IMPACT OF MARKETING STRATEGIES AS AN INFLUENCE OF CREDIT ACCESSIBILITY ON GROWTH OF SMALL AND MEDIUM ENTERPRISES (SME'S) IN KENYA: A CASE OF KISUMU COUNTY

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1.1 Abstract

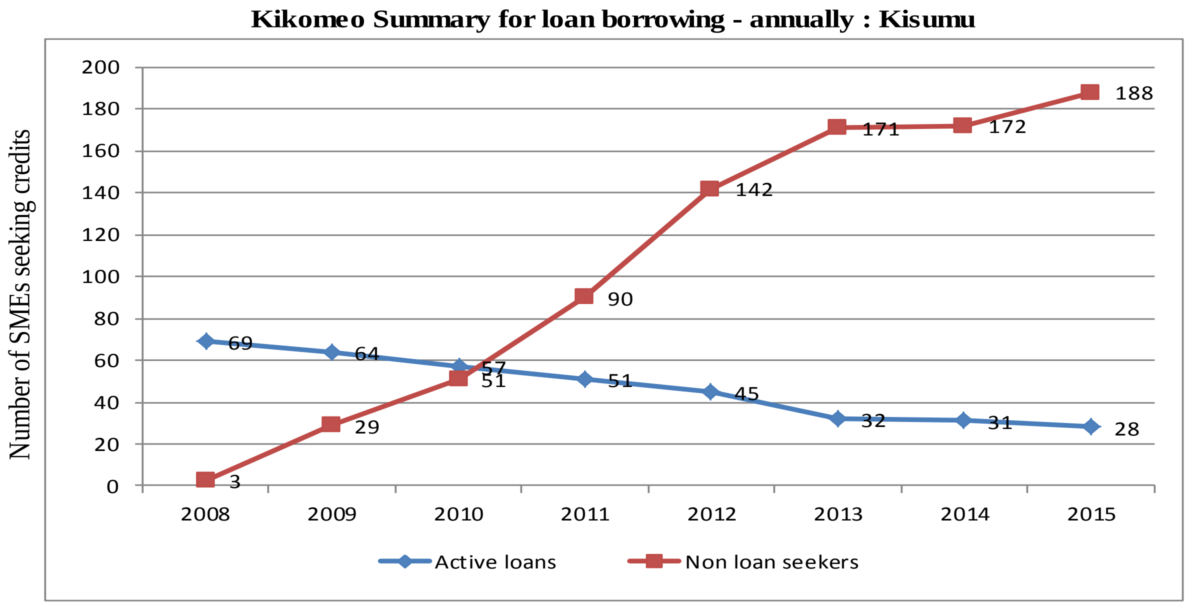
Worldwide, credit accessibility is an impetus for economic growth of Small and Medium Enterprises (SMEs). Credit accessibility and socioeconomic growth has a strong correlation (Christen, Rosenberg and Jayadeva, 2004). Studies indicate that in both advanced economies and developing countries, SMEs contribute on average 60%, about three-quarters of total formal employment in the informal sector (Ayyagari et al, 2007). Therefore, SMEs have become important contributor to the Kenyan economy towards vision 2030.The sector contributes to the national objective of creating employment opportunities, training SMEs operators, generating income and providing a source of livelihood for the majority of low-income households in the country (Republic of Kenya, 1989, 1992,1994), accounting for 12 - 14% of GDP. With about 70% of such enterprises located in rural areas, the sector has a high potential for contributing to rural development. Credit accessibility will results in Larger geographical cover, enterprise branding, employment creation, human socio-development and growth to Small and Medium Enterprises (Helms 2006). Everyday around the world, an average of 20,000 SMEs socioeconomic lives grow and are saved from extreme poverty because of the credit accessibility they get from MFIs. Most SMEs with credit accessibility has strong growth and able to mitigate development challenges; (Sachs 2005). In Kenya, credit accessibility have to a larger extent helped in the growth of the socioeconomic rural community (Betty, 2006), currently through innovative approaches, many commercial banks and other microfinance institutions targets the SMEs vide group lending's, progressive lending, regular repayment schedules, and collateral substitutes with a view to growing SMEs ventures.

1.2 Study problem

The problem of the study focuses on the following main question:

With the massive presence of over sixty six MFIs and over twenty commercial banksin Kisumu and a lowered interest rate by Central Bank of Kenya from 24% to 14%, the many SMEs gradually declining in seeking credit, example; only 12% of SMEs operating in Kisumu East sub-county had accessed to credit in the year 2015 (Figure 1.1) the poor performance of SMEs growth as indicated by the county's slow economic growth index of 2.8% (CGK 2015) and Kisumu's high poverty level of 47.8% when compared with neighboring counties. The question is; to what extent does marketing strategies play an influence of credit accessibility on growth of Small and Medium Enterprises in Kenya?

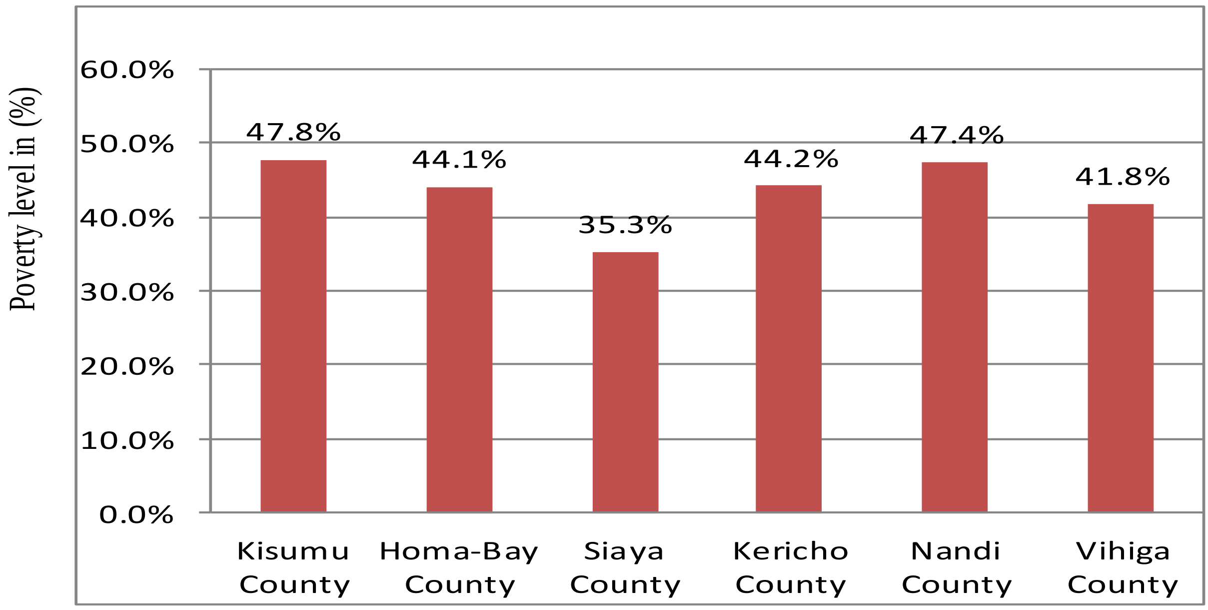
Figure 1.1: Kikomeo Summary for annually Loan borrowing record.



7 years running: SMEs seeking credits

Source; Kikomeo Credit Accessibility report (2016)

DOCUMENT ANALYSIS: Poverty level in Kisumu with surrounding Counties



Counties sorrounding Kisumu County

Source; Kenya Integrated Household Budget Survey (KIHBS-2011)

1.3 Objectives of the study

To establish the extent at which marketing strategies influences on growth of small and medium enterprises (SME'S) in Kenya

1.4 Significance of the study

The significance of this study may benefit a number of stakeholders; Ministry of Gender and Youth Affairs who Markets, promotes and oversee the economic empowerment and growth of SMEs, Youths, women and economically vulnerable citizen. Commercial banks and Microfinance Institutions in Kenya shall have significant benefits since their margin of operations is dependent on the interest garlanded from the promotions and marketing strategies of SMEs products and services. The Ministry of Cooperative through Commercial Bank of Kenya as the regulators and custodian of registered SMEs information, Ministry of Cooperatives and Industrialization in managing and promoting the growth of Small and Medium Enterprises (SME's), The information may also assist the Government in overseeing and advising Central Bank of Kenya on matters of credit management and accommodable interest rate to foster growth of SMEs whose majority owners and operators are unemployed youths. It may provide potential creditors with full information regarding MFIs and their services, future research students pursuing similar studies on credit accessibility. It may further create awareness among SMEs on the ability to manage credits and also help the Ministry of Cooperative who is responsible for the registration of MFIs in Kenya, by clearly creating awareness to the public for ease of credit accessibility and growth of SMEs. The findings shall therefore assist the current and future managers of SMEs in understanding the dynamics of marketing strategies, required for good governance and fair competition.

1.5 Study Hypotheses

The major study hypothesis for this research was;

H_o There is no significant relationship between the influence of marketing strategies and growth of Small and Medium
Enterprises in Kisumu County.

H_1 There is significant relationship between the influence of marketing strategies and growth of Small and Medium
Enterprises in Kisumu County.

1.6 Previous studies

In Malaysia, Hasnah (2013) carried a study on marketing as factors influencing SMEs in obtaining loan, the study aimed at finding Small and Medium Enterprises operating from outside the busy trading centers, the study revealed many SMEs faced difficulties in accessing microcredits due to their long distance from towns targeted with marketing activities, henceforth, demand for marketing was on the rise, with this scenario in place, they were left with limited accessibility, Qualitative survey design was used, validity of the study was tested and data triangulation was used, in-depth structured questionnaires and interview instruments were used. The study recommended a general marketing of MFIs focusing accessibility of microfinance loans with common interest territorial governance.

In Turkey, a study carried out by Carter (2013) on influencing factors on credit intermediation for SMEs growth, the study aimed at finding organizations for marketing and public promotion of financial services reaching out to SMEs, the study revealed that outsourcing marketing and promotional services was quite expensive though attracted many credit seekers including unsecured credits to low income SMEs operators more than SMEs with stable cash-flow, the study revealed that; controlling SMEs with low income was easier because, operators were fully dependent of MFIs and didn’t diversify their resources elsewhere rather than the financing entity, hence, MFIs to be in-full-charge of SMEs growth, meanwhile, it was further recommended for future research. The study recommended that, marketing strategies applied in the area of operations should be the determining factors for success of both MFIs and growth of SMEs, since there was strong correlation between growth of SMEs and MFIs growth.

In Cameroon, Ndigwasi and Marcel (2014) carried an investigation study on marketing strategies of MFIs, the study aimed at multiple regression models relating to financial performance of various explanatory variables as; operational expenses ratios, portfolio at risk, staff productivity, savings mobilization ratio and industry competition, study observed that the targeted 25 MFIs from the Cameroon Cooperative Credit Union League Network used Multivariate linear regression model**.** The study revealed a positive coefficient, implying therefore that, marketing of MFIs have a positive influence on loan seekers. The study recommended multivariable linear regression analysis with Pearson’s correlation coefficient used to determine the significance of the variables analyzed**.**

In Lagos, Nigeria, a study was carried by Oladayo (2014) on empowering women SMEs through microfinance marketing, the study aimed at focusing on accessibility of credit amongst the loan borrowers who were mainly women groups and individuals with little savings, the study revealed that, the women empowered through MFIs marketing program were steady in their SMEs growth and facilitated the loans promptly. Findings showed a significant improvement in the SMEs well-being, most women SMEs who were approached said that; the competition and fluctuation in micro-loaning was well understood through marketing and a large percentage of SMEs agreed that credits increase their income, standard of living and as a result of these they have been economically empowered. The study recommended that accessibility of credit would capture more credit seekers within and without when marketing strategies is done without impartiality.

In Kenya, a study carried by Rukaira (2015) on Challenges Affecting Transformation of MFIs in Deposit Taking Microfinance Institutions (DTMI). The study aim at strategies prompting positive challenges for DTMI. The study revealed that outreach program like door to door campaign and public promotion through marketing made many business enterprises to register with MFIs which boosted their transformation into DTMIs. Study recommended marketing at all levels in the growth of MFIs.

In Meru, a study carried out by Thuranira (2009) on factors affecting accessibility of credit facilities among the small and micro-enterprises focusing on marketing strategies, Study revealed that regular marketing attracted an average of 500 SME’s in three days, and attracted more MFIs opening branches more faster within Meru town. Research study findings recommended that; public promotion and marketing should always be done by professional marketers in order to reach out the targeted population and regions within specified period, hence maximizing credit accessibility.

2. Theoretical framework

This study was guided by Theory of Social Capital and Development as proposed by Putnam (1993) supports Microfinance theory of change in recognizing available resources within a geographical cover and promotions that are needed by the SMEs of that region in fuelling the urge for credits. This was further backed up by, theory of Group lending (Besley and Coate (1995), it explains the economic empowerment of oneself through group support, with a backup theorists like; Microfinance theory of change (Mohammed Yunus 1995), that explains concept of changing ones poor life to better vide seeking credits; management of investments and eventually prudent management of profit from business.

2.1 Theory of Group lending

Theory of Group lending as proposed by Besley and Coate (1995), backs Microfinance Theory of change by exploring regulations on marketing strategies of loans borrowed by individuals or group SMEs with members guaranteeing member colleagues of growth to every member of the group. Theory of group lending promotes individual SMEs growth through group of SMEs communal support through SMEs out rich platform thereby creating credit accessibility to the growth of SMEs.

Credit accessibility is believed to have natural tendency of growth. Rudd (2011) Microfinance theory of change intended to increase profitability of SMEs and promote types of technological innovations that would stimulate growth in their communities Yaron and McDonald (2002).

Morduch (2000) states; credit accessibility is the first step of growth for SMEs. Second; investing the credit money in a viable SMEs creates ownership responsibility, and Third; Managing the business to yield major return on the investment establishes the profit that gives interest to pay-back the loan, hence SMEs growth.

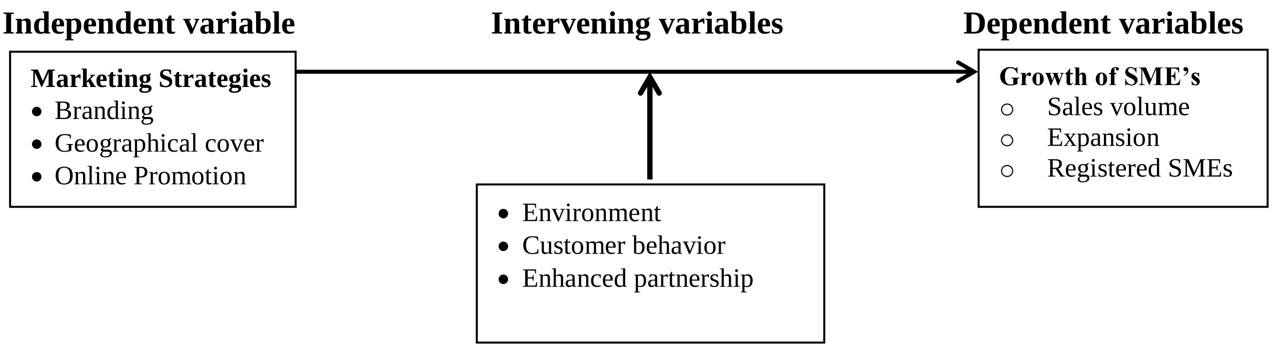
3. Methodology of the study

3.1 Research Design

The study applied mixed method approach especially descriptive and inferential research design. According to Cooper and Schindler (2000), descriptive and inferential research focuses on why questions. In answering the `why' questions, the study was involved in developing causal explanations. Causal explanations argue that phenomenon Y (growth of SMEs) is affected by variable X (government policy) this design was chosen because it applies closely to the research objectives of the study hence practical in testing the research hypothesis. Descriptive and inferential research design also aimed to gain a better understanding about a problem and to seek new insights and to assess phenomena in a new light (Saunders et al 2008). This study utilized both approaches as the research hypothesis calls for real-life contextual understandings that a quantitative model alone cannot capture (Meissner 2010). Social norms, cultural influence, the borrowers' lives and experiences are some measures that give insight into the repayment problems but can only be captured through a quantitative approach.

3.2 Study variables

The study focused at Government Policy as an influence of Credit Accessibility on Small and Medium Enterprises in Kenya: A case of Kisumu County, and therefore the study consisted of the following variables:



Source: Self-Conceptualization (2016)

Dependent variable: 'growth of small and medium enterprises' included the improved and measurable growth and practice of growing Sales volume, Expansion of business ventures and more registration of SMEs each of which was the end result indicators that directly indicated marketing strategies through identified sub-variables like; branding, geographical cover and online and public promotion, variables playing a leading role in influencing the credit accessibility by small and medium enterprises.

Independent variables showed marketing strategies; measured vide the sales volume, expansion, increased registration of more small and medium size enterprises, improved investments, social and economic developments, improved profit margin made by enterprises, asset growth registered by the growing business to secured market from any external economic interferences.

Intervening variables could also be recognized through; environmental business friendly, easy to manage business environment, easy integrated taxation system for filling tax, alongside enhanced public-private partnership in community development agendas has made the above independent variables be viably cognizant.

4.0 Statistical tools used

Statistical tools used in qualitative data was principles of thematic analysis as stated by Braun and Clarke (2006), it's a method of identifying and analyzing themes within a data set, while quantitative statistical tools were; Percentages, frequency counts, means and tables.

4.1 Descriptive Statistics Analysis

Level at which marketing strategies influences growth of SMEs were gathered and presented in a Likert scale of 5 and summary of responses given in form of frequency counts and percentages of strongly agree, agree, undecided, disagree and strongly disagree in the Table. 4.1.1 below;

Table 4.1.1 Marketing Strategies

Extent which marketing strategies influences the growth of SMEs	Strongly agree		Agree		Undecided		Disagree		Strongly disagree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
MFIs Brand identity is the strategy of best credit provision in the market	51	29.5	46	26.5	24	13.9	41	23.7	11	6.4
MFIs geographical cover influences the number of credit accessibility	53	30.7	42	24.3	31	17.9	28	16.2	19	10.9
Use of online credit promotion reaches more SMEs for credit accessibility	72	41.6	69	39.9	10	5.8	9	5.2	13	7.5
Demand and Supply of credits influences marketing strategies	47	27.1	52	30.1	33	19.1	25	14.5	16	9.2
Good MFIs infrastructure influences SMEs in seeking credits	36	20.8	47	27.2	9	5.2	56	32.4	25	14.4
Complicated loan application procedures hinder credit accessibility	71	41.0	46	26.6	08	4.6	28	16.2	20	11.6
MFIs restricting specific credits for a specified category of loan seekers limit credit accessibility	91	52.6	37	21.4	13	7.5	11	6.4	21	12.1
The duration taken in seeking loans influences credit accessibility	92	53.1	61	35.3	04	2.3	14	8.1	02	1.2
Geographical cover influences easy credit accessibility by many SMEs	52	30.0	47	27.2	16	9.2	33	19.1	25	14.5
Promotions of credit services influences the SMEs in rural	69	39.9	35	20.2	29	16.8	34	19.7	06	3.4

Source: Survey Data (2016)

MFIs Brand identity is the strategy of best credit provision in the market; Strongly agree 29.5%, agree 26.5%, undecided 13.9%, disagree 23.7%, strongly disagree 6.4%. The data revealed that majority of respondents 56% agreed that any MFIs with years of goodwill enjoy the stream of SMEs queuing for credits without much marketing. 30.1% of respondents disagreed, while 13.9% of respondents were undecided on MFIs brand identity as a strategy of credit provision.

Interview schedule revealed that, many SMEs were interested in associating with MFIs of goodwill and public reputation, on the flipside, this brand identity was observed to be another factor contributing to slow growth of SMEs because, many loan seekers assumed the huge cost of seeking only from one particular MFIs disregarding the geographical cover between MFIs and SMEs alongside huge interest rate spread out to many months to look simple and easy otherwise, the accumulation of pay-back loan becomes heavy and weakens SMEs growth. Credit manager from Nyakach sub-county said;

CM_{3nkc}: "MFIs are daily losing customers, since most SMEs are closing their operations at highly alarming rate, because they follow particular MFI without considering the cost benefit analysis."

This finding seems to agree with the study carried out by Hasnah (2013) on factors influencing SMEs in obtaining their loan from a particular institution for long term without a change was the long-term goodwill which is the brand.

Brand identity of MFIs services was the best strategy for credit provision to SMEs, some SMEs operating from outside the busy trading centers face difficulties in accessing loans due to their distance, henceforth, demand for marketing was on the rise, with this scenario in place, they will be left with limited accessibility

MFIs geographical cover influences the number of credit accessibility; strongly agree 30.7%, agree 24.3%, undecided 17.9%, disagree 16.2%, and strongly disagree 10.9%, this means that, majority of respondents 55% agreed that geographical distance between MFIs and SMEs was very influential in credit accessibility, the closer the MFIs is to SMEs the higher the accessibility, and the further MFIs and SMEs are apart, the lesser the accessibility of credit. 27.1% disagreed with the statement and 17.9% were undecided on whether or not geographical cover had an influence on credit accessibility.

Interview schedule also revealed that, majority of informants feel that geographical cover between SMEs and FMIs was a major determinant for credit accessibility; this was related to attitude of some SMEs operators towards certain MFIs and conducive environment as a result of MFIs marketing strategies which later translated into SMEs growth.

Credit manager from Kisumu Town East sub-county commented as below for their MFIs marketing strategies;
CM_{3east}: "we have invested a lot of resources in marketing, and for sure, we have attracted more SMEs and corporate clientele."

Regarding marketing strategies, many respondents felt that, company branding is in itself enough marketing for business to grow to a stable status financially. Most SMEs participants believed that most MFIs with goodwill and many account holders are as a result of positive brand name of the company to the public. "*Many businesses have made huge sales volume because of associating with brand MFIs",* said one of the respondents.

This study is in agreement with Carter (2013) on some influencing factors on credit accessibility for SMEs growth, focusing on geographical cover on marketing and public promotion.

Use of online credit promotion reaches more SMEs for credit accessibility; strongly agree 41.6%, agree 39.9%, undecided 5.8%, disagree 5.2%, strongly disagree 7.5%, this finding revealed that majority 81.5% overwhelmingly agreed that online advertisements and promotions of credit offers reaches more SMEs from both urban and rural settings, while minority of respondents 12.7% disagree with the statement, these category of respondents were mostly of the age bracket 60 years and above, most of who operated from rural and basically financed their SMEs from their Sacco's and merry-go-round. 5.8% of respondents were undecided on the influence created by online credit promotion.

Interview schedule revealed that, with the emerging of digital inclusivity in business, online promotions on credit accessibility has taken lead in almost all MFIs operations, this trend is observable on the increase of loans availability online at a very low interest rate and also the ease and convenience of processing those credits online on social platform or mobile phones have driven most SMEs to increase sales volume and expansion. One successful SMEs operator in Kisumu North sub-county said;

Operator$_{3north}$: "My venture has grown faster because I am able to save and withdraw up to 150,000/= from M-shwari through M-pesa at my convenience within three minutes, even though I don't even know where M-shwari is located in Kenya."

Social platform has driven the credit accessibility to a much easier digital approach as opposed to former analogue mud with lots of paper work, online credit promotion has created a 24 hour economy operation which is quick, accurate and convenience. Most SMEs without bank account but has a phone have similar opportunities that initially was limited to savings account holders from commercial banks and MFIs. Many SMEs have reduced the unemployment by creating more job opportunities to all.
This finding is in agreement with Nida (2010) on impact of online promotions on income and employment generation in the poverty stricken region with few SMEs.

Demand and Supply of credits influence marketing strategies; strongly agree 27.1%, agree 30.1%, undecided 19.1%, disagree 14.5%, strongly disagree 9.2%, the data proved that majority of respondents 57.2% agreed that demand and supply of credits influences marketing strategies, as demands is proxied by growing number of SMEs seeking more credit, while supply is proxied by various credit offers given out by MFIs to respond to credit market demand. 23.7% disagreed with the statement, citing that there is a delink between demand and supply influencing marketing strategies, while 19.1% were undecided.

Interview schedule similarly revealed that, many informants feel that growing number of SMEs dire need in seeking credit (demand) and the ability of MFIs to provide enough credits (supply) to that need influences the marketing strategies; with the increase demand for credit by SMEs to assist in opening, running and expanding ventures, many MFIs have offered varieties of credits to the SMEs. Women Sacco specialized in pottery in Nyakach sub-county said;

Operator$_{3nkc}$: "As women group in fish selling business, our Sacco started small as Mary-go-round, but after seeking credit offer from MFI, we opted to venture into pottery business which was in demand and we are doing fine."

Reports by Kisumu county development profile (KCDP-2014) on availability of twenty (20) commercial banks and reports by Kisumu County Enterprise Development (KCED-2015) on sixty six (66) MFIs alongside over six hundred (600) growing SMEs indicated demand and supply economy of credits, that created competitive environment thereby influencing marketing strategies by all players. Findings revealed a general marketing of MFIs services focusing on credits, since MFIs market face demand and supplyas prerequisite in the outreach service delivery with a view to marketing strategies for the SMEs in the rural.

This finding is in agreement with the study carried by Ndigwasi and Marcel (2014) an investigation study on marketing strategies by MFIsto win more rural SMEs credit seekers.

Good MFIs infrastructure influences SMEs in seeking credits; strongly agree 20.8%, agree 27.2%, undecided 5.2%, disagree 32.4%, strongly disagree 14.4%, the data revealed that 48% respondents agreed that good infrastructure influences SMEs in seeking credits, these category of respondents were urban base SMEs operators who would feel satisfied walking in to a visibly well layout office in a good premise within reachable town or market center, this perception as researcher observed had more to do with the mind-callusing than reality on the ground. Closer percentage of respondents 46.8% disagreed with the statement, most of whom operated from rural settings, their focus is more on the ability to acquire credit than the infrastructure where the MFIs is located, only 5.2% of respondents were undecided.

Interview schedule similarly revealed that, majority of informants who operates from the rural settings were not exposed to MFIs infrastructural growth and most of whom accessed mobile and online credits, many had no experience with the infrastructural influence while seeking credits, while the informants from urban setting agreed with infrastructural influence in credit accessibility they were enticed by the serine ambience of town MFIs infrastructure. Credit Manager of MFI branch in Muhoroni sub-county commented during interview;

CM$_{3mhn}$: "Our fundamental marketing strategy that guarantees more clients (SMEs) seeking credit leading us in getting value of our investments is our infrastructure and locations."

The findings seems to be in agreement with the study carried out by Atieno (2001), on infrastructural influence for formal and informal institutions lending policies and access to credit by small scale enterprises.

Majority of both MFIs and SMEs participants agreed that infrastructure of both MFIs and SMEsis a prerequisite in the outreach service delivery with a view to capturing more developments in both SMEs and MFIs.

Complicated loan application procedures hinders credit accessibility; strongly agree 41%, agree 26.6%, undecided 4.6%, disagree 16.2%, strongly disagree 11.6%, the above statistics revealed that, majority of respondents 67.6% agreed that, tedious and long procedure of loan application hinders credit accessibility, this include lots of paper works like; looking for 2 or 3 guarantors before credit is approved, attachment of support documents like business license, and request letter amongst others loan application requirements. These complications would demoralize credit seeker 27.8% of respondents disagreed with the statement, this category of respondents were mostly credit managers who sanitized the complicated loan application procedure as the only better alternative to curb fraudulent credit seekers who are not credit worthy. Minor respondents 4.6% were undecided on whether or not the complicated loan application hinders credit accessibility.

Results from interview schedule similarly revealed that many informants feel that complicated loan application was not good for MFIs marketing strategies since it brings about bureaucratic mode of portfolio that hinders credit accessibility. SMEs operator from Kisumu North sub-county said;

CM_{3north}: honestly, it's the many grantors signatures demanded by MFIs that displeased me during loan application, I spent 2 weeks looking and persuading fellow account holders for a signature,"

The cost-benefit-analysis of collecting so many documentations every time an application for a credit is placed, may not be commensurate to the applied credit, since banks or MFIs will always have the legal documents for any member seeking credit, and a demand for the same documents is a duplication of work which might bog members seeking credit hence hindering credit accessibility.

This finding agrees with Ndigwasi and Marcel (2014) on an investigative study on marketing strategies by MFIs focusing on complicated loan application that hinders credit accessibility.

MFIs restricting specific credits for a specified category of loan seekers limit credit accessibility; strongly agree 52.6%, agree 21.4%, undecided 7.5%, disagree 6.4%, strongly disagree 12.1%, the data revealed that, majority of respondents 74% agree with the statement, citing discrimination on wealth, ethnic and education background. Minimal respondents 18.5% disagreed with the statement, this category mostly were credit managers of MFIs, meanwhile 7.5% of respondents were undecided on whether or not restricted credits for specific loans seekers limited credit accessibility.

Interview schedule revealed that many informants, more specifically operating within urban areas feel the restricted loans had special interest rate which were perceived to below, this trend created unfair favoritism to credit seekers hence reducing the interest by many loan seekers from accessing those loans, it was further observed that, the restricted credits were basically loan offers to MFIs employees, bankers and big entrepreneurs whose interest rate for all loans was at a special rate lower than the normal loans. One SMEs owner from Nyando sub-county commented;

Operator$_{1nkc}$: "I've been banking with this MFI for over eight (8) years, remitting daily sales from my SME operations and regular payment of monthly bills from my account, my annual financial statement had shown a six million transaction strength from my SME, but I was disappointed when I applied for a credit of one million only to expand my operations due to increase of my clients, I was told that, the amount I requested was above my category of credit, and without further explanation, I was asked to seek advice from a credit officer, who unprofessionally ask me to stop seeking huge loans for stable entrepreneurs. Seriously? I'm disappointed to date!"

This finding is in agreement with the study carried out by Mimouni (2012) on a financial access as was observed to be restricted accessibility to credit over others unfairly creating a negative impact on MFIs' favoritism.

The duration taken in seeking loans influences credit accessibility; strongly agree 53.1%, agree 35.3%, undecided 2.3%, disagree 8.1%, strongly disagree 1.2%, the respondents overwhelmingly agree with the statement at 88.4% citing that, the faster the duration of process for seeking credit the better for both SMEs and MFIs, and that would influence more credit seeking, a minimum respondents of 9.3% disagreed with the statement citing, that time spent in seeking credit only matter depending on the amount, while respondents of 2.3% were undecided.

Similar information was revealed on interview schedule when majority felt that, seeking loans from MFIs was long and tiresome with many documentations which was by the end of process not of any benefit to SMEs, these procedures taking longer time and also attract some commissions which the MFIs again levied on SMEs seeking credit, it was ironically observed when a youthful credit manager from Kisumu West sub-county also acknowledged that, it was unnecessary to take long time filling many forms by a customer whose details are already with the MFIs, MS-B_3 said:

CM$_{3west}$: "The long duration taken during loan process, always comes as a results of filling forms whose details are actually in the clients file, actually it makes some credit seekers to give up the process before loans are granted. We lose much transaction!"

Annual cumulative report by Kikomeo for eight years from 2008 through to 2015, indicated a steady decline of members of MFIs from seeking credits, and one of the major reasons was on the duration taken in seeking credit, that was longer with a lot of paper work. The number of SMEs in the year 2008 seeking credit was 31.94% but by the end of 2015 actual SMEs seeking loans was 12.96% which brought about a mean percentage drop of 21.82% because of duration taken in seeking credits (Appendix K)

This finding seems to concur with Hasnah (2013) on factors influencing SMEs while seeking credits, findings revealed that MFIs focuses on marketing for more SMEs to come for loans with common interest gain but overlook at the duration taken during credit application.

Geographical cover influences easy credit accessibility by many SMEs; strongly agree 30%, agree 27.2%, undecided 9.2%, disagree 19.1%, strongly disagree 14.5%; this data revealed that majority of respondents 57.2% agreed that the distance between MFIs and SMEs was very important and influences the credit accessibility, while 33.6% of respondents disagreeing with the statement, most of this category of respondents were financially stable, some had never applied for a loan, and didn't understand the effect of geographical cover between MFIs and SMEs, they relied on their savings, family contribution and local Sacco's. Respondents of 9.2% were undecided.

Interview schedule similarly revealed that majority of informants feel that MFIs marketing strategies was affected by the geographical cover this was evidenced by SMEs closer to MFIs or in the towns finding it easy to walk in and out of MFIs for credit accessibility, while SMEs operating in the rural are disadvantaged due to distant part. Credit manager from Ahero sub-county in the most interior rural, had just been summoned from the headquarters to close the branch in three months' time due to high running cost besides marketing and promotions. CM had this to say;

CM_{3ahr}: "We are compelled to move away from rural areas because many residences here are running table banking and marry-go-round for their SMEs, we are relocating to towns in order to get closer to SMEs and other prominent clients for our business growth."

Some participants pointed out that, due to geographical cover many MFIs opted for online marketing" which would bypass several procedures for authenticity. Many SMEs participants remarked a quick positive response to prompt credit accessibility through online promotion due to its convenience and personalization alongside low interest rate.

This finding seem to be in consistence with Kofi (2012) on determining the causes of non-performing microcredit on the operations of MFIs, The study found out among other factors that, the distance between MFIs and SMEs also contributed to the credit accessibility and performance of loans by SMEs, and growth of both MFIs and SMEs.

Promotions of credit services influences the SMEs in rural; strongly agree 39.9%, agree 20.2%, undecided 16.8%, disagree 19.7%, strongly disagree 3.4%; meaning that majority of respondents 60.1% agreed that promotion of credit services influences the SMEs mostly in the rural, while 23.1% disagreed citing online promotion currently has no regional boundary, 16.8% respondents were undecided on whether promotions of credit services influenced SMEs in the rural.

Results from the interview schedule revealed that many informants feel that some MFIs still carry out old model of promotion, where marketing personnel had to physically reach out all clients, while media promotion has upgraded their scale of multilevel promotion through TVs and radio to reach SMEs in the rural areas.

Promotion of credit services in the rural was observed not to be given priority by majority of MFIs due to its initial huge cost, while SMEs operators were also not ready to spent more extra cash that would increase their interest rate.

Researcher further observed that, marketing strategies as applied by MFIs for credit accessibility was done by form four leavers and few fresh college graduates who lacked industrial experience and only rely on short marketing induction for field staff who concentrated on promoting MFIs competitive loaning products than promoting the financing of targeted SMEs whose economic condition was neither stable nor strong.

Most SMEs operating in the rural sites from the city, like Nyando, Nyakach and parts of Muhoroni sub-counties had sparsely met the marketing team from the many MFIs in the county. No training, no induction or promotion on how to manage loans was offered to SMEs.

Majority of SMEs in rural settings seem to rely on marketing strategies offered by MFIs on credit accessibility and pay-back skills for their growth, but this expectation has not been met by SMEs, while it was comparatively observed that, most SMEs operating from rural setting lack business training for their financing and growth, most rural SMEs seeking credit were mostly driven by customer behavior and attitude.

In can be deduced that, marketing strategies play one of the important roles in the growth of SMEs because majority of respondents and informants tend to agree that marketing strategies and promotion of credit accessibility influence the growth of SMEs, though the available MFIs are yet to commit to tangible marketing strategies. Meanwhile, SMEs within the busy trading centers had rich Marketing exposure and competition that translated to affordability and ease of credit accessibility and thereafter SMEs growth.

The above findings seem to concur with the study by Hasnah (2013) who found out that, many SMEs operating from outside the busy trading centers were faced with difficulties in accessing credit information, with this scenario in place; they were left with limited credit accessibility, hence slow or no SMEs growth.

DOCUMENT ANALYSIS: Kikomeo Summary for Loan borrowing record annually

Years	Registered Members per year	Cumulative Members annually	Non Loan seekers	SMEs with active Loans from MFIs	SMEs seeking loan (%)
2008	72	72	3	69	31.94
2009	21	93	29	64	29.63
2010	15	108	52	57	26.39
2011	33	141	90	51	23.61
2012	46	187	142	45	20.83
2013	16	203	171	32	14.81
2014	00	203	172	31	14.35
2015	13	216	188	28	12.96
Total	**216**	**Mean % of credit seeking 174.52/8 years**			**21.82**

Source; Kikomeo credit seeking report, annually

Above document analysis revealed 8 years since inception between years 2008 to 2015, registered members had risen to 216 while SMEs operators who actively applied for loans in the final year were 28 only. This was as a result of emerging easy and self-regulated mobile loans with easy payback plan at affordable rate.

Above findings revealed that, SMEs growth was perceived on a twin approach depending on the operators' and MFIs locations and mode of operations, that is; town SME operators were exposed to more formal credit accessible opportunities than rural operators. That is; many number of MFIs within the same town attracting business competition that prompts a competitive rates, reaching out to SMEs within the same town and offering business supports like; inducting operators on the benefits of savings and seeking credits, and training on how to manage loans amongst many other call-to-treat business approach to get more clients. Findings were in agreement with the study by Mimouni (2012) on self-financing for socioeconomic empowerments that were observed to be the drive behind SMEs growth.

4.2 Testing Hypotheses

Based on the objectives of this study, the hypotheses of the study were tested at 5% level of significance, and a multiple linear regression model was used to investigate these hypotheses; as follows;

4.2.1 H_{o1}: There is no significant relationship between the influences of Marketing Strategies and growth of SMEs in Kisumu County.

Marketing strategies was proxied by branding, geographical cover and online promotion, which had a significant effect on the sales volume, regional expansion of SMEs and interrelation with a distant client (SMEs) through digital.

The finding of this study, based on the third objective is that branding under marketing strategies has a significant and negative effect on SMEs growth through increased sales volume, the regression coefficient is equals -0.0359406 when the dependent variable is GSME, it can also be observed that, z-statistic is significant, and therefore reject the null hypothesis. This implies that, high business cost relation to revenue of MFIs has a reduction effect on asset growth; the more competitive new MFIs join the market, the higher the cost of marketing strategies.

Geographical cover approach has made the most outright regional expansion by MFIs opening new service sites in other locations to reach SMEs who are immobile like; The physically handicap people and the blind, the higher the credit accessibility by SMEs with deposit accounts in those MFIs. This will also attribute to money circulation in region with low income.

On-line promotion has significance relationship with the distance of credit seekers; though the more the SMEs are far apart with MFIs, the more the market prices increases due to distance covered, the high operational cost reported during the study period confirms to this empirical negative relationship. Online promotion is very expensive with no guarantee of recovering the amount spent, has made many SMEs to suffer the inaccessibility to credit or loan opportunities.

This findings concurs with Tascon and Fanjul (2006) who confirms that, the more financially efficient the MFIs is, the higher in its profitability, and wider regional control.

In this study, branding, geographical cover and online promotion have a significant correlation with the growth of SMEs as indicated in the above table.

4.3 Correlation Matrix

The correlations between the explanatory variables and the independent variables is depicted as shown in Table 4.3.1

Table 4.3.1 Correlations Matrix of Dependent and Independent Variable (MS_3)

		Government policy	Interest rate	Marketing strategies	Management approach
Marketing strategies (MS_3)	Pearson Correlation	.044	.160	1	.045
	Sig. (2-tailed)	.576	.039		.563
	N	253	253	253	253

Source: Research data (2017)

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

Table 4.3.1 depicts the correlations between the explanatory variables and the dependent variable. It is observed that at 95% is the level of confidence, since 1% change in marketing strategies leads to 0.44% change in government policy, 0.160% change in interest rate and 0.045% change in management approach.

The marketing strategies (MS_3) is significantly correlated to government policy (GP_1) when coefficient r = 0.576, and to management approach (MA_4) when coefficient r = 0.563. The above statistics is positively and significantly correlated to influence the credit accessibility on growth of small and medium enterprises (SMEs).

5.0 Summary of major findings

The overall objective of this study was to explore marketing strategies as influence of credit accessibility on growth of small and medium enterprises in Kenya, given the pivotal role played by MFIs in supporting the growth of SMEs and that Credit accessibility has been a challenge to SMEs for their growth, the study set out to examine the marketing strategies influencing credit accessibility on growth of SMEs. The study used a sample of 20 credit managers from MFIs, and 240 SME operators for a 20 year period between 1995 and 2015; the specific study was conducted in six administrative Sub-counties namely; Kisumu East, Kisumu West, Kisumu North, Muhoroni, Nyakach and Nyando sub-counties within County Government of Kisumu.

The person correlation matrix showed Marketing strategies having significant and negative effect on SMEs growth through increased sales volume, the regression coefficient was equals to -0.0359406 when the dependent variable is GSME. This findings concurs with Tascon and Fanjul (2006) who confirms that, the more financially efficient the MFIs is, the higher in its profitability, and wider regional control. Majority of SMEs agreed that, geographical cover influences credit accessibility for the growth of SMEs. It was noted that, majority of SMEs operators within the central business district of Kisumu county; Kisumu, Ahero and Muhoroni towns seem to rely on marketing strategies by MFIs on the credit accessibility for their SMEs growth, while it was comparatively observed that, most SMEs operating from outside the CBD of these towns did not depend on the Marketing strategies, the above findings seem to concur with the study by Hasnah (2013) who found out that, many SMEs operating from outside the busy trading centers were faced with difficulties in accessing credit information

5.1 Recommendations

Based on conclusions of the study, it recommends the following:

MFIs should prioritize marketing and public promotion from within and without their town of operations in order to capture customers (credit seekers) in towns and rural for the maximization of operational profit margin and support small and medium enterprises all round. This will go alongside meeting the Kenyan vision 2030, by creating employment opportunities to most Kenyans, hence reducing dependency ration and poverty level. Clear understanding of both SMEs and MFIs, the purpose and nature of the loan, and its source of repayment is best understood during the marketing outreach. Through marketing MFIs shall also learn and identify main reasons why customers shy-off from seeking credits and mitigating factors promoting more loan seeking.

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