

## ABSTRACT

Credit uptake levels, is the volume of loans given by the credit providers to client within a given time. SACCOs being financial institutions, whose financial credit services focus on low to middle-level income groups, depend on credit uptake among other factors, for their growth and sustainability. The 1990 liberalization of the financial sector led to increased competition from other financial service providers, hence the need strategic management of credit uptake factors to enhance credit demand among SACCOs clients. Whereas SACCOs have given significant attention to such credit uptake factors as credit diversification, cost variation and customer services as critical in determining credit uptake levels; with the expectation of increased uptake levels and market share, their effect on credit uptake to specific SACCOs remains unknown. Kenya Police SACCO has approximately 40,101 members, having similar income structures, which requires attention. 2015 Economic survey reveals that commercial banks loans hit excess of 2.799 trillion while SACCOs with its wide network only issued approximately 0.18 trillion indicating a 6% market share for loans; which is below expectation. This study, therefore, sought to analyze the credit uptake factors on performance of Kenya Police saving and credit co-operative society, with specific attention to establishing the effect of customer information on uptake credit level, analyzing the effect of a variety of credit products on credit uptake level, examining the cost of credit products on credit uptake level, and to analyzing customers' service orientation on credit uptake level. The study was guided by a conceptual framework depicting credit performance as the dependant variable and credit uptake factors as the independent variables. The study was based on demand theory and consumer choice theory, providing a platform for demand based relationship constructs. The study adopted a mixed descriptive and inferential research design. The target population of the study comprised 40,101 SACCO borrowers. A sample of 380 members was obtained using stratified random sampling. Pilot study using 50 units of analysis, which were not further included in the main study, generated a Cronbach Alpha coefficient of 0.721. The study established that autonomous credit uptake mean was 3.125; indicating that much of credit uptake is not influenced by credit uptake factor such that even if the credit uptake factors are at point zero, credit uptake in the SACCOs will be above average. The coefficient for customer information was 0.141, meaning an increase in the level of customer information by one unit contributes to 0.141 increases in credit uptake. Credit variety had a coefficient of 0.214, implying that a unit increase in level of product variety leads to 0.214 unit increase in credit uptake level. The coefficient for cost of credit is -0.312, implying that increase in cost of credit by one unit will result to a fall in credit uptake level by 0.312. The level of customer service has a coefficient of 0.121 implying that a unit change in level of customer service will lead to a 0.121 increase in level of credit uptake. The outcome of the study will provide more empirical information on credit uptake factors in Kenya. Moreover, it will provide a basis for which the policy will be formulated to solve the problem of low credit uptake in SACCO Societies in Kenya. In addition, the findings may be used to assess the extent to which the current financial market strategy will be effective in addressing demand for credit in Kenya.