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STRATEGIC CUSTOMER FOCUS AND PERFORMANCE OF AGRICULTURAL COOPERATIVES IN KENYA

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ABSTRACT

The objective of this study was to establish the influence of strategic customer focus on performance of agricultural cooperatives in Kenya. The target population was100 agricultural cooperative societies in Embu, Tharaka Nithi and Meru Counties Kenya by 2018. The study used stratified sampling technique to select a total of 240 respondents from managers of the agricultural cooperatives. Questionnaires were administered randomly to the sample of 240 across the management of the cooperatives after a pilot study involving 30 managers in 10 sampled agricultural cooperatives by drop and pick method. The researcher used quantitative research design. Data was screened to identify any missing data and was further tested for reliability and validity. Data was analyzed and presented by use of SPSS. Pearson's Correlation analysis was used to explore the relationship among the variables. Reliability was tested using Cronbach's Alpha. The pilot study played a crucial role in refining the research instrument and ensuring its validity and reliability. Cronbach's alpha was utilized to assess both aspects, providing valuable insights into the consistency and accuracy of the data obtained. Normality was tested using Kurtosis, Skewness and Kolmogorov Smirnov (K-S) test. Multicollinearity was tested. Inferential statistical technique, the chi-square was used to make analysis of the factors under study. Computation was done, and presentation in form of graphs and tables. The findings revealed that Strategic Customer Focus predicted performance of agricultural cooperatives in Kenya. The study concluded that strategic customer focus was strongly associated with the performance of agricultural cooperatives in Kenya. There was more focus on Customer Feedback, than Customer Retention, and Customer acquisition in the cooperatives in the country. The study, therefore, recommended that the agricultural cooperatives need to put more emphasis on customer focus. The cooperatives need to place more value on Customer Feedback, Customer Retention, and Customer acquisition.

Key Words: *Customer Feedback, Customer Retention, and Customer acquisition Strategic Customer Focus*

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INTRODUCTION

Strategic management drivers encompass the collection of people, conditions, and information that initiate and support activities that will help an organization define and accomplish its goals. These drivers represent the key influences or factors that matter to the success of any organization. Strategic management drivers include; financial drivers and customer drivers. Customer drivers are the factors that influence how customers interact with a firm. These include customer acquisition, customer satisfaction and customer retention. Strategic management drivers according to Chuang (2015), are the ones that determine how far the organizations is able to get performance wise. Customer focus includes all efforts put to ensure the interests of customers are considered first before those of any other shareholder in order to create a long term business enterprise (Madani, 2020). Organizations then prioritize customers' needs, wants, and expectations and this is see through their strong commitment to understand and satisfy them in a proactive manner for long-term growth.

Yngwe (2014) noted that agricultural cooperatives are very significant in the economy of Sweden. She indicated that the agriculture sector employed 56,900 full time workers and was focused on milk production, pig production, wheat and barley thus greater emphasis on financial performance of these organizations was important. Cooperatives main interest has been in ensuring adherence to values of democracy as well as caring for the environment and enhancing sustainable development, employment and creating awareness according to International Labour Relations (ILO, 2003). Cooperatives have been able to not only increase output in the agricultural sector but also marketing of the output.

Cooperatives played a big role in improving the welfare of members and also in reducing the levels of poverty and formation of capital in Nigeria (Odetola *et al* 2015). However, the poor rural farmers were not properly served by formal financial institutions since they refrained from advancing loan to them due to high interest charged on loans and red tape. Therefore, cooperative societies remained crucial to them as they were better placed to recommend them to financial institutions in regard to acquisitions of credit facilities. There was a need for formulation of better policies to provide universal platform for developments in the agriculture industry to ease finance access to cooperative members so that they do more and benefit from their produce. In Tanzania the biggest challenge was to determine how the effects of policies were reflected in the cooperative development putting into consideration the actions of cooperative movement in the country, (Rwekaza & Mhihi, 2016).

Agricultural cooperatives were formed by farmers who participated in a common activity. About 63 percent of Kenyans generated their livelihood from the cooperatives. Farmers intending to form a cooperative started by coming up with a vision and mission of the cooperative. The farmers were guided by the cooperative principles of democracy, equity, equality, self-help, self -reliance, self-responsibility and solidarity. The cooperatives were driven by honesty, openness, social responsibility and the need to care for others. Through cooperatives members improved their socio-economic status and general welfare. Through the principle of democratic administration cooperatives involved their members in decision making, (ICA, 2015). In the cooperatives organizational learning was an ongoing process as one through the cooperative principle of education to members. Members of the cooperatives were involved in drawing up strategic plan and they approved the operative budget for any year before the end of the preceding year. Cooperatives were required to provide audited accounts to the cooperative commissioner in each County and also provide statistics on their membership, assets and liabilities. The agricultural cooperatives were therefore able to consistently monitor their performance by 30th April each year when they were expected to have taken members through the audited financial statement.

Statement of the Problem

Kenya’s economy is the biggest and most varied across the East African countries, with agriculture providing livelihood to eighty percent of the population and contributing to over sixty-five percent of Kenya’s foreign exchange and seventy-five percent of labor (KNBS, 2017). Within the agricultural sector, agricultural cooperatives play a great role; only thirty-seven percent are not involved in an activity with the cooperatives and slightly above eighty percent of the population earn their survival from income generating activities within the cooperatives. In addition, output in the agricultural sector has propelled the country for a long period of time. Kenya's Gross Domestic Product (GDP) increased by four point nine per cent in 2017 in relation to five point nine percent in the previous year. Within the same period coffee produced by cooperatives dropped to 26.5 thousand tonnes from 30.8 tonnes in 2015/16. Milk sold through the cooperatives reduced from 648.2 million litres in 2016 to 537 million litres in 2017. This saw the Gross Value Added reduce at a rate of one point six percent from Ksh. 893.3 billion in 2016 to Ksh. 879.6 billion in 2017. Moreover, the Gross Value Added declined at a rate of one point six percent from 2016. The country ended importing a substantial amount of sugar and maize to take care of the shortage. Cooperatives recorded a reduced share of sales translating to gross farm revenue of seventeen point seven in 2016 from nineteen point four percent in 2015(KNBS, 2017). From the Kenya's Economic Report (2018), the yield for cooperatives reduced by 16.3 percent in the 2016/2017 crop year. This was despite the number of agricultural cooperatives increasing from 4,988 in 2012 to 5,910 in 2017. Dairy cooperatives grew by eleven point four percent with sixty multi-produce cooperatives registered in 2017.

The previously vibrant agricultural cooperatives have progressively become inactive and underutilized due to financial misappropriation, bad governance, hiring and laying off of staff based on tribal lines and where leaders continued occupying offices after a new election occurred, illegal payments to committee members, unauthorized investments, political interference and weak Co-operative Act (Muthama, 2011), forcing some farmers to explore other options such as operate individually rather than in groups. Any development in the cooperative sector has a significant impact on welfare of the members and subsequently the development of the country (Ouma, 2011). The quest for food security and sustainable gains from small farm holdings then can be closely tied to the effectiveness of cooperatives. In an attempt to counter the ever changing economic environment, cooperatives must work hard to increase their performance by working to reduce cost, produce superior goods and craft innovative procedures propelling productivity, excellence and speed to market. The cooperatives must create efficient systems to counter events that are unpredictable and to bring to minimum the risks involved and thereafter sustain their operations. Through strategic management drivers, cooperatives could create innovative ideas hence generate products that are friendly to their customers, (Muogbo, 2013).

According to Muiga et al (2020) firms that embrace customer relationship management and use information technology were able to promote their efficiency and effectiveness. According to Nguyen (2019) by adopting appropriate business strategies organizations were able to increase their sales and revenue base. Koros *et al* (2018) added that focus on customer needs and investment in human capital had a positive performance improvement of airports in Kenya. While Odhon'g & Omolo (2015) argued that when an organization puts in place dependable, appropriate, and good quality labor, output increased. Many organizations indicated that management that had a long term focus led to most of them performing above expectations, (Otieno 2013). The survival of the agricultural cooperatives depends heavily on their ability to create unique products that are able to beat the competition. By utilizing strategic management drivers, agricultural cooperatives will be able to beat the competition and retract the steps back to the pinnacle of cooperatives a place currently occupied by SACCOs. This study assessed the influence of strategic customer focus in Kenya. Therefore, the study hypothesized that strategic customer focus would boost the performance of agricultural cooperatives in Kenya.

Objectives of the study

The objective of this study was to investigate the influence of strategic customer focus on agricultural cooperatives performance in Kenya. The study tested the following null hypothesis;

- $H_{0:}$ Strategic customer focus has no significant effect on the performance of agricultural cooperatives in Kenya.

LITERATURE REVIEW

Theoretical Framework

Resource Based Theory

The resource- based theory focuses on the way in which the firm's resources are connected with the superior performance and superior customer choice. The theory lays emphasis on how firms can attain superior performance in relation to other firms within the same market and recommends that performance superiority stems from the acquisition and exploitation of unique resources of the organization. For a firm to perform well under RBT it should be in position to amalgamate its rare resources across all the departments in the organization, (Favoureu, et al 2016). For a firm to gain present day and future benefits, it must invest in crafting and initiating strategies which are impossible to reproduce by other rival firms. Resources that can create these long-lasting benefits are scarce, of great importance, inimitable, can't be used in place of, appropriate and can't change uses (Ling, & Jaw, 2011).

Denson, as cited by Uzel *et al* (2013) observed that the RBT of the firm puts across the contribution of strategic customer focus and output by assuming that competencies that are unique to the firm are not easily moved or shared equally between the firms. He stated that dynamic nature of firms calls for the development of dynamic capabilities which can be able to engage, organize resources to leverage the firm. Njuguna as cited by Al- Nady (2018) explained that when formulating the firms strategy, the organization should consider the resources or assets it has from within. The firm has to make accurate and most appropriate choices on identifying areas that require attention and proritizing areas to allocate the most resources. Each agricultural cooperative will gain competitive advantage by acquiring assets that are not possessed by their competitors and using them to maximize their output by coming up with goods different from the other firms (Ologbo et al 2012). Human resources contribute to efficiency of business and customer selection, customer retention and referrals. Through trust and good relationships, a firm gets rare and difficult opportunities not easy for competitors to copy.

Mugera, (2012) explained that the resource-based theory enabled firms understand how important the proper handling of human resource is to the attainment of the firm's objectives. It considered the organization's internal environment as a driver for competitive advantage and highlights what resources the organizations should develop or acquire to remain competitive in the environment (Wang, 2014).

Stakeholder Theory

Stakeholder theory posits that a company is only successful when it delivers value to its stakeholders, and that value can come in many forms beyond financial benefits. Fiedman (2006) states that the organization itself should be thought of as group of stakeholders and the purpose of the organization should be to manage their interests, needs and viewpoints. According to Freeman (1984), anyone who is affected when the firm achieves its objective is a stakeholder. Shareholders give the organizations, the mandate to operate through their support. A very common way of differentiating the different kinds of stakeholders is to consider groups of people who have classifiable relationships with the organization. The firm's managers have a duty to put the interests of all the stakeholders in consideration when formulating and implementing strategies.

The main task in this process is to manage and integrate the relationships and interests of shareholders, employees, customers, suppliers, communities, and other groups in a way that guarantees the long-term success of the firm. A stakeholder approach is very much concerned about active management of the business environment, relationships, and the promotion of shared interests in order to develop business strategies. The manager has to determine the long-term objectives of each group and consider the stakeholders as rational. Stakeholder theory assumes that businesses are only successful when they deliver value to the majority of stakeholders. This means that profit alone cannot be considered the only measure of business success.

Business success can be seen from improved retention or referrals from satisfied customers. The theory therefore supposed customer focus driver of strategic management.

Shareholder theory is criticized for stating that the needs and interests of the various shareholder groups cannot be equitably reconciled. Since some groups of shareholders hold more power than others this can be a source of tension in the organization. Despite the criticism, the theory was chosen as ideal theory as managers can solve the challenge but having a good stakeholder plan.

Conceptual Framework

According to Kothari and Garg (2014), it shows the connection between independent variables; strategic customer focus, strategic planning, competitive market positioning, organizational learning capabilities, culture and dependent variable on performance of the agricultural cooperatives in Kenya.

Strategic Customer Focus
- Customer feedback
- Customer retention
- Customer acquisition

→

Organizational Performance
- Change in Profitability
- Customer Retention

Independent Variables **Dependent Variable**

Figure 1: Conceptual Framework

Strategic Customer Focus

An area of great concern in business dilemma is the management of customers. Customers are considered essential assets in any organization (Azad & Hashemi, 2013) and as such, need to be at the center of organizational practice because customers are believed to play an important role in organizational performance. Customer focus is sometimes used synonymously with customer orientation. Customer focus is the obligation of an organization to define and justify the trepidations of the customer with respect to how the business timely meets and exceeds standards of their orders in besides meeting their demands for new services or products, (Mukehjee, 2013). According to Racela (2014), customer orientation is a strategic alignment that reflects how able the firm is in creating goods that meet and exceed the expectations of the buyer through the process of market intelligence. The study posits customer orientation as a business philosophy that leads to superior performance and firm profitability. Customer orientation involves all activities to do with market sensing (information gathering, analysis and dissemination), customer relations (customer interaction) and the firm's reactions of the activities of the customer. These are actions intended to facilitate creation of knowledge capability, innovation, and superior business performance. Firms need adequate market intelligence to give a correct interpretation of situations. Otherwise, customer ambiguities can lead to different interpretations engendering wrong response resulting in missed opportunities and weak competitiveness. Concentrating on the needs of consumer can improve customer service by utilizing a suitable information system that gathers service performance information for managerial use (Mokhtar, 2011). The knowledge gained from interacting with the customers is of great importance when generating new products as customer's ideas are factored, (Spanjol et al 2011). It was observed that firms that focus on meeting customer needs were steadfast in sharing customer information throughout the groups of people within the various processes;

Customer Feedback: Customers in a firm normally provide information on whether they are satisfied or dissatisfied with the services offered to them by the firm. When customers perceive the organization's products as better, they will definitely buy more of the product and repeatedly leading to greater profitability. It leads to bringing down expenses, increased market share and higher income. Robinson & Brown, (2012) advised organizations to consider customer expectations and experiences as a golden opportunity to build rapport and reinforce relationship. They were concerned that attempts to retain customers were often sabotaged by poorly set strategies, ill managed processes, technologies, organizations, and data. Quite often, they said, enterprises had challenges in thinking like the customers, and what was even more difficult in their view was delivering a positive customer experience. In their opinion, poorly managed customer relationship caused disconnected sales and marketing and service functions. When a firm is able to keep producing the best quality goods and services, the customers will keep purchasing from them repeatedly as opposed to buying only once. The firm must focus on focus on ascertaining the number of customers with the purpose of creating faithful customers. Understanding and exceeding customer expectations will help create lasting relationships with the customers. By collecting responses and views of the customers the firm is able to keep in check its strategy. Customer feedback will give the agricultural cooperative societies comprehension of what customers look forward to. In response cooperative societies will custom their products to what customers are looking for. According to Zopiatis et al (2013) by looking at the customer loyalty lifetime value an organization is able to identify its loyal customers. This is also referred to as customer lifetime value and each business should lay focus on getting the maximum of it.

Customer Retention: Customer retention strategies aim to maintaining a company's customers and to keep hold of the revenue contribution (Shadi et al 2016). This is in keeping of already existing clients from opting for rival brands. Mittal and Kamakura, as cited by Kumar et al (2011) noted that when customers are served to satisfaction, they tend to come for repeat purchases which culminates in recording of improved profitability of the firm. Happy customers come back with even bigger orders which translate to an increased market. Performance-driven customer focus measures the value as perceived by customers which is in how satisfied customers are which can be measured in the likelihood of repurchasing the product to indicate loyalty, an assessment of total customers' satisfaction, customer accounting to measure profitability by customers and the number of new customers who have been recommended by others. To maintain customers the business must focus on what the customer perceives as key to their satisfaction. Use of rewards programs to customers who buy frequently from the firm end up strengthening the relationship with the firm and therefore retaining customers. Andreasen as cited by Kumar et al (2011) posits firms create a pool of supportive customers when they create customers who view the firm's products as superior to others and are always ready to do repeat purchase. When customers view the products as fitting and exceeding their expectations this leads to repeat purchases and even communicate the same to others through which will translate to more profits to the organization.

Customer Acquisition: Persuading a customer to buy the firm's products is around from five to twenty-five times more costly than retaining an existing one. The organization that will emerge successful in any industry is the one that will easily determine its potential customers. After identification, the sales persons must be able to qualify the potential customers and this involves correctly identifying the customer needs and therefore offers them with the correct products that will solve those needs. Firms require customers to buy their goods and services and without customers buying goods, the business will not make any profits. Agricultural Cooperatives should assess their customers so as to know what the customer requires and thus will get to a strong position to create goods that surpass those needs (Abdullateef et al 2010). Jobber, (2010) calls for every organization to be steadfast in identifying thev requirements of the customer that the firm can comfortably be able to address with the least cost implications so as to earn some good profits. Uzel et al (2015) advocates for adoption of drivers of strategic management to be able to survive the intense competition characterizing present day business. Organizations that invest in enduring relationships with their customers record long run profits. Lo, Stalcup & Amy, (2010) established that when firms focus on identifying, qualifying, and giving customers goods that adequately address their needs the firm records greater performance.

Measurement of performance

Performance denotes accomplishment of a task against the set standards. The performance of any organization can be deduced through the stock turnover, increase in number of customers, profitability, and market share.

Organizations have to identify that aspect which will propel it to greater achievement of the set standards so as to survive the changing customer needs. Performance drivers are both tangible factors and intangible factors as intellectual property. The performance of a firm can be categorized as financial or business performance; financial performance is at the act of measuring the results of a firm's policies and operations in monetary terms (Mwangi, 2016). The financial perspective identifies the key financial drivers of enhancing performance which are profit margin, asset turnover, leverage, cash flow and working capital. Profitability is the ease with which a business generates income. Profitability is measured by net surplus. The main objective of a business is to make profits hence profitability is critical. Profitability is measured using return on assets, profit margin, market share, total asset turnover, gross profit and return on capital among other measures.

Profitability: Performance measurement is a tool to improve a firm's efficiency and effectiveness. Profitability is the ease with which a business generates income. Profitability is measured by net surplus. The main objective of a business is to make profits hence profitability is crucial. Profitability is measured using return on assets, profit margin, market share, total sales turnover, gross profit and return on capital among other measures. In cooperatives their investment is used to purchase goods and services which are sold for revenue. After payment of expenses, Percentage of net incomes is returned to shareholders are dividends while the balance is reinvested as retained earnings with the objective of increasing stock prices. In agricultural cooperatives members will make an initial investment which may be used to either purchase member output for resale at higher prices through a system of price supports or negotiate lower prices for services needed by members (Abraham,2013). Operating Profit Margin is meant to reflect the firm's cost efficiency. This will be calculated by dividing the total profits by the sales of the cooperative. The operating profit margin is used to determine the ability of the company to address its interest payments. Through OPM the management is able to conclude whether to deploy more leverage to enhance the return to its shareholders. Through operating profit comparison to interest payments financiers are able to determine the creditworthiness of a firm.

Rate of Return on Assets: Return on assets refers to a financial ratio that indicates how profitable a company is in relation to its assets. Return on assets is given by dividing the net profit by total assets. Rate of return on assets (ROA) shows how profitable a company's assets are in generating revenue. The higher the ratio, the greater the benefit earned. A higher ROA means a company is more efficient and productive at managing its balance sheet to generate profits while a lower ROA indicates there is room for improvement. Fwaya (2012) views performance as a formula for assessment of the functioning of the organization under certain parameters such as productivity, employee morale and effectiveness. Nzuve et al (2012) state that performance management and improvement is the heart of strategic management because a lot of strategic thinking is geared towards defining and measuring performance. Haron & Chellakumar, (2012) investigated the relative efficiency of the manufacturing companies using financial measures and came to the conclusion that the small sized manufacturing firms were the most efficient at eighty-five percentage closely followed in second place by large-size manufacturing companies (69 percent) and lastly by medium-sized manufacturing companies at 68 percent. This was a limited view since the performance of firms encompasses several different aspects.

Empirical Review of Literature

Various studies have been carried out in the area of strategic management drivers and performance. According to Porter (1985), firms with a clear strategy outpace firms without a strategy. Larbi (2023) conducted a study on the impact of customer focus on performance of business organizations in West Africa. The research adopted a survey research design. The results indicate that customer-focus has a significant positive impact on SME performance, hence backing the demand for investigating the distinct influence of customer-focus on agricultural cooperatives performance. The results showed that customer-focus had a positive and significant relationship with financial performance, customer performance, internal business process performance and learning and growth performance. The customer-focus determinants used in this study, included co-creation, networking ties, customer insight and artificial intelligence marketing.

METHODOLOGY

This research employed quantitative design in evaluating the strategic management drivers and performance of agricultural cooperatives in Kenya. There are over 100 agricultural cooperative societies in Embu, Tharaka Nithi and Meru Counties. The population of interest was 240 respondents from 80 of the agricultural cooperatives in the three counties, because three managers were randomly selected from the cooperatives as strategic issues were mostly handled by top management**.** The researcher used stratified random sampling technique. The researcher therefore chooses to have 3 managers from each of the cooperative to arrive at 240 respondents. The primary research data was collected using a semi-structured questionnaire. The secondary data collection used previously recorded data from literature reviews such as journals, articles, published theses and textbooks. Before collecting data, the researcher sought for an introductory letter from Jomo Kenyatta University of Agriculture and Technology. Cronbach's alpha was employed as a measure of reliability.

FINDINGS AND DISCUSSIONS

Descriptive Results

Strategic Customer Focus

The first objective of the study was to assess how the cooperatives' performance are influenced by Strategic Customer Focus in Kenya. This objective was determined by posing several statements related to Customer Feedback, Customer Retention, and Customer Acquisition in the cooperatives. A five point Likert scale was used to rate responses of this variable and it ranged from; 1 = strongly disagree to 5 = strongly agree and was analysed on the basis of the mean score and standard deviation. The closer the mean score on each item was to 5, the more the agreement concerning the statement. A score around 2.5 would indicate uncertainty while scores significantly below 2.5 would suggest disagreement regarding the statement posed. The findings are presented in Table 1:

Table 1: ***Strategic Customer Focus Driver***

Statement	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Std. Dev
Our customer care staff influences our performance	0	73.9	4.3	8.7	1.3	3.390	1.118
The data we collect on customer satisfaction levels influences performance	4.3	43.5	21.7	8.7	21.7	3.000	1.279
We practice customer data acquisition to improve our performance	13	26.1	26.1	8.7	26.1	2.910	1.411
Customer feedback influences the performance of our cooperative society	8.7	34.8	8.7	17.4	30.4	2.740	1.453
Our cooperative gives customers' incentives which influences our profits	26.1	43.5	8.7	4.3	17.4	3.570	1.409
Our cooperative society promotes customer partnerships to increase performance	34.8	43.5	0	4.3	17.4	3.740	1.453
Society's performance is influenced by the retention of our customers	8.7	65.2	8.7	0	17.4	3.480	1.238
our cooperative society we value customer opinions and they influence our performance	4.3	39.1	30.4	4.3	21.7	3.000	1.243
Our cooperative follows up on customer defections	8.7	34.8	30.4	8.7	17.4	3.090	1.240
Aggregate	12.06	44.93	15.44	7.23	20.27	3.213	

Table 1 shows that with most respondents were of the view that customer care staff influences the performance of the cooperatives (mean = 3.39). Most respondents were, however, uncertain on whether the data they collect on customer satisfaction levels influences the cooperatives' performance. There was also uncertainty on whether the cooperatives practice customer data acquisition to improve their performance (mean = 2.910). The findings also indicate that most respondents were unsure about the influence of customer feedback on the performance of their cooperative society (mean = 2.740). However, most cooperatives give their customers' incentives which influences their profits (mean = 3.570). In addition, most cooperative societies promote customer partnerships to increase performance (mean = 3.740). Most of the cooperative societies' performance was influenced by the retention of their customers (mean = 3.480). However, there was uncertainty on whether the cooperative societies' value customer opinions, and the influence this had on their performance (mean = 3.000). The findings also indicate that there was uncertainty on whether the cooperatives follow up on customer defections (mean = 3.090) influence performance. The aggregate mean, M = 3.213, which indicated that respondents were split on whether the Strategic Customer Focus influenced the performance of cooperative societies in Kenya. However, there appears to have been more focus on Customer Feedback, than Customer Retention, and Customer acquisition in the cooperatives in the country.

Measurement of Performance

The study also sought to assess the cooperative societies' performance in Kenya. This objective was determined by posing several statements related profitability and returns on assets in the cooperatives. A five point Likert scale was used to rate responses of this variable and it ranged from; 1 = strongly disagree to 5 = strongly agree and was analysed on the basis of the mean score and standard deviation. The closer the mean score on each item was to 5, the more the agreement concerning the statement. A score around 2.5 would indicate uncertainty while scores significantly below 2.5 would suggest disagreement regarding the statement posed. The findings are presented in Table 2:

Table 2: ***Measurement of Performance***

Statement	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Std. Dev
We recorded an improvement in profits	39.1	47.8	8.7	0	4.3	4.17	0.937
We recorded an improvement in quality of clientele served	17.4	56.2	17.4	0	8.7	3.74	1.054
We had a growth of repeat sales	21.7	52.2	17.4	0	8.7	3.78	1.085
Our cooperative had an increase in asset base	17.4	69.6	4.3	0	8.7	3.87	1.014
We recorded was a growth in net surplus	3.87	39.1	0	26.1	0	3.87	1.217
There was growth in total earnings in our cooperative	21.7	43.5	0	30.4	4.3	3.48	1.275
Aggregate	26.1	50.78	7.97	9.41	5.78	3.818	

The results in Table 2 indicated that most of the cooperative societies had recorded an improvement in profits in their operations (mean = 4.17). Most of the cooperatives had also recorded an improvement in quality of clientele served (mean = 3.74), and had a growth of repeat sales (mean = 3.78). The findings further indicate that most cooperatives had an increase in asset base (mean = 3.87), and also most of the cooperatives had recorded was a growth in net surplus (mean = 3.87). Most cooperative also indicated that they had recorded a growth in their total earnings (mean = 3.48). The aggregate mean, M = 3.818, also shows that there were indications of strong performance for the cooperatives. The strong performance was largely driven by profitability and sales growth while the returns on assets were also good.

Inferential Statistics

Correlation Analysis

In this subsection a summary of the correlation analyses was presented. It determined the association of independent variable with the dependent variable. These results were summarized in Table 3:

Table 3: ***Summary of Correlations***

		Strategic Customer Focus	Performance
Strategic Customer Focus	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	186	
Performance	Correlation	-.601**	1
	Sig. (2-tailed)	0.000	
	N	186	186

The study sought to determine whether strategic customer focus significantly influenced the performance of agricultural cooperatives in Kenya. The results in Table 3 showed that the relationship between the two variables was significant ($r = -0.601$, $p = 0.000 < 0.05$). The coefficient is greater than 0.05 and negative which indicates that a strong inverse relationship existed between the variables. As such, the current approach to strategic customer focus could be strongly associated with poor performance of agricultural cooperatives in Kenya.

Regression Analysis

Regression analysis was used to determine the influence of the independent variables as specified by multiple regression model in chapter three. It was also used to determine how the independent variable influenced the dependent variable. The analysis was also meant to establish the extent to which independent variable affected the dependent variable.

Table 4: ***Linear Regression Results***

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	15.057	1.949		7.724	0.000
Strategic Customer Focus	-0.278	0.09	-0.712	-3.09	0.002

a Dependent Variable: Performance

It can be deduced from the findings in Table 4 that Strategic Customer Focus was very influential in predicting performance of agricultural cooperatives in Kenya was Strategic Customer Focus ($\beta = -0.712$, $p < 0.05$). The study therefore established that Strategic Customer Focus predicted performance of agricultural cooperatives in Kenya. The results indicated that Strategic Customer Focus significantly influenced performance of agricultural cooperatives in Kenya ($\beta = -0.712$, $p < 0.05$). However, the relationship was negative indicating that as things were at that moment, the agricultural cooperatives were not putting emphasis on Customer Focus and this was negatively affecting their performance.

Hypothesis Testing

H_0**: Strategic customer focus has no significant effect on the performance of agricultural cooperatives in Kenya**

The results indicated that Strategic Customer Focus significantly influenced performance of agricultural cooperatives in Kenya ($\beta = -0.712$, $p < 0.05$). Therefore, the null hypothesis was not accepted. This implied that the agricultural cooperatives were not putting emphasis on Customer Focus and this was negatively affecting their performance. This finding disagrees with Larbi (2023) whose study on the impact of customer focus on performance of business organizations in West Africa showed that customer-focus had a positive and significant relationship with financial performance, customer performance, internal business process performance and learning and growth performance.

CONCLUSIONS AND RECOMMENDATION

The objective of this study was to investigate the influence of strategic customer focus on agricultural cooperatives' performance in Kenya. The study found that strategic customer focus was strongly associated with the performance of agricultural cooperatives in Kenya. The relationship was, however, negative which mean that the cooperatives were not putting emphasis on customer focus and it was adversely affecting their performance. However, culture significantly moderated strategic customer focus meaning that a more supportive culture on customer focus would lead to improved performance prospects of the cooperatives. While most respondents were of the view that customer care staff influences the performance of the cooperatives most were, however, uncertain on whether the data they collect on customer satisfaction levels influences the cooperatives' performance. There was also uncertainty on whether the cooperatives practice customer data acquisition to improve their performance. Most respondents were unsure about the influence of customer feedback on the performance of their cooperative society. However, most cooperatives give their customers' incentives which influences their profits. In addition, most cooperative societies promote customer partnerships to increase performance. Most of the cooperative societies' performance was influenced by the retention of their customers. However, there was uncertainty on whether the cooperative societies' value customer opinions, and the influence this had on their performance. The findings also indicated that there was uncertainty on whether the cooperatives follow up on customer defections influence performance. The study concluded that strategic customer focus was strongly associated with the performance of agricultural cooperatives in Kenya. There was more focus on Customer Feedback, than Customer Retention, and Customer acquisition in the cooperatives in the country.

The study recommended that agricultural cooperatives need to put more emphasis on customer focus. The cooperatives need to place more value on Customer Feedback, Customer Retention, and Customer acquisition.

Recommendations for Further Research

The study recommended that future research be carried out on the continuous improvement culture on the performance of agricultural cooperatives in Kenya. There is also need to establish how organizational flexibility improves innovation performance of the agricultural cooperatives in Kenya.

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