



## **Effect Of Customer Focus On Success Of Marketing Strategies Of Microfinance Institutions In Kenya**

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### **Abstract**

Customer focus is one of components of marketing orientation. Its philosophy is based on the supremacy of the customer thus the need to focus on the determination of customer needs and wants. Organizations which endeavor to focus their energies on determining customer needs and wants and seek to satisfy them through designing products sought by customers will certainly record better performance than Competitors. Success will also come to those organizations which adopt customer focused communication and delivery strategies. This paper therefore seeks to establish the effect of customer orientation on the success of marketing strategies of microfinance institutions in Kenya. The paper is based on the following specific objectives: To assess the extent to which identification of customer needs affects the success of marketing strategies of MFIs in Kenya, to evaluate the extent to which provision of services that meet customer needs affects the success of marketing strategies of MFIs in Kenya, to assess the extent to which efficiency in delivery of services to customers affects the success of marketing strategies of MFIs in Kenya and to evaluate the extent to which appreciation of customers affects the success of marketing strategies of MFIs in Kenya. A Census approach was used N=67 for MFIs who constituted membership of AMFI in 2016. The CEOs of the MFIs and the marketing managers provided the information to a questionnaire data collection instrument. Data were analyzed using inferential statistics and multiple linear regression was used to examine how independent variables under study contributed to the dependent variable. The main findings were that the effect of customer orientation on success of marketing strategies of MFIs in Kenya was significant ( $p=0.01$ ). The findings of this study have been used to provide recommendations to MFIs; Academia and policy makers on how to enhance the marketing of MFIs services.

Key Terms: Customer Orientation, Identification of customer needs, Customer service charter, Customer appreciation.

### **1.1 INTRODUCTION**

Customer Orientation is the understanding of the current and future needs of target buyers and creating superior value for them (Rouzies *et al.*, 2005). This entails gathering information that provides detailed understanding of the customer needs. The understanding of customer needs helps organizations in developing products and services that effectively meet present and future needs of the target market. The understanding customer needs has become very important due to market dynamism. The marketing environment is highly dynamic and customer needs are also changing rapidly, hence the need to undertake frequent customer needs assessment.

Microfinance Institutions (MFIs) have had significant impact on poverty reduction in many countries in the world. They have demonstrated immense ability to provide microcredit to the poor. MFIs have grown greatly in the Kenyan market thus creating stiff competition in the financial markets. It has therefore, become necessary for the MFIs to seek ways and means of responding to the competition by devising strategies to have a greater understanding of customer needs. The MFIs therefore, have resorted to market-led approaches in order to better understand



their customers (Anyango, Sebtsad& Cohen, 2002). According to Woller(2002) MFIs are changing from production orientation model to marketing orientation model whose components are; customer orientation, Competitor orientation, Interfunctional orientation and marketing intelligence orientation. as proposed by Narver and Slater (1990). This paper aims at evaluating the effect of customer orientation on the success of marketing strategies of Microfinance Institutions (MFIs) in Kenya.

## **1.2 Problem Statement**

Customer orientation according to Ghari and Mahmood (2011) assists organizations to have a better understanding of its current and potential customers. When an organization is Customer Oriented it means that the firm is committed to satisfying its customers both in the short and long-term. This means that the organization provides value to its customers (Zhou, James, Chekitan& Agarwal, 2007). A customer oriented organization constantly monitors customer information in order to meet the needs of the customers efficiently and effectively. According to Webster *et al.* (2010) organizations with high degree of customer orientation, focus all their efforts on customer satisfaction in the long-term. They therefore monitor the changes in customer needs and wants and adjust the marketing programmes in line with the changes.

Zhou *et al.*, (2007) conducted a study on international hotels which compared customer orientation and competitor orientation. Customer orientation focused on acquisition, satisfaction and retention of Customers. The study concluded that customer orientation had a higher pay off on hotel brands. Customer orientation plays a significant role in organizational responsiveness to market changes. An organization which is customer oriented has the capacity to identify and analyze customer needs and develop products and services that are appropriate for the customers. The organization is also well placed for developing innovative products and services. The customer-oriented organization is therefore well placed to respond to opportunities and threats in the market place. Cillo *et al.* (2010) and Gilbert (2005) identified two dimensions of responsiveness.

Microfinance institution (MFIs) in Kenya would greatly benefit from adopting customer orientation model. Woller (2002) argues that MFIs are mainly product oriented. They operate on the premise that quality products and services attract more customers and thus record better performance. However, literature has shown that organizations which base their operations on customer orientation have superior performance (Woller, 2002; Kibera, 2015). This research therefore seeks to assess the effects of the adoption of customer orientation on the success of MFIs marketing strategies

## **1.3 Objectives**

### **1.3.1 General Objective**

The main objective of this research is to establish the effects of the adoption of customer orientation on the success of marketing strategies of MFIs in Kenya.

### **1.3.2 Specific Objectives**

The research will be guided by the following specific objectives:

- i. To assess the extent to which identification of customer needs affects the success of marketing strategies of MFIs in Kenya.



- ii. To evaluate the extent to which provision of services that meet customer needs affects the success of marketing strategies of MFIs in Kenya.
- iii. To assess the extent to which efficiency in delivery of services to customers affects the success of marketing strategies of MFIs in Kenya
- iv. To evaluate the extent to which appreciation of customers affects the success of marketing strategies of MFIs in Kenya

#### 1.4 Research Questions

- i) To what extent does identification of customer needs affect the success of Marketing strategies of MFIs in Kenya?
- ii) To what extent does the provision of services that meet customer needs affect the success of marketing strategies of MFIs in Kenya?
- iii) To what extent does the efficiency in delivery of services to customers affect the success of marketing strategies of MFIs in Kenya?
- iv) To what extent does appreciation of customers affect the success of marketing strategies of MFIs in Kenya?

#### 1.5 Research Hypothesis

The null hypotheses to be tested in this research are:

- H<sub>01</sub>:** There is no significant relationship between the identification of customer needs and the success of marketing strategies in MFIs in Kenya
- H<sub>02</sub>:** There is no significant relationship between the provision of services that meet customers' needs and the success of marketing strategies in MFIs in Kenya
- H<sub>03</sub>:** There is no significant relationship between the efficiency delivery of services and the success of marketing strategies in MFIs in Kenya
- H<sub>04</sub>:** There is no significant relationship between appreciation of customers and the success of marketing strategies in MFIs in Kenya.

This research will be of great importance to MFIs in Kenya, microfinance institution customers, policy makers, commercial banks, and scholars.

#### 2.0 LITERATURE REVIEW

Customer Orientation according to Ghari and Mahmood (2011) assists an organization to have a better understanding of its current and potential Customers. Customer oriented Organizations are committed to satisfying its customers both in the short and long-term. The organizations therefore provide value to their customers (Zhou, James, Chekitan & Agarwal, 2007). Customer orientation is based on the foundation of marketing orientation which was originated by Narver and Slater (1990). A Customer oriented organization constantly monitors customer information in order to meet the needs of the customers efficiently and effectively. According to Webster *et al.* (2010) organizations with a high degree of customer orientation focus all their efforts on customer satisfaction in the long-term. They therefore monitor the changes in customer needs and wants and hence adjust the marketing programmes in line with the changes.



Zhou *et al.*, (2007) conducted a study on international hotels which compared customer orientation and competitor orientation. Customer orientation focused on acquisition, satisfaction and retention of Customers. The study concluded that customer orientation had a higher pay off on hotel brands. Customer orientation plays a significant role in organizational responsiveness to market changes. Hunt *et al.*, (2005) posits that responsiveness is a firm's propensity to act on intelligence that is generated and disseminated. There is a close relationship between responsiveness and market performance (Hunt *et al.*, 2005; Homburg *et al.*, 2007). Responsiveness also has a relationship with the success of a new product and the adaptive capacity of an organization (Benner, 2009) and Zhou *et al.*, (2007). Customer orientation therefore influences the performance of an organization depending on the way the organization responds to the marketing intelligence. An organization which is customer oriented has the capacity to identify and analyze customer needs and develop products and services that are appropriate for the customers. The organization is also well placed for developing innovative products and services. The customer oriented organization is therefore well placed to respond to opportunities and threats in the market place. Cillo *et al.*, (2010) and Gilbert (2005) identified two dimensions of responsiveness. First there is the resource rigidity which arises from an organization's willingness to respond to opportunities outside the current market and thus fails to commit any resources to take advantage of such opportunities. The second dimension is the routine rigidity which arises from the inability to change the patterns of increment in a market. Routine rigidity can be caused by the failure of the organization to respond to the need for new knowledge and procedures (Gilbert, 2005). Customer oriented organizations should therefore, be motivated to commit resources and make adjustments that would enhance the performance of potential markets.

According to Kotler and Keller (2016), organizations which are customer oriented should handle Customers professionally to minimize complaints and customer exit. According to Kotler and Keller (2016) only 5% of customers complain, the other 95% never complain they just exit. Organizations therefore should be more concerned about those customers who never complain and never come back for repeat business. Customer oriented organizations should take measures to minimize customer dissatisfaction, which is the main cause of customer complaints. Shammout and Haddad (2014) conducted a study on the impact of complaints handling on customers' satisfaction based on commercial Banks clients in Jordan. The findings of the study established that there was a statistically significant impact on overall dimensions of complaint handling on customer satisfaction. The complaint dimensions investigated in this study were; service delivery, service quality, switching costs, service failure, service guarantee and perceived value.

The study recommended that Banks in Jordan should; respond effectively to service failure, provide high quality service, adopt more effective and reliable ways of enhancing reception of complaints, and establish a department for handling of customer complaints. The recommendations in this study would be very appropriate for microfinance institutions in Kenya if they adopt customer orientation in their operations.

### **3.0 METHODOLOGY**



Descriptive research design was used in studying the effects of adoption of customer orientation on the success of marketing strategies of MFIs in Kenya). Descriptive research design describes what exists and may help to uncover new facts and meaning. The purpose of descriptive research is to; Observe, describe and document aspects of a situation as it naturally occurs (Polit & Hungler, 2008). This involves the collection of data that will provide an account of description of individuals, groups or situations. It is used to collect the information concerning the current status of a phenomenon to describe what exists with respect to variables or conditions in a situation (Hair *et al.*, 2006, Cooper & Schindler, 2012). According to Cooper and Schindler (2012), descriptive studies are appropriate where there are clearly stated hypothesis and the problem is clearly stated. Descriptive research design will therefore be appropriate for this study because the problem is clearly stated, and the hypotheses are also clearly stated.

### 3.1 Population of Study

The target population comprised of; Banks, Deposit taking MFIs, and Credit Only MFIs. Black (2009) defines population as any group that shares similar characteristics or common traits. Bryman and Bell (2007) also say that Population refers to the entire group of people, events or objects of interest that a researcher wishes to investigate. The population should possess some common characteristics thus making it possible for the researcher to draw the study sample. Population refers to the entire group of people, events or objects of interest that a researcher wishes to investigate (Bryman & Bell, 2011). The population should possess some common characteristics thus making it possible for the researcher to draw the study sample. The Chief Executive officers (CEOs) and the marketing managers /Marketing in charge of the MFIs comprised the study units. The total population in this study was 134 respondents, comprising of 14 CEOs and marketing managers of Banks, 22 CEOs and marketing managers of Deposit taking MFIs and 98 CEOs and marketing managers of credit only MFIs.

Table 3.1: Population of Study

Microfinance Institutions	Number of MFI	Number of respondents per MFI	Total
Banks	7	2	14
Deposit taking Microfinance Institutions	11	2	22
Credit only Microfinance Institutions	49	2	98
<b>Totals</b>	<b>67</b>		<b>134</b>

### 3.2 Sampling Procedure and Sample Size

The sampling frame was all MFIs that were members of the Association of Microfinance Institutions of Kenya of Kenya (AMFI) as at 2016. The list of the members was provided by the Association. The use of the census approach was found to be appropriate because the MFIs under investigation were not significantly large in number and application of sampling would not yield reliable data.





### **3.3 Data Collection Procedure**

Primary Data were collected from CEOs, credit officers and marketing managers of MFIs which are members of AMFIs. A semi-structured questionnaire was used to collect the data. The questionnaire was administered on the CEOs and marketing managers of the seven banks and sixty-seven microfinance institutions. The field data collection was carried out by research assistants who were trained to ensure that they are familiar with the questionnaire and to create consistency in the way the questionnaires were administered. After the data collection, the questionnaire was checked for completeness and accuracy, after which it was coded in preparation for data analysis.

#### **3.3.1 Pilot Study**

Prior to data collection the designed questionnaire was pilot tested on ten senior officers from five MFIs excluding the CEOs and marketing managers. After the pilot test, information gathered was used to correct any aspects of the questionnaire which were found to be unclear to the pilot test group. The pilot test data was also used to compute Cronbach Alpha Coefficient, which according to Malhotra (2014) is used to measure the internal consistency of a data collection instrument. The questionnaire was corrected to address the identified short comings and thereafter copies were reproduced in readiness for field data collection.

#### **3.3.2 Validity of Instrument**

Validity is the measure of the gap between what is actually measured by a research instrument and what the research instrument is intended to measure (Oso & Onen, 2009). There are two different types of validity, namely; construct and content validity. Knight (2002) says that Content validity assumes that there are clear objectives being studied and that the tools being used can collect the information that would answer the investigative questions in the research. Construct validity shows how representative a measure is of the concept, so as to establish whether the numerical representative in a quantitative scale used in a questionnaire has the ability to accurately represent the levels of that concept (Black, 2009). Construct validity was established in this research by pilot testing the questionnaire.

#### **3.3.3 Reliability of Instrument**

The reliability of the data collection instrument was also established. According to Malhotra (2007), reliability is an assessment of the extent to which a measuring procedure yields the same results on repeated trials. It measures the extent to which a respondent will give the same response if the process is repeated. The Cronbach Alpha Coefficient was used to measure the reliability of the questionnaire and to establish the internal consistency of how well each variable correlated with the other variables. The Statistical Package of Social Sciences (SPSS) version



16.0 was used. Malhotra (2014) says that Cronbach Alpha is the average of all possible split half coefficients resulting from different ways of splitting the scale items in the instrument of measurement. The coefficient should vary from 0 to 1 and a value of 0.6 or less generally indicates unsatisfactory internal consistency reliability.

Data analysis entails reducing accumulated data to a manageable size, developing summaries, looking for patterns and applying statistical techniques (Cooper & Schindler, 2014). In this research, descriptive and inferential statistics were used to analyze the data.

### 3.3.4 Data Analysis

#### 3.3.4.1 Multiple Linear Regression

Data was analyzed using a multiple linear regression to examine the effectiveness of the independent variables under study against the dependent variables. SPSS was used in this research to analyze the data. The statistical model used in this research is stated as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where

Y = Customer Orientation

$\beta_0$  = Constant of independent variables

$X_1$  = Identification of customer needs

$X_2$  = Provision of services that meet customer needs

$X_3$  = Efficiency in delivery of services to customers

$X_4$  = appreciation of customers

$\varepsilon$  = Error term

## 4.0 RESEARCH FINDINGS

The research sought to establish the effect of the effect of customer orientation on the success of marketing strategies of MFIs in Kenya. The Cronbach Alpha Coefficient was used to measure the reliability of the questionnaire and to establish the internal consistency. The findings are presented in Table 4.1.

**Table 4.1: Questionnaire Reliability Test**

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.850	.811	36

The Cronbach Alpha coefficient in this research was .850 which means that the questionnaire items had a high reliability and internal consistency. Cronbach Alpha is the average of all possible split half coefficients resulting from different ways of splitting the scale items in the



instrument of measurement. The coefficient should vary from 0 to 1 and a value of 0.6 or less generally indicates unsatisfactory internal consistency reliability (Malhotra, 2014).

#### **4.4.1 Effect of Customer Focus on the Success of Marketing Strategies of MFIs**

This section presents findings on the effect of customer orientation on success of marketing strategies of MFIs. The Respondents were asked to rate the extent to which customer orientation affects the success of marketing strategies of MFIs on a scale of 1-5 where; 1- Strongly Disagree, 2-Disagree, 3-Neither Disagree nor Agree, 4-Agree and 5- Strongly Agree. This objective was intended to establish the extent to which customer orientation influences the success of MFI marketing strategies. Customer orientation was measured by identification of customers' needs, provision of products and services that meet customer needs, efficiency in service delivery and appreciation of customers. The findings are presented in Table 4.4.





**Table 4.2: Effect of Customer Focus on the Success of Marketing Strategies of MFIs.**

Customer Focus	1-SD		2-D		3-ND		4-A		5-SA		Total		Mean	SD
	F	%	F	%	F	%	F	%	F	%	F	%		
MFI Identifying customers business needs	12	9.2	6	4.6	24	18.5	45	34.6	43	33.1	130	100.0	4.56	1.1
MFI Identifying their lifestyle needs	0	0	12	9.2	35	26.9	32	24.6	51	39.2	130	100.0	4.56	1.9
MFI develops services that meet agricultural needs	3	2.3	3	2.3	54	41.5	38	29.2	32	24.6	130	100.0	4.00	0.9
MFI develops services that enhance customer retention	12	9.2	12	9.2	0	0	39	30.0	67	51.6	130	100.0	4.13	1.2
MFI develops services that enhance customer loyalty	31	23.8	15	11.5	0	0	0	0	84	64.7	130	100.0	4.50	1.4
MFI develops services that satisfy the customers	6	4.6	0	0	9	6.9	70	53.8	45	34.6	130	100.0	4.61	1.9
MFI ensures timely delivery of services	3	2.3	8	6.8	50	38.4	34	29.2	32	24.6	130	100.0	4.68	0.9
MFI follows service charters	3	2.3	0	0	0	0	56	43.1	71	54.6	130	100.0	4.30	1.4
MFI ensures delivery strategies are in place	15	11.5	62	47.7	50	38.5	0	0	3	2.3	130	100.0	4.77	1.2
MFI appreciates customers by letters	9	6.9	0	0	6	4.6	51	39.2	64	49.2	130	100.0	3.99	1.2
MFI appreciates customers by phone calls	3	2.3	6	4.6	12	9.2	27	20.8	82	63.1	130	100.0	4.25	1.9
MFI appreciates customers by complementary	0	0	4	3.1	3	2.3	48	36.9	75	57.7	130	100.0	3.54	0.9



The respondents were supposed to rate the level of agreement or disagreement with the statement that MFIs identify customer business needs in order to develop services that satisfy the needs. The findings in Table 4.4 show that 67.7% of the respondents were in agreement that MFIs identify customers' business needs. The findings also show that 13.8% disagreed while 18.5% were undecided. The findings also reveal that the mean score was 4.56 with a standard deviation (SD) of 1.1, which suggests that the respondents did not differ in the agreement decision that MFIs identify customer business needs in order to develop services that satisfy the needs. This is because a small SD relative to the Mean suggests that data points were close to the mean while a large SD relative to the mean suggests that data points are spread out over a wide range of values (Browne, 2001). The findings therefore suggest that MFIs identify customer business needs which enable them to develop services that satisfy the identified needs. These findings are in line with Narver and Slater (1990) who stated that marketing-oriented organizations constantly monitor customer information in order to meet the needs of the customers efficiently and effectively.

The findings in Table 4.4 show that 63.8% of the respondents agreed that MFIs identify customers' lifestyle needs with the aim of offering services that satisfy the needs, 9.2% of the respondents disagreed while 26.9% were undecided. This infers that MFIs in Kenya identify customers' lifestyle needs with the aim of providing services that satisfy the needs. The findings showed that Mean (SD) = 4.56(1.9) which suggests that the respondents were close to the mean. In regard to developing services that enhance customer retention, the findings in table 4.4 show that 53.8% of the respondents agreed that MFIs develop services that enhance customer retention, 4.6% of the respondents' Disagreed while 41.5 % were undecided. The Mean (SD) = 4.0(0.9) also supports the findings. According to Webster *et al.* (2010) organizations with a high degree of marketing orientation focus all their efforts on customer satisfaction in the long term. They therefore monitor the changes in customer needs and wants and hence adjust their marketing programs in line with the changes to enhance customer retention.

The Research also evaluated whether MFIs developed services that satisfy the customers' needs. The findings showed that 81.6% of the respondents agreed that MFIs develop services that satisfy customers' needs. In contrast 18.4% none were undecided. The Mean (SD) = 4.13(1.2) suggests that a majority of the respondents lay closer to the mean. The study sought to establish whether MFIs deliver services efficiently in order to enhance customer orientation. Efficiency in service delivery by MFIs, was measured by timely delivery, adherence to the customer service charter and effectiveness of delivery strategies. With regard to timeliness of service delivery, 35.3% of the respondents disagreed, while 64.7%, agreed and none were undecided. The mean (SD) = 4.50(1.4) suggests that majority of the respondents were closer to the mean implying that the Agreement rating has high reliability.

Customer service charters are an important tool for customer orientation since they set out an organization's commitment to provide high quality customer service to both internal and external customers. In this study, 88.4% of the respondents agreed that MFIs in Kenya maintain and adhere to customer service charters, while 4.6% disagreed 6.9% were undecided. The Mean (SD) = 4.6(1.9). It can therefore be inferred that MFIs in Kenya have a high commitment to providing high quality customer service. A majority of the respondents (79.2%) agreed that MFIs implement effective service delivery strategies, none disagreed but 20.8% were undecided, Mean (SD) =



4.01(0.9). It can therefore be concluded that MFIs in Kenya have a high regard for their customers. In their study on banks in Jordan, Shammout and Haddad (2014) investigated service delivery, service quality, switching costs, service failure, service guarantee and perceived value. They recommended that banks should respond effectively to service failure in respect to service delivery.

Customer appreciation strategies by MFIs in Kenya, through sending letters, making phone calls, and provision of complementary services, were evaluated in this study. The findings showed that 88.4% of the respondents were in agreement that MFIs appreciate customers by sending letters, 83.9% agreed that appreciation is expressed by making phone calls, while 94.6% agreed that MFIs showed appreciation via provision of complementary services. Customer orientation through expression of appreciation of customers is essential. It can therefore be concluded that MFIs in Kenya have customer appreciation strategies in place and therefore customer orientation is fulfilled by appreciating customers and ultimately customer orientation helps in the success of MFIs Marketing strategies.

**Table 4.16: Beta Coefficients for Customer Focus**

		coefficient <sup>a</sup>				t	Sig.
	Model	Unstandardized Coefficients		Standardized Coefficients	Beta		
		B	Std. Error				
1	(Constant)	9.517	3.096			3.074	.023
	Identification of customer needs	.648	.251	.890	<b>.804</b>	3.930	.010
	Service development	.534	.215	.800		2.981	.020
	Service charter	.506	.259	.780		2.861	.031
	Customer Appreciation	.448	.316	.749		2.333	.032

According to Orodho (2009), Beta coefficient tells you how much the dependent variable is expected to increase (if the coefficient is positive) or decrease (if the coefficient is negative) when that independent variable increases by one. Customer orientation was measured with four observed variables; Identification of Customer needs, Service development, Customer service charter, and customer appreciation.

The study established that the indicators of customer focus were significant at P-value <0.05. Holding all factors to constant zero, unit increase or decrease of identification of customers' needs by one unit would lead to an increase or decrease of success of marketing strategies by MFI by (Beta = 0.890; t = 3.930, p < .05).

A unit increase or decrease service development one unit would lead to an increase or decrease of success of marketing strategies by MFIs by (Beta = 0.800; t = 2.981, p < .05). A unit increase or decrease of service charter by one unit would lead to an increase or decrease of success of marketing strategies by MFIs by (Beta = 0.780; t = 2.861, p < .05).

A unit increase or decrease of customer appreciation by one unit would lead to an increase or decrease of success of marketing strategies by MFIs by (Beta = 0.749; t = 2.333, p < .05). The



findings show that customer orientation was found to be significant in influencing success of marketing strategies of MFI.

Hypothesis Results Table

Hypothesis	Description	Hypothesis	Beta	P Value	t- value	Results
H <sub>01</sub>	H <sub>0</sub> : There is no significant relationship between customer orientation and the success of marketing strategies in MFIs in Kenya?	H <sub>0</sub> : $\beta_1 = 0$ H <sub>A</sub> : $\beta_1 \neq 0$ Reject H <sub>0</sub> if P – value $\leq a$ Fail to reject H <sub>0</sub> if P- value $> a$ Where a = 0.05	.804	.01 < .05	6.671	Reject H <sub>0</sub>

The main findings with regard to the customer orientation were that the total variance in success of marketing strategies in MFIs in Kenya can be accounted for by Beta = 0.804 (80.4%) change in CustomerOrientation. The results showed that the effect of customer orientation on success of marketing strategies of MFIs in Kenya was significant, p.01<.050). This means that the null hypothesis, that there is no significant relationship between the effect of customer orientation and the success of marketing strategies was rejected and the alternative hypothesis that, there was a significant relationship between customer orientation and success of marketing strategies of MFIs in Kenya was accepted.

**Conclusions**

The study found there was significant relationship between customer orientation and success of marketing strategies of MFIs in Kenya, this implies that MFIs are able to use customer orientation to provide better understanding of the customers and therefore make better decisions which result in success of marketing strategies.

**Recommendations**

The study recommends that management of MFIs in Kenya should continue emphasizing the customer orientation practices namely; customer needs analysis, new services development, adherence to customer service charter and appreciating the customers to maintain the level of success in marketing strategies.

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