249
I am satisfied by the type of training provided by SACCOS	40(35.7)	46(41.1)	4(3.6)	13(11.6)	9(8.0)	2.1518	1.253
Savings and Deposits procedures are okay	12(10.7)	38(33.9)	3(2.7)	41(36.6)	18(16.1)	3.1339	1.332
Overall mean						2.6797	1.2015
<i>Key: SA = strongly agree; A = Agree; N = Neutral; D = Disagree; SD = Strongly disagree</i>							

Njoki (2019) argued that product strategies are very weak in most of the SACCOS, depending on the way they provided products to its members, the nature of its design and even presentation to the people. The type of training SACCOS members receive, loan accessibility and type were also very weak. Mbai (2007) argued that most of the SACCOS failed to use competitive strategies to manage the need and desires of customers. Ngatia, Muya and Ngacho (2018) argued that lack of competitive knowledge weak the marketing product strategies.

The Influence of Service Delivery Strategies on the Profitability of SACCOS in Dodoma City

The mean score analysis in *Table 4* shows that respondents disagreed with the statement that

clients are served without favouritism with a mean score of 2.6518. The majority of respondents agreed that the opening and closing hours were maintained as shown by a mean score of 3.6518. Also, the majority disagreed that SACCOS workers served using polite language, shown by a mean score of 2.2232. Respondents also disagreed with obtaining clarifications on various SACCOS issues timely as shown by the mean score of 2.4286. The findings further revealed that workers served without a polite face, as indicated by 2.3125. Also, it was reported that SACCOS workers listened to phones when they attend to customers as indicated by a mean score of 2.1786. Respondents disagreed with being satisfied with services provided by SACCOS, as shown by the mean score of 2.3393.

Table 4: The influence of service delivery strategies on the profitability of SACCOS in Dodoma City

Statement	SD	D	N	A	SA	Mean	Std. Dev
Clients are served without favouritism	19(17.0)	52(46.4)	6(5.4)	19(17.0)	16(14.3)	2.6518	1.333
The opening and closing hours are maintained	11(9.8)	13(11.6)	4(3.6)	60(53.6)	24(21.4)	3.6518	1.220
SACCOS workers serve using polite language	20(17.9)	71(63.4)	2(1.8)	14(12.5)	5(4.5)	2.2232	1.028

Statement	SD	D	N	A	SA	Mean	Std. Dev
I get clarifications on various SACCOS issues timely	21(18.8)	59(52.7)	6(5.4)	15(13.4)	11(9.8)	2.4286	1.220
SACCOS workers serve us when they have polite face	30 (26.8)	53(47.3)	3(2.7)	16(14.3)	10(8.9)	2.3125	1.259
SACCOS workers do not listen phones when they attend customers	27(24.1)	62(55.4)	5(4.5)	12(10.7)	6(5.4)	2.1786	1.083
Iam satisfied with the services given by SACCOS	21(18.8)	63(56.2)	5(4.5)	15(13.4)	8(7.1)	2.3393	1.14336
Overall Mean						2.5408	1.184

Mbugua and Kinyua (2020) argued that SACCOS should offer their services based on the service delivery principles. The effective strategy is based on the ability to deliver the services to the entire customers' audience. The delivery is connected to the way to handle the relationship or extend the services. Kipkosgei and Njeru (2014) argued that service delivery is different from product delivery, services tend to be provided in terms of staffs' preparedness and even willingness to serve, such as, without favouritism, with polite face and good language must be used.

The Influence of Price Strategies on the Profitability of SACCOS in Dodoma City

Mean score analysis, as indicated in *Table 5*, respondents disagreed with being satisfied with the interest rate charged for loans as shown by the mean score of 2.4911. Respondents also disagreed with being satisfied with the penalty paid for delayed loans, as shown by a mean score of 2.1071. Similarly, they disagreed to be satisfied by the amount sat as entrance fees as shown by the mean of 2.5714 (see *Table 5*). They further disagreed to be satisfied by the amount sat as member's share as shown by a mean score of 2.4911. Likewise, many respondents disagreed with being satisfied by the amount sat as a dividend, as shown by a mean score of 2.1696.

Table 5: The influence of price strategies on the profitability of SACCOS in Dodoma City

Statement	SD	D	N	A	SA	Mean	Std. Dev
Iam satisfied with interest rate charged for loans	21(18.8)	54(48.2)	7(6.2)	21(18.8)	9(8.0)	2.4911	1.222
Iam satisfied with penalty paid for delayed loans	41(36.6)	46(41.1)	5(4.5)	12(10.7)	8(7.1)	2.1071	1.218
Iam satisfied by the amount sat as entrance fees	15(13.4)	62(55.4)	3(2.7)	20(17.9)	12(10.7)	2.5714	1.235
Iam satisfied by the amount sat as member's share	19(17.0)	59(52.7)	3(2.7)	22(19.6)	9(8.0)	2.4911	1.215
Iam satisfied by the amount sat as dividend	38(33.9)	46(41.1)	7(6.2)	13(11.6)	8(7.1)	2.1696	1.222
Overall Mean						2.3661	1.222

Muchena et al. (2016) argued that SACCOS ability to set price must be comprehended on the side of making a profit in comparison to that of member interest. The ability to charge a satisfactory interest rate, satisfying entry fees also promotes the profitability of SACCOS. Wondirad (2020) asserted that the price strategy must be well improved to affect the profitability of SACCOS, which is almost based on the products provided by SACCOS.

The Influence of Promotion Strategies on Profitability of SACCOS in Dodoma City

The mean score analysis of promotion strategies respondents disagreed that SACCOS staff/leaders

visited the different areas to promote the SACCOS as shown by a mean score of 2.0893 (see *Table 6*). SACCOS use of social media to promote its activities scored a mean of 2.4286, while the use of brochures to promote the SACCOS activities scored a mean of 3.7589 (see *Table 6*). The findings signify that SACCOS used brochures to promote their activities. However, SACCOS did not use influential leaders to promote the SACCOS as indicated by a mean score of 1.9107. Respondents also did not ever hear/watch the radio/TV/Newspaper media which promote their SACCOS as indicated by a mean score of 1.7589. The SACCOS participation in local/international exhibitions scored a mean of 2.0268 (see *Table 6*).

Table 6: Influence of promotion strategies on in profitability of SACCOS in Dodoma City

Statement	SD	D	N	A	SA	Mean	Std. Dev
SACCOS staff/leaders visits different area to promote the SACCOS	40(35.7)	48(42.9)	4(3.6)	14(12.5)	6(5.4)	2.0893	1.174
SACCOS use social media to promote its activities	14(12.5)	68(60.7)	5(4.5)	18(16.1)	7(6.2)	2.4286	1.096
SACCOS has prepared the brochures to promote the SACCOS activities	9(8.0)	16(14.3)	3(2.7)	49(43.8)	35(31.2)	3.7589	1.260
SACCOS use influential government/political/religious/local leaders to promote the SACCOS	42(37.5)	54(48.2)	5(4.5)	6(5.4)	5(4.5)	1.9107	1.018
I ever heard the radio/TV/Newspaper media which promote our SACCOS	57(50.9)	39(34.8)	6(5.4)	6(5.4)	4(3.6)	1.7589	1.024
SACCOS participate in famous local/international exhibitions	28(25.0)	69(61.6)	4(3.6)	6(5.4)	5(4.5)	2.0268	.953
Overall Mean						2.3289	1.088

The Influence of Place Strategies on Profitability of SACCOS in Dodoma City

Mean score analysis using the Likert scale shows that the majority of respondents disagreed with the statement that SACCOS is located in the area which is easily seen as shown by 2.6429 (see *Table 7*). Also, they asserted that the distance from home to

SACCOS was not near as indicated by a mean of 2.1339. The transport cost from home to SACCOS was not fair as shown with a mean score of 2.3036. The respondents also disagreed that the SACCOS premise was innovated well and hence attracted new potential customers as indicated by a mean of 2.6071 (see *Table 7*).

Table 7: The influence of place strategies on in profitability of SACCOS in Dodoma City

Statement	SD	D	N	A	SA	Mean	Std. Dev
Our SACCOS is located in the area which is easily seen	24(21.4)	46(41.1)	7(6.2)	16(14.3)	19(17.0)	2.6429	1.406
The distance from home to SACCOS is not very fare	37(33.0)	47(42.0)	8(7.1)	16(14.3)	4(3.6)	2.1339	1.134
The transport cost from home to SACCOS is fair	34(30.4)	44(39.3)	8(7.1)	18(16.1)	8(7.1)	2.3036	1.258
Our SACCOS premise is innovated well and hence attract new potential customers	17(15.2)	53(47.3)	4(3.6)	33(29.5)	5(4.5)	2.6071	1.188
Overall Mean						2.4219	1.247

The Regression Analysis

The regression analysis was carried out to analyse the influence of the marketing strategies on the profitability of SACCOS in Dodoma City. The findings show that the coefficient R square was 0.731 which show there is a strong relationship

between the variables studied. The findings depict the existence of a variation of 71.8% in the profitability of SACCOS due to a change in clients' perception of product marketing strategy construct, specifically service delivery, pricing strategies, promotional strategy and place/distribution strategies (see *Table 8*).

Table 8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.855 ^a	.731	.718	.07065

Analysis of Variance

The analysis of variance on the influence of marketing strategies (product strategies, service

delivery strategies, price strategies, promotion strategies and place strategies) on in profitability of SACCOS in Dodoma City is presented in *Table 9*.

Table 9: Analysis of variance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.435	5	.287	57.499	.000 ^a
	Residual	.529	106	.005		
	Total	1.964	111			

Findings in *Table 9* showed the significant level is .000^a. This implies that the regression model is significant in predicting the influence of product strategies, service delivery strategies, price strategies, promotion strategies and place strategies on the profitability of SACCOS in Dodoma City. $F_{(5,106)}$ value is 57.499 and the model was

statistically significant in predicting the influence of product strategies, service delivery strategies, price strategies, promotion strategies and place strategies on the profitability of SACCOS in Dodoma City. The values of coefficients from the linear regression are displayed in *Table 10*.

Table 10: Multiple regression coefficients

Model	Unstandardised Coefficients		Standardised Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	.230	.050		4.628	.000
Clients' perception of product marketing strategy construct	-.039	.019	-.130	-2.000	.048
Clients' perception of service delivery	-.557	.048	-.679	11.500	.000
Pricing strategies	-.132	.035	-.224	3.729	.000
Promotional strategy	.029	.015	.108	1.875	.064
Place/distribution strategies	-.074	.029	-.180	2.594	.011

The findings from *Table 10* show that the constant is significant at 0.000 and its value is 0.230. The regression analysis showed that clients' perception of product marketing strategy constructs, clients' perception of service delivery, pricing strategies and place/distribution strategies have the statistical significance of .048, .000, .000, and .011, respectively. However, their Beta values are negative. This shows that clients perceived that product, service delivery, pricing, place/distribution strategies negatively influenced the profitability of SACCOS in Dodoma City. It further implies that the strategies are not sufficient to promote the profitability of the SACCOS in Dodoma City. The findings additionally indicate that the contribution of promotional strategies to the profitability of SACCOS is not significant. The findings from this study are contrary to those of Jeje (2015) who reported that SACCOS members participated in the product and market development of SACCOS and the regression analysis showed the existence of positive relation of market strategies and profitability of SACCOS. Similarly, Mutua and Muriigi (2019) argued that cost leadership, market focus, product differentiation and product innovation positively and significantly influence SACCOS performance.

CONCLUSION AND RECOMMENDATIONS

The findings from the descriptive analysis indicate that SACCOS clients from Dodoma City disagreed

that the product, service delivery, pricing, promotional and place/distribution strategies influence the profitability of SACCOS in Dodoma City. The results from the multiple regression analysis found that all the strategies, under analysis, except the promotion strategies, influenced negatively and significantly the profitability of SACCOS. The findings further indicated that there is no significant influence of promotion strategies on the profitability of SACCOS. The findings indicate that SACCOS in Dodoma City were not able to use the market strategies to increase their profitability because the clients rated the constructs of the market strategies used as unsatisfactory. This study, therefore, recommends that, for sustainable profitability of the SACCOS in Dodoma City, the management should institute effective product, service delivery, pricing, promotion and place strategies.

The Contribution of the Study to the Theories/Model

This study applied a model of competitive advantage that permits a company to produce goods or services better or more cheaply than its rivals, as suggested by Michael Porter in 1985. This study considered the product, service delivery, pricing, promotional and place/distribution strategies as tools to increase the profitability of SACCOS in Dodoma City. This study is unique because previous studies were done in the formal financial

institutions, particularly commercial banks. The study articulates that the marketing strategies can be used by SACCOS as resources to promote a sustainable competitive advantage. This study was limited by quantitative analysis, the small sample size, the use of only regression analysis and the use of profitability as a measure of SACCOS performance.

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