BUSINESS REBRANDING AND ORGANIZATIONAL PERFORMANCE OF SAVINGS AND CREDIT CO-OPERATIVE SOCIETIES IN THE SOUTH RIFT REGION, KENYA

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ABSTRACT

Organizational performance is the accumulated end result of all the work processes, activities, and approaches that enable an organization to achieve the intended goals. Today, many organizations have realized the need to improve the way they conduct their businesses in order to enhance organizational performance. This need is one of the motivators for the adoption of business strategies such as business rebranding in Deposit-taking SACCOs (DTSs). However, adequate studies have not examined the relationship between business rebranding and organizational performance. Therefore, the paper examined the relationship between business rebranding and the organizational performance of DTSs in the South Rift Region, Kenya. The paper was guided by the force-field analysis theory and was based on a correlation research design. Primary data was collected using questionnaires and analyzed using percentages, means, standard deviation, Pearson's moment product correlation analysis, and simple regression analysis. Business rebranding strategy was found to be positively related to the organizational performance of DTSs in the South Rift Region. Hence, the DTSs that rebranded their logos, names, missions, and visions were likely to achieve enhanced performance.

Keywords: Business rebranding, Organizational performance, Savings and Credit Cooperative Societies (SACCOs)

INTRODUCTION

Organizational Performance

The goal of any organization is to meet its performance objectives of increased effectiveness, efficiency, sustainability, and profitability. Therefore, performance is the accumulated end results of all the work processes measured against the expected outcome indicators such as cost-effectiveness, quality, effective service delivery, profitability, enhanced productivity, consistency, and efficiency (Ittner&Larcker, 2019). Performance can also be conceptualized in terms of physical expansion, increased market share, financial sustainability, employee satisfaction, and operational certainty (Kotter, 2019). Richard (2019) conceptualizes performance as encompassing financial performance indicators such as profits, return on assets, return on investment, shareholder return, improved sales turnover, return on equity, and return on assets. However, the performance measures in the context of a DTS might include enhanced turnover, growth in dividends, asset growth, increased share capital, and membership growth. Although individual organizations tend to utilize firm-specific indicators appropriate to their needs, the main performance indicators typically include a combination of financial and non-financial parameters (Alavi & Yoo, 2015) that provide information on the degree of achievement of organizational objectives (Lebans & Euske, 2019; Hefferman& Flood, 2019). In this regard, organizational performance is concerned with the execution of specific tasks in a specified manner to achieve the expected results within the confines of the available resources (Kaplan & Norton, 2022).

To enhance performance, organizations have introduced Business Rebranding strategies. This paper considered business rebranding as one of the strategies introduced to bring variations in the whole physical image of the brand like the logo, symbols, and emblem. Rebranding can either be at the organizational level, encompassing the whole company or it can be focused on a particular product or service. The aim of adopting business rebranding is to increase organizational performance measured in terms of cost-effectiveness, quality products, effective service delivery, profitability, improved sales turnover, return on equity, return on assets, return on investment (ROI), product market performance, and shareholder return (Hefferman& Flood, 2019). However, in the context of DTSs, business rebranding might lead to improved business turnover, dividends, asset growth, share capital, and membership growth (Cascio, 2018).

Savings and Credit Cooperative Societies (SACCOs)

Savings and credit cooperative societies (SACCOs) are a type of corporation that pool resources together to improve the socioeconomic situation of the members (Assenga, 2008). SACCOs address the socioeconomic aspirations of members through equitable resources allocation and democratic governance. Therefore, the main objective of SACCOs is to enhance the socioeconomic condition of the members.

SACCOs are classified as financial and non-financial cooperatives (Kargi, 2020). Financial co-operatives such as DTSs are formed with the objective of financial intermediation on behalf of members while non-financial cooperatives do not necessarily seek to provide financial services to the members but seek to further members' social interests (Kithinji, 2018).

There are many DTSs in the South Rift Region most of which have adopted Business rebranding strategies. However, many DTSs are confronted by a myriad of challenges. For instance, there are still long strings of pending loan applications; some declare little or no dividends to members. Others have low multiplier factors or offer limited concurrent loans. In comparison to other financial institutions, the members queue for long hours to receive services, a situation that has dented the image of the DTSs. Mutinda (2017) has observed that Business rebranding has been adopted in the DTSs in the South Rift Region but the challenges persisted by the time of undertaking this study hence the need to ascertain the relationship between Business rebranding and organizational performance of DTSs in the South Rift Region.

Statement of the Problem

To enhance performance, DTSs have adopted Business Rebranding strategies. However, there has been a concern about the deteriorating performance of DTSs including those that have adopted Rebranding strategies (Kilonzo, 2015).

The relationship between business rebranding and organizational performance has been examined in past studies (Nadeem & Ahmad, 2016). In these studies, different dimensions of organizational performance have been considered including the organization's mission, customer services, quality products, productivity, consistency, and efficiency. In this paper, organizational performance was conceptualized in terms of growth in the number of shares and number of dividends, market niche, market share, and financial products and services offered by the concerned DTSs. In Kenya, however, the performance of the DTSs has been a subject of debate as pending loan applications and low dividends are prevalent in DTSs especially in the South Rift Region (Mutinda, 2017). To enhance performance, the DTSs rebranded their images. However, there have been unprecedented concerns about the deteriorating performance of DTSs including those that have rebranded (Kilonzo, 2015). These concerns are particularly pronounced in the South Rift Region where it is not clear whether rebranding is related to DTSs' organizational performance or not. Although a survey of DTSs has presented mixed results about the relationship between rebranding and organizational performance, there are no specific studies examining the relationship between business rebranding and organizational performance of the DTSs in the South Rift Region. Hence, the paper examined the relationship between business rebranding and organizational performance of the DTSsin the South Rift Region.

THEORETICAL AND EMPIRICAL REVIEW

The paper was guided by the force-field analysis theory by Kurt Lewin. Lewin (1951) postulated that any situation that warrants change is a dynamic balance between the forces for and against the change. The process of change begins with the analysis of the problem situation which leads to the discovery of the forces already driving the problem and the forces restraining progress. Once the driving and restraining forces have been discovered, they are either maximized or minimized. To facilitate the change process, either the forces for change are increased, or those resisting change are lowered through the unfreezing, change, and refreezing stages (Todnem, 2015). In the unfreezing stage, the organization creates a conducive environment for change to take place (Todnem, 2015). To unfreeze, a provocative issue is presented to the people to enable them to see the need to change and to look for new solutions. The second phase is the change itself which involves designing and implementing the desired changes (Axelrod, 2016). The third phase is 'Refreeze' which involves restoring stability after the change has been executed. In the context of this paper, DTSs may be compelled to rebrand to benefit members. This involves identifying the factors that may drive and restrain rebranding and then implementing the preferred rebranding activities to enhance organizational performance.

Business Rebranding and Organizational Performance

Studies show that rebranding has been associated with organizational performance. For instance, Yi-Lin, Chekitan, and Pradeep (2015) examined the link between change of name and performance and found that organizational performance was a function of the new brands and the fit between the new brands and institutional characteristics. Nadeem and Ahmad (2016) examined rebranding and repositioning as predictors of brand equity in a Mobilink in Pakistan. However, the study revealed that brand loyalty was not affected by rebranding and repositioning. Makasi, Krishna, and Nyasha (2018) examined the effect of rebranding on consumer perceptions in Zimbabwe and ascertained that rebranding was positively related to consumers' perceptions and organizational performance. In Kenya, Machoki (2018) investigated the effect of rebranding on the performance of 75 SACCOs in Meru County. It was evident that the need to promote competitiveness, diversity, and relevance influenced the SACCOs to rebrand. Moreover, a study by Mwangi (2017) found that rebranding and customer satisfaction were significantly related. Although business rebranding has a positive impact on organizational performance the studies did not address the change in logo, emblem, product, and slogan as the components of business rebranding in the context of DTSs.

RESEARCH METHODOLOGY

The paper was based on the correlation research design which was adopted to examine the relationship between Business rebranding and organizational performance of DTSs in the South Rift Region. The DTSs in the South Rift Region have adopted business rebranding strategies to gain a competitive advantage. Primary data was collected using questionnaires from 34 branch managers of registered DTSs in the South Rift Region. Data was analyzed using both descriptive and inferential statistics. The descriptive statistics included means and standard deviations.

Correlation analysis was used to show the relationship between the study variables while simple regression was used to test the hypotheses**.**

DESCRIPTIVE AND INFERENTIAL STATISTICS

Descriptive Information on Business Rebranding

The adoption of business rebranding in the DTSs in the South Rift Region was examined and the findings obtained are presented in Table 1.

Table 1: Business Rebranding

Statements	N	Mean	Std. Dev
.e DTS has changed its logo to enhance product quality	**34**	3.1030	.85280
y DTS regularly changes products as per market trends	**34**	3.8824	1.03762
.e name, mission, and vision have been changed recently	**34**	3.0893	.85280
.e DTS has adopted a new slogan as a form of rebranding	**34**	4.0588	.60006
my DTS products and services are offered as different brands to meet various customer needs	**34**	4.2059	.68664
oduct designs have been changed in compliance with customer demands	**34**	4.0700	.95346
.e change of emblem has made products and services offered by my DTS distinct	**34**	3.0000	.85280
Products and services have been differentiated to create a new identity in the minds of the stakeholders	**34**	3.9118	.62122
Rebranding has created a new corporate identity in the DTS	**34**	4.0588	.95159
Average	**34**	**3.70889**	**0.82322**

As shown in Table 1 the respondents were noncommittal that the DTSs had changed the logos to enhance product quality (M=3.103; SD=0.85280). However, the DTSs regularly changed their products in line with the market trends (M=3.8824; SD=1.03762). This is consistent with Machoki (2015) who averred that the change in products was guided by competitiveness, diversity, and relevance. Furthermore, the respondents were noncommittal that the DTSs had changed their name, mission, and vision in the recent past (M=3.0893; SD=0.85280). However, this contradicts Mwangi (2017) who advocated for regular change of organizational names to influence the perception of the clients, customers, and the public towards the DTSs. It is evident that the DTSs had adopted new slogans as a form of rebranding (M=4.0588; SD=0.60006) and that the products and services were offered as different brands to meet customer needs (M=4.2059; SD=0.68664). There was also a consensus that the designs of the products and services were changed in compliance with customer demands (M=4.070; SD=0.95346). In contrast, however, the respondents were noncommittal that the change of emblem had made the products and services offered distinct (M=3.000; SD=0.85280). Nevertheless, the respondents agreed that the products and services offered had been differentiated to create a new identity (M=3.9118; SD=0.62122). Furthermore, rebranding in the DTSs had created new corporate identities (M=4.0588; SD=0.95159). The aggregate mean of 3.70887(SD=0.82322) implied that business rebranding had been adopted in the DTSs.Consequently, a significant change in organizational performance was bound to be achieved after rebranding. This is supported by Yi-Lin, Chekitan, and Pradeep (2015) who noted that rebranding was a function of the fit between the brands and the performance outcome.

Descriptive Information on Organizational Performance of DTSs

A summary of the responses on organizational performance is presented in Table 2.

Table 2: Descriptive Information on Organizational Performance of the DTSs

Statements	N	Mean	Std. Dev
y DTS provides diverse financial products and services	**34**	3.0000	.85280
y DTS provides reliable financial products and services	**34**	3.8824	1.03762
Membership extends to other population segments	**34**	2.9412	.77621
My DTS has attracted clients not originally targeted	**34**	4.0588	.60006
There has been a growing market share in the DTSs	**34**	4.2059	.68664
y DTS has increased its branch network	**34**	4.0000	.95346
Membership dividends have grown over the years	**34**	4.4412	.56091
.e bonuses disbursed have increased over the years	**34**	3.9118	.62122
The number of members has grown over the years	**34**	2.9118	.79268
Average	**34**	**3.7059**	**0.76462**

As illustrated in Table 2, the respondents were noncommittal that the DTS provided diverse financial products and services that met the expectations of the customers (M=3.00; SD=0.85280). However, the respondents agreed that the DTS provided reliable credit facilities to the members and clients (M=3.8824; SD=1.03762). In contrast, the respondents were noncommittal that the membership of the DTS had extended to other segments of the population (M=2.9412; SD=0.77621) even though the DTSs attracted clients who were not originally targeted by DTS (M=4.0588; SD=0.60006). Moreover, the respondents agreed that the DTSs witnessed a growing market share compared to other DTSs in the county (M=4.2059; SD=0.68664). Hence, the DTSs had witnessed growth in the number of branches (M=4.00; SD=0.95911) and the number of dividends paid out to members had grown over the years (M=4.4412; SD=0.56091). Although the bonuses disbursed to members had increased over the years (M=3.91198; SD=0.62122), the respondents were noncommittal that the number of members had correspondingly grown in the DTSs (M=2.9118; SD=0.79268). The aggregate mean response of 3.7059 (SD=0.76462) indicated that the DTSs in the South Rift region had registered marked growth consistent with Betrant (2017) who contended that organizational performance would be experienced by creating economic value.

Inferential Statistics

Results of the Correlation Analysis

The relationship between business rebranding and organizational performance was analyzed using Pearson's correlation analysis and the results obtained are presented in Table 3.

Table 3: Pearson Product Moment Correlation Analysis Results

		Performance	Rebranding
Performance	Pearson Correlation	1	.799**
	Sig. (2-tailed)		.000
	N	34	34
Rebranding	Pearson Correlation	.799**	1
	Sig. (2-tailed)	.000	
	N	34	34

**. Correlation is significant at the 0.01 level (2-tailed).

The results presented in Table 3 show that there was a strong positive relationship (r=0.799; p=0.000) between business rebranding and organizational performance. This implied that the DTSs that rebranded through a change in logo, product, slogan, or emblem were likely to realize improved organizational performance. This is consistent with Khalili, Nazemi, and Alborzi (2019) who confirmed that rebranding was positively associated with organizational performance.

Hypothesis Tests Results

It was hypothesized that there was no significant relationship between business rebranding and organizational performance of DTSs in the South Rift Region. The hypothesis was tested using simple regression analysis and the results are presented in Table 4.

Table 4: Regression results for the relationship between Business Rebranding and Organizational Performance

Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.799[a]	.638	.627	.15022

a. Predictors: (Constant), business rebranding

ANOVA[b]

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	1.275	1	1.275	56.501	.000[b]
Residual	.722	32	.023		
Total	1.997	33			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Business Rebranding

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	*Beta*		
(Constant)	1.310	.320		4.095	.000
business rebranding	.651	.087	.799	7.517	.000

Dependent Variable: Organizational Performance

It is evident from Table 4 that the relationship between business rebranding and organizational performance of DTSs was significant (R-square=0.638, p<0.05). The R-square value of 0.638 implied that business rebranding had a 63.8% chance of increasing the variance observed in the organizational performance of the DTSs. Therefore, the null hypothesis was rejected and it was postulated that business rebranding was significantly related to the organizational performance of DTSs. Moreover, the results of the ANOVA showed that the F statistic was 56.501(p=0.000) which implied that the model was significant and displayed goodness of fit. The standardized beta coefficients for business rebranding and organizational performance confirmed that the relationship between business branding and organizational performance was significant (β_1=.799, t=9.517, p-value=0.000). Without business rebranding organizational performance of DTSs was fixed at a constant of 1.310 units but a unit change in business rebranding would lead to an increase of 0.799 (or 79.9%) in the standard index of organizational performance of the DTSs. These results are consistent with Pradeep and Shah (2015) who ascertained that organizational performance was a function of business branding.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The study concluded that the relationship between business rebranding and organizational performance was positive and significant. Therefore, DTSs in the South Rift Region in Kenya should rebrand their products and services by changing their logo, product, slogan, or emblem to enhance organizational performance.

Recommendations

The relationship between business rebranding and organizational performance of DTSs was found to be positive and significant. Therefore, it is recommended that the DTSs in the South Rift Region should embrace business rebranding to enhance organizational performance. In particular, business rebranding should be directed to reviewing, redesigning, and implementing new names, missions, visions, logos, slogans, and emblems to enhance organizational performance.

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