EFFECT OF STRATEGIC INNOVATIONS ON THE PERFORMANCE OF SAVINGS AND CREDIT COOPERATIVE SOCIETIES IN NAIROBI CITY COUNTY, KENYA

MOSES KIMANTHI BUNDI

A Thesis Submitted to the Graduate School in Partial Fulfillment of the Requirements for the Award of the Degree of Master of Business Administration (Strategic Management Option) of Chuka University

CHUKA UNIVERSITY

OCTOBER, 2025

DECLARATION AND RECOMMENDATIONS

Declaration

This thesis is my original work and has not been presented for an award of diploma or conferment of degree in this or any other institution.

Signature: ..... Date: 16/10/2025

Moses Kimanthi Bundi
CM11/15196/14

Recommendations

This thesis has been examined, passed and submitted with our approval as University supervisors.

Signature: ..... Date: 16/10/2025

Dr. Rael Mwirigi, PhD
Chuka University

Signature: ..... Date: 16/10/2025

Dr. Peter Gituma Kimathi, PhD
Chuka University

ii

COPYRIGHT

DEDICATION

This thesis is dedicated with deepest love and gratitude to my dear wife, Faith, whose unwavering support, patience, and encouragement have been my constant source of strength throughout this academic journey. To my beloved sons, Prince and Luther, you are my inspiration and the reason I strive for excellence. May this work one day remind you of the value of perseverance, discipline, and faith in one's dreams. To my family, whose prayers, guidance, and moral support have nurtured me along the way, and to my friends, for their understanding, encouragement, and companionship during the demanding moments of this journey.

ACKNOWLEDGMENT

First and foremost, I extend my sincere gratitude to Almighty God, whose grace, wisdom, and strength have sustained me throughout the course of this study and made the successful completion of this thesis possible. I am deeply indebted to my supervisors, Dr. Rael Mwirigi and Dr. Peter Gituma Kimathi, for their invaluable guidance, constructive criticism, and continuous support. Their expertise, patience, and encouragement have been instrumental in shaping this work to the standard it has attained. I also extend my sincere appreciation to all those who have contributed both directly and indirectly to the completion of this work. I also wish to acknowledge Chuka University, for providing me with the conducive academic environment to pursue my Master's Studies in the Faculty of Business studies, under the Department of Business Administration.

ABSTRACT

Strategic innovation is crucial for long-term success. Savings and Credit Cooperatives (SACCOs) in Kenya are instrumental in Gross domestic product (GDP) growth and uplifting the livelihoods of the people through job creation, poverty eradication by enhancing financial inclusion. Despite having a huge potential for growth, SACCOs in Nairobi City County have witnessed a decline in performance. While most of the SACCOs in Nairobi City County have started adopting various innovations, it is apparent from the performance that they are yet to harness well on these innovation strategies to improve their performance. Strategic innovation is a strategic management tool that can influence organizational performance, enhance competitiveness, adaptability and long-term sustainability. Anchored in the strategic management perspective, this study examined the effect of strategic innovations on performance of SACCOs in Nairobi City County. The specific objectives were to examine the effect of product innovation, process innovation and marketing innovation on performance and the moderating effect of SACCO size on the relationship between strategic innovation and performance. This study was anchored on Schumpeter theory of innovation, dynamic capability theory and resource based view. Descriptive research design was adopted with a population of 177 SACCOs in Nairobi City County. The study adopted a census technique and the respondents were 177 chief executive officers or their equivalent in the SACCOs. Data was collected using a closed-ended questionnaire and a data collection sheet. Data was analyzed using descriptive and inferential statistics and with the aid of Statistical Package of Social Sciences version 28.0. Cronbach's alpha was used to test reliability. Construct validity was tested using regression analysis. The content validity was done through research supervisors who checked if the research instrument captures all the relevant aspects to answer the research questions. The pilot study involved 18 respondents from 18 SACCOs in Kiambu County which constitute ten percent of the targeted chief executive officers. Simple and multiple regression analysis was done to establish the relationship between variables. Correlation analysis was used to test the strength of the relationship between variables. Data was presented using tables and figures. T-test and F- test was used to test hypothesis at 5% significance level. The results of the study indicate that product innovation was statistically insignificant (β=-0.051, P-value=0.541>0.05). The results of the study indicate that process innovation and marketing innovation were statistically significant (β=0.634, P-value=0.000<0.05, β=0.548, P-value=0.000<0.05) respectively. The results of the study indicate that the interaction effect between strategic innovation and SACCO size was statistically significant (β=0.279, P-value=0.016<0.05). Savings and Credit Cooperatives are encouraged to adopt modern technologies and efficient systems that streamline operations, reduce costs, and improve service delivery. SACCOs should strengthen marketing efforts by embracing digital platforms, targeted campaigns, and member engagement strategies to increase visibility and attract new members. SACCO managers should continuously improve internal operations by adopting technology-driven process innovations such as automated loan processing systems, mobile banking applications, and real-time data management tools. Furthermore, policy makers should develop and implement flexible guidelines that support digital transformation, such as e-banking, automated loan systems, and electronic record management, without imposing excessive compliance burdens.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABBREVIATIONS AND ACRONYMS

AMOS	Analysis of Moment Structures
ANOVA	Analysis of Variance
CEO	Chief Executive Officer
DCT	Dynamic Capability Theory
DT SACCO	Deposit Taking SACCO
DT	Deposit-Taking
GDP	Gross Domestic Product
GCP	Global Competitiveness Project
KCB	Kenya Commercial Bank
NACOSTI	National Commission for Science, Technology and Innovation
R&D	Research and Development
RBV	Resource Based View
SACCO	Savings and Credit Cooperative Societies
SASRA	SACCO Societies Regulatory Authority
SMEs	Small and Medium Enterprises
SMS	Short Message Service
SPSS	Statistical Package for the Social Sciences
TCDC	Tanzania, Cooperative Development Commission
UK	United Kingdom
USA	United States of America
VIF	Variance Inflation Factor
VRIN	Valuable, rare, inimitable, and non-substitutable
WOCCU	World Council of Credit Union

CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Strategic management is the coordinated process of formulating, implementing, and evaluating strategies that enable an organization to achieve its long-term goals and maintain a sustainable competitive advantage in a dynamic environment (David & David, 2017). Strategic management has transitioned from stability-oriented planning to innovation-driven adaptability, positioning strategic innovation as a core mechanism for achieving and sustaining competitive advantage in dynamic global and local contexts. Strategic innovation refers to an organization's process of reinventing or redesigning its corporate strategy to drive business growth and generate value (Day, 2023). Kataria, (2013) defined strategic innovation as a concept that provides more insights on how firms compete in the volatile markets and sustain or create new competitive advantage. Many firms are dealing with highly volatile markets and have to re-define their market strategies. Strategic innovation refers to business transformation beyond the existing competition. Premised on this concept various authors have discussed various categories of strategic innovation.

Within the context of Savings and Credit Cooperatives, Wallace *et al*., (2021) described strategic innovation based on four constructs; product innovation, technological innovation, process innovation and marketing innovation. Strategic innovations in SACCOs can be based on four constructs; product innovation, process innovation, marketing innovation and organization innovation (Mbegu *et al.,* 2024). Additionally, Dogan (2017) defined strategic innovation as a deliberate and proactive approach to creating and implementing new ideas, processes, products, or business models that significantly enhance an organization's competitive position and drive long-term success. According to Varadarajan (2018), strategic innovation is the creation of value by using relevant knowledge and resources for conversion of an idea into a new product, process, or practice with the potential to have a major transformational effect on the evolution of markets and industries. Tidd and Bessant, (2014) defined strategic innovation as a deliberate development of new products, processes, and marketing strategies that challenge industry norms and create new value propositions for sustainable competitive advantage. The current study conceptualized strategic

innovation as product innovation, process innovation and marketing innovation as evidenced by (Wallace *et al.*, 2021, Mbegu *et al.*, 2024, Dogan, 2017, Varadarajan, 2018, Tidd and Bessant, 2014). It is hence apparent that strategic innovation is essential for a firm's competiveness and ultimately performance.

Globally firms are increasingly applying strategic innovation to improve and maintain its long-term performance. Strategic innovation drives organizational competitiveness by enabling firms to develop unique value propositions, adapt to dynamic market conditions, and create sustainable advantages through differentiation and efficiency (Farahmand, 2019). Organizations that embrace strategic innovation such as Apple and Toyota leverage technology, customer insights, and creative business models to outperform competitors and maintain market leadership. According to Global Finance (2023), Alior Bank in Poland introduced InfoNina, an Artificial Intelligence-powered conversational system that serves as a voicebot capable of understanding multiple customer intents within a single statement. This Strategic innovation has not only improved customer interaction but also generated significant sales leads, contributing approximately $6 million in credit product sales.

Further, Eurasian Bank in Kazakhstan has led the charge toward a faster online solution for consumer lending solutions; most remarkable is the project that was introduced in 2022, to assist in lending to consumers who through online platforms make retail purchases online (Eurasian Bank Annual Report, 2023). The strategic innovation had resulted in 88 percent growth in loan via online platforms and within eight months in 2022, three million customers were processed; majority of whom for the household appliances purchase. For the credit unions, a report by the National Credit Union Administration (2023) indicated that from the year 2018, there was an average growth of 8.8 percent in terms of loans among the credit unions in comparison to 8 percent for the bank loans buoyed by innovations. Despite this growth, the year 2023, saw a significant decline of 23 percent in terms of the Return on Assets (ROA) of the credit unions (National Credit Union Administration Report, 2023).

In Africa financial institutions are also increasingly adopting strategic innovation as a means towards improving their long term performance. A report by African Digital

Transformation (2023) which surveyed financial institutions in Africa established that 51 percent of the African banks had embraced strategic innovation. Additionally, SACCOs in Africa are also increasingly recognizing the importance of strategic innovation in remaining competitive and relevant in a rapidly changing financial landscape (Mbego, 2024). According to Messabia, *et al.,* (2023), SACCOs in the emerging economies lack innovation and have poor governance which renders their performance poor. In Tanzania for instance Tanzania Cooperative Development Commission (2023) noted that the financial performance of most Cooperatives has been declining. Further at least 60 percent of the newly registered Savings and Credit Cooperatives regulations have failed resulting in massive financial losses for their members. Towo (2023) observed that the financial leverage ratio of Tanzania's SACCOs is 17 percent which is below the required 25 percent under the 2019 Savings and Credit Cooperatives regulations. A review by Nassuna *et al*., (2024) observed that SACCOs in Uganda have been faced with low product innovation, limited market outreach and high operational costs which have inhibited their growth in terms of savings affecting their overall performance.

In the Kenyan context, strategic innovation enhances competitiveness among organizations such as Safaricom, Equity Bank, and SACCOs, which have adopted mobile technologies, digital financial platforms, and customer-centered services to reach underserved markets and improve operational efficiency (Muturi & Muriithi, 2022). These strategic innovations not only strengthen market positioning but also foster resilience and inclusivity in Kenya's evolving economic landscape. SACCOs on their part have transitioned from traditional paper-based on boarding to digital platforms that allow new members to join online. This strategic innovation has helped in simplifying the membership application process, reducing paperwork, and accelerating the time it takes for new members to start using services (Wallace & Kilika, 2021). Further, to streamline loan approvals and disbursements, several SACCOs have adopted automated loan processing systems. These systems use data analytics to assess creditworthiness quickly and efficiently, reducing the time taken for loan approvals significantly. Achieng (2021) while examining how SACCOs in Nairobi City County employed innovations to gain competitive market position established that strategic innovation significantly influenced their performance. Strategic innovation plays a

significant role in enhancing competitiveness and long term success of the business through components such as product, process and marketing innovation.

Product innovation is the process of creating a new product or improving an existing one to meet customers' needs in a novel way (Mariani & Nambisan, 2021). Product innovation also refers to changes that improve design, materials, feel, look, capacity, functionality, and overall user experience (Auernhammer & Roth, 2021). Product innovation in organizations has also been investigated by various authors such as Nyamao and Tari (2023) argued that product innovation is the process of bringing in a new product in relation to its features and proposed usage. This study analyzed product innovation based on enhancement of product components, enhancement in technological provisions as well as the process of incorporation of additional useful features to the product. Jummai and Ande (2023) on the other hand, while analyzing the nexus between product innovation and organizational performance conceptualized product innovation based on; research and development of products, technology advancement and buy or make product or services. Nakato et al., (2021) in a survey conceptualized product innovation based on improvement of product feature and quality. SACCOs offers products such as Savings Products, Loan Products., Micro Loans, Primary Insurance Agency and Mobile Banking (Kalume & Makau, 2020).

Teece (2020) connects product innovation to the firm's dynamic capabilities, demonstrating how a firm's capacity to recognize and shape opportunities influences innovation output. Rapitsenyane and Sserunjogi, (2023) defines product innovation as new Product Development that balances technical functionality with customer needs and user experience. Additionally, Kotler and Keller, (2016) defined product innovation as a bundle of new product creation, functional performance, and customer experience value (satisfaction, loyalty, usability). Trott (2021) defined product innovation as rapid prototyping, cross-functional teams, and effective product development. Pine and Gilmore (2021) emphasized the experience economy, where customer perception and emotional connection are core indicators of product innovation. Rapitsenyane and Sserunjogi, (2023) Auernhammer and Roth, 2021 and Kotler and Keller, (2016) view of product innovation formed the basis for the indicators of product innovation as new product development, product functionality

and customer experience value. Process innovation is also an important factor that can affect performance of SACCOs.

Process innovation refers to the implementation of a new or significantly improved production or delivery method (Blichfeldt & Faullant, 2021). Additionally, Process innovation is denoted as the application or introduction of a new technology or method for doing something that helps an organization remain competitive (Nwankpa *et al.,* 2022). Iherobiem and Sanusi (2023) while analyzing process innovation and how it influences organizational performance conceptualized process innovation as a combination of delivery processes, support service processes and product processes. Consequently, a firm that combines these aspects in its processes is able to improve its logistical processes including its auxiliary operations. According to Zizakov *et al.,* (2023), to enhance processes in organizations, executives should realize and minimize activities that are of no value to production or service processes hence the organizations should set up new work methods and take up innovations in procedures and techniques.

Process innovation is the introduction of new software, digital tools, or methodologies in production or service operations (Bessant & Tidd 2021). Further, process innovation was conceptualized by Laudon and Laudon (2022) as enterprise resource planning (ERP) and customer relationship management (CRM) systems for handling customer interactions. Johnston and Clark, (2021) viewed process innovation in service delivery as facility redesign and service automation. Taghizadeh *et al.* (2020) viewed process innovation as an organization's attempt to enhance its work processes by utilizing technologies such as wireless networking and experimenting with new approaches to process improvement, such as establishing a paperless environment. Therefore, in the current study, process innovation was conceptualized as new and improved techniques adopted, speed of the process and sustainability of the process (Umar *et al.,* 2024; Bessant & Tidd 2021; Laudon & Laudon 2022).

Marketing innovation is the implementation of a new marketing method involving significant changes in product design or packaging (Tang *et al.,* 2021). In the perspective of Sudirjo (2023), marketing innovation is the incorporation of new marketing methods involving significant changes in product design, packaging,

placement, promotion and pricing. Marketing innovation as conceptualized by Wallace *et al.,* (2021) entails changes in loan product design, market segmentation where products are tailored to suit specific customers and pricing of products. As described by Peng *et al.,* (2021), marketing innovation is the process of incorporating new marketing techniques by making use of promotions, pricing and distribution of services or products. Mbegu *et al*. (2024) assessed marketing innovation from the standpoint of creative marketing campaigns. Kotler *et al.* (2021) defined marketing innovation as dynamic pricing and personalized promotions which can be interlinked tools that marketers can innovate simultaneously to enhance competitiveness and consumer engagement.

According to Kotler and Keller (2016) marketing innovation entails creating new approaches to product placement, pricing, and promotion strategies that differentiate the firm and create superior customer value which is a key component of marketing innovation. Through the use of new promotional strategies, price model restructuring, and inventive product delivery methods goes beyond standard marketing. Varadarajan, (2020) suggested that marketing innovation as changing the way firms engage existing markets through new channels, digital platforms, and co-creation with customers. Marketing innovation refers to new markets creation, reshaping of already existing markets and value creation for customers in the market (Tang *et al.,* (2021). The current study conceptualized marketing innovation as placement, promotion and pricing (Tang *et al.,* 2021; Kottler and Keller, 2016; Varadarajan, 2020 & Kotler *et al.,* 2021. SACCO performance can be caused by factors such as SACCO size and therefore there was need to examine the extent to which SACCO size affected the relationship between strategic innovation and SACCO performance. SACCO size depends on the total assets of the SACCOs and this could alter the relationship between strategic innovation and performance.

SACCO size refers to the scale on which a SACCO operates and it is often determined by several factors such as total sales, assets value, membership growth, or business volume (Njuguna, 2022). SACCO size was used as moderating variable in the current study since it is a crucial factor in various areas of business and finance research, influencing everything from financial policy to corporate governance (Otwoko *et al.,* 2021).

Different measures of firm size, such as total assets, total sales, market capitalization, and the number of employees, capture different aspects of a company's scale and scope (Hoberg & Phillips, 2025). The choice of which measure to use depends heavily on the specific research question and the context of the study. However, total assets often serve as a valuable and sometimes preferred measure due to its ability to reflect the overall scale of a company's operations and its financial resources (Hasmi *et al.,* 2020). The current study measured the regulated SACCO size using tiers based on total assets. Large-Tiered SACCOs are those Regulated SACCOs whose total assets are in excess of Kshs 5 Billion; Medium-Tiered SACCOs have total assets between Kshs 1 Billion and Kshs 5 Billion; and Small-Tiered SACCOs have total assets below the Kshs 1 Billion threshold (SACCO Societies Regulatory Authority, 2023).

According to Ismanu and Kusmintarti (2019), firm size manifests the amount of assets owned by a company. The significance of firm size on innovation and performance has been established by (Otwoko *et al*., 2021; Hoberg & Phillips, 2025 & Hasmi *et al*.,2020). According to Kijkasiwat and Phuensane (2020), innovations usually involve huge fixed costs and therefore large firms have a greater ability to access finance from external sources for research and development. The most common metrics used in measuring firm size are; total assets, market capitalization, total sales and number of employees (Hashmi *et al.,* 2020). Hung *et al.,* (2021) measured firm size on the basis of total assets, sales growth and total labour. Ayumba (2024) measured firm size on the basis of total assets hence for the purpose of this study, size of the SACCOs was determined using tiers based on the total assets held.

Performance is crucial for the success and sustainability of any organization (Gutterman, 2023). Organizational performance is important because it helps businesses achieve their objectives, maximize resources, and adapt to changes in the market. It leads to increased productivity, improved profitability, and enhanced customer satisfaction. Furthermore, companies that prioritize organizational performance are better positioned for long-term success and sustainable growth. A critical concern is the rising number of dormant memberships: in the year 2023, 21.15 % of members were dormant that is no account activity for 6-12 months up from 19.01 % in the year 2022 translating to 1.45 million inactive members. This suggests that

although SACCOs attract new members, retaining active engagement is becoming a struggle (SASRA, 2023).

Savings and Credit Cooperative Organizations (SACCOs) in Kenya face several challenges affecting their performance in terms of customer satisfaction and market share (SACCO Supervision Annual Report, 2023). The challenges include limited product diversification, slow adoption of digital technologies, bureaucratic processes, weak marketing strategies, and stiff competition from commercial banks and fintech institutions. Many SACCOs still rely on traditional loan and savings products that fail to meet the evolving needs of modern, tech-savvy customers, leading to reduced satisfaction and loyalty (Muriuki, 2023). Inefficient processes such as manual record keeping and delayed loan approvals also hinder service delivery and erode trust. Furthermore, inadequate marketing innovation limits their visibility and ability to attract new members in an increasingly competitive financial market. Strategic innovation through product innovation such as introducing digital savings and mobile loan platforms, process innovation such as automating operations for faster service delivery, and marketing innovation such as using social media and personalized campaigns can address these challenges, enhance customer experience, and expand SACCOs' market share (Mwangi & Ngugi, 2021). Therefore, there is need for the SACCOs to employ strategies such as product, process and marketing innovation that can help them overcome the declining performance.

Performance can be measured using financial and non-financial measures (Abdullahi *et al.,* 2021). Financial performance metrics are used to assess a company's growth, profitability, and overall health (Kotane & Kuzmina-Merlino, 2012). Stobierski (2020) stated that financial key performance indicators fall under various categories including profitability, solvency, efficiency, valuation and liquidity. The author further outlines that in the financial statements, return on assets, gross profit margin, net profit margin and working capital are the most common measures used. Non-financial performance metrics gauge a business's intangible assets, including employee engagement, brand reputation, and customer satisfaction (Shah, 2024). Various authors have outlined various measures of performance of organizations. Non-financial measures such as customer satisfaction, employee engagement, strategic innovation, service quality

capture the drivers of long-term success that financial data cannot fully explain (Omran *et al.,* 2021). Additionally, SACCOs financial measures like profitability and liquidity are important, but non-financial measures are equally critical since SACCOs exist to promote member welfare, trust, and sustainability. Kotler and Keller, (2016) viewed performance as the ability of a firm to gain and retain market share while achieving high levels of customer satisfaction, noting that these two indicators are central to long-term competitiveness. Therefore, the current study measured SACCO performance in terms of customer satisfaction and market share based on (Kottlers & Keller,2016).

Strategic innovation plays a crucial role in sustaining organizational performance in dynamic environments by enabling firms to continuously adapt, renew resources, and create new sources of competitive advantage (Larabi, 2025). According to Schumpeter's theory, firms achieve growth and sustain performance through "creative destruction," where old ways of doing business are replaced by new products, processes, and marketing approaches that drive market transformation. In this view, strategic innovation allows organizations to stay ahead by constantly disrupting and redefining their competitive landscape (Schumpeter, 1934). The dynamic capabilities theory further emphasizes a firm's ability to integrate, build, and reconfigure internal and external competencies to respond rapidly to environmental changes highlighting strategic innovation as a mechanism for sensing opportunities, seizing them, and transforming organizational processes for sustained success (Teece, 2018). Additionally, resource-based theory underlines that sustained performance arises from leveraging valuable, rare, inimitable, and non-substitutable (VRIN) resources; strategic innovation enhances these resources by developing unique capabilities, technologies, and knowledge that competitors cannot easily replicate (Barney, 1991). Product innovation builds unique financial solutions, process innovation develops operational excellence, and marketing innovation cultivates brand equity and customer trust all internal resources that sustain long-term performance.

Savings and Credit Cooperatives (SACCOs) play a significant role in the country's financial sector, offering a range of financial services to members. Registered SACCOs, in particular, hold a significant position in the financial landscape, as they are authorized to accept deposits from the public and contribute 6.43% to the country's

GDP (SACCO Societies Regulatory Authority, 2 21). In 2023, Kenya's SACCOs gross domestic product (GDP) exhibited signs of low performance, including decreased profitability, reduced capital adequacy, and a rise in non-performing loans (SASRA report, 2023). Specifically, the Return on Assets (ROA) dropped from 2.65% in 2022 to 1.59% in 2023 (SASRA, 2023). Additionally, the declining performance has been caused by several factors such as limited product diversification, slow adoption of digital technologies, bureaucratic processes, weak marketing strategies, and stiff competition from commercial banks and fintech institutions. Strategic innovation is a critical and essential factor for the growth and competitiveness of an organization (Soomro *et al.,* 2021). There are 177 regulated SACCOs that have been registered and issued with operating licenses in Nairobi City County (SASRA, 2023).

A study by Ouma *et al.,* (2018) sought to determine the nexus between innovations and financial performance of Deposit taking SACCOs and focused on 19 DT SACCOs which can limit generalization of the findings whereas the current study focused on 177 SACCOs in Nairobi City County. Xiao, *et al.,* (2022) examined the influence of product innovation strategies on performance of China's manufacturing firms. The study focused on China which is more advanced in terms of technology than Kenya and the results can differ. Additionally, Akpoviroro *et al.,* (2019) examined the impact of process innovation on performance of an organization within the Nigerian telecommunication sector. The major gap from the study is that it focused on the telecommunication sector which is different from the SACCOs in terms of its mode of operations. For this reason, the findings cannot be conceptualized to SACCOs which fall within financial sector. To bridge the gaps, the study sought to examine the extent to which strategic innovation variables can affect SACCO performance and the moderating effect of SACCO size on this relationship.

Zand and Rezaei (2020) used correlation analysis which shows the strength and direction of variables whereas the current study used correlation analysis, simple and multiple regression to check the relationship between independent variables and dependent variables. Mooi *et al.,* (2020) did not consider innovations like product and marketing innovations which could result to different findings. Additionally, Maina (2023) relied on content analysis to show the relationship between process innovation

and competitive advantage while the current study employed a regression analysis which helps in showing the relationship between process innovation and performance. Maina *et al., (*2020) found that process innovation had no effect on financial sustainability resulting to divergent opinion on the effect of process innovation.

1.2 Statement of the Problem

SACCOs in Kenya are instrumental in GDP growth and uplifting the livelihoods of the people through job creation, poverty eradication by enhancing financial inclusion. A critical concern is the rising number of dormant memberships: in the year 2023, 21.15 % of members were dormant that is no account activity for 6-12 months up from 19.01 % in 2022 translating to 1.45 million inactive members. This suggests that although SACCOs attract new members, retaining active engagement is becoming a struggle. SACCOs in Kenya have been faced by various challenges related to limited product diversification, slow adoption of digital technologies, bureaucratic processes, weak marketing strategies, and stiff competition from commercial banks and fintech institutions. Many SACCOs rely on traditional loan and savings products, inefficient processes that hinder service delivery and trust, while limited marketing innovation reduces their visibility and ability to attract new members. Strategic innovation has emerged as a critical factor for competitive advantage and organizational sustainability. Therefore, there is need for the SACCOs to employ strategies such as product, process and marketing innovation that will help them overcome the declining performance. A review of the past studies indicated that some studies were examined within other contexts such as different sectors and countries and the results differed since the current study found that product innovation had a negative and insignificant effect on performance. Conceptually, past studies only narrowed down to one aspect of strategic innovation whereas the current study focused on product, process and marketing innovation as key components of strategic innovation. On the other hand some studies used small sample sizes which reduced the generalizability of the findings while the current study focused on 177 SACCOs in Nairobi County. It is against this background that this study sought to establish the extent to which strategic innovation influenced performance of SACCOs in Nairobi City County.

1.3 Objectives of the Study

1.3.1 General Objective of the Study

The general objective of the study was to establish the effect of strategic innovations on the performance of SACCOs in Nairobi City County.

1.3.2 Specific Objectives

The specific Objectives were;

i. To examine the effect of product innovation on the performance of SACCOs in Nairobi City County
ii. To examine the effect of process innovation on the performance of SACCOs in Nairobi City County
iii. To assess the effect of marketing innovation on the performance of SACCOs in Nairobi City County
iv. To determine the moderating effect of SACCO size on the relationship between strategic innovation and performance of SACCOs in Nairobi City County
v. To examine the joint effect of product innovation, process innovation and Marketing innovation on the performance of SACCOs in Nairobi City County

1.4 Research Hypotheses

The study was based on the following hypotheses;

$H0_1$: There is no statistically significant relationship between product innovation and performance of SACCOs in Nairobi City County

$H0_2$: There is no statistically significant relationship between process innovation and performance of SACCOs in Nairobi City County

$H0_3$: There is no statistically significant relationship between marketing innovation and performance of SACCOs in Nairobi City County

$H0_4$: Size of SACCO has no statistically moderating effect on the relationship between strategic innovation and performance of SACCOs in Nairobi City County

$H0_5$: Product innovation, process innovation and marketing innovation have no statistically significant joint effect on the performance of SACCOs in Nairobi City County

1.5 Significance of the Study

This study will be valuable to the practitioners and managers within the SACCO sector as it will bring an understanding on the evolving needs and expectations of members. As financial landscapes change, members increasingly seek services that are not only efficient but also tailored to their specific requirements. Research in this area will therefore help the practitioners within SACCOs to identify gaps in delivery of service and to innovate accordingly, ensuring that they meet the demands of their members effectively. By focusing on strategic innovative practices, SACCOs can streamline operations, reduce wait times for services, and provide a more user-friendly experience.

This study is expected to add value to influence policy framework in the SACCO sector on the strategic innovation and their influence on performance. It is expected that with the recommendations from this study, stakeholders within the Kenyan Ministry of Cooperatives and Micro Small and Medium Enterprise Development will review its policies towards encouraging and facilitating innovative practices among the SACCOs in Kenya for economic growth. Research on strategic innovation in SACCOs is expected to highlight successful models and practices that have led to improved member services, operational efficiency, and financial sustainability. Policymakers can use these insights to develop frameworks that encourage the adoption of best practices across the sector. For instance, the focus on technologies including SACCOs implementing digital banking solutions experience higher member satisfaction and retention rates, policies can be crafted to incentivize other SACCOs to adopt similar technologies.

Finally, this study is expected to add value to the existing body of knowledge by addressing the current challenges faced by SACCOs and how strategic innovations can be used to improve their performance. Academicians can utilize findings from studies on SACCO's strategic innovation to inform policymakers about the challenges and opportunities faced by these organizations. By highlighting effective strategies, researchers can advocate for supportive regulatory environments that foster innovation in the cooperative sector. This connection between research and policy development enhances the relevance of academic work in real-world applications.

1.6 Scope of the Study

The geographical scope of the study was Nairobi City County, Kenya. The choice of this geographical scope was informed by the performance challenges that the SACCOs in the Counties have been facing. A report by the National Credit Union Administration (2023) indicated that from the year 2018, there has been an average growth of 8.8 percent in terms of loans among the credit unions in comparison to 8 percent for the bank loans buoyed by innovations. Despite this growth, the year 2023, saw a significant decline of 23 percent in terms of the Return on Assets (ROA) of the credit unions (National Credit Union Administration Report, 2023).

This study used descriptive research design and the study targeted 177 SACCOs in Nairobi City County specifically the CEOs of the 177 SACCOs. The study focused on strategic innovation and performance which was measured using customer satisfaction and market share. Strategic innovation was conceptualized in terms of product innovation which was measured using new product development, product functionality and customer experience value, marketing innovation which was measured using new and improved techniques adopted, and speed of the process and sustainability of the process, and process innovation which was measured using placement, promotion and pricing. SACCO size was the moderating variable measured using total assets. Nairobi City County was chosen due to its high concentration of SACCOs, which reflect a varied membership base, sophisticated regulatory compliance, and vibrant competition (SASRA, 2023). This made it an appropriate setting for evaluating how strategic innovation affects SACCO performance. The target population was 177 SACCOs.

1.7 Limitations of the Study

The respondents were reluctant to fill the questionnaire and to overcome this, the researcher gave an assurance to the respondents that the provided information would be held confidential and would be used for academic purposes. Some Chief Executive Officer (CEO) of the SACCOs failed to return or complete the questionnaire, leading to a reduced sample size and possible bias. To overcome this the researcher used follow-up reminders through phone calls and explained the purpose of the questionnaire was for research only and sought their consent.

1.8 Assumptions of the Study

The study also assumed that the respondents had adequate time to provide complete and accurate responses and free of bias. The study assumed that respondents clearly understood the questionnaire on product, process, and marketing innovation, as well as the indicators of performance, thereby ensuring reliability of the responses. The study also assumed that the listed SACCOs are in operation and have developed and implemented the selected strategic innovations.

1.9 Operational Definition of Terms

Customer Satisfaction	Refers to the member's positive feeling or opinion about the service quality, accessibility and convenience of the SACCO's products, services, and overall experience, which arises from the perceived performance of these offerings meeting or exceeding their needs and expectations
Market share :	Proportion of a SACCO's membership growth, market presence, competitive positioning, visibility or loan portfolio relative to the total market of cooperative financial institutions within a given region or sector.
Marketing Innovation:	Refers to creating new approaches to product placement, pricing, and promotion strategies that differentiate the firm and create superior customer value which is a key component of marketing innovation
Placement:	Describes a method by which a product or service is made available to customers. It involves the distribution channels, locations, platforms, and strategies used to ensure the product reaches the intended target market effectively
Pricing:	Refers to the introduction of new or significantly improved pricing strategies, models, or structures aimed at creating more value for both the organization and its customers
Process Innovation:	Customer service processes adopted by the SACCOs, new and Improved techniques adopted, speed of the process and sustainability of the process.
Product development:	Is the creation and launch of products to meet customer needs
Product functionality:	Refers to what a product does and how it accomplishes its intended tasks or meets user needs
Product Innovation:	Entails new products development by the SACCOs, product functionalities and customer experience value
Promotion:	Entails the development and application of new or significantly improved methods for promoting products or services. It involves introducing creative communication strategies,

	channels, or tools aimed at increasing customer awareness, engagement, and loyalty beyond traditional advertising such as interactive advertisement.
SACCO Performance:	Evaluation of how well a SACCO achieves its strategic objectives beyond just profitability and financial growth. It focuses on qualitative and operational indicators that capture customer satisfaction and market share.
SACCOs size:	Categorization of SACCOs into tiers based on their total assets as reported in the SASRA reports
Strategic Innovation:	Refers to the deliberate process through which an organization redefines its strategies, business models, products, services, processes or markets in fundamentally new ways to achieve sustainable competitive advantage and superior performance.

CHAPTER TWO
LITERATURE REVIEW

2.0 Empirical Literature Review

This section entails review of past studies on the effect of product,process,marketing innovation on performance of SACCOs in Nairobi City Count and the moderating effect of SACCO size on the relationhip between

2.1 Product Innovation and Performance

A study conducted in 2018 investigated the relationship between innovation and the financial performance of deposit-taking SACCOs in Nairobi County (Ouma *et al.*, 2018). The analysis considered innovation in terms of new product development, introduction of new services, and adoption of new organizational forms, while financial performance was assessed using indicators such as profitability, liquidity, and capital adequacy. The research targeted 19 DT SACCOs operating between 2010 and 2014. Regression results revealed that product innovation had a significant positive effect on organizational performance by enhancing profitability and market share. However, the limited sample of 19 SACCOs constrained the generalizability of the findings, whereas the current study includes a broader scope of 177 SACCOs within Nairobi City County.

Yusuf (2021) examined the influence of product innovation and brand image on customer purchase decision on Oppo smartphone products in South Tangerang City. The study used explanatory research with analysis techniques using statistical analysis with regression testing, correlation, determination, and hypothesis testing. The population in this study amounted to 96 consumers in South Tangerang City. The results of this study showed that product innovation has a significant effect on purchasing decisions. Brand Image had a significant effect on Purchasing Decision. This study focused on Oppo smart phones in South Tangerang City which have different economic conditions such as inflation rates and interest rates which differs from Kenyan set up while the current study focused on SACCOs in Nairobi to check whether the results differed.

A study was conducted by Fadillah *et al.,* (2022) to examine the effect of innovation and Product Quality on Consumer Satisfaction and focused on coconut charcoal products. This research used associative and descriptive research methods with a

quantitative approach. The number of samples obtained using the slovin formula is 73 samples. Findings indicated that there is an influence between product quality variables and partial Consumer Satisfaction variables. The results indicated that the Variables of Innovation and Product Quality have a significant effect on the variables of Consumer Satisfaction. This study focused on Charcoal products whereas the current study focused on SACCOs which offer products and services in Nairobi County which have different characteristics in terms of products and the results might differ.

The effect of innovation on the performance of Kenya's deposit-taking SACCOs was examined by Odero *et al.* (2019), with innovation analyzed through product and technology innovations. Product innovation was evaluated in relation to product development and product quality. The study adopted a descriptive correlation design within the positivism research philosophy, using questionnaires administered to 42 chief executive officers as the main data collection tool. Findings indicated that product innovation has a significant and positive influence on SACCO performance. Performance was conceptualized using measures such as customer satisfaction, customer loyalty, membership base, asset base, and deposit base. In contrast, the current study measures performance specifically in terms of customer satisfaction and market share.

The influence of product innovation strategies on the performance of China's manufacturing firms was examined by Xiao *et al.* (2022). Product innovation was assessed through new product development and the improvement of product features. The study adopted a descriptive research design, targeting selected large manufacturing firms, and data were collected using questionnaires. Regression results revealed that product innovation strategies explained 15.74% of the variations in firm performance, with findings confirming that product innovation had a significant and positive effect. However, the coefficient of determination (R^2) indicated that only 15.74% of performance variation was attributable to product innovation. A key limitation of the study was the exclusion of other innovation strategies such as process and marketing innovations, which may also influence performance. Additionally, the study was conducted in China's manufacturing sector, characterized by advanced technology and

distinct economic conditions, whereas the current study focused on regulated SACCOs in Kenya.

Hadi (2023) sought to ascertain the effect of product innovation on performance of Turkey's SMEs. Using a quantitative technique, the study surveyed one hundred and seventy SMEs owners in Jakaria province. Product innovations were assessed on the basis of product improvements and new product development. The regression analysis output indicated that product innovation has a positive effect on performance of SMEs. However, the findings further revealed that product innovation has a significant effect on performance of SMEs when moderated by market orientation and organizational learning. This study however had a contextual limitation because it focused mainly on the SMEs. Furthermore, the study does not examine other forms of innovations like process which may have an influence on the performance hence this presents a conceptual gap. The study was also examined within the context of Turkey which is more advanced in terms of technological innovations than Kenya hence the results might differ.

2.2 Process Innovation and Performance

The impact of process innovation on organizational performance within the Nigerian telecommunication sector was investigated by Akpoviroro *et al*., 2019 and assessed process innovation in terms of internal processes and the technologies employed to enhance services. The study considered 114 employees working in the telecommunication industry. Findings from the descriptive analysis revealed that process innovation is a continuous activity that enables organizations to improve both efficiency and sales revenue. Results from regression analysis further confirmed that process innovation had a significant effect on organizational performance. However, the study's limitation lies in its focus on the telecommunication sector, whose operational model differs from that of SACCOs in the financial sector. Consequently, the findings cannot be directly generalized to SACCOs.

The nexus between process innovation and firm performance was explored by Mooi et al. (2020) through a survey of 5,500 firms across fifteen countries. Process innovation was examined in terms of internal processes and operational efficiency. Using

correlation analysis, the study established that process innovation is positively correlated with performance. However, the findings also revealed that the relationship between process innovation and performance is moderated by business environment uncertainties and the intensity of competition. In addition, the study showed that a country's macro-economic environment plays a significant role in shaping this relationship. A notable conceptual gap was identified, as the study did not consider other innovation dimensions such as product and market innovations, which might yield different insights.

Gupta (2021) did a study on the effect of Innovation dimensions and firm performance synergy in the emerging market and collected 250 cross-sectional data from middle and higher management executives of Indian firms. The study was anchored on dynamic capability theory and signaling theory. Structural equation modeling in AMOS was used to test the hypothesis. The results showed that product and marketing innovation has a significant and positive impact on the dimensions of firm performance. Zand and Rezaei (2020) examined the impact of process innovation strategies on business performance in Iran banking industry. The independent variables were; technology driven processes and efficiency of internal processes. The study targeted thirty-six managers drawn from the Iranian banking industry with questionnaires being adopted in the collection of data. The study results indicated that process and product innovation strategies had a positive and significant effect on business performance. The study however had a methodological gap. In view of the fact that the study utilised exploratory research design, the outcome was simply limited to the sample size hence if the sample size changes the results were different. The current study however employed a descriptive research design which helped in answering what and how of the research questions. Furthermore, the study employed a correlation analysis which is limited because it only shows the strength and direction of variables whereas the current study used correlation analysis, simple and multiple regression to check the relationship between variables.

A study by Jillo *et al.*, (2023) examined the nexus between process innovation and financial performance of DT SACCOs in Laikipia County. Process innovations were analyzed on the basis of complaint management process, cheque clearance process, and

system checks and these constituted the independent variables. The study employed a descriptive research design targeting one hundred and eighteen (118) respondents. The main findings revealed that the complaint management processes had been improved hence effective. Furthermore, the cheque clearance process was faster since most SACCOs had invested in computerized systems. Moreover, the study findings showed that most of the SACCOs had embraced an updated system check to facilitate less down time in processing financial transactions. The regression output indicated that 75 percent of the changes in organizational performance were explained by process innovation strategies put in place. The findings also indicate that process innovation and organizational performance have a positive relationship. This study however had a conceptual gap in that it did not examine other key aspects of processes innovation like improvement in techniques and software used.

A study conducted by Maina *et al.,* (2020) to assess the moderating effect of SACCO size on the relationship between financial innovation practice and financial sustainability, anchored on the transaction cost innovation theory. The target population comprised Deposit Taking Savings and Credit Co-operatives in Kenya. Guided by a positivist philosophical paradigm and a descriptive cross-sectional survey design, the researchers sampled 119 respondents, of whom 113 successfully participated. Data were collected through emailed questionnaires and data collection sheets. The findings revealed that process innovation and service innovation were positively related to financial sustainability, though the relationship was not statistically significant. The study further concluded that SACCO size significantly moderates the nexus between financial innovation practices and financial sustainability of Deposit Taking SACCOs in Kenya. Importantly, it was also established that process innovation does not affect financial sustainability, creating the need for the current study to investigate the effect of process innovation on the performance of SACCOs in Nairobi City County.

Maina (2023) assessed the innovation strategies employed by Mwalimu National SACCO and how they influence its competitive advantage. Process innovation was analyzed from the standpoint of the system used called Navision. The study employed a case study research design and used content analysis to examine the relationship. From the findings it was apparent that some of the process innovation strategies that

had been adopted included enabling the customers to use their phones to make bank payments. The findings also showed that Management information system had been adopted in the SACCO's processes. Specifically, the findings showed that an improved system called Navision had been adopted which resulted in the consolidation of services and ensuring the safety of the customers' transactions. The survey however had a methodological gap in that it purely relied on content analysis to show the relationship between process innovation and competitive advantage. The current study employed a regression analysis which helps in showing if the relationship between process innovation and performance. There was also a conceptual gap in that competitive advantage was assessed as a dependent variable. The current study examined performance of SACCOs covering customer satisfaction and market share.

2.3 Marketing Innovation and Performance

Within the Chinese context, Peng *et al.,* (2021) examined how marketing innovations influence performance of firms under different market environments. Based on a review of literature the study narrowed down to two marketing innovation strategies categorized as market driven innovations and market driving innovations. Market driven innovations were assessed from the perspective of existing product concept, expressed consumer needs and existing market segments. On the other hand, market driving innovations were analyzed from the perspective of new product concept, potential consumer needs and new market segments. The results from correlation analysis indicated that both the market driving and market driven innovations had a significant effect on performance of firms. With regard to market environments, the study found that the effect of market driven and market driving innovations on performance were moderated by technological factors and the intensity of competition as opposed to demand uncertainties. The context of this study was China a developed country whose business environment is different from that of Kenya hence the results could differ.

A study by Sipos *et al.* (2025) explored the determinants of marketing innovation among SMEs through the lens of the resource-based view (RBV) framework, utilizing data from the Global Competitiveness Project (GCP). Employing ordinal logistic regression analysis, the study established that internal firm-level capabilities such as

product uniqueness, the adoption of marketing and communication tools, product innovation, and the sophistication of distribution channels significantly enhanced the probability of marketing innovation. The findings further emphasized that dynamic capabilities, including responsiveness, digital engagement, and learning orientation, play a crucial role in driving marketing innovation within SMEs. Nonetheless, since the study was conducted among SMEs, its outcomes may vary when applied to SACCOs.

Shaker and Al-Khattab (2019) conducted a study to explore the effect of marketing innovation on customer satisfaction in Aqaba Special Economic Zone Authority in Southern Jordan. Also, the study involved the effect of each one of the elements of marketing innovation (innovation in marketing, innovation in performance, innovation in culture and innovation in product) on the customer satisfaction level. A special questionnaire was developed to collect the data from (110) respondents. The result of analysis of the data by using SPSS 21 program; indicated that there was a statically significance strong positive relationship between customer satisfaction and marketing innovation. The context of this study was Aqaba in Southern Jordan whose business environment is different from that of Kenya hence the results could differ.

According to a study done by Nwachukwu and Vu, (2022) on the effect of Service innovation, marketing innovation and customer satisfaction and the moderating role of competitive intensity. Respondents from 300 microfinance banks in Nigeria participated in the survey. The authors employed a cross-sectional quantitative research approach. This approach is appropriate for testing hypotheses quantitatively. Online surveys and emails were used to collect data from 325 participants who were conveniently selected Analyses in Smart PLS software showed that Service innovation positively and significantly affects Customer satisfaction. Marketing innovation promotes customer satisfaction. This study focused on micro finance banks in Nigeria which deals with different products as compared to SACCOs in Nairobi and thus the results would differ.

A study was conducted by Sulton, *et al.,* (2022) to review the effect of marketing, product and process innovations on marketing performance among firms in Indonesia. Marketing innovation was analyzed based on product and service innovations. The

study results indicated that marketing innovations has a significant and positive effect on market performance of firms. Both product innovations and service innovations were found to be significant in their influence on market performance. The study however has a conceptual gap in that it mainly focused on one aspect of performance which is market performance yet there are other aspects of performance like customer satisfaction and market share which was focused on in the current study. Furthermore, the current review was based on the Kenyan context specifically SACCOs in Nairobi City County.

A study by Adamu, *et al.,* (2020) examined the nexus between marketing innovations and performance of Nigerian SMEs. Marketing innovations were examined based on four elements; products, promotion, pricing and distribution. Performance was assessed on the basis of efficiency. The target population was 203 SMEs. Questionnaires were utilized in the collection of data and the outcome from analysis showed that marketing innovation strategies (products, promotion, pricing and distribution) had a positive effect on efficiency. The study nonetheless had a contextual gap in that it examined marketing innovations from the viewpoint of the SMEs hence the current study addressed this gap by examining the SACCOs which falls within the financial sectors and whose operations are different from the SMEs and the results might differ.

However, some researchers have shown that marketing innovation, while often associated with positive outcomes such as increased competitiveness and market share, can also have adverse effects on firm performance. Hai *et al.,* (2022) found that one of the primary ways in which marketing innovation can negatively impact performance is through increased costs. Firms may invest heavily in research and development (R&D), marketing, and new product launches without guaranteed returns. For instance, companies might allocate significant resources to develop innovative products or services that do not resonate with consumers or fail to meet market needs. This misalignment can lead to wasted investments and reduced profitability. The study found a negative effect of marketing innovation on performance therefore there was need for a study to check whether the results differed.

2.4 Strategic Innovation, SACCO Size and Performance

The role of firm size in influencing the nexus between strategic innovation and performance has shown mixed results based on review of various studies. A study by Sevil *et al*. (2022) examined the relationship between innovation and performance comparing small and large sized firms. The finding from the study is that innovation has significant sunk costs. On the issue of firm size, the study established that prior to incremental process innovation; performance of firms was directly proportional to the size of the firm. Nevertheless, the study established that in the presence of innovation events, performance of firms is inversely proportional to size of firms for the reason that small firms pose higher strategic flexibility and can adopt innovations at faster pace. However, for big firms, incremental innovation creates sustainability threat to large firms. The study concludes that being a large firm is not an advantage in terms of performance during incremental innovation. There was however a contextual gap since it mainly focused on natural resource industries and hence the findings may not be generalized to SACCOs which fall within the financial sector.

Ismanu and Kusmintarti (2019) examined firm size as a moderating effect of innovation and business performance of SMEs in Indonesia. The constructs of innovation were; process and product innovation. Firm size was measured based on assets. The study considered 84 Small and Medium Enterprises. The key finding from the study was that firm size had a moderating effect on the relationship between innovation and performance of SMEs in Indonesia. The findings showed that the firm size has an influence on a firm's competitiveness and thus strengthens the effect of innovation on performance. The study however considered the SMEs operating in different sectors and therefore cannot be generalized to the SACCOs. This is because strategic innovations adopted in financial institutions like SACCOs are not similar to that of SMEs.

In another similar survey, Kijkasiwat and Phuensane (2020) examined the moderating role of the size of firm on the nexus between innovation and performance of SMEs in twenty-nine countries in Central Asia and Eastern European. Firm size was measured on the basis of assets for each SME. Innovation was assessed based on product innovations and process innovations. Performance was measured on the basis of annual

total sales. The study findings showed that there was an inverse relationship between firm size and performance. However, the results indicate that firms size moderates the relationship between innovation and performance significantly. The study's narrow focus on SMEs restricts its generalizability to diverse financial institutions such as SACCOs, where strategic innovations can be pivotal for enhancing performance. To bridge this gap, the present research investigated SACCOs in Nairobi City County to check whether the results differed.

Muange and Ngetich (2020) examined the moderating effect of firm size on the relationship between marketing and performance of retail firms in Kenya. Firm size was measured based on the total assets while performance was examined based on profitability. The study was anchored on the resource dependency theory and targeted 47 retails firms in Nairobi. The results from the study demonstrated that firm size has a significant moderating effect on the relationship between marketing alliances and performance of the retail firms in Kenya. The current study provided a broader perspective that captures sector-specific dynamics overlooked in previous research. The study had a contextual gap because it only looked at the retail sector, which might have left out important details about the dynamics of financial institutions like SACCOs that operate in various market and regulatory environments. The current analysis offered a more comprehensive viewpoint that takes into account sector-specific dynamics that were missed in the previous study.

2.5 Critique and Research Gaps Summary

Past literature indicated that some studies were examined within other contexts such as sector and Countries such as Hadi (2023) focused on Turkey SMEs, Yusuf (2021) focused on OPPO Smart phones in South Tangerang City and Xiao et al., (2022) focused on manufacturing firms in China which are different in terms of economic conditions and technological advancements. The current study focused on SACCOs in financial sector which operate differently and the results differed since product innovation and strategic innovation as a composite had a negative and insignificant effect on performance. Conceptually, past studies only narrowed down to one aspect of strategic innovation whereas the current study focused on product, process and marketing innovation as key components of strategic innovation. On the other hand some studies have used small sample size such as Ouma *et al.,* (2018) focused on 19

DT SACCOs operating between 2010 and 2014 and found a positive effect of product innovation on performance while the current study focused on 177 SACCOs in Nairobi City County and product innovation had a negative and insignificant effect on performance. Other researchers used different research design such as Maina (2023) used a case study which limits generalization whereas the current study used Census technique that involved all 177 SACCOs. Different researchers had different findings such that Maina *et al.,* (2020) established that process innovation does not affect financial sustainability whereas the current study found that process innovation had a positive and significant effect on performance.

2.6Theoretical Literature Review

2.6.1 Schumpeter Theory of Innovation

The theory was proposed by Schumpeter (1934), and argued that companies that operate in the contemporary business background should engage workers and executives with entrepreneurial skills. This is due to the fact that the ability of employees in any company to think independently and differently drives organization competitiveness to another level. For this reason, a change in organizations' strategies and the employees' ability to adjust to changes in business environment by design encourages productivity (Emami, 2021).

This theory encompasses several key concepts, including the process of creative destruction, the role of entrepreneurship, and the stages of innovation (Sledzik *et al.*, 2023). At the heart of Schumpeter's theory is the concept of "creative destruction," which describes the incessant process through which new innovations replace outdated technologies and business models. This process is fundamental to capitalism as it leads to economic growth and increased productivity. Schumpeter argued that for an economy to thrive, it must continually shed old practices in favor of new ones (Peng, 2023). For example, when automobiles emerged, they not only transformed transportation but also rendered horse-drawn carriages obsolete. This cycle creates opportunities for new industries while simultaneously disrupting existing ones. Schumpeter theory further emphasized the critical role of entrepreneurs in driving innovation. He viewed entrepreneurs as individuals who introduce new products or processes into the market, thereby creating value and fostering economic development

(Liberto, 2022). According to Schumpeter, entrepreneurs are not merely risk-takers; they are innovators who challenge established norms and practices by bringing forth novel ideas that can lead to significant changes in society and the economy (Sledzik *et al.*, 2023).

Schumpeter outlined three distinct stages in the process of innovation: invention, innovation and diffusion (Landau, 2024). Invention is the initial stage where a new idea or product is conceived. It involves creativity and scientific discovery. In innovation stage, inventors arrange for the economic requirements necessary to implement their inventions. This includes developing a business model, securing funding, and preparing for production. Finally, diffusion occurs when others adopt or imitate the newly introduced innovations. This stage is crucial as it determines how widely an innovation spreads throughout society and its impact on various sectors.

This theory assumes that economic growth is primarily driven by innovation, which involves the introduction of new products, new methods of production, new markets, new sources of supply, or new organizational forms (Emami, 2021). Entrepreneurs are seen as the agents of "creative destruction," a process where old technologies and industries are destroyed and replaced by new, more efficient ones. The theory also assumes that innovation is not a continuous process but occurs in clusters, leading to cycles of economic booms and recessions. Furthermore, Schumpeter posits that access to finance and monopoly profits are necessary incentives for entrepreneurs to innovate (Schumpeter, 1934).

The theory has however faced some criticism. For instance, Piano (2022) observed that Schumpeter's theory places a significant emphasis on the role of the innovator as the primary driver of economic development. While innovation is indeed crucial, it is only one factor among many that contribute to economic fluctuations and growth. In contemporary economies, innovative activities have become routine and are often integrated into standard business practices, suggesting that the role of individual innovators may be overstated. Schumpeter posits that economic development results from cyclical processes; however, critics like Sledzick *et al.*, (2023) argue that development is more accurately characterized by continuous changes rather than cyclical fluctuations. This misinterpretation limits the applicability of Schumpeter's

theory in explaining real-world economic dynamics. This study addressed Schumpeter theory's criticisms by updating Schumpeter's focus on the "heroic entrepreneur" to include collaborative innovation ecosystems, in which innovation is driven by teams, institutions, and networks in coming up with new products, process and marketing innovation.

Nyamao and Tari, (2023) used Schumpeter theory to relate product innovation and the performance of financial technology companies in Kenya and concluded that capability of organizations to achieve their goals was based on product innovation and continuous quality improvement innovations. Schumpeter theory informs the current study in comprehending the relationship between strategic innovation and performance. The theory places a lot of emphasis on incessant processes through which new innovations replace outdated technologies and business models. The theory also presents various stages of innovation including invention where new products and processes are developed. The diffusion stage which determines how widely an innovation spreads throughout society and its impact on various sectors helps to inform how marketing innovation strategies can be developed.

2.6.2 Dynamic Capabilities Theory

The theory was incepted by Teece *et al.,* (1997) and it argues that institutions such as business entities must develop capacities and amalgamate them to their institutional systems for the purpose of adapting and coping with the quickly shifting business environment. This concept was born out of the weaknesses of resource-based view theory which ignored other variables linked to resources, for instance the process of resource development, their integration to the firm and the distribution process.

Consequently, the dynamic capability theory (DCT), endeavors to address these limitations by expounding the connection between firms' resources and dynamics within business environment by bringing forth the idea of dynamic resources from the standpoint of their development, regeneration and utilization with the process approach (Saytari *et al.,* 2025). This provides a leeway for an entity to make its own changes by merging resources in so doing increase its competitive advantage and

sustainability. As opined by Land *et al.,* (2022), these resources may take on several attributes of dynamic capabilities hence may be mostly valuable to firms which operate in a very dynamic environment.

The dynamic capabilities theory assumes that companies require certain capabilities to be successful and responsive to the (dynamic) changes in their environment by creating, integrating, and modifying their resource base (Beske *et al.*, 2014). The theory also assumes that business environments are constantly changing due to technological innovation, market shifts, and competitive pressures. Firms must be flexible and adaptive to survive and thrive. Additionally, the theory assumes that firms differ in their resources, capabilities, and abilities to adapt, leading to different competitive outcomes.

Critics also point out that the theory tends to overemphasize adaptability at the expense of stability and core competencies (Kapoor & Agrarwal, 2020). While organizations must adapt to changing environments, excessive focus on flexibility may undermine existing strengths and lead to strategic incoherence (Arndt *et al*., 2022). This perspective suggests that not all changes are beneficial; sometimes maintaining core competencies is crucial for long-term success. This theory informs the current study in examining the role of SACCO size on the relationship between strategic innovation and performance. This is because Larger SACCOs generally have more financial, technological, and human resources.

According to DCT, the ability to reconfigure resources is central to organizational adaptability that is larger SACCOs may be better positioned to invest in new systems such as digital platforms or train staff, giving them stronger dynamic capabilities than smaller ones. The theory supports continuous improvement and transformation of internal operations which relates to process innovation and through dynamic capabilities such as learning and integration, firms can optimize their production or service delivery processes, reduce costs, and improve efficiency. Additionally, DCT enable firms to sense market shifts, customer needs and technological changes, which are crucial for developing new or significantly improved products. This ability to innovate products allows firms to remain competitive, meet evolving customer expectations, and enhance differentiation leading to increased market share and customer satisfaction.

2.6.3 Resource Based View (RBV)

The Resource-Based View theory was proposed by Jay Barney (1991) and posits that an organization's sustainable competitive advantage and superior performance arise from its possession and effective utilization of valuable, rare, inimitable, and non-substitutable (VRIN) resources (Barney,1991). RBV emphasizes the internal capacities of organizations, challenging the traditional emphasis on external market conditions. A crucial assumption of this theory is that firms within the same industry can achieve different levels of performance based solely on their resource endowments and how effectively these resources are managed (Barney, 1991). The theory assumes that firms operate in resource-heterogeneous environments where internal capabilities differ, and that these resources are not easily transferable or replicable by competitors (Zahra, 2021). Additionally, RBV also assumes that resources such as knowledge, technology, and organizational culture are key drivers of long-term success when effectively deployed. However, the RBV has limitations: it is often criticized for being static, focusing more on existing resources rather than how they evolve over time, and for offering limited guidance on how new resources, such as innovations, are developed (Peteraf & Barney, 2003).

In relation to strategic innovation, the RBV provides a foundation for understanding how product, process, and marketing innovation contribute to firm performance. Product innovation enhances unique offerings that differentiate SACCOs in competitive financial markets; process innovation improves efficiency and service quality through better systems and technology; while marketing innovation strengthens customer engagement and brand positioning, enhancing market share and member satisfaction. Sipos *et al*., (2025) used resource based view and found that a commitment-based human resources system enhanced process, organizational and marketing innovation efforts. Larger SACCOs may possess a broader array of resources, allowing for more diverse strategic innovation endeavors, but they also face complexities in implementation due to organizational inertia and bureaucratic layers (Meyer & Rowan, 1977). Conversely, smaller SACCOs might be more agile, adapting quickly to changes in the market and leveraging niche-community knowledge, but they may lack the extensive resources required for large-scale innovative endeavors. Thus,

under the RBV lens, SACCO performance in dynamic environments depends on how effectively strategic innovation utilizes internal resources, moderated by SACCO size, to achieve sustained competitive advantage.

2.7 Conceptual Framework

The conceptual framework shows that strategic innovations employed by the SACCOs are the independent variable which influence the performance of SACCOs (dependent variable). According to Varadarajan (2018), strategic innovation is the creation of value by using relevant knowledge and resources for conversion of an idea into a new product, process, or practice with the potential to have a major transformational effect on the evolution of markets and industries. Tidd and Bessant, (2014) defined strategic innovation as a deliberate development of new products, processes, and marketing strategies that challenge industry norms and create new value propositions for sustainable competitive advantage.

Strategic Innovations

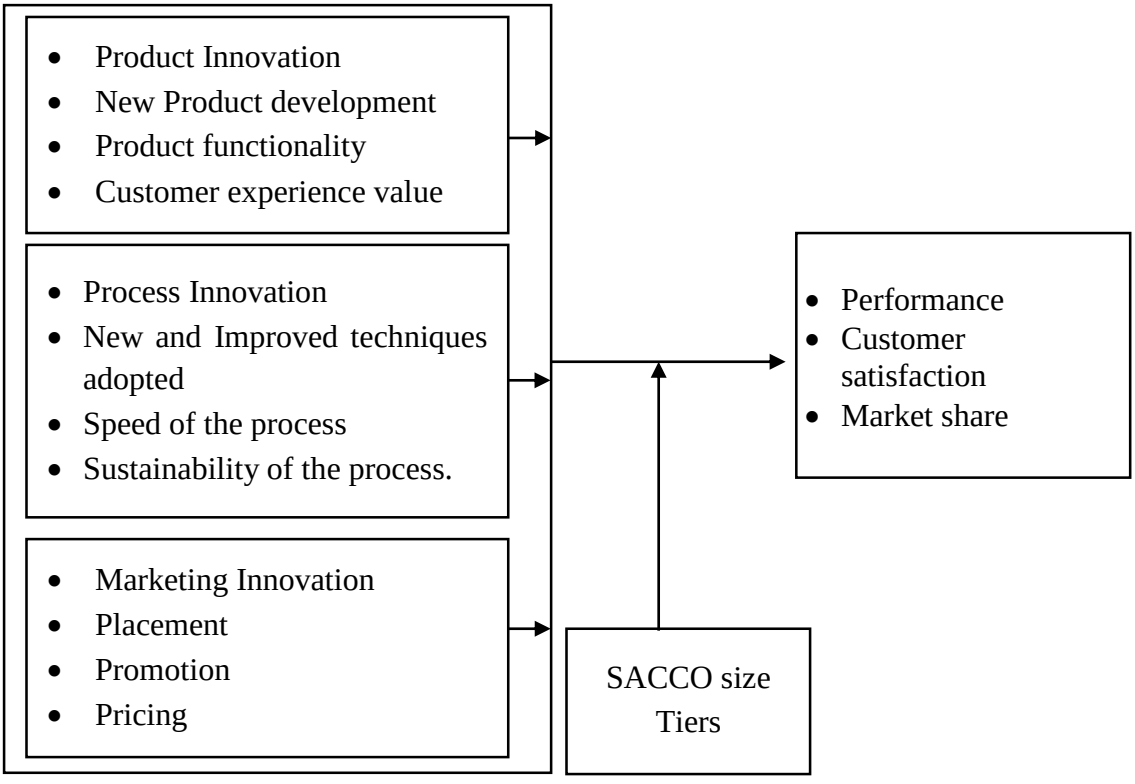

Figure 1: Conceptual Framework

Source: Researcher (2025)

Product innovations can influence performance by enhancing the SACCO's ability to differentiate itself from competitors and meet the ever evolving customer needs. In this undertaking product innovation focused on new product development, product functionalities and customer experience value as the main indicators.

Process innovations can influence the performance of SACCOs by streamlining the operations and processes which therefore make them more efficient in meeting the needs of the customers thus process innovation focused on new and improved techniques adopted, speed of the process and sustainability of the process.

Marketing innovations on the other hand are market oriented and mainly focus on placement, promotion and pricing. It is expected that through marketing innovations, SACCOs are able to position themselves in the market ahead of their competitors and thereby improve their customer satisfaction and market share. Finally, the size of SACCOs can influence the relationship between strategic innovations and performance. Large firms tend to have more resource capabilities to advance innovative practices compared to smaller firms hence the larger the firm, the higher the capacity to be adopt strategic innovations using their massive resources. The size of SACCO was measured on the basis of total assets using tiers. Based on the analysis and research study findings, the conceptual framework is validated to reflect the significant relationships established.

2.8 Operationalization of Variables

This section presents the operationalization of variables.

Table 1: Operationalization of Variables

Variables	Variable Type	Operationalization	Measurement
Product innovation	Independent Variable	Product development Product functionality Customer experience value	Five point Likert scale
Process innovation	Independent Variable	New and Improved techniques adopted Speed of the process Sustainability of the process	Five point Likert scale
Marketing innovation	Independent Variable	Placement Promotion Pricing	Five point Likert scale
SACCO size	Moderating Variable	Total assets	Tiers based on Total Assets
SACCOs performance	Dependent Variable	Customer satisfaction Market share	Five point Likert scale

Source: Researcher (2025)

CHAPTER THREE
METHODOLOGY

3.1 Location of the Study

This study was conducted in Nairobi City County, Kenya**.** Nairobi is the capital city of Kenya, located in the south-central part of the country and 300 miles northwest of Mombasa. The latitude of Nairobi, Kenya is -1.286389°, and the longitude is 36.817223° (KNBS, 2022).

3.2 Research Design

This study used a descriptive research design to determine the relationship between strategic innovation and performance. As pointed out by Walliman, (2021), a descriptive research design is a powerful tool that helps in getting an accurate and detailed picture of behaviors and characteristics of a population. The descriptive research design entails observing and collecting of data on a given research topic without making an attempt to infer the cause-effect relationships (Kothari & Guarg, 2014). Furthermore, a descriptive research design is appropriate for this study because it enables the researcher to obtain an accurate and detailed understanding of the current status, characteristics, and relationships among variables without manipulating them. This design is particularly suitable when the objective is to describe phenomena as they exist in their natural settings. In this case it helps in answering the questions; how, when, what and where.

3.3 Population of the Study

The target population in this study was 177 SACCOs in Nairobi City County as shown in Appendix V. The current study targeted Chief Executive Officer (CEO) of all the 177 SACCOs since they are mostly involved in formulation and execution of strategies. Therefore, no sampling procedure was done.

3.4 Data Collection Procedure

The researcher and research assistants reached out to targeted respondents earlier to schedule a date and time to administer the questionnaire. The researcher and research assistants introduced themselves to the CEOs and then presented a copy of the permit and an introductory letter to the respondent (Appendix I) and requested them to fill the

questionnaire with the aim of gathering as much information as possible that helped in achieving the study's objectives. Secondary data on SACCO size was sourced from SASRA reports (2023) using a data collection sheet where SACCOs are classified according to tiers that is large tiered SACCOs have total assets above 5 billion, medium tiered SACCOs have total assets between 1 billion and 5 billion while small tiered SACCOs had total assets below 1billion. SACCOs were categorized according to size where 1 represented large SACCOs,2 medium SACCOs and 3 represented small SACCOs.

This study employed a census technique. Kothari and Guarg (2014) argued that a census method is employed where the population is considered relatively small. Under the current study, the number of respondents was 177. All the 177 CEOs of the SACCOs were considered in this study. The respondents were given one week to respond to the questionnaires. SACCO size was measured using tiers where Large-Tiered SACCOs have total assets more than Kshs 5 Billion; Medium-Tiered SACCOs have total assets between Kshs 1 Billion and Kshs 5 Billion; and Small-Tiered SACCOs have total assets below the Kshs 1 Billion threshold (SASRA,2023).

3.5 Data Collection Instrument

The study used primary and secondary data. Primary data was collected using a questionnaire while secondary data was collected using a data collection sheet. The questionnaire was close-ended as it is very effective in obtaining more comprehensive responses (Kothari & Guarg, 2014). The questionnaire adopted a 5-point Likert scale where the participants stated the extent to which they agree or disagree with various statements and aspects of strategic innovations and performance based on their experiences in strategy formulation and implementation in their respective SACCOs.

The research questionnaire was categorized into four sections on the basis of the study's objectives. Section A presented product innovation and covered; new Product development, product functionality and customer experience value. Section B, presented various statements on the process innovation as conceptualized in the study and these are; new and Improved techniques adopted, speed of the process and sustainability of the process. Section C, presented statements on marketing innovation

and encompassed; placement, promotion and pricing. Section D, presented statements on performance and encompassed; customer satisfaction and market share. The questionnaire was administered to 177 CEOs drawn from the 177 SACCOs in Nairobi City County. The selected participants were expected to fill the questionnaires within a period of one week after which the researcher with the help of research assistants collected the questionnaires in readiness for analysis. The one-week period was sufficient time to help the participants to go through and comprehend the questions before they filled the questionnaires.

3.6 Pilot Study

Pilot study is a crucial step that was undertaken ahead of collection of data. The pilot study involved the use of the research instrument to test whether the instrument met the expectation of the research objectives. Based on the targeted respondents of 177 respondents, the pilot study involved 18 CEOs from 18 SACCOs in Kiambu County which constituted ten percent of the targeted managers. Kiambu County was chosen because it has similar characteristics to Nairobi City County and it has the second highest number of SACCOs as indicated in SASRA report (2023).

3.6.1 Validity of Research Instruments

To determine the validity of the research instrument, construct and content validity tests were done. A construct validity helps in testing if the concept is properly comprehended hence this test was done by evaluating the empirical and theoretical literature (Bryman, 2012). Construct validity was tested using regression analysis to assess whether the measures used in the study were actually predictive of outcomes that were expected to predict theoretically and also to see if results from the test were positively or negatively related to those of other established tests. The content validity test on the other hand is aimed at ensuring that all the contents that are of interest to the study are well addressed. It makes sure that the questions that are covered in a research instrument adequately represent the broad spectrum of subject matter. Content validity was done through experts which in this case are the research supervisors and they checked if the research instruments captured all the relevant aspects to answer the research hypothesis.

3.6.2 Reliability of Research Instruments

This study used Cronbach's alpha coefficient in testing the reliability of the questionnaire. Cronbach's alpha was utilized since it is a statistical measure that assesses the internal consistency of a set of items within a research instrument. A high Cronbach's alpha value is generally considered acceptable at a threshold of 0.70 or above and indicate that the items used in the questionnaire are measuring the same underlying construct and are, therefore, reliable (Kothari & Garg, 2014). The researcher collected pilot data from Kiambu County and the results are shown in Table 2.

Table 2: Pilot Results

Variable	No of Items	Cronbach's Alpha	Reliability level
Product innovation	9	0.918	Reliable
Process innovation	9	0.754	Reliable
Marketing Innovation	9	0.901	Reliable
Performance	9	0.870	Reliable

Source: Primary Data (2025)

Table 2 shows that all the variables have Cronbach's alpha coefficients above 0.7 indicating that the questionnaire was reliable to collect the actual data.

3.7 Data Analysis

Data was cleaned and coded with the help of Microsoft excel and was analyzed using SPSS Version 28.0. Data was analyzed using descriptive statistics such as mean and standard deviation and inferential statistics was used to test hypothesis using F-test and t-test. Regression models were employed to explore the relationship between independent variables and the dependent variable. Additionally, correlation analysis was used to analyze the strength of the relationship between variables. Hypothesis testing was performed through simple and multiple regression analysis and F-tests, which allowed for the comparison of all variables simultaneously and provide insights into their collective influence. Secondary data was collected for SACCO size from SASRA report (2023) as shown in (Appendix V). Data was presented using tables and graphs.

3.7.1 Model Specification

A multiple regression analysis also helps in showing the relationship between a group of variables (independent) and one variable (dependent). In carrying out both the multiple regression and the correlation analysis, SPSS version 28 was utilized. Consequently, the following empirical model was employed in determining the effect of strategic innovation and performance of the SACCOs in Nairobi City County. Regression analysis was carried out for each objective and each hypothesis.

$H0_1$: There is no statistically significant relationship between Product innovation and performance of SACCOs in Nairobi City County

$Y = \beta_0 + \beta_1 X_1 + \varepsilon_i$ …….. (i)

$H0_2$: There is no statistically significant relationship between Process innovation and performance of SACCOs in Nairobi City County

$Y = \beta_0 + \beta_2 X_2 + \varepsilon_i$…….. (ii)

$H0_3$: There is no statistically significant relationship between Marketing innovation and performance of SACCOs in Nairobi City County

$Y = \beta_0 + \beta_3 X_3 + \varepsilon_i$…….. (iii)

To test the moderating effect of SACCO size (M) on the relationship between strategic innovation (X) and performance of SACCOs (Y), the study examined if the nature of this relationship changed as values of M vary. This was done by including an interaction effect in the model and assessing whether the interaction is statistically significant, thereby improving the explanation of the variation in the response variable (Y). The study applied stepwise moderation approach by (MacKinnon *et al.,* 2002).

$H0_4$: SACCO size has no statistically moderating effect on the relationship between strategic innovation and performance of SACCOs in Nairobi City County. A composite index for the independent variable (strategic innovation) was computed as follows:

The stepwise regression analysis was conducted in two stages:

Step 1: Main Effects Model (Without Moderator)

$$Y = \beta_0 + \beta_1 X + \varepsilon$$

Where:

Y = SACCOs performance

X = Strategic innovation

β_0 = Intercept

β_1 = Coefficient of strategic innovation

ε = Error term

Step 2: Moderated Model (with moderator)

$$Y = \beta_0 + \beta_1 X + \beta_2 M + \beta_3 (X * M) + \varepsilon$$

Where:

M = SACCO size (Moderator)

X * M = Interaction term between strategic innovation and SACCO size

β_3 = Coefficient of the interaction effect

By comparing the results from Step 1 and Step 2, the study determined whether SACCO size significantly moderates the relationship between strategic innovation and SACCOs performance, based on the significance and strength of the interaction term (X * M). Following the analysis, the data was presented using frequency distributions, scatter plots, and tables to visually represent the responses. The implication of the moderation was determined by calculating the change in the adjusted R^2 before and after moderation. Then if the change in adjusted R^2 increased and the P-value is less than 0.05 it shows that the moderation effect is significant.

$H0_5$: Product innovation, process innovation and Marketing innovation have no statistically significant joint effect on performance of SACCOs in Nairobi City County

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon_i$…….. (iv)

Where;

Y=dependent variable (SACCOs performance)

β_0 represents the constant, whereas B_1, β_2, β_3, and $\beta_4$are the coefficients

X_1, X_2, andX_3 are the predictor variables where:

X_1= Product Innovation

X_2=Process Innovation

X3 =Marketing innovation

ε_i= the error term

3.8 Diagnostic Tests

Before analysis of data, diagnostic tests were done. Normality, multicollinearity and heteroscedasticity tests were done.

3.8.1 Normality Test

Multiple Linear regression assumptions are that the model's error term should be normally spread out with a zero mean and constant difference for all values. As stated by Green, (2008), the null hypothesis assumes a normal distribution of data while the alternative hypothesis assumes non normal distribution of data. A P-value of <0.05 is evidence of non-normal distribution while a P-value of >0.05 is evidence of normal distribution. Shapiro Wilk test was used to test for normal distribution of residuals.

3.8.2 Multicollinearity Test

Multicollinearity is common in a scenario where independent variables in regression model are correlated (Bluman, 2005). A Variance Inflation Factor (VIF) and tolerance level was employed in conducting the test. As argued by Green (2008) VIF value of between 1 and 10 assumes the absence of multicollinearity. A VIF < 1 or >10 is evidence of multicollinearity. Tolerance level >0.1 signify absence of multicollinearity. If the variance inflation factor is less than 10 then there is no multicollinearity between presumed-caused variables.

3.8.3 Heteroscedasticity Test

Heteroscedasticity can be affected by measurement errors and the existence of sub-population variances or other collaboration effects (Kothari, 2010). Heteroscedasticity ensures there are no prejudiced constraint approximations. Heteroscedasticity test was done using P-P plots. P-P plots were used because they are the best in presenting the spread of data. When the widths of the residuals rise or decrease as the observed constructs rise then heteroscedasticity is present (Reimann *et al.,* 2011).

3.9 Data Analysis Matrix

Table 3: Data Analysis Matrix

Hypothesis	Analytical Model	Test–Statistics
There is no statistically significant relationship between Product innovation and performance of SACCOs in Nairobi City County	Simple regression $Y = \beta_0 + \beta_1 X_1 + \varepsilon_i$	t-statistic R^2 F-test
$H0_2$: There is no statistically significant relationship between Process innovation and performance of SACCOs in Nairobi City County	Simple regression $Y = \beta_0 + \beta_2 X_2 + \varepsilon_i$	t-statistic R^2 F-test
$H0_3$: There is no statistically significant relationship between Marketing innovation and performance of SACCOs in Nairobi City County	Simple regression $Y = \beta_0 + \beta_3 X_3 + \varepsilon_i$	t-statistic R^2 F-test
$H0_4$: SACCO size has no statistically moderating effect on the relationship between strategic innovation and performance of SACCOs in Nairobi City County	Multivariate regression $Y = \beta_0 + \beta_1 X + \beta_2 M + \beta_3 X.M + \varepsilon_i$	t-statistic adjusted R^2 F-test
$H0_5$: Product innovation, process innovation and Marketing innovation have no statistically significant joint effect on performance of SACCOs in Nairobi City County	Multivariate regression $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon_i$	t-statistic R^2 F-test

Source: Author (2025).

3.10 Ethical Considerations

Ethical considerations are norms and standards that a researcher is expected to adhere to during the entire research process. The researcher informed the respondents on the purpose of the study and the respondents were given the freedom to choose whether to participate or not to participate in this study. Confidentiality and anonymity was maintained by asking respondents not to write their names in the questionnaire and grouping the data that was obtained rather than presenting individual responses. The researcher obtained authorization from Chuka University Graduate School (Appendix VII), Chuka University Institutional Ethics Review Committee (Appendix VIII) and a research permit from the National Commission for science, Technology and Innovation (NACOSTI) so as to carry out the research (Appendix IX). The researcher sought official permission to undertake this research in the target population by seeking permission through writing to NACOSTI. The researcher ensured that all consulted documents are acknowledged through citation. There was no conflict of interest when collecting data.

CHAPTER FOUR
RESULTS AND DISCUSSION

4.1 Response Rate

In this study a questionnaire was administered to 177 SACCO CEOs in Nairobi City County and 150 respondents completed the questionnaire. Response rate is presented in Table 4.

Table 4: Response Rate

	Frequency	Percentage
Response rate	150	85%
Non-response rate	27	15%
Total	177	100

Source: Primary Data (2025)

Table 4 shows that 150 copies of questionnaires were filled and returned representing 85% response rate. This response rate was excellent as it was more than 70 percent recommended by Mugenda and Mugenda (2014).

4.2 Reliability Test

In this study Cronbach's alpha was applied to evaluate the internal consistency of the items under study. Cronbach's alpha coefficients are presented in Table 5.

Table 5: Cronbach's Coefficient

Variable	No of items	Cronbach's Alpha	Comments
Product innovation	9	0.895	Reliable
Process Innovation	9	0.864	Reliable
Marketing innovation	9	0.912	Reliable
Performance	9	0.882	Reliable

Source: Primary Data (2025)

The Cronbach's Alpha reliability coefficients contained in Table 5 show reliability levels of the instrument ranging from 0.895 for product innovation to 0.882 for performance. These levels are above the acceptable minimum value of 0.50 and above the recommended value of 0.7. Therefore, the instrument's internal consistency was considered satisfactory for data analysis.

4.3 Diagnostic Tests

To ascertain fitness of the model normality, multicollinearity and heteroscedasticity tests were conducted.

4.3.1 Normality Test

The researcher focused on normality test to determine the normality of the residuals. Shapiro-Wilk test (small sample size) was adopted to check for normality.

Table 6: Normality Test of the Residual

Variables	Statistic	Shapiro-wilk (df)	Sig
Product Innovation	0.983	150	0.067
Process Innovation	0.988	150	0.233
Marketing Innovation	0.987	150	0.199
Performance	0.986	150	0.139

Source: Primary Data (2025)

The findings in Table 6 show significance value for product innovation, process innovation, marketing innovation and performance were > 0.05, signifying that all residuals are normal and the data is fit for further analysis.

4.3.2 Multicollinearity Test

Variance Inflation Factor (VIF) and tolerance level were employed to check multicollinearity between variables. VIF results are shown in Table 7.

Table 7: Multicollinearity Test

Predictor Variable	Tolerance	VIF	Status
Product Innovation	0.936	1.068	No multicollinearity
Process Innovation	0.589	1.697	No multicollinearity
Marketing Innovation	0.598	1.672	No multicollinearity

Source: Primary Data (2025)

Table 7 shows that product innovation had a VIF of 1.068, process innovation had 0.589, and marketing innovation had a VIF 1.672. The results indicate that all variables had a VIF of less than 10 ruling out the problem of multicollinearity. Since all the predictor variables recorded tolerance levels above 0.10, the problem of multicollinearity was ruled out.

4.3.3 Heteroscedasticity Test

Heteroscedasticity occurs when the error terms do not have persistent difference. Heteroscedasticity can be affected by measurement errors and presence of sub-population variances or extra collaboration effects. In this research, heteroscedasticity was tested using P-P plots. P-P plots was used because they are the best in presenting spread of data (Reimann *et al.*, 2011). When the widths of the residuals rise or decrease as the observed constructs rise then heteroscedasticity is present. Results are presented in Figure 2.

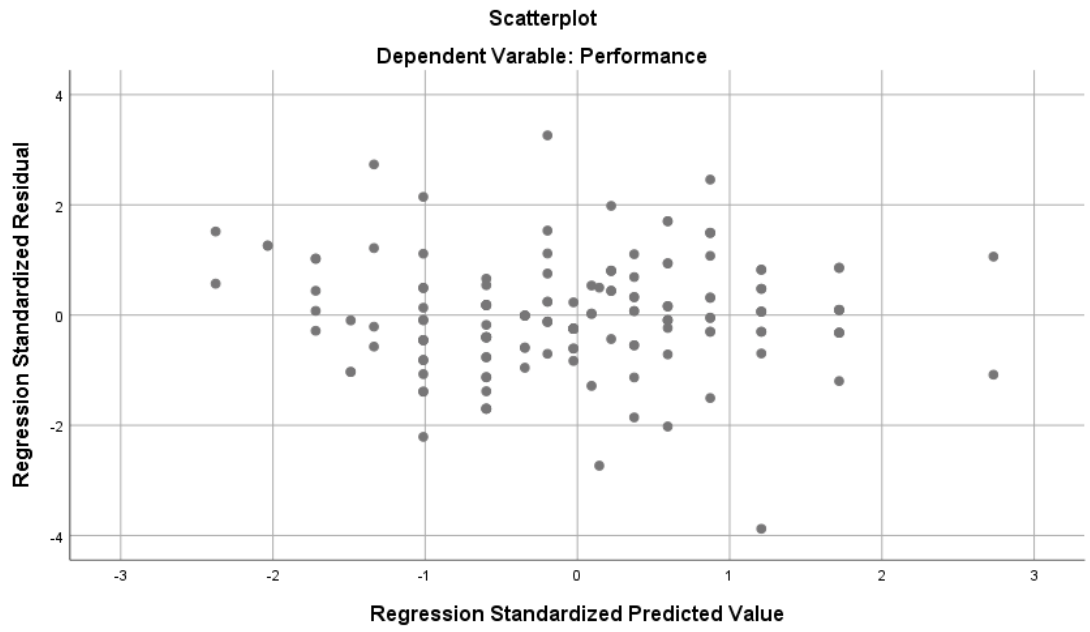

Figure 2: Heteroscedasticity Test

Source: Primary Data (2025)

The results in Figure 2 indicate no specific pattern and the widths are neither increasing nor decreasing as the variables rise. Therefore, heteroscedasticity is absent implying that the variance of the error terms is not constant.

4.4 Descriptive Analysis of Study Variables

4.4.1 Descriptive Statistics of Product Innovation

The first construct of independent variable of the study was product innovation. Product innovation was perceived in terms of new product development, product functionality and customer experience value. Selected statements captured product innovation indicators. The respondents were asked to rate their agreement with the statements

provided on a five-point scale ranging from: SD – Strongly Disagree; D – Disagree; N – Neutral, A – Agree; and SA – Strongly Agree. The following scale was used in interpretation of results where 1.0-1.8 represented strongly disagree, 1.81-2.6 represented disagree, 2.61-3.4 represented neutral, 3.41-4.2 represented agree and 4.21-5.0 represented strongly agree (Kothari, 2014). Table 8 gives the findings.

Table 8: Descriptive Statistics of Product Innovation

	N	Min	Max	Mean	Std. Deviation
The SACCO regularly develop new product	150	2	5	3.80	0.84
The SACCO continuously improves existing product to meet the customer needs and wants.	150	2	5	4.21	0.75
In the last 3 years a number of new products have been developed by the SACCO	150	2	5	4.22	0.77
The new product meets the customer needs and wants	150	2	5	4.32	0.73
The customers are happy with improved existing products	150	2	5	4.27	0.72
Customers have reported enjoying new product experience	150	3	5	4.23	0.70
There has been an upsurge demand for new product	150	2	5	4.19	0.68
The customer loyalty increased as a result of new products	150	3	5	4.27	0.65
Customer retention has increased with new product	150	2	5	4.26	0.72
Aggregate				4.20	0.73

Source: Primary Data (2025)

The results in Table 8 shows that most of chief executive officers agree that the new product meets the customer needs and wants as it had the highest mean of 4.32. The *SACCO* regularly develop new product question had the standard deviation of 0.84 and this reflects a wider spread of responses, meaning there is more variability in how respondents perceive the SACCO's consistency in developing new products. While the mean for this question is relatively lower at 3.80, the higher standard deviation suggests that opinions are more divided that is some members may feel the SACCO is proactive, while others may see room for improvement in product innovation frequency. Chief executive officers varied their views on their SACCOs customer loyalty increased as a

result of new products by a standard deviation 0.65. This means that most SACCOs are keen on increasing customer loyalty as a result of new products since they operate on a competitive business environment. The overall mean of 4.20 indicates that, on average, respondents agreed that their SACCO performs well in product innovation. This suggests that the organization is actively engaging in developing new products, enhancing product features, and creating superior customer experiences.

4.4.2 Descriptive Statistics of Process Innovation

The second construct of independent variable of the study was process innovation. Process innovation was perceived in terms of new and improved techniques adopted, speed of the process and sustainability of the process. Selected statements captured process innovation indicators. The respondents were asked to rate their agreement with the statements provided on a five-point scale ranging from: SD – Strongly Disagree; D – Disagree; N – Neutral, A– Agree; and SA – Strongly Agree. Table 9 gives the findings.

Table 9: Descriptive Statistics of Process Innovation

	N	Min	Max	Mean	Std. Deviation
The SACCO has introduced new process techniques in the last 3 years	150	2	5	3.27	0.69
The SACCO have adopted innovative methodologies in the recent past	150	3	5	3.91	0.52
The SACCO has significantly improved the existing process techniques	150	2	5	3.85	0.73
The process innovation has significantly reduced the cycle time of the process	150	3	5	3.99	0.60
The SACCO responds faster to the requests or changes related to the process	150	2	5	4.05	0.74
Delays in the process have been significantly reduced	150	3	5	4.07	0.59
Customer satisfaction with the output of the process have improved due to innovation	150	3	5	4.09	0.70
Process innovation have reduced consumption of materials in the process	150	3	5	4.10	0.63
Wastage generation in terms of time with the process has decreased	150	2	5	4.16	0.61
Aggregate				3.93	0.65

Source: Primary Data (2025)

The results in Table 9 shows that most of chief executive officers agree that wastage generation in terms of time with the process has decreased as it had the highest mean of 4.16. On the contrary other chief executive officers agreed that SACCO had introduced new process techniques in the last 3 years which had a mean of 3.27. Therefore, the overall mean of 3.93 and a standard deviation of 0.65 implies that most SACCOs have embraced process improvements aimed at enhancing efficiency and service delivery. The standard deviation of 0.65 further implies that there was low variability in responses, meaning that participants had similar opinions regarding the level of process innovation.

4.4.3 Descriptive Statistics of Marketing Innovation

The third construct of independent variable of the study was marketing innovation. Marketing innovation was perceived in terms of placement, promotion and pricing. Selected statements captured marketing innovation indicators. The respondents were asked to rate their agreement with the statements provided on a five-point scale ranging from: SD – Strongly Disagree; D – Disagree; N – Neutral, A – Agree; and SA – Strongly Agree. Table 10 gives the findings.

Table 10: Descriptive Statistics of Marketing Innovation

	N	Min	Max	Mean	Std. Deviation
The SACCO has established adequate physical branches to improve accessibility to members	150	2	5	3.40	0.75
The SACCO provides effective online banking platforms that make it easy to access services.	150	3	5	3.97	0.56
Placement of SACCO services through agency banking has increased accessibility.	150	2	5	3.84	0.79
The SACCO have introduced digital marketing	150	3	5	4.09	0.71
Social media channels such as interactive advertisement are effectively used in the marketing campaigns.	150	2	5	3.97	0.82
Promotional campaigns by the SACCO effectively increase awareness among members.	150	3	5	4.14	0.65
The SACCO uses innovative pricing strategies to attract new customers.	150	2	5	4.08	0.79
The SACCO's pricing structure makes it competitive in the financial market.	150	3	5	4.16	0.61
The SACCO communicates pricing decisions on interest rates effectively to members.	150	2	5	4.16	0.67
Aggregate				3.98	0.71

Source: Primary Data (2025)

The results in Table 10 shows that most chief executive officers agreed that SACCO's pricing structure makes it competitive in the financial market and also communicates pricing decisions on interest rates effectively to members as it had the highest mean of 4.16. This implies that SACCO's pricing structure makes it competitive in the financial market and SACCO communicates pricing decisions on interest rates effectively to members. Other chief executive officers agreed that SACCO had established adequate physical branches to improve accessibility to members which had a mean of 3.40 and a standard deviation of 0.75. Overall mean of 3.98 that most SACCOs have adopted new or improved marketing strategies such as better customer communication, product promotion, and market expansion initiatives. The standard deviation of 0.71 shows moderate consistency among respondents' views, implying that while most agreed, there were some slight variations in perceptions regarding the extent of marketing innovation.

4.4.4 Descriptive Statistics of SACCO Size

The moderating variable of the study was SACCO size. SACCO size was perceived in terms of tiers that is large tiered, medium tiered and small tiered (SASRA, 2023). Table 11 gives the findings.

Table 11: Descriptive Statistics of SACCO Size

	N	Minimum	Maximum	Mean	Std. Deviation
SACCOSIZE	150	1.00	3.00	2.4467	0.74669

Source: SASRA (2023)

Table 11 shows that the mean was 2.4467 implying that on average, SACCOs in the study are between the medium (2) and small (3) categories, but leaning closer to the small size category. This suggests that the majority of SACCOs are relatively smaller in size. Standard Deviation of 0.7466 shows that the variation in SACCO sizes is moderate. The SACCOs are spread across all three categories (large, medium, small), but most are clustered between medium and small.

4.4.5 Descriptive Statistics of Performance

The dependent variable of the study was performance. Performance was perceived in terms of customer satisfaction and market share. Selected statements captured

performance indicators. The respondents were asked to rate their agreement with the statements provided on a five-point scale ranging from: SD – Strongly Disagree; D – Disagree; N – Neutral, A – Agree; and SA – Strongly Agree. Table 12 gives the findings.

Table 12: Descriptive Statistics of Performance.

	N	Minimum	Maximum	Mean	Std. Deviation
The SACCO resolves complaints and inquiries in a timely and satisfactory manner.	150	2	5	3.42	0.66
The SACCO continuously introduces products that meet changing member needs.	150	3	5	4.01	0.52
The SACCO's services are easily accessible such as mobile banking	150	2	5	4.02	0.64
The SACCO's use of technology such as online platforms enhances my satisfaction.	150	3	5	4.03	0.63
Our SACCO has experienced significant growth in membership over the past three years.	150	2	5	4.10	0.67
The SACCO has expanded its operations to reach a wider market.	150	2	5	4.12	0.69
The SACCO's reputation in the market has strengthened its position.	150	2	5	4.08	0.69
Product innovation in the SACCO has contributed to an increase in market share.	150	3	5	4.17	0.64
The SACCO is successful in retaining existing members, which supports its market share growth.	150	3	5	4.24	0.63
Aggregate				4.02	0.64

Source: Primary Data (2025)

The results from Table 12 indicate that most CEOs agreed that their SACCOs are successful in retaining existing members, which supports its market share growth which had the highest mean of 4.24 while other CEOs agreed that their SACCOS resolve

complaints and inquiries in a timely and satisfactory manner having a standard deviation of 0.66 and the lowest mean of 3.42.Therefore the overall mean of 4.02 and a standard deviation of 0.64 shows that SACCOs were generally perceived to perform well, with respondents' opinions being consistent across the SACCOS.

4.5 Correlation Analysis of the Study Variables

Correlation determines the strength of a relationship between any 2 variables. A correlation value of zero indicates absence of any association while that of -1 implies a perfect negative relationship between variables. On the other hand, a coefficient of +1 implies a perfect positive relationship between variables under study. Pearson Product Moment Correlation coefficient (r) was applied in determining the presence and robustness of the relationship at 5% confidence level. Pearson correlation results are shown in Table 13.

Table 13: Correlation Results

		Product Innovation	Process Innovation	Marketing Innovation	Sacco Size	Performance
Product innovation	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	150				
Process innovation	Pearson Correlation	0.142	1			
	Sig. (2-tailed)	0.083				
	N	149	149			
Marketing innovation	Pearson Correlation	-0.059	0.612	1		
	Sig. (2-tailed)	0.472	0.000			
	N	150	149	150		
SACCO Size	Pearson Correlation	0.093	0.413	0.354	1	
	Sig. (2-tailed)	0.258	0.000	0.000		
	N	150	150	150	149	
Performance	Pearson Correlation	-0.050	0.569	0.602	0.171	1
	Sig. (2-tailed)	0.541	0.000	0.000	0.036	
	N	150	149	150	150	150

Source: Primary Data (2025)

Table 13 shows that product innovation has a negative insignificant weak correlation with performance with a (correlation coefficient of -0.05, p- value of 0.541>0.05). This suggests that improvement of product innovation would not have an effect on performance of SACCOs. Process innovation has a positive moderate correlation with performance (correlation coefficient of 0.569, p- value of 0.000<0.05) implying that as process innovation increases, performance also increases. Additionally, marketing innovation has a positive correlation with performance signifying that as marketing innovation increases, performance also increases (correlation coefficient of 0.602, p-value of 0.000<0.05). SACCO size has a positive weak correlation with performance that is as SACCO size increases, performance also increases (correlation coefficient of 0.171, p- value of 0.036<0.05). This suggests that enhancement of aspects of process innovation, marketing innovation and SACCO size would positively improve performance.

4.6 Regression Analysis of Study Variables

The study adopted simple and multiple linear regression model to determine the effect of strategic innovations on performance of SACCOs in Nairobi City County. The explanatory variables were product innovation, process innovation and marketing innovation. The model illustrates the effect of product innovation, process innovation and marketing innovation and performance. The regression findings of each independent variable are presented below.

4.6.1 Product Innovation and SACCO Performance

The study sought to establish the effect of product innovation and performance. A simple linear regression was used to examine this relationship and the hypothesis was postulated as follows;

H_{O1}: *There is no statistically significant relationship between product innovation and performance of SACCOs in Nairobi City County*.

The model summary results of Product Innovation are presented in Table 14 (a), 14 (b) and 14 (c).

Table 14 (a): Product Innovation

Model	R	R^2	Adjusted R^2	Sig
1	0.050	0.003	-0.004	0.541

Source: Primary Data (2025)

As indicated in Table 14 (a) the study shows the value of R^2 obtained by the study was 0.003 at a probability value 0.541, which is more than significance value of 0.05. The R^2 denotes that 0.3% of the changes in performance can be associated with product innovation while 99.7% of variations in performance is explained by random error or other factors not in the model. Therefore, the effect of product innovation on performance is extremely low. To further test for the influence of product innovation on performance, Analysis of Variance (ANOVA) was carried out to ascertain the significance of the estimation model. ANOVA results are presented in Table 14(b).

Table 14 (b): Anova Results of Product Innovation

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	0.366	1	0.366	0.376	0.541
	Residual	144.172	148	0.974		
	Total	144.538	149			

Source: Primary Data (2025)

As presented in Table 14 (b), the F-value was found to be 0.376 with a significance value of (0.541> 0.05) implying that the overall model examining the effect of product innovation on performance was statistically insignificant. The results of this analysis showed that product innovation is not a predictor of performance. Therefore, the model is not statistically significant. The coefficient estimates are presented in Table 14(c).

Table 14 (c): Coefficient Estimates of Product Innovation

Model		Unstandardized Coefficients			
		B	Std. Error	T	Sig.
1	(Constant)	0.019	0.081	0.230	0.818
	Product Innovation	-0.051	0.083	-0.613	0.541

a. Predictors: (Constant), Product Innovation
b. Dependent Variable: Performance

Table 14 (c) indicate that the intercept was 0.019 with a p-value of 0.818 >0.05 implying that the intercept is not statistically significant and therefore does not contribute meaningfully to the model. The regression coefficient of product innovation was -0.051 meaning that the coefficient was statistically insignificant for product innovation variable (β=-0.051, P-value=0.541>0.05). Therefore, the study fails to reject the null hypothesis that there is no statistically significant relationship between product innovation and performance of SACCOs in Nairobi City County. This implies that product innovation had a negative insignificant effect on performance implying that changes in product innovation did not have a meaningful impact on the performance of SACCOs. Additionally, the results imply that efforts to introduce or improve products may slightly reduce performance but the effect is not strong enough to be considered statistically meaningful. This could be due to the fact that new products may not align with members' needs, leading to poor uptake or developing and introducing new products may increase operational costs without generating proportional returns.

In relation to the finding that product innovation negatively affected the performance of SACCOs, Schumpeter's theory can partly support this results since introduction of new financial products in SACCOs, such as digital savings tools, new loan packages, or investment products, may initially disrupt existing structures and routines. These innovations often require substantial financial investment, staff training, and system changes. Additionally, members may be slow to adopt new products due to limited awareness, low technological literacy, or distrust of new financial systems. As a result, the short-term impact of product innovation may be negative, consistent with Schumpeter's idea that "creative destruction" can temporarily lower performance before eventual growth.

However, Schumpeter's theory also contradicts the finding when viewed from a long-term perspective. The theory posits that innovation ultimately enhances competitiveness and organizational success by enabling firms to differentiate themselves and capture new markets. Therefore, if SACCOs effectively manage the innovation process by aligning new products with member needs, ensuring adequate training, and integrating supportive technologies the negative effect should diminish over time, leading to improved performance.

Additionally, resource-based view theory supports this outcome by highlighting the role of resource limitations since many SACCOs operate with constrained financial, technological, and human resources, which may hinder their ability to implement new financial products successfully. Therefore, developing and introducing new products often requires substantial investment, staff training, advanced information systems, and effective marketing all of which may strain the SACCO's limited resources. As a result, instead of enhancing performance, product innovation may increase operational costs, create inefficiencies, or reduce service quality, leading to a negative effect on overall performance. However, the RBV theory also contradict the finding since SACCOs possess strong, well-managed resources thus product innovation should enhance performance by allowing SACCOs to leverage their unique internal strengths to create differentiated products that meet members' needs more effectively. Therefore, the negative relationship observed suggests that SACCOs may not be utilizing or developing their internal resources strategically enough to support innovation.

Furthermore, the results contradict those of Odero *et al.* (2019), Hadi (2023) and Fadillah *et al.* (2022) who found that product innovation positively affected performance since it enables organizations to design and offer new or improved products that meet changing customer needs, enhance satisfaction, and attract new members or markets. By differentiating their products from competitors, firms gain a competitive advantage, which often translates into increased sales, market share, and profitability.

4.6.2 Process Innovation and SACCO Performance

The study sought to establish the effect of process innovation and performance. A simple linear regression was used to examine this relationship and the hypothesis was postulated as follows;

H_{O2}: *There is no statistically significant relationship between process innovation and performance of SACCOs in Nairobi City County*

The model summary results of process Innovation are presented in Table 15(a), (b) and (c).

Table 15 (a): Process Innovation

Model	R	R^2	Adjusted R^2	Sig
1	0.616	0.380	0.376	0.000

Source: Primary Data (2025)

As indicated in Table 15 (a) the study shows the value of R^2 obtained by the study was 0.380 at a probability value 0.000, which is less than significance value of 0.05. The R^2 denotes that 38% of the change in performance can be associated with process innovation while 62% of variations in performance is explained by random error or other factors not factored in the model. To further test for the influence of process innovation on performance, Analysis of Variance (ANOVA) was carried out to ascertain the significance of the estimation model. ANOVA results are presented in Table 15(b).

Table 15 (b): Anova Results of Process Innovation

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.056	1	12.056	90.615	0.000
	Residual	19.690	148	0.133		
	Total	31.746	149			

Source: Primary Data (2025)

As presented in Table 15 (b), the F-value was found to be 90.615 with a significance value of (0.000< 0.05) implying that the overall model examining the effect of process innovation on performance was statistically significant. The results of this analysis showed that process innovation is a good predictor of performance. Hence, the model is considered a good fit for the data. The coefficient estimates are presented in Table 15 (c).

Table 15 (c): Coefficient Estimates of Process Innovation

		Unstandardized Coefficients			
Model		B	Std. Error	T	Sig.
1	(Constant)	1.523	0.264	5.764	0.000
	Process Innovation	0.634	0.067	9.519	0.000

a. Predictors: (Constant), Process Innovation
b. Dependent Variable: Performance

Table 15 (c) indicate that the intercept was 1.523 with a p-value of 0.000 < 0.05 implying that the intercept is statistically significant implying that the value of performance is 1.523 when process innovation is held at zero. The regression coefficient of process innovation was 0.634 meaning that the coefficient was statistically significant for process innovation variable (β=0.634, P-value=0.000<0.05). This implies that a unit increase in process innovation results to significant increase in SACCO performance by 0.634. Therefore, the study rejects the null hypothesis that there is no statistically significant relationship between process innovation and performance of SACCOs in Nairobi City County. This implies that process innovation had a positive and significant effect on performance signifying that improvements in the way SACCOs deliver their services and manage operations directly enhance their performance. This means that when SACCOs adopt new methods of service delivery such as new and improved techniques adopted, speed of the process and sustainability of the process results to customer satisfaction and increase in market share.

The finding that process innovation positively affects the performance of SACCOs is therefore supported by Schumpeter's theory since process innovation in SACCOs such as adopting new and improved techniques, speed of the process and sustainability of the process enhances operational efficiency and service delivery. These innovations reduce transaction time, minimize human error, increase market share and improve customer satisfaction, which collectively contribute to better performance outcomes. In line with Schumpeter's argument, by continuously improving their internal processes, SACCOs strengthen their competitiveness and ability to respond to changing market and member needs.

Furthermore, the results are supported by resource based view theory since process innovation such as adopting new and improved techniques, speed of the process and sustainability of the process depends on the SACCO's internal resources and competencies. SACCOs that have invested in technology, staff training, and efficient management systems can utilize these resources to streamline operations, reduce costs, and improve service delivery. Through effective resource utilization, such organizations achieve greater member satisfaction, operational efficiency, and financial performance. This aligns with the RBV argument that valuable and well-managed

internal resources are the foundation of sustainable competitive advantage and superior performance.

Additionally, the results support those of Akpoviroro *et al.* (2019), Mooi *et al.* (2020) and Zand and Rezaei (2020) who found that process innovation had a positive effect on performance because it focuses on improving the internal methods, procedures, and technologies that organizations use to deliver their products and services. By introducing more efficient processes, organizations can operate at lower cost, deliver faster, reduce errors, and provide higher quality services all of which directly boost both financial and non-financial performance. The regression equation based on results is presented as follows:

$$\text{Performance} = 1.523 + 0.634\ \text{Process Innovation}$$

4.6.3 Marketing Innovation and SACCO Performance

The study sought to establish the effect of marketing innovation and performance. A simple linear regression was used to examine this relationship and the hypothesis was postulated as follows;

H_{O3}: There is no statistically significant relationship between marketing innovation and performance of SACCOs in Nairobi City County

The model summary results of marketing Innovation are presented in Table 16 (a),(b) and (c).

Table 16 (a): Marketing Innovation

Model	R	R^2	Adjusted R^2	Sig
1	0.646	0.418	0.414	0.000

Source: Primary Data (2025)

Results in Table 16 (a) indicates that R^2 obtained by the study was 0.418 at a probability value 0.000, which is less than significance value of 0.05. The R^2 denotes that 41.8% of the change in performance can be associated with marketing innovation while 58.2 % of variations in performance is explained by random error or other factors not included in the model. To further test for the influence of marketing innovation on performance, Analysis of Variance (ANOVA) was carried out to ascertain the significance of the estimation model. ANOVA results are presented in Table 16 (b).

Table 16 (b): Anova Results of Marketing Innovation

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	13.259	1	13.259	106.144	0.000
	Residual	18.487	148	0.125		
	Total	31.746	149			

Source: Primary Data (2025)

As presented in Table 16 (b), the F-value was found to be 106.144 with a significance value of (0.000< 0.05) implying that the overall model examining the effect of marketing innovation on performance was statistically significant. The results of this analysis showed that marketing innovation is a good predictor of performance. The coefficient estimates are presented in Table 16 (c).

Table 16 (c): Coefficient Estimates of Marketing Innovation

		Unstandardized Coefficients			
Model		B	Std. Error	T	Sig.
1	(Constant)	1.843	0.213	8.634	0.000
	Marketing Innovation	0.548	0.053	10.303	0.000

a. Predictors: (Constant), Marketing Innovation
b. Dependent Variable: Performance
Source: Primary Data (2025)

Table 16 (c) indicate that the intercept was 1.843 with a p-value of 0.000 < 0.05 showing that the intercept is statistically significant signifying that the value of performance is 1.843 when marketing innovation is held at zero. The regression coefficient of marketing innovation was 0.548 meaning that the coefficient was statistically significant for marketing innovation variable (β=0.548, P-value=0.000<0.05). This implies that a unit increase in marketing innovation results to significant increase in SACCO performance by 0.548. Therefore, the study rejects the null hypothesis that there is no statistically significant relationship between marketing innovation and performance of SACCOs in Nairobi City County. This implies that marketing innovation had a positive and significant effect on performance because it involves the placement, promotion and pricing that help organizations reach customers more effectively, strengthen their brand, and increase sales. By innovating in areas such as product promotion, distribution, pricing models, and communication, firms can attract new customers, retain existing ones, and build stronger market presence.

The findings are supported by Resource based view theory because marketing innovation such as placement, promotion and pricing depends heavily on internal resources like skilled personnel, financial strength, and technological capability. SACCOs that possess and strategically deploy these resources are better positioned to identify member needs, communicate value effectively, and attract and retain customers. Therefore, the RBV supports the finding by showing that marketing innovation leads to improved performance when SACCOs leverage their internal resources efficiently to strengthen market positioning and member satisfaction.

Schumpeter's theory of innovation (1934) also supports this positive relationship since Schumpeter viewed marketing innovation as the key driver of economic growth and firm success. The theory posits that through "creative destruction," firms that introduce new ways of doing things gain a competitive edge by replacing outdated methods with more effective ones. In the context of SACCOs, marketing innovations such as digital outreach, personalized communication, and new service packaging enable these institutions to attract new members, improve loyalty, and enhance profitability. Thus, Schumpeter's theory supports the finding that marketing innovation fosters better performance by creating differentiation, stimulating demand, and strengthening market competitiveness.

Similarly, the Dynamic Capabilities theory, provides further support for the positive effect of marketing innovation. The theory emphasizes an organization's ability to integrate, build, and reconfigure internal and external competencies to respond to rapidly changing environments. For SACCOs operating in competitive and technology driven financial markets, marketing innovation represents a dynamic capability that allows them to adapt to member preferences, market trends, and technological shifts. Therefore, by continuously updating their marketing strategies such as through social media engagement, mobile-based promotions, or loyalty programs, SACCOs can sustain competitiveness and improve performance outcomes.

The results are also in line with those of Peng *et al.* (2021), Shaker and Al-Khattab (2019) and Nwachukwu and Vu (2022) who found that marketing innovation had a positive effect on performance because when organizations continually adjust their

marketing practices to market dynamics, they strengthen customer relationships, build brand equity, and achieve sustainable performance. The regression equation is presented as follows:

$$\text{Performance} = 1.843 + 0.548 \text{ marketing Innovation}$$

4.6.4 Strategic Innovation, SACCO Size and SACCO Performance

The moderating effect was SACCO Size. The study sought to assess the moderating effect of SACCO Size on the relationship between strategic innovation and performance of SACCOs in Nairobi City County. SACCO size was analyzed in terms of tiers where 1 represented large tiered SACCO, 2 represented medium tiered SACCO and 3 represented small tiered SACCOs. The researcher sought to test the hypothesis.

H_{O4}: *Size of SACCO has no statistically moderating effect on the relationship between strategic innovation and performance of SACCOs in Nairobi City County*

Regression results in Table 17 (a) shows the value R and R^2 for model 1 without the effect of moderation and model 2 with effect of moderation.

Table 17 (a): Moderating Effect of SACCO Size

Model	R	R Square	Adjusted R Square	F Change Sig F Change
1	0.562	0.316	0.307	34.008 0.000
2	0.586	0.343	0.330	5.976 0.016

a. Predictors: (Constant), Strategic innovation, SACCO size
b. Dependent Variable: Performance
Source: Primary Data (2025)

The results in Table 17 (a) shows that SACCO size explained 0.307 (30.7%) of variation in the performance (adjusted R^2 =0.307). When the interaction term of SACCO size and strategic innovation was introduced, the model explained 33.0% (adjusted R^2 =0.330) suggesting that SACCO size variable adds a predictive effect on the relationship between strategic innovation and performance. The additional of the interaction term resulted in a statistically significant increase since (change in R^2 =

2.3%, F= 5.976; P-value=0.016<0.05) implying that the interaction term was statistically significant. Model 1 is statistically significant meaning that strategic innovations have a significant effect on SACCO performance. Model 2 shows that introducing SACCO size as a moderator improved the explanatory power of the model from 31.6% to 34.3% demonstrating that the effect of strategic innovations on performance depends on SACCO size. Therefore, larger SACCOs may benefit more from strategic innovations while small SACCOs may experience a weaker effect. Hence the findings suggest that both strategic innovations and SACCO size jointly contribute to improved performance outcomes.

Table 17 (b): Coefficient Estimates of SACCO Size

Model		Unstandardized Coefficients			
		B	Std. Error	t	Sig.
1	(Constant)	1.108	0.356	3.116	0.002
	SACCO size	0.747	0.097	7.720	0.000
	Strategic Innovation	-0.043	0.047	-0.909	0.365
2	(Constant)	3.368	0.989	3.407	0.001
	Strategic innovation	0.152	0.261	0.582	0.562
	SCCO size	-1.124	0.445	-2.527	0.013
	Strategic innovation*SACCO size	0.279	0.114	2.444	0.016

Source: Primary Data (2024)

The results in Table 17 (b) show that the intercept was 1.108 for model 1. This implies that performance was 1.108 when all other predictors of the model were zero. The intercept value was significant (β=1.108, P-value =0.002<0.05). The coefficient of SACCO size was 0.747 which was positive and significant (β=0.747, P-value= 0.000 < 0.05). This implies that SACCO size affects performance. The coefficient of -0.043 of strategic innovation shows a negative and insignificant relationship (β=-0.043, P-value=0.365>0.05) implying that strategic innovation as a composite does not affect performance. Model 2 intercept had a regression coefficient of (β=3.368, p-value=0.001<0.05) signifying that the value of performance is 3.368 units holding other factors constant. The interaction term coefficient of 0.279 shows positive and significant effect (β =0.279, P-value=0.016<0.05), implying that larger SACCOs are more capable of leveraging strategic innovation to enhance performance compared to their smaller counterparts. The significance of co-efficient implies that effect of SACCO size and strategic innovation on performance are dependent. That is, they

depend on each other, hence SACCO size moderate the effect of strategic innovation on performance. Therefore, the researcher rejects the hypothesis of no moderating effect of SACCO size on the relationship between strategic innovations on performance.

This finding aligns with the Dynamic Capabilities Theory, which posits that an organization's ability to integrate, build, and reconfigure internal and external competences in response to changing environments is influenced by its resource base. Financial strength determines each tier's innovation capacity, expansion potential, and regulatory obligations where large SACCOs have economies of scale and market diversity; small ones enjoy close social cohesion but limited growth. Therefore, product diversification is a key differentiator where large SACCOs drive financial inclusion through innovation, while small SACCOs serve niche needs. Additionally, larger SACCOs often have more financial, technological, and human resources, enabling them to effectively implement strategic innovations and convert them into competitive advantage. Conversely, smaller SACCOs may face constraints that limit their capacity to fully exploit innovative strategies. This results concur with those of Ismanu and Kusmintarti (2019) and Muange and Ngetich (2020) who indicated that firm size had a positive moderating effect on the relationship between strategic innovation and performance.

The regression equation based on results is presented as follows:
Performance = 3.368-1.124 SACCO size + 0.279 (strategic innovation* SACCO size)

4.6.5 Joint Effect of Product Innovation, Process Innovation and Marketing Innovation on Performance of SACCOs in Nairobi City County

The study sought to establish the joint effect of product innovation, process innovation and Marketing innovation on performance of SACCOs in Nairobi City County. A multiple linear regression was used to examine this relationship and the hypothesis was postulated as follows;

H_{O5}: Product innovation, process innovation and marketing innovation have no statistically significant joint effect on performance of SACCOs in Nairobi City County.
Model summary results of Joint Effect are presented in Table 18 (a), (b) and (c).

Table 18 (a): Model Summary Statistics of Product Innovation, Process Innovation and Marketing Innovation

Model	R	R Square	Adjusted R Square	Sig
1	0.698	0.488	0.477	0.000

Source: Primary Data (2025)

As indicated in Table 18 (a), the study shows the value of R^2 obtained by the study was 0.488 (48.8%) at a probability value 0.000, which is less than significance value of 0.05. implying that 48.8% of the changes in performance can be associated with Product Innovation, Process Innovation and Marketing Innovation while 51.2% of variations in performance is explained by random error or other factors not included in the model. To further test for the influence of Product Innovation, Process Innovation and Marketing Innovation on performance, Analysis of Variance (ANOVA) was carried out to ascertain the significance of the estimation model. ANOVA results are presented in Table 18 (b).

Table 18 (b): ANOVA for Product Innovation, Process Innovation and Marketing Innovation

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	15.481	3	5.160	46.320	0.000
	Residual	16.265	146	0.111		
	Total	31.746	149			

Source: Primary Data (2025)

As presented in Table 18 (b), the F-value was found to be 46.320 with a significance value of (0.000< 0.05) implying that the overall model examining the effect of Product Innovation, Process Innovation and Marketing Innovation on performance was statistically significant. The results of this analysis showed that Product Innovation, Process Innovation and Marketing Innovation are good predictors of performance.

Table 18 (c): Coefficient Estimates of Joint Effect

Model	Unstandardized Coefficients B	Std. Error	T	Sig.
1 (Constant)	1.529	0.309	4.952	0.000
Product innovation	-0.081	0.052	-1.554	0.122
Process innovation	0.375	0.084	4.440	0.000
Marketing innovation	0.341	0.068	4.984	0.000

Source: Primary Data (2025)

Table 18 (c) indicate that the intercept was 1.529. This implies that the performance was 1.529 units holding other factors constant. The intercept value was significant (t=4.952, P-value=0.000<0.05). The regression coefficient of product innovation was -0.081. This coefficient was statistically insignificant for product innovation variable (t=-1.554, P-value=0.122>0.05). This implies that product innovation had a negative insignificant effect on performance. Hence, the researcher fails to reject the null hypothesis. The regression coefficient was 0.375. This coefficient was statistically significant for process innovation variable (t=4.440, P-value=0.000<0.05). This implies that process innovation had a positive significant effect on performance. Hence, the null hypothesis was rejected.

A unit increase in process innovation increases performance by 0.375 units. The regression coefficient was 0.341. This coefficient was statistically significant for marketing innovation variable (t=4.984, P-value=0.000<0.05). This implies that marketing innovation had a positive significant effect on performance. Hence, the null hypothesis was rejected. A unit increase in marketing innovation increases performance by 0.341 units. For simple and multiple regression product innovation did not affect performance of the SACCOs implying that product innovation might not be strong enough by itself to drive performance and also performance may depend more on other factors such as marketing, process improvements, customer service. Therefore, the effect of product innovation may take a long time to be realized, so short-term data doesn't capture the impact. Process innovation and marketing innovation in both simple and multiple regression positively affected performance. Based on the findings the regression equation of the joint effect is presented using the following equation.

$$\text{Perfomance} = 1.529 + 0.375\text{process innovation} + 0.341\text{marketing innovation}$$

CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary of the Findings

The general objective of the study was to establish the effect of strategic innovations on the performance of SACCOs in Nairobi City County. Strategic innovation focused on product innovation, marketing innovation, and process innovation. The current study also investigated the moderating effect of SACCO size on the relationship between strategic innovation and performance. Primary data was collected using a questionnaire while secondary data was collected using a data collection sheet.

The first objective was to examine the effect of product innovation on the performance of SACCOs in Nairobi City County. The overall mean of 4.20 and a standard deviation of 0.73 indicate that generally the CEOs agreed that product innovation are implemented in the SACCOs with responses showing relatively low variability across the different aspects assessed. R^2 obtained by the study was 0.003 at a probability value 0.541, which is more than significance value of 0.05. The R^2 denotes that 0.3% of the change in performance can be associated with product innovation while 99.7% of variations in performance is explained by random error or other factors not in the model. The F-value was found to be 0.376 with a significance value of (0.541> 0.05) implying that the overall model examining the effect of product innovation on performance was statistically insignificant. Hence, the model is not a good fit for the data. The results of the study indicate that product innovation was statistically insignificant (t=-0.613, P-value=0.541>0.05). This implies that product innovation had a positive insignificant effect on performance and hence the researcher failed to reject the null hypothesis. Hence it is not an important factor to be considered to improve the performance in SACCOs. The negative relationship was contrary to the expectations of the study which anticipated a positive relationship. However, when it interacted with a moderating factor the relationship improved.

The second objective was to examine the effect of process innovation on the performance of SACCOs in Nairobi City County. The overall mean of 3.93 and a standard deviation of 0.65 implies that process innovation was generally and consistently incorporated in SACCOs, with most CEOs agreeing on its presence. R^2

obtained by the study was 0.380 at a probability value 0.000, which is less than significance value of 0.05. The R^2 denotes that 38% of the change in performance can be associated with process innovation while 62% of variations in performance is explained by random error or other factors not factored in the model. The F-value was found to be 90.615 with a significance value of (0.000< 0.05) implying that the overall model examining the effect of process innovation on performance was statistically significant therefore the researcher rejected the null hypothesis. The results of this analysis showed that process innovation is a good predictor of performance. Hence, the model is considered a good fit for the data. The results of the study indicate that process innovation was statistically significant (t=9.519, P-value=0.000<0.05). This implies that process innovation had a positive and significant effect on performance. Hence process innovation is crucial in improving performance in SACCOs.

The third objective was to examine the effect of marketing innovation on the performance of SACCOs in Nairobi City County. The overall mean of 3.98 and a standard deviation of 0.71 indicates that SACCOs have generally incorporated marketing innovation to a high extent, and perceptions among CEOs were largely consistent, with only modest variation across SACCOS. R^2 obtained by the study was 0.418 at a probability value 0.000, which is less than significance value of 0.05. The R^2 denotes that 41.8% of the change in performance can be associated with marketing innovation while 58.2 % of variations in performance is explained by random error or other factors not included in the model. F-value was found to be 106.144 with a significance value of (0.000< 0.05) therefore the researcher rejected the null hypothesis implying that the overall model examining the effect of marketing innovation on performance was statistically significant. The results of this analysis showed that marketing innovation is a good predictor of performance. The results of the study indicate that marketing innovation was statistically significant (t=10.303, P-value=0.000<0.05). This implies that marketing innovation had a positive and significant effect on performance. Hence it is an important factor to be considered to improve the performance in SACCOs.

The fourth objective was to determine the moderating effect of SACCO size on the relationship between strategic innovation and performance of SACCOs in Nairobi City County. SACCOs size had a mean of 2.4467 implying that on average, SACCOs in the study are between the medium (2) and small (3) categories, but leaning closer to the small size category. This suggests that the majority of SACCOs are relatively smaller in size. Standard Deviation of 0.7466 shows that the variation in SACCO sizes is moderate. The SACCOs are spread across all three categories (large, medium, small), but most are clustered between medium and small. SACCO size explained 0.307 (30.7%) of variation in the performance (adjusted R^2 =0.307). When the interaction term of SACCO size and strategic innovation was introduced, the model explained 33.0% (adjusted R^2 =0.330) suggesting that SACCO size variable adds a predictive effect on the relationship between strategic innovation and performance. The additional of the interaction term resulted in a statistically significant increase since (change in R^2 = 2.3%, F= 5.976; P-value=0.016<0.05) hence null hypothesis was rejected implying that the interaction term was statistically significant. The results of the study indicate that the interaction effect between strategic innovation and SACCO size was statistically significant (t=2.444, P-value=0.016<0.05). This implies that SACCO size had a positive and significant moderating effect on the relationship between strategic innovation and performance. Hence it is an important factor to be considered to improve the performance in SACCOs.

The fifth objective was to determine the joint effect of product innovation, process innovation and Marketing innovation on performance of SACCOs in Nairobi City County. R^2 obtained by the study was 0.488 (48.8%) at a probability value 0.000, which is less than significance value of 0.05. implying that 48.8% of the changes in performance can be associated with Product Innovation, Process Innovation and Marketing Innovation while 51.2% of variations in performance is explained by random error or other factors not included in the model. F-value was found to be 46.320 with a significance value of (0.000< 0.05) implying that the overall model examining the effect of product innovation, process innovation and marketing innovation on performance was statistically significant. The results of this analysis showed that Product Innovation, Process Innovation and Marketing Innovation are good predictors of performance. The regression results of the joint effect indicate that process

innovation and marketing innovation had a positive effect on performance while product innovation had a negative and insignificant effect on performance. Hence process and marketing innovation are important factors to be considered to improve the performance in SACCOs.

5.2 Conclusion

Based on the results of the first objective, product innovation does not significantly affect the performance of SACCOs. This suggests that new product development, product functionality and customer experience value alone may not yield tangible benefits unless accompanied by other complementary strategies such as improved service delivery, customer engagement, and efficient operational processes.

Results of the second objective show that process innovation significantly enhance SACCO performance implying that new and improved techniques adopted, speed of the process and sustainability of the process improves service delivery, reduce costs, and boost member satisfaction. The findings of the third objective show that marketing innovation has a positive effect on performance suggesting that placement, promotion and pricing improves customer satisfaction and market share. Additionally, the results of the fourth objective was that SACCO size positively altered the relationship between strategic innovation and performance meaning that larger SACCOs are better positioned to leverage strategic innovations for improved outcomes compared to smaller ones because larger SACCOs typically have more total assets to invest in strategic innovative projects, a wider customer base that provides economies of scale, and stronger institutional infrastructure such as technology systems and skilled personnel, all of which can enhance performance. This highlights the importance of scaling up resources and membership to maximize the benefits of innovation in driving overall performance.

Based on the findings of the fifth objective, process and marketing innovation affected performance while product innovation did not affect performance. This can be explained by the fact that SACCOs generally offer standardized financial products with limited room for differentiation, making product innovation less impactful. In contrast, process innovation directly improves operational efficiency, reduces costs, and

enhances service delivery and customer satisfaction, while marketing innovation strengthens customer relationships, expands membership, and increases visibility in a competitive financial sector. These dimensions therefore, contribute more effectively to customer satisfaction and market share, which are critical measures of SACCO performance.

The study results shows that marketing innovation had the highest impact on performance based on R^2 which was 41.8% implying that placement activities such as having accessible physical branches, online banking platforms and agency banking, promotional activities such as digital marketing, tiktok campaigns and promotional campaigns and pricing activities such as innovative pricing strategies, pricing structure and communication of pricing decisions such as interest rates enhances performance of SACCOs.

Therefore, the findings demonstrate that strategic innovations are essential levers of performance in SACCOs operating in Nairobi County. The significant moderating effect of SACCO size underscores that strategic innovation and performance relationship is not uniform but relies on organizational characteristics that is larger SACCOs may leverage resources to implement strategic innovations while smaller SACCOs may benefit more from flexibility and targeted approaches.

These results extend the RBV theory by confirming that strategic innovations serve as a valuable and rare resources for SACCOs. They also support the dynamic capabilities theory by highlighting the importance of continuous innovations in responding to competitive pressures. The negative short-term impact of product innovation reflects the disruptive nature of creative destruction**,** while the positive impacts of process and marketing innovation represent the growth and efficiency gains that result once organizations successfully integrate innovations into their operations. Together, these outcomes demonstrate the dynamic, transformative process that Schumpeter described where innovation initially challenges existing systems but ultimately leads to improved performance and long-term success.

5.3 Recommendation

Based on the results of the current study, the study made the following recommendations:

i. Since product innovation did not significantly affect performance, SACCOs should avoid over-investing in new products without a clear assessment of new product development, product functionality and customer experience value. Instead, they should focus on improving the quality and value of existing products while conducting thorough market research before introducing new ones.

ii. SACCOs are encouraged to adopt new and improved techniques, speed of the process and sustainability of the process that improves customer satisfaction and market share. Additionally, the policy makers should develop and implement regulatory policies that encourage SACCOs to adopt marketing and process innovations. This includes flexible guidelines that support digital transformation, such as e-banking, automated loan systems, and electronic record management, without imposing excessive compliance burdens.

iii. SACCOs should strengthen marketing efforts by embracing placement activities such as having accessible physical branches, online banking platforms and agency banking, promotional activities such as digital marketing, tiktok campaigns and promotional campaigns and pricing activities such as innovative pricing strategies, pricing structure and communication of pricing decisions such as interest rates enhances performance of SACCOs to increase visibility and attract new members.

iv. SACCOs should work towards scaling up their total assets as this will amplify the benefits of strategic innovation in boosting customer satisfaction and market share. Additionally, SACCOs can prioritize strategic innovations where bigger SACCOs should invest in scalable technologies and advanced analytics to spur growth and resilience whereas smaller SACCOs should prioritize agility and cost-effective solutions.

v. SACCOs should avoid focusing heavily on product innovation without strengthening supporting processes and marketing strategies. Product innovation should be undertaken gradually and aligned with the SACCO's operational capacity, risk tolerance, and member needs to prevent financial

strain and performance decline. SACCOs should prioritize improving internal systems such as new and improved techniques adopted, speed of the process and sustainability of the process before introducing new products. Efficient processes lower costs, improve accuracy and create a stable foundation for successful product launches. SACCOs should conduct market research before product introduction.

5.4 Suggestions for Further Research

This study has several suggestions for possible areas for further research:

i. The current study focused on SACCOs in Nairobi City County therefore a similar study should be done on other sectors such as other financial institutions, manufacturing firms because these institutions operate under different regulatory frameworks, serve broader customer bases, and have more diverse product portfolios compared to SACCOs.

ii. The current study focused on three components of strategic innovation that is product, process and marketing innovation therefore another study should be done on other components of strategic innovation such as technology innovation and organization innovation.

iii. The current study focused on new product development, product functionality and customer experience value as components of product innovation thus another study should be conducted to check on other aspects of product innovation such as product design, product quality enhancement, product differentiation and technology integration to check if the results would differ.

iv. This study measured SACCO size in terms of tiers based on total assets therefore, other researchers can use number of employees, membership Base and loan portfolio to evaluate their effect on performance.

REFERENCES

Abdullahi, U., Ardo, Y., Hassan, A., & Ibrahim, G. (2021). Assessment of financial and non-financial performance indicators used by small and medium construction firms in Nigeria. *FUTY Journal of the Environment*, *15*(2), 48-58.

Achieng, S. G. (2021). *The Role of Innovation in attaining sustainable competitive advantage among Deposit-Taking Savings and Credit Cooperatives (SACCOS) in Nairobi County, Kenya* (Doctoral dissertation, Strathmore University).

Adamu, U., Hussin, S.R., & Ismail, N. (2020). Effect of Marketing Innovation on Performance of Small and Medium Enterprises in Nigeria. *International Journal of Innovation, Creativity and Change, 11* (12), 353-370

African Business (2024). *Africa's Banking Groups Embrace Disruption and Innovation in digital services*.https://african.business/2024/02/partner-content/africas-banking-groups-embrace-disruption-and-innovation-in-digital-services

Akpoviroro, K., Akinbola, O., & Olalekan, A. (2019). The Impact of Process Innovation on Organizational Performance. *ACTA Universitatis Danubius, 15* (2), 115-132

Arndt, F., Galvin, P., Jansen, R. J., Lucas, G. J., & Su, P. (2022). Dynamic capabilities: New ideas, microfoundations, and criticism. *Journal of Management & Organization*, *28*(3), 423-428.

Asiya, M. A., & Nyangau, S. P. (2025). Marketing Strategies and Organizational Performance of Deposit Taking Saccos in Nyeri County, Kenya. International Journal of Social Science and Humanities Research (IJSSHR) ISSN 2959-7056 (o); 2959-7048 (p), 3(2), 120–131.

Auernhammer, J., & Roth, B. (2021). The origin and evolution of Stanford University's design thinking: From product design to design thinking in innovation management. *Journal of Product innovation management*, *38*(6), 623-644.

Ayumba, M. (2024). *Relationship Between Audit Quality, Firm Size and Financial Performance of Deposit Taking Saccos in Kenya*. (Dissertation, Masinde Muliro University, Kenya).

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120.

Beske, P., Land, A., & Seuring, S. (2014). Sustainable supply chain management practices and dynamic capabilities in the food industry: A critical analysis of the literature. *International journal of production economics*, *152*, 131-143.

Bessant, J., & Tidd, J. (2021). *Innovation and Entrepreneurship* (4th ed.). Wiley.

Blichfeldt, H., & Faullant, R. (2021). Performance effects of digital technology adoption and product & service innovation–A process-industry perspective. *Technovation*, *105*, 102275.

Buzzao, G., & Rizzi, F. (2021). On the conceptualization and measurement of dynamic capabilities for sustainability: Building theory through a systematic literature review. *Business Strategy and the Environment*, *30*(1), 135-175.

Canadian Credit Union Association (2023). *Canada's Credit Unions Deliver Highest Growth in Financial Services.* CCUA. https://believeinbanking.com/canadas-credit-unions-deliver-highest-growth-in-financial-services/

Davis, G. F., & DeWitt, T. (2021). Organization theory and the resource-based view of the firm: The great divide. *Journal of Management*, *47*(7), 1684-1697.

Day, G. S. (2023). Accelerating growth with strategic innovation: Putting market driving into context. *Industrial Marketing Management*, *113*, 341-344.

Dias, J., Patnaik, D., Scopa, E., & van Bommel, E. (2019, July 1). *Automating the bank's back-office.*https://www.mckinsey.com/capabilities/mckinsey-digital/ourinsights/automating-the-banks-back-office/

Dogan, E. (2017). A strategic approach to innovation. *Journal of Management Marketing and Logistics*, *4*(3), 290-300.

El Chaarani, H., Vrontis, D., El Nemar, S., & El Abiad, Z. (2021). The impact of strategic competitive innovation on the financial performance of SMEs during COVID-19 pandemic period. *Competitiveness Review: An International Business Journal*, *32*(3), 282-301.

Emami, F. (2021). Schumpeter's Theory of Economic Development: a study of the creative destruction and entrepreneurship effects on the economic growth. *Journal of Insurance and Financial Management*, *4*(3).

Eurasian Bank Annual Report, (2023): Eurasian Bank Annual Report

Fadillah, M. R., Ubaidillah, A. Z., Ratnawati, R. A., & Acuviarta, A. (2022). The Effect of Innovation and Product Quality on Consumer Satisfaction. *Adpebi International Journal of Multidisciplinary Sciences*, *1*(1), 289-298.

Farahmand, N. F. H. (2019). Strategic planning and innovation: Driving growth and sustainability in organizations. *Journal of Business and Economic Options*, *2*(1), 26-34.

Farida, I., & Setiawan, D. (2022). Business strategies and competitive advantage: the role of performance and innovation. *Journal of Open Innovation: Technology, Market, and Complexity*, *8*(3), 163.

Feng, R., Ma, L., & Wu, D. (2025). ESG performance and corporate innovation under the moderating effect of firm size. *International Review of Economics & Finance*, *97*, 103774.

Field, A. (2009). *Discovering Statistics Using SPSS*. 3rd Edition, Sage Publications Ltd., London.

Gebauer, H., Worch, H., & Truffer, B. (2012). Absorptive capacity, learning processes and combinative capabilities as determinants of strategic innovation. *European Management Journal, 6* (2), 57-73.

Global Finance (2023, May 1). *Best Financial Innovations 2023*.https://gfmag.com/award/best-financial-innovations-2023/

Greene, W.H. (2008) *Econometric Analysis*. 6th Edition, Pearson Prentice Hall, Upper Saddle River.

Gutterman, A. S. (2023). Motivation and Performance Evaluation. *Available at SSRN 4554223*.

Hada, D., & Mihalcea M. (2020). "*The Importance Of Profitability Indicators In Assessing The Financial Performance Of Economic Entities*," Annals of Faculty of Economics, (University of Oradea, Faculty of Economics)

Hadi, P. (2023). Effect of Product Innovation on SMEs Performance: The Moderating Role of Organizational Learning and Market Orientation. *International Journal of Business & Strategy. 5* (2), 47-54

Hai, B., Yin, X., &Xiong, J. (2022). Could more innovation output bring better financial performance? The role of financial constraints. *Finance Innovation Journal, 8* (6), 11-21. https://doi.org/10.1186/s40854-021-00309-2

Haijian, S., Loch, C., &Kavadia, S. (2023). A New Approach to Strategic Innovation. *Harvard Business Review,12* (2). https://hbr.org/2023/09/a-new-approach-to-strategic-innovation

Hajar, M. A., Ibrahim, D. N., Darun, M. R., & Al-Sharafi, M. A. (2020). Value innovation activities in the wireless telecommunications service sector: A case study of the Malaysian market. *Journal of Global Business Insights, 5*(1), 57-72.

Hao, S., & Yu, B. (2015). The Impact of Technology Selection on Innovation Success and Organizational Performance. *Scientific Research Journal.* 367-371

Hashmi, S. D., Gulzar, S., Ghafoor, Z., & Naz, I. (2020). Sensitivity of firm size measures to practices of corporate finance: evidence from BRICS. *Future Business Journal, 6,* 1-19.

Hoberg, G., & Phillips, G. M. (2025). Scope, Scale, and Concentration: The 21st-Century Firm. *The Journal of Finance*, *80*(1), 415-466.

Hulland, J. (2004). The Resource-Based View and Information Systems Research: Review, Extension, and Suggestions for Future Research. *MIS Quarterly, 28*, 107-142.

Hung, C. V., Vinh, T. P., & Thai, B. D. (2021). The impact of firm size on the performance of Vietnamese private enterprises: A case study. *Problems and Perspectives in Management*, *19*(2), 243.

Iherobiem, A. C., & Sanusi, A. O. (2023). Process Innovation as a Strategic Tool in Enhancing the Performance of Organizations: A Study of Manufacturing Firms in Nigeria. *EMAJ: Emerging Markets Journal, 13*(1), 38-44.

Isiaho, D. W., &Koech, P. (2023). Strategic process innovation and performance of commercial banks in Kenya. *The Strategic Journal of Business & Change Management, 10*(2), 619–634.

Ismanu, S., & Kusmintarti, A. (2020, April). Government policies and firm size as a moderating effect of innovation on business performance. In *1st Annual Management, Business and Economic Conference (AMBEC 2019)* (pp. 123-128). Atlantis Press.

Izquierdo, R. (2020). *How to implement process improvements for your small business.* https://www.fool.com/the-blueprint/process-improvement/

Jain, N. (2023, July 14). *What is Strategic Innovation? Definition, Process, Examples and Management*. https://ideascale.com/blog/what-is-strategic-innovation/

Jillo, S.A., Kanyiri, A., & Moguche, A. (2023). Determining the Effect of Process Innovation on Financial Performance of Deposit Taking Saving and Credit Cooperatives Societies in Laikipia County, Kenya. *International Journal of Finance. 8* (2), 27-39

Johnston, R., & Clark, G. (2021). *Service Operations Management* (5th ed.). Pearson Education.

Jummai, N., & Ande, J. O. (2023). Effect of Product Innovation Strategy on Organisational Performance (A Study of Manufacturing Industries Nigeria). *Journal of Accounting and Financial Management, 9*(7), 25-36.

Kalume, T. K., & Makau, J. N. (2020). Effects of financial product innovations on the financial performance of savings and credit cooperative societies. *International Journal of Economics, Business and Management Research*, *4*(7), 58-73.

Kapoor, M., & Aggarwal, V. (2020). Tracing the economics behind dynamic capabilities theory. *International Journal of Innovation Science*, *12*(2), 187-201.

Kataria, S. (2013). Strategic innovation: A review and a theoretical framework.

Kijkasiwat, P., & Phuensane, P. (2020). Innovation and firm performance: The moderating and mediating roles of firm size and small and medium enterprise finance. *Journal of Risk and Financial Management*, *13*(5), 97.

Kiveu, M. N., Namusonge, M., &Muathe, S. (2019). Effect of innovation on firm competitiveness: the case of manufacturing SMEs in Nairobi County, Kenya. *International Journal of Business Innovation and Research, 18*(3), 307-327. https://doi.org/10.1504/IJBIR.2019.098251

Kotane, I., & Kuzmina-Merlino, I. (2012). ASSESSMENT OF FINANCIAL INDICATORS FOR EVALUATION OF BUSINESS PERFORMANCE. *European integration studies*, (6).

Kothari, C. R. (2014). *Research methodology: Methods and techniques* (2nd ed.). New Age International Publishers.

Kothari, C. R., & Garg, G. (2014). *Research Methodology: Methods and Techniques.* New Delhi: New Age International Publishers.

Kothari, C.R. (2019) *Research Methodology: Methods and Techniques.* 4th Edition, New Age International Publishers, New Delhi.

Kotler, P., Kartajaya, H., & Setiawan, I. (2021). *Marketing 5.0: Technology for Humanity*. Wiley.

Land, A., Gruchmann, T., Siems, E., & Beske-Janssen, P. (2022). Dynamic capabilities theory. In *Handbook of Theories for Purchasing, Supply Chain and Management Research* (pp. 378-398). Edward Elgar Publishing.

Landau, M. (2023). *The Theory of Innovation Cycles by Joseph Schumpeter*. MPL Innovation

Larabi, C. (2025). Linking Innovation Capability, Strategic Orientation, and Strategic Renewal to Sustainable Performance: A Dynamic Capabilities Perspective in Saudi Small and Medium Enterprises. *Business Strategy and the Environment*.

Laudon, K. C., & Laudon, J. P. (2022). *Management Information Systems: Managing the Digital Firm* (17th ed.). Pearson.

Lewandowska, A., Berniak-Woźny, J., & Ahmad, N. (2023). Competitiveness and innovation of small and medium enterprises under Industry 4.0 and 5.0 challenges: A comprehensive bibliometric analysis. *Equilibrium. Quarterly Journal of Economics and Economic Policy*, *18*(4), 1045-1074. https://doi.org/10.24136/eq.2023.033

Liberto, D. (2022). Joseph Alois Schumpeter Capitalism, Socialism, and Democracy. *RSIS Journal. 2*(3)

Maina, J. N., Kiai, R. M., & Kyalo, T. N. (2020). Financial innovation practice, sacco size and financial sustainability of deposit taking saving and credit co-operatives in Kenya. *Financial Studies*, *24*(3 (89)), 51-65.

Maina, J., Nderitu; K., Muthii, R., & Kyalo, N. (2020): Financial innovation practice, sacco size and financial sustainability of deposit taking saving and credit cooperatives in Kenya. *Centre for Financial and Monetary Research, Bucharest, 24* (3), 51-65

Maina, P.K. (2023). *Effect of Innovation Strategies on Competitive Advantage of Mwalimu National Sacco in Nairobi.* (Unpublished MBA Dissertation, University of Nairobi, Kenya)

Majka, M. (2024). Return on Assets.

Majka, M. (2024). *Understanding Profit Margin.* https://www.researchgate.net/profile/Marcin-Majka

Mariani, M. M., & Nambisan, S. (2021). Innovation analytics and digital innovation experimentation: the rise of research-driven online review platforms. *Technological Forecasting and Social Change*, *172*, 121009.

Markides, C., (1997). Strategic innovations. *Sloan Management Review 38*(3), 9–23.

Mbegu, S., Magali, J., & Kara, N. (2023). Influence of Innovation on Financial Performance of SACCOS in Mbeya, Tanzania, with the Mediation Effect of Corporate Governance. *East African Journal of Management and Business Studies 3*(4), 69-80. DOI: https://doi.org/10.46606/eajmbs2023v03i04.0035.

McKinsey & Company Report (2024). *Six Imperatives for Credit Unions to Secure their future*. McKinsey & Company. https://www.mckinsey.com/industries/financial-services/our-insights/six-imperatives-for-credit-unions-to-secure-their-future#/

Melesse, S.H. (2019). Financial sustainability and outreach performance of saving and credit cooperatives: The case of Eastern Ethiopia. *Asia Pacific Management Review, 24*(1), 1-9. https://doi.org/10.1016/j.apmrv.2018.08.001

Mendi, P., &Mudida, R. (2018). The effect on innovation of beginning informal: Empirical evidence from Kenya. *Technological Forecasting and Social Change, 131*, 326-335. https://doi.org/10.1016/j.techfore.2017.06.002

Moki, N. M., Ndung'u, S. K., &Kinyua, G. M. (2019). Financial innovation strategy and financial performance of deposit taking SACCO's in Nairobi City County. *International Academic Journal of Economics and Finance, 3*(3),398-417.

Mooi, E., Rudd, J., & de Jong, A. (2020). Process Innovation and Performance: The Role of Divergence. *European Journal of Marketing, 54*(4), 741-760.

Muange, R. M., & Ng'etich, W. K. (2020). Moderating effect of firm size on the relationship between joint marketing alliances and firm performance of retail firms in Nairobi County, Kenya.

Mugenda, O. M., & Mugenda, A. G. (2013). *Research Methods: Quantitative and Qualitative Approaches.* Acts Press.

Muigai, R. G., &Gitau, S. N. (2018). Effect of innovation strategies on financial performance of the banking industry in Kenya. *International Journal of Recent Research in Commerce Economics and Management (IJRRCEM), 7*(4), 116-138

Muriuki, N.M (2020). *Innovative Strategies and Performance of Savings and Credit Cooperative Societies in Nyeri County, Kenya.* (MBA Thesis, Kenyatta University).https://ir-library.ku.ac.ke/server/api/core/bitstreams/bcdcc1ef-6d8a-4964-9de6-d000c18c9cd9/content

Muriuki, S. (2023). Strategic innovation and competitiveness of SACCOs in Kenya: A focus on product, process, and marketing innovation. *Journal of Cooperative Development and Management*, 5(2), 34–46.

Muturi, P., & Muriithi, S. (2022). Strategic innovation and competitiveness of SACCOs in Kenya. *International Journal of Business and Social Science*, 13(4), 45–53.

Mwangi, J., & Ngugi, K. (2021). Influence of strategic innovation on performance of SACCOs in Kenya. *International Journal of Business Management and Finance*, 9(3), 78–88.

Nakato, M., Ngigi, B., & Andemariam, K. (2021). Effect of product innovation on performance of printing SMEs in Kampala Central District. *European Journal of Business and Strategic Management*, *6*(2), 1-14.

Nassuna, A. N., Jeppesen, S., & Balunywa, W. (2024). Leveraging growth of savings and credit cooperatives through innovative practices-cases from Uganda. *African Journal of Economic and Management Studies*, *15*(4), 781-792.

Nation Credit Union Administration (2023). *Annual Report for 2023.* NCUA.

National Credit Union Administration Report (2023): National Credit Union Administration Report

Njagi, E. (2016). *The Effect of Product Innovation on the Profitability of Private Manufacturing Firms in Nairobi County*. (Unpublished MBA Dissertation, University of Nairobi, Kenya)

Njoka, A. N. (2021). Effect of Competitive Strategies on Growth of Savings and Credit Cooperative Societies in Tharaka Nithi County, Kenya. *European Business & Management*, *7*(2), 24-41.

Njuguna, P. K. (2022). *Influence of size and outreach factors on agency related costs in the management of Deposit Taking Savings and Credit Co-operatives in Kenya* (Doctoral dissertation, Strathmore University).

Nwachukwu, C., & Vu, H. M. (2022). Service innovation, marketing innovation and customer satisfaction: Moderating role of competitive intensity. *Sage Open*, *12*(2), 21582440221082146.

Nwankpa, J. K., Roumani, Y., & Datta, P. (2022). Process innovation in the digital age of business: the role of digital business intensity and knowledge management. *Journal of Knowledge Management*, *26*(5), 1319-1341.

Nyamao, I. N., & Tari, J. (2023). Product Innovation and the Performance of Financial Technology Companies in Kenya. *European Journal of Business and Management Research, 8*(5), 240-245.

Odero, J.A., Egessa, R., &Oseno, B. (2019). Effect of Innovation on Performance of Deposit Taking Saccos in Kenya. *International Journal of Management and Commerce Innovations. 7* (1), 776-787

Okiro, K., &Ndungu, J. (2013). *The Impact of Mobile and Internet Banking on Performance of Financial Institutions in Kenya*. (Unpublished MBA Dissertation, University of Nairobi). https://erepository.uonbi.ac.ke/handle/11295/32264

Omwanza, C. O., Jagongo, A. J., &Ndede, F.S. (2022). Effect of process innovations on financial performance of microfinance banks in Kenya. *The Strategic Journal of Business & Change Management, 9*(2), 1193–1202.

Otwoko, B. E., Maina, K. E., & Kwasira, J. (2021). Analysis of the moderating effect of DT SACCO size on the relationship between interest rate drivers and the financial performance of Deposit Taking SACCOs in Kenya. *Journal of Finance and Accounting, 5*(1), 16-27.

Otwoko, B., E., Maina, K., E., & Kwasira, J. (2021). Analysis of the Moderating Effect of DT SACCO Size on the Relationship between Interest Rate Drivers and the Financial Performance of Deposit Taking SACCOs in Kenya. *Journal of Finance and Accounting, 5*(1), 16-27

Ouma, A.A., Omangwa, J., &Ngaba, D. (2018). Financial Innovations and Performance of Deposit Taking SACCOs in Nairobi City County, Kenya. *International Journal of Economics, Business and Management Research, 2* (2), 515-532

Peng, J., Qin, Q., & Tang, T. (2021). The Influence of Marketing Innovations on Firm Performance under Different Market Environments: Evidence from China. *Sustainability, 13*, 1-15

Peng, Y. (2023). An Analysis of Entrepreneurial Leadership Based on Schumpeter's Theory of Innovation. *Academic Journal of Business & Management, 5*(8), 34-37.

Peteraf, M. A., & Barney, J. B. (2003). Unraveling the resource-based tangle. *Managerial and Decision Economics*, 24(4), 309–323.

Pezeshkan, A., Fainshmidt, S., Nair, A., Lance, M., &Markowski, E.P. (2015). The Relationship Between Dynamic Capabilities and Competitive Advantage: A Meta-Analysis. *International Journal of Interdisciplinary Research and Innovations, 6*(3), 603-610

Piano, N. (2022). Neoliberalism, leadership, and democracy: Schumpeter on "Schumpeterian" theories of entrepreneurship. *European Journal of Political Theory*, *21*(4), 715-737.

Pine, B. J., & Gilmore, J. H. (2021). *The Experience Economy* (Updated ed.). Harvard Business Review Press.

Raddats, C., Naik, P., & Bigdeli, A. Z. (2022). Creating value in servitization through digital service innovations. *Industrial Marketing Management*, *104*, 1-13.

Rahmah, M., Ameen, A., Isaac, O., Abu-Elhassan, A. E. E. S., & Khalifa, G. S. (2020). Effect of organizational innovation (product innovation, process innovation, and administrative innovation) on organizational learning. *Test Engineering and Management*, *82*(1), 12101-12113.

Rapitsenyane, Y., & Sserunjogi, P. (2023). New Product Development Process: A Contextual Approach. In *African Industrial Design Practice* (pp. 46-69). Routledge.

Reimann, C., Filzmoser, P., Garrett, R., & Dutter, R. (2011). Statistical data analysis explained: applied environmental statistics with R. John Wiley & Sons.

Roper, S., & Bourke, J. (2022). *Innovating into Trouble: When Innovation Leads to Customer Complaints.* (Dissertation, University of Warwick).

SASRA (2023): Savings and Credit Cooperatives Report

Saytari, M. B., Saab, A. E., Haidar, C. G., Barakat, E. T., Idriss, L. I., Nemer, L. I., ... & El Nemar, S. (2025). New Product Development: A Blended Approach of RBV and DCT. In *Navigating Business Through Essential Sustainable Strategies* (pp. 163-188). IGI Global.

Schilling, M. (2023). *Strategic Management of Technology*. (7th Edition) McGrahill Publishers

Schumpeter, J. A. (2000). Entrepreneurship as innovation. *University of Illinois at Urbana-Champaign's Academy for Entrepreneurial Leadership Historical Research Reference in Entrepreneurship*.

Schumpeter., J. A. (1934). *The Theory of Economic Development*. Cambridge: Harvard University Press.

Sevil, A.; Cruz, A.; Reyes, T.; Vassolo, R. (2022). When Being Large Is Not an Advantage: How Innovation Impacts the Sustainability of Firm Performance in Natural Resource Industries. *Sustainability*, *14*, 16149. https://doi.org/10.3390/su142316149

Shah, J. H. (2024). The Influence of Non-Financial Metrics on Overall Company Performance (Doctoral dissertation, Algebra Univerity).

Shaker H. N. & Prof. Suleiman Al-Khattab, (2019). "The Impact of Marketing Innovation on Customer Satisfaction in Aqaba Special Economic Zone Authority," Journal of Social Sciences (COES&RJ-JSS), , vol. 8(3), pages 399-417, July.

Shanker, J. (2024). *Modernizing UK Credit Unions with TCS BaNCS*. TATA Consultancy Services

Shilimi, M. (2021) Examining challenges leading to low integration of Savings and Credit Cooperative Societies (SACCOs) in national economies: A study of Zambia. *Open Journal of Business and Management, 9*(3), 1338-1366.

Shin, D. I. (2017). An exploratory study of innovation strategies of the internet of things SMEs in South Korea. *Asia Pacific Journal of Innovation and Entrepreneurship, 11*(2), 171-189. https://doi.org/10.1108/APJIE-08-2017-025

Signe, T. (2024). *Transforming the Financial Sector in Africa with 4IR Technologies.* Brookings.https://www.brookings.edu/articles/transforming-the-financial-services-sector-in-africa-with-4ir-technologies/

Sipos, N., Rideg, A., Al Najjar, A. S., & Lukovszki, L. (2025). Resource-based view of marketing innovation in SMEs: a multi-country empirical analysis based on the global competitiveness project. *Journal of Innovation and Entrepreneurship, 14*(1), 94.

Śledzik, K., Szmelter-Jarosz, A., Schmidt, E. K., Bielawski, K., & Declich, A. (2023). Are Schumpeter's innovations responsible? A reflection on the concept of responsible (research and) innovation from a neo-Schumpeterian perspective. *Journal of the Knowledge Economy, 14*(4), 5065-5085.

Soomro, B. A., Mangi, S., & Shah, N. (2021). Strategic factors and significance of organizational innovation and organizational learning in organizational performance. *European Journal of Innovation Management, 24*(2), 481-506.

Stobierski, T. (2020). *Financial Performance Measures Managers Should Monitor*. Harvard Business School Online. https://online.hbs.edu/blog/post/financial-performance-measures

Sudirjo, F. (2023). Marketing strategy in improving product competitiveness in the global market. *Journal of Contemporary Administration and Management (ADMAN), 1*(2), 63-69.

Sulek, J. S., & Hensley, R. L. (2010). Updating service operations. *Managing Service Quality: An International Journal, 20*(5), 475-489.

Sulton, M., Hidayatul, E., Surya, M., & Sawabi, S. (2022). The Effect of Marketing, Product, Process and Organizational Innovations on the Marketing Performance. *ICIGR Conference Proceedings, Knowledge E Social Sciences*, 386-399

Taghizadeh, S. K., Rahman, S. A., Hossain, M. M., & Haque, M. M. (2020). Characteristics of organizational culture in stimulating service innovation and performance. *Marketing Intelligence & Planning, 38*(2), 224-238.

Tang, T., Zhang, S. & Peng, J. (2021). The value of marketing innovation: Market-driven versus market-driving. *Journal of business research, 126*, 88-98.

Tanzania cooperative development commission (TCDC). (2023). *Statistical cooperative report from July 2022 to January 2023*. TCDC

Teece, D. J. (2018). Business models and dynamic capabilities. *Long Range Planning*, 51(1), 40–49.

Teece, D., Pisano, G., & Shuen, A. (1997). Dynamic Capabilities and Strategic Management. *Strategic Management Journal. 18*(7), 509-533

Tidd, J., & Bessant, J. R. (2014). *Strategic innovation management*. John Wiley & Sons.

Towo, N. N. (2023). Financial Leverage and Financial Performance of Savings and Credit Co-operative Societiesin Tanzania. *International Journal of Rural Management, 19*(2), 214-233.

Trott, P. (2021). *Innovation Management and New Product Development* (7th ed.). Pearson Education.

Umar, M., Ahmad, A., Sroufe, R., & Muhammad, Z. (2024). The nexus between green intellectual capital, blockchain technology, green manufacturing, and sustainable performance. *Environmental Science and Pollution Research, 31*(10), 15026-15038.

Varadarajan, R. (2018). *Innovation, Innovation Strategy, and Strategic Innovation*. Emerald Publishing Limited. https://doi.org/10.1108/S1548-64352018000 0015007

Varadarajan, R. (2020). Innovation and Strategy in the Digital Age. *Journal of the Academy of Marketing Science*, 48, 1–20.

Wabera, J. (2024). *Exploring the next wave of SACCO Innovation.* CIO Africa.

Wallace, C. K., & Kilika, J., (2021). Strategic innovations and competitiveness of SACCOS in South ImentiSub-county, Meru County. *International Academic Journal of Innovation, Leadership and Entrepreneurship, 2*(2), 93-117.

Walliman, N. (2021). *Research methods: The basics*. Routledge.

World Bank (2019). *Kenya a Bigger Better Economy*. World Bank

Xiao, Y., Z., Hajar, L., & Hutahayan, H., K. (2022). Influence of Product Innovation Strategy on Performance of Large Manufacturing Firms in China. *Journal of Strategic Management, 6*(4), 16-25.

Yemane., G.G. (2022) Assessment of the Performance of Saving and Credit Cooperatives: The Case of Hawelti Sub-city, Mekelle, in Northern Ethiopia. *International Journal of Community and Cooperative Studies, 10*(1), 1-29

Yusuf, A. (2021). The influence of product innovation and brand image on customer purchase decision on Oppo smartphone products in South Tangerang

City. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal, 2 (1), 472–481*, *2*(1), 472-481.

Zahra, S. A. (2021). The resource-based view, resourcefulness, and resource management in startup firms: A proposed research agenda. *Journal of management*, *47*(7), 1841-1860.

Zand., H. & Rezaei., B. (2020). Investigating the impact of process and product innovation strategies on business performance due to the mediating role of environmental dynamism using structural equations modeling. *Brazilian Journal of Operations & Production Management, 17*, (2).

Žižakov, M., Vuckovic, T., Vulanović, S., Dakić, D., & Delić, M. (2023). Investigating the Key Factors Influencing the Process Innovation Capability in Organizations: Evidence from the Republic of Serbia. *Sustainability*, *15*(10), 8158.

APPENDICES

Appendix I: Introduction Letter

Chuka University,
Department of Business, Administration
P.O.BOX 109 -60400
CHUKA.

Dear Respondent,

RE: **PERMISSION TO CONDUCT A RESEARCH.**

I am a student pursuing a Master of Business Administration Degree (Strategic Management option). I am carrying out academic research study on the **'Effect of Strategic Innovations on Performance of SACCOs in Nairobi City County, Kenya.'**

I am therefore kindly requesting for your participation in this study by filling the questionnaire appropriately. The information obtained will be used for the purpose of the research and the respondents' identities will be kept confidential. Thank you.

Yours faithfully,

Moses Kimanthi Bundi
(Researcher)

Appendix II: Informed Consent Form

Title: Effect of Strategic Innovations on Performance of SACCOs in Nairobi City County, Kenya.

Introduction:

You are invited to participate in a research study on the **Effect of Strategic Innovations on Performance of SACCOs in Nairobi City County, Kenya.**

Study Procedures:

If you accept to participate, you will be required to complete a questionnaire about your knowledge on the extent to which you are invited to participate in a research study on Strategic Innovations on Performance of SACCOs in Nairobi City County, Kenya. Your response is voluntary.

Risks and Benefits:

There is NO risk associated with your contribution to this study. However, by sharing your experiences, you contribute to a better understanding on the Strategic Innovations on Performance of SACCOs in Nairobi City County, Kenya.

Confidentiality:

Your responses will be treated with confidentiality and used for this study only.

Voluntary Participation:

Participation in this study is completely voluntary. You have the right to withdraw at any time without penalty.

Consent: I have read the content explained to me and I have understood the indications provided in this consent form. I therefore willingly agree to respond.

Participant's Signature: _____ Date: _____

Appendix III: Research Questionnaire

This research questionnaire aims to collect information on the relationship between strategic innovation and performance of SACCOs in Nairobi City County. The questionnaire is subdivided into four sections. This questionnaire is meant for collecting data purely for academic purposes.

Instruction: Tick Appropriately

Section A: Product Innovation

Please indicate your agreement with the following statements on product innovation related to performance in your SACCO. *(Key: Strongly agree=5, Agree=4 neutral=3, Disagree=2 and strongly Disagree=1)*

No	Statement	1	2	3	4	5
1	The SACCO regularly develop new product					
2	The SACCO continuously improves existing product to meet the customer needs and wants.					
3	In the last 3 years a number of new products have been developed by the SACCO					
4	The new product meets the customer needs and wants					
5	The customers are happy with improved existing products					
6	Customers have reported enjoying new product experience					
7	There has been an upsurge demand for new product					
8	The customer loyalty increased as a result of new products					
9	Customer retention has increased with new product					

Section B: Process Innovation

Please indicate your agreement with the following statements on process innovation related to performance in your SACCO. *(Key: Strongly agree=5, Agree=4 neutral=3, Disagree=2 and strongly Disagree=1)*

No	Statement	1	2	3	4	5
1	The SACCO has introduced new process techniques in the last 3 years					
2	The SACCO have adopted innovative methodologies in the recent past					
3	The SACCO has significantly improved the existing process techniques					
4	The process innovation has significantly reduced the cycle time of the process					
5	The SACCO responds faster to the requests or changes related to the process					

6	Delays in the process have been significantly reduced					
7	Customer satisfaction with the output of the process have improved due to innovation					
8	Process innovation have reduced consumption of materials in the process					
9	Wastage generation in terms of time with the process has decreased					

Section C: Marketing Innovation

Please indicate your agreement with the following statements on marketing innovation related to performance in your SACCO. *(Key: Strongly agree=5, Agree=4 neutral=3, Disagree=2 and strongly Disagree=1)*

No	Statement	1	2	3	4	5
1	The SACCO has established adequate physical branches to improve accessibility to members					
2	The SACCO provides effective online banking platforms that make it easy to access services.					
3	Placement of SACCO services through agency banking has increased accessibility.					
4	The SACCO have introduced digital marketing					
5	Social media channels such as interactive advertisement are effectively used in the marketing campaigns.					
6	Promotional campaigns by the SACCO effectively increase awareness among members.					
7	The SACCO uses innovative pricing strategies to attract new customers.					
8	The SACCO's pricing structure makes it competitive in the financial market.					
9	The SACCO communicates pricing decisions on interest rates effectively to members.					

Section D: Performance

Please indicate your agreement with the following statements on performance in your SACCO. *(Key: Strongly agree=5, Agree=4 neutral=3, Disagree=2 and strongly Disagree=1)*

Statement	1	2	3	4	5
The SACCO resolves complaints and inquiries in a timely and satisfactory manner.					
The SACCO continuously introduces products that meet changing member needs.					
The SACCO's services are easily accessible such as mobile banking					
The SACCO's use of technology such as online platforms enhances my satisfaction.					

Our SACCO has experienced significant growth in membership over the past three years.					
The SACCO has expanded its operations to reach a wider market.					
The SACCO's reputation in the market has strengthened its position.					
Product innovation in the SACCO has contributed to an increase in market share.					
The SACCO is successful in retaining existing members, which supports its market share growth.					

Appendix IV: List of SACCOs in Nairobi City County

1. Accel Regulated NWDT Sacco Society Ltd
2. Adventist Regulated NWDT Sacco Society Limited
3. Afya Sacco Society Limited
4. Aibk Regulated NWDT Sacco Society Limited
5. Airlink Regulated NWDT Sacco Society Limited
6. Airports Sacco Society Limited
7. Amref Regulated NWDT Sacco Society Limited
8. Apollosure Regulated NWDT Sacco Society Limited
9. Apstar Sacco Society Limited
10. Ardhi Sacco Society Limited
11. Asili Sacco Society Limited
12. B – Smart Regulated NWDT Sacco Society Limited
13. Ballot Regulated NWDT Sacco Society Limited
14. Balozi Regulated NWDT Sacco Society Limited
15. Bands Regulated NWDT Sacco Society Limited
16. Banki Kuu Regulated NWDT Sacco Society Limited
17. Barabara Regulated NWDT Sacco Society Limited
18. Baraka Yetu Regulated NWDT Sacco Society Limited
19. Bat Regulated NWDT Sacco Society Limited
20. Biblia Regulated NWDT Sacco Society Limited
21. Blue Eagle Regulated NWDT Sacco Society Limited
22. Braemeg Regulated NWDT Sacco Society Limited
23. Bunge Regulated NWDT Sacco Society Limited
24. Cdf Regulated NWDT Sacco Society Limited
25. Cfao Regulated NWDT Sacco Society Limited
26. Chai Sacco Society Limited

27. Chuna DT Sacco Society Limited
28. Cic Regulated NWDT Sacco Society Limited
29. Cocotech Regulated NWDT Sacco Society Limited
30. Communications Regulated NWDT Sacco Society Limited
31. Concorde Regulated NWDT Sacco Society Limited
32. Co-Operative Bank Regulated NWDT Sacco Society Limited
33. Davis S Shirtliff Regulated NWDT Sacco Society Limited
34. Defence Sacco Society Ltd
35. Devco Regulated NWDT Sacco Society Limited
36. Dhamini Regulated NWDT Sacco Society Limited
37. Dhl Regulated NWDT Sacco Society Limited
38. Digital Media Regulated NWDT Sacco Society Limited
39. Dudu Regulated NWDT Sacco Society Limited
40. Elimu Sacco Society Limited
41. Embassava Regulated NWDT Sacco Society Limited
42. Energy Regulated NWDT Sacco Society Limited
43. Equity Regulated NWDT Sacco Society Limited
44. Exams Regulated NWDT Sacco Society Limited
45. Family Regulated NWDT Sacco Society Limited
46. Farmers Choice Regulated NWDT Sacco Society Limited
47. Faulu Bank Regulated NWDT Sacco Society Limited
48. Finnlemm Regulated NWDT Sacco Society Limited
49. Forward Travellers Regulated NWDT Sacco Society Limited
50. Fugo Regulated NWDT Sacco Society Limited
51. Grand Granite Regulated NWDT Sacco Society Limited
52. Haco Regulated NWDT Sacco Society Limited
53. Harambee Sacco Society Limited

54. Hazina Sacco Society Limited
55. Heart Regulated NWDT Sacco Society Limited
56. Helb Regulated NWDT Sacco Society Limited
57. Hoechem Regulated NWDT Sacco Society Limited
58. Icea Agents Regulated NWDT Sacco Society Limited
59. Irrigation Regulated NWDT Sacco Society Limited
60. Jachin Regulated NWDT Sacco Society Limited
61. Jamii Sacco Society Limited
62. Java Regulated NWDT Sacco Society Limited
63. Jogoo regulated NWDT sacco society limited
64. Jumuiya Ya Ulaya Regulated NWDT Sacco Society Limited
65. Kag Regulated NWDT Sacco Society Limited
66. Kanisa Regulated NWDT Sacco Society Limited
67. Kasneb Regulated NWDT Sacco Society Limited
68. Kemri Regulated NWDT Sacco Society Limited
69. Kenchic Regulated NWDT Sacco Society Limited
70. Kencream Sacco Society Ltd
71. Kenpipe Sacco Society Limited
72. Kenred Regulated NWDT Sacco Society Limited
73. Kentours Regulated NWDT Sacco Society Limited
74. Kenversity Sacco Society Limited
75. Kenya Medical Association Regulated NWDT Sacco Society Limited
76. Kenya National Police DT. Sacco Society Limited
77. Kenya Re Regulated NWDT Sacco Society Limited
78. Kenya rural roads regulated NWDT sacco Limited
79. Kenya USA Diaspora Regulated NWDT Sacco Society Limited
80. Kenyatta Matibabu Regulated NWDT Sacco Society Limited

81. Kewisco Regulated NWDT Sacco Society Limited
82. Kico Regulated NWDT Sacco Society Limited
83. Kilele Regulated NWDT Sacco Society Limited
84. Kimisitu Sacco Society Ltd
85. Kinga Regulated NWDT Sacco Society Limited
86. Kingsize Regulated NWDT Sacco Society Limited
87. Kirungii Regulated NWDT Sacco Society Limited
88. Kumbu Regulated NWDT Sacco Society Limited
89. Law Society of Kenya Regulated NWDT Sacco Society Limited
90. Lompasago regulated NWDT sacco Limited
91. Madison Sacco Regulated NWDT Sacco Society Limited
92. Magereza Sacco Society Limited
93. Maisha Bora Sacco Society Limited
94. Maktaba Regulated NWDT Sacco Society Limited
95. Masterways Regulated NWDT Sacco Society Limited
96. Mhasibu Regulated NWDT Sacco Society Limited
97. Minet Regulated NWDT Sacco Society Limited
98. Mkombozi Regulated NWDT Sacco Society Limited
99. Mofaa Regulated NWDT Sacco Society Limited
100. Multiple Regulated NWDT Sacco Society Limited
101. Mwalimu National Sacco Society Ltd
102. Mwito Sacco Society Limited
103. Mzima Springs Regulated NWDT Sacco Society Limited
104. Nacico Sacco Society Limited
105. Nafasi DT. Sacco Society Limited
106. Nairobi Consumers Regulated NWDT Sacco Society Limited
107. Nairobi Water Regulated NWDT Sacco Society Limited

108. Nation DT Sacco Society Limited
109. Network Regulated NWDT Sacco Society Limited
110. Nimepata Regulated NWDT Sacco Society Limited
111. Nj Iwa Regulated NWDT Sacco Society Limited*
112. Nssf Sacco Society Limited
113. Nyati Sacco Society Limited
114. Nyumba Regulated NWDT Sacco Society Limited
115. Parents Plan Regulated NWDT Sacco Society Limited
116. Parliamentarians Regulated NWDT Sacco Society Limited
117. PCEA Kayole Regulated NWDT Sacco Society Limited
118. PCEA Regulated NWDT Sacco Society Limited
119. PEFA Nairobi Regulated NWDT Sacco Society Limited
120. Pesa Regulated NWDT Sacco Society Limited
121. PICEA Staff Regulated NWDT Sacco Society Limited
122. Polytech Regulated NWDT Sacco Society Limited
123. Post Bank Regulated NWDT Sacco Society Limited
124. Queensway Regulated NWDT Sacco Society Limited
125. Radio Guard Regulated NWDT Sacco Society Limited
126. Rambhai Regulated NWDT Sacco Society Limited
127. Ramco Group Regulated NWDT Sacco Society Limited
128. Reli Regulated NWDT Sacco Society Limited
129. Relief Regulated NWDT Sacco Society Limited
130. Royal Media Regulated NWDT Sacco Society Limited
131. Rubani Regulated NWDT Sacco Society Limited
132. Safaricom Sacco Society Limited
133. Sauti Regulated NWDT Sacco Society Limited
134. Sawa Regulated NWDT Sacco Society Limited

135. Shelloyees Regulated NWDT Sacco Society Limited
136. Sheria Sacco Society Limited
137. Shirika DT. Sacco Society Limited
138. Shoppers Sacco Society Limited
139. Smart Savers Regulated NWDT Sacco Society Limited
140. Stima DT Sacco Society Limited
141. Stoke - UK Diaspora Regulated NWDT Sacco Society Limited
142. Strategic DT. Sacco Society Limited
143. Taa Regulated NWDT Sacco Society Limited
144. Taqwa Sacco Society Ltd
145. Telepost Sacco Society Limited
146. Tembo Sacco Society Limited
147. Tetrapack Regulated NWDT Sacco Society Limited
148. The Kenya Bankers Sacco Society Limited
149. The Standard Regulated NWDT Sacco Society Limited
150. Total Regulated NWDT Sacco Society Limited
151. Transglob Regulated NWDT Sacco Society Limited
152. Uaminifu Regulated NWDT Sacco Society Limited
153. Ubora Regulated NWDT Sacco Society Limited
154. Ufanisi DT. Sacco Society Limited
155. Ukaguzi Regulated NWDT Sacco Society Limited
156. Ukiristo Na Ufanisi Wa Anglicana Sacco Society Limited
157. Unaitas Sacco Society Limited
158. Unbound Regulated NWDT Sacco Society Limited
159. Unga Regulated NWDT Sacco Society Limited
160. Unifying Regulated NWDT Sacco Society Limited
161. United Nations DT Sacco Society Limited

162. United Winners Regulated NWDT Sacco Society Limited
163. United Women Regulated NWDT Sacco Society Limited
164. Uokoaji Regulated NWDT Sacco Society Limited
165. Ushuru Sacco Society Ltd
166. Usiu Africa Regulated NWDT Sacco Society Limited
167. Utabibu Regulated NWDT Sacco Society Limited
168. Utafiti Regulated NWDT Sacco Society Limited
169. Uwezo Regulated NWDT Sacco Society Limited
170. Vegpro Regulated NWDT Sacco Society Limited
171. Verona Huruma Regulated NWDT Sacco Society Limited
172. Vision Regulated NWDT Sacco Society Limited
173. Wana-Anga Sacco Society Limited
174. Wanandege Sacco Society Limited
175. Wasado Regulated NWDT Sacco Society Limited
176. Waskom Regulated NWDT Sacco Society Limited
177. Waumini Sacco Society Limited

Source: SASRA (2023)

Appendix V: List of SACCOs in Tiers

Serial No	Tiers
	Large Tiered
1.	Afya
2.	Ushuru
3.	Balozi
4.	Chai
5.	Cooperative bank
6.	Defence
7.	Harambee
8.	kenya medical association
9.	Kenya National Police
10.	Kimisitu
11.	Magereza
12.	Maisha Bora
13.	Mhasibu
14.	Mwalimu National
15.	Nacico
16.	Safaricom
17.	Sheria
18.	Stima
19.	Tembo
20.	The Kenya Bankers
21.	Unaitas
22.	United Nations
23.	United women
	Medium Tiered
24.	Airports
25.	Amref
26.	Ardhi
27.	Asili S
28.	Banki kuu
29.	Bat
30.	Biblia
31.	Bunge
32.	Chuna
33.	Elimu
34.	Equity
35.	Finnlemm
36.	Forward
37.	Kenpipe
38.	Kentours
39.	Kenversity
40.	Kenyatta Matibabu
41.	Law society
42.	Mwito
43.	Nairobi water

44.	Nation
45.	Nssf
46.	Nyati
47.	Parliamentarians
48.	PCEA regulated
49.	Shelloyees
50.	Shirika
51.	Taqwa
52.	Telepost
53.	Ubora
54.	Ukaguzi
55.	United winners
56.	Utabibu
57.	Verona huruma.
58.	Vision
59.	Wana-Anga
60.	Wanandege
	Small Tiered
61	Accel
62	Adventist
63	Apollosure
64	Ballot
65	Bands
66	Barabara
67	Baraka yetu
68	Blue eagle
69	Braemeg
70	B-smart
71	Cfao
72	Cocotech
73	Communication
74	Concorde
75	Davis and Shirtliff
76	Devco
77	Dhamiri
78	DHL
79	Digital media
80	Embassava
81	Energy
82	Farmers Choice
83	Faulu bank
84	Fugo
85	Grand Granite
86	Heart
87	Helb
88	Hoechem
89	Irrigation
90	Jachin

91	Kanisa
92	Kasneb
93	KEMRI
94	Kenchic
95	Kencream
96	Kenya Re
97	Kenya Rural roads
98	Kico
99	Kilele
100	Kinga
101	Kingsize
102	Kirungii
103	Kumbu Kumbu
104	Lompasago
105	London
106	Madison
107	Masterways
108	Minet
109	Mofaa
110	Mutiple
111	Mzima springs
112	Nafasi
113	Nairobi Consumers
114	Network
115	Nimepata
116	Nyumba
117	Parents plan
118	PCEA Kayole
119	Pesa
120	Picea staff
121	Polytech
122	Post bank
123	Radio guard
124	Ramphai
125	Reli
126	Relief
127	Royal media
128	Rubani
129	Sauti
130	Sawa
131	Shoppers
132	Smart savers
133	Standard group
134	Taa
135	Total
136	Transgrop
137	Uaminifu
138	Ufanisi

139	Mkombozi
140	Unbound
141	Unga
142	Unifying
143	Uokoaji
144	USIU –Africa
145	Utafiti
146	Uwezo
147	Vegpro
148	Wasado
149	Waskom
150	Tetrapack

Appendix VI: Data Collection Sheet
SACCO Size

Performance Indicator (Tiers)	2023
1.LARGE TIERED	25
2.MEDIUM TIERED	37
3. SMALL TIERED	115

Appendix VII: Institutional Introductory Letter

CHUKA UNIVERSITY

Knowledge is Wealth *(Sapientia divitia est)* Akili ni Mali

OFFICE OF THE DIRECTOR
BOARD OF POSTGRADUATE STUDIES

Telephones: 020-2310512/18
Direct Line: 020-268 7625
postgraduate@chuka.ac.ke
P. O. Box 109-60400, Chuka
Website: www.chuka.ac.ke

REF: CM11/15196/14 **11th July, 2025**

Director
National Commission for Science Technology and Innovation
Off Waiyaki Way, Upper Kabete
P O Box 30623, 00100
Nairobi.

Dear Sir / Madam,

RE: MOSES KIMANTHI BUNDI

The above-named person is a *bona fide* student of Chuka University pursuing Masters in MBA proposal titled: **Effect of Strategic Innovations on Performance of Savings and Credit Cooperative Societies in Nairobi City, County, Kenya.**

Mr. Kimanthi has defended at the Faculty level and is now expected to conduct research. Any assistance accorded will be highly appreciated.

Yours sincerely,

CHUKA UNIVERSITY
11 JUL 2025
BOARD OF POST GRADUATE STUDIES

Prof. Moses Muraya, PhD
DIRECTOR
BOARD OF POSTGRADUATE STUDIES

Appendix VIII: Ethics Committee Authorization

CHUKA UNIVERSITY

Knowledge is Wealth *(Sapientia divitia est)* Akili ni Mali

CHUKA UNIVERSITY INSTITUTIONAL ETHICS REVIEW COMMITTEE

Telephones: 020-2310512/18 P. O. Box 109-60400, Chuka
Direct Line: 0772894438 Email: info@chuka.ac.ke, Website: www.chuka.ac.ke

11th July, 2025

REF: CUIERC/ NACOSTI/872
TO: **Moses Kimanthi Bundi**

RE: Effect of Strategic Innovation on Performance of Savings and Credit Cooperative Societies in Nairobi City County, Kenya

This is to inform you that *Chuka University IERC* has reviewed and approved your above research proposal. Your application approval number is *NACOSTI/NBC/AC-0812*. The approval period is 11th July, 2025 – 11th July, 2026.

This approval is subject to compliance with the following requirements;

i. Only approved documents including (informed consents, study instruments, MTA) will be used
ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by *Chuka University IERC*.
iii. Death and life threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to *Chuka University IERC* within 72 hours of notification
iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to *Chuka University IERC* within 72 hours
v. Clearance for export of biological specimens must be obtained from relevant institutions.
vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal
vii. Submission of an executive summary report within 90 days upon completion of the study to *Chuka University IERC*.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) https://oris.nacosti.go.ke and also obtain other clearances needed.

Yours sincerely

Dr. Benjamin Kanga
SECRETARY

INSTITUTIONAL ETHICS REVIEW COMMITTEE
11 JUL 2025
P.O. Box 109-60400 CHUKA
CHUKA UNIVERSITY

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **299834**

Date of Issue: **02/September/2025**

RESEARCH LICENSE

This is to Certify that Mr.. MOSES BUNDI KIMANTHI of Chuka University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: EFFECT OF STRATEGIC INNOVATIONS ON PERFOMANCE OF SAVINGS AND CREDIT COOPERATIVE SOCIETIES IN NAIROBI CITY COUNTY, KENYA for the period ending : 02/September/2026.

License No: **NACOSTI/P/25/4179181**

299834

Applicant Identification Number

Ag. Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code

NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.

See overleaf for conditions

Appendix IX: NACOSTI License