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**EFFECT OF CUSTOMER RELATIONSHIP MANAGEMENT STRATEGIES ON THE
COMPETITIVE ADVANTAGE OF SAVINGS AND CREDIT CO-OPERATIVE
SOCIETIES IN KENYA**

JANE AKINYI BOOKER

123798



**A RESEARCH DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF
THE REQUIREMENTS FOR THE MASTER OF SCIENCE IN DEVELOPMENT
FINANCE AT STRATHMORE UNIVERSITY BUSINESS SCHOOL**

APRIL 2024

DECLARATION

Student Declaration

I declare that this dissertation is the result of my independent study and has not been submitted for examination in this institution or any other Institution of higher learning.



Signed.....

Date: 26th April 2024

Jane Akinyi Booker

123798

Supervisor's Approval

This dissertation has been submitted for examination with my approval as the University supervisor.

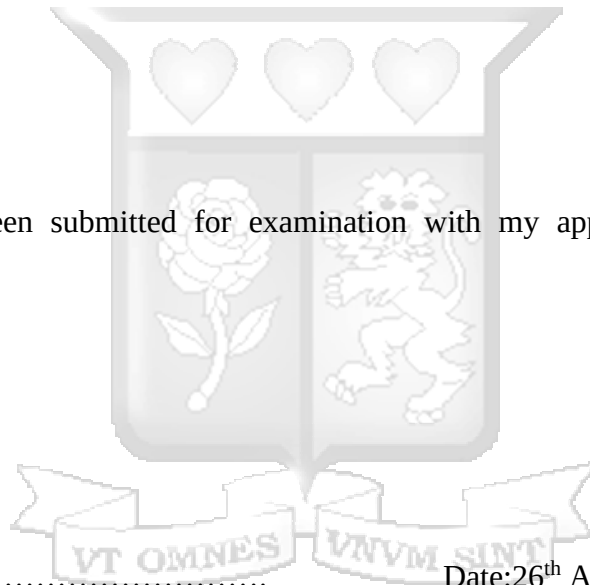


Signed.....

Date: 26th April 2024

DR. Stella Nyongesa

Strathmore Business School



DEDICATION

This dissertation is dedicated to my parents and siblings. Their sacrifices, encouragement, and assistance have been extremely beneficial throughout the journey.



ACKNOWLEDGEMENT

I would like to thank my supervisor, Dr. Stella Nyongesa, for being so patient with me and offering guidance and advice right from the onset. I would also like to thank my brother, fiancé, and friends for always encouraging me to keep pushing. I also appreciate all the support I received from the rest of my family. Lastly, I would like to thank the SBS for providing all the necessary resources required for conducting this research.



ABBREVIATION AND ACRONYMS

CRM- Customer Relationship Management

SASRA- Sacco Societies Regulatory Authority

SACCO- Savings and Credit Co-operative Society

SBC – Strathmore Business School

SPSS- Statistical Package for Social Science

IT- Information Technology

NACOSTI – National Commission for Science, Technology, and Innovation



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ABSTRACT

The need to sustain competitiveness has seen businesses embrace customer relationship management strategies to gain competitive advantage. Saccos utilize CRM strategies to enhance customer loyalty besides attracting and retaining customers. Although Saccos in Kenya have embraced the adoption of CRM as a strategy to enhance their competitiveness, it is not clear whether these strategies affect their competitive advantage. The goal of this study was to establish the effect of customer relationship management strategies on Saccos' competitive advantage in Kenya. The specific objectives of the study included determining the effect of operational CRM strategy on the competitive advantage of Saccos in Kenya, determining the effect of analytical CRM strategy on the competitive advantage of Saccos in Kenya, and establishing the effect of collaborative CRM on the competitive advantage of Saccos in Kenya. The study was underpinned by two theories: the Trust Commitment Theory and the Resource-based View Theory. Different studies show that the SACCO sector in Kenya has embraced the adoption of CRM but not much has been done to explore the role of CRM in influencing their competitive advantage. A descriptive research design was utilized to meet the objective of the study. The target population for the study were the 174 licensed deposit-taking Saccos that operate in Kenya. The study focused on Saccos licensed and operating within Nairobi County. 47 Saccos are licensed and operate in Nairobi County. The 47 Saccos formed the study sample. A total of 188 respondents from the human resource department, marketing and sales departments, operational department, and IT department of Saccos licensed and operating within Nairobi County were targeted. Primary data was collected from the respondents using questionnaires as data collection tools. The collected data was analyzed using Statistical Package for Social Science (SPSS) version 20. The study realized a response rate of 68%. Operational CRM strategy was found to play a key role in ensuring that Saccos can collect customer interaction data and utilize the analyzed data to respond to market changes appropriately. Analytical CRM strategy was found to positively influence competitive advantage by ensuring that firms align their products to customer needs and appropriately respond to emerging market trends. A collaborative CRM strategy was found to enhance the effectiveness of collecting and analyzing data across Saccos, hence enhancing competitive advantage. The study findings thus demonstrated that the CRM strategies (operational, analytical, and collaborative) positively influence Saccos' competitive advantage in Kenya. The study recommends that policymakers at Saccos should promote policies that enhance the adoption and integration of CRM strategies in their operations. The limitation for the study was that the data collection process was extremely time consuming due to unwillingness of some participants to share information, necessitating numerous follow-ups.

CHAPTER ONE: INTRODUCTION

1.1 Background of Study

Business competition across industries has been on the rise globally. With globalization characterized by technological development, competition across industries has significantly increased over the years. The need for businesses to operate competitively has seen many firms embrace different strategies to remain competitive (Sachitra, 2016). According to Dereli (2015), the highly competitive business environment experienced globally across most industries forces firms to continuously innovate to ensure that they can sustain their competitiveness. The need to sustain competitiveness is because other players in the market focus on continuously innovating to gain an enhanced market share or sustain the one they have. Therefore, the need to ensure a sustained competitive advantage is critical for all businesses across industries.

The highly competitive nature of modern business has seen organizational managers continuously strategize on gaining and sustaining competitive advantage in the market, as it is the keyway to ensuring guarantee in their firms' long-term competitiveness and profitability. One of the key strategies that have been embraced in realizing competitive advantage is customer relationship management (CRM) (Dereli, 2015). Customer relationship management strategy involves a business becoming more customer-centric in terms of meeting their needs and enhancing their experiences. The customer relationship management approach aims at ensuring that customer loyalty is realized and businesses can attract and retain customers (Baran and Zerres, 2013).

The concept of CRM can be traced back to the early 1970s when there was the need for businesses to become customer-focused rather than profit-focused (Pokharel, 2011). The CRM perspective was quickly embraced by businesses as it became key in attracting customers, meeting their needs, and enhancing their experiences. The businesses that were customer-oriented became more competitive than those that solely focused on profitability (Rai, 2012). Traditionally, Baran and Zerres (2013) observe that businesses tend to be anchored on the goodwill of the customers and business processes, which makes it difficult to attract and retain customers. Even though different initiatives, such as the introduction of new products, were put in place by firms to attract customers, there was some level of customer satisfaction that had no long-term impacts. The bonding was, in most cases, short-lived as relationships between the customer and the business were easily replaced (Baran and Zerres, 2013). Further, there was no guarantee of the success of the future business.

According to Njoroge, Muhoho, and Kibuine (2019), the need to establish relationships with customers was identified as a major strategy through which a long-term business bond could be established between the customer and the business. Even though different strategies were put in place to ensure that businesses can establish bonds with their customers, the CRM approach had specific goals. The CRM goals were targeted at shielding the current customers, attracting new customers, and enhancing the value of the customers. According to Kumar and Reinartz (2018), changes in CRM principles were experienced with the advent of modern technologies in the late 1990s. The technological incorporation was characterized by the integration of high-end technology and software, which completely changed the business perspective. Over the years, CRM has thus changed into a full-blown system that incorporates information across the company, which aims at increasing customer satisfaction and loyalty, reducing the cost of doing business, and increasing profitability (Lokuge, Kumar and Ravi, 2020). Businesses across industries have since adopted CRM at the core of their business strategy to increase their competitiveness.

The intense competition facing institutions in the finance services sector has compelled them to embrace CRM in a bid to retain customers. In particular, Savings and Credit Co-operative Societies (Saccos) have embraced unique CRM strategies to ensure that they not only retain customers but also enhance their competitiveness to realize specific competitive goals. These goals are geared towards ensuring that customer satisfaction and loyalty are achieved, the cost of doing business is reduced, and profitability is increased. According to Wijetunge (2016), enhancing the quality of services to meet customer needs has been one of the major approaches that Saccos and other financial institutions have embraced.

The firms continuously innovate to ensure that the quality of their services is sustained and high customer satisfaction is realized. As Hoe and Mansori (2018) argue, continuously innovating is key to meeting the customer's satisfaction and enhancing efficiency in service delivery. Efficiency is key in any organization as it lowers operational costs and ensures that a business can provide products at a competitive price. Therefore, firms that embrace continuous innovation can lower operational costs and ensure that they offer quality products/services at market-competitive prices. Offering quality products/services at a competitive price is key to enhancing the brand recognition and competitiveness of a firm in the market. Competitive pricing and quality products are also

crucial in ensuring that customer loyalty is sustained, guaranteeing high competitiveness by a business.

1.1.1 Customer Relationship Management

Customer relationship management is one of the key approaches that firms across industries use to sustain a competitive advantage in the market (Dereli, 2015). Different scholars define Customer relationship management uniquely. Chege (2013) defines customer relationship management as a strategy that firms use to monitor and manage their customers and potential clients. CRM is defined by Guerola-Navarro, Oltra-Badenes, and Sendra-García (2021) as a holistic process by a firm that is aimed at acquiring, retaining, and growing customers. The holistic process includes in-line and off-line customer relationship management. According to Pokharel (2011), CRM is a broader marketing concept that includes IT-driven programs that are designed to optimize customer contact for the establishment and sustenance of long-term relationships. The CRM processes involve organizational and business-level practices that are customer-centric at the core of the business. Customer relationship management thus seems to be a critical competitive advantage approach that firms utilize to ensure that they can continuously meet customer expectations and changes in taste.

Njoroge, Muhoho, and Kibuine (2019) observe that customer relationship management plays a major role in ensuring that a business is successful as it facilitates the organization's streamlining of its processes. More so, customer relationship management enables businesses to build strong business relationships with their customers. This ensures that the business enjoys customer loyalty and improves customer service besides increasing sales, making the entity a profitable one in the long run. As Chege (2013) argues, creating and maintaining relationships with customers is critical in ensuring that brand loyalty among customers is gained. Customer relationship management, therefore, plays a major role in ensuring that a business has a strong customer base and sustains a competitive market.

There are different CRM strategies that businesses employ, one of them being the CRM operational approach. According to Kumar and Reinartz (2018), the CRM operational approach is aimed at streamlining business processes. It aims to generate leads and then convert them into prospective customers by capturing details and providing services across the customer's lifecycle.

Raab, Ajami, and Goddard (2016) observe that operational CRM is wide and covers different aspects, including sales and marketing automation and service automation. All the details about the customers, such as interaction, preferences, and shopping habits, are stored in an operational database. Kumar and Reinartz (2018) further observe that a major component of CRM operational strategy is marketing automation, as it involves a firm identifying the best way to offer products to potential customers. It helps the business identify the best way to ensure that it selects the best and most effective channel for reaching the market. Channels such as face-to-face interactions, calls, social media, or emails are selected based on the data collected through marketing automation to ensure that the market is reached.

The other approach to operational CRM is service automation. According to Raab, Ajami, and Goddard (2016), service automation involves retaining existing customers by improving the quality of services delivered and building a relationship with them. Monitoring quality of services and solving customer issues is part of service automation. Another CRM strategy is the analytical CRM. Pokharel (2011) observes that analytical CRM incorporates the operational CRM, as it uses data collected from the approach. Xu and Walton (2015) further argue that analytical CRM enhances organizations' insight into their customers. Through analytics, the business can enhance its understanding of customer behaviors, enabling it to realize success effectively. The other strategy is the collaborative CRM, which involves the organization sharing the data on the customers with the different units in the firm, such as marketing, sales, and support departments. According to Almohaimmed (2021), collaborative CRM enables different teams and leaders across the organization to interact and collaborate as they can exchange ideas and concepts to share workloads. Collaborative CRM is critical in automating different functions across an organization, ranging from back-office operation to business management and customer management, which is critical in ensuring that efficiency and transparency are achieved. By business units working together, the analytical CRM ensures that they can provide products and services that are customized to their specific needs (Kumar and Reinartz, 2018). The different CRM strategies are critical in ensuring that a business realizes efficiency in managing its business processes, understanding customer needs, developing relations with customers, and enhancing customer satisfaction rates.

Customer relationship management presents a new perspective for the management of customers. Chege (2013) observes that customer perspectives are given priority through customer relationship management, as the need to ensure that the customer is satisfied with the products offered by the business is now a top corporate priority. Customer satisfaction, retention, and loyalty have become major aspects of ensuring that the success of firms is guaranteed, as they are the basis for sustaining increased sales and profitability. Establishing a relationship with the customer rather than focusing on the transactional aspect has been deemed the most effective way to ensure that the success of a business is sustained. The adoption of a customer-oriented business approach perceives customer relationships as a key asset for a business. Through customer relationship management, the focus is on retaining customers and attracting new ones by establishing a strong bond. Over time, a strong relationship with the customers creates customer loyalty and base, thus the value of the business in general (Lokuge, Kumar, and Ravi, 2020). For this research, analytical, collaborative, and operational CRM strategies were adopted for the investigation of the study. The analytical, collaborative, and operational CRM strategies are the most utilized by organizations to enhance their competitiveness.

1.1.2 Competitive Advantage

Competitive advantage is perceived differently by various researchers. Arslan (2020) defines competitive advantage as all the factors that enable a business to provide products that are of better quality or at low prices when compared to its competitors. Competitive advantage is defined by Sachitra (2016) as all the factors that allow a business to provide products in the market effectively or at a better price than the customers. According to Arslan (2020), competitive advantage refers to the benefits a customer stands to gain when they choose to do business with one firm as compared to another.

Competitive advantage is the key attribute that a business has that enables a company to perform better than its competitors. An analysis of Michael Porter's theory on competitive advantage gives a wholesome perspective on competitive advantage. Porter (2011) argues that competitive advantage exists in the market where different market players offer similar products. Only the market player who has a competitive advantage can provide similar products to the customers at a lower cost or deliver products of greater value than the competitors, thus drawing more customers.

Competitive advantage is hence enjoyed when a firm offers sustained value to the customers compared to the competitors and when the competitors are unable to duplicate the strategy.

Competitive advantage is also defined by Srivastava, Franklin, and Martinette (2013) as the factors that allow a business in an industry or a sector to provide products or services that are better or cheap, ensuring that the business enjoys higher sales or better margins when compared to its competitors. According to Wagner and Hollenbeck (2020), competitive advantage is the advantage a company has over its competitors in terms of offering value to customers. The firm offers great value to customers either by lowering prices or offering greater benefits for their products. For this study, Srivastava, Franklin, and Martinette's (2013) definition of competitive advantage was adopted. Competitive advantage for the study was defined as the factors that allow a business in an industry or a sector to provide products or services that are better or cheaper, ensuring that the business enjoys higher sales or better margins when compared to its competitors.

Different authors have operationalized competitive advantage in various ways. For instance, Srivastava, Franklin, and Martinette (2013) operationalized competitive advantage as the return on investments and the level of customer satisfaction. High customer satisfaction was thus a key measure of competitive advantage in the current study. Competitive advantage has been operationalized by Shang and Lu (2012) as brand recognition and competitive pricing of products. Better product pricing was one of the measures of competitive advantage for the study. Furthermore, competitive advantage is measured through the efficiency with which an organization offers services.

The competitive advantage of a business results in customers preferring to buy their products rather than that of the competitors. This implies that there is a need for businesses to achieve a competitive advantage in the market to ensure sustained success. By developing competitive strategies, businesses can effectively compete without the competitors in the market emulating them (Srivastava, Franklin, and Martinette, 2013). As Sachitra (2016) argues, in creating a competitive advantage in the market, a firm is anchored on the implementation of competitive strategies, performing discrete activities, continuously improving on strategies, and leveraging new technologies. Through these activities, the firm can sustainably build its value as it attracts more clients than its competitors in the long run. Therefore, gaining a competitive advantage is a key step in ensuring that the firm can sustainably operate successfully in the long term.

1.1.3 Savings and Credit Co-operatives in Kenya

Savings and Credit Co-operatives (SACCOs) are a critical part of the financial institutions in Kenya. They are independent institutions formed by individuals voluntarily united by their common social, economic, and cultural aspirations. The members pool their resources together and facilitate the realization of their common goals. The goals pursued by members include pursuing financial freedoms through easy access to loans and savings (Wamukota and Otuya, 2021). In Kenya, the government regulates SACCOs through the Sacco Societies Regulatory Authority (SASRA). There are different Saccos across different industries that help the members to realize their common goals. Even though there are many licensed Saccos, Kenya has a total of 174 licensed deposit-taking Saccos that operate across the country (SASRA, 2021). Deposit-taking Saccos mobilizes member savings, offers loans, and performs banking functions such as mobilizing and receiving withdrawable deposits.

SACCOs in Kenya have evolved to become a key part of the financial industry. The competition among deposit-taking Saccos in Kenya has been continuously rising as they use different approaches to attract and retain customers. SACCOs use efficiency in loan disbursement and high dividends on members' share capital to attract customers (Catherine, Beatrice, and Jane, 2019). According to Sagwa and Kembu (2016), efficiency and transparency in managing individual Saccos have also been utilized as a strategy to attract customers. Despite a majority of the Saccos in Kenya adopting these strategies, the competition in the sector is still quite high. The highly competitive nature of the SACCO sector in Kenya requires different players to gain a competitive advantage to attract and retain a high customer base and increase profitability. The highly competitive nature of the Sacco sector is characterized by Saccos management deploying similar strategies to gain a competitive advantage. The focus on efficiency in loan disbursement, high dividends on members' share capital, and transparency in the management of the firm's affairs has seen most of the Saccos stagnate in terms of increasing their profit margins, sales, and market share.

Furthermore, there is a need to ensure that they can attract and retain customers to sustain their competitiveness (Catherine, Beatrice, and Jane, 2019). Sagwa and Kembu (2016) observe that Saccos in Kenya struggles to sustain performance due to its inability to understand its customers and design market-specific products and its overall poor management. Saccos that can enhance

their understanding of the market together with customers' needs tend to perform better. It is thus crucial for Saccos to develop strategies that will ensure that they attain a competitive advantage to enhance their performance. These financial institutions are key to Kenya's economic development agenda as they provide savings and credit facilities to the public besides contributing to Kenya's GDP at large; hence, their success is essential.

1.2 Problem Statement

The competitiveness of SACCOs in Kenya has increasingly become fierce, with each player adopting different strategies to sustain their competitive edge. One of the key strategies that have been observed to impact the performance of firms positively is customer relationship management (CRM). Previous studies have shown that the implementation of effective CRM positively impacted the financial performance of firms (Ali, Ali, Ahmad, and Nazish, 2019; Xu and Walton, 2015; Mang'ana, Nyaboga, Momanyi and Makone, 2015; and Utami and Sudarmiatin, 2022).

Studies including Almohaimmeed (2021), Miremadi and Ghanadiofi (2021), Utami and Sudarmiatin (2022), and Mang'ana, Nyaboga, Momanyi, and Makone (2015) have shown that the use of information technology is a key avenue through which SACCOs gain a competitive advantage over their rivals. Awiti and Otieno (2021) established that customer relationship management played a major role in enhancing customer retention and brand visibility for commercial banks in Kenya. Miremadi and Ghanadiofi (2021) conducted a study on CRM competitive strategy in financial institutions in the United States, where it was established that the use of IT was key in enhancing the competitive advantage of financial institutions. Utami and Sudarmiatin (2022) established that adopting different CRM approaches positively impacted business performance as it enhanced competitiveness and profitability. Mang'ana, Nyaboga, Momanyi, and Makone (2015) established that financial institutions leverage IT to enhance the accuracy, speed, and efficiency of their processes, giving them a competitive edge. Njoroge, Muhoho, and Kibuine's (2019) study also established that CRM positively impacted the performance of firms in Kenya.

Even though different studies indicate that CRM positively impacts the financial performance of firms by enhancing their competitive advantages, the role of CRM strategies in creating a competitive advantage specifically for Saccos is yet to be fully explored. Through this study, the

gap was filled by seeking to answer the research question: what is the effect of customer relationship management strategies on the competitive advantage of Saccos in Kenya?

1.3 General Objective

The general objective of the study was to establish the effect of customer relationship management strategies on Saccos's competitive advantage in Kenya.

1.4 Specific Objectives

- i. To determine the effect of operational CRM strategy on Saccos's competitive advantage in Kenya.
- ii. To determine the effect of analytical CRM strategy on the competitive advantage of Saccos in Kenya.
- iii. To establish the impacts of collaborative CRM on Saccos's competitive advantage in Kenya.

1.5 Significance of the Study

The study is of key significance to different stakeholders, including senior management to Saccos, customer relations, finance practitioners, and researchers.

The study is critical to senior management of Saccos, including the directors and managers, to be informed of the significance of implementing Customer Relationship Management in their strategy to ensure that their firms are highly competitive. Furthermore, the study findings will be critical in informing them of the effectiveness of Customer Relationship Management strategies in ensuring that they get a competitive advantage in the Kenyan Saccos market.

The study is of great value to the customer relationship and finance practitioners. It will inform them of the effects of Customer Relationship Management strategies in creating customer loyalty and increasing the sales and profitability of a business. In addition, the role of Customer Relationship Management in attracting and retaining customers will be established through the study.

The study is beneficial to researchers, as it contributes to the existing knowledge on Customer Relationship Management strategies and their impacts on creating competitive advantages for Saccos. In addition, the findings of the research are a future reference to researchers exploring the

effects of Customer Relationship Management strategies in creating a competitive advantage for a business.

The study is of key significance to policymakers. The research findings for the study will be utilized in developing policies that will enhance the competitiveness of the Saccos sector in Kenya. Policies promoting the adoption of CRM by Saccos will be formulated to ensure that the competitiveness of the sector is enhanced.

1.6 Scope of the Study

The scope of the study was Saccos operating in Kenya. The research focused on licensed deposit-taking Saccos operating within Nairobi County. The research evaluated the different CRM strategies of the Saccos, including their operational CRM strategy, analytical CRM strategy, and collaborative CRM strategy, and how they impact quality service delivery, brand recognition, customer satisfaction, and lower operational costs.

The theoretical underpinning for the study was the Resource-based View Theory. The theory evaluates how a firm utilizes its resources to gain a competitive advantage. The theory guided the concept of the study.

The study focused on Kenyan licensed deposit-taking Saccos that have been operational for the last five years. The time scope will ensure that Saccos that have an operational history are focused on, ensuring that highly reliable data is obtained.

The research utilized a descriptive research design. The methodology relied on primary data, which was collected from deposit-taking Saccos licensed to operate in Nairobi County. The data collection process was undertaken over a period of six weeks.

1.7 Chapter Summary

The chapter provides a comprehensive overview and background analysis of the effect of customer relationship management strategies on Saccos's competitive advantage in Kenya. The chapter also covers the problem statement, where different studies illustrate how the role of CRM in creating competitive advantage among Saccos in Kenya is yet to be fully exploited. The chapter illustrates how the study's findings will be of significance to specific stakeholders, including senior

management to Saccos, customer relations, finance practitioners, and researchers. The scope of the research was licensed deposit-taking Saccos licensed and operating within Nairobi County.



CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

In this chapter, a review of different studies and theories relevant to the topic are explored. The chapter presents a theoretical review and an empirical review. The theoretical review provides a review of the theories that underpinned the study. The empirical review focuses on reviewing past studies on the role of CRM in creating a competitive advantage among Saccos. The chapter closes with the conceptual framework and the summary of the chapter.

2.2 Theoretical Review

The study was underpinned by two theories: the trust commitment theory and the resource-based theory, which relate to the effects of customer relationship management strategies on competitive advantage.

2.2.1 The Trust-Commitment Theory

The Trust Commitment Theory was developed by Robert Morgan and Hunt Shelby in 1994. The theory advances the notion of how a relationship between two parties is established and sustained. The core components that must exist for a relationship to be successful are trust and commitment. Trust and commitment are at the core of establishing successful marketing relationships as they determine the strength of the bonds. Meeting and honoring the needs and commitments of customers is at the core of forming bonds and trusts. Commitment in a relationship is characterized by an enduring focus on maintaining a valued relationship (Morgan and Hunt, 1994).

In business, for a relationship to be formed, a business needs to establish a strong bond with its customers by ensuring that its customers' needs are met and that commitments are honored. The business focuses on creating long-lasting bonds with its clients rather than the short-term focus on profitability. According to Morgan and Hunt (1994), reliability and consistency are at the core of establishing trust and commitment and sustaining a strong bond between business and customers. Mutual loyalty between the business and the customers is critical in ensuring that both parties benefit.

The trust commitment theory has been criticized for some of its shortcomings. In their study, Fang and Lien (2019) pointed out that the trust commitment theory's shortcoming is that the theory assumes the need for goodwill among the parties involved. On the contrary, goodwill is neither

sufficient nor necessary to develop trust, as one can trust without presuming that there has to be a presence of goodwill.

The trust commitment theory supports the study as it helps in demonstrating how customer relationships are built. The theory illustrates how a business organization can establish and sustain customer relationships by creating long-term bonds and winning the trust and commitment of the customer before a long-term relationship is established. This helps the study as the theory illustrates how Saccos can develop trust and commitment to gain customer loyalty by leveraging CRM strategies to enhance the quality of their services and products, lowering the costs of services, and enhancing the efficiency with which services are delivered to customers.

2.2.2 The Resource-based View Theory

The resource-based view theory can be traced to Jay Barney, who published it in 1991 on a firm's resource and sustained competitive advantage. The article resulted in the emergence of the resource-based view theory. In the article, Barney argued that firms can develop sustained competitive advantage by developing superior abilities and having adequate resources. Superior capabilities in terms of skills and technologies, together with resources such as financial abilities, are critical in sustaining their competitive advantage (Barney, Ketchen, and Wright, 2021).

The resource-based view theory demonstrates how a firm can gain a competitive advantage in the market through efficiency in the utilization of resources. In the theory, Barney, Ketchen, and Wright (2021) argued that the competitive advantage of the firm is built by developing superior capabilities and resources when compared to competitors. Superior capabilities and resources are critical in conferring a competitive edge to firms in the market as they are able to offer better quality services, reduce their operational costs, and create a strong brand. Therefore, businesses must be on the lookout to embrace factors that enhance their competitive advantage.

Resources are critical in ensuring that a business can enjoy sustained competitive advantage. According to Shaw (2021), the resource-based view holds that for a business to gain a sustainable competitive advantage, it must have resources that cannot be easily substituted or imitated. The use of unique resources that are valuable, rare, inimitable, and non-substitutable (VRIN) is at the core of sustaining competitive advantage. The inability of a firm's resources to be duplicated by competitors results in high performance over the competitors. To sustain high performance, a firm

needs to continuously innovate to ensure that its resources meet the needs of the customers in the market and are not duplicated by competitors. The resources, including unique skills, technology, and human resource capabilities, can be unique and rare factors that a firm can utilize to gain a sustainable competitive advantage.

The resource-based view theory has faced criticism for some of its shortcomings. According to Barney, Ketchen, and Wright (2021), different resources are accessible to a business that can give it a similar competitive advantage. Also, most of the resources that competitors and competitiveness easily duplicate businesses access.

The resource-based view theory underpins the study as it illustrates how Saccos can develop superior capabilities and resources to create a competitive advantage in the market. The customer relationship management strategies, including operational, analytical, and collaborative strategies, are critical resources that Sacco can leverage to gain a sustainable competitive advantage in the market. The resource-based view theory, therefore, demonstrates that a firm can realize a competitive advantage by developing unique customer relationship management strategies.

2.3 Empirical Review

The empirical review will provide an analysis of different past studies that relate to the effects of customer relationship management strategies on Saccos's competitive advantage in Kenya.

2.3.1 Operational CRM Strategy and Competitive Advantage

The operational CRM strategy's focus is on simplifying customer interactions. It is critical to ensure that customer interactions are simplified by combining the marketing, sales, and service processes. Operational CRM strategy is key to enhancing service efficiency in service delivery. By bridging the gap between the business and its customers, the operational CRM enhances the efficiency with which the customer is served. Operational CRM is characterized by utilizing customer data to simplify sales processes and channel marketing activities (Makasi and Saruchera, 2014). According to Baran and Zerres (2013), operational CRM brings uniqueness to firms besides providing remarkable customer service. Through the adoption of operational CRM, firms enhance access and utilization of customer data, which results in effective service delivery and, hence, a high customer satisfaction rate. Furthermore, Kumar and Reinartz (2018) observed that the implementation of operational CRM plays a critical role in increasing a business's sales. Firms

adopt the best business practices concerning customer management due to the enhanced use of customer data that supports business processes. Therefore, the business can realize high customer satisfaction rates, which increases customer retention rates and high customer conversion rates due to higher conversion.

Miremadi and Ghanadiofi (2021) conducted a study on CRM competitive strategy in financial institutions in the United States. The study explored how CRM served as a competitive strategy. The descriptive research explored the role of operational CRM strategy in influencing customers. The study's findings demonstrated that the operational CRM strategy played a major role in enhancing customer experiences. The use of CRM was also found to impact customers' trust, loyalty, and commitment positively.

In a study conducted by Hadi (2015) on the relationship between CRM strategies and competitive advantage, the role of operational CRM strategies in creating competitive advantages for businesses was extensively surveyed. The study adopted a quantitative research approach that focused on 170 people working in operational positions in telecommunication firms in Jordan. Questionnaires were utilized in data collection. The study established that operational CRM was critical in giving telecommunication firms a competitive advantage. Firms that deployed operational CRM tools in their operation management were able to enhance the efficiency of customer services and align them with customer expectations. As a result, the firms utilizing the operational CRM strategies were able to attract and retain more customers and expand their overall business. Therefore, the study established that the implementation of operational CRM strategies was key to telecommunication firms realizing a competitive advantage in the market.

Another study conducted by Makasi and Saruchera (2014) also established that operational CRM enhances firms' competitive advantage. The study explored the impact of operational customer relationship management on customer loyalty in the mobile telephone industry in Zimbabwe. The study used a mixed methodology approach whereby a systematic literature review was conducted together with a qualitative study whereby interviews were conducted with representatives of three major companies and fifteen customers sampled. Semi-structured questionnaires were utilized. The study established that due to the growth in the competitiveness of the mobile telephone industry, customers have become highly demanding. Through the implementation of CRM, customers' perceived value is increased. The implementation of operational CRM was specifically

pointed out to be crucial in ensuring that telecommunication firms enhance their competitiveness. Through the implementation of operational CRM technologies, the study established that telecommunication firms can collect data on their customers and analyze the data to ensure that they meet the changing customer needs. The ability to understand and meet specific customer needs was critical in enhancing consumer satisfaction rates. High customer satisfaction rates due to the implementation of the operational CRM were observed to be key in enhancing customer loyalty. Therefore, the use of operational CRM tools was crucial to telecommunication firms creating a competitive advantage, as they were able to ensure that customer loyalty was achieved and customer retention was realized.

A study conducted by Thuo (2018) on the influence of information and communication technology on the competitive advantage of five-star hotels in Nairobi also established that operational CRM positively impacted the competitive advantage of businesses. Using descriptive research design, the study focused on 127 managers from ten five-star hotels in Nairobi. The managers interviewed from the hotels included the General Manager, Operations Manager, Sales and Marketing Manager, Finance Manager, Human Resource Manager, and Information Technology Manager. Primary data was collected using closed-ended questionnaires. The findings established that the adoption of ICT, such as CRM, enhanced the seamless operation across the hotel. The use of operational CRM was found to enhance the efficiency of front office operations, which positively impacted the quality of the services. The adoption of ICT technology, especially CRM, was found to be key to enhancing the competitiveness of five-star hotels. Even though the adoption of CRM was critical in creating a competitive advantage, the study observed that its implementation was resource-demanding as the technologies, such as operational CRM, were costly to acquire and maintain.

2.3.2 Analytical CRM Strategy and Competitive Advantage

Analytical CRM is crucial in organizational operations as it involves the collection of customer data, especially on interactions, for analysis to improve the internal and external processes of the organization. The analytical CRM operates at the back end and covers data storage. The data is processed and analyzed to get insight into the firm's processes (Baran and Zerres, 2013). According to Almohaimmed (2021), analytical CRM plays a critical role in the organization as the data obtained is essential in ensuring that the organizational management gets insight into the

different behaviors that can help it in improving customer services, cutting unnecessary expenses and ensure that the profitability of the organization is increased. Through the insight obtained from the organization's data analysis, the business can effectively align to execute its marketing campaign to ensure that success is realized, hence gaining a competitive advantage.

Analytical CRM has been identified as being critical in helping organizations get insight into their customers. In a study conducted by Xu and Walton (2015) on gaining customer knowledge through the application of analytical CRM by UK-based firms, it was established that the application of analytical CRM enhanced organizations' insight into their customers. The researchers, utilizing a quantitative research design, examined data from a four-year survey on the application of CRM in different firms in the United Kingdom, together with an evaluation of CRM analytical functions provided by 20 leading software vendors. Xu and Walton (2015) The study established that the application of analytical CRM has been on the rise as more firms have continuously adopted it. The application of analytical CRM was established to help organizations to collect key information on their customers. Key data collected through analytical CRM information on the customer, such as purchasing behavior, frequency of seeking service, and the type of services sought are collected. By analyzing the back-end data collected, the firm can enhance its understanding of customers and, hence, easily position itself to enhance its competitiveness.

The role of analytical CRM in creating a competitive advantage is also captured by Almohaimmeed (2021) on the impact of analytical CRM on strategic CRM, operational CRM, and customer satisfaction in commercial banks in Egypt. The study was quantitative, and data was collected from 150 commercial bank managers. Questionnaires were utilized as the data collection tools. The study established that the use of analytical CRM in commercial banks is strongly related to high customer satisfaction. Therefore, the use of analytical CRM was found to be strategic as it helped the commercial banks realize increased customer satisfaction rates. High customer satisfaction is a key competitive advantage factor as it implies high customer loyalty.

In a study conducted by Mbatia (2019) on the influence of CRM, competitive advantage, and performance of commercial banks in Nairobi. The study established that analytical CRM played a major role in creating a competitive advantage for commercial banks in Kenya. The researcher utilized a cross-sectional survey research design. Utilizing structured and semi-structured

questionnaires, the researcher collected data from 100 respondents, including commercial bank employees and customers. The study established that the rapid growth in electronic banking has influenced most commercial banks to embrace CRM. The adoption of analytical CRM was found to be critical in helping commercial banks collect data from different customer interaction points, including email and online banking services, which are analyzed to get insight into the customers. Through the insight obtained, commercial banks can align their business and products to meet the needs of the customers. They can enhance their competitiveness by ensuring that they align their products with the customer needs and emerging trends. Therefore, the analytical CRM plays a key role in ensuring that commercial banks are better positioned in the market.

2.3.3 Collaborative CRM and Competitive Advantage

Collaborative CRM is an approach to CRM whereby businesses' customer interaction data is integrated and shared to enhance the rate of customer satisfaction. It integrates the customers, processes, strategies, and insight, allowing all the business activities and data to be centralized and ensuring that tasks can be easily automated. Various departments within a company that is involved in customer services, such as sales, marketing, technical support, vendor, and distributor management, can easily share data. (Al-Homery, Asharai, and Ahmad, 2019). As Almohaimmeed (2021) observes, collaborative CRM enables different teams and leaders across the organization to interact and collaborate as they can exchange ideas and concepts to share workloads. Collaborative CRM is critical in automating different functions across an organization, ranging from back-office operation to business management and customer management, which is critical in ensuring that efficiency and transparency are achieved.

In a study conducted by Schuster (2017) on customer relationship management in social media in the German apparel retail industry, the role of collaborative CRM in creating competitive advantage was explored. The study utilized a qualitative research approach. The researcher focused his study on the different apparel firms. Through utilizing collaborative CRM, the apparel firms were able to integrate the different business processes with activities. The firms were able to ensure that they collect customer data and utilize it to enhance efficiency and customer understanding. As a result, firms that have embraced collaborative CRM were found to ensure that high customer satisfaction levels are realized consistently.

The impact of collaborative CRM on competitive advantage is explored in a study conducted by Jarrah, Alomari, Alhawari, and Serhan (2020) on building a conceptual model for E-CRM implementation strategy. In the study, the researchers point out the role of collaborative CRM strategy in better positioning the organization to enhance their competitiveness. The researchers focused on Dubai-based firms. Jarrah, Alomari, Alhawari, and Serhan (2020) point out that collaborative CRM plays a critical role in enhancing the innovativeness, efficiency, and effectiveness of the firm and its profitability. Collaborative CRM positively impacts the competitive advantage of organizations by enhancing the innovativeness, efficiency, and profitability of the business.

In a study conducted by Muthigah, Kiragu, and Sang (2022) on the effect of human resource capabilities on customer relationship management in private hospitals in Kenya, collaborative CRM was found to give a competitive advantage to organizations to a large extent. The study utilized a descriptive survey design focused on 161 accredited hospitals in Kenya. The use of a collaborative CRM strategy in private hospitals was found to enhance the efficiency with which human resource capabilities are harnessed to realize success in the market. The ability to effectively harness the human resource capabilities in an organization is a key competitive advantage factor. An organization with superior human resources in terms of skills and capabilities tends to be more competitive. Therefore, collaborative CRM plays a key role in enhancing the effectiveness with which human resource capabilities are utilized within an organization, hence enabling it to enhance its competitiveness.

CRM, in general, is used as a competitive advantage tool. In a study conducted by Riungu (2017) on CRM as a Competitive tool at Kenya Commercial Bank (KCB), it was established that CRM can be used as a competitive tool if correctly applied. The descriptive research design randomly sampled 74 employees from KCB. The use of collaborative CRM was found to play a major role in ensuring that the bank attracts and retains customers. Through the implementation of the collaborative CRM, the researcher established that the company was able to get customer insight and effectively respond to meet their needs through encouraging collaborations among the employees to enhance customer service. The research further observed that the success of collaborative CRM in giving the company a competitive advantage is anchored on the environment the firm can create for its personnel to collaborate.

2.4 Knowledge Gap

The summary of the knowledge gap was also covered. Table 2.1 presents the knowledge gap.

Table 2.1 Knowledge Gap

Author	Study objective	The focus of the study	Summary of the knowledge gap	How does the current study address the gap
Hadi (2015)	To determine the relationship between CRM strategies stage and competitive advantage.	Competition in the Jordanian telecommunication environment.	Firms that use operational CRM tools in their operation management can enhance the efficiency of customer services and align them with customer expectations.	The study findings demonstrate that operational CRM enhances the efficiency of delivering customer services.
Makasi and Saruchera (2014)	To investigate the role of operational customer relationship management on customer loyalty.	Customer relationship management on customer loyalty mobile telephone industry in Zimbabwe.	The implementation of operational CRM was found to increase customers' perceived value. Through the implementation of operational CRM technologies, firms can collect data on their customers and	The study affirmed that operational customer relationship management positively impacts customer loyalty.

			analyze the data to ensure that they meet the changing customer needs. The ability to understand and meet specific customer needs is critical in enhancing consumer satisfaction rates.	
Xu and Walton (2015)	To examine how customer relationship management (CRM) systems are implemented in practice	Application of analytical CRM	The study demonstrates that the application of analytical CRM plays a role in helping organizations collect key information on their customers.	Analytical CRM was found to play a significant role in helping organizations collect key information on their customers.
Mbatia (2019)	To determine the relationship between electronic customer relationships, competitive advantage, and performance in	Staff working within branches of commercial banks in the Nairobi region.	The study demonstrates that the adoption of analytical CRM is critical in helping commercial banks collect data from different customer interaction	The findings demonstrate that there is a positive relationship between electronic customer

	commercial banks in Kenya.		points, including email and online banking services, which are analyzed to get insight into the customers. Through the insight obtained, the commercial banks were able to align their business and products to meet the needs of the customers. They can enhance their competitiveness by ensuring that they align their products with the customer needs and emerging trends.	relationships, competitive advantage, and performance.
Schuster (2017)	To determine the role of customer relationship management in the German apparel retail industry	German apparel retail industry	Utilizing collaborative CRM, firms can integrate the different business processes with activities. The firms can ensure that they collect customer data and utilize it to enhance efficiency	The study established that collaborative CRM strategy played a central role in enhancing a

			and customer understanding. As a result, firms that have embraced collaborative CRM were found to ensure that high customer satisfaction levels are realized consistently.	firm's competition.
Muthigah, Kiragu, and Sang (2022)	To establish the effect of human resource capabilities on customer relationship management in private hospitals in Kenya.	Customer relationship management in private hospitals in Kenya.	CRM was found to enhance the efficiency with which human resource capabilities are harnessed to realize success in the market. The ability to effectively harness the human resource capabilities in an organization is a key competitive advantage factor. An organization with superior human resources in terms of skills and capabilities tends to be more competitive. Thus, collaborative CRM	The study established that the human resource departments utilized CRM strategies to enhance their efficiency.

			plays a key role in enhancing the effectiveness with which human resource capabilities are utilized within an organization, hence enabling it to enhance its competitiveness.	
Riungu (2017)	Assessing Customer Relationship Management (CRM) as a competitive tool	The research focused on exploring the role of collaborative CRM in enhancing competitiveness in the Kenya Commercial Bank	The use of collaborative CRM plays a major role in ensuring that the bank attracts and retains customers. Through the implementation of collaborative CRM, firms are able to get customer insight and effectively respond to meet their needs through encouraging collaborations among employees to enhance customer service. The success of collaborative CRM in giving the firm a competitive advantage is anchored	The study findings demonstrate that Collaborative CRM strategy enhances the effectiveness of collecting and analyzing data across the organization, hence enhancing competitive advantage.

			on the environment it can create for its personnel to collaborate.	
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Source: (Researcher, 2023).

2.5 Summary of the Knowledge Gap

2.5.1 Contextual Gaps

The review of the literature demonstrates that different firms extensively deploy CRM as a strategy for increasing the competitive advantage of their businesses. In the finance industry, the literature review revealed that CRM is a major competitive advantage tool used by commercial banks in Kenya. Commercial banks use different CRM strategies, including collaborative, analytical, and operational CRM, to gain a competitive advantage. Even though firms across industries extensively deploy CRM as a strategy for creating a competitive advantage in the market, the research does not portray the same to Saccos. The role of the different CRM strategies in creating a competitive advantage specifically for Saccos is not covered by researchers.

2.5.2 Theoretical Gap

Even though the use of CRM strategies by financial institutions to achieve different goals, including competitive advantage, has been covered, the literature review demonstrates that limited research has covered the impacts of specific CRM strategies on their competitive advantage. There is a research gap in the determination of the effects of CRM strategies on Saccos's competitive advantage. This study sought to fill the theoretical gap.

2.5.3 Empirical Gap

The review of the previous studies demonstrates that no research on the effect of CRM strategies (analytical, collaborative, and operational) on the competitive advantage of Saccos. The study findings do not specifically focus on Saccos but rather on financial institutions in general. Through this study, a verifiable effect of CRM strategies on Saccos's competitive advantage was explored.

2.6 The Conceptual Framework

The conceptual framework of the study is illustrated in Figure 2.1 below

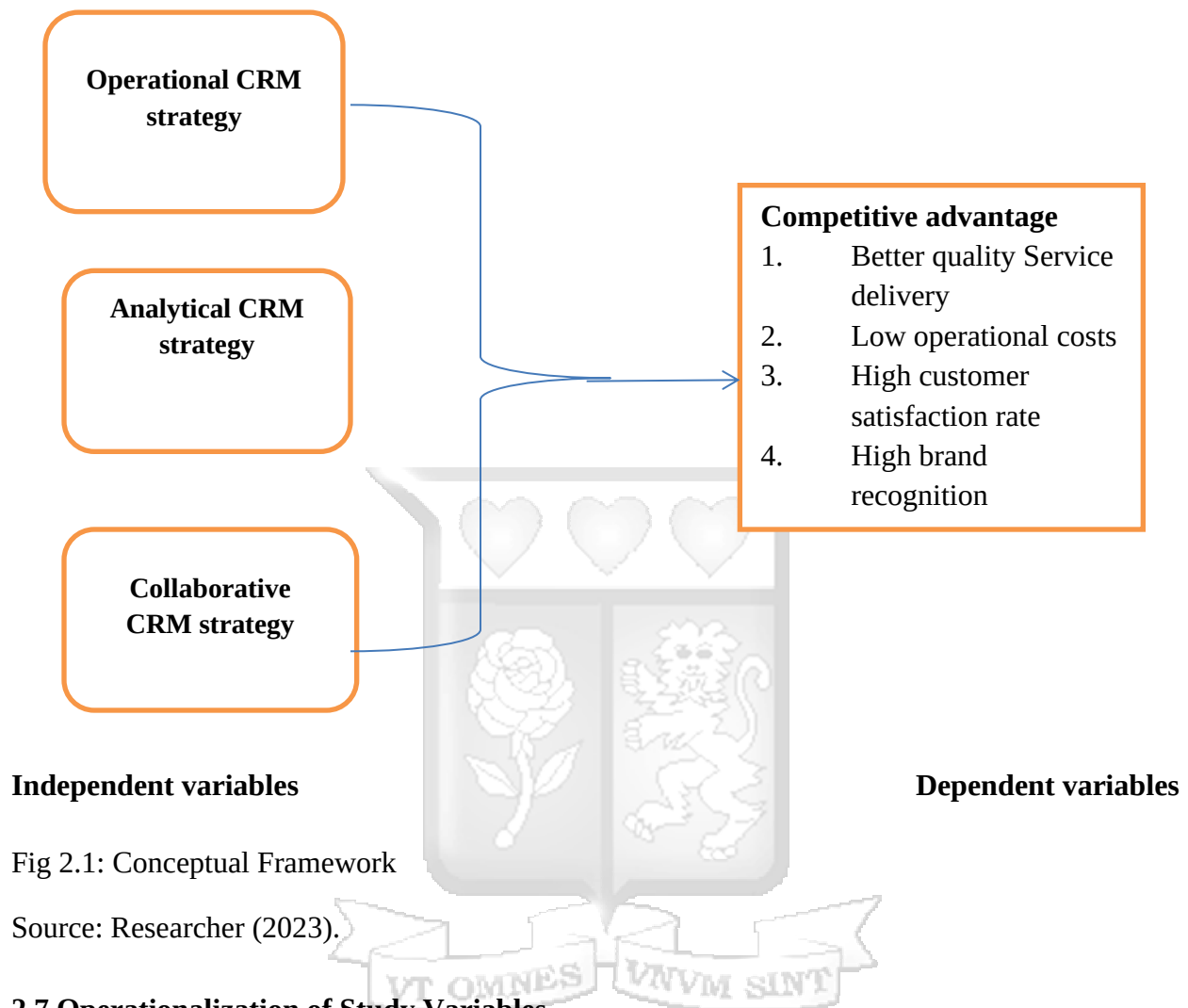


Fig 2.1: Conceptual Framework

Source: Researcher (2023).

2.7 Operationalization of Study Variables

The independent variable for the study is customer relationship management strategies (collaborative CRM strategy, analytical CRM strategy, and operational CRM strategy). The dependent variable for the study is a competitive advantage.

In this study, customer relationship management strategies will be operationalized as the strategies Saccos utilizes to monitor and manage their customers and potential clients with the goal of acquiring, retaining, and growing their customer base.

Collaborative CRM strategies will be operationalized as the integration of customer interaction data to obtain insight to centralize tasks and enhance service delivery.

The analytical CRM strategy will be operationalized by focusing on the strategies employed by Saccos to collect customer interaction data to improve the organization's internal and external processes. It ensures that insight into customer behavior is obtained to improve service delivery.

The operational CRM strategy in the study will be operationalized by simplifying customer interaction in the marketing, sales, and service processes of a Sacco with the goal of enhancing efficiency in service delivery.

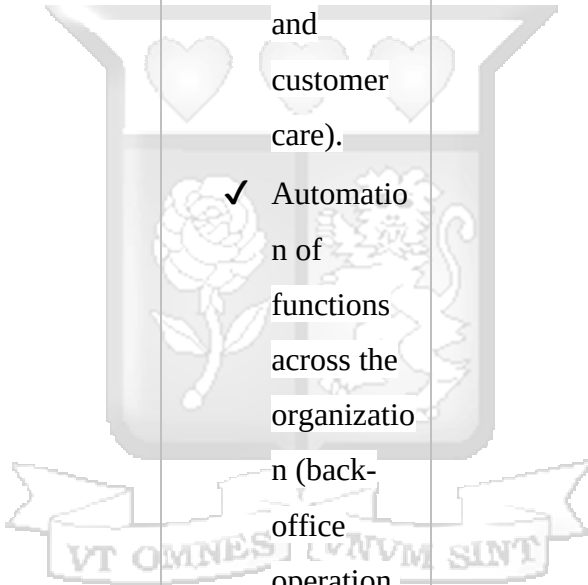
The competitive advantage was operationalized in the study by the benefits Sacco offers to its customers when they choose to do business with them as opposed to the competitor. Benefits such as quality service delivery, lower costs, brand recognition, and enhanced customer satisfaction will be a focus.

2.8 Table of Operationalization of Variables

The table of operationalization of variables is illustrated in Table 2.1 below.

Table 2.2 operationalization of variables

Variable	Operational definition	Measures	Data collection measurement scales	Source
Customer relationship management	The strategies Saccos utilizes to monitor and manage their customers and potential clients with a goal of acquiring, retaining and growing their customer base.	Strategies used by Saccos to acquire, retain and grow customer base.	1-5 Likert scale (where 1=strongly disagree, 2=disagree, 3=undecided, 4=agree, 5=strongly agree)	(Chege, 2013)

Collaborative CRM strategy	The integration of customer interaction data to obtain insight so as to centralize tasks to enhance service delivery	CRM tools used to centralize different customer functions (sales, marketing, technical support, and customer care).  ✓ Automation of functions across the organization (back-office operation, business management, and customer management).	1-5 Likert scale (where 1=strongly disagree, 2=disagree, 3=undecided, 4=agree, 5=strongly agree)	(Muthigah, Kiragu, and Sang, 2022)
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Analytical CRM strategy	The strategies employed by Saccos to collect customer interaction data to improve the internal and external processes of the organization. It ensures that insight into customer behavior is obtained to improve service delivery.	✓ CRM tools for collecting and analyzing customer data. ✓ Obtaining insight into customer behavior to align products with their needs.	1-5 Likert scale (where 1=strongly disagree, 2=disagree, 3=undecided, 4=agree, 5=strongly agree)	(Xu and Walton, 2015)
Operational CRM strategy	Simplification of customer interaction in marketing, sales, and service processes of a Sacco with a goal of enhancing efficiency in service delivery.	✓ CRM technologies put in place by Saccos to enhance customer interaction. ✓ Efficiency in customer service	1-5 Likert scale (where 1=strongly disagree, 2=disagree, 3=undecided, 4=agree, 5=strongly agree)	Makasi and Saruchera (2014)

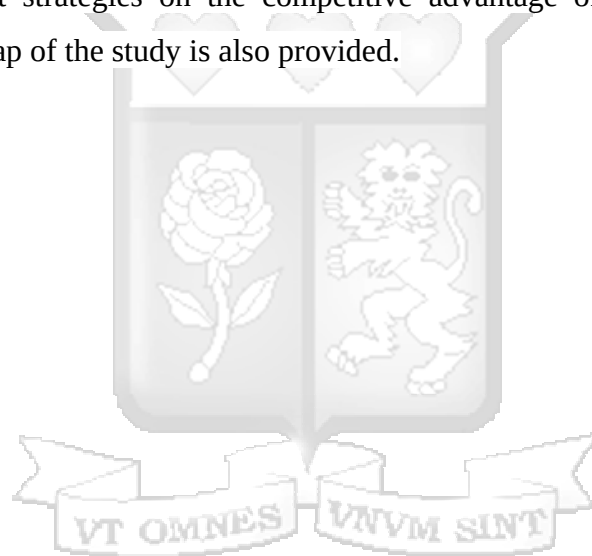
Competitive advantage	The benefits Sacco offers to its customers when they choose to do business with them as opposed to the competitor.	The unique customer benefits offered by Sacco (quality and efficient services, low-cost services, and a high satisfaction rate)	1-5 Likert scale	(Hadi, 2015)
Quality service delivery	The extent of meeting customer needs.	Level of service of the customers, cost, and overall satisfaction.	1-5 Likert scale	(Barney, Ketchen, and Wright, 2021)
Operational cost	Expenses incurred in running a business	Total operational expenses	Likert	(Hoe and Mansori, 2018)
Customer satisfaction rate	A measure to determine how happy a customer is with a service.	Customer satisfaction score.	Likert	(Almohaimmeed, 2021)
Brand recognition	Popularity and preference of a brand in the market.	Brand market share	Likert	(Shang and Lu., 2012)

Source: (Researcher, 2023).

2.9 Chapter Summary

This chapter discusses different theories and literature that relate to the effects of customer relationship management strategies on competitive advantage in different industries. In the theoretical framework, the trust commitment theory and the resource-based theory are explored. The two theories uniquely relate to the study. The chapter also provides an empirical review that explores the different variables and the emerging research gap.

The chapter further covers the role of analytical, operational, and collaborative CRM strategies in creating competitive advantages for firms. The studies demonstrated that analytical, operational, and collaborative CRM strategies played a crucial role in creating a competitive advantage. The implementation of analytical, operational, and collaborative CRM strategies was found to be resource-demanding in implementation, and the studies demonstrated that they are effective in enhancing customer loyalty and ensuring that products designed to meet customer needs are provided. Even though analytical, operational, and collaborative CRM strategies were found to be extensively utilized, especially by the commercial banks, the literature failed to provide the extent to which Saccos are impacted regarding operations cost reduction, enhancing brand recognition, and enhancing customer satisfaction. Therefore, through the research, the effects of customer relationship management strategies on the competitive advantage of Saccos in Kenya were explored. The research gap of the study is also provided.



CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter illustrates the research methods that were utilized to realize the goal of this study. The general objective of the study is to establish the effect of customer relationship management strategies on the competitive advantage of Saccos in Kenya. The chapter covers the study's research design, the target population, the data collection procedures, the respondents in the study, and how the data was analyzed.

3.2 Research Philosophy

This study embraced a positivist research philosophy. According to Quinlan, Babin, Carr, and Griffin (2019), positivist research philosophy only focuses on factual knowledge or data gained through observation. The researcher thus focused on collecting data and ensuring that it was interpreted most objectively. The positivist research philosophy is critical as it ensures that the research question is objectively answered as only observable and quantifiable data is relied on. Also, positivist research philosophy gives the researcher an opportunity to reflect on the subject and its character for specific data. The collected data was thus reflected on to get objective and valuable information to meet the goal of the study.

The other research philosophies are pragmatism and realism. The pragmatic research philosophy, according to Tammime and Poucher (2020), accepts notions to be acceptable only if they support an action. The research philosophy further recognizes that there are different ways of undertaking research and interpreting the world, and no single point of view gives the entire picture of reality. The pragmatic research philosophy was thus not suitable for the study as it requires putting into consideration different research approaches to get a whole view of the research. On the other hand, realism is anchored on the assumption that knowledge has to be developed when anchored on scientific assumption. The realism approach thus explains the underlying mechanism that is responsible for the generated phenomena (Tammime and Poucher, 2020). The realism research philosophy was thus not appropriate for this study.

3.3 Research Design

The study's goal was to establish the effect of customer relationship management strategies on the competitive advantage of Saccos in Kenya. To accomplish the goal of the study, a descriptive research design was utilized. In a descriptive research design, the researcher observes the subject of interest and makes the descriptions with limited external interference (Greener and Martelli, 2018). The use of descriptive research design ensured that all the variables for the study were extensively observed without any manipulation for the research questions to be comprehensively answered. The study used a cross-sectional design, as it ensured that data on the different variables was collected to answer the research question.

3.4 Population

A population in research is defined by Quinlan, Babin, Carr, and Griffin (2019) as a complete set of individuals, objects, or cases that have common observable characteristics. In this study, the population is the Saccos operating in Kenya. Kenya has a total of 174 licensed deposit-taking Saccos that operate across the country (SASRA, 2021). The deposit-taking Saccos mobilizes savings from members who give loans and serves banking roles, including mobilizing and receiving withdrawable deposits. The study focused on Saccos that are licensed and operate within Nairobi County. 47 licensed deposit-taking Saccos are licensed in Nairobi (SASRA, 2021). Therefore, the population for the study was 47 licensed deposit-taking Saccos licensed and operated within Nairobi County. Considering the small number of the targeted population, it was retained in its entirety as the study sample.

The respondents in this study were the management team of the 47 licensed deposit-taking Saccos licensed and operating within Nairobi County. The respondents were drawn from the human resource department, marketing and sales departments, operational departments, and IT departments. These are the departments where the CRM activities are implemented (Kumar and Reinartz, 2018). The Targeted respondents were heads of departments or employees with responsibility from each department.

3.4.1 Sampling Design

The study utilized a non-probability sampling design. According to Greener and Martelli (2018), in a non-probability sampling design, the criteria for selection are not random, and the chances of being included in the sample are not equal. The non-probability sampling design was appropriate for the study as non-random strategies, especially the availability of the respondents and geographical proximity, were key factors used in reaching out to them.

To get the sample for the study, convenience sampling was used. Convenience sampling is a non-probability sampling technique where data is collected based on the convenience and accessibility of the respondents targeted from the target population. Convenience sampling is based on the willingness of the target respondents to participate in the study (Greener and Martelli, 2018).

The sample of the study was drawn from four departments of each of the 47 licensed deposit-taking Saccos licensed and operate within Nairobi County. 47 deposits are taking Saccos licensed to operate in Nairobi County. As Andrade (2020) observes, when the target population has a small number, it is retained in entirety as the study sample. Therefore, the target population for this study was retained as the sample. With the sample being drawn from four departments of each of the 47 licensed deposit-taking Saccos, the sample size for the study was 188 respondents.

3.5 Data Collection

To accomplish the goal of the study, primary data was relied on. The primary data was collected from 188 respondents from the human resource department, marketing, and sales departments, operational department, and IT department of the 47 licensed deposit-taking Saccos licensed and operate within Nairobi County. The respondents were employees of any rank at the specific department.

The primary data was collected through a survey approach whereby the study participants filled out structured questionnaires. The tool for collecting data was structured questionnaires. The questionnaires were structured into sections in that the first section covered demographic information. The second section covered questions related to operational CRM strategy and competitive advantage; section three covered collaborative CRM strategy and competitive advantage, while section four covered analytical CRM strategy and competitive advantage.

The questionnaires were through a self-administering approach. The questionnaires were delivered online to targeted respondents and physically, where applicable, with the help of two research assistants. The respondents were given a one-week timeframe to respond to the questionnaire.

3.6 Research Quality

3.6.1 Validity of the research instrument

For this study, questionnaires were used to collect data from the respondents. To ensure that the validity of the research instrument is guaranteed, a pilot study was conducted. The pilot test was conducted on eight heads of departments from two randomly selected licensed deposit-taking Saccos in Kiambu County (immediate neighbor to Nairobi County). The participants in the pilot study were drawn from key departments that practice implementation of CRM activities, which included the human resource department, marketing and sales departments, operational department, and IT departments. The Saccos in the pilot study were outside the geographic scope of the main study and thus were not included in the main study.

The pilot study was critical in helping identify any issue with the research instrument. This ensured that corrective measures were undertaken for any issue identified with the research instrument before conducting the actual data collection.

3.6.2 Reliability of the research instrument

Reliability is the consistency of a measure of a concept, which is characterized by giving the same results when tests are conducted on different occasions (Greener and Martelli, 2018). To ensure that the reliability of the research tool is guaranteed, interrater reliability was utilized. As O'Neill (2017) observes, interrater reliability measures the degree of agreement between different people assessing or observing the same variable(s). Also, the variables were clearly defined, together with their measures. Furthermore, the tool for data collection was similar for all the participants in the study.

A Likert scale was used to determine the extent to which operational CRM Strategy is used by Saccos in Kenya. On a scale of 1-5 (where 1= strongly disagrees and 5= strongly agree). The Likert scale covered five items related to the variables of the study. To determine the reliability of the tool, a Cronbach's alpha test was undertaken using the Statistical Package for Social Science version 20 (SPSS) tool. The findings are demonstrated in Tables 1.1 and 1.2.

Table 3.1 -Total Statistics

Item-Total Statistics					
	Scale Mean if Deleted	Scale of Variance if Item Deleted	Corrected Item-Total Correlation	Squared-multiple Correlation	Cronbach's Alpha Item Deleted
Q 1	24.12	46.039	.682	.672	.732
Q 2	22.91	44.320	.594	.867	.690
Q 3	23.5	45.941	.702	.553	.769
Q 4	24.17	47.116	.641	.646	.706

Source: (Researcher, 2023).

Cronbach's alpha reliability statistics are demonstrated in Table 1.2

Table 3.2 Reliability statistics

Reliability statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
0.761	.696	5

Source: (Researcher, 2023).

The internal reliability using the Cronbach's alpha test on SPSS registered a Cronbach's alpha value of 0.761. A reliability coefficient of 0.6 - 0.7 is considered acceptable in most cases (O'Neill, 2017). demonstrates that the Likert scale used for the research tool is reliable. Therefore, the internal reliability of the research tool was guaranteed.

3.6.3 Validity of the Study

The validity of a study is the ability of the research instrument to truly measure what it claims to measure (Greener and Martelli, 2018). The validity of this study was measured using face and content validity. Face validity was performed by evaluating the outlay of the data collection tool. On the other hand, the content validity was measured by assessing the research instrument to

guarantee that all the research variables are covered and considered in the research tool. To guarantee the validity of the content, the supervisor reviewed the questionnaire items and a review with subject matter experts (CRM implementer in a Sacco).

3.7 Data Analysis

Once the study participants filled in the questionnaires, they were checked to guarantee consistency and completeness to ensure that each section was filled. After establishing the fitness of the data, it was cleaned and categorized. According to Quinlan, Babin, Carr, and Griffin (2019), editing of the questionnaire answers is key in ensuring that errors made by the respondent or the researcher are eliminated. Thus, editing the collected information was critical to ensuring that consistency and completeness were realized before the analysis. The cleaned data was coded and then keyed into the computer for processing with the help of Statistical Package for Social Science version 20 (SPSS).

Descriptive statistics was applied to give central tendency measures, including mean and measures of dispersion (variance and standard deviation). The descriptive statistics provided the categorizations of valid and replicable findings from data collected to answer the research questions.

Quantitative analysis was conducted to help measure the impact of the variable under study. The research used percentages, tabulations, and central tendency measures to conduct the quantitative analysis. The quantitative data was presented using statistical techniques, including frequency counts and percentages, which were used in making inferences. Also, inferential statistics were adopted, including correlation and regression. Inferential statistics help in comparing and drawing conclusions on the different variables of the study. Correlation and regression analysis were conducted to show the relationship between the variables of the study. The correlation analysis was used to help in quantifying the strength of the relationship between the variables of the study. On the other hand, the regression analysis helped in developing the equation that expressed the relationship between the variables under study.

3.8 Ethical Considerations

To meet the goals of this study, the data collection process was ethically and procedurally conducted. The ethical issues that would be observed during the data collection process included participant consent, anonymity, confidentiality, and sharing of the research findings with the participants.

The researcher ensured that the informed consent of the participants was sought by explaining to them the goal and objective of the research. Every participant filled in an informed consent form before participating in the study. Each of the participants participated willingly and was not forced to participate. The anonymity and confidentiality of the study participants were guaranteed by ensuring that the identities of the participants were not revealed. Also, the respondents were not allowed to divulge personal information, including their names and places of work.

Ethical approval was sought from the Strathmore University administration and NACOSTI. NACOSTI issued an approval certificate before the researcher proceeded to collect data. The ethical approval letter was attached to the data collection tool.

3.9 Chapter Summary

For the goal of establishing the effect of customer relationship management strategies on the competitive advantage of Saccos in Kenya to be realized, a positivist research philosophy and a descriptive research design were adopted. The target population for the study was the management team of the 47 licensed deposit-taking Saccos operating within Nairobi County. Primary data was collected from 188 respondents from the human resource department, marketing and sales departments, operational departments, and IT departments of the Saccos. Open-ended questionnaires were used as tools for data collection. Ethical considerations for the research included seeking participants' consent, anonymity, and confidentiality and sharing the research findings with the participants.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents the empirical findings of the study. The chapter discusses interpreting and presenting the study findings from the field data. The response rate, demographic information, descriptive statistics, inferential statistics, and key findings will be covered.

4.2 Response Rate

The study aimed to establish the effect of customer relationship management strategies on the competitive advantage of Saccos in Kenya. A sample of 188 respondents was drawn from four departments (human resource department, marketing, sales departments, operational department, and IT department) of the 47 licensed deposit-taking Saccos that had been targeted. The targeted respondents filled out and returned the questionnaire, realizing a response rate of 68%, which, according to Mugenda and Mugenda (2014), is suitable for statistical analysis. 45% of the respondents were drawn from the human resource department, 35% from the marketing and sales department, 29% from the operations department, and 19% from the information and communication technology department. The response rate is represented in Table 4.1 below.

Table 4.1: Response rate

Department	Targeted number	No of respondents	Percentage
Human resource	65	45	35%
Marketing and sales	48	35	27%
Operations	42	29	23%
Information, communication, and technology	33	19	15%
Total	188	128	100%

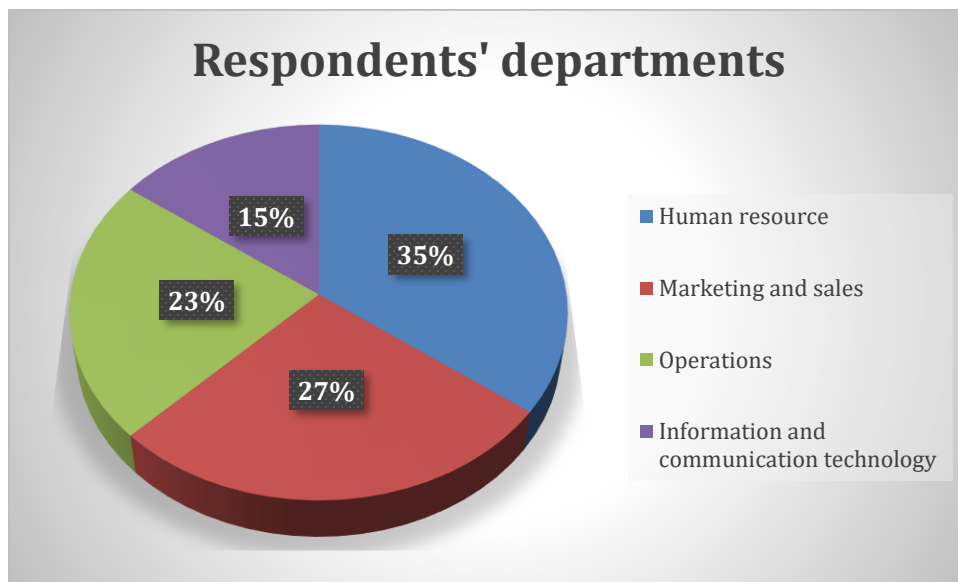
Source: (Researcher, 2023).

4.3 Demographic Information

4.3.1 Respondents' Department

The study targeted specific departments from Saccos. The departments included human resources, marketing and sales, operations, and communication and technology. 35% of the respondents were from the human resource department, 23% from the operations, 27% from the marketing and sales department, and 15% from the information, communication, and technology department. Fig 4.1 illustrates the response from each department.

Figure 4.1: Respondents' departments



Source: (Researcher, 2023).

The findings of the study imply that a majority of the customer relationship management strategies by Saccos in Kenya are implemented in the human resource department, followed by marketing and sales, operations, and then information and communication technology departments.

4.3.2 Gender of the Respondents

The study sought to establish the gender of the respondents. From the analysis of the findings, the gender of the respondents was 56% female and 44% male, as demonstrated in Table 4.2 below. The results imply that there are more female than male employees working at Saccos in Kenya.

Table 4.2 Gender of the respondents

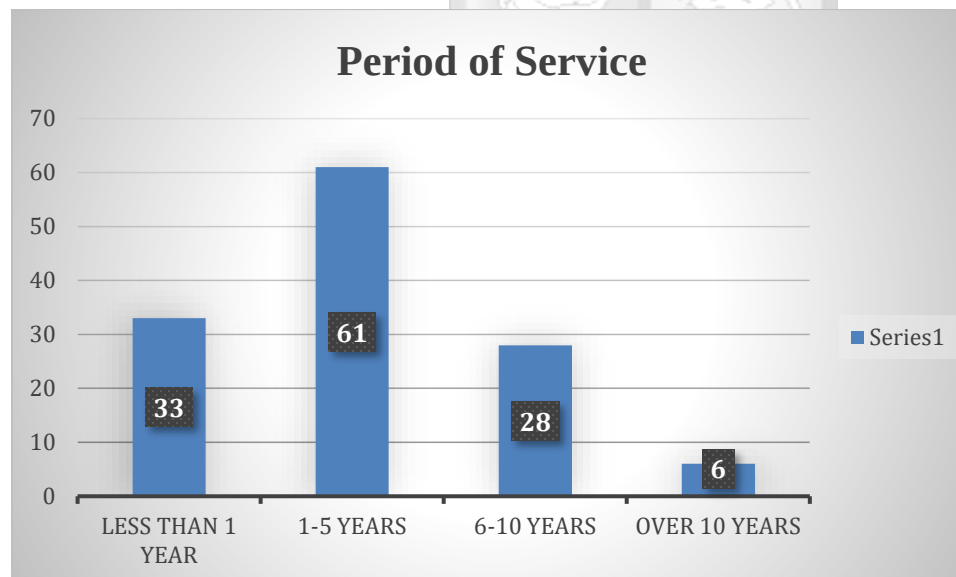
Gender	Frequency	Percentage
Male	56	44%
Female	72	56%
Total	128	100%

Source: (Researcher, 2023).

4.3.3 Period of Service in a Department

The research sought to determine the length of time a respondent had served in their respective department. The study's findings demonstrate that 33% of the respondents have worked in their respective Sacco departments for less than one year. 61% of the respondents have worked with the Saccos and departments for 1-5 years, 28% for 6-10 years, and 6% for over ten years. This indicates that the respondents were distributed across all experienced years, though most respondents have worked between 1 and 5 years.

Figure 4.2 Period of Service



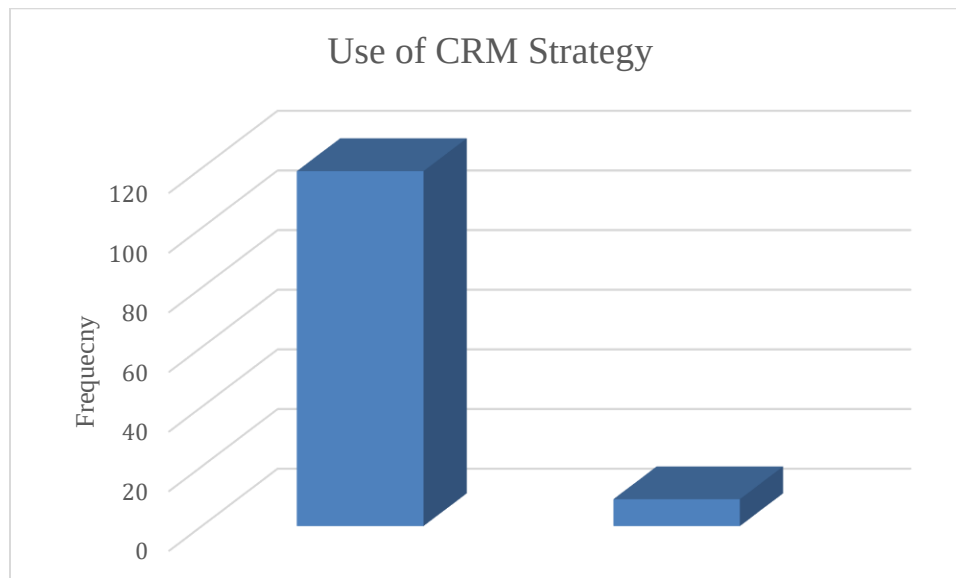
Source: (Researcher, 2023).

The findings imply that a majority of Sacco employees have worked with the Saccos and departments for 1-5 years, followed by less than 1 year, with the least number of employees having experience of over 10 years.

4.3.4 Use of CRM Strategy

The study sought to establish how many Sacco's utilized CRM strategy at their specific firms. 93% of the respondents indicated that their firm had a CRM strategy, while 7% indicated that their firms did not have a CRM strategy. Therefore, most Saccos in Nairobi County utilize CRM strategy in their business processes. Figure 4.3 illustrates the findings.

Figure 4.3 Use of CRM Strategy



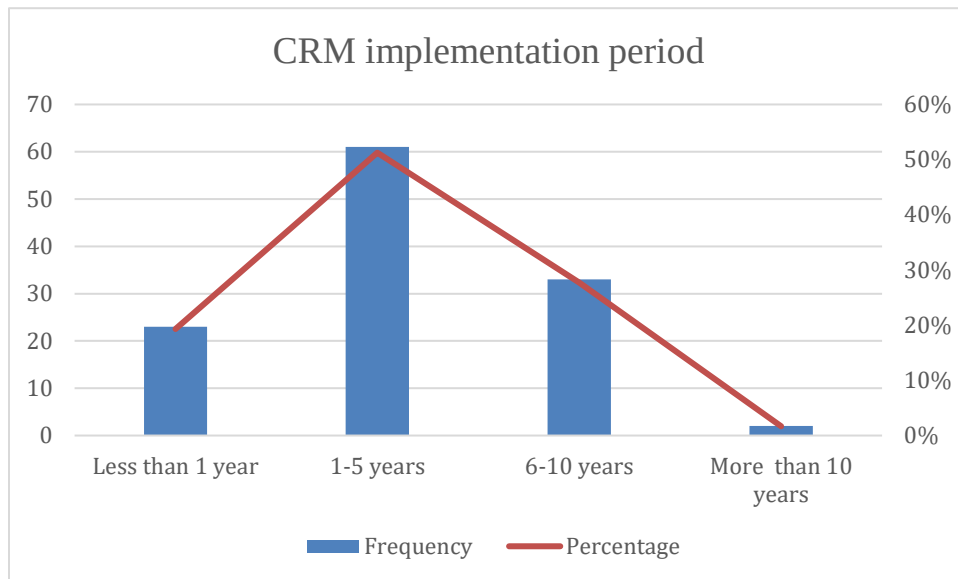
Source: (Researcher, 2023).

The findings imply that a majority of Saccos in Kenya utilize CRM strategies.

4.3.5 Period for CRM implementation

The study further sought to establish how long the CRM strategy has been utilized in a specific Sacco. The study findings indicate that most Saccos (51%) have implemented CRM strategies for 1-5 years. 28% of respondents indicated that their firms had used CRM for 6-10 years. 19% of the respondents indicated that their firms adopted CRM for less than one year. 2% of the respondents indicated that their firms had used the CRM strategy for less than one year. The findings are shown in Figure 4.4.

Figure 4.4 Period for CRM implementation.



Source: (Researcher, 2023).

The findings imply that a majority of Saccos have embraced CRM strategies within the last five years. This indicates that the significance of CRM strategies to Saccos has been increasingly been recognized.

4.4 Descriptive Statistics

The study sought to establish the effect of customer relationship management strategies on the competitive advantage of Saccos in Kenya. The descriptive statistics explore the different variables of the study and highlights the potential relationships between the variables.

4.4.1 Operational CRM Strategy

The study sought to determine the nature of operational CRM strategy by Saccos in Kenya. A Likert scale was used to determine the extent to which operational CRM Strategy is used by Saccos in Kenya. A scale of 1-5 was used where; 1= Strongly disagree, 2=disagree, 3=Undecided, 4=Agree, 5=Strongly agree. The results of the findings are shown in Table 4.3.

Table 4.3 Descriptive Results on Operational CRM Strategy

Operational CRM Strategy	Mean	Std Dev
Embracing CRM technologies that simplify sales processes has been critical in enhancing service efficiency at the firm.	4.341	0.941
Implementing CRM technologies that combine the marketing, sales, and service processes enhances the customers' perceived value of the organization	3.423	1.678
Collecting and analyzing customer interaction data ensures we meet the changing customer needs.	4.057	1.114
Implementing CRM technologies that combine the marketing, sales, and service processes helps in aligning services with customer expectations	3.684	0.851
Combining marketing, sales, and service using CRM technologies has been at the core of enhancing customer satisfaction rate	3.239	1.924
Operational CRM has positively contributed to our customer retention rate	3.817	1.402
Average	3.760	1.318

Source: (Researcher, 2023).

The findings of the study indicate that a majority of the respondents agree that embracing CRM technologies that simplify sales processes has been critical in enhancing service efficiency at the firm, as indicated by the mean of 4.341. Collecting customers' interaction data and analyzing it ensures that we meet the changing customer needs recorded a mean of 4.057, which indicates that the respondents agree. Operational CRM has positively contributed to our customer retention rate, and implementing CRM technologies that combine the marketing, sales, and service processes helps align services with customer expectations, registering a mean of 3.817 and 3.684, implying that the respondents are in relative agreement. Implementing CRM technologies that combine the marketing, sales, and service processes enhances the customers' perceived value of the organization, and combining marketing, sales, and service using CRM technologies has been at the core of enhancing customer satisfaction rate registered a mean of 3.423 and 3.239 respectively.

The nature of operational CRM strategy by Saccos registered a mean of 3.760, implying that a majority of the Saccos embrace operational CRM technologies to simplify sales processes so as to enhance efficiency in service delivery.

4.4.2 Analytical CRM Strategy

The study set out to determine the nature of the analytical CRM of Saccos by determining respondents' level of agreement on different statements. Utilizing CRM tools to collect and analyze customer data ensures that firms align their products with customer needs and emerging trends. Utilizing CRM tools to collect and analyze customer data has been critical to our understanding of customers and their specific needs, registering a mean of 4.297 and 4.482, respectively, implying that the respondents agree with the statements. The collection of customer data has been crucial to improving the internal and external processes of the organization, and collecting and analyzing customer data is critical in getting insight into the different customer behaviors responses registered means of 3.93 and 3.614, respectively, implying that respondents, to some extent, agreed with statements. Utilizing CRM tools to collect and analyze customer data has been at the core of effectively positioning our products, and by collecting and analyzing customer data, we have been able to enhance customer loyalty, which had a mean of 3.094 and 3.205, respectively, implying that they are undecided on the statements. Table 4.4 illustrates the findings.

Table 4.4: Descriptive Results of Analytical CRM Strategy

Effects of Analytical CRM Strategy	Mean	Std Dev
Collecting and analyzing customer data is critical in getting insight into the different customer behaviors	3.614	0.738
The collection of customer data has been crucial to improving the internal and external processes of the organization	3.93	1.028
Utilizing CRM tools to collect and analyze customer data has been at the core of effectively positioning our products	3.094	0.893
Utilizing CRM tools to collect and analyze customer data has been critical to our understanding of customers and their specific needs	4.482	0.736
Utilizing CRM tools to collect and analyze customer data is crucial in ensuring that firms align their products with customer needs and emerging trends	4.297	0.526
By collecting and analyzing customer data, we have been able to enhance customer loyalty	3.205	1.961
Average	3.770	0.980

Source: (Researcher, 2023).

The average analytical CRM of Saccos was determined to be 3.770. The findings imply that most of the Saccos utilize analytical CRM tools to collect and analyze customer data to enhance their understanding of customers specific needs. The Saccos also use analytical CRM tools to collect and analyze customer data, which is crucial in ensuring that firms align their products with customer needs and emerging trends.

4.4.3 Collaborative CRM Strategy

The study also set out to determine the nature of the collaborative CRM strategy by Saccos. As per the findings, the respondents agreed that their organizations integrate the customers, processes, strategies, and insight, allowing all the business activities and data to be centralized, ensuring that tasks can easily be automated, as shown by a mean of 4.081. The role of collaborative CRM in integrating the customers, processes, strategies, and insight ensures that the firm gets customer insight and effectively responds to meet their needs was undecided by the respondents. Together with integration data through the utilization of CRM tools has enabled automation of different functions across the organization ranging from back-office operation, business management, and customer management; Integration of customer interaction data enhances the ability to effectively harness the human resource capabilities to enhance the organization's competitiveness; and different functions across the organization ranging from the back-office operation, business management, and customer management have been automated as they registered means of 3.396, 3.175, 3.487 and 3.244 respectively. Table 4.5 illustrates the findings of the study.

Table 4.5: Descriptive Results on Collaborative CRM Strategy

Collaborative CRM Strategy	Mean	Std Dev
My organization integrates the customers, processes, strategies, and insight, allowing all the business activities and data to be centralized, ensuring that tasks can easily be automated.	4.081	0.728
Integrating the customers, processes, strategies, and insight ensures that the firm gets customer insight and effectively responds to meet their needs	3.396	1.603
Integrating data through the utilization of CRM tools has enabled the automation of different functions across the organization ranging from the back-office operation, business management, and customer management	3.175	1.932
Different functions across the organization ranging from back-office operation, business management, and customer management, have been automated	3.244	1.473
Integrating data has been critical in ensuring that our firm is better positioned to enhance competitiveness	2.903	2.046
Integration of customer interaction data enhances the ability to effectively harness the human resource capabilities to enhance the organization's competitiveness	3.487	0.874
Average	3.381	1.442

Source: (Researcher, 2023).

The collaborative CRM strategy by Saccos registered an average of 3.381. The findings imply that Saccos use of collaborative CRM to integrate the customers, processes, strategies, and insight, allowing all the business activities and data to be centralized, ensuring that tasks can easily be automated is above average. Thus, most of the Saccos use collaborative CRM strategy to gain competitive advantage.

4.4.4 Descriptive Results on Competitive Advantage

The respondents were asked to indicate how much their firms enjoyed a competitive advantage. As per the findings of the study, the respondents agreed that enhancing the quality of our services has been critical in ensuring that we attract and retain more customers; embracing modern technological solutions, including CRM, has been key in enhancing efficiency and reducing the operational costs; and enhancing the quality and efficiency of our services has been critical in ensuring that meet the needs of our customers and enhance satisfaction as the responses registered means of 4.482, 4.195 and 4.083 respectfully. The findings further indicate that the respondents agree that collecting and analyzing customer data has ensured that we provide products meeting

the changing customer needs, thus enjoying higher customer approval. The provision of high-quality services delivery and products has enhanced the brand recognition of our firm in the market as they registered means of 3.803 and 3.656, respectively. The response to utilizing CRM tools to collect and analyze customer data has been at the core of effectively positioning our products. It had a mean of 3.347, implying that the respondents were undecided on the statement's impact on their Saccos competitive advantage. Table 4.6 illustrates the findings of the study.

Table 4.6 Competitive Advantage of Saccos

Competitive advantage	Mean	Std Dev
Enhancing the quality of our services has been critical in ensuring that we attract and retain more customers	4.482	0.946
Embracing modern technological solutions, including CRM, has been key in enhancing efficiency and reducing the operational costs	4.195	1.004
Utilizing CRM tools to collect and analyze customer data has been at the core of effectively positioning our products	3.347	1.679
Enhancing the quality and efficiency of our services enhance satisfaction	4.083	0.649
Collecting and analyzing customer data has ensured that we provide products meeting the changing customer needs, thus enjoying higher customer approval	3.803	1.137
Providing high-quality services enhances the brand recognition	3.656	1.821
Average score	3.927	1.206

Source: (Researcher, 2023).

The registered average mean for competitive advantage was 3.927. The findings implies that most of the Saccos embrace CRM strategies to enhance the quality of their services so as to attract and retain more customers and embracing modern technological solutions especially CRM strategies has been key in enhancing efficiency and reducing their operational costs.

4.5 Inferential Statistical Results

The study next sought to make predictions based on data collected to draw a conclusion. Correlation and Regression analysis were conducted.

4.5.1 Relationship Between CRM Strategies and Competitive Advantage

Correlation and Regression analysis were utilized to determine how customer relationship management strategies and the competitive advantage of Saccos in Kenya are related. The study utilized the Statistical Package for Social Sciences (SPSS v20) for the analysis. The findings of the study are illustrated in the subsequent sections.

4.5.1.1 Correlation Analysis

Table 4.7 indicates the correlation model where the R, R-squared, and adjusted R-Squared are covered.

Table 4.7: Model summary

Model Summary – Competitive advantage						
Model		R	R Squared		Adjusted R Squared	Std. Error of the Estimate
1		.869 ^a	.755		.731	.238

Source: (Researcher, 2023).

The R square is the coefficient of determination that tells the variation in the dependent variables due to changes in the independent variables. From the study's findings, the R squared was 0.755, implying a variation of 75.5 % change in the competitive advantage of Saccos due to changes in the customer relationship management strategies. The findings demonstrate that operational, analytical, and collaborative CRM strategies can account for the 75.5% change in competitive advantage by Saccos.

R is the correlation coefficient which shows the relationship between the study variables. From the study's findings, the R-value is 0.869, implying a strong positive relationship between the study's dependent and independent variables.

4.5.1.2 Analysis of Variance (ANOVA)

An ANOVA was carried out to determine the significance of the overall regression model. According to Greener and Martelli (2018), the ANOVA test helps in determining the influence that independent variables have on the dependent variable in a regression study. Table 4.8 illustrates the findings.

Table 4.8 ANOVA
ANOVA

Cases		Sum of Squares		df	Mean Square		F	Sig.	
Regression		1.886		4	.472		1.331	.041	
Residual		36.757		32	1.149				
Total		38.643		36					

Source: (Researcher, 2023).

The findings established that the model was statistically significant as the F- value was 1.331), which is higher than the alpha value of 0.05 implies that the differences between the groups is statistically significant. The P-value is 0.041, which is less than 0.05. The P- value implies that the results have a 5% or less chance of occurring under the null hypothesis. The findings thus implies that CRM strategies had a significant effect on the competitive advantage of Saccos.

4.5.1.3 Regression Analysis

A regression analysis was conducted to determine the effect of CRM strategies on the competitive advantage of Saccos. The findings are shown in Table 4.9 below.

Table 4.9 Regression analysis

Coefficients

Model	Unstandardized Coefficients	Std. Error	Standardized Coefficients	t	Sig.
(Constant)	1.783	.509		1.477	.001
Operational CRM strategy	.704	.081	.436	2.048	.062
Analytical CRM strategy	.361	.124	.106	0.862	.005
Collaborative CRM strategy	.389	.118	.175	4.037	.071

Source: (Researcher, 2023).

The regression equation for the study was.

$$Y=1.783+0.704X_1+0.361X_2+0.389X_3$$

Where;

Y= Competitive advantage

X1=Operational CRM strategy

X2=Analytical CRM strategy

X3=Collaborative CRM strategy

The study established that the competitive advantage at Saccos would be 1.783 with all variables constant. With a unit increase in operational CRM strategy, the competitive advantage would be 0.783. A unit increase in analytical CRM strategy would lead the competitive advantage of Saccos to be at 0.361. A unit increase in collaborative CRM strategy would lead competitive advantage to be at 0.389. Therefore, all the CRM strategy variables for the study positively impact the competitive advantage of Saccos in Nairobi County.

The study further established that CRM, operational, analytical, and collaborative strategies were statistically significant in giving Saccos a competitive advantage, as all the p-values were less than 0.05. The research findings also demonstrate a positive relationship between Sacco's competitive advantage and operational, analytical, and collaborative CRM strategies.

4.6 Chapter Summary

The study targeted respondents from key departments in Saccos operating within Nairobi County. A response rate of 68% was realized, with respondents drawn across the four departments. Both descriptive and inferential statistics were explored. The analysis of the findings demonstrates that the CRM strategies (operational, analytical, and collaborative) positively impacted the competitive advantage of Saccos in Kenya.



CHAPTER FIVE: CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

The chapter provides a summary of the study's findings and key conclusions. The recommendations drawn from the findings are also covered in the chapter. Furthermore, the chapter will cover the limitations faced in undertaking the study and provide recommended areas for further studies.

5.2 Summary of the Findings

The study set out to establish the effect of customer relationship management strategies on the competitive advantage of Saccos in Kenya. The study sought to answer the following research questions; what is the effect of operational CRM strategy on the competitive advantage of Saccos in Kenya? What is the effect of analytical CRM strategy on the competitive advantage of Saccos in Kenya? And what is the impact of collaborative CRM on the competitive advantage of Saccos in Kenya?

The study used a descriptive research design to reach 47 licensed deposit-taking Saccos within Nairobi County. Primary data was collected from 128 out of 188 targeted respondents, achieving a response rate of 68%. Self-administered questionnaires were used to collect data from the respondents from four key departments (human resource department, marketing, sales department, operational department, and IT department) from the Saccos. The study also found that a majority of Saccos have adopted CRM strategies. Most of the Saccos have implemented CRM strategies for 1-5 years. Most employees in Saccos have served between 1-5 years.

The study findings demonstrate that the operational CRM strategy played a key role in ensuring that Saccos can collect customer interaction data and analyze it to ensure that they respond appropriately to changes in the market. Also, the role of operational CRM strategy in simplifying sales processes and enhancing the service efficiency of Saccos emerged as a key effect on their competitive advantage.

The research also aimed at determining the effect of analytical CRM strategy on the competitive advantage of Saccos in Kenya. From the findings, the study established that an analytical CRM strategy was critical in enhancing Sacco's competitive advantage. The analytical CRM tools were key in collecting and analyzing customer data, ensuring that Saccos aligned its products and

services with the emerging customer needs and changing trends in the market. Also, analytical CRM tools were crucial in helping Saccos enhance the understanding of their customers.

The study also set out to identify the impact of collaborative CRM on the competitive advantage of Saccos in Kenya. The findings demonstrate that a collaborative CRM strategy ensures that all of Sacco's business activities and data are centralized for easy automation and analysis. As a result, the collaborative CRM strategy enabled Saccos to enhance its efficiency hence its competitive advantage in the market.

5.3 Discussion

This section provides an in-depth analysis of the findings of this study. The analysis compares the findings with previous studies.

5.3.1 Operational CRM Strategy and Competitive Advantage

The study established that operational CRM strategy positively impacted the competitive advantage of Saccos in Kenya as a unit increase in operational CRM strategy would result in the firm enjoying a 0.783 competitive advantage.

The findings of the study on operational CRM relates to the Resource-based View theory that underpinned the study. As per the theory, resources are key in ensuring that business enjoy sustained competitive advantage. As per the findings, the operational CRM was found to enhance the competitiveness of the Saccos in that they give them unique competitive advantages. Even though the implementation of operational CRM strategy helps Saccos gain unique competitive advantages, it is easily duplicable by competitors with resources thus a firm has to rely on other factors to enjoy unique competitive advantages.

The critical effects of operational CRM strategy on the competitive advantage of Saccos in Kenya, as per the study findings, include operational CRM strategy plays key role in ensuring that Saccos can collect customer interaction data and analyzes it to ensure that they respond appropriately to changes in the market. Also, the role of operational CRM strategy in simplifying sales processes and enhancing the service efficiency of Saccos emerged as a key effect on their competitive advantage. The study further established that operational CRM positively contributed to the Saccos

customer retention rate, and implementing operational CRM technologies helped align the marketing, sales, and service processes of Saccos, enhancing customer expectations.

The study's findings demonstrate that operational CRM strategy positively impacted the competitive advantage of Saccos in Kenya. The findings relate to a study by Miremadi and Ghanadiofi (2021) that established that enhanced efficiency due to implementing operational CRM positively impacted customers' trust, loyalty, and commitment. Another study conducted by Makasi and Saruchera (2014) also established that operational CRM enhances the competitive advantage of firms due to increased customers' perceived value is increased.

Even though different researchers agree with the study's findings, Al Karim, Alam and Al Balushi (2023) in their research pointed out that implementation of operational CRM strategy does not significantly result in enhanced competitive advantage by firms. To enjoy a competitive advantage, firms must complement operational CRM with other factors such as branding, offering quality products, and effective marketing to enjoy a competitive advantage.

Implementing operational CRM was explicitly pointed out as crucial in ensuring telecommunication firms enhance their competitiveness. Through the implementation of operational CRM technologies, the study established that telecommunication firms could collect and analyze data on their customers to ensure that they meet the changing customer needs. Understanding and meeting specific customer needs was critical in enhancing consumer satisfaction rates. High customer satisfaction rates due to implementing the operational CRM were key in enhancing customer loyalty. Therefore, the use of operational CRM tools was crucial to telecommunication firms creating a competitive advantage, as they were able to ensure that customer loyalty was achieved, and customer retention was realized.

5.3.2 Analytical CRM Strategy and Competitive Advantage

The study findings demonstrate that analytical CRM strategy positively affected the competitive advantage of Saccos in Kenya. A unit increase in analytical CRM strategy was found to increase the competitive advantage of Saccos by 0.361. The research findings concur with a study by Mbatia (2019) that established that analytical CRM played a significant role in creating a competitive advantage for commercial banks in Kenya.

The findings of the study support the trust commitment theory as the analytical CRM strategy helps Saccos obtain key insight into the customers. The trust commitment theory explores how customer relationship is built. The findings of the study demonstrate the role of analytical CRM strategy in analyzing customer interaction data to enhance understanding of customer behaviors which is crucial in establishing and sustaining customer relationships through creating long-term bonds by ensuring that the customers' needs are met, and commitments honored.

As per the study's findings, the effects of analytical CRM strategy on the competitive advantage of Saccos in Kenya include ensuring that firms align their products to customer needs and emerging market trends. Also, an analytical CRM strategy helps Saccos to collect and analyze customer data which is critical to understanding the customer's needs. The findings relate to the study conducted by Almohaimmed (2021) that established that analytical CRM plays a critical role in the organization as the data obtained is essential in ensuring that the organizational management gets insight into customer behaviors that can help it in improving the customer services due to increased understanding of customer needs. Mbatia (2019) also found that analytical CRM strategy was vital in enhancing the competitiveness of firms by ensuring that they align their products with customer needs and emerging trends.

According to the study, the analytical CRM strategy helps Saccos to improve its internal and external processes. Analytical CRM was also found to help Saccos get insight into customer behaviors enabling them to respond appropriately to market changes, thus enhancing their competitiveness. The study's findings relate to a study conducted by Xu and Walton (2015) pointed out that the application of analytical CRM helps organizations to collect key information on their customers, which is analyzed to enhance understanding of customers, ensuring that firms effectively position themselves to enhance competitiveness. Hadi (2015) also established that analytical CRM strategy was key in helping firms constantly evaluate their activities and appropriately position themselves to realize success in the market.

5.3.3 Collaborative CRM Strategy and Competitive Advantage

The study also set out to establish the impacts of collaborative CRM on the competitive advantage of Saccos in Kenya. Findings demonstrate that a unit increase in collaborative CRM strategy would increase Sacco's competitive advantage by 0.389.

The findings of the study are in line with the Resource-based View theory that buttressed this study. The study established that collaborative CRM strategy positively impacts Sacco's competitive advantage by enhancing the effectiveness of collecting and analyzing data across the organization. The collaborative CRM thus acts as a key resource that helps organization to collect and analyze data that enhances its competitive advantage in the market. The results hence support the Resource-based View theory.

The study found that collaborative CRM positively impacts the competitive advantage of Saccos in Kenya. The findings relate to research conducted by Jarrah, Alomari, Alhawari, and Serhan (2020) and Michigan, Kiragu, and Sang (2022) as they established that collaborative CRM plays a critical role in enhancing the innovativeness, efficiency, and effectiveness, thus giving business organizations a competitive advantage. Chakravorti (2019) Their study established that even though collaborative CRM positively contributed to firms gaining competitive advantage, the significance could have been higher as other factors, such as the ability of a business to innovate and effectively use resources to realize competitive advantage. According to this study, a collaborative CRM strategy positively impacts Sacco's competitive advantage by enhancing the effectiveness of collecting and analyzing data across the organization. Collaborative CRM helps integrate internal processes, ensuring organizational efficiency, which is critical for gaining a competitive advantage, is realized. The findings align with Muthigah, Kiragu, and Sang's (2022) study, which established that collaborative CRM enhances efficiency in utilizing skills and competencies across the organization, giving the firm an advantage over competitors. Rungu (2017) also established that collaborative CRM helped enhance teamwork and collaboration in firms, thus enhancing competitive advantage. Further, the study findings relate to research by Muthigah, Kiragu, and Sang (2022) on the effect of human resource capabilities on customer relationship management in private hospitals in Kenya. The study established that collaborative CRM gave a competitive advantage to private hospitals. A collaborative CRM strategy by firms was found to enhance the efficiency with which customer data are collected and analyzed to ensure that quality services are delivered.

5.4 Conclusion

The general objective of the study was to establish the effect of customer relationship management strategies on the competitive advantage of Saccos in Kenya. The study explored different specific objectives. The research had set to determine the effect of operational CRM strategy on the competitive advantage of Saccos. The study concludes that operational CRM plays a critical role in impacting the competitive advantage of Saccos in Kenya. Operational CRM strategy was found to play a key role in ensuring that Saccos can collect customer interaction data and utilize the analyzed data to respond to market changes appropriately. Also, the operational CRM strategy is key in simplifying business processes for Saccos, which enhances its competitive advantage.

The study had set to determine the effect of analytical CRM strategy on competitive advantage of Saccos in Kenya. The research established that CRM strategy positively affects the competitive advantage of Saccos in Kenya. The analytical CRM strategy ensures that firms align their products to customer needs and appropriately respond to emerging market trends, hence gaining a competitive advantage. Also, the analytical CRM strategy helps Saccos to collect and analyze customer data ensuring that customers are provided with appropriate products in the market, thus, enjoying a competitive advantage.

Further, the research had set to establish the impacts of collaborative CRM on competitive advantage of Saccos in Kenya. From the study findings, collaborative CRM somewhat affects the competitive advantage of Saccos in Kenya. It enhances the effectiveness of collecting and analyzing data across the organization. Collaborative CRM helps integrate internal processes, ensuring organizational efficiency, which is critical for gaining a competitive advantage, is realized. Therefore, a collaborative CRM strategy positively affects the competitive advantage of Saccos in Kenya.

5.5 Theoretical Contribution of the Study

The findings of the study make theoretical contribution to the Resource-based View Theory. As per the research findings, customer relationship management strategies are a key resource for an organization to utilize to realize competitive advantage. The research therefore contributes to the theory by expanding the definition of resources as it demonstrates that strategies can be a critical resource that an organization can utilize to enhance their market competitiveness.

The study also makes theoretical contributions to the trust commitment theory. The research findings contribute to the trust commitment theory as the significance of customer relationships is demonstrated. Customer relationship management strategies are illustrated as a key resource in establishing and sustaining relationship with clients which is essential for success in business.

5.6 Recommendations

5.6.1 Policy Recommendations

The study recommends that policymakers at Saccos should promote policies that enhance the adoption and integration of CRM strategies in their operations. CRM-friendly policies will ensure that Saccos sets aside adequate resources to promote the acquisition, adoption, and utilization of CRM technologies within the firm to increase its competitiveness.

At the national level, policymakers should embrace policies that reduce the overall cost of technologies. With the critical roles played by Saccos in the economy, there is a need to facilitate them to increase their competitiveness in the market by reducing their cost of accessing CRM technologies. Reduced cost of CRM technologies will enable Saccos to easily implement CRM strategies to enhance their impact in the economy.

5.6.2 Practitioners

The study recommends that Saccos in Kenya extensively adopt different CRM strategies to enhance their competitive advantages. Adopting CRM strategies will enable Saccos to enhance its services' efficiency, increase product quality, increase brand recognition, and achieve high customer satisfaction. As a result, the Saccos will realize a competitive advantage in the market.

Furthermore, the study recommends that Saccos should embrace modern CRM technologies. With technological changes occurring quickly, there is a need for organizations to ensure that they align with changes in the market. Modern technologies have proved more efficient; thus, adopting new innovative CRM technologies will ensure that Saccos embraces more efficient solutions. As a result, they will be able to adopt the CRM technologies that guarantee increased efficiency in analyzing customer behaviors and responding appropriately, guaranteeing market success.

5.6.2 Areas of Further Research

The current study researched the effects of CRM strategies on the competitive advantages of Saccos in Kenya. Other researchers ought to carry out similar studies but focus on the entire financial industry to establish the effects of CRM strategies on their competitive advantage.

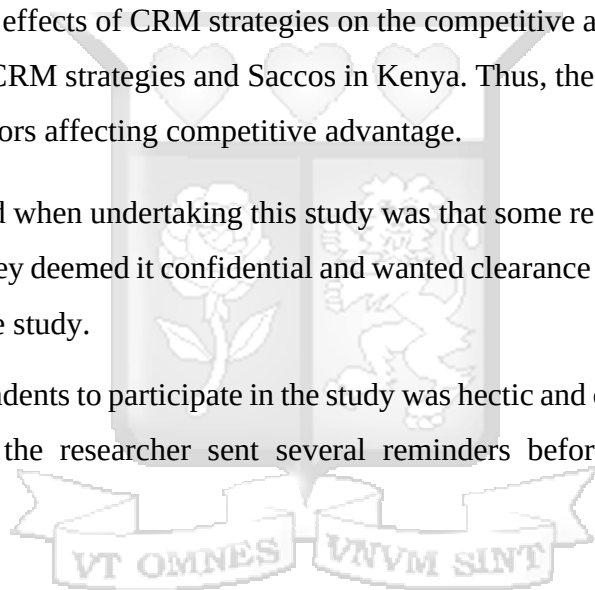
The study would also recommend further research on the effects of CRM strategies on the profitability of Saccos. With the study establishing that the implementation of CRM strategies positively impacts competitive advantages of Saccos, exploring how it specifically impacts profitability of firms will be a key area of interest.

5.7 Limitations of the Study

The study focused on the effects of CRM strategies on the competitive advantages of Saccos. The study was limited to the CRM strategies and Saccos in Kenya. Thus, the analysis data was limited to CRM strategies as factors affecting competitive advantage.

The other limitation faced when undertaking this study was that some respondents were unwilling to share information as they deemed it confidential and wanted clearance from the top management before participating in the study.

Also, getting some respondents to participate in the study was hectic and costly as it involved many follow-ups. Sometimes, the researcher sent several reminders before respondents agreed to participate.



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APPENDICES

Appendix I: Introductory Letter

Jane Akinyi Booker

Box 00200 Nairobi

25/4/2023

Dear respondent,

RE: Data Collection for a Study on the Effect of Customer Relationship Management Strategies on the Competitive Advantage of Saccos in Kenya

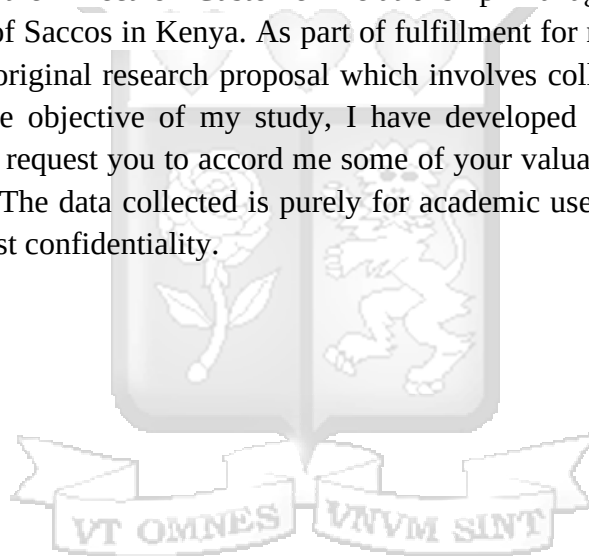
I am a Master of Science in Development Finance student at Strathmore University. I am undertaking a study on the Effect of Customer Relationship Management Strategies on the Competitive Advantage of Saccos in Kenya. As part of fulfillment for my postgraduate degree, I am required to write an original research proposal which involves collecting primary data from respondents. To meet the objective of my study, I have developed a questionnaire aimed at obtaining relevant data. I request you to accord me some of your valuable time to respond to the questionnaire as guided. The data collected is purely for academic use. Any information shared will be treated with utmost confidentiality.

Thanks in advance.

Yours faithfully,



Jane Akinyi Booker.



Appendix II: Informed Consent Form

I consent to participate in the research.

I have been given clear illustration of the study's purpose with detailed explanation on the research objectives as well as the opportunity to ask questions and seek clarification.

I understand that the final research findings will be shared with me at the completion of the study.

I understand that my participation is completely voluntary and the right to withdraw from the study at any time without any implication is guaranteed.

I understand that any information I provide for this study will be confidential and that my identity will remain anonymous.

I understand that I am free to contact any of the research participants for additional clarification and information.

Signature of the research participant

.....

Date:

Signature of the investigator/researcher

.....

Date:



Appendix III: Questionnaire

Introduction

This questionnaire explores the effect of Customer Relationship Management (CRM) strategies on the competitive advantage of Saccos in Kenya. It is to be filled by respondents drawn from the human resource department, marketing and sales departments, operational department, and IT departments. Kindly fill the information as guided.

SECTION A: GENERAL INFORMATION (PLEASE TICK (✓) WHERE APPROPRIATE)

1. Name of your Sacco

.....

2. Name of your department

.....

3. Your current role

.....

4. Please indicate your gender

Male { }

Female { }

5. Please indicate your age group

Below 30 years { }

31-40 years { }

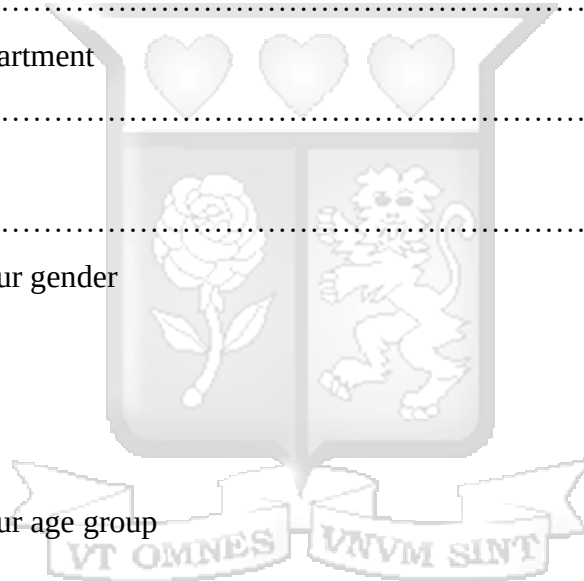
41-50 years { }

51-60 years { }

Over 60 years { }

6. Please state your highest level of education

Diploma ()



Degree ()

Master's ()

Doctorate ()

Others, (specify)

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7. How long have you been serving in your department?

Below 1years { }

1-5 years { }

5-10 years { }

Over 10 years { }

8. Do you have customer relationship management strategy at your firm?

Yes { }

No { }

If yes, please indicate the CRM strategy (ies) that have been implemented at your firm.

a. Operational { }

b. Analytical { }

c. Collaborative { }

9. How long has at least one of the CRM strategies (operational, analytical and collaborative) been implemented at your firm?

a. Less than 1 year { }

b. 1-5 years { }

c. 6-10 years { }

d. More than 10 years { }

SECTION B

OPERATIONAL CRM STRATEGY ON COMPETITIVE ADVANTAGE

In your response, indicate the extent to which you agree with the following statements. Use the scale provided to tick the appropriate response. (1= Strongly disagree, 2=disagree, 3=Undecided, 4=Agree, 5=Strongly agree)

10. The following statement relate to the extent to which operational CRM Strategy affects the competitive advantage of Saccos.

Operational CRM Strategy	1	2	3	4	5
a) Embracing CRM technologies that simplifies sales processes has been critical at enhancing service efficiency at the firm.					
b) Implementing CRM technologies that combines the marketing, sales, and service processes enhances the customers' perceived value of the organization.					
c) Collecting customers' interaction data and analyzing it ensures that we meet the changing customer needs.					
d) Implementing CRM technologies that combines the marketing, sales, and service processes helps in aligning services with customer expectations.					
e) Combining marketing, sales, and service using CRM technologies has been at the core of enhancing customer satisfaction rate.					
f) Operational CRM has positively contributed to our customer retention rate.					

11. Please state any other roles if any, of implementing CRM technologies that combines the marketing, sales, and service processes at your firm on competitive advantage in your organization?

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SECTION C: ANALYTICAL CRM STRATEGY ON COMPETITIVE ADVANTAGE

The following statement relate to the extent to which analytical CRM strategy affect competitive advantage of Saccos. Please state the extent to which you agree or disagree with the following statements on a scale of 1-5 (1= Strongly disagree, 2=disagree, 3=Undecided, 4=Agree, 5=Strongly agree)

The effect of analytical CRM strategy on competitive advantage of Saccos	1	2	3	4	5
a) Collecting and analyzing customer data is critical in getting insight into the different customer behaviors.					
b) Collection of customer data has been crucial to improving the internal and external processes of the organization.					
c) Utilizing CRM tools to collect and analyze customer data has been at the core of effectively positioning our products.					

d) Utilizing CRM tools to collect and analyze customer data has been critical to our understanding of customers and their specific needs.					
e) Utilizing CRM tools to collect and analyze customer data is crucial in ensuring that firms align their products with the customer needs and emerging trends					
f) By collecting and analyzing customer data we have been able to enhance customer loyalty					

12. Kindly expound on any other effect of analytical CRM strategy on enhancing competitive advantage of your firm.

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SECTION D: COLLABORATIVE CRM

13. The following statement relate to the extent to which collaborative CRM impacts your firm.

In your response, indicate the extent to which you agree with the following statements. Use the scale provided to tick the appropriate response. (1= Strongly disagree, 2=disagree, 3=Undecided, 4=Agree, 5=Strongly agree)

Collaborative CRM	1	2	3	4	5
a) My organization integrates the customers, processes, strategies, and insight; allowing all the business					

activities and data to be centralized ensuring that tasks can easily be automated.					
b) Integrating the customers, processes, strategies, and insight ensures that the firm gets customer insight and effectively respond to meet their needs.					
c) Integrating of data through utilization of CRM tools has enabled automation of different functions across the organization ranging from the back-office operation, business management, and customer management.					
d) Different functions across the organization ranging from the back-office operation, business management, and customer management have been automated.					
e) Integrating data has been critical in ensuring that our firm is better positioned to enhance competitiveness.					
f) Integration of customer interaction data enhances the ability to effectively harness the human resource capabilities to enhance the organization's competitiveness.					

14. Kindly expound on any other the impacts of collaborative CRM on Saccos.

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SECTION E: COMPETITIVE ADVANTAGE

15. The following statements relate the competitive advantage of your firm.

Please state the extent to which you agree or disagree with the following statements on a scale of 1-5 (1= Strongly disagree, 2=disagree, 3=Undecided, 4=Agree, 5=Strongly agree)

Competitive advantage	1	2	3	4	5
a) Enhancing the quality of our services has been critical in ensuring that we attract and retain more customers.					
b) Embracing modern technological solutions including CRM has been key in enhancing efficiency and reducing the operational costs.					
c) Utilizing CRM tools to collect and analyze customer data has been at the core of effectively positioning our products.					
d) Enhancing the quality and efficiency of our services has been critical in ensuring that meet the needs of our customers and enhance satisfaction.					
e) Collecting and analyzing customer data has ensured that we provide products meeting the changing customer needs thus enjoying higher customer approval.					
f) Providing high quality services delivery and products has enhanced the brand recognition of our firm in the market.					

16. Kindly expound on any other aspect of competitive advantage (if any) that your firm enjoys.

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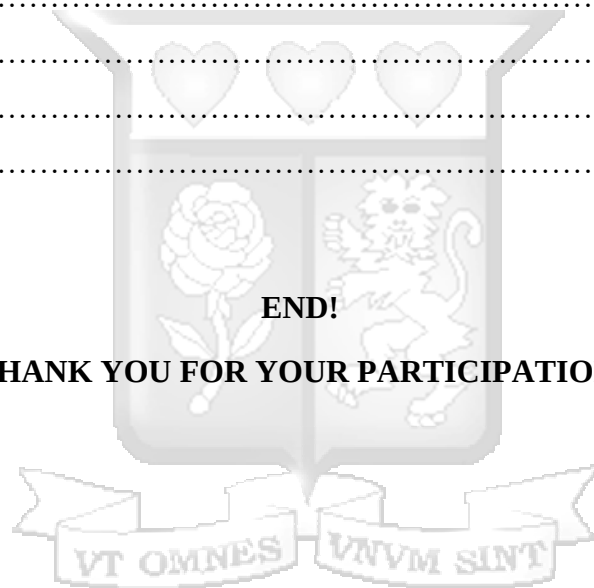
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END!
THANK YOU FOR YOUR PARTICIPATION.



Appendix IV: Licensed Saccos Operating in Nairobi

1. Afya Sacco Society Ltd
2. Airports Sacco Society Ltd
3. Ardhi Sacco Society Ltd
4. Asili Sacco Society Ltd
5. Chai Sacco Society Ltd
6. Chuna Sacco Society Ltd
7. Defence Sacco Society Ltd
8. Elimu Sacco Society Ltd
9. Harambee Sacco Society Ltd
10. Hazina Sacco Society Ltd
11. Jamii Sacco Society Ltd
12. Kencream Sacco Society Ltd
13. Kenpipe Sacco Society Ltd
14. Kenversity Sacco Society Ltd
15. Kenya Bankers Sacco Society Ltd
16. Kenya National Police DT Sacco Society Ltd
17. Kimisitu Sacco Society Ltd
18. Kingdom Sacco Society Ltd
19. Magereza Sacco Society Ltd
20. Maisha Bora Sacco Society Ltd
21. Metropolitan National Sacco Society Ltd
22. Mwalimu National Sacco Society Ltd
23. Mwito Sacco Society Ltd
24. Nacico Sacco Society Ltd
25. Nafaka DT Sacco Society Ltd
26. Nation DT Sacco Society Ltd
27. NSSF Sacco Society Ltd
28. Nyati Sacco Society Ltd
29. Safaricom Sacco Society Ltd
30. Sheria Sacco Society Ltd



31. Shirika Deposit Taking Sacco Society Ltd
32. Shoppers Sacco Society Ltd
33. Stima DT Sacco Society Ltd
34. Strategic-Urembo Sacco Society Ltd
35. Taifa Sacco Society Ltd
36. Taqwa Sacco Society Ltd
37. Telepost Sacco Society Ltd
38. Tembo Sacco Society Ltd
39. Ufanisi DT Sacco Society Ltd
40. Ukristo Na Ufanisi Wa Anglicana Sac- co Society Ltd
41. Ukulima Saco Society Ltd
42. Unaitas Sacco Society Ltd
43. United Nations Sac- co Society Ltd
44. Ushuru Sacco Society Ltd
45. Wanaanga Sacco Society Ltd
46. Wanandege Sacco Society Ltd
47. Waumini Sacco Society Ltd



Appendix V: Ethics Review Approval



25th April 2023

Ms Booker Jane Akinyi,
jane.booker@strathmore.ed

Dear Ms Booker,

RE: Effect of Customer Relationship Management Strategies on the Competitive Advantage of SACCOS in Kenya

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** research proposal. Your application reference number is **SU-ISERC1689/23**. The approval period is from **25th April 2023 to 24th April 2024**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, and MTA) will be used
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- 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 SU-ISERC within 48 hours of notification
- iv. Any changes, anticipated or otherwise, that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 48 hours
- v. Clearance for the 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 the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

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

Yours sincerely,


for: **Dr Ben Ngoye,**
Secretary; SU-ISERC

Cc: Mr Ambrose Rachier,
Chairperson; SU-ISERC



Appendix VI: NACOSTI Permit

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 786380	Date of Issue: 08/May/2023
RESEARCH LICENSE	
	
This is to Certify that Ms. Jane Akinyi Booker of Strathmore 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 CUSTOMER RELATIONSHIP MANAGEMENT STRATEGIES ON THE COMPETITIVE ADVANTAGE OF SACCOS IN KENYA for the period ending : 08/May/2024.	
License No: NACOSTI/P/23/25805	
786380	
Applicant Identification Number	Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
	Verification QR Code
	
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See overleaf for conditions	

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013 (Rev. 2014)
Legal Notice No. 108: The Science, Technology and Innovation (Research Licensing) Regulations, 2014

The National Commission for Science, Technology and Innovation, hereafter referred to as the Commission, was established under the Science, Technology and Innovation Act 2013 (Revised 2014) herein after referred to as the Act. The objective of the Commission shall be to regulate and assure quality in the science, technology and innovation sector and advise the Government in matters related thereto.

CONDITIONS OF THE RESEARCH LICENSE

1. The License is granted subject to provisions of the Constitution of Kenya, the Science, Technology and Innovation Act, and other relevant laws, policies and regulations. Accordingly, the licensee shall adhere to such procedures, standards, code of ethics and guidelines as may be prescribed by regulations made under the Act, or prescribed by provisions of International treaties of which Kenya is a signatory to
2. The research and its related activities as well as outcomes shall be beneficial to the country and shall not in any way;
 - i. Endanger national security
 - ii. Adversely affect the lives of Kenyans
 - iii. Be in contravention of Kenya's international obligations including Biological Weapons Convention (BWC), Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), Chemical, Biological, Radiological and Nuclear (CBRN).
 - iv. Result in exploitation of intellectual property rights of communities in Kenya
 - v. Adversely affect the environment
 - vi. Adversely affect the rights of communities
 - vii. Endanger public safety and national cohesion
 - viii. Plagiarize someone else's work
3. The License is valid for the proposed research, location and specified period.
4. The license any rights thereunder are non-transferable
5. The Commission reserves the right to cancel the research at any time during the research period if in the opinion of the Commission the research is not implemented in conformity with the provisions of the Act or any other written law.
6. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research.
7. Excavation, filming, movement, and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
8. The License does not give authority to transfer research materials.
9. The Commission may monitor and evaluate the licensed research project for the purpose of assessing and evaluating compliance with the conditions of the License.
10. The Licensee shall submit one hard copy, and upload a soft copy of their final report (thesis) onto a platform designated by the Commission within one year of completion of the research.
11. The Commission reserves the right to modify the conditions of the License including cancellation without prior notice.
12. Research, findings and information regarding research systems shall be stored or disseminated, utilized or applied in such a manner as may be prescribed by the Commission from time to time.
13. The Licensee shall disclose to the Commission, the relevant Institutional Scientific and Ethical Review Committee, and the relevant national agencies any inventions and discoveries that are of National strategic importance.
14. The Commission shall have powers to acquire from any person the right in, or to, any scientific innovation, invention or patent of strategic importance to the country.
15. Relevant Institutional Scientific and Ethical Review Committee shall monitor and evaluate the research periodically, and make a report of its findings to the Commission for necessary action.

National Commission for Science, Technology and
Innovation(NACOSTI),
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