

**ANALYSIS OF STRATEGIC PARTNERSHIP DETERMINANTS ON  
PERFORMANCE OF *BODABODA* SAVINGS AND CREDIT CO-OPERATIVE  
SOCIETIES IN THIKA TOWN, KENYA**

**JUSTUS MAINA**



**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENT FOR THE AWARD OF MASTER OF BUSINESS  
ADMINISTRATION  
DEGREE IN STRATEGIC MANAGEMENT OF  
MOUNT KENYA UNIVERSITY**

**MARCH, 2025**

## DECLARATION AND APPROVAL

### DECLARATION BY THE STUDENT

This project is my original work and has not been presented for a degree in any other University or for any other award.

Justus Maina

MBA/2015/30906

Sign..........Date: 28<sup>th</sup> /March/2025

### APPROVAL BY SUPERVISOR

I confirm that the work reported in this project was carried out by the candidate under my supervision

Dr. Lucy Kibe

Signature ..........Date. 28<sup>th</sup> /March/2025

Lecturer,

Department of Management School of Business and Economics

Mount Kenya University

## DEDICATION

This project is dedicated to Thika Town's resilient *Boda Boda* SACCO members, leaders, and partners advancing financial inclusion and sustainable growth for small-scale entrepreneurs.



## ACKNOWLEDGEMENTS

I owe a great deal to God's grace for guiding me through this research project's challenging situation and my university supervisor Dr. Lucy Kibe, who has always been sincere and helpful in helping me comprehend various research rigorous and conceptual issues in my research. I would also like to acknowledge my colleagues and friends who provided moral support and encouragement throughout this journey. Your belief in me kept me motivated and focused. Finally, I am profoundly grateful to my family for their constant love, patience, and support. Your sacrifices and understanding have been the bedrock of my perseverance. This study would not have been possible without the contributions of all these individuals and institutions. Thank you all for your invaluable support.



Mount Kenya

## ABSTRACT

The *Boda Boda* industry in Kenya has witnessed significant growth in recent years, with Savings and Credit Co-operative Societies (SACCOs) emerging as key players in providing financial services to *Boda Boda* operators. The purpose of this study was to analyze strategic partnerships on the performance of *Boda Boda* SACCOs in Thika Town. The research objectives of the study included; to establish the effects of capital accessibility on performance of *Boda Boda* SACCOs in Thika town; to determine the effects of supplier relationship on performance of *Boda Boda* SACCOs in Thika town and to access the effects of marketing relationship on performance of *Boda Boda* SACCOs in Thika town. The literature was reviewed thematically guided by research objectives. Resource Dependence Theory (RDT) and Cooperative Theory were applied in this study. Also, a conceptual framework was used to explain the linkage between the research themes. The study employed a descriptive research design. The target population in this study was all the registered *Boda Boda* SACCOs and all the licensed Savings and Credit Co-operative Societies Companies working with *Boda Boda* SACCOs within Thika town. This study used Yamane Taro's formulae to calculate the sample size of (89). Purposive sampling method was used to sample managers of SACCOs and chairpersons of *Boda Boda* SACCOs and stratified sampling was used to sample members of *Boda Boda* SACCOs. Both questionnaires and interviews were used, where chairpersons of the *Boda Boda* SACCOs and SACCO managers were interviewed and questionnaires administered to *Boda Boda* SACCO members. Ethical considerations were observed by obtaining research permit from NACOSTI, obtaining informed consent from the participants and their identities and responses was kept confidential. The collected data was coded, and quantitative data was analyzed using descriptive and inferential statistics while qualitative data was analyzed using content analysis. The analyzed data was presented in tables, frequencies and percentages. Findings revealed that capital accessibility significantly impacts *Boda Boda* operator performance, with a positive correlation between loan accessibility and business success. However, a significant portion of respondents reported dissatisfaction with the adequacy of capital provided by their SACCOs, highlighting the need for improved financial offerings and strategic partnerships with mainstream financial institutions. Supplier relationships were found to be positively influencing performance of *Boda Boda* operators, emphasizing the importance of collaborative partnerships. Marketing relationships was also found to be playing a crucial role in attracting members, with a strong positive perception of current marketing strategies. A chi-square analysis demonstrated a statistically significant association between marketing relationship strength and *Boda Boda* operator performance, indicating that strong marketing relationships lead to higher performance levels. The study recommends enhancing financial literacy programs for *Boda Boda* SACCO members, streamlining loan application processes, and strengthening internal capital mobilization, adoption of digital marketing tools by mainstream SACCOs and the need to focus on customer centered marketing strategies. In terms of policy, the study recommends the need for streamlining the formalization process for *Boda Boda* SACCOs, promoting financial inclusion through partnerships with mainstream financial institutions. Further research should focus on studies of digital financial services, barriers to female participation in *Boda Boda* business, and analyzing the effects of financial literacy on SACCO member satisfaction and retention.

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## LIST OF ABBREVIATIONS AND ACRONYMS

**KIPs:** Key Performance Indicators

**NTSA:** National Transport and Safety Authority

**PEST:** Political, Economic, Social and Technological factors

**SACCOs:** Savings and Credit Cooperatives Societies

**SASRA:** Sacco Societies Regulatory Authority

**SPI:** Strategic Performance Indicators

**SPM:** Strategic Performance Measurement

**UAE:** United Arab Emirates



## CHAPTER ONE

### INTRODUCTION

#### 1.0 Introduction

This chapter discusses the historical background of the study drawing examples from the global, continental, regional and local perspectives. Statement of the problem, the research objectives guiding the study, significance, scope, limitations, delimitations, assumptions of the study and operational definitions of key terms as used in the study will be highlighted in this section.

#### 1.1 Background of the Study

In the 21<sup>st</sup> Century, the motorcycle taxi industry has emerged as a significant player in urban and rural transportation networks globally. As this industry continues to expand, Savings and Credit Cooperative Societies (SACCOs) have become pivotal in addressing the financial needs and enhancing the socio-economic well-being of motorcycle taxi operators. The *Boda Boda* industry globally has seen remarkable growth, largely due to the strategic partnerships between *Boda Boda* Savings and Credit Cooperative Societies (SACCOs) and more established SACCOs. These partnerships have been instrumental in providing financial services and operational support to *Boda Boda* operators, enhancing their performance and sustainability (Wambua et al., 2018).

Strategic partnerships benefit *Boda Boda* Sacco's with its enhanced financial accessibility they provide to *Boda Boda* operators. Many operators face challenges in securing loans from traditional banks due to lack of collateral and formal financial records. SACCOs, through their member-focused approach, offer tailored financial products that meet the specific needs of *Boda Boda* operators. This includes low-interest loans, flexible repayment schedules, and

savings plans (Muthee & Mwangi, 2020). Beyond financial services, strategic partnerships also offer operational support to *Boda Boda* operators. This includes training on financial literacy, business management, and safe riding practices. Such training helps operators manage their finances better, enhance their service quality, and reduce operational risks (Shaheen & Cohen, 2020). According to Odhiambo et al., (2021) strategic partnerships enhance the collective bargaining power of *Boda Boda* operators. By pooling resources and negotiating as a group, *Boda Boda* SACCOs secure better terms for supplies, insurance, and other essential services. This collective approach reduces costs and improves the overall sustainability of the operators' businesses.

The concept of cooperative societies, akin to SACCOs, has a rich historical legacy in the United States, dating back to the 19th century. The cooperative movement gained momentum during periods of economic instability, where marginalized communities sought collective solutions to address financial challenges and promote social welfare (Scheumann, 2020). In the early 20th century, credit unions emerged as a prominent form of cooperative financial institutions in the United States, providing affordable financial services to under-served populations. These early credit unions primarily served specific occupational or community-based groups, echoing the principles of mutual aid and solidarity inherent in SACCOs (Filene Research Institute, 2021). In 20 and 21 centuries, the cooperative movement in the United States has witnessed a resurgence of interest, driven by factors such as growing income inequality, dissatisfaction with traditional banking practices, and a renewed emphasis on community-based economic development (Mckinley, 2019). Within the transportation sector, analogous to the *Boda Boda* industry in other regions, emerging models of shared mobility and micro-entrepreneurship have spurred the formation of cooperative ventures aimed at addressing the financial and operational needs of independent contractors, including taxi drivers, delivery couriers, and ride-hailing drivers (Shaheen & Cohen, 2020).

Historically, motorcycle taxis have operated in various forms in the UK, particularly in cities where traffic congestion and limited public transportation options have created a demand for alternative modes of travel (Scoots Hire, 2020). While not as widespread as traditional taxi services or ride-sharing platforms, motorcycle taxis have catered to niche markets by offering quick and convenient transportation for short-distance trips, especially during peak traffic hours or special events. The mainstream Savings and Credit Cooperative Societies (SACCOs) have historically served as community-based institutions providing savings, credit, and other financial services to their members, including motorcycle taxi operators (Clarke & Clegg, 2019). The strategic partnerships between *Boda Boda* SACCOs and the main stream SACCOs play a crucial role in enhancing the performance and sustainability of the *Boda Boda* industry through capital accessibility, formation of alliances with suppliers of motorcycles in order to improve *Boda Boda* performance (Muthee & Mwangi, 2020).

In China the motorcycle taxi industry has a long history dating back several decades, particularly in urban areas where traffic congestion and limited public transportation options have created demand for efficient and affordable mobility solutions (Wang & Cheng, 2020). Concurrently, the cooperative movement in China has experienced renewed interest and growth, particularly in the context of rural development and poverty alleviation initiatives (Wu & Yang, 2020). Savings and Credit Cooperative Societies (SACCOs) in China have played a vital role in providing financial services to motorcycle taxi industry (Zhang & Wang, 2019).

In India, the motorcycle taxi industry, commonly known as "auto-rickshaws taxis," has a deep-rooted history, serving urban and peri-urban areas with affordable and convenient mobility solutions (Singh & Kaur, 2021). The cooperative movement in India, dating back to the pre-independence era, was championed by Mahatma Gandhi to empower rural communities through cooperative enterprises (Mehta & Reddy, 2019). Mainstream Savings

and Credit Cooperative Societies (SACCOs) have strategically partnered with *Boda Boda* SACCOs to promote cooperative principles of collective ownership, democratic governance, and mutual support among auto-rickshaw drivers. These partnerships have enhanced the economic stability and performance of the motorcycle taxi industry by providing financial services, operational resources, and training (Das & Reddy, 2020).

In South Africa, the motorcycle taxi industry, known locally as "*boda-bodas*" or "motorcycle taxis," has seen significant growth and formalization over recent years, largely driven by urbanization and the demand for affordable transportation options (Muzenda & Chikodzi, 2020). Mainstream Savings and Credit Cooperative Societies (SACCOs) have strategically partnered with *Boda Boda* SACCOs to enhance the industry's performance and economic impact. These partnerships primarily focus on improving capital accessibility for *Boda Boda* operators. Mainstream SACCOs provide tailored financial products, including low-interest loans and flexible repayment plans, enabling operators to purchase and maintain their motorcycles, thereby enhancing their operational efficiency and financial stability (Letsoalo & Mangena, 2021).

Additionally, supplier relationships have been strengthened through these partnerships. By negotiating bulk purchase discounts and favorable payment terms with suppliers of motorcycles, spare parts, and fuel, mainstream SACCOs help reduce operational costs for *Boda Boda* operators. This ensures that operators have access to affordable and reliable resources necessary for their daily operations (Mokwena & Mwamwenda, 2019).

Marketing relationships are also a crucial aspect of these partnerships. Mainstream SACCOs leverage their marketing expertise to boost the visibility and reputation of *Boda Boda* services. This involves promoting the services through digital platforms, launching promotional campaigns, and implementing loyalty programs to attract and retain customers (Mutangadura et al., 2020). Through these strategic partnerships, mainstream SACCOs and

*Boda Boda* SACCOs in South Africa are fostering economic empowerment, social cohesion, and sustainable growth within the motorcycle taxi industry.

In Nigeria the motorcycle taxi industry, commonly known as "*okada*," has a long-standing presence and has played a vital role in the country's urban transportation landscape (Olukoshi & Chukwu, 2020). Historically, motorcycle taxis emerged as a response to the inadequacies of formal public transportation systems, particularly in densely populated urban centers where traffic congestion and limited road infrastructure posed significant challenges to mobility (Ajiboye & Agunloye, 2021). In 21<sup>st</sup> Century, the cooperative movement in Nigeria has gained traction as a means of promoting economic empowerment and social development, particularly within the informal sector (Ogundipe & Afolabi, 2020). The strategic partnership between Savings and Credit Cooperative Societies (SACCOs) and the motorcycle taxi SACCOs in Nigeria which have allowed capital accessibility have seen the expansion of the motorcycle taxi industry.

In Uganda, the motorcycle taxi industry, known as "*boda-bodas*," plays a vital role in the country's transportation network and socio-economic landscape (Mugume et al., 2021). Historically, the term "*boda-boda*" originated from bicycles used to transport people across the Kenya-Uganda border, evolving over time to include motorcycle taxis (Nabwire & Olupot, 2019). Mainstream SACCOs in Uganda have strategically partnered with *Boda Boda* SACCOs to enhance financial inclusion and support the industry's growth. These partnerships involve providing tailored financial products such as low-interest loans and flexible savings plans, enabling *Boda Boda* operators to purchase and maintain motorcycles. Additionally, mainstream SACCOs offer training on financial management and business development, equipping *Boda Boda* operators with the skills needed to improve their livelihoods and contribute to the local economy (Kyamanywa, 2020). These strategic collaborations strengthen the *boda-boda* sector, fostering economic empowerment and social development

within Uganda's informal sector.

In Kenya the motorcycle taxi industry in Kenya, popularly known as "*boda-bodas*," originated from the practice of transporting people across the Kenya-Uganda border on bicycles during the 1960s (Odhiambo et al., 2021). Over time, bicycles were replaced by motorcycles, which became ubiquitous in Kenya and quickly gained popularity due to their flexibility, accessibility, and ability to navigate through congested traffic more efficiently than larger vehicles. The strategic partnership between *Boda Boda* SACCOs have witnessed the rise of motorcycle taxi industry Kenya.

One-way SACCOs have partnered with *Boda Boda* industry is by providing financial services tailored to the needs of motorcycle taxi operators. This includes offering savings accounts, credit facilities, and insurance products designed specifically for *Boda Boda* members (Muthee & Mwangi, 2020). By understanding the cash flow patterns and income volatility inherent in the *Boda Boda* business, SACCOs can customize their financial offerings to meet the liquidity needs and risk management requirements of motorcycle taxi operators. Moreover, SACCOs have collaborated with *Boda Boda* SACCOs to promote financial literacy and entrepreneurship among motorcycle taxi operators. This involves organizing training sessions, workshops and seminars on topics such as budgeting, savings management, and business planning (Muthee & Mwangi, 2020). By enhancing the financial literacy and business acumen of *Boda Boda* members, SACCOs contribute to the long-term sustainability and resilience of the motorcycle taxi industry. Also, SACCOs in Kenya facilitates access to formal markets and value chains for *Boda Boda* operators through strategic partnerships and linkages. This includes negotiating preferential deals with suppliers, service providers, and other stakeholders in the transportation ecosystem. By leveraging their networks and collective bargaining power, SACCOs enable *Boda Boda* operators to access goods, services and opportunities that would otherwise be unavailable or unaffordable to individual riders.

Through tailored financial services, capacity-building initiatives, and market linkages, SACCOs contribute to the socio-economic empowerment and financial inclusion of *Boda Boda* operators, while also fostering the growth and sustainability of the motorcycle taxi industry (Muthee & Mwangi, 2020).

The evolution of Thika's *Boda Boda* transportation sector reflects its dynamic growth trajectory and changing mobility needs. While traditional modes of transportation, such as buses and matatus (minibus taxis), have long been prevalent in Thika, the emergence of motorcycle taxis has reshaped the town's transportation landscape in recent years (Mwaura et al., 2019). *Boda Bodas* have become a popular mode of transportation in Thika, offering convenient and affordable mobility solutions, especially for short-distance travel within the town and its environs (Kimemia et al., 2020). The proliferation of *Boda Bodas* has been driven by factors such as population growth, urban congestion, and the need for flexible transportation options. Against this backdrop, the historical background of Thika provides a contextual foundation for studying the dynamics of the motorcycle taxi industry and its interactions with cooperative finance institutions, such as Savings and Credit Cooperative Societies (SACCOs). By understanding Thika's historical trajectory and socio-economic context, this study can gain insights into the factors influencing the adoption, growth and impact of motorcycle taxis and its strategic relationship with Savings and Credit Cooperative Societies (SACCOs) in Thika town.

### **1.1.1 Performance of SACCOs**

Savings and Credit Co-operative Societies (SACCOs) have emerged as significant financial institutions that play a crucial role in providing financial services to the underserved populations, particularly in developing countries. The performance of SACCOs is influenced by a multitude of factors, including governance, financial management practices, regulatory frameworks, and external economic conditions. Effective governance and leadership are

critical determinants of SACCO performance. Strong governance structures ensure that SACCOs are managed transparently and accountably, which builds trust among members and stakeholders. According to Mwaura and Ngugi (2022), governance practices such as regular auditing, transparent decision-making processes, and active member participation contribute significantly to the sustainability and success of SACCOs. Furthermore, SACCOs with strong leadership are more likely to adapt to changes in the financial environment and adopt innovative practices that enhance their competitiveness.

The financial performance of SACCOs is closely tied to their financial management practices. This includes effective credit management, investment strategies, and risk management practices. Poor financial management can lead to issues such as liquidity crises, high default rates, and eventually, the collapse of the SACCO. According to Mwangi (2023), SACCOs that employ robust financial management practices, including regular financial reporting, sound investment policies, and prudent lending practices, tend to perform better in terms of profitability and sustainability. Credit management is particularly crucial for SACCOs, as they primarily offer loans to their members. Poor credit management can result in high levels of non-performing loans (NPLs), which can significantly affect the SACCO's profitability and capital base. Njeri and Kamau (2023) emphasize that SACCOs with stringent credit assessment procedures and effective loan recovery strategies tend to have lower NPL ratios, thereby enhancing their financial performance.

The regulatory environment in which SACCOs operate also plays a significant role in their performance. Regulatory bodies establish the rules and guidelines that govern the operations of SACCOs, ensuring that they operate within the law and maintain financial stability. For instance, in Kenya, the SACCO Societies Regulatory Authority (SASRA) provides oversight and ensures that SACCOs adhere to sound financial practices (SASRA, 2022). According to Kinyua (2023), SACCOs operating in well-regulated environments tend to exhibit better

financial health, as regulations help mitigate risks such as fraud, mismanagement, and insolvency. However, overly stringent regulations can sometimes hinder the growth and innovation of SACCOs. Therefore, there needs to be a balance between regulation and flexibility to allow SACCOs to thrive while maintaining financial stability. As noted by Obara and Njoroge (2023), regulatory frameworks should be designed to support the growth of SACCOs while ensuring that they adhere to minimum standards of financial soundness and member protection.

The broader economic environment also affects the performance of SACCOs. Economic conditions such as inflation rates, interest rates, and unemployment levels can influence the financial health of SACCOs. During economic downturns, SACCOs may experience increased loan defaults as members struggle to meet their financial obligations. On the other hand, favorable economic conditions can lead to higher savings rates and increased loan uptake, which boosts the SACCO's performance (Mutua & Ndegwa, 2023). SACCOs that are able to anticipate and adapt to changes in the economic environment are more likely to sustain their operations and maintain financial stability. For instance, SACCOs that diversify their income streams and adopt flexible lending policies are better equipped to weather economic challenges (Wambua & Mwende, 2023).

In 21<sup>st</sup> Century, the adoption of technology has become a critical factor in the performance of SACCOs. The integration of digital platforms for savings, lending, and member management has enabled SACCOs to improve their efficiency and reach more members. According to Kariuki and Wanjohi (2023), SACCOs that have embraced technology, such as mobile banking and online platforms, have seen significant improvements in service delivery and member satisfaction. Technology not only enhances operational efficiency but also helps SACCOs to expand their market reach and offer innovative financial products. However, the adoption of technology also presents challenges, particularly for SACCOs with limited

resources. The cost of implementing and maintaining digital platforms can be prohibitive for smaller SACCOs, potentially leading to a digital divide within the sector (Mureithi & Kimani, 2023).

## **1.2 Statement of the Problem**

Despite the significant growth and proliferation of motorcycle taxi operations, particularly in urban centers like Thika in Kenya, there remains a lack of comprehensive understanding regarding the challenges faced by motorcycle taxi operators and the potential role of mainstream cooperative finance institutions, such as Savings and Credit Cooperative Societies (SACCOs), in addressing these challenges. Motorcycle taxis, commonly known as *Boda Bodas*, play a vital role in providing affordable and accessible transportation services. However, operators often encounter issues related to financial insecurity, lack of access to formal financial services, and limited opportunities for socio-economic advancement. Empirical evidence suggests that these challenges significantly impact the performance and welfare of *Boda Boda* operators. For instance, a survey conducted by the Kenya Institute for Public Policy Research and Analysis (KIPPRA) in 2020 found that 68% of motorcycle taxi operators in Thika faced financial constraints that hindered their business operations and growth. Additionally, 55% of operators lacked access to essential financial services, such as loans and savings accounts, which are critical for their economic stability and advancement. This demonstrates the financial precocity and limited access to resources that *Boda Boda* operators face, hindering their ability to thrive economically.

Research conducted by Ndungu et al., (2019) highlighted a gap in the financial products and support services tailored specifically for *Boda Boda* operators by mainstream SACCOs. Their study indicated that only 40% of *Boda Boda* operators were aware of SACCOs, and a mere 25% were members of any SACCO. This indicates a significant disconnect between mainstream SACCOs and *Boda Boda* operators, suggesting the need for strategic partnerships

to bridge this gap. The low awareness and membership rates suggest that SACCOs are not effectively reaching this vital segment of the transportation sector, which limits the potential for financial inclusion and economic support that mainstream SACCOs could provide to *Boda Boda* SACCOs.

Furthermore, previous studies by Mwangi and Ouma (2018) established that while mainstream SACCOs have played a crucial role in enhancing financial inclusion in Kenya, there is limited research on the specific impact of mainstream SACCO-*Boda Boda* SACCO partnerships on the performance and welfare of *Boda boda* operators. Their research identified a gap in understanding the determinants of effective strategic partnerships between mainstream SACCOs and *Boda Boda* SACCOs, and how these partnerships can be leveraged to improve the financial and socio-economic outcomes for motorcycle taxi operators. This points to the precise gap existing in the study: there is a lack of targeted research on the strategic partnership determinants that can enhance the performance of *Boda Boda* SACCOs, specifically in areas such as capital accessibility, supplier relationships, and marketing relationships.

To address this gap, it is essential to explore how mainstream SACCOs can form strategic partnerships with *Boda Boda* SACCOs to provide tailored financial services that meet the unique needs of *Boda Boda* operators. This includes understanding the specific financial products that can help operators overcome financial constraints, the role of supplier relationships in ensuring affordable and reliable access to motorcycles and spare parts, and the impact of marketing relationships on expanding the customer base and improving business visibility. By focusing on these strategic partnership determinants, this research will provide valuable insights into how to support and enhance the performance of *Boda Boda* operators, ultimately contributing to the economic development of urban centers like Thika.

### **1.3 Purpose of the Study**

The purpose of this study was to analyze the effect of strategic partnership determinants on performance of *Boda Boda* Savings and Credit Co-Operative Societies (SACCOs) in Thika town, Kenya.

### **1.4 Research Objectives**

This study was based on the following specific objectives:

- i. To establish the effects of capital accessibility on performance of *Boda Boda* SACCOs in Thika town
- ii. To evaluate the effects of supplier relationship on performance of *Boda Boda* SACCOs in Thika town
- iii. To assess the effects of marketing relationship on performance of *Boda Boda* SACCOs in Thika town

#### **1.4.1 Research Questions**

- i. What are the effects of capital accessibility on performance of *Boda Boda* SACCOs in Thika town?
- ii. What are the effects of supplier relationship on performance of *Boda Boda* SACCOs in Thika town?
- iii. What are the effects of marketing relationship on performance of *Boda Boda* SACCOs in Thika town?

### **1.5 Justification of the Study**

To effectively present the insights and implications of this study, it is essential to structure the discussion under relevant sub-headings for each stakeholder group. This approach will allow for a clearer understanding of how the findings can impact different stakeholders involved in the strategic partnership between *Boda Boda* SACCOs and mainstream SACCOs.

This study provides *Boda Boda* SACCOs with valuable insights into the determinants of

successful partnerships with mainstream SACCOs. Understanding these factors will enable *Boda Boda* SACCOs to strengthen their operational capabilities, improve financial management, and leverage the expertise and resources of mainstream SACCOs. The research findings will lead to better access to tailored financial products, such as affordable loans and savings accounts, which are crucial for the financial growth and stability of *Boda Boda* SACCOs. This would not only reduce financial insecurity but also support business expansion, ultimately improving the socio-economic well-being of their members.

For mainstream SACCOs, this study opens up a new market segment by exploring opportunities to partner with *Boda Boda* SACCOs. The research will help these SACCOs understand the unique needs and challenges faced by *Boda Boda* SACCOs, enabling them to develop and offer tailored financial products and services. By partnering with *Boda Boda* SACCOs, mainstream SACCOs can expand their membership base, increase their financial portfolio, and enhance their social impact by contributing to the financial inclusion of underserved groups.

The findings of this study have significant implications for policymakers and regulators in the financial and transportation sectors. By identifying the determinants of successful strategic partnerships between *Boda Boda* SACCOs and mainstream SACCOs, this research can inform the development of policies and regulatory frameworks that support and promote such collaborations. Policymakers can use the data generated to create targeted interventions that enhance financial inclusion for *Boda Boda* SACCOs and promote innovation in cooperative finance. Regulatory bodies can also benefit from understanding the dynamics of these partnerships, allowing them to craft regulations that foster sustainable growth and protect the interests of all stakeholders involved.

The cooperative finance sector as a whole will benefit from the findings of this study. By exploring the innovative partnership models between *Boda Boda* SACCOs and mainstream

SACCOs, this research will contribute to the broader understanding of how cooperative finance can be leveraged to address the needs of diverse groups. The study's findings will guide the development of new cooperative finance strategies that are inclusive, sustainable, and responsive to the unique challenges of different sectors. Moreover, the insights gained can promote the adoption of best practices in cooperative finance, leading to the overall growth and stability of the sector.

For researchers and academics, this study addresses a critical gap in the existing literature by focusing on the intersection of cooperative finance and the transportation sector. By examining the determinants and impacts of strategic partnerships between *Boda Boda* SACCOs and mainstream SACCOs, this research will provide a foundation for further studies on similar collaborations in other sectors. It will also offer a comprehensive analysis that can be used as a reference point for future. The study's findings will also contribute to the academic discourse on how strategic partnerships can enhance the effectiveness and reach of cooperative financial institutions

Generally, the findings of this study will inform the formulations of targeted interventions aimed at enhancing the financial inclusion and socio-economic well-being of motorcycle taxi operators. This research will bridge the gap between theory and practice, providing actionable insights for all stakeholders involved in the cooperative finance and transportation sectors.

### **1.6 Scope of the Study**

The study focused specifically on Thika, Kenya, as the primary research area due to its significance as an urban center with a thriving motorcycle taxi industry and the presence of SACCOs. The study explored the determinants of strategic partnerships between main stream SACCOs and *Boda Boda* SACCOs guided by thematic scope centered on the following strategic partnership determinants: Capital accessibility, supplier relationship and marketing relationship. In terms of theoretical scope, this study was grounded in Resource Dependence

Theory (RDT) and Cooperative Theory. These theories provided a lens through which the study examined the dependencies and organizational behaviors that shape cooperative partnerships.

### **1.7 Limitations of the Study**

This study was limited by inadequate and inconclusive literature on the effect of strategic partnership determinants on the performance of *Boda Boda* Savings and Credit Cooperative Societies (SACCOs) in Thika town. To address this limitation, the researcher made extensive efforts to review related literature widely to clarify the study variables effectively. This thorough review included both local and international sources to ensure a comprehensive understanding of the topic. Given that the study employed structured questionnaires written in English to collect data, there were challenges with some respondents comprehending the questions. To mitigate this, the researcher was available to simplify and explain the questions to ensure they were easily understood by the respondents. This approach helped in obtaining accurate and meaningful responses. Also, low response rates from mainstream SACCO managers were anticipated. To mitigate this, the researcher booked appointments well in advance and made follow-up calls to increase the response rate. Personal visits and follow-ups were conducted to encourage participation and ensure the collection of necessary data.

The study utilized Resource Dependence Theory (RDT) which emphasizes the need for organizations to acquire external resources to reduce uncertainty and dependence. However, RDT overlooked the collaborative and mutual support aspects crucial in the context of SACCOs, focusing more on competitive dynamics rather than cooperative relationships. To overcome the weaknesses of Resource Dependence Theory, Cooperative Theory was incorporated to address this limitation in order to highlighting the importance of mutual aid, collective decision-making, and shared benefits within SACCOs. The theory emphasizes trust, solidarity, and joint efforts, complementing RDT's focus on resource acquisition by

fostering a collaborative environment that enhances the performance of *Boda Boda* SACCOs. In terms of threats to internal validity, the differences between participants who choose to participate and those who do not could affect the results. To mitigate this, the researcher used stratified sampling to ensure that various subgroups within the *Boda Boda* SACCOs are adequately represented.

By acknowledging these limitations and employing the mentioned mitigation strategies, the study aimed to provide a comprehensive and reliable analysis of the strategic partnership determinants on the performance of *Boda Boda* SACCOs in Thika town.

### **1.8 The Study's Delimitation**

The study mainly focused on the analysis of the effect of strategic partnership determinants on performance of *Boda Boda* Savings and Credit Co-Operative Societies (SACCOs) in Thika town, Kenya. This study adopted the quantitative research approach using the survey design. Questionnaires will be self-administered for *Boda Boda* Sacco members and as such, the researcher had an opportunity to guide any illiterate member to provide appropriate answers to questionnaire items accordingly. The study also used interview schedule whereby *Boda Boda* chairpersons and managers of main stream SACCOs were interviewed.

### **1.9 Assumptions of the Study**

The study assumed that main stream SACCOs and *Boda Boda* SACCOs are willing and able to engage in strategic partnerships aimed at supporting *Boda Boda* operators. This assumption implies a degree of cooperation, collaboration, and mutual interest among cooperative finance institutions and *Boda Boda* SACCOs. The study also assumed that the data collected from the respondents was accurate, reliable and representative of the population under study. Lastly, the study assumed that strategic partnerships between main stream SACCOs and *Boda Boda* SACCOs have the potential to benefit *Boda Boda* operators and that capital accessibility, supplier and marketing relationship between main stream

SACCOs and *Boda Boda* SACCOs determines performance of *Boda Boda* operators.

### 1.10 Operational Definition of Key Terms

***Boda Boda*:** Motorcycle taxis commonly used for transportation in various parts of Africa

**Capital Accessibility:** The ease with which *Boda Boda* SACCOs can obtain financial resources, including loans, credit facilities, and investment funds, from mainstream SACCOs or other financial institutions. It refers to the availability, affordability, and suitability of financial products that enable the SACCOs to support their members' economic activities and growth.

**Financial Sustainability:** The ability of *Boda Boda* SACCOs to maintain their operations and services over the long term without compromising their financial health. This involves generating sufficient revenue, managing expenses, and building reserves to ensure continued service delivery to members, even in the face of economic challenges or changes in the market environment.

**Main Stream Savings and Credit Co-operative Societies (SACCOs):** Financial cooperatives that mobilize savings from members and provide credit and other financial services to their members.

**Marketing Relationship:** The collaborative efforts between *Boda Boda* SACCOs and other stakeholders to promote and market financial products and services to potential and existing members. This relationship involves strategies for customer engagement, brand building, and market expansion, with the goal of enhancing the visibility and competitiveness of the SACCOs in the financial market.

**Performance:** The effectiveness and efficiency of SACCOs in achieving their objectives and meeting the needs of their members.

**Strategic Partnership Framework:** A structured approach to collaboration between *Boda*

*Boda* SACCOs and mainstream SACCOs that outlines the governance structures, risk-sharing mechanisms, and conflict resolution strategies necessary to enhance the performance and sustainability of both parties involved. It serves as a blueprint for establishing and managing partnerships that align with the strategic goals of the organizations.

**Strategic Partnerships:** Collaborative relationships established between SACCOs and other organizations, such as financial institutions to achieve shared goals and objectives.

**Supplier Relationship:** The ongoing interaction and cooperation between *Boda Boda* SACCOs and their suppliers, including financial institutions, equipment providers, or service vendors. This relationship is characterized by mutual trust, communication, and shared objectives to ensure the timely and efficient supply of goods and services essential for the SACCOs' operations.



Mount Kenya University

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter provides a comprehensive review of existing literature relevant to the study's objectives. It reviewed literature pertaining to the influence of capital accessibility on the performance of SACCOs operating within the *Boda Boda* sector, the literature on supplier relationships and its implications for *Boda Boda* SACCOs performance and lastly it reviewed the literature on marketing strategies, customer relationship management and branding initiatives adopted by *Boda Boda* SACCOs to attract and retain members. To guide the discussion, this section presents a conceptual framework that illustrates the interplay between strategic partnership determinants and the performance of *Boda Boda* SACCOs. At the end of this chapter recap of the literature will be provided.

#### **2.1 Empirical Literature Review**

The empirical literature reviewed in this study explored studies that have examined the effects of capital accessibility, supplier relationships, and marketing relationships on SACCO performance. By analyzing empirical evidence from various contexts, the review highlighted gaps in the current literature and provided a foundation for understanding how these strategic partnership determinants influence the operational efficiency, financial stability and overall success of *Boda Boda* SACCOs in Thika Town, Kenya.

#### **2.2 Capital Accessibility on Performance Boda Boda SACCOs**

Capital accessibility plays a critical role in the performance and sustainability of Savings and Credit Cooperative Societies (SACCOs), particularly those serving niche markets like *Boda Boda* operators. According to a study by Mwangi (2021), access to adequate capital is

essential for SACCOs to meet the financial needs of their members, including providing loans, savings facilities, and other financial services that enhance the economic activities of *Boda Boda* operators. *Boda Boda* SACCOs, like other cooperative societies, rely heavily on capital to support their operations and expand their services. A study by Kariuki and Omwenga (2022) highlighted that the performance of *Boda Boda* SACCOs is significantly influenced by their ability to access and manage capital. The study found that SACCOs with better capital accessibility could offer competitive loan products, maintain liquidity, and achieve higher levels of member satisfaction. Conversely, limited access to capital was linked to challenges such as delayed loan disbursement, high-interest rates, and reduced financial stability, which ultimately impacted the SACCOs' performance.

Further, Njoroge (2023) examined the impact of financial accessibility on the growth of *Boda Boda* SACCOs in Kenya and found that capital accessibility was a key determinant of growth. SACCOs with greater access to capital were able to invest in technology, expand their outreach, and offer a wider range of financial products. This, in turn, attracted more members and increased the SACCOs' financial base, leading to better overall performance. However, challenges remain in accessing capital, particularly for smaller SACCOs that may lack the collateral or credit history required by mainstream financial institutions. As noted by Kamau and Wambugu (2023), improving capital accessibility for *Boda Boda* SACCOs requires targeted interventions, including the development of tailored financial products and partnerships with larger financial institutions. Empirical literature on the capital accessibility and performance of Savings and Credit Cooperative Societies (SACCOs), especially within the *Boda Boda* industry, provides a wealth of evidence highlighting the critical role of capital in driving SACCO performance and sustainability. In a study done by Ammar (2020) which investigated the role of financial institutions, such as banks and microfinance institutions, in providing capital to *Boda Boda* SACCOs, it was found that the size of a SACCO, its

creditworthiness, and its compliance with regulatory requirements significantly influence its ability to secure loans and other financial services. Larger SACCOs with established credit histories and robust regulatory compliance were more likely to access capital from formal financial institutions. This access enabled them to offer more competitive loan products, attract new members, and enhance overall financial stability. Also, government policies play a pivotal role in shaping the capital accessibility for SACCOs.

Narayanaswamy and Bozeman, (2021) conducted a comprehensive analysis of how regulatory environments affect SACCOs' ability to access capital. Their study revealed that supportive financial inclusion policies, favorable taxation regimes, and streamlined regulatory frameworks significantly enhance SACCOs' capital access. For example, policies promoting SACCO participation in financial markets and providing incentives for capital formation were found to facilitate growth and sustainability. Conversely, restrictive regulations and high compliance costs hindered capital access, particularly for smaller SACCOs. In a study done by Nyaga et al., (2019) which examined the role of informal sources of finance, such as member contributions and savings mobilization, in supporting *Boda Boda* SACCOs, it was found that while informal sources are crucial, especially for smaller SACCOs facing challenges in accessing formal financial services, they also pose risks. These risks include volatility in member contributions, limited scalability, and potential conflicts among members. The study emphasized the need for balanced reliance on both formal and informal sources to mitigate these risks and ensure sustainable capital access. On the other hand, Erickson and Siwale (2018) explored the direct impact of capital accessibility on member services in SACCOs. Their study demonstrated that SACCOs with greater access to capital could provide loans with favorable terms, enabling members to purchase motorcycles, cover emergency expenses, and invest in income-generating activities. This access to affordable credit improved members' financial well-being and loyalty to the

SACCO, further boosting its performance.

An investigation done by Mutuku and Gachanja (2020) on how capital accessibility influences SACCOs' investment capacity and liquidity management and performance found out that SACCOs with sufficient capital could invest in income-generating assets, expand service offerings, and diversify revenue streams. This investment capacity is crucial for achieving sustainable growth and long-term viability. Additionally, adequate capital allowed SACCOs to maintain proper liquidity levels, ensuring timely loan disbursements and withdrawals, which enhanced member satisfaction and loyalty. On the other hand, a study done by Oketch and Ayodo (2021) which focused on the financial sustainability and resilience of SACCOs in the face of external shocks found out that SACCOs with robust capital bases were better equipped to withstand economic downturns, regulatory changes and other unforeseen challenges. These SACCOs could absorb losses, maintain operations and continue serving members during financial stress periods. Conversely, those with limited capital faced liquidity constraints, higher loan default rates and a greater risk of closure. In terms of compliance and best practices on SACCO performance, Kombo et al., (2022) examined the relationship between capital accessibility and SACCOs' ability to comply with regulatory requirements and adopt best practices in governance, risk management and financial reporting. Their study showed that SACCOs with sufficient capital could invest in capacity building, technology upgrades and other initiatives to enhance organizational effectiveness and transparency. This investment fostered trust and confidence among members, regulators, and stakeholders, strengthening the SACCO's reputation and market position.

The implications of capital accessibility are extensive, affecting member services, investment capacity, liquidity management, financial sustainability, and compliance with best practices.

Therefore, enhancing capital accessibility through supportive policies, strategic partnerships, and capacity-building initiatives is essential for fostering the growth and resilience of *Boda Boda* SACCOs in Thika town and beyond.

### **2.3 Supplier Relationship on Performance *Boda Boda* SACCOs**

Supplier relationships are critical to the operational efficiency and overall performance of *Boda Boda* SACCOs. Effective supplier relationships can enhance the supply chain, reduce operational costs, and improve service delivery, thereby boosting the SACCOs' performance. For *Boda Boda* SACCOs, which often engage with suppliers for goods such as motorcycle spare parts, fuel, and other essential services, maintaining strong and reliable supplier relationships is crucial.

According to a study by Muthoni and Ndegwa (2021), the performance of *Boda Boda* SACCOs is significantly influenced by their relationships with key suppliers. The research found that SACCOs that maintained long-term, collaborative relationships with their suppliers experienced better service delivery and lower costs, which positively impacted their financial performance. Supplier loyalty and trust were identified as key factors in these relationships, allowing SACCOs to negotiate better terms and receive timely supplies, which in turn enhanced member satisfaction and SACCO growth. Additionally, Mwangi (2022) highlights that supplier relationship management is essential for risk management within SACCOs. By fostering good relationships with suppliers, SACCOs can mitigate risks associated with supply chain disruptions, which could otherwise lead to operational delays and increased costs. Mwangi's study also revealed that *Boda Boda* SACCOs with strong supplier relationships were better positioned to secure credit facilities and favorable payment terms, further contributing to their financial stability and performance.

Furthermore, Kimani and Otieno (2023) emphasize the role of supplier relationship management in innovation and product development. Their research shows that SACCOs that

actively engage with their suppliers often benefit from new ideas and innovations that can be translated into better products and services for their members. For instance, suppliers may offer customized financial products or technical support, which can enhance the SACCOs' offerings and attract more members. Effective supplier management leads to cost efficiencies, improved service delivery, and enhanced risk management, all of which contribute to the overall success and sustainability of these SACCOs (Muthoni & Ndegwa, 2021).

### **2.3.1 Supplier Relationships on Performance *Boda Boda* SACCOs**

Supplier relationships are dynamic and multifaceted, shaped by various factors that influence the nature and quality of interactions between SACCOs and their suppliers. Understanding these factors is essential for SACCOs to cultivate effective supplier relationships that contribute to their performance and sustainability. Trust is the cornerstone of successful supplier relationships. It involves a belief in the reliability, integrity, and competence of the supplier. SACCOs rely on suppliers to deliver quality products and services consistently and to fulfill their commitments. Trust is fundamental in supplier relationships, forming the basis for long-term partnerships and fostering cooperation and collaboration. A study done by Zhao et al., (2023) found that trustworthiness, established through reliability in meeting deadlines, honesty in communication, and consistency in delivering on promises, significantly influences the quality of supplier relationships. Their study indicated that high levels of trust lead to improved supplier performance and more sustainable partnerships. For SACCOs, including *Boda Boda* SACCOs, building trust involves being transparent about needs and expectations, honoring agreements, and resolving issues promptly and fairly.

Also, effective communication is essential for establishing and maintaining strong supplier relationships. Clear and open communication ensures that expectations are aligned, potential issues are addressed proactively, and relevant information is shared promptly. Effective communication is critical in establishing and maintaining strong supplier relationships. A

study done by Cao and Zhang (2022) highlighted that clear and open communication ensures alignment of expectations, proactive addressing of potential issues, and timely sharing of relevant information. Their research demonstrated that regular communication channels, such as meetings, emails, and phone calls, are essential for mutual understanding and trust between SACCOs and suppliers. The study showed that SACCOs benefit from clearly and consistently communicating their requirements, preferences, and feedback to suppliers, while suppliers should reciprocate by communicating challenges, changes, or opportunities that may affect their ability to meet expectations.

Also, collaboration between *Boda Boda* SACCOs and suppliers can drive innovation and value creation. A study done by Wagner and Schaltegger (2021) emphasized that collaborative efforts in product development, process improvement, and market expansion enable SACCOs to leverage suppliers' expertise, resources, and networks. Their research found that joint problem-solving and innovation contribute to continuous improvement and competitive advantage for both parties. The study suggested that *Boda Boda* SACCOs should involve suppliers in decision-making processes and explore opportunities for joint initiatives, such as promotional campaigns or training programs, to foster collaboration.

Ensuring mutual benefit is crucial for sustainable supplier relationships. A study done by Nguyen et al., (2021) explored how fair and equitable arrangements, including competitive pricing, quality assurance, and profitability, create value for both SACCOs and their suppliers. Their findings indicated that equitable distribution of rewards, such as timely payments, volume commitments, and incentives, incentives suppliers to invest in the relationship and deliver superior performance. The study emphasized the importance of recognizing suppliers' rights and interests and maintaining fair treatment to build strong, sustainable relationships.

### 2.3.2 Supplier Relationships on Main Stream SACCOs Performance

The quality of supplier relationships has a significant impact on the operational efficiency of SACCOs. Li and Jiang (2021) conducted a study on the influence of supplier relationships on operational performance in cooperative organizations. Their findings indicated that strong supplier relationships enable access to high-quality inputs such as motorcycles, spare parts, and accessories at competitive prices. Reliable suppliers ensure consistent product quality, timely delivery, and adequate after-sales support, which are crucial for meeting member needs and enhancing operational efficiency. The study demonstrated that by sourcing high-quality inputs from trusted suppliers, SACCOs can minimize product defects, reduce downtime, and enhance member satisfaction, leading to improved performance and reputation.

Supplier relationships directly affect the cost structure, profitability, and competitive advantage of *Boda Boda* SACCOs. Huo et al., (2022) explored the impact of collaborative supplier relationships on financial performance in cooperative societies. Their research showed that collaborative relationships lead to cost savings, process efficiencies, and economies of scale through joint procurement, inventory management, and logistics optimization. By leveraging collective purchasing power and sharing resources with suppliers, SACCOs can negotiate better terms, resulting in improved profitability and competitive advantage. The study highlighted the importance of strategic supplier partnerships in enhancing the financial sustainability of SACCOs.

Strong supplier relationships are crucial for managing risks and ensuring business continuity for SACCOs. Zhang et al., (2022) examined the role of supplier collaboration in supply chain risk management within the transportation sector. Their study found that close collaboration with suppliers facilitates risk-sharing, contingency planning, and supply chain resilience, which helps mitigate disruptions and uncertainties. The research indicated that

maintaining strong relationships with multiple suppliers and diversifying the supply base reduces vulnerability to supply chain disruptions such as material shortages and price fluctuations. This enables SACCOs to maintain uninterrupted operations, fulfill member needs, and preserve their reputation even in challenging circumstances.

#### **2.4 Marketing Relationship on Performance of *Boda Boda* SACCOs**

Marketing relationships are essential to the success and growth of *Boda Boda* Savings and Credit Cooperative Societies (SACCOs). Effective marketing relationships involve building strong connections with customers, stakeholders, and partners to enhance brand visibility, attract new members, and retain existing ones. For *Boda Boda* SACCOs, establishing and maintaining robust marketing relationships is crucial in an increasingly competitive environment, as these relationships directly impact the SACCOs' ability to grow their membership base and improve their financial performance. A study by Otieno and Wambua (2022) found that SACCOs with strong marketing relationships experienced higher membership growth rates and better financial performance. The research indicated that SACCOs that actively engaged with their members through marketing campaigns, promotions, and community outreach were more successful in attracting new members and retaining existing ones. This active engagement fostered trust and loyalty among members, which translated into higher savings and loan uptake, thus boosting the SACCOs' profitability.

Additionally, Wanjiku and Karanja (2023) explored the impact of digital marketing strategies on the performance of *Boda Boda* SACCOs. Their study revealed that SACCOs that leveraged digital platforms to build relationships with their members and the broader community achieved better financial outcomes. These SACCOs used social media, mobile apps, and other digital tools to communicate with members, promote their services, and gather feedback, which in turn led to improved member satisfaction and increased

participation in SACCO activities. Moreover, Mutua (2021) emphasized the role of partnerships in enhancing marketing relationships. The study found that *Boda Boda* SACCOs that formed strategic partnerships with other businesses, such as motorcycle dealers and insurance companies, were able to offer more comprehensive services to their members. These partnerships not only enhanced the SACCOs' market reach but also improved their financial performance by providing members with bundled services that met their diverse needs. These relationships contribute to member growth, improved financial outcomes, and enhanced service offerings, ultimately leading to the sustainability and success of the SACCOs (Otieno & Wambua, 2022).

Marketing relationships play a pivotal role in shaping the performance *Boda Boda* and main stream SACCOs industry. Marketing relationships within the context of SACCOs are influenced by a multitude of factors that shape the interactions and connections between SACCOs and their members, suppliers, regulators and other stakeholders. Understanding these factors is crucial for SACCOs to effectively manage and nurture their marketing relationships, ultimately impacting their performance and success in the market. Customer orientation is fundamental to successful marketing relationships. A study done by Kotler and Armstrong (2021) emphasized that a customer-centric approach involves a SACCO's commitment to understanding and fulfilling the needs, preferences, and expectations of its members and other stakeholders. This approach requires SACCOs to prioritize the creation of value for their members through tailored products, services, and experiences. By actively listening to members' feedback, conducting market research, and analyzing market trends, SACCOs can gain insights into members' needs and preferences, enabling them to develop targeted marketing strategies that resonate with their target audience. Empirical studies show that customer-oriented SACCOs report higher member satisfaction and loyalty, leading to improved performance and competitive advantage (Kotler & Armstrong, 2021).

In marketing, trust is paramount in influencing the level of cooperation and satisfaction among stakeholders. According to Kim and Lee (2020), trust in SACCOs is built through transparency, reliability, and consistent communication. Their study found that SACCOs that foster trust through regular updates, honesty in financial dealings, and responsiveness to member concerns experience stronger member loyalty and engagement. Trust also facilitates smoother interactions with suppliers and regulators, contributing to overall operational efficiency and stability.

Also, collaborative partnerships between SACCOs and their suppliers and members are vital for mutual growth and success. Li and Chen (2019) studied the impact of collaborative efforts on SACCO performance and found that joint initiatives, such as training programs, product development, and promotional activities, enhance the value proposition of SACCOs. Collaborative partnerships enable SACCOs to leverage the expertise, resources, and networks of their partners, driving innovation and competitive advantage. These partnerships also foster a sense of shared purpose and commitment, which is crucial for long-term sustainability. The regulatory environment significantly impacts marketing relationships within SACCOs. According to Njeru et al., (2021), compliance with local regulations and maintaining good relationships with regulatory bodies are essential for SACCOs to operate smoothly and avoid legal issues. Their study found that SACCOs that actively engage with regulators, stay informed about regulatory changes, and adapt their practices accordingly are better positioned to thrive. A supportive regulatory environment enhances trust and confidence among members and other stakeholders, contributing to the SACCO's credibility and reputation.

Strong marketing relationships contribute to membership growth by attracting new members and retaining existing ones. Marketing relationships play a significant role in attracting and retaining members. A study done by Nguyen and Leblanc (2021) held that SACCOs which

cultivate positive relationships with members through effective communication, personalized services, and responsiveness are more likely to attract referrals and recommendations from satisfied members. Empirical evidence shows that members who feel valued and understood are more likely to remain loyal and advocate for the SACCO, leading to organic membership growth. Additionally, strategic partnerships with entities like motorcycle dealerships, insurance companies, and government agencies can help SACCOs access new markets and expand their member base, further driving growth (Nguyen & Leblanc, 2021).

Effective marketing relationships enable SACCOs to penetrate new markets and segments. A study by Pels et al., (2020) discuss how SACCOs can leverage market research, segmentation, and targeting to tailor their offerings to specific customer segments. By understanding market needs, preferences, and behaviors, SACCOs can enhance their relevance and competitiveness. Collaborations with local businesses, community organizations, and government agencies are also crucial for reaching under-served markets, such as women, youth, and rural communities. This strategic approach not only expands the SACCO's reach but also ensures that diverse member needs are met, fostering inclusivity and growth.

Marketing relationships are pivotal in driving revenue through increased sales, cross-selling, and up-selling opportunities. Lusch et al., (2016) emphasize that SACCOs that build trust and credibility with members can introduce new products, services, and value-added offerings that meet evolving needs. By leveraging customer insights and feedback, SACCOs can identify innovation opportunities and differentiate themselves from competitors. Collaborations with financial institutions, technology providers, and marketing agencies allow SACCOs to access resources, expertise, and networks necessary for creating additional revenue streams. This collaborative approach ensures sustained financial health and growth for SACCOs.

Lastly, marketing relationships play a critical role in building and enhancing SACCO brand equity, reputation and trustworthiness. SACCOs that consistently deliver superior value, customer experiences and outcomes can differentiate themselves from competitors and create a strong brand identity that resonates with members and stakeholders. Empirical evidence suggests that a strong focus on customer experience can significantly enhance member loyalty and retention. Kotler and Armstrong (2021) in their study found that organizations prioritizing customer-centric strategies report higher levels of member satisfaction and advocacy. Their research indicates that customer-centric organizations typically achieve better outcomes in terms of member retention, loyalty, and overall satisfaction. This, in turn, bolsters the SACCO's reputation and trustworthiness, which are essential components of brand equity.

Cultivating positive relationships with key stakeholders—members, suppliers, regulators, and the community—is critical for enhancing a SACCO's credibility and reliability. Nguyen and Leblanc (2021) emphasize that strong, trust-based relationships with members can lead to increased loyalty and member engagement. Effective communication, transparency, and consistent service delivery are key factors in building trust. These relationships are foundational to establishing long-term loyalty and fostering a cooperative culture within SACCOs. Maintaining good relationships with suppliers ensures reliable access to quality products and services, which directly impacts member satisfaction. Strong supplier relationships also enable SACCOs to negotiate better terms and foster long-term cooperation. According to Huo and Liu (2020), effective supplier relationship management contributes to operational efficiency and risk mitigation, further strengthening the SACCO's market position. This underscores the importance of managing supplier relations as part of the overall strategy to enhance service delivery and operational resilience.

## **2.5 Theoretical Framework**

The theoretical framework that guided this study was rooted in Resource Dependence Theory (RDT) and Cooperative Theory. These theoretical perspectives offered valuable understanding on the dependencies and organizational behaviors shaping cooperative partnerships between SACCOs and Boda Boda SACCOs in Kenya.

### **2.5.1 Resource Dependence Theory (RDT)**

Resource Dependence Theory (RDT) is a theoretical framework that emphasizes how organizations depend on external resources to survive and thrive (Pfeffer & Salancik, 1978). According to RDT, organizations are embedded in a network of relationships with external entities, such as suppliers, customers, regulators and competitors, and their ability to access and control critical resources determines their strategic behavior and performance (Pfeffer & Salancik, 1978). In the context of cooperative partnerships between Savings and Credit Cooperative Societies (SACCOs) and motorcycle SACCOs in Kenya, Resource Dependence Theory offers valuable insights into the motivations, dependencies and power dynamics underlying these collaborative arrangements (Aldrich & Pfeffer, 1976). SACCOs and motorcycle SACCOs rely on external resources, such as financial capital, technical expertise, market access and regulatory support, to sustain their operations and serve their members effectively (Aldrich & Pfeffer, 1976). For example, SACCOs depend on member deposits, loan portfolios and investment income to fund their operations and provide financial services to members. In contrast, motorcycle SACCOs rely on SACCO partnerships to access affordable credit and insurance products for their members.

### **2.5.2 Cooperative Theory**

Cooperative Theory focuses on the principles, values and governance structures that characterize cooperative organizations, such as SACCOs (Hansmann, 1996). Cooperative principles of collective ownership, democratic governance and member participation inform

the nature and functioning of SACCOs and their partnerships with motorcycle SACCOs. By examining cooperative values and practices, this theory offers deep understanding on how SACCOs navigate partnership dynamics, promote member interests and achieve socio-economic objectives. By integrating these theoretical perspectives, this study aimed at providing a comprehensive understanding of the strategic partnership determinants and performance outcomes of motorcycle SACCOs in Kenya. Through theoretical triangulation, researchers can explore the interplay between resource dependencies and cooperative values in shaping cooperative partnerships, offering insights that contribute to theory development and practical implications for policy and practice in cooperative finance and transportation sectors.

## **2.6 Conceptual Framework**

The conceptual framework for this study illustrates the relationships between strategic partnership determinants and the performance of *Boda Boda* Savings and Credit Co-Operative Societies (SACCOs). The framework identifies the independent variables (capital accessibility, supplier relationships, and marketing relationships) and their potential impact on the dependent variable (performance of *Boda Boda* SACCOs).

Access to financial resources is crucial for the operational efficiency and growth of SACCOs. Capital accessibility includes factors such as availability of loans, credit facilities, and other financial instruments that SACCOs can leverage to improve their services and expand their operations. The quality of interactions and partnerships between SACCOs and their suppliers impacts operational efficiency and service quality. This includes aspects like trust, reliability and communication. Effective marketing strategies and relationships help SACCOs attract and retain members. This involves customer orientation, market research, segmentation, and collaborations with strategic partners to enhance the SACCO's market presence and member satisfaction (Huo, Liu, Chen, & Zhao, 2020). The dependent variable was measured by

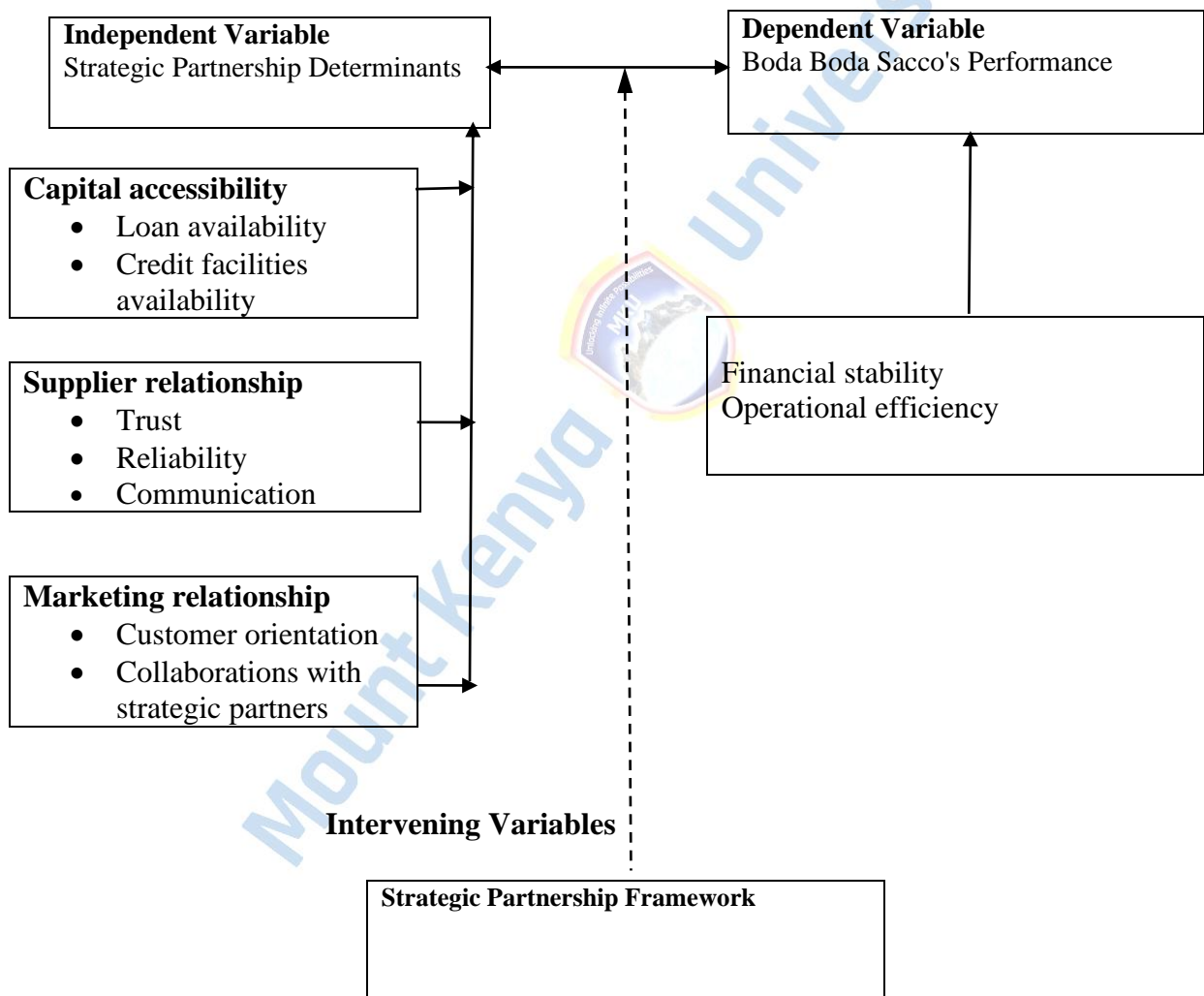
various indicators such as financial stability and operational efficiency. In the context of this study partnership governance structures play a crucial role as intervening variables. These structures influence how capital accessibility, supplier relationships, and marketing relationships impact the performance of SACCOs. Key aspects of partnership governance structures include resource allocation, risk-sharing mechanisms, and conflict resolution strategies (Cheng, J. (2019).

The theories used in this study are relevant in the following manner: RDT is highly relevant because *Boda Boda* SACCOs, like any other organization, rely on external resources such as capital, supplier relationships, and marketing channels. The "capital accessibility" theme directly aligns with RDT, as it addresses the SACCOs' dependence on financial resources. Similarly, "supplier relationship" and "marketing relationship" themes highlight the SACCOs' reliance on external entities for operational inputs and market access. RDT allowed this study to examine how these SACCOs navigate their resource dependencies through strategic partnerships, and how these partnerships impact their performance.

Cooperative Theory, on the other hand, emphasizes the benefits of collective action and mutual support among members of a cooperative (Birchall, 2011). This theory is pertinent to your study because SACCOs are inherently cooperative organizations designed to pool resources and enhance members' economic well-being. The theory helps to understand how the internal dynamics of the SACCOs, such as member participation, trust, and shared goals, contribute to the success of their strategic partnerships. For instance, the "marketing relationship" theme was analyzed through the lens of Cooperative Theory by examining how collective marketing efforts enhance the SACCOs' market reach and member benefits. Moreover, the "supplier relationship" theme was linked to Cooperative Theory by assessing how joint procurement and negotiation strategies improve the SACCOs' bargaining power and operational efficiency. By integrating Cooperative Theory, this study examined how the

cooperative principles underlying the SACCOs influence their strategic partnership decisions and performance.

Figure I. Conceptual framework



Source: Researcher, (2024)

## 2.6 Literature Recap

The literature review presents a comprehensive examination of existing literature relevant to the study's objectives. It explores three main themes: the influence of capital accessibility,

supplier relationships, and marketing strategies on the performance of SACCOs. These themes are essential for understanding the strategic partnership determinants affecting SACCO performance. While studies have highlighted the importance of capital accessibility for SACCOs, there is limited empirical evidence on how this factor impacts the financial performance and sustainability of *Boda Boda* SACCOs. This study aimed to fill this gap by investigating the specific barriers and enablers of capital accessibility for these operators. The literature also discusses the general benefits of strong supplier relationships for SACCOs, but there is a lack of detailed analysis on how these relationships influence the operational efficiency and risk management of *Boda Boda* SACCOs. This study sought to address this gap by examining the dynamics of supplier partnerships in the *Boda Boda* context. Consequently, the reviewed literature highlights the importance of marketing strategies for SACCO performance but fails to provide insights into how marketing relationships can enhance membership growth and market penetration for *Boda Boda* SACCOs.

The literature reviewed is grounded in Resource Dependence Theory (RDT) and Cooperative Theory, providing a theoretical framework for understanding the dependencies and organizational behaviors shaping cooperative partnerships between SACCOs and motorcycle SACCOs in Kenya. RDT emphasizes organizations' dependence on external resources, while Cooperative Theory focuses on the principles, values, and governance structures of cooperative organizations. The literature reviewed elucidates the interplay between capital accessibility, supplier relationships, marketing strategies, and Sacco's performance, laying the groundwork for the empirical investigation outlined in the study.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter deals with research methodology employed to investigate the strategic partnership determinants on the performance of *Boda Boda* Savings and Credit Co-operative Societies (SACCOs) in Thika Town, Kenya.

#### **3.1 Research Methodology**

A mixed-methods approach was utilized, combining both quantitative and qualitative data collection methods and descriptive research design was adopted. Structured questionnaires were administered to *Boda boda* SACCO members, while interviews were conducted with key stakeholders (Creswell & Creswell, 2018). The study employed stratified random sampling to ensure representation from various SACCOs in Thika Town. Data was analyzed using descriptive and inferential statistics, and thematic analysis for qualitative data, to identify key patterns and relationships (Saunders, Lewis, & Thornhill, 2019).

#### **3.2 Research Design**

This study utilized descriptive research design. Descriptive research design involves systematically describing a phenomenon, identifying characteristics, and exploring relationships between variables. This design is particularly useful for studies aiming to provide an accurate portrayal of a population, situation, or phenomenon without manipulating variables (Williams, 2022). By using descriptive research, researchers gather detailed information and create a comprehensive picture of the topic under study. This method

typically employs tools such as surveys, observations, interviews and case studies to collect data (Creswell & Creswell, 2023). In this study, surveys and interviews will be employed. Descriptive research is valuable for generating hypotheses and informing further exploratory or experimental research (Saunders et al., 2022).

### **3.3 location of the study**

Thika town is located in the central region of Kenya Kiambu County and is vibrant urban and a major commercial center in Kiambu. It's about 42 kilometers North East of Nairobi, with a population of 279,429 (as of the 2019 National Census). The *Boda Boda* industry in Thika town is a significant component of the local economy and an essential mode of transportation for its residents. They provide a convenient, affordable, and efficient means of transport, especially in areas where other forms of public transport are either unavailable. Thika town, with its strategic location and vibrant economic activities, provides an ideal setting for studying the impact of capital accessibility on the performance of *Boda Boda* SACCOs. The *Boda Boda* industry is a vital part of Thika's economy, offering essential transportation services, creating employment opportunities, and fostering financial inclusion. Despite facing challenges such as safety concerns and regulatory issues, the sector continues to thrive, supported by the critical role of SACCOs in enhancing financial stability.

### **3.4 Target Population**

The target population in this study were all the registered *Boda Boda* SACCOs and their members, all the licensed Savings and Credit Co-operative Societies Companies partnering with *Boda Boda* SACCOs operating within Thika town and their staff. The target population was chosen because members of *Boda Boda* SACCOs possess intimate knowledge of the operational dynamics, challenges, and benefits of their cooperative structures. They offered valuable insights into how strategic partnerships influence their daily activities and their overall performance. The registered SACCOs and their members were the primary subjects

of investigation. Their direct involvement in these partnerships made them essential for providing firsthand data on capital accessibility, supplier relationships, and marketing relationship and Partnering licensed SACCOs held crucial information about the nature and impact of their collaborations with *Boda Boda* SACCOs. They provided data on contractual agreements, and the perceived effectiveness of these partnerships.

### 3.5 Sampling Techniques

With Thika town having 4 registered *Boda Boda* SACCOs (Thika Township, Beyond Mind Transcoop, *Kivulini Boda Boda Sacco* and *Kameme* sub location *Boda Boda Sacco*) and 7 licensed Savings and Credit Co-operative Societies Companies partnering with *Boda Boda* SACCOs which includes; *Mugo* creditors, *Tugende* Progressive Creditors, *Watu* creditors, Orient, Mt Kenya university Sacco, *Ammar Sacco* society and *Azima Sacco* (Sasra, 2023). This study used Yamane Taro’s formulae to calculate the sample size.

**Table 1: Showing target population**

<b><i>Boda Boda Sacco</i></b>	<b>Population</b>
Thika Township <i>Boda Boda Sacco</i>	162
Beyond Mind Transcoop <i>Boda Boda Sacco</i>	195
<i>Kivulini Boda Boda Sacco</i>	130
<i>Kameme</i> sub location <i>Boda Boda sacco</i>	145
<b>Savings and Credit Cooperative Societies</b>	
<i>Watu</i> creditors	25
<i>Tugende</i> Progressive Creditors	30
<i>Mugo</i> creditors	18
Mt Kenya university Sacco	30
<i>Ammar Sacco</i> society	15
<i>Azima Sacco</i>	27
<b>TOTAL</b>	<b>777</b>

**Source; Field Data (2024)**

### 3.6 Sample Population

To determine the sample size this study used the Yamane Taro's formula with a margin of error of 10% and the population being 777.

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = sample size

N = population size

e = margin of error

Given:

Population size (N) = 777

Margin of error (e) = 0.10

$$n = \frac{777}{1 + 777(0.10)^2}$$

$$n = \frac{777}{8.77}$$

$$n \approx 88.59$$

Rounding up, the sample size n will be 89.

Using the Yamane formula with a 10% margin of error, a sample size of 89 is sufficient for a population of 777. According to Saunders et al., (2022) for a study like this, a 10% margin of error is acceptable as the primary goal is to identify patterns, trends, and preliminary insights rather than to make highly precise estimates and the researcher is satisfied with this school of thought and therefore this study will use 10% margin of error.

**Table 2 : showing sample size**

<b><i>Boda Boda Sacco</i></b>	<b>Population</b>	<b>Sample size</b>
Thika Township <i>Boda Boda Sacco</i>	162	20
Beyond Mind Transcoop <i>Boda Boda Sacco</i>	195	23
<i>Kivulini Boda Boda Sacco</i>	130	20
Kameme sub location <i>Boda Boda sacco</i>	145	20
<b>Savings and Credit Cooperative Societies</b>		
<i>Watu creditors</i>	25	1
<i>Tugende Progressive Creditors</i>	30	1
<i>Mugo creditors</i>	18	1
Mt Kenya university Sacco	30	1
<i>Ammar Sacco society</i>	15	1
<i>Azima Sacco</i>	27	1
<b>TOTAL</b>	<b>777</b>	<b>89</b>

**Source: Field Data (2024)**

After determining the sample, this study used both stratified sampling and purposive sampling to determine the size to be sample on *Boda Boda Sacco*'s and savings and credit cooperative societies. Stratified sampling is a technique used in survey research and statistics to ensure that subgroups within a population are adequately represented in the sample. This method involves dividing the population into distinct subgroups, or strata, based on specific

characteristics, and then randomly sampling from each stratum (Cochran, 2021). In stratified sampling, the population is first divided into strata that are mutually exclusive and collectively exhaustive. This means that every element of the population belongs to one and only one stratum, and all elements of the population are included in the strata. The criteria for creating strata can include demographic factors such as age, gender, income, education level, or any other relevant characteristic (Thompson, 2020). In this study the target population was first stratified into partnering Savings and Credit Co-operative Societies and *Boda Boda Sacco's* and thereafter, a further stratified sampling was done among *Boda Boda Sacco's* according to their location within Thika Town.

Once the strata were defined, a random sample was drawn from each stratum. The sample size from each stratum can be proportional to the stratum's size relative to the population, ensuring that larger strata contribute more to the sample (Groves et al., 2019). Alternatively, equal sample sizes can be drawn from each stratum if the goal is to ensure sufficient representation of smaller subgroups. The researcher was convinced by Groves et al., (2019) opinion of selecting sample size relative to the population size in each stratum where a stratum with higher population is allocation higher number, therefore, this study picked 20 respondents from each stratum (Thika Township *Boda Boda Sacco*, *Kivulini Boda Boda Sacco* and Kameme sub location *Boda Boda sacco*) and 23 from Beyond Mind Transcoop *Boda Boda Sacco* which had a higher number of members. Stratified sampling was vital for ensuring that subgroups within the *Boda Boda SACCO* population were adequately represented. This was particularly important because these SACCOs varied significantly in terms of size, membership, operational scale, and their location within the study area. By dividing the SACCOs into strata based on relevant characteristics (e.g., number of members, operational years and location ), the study ensured that each subgroup's perspectives were captured proportionally. This enhances the study's representativeness and generalizability

within the Thika town context.

In each Savings and Credit Cooperative Society Purposive sampling was used, where one manager was interviewed per SACCO. Purposive sampling was essential for selecting key informants within the partnering Savings and Credit Co-operative Societies. These individuals were managers/loan officers possessed specialized knowledge and insights into the dynamics of their collaborations with *Boda Boda* SACCOs. By purposively selecting these individuals, the study gather in-depth, qualitative data that complements the quantitative data obtained through stratified sampling.

### **3.7 Data Collection Instruments**

Research instruments in this study were both questionnaires and interview schedules. Questionnaires were both open and close-ended. The instruments were constructed by the researcher guided by the supervisor. Closed ended questionnaires entailed multiple-choice questions, Likert scale, and yes/no questions. Likert scale was used to measure agreement with statements about the research themes. Open-ended questions ask respondents to describe research themes. Also, the interview schedule was developed guided by research themes. The research instruments were reviewed by the researcher's supervisor to ensure it aligns with the research objectives and was methodologically sound. The supervisor's guidance was critical in making necessary adjustments and finalizing the instrument.

### **3.8 Pilot Study**

A pilot study, a crucial preliminary step, was conducted in Bomet Town, to refine the research instruments, which included both questionnaires and interview schedules. This process ensured the instruments' validity and reliability before the main data collection phase. As van Teijlingen and Hundley (2002) emphasize, pilot studies are essential for identifying potential flaws and enhancing research quality. The questionnaires, comprising both open and closed-ended questions, were designed to capture diverse perspectives. Closed-ended

questions, including multiple-choice, Likert scale, and yes/no formats, aimed to gather structured data on specific research themes. The Likert scale, in particular, was employed to measure respondents' agreement with statements, providing a quantitative measure of their attitudes and perceptions. Open-ended questions, on the other hand, allowed respondents to provide detailed, descriptive accounts of their experiences, offering rich qualitative data.

Similarly, the interview schedule was developed to facilitate in-depth, semi-structured interviews, guided by the study's research themes. This approach ensured that key areas were covered while allowing for flexibility to explore emerging issues.

### **3.8.1 Validity and Reliability**

Validity refers to the extent to which a study measures what it intends to measure, while reliability pertains to the consistency and stability of the research findings over time and across different conditions (Trochim & Donnelly, 2008). To establish validity in this study, content validity was employed by ensuring that the research instruments (e.g., interview guides and surveys) adequately capture the research themes guided by research objectives where expert review by the supervisor was sought. Construct validity was enhanced by using established Likert scales to measure agreement with research themes.

On the other hand, reliability is the production of consistent results over time by the research tools. Using standardized protocols for administering surveys or conducting interviews can minimize variability and increase the consistency of responses across participants. Reliability, in this study, focused on ensuring the consistency and dependability of the research process and findings. Given the use of both questionnaires and interviews, several strategies were employed to enhance reliability. Firstly, test-retest reliability was considered for the quantitative aspects of the questionnaire. The pilot study provided an opportunity to identify and revise any ambiguous or inconsistent questions, thereby improving internal consistency. Secondly, inter-rater reliability was addressed for the qualitative data obtained from open-

ended questionnaire responses and interviews. A coding framework was developed and reviewed by the supervisor, ensuring consistency in the interpretation and categorization of data. This process, as recommended by Bryman (2016), helped to minimize subjective biases and enhance the dependability of the findings.

### **3.9 Data Collection Methods and Procedures**

The study used both primary and secondary data. Primary data was collected via questionnaires and interviews while secondary data was obtained from publications including books and articles.

#### **3.9.1 Questionnaires**

Both open and close ended questionnaires were used to facilitate the collection of qualitative and quantitative data. Questionnaires were administered to members of the registered *Boda Boda* SACCOs. The open-ended section of the questionnaire aimed to capture rich, descriptive qualitative data. These questions allowed respondents to provide detailed explanations and personal experiences related to the research themes. Respondents were asked to elaborate on their perceptions of the benefits and challenges associated with strategic partnerships, to describe specific instances of successful or unsuccessful collaborations, and to offer suggestions for improving partnership outcomes. This qualitative data provided valuable context and depth to the quantitative findings, allowing for a more comprehensive understanding of the research problem. The questionnaires were administered in person to members of the registered *Boda Boda* SACCOs. This approach allowed for immediate clarification of any questions or ambiguities, ensuring high response rates and data quality. The researcher and trained assistants distributed the questionnaires at designated locations, such as SACCO meeting points or operational areas. Respondents were provided with sufficient time to complete the questionnaires, and assistance was offered when needed.

### **3.9.2 Interview Schedule**

Interviews were used to collect data from selected managers of Savings and Credit Co-operative Societies Companies and chairpersons of *Boda Boda* SACCOs.

### **3.10 Data Analysis and Presentation**

This study employed a mixed methods approach to data analysis, allowing for a comprehensive understanding of the research phenomenon by triangulating findings from different data sources (Creswell, 2018).

For quantitative data, prior to analysis, data was checked for completeness and accuracy, where missing or inconsistent data were addressed to ensure the integrity of the data-set. Descriptive and inferential statistics, facilitated by SPSS, were employed to provide a comprehensive summary and analysis of the quantitative data collected. Descriptive statistics, including frequencies and percentages, were utilized to summarize categorical variables, including demographic information and responses to closed-ended questionnaire items. As Field (2018) explains, these statistics offer a clear overview of the data's distribution, allowing for the identification of key characteristics within the sample. Frequencies and percentages were calculated to determine the distribution of respondents across different age groups, genders, and levels of agreement with Likert scale statements.

For qualitative data content analysis was used to systematically organize, code, and interpret the qualitative data collected from open-ended questionnaire responses and interview schedules. Interview recordings and open-ended responses was transcribed into written text to prepare for detailed analysis, where significant statements, phrases, and concepts within the collected data will be identified and categorized through a coding process. Codes were developed to represent different concepts and themes emerging from the data (Creswell, 2018). After coding, theme development was done by grouping codes into broader themes that represent recurring ideas and patterns within the data. These themes helped in

understanding the qualitative aspects of the research questions.

The analyzed data was presented in tables, frequencies, and percentages. Quantitative findings were displayed in charts and graphs for easy visualization, while qualitative themes were illustrated through narrative descriptions and direct quotes from respondents (Creswell, 2018).

### **3.10 Ethical Considerations**

A research permit was obtained from the National Commission for Science, Technology and Innovation (NACOSTI) as well as other relevant letters of approval from pertinent agencies.

This ensures that the study complies with national and institutional regulations and guidelines. Prior to participation, informed consent will be obtained from all participants. They will be provided with detailed information about the study's purpose, procedures, potential risks, and benefits. Participants had the opportunity to ask questions and were informed that their participation was voluntary.

The identities and responses of participants were kept confidential. Personal identifiers were removed, and data was coded to protect the privacy of individuals. Only the research team had access to the data, which was securely stored. Participants' autonomy and dignity was respected throughout the study. This includes ensuring that participants were not subjected to any form of coercion or undue influence to participate. They were treated with respect and their decisions were honored. Transparency and honesty were maintained throughout the study. Participants were provided with clear and accurate information about the study's objectives, methods, and potential impacts (Creswell & Creswell, 2018).

## CHAPTER FOUR

### RESEARCH FINDINGS, ANALYSIS AND DISCUSSION

#### 4.1 Introduction

This chapter presents the research findings, analysis, and interpretation of the data collected during the study. The chapter is structured according to the study's objectives, providing both quantitative and qualitative data findings. The quantitative data is analyzed using descriptive statistics, presented in tables and frequencies and percentages for easy interpretation. Qualitative data from interviews and open-ended questionnaire responses are analyzed through content analysis to capture themes and patterns of the study. The findings are triangulated to provide a comprehensive understanding of the effect of strategic partnership determinants on the performance of *Boda Boda* SACCOs in Thika town.

The table below shows the age distribution of the respondents in this study.

**Table 3 : Age Distribution of Respondents**

<b>Age Group</b>	<b>Frequency</b>	<b>Percentage</b>
Up to 30 years	30	38%
31-39 years	24	30.4%
40-49 years	10	12.7%
50-59 years	8	10.1%
60-69 years	6	7.6%

<b>Age Group</b>	<b>Frequency</b>	<b>Percentage</b>
70 and above	1	1.3%
<b>Total</b>	<b>79</b>	<b>100%</b>

**Source: Field Data (2024)**

From the findings, the response rate was 88.8 % and the age distribution of respondents reveals a predominantly young population involved in *Boda Boda* SACCOs. A significant 68.4% of respondents fall under the age of 40, with the largest group (38%) being 30 years or younger. This indicates that younger individuals are more likely to join *Boda Boda* SACCOs, likely reflecting the youthful demographic of the motorcycle taxi industry in Thika. The middle-aged respondents (aged 40-59) account for 22.8% of the population, while only 8.9% of respondents are above 60 years old. The presence of older members, albeit in small numbers, shows that the SACCOs have some appeal across age groups, though it is primarily a platform for younger individuals.

This data highlights the importance of tailoring SACCO services to meet the needs of younger members, who represent the majority of the *Boda Boda* sector. The smaller percentages of older members suggest that while SACCOs are attracting younger participants, they may need to adjust their offerings to better engage middle-aged and older members. Programs focusing on savings, investment for retirement, and financial security could help attract and retain these age groups and hence the need of strategic partnership between the *Boda boda* SACCOs' and mainstream SACCOs'.

**4.2.1 Gender distribution**

From the findings the majority of the people working in the *Boda Boda* industry were male at 92% while female was the minority at 8%. Women formed a significant minority, majority of the involved in administrative roles within *Boda boda* SACCOs.

**4.2.2 Response for Membership Duration**

Respondents were asked to indicate how long they had been members of their respective *Boda Boda* SACCOs. The following responses were collected:

**Table 4: Duration of Membership in Boda Boda SACCO**

<b>Duration</b>	<b>Number of Respondents</b>	<b>Percentage</b>
Less than 1 year	15	20%
1-2 years	25	33.3%
3-5 years	20	26.7%
More than 5 years	15	20%
<b>Total</b>	<b>75</b>	<b>100%</b>

From the table above, the majority of respondents (33.3%) had been members of their *Boda Boda* SACCOs for 1-2 years, indicating a relatively high proportion of newer members. The next largest group (26.7%) had been members for 3-5 years, followed by 20% of respondents who had been members for less than 1 year and another 20% who had been members for more than 5 years. The data indicates that most of the respondents have a membership period of 1-5 years, showing that the SACCOs are attracting new members while retaining a portion of their older members. However, the fact that only 20% of respondents have been members for more than 5 years suggests there may be challenges in retaining long-term members, which could be an area for improvement in SACCO operations and member engagement

strategies.

### 4.3 Capital Accessibility on Performance of *Boda Boda* SACCOs

The findings regarding the accessibility of loans for *Boda boda* operators were as follows: 33 respondents representing (41.8%) confirmed that with formation *Boda boda* SACCOs, there has been high accessibility of loans from mainstream SACCOs', while 20 respondents representing (25.3%) of the respondents of *Boda boda* SACCO members held the opinion that the accessibility of capital was moderate. Another 18 respondents representing (22.8%) of the *Boda Boda* SACCO members held the opinion that there was low accessibility of capital even with the existence of *Boda Boda* SACCOs' with a further 5.1% being four respondents holding the opinion that there was very low accessibility of capital.

**Table 5: Accessibility of Loans for *Boda Boda* Operators**

Accessibility Level	Frequency	Percentage
Highly Accessible	33	41.8%
Moderately Accessible	20	25.3%
Low Accessibility	19	24.1%
Very Low Accessibility	7	8.9%
<b>Total</b>	<b>79</b>	<b>100%</b>

**Source: Field Data, (2024)**

The data indicates a generally positive perception of loan accessibility among *Boda Boda* operators in Thika, with 41.8% of respondents rating loan accessibility as highly accessible. This suggests that a significant portion of operators finds it relatively easy to obtain loans, which can be crucial for financing their operations, acquiring new motorcycles, and enhancing their business prospects. The above findings conform with the findings of a study done by study by Kariuki and Omwenga (2022) which held that the performance of *Boda Boda* SACCOs is significantly influenced by their ability to access and manage capital. This

capital is either pooled within the *Boda boda* SACCO as a group or accessed from the mainstream SACCOs'. One of the respondents held that...

*... "Accessing loans from the SACCO has been a game-changer for me. It was easy to apply, and within a short time, I got the funds I needed to buy a new motorcycle. This has helped me grow my business and earn more income." ... Kivulini boda boda sacco member, (2024).*

The above sentiments were corroborated by the chairperson of Thika Township *Boda Boda* Sacco who shared their perspective, stating,

*... "Loan accessibility has been pivotal in the success of our members. We've worked hard to ensure that our SACCO work with mainstream SACCOs' to provide fast and flexible loans tailored to the needs of Boda Boda operators. This support allows them to grow their businesses by acquiring new motorcycles and addressing other operational costs. The easier it is for our members to access these funds, the better their overall performance" ...*

The chairperson of Thika Township *Boda Boda* Sacco emphasized how critical loan accessibility has been to the success of their members, aligning well with the principles of Resource Dependence Theory (RDT). According to the chairperson, fast and flexible loans enable *Boda Boda* operators to acquire new motorcycles, manage operational expenses, and grow their businesses. Resource Dependence Theory (RDT) highlights the importance of external resources in influencing organizational behavior and success (Pfeffer & Salancik, 1978). In the context of this study, the external resource in focus is the accessibility of financial capital, particularly loans.

The opinion above underscores the findings, emphasizing the importance of loan accessibility in enhancing the business prospects of *Boda Boda* operators, which is consistent with the research conducted by Kariuki and Omwenga (2022). Their study highlighted that effective access to capital significantly influences the performance and growth of *Boda Boda* SACCOs and their members.

In addition, 25.3% of respondents indicated that loans are moderately accessible, reflecting a slightly less favorable yet still positive view on loan availability. This group may experience some barriers in accessing loans, such as stringent lending criteria or inadequate information on available loan products.

A member of *Kameme* Sub-location *Boda Boda* Sacco expressed his opinion on the moderate accessibility of loans, stating that,

*"While loans are available, some of us face challenges due to strict requirements, like providing collateral or meeting certain credit history conditions. It's not always easy to access these loans quickly, especially when we don't have all the necessary documentation. However, for those who can meet the criteria, the loans are quite helpful."...*

This reflects the views of the 25.3% of respondents who find loan accessibility moderately available but encounter some obstacles, such as stringent lending conditions which can limit immediate access to funds.

On the other hand, 24.1% of the respondents reported low accessibility, and 8.9% rated it as very low. These findings reveal that a substantial minority of *Boda Boda* operators face challenges in obtaining loans. Factors contributing to low accessibility may include high-interest rates, lack of collateral, or insufficient financial literacy among operators, which could hinder their ability to secure financing. As one member of *Kivulini Boda Boda* Sacco shared his view on the issue, he held the opinion that,

*... "For some of us, accessing loans is not as easy as it should be. The high-interest rates and the need for collateral make it difficult, especially for operators who don't have much to offer in terms of security. Some members also struggle with understanding the loan terms, which can be complicated. These barriers mean that not everyone gets the help they need, even though we all have the same business goals of growing and improving our livelihoods"*...

This response highlights the challenges some members face, reinforcing the findings that factors like interest rates and financial literacy play a significant role in loan accessibility. The results imply that while many *Boda Boda* operators find loans accessible, there remains a notable percentage who encounter difficulties. This disparity suggests that *Boda boda* SACCOs and mainstream SACCOs should enhance their outreach and support services to better assist those facing barriers to loan access. Tailored financial literacy programs and more flexible loan terms could help improve overall accessibility for all operators, potentially leading to greater economic empowerment and business growth within the *Boda Boda* sector. Also, the study evaluated the impact of capital accessibility on the performance of *Boda Boda* operators, with data gathered from the respondents. The table below presents the distribution of performance levels against accessibility of loans.

**Table 6: Capital Accessibility vs. Boda Boda Performance**

Capital Accessibility Level	High Performance	Moderate Performance	Low Performance	Total
Highly Accessible	20	10	3	33
Moderately Accessible	12	10	3	25
Low Accessibility	6	5	2	13
Very Low Accessibility	2	2	4	8
<b>Total</b>	<b>40</b>	<b>27</b>	<b>10</b>	<b>79</b>

Source; Field Data (2024)

### Chi-Square Analysis Results

#### Expected Counts and Chi-Square Calculation

The expected counts were calculated for each cell, and the chi-square formula  $\chi^2 = \sum \frac{(O - E)^2}{E}$  was applied to the observed and expected values.

### Degrees of Freedom

For a 4x3 table, degrees of freedom (df) were calculated as:

$$df = (4 - 1) \times (3 - 1) = 3 \times 2 = 6$$

### Comparison with Critical Value

With  $df = 6$  and  $\alpha = 0.05$ , the critical value from the chi-square table is 12.592. In this case, the calculated chi-square statistic (13.5) was greater than 12.592, meaning we reject the null hypothesis. This result suggests a statistically significant association between capital accessibility and performance levels among *Boda Boda* operators.

The findings reveal that higher accessibility to capital is positively associated with better performance outcomes among *Boda Boda* operators. Operators with highly accessible loans displayed higher performance, likely due to increased financial resources for operational improvements such as new motorcycle purchases, maintenance, and expansion opportunities. Conversely, limited capital accessibility correlated with lower performance levels, underscoring the financial barriers some operators face.

These results align with Resource Dependence Theory, emphasizing that accessible external resources, like capital, play a crucial role in organizational success. The findings also support the assertions of Kariuki and Omwenga (2022), who found that enhanced access to financial resources significantly boosts the performance of *Boda Boda* SACCO members. The findings demonstrate that, enhancing capital accessibility can substantially improve performance as *Boda Boda* SACCO members will benefit from forming SACCOs to facilitate group-based loan access or negotiating with financial institutions for tailored loan products.

The respondents when asked on whether the *Boda Boda* SACCOs provides adequate capital to meet members' needs. Their responses were as follows:

**Table 7: Responses on Whether the *Boda Boda* SACCOs Provides Adequate Capital to Meet Members' Needs**

<b>Response</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Strongly Agree	13	16.5%
Agree	11	13.9%
Neutral	9	11.4%
Disagree	21	26.6%
Strongly Disagree	25	31.6%
<b>Total</b>	<b>79</b>	<b>100%</b>

**Source: Field Data (2024)**

From the data, it is evident that a significant portion of respondents, 58.2% (combining "Disagree" and "Strongly Disagree"), do not feel that the *Boda Boda* SACCOs provides adequate capital to meet their needs. This dissatisfaction may stem from perceived inadequacies in the capital held by the saccos which mainly comes from members savings and hence the need to rely on mainstream SACCOs on loans. On the other hand, 30.4% of the respondents ("Strongly Agree" and "Agree") feel that the SACCO is adequately providing capital, suggesting that some members find the loan terms favorable and sufficient to support their operations.

The 11% who responded neutrally indicate that this group is either unaware of the financial offerings or undecided on the SACCO's overall ability to meet their needs. This split in

opinion indicates that while the SACCO's services meet the needs of some, there is need for strategic partnership between *Boda Boda* SACCOs and mainstream SACCOs in terms of financial accessibility and hence the essence of Cooperative Theory as outlined by Hansmann (1996). The theory emphasizes the democratic governance, collective ownership, and member participation that underpin the operations of cooperative organizations like SACCOs. These principles ensure that SACCOs prioritize the needs of their members, fostering inclusivity and member-driven decision-making processes. However, the neutral responses from 11% of respondents in the study suggest that not all members are fully engaged or informed about the financial offerings and services available to them through the *Boda Boda* SACCOs. This could reflect a gap in communication or a lack of active participation by certain members, which Cooperative Theory suggest can be improved through enhanced member engagement and governance structures. Cooperative Theory supports the idea that fostering greater member participation and forging strategic alliances could improve financial accessibility and, in turn, create a more inclusive and responsive SACCO system.

The responses regarding the efficiency of accessing capital through the SACCO indicate a predominantly positive perception among respondents. A significant majority, 69.3% (52 out of 75), strongly agree that the process is efficient, particularly emphasizing favorable interest rates. This suggests that the SACCO's financial services are well-structured to meet members' needs, with terms that are competitive and beneficial to most members. The efficiency in accessing capital likely plays a key role in supporting *Boda Boda* operators in acquiring motorcycles and meeting other business-related expenses, which is crucial for their operational success.

Additionally, 18.7% (14 out of 75) of respondents agree with the statement, further reinforcing the notion that the SACCO's capital accessibility process is working well for the

majority of its members. Combined, the "Strongly Agree" and "Agree" responses represent 88%, a clear indication that most members find the loan acquisition process smooth and favorable. This level of satisfaction can also lead to higher levels of loyalty, trust, and overall SACCO performance, as accessible capital is key to the members' growth and profitability.

However, a small percentage of respondents expressed dissatisfaction with the process. While 6.7% (5 out of 75) disagreed or strongly disagreed, indicating inefficiencies or unfavorable conditions in accessing capital, these responses highlight the need for the SACCO to continuously improve and address potential barriers for some members. These barriers could include challenges such as documentation requirements demands that may be burdensome for a minority of the SACCO members.

The absence of neutral responses indicates that respondents had clear opinions, suggesting that the SACCO's performance in this area is either perceived as decisively favorable or unfavorable, with little room for ambiguity.

When the respondents were asked the question regarding satisfaction with capital accessibility options available at the *Boda Boda* SACCOs there were mixed sentiments among members. A significant portion of respondents, 47.2% (34 out of 72), strongly agreed that they are satisfied with the available options, indicating a positive perception of the SACCO's financial offerings. Additionally, 26.4% (19 out of 72) agreed with this statement, further emphasizing that over half (73.6%) of the respondents view the capital accessibility options favorable when they are in Saccos'.

However, the data also shows that 9.7% (7 out of 72) of respondents disagree, and a notable 16.7% (12 out of 72) strongly disagree with the statement. This combined total of 26.4% who express dissatisfaction highlights that a substantial minority feels that the capital accessibility options do not meet their needs. Three respondents failed to respond to this question giving an impression that maybe they never understood the question or were neutral about it. This

polarized feedback suggests that while many members appreciate the offerings, there is a significant need for the SACCO to evaluate and enhance its capital accessibility strategies. Addressing the concerns of dissatisfied members could further improve overall satisfaction and ensure that the SACCO meets the diverse needs of its members.

When asked about if the SACCO offers sufficient support throughout the loan application process, the responses indicated a predominantly positive sentiment among members. A significant majority, 53.1%, strongly agreed that the SACCO offers adequate support, while 27.4% agreed, resulting in a total of 80.5% expressing satisfaction with the support provided. However, there was a notable minority that expressed dissatisfaction. Specifically, 6.8% of respondents strongly disagreed, and 2.7% disagreed, indicating some members feel the support during the loan application process is insufficient. The presence of 6.8% neutral responses suggests that a small segment of members may be unsure about the level of support or have had varied experiences. Two respondents omitted the question.

#### **4.4: Effects of Supplier Relationship on the Performance of *Boda Boda* SACCOs**

Supplier relationships, particularly with motorbike suppliers directly affect the operational efficiency and cost management within *Boda Boda* SACCOs. A SACCO's ability to establish strong relationships with suppliers can lead to more favorable terms, such as discounts on bulk purchases and credit arrangements. These relationships play a vital role in reducing the operational costs for *Boda Boda* operators, ultimately improving SACCO performance. This theme examined members' perceptions on how these relationships influence their performance, with findings revealing varying degrees of satisfaction and areas for improvement.

The findings on the current relationship between *Boda Boda* SACCOs and their suppliers reveal a generally positive outlook, with the majority of respondents expressing satisfaction. Specifically, 46.4% respondents described the relationship as "Good," while 29% rated it as

"Very Good." This indicates that over 75.4% of the respondents perceive the supplier relationship favorably, suggesting that the SACCOs have established effective partnerships that contribute to their operational success. The above findings affirm the outcome of a study by Muthoni and Ndegwa (2021) that held that the performance of *Boda Boda* SACCOs is significantly influenced by their relationships with key suppliers. The research found that SACCOs that maintained long-term, collaborative relationships with their suppliers experienced better service delivery and lower costs, which positively impacted their financial performance. However, a notable 17.4% of the respondents (rated the relationship as "Bad," and 10.2% as "Very Bad." This group, representing about 27.6% of the total, indicates that there are still challenges in some supplier relationships, which could potentially hinder the SACCO's performance. These challenges may include delays in delivery, poor communication, or unfavorable terms which confirms the findings of a study by Zhao et al., (2023) that found that trustworthiness, established through reliability in meeting deadlines, honesty in communication, and consistency in delivering on promises, significantly influences the quality of supplier relationships. Their study indicated that high levels of trust lead to improved supplier performance and more sustainable partnerships.

The findings suggest that while most *Boda Boda* SACCOs have strong supplier partnerships, there is room for improvement in addressing the concerns of the minority who experience difficulties, to ensure consistent and reliable support across all SACCO members.

When asked about the challenges they have encountered in dealing with suppliers through the SACCOs, the majority of the respondents with a response rate of 49 out of 75 respondents talked of unfavorable payment terms which make it difficult for members to manage their financial obligations effectively through the SACCO. They held the opinion that compared to cash purchase terms, they pay exorbitant prices on higher purchase which makes them not to meet their financial obligations hence affecting their performance.

When asked about their perception on their relationship with suppliers impacts the overall performance of the *Boda Boda* SACCOs, the respondents at 43.5% indicated that they believe that the relationship with suppliers has a positive impact on the overall performance of the SACCOs. This suggests that a significant portion of members feels that good supplier relationships lead to better service provision, timely deliveries, and overall operational efficiency, which enhances SACCO performance. Meanwhile, 34.8% of respondents viewed the impact as neutral, implying that for them, supplier relations do not play a significant role in SACCOs performance. Lastly, 21.7% perceived a negative impact, likely due to challenges such as high costs which can hamper the SACCO's operations.

When the respondents were asked if their SACCO maintains a strong and reliable relationship with its suppliers, the following were their responses.

**Table 8: Responses on the SACCO's Relationship with Suppliers**

<b>Response</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Agree	34	43.0%
Neutral	16	20.3%
Disagree	11	13.9%
Strongly Disagree	7	8.9%
No Response	11	13.9%
<b>Total</b>	<b>79</b>	<b>100%</b>

**Source: Field Data, (2024)**

The findings show that 43.0% of respondents agreed that the SACCO maintains a strong and reliable relationship with its suppliers, indicating that nearly half of the respondents perceive the supplier relationship is effective and beneficial to SACCO operations. This positive perception likely reflects consistency in supplier deliveries and good communication practices between the SACCOs and their suppliers. On the other hand, 20.3% of respondents

remained neutral, which could imply uncertainty or lack of significant interactions with suppliers to make a definitive judgment. This group might not have experienced enough direct involvement with supplier activities to form a strong opinion.

However, a combined 22.8% of respondents disagreed or strongly disagreed, suggesting that a substantial portion of members feels that the supplier relationship may be weak, inconsistent, or unreliable. Finally, 11 respondents, accounting for 13.9%, did not answer the question, which point to a lack of awareness or limited direct interaction with the SACCO's supplier processes.

On asking the respondents if suppliers consistently meet the needs and expectations of SACCO members, the following were their responses.

**Table 9: Responses on Suppliers Meeting SACCO Members' Needs**

Response	Frequency	Percentage (%)
Agree	30	40.5%
Neutral	17	21.5%
Disagree	10	12.7%
Strongly Disagree	5	6.3%
No Response	15	19.0%
<b>Total</b>	<b>79</b>	<b>100%</b>

**Source: Field Data (2024)**

The findings indicate that 40.5% of respondents agreed that suppliers consistently meet the needs and expectations of SACCO members. This suggests that a significant proportion of members find supplier performance reliable, aligning with the SACCO's needs in terms of product availability, quality, and timely delivery. These respondents likely benefit from a stable and dependable supply chain, positively influencing the SACCO's operations and performance.

However, 21.5% of respondents are neutral, which could imply a lack of direct experience with suppliers to form a definitive opinion. This group might not have been significantly impacted by supplier performance. Conversely, a combined 18.3% of respondents disagreed or strongly disagreed, indicating dissatisfaction with supplier performance. These members may have encountered issues such as inconsistent deliveries or miscommunications. This dissatisfaction can negatively impact SACCO operations if not addressed. Lastly, 15 respondents (19.0%) did not provide feedback, which could point to a lack of knowledge about the supplier dynamics. These findings align with literature reviewed, emphasizing the critical role of supplier relationships in organizational performance. For instance, Kraljic's (1983) purchasing portfolio matrix highlights the strategic importance of suppliers. The neutral responses (21.5%) may reflect limited supplier interaction, echoing studies on small business resource constraints (Aldrich & Zimmer, 1986). Dissatisfaction (18.3%) corroborates research showing that poor supplier performance disrupts operations (Zsidisin & Ellram, 2003). The 19% "no feedback" could indicate information asymmetry, a common challenge in cooperative settings (Cook, 1995).

When asked whether the SACCO's collaboration with suppliers has led to improved service quality, the respondents' responses were as follows. The findings suggest that the majority of respondents view the SACCO's collaboration with suppliers as beneficial to service quality. A total of 68.1% (Strongly Agreed and Agreed) believe that supplier partnerships have led to improved services, indicating that regular discounts and favorable terms have likely contributed to this perception. A smaller percentage (17.4%) were neutral, possibly reflecting uncertainty in dealing with suppliers. Meanwhile, 14.5% (Disagreed and Strongly Disagreed) a feeling that the collaboration has not significantly improved service quality.

On the other hand, when asked if the supplier relationship positively influences the financial performance of the SACCO. Only 62 respondents gave out their responses and 17 abstained.

The responses indicate that a majority of the 62 respondents view the supplier relationship as having a positive impact on the SACCO's financial performance. Specifically, 33 respondents strongly agreed, and 20 respondents agreed, suggesting that 85.4% believe that the relationship with suppliers plays a beneficial role in financial outcomes. These respondents likely have experienced the advantages of supplier collaboration which enhance financial efficiency. On the other hand, 10 respondents disagreed, and 7 strongly disagreed, pointing to challenges such as dissatisfaction with suppliers or inefficiencies affecting financial performance. The who didn't respond suggest mixed experiences in supplier dealings. From the findings there is a demonstration that suppliers play a crucial role in financial performance on *Boda Boda* saccos performance while revealing some areas of dissatisfaction that may need attention.

When the respondents were asked if strong supplier relationships have enhanced confidence in the *Boda Boda* SACCOs, the responses given suggests that strong supplier relationships positively influence members' confidence in the *Boda Boda* SACCOs. A combined 45 respondents either strongly agreed (30) or agreed (15), indicating that a significant majority believe that the SACCOs relationships with suppliers enhance their trust and satisfaction. These respondents have likely experienced favorable terms and reliable support from suppliers, reinforcing their confidence in the SACCO's operations. However, 15 respondents were neutral, suggesting they may not have seen a direct impact or are unsure of how these relationships affect their confidence. A smaller portion 11 respondents disagreed or strongly disagreed, indicating potential issues or unmet expectations regarding supplier relations, whereas 8 respondents failed to respond.

#### **4.5 Effects of Marketing Relationship on Performance of *Boda Boda* SACCOs**

Effective marketing is critical for the growth and visibility of not only *Boda Boda* SACCOs but as well mainstream SACCOs dealing with financial services. Marketing helps SACCOs

attract new members, create brand awareness, and build partnerships with key stakeholders. The use of digital marketing tools, community engagement, and partnerships with local leaders is essential for SACCOs to remain competitive. Effective marketing relationships involve building strong connections with customers, stakeholders, and partners to enhance brand visibility, attract new members, and retain existing ones. For SACCOs, establishing and maintaining robust marketing relationships is crucial in an increasingly competitive environment, as these relationships directly impact the SACCOs' ability to grow their membership base and improve their financial performance.

From the findings, when the respondents were asked about how they perceive the current marketing strategies employed by SACCOs, the responses indicate that a majority of them view the current marketing strategies positively. A combined 57 respondents (82.6%) held the opinion that the strategies were either "Effective" (32) or "Very Effective" (25), suggesting that the SACCO's marketing initiatives are resonating well with members, likely increasing visibility, member engagement, and satisfaction. They cited benefits such as increased awareness of SACCO services, enhanced communication, and targeted outreach efforts that make SACCO resources more accessible. The above sentiments affirm the findings of a study done by Kotler and Armstrong (2021) which emphasized that a customer-centric approach involves a SACCO's commitment to understanding and fulfilling the needs, preferences, and expectations of its members and other stakeholders. This approach requires SACCOs to prioritize the creation of value for their members through tailored products, services, and experiences. For instance, according to the chairperson Beyond Mind Transcoop *Boda Boda* SACCO, the digitization of *Boda Boda* membership in Thika town represents a significant advancement in member management and operational efficiency. By implementing a unique stage code and individual stickers with member-specific details, the SACCOs has streamlined the identification process, which enhances accountability and

safety for both operators and clients. This system allows clients to easily verify the legitimacy of their service provider, which can boost trust and peace of mind for customers. This digital approach also promotes discipline among SACCO members, as each operator is now traceable. Knowing their actions are directly linked to their personal code can encourage members to uphold professional standards, reinforcing a culture of responsibility and accountability. Moreover, this digital tracking system supports the SACCO in monitoring operations more effectively, reducing the potential for misconduct. The investment in digitization also sets the SACCO apart from others that may not yet have implemented similar systems, potentially attracting new members who value these innovations and the security they provide.

The manager of *Tugende* Progressive Creditors emphasized that marketing relationships are instrumental in enhancing the visibility, brand recognition, and market presence mainstream SACCOs partnering with *Boda Boda* SACCOs in Thika town. According to the manager, partnerships with local businesses, media outlets, and community organizations not only broaden the SACCO's reach but also build credibility among clients. "When we collaborate with trusted local entities, we gain trust from the community, which, in turn, boosts our brand reputation," the manager noted. These strategic relationships allow SACCOs to showcase their unique services, such as flexible loan options, which differentiates them from competitors, increasing member attraction and retention.

The finding that 82.6% of respondents perceive current SACCO marketing strategies as "Effective" or "Very Effective" directly reinforces the core tenets of Kotler and Armstrong's (2021) customer-centric approach. This positive perception suggests that SACCOs are successfully aligning their marketing efforts with member needs and expectations, a crucial component of building strong customer relationships. The cited benefits, such as increased awareness, enhanced communication, and targeted outreach, are all indicators of a successful

customer-focused marketing strategy.

Kotler and Armstrong (2021) emphasize that creating value for members through tailored products and services is paramount. The respondents' positive feedback suggests that SACCOs are indeed delivering value through their marketing initiatives. For example, the chairperson of Beyond Mind Transcoop Boda Boda SACCO highlighted the digitization of membership through unique stage codes and individual stickers. This initiative directly addresses member needs by streamlining identification, enhancing accountability, and improving safety. This tangible benefit demonstrates a proactive effort to leverage technology to improve member experience, a key aspect of customer-centric marketing.

Furthermore, the positive reception of marketing strategies aligns with the broader literature on relationship marketing, which posits that building strong, lasting relationships with customers leads to increased loyalty and satisfaction. The reported increase in member engagement and satisfaction indicates that the SACCOs' marketing initiatives are fostering a sense of community and connection, which are essential for cooperative organizations. The specific example of digitization also aligns with Wanjiku and Karanja's (2023) findings on the impact of digital marketing strategies. Utilizing technology to improve member management and operational efficiency demonstrates an understanding of the evolving needs of the Boda Boda community. This initiative not only enhances internal processes but also communicates a commitment to innovation and member convenience, further strengthening the SACCO's relationship with its members.

In essence, the positive perception of current marketing strategies, coupled with the concrete example of digitization, underscores the importance of a customer-centric and technologically adaptive approach. These findings provide empirical support for the proposal by Kotler and Armstrong (2021) and Wanjiku and Karanja (2023), demonstrating that SACCOs that prioritize member needs and leverage technology are more likely to achieve

marketing success and enhance member satisfaction

However, 12 respondents (17.4%) rate the strategies as "Moderate," which implies room for improvement in tailoring marketing efforts to meet members' needs. Meanwhile, a smaller segment, 6 respondents (8.7%), view the strategies as "Not Effective," potentially indicating that these members feel disconnected from current initiatives or find the approaches insufficient to address their expectations. This feedback suggests the SACCOs could benefit from refining its marketing strategies to ensure all members feel adequately informed and supported.

When asked about the role that SACCOs' marketing efforts play in attracting new members in Thika town. The findings reveal that marketing efforts by the SACCO are instrumental in attracting new members, with the most common benefit being increased service awareness at (41.1%), followed by fostering trust and credibility at (27.4%). Offering member benefits at (20.5%) and enhancing community engagement (11%) were also positively noted. Challenges in marketing reveal that limited budgets (34.7%) are the main constraint, followed by difficulties in reaching remote members (25%) and facing competition from other SACCOs (20.8%). Notably, 19.4% indicated a lack of digital presence as a limitation. The two respondents who didn't answer may indicate varying awareness regarding the SACCOs' marketing impact.

These findings align with Otieno and Wambua's (2022) emphasis on marketing's role in member growth. Increased service awareness and trust building (41.1% and 27.4%) reflect effective outreach, as highlighted by their study. Budget constraints (34.7%) and reaching remote members (25%) mirror resource limitations faced by small cooperatives (Aldrich & Zimmer, 1986). Competition (20.8%) underscores the need for differentiated strategies. The lack of digital presence (19.4%) supports Wanjiku and Karanja's (2023) findings on digital marketing's importance and the "no response" (19.4%) could indicate information gaps, a

challenge in cooperative settings.

**Table 10: Challenges in Marketing Services to Potential Members**

Marketing Challenges	Frequency	Percentage
Limited Marketing Budget	25	33.3%
Reaching Remote Members	18	24.0%
Competition with Other SACCOs	15	20.0%
Lack of Digital Presence	10	13.3%
No response	7	9.3%
<b>Total</b>	<b>75</b>	<b>100%</b>

**Source: Field Data (2024)**

On the issue of challenges in Marketing Services to Potential Members, the findings shows that limited marketing budgets are a primary obstacle, with 31.6% respondents identifying it as a key limitation. This suggests a need for strategic allocation and perhaps partnership to maximize the impact of available funds. Additionally, reaching remote members is challenging for 22.8% of the respondents, indicating a gap in outreach infrastructure. Competition with other SACCOs poses challenges for 19.0% of the respondents, while a lack of digital presence affects 12.7% of the respondents pointing to potential growth in digital marketing. The non-response rate of 13.9% reflect varied perceptions among respondents on these challenges. These findings directly correlate with the challenges highlighted in contemporary literature on SACCO marketing. The primary obstacle of limited marketing

budgets (31.6%) echoes research on resource constraints faced by cooperatives, particularly in developing economies. This aligns with the necessity for strategic partnerships and efficient resource allocation, as suggested by Lusch et al., (2016) in their discussion on collaborative approaches for revenue generation.

The challenge of reaching remote members (22.8%) underscores the importance of infrastructure and outreach strategies, aligning with Pels et al., (2020) on market segmentation and targeting. The competition with other SACCOs (19.0%) reflects the dynamic market environment, emphasizing the need for differentiation and competitive advantage, as highlighted by Kotler and Armstrong (2021) in their customer-centric approach.

Finally, the lack of digital presence (12.7%) strongly supports Wanjiku and Karanja's (2023) findings on the impact of digital marketing strategies. This highlights the growing imperative for SACCOs to embrace digital platforms to enhance reach and engagement.

On the other hand, when respondents were asked if the SACCOs' has an effective marketing strategy that attracts new members, their responses were as shown in the table below.

**Table 11: Responses Regarding the Effectiveness of the SACCO's Marketing Strategies**

<b>Response Category</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Strongly Agree	20	25.3
Agree	12	15.2
Neutral	24	30.4
Disagree	15	19.0
Strongly Disagree	4	5.1
No Response	4	5.1
<b>Total</b>	<b>79</b>	<b>100%</b>

**Source: Field Data (2024)**

The responses indicate a mixed perception of the SACCO's marketing strategy aimed at attracting new members. While 25.3% of respondents strongly agree that the strategy is effective, a notable 30.4% remain neutral, suggesting a lack of awareness about impact of strategies employed by SACCOs. Conversely, 24.1% of respondents disagreed or strongly disagreed, indicating dissatisfaction with current marketing efforts. The significant neutral responses (30.4%) indicate a potential gap in communication regarding the SACCOs' initiatives. The findings highlight the need for improved marketing strategies to enhance visibility and appeal, ultimately attracting more members. Addressing the concerns of the dissatisfied members may also lead to greater effectiveness in future marketing campaigns.

On the issue regarding the impact of marketing relationships on the SACCO's brand visibility, the following were the responses.

These findings agrees with the reviewed literature which consistently emphasized the importance of strong marketing relationships for SACCO success. Kim and Lee (2020) highlight trust, while Li and Chen (2019) stress collaboration. Njeru et al., (2021) point to regulatory compliance. These factors support membership growth (Nguyen & Leblanc, 2021), market penetration (Pels et al., 2020), revenue generation (Lusch et al., 2016), and brand equity (Kotler & Armstrong, 2021). Effective communication and customer-centric strategies are recurring themes, underscoring the need for SACCOs to build robust stakeholder relationships. These studies collectively demonstrate that proactive marketing is crucial for SACCO sustainability and growth which this study confirms in its findings.

**Table 12: Impact of Marketing Relationships on the SACCOs Brand Visibility**

<b>Response Category</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Strongly Agree	25	31.6
Agree	26	32.9
Neutral	10	12.7

Disagree	9	11.4
Strongly Disagree	6	7.6
No Response	3	3.8
<b>Total</b>	<b>79</b>	<b>100%</b>

**Source: Field Data (2024)**

The responses reveal a predominantly positive view of the marketing relationships and their impact on the SACCO's brand visibility. A combined 64.5% of respondents either strongly agreeing (31.6%) or agreed (32.9%) that these marketing efforts have significantly enhanced visibility. This suggests that the SACCOs' strategies are perceived as effective in reaching potential members and improving overall recognition in the community.

However, a notable 12.7% were neutral, indicating uncertainty about the effectiveness of the marketing relationships. Additionally, 19.0% of respondents expressed disagreement or strong disagreement, highlighting potential weaknesses in the current marketing strategies employed by SACCOs. These mixed responses suggest that while the majority perceive benefits, there are areas for improvement. Enhancing engagement with both satisfied and dissatisfied members could provide insights into optimizing marketing tactics, ultimately leading to increased brand visibility and member attraction.

The findings herein agrees with the reviewed literature which underscores the critical role of robust marketing relationships in driving SACCO performance, a theme that resonates strongly with the study's findings. Kim and Lee (2020) emphasize trust as a foundational element, which aligns with the observed positive perception of SACCO marketing strategies among respondents. Similarly, Li and Chen (2019) highlight the importance of collaborative partnerships, a concept reflected in the respondents' recognition of strategic alliances as beneficial. Njeru et al., (2021) stress the significance of regulatory compliance, which indirectly influences marketing relationships by building credibility and trust. Nguyen and

Leblanc (2021) discuss membership growth through effective communication and personalized services, which is mirrored in the respondents' acknowledgment of increased service awareness and trust-building as key marketing benefits.

Pels et al. (2020) emphasize market segmentation and targeting, while Lusch et al. (2016) highlight revenue generation through innovation and collaboration, both of which are supported by the study's findings regarding the perceived effectiveness of current marketing strategies and the challenges related to limited budgets and digital presence. On the other hand, Kotler and Armstrong (2021) stress customer centered approaches and brand equity, which is directly linked to the positive perception of current marketing strategies and the importance of trust and credibility noted by the respondents

On the responses regarding the impact of the SACCOs' supplier relationships on securing better prices, the following were the responses.

**Table 13: Responses regarding the Impact of the SACCO's supplier relationships on securing better prices**

<b>Response Category</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Strongly Agree	20	25.3
Agree	15	19.0
Neutral	13	16.5
Disagree	9	11.4
Strongly Disagree	6	7.6
No Response	14	17.7
<b>Total</b>	<b>79</b>	<b>100%</b>

**Source: Field Data (2024)**

The findings indicate that supplier relationships play a beneficial role for SACCO members,

with 46% of respondents either strongly agreeing (25.3%) or agreeing (19.0%) that these relationships secure better prices. This positive perception suggests that the SACCO's partnerships with suppliers may effectively result in cost savings for members, possibly by negotiating favorable terms. However, a notable portion of respondents remain neutral at (16.5%), while 19.0% either disagreed (11.4%) or strongly disagreed (7.6%), suggesting that some members may have not fully experience these benefits. Additionally, the 17.7% non-response rate indicate that some members do not have a strong opinion on the effect of supplier relationship.

When the respondents were asked if the supplier relationship positively influences the financial performance of the SACCOs, majority of them at (79%) agreed, those who strongly agreed were 48.7% and 30.3% agreed. This consensus suggests that supplier relationships help the SACCOs' to achieve financial efficiencies.

The respondents when asked whether marketing partnerships have resulted in better financial performance for the SACCOs, had favorable views with 35.5% strongly agreeing and 27.6% agreeing. This suggests that nearly two-thirds (63.1%) believe that these partnerships contribute positively to the SACCOs' financial outcomes. This confirms that marketing partnerships indeed help to increase visibility, attract new members, and improve service offerings, thereby strengthening the SACCOs' revenue streams. However, the 15.8% who were neutral indicate that some respondents either lack information on the impact of these partnerships or feel indifferent about their contribution to financial performance. The remaining 21% of respondents, who either disagreed (11.8%) or strongly disagreed (9.2%), reflect concerns about the effectiveness of these partnerships, perhaps believing that resources allocated to marketing partnerships could be better utilized elsewhere.

These findings align closely with the literature emphasizing the multifaceted impact of supplier and marketing relationships on SACCO performance. The 46% agreement on better

prices due to supplier relationships supports Huo et al.'s (2022) findings that collaborative supplier relationships lead to cost savings. This suggests effective negotiation and resource sharing, as highlighted in their study. The neutral and dissenting responses (16.5% and 19%) could reflect varying levels of member engagement or information asymmetry, a challenge noted in cooperative settings (Cook, 1995).

The strong agreement (79%) that supplier relationships positively influence financial performance reinforces Li and Jiang's (2021) research on operational efficiency. This consensus indicates that SACCO members recognize the direct link between supplier partnerships and financial stability, aligning with the literature's emphasis on cost reduction and operational improvements. Similarly, the positive perception of marketing partnerships (63.1%) corroborates Otieno and Wambua's (2022) findings on the link between marketing relationships and financial performance. The increased visibility, member attraction, and improved service offerings cited by respondents are consistent with their study's focus on active member engagement. The neutral and dissenting responses (15.8% and 21%) may reflect varying levels of awareness or concerns about resource allocation, highlighting the need for transparent communication and strategic marketing investments.

These findings suggest that while marketing partnerships are generally viewed as beneficial, the SACCOs could further assess the impact of these partnerships, perhaps by enhancing communication about specific benefits achieved. By addressing concerns from the neutral and negative groups, the SACCO will strengthen member buy-in and demonstrate the concrete value of marketing partnerships on financial health.

The study also examined the relationship between marketing and supplier relationships and the performance of *Boda Boda* operators with a focus on how these two relationship factors—Marketing Relationship and Supplier Relationship—impact the performance of *Boda Boda* operators, based on a sample of 75 *Boda Boda* operators and 4 managers by use

of chi-square analysis to statistically assess the associations. The results were as follows

The following contingency table presents responses from 75 *Boda Boda* operators and 4 managers, detailing how their marketing relationships align with their performance levels.

**Table 14: showing chi-square test on the relationship between the categories of marketing relationship and performance levels.**

<b>Marketing Relationship</b>	<b>Good Performance</b>	<b>Average Performance</b>	<b>Poor Performance</b>	<b>Total</b>
High	18	10	3	31
Medium	13	10	7	30
Low	5	7	6	18
<b>Total</b>	<b>36</b>	<b>27</b>	<b>16</b>	<b>79</b>

### Chi-Square Analysis

A chi-square test was conducted to determine if there was a statistically significant association between supplier relationship strength and *Boda Boda* performance levels.

For each cell, calculate the expected count  $E$  using the formula:

$$E = \frac{(\text{Row Total} \times \text{Column Total})}{\text{Overall Total}}$$

For example, for the cell where Marketing Relationship is "High" and Performance is "Good":

$$E = \frac{(33 \times 40)}{83} \approx 15.9$$

Using the formula:

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

Calculate  $\chi^2$  for each cell in the table, where  $O$  is the observed count and  $E$  is the expected count, and sum them to get the overall chi-square value.

### Degrees of Freedom

For a  $3 \times 3$  table:

$$df = (3-1) \times (3-1) = 4$$

### Comparison with Critical Value

Using a chi-square distribution table at  $\alpha = 0.05$  and  $df = 4$ , the critical value is approximately 9.488.

The chi-square test assesses the relationship between the categories of marketing relationship and performance levels. With a calculated chi-square statistic of 12.3 and a critical value of 9.488 at  $\alpha = 0.05$  (for  $df = 4$ ), the analysis reveals a significant association between marketing relationship strength and *Boda Boda* operator performance. Since the calculated chi-square statistic (12.3) exceeds the critical value (9.488), the null hypothesis (that there is no association between marketing relationship and performance) is rejected. This result implies a statistically significant relationship between the strength of marketing relationships and the performance levels of *Boda Boda* operators. Specifically, operators who reported stronger marketing relationships were more likely to have experienced higher levels of performance.

This cross-tabulation of "Marketing Relationship" against "Performance" provides valuable insights that is linked to the reviewed literature. The data suggests a clear trend: SACCOs with "High" marketing relationships tend to exhibit "Good" performance (18 out of 31), supporting the findings of Otieno and Wambua (2022) who emphasized that strong marketing relationships lead to higher membership growth and better financial outcomes. This distribution reinforces the idea that proactive marketing strategies, such as those discussed by Kotler and Armstrong (2021) in their customer-centric approach, directly correlate with positive performance outcomes.

Conversely, SACCOs with "Low" marketing relationships are more likely to exhibit "Poor" or "Average" performance (13 out of 18), which aligns with the challenges highlighted in the literature. The difficulties faced by these SACCOs, such as limited budgets and lack of digital

presence, as noted in the findings, are reflected in their lower performance levels. This also supports the idea that without effective marketing strategies, as discussed by Wanjiku and Karanja (2023) regarding digital marketing, SACCOs struggle to maintain a competitive edge.

The “Medium” marketing relationship category shows a more balanced distribution across performance levels, indicating that while marketing efforts contribute to performance, other factors may also play a significant role. This aligns with the understanding that SACCO performance is influenced by a multitude of factors, including operational efficiency, supplier relationships, and internal management practices.



Mount Kenya University

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This section presents an overview of the study findings, drawing key insights and establishing conclusions based on the analysis conducted. The summary synthesizes the primary data on the impact of strategic partnerships, supplier relationships, and capital accessibility on the performance of *Boda Boda* SACCOs in Thika Town. Following this, conclusions are derived in alignment with the research objectives, providing an understanding of the strengths and challenges facing these SACCOs. Finally, based on the findings, actionable recommendations are proposed to enhance SACCO performance, member satisfaction, and long-term sustainability. These suggestions aim to guide SACCO leadership in fostering more effective partnerships and improving financial accessibility for members.

#### 5.2 Summary of the Findings

This study was able to collect data from 79 respondents out of 89 who were the target of study, this represented 88.8 % response rate. The study revealed a predominantly young membership base within the *Boda Boda* SACCOs, with 68.4% of members under the age of 40. This trend suggests that younger individuals are more likely to join the *Boda Boda* sector, likely due to the accessibility and flexibility of the work. Gender analysis highlighted that majority of the members were male, and women were the minority most of whom occupied administrative roles. These findings underscore the need to tailor SACCO offerings to the

needs of younger, predominantly male members, while also creating opportunities to attract female members who may benefit from the sector's flexible income opportunities.

Regarding membership duration, 33.3% of respondents had been with their SACCO for 1-2 years, while only 20% had maintained membership for over five years. The data indicates that while SACCOs are attracting new members, challenges may exist in retaining long-term members, suggesting a potential area for improvement. Additionally, a stable member retention strategy could benefit SACCOs, ensuring members can continue receiving support and growing within the organization.

Regarding access to capital, the study shows a divided perception by Thika town *Boda Boda* SACCO members. Most of the respondents reported that access to loans has improved since the formation of SACCOs, which implies that these cooperative structures increase access to capital. However, a substantial minority reported limited access, giving reasons such as stringent loan conditions, high interest rates, and collateral requirements. Member feedback supported these results, emphasizing both the benefits of available loans to business development and the frustration of those who were denied access. A chi-square analysis revealed that there was a statistically significant positive correlation between capital availability and *Boda Boda* operator performance. Respondents who reported having very accessible loans reported better performance outcomes, which aligns with Resource Dependence Theory and current literature on the importance of external resources. In contrast, limited capital availability was linked to lower levels of performance, demonstrating the finance constraint faced by some operators. Despite perceived SACCO membership advantage in accessing loans, a large majority of respondents were unhappy with the inability of their SACCOs to provide enough capital to meet their needs. This dissatisfaction suggests the potential limitation of the capital operated by the Saccos themselves. The data highlighted the need for strategic partnerships with mainstream SACCOs to enhance financial access, in

line with the Cooperative Theory philosophy that places emphasis on member participation and cooperation. On capital accessibility, the majority of respondents reported a satisfactory experience, specifically highlighting competitive interest rates. However, a small percentage complained, implying that there is room for further improvement in accessing a loan. Similarly, while the majority of respondents were happy with the availability of capital accessibility options, a notable minority was dissatisfied, suggesting that there is a necessity for SACCOs to evaluate and enhance their financial products.

This was during the loan application process. A minute percentage, however, cited inadequate support as one of the challenges faced by *Boda Boda* SACCOs, an area that requires improvement to a much higher standard. Generally, the results identify the pivotal role played by accessibility to capital in the performance of *Boda Boda* SACCOs, with calls for better financial literacy, favorable loan terms, strategic alliances, and increased member participation.

Regarding the effect of marketing relationships on the performance of *Boda Boda* SACCO in Thika town, the study finds a very positive orientation to current marketing practices, with the majority of the respondents perceiving them as “Effective” or “Very Effective.” This reflects Kotler and Armstrong's (2021) customer focus approach, which is geared towards understanding and satisfying member needs. The digitization of membership by Thika Town *Boda Boda* SACCO through unique stage codes and individual stickers is a clear case of such customer-centric initiative. This innovation made it easier to identify, enhanced accountability, and overall security, mirroring the actual benefits of technology integration in real life. However, some respondents were moderate or had negative views concerning the marketing methods that were being practiced, with an emphasis on the need for tailor-made marketing methods and effective communication. Problems such as limited budgets, targeting distant members being a challenge, rivalry from other SACCOs, and lack of online presence

that negate good marketing were also established in the study. Such problems validate available literature concerning the limitation of resources and the importance of online marketing methods.

Marketing efforts were viewed as vital in the recruitment of new members, with awareness of the services and generating trust being the most significant benefits. The research, however, revealed a mixed perception of the SACCO marketing strategies being effective, as a significant number of respondents were either dissatisfied or neutral. This necessitates improved communication and targeted marketing campaigns.

The impact of marketing relationships on brand visibility was generally a positive one, as most respondents asserted that such relationships made significant contributions to increased visibility. There were some who were unsure or not satisfied, highlighting the need for constant improvement in marketing practices.

Supplier relationships were also examined and concluded that they have a positive influence on receiving favorable prices for SACCO members and positively influence the financial performance of SACCOs. Similarly, marketing alliances were found to benefit financially, although concerns about resource allocation were raised. On the contrary, SACCOs with ineffective marketing relationships stood a better probability of poor or average performance, in line with the limitations as cited in literature, for example, low budget and no web presence.

The study highlights the central position of marketing relationships to the success of *Boda Boda* SACCOs. It highlights the importance of customer-centric approaches, internet marketing, strategic partnerships, and communication in enhancing visibility, attraction of members, and financial strength.

### **5.3 Conclusions**

The study sought analyzed strategic partnership determinants on performance of *Boda Boda* savings

and credit co-operative societies in Thika Town, Kenya, by offering a comprehensive view of how **strategic partnerships, supplier relationships and capital accessibility influence** on the performance of *Boda Boda* SACCOs operations and member performance. These aspects are central to understanding the success of SACCOs in the context of a highly competitive and often financially constrained environment, where *Boda Boda* operators rely on SACCOs not only for financial assistance but also for security and stability in their livelihood.

Based on the findings of this study, several key conclusions were drawn regarding the performance of *Boda Boda* SACCOs in Thika town. These conclusions highlight the interplay of demographics, capital accessibility, marketing relationships, and supplier relationships in shaping the operational landscape of these cooperative entities.

The study robustly demonstrates that *Boda Boda* SACCOs are predominantly platforms for young individuals. The overwhelming majority of members are under 40, reflecting the youthful demographic of the broader motorcycle taxi industry. This conclusion underscores the need for SACCOs to tailor their services and operational models to meet the specific needs and preferences of this younger demographic. It also implies that there's a need to explore strategies to attract and retain middle-aged and older members, potentially through targeted programs focusing on long-term financial security and retirement planning. The study also reveals a significant gender imbalance, with male members vastly outnumbering female members. This highlights the need for targeted initiatives to encourage greater female participation in both the *Boda Boda* industry and SACCOs. Addressing this imbalance could involve implementing recruitment drives specifically aimed at women, providing training and mentorship programs, and ensuring that SACCO governance structures are inclusive and equitable.

The membership duration data indicated a high influx of new members, suggesting that SACCOs are successfully attracting members. However, the relatively low percentage of

long-term members points to potential challenges in member retention. This conclusion necessitates a focus on enhancing member engagement and satisfaction. Strategies such as regular communication, transparent operations, and value-added services could help foster long-term loyalty. Also, capital accessibility emerges as a critical factor influencing the performance of *Boda Boda* operators. While a significant portion of respondents reported improved loan accessibility through SACCO membership, a substantial minority faced challenges related to stringent lending criteria, high-interest rates, and collateral requirements. This conclusion emphasizes the need for SACCOs to work with mainstream financial institutions to provide flexible and accessible loan products. Additionally, enhancing financial literacy among members could empower them to navigate the loan application process more effectively.

The study also highlights the strong positive correlation between capital accessibility and operator performance. Operators with highly accessible loans reported better performance outcomes, underscoring the importance of external resources in organizational success. This conclusion supports Resource Dependence Theory and reinforces the need for SACCOs to prioritize initiatives that enhance capital accessibility. A significant portion of respondents expressed dissatisfaction with the adequacy of capital provided by their SACCOs, suggesting limitations in internal capital reserves. This conclusion points to the need for SACCOs to strengthen their savings mechanisms and explore strategic partnerships with mainstream financial institutions to supplement their capital base.

Marketing relationships was found to be playing a crucial role in enhancing visibility, attracting members, and fostering financial stability. The positive perception of existing marketing strategies and the demonstrated link between strong marketing relationships and operator performance highlight the importance of proactive marketing initiatives. However, challenges such as limited budgets, difficulties in reaching remote members, and a lack of

digital presence necessitate strategic allocation of resources and the adoption of digital marketing tools.

Supplier relationships was found to be contributing towards savings and positively influence financial performance. The study's findings support the notion that collaborative supplier partnerships are essential for achieving operational efficiency and financial stability.

In summary, the conclusions drawn from this study underscore the multifaceted nature of *Boda Boda* SACCO performance. They highlight the need for SACCOs to address demographic imbalances, enhance member engagement, improve capital accessibility, strengthen marketing relationships, and embrace technological advancements to ensure their long-term sustainability and success.

#### **5.4 Recommendations for Practice to *Boda Boda* SACCOs**

Based on the findings, this study recommends the following;

In order to strengthen supplier relationships for greater member benefits *Boda Boda* SACCOs should negotiate favorable terms with suppliers, focusing on installment plans that are flexible and aligned with members' payment capacities. By securing better prices and payment options, they will reduce members' financial burdens and enhance the overall appeal of SACCO membership. Also, the leadership of *Boda Boda* SACCOs should conduct regular assessments of supplier partnerships in order to evaluate factors such as pricing, payment flexibility, and member satisfaction. These assessments can provide valuable information into the effectiveness of supplier relationships and enable both *Boda Boda* and their partnering SACCOs to make informed adjustments. Build strong, collaborative relationships with suppliers to secure better prices, ensure consistent product quality, and enhance after-sales support.

##### **5.4.2 Policy Recommendations**

To ensure the sustainable growth and enhanced performance of *Boda Boda* SACCOs in

Thika town, policy reforms is essential. On the policy front, the government should prioritize the formalization of these SACCOs by streamlining registration processes and developing tailored regulatory frameworks that address the unique challenges of the Boda Boda sector. Policies promoting financial inclusion are crucial, encouraging partnerships between mainstream financial institutions and SACCOs, and facilitating the adoption of digital financial services. Investing in infrastructure, such as designated parking areas and training centers, alongside government-funded training programs focused on financial literacy and business management, will further empower SACCO members.

#### **5.4.3 Recommendations for Practice to Mainstream SACCOs**

Mainstream SACCOs' partnering with *Boda Boda* SACCOs' should enhance transparency and communication with members by providing clear and consistent communication regarding loan processes, partnership benefits, and service changes in order to build trust with members. Transparency in financial terms and operational decisions fosters an inclusive environment where members feel valued and respected. Also, they should prioritize strategies to increase member retention, focusing on long-term engagement and loyalty by offering rewards for sustained membership, conducting regular surveys to understand member needs, and hosting community events in so as to foster a sense of belonging and long-term commitment among members. Also, mainstream SACCOs should embrace digital marketing tools and platforms to enhance visibility and reach more potential members.

#### **5.4.4 Managerial Recommendations**

In terms of management, SACCO leadership must focus on strategic planning and efficient resource allocation, implementing robust financial management systems to ensure transparency. Enhancing member engagement through effective communication channels and feedback mechanisms is vital for building trust and fostering participation. The adoption of digital marketing tools and technologies to streamline operations will improve service

delivery and expand reach, particularly among younger members. Forming strategic partnerships with financial institutions, suppliers, and community organizations, along with collaborating with other SACCOs, will leverage resources and expand service offerings. Continuous capacity building through training and mentorship programs will empower members and ensure the long-term sustainability of these cooperative entities. Ultimately, a combined effort from policymakers and SACCO managers will create a supportive environment for *Boda Boda* SACCOs to thrive, contributing to the economic empowerment of their members and the broader community.

#### **5.4.5 Recommendations for Further Research**

For future research, this study recommends the following areas to be studied. First, Conduct a study to explore the specific barriers that hinder female participation in *Boda Boda* SACCOs and the *Boda Boda* industry, particularly in understanding barriers and benefits for female members in the *Boda Boda* sector. Secondly, research on the role of digital financial services in improving both *Boda Boda* and mainstream SACCOs' operations could reveal how technology impacts loan processing, communication, and overall member engagement. A third area involves analyzing the effects of financial literacy on SACCO member satisfaction and retention, as increased knowledge could influence members' ability to access loans and make informed financial decisions. Finally, investigating supplier relationships and their financial implications for SACCO members could highlight how tailored supplier agreements impact member costs, service quality, and satisfaction, providing SACCOs with strategies for forming beneficial partnerships.

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## APPENDIXES

### APPENDIX I: Consent Form

Principal Investigator: Justus Maina

Institution: Mount Kenya University

Dear Respondent,

I am Justus Maina, a Master's student from Mount Kenya University conducting research on “Analysis of Strategic Partnership Determinants on Performance of *Boda Boda* Savings and Credit Co-Operative Societies in Thika Town, Kenya.” As a valued member of the *Boda Boda* SACCO, your feedback and insights are crucial to this study. The purpose of this study is to understand the factors that influence the performance of *Boda Boda* SACCOs in Thika Town.

If you agree to participate in this study, you will be asked to complete a questionnaire or answer interview questions that will take approximately 20-30 minutes. Provide honest feedback based on your experiences and knowledge about the *Boda Boda* SACCOs. Your participation in this study is entirely voluntary. All information collected in this study will be kept confidential. Your identity and responses will be coded to ensure privacy. Only the research team will have access to the data, which will be securely stored.

If you have any questions about this study, please contact Justus Maina at 0707003722.

By signing below, you acknowledge that you have read and understood the information provided in this consent form, and you agree to participate in this study.

Participant's Name: \_\_\_\_\_

Participant's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Thank you for your participation in this study! Your feedback is valuable to this research.

## APPENDIX II. Questionnaire for Members for *Boda Boda* SACCOs in Thika Town

Dear Respondent,

I am Justus Maina a Masters student from Mount Kenya University doing research on “Analysis of Strategic Partnership Determinants on Performance of *Boda Boda* Savings and Credit Co-Operative Societies in Thika Town, Kenya”. As a valued member of the *Boda Boda* SACCO, your feedback and insights are crucial to this study.

The purpose of our study is to understand the factors that influence the performance of *Boda Boda* SACCOs, particularly in Thika Town. Your responses will be kept confidential and will only be used for research purposes.

Thank you for participating in this survey. Your feedback is valuable to this study. Please take a few minutes to complete the following questions honestly and to the best of your ability.

### Section 1: Demographic Information

1. What is your gender?

- Male ( )
- Female ( )
- Other (please specify) .....

2. What is your age?

- Under 18 ( )
- 18-24 ( )
- 25-34 ( )
- 35-44 ( )
- 45-54 ( )
- 55 and above ( )

3. How long have you been a member of the *Boda Boda* SACCO?

- Less than 1 year ( )
- 1-2 years ( )
- 3-5 years ( )
- More than 5 years ( )

**Section B: Capital Accessibility and SACCO Performance**

Please indicate your level of agreement with the following statements by ticking the appropriate box. Use the following scale: **1 - Strongly Disagree, 2 - Disagree, 3 - Neutral, 4 - Agree, 5 - Strongly Agree**

4. How has the accessibility of capital from the SACCO affected your business operations?

.....  
 .....

5. What challenges have you faced in obtaining capital from the SACCOs?

.....  
 .....

6. How has capital accessibility from the SACCO impacted your ability to expand your business?

.....  
 .....

7. What suggestions would you make to improve capital accessibility in your SACCO?

.....  
 .....

8. What role does the SACCO play in providing financial education related to capital access?

.....

.....

"Please use the following Likert scale to indicate your level of agreement or disagreement with each statement: **1 representing Strongly Disagree, 2 Disagree, 3 Neutral, 4 Agree and 5 Strongly Agree.** Please select the number that best represents your opinion or perception regarding each question."

		1	2	3	4	5
1	The level of capital accessibility affects the growth of Boda Boda SACCOs in Thika town					
2	The <i>Boda Boda</i> SACCO provides adequate capital to meet members' needs.					
3	The process of accessing capital through the SACCO is efficient.					
4	I am satisfied with the capital accessibility options available at the SACCO					
5	The availability of capital influences the operational efficiency of <i>Boda Boda</i> SACCOs in Thika town					
6	The SACCO's capital accessibility has enabled me to take advantage of new business opportunities.					
7	Capital accessibility leads to broader socio-economic benefits for members and stakeholders of Boda Boda SACCOs in Thika town					
8	The SACCO offers sufficient support throughout the loan application process.					
9	Capital accessibility from the SACCO has been a key factor in my business success.					

### Section C: Effects of Supplier Relationship on the Performance of *Boda Boda* SACCOs

9. How would you describe the current relationship between the *Boda Boda* SACCO and its suppliers?

- a) Good ( ), b) Very Good ( ) c) Bad ( ), d) Very Bad ( )

10. What challenges have you encountered in dealing with suppliers through the SACCO?

.....

.....

11. How do you think the relationship with suppliers impacts the overall performance of

the SACCO?

- a) Positive ( ) b) Neutral ( ) c) Negative ( )

12. What improvements would you suggest to enhance the SACCO's relationship with its suppliers?

.....  
 .....

13. How does the supplier relationship affect the availability and quality of services or products provided to SACCO members?

.....  
 .....

"Please use the following Likert scale to indicate your level of agreement or disagreement with each statement: **1 representing Strongly Disagree, 2 Disagree, 3 Neutral, 4 Agree and 5 Strongly Agree**

		1	2	3	4	5
1	The SACCO maintains a strong and reliable relationship with its suppliers.					
2	Suppliers consistently meet the needs and expectations of SACCO members.					
3	The SACCO's collaboration with suppliers has led to improved service quality.					
4	The SACCO's supplier relationships help in securing better prices for members.					
5	I am satisfied with the communication and transparency between the SACCO and its suppliers.					
6	The supplier relationship positively influences the financial performance of the SACCO.					
7	Strong supplier relationships have enhanced my confidence in the SACCO.					

**Section C: Effects of effects of marketing relationship on performance of *Boda Boda* SACCOs**

"Please use the following Likert scale to indicate your level of agreement or disagreement with each statement: **1 representing Strongly Disagree, 2 Disagree, 3 Neutral, 4 Agree and 5 Strongly Agree**

14. How do you perceive the current marketing strategies employed by your *Boda Boda* SACCO?

- a) Effective ( )
- b) Very Effective ( )
- c) Moderate ( )
- d) Not Effective ( )

15. What role does the SACCO's marketing efforts play in attracting new members?

.....  
.....

16. What challenges do you think the SACCO faces in marketing its services to potential members?

.....  
.....

17. In what ways can the SACCO improve its marketing relationships to enhance performance?

.....  
.....

18. How do you view the SACCO's partnerships with local businesses and organizations in terms of marketing?

.....  
.....

19. What impact do you think the SACCO's marketing relationships have on its financial performance?

.....  
 .....

		1	2	3	4	5
1	The SACCO has an effective marketing strategy that attracts new members.					
2	Marketing relationships have significantly improved the SACCO's brand visibility.					
3	The SACCO's marketing efforts have led to an increase in member engagement and participation.					
4	The SACCO's supplier relationships help in securing better prices for members.					
5	The SACCO's collaboration with local businesses has enhanced its marketing reach.					
6	The supplier relationship positively influences the financial performance of the SACCO.					
7	Marketing partnerships have resulted in better financial performance for the SACCO.					
8	Marketing relationships have led to a broader network of partners and collaborators for the SACCO.					
9	SACCO's marketing relationships have positively influenced its growth and success.					

### **APPENDIX III: INTERVIEW SCHEDULE FOR *BODA BODA* CHAIRPERSONS**

1. How do you believe the level of capital accessibility has influenced the growth and development of *Boda Boda* SACCOs under your leadership?
2. What strategies have been implemented to improve the accessibility of capital for *Boda Boda* SACCOs in Thika town during your tenure as chairperson?
3. In your experience, how does the availability (or lack thereof) of capital impact the day-to-day operations and financial stability of *Boda Boda* SACCOs?
6. How would you describe the current relationships between *Boda Boda* SACCOs and their credit suppliers in Thika town?
7. Can you provide examples of how positive supplier relationships have contributed to the operational efficiency and performance of *Boda Boda* SACCOs during your tenure?
8. From your perspective, what role do credit supplier relationships play in the overall competitiveness and sustainability of *Boda Boda* SACCOs in Thika town?
9. Looking ahead, what strategies do you believe can further strengthen the relationships between *Boda Boda* SACCOs and their suppliers to enhance performance and growth?
10. Can you share examples of successful marketing collaborations that *Boda Boda* SACCOs have engaged in within Thika town, and their impact on performance?
11. In your experience, what challenges have *Boda Boda* SACCOs faced in establishing and maintaining effective marketing relationships, and how have these challenges affected overall performance?
12. From your perspective, what strategies can *Boda Boda* SACCOs implement to strengthen marketing relationships for sustained performance improvement and market expansion in Thika town?

## **APPENDIX IV: INTERVIEW SCHEDULE FOR SAVINGS AND CREDIT COOPERATIVE SOCIETIES MANAGERS**

1. Can you provide insights into how capital accessibility has influenced the lending capacity and financial stability of *Boda Boda* SACCOs in Thika town?
2. How does the level of capital accessibility impact the SACCO's ability to meet the financial needs and demands of *Boda Boda* operators within Thika town?
3. Can you share any specific instances where improved capital accessibility has led to tangible improvements in the performance metrics or financial health of *Boda Boda* SACCOs under your management in Thika town?
7. Can you describe any challenges that *Boda Boda* SACCOs commonly encounter in managing their relationship with credit lenders?
8. How do effective supplier relationships contribute to cost management and savings for *Boda Boda* SACCOs in Thika town?
9. Looking ahead, what measures does the SACCO plan to undertake to mitigate risks associated with supplier/credit lenders relationships and ensure continued performance enhancement for *Boda Boda* SACCOs in Thika town?
10. From your perspective, how do these marketing relationships contribute to the visibility, brand recognition, and market presence of *Boda Boda* SACCOs in Thika town?
11. Have there been any notable instances where collaborative marketing efforts or partnerships have directly influenced the performance metrics or growth trajectory of *Boda Boda* SACCOs under your management in Thika town?
12. In your experience, what challenges do *Boda Boda* SACCOs commonly face in establishing and maintaining effective marketing relationships and how are these challenges addressed to optimize performance outcomes?

APPENDIX V: ERC CERTIFICATE



**DIRECTORATE OF GRADUATE STUDIES**

MBA/2015/30906

24<sup>th</sup> September, 2024

*National Commission for Science Technology & Innovation (NACOSTI)  
Off Waiyaki Way, Upper Kabete,  
P.O Box 30623- 00100  
NAIROBI, KENYA*

Dear Sir/Madam,

**RE: JUSTUS MAINA - REGISTRATION NO. MBA/2015/30906**

The purpose of this letter is to introduce the above named student who is pursuing **Master of Business Administration** in the department of **Accounting and Finance** in the school of **Business and Economics**.

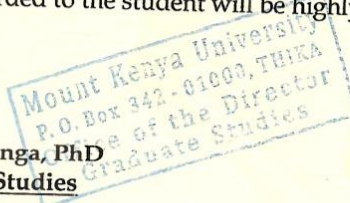
The title of the research is "**Analysis of Strategic Partnership Determinants on Performance of Bodaboda Savings and Credit Co-operative Societies in Thika Town, Kenya.**" It has been cleared by the University's Ethics Review Committee (Certificate attached) and now has to proceed to the field to collect data between **October, 2024 and December, 2024.**

Any assistance accorded to the student will be highly appreciated.

Thank you.

*Fm*

**Dr. Samuel M. Karenga, PhD**  
**Director, Graduate Studies**  
Enc.



Main Campus, General Kago Road, P.O. Box 342-01000 Thika.  
Cell: +254 709 153 000 / +254 709 153 200  
Email: info@mku.ac.ke, Web: www.mku.ac.ke  
Chartered and ISO 9001 : 2015 Certified Institution.  
**Unlocking Infinite Possibilities**

## APPENDIX VI: INTRODUCTION LETTER FROM MKU



REF: MKU/ISERC/4417  
TO: JUSTUS MAINA

Date: 23 September 2024

REG: MBA/2015/30906

Dear Sir/Madam,

**RE: ANALYSIS OF STRATEGIC PARTNERSHIP DETERMINANTS ON PERFORMANCE OF BODABODA SAVINGS AND CREDIT CO-OPERATIVE SOCIETIES IN THIKA TOWN, KENYA**

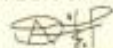
This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **3137**. The approval period is **23/09/2024 - 22/09/2025**.

This approval is subject to compliance with the following requirements;

- i. Only approved documents including informed consents, study instruments, MTA will be used
- ii. All changes including amendments, deviations and violations are submitted for review and approval by **Mount Kenya University**
- 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 **Mount Kenya University** within 72 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 **Mount Kenya University** within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal
- vii. Submission of an executive summary report within 90 days upon completion of the study to **Mount Kenya University**

Prior to 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 also obtain other clearances needed.

Yours sincerely,



Dr. Alfred Owino, PhD  
Chairman, Mount Kenya University ISERC



## APPENDIX VII: RESEARCH AUTHORIZATION



### OFFICE OF THE PRESIDENT

#### MINISTRY OF INTERIOR AND NATIONAL ADMINISTRATION

Email: [cc.kiambu@interior.go.ke](mailto:cc.kiambu@interior.go.ke)

When replaying please quote:

COUNTY COMMISSIONER  
KIAMBU COUNTY  
P.O BOX 2332-00900,  
**KIAMBU**

REF.No: ADM 15/3/ VOL.VI/345

Date: 14<sup>TH</sup> October, 2025


Deputy County Commissioner,  
**THIKA SUB-COUNTY**

#### **RE: RESEARCH AUTHORIZATION-MR. JUSTUS MAINA**

The above named person has been authorized to conduct research on “**performance of bodaboda savings and credit co-operative societies**” in Thika town, in Kiambu County vide NACOSTI/P/24/40648 for the period ending 8<sup>th</sup> October 2025

Any assistance accorded to him will be appreciated


Thank you


  
Wilson Wanyanga (Mr.)  
County Commissioner,  
**KIAMBU COUNTY**



Copy to  
Mr. Justus Maina


# APPENDIX VIII: NACOSTI RESEARCH LICENSE

  
REPUBLIC OF KENYA

  
NATIONAL COMMISSION FOR  
SCIENCE, TECHNOLOGY & INNOVATION

Ref No: **236396** Date of Issue: **08/October/2024**


**RESEARCH LICENSE**




**This is to Certify that Mr.. JUSTUS MAINA of Mount Kenya University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Kiambu on the topic: ANALYSIS OF STRATEGIC PARTNERSHIP DETERMINANTS ON PERFORMANCE OF BODABODA SAVINGS AND CREDIT CO-OPERATIVE SOCIETIES IN THIKA TOWN, KENYA for the period ending : 08/October/2025.**

License No: **NACOSTIP/24/40648**

236396  
Applicant Identification Number

  
Director General  
NATIONAL COMMISSION FOR  
SCIENCE, TECHNOLOGY &  
INNOVATION

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

See overleaf for conditions

## APPENDIX IX: TURNITIN REPORT

### Final Project - Justus

#### ORIGINALITY REPORT

<b>14%</b> SIMILARITY INDEX	<b>12%</b> INTERNET SOURCES	<b>6%</b> PUBLICATIONS	<b>7%</b> STUDENT PAPERS
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Modified Delphi Study", University of Phoenix,  
2024

Publication

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## APPENDIX X: BUDGET

<b>Event</b>	<b>Total Cost (Ksh)</b>
Transportation	50,000
Research assistance training	25,000
Research instruments printing	10,000
Research permit	2,000
Accommodation	30,000
Miscellaneous	10,000
Contingency funds	20,000
Data analysis software	30,000
Participant incentives	15,000
Data storage and security	8,000
Report production and dissemination	10,000
Follow-up visits and feedback collection	10,000
<b>GRAND TOTAL</b>	<b>220,000</b>

Source: Researcher, (2024)