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Growth Strategies on Performance of Transport Service Savings and Credit Cooperative Organizations in Nairobi City County, Kenya

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Abstract
The goal of this research was to evaluate how growth strategies affect the performance of Nairobi City County Savings and Credit Cooperative Organizations (SACCOs) that provide transportation services. The purpose of this research was to explore the effect of market penetration, market development, product development, diversification strategies effect on performance of transport service Savings and Credit Cooperative in Nairobi City County, Kenya. The study adopted the following theories: Game theory, Porters competitive theory, Resource Based View Theory, and Portfolio management theory. The study used descriptive survey research approach. A total of 73 registered Matatu Savings and Credit Cooperative Organizations were targeted. One manager from four categories of general manager, human resource manager, finance manager, and operations manager were purposively targeted yielding a total of 292 units of observation for the study. Primary data was collected using a 5-point slanting Likert scale questionnaire with closed ended questions. The information gathered was evaluated using descriptive and inferential statistics in MS Excel and the SPSS program V24. The study tools were piloted to test its validity and reliability. The study results indicated that product development strategy had positive and significant effect on organizational performance. On the other hand, the regression analysis revealed that the growth strategies explained up to 65.8% change in organizational performance of transport service SACCOs in Nairobi County. The study concluded that growth strategies significantly influence performance of transport service SACCOs in Nairobi city county, Kenya. This study recommends that management of transport Sacco pursuing product development strategies to come up with products that meet the changing needs of their customers. In particular, the Saccos should offer services that are youth friendly and ability to accommodate persons with disability. Management of Sacco should strengthen the use of market development strategy. Management of Saccos should invest more in market development strategies so as to enhance their performance. Lastly, Sacco's should offer boarding and lodging services which is closely related to transport services and at the same time they should also provide courier services.
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1. Introduction

Growth strategies as a concept, generally involves the Ansoff Model matrix, including Market penetration strategy which focuses on increasing sales of existing products in the already available or existing market, Market development strategy whereby a firm enters or acquires new markets using the already available and existing products, Product development strategy where a firm changes and modifies the existing products to appeal to the existing market and finally Diversification strategy whereby a firm develops new or modifies the existing products for different use to appeal to a new market (Ansoff,1957).

Savings and Credit Cooperative Organization (SACCOs) are community-owned and run financial cooperatives that are controlled by its members and operated on a not-for-profit basis. A savings and credit cooperative Organization (SACCOs) is a business that strives to pool the resources of its members in order to progress and improve their economic culture. Many Savings and Credit Cooperative Organizations (SACCOs) in our society today are so conscious about their status and they prefer to understand the sector, set mission and vision of the organization, products and services for easy detailed regulatory to show off their status symbol, orchestrated by low levels of saving culture (Aaker & Joachimsthaler, 2000). These Savings and Credit Cooperative Organizations (SACCOs) are considered as implied devices through which any business can attain the attraction of customers and concerned people and can enjoy the competitive edge, associated with the concerted effort in the Savings and Credit Cooperative Organizations (SACCOs) arrangements. It's also considered as a valuable asset for many businesses as it can change people's perception,' buying behavior and customer recognition and it plays a vital role in expansion of many businesses and organization. Savings and Credit Cooperative Organizations (SACCOs) provide valuable regulatory strategies, plans and tools which can

develop the brand and the organization. If Savings and Credits Cooperative (SACCOs) and the organization is managed in effective ways, a business can enjoy maximum number of customers and can build long term profitable relations with customers and general assistance to the public and particularly members. Cooperatives are based on the virtues of self-responsible, self- help, equitable and democratic organization (Aaker & Joachimsthaler, 2000).

The history of Savings and Credit Cooperatives (SACCOs) begins in Europe in 1840s, where Great Britain and Italy were the trend setters of cooperatives. Both the farmers and working class came together to champion their interest in management and financial lay out. Effective methods of Environmental Forecasting, Refined quality of products and social responsibilities and strategies of any business could positively affect the behaviors of people regarding Organization image, satisfaction and loyalty. In today's business environment, organizations must work in more regulated way than ever before to achieve some degree of differentiation in their services, cost leadership, and focused strategy Savings and Credit Cooperative (SACCOs). Many Savings and Credit Cooperatives (SACCOs) have sought to achieve these strategies by being easily accessible to all areas, flexible to the interested could be members, flexible and not being complicated and service quality, lowering of cumulative costs across value chain, setting organization objectives, planning the organizational structures, developing strategies, capital, programs, and many others, simply put the company's name on product and service (Aaker, 1991).

Aaker, (1997) avers that as the market floods with new and old brands and strength of brand war increases day by day. The popularity of Savings and Credit Cooperative Organization (SACCOs) is an instrument for survival and success of firms in the market. In this respect SACCOs present different packages to members with the use of different resource weapons in this rivalry war for raising awareness among the members and customers about the services of Savings and Credit Cooperatives Organization (SACCOs).

1.1.1. Global Perspective of Transport SACCO sector

Savings and Credit Cooperatives Organization (SACCOs) have played a significant role in bridging the gap between surplus and deficit spending units around the world by ensuring that money flows smoothly from one hand to the other (Ajibola et al., 2020). Savings and Credit Cooperative Organizations (SACCOs) have contributed to worldwide economic growth and development by ensuring that community members learn financial management and literacy, hence raising people's living standards (Ajibola et al., 2020). A study by Friman and Fellesson (2019) sought to determine the performance of PSVs, understand the levels of satisfaction among public transport users in respect to interest or societal expectations, establish how level of satisfaction in public transport services affected the performance of PSVs sector. The findings indicated that the performance of PSVs remained low in providing Para-transit (special transportation services for people with disabilities, often provided as a supplement to fixed-route bus and rail systems by public transit agencies) services to the users of public transport. Key factors affecting customer demand and performance of the PSVs included: accessibility, convenience, capacity, smooth and fast integration, safety, timeliness, orderliness, and efficiency (Friman & Fellesson 2019).

1.1.2. Regional perspective of Transport SACCO Sector

Savings and Credit Cooperative Organizations (SACCOs) industry has grown rapidly in east Africa over the last few decades, thanks to natives' strong adaptation (Yitayaw, 2021). In Uganda, on the other hand, Savings and Credit Cooperative Organizations (SACCOs) performance has remained unsatisfactory (Nalusiba, 2019). According to the Micro Finance Support Centre, many Savings and Credit Cooperative Organizations (SACCOs) portfolio at risk increased from 87 percent to 90 percent between 2015 and 2018. This was well below the industry standard of less than 10%. During the same time period, the coverage risk ratio decreased from 39% to 28%, indicating a worsening scenario that has prompted the Ugandan government and other stakeholders to improve Savings and Credit Cooperative Organization (SACCOs) governance and management competencies, although overall Savings and Credit Cooperative Organization (SACCOs) performance has remained low (Kule et al., 2020).

1.1.3. Local perspective of Transport SACCO Sector

In Kenya, local transportation services play a critical role in the economy, integrating numerous industries and promoting economic progress. Until 1973, multinational bus operators such as Overseas Trading Companies (OTC) and Kenya Bus Services dominated Kenya's public transportation landscape (KBS). The transportation system was then well-organized and coordinated as well as regulated. However, upon Kenya's independence in 1963, the majority of Kenyans flocked to Nairobi in search of work. This resulted in an increase in demand for transportation services in the city estates, which were previously undeserved. This resulted in the creation of much-needed minibus and private taxi services, which began providing transportation from rural areas, around the city, as well as from informal communities. As a result of the great demand, the number has increased. They continued to operate in the city illegally until 1973, when a presidential decree recognized matatus as a lawful means of public transportation in Kenya (OCDC, 2013).

The inefficiency of urban transportation due to poor infrastructure, as well as high transportation costs for

both passengers and goods, was noted in the development of the Integrated National Transport Policy (2012), according to which the majority of low-income urban workers currently find public transportation expensive and financially inaccessible, and thus meet the majority of their transportation needs by walking and head loading. However, some of them put their lives in danger by using non-motorized and intermediate modes of transportation (NMIMTs), such as bicycles, motorbikes, and *mikokoteni*, for which there is no suitable infrastructure. Given that metropolitan areas create around half of the country's overall GDP, the negative effects of the foregoing scenario on worker efficiency and productivity are significant. It is impossible to overstate the importance of fuel consumption, education, health, and the environment

This pushed for the popularization and privatization of matatus, as well as the emergence of the concept of matatu Saccos in urban areas around the country. Within a short period of time, Savings and Credit Cooperative (SACCOs) have been exploited as a means of modern economic development (Mudibo, 2006). There are currently about 11,200 registered co-operative societies in Kenya, with approximately 6.1 million members and over Ksh.125 billion in mobilized savings. Over 300,000 individuals have been employed by co-operatives, which also provide options for self-employment. Since the public transport Savings and Credit Cooperative (SACCOs) started expanding the Government has tried to formally control the sector through various legislations, in order to improve their performance and increase their GDP contributory role restoring some order in the sector. These measures to an extent have translated into passenger comfort, a decrease in accidents, intra and inter industry competition and conflict, and, increased profitability. Some public transportation has been classified, with the majority of them being acknowledged as working to restore sanity to Kenyan roadways.

1.2. Statement of the Problem

Co-operatives help mobilize significant volumes of personal savings from members and help channel them into productive activities and provident purposes at the community level (Nganga, 2017). Whereas the public transport sector is critical for the Kenyan economy, the sector does face fundamental challenges that impact on the ability of the operators in the sector to perform optimally with regard to effectiveness, efficiency and profitability (Friman, & Fellesson, 2019). Among the challenges, there are still a number of transport Savings and Credit Cooperative that are underperforming, chaotic, and producing more accidents, as well as those whose licenses have been revoked. According to Sacco Societies Regulatory Authority annually report, 70% of cooperatives in Kenya fail to perform or develop due to poor strategic management. According to the report, 85% of Savings and Credit Cooperatives Organization (SACCOs) lack a strategic management department or team (Mwilu, & Njuguna, 2020). Locally held Savings and Credit Cooperative have had to apply expansion strategies and align themselves to grab new markets or maintain their present market share as a result of growing competition.

However, in recent years, transport Savings and Credit Cooperative (SACCOs) in Kenya, particularly in Nairobi, have faced rising competition, forcing them to explore new and different ways to extend their companies and reach new markets more extensively for their services. Other issues have arisen as a result of the government's regulation of the sector through the National Transport and Safety Authority (NTSA), which has elevated the Savings and Credit Cooperatives Organization (SACCOs) business risk level. Limited studies have examined performance of Savings and Credit Cooperatives (SACCOs) that provide transportation services. Busienei, Bor and Osodo (2019) investigated strategies adopted by matatu savings and credit cooperative organizations on service quality in public passenger transport in Eldoret Town. Besides, being conducted in Eldoret town, the study focused on fleet management strategies. Nganga (2017) recognized that Savings and Credit Cooperative Organization (SACCOs) were developing specialized products to suit a particular target market segment in Kiambu County. This current study consisted of Matatu SACCOs based in Nairobi City County. As a result, the goal of this study is to see how growth plans affect the performance of Savings and Credit Cooperatives (SACCOs) that provide transportation services.

1.3. Objective of the Study

1.3.1. General Objective

The general objective of this research was to determine the influence of growth strategies on the performance of Nairobi City County's Savings and Credit Cooperatives (SACCOs) that provide transportation services.

1.3.2. Specific Objectives

1. To establish influence of market penetration strategy in performance of transport service Savings and Credit Cooperative Organization in Nairobi City County, Kenya.
2. To determine influence of market development strategy in performance of transport service Savings and Credit Cooperatives Organization in Nairobi County, Kenya.
3. To establish the influence of product development strategy in performance of transport service Savings and Credit Cooperative Organization in Nairobi City County, Kenya.
4. To determine the influence of diversification strategy in performance of transport service Savings and

Credit Cooperate Organization in Nairobi City County, Kenya.

1.4. Research Questions

1. What is the effect of market penetration strategy in performance of transport service Savings and Credit Cooperative Organization in Nairobi city county, Kenya?
2. To what extent is market development strategy influence performance of transport service Savings and Credit Cooperative Organization in Nairobi city county, Kenya?
3. How does product development strategy influence performance of transport service Saving and Credit Cooperative Organization in Nairobi city county, Kenya?
4. What is the influence of diversification strategy in performance of transport service Savings and Credit Cooperative Organization in Nairobi city county, Kenya?

2. Literature Review

2.1 Theoretical Review

The study was anchored on the following theories: Game theory, Porters competitive theory, Resource Based View Theory, and Portfolio management theory. The study's variables are investigated for their major tenets and applicability areas.

2.1.1 Game Theory

The Game theory can be trace to Von Neumann and Oskar Morgenstern (1944) that outlined optimal solutions for two-person zero-sum games. During their time, game theory was primarily focused on cooperative game theory, which analyzes optimal strategies for groups of individuals, presuming that they can enforce agreements between them about proper strategies. As Gandoifo (2011) points out, in order for an organization to improve its performance, it must first grasp the game of operation as well as the game of its competitors. Furthermore, in order to effectively gain a competitive advantage in the market, a company needs and must embrace utility function maximization tactics. Each organization is rational and capable of anticipating the alternatives of other organizations and determining the sensible course of action it should follow if it were in a comparable situation. For a competitive game, the idea suggests a just war between and among competitors, in which the success of the battle is strongly reliant on a continuing plan to combat and outsmart the adversary (Mintzberget al, 2009).

According to Burnes (2009), a business can only achieve competitive advantages by developing more advanced tactics for out staging competitors. However, because the techniques are quickly undone, the corporation will be unable to achieve its intended results. However, it is believed that the majority of an organization's strategies are based on its style of operation and how it views its competitors in specific scenarios. As a result, the strategy contains strategic signaling as one of the most important strategies for frightening opponents (Burnes, 2009). Rubinstein (2012) stated that game theory is about a collection of fables. Are fables useful or not? In some sense, you can say that they are useful, because good fables can give you some new insight into the world and allow you to think about a situation differently. But fables are not useful in the sense of giving you advice about what to do tomorrow, or how to reach an agreement between the West and Iran. The same is true about game theory." But many mainstream economists still think that game theory is useful and can be applied to real-life and give important and interesting results (Hausman 2005).

2.1.2 Porters Competitive Theory

According to Porter (1980) competitive advantage theory states that the essence of competitive strategy creation is linking a corporation to its environment. The industry or industries in which the organization competes are a critical part of its environment. The intrinsic profit potential of an industry or sub section of an industry is determined by five industry level forces: entrance barriers, threat of substitution, customer bargaining power, supplier bargaining power, and rivalry among industry incumbents. The method can be used to assist a company in determining a position in a market from which it can best defend itself against competitive forces or influence them in its favor (Porter, 2008). This five-force framework offers a systematic approach of thinking about how competing forces operate at the industry level and how these forces influence the profitability of various industries and industry segments.

A corporation is said to have a competitive edge over its competitors when it is able to generate more economic value, according to Barney (2007). The difference between the full economic price of items or services and the projected advantages obtained by a consumer who purchases them is known as economic value (Barney, 2007). Having power over opponents allows an organization to stay ahead of the competition (Clegg et al., 2011). This theory is relevant to the research since it supports a market development strategy for examining competitiveness and all of its consequences.

2.1.3 Resource Based View (RBV) Theory

Barney 1991 is associated with the emergency of the resource-based view, which explain organizational performance. Barney introduced the hypothesis in 1991, and it provides a succinct explanation for why companies participate in CSR projects. The RBV, according to Hamel and Prahalad (1996), is a way of looking

at a company and its future strategy and as a collection of resources. These resources, and how they are combined, distinguish firms from one another, allowing a firm to obtain a competitive edge. The resources that are valuable, that are rare, and that are difficult to imitate and non-substitutable best position a firm for long – term success. These capabilities are needed to bundle, manage, and exploit resources in a manner that provide value added to customers over competitors. It's meant to achieve or exploit sustainable competitive advantage. Wernerfelt (1984) looks at the resources as anything that represents a company's strength or weakness.

The act of merging the firm's distinct resources opens up options for determining the firm's capability for reaching its specified performance goals. Surprisingly, organizations achieve long-term competitive advantage by effectively and economically utilizing and controlling capabilities and resources that are unusual, valuable, non-replaceable, and difficult to reproduce. As a result, organizations achieve their defined performance goals by internally organizing capabilities to align with external environment conditions (Wernerfelt 1984). A firm can execute its assigned operations based on the resources available and allocated to specific activities, according to Barney (1991). Surprisingly, resources enable a company to successfully adapt to challenges from the internal environment while also adjusting to pressures from external developments. A company's resource endowment and the engagement's potential consequences must be evaluated for a long-term involvement in CSR-related activities. Prior to engaging in CSR-related initiatives such as charity work, contributions, and fundraising activities, the theory advises of the necessity to evaluate enterprises' capacities in terms of resources (Barney 1991). This theory supports product development strategy.

2.1.4 Portfolio Management Theory

Portfolio Theory, according to Markowitz (1952), posits that an investor is both rational and risk averse, and that he or she has a variety of investment options from which to build a portfolio. All investment opportunities have risk and reward. An efficient frontier can be developed where combinations of investments have a set degree of risk and return, and the best feasible risk reward combination can be found at the efficient frontier. Markowitz (1952) demonstrated that assets in a portfolio can be combined to create an efficient portfolio that will provide the highest possible level of portfolio return for any level of portfolio risk as measured by variance or standard deviation; these portfolios are then linked to form the efficient frontier. According to the investors' preferences, portfolios with a combination below this optimal frontier will not maximize the efficient trade-off. After establishing an efficient frontier, the investor must now pick where along the frontier he or she will build a portfolio. Portfolio management theory best addresses diversification variable, in terms of adding new products to existing one, acquiring other firms, and concentric approach frontiers. According to Bodie et al. (2004), diversity is the concept for investors when constructing a less-risky portfolio. Diversification is extremely valuable, as evidenced by the Nobel Prize in Economics awarded to Harry Markowitz for his work in this sector (Markowitz, 1991).

2.2 Conceptual Framework

A conceptual framework is viewed as a composition of variables that a researcher operationalizes with an aim of achieving certain set objectives and goals (Creswell, 2014). Further, Mugenda and Mugenda (2013) posits that a conceptual framework portrays a link between independent and dependent variables of a study. The current study adopts the generic growth strategy by Ansoff Matrix. Thus, figure 2.1 shows the interlinking relationship between growth strategies (market penetration, market development, product development, and diversification variables) as the independent variables, and performance of transport SACCOs as dependent variable.

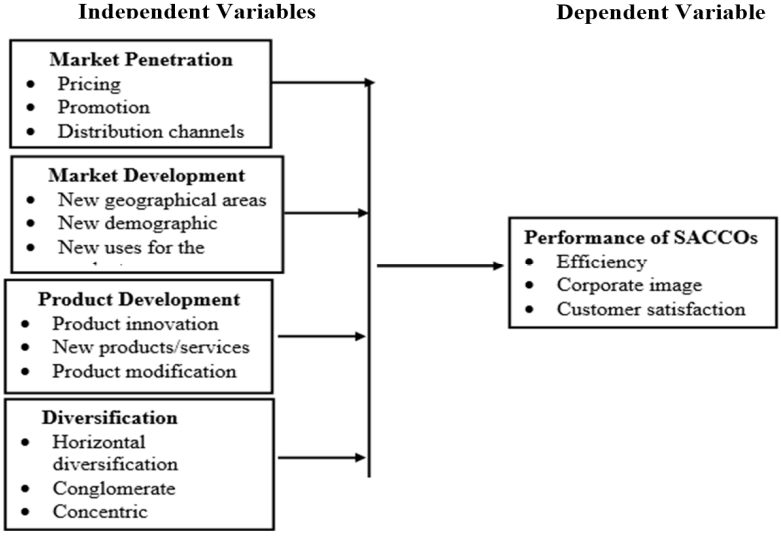

Figure 2.1: Conceptual framework of study variables

2.2.1 Market Penetration Strategy

According to Thiam (2012), market penetration is primarily concerned with getting more and more clients. All techniques of market penetration are determined by the effectiveness of the marketing plan. Market penetration refers to the process of gaining market recognition for a product or brand (Thiam, 2012). A study by Ekwulugo (2013) indicates that one method to dominate a market and reap its full benefits is to experiment with various market penetration strategies. Market penetration strategies, according to Ardyan (2018), can take a variety of shapes. The marketing approach that the corporation chooses to employ as part of their overall market penetration plan determines which form is used. Market penetrations that use a pricing strategy are more likely to keep their product costs down. Prices may be cheap in order to get the benefit of attracting more clients, dominating the market with their products, and discouraging new investments by rival organizations in the area they are attempting to dominate.

Gacheo, Thuo, and Byaruhanga (2016) found that market penetration strategies and competitiveness of mobile telecommunications service providers in Kenya had a direct impact on organizational competitiveness, with higher penetration rates implying better performance because the firm can generate and sustain profits that are higher than the industry average. Wainaina & Oloko (2016) conducted a study on market penetration tactics and organizational growth in the Kenyan soft drink sector, and their findings confirmed that there is a link between market penetration techniques and organizational growth. Pricing and distribution methods showed negative correlations with organizational growth; however, the promotional strategy had a favorable relationship with organizational growth, according to their findings. The study concluded that all market penetration techniques are necessary for organizational growth, and that each one complements the others and should be included in an organization's marketing plan in order to improve market share/market penetration and organizational growth.

2.2.2 Market Development Strategy

The goal of a market development plan is to improve customer relationships. Market development is essentially an attempt to build a stronger relationship with the client in order to gain their long-term loyalty. According to Mbithi, Muturi, and Rambo (2015), firms should examine market development strategy that helps to company performance. According to Mwau, Oloko, and Muturi (2016)'s study on the impact of market development strategy on insurance firm performance in Kenya, market development strategy, particularly through new geographical areas, was discovered to have a negative impact on the performance of insurance companies. With the exception of corporations that enjoy brand loyalty, the study indicated that if businesses are to prosper, they must be extremely selective when selecting markets or market sectors to enter.

According to a study finding by Koks and Kilika (2016), firms who invest in market development strategy see a positive correlation between product development strategy investments and firm performance. The study further explains that despite the fact that this strategy influences firm performance, the relationship depends on the general features of the market that push for the product adoption. Moreover, a study by Mbithi, Muturi and Rambo (2015) posits that for a firm to improve its performance through any of the product development strategies, it has to consider its industry first and see whether it will be applicable since successful implementation of this strategy in one industry doesn’t necessarily mean that it will automatically work in another different industry.

A study by Mohamed and Bustamam (2018) sought to determine the impact of external growth strategies on company organizational performance in Malaysia. Data was obtained from 240 senior managers from Malaysian Public Listed Corporations (PLCs) and evaluated utilizing moment structures analysis. It was found that growth strategies have a considerable impact on organizational performance. Study results showed that organizational performance was found to be influenced by strategic alliances and acquisitions. Minja (2012) examined the nature of the relationship between financial development and economic growth in India, as well as the direction of the relationship. The study's findings revealed that financial development and economic growth are inextricably linked. It is discovered that the connection between financial development and economic growth is unidirectional. The study found that financial development preceded economic growth in the pre-liberalization period, but economic growth preceded financial development in the post-liberalization period.

In Kenya, Mbithi, Muturi & Rambo, (2015) conducted study on the impact of market development strategies in the sugar business. The findings showed that market development strategy can influence a firm’s capacity utilization by 8.6% and sales volume by 5.6%. The study suggested that since the level of significance on the results was low, firms ought to consider different factors that contribute to performance in sugar companies apart from market development strategy. According to Mwau, Oloko, and Muturi (2016)'s study on the impact of market development strategy on insurance firm performance in Kenya, market development strategy, particularly through new geographical areas, was found to have a negative impact on insurance firm performance. With the exception of those organizations that enjoy loyalty from reliable brands, the study concluded that firms must be exceedingly cautious when choosing areas to enter if they are to succeed.

In general, enterprises with weaker brands may not add value by opening multiple branches/markets at once,

and may end up devouring a percentage of their headquarters' income. On the market development strategy, the study recommended firms to seek after it with much alert since it is known to negate the performance of a firm more so in the insurance industry. Product Development Strategy, Market Adoption, and Firm Performance was investigated by Koks and Kilika (2016), who discovered that there were existing correlations between product development strategy and firm performance. They believe that enterprises that invest in this strategy will see a good correlation between their product development strategy investments and their company's performance. Despite the fact that this technique has an impact on firm performance, the link is dependent on market characteristics that encourage product uptake, according to the study. Mbithi, Muturi, and Rambo (2015) observed that product development has a substantial predictive effect on performance in terms of capacity utilization, particularly when developing new items, although improving existing products has no statistical relevance in this industry. This demonstrates that, in order for a company to improve its organizational performance through any of the product development strategies, it must first consider its industry and determine whether the strategy is applicable, as successful implementation of a strategy in one industry does not always imply that it will work in another.

2.2.3 Product Development Strategy

The steps of developing, designing, developing, and marketing a new or renewed product or service are all part of the entire process of bringing a new product to market (Fantazy & Salem, 2016). Companies who wish to have a substantial presence and dominance in the market utilize product development strategy (Saban, Lackman, & Peace, 2015). It is part of a strategy to achieve originality in the products it sells. The purpose of the product development strategy is to deliver greater benefits to customers by introducing new or enhanced features to existing goods (Revilla & Knoppen, 2012). As a result, the terms "product development" and "product innovation" are frequently misused. Both techniques assume that a product is changed into a fully new product or that it is adjusted only to fulfill consumer demands (Farrell & Gallagher, 2014).

Furthermore, Chen (2016) intones that because consumer behavior is dynamic and evolves at a faster rate, it is up to enterprises to react to these changes and tailor their demands to the preferences of their customers. According to Healy, Ledwith, and O'Dweyer (2014), there are core causes and a variety of elements that lead a company to establish its own new product development methodologies. Such factors include, but are not limited to, the scale of the industry, the sort of items it produces, and the number of products it distributes. These elements will determine how the company conducts its product development process. According to Linzalone (2008), in order to resist market uncertainty, businesses must engage in product innovation. A new product performance by Park (2010) observed that the best performing firms get their money from the new goods they place on the market. As a result, firms must constantly participate in new product development in order to attain remarkable sales figures.

According to Kemppi, Satu, Jantunen, and Kalevi (2015), firms with surplus resources ("slack") prefer to grow organically rather than through acquisitions. If the firm, on the other side, is missing some critical complementary resources, it can acquire them from other businesses, allowing it to grow more effectively through acquisitions. In these situations, the firm is more inclined to diversify by expanding into unrelated fields. Brouthers and Brouthers (2000) contrasted the benefits of expanding through purchases against starting a new company, and discovered that companies making relatively big investments favored acquisitions. This theory supports product development strategy. Hussain et al. (2013) investigated the impact of growth strategies suggested by Ansoff on firm’s growth and moderating effect of market environment in fast food sector of Pakistan by examining the relationship between product development, environment and firm growth, and reported that PD is positive and significant related to firm growth. Firm’s product innovation and product modification are processes of product development strategy (Hussain et al., 2013). Banabo and Koroye (2012) used ANOVA to investigate the link between product creation and business success. Their findings revealed that there is a link between product creation and company profitability, and that diversity has a good impact on company success.

A study by Ngure, Maina and Kariuki (2017) on new product development and performance of SACCOs used cross-sectional design working with 60 DT SACCOs to obtain 52 samples through simple random sampling and collecting data through self-administered questionnaire. The study found out that product differentiation was positively correlated with DT Sacco’s performance. Koimur, Kangogo and Nyaoga (2014) assessed commuter preferences of *Matatus* service vehicles versus alternative modes of public service transport in Nairobi City. The study findings showed that travel time from house to workplace, the existence of alternative routes and the fare charged, influenced choice of *Matatus* over other alternative PSVs modes (Koimur, Kangogo & Nyaoga 2014). This shows that for a firm to improve its organizational performance through any of the product development strategies, it has to consider its industry first and see whether it will be applicable since successful implementation of this strategy in one industry doesn’t necessarily mean that it will automatically work in another different industry.

2.2.4 Diversification Strategy

According to Sharma and Anand (2018), diversification is a risk management strategy used by businesses to reduce risk by maintaining a broad portfolio of products. According to analysts, diversification as a strategy aims to improve a company's market share and, as a result, its profitability. Market risk, according to Weiss (2016), necessitates diversification. Following the identification of risk levels, the company should design a feasible exit strategy in the event that a portfolio does not perform as expected or when the long-term repercussions are not in the company's best interests. According to Chen (2016), uncertainty in the two dimensions of diversity and market performance arises from a lack of awareness of various market tactics. That dominance in diversity can be used as a tactic to give customers a variety of choices and possibilities in the market, allowing the company to dominate the market with its products. According to Mensah (2014), company managers have utilized diversification as a technique for market dominance in large enterprises and more established marketplaces. Diversification, however, brings with it complexities in managing the company Armstrong (2013).

A study on the influence of diversity in firms in North America, Hashai (2015) revealed varied results. According to the research, businesses that choose diversification outperform those who choose to focus on a single market and develop it in the best interests of customers. As a result, companies who choose to diversify fared worse than companies that did not. The study also suggests that diversification did not work out well for enterprises in North America due to the complicated structure of the markets they found themselves in, as well as the pressure on financial and personnel resources. In a study by Dhandapani and Upadhyayula (2015) on the acquisitions made by the top 100 corporations in the United States, noted that the firms have already disengaged from the acquisitions or that the acquisitions are commercially unprofitable. According to him, the firms suddenly understood that their eagerness to acquire new markets and compete was fruitless because the acquisitions were not in their best interests. A study by Rasouli and Sepideh (2018) used a sample of 100 women managers to explore differentiation strategy and performance of women clothing retailers in Tehran. Thirty questionnaires were used in the pre-test. The reliability of the system was assessed using Cronbach's alpha. Employee differentiation and performance were found to have a substantial link in the study. A study on managerial techniques and competitive advantage by Kariuki, Kóbonyo, and Ogutu (2018), recruited a sample of 62 senior managers and used a questionnaire to collect primary data. The findings showed that human resource policies aimed on differentiation boosted competitive advantage, resulting in better performance.

According to Ngandu (2014), diversity in Kenya's insurance businesses has been extremely beneficial to the country's insurance industry. When compared to insurance businesses that focus on their core goods, those that diversify their markets and offerings are considered to be higher performers. Furthermore, according to a study by Inoti, Onyuma, and Muiru (2014), the telecommunications industry, particularly in emerging markets, is facing fierce competition. The number of established companies investing in emerging countries is increasing. As a result, companies have begun to diversify into other technical products, such as mobile data, in order to maintain profitability and market dominance. Outsourcing operations, according to Bagga (2015), result in not just a shift in labor but also productivity differences between outsourcing contract providing and receiving firms. Outsourcing also allows organizations to rely on management teams from other companies to monitor areas where they have a competitive advantage, freeing up managers' time and resources to focus on what they do best (Bagga 2015). Anil and Yigita (2011) found that in developed countries, the relationship between diversification strategy and organizational performance appears as a reversed U-curve, with performance increasing up to the medium value before declining. However, the study concluded that the pointers of the relationship between diversification strategies and organizational performance in developed countries differ from the pointers in developing countries due to the impact of government and business relations, market, production, labor factors, and political economic variables. The study also discovered that the connected diverse company outperformed the other companies (Anil & Yigita 2011).

2.2.5 Organization Performance

According to Hinson et al., (2016), organizational performance refers to an organization's actual output or outcomes as compared to the anticipated outputs, with the outputs being analyzed in three areas: financial performance, product market performance, and shareholder returns. Bonaglia and Goldstein (2006) define organizational performance as an organization's ability to achieve its well-defined goals and strategies. It refers to how a company uses a variety of strategies to guarantee that it has a stronghold or foothold in the market segment it chooses. The success of an organization is measured by its performance. A high organizational performance score indicates that all of the company's plans are operating successfully. Organizational performance is comprised of three fundamental factors. Market performance, financial success, and shareholder return are all factors to consider (Bonaglia & Goldstein 2006). A solid market performance indicates a firm grasp on the market sector and, as a result, the organization's capacity to maintain better financial records and, as a result, provide a good return on shareholder investments (Blackburn, Hart, & Wainwright, 2013).

3. Research Methodology

3.1. Research Design

Research design, according to (Oso & Onen, 2009), is the overall strategy for conducting the study that is chosen to combine varied components of the study in a coherent and logical manner, ensuring that the research problem is adequately addressed (Kothari, 2010). According to Creswell (2003), research design is the arranging of conditions for data collecting and analysis in such a way as to combine relevance to the research purpose with efficient procedures. However, the cardinal role of research design is to minimize the chance of drawing incorrect causal inferences from the data set so collected and analyzed. In this study, a descriptive research design was adopted, as it sought to ensure that the data acquired allows the researcher to test the hypotheses given above as clearly as possible. This study utilized a descriptive survey approach because there isn't enough knowledge about a phenomenon and an issue hasn't been clearly defined. Descriptive survey design is a great method for learning more about what's going on, acquiring new ideas, asking questions, and reassessing phenomena (Saunders et al., 2009).

3.2. Study Population

Robson (2013) define a population as all the elements under consideration for a particular study. Sekaran (2004), states that a population could be finite or infinite. A finite population is a population made up of a definite number of countable elements, while an infinite population may not be clearly defined and therefore the number of elements comprising it may not be clearly determinable. The unit of analysis for this study was all the 73 registered matatu Savings and Credit Cooperatives Organization (SACCOs) operating in Nairobi City County.

3.3. Sample size and Sampling Technique

A sampling frame is the source material or gadget from which a representative is drawn (Cooper & Schindler, 2016). Sampling techniques can be either probabilistic or non-probabilistic, in the former there are equal chances of respondent being selected while in the latter the respondent is selected through subjective criteria, (Kothari, 2013). Further, Kothari (2014) recommends stratified sampling technique in order to obtain a representative sample. By the use of this technique, the researcher was able to get a more reliable and detailed information. For each Savings and Credit Cooperatives Organizations, the general manager, the human resource manager, the finance manager and the operations manager were purposively sampled as in Table 3.1.

Table 3.1 Table of Strata

Category	Target Population	Sample Size
General Managers	66	40
Human resource managers	66	40
Finance manager	66	40
Operations manager	66	40
Total	264	160

3.4. Data Collection Instruments

The primary data was collected through structured questionnaire. Saunders, Lewis, & Thornhill (2009), defines a questionnaire as a form or document with a set of questions deliberately designed to elicit responses from respondents for the purpose of collecting data or information. The questionnaire was administered to all the managers of the Savings and Credit Cooperative Organization SACCOs, who are the units of observation for the study. The questionnaire included a five-point rating scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

3.5. Pilot Test

Pilot study enabled the researcher to obtain assessment of validity of questionnaire as well (Saunders et al., 2011). Pilot study is of value for testing the feasibility of both research instruments and data collection instruments (Cooper & Schindler, 2014; Creswell, 2014). For this study, 10% of the sample size formed the pilot test. This group was excluded in the final data collection. Out of 73, Saccos 7 Saccos were for pilot study giving a total of 28 respondents.

3.5.1. Reliability of the Research Instrument

According to Saunders et al. (2012) reliability consists of the consistency of the findings from the data collection techniques and analytic procedures as well as the repeatability of the results. Utilizing data from the pilot test, the reliability of the questionnaires was determined through the Cronbach-alpha coefficient analysis. The Cronbach-alpha reliability recommends a reliability coefficient of $\alpha = 0.70$ and above. Study results in From Table 3.2, shows that each of the variables had a Cronbach alpha value more than 0.7. The values range from 0.867 for performance of transport service Savings and Credit Cooperate Organization and 0.959 for product

development strategy. Based on Bryman (2014) and Murphay and Davidshofer (2008), the research instrument was hence considered reliable for the study as it had a high Cranach's alpha coefficient more than 0.7 which was set for this study.

Table 3. 2: Reliability Test

Variable	Number of Items	Cronbach alpha
Market penetration strategy	6	0.933
Market development strategy	6	0.907
Product development strategy	6	0.959
Diversification strategy	6	0.957
Performance	6	0.867
Average	**30**	**0.925**

3.5.2. Validity of the Research Instrument

Validity refers to the extent to which an instrument measures what it is supposed to measure and performs as it is designed to perform (Saunders et al., 2012). Types of validity for the study included content, and construct. Validity evaluates how well the methods used for data collection measure the matters that they were intended to measure and whether the research findings actually respond to the research question (Saunders et al. 2012). Construct validity was checked using factor analysis to minimize the number of factors. The researchers considered a level of 0.4 or 0.5 to be strong for explanatory purposes (Rahim and Magner, 2005). All the indicators of the various constructs were subjected to confirmatory factor loading analysis using SPSS version 23. According to the findings all the indicators of various constructs were retained as indicated in Table 3.3. All the items were retained based on the general rule of thumb for acceptable factor loading of 0.5. Validity of research instruments was checked using content validity where all questions were checked for clarity of words and contents so as to fully capture all aspects of the conceptualized study variables.

Table 3.3: Summary of Factor Analysis

Factors	Number of Items	Overall Factor Loading	Remark
Market Penetration Strategy	6	0.745	Retained
Market development Strategy	6	0.793	Retained
Product development strategy	6	0.790	Retained
Diversification Strategy	6	0.837	Retained
Organization Performance	6	0.698	Retained

3.6. Data Analysis and Processing

Data analysis refers to a variety of specific procedures and methods. It involves goals, relationships, decision making, and ideas, in addition to working with the actual data itself. Simply put, data analysis includes ways of working with data to support the goals and plans of research (Saunders et al., 2009). An effective data analysis process is functional i.e., it is useful and adds value to organizational services and individual practices. Data analysis is a process: a series of connected activities designed to obtain meaningful information from data that have been collected. For this study descriptive analysis was used to determine the proportions and frequency of the variables which involved the use of mean, and standard deviation. Inferential statistics involved regression analysis, ANOVA and coefficient of determination. The study used SPSS version 24 to facilitate the analysis of data. The program also was used to refine data through multiple regression analysis, which revealed the relationship between dependent and independent variables.

4. Research Findings and Discussions

4.1. Response Rate

The study targeted 160 respondents from transport service Savings and Credit Cooperate Organization in Nairobi County. Out of the 160 sampled respondents, 126 questionnaires were able to be returned duly filled ready for coding and analysis. This represents 78.8% response rate. This was a very high response rate compared to the previous scholarly work; for example, Wangui (2019) attained a response rate of 70%, Macharia (2016) achieved a response rate of 75.0%. Statistically most scholars recommend a response rate of at least 30% for an in-depth study to be conducted (Abok, 2013). The response rate achieved in the study was therefore deemed to be sufficient for the analysis of this study.

4.2. Demographic Characteristics

4.2.1. Distribution of Respondents by Gender

The study sought to assess gender of respondents, following the Kenyan constitution for fairness distribution of job opportunities to both men and women. The respondents were asked to indicate their gender. The results are as shown in table 4.1. From the results in the table above, 68.3% (86) of the respondents were male while 31.7%

(40) were female. This indicates that the majority of the respondents were male. This shows a fair representation for all genders in the selected transport Sacco.

Table 4. 1: Distribution of Respondents by Gender

Response	Frequency	Percentage
Male	86	68.3
Female	40	31.7
Total	**126**	**100.0**

4.2.2. Distribution of Respondents by Level of Education

The study sought to establish the respondents' level of education. The results are as shown in table 4.2. From the results shown above, 1.6% (2) of the respondents were secondary leavers, 15.1% (19) had certificate, 36.5% (46) of the respondents had diploma, while 46.8% (59) of the respondents had bachelors. This implies that the slight majority of the respondents were bachelor holders. The results are in agreement with Machoka and Wamugo (2018) who found that majority of respondents from Saccos have at least bachelor degree from various field in Business. This gives them an edge in understating various growth strategies and how it influences performance of their Saccos.

Table 4. 2: Education Level

Education Level	Frequency	Percentage
Secondary	2	1.6
Certificate	19	15.1
Diploma	46	36.5
Bachelors	59	46.8
Total	**126**	**100**

4.2.3. Respondents Work Experience

According to Table 4.3, 14.3% (18) of the respondents have worked for a period of 5-7 years, 47.6% (60) worked for 8-10 years, and 30.2% (38) had worked for 10 years and above while 7.9% of the respondents had worked for 2-4 years. This implies that the majority of the respondents had worked for 8-10 years. Quińones, Ford and Teachout (2015) argued that work experience had the highest correlations with measures of job performance. Ngugi (2012) established that majority of employees in Saccos have spent more than five years in their current position which place them in good position to understand effect of growth strategies on their performance.

Table 4.3: Respondents Work Experience

Responses	Frequency	Percent
5-7 years	18	14.3
8-10 years	60	47.6
Above 10 years	38	30.2
2-4 years	10	7.9
Total	**126**	**100**

4.2.4. Duration of the Sacco

From the table 4.4, 2.4% (3) of the respondents indicated that their Saccos have been in operation less than one year and another 52.6% (36) were 1 to 5 years in operation, 56.3% (71) of the respondents indicated their Saccos have been in operation for between 6 and 10 years while 127% (16) of the respondents indicated their Saccos have been in operation for over 10 years. Similar results were reported by Mwendwa (2016) on factors influencing the performance of selected "matatu" SACCO Societies and Thatia (2019) on the influence of Strategic Management Practice on Performance of Savings and Credit Co-Operative Societies in public road transport, Kenya where majority of Saccos have been in existence for more than five years.

Table 4. 4: Respondents Work Experience

Responses	Frequency	Percent
Below 1 year	3	2.4
1 to 5	36	28.6
6 to 10	71	56.3
Over 10	16	12.7
Total	**126**	**100**

4.3. Descriptive Statistics

The presentation of descriptive statistics is based on the frequencies, percentage, mean and standard deviation of study variables. These variables were market penetration strategy, market development strategy, product development strategy and diversification strategy which were independent variables while performance of transport service Savings and Credit Cooperate Organization was dependent variable. The respondents were

asked to indicate their level of agreement from 1 strongly disagree, 2-Disagree, 3-uncertain, 4-agree and 5 strongly agree. The findings of various variables are as follows.

4.3.1. Market penetration strategy

The first objective of this study was to establish the influence of market penetration strategy in performance of transport service Savings and Credit Cooperative Organization in Nairobi city county, Kenya. In order to achieve this objective, the study therefore sought to find out the extent to which market penetration strategy affects performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county. The results are presented in Table 4.5 in which percentage are presented inside brackets while frequency outside brackets.

Table 4. 5: Market Penetration Strategy

	5	4	3	2	1	Mean	S. D
1. The SACCO serves all parts of Nairobi metropolitan	48.4% (61)	11.9% (15)	27.8% (35)	5.6% (7)	6.3% (8)	3.90	1.25
2. The Sacco pricing is competitive	11.9% (15)	35.7% (45)	31.7% (40)	14.3% (18)	6.3% (8)	3.33	1.06
3. The SACCO offer discount rates off pick hours	26.2% (33)	37.3% (47)	15.1% (19)	15.1% (19)	6.3% (8)	3.62	1.21
4. The SACCO does not charge school going children under 10 years	33.3% (42)	37.3% (47)	18.3% (23)	7.9% (10)	3.2% (4)	3.90	1.06
5. The SACCO serves entire route	32.5% (41)	25.4% (32)	21.4% (27)	14.3% (18)	6.3% (8)	3.63	1.25
6. The SACCO trains drivers and conductors	34.1% (43)	20.6% (26)	27% (34)	11.9% (15)	6.3% (8)	3.64	1.24
Overall Mean						**3.67**	

From Table 4.5 in regard to The SACCO serves all parts of Nairobi metropolitan, the respondents generally agreed with a mean of 3.9, and standard deviation of 1.25. In addition, respondents generally agreed that the SACCO offer discount rates off pick hours with a mean of 3.33 (standard deviation, 1.21). respondents generally agreed that the SACCO does not charge school going children under 10 years with a mean of 3.9, standard deviation 1.06. From the study findings, strongly disagreed that The SACCO trains drivers and conductors with a mean of 3.64 and a standard deviation of 1.24.

Averagely, the level of market penetration strategy was at 73.4% mean response (mean=3.67) rated high as shown in Table 4.5 an implication that product development strategy such as pricing, promotion and distribution channels influences organizational performance. According to Thiam (2012), market penetration is primarily concerned with getting more and more clients. All techniques of market penetration are determined by the effectiveness of the marketing plan. Market penetration refers to the process of gaining market recognition for a product or brand (Thiam 2012). Market penetrations that use a pricing strategy are more likely to keep their product costs down. Prices may be cheap in order to get the benefit of attracting more clients, dominating the market with their products, and discouraging new investments by rival organizations in the area they are attempting to dominate. Customer concentration strategy (Kavulyaet al., 2018), core products and service marketing strategies (Muchena et al., 2016), and service differentiation strategies are all marketing strategy variables that have been linked to performance (Mbugua & Kinyua, 2020).

4.3.2. Market Development Strategy

The second objective of this study was to evaluate the effect of market development strategy on performance of transport service Savings and Credit Cooperate Organization in Nairobi City, County. To achieve this objective, the study sought to establish the degree to which market development strategy influenced performance of transport service Savings and Credit Cooperate Organization in Nairobi City, County. The findings are as shown in table 4.6 in which percentages are presented inside brackets while frequency outside brackets.

Table 4. 6: Market Development Strategy

		5	4	3	2	1	Mean	S. D
1.	The SACCO is registered to operate in other regions	24.6% (31)	38.1% (48)	21.4% (27)	3.2% (4)	12.7% (16)	3.59	1.25
2.	The SACCO serves in Kenya and outside	27.8% (35)	23% (29)	28.6% (36)	11.9% (15)	8.7% (11)	3.49	1.26
3.	The SACCO is youth friendly	16.7% (21)	34.9% (44)	33.3% (42)	8.7% (11)	6.3% (8)	3.47	1.07
4.	The SACCO accommodates persons with disability	13.5% (17)	41.3% (52)	26.2% (33)	12.7% (16)	6.3% (8)	3.43	1.08
5.	The SACCO allows hire services	30.2% (38)	38.9% (49)	15.9% (20)	8.7% (11)	6.3% (8)	3.78	1.16
6.	The SACCO provides group transport	30.2% (38)	33.3% (42)	18.3% (23)	8.7% (11)	9.5% (12)	3.66	1.26
	Overall Score						**3.57**	

From Table 4.6, the respondents strongly agreed that the SACCO serves in Kenya and outside, with a mean of a mean of 3.49 and a standard deviation of 1.26. regarding how friendly the SACCO is, respondents strongly disagreed that The SACCO is youth friendly with a mean of 3.47 and a standard deviation of 1.07. In addition, the participants strongly agreed that the SACCO accommodates persons with disability with a mean of 3.43 and a standard deviation of 1.08. Furthermore, the participants strongly agreed that the SACCO allows hire services with a mean of 3.78 and a standard deviation of 1.16. Lastly, in regard to the SACCO providing group transport, the respondents were neutral that The SACCO provides group transport with a mean of 3.66 and a standard deviation of 1.26 indicating that the respondents agreed with the statement.

Averagely, the level of market penetration strategy was at 71.4% mean response (mean=3.57, std. dev.=1.04) rated high implying that market development strategy such as new geographical areas, new demographic and new uses for the product influences organizational performance. Accessing new market segments or conversions of nonusers to users indicate that an organization is tapping into either competitor's market or untapped segment of the market and therefore a significant growth dimension though the finding contradicts the outcome of the study by Langerak, Hultink and Robben (2014) who concluded that such market orientation has no direct relationship to organizational performance. Ojo (2019) asserted that companies should engage in geographical market extensions which he found to impact performance positively. Investment in market orientation improves organizational performance through launch activities according to (Langerak, Hultink, and Robben, 2014) while a study by Hassan, et. al., (2013) on impact of marketing strategy creativity found that marketing strategy effectiveness affects performance positively and significantly in manufacturing sector of Pakistan.

4.3.3. Product Development Strategy

The third objective of this study was to determine the effect of product development strategy on performance of transport service Savings and Credit Cooperate Organization in Nairobi City, County. In order to achieve this objective, the study first sought to establish in what ways product development strategy influenced performance of transport service Savings and Credit Cooperate Organization. The findings are in table 4.7. In regard to the SACCO has garage services, the respondents strongly agreed with a mean of 3.50 and a standard deviation of 1.03. The respondents equally strongly agreed that the SACCO provides rescue services during breakdown, with a mean of 3.63 and a standard deviation of 1.05. However, the participants strongly agreed that the SACCO installs entertainment gadgets with a mean of 3.68 and a standard deviation of 1.06. In regard to the SACCO providing tour services, the respondents strongly agreed with a mean of 3.84 and a standard deviation of 1.08, the respondents significantly agreed the SACCO provides tour services. In addition, the participants strongly agreed that the SACCO operates 24 hours with a mean of 3.83 and a standard deviation of 1.02. In addition, according to the study findings the participants strongly agreed that the SACCO does online bookings with a mean of 3.85 and a standard deviation of 1.01.

Table 4. 7: Product development strategy

		5	4	3	2	1	Mean	S. D
1.	The SACCO has garage services	15.1% (19)	41.3% (52)	25.4% (32)	15.1% (19)	3.2% (4)	3.50	1.03
2.	The SACCO provides rescue services during breakdown	21.4% (27)	38.1% (48)	25.4% (32)	11.9% (15)	3.2% (4)	3.63	1.05
3.	The SACCO installs entertainment gadgets	23.8% (30)	38.9% (49)	22.2% (28)	11.9% (15)	3.2% (4)	3.68	1.06
4.	The SACCO provides tour services	31.7% (40)	36.5% (46)	19% (24)	9.5% (12)	3.2% (4)	3.84	1.08
5.	The SACCO operates 24 hours	26.2% (33)	45.2% (57)	16.7% (21)	8.7% (11)	3.2% (4)	3.83	1.02
6.	The SACCO does online bookings	28.6% (36)	40.5% (51)	21.4% (27)	6.3% (8)	3.2% (4)	3.85	1.01
	Overall Score						**3.72**	

Averagely, the level of product development strategy was at 74.4% mean response (mean=3.72) rated high as shown in Table 4.5 an implication that product development strategy such as introduction of new products and improvement of existing products organizational performance. Kotabe (1990) in his study found a direct relation to new product performance and better performance while Liu, Lin & Huang (2014) found successful product development to enhance operating performance in textile industry. In auto industry, Cusumano and Nobeoka (1991) linked product development strategy with project structure to improve on project performance. This study finding that new product is expected to have a positive effect on organizational performance reaffirms that sugar companies cannot depend on their current product offering only to meet their sales and profit objectives. However important, still some new products do not succeed in the market according to (Hultink, Himmelberg & Palia, 1998). Hopkins (1981), points out that successful improvement of products through new processes is an important factor in the survival of the most companies. Organizations depend on such improvements for long-term growth and survival.

4.3.4. Diversification Strategy

The fourth objective of this study was to determine the influence of diversification strategy in performance of transport service Savings and Credit Cooperate Organization in Nairobi city county, Kenya. So as to achieve this objective, the researcher sought to find out how diversification strategy influences the performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county. The results are presented in Table 4.8. From Table 4.8, in regard to the SACCO offers petrol station services, the respondents strongly agreed with a mean of 3.56 and a standard deviation of 1.16. In addition, the respondents strongly agreed that the SACCO provides spare part shops, with a mean of 3.75 and a standard deviation of 1.36. However, the participants strongly agreed that the SACCO provides courier services with a mean of 3.43 and a standard deviation of 1.30. Moreover, the participants strongly agreed that the SACCO offers school transport with a mean of 3.46 and a standard deviation of 1.29. Further, from the study findings, respondents strongly agreed that the SACCO offers security services with a mean of 3.36 and a standard deviation of 1.34. According to the research findings, the respondents strongly agreed that the SACCO offers boarding and lodging services with a mean of 2.54 and a standard deviation of 1.30 suggesting that the respondents significantly agreed that the SACCO offers boarding and lodging services.

Table 4. 8: Diversification Strategy

	Questions	5	4	3	2	1	Mean	S. D
1.	The SACCO offers petrol station services	11.9% (15)	61.1% (77)	12.7% (16)	0% (0)	14.3% (18)	3.56	1.16
2.	The SACCO provides spare part shops	36.5% (46)	34.1% (43)	11.9% (15)	3.2% (4)	14.3% (18)	3.75	1.36
3.	The SACCO provides courier services	18.3% (23)	42.9% (54)	19% (24)	3.2% (4)	16.7% (21)	3.43	1.30
4.	The SACCO offers school transport	26.2% (33)	32.5% (41)	24.6% (31)	2.4% (3)	14.3% (18)	3.54	1.30
5.	The SACCO offers security services	20.6% (26)	34.1% (43)	22.2% (28)	6.3% (8)	16.7% (21)	3.36	1.34
6.	The SACCO offers boarding and lodging services	20.6% (26)	38.1% (48)	24.6% (31)	0% (0)	16.7% (21)	3.46	1.29
	Mean Score						**3.52**	

Averagely, the level of diversification strategy had a mean of 3.52 rated high an implication that horizontal diversification, Conglomerate and concentric diversification influences organizational performance. Previous

findings show little has been done in transport Saccos in diversification into related products and this is confirmed by Kegode (2015) in his study on economic governance reform in the sugar subsector found that the challenger of increasing competitiveness and profitability in Kenya sugar industry can be addressed in diversifying its operations from white sugar mill. Kegode equally had earlier noted that little progress had been done. Kegode's assertions are contradicted by Afza, Slahudin and Nazir (2018) whose findings show that non-diversified firms performed better that diversified firms due to high return of non-diversified firms is accompanied by low risk in Pakistan. Oyedijo (2012) study findings presented a high and positive correlation between financial performance and related diversification.

4.3.5. Performance of Transport Service Savings and Credit Cooperate Organization (SACCOs) in Nairobi City, County

The general objective of the study was to examine effect grand strategies on performance of transport service Savings and Credit Cooperate Organization (SACCOs) in Nairobi city, county. The results are presented in Table 4.9 indicates the descriptive statistics of performance variable. From table 4.9, in regard to the SACCO enjoys dominant market share, the respondents strongly agreed with a mean of 3.37 and a standard deviation of 0.98. In addition, the respondents strongly agreed that the SACCOs membership has grown due to strategy employment with a mean of 3.37 and a standard deviation of 0.96 which indicates that the respondents insignificantly agreed. However, the participants strongly agreed that use of co-operative movement strategies has improved the SACCOs operational efficiency with a mean of 4.12 and a standard deviation of 0.86. Moreover, the participants strongly agreed that with corporate growth strategies, the SACCO is highly competitive with a mean of 4.11 and a standard deviation of 0.99 indicating that the participants insignificantly disagreed that with corporate growth strategies, the SACCO is highly competitive.

From the study findings, respondents strongly agreed that the SACCO has improved on quality service delivery with a mean of 3.91 and a standard deviation of 1.24. According to the research study findings, the respondents generally strongly agreed that the SACCOs capacity to handle more clients has improved with corporate growth strategies with a mean of 3.42 and a standard deviation of 1.20 suggesting that the respondents significantly agreed on the statement.

Table 4. 9: Performance of transport service Savings and Credit Cooperate Organization

	5	4	3	2	1	Mean	S. D
1. The SACCO enjoys dominant market share	11.9% (15)	34.1% (43)	35.7% (45)	15.1% (19)	3.2% (4)	3.37	0.98
2. The SACCOs membership has grown due to strategy employment	11.9% (15)	46% (58)	27% (34)	11.9% (15)	3.2% (4)	3.52	0.96
3. Use of co-operative movement strategies has improved the SACCOs operational efficiency	34.1% (43)	50% (63)	12.7% (16)	0% ()	3.2% (4)	4.12	0.86
4. With corporate growth strategies, the SACCO is highly competitive	42.1% (53)	36.5% (46)	15.1% (19)	3.2% (4)	3.2% (4)	4.11	0.99
5. The SACCO has improved on quality service delivery	39.7% (50)	35.7% (45)	9.5% (12)	6.3% (8)	8.7% (11)	3.91	1.24
6. The SACCOs capacity to handle more clients has improved with corporate growth strategies	19.8% (25)	32.5% (41)	27% (34)	11.1% (14)	9.5% (12)	3.42	1.20
Mean Score						**3.74**	

4.4. Diagnostic Testing of Regression Model Assumptions

Before conducting linear regression analysis, the study sought to assess if the assumptions of linear regression analysis have been met. The tests included Multicollinearity (VIF), Normality using Shapiro-Wilk Test and Linearity using scatter plots. The following section outlines the outcome of the various tests.

4.4.1. Test for normality

Normality was tested using the Shapiro-Wilk test which has power to detect departure from normality due to either skewness or kurtosis or both. Normality assumption was tested using Shapiro-Wilk Test (S-W). When the value of significance level is less than 0.05 then normality assumption has been violated while when the value is greater than 0.05 then the distribution is normal. From Table 10, all the variables were not significant i.e the P-values were all greater than 0.05 thus normality was achieved and therefore, the study can use parametric tests.

Table 4. 1: Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Market penetration strategy	.216	28	.129	.915	28	.246
Market development strategy	.133	28	.200*	.937	28	.092
Product development strategy	.135	28	.200*	.954	28	.697
Diversification strategy	.196	28	.200*	.852	28	.079
Organizational Performance	.106	28	.200*	.936	28	.085

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

a. Lilliefors Significance Correction

4.4.2. Linearity Test

Test of linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variable. Linearity was confirmed using scatter plots as indicated in Figure 4.1.

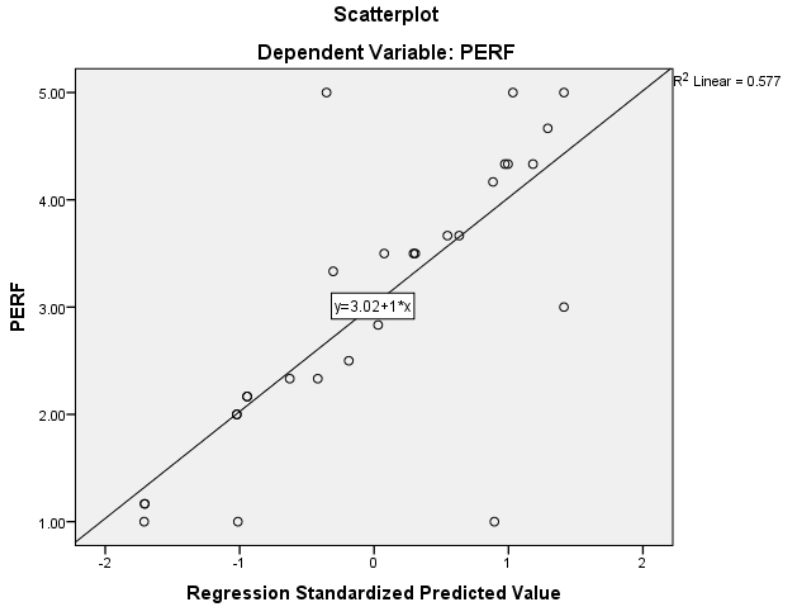

Figure 4. 1: Scatter Plot for Linearity

4.4.3. Multicollinearity

This tests whether two or more conceptualized independent variables that are highly correlated with each other. This leads to problems with understanding which independent variable contributes to the variance explained in the dependent variable, as well as technical issues in calculating a multiple regression model. Multi-collinearity was tested using variance inflation factors (VIF) or tolerance values. If VIF values are below 10 then rule of the thumb is there is no multi-collinearity problem or when the tolerance values have a value of one or less hence no multi-collinearity as indicated in Table 4.11.

Table 4. 2: Multi-collinearity

Variables	Tolerance	VIF
Market penetration strategy	.218	4.594
Market development strategy	.458	2.181
Product development strategy	.300	3.330
Diversification strategy	.465	2.152

4.5. Inferential Statistics

The study undertook inferential statistics which comprise of simple and multiple linear regression analysis, where both correlation and regression data analyses were used to determine the associations among the study variables, further, Analysis of Variance (ANOVA) was carried out to test the significance of the overall model fit. The *F-statistic* was used to test the significance of the model fit and was interpreted at a critical value of 0.05

level of significance.

4.5.1. Pearson Correlation Analysis

Linear regression analysis assumes there is linear relationship between independent and dependent variables. The linearity is as a result of significance level being less than 0.05 which was evident for all study variables. All linear relationships were significant at 0.01 (99.0% confidence level). The results are as shown in Table 4.12.

Table 4. 3: Pearson Correlation Analysis

		MPS	MDS	PDS	DS
MPS=Market penetration strategy	Pearson Correlation	1			
	Sig. (2-tailed)				
MDS=Market development strategy	Pearson Correlation	.349**	1		
	Sig. (2-tailed)	.000			
PDS=Product development strategy	Pearson Correlation	-.009	.084	1	
	Sig. (2-tailed)	.921	.348		
DS =Diversification strategy	Pearson Correlation	.071	.214*	.433**	1
	Sig. (2-tailed)	.432	.016	.000	
Performance	Pearson Correlation	.470**	.491**	.482**	.584**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	126	126	126	126

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

*. Correlation is significant at the 0.05 level (2-tailed).

The results indicate that market penetration strategy has a moderate positive Pearson correlation (r=0.470) influence on performance of transport service Savings and Credit Cooperate Organization (SACCOs) in Nairobi city county. This indicates that market penetration strategy plays a major role in ensuring performance of transport service Savings and Credit Cooperate Organization (SACCOs). These findings support the studies by Pleshko, Heins and Peev (2014), there exist a strong correlation between the penetration strategy of a product and the organization performance. Organizations are seen to perform better in a market segment when it has its pricing strategy to its focus. Pricing and quality of product seem to share a strong correlation. They found out that better quality products with a higher price seem to enjoy a better market domination than poor quality products with a low pricing strategy. The findings agree with Akintoye, Ajolabi and Akamoli (2015) that market penetration strategy enhances performance by increasing the market share with the lowest risk factor. According to Elisheba and Luvasi (2019), joining the market has a major positive effect on results.

The results also indicated that there is strong relationship between market development strategy and performance of transport service Savings and Credit Cooperate Organization in Nairobi city county (Pearson correlation coefficient= 0.491). Market development strategy therefore has a very great influence on the performance of transport service Savings and Credit Cooperate Organization (SACCOs) in Nairobi city, county. These findings support the studies by Mbithi, Muturi and Rambo (2015); Mutuma (2013) and Mugurguiya (2018) which found a significant and positive relationship between the two variables. The findings are consistent with Akintoye, Ajolabi and Akamoli (2015) that market penetration strategy enhances performance by increasing the market share with the lowest risk factor.

The analysis in table 4.12 show that product development strategy has a strong positive Pearson correlation coefficient (r= 0.482) influence on performance of transport service Savings and Credit Cooperate Organization in Nairobi city county. This indicates that product development strategy factors cannot be ignored whenever considering the performance of transport service Savings and Credit Cooperate Organization in Nairobi. These findings support the studies by Fong, Lo and Ramayah (2014); Mbithi, Muturi and Rambo (2015); and Numa (2013) which found a significant and positive relationship between the two variables. The findings agree with Szutu (2019) who suggested that there is a positive relationship between product development and product effectiveness. Mei et al. (2014) concluded that all components of product development, including technical innovation, functional innovation, and market innovation, improve organizational performance. According to Nwokah and Ofoeghu (2019) the aspects of product development such as product quality and product mix have a positive association with aspects of organizational efficiency, profitability, sales volume and customer loyalty.

The results showed that there is positive relationship between diversification strategy and performance of transport service Savings and Credit Cooperate Organization (SACCOs) in Nairobi city county (Pearson correlation coefficient, r= 0.584). This implies that diversification strategy is very necessary in attaining performance of transport service Savings and Credit Cooperate Organization (SACCOs) in Nairobi city, county. These findings support the studies by Arasa (2014); Mutua (2016) and Onsomu (2013) which found a significant and positive relationship between the two variables. These findings are consistent with Oladimeji and Udosen

(2019) who noted that diversification leads to growth and profitability and a robust capital structure to cover liabilities, whereas diversification is a strategic instrument to achieve organizational relevance and spontaneous representation. Mwangi (2016) also reported that product diversification, market diversification and domestic growth have a significant positive relationship with firm's success.

4.5.2. Multiple Regression Analysis

The study sought to assess the effect of each of the growth strategies constructs on performance of transport service Savings and Credit Cooperate Organization when all these constructs were entered as a block on the model. The results of multiple linear regression analysis were presented in Table 4.13. The results from the model summary in Table 4.13 shows that growth strategies accounted for 65.8% significant variance in performance of transport service Savings and Credit Cooperate Organization (R square =.658, P=0.000) implying that 34.2% of the variance in performance of transport service Savings and Credit Cooperate Organization is accounted for by other variables not captured in this model.

Table 4. 13: Model Summary

					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.811[a]	.658	.647	.483374	.658	58.234	4	121	.000

a. Predictors: (Constant), Product development strategy, Diversification strategy, Market development strategy, Market penetration strategy

b. Dependent Variable: Performance of transport service Savings and Credit Cooperate Organization

In order to assess the significance of the model, simply whether the study model is a better significant predictor of the performance of transport service Savings and Credit Cooperate Organization the study resorted to *F Ratio*. From the findings as presented in table 4.14, the F value is more than one, as indicated by a value of 58.234, which means that enhancement as a result of model fitting is much larger than the model errors/inaccuracies that were not used in the model (F (4,121) = 58.234, P=0.000). The large F value is very unlikely to exist by chance (99.0%), thus implying that the final study model has significant improvement in it is prediction ability of performance of transport service Savings and Credit Cooperative Organization in Nairobi city county, Kenya.

Table 4. 14: Model of Fit (ANOVA Table)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	54.426	4	13.606	58.234	.000[b]
	Residual	28.272	121	.234		
	Total	82.698	125			

a. Dependent Variable: Performance of transport service Savings and Credit Cooperate Organization

A regression of the four predictor variables against performance of transport service Savings and Credit Cooperate Organization established the multiple linear regression model as below as indicated in Table 4.19. All growth strategies constructs had significant effect on the performance of transport service Savings and Credit Cooperate Organization as indicated by unstandardized coefficients. If growth strategies are held at zero or it is absent, the performance of transport service Savings and Credit Cooperative Organization in Nairobi city, county would decrease by 0.056units, but not significant since p -value is 0.828. It was revealed that market penetration strategy had unique significant contribution to the model with B=.282, p=.000 suggesting that controlling of other variables (Market development strategy, Product development strategy and Diversification strategy) in the model, a unit increase in market penetration strategy would result to significant increase in performance of transport service Savings and Credit Cooperative Organization in Nairobi city county by 0.282 units. These findings are supported by Gacheo, Thuo, and Byaruhanga (2016) who found that market penetration strategies and competitiveness of mobile telecommunications service providers in Kenya had a direct impact on organizational competitiveness, with higher penetration rates implying better performance because the firm can generate and sustain profits that are higher than the industry average. This finding is consistent with Kiragy (2016) and Njeru (2013) who found evidence of a positive and significant relationship between market penetration and sales performance.

From the regression coefficients in table 4.15, the study determined the regression equation in the form of

$$\mathbf{Y = 0.056 + 0.282X_1 + 0.219X_2 + 0.259X_3 + 0.258X_4}$$

Where;

Y= Performance of transport service Savings and Credit Cooperate Organization

$\mathbf{X_1}$ is representing market penetration strategy

$\mathbf{X_2}$ is representing market development strategy

$\mathbf{X_3}$ is representing product development strategy

$\mathbf{X_4}$ is representing diversification strategy

Table 4. 15: **Regression Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.056	.256		.217	.828
	Market penetration strategy	.282	.045	.355	6.247	.000
	Market development strategy	.219	.048	.263	4.535	.000
	Product development strategy	.259	.051	.301	5.104	.000
	Diversification strategy	.258	.042	.372	6.185	.000

a. Dependent Variable: Performance

Findings showed that firms expanding within and outside the country were showing a high level of success. Chisanga, et. al., (2014) showed that while firms have strategically positioned themselves in markets which are characterized by trade and investment incentives, the competitive outcomes in the region are more likely to be affected by protectionism. Muga (2016) sought to establish the strategies adopted by the twenty-two multinational pharmaceutical companies operating in Kenya, their performance and the influence of these strategies on the performance of these companies. Obasan, Ariyo & Hassan (2015) investigated the nature of relationship between marketing strategy and product performance with a special focus on the food and beverage industry in Nigeria. The results show that indeed marketing strategy impacts product performance of the observed firms.

Liu, Lin and Huang (2014) tended to explore the effects of product development on operating performance in textile industry with quantitative questionnaire survey. The research results show more successful product development could better enhance operating performance in textile industry. Mbithi, Muturi and Rambo (2015) empirically examined the impacts of product development strategy on firm performance. Performance was moderately reactive to increase of product procedures and process but lowly in the introduction of new products because, the firms have not yet realized actualization. Lastly, Averen (2011) studied on diversification as a corporate strategy: an assessment of financial performance of industrial companies in South Africa. The study found out that moderately diversified companies performed better than highly diversified and focused companies. Anne (2016) showed that mobile internet banking among agency banking, money transfer services, asset financing and bank assurance as product diversification strategy used by banks was the main products that banks have diversified. Similarly, Afza, Slahudin and Nazir (2008) in their study on the relationship between diversification and firm performance in Pakistan left many doors open like the influence of group size on diversification, nature of corporate diversification whether related or unrelated.

5. Summary, Conclusion and Recommendations

5.1. Summary of the Major Findings

The data for the findings of this study was collected using questionnaires from 160 respondents. The specific objectives of the study were achieved through conducting multiple linear regression analysis thereby establishing R square and B coefficients. These analyses were conducted at 95.0% confidence level ($P<0.05$). The first objective of the study was to examine the influence of market penetration strategy on performance of transport service Savings and Credit Cooperative Organization in Nairobi city, county in Nairobi County. Simple linear regression analysis revealed that performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county is significantly explained by market penetration strategy. Therefore, market penetration strategy is significant predictor of performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county. Multiple linear regression results using unstandardized beta coefficients showed that there exists a positive and significant influence of market penetration strategy on performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county.

The second objective of the study was to determine the influence of market development strategy in performance of transport service Savings and Credit Cooperatives Organization (SACCOs) in Nairobi city county, Kenya. Majority of the respondents agreed that their SACCO is registered to operate in other regions and their SACCO allows hire services as well as providing group transport. Simple linear regression analysis revealed changes in the performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county is significantly accounted for by market development strategy. Therefore, market development strategy is significant predictor of performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county. Multiple linear regression results using unstandardized beta coefficients showed that market development strategy has significant positive influence on performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county.

The third objective of the study was to establish the influence of product development strategy in performance of transport service Saving and Credit Cooperative Organization (SACCOs) in Nairobi city county, Kenya. The study sought to answer the third research question which was how does product development

strategy influence performance of transport service Saving and Credit Cooperative Organization (SACCOs) in Nairobi city county, Kenya. Majority of the respondents indicated their SACCO also provides tour services, SACCO installs entertainment gadgets, SACCO operates 24 hours and also SACCO does online bookings. Simple linear regression analysis revealed that changes in the performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county are significantly accounted for by product development strategy. Hence, performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county is significantly predicted by product development strategy. Multiple linear regression results using unstandardized beta coefficients showed that product development strategy has significant positive influence on performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county.

The fourth objective of the study was to determine the influence of diversification strategy in performance of transport service Savings and Credit Cooperate Organization (SACCOs) in Nairobi city county, Kenya. The study sought to answer the fourth research question which was what is the influence of diversification strategy in performance of transport service Savings and Credit Cooperative Organization (SACCOs) in Nairobi city county, Kenya. Majority of the respondents agreed that their SACCO provides spare part shops. To moderate extent, their Saccos offered petrol station services, provided courier services and SACCO offered school transport. Simple linear regression analysis revealed that variation in the performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county is significantly explained by diversification strategy. Hence, diversification strategy is useful predictor of performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county. Multiple linear regression results using unstandardized beta coefficients showed that diversification strategy has significant positive influence on performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county.

5.2. Conclusions

In the first objective, the study concluded that market penetration strategy influenced performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county. This implies that application of market penetration strategy would results to improvement in performance of transport service Savings and Credit Cooperate Organization. The SACCOs served all parts of Nairobi metropolitan and at the same time they served the entire route. However, their pricing structure was moderately competitive although they offered discount rates off pick hours. In the second objective of the study, the study concluded that market development strategy influence performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county. The study established that SACCOs are registered to operate in other regions, besides allowing hiring services and providing group transport. These have resulted to significant improvement in performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county.

In the third objective of the study, the study concluded that product development strategy has significant influence on performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county. It was evident that some SACCOs provided tour services, operated 24 hours and have online bookings. These have resulted to significant improvement in performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county. Lastly, the study concluded that diversification strategy has significant influence on the performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county. The study established that SACCOs provides spare part shops, offered petrol station services and they offered school transport. These have resulted to significant improvement in performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county.

5.3. Recommendations

Market penetration strategy has positive correlation with the performance and as such, the researcher recommends that every transport service Sacco should seek to employ this particular strategy. In particular, they should offer competitive pricing structure and they should continuously serve all parts of Nairobi metropolitan. This will enable them to access new markets as well as customers to enhance a sustainable competitive advantage. The findings of this study have established the existence of a significant relationship between product development strategies and performance in this regard, Sacco in transport sector should enhance utilization of product development strategies. This study recommends that management of transport Sacco pursuing product development strategies to come up with products that meet the changing needs of their customers. In particular, the Sacco should offer services that are youth friendly, ability to accommodate persons with disability and also serves in Kenya and outside.

Further, the study recommends that the management of Sacco should strengthen the use of market development strategy. Management of Sacco should invest more in market development strategies so as to enhance their performance. Sacco's are encouraged to adopt online services as this would enable them to access market that was otherwise unavailable. Further, Sacco should also include tour services in their package and therefore, avoiding over dependence on public transport which is highly competitive and dynamic. Lastly, the

study recommends that the management of Sacco should adopt the use of diversification strategies. In particular, they should offer boarding and lodging services which is closely related to transport services and at the same time they should also provide courier services. On the flip side, transport Saccos should also consider offering security services.

5.4. Areas for Further Research

The general objective of this study was to examine effect turnaround strategies on performance of transport service Savings and Credit Cooperate Organization in Nairobi city, county. Specifically, this study concentrated on the effect that the market penetration strategy, market development strategy, product development strategy and diversification strategy had on the performance of transport service Savings and Credit Cooperate Organization.

Methodologically, the study confines itself only to the Transport Sacco's registered in Nairobi City County meaning some Saccos operating in Nairobi City were not include although a justification was provided. The study recommended that a study should be undertaken to cover all Saccos operating in Nairobi Metropolitan.

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