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Influence of Strategic Innovation on Corporate Reputation Management in Microfinance Institutions (MFI'S) In Machakos County

By

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Abstract
The objective of this research was to investigate the influence of product innovation on corporate reputation management in Machakos County microfinance institutions. This is important in order to understand and evaluate strategic innovation which can be understood as reinventing or redesigning an organization's corporate strategy in order to promote company growth, provide value for the customer and the company, and achieve a competitive advantage. .n order to achieve the study's purpose, the descriptive sampling technique has been used in a research study. Population target of the study comprised of all the Microfinance Institutions (MFI's) licensed by the Association of Microfinance Institutions of Kenya (AMFI-K) as at 31st December 2019. There are (15) fifteen licensed MFI's by AMFI-K. All the selected MFI's were included in the study with the respondents being all the selected Branch managers, team leaders and operations officers. The total respondents therefore were forty-five (45). The main methodologies were questionnaires, which were self-administered by the researcher and yielded an 82.2 per cent response rate. The research showed that product innovation and corporate reputation management had a good and significant association. The study also indicated that process innovation and corporate reputation management had a favorable and substantial (P-Value=0.000) association. Furthermore, the findings demonstrated that market innovation and corporate reputation management had a favorable and substantial (P-Value=0.000) link. Finally, resource innovation and corporate reputation management had a favorable and substantial (P-Value=0.000) association. The study therefore concluded that Product Innovation, Process Innovation, Market Innovation, and Resource Innovation all have a positive and significant impact on company reputation management based on the findings. This study recommended the need to improve on marketing innovation strategies for marketing officers of the MFI's and to ensure that a product innovative approaches are implemented.

Key words: Innovation, Corporate Reputation, Management, Microfinance, Institutions, product, process, Kenya

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Introduction

Background to the Study

When compared to leading competitors, reputation is a perceptual representation of a company's past acts and future prospects, representing the firm's overall appeal to important constituents (Roberts & Dowling, 2018). Following economists' lead, organizational academics, study issues of social identity under the banner of reputation (Padgett & Galan, 2017), and reputation is portrayed as a strong predictor of organizational performance. Organizational culture does not have to be viewed as a competition between reputation and legitimacy; rather, they are complementary parts of developing an organizational identity (Roberts & Dowling, 2018). Both signals and symbols are required to give impressions on viewers if reputation is based on symbols and legality is based on emblems (Azedegan & Wagner, 2017). Maintaining a decent reputation can lead to positive outcomes, such as offering premium pricing to customers, attracting better applicants, and attracting more investors (Freel, 2016).

Various experts, academicians, and corporate executives are paying attention to company reputation (Padgett & Galan, 2017). Reputation is a valuable strategic resource that boosts a company's financial performance and, as a result, its competitive advantage. When engaging with multiple stakeholders, a company's reputation strengthens its bargaining power. Despite this, only a small percentage of businesses track their public image. Multiple countries, along with the United States of America (USA), the United Kingdom (UK), and others (UK), Germany, India, as well as Turkey, are among them. Some magazines produce lists of the most well-known businesses. For example, the prominent business magazine Fortune publishes an annual profile of America's Most Influential People in the world, the UK's Most Admired Companies list, Throughout Germany, Manager Magazin's Image Profile, through India, Business World's Most Distinguished Companies, and in Turkey, Capital Magazine.

Reputation is amongst the most important intangible resources which would provide a consistent, long-term competitive advantage. Resources can be categorized as tangible, intangible, and personnel-based in the resource-based paradigm (Cassiman & Veuglers, 2014). Financial reserves and economic infrastructure including such plant, equipment, and raw material stocks are examples of tangible resources. The latter includes culture, staff training and expertise, as well as their devotion and loyalty. Intangible resources include reputation, technology, and human resources. Furthermore, (Padgett & Galan, 2017) suggest that building a good reputation takes time and requires a company to make regular and solid expenditures over time. The difficulty of creating, trading, or imitating it, as with any valuable resource, illustrates the strategic worth it provides for the company.

Horn (2013) perceives corporate reputation as the product of a process in which corporations compete for social standing in a market with inadequate information. The reputation of a company, on the other hand, is decided not only by signals received back to the company, but also by signals obtained from other sources such as the media, the stock

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market, and stakeholders. Market and accounting signals indicating organizational effectiveness, institutional signals about its visibility and social responsibility, and strategy signals linked to corporate postures such as differentiation and heterogeneity are assumed to elicit responses from a firm's stakeholders. As an example (Freel, 2016), CR, it should be noted, shows the extent to which secondary stakeholders regard the company as excellent or poor. According to (Padgett & Galan, 2017), there is little doubt that corporate social performance has an impact on a company's reputation.

Innovation is today's most essential instrument for organizations. Innovation considerations are the most critical strategic decisions for every organization in order to penetrate new markets, expand current market shares, and reinforce their competitive advantage (Gunday, 2016). This base on innovation is driven by rising rivalry on both domestic and international markets, which is fueled by quickly changing ever technologies and competitive strategies, but in turn, which threatens to undermine the market value of existing products & services. This suggests that innovation, defined as the integration of ideas, information, and knowledge into greater competitiveness as long-term competitive advantage, is a critical component of company strategies (Horn, 2013). There have been numerous reasons for this, except the necessity to offer improved or even new products, to implement more efficient production and organizational processes, to perform better in critical markets, and to improve customer perception of the firm's products. At the same-time, it's important to realize that businesses have varying levels of innovative resources and competencies.

One of the primary objects of corporation is to enhance and manage corporate reputation and one factor that affects corporate reputation is a strategic innovation (Love & Roper, 2017). Firms choose a number of innovation strategies, such as product, process, market, and service development, to guide their judgments about how to best use their limited innovation resources to meet their corporate reputation management objectives. According to Tavassoli and Karlsson (2015), a product-innovation is the launch of a new or significantly-enhanced good or service in terms of its qualities or intended uses, including major technological advances, A process innovation is the application of a new or considerably improved and/or production technique, which may include components and materials, computer simulation, user friendliness, or other functional features. Market innovation is described as the development of a new marketing method that involves significant differences in customer design or packaging, product placement, or pricing strategy, whereas organizational innovation is defined as even the implementation of a new organizational method in the firm's business practices, workplace organization, and perhaps a hybrid of the two.

Surprisingly, few businesses track their corporate reputation management. Some journals in several countries, including the United States, the United Kingdom, Germany, and France, Turkey, and others, publish lists of the most reputable corporations. For example, the prominent business magazine Fortune publishes an annual Manager Magazine Image Profile' in Germany, Business World India's Most Respected Companies' in India, and Capital Magazine in Turkey all have lists of America's Most Admired Companies and Britain's most Lauded Companies. Magazines, research firms, and scholars assess corporate reputation management. Companies and businesses, on the other hand, are not actively involved in the assessment of their own reputation management. There could be multiple ways for this: one is the difficulty of evaluating reputation, and the other is that organizations may not use

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reputation as a strategic resource. This may be possible due to the complexity of the reputational concept. It's a long-term strategy that's difficult to quantify. There is no adequate method for evaluating and measuring it. Evaluating reputation as a view of multiple stakeholders is a costly endeavor. Strong brand management helps a company's strategic innovation, and it also helps the company's reputation. Many studies have discovered that strategic innovation has a positive impact on company reputation management (Sabate & Puente, 2013). There is suggestion that strategic innovation has an impact on corporate reputation management (Roberts & Dowling, 2018). This evaluation stimulates this researcher to analyze the influence of Strategic innovation on corporate reputation management in microfinance institutions (MFI'S)

Statement of the Problem

Firms may maintain a durable competitive edge and preserve long-term relationships with numerous stakeholder groups by focusing on their reputation (Sharma, 2016). It is the most key strategic asset that contributes to the organization's long-term viability. Furthermore, a positive corporate reputation is supposed to protect a company in times of crisis. Nonetheless, a reputation can be ruined by just one unpleasant episode. A reputation takes 20 years to develop and five minutes to destroy (Roberts & Dowling, 2018).

Different authors, academicians, and corporate executives are paying attention to company reputation (Padgett & Galan, 2017). Reputation is a valuable strategic resource that boosts a company's financial performance and, as a result, its competitive advantage. When engaging with multiple stakeholders, a company's reputation strengthens its bargaining power. Despite this, only a small percentage of businesses track their public image.

Assessing a company's reputation is more crucial than ever before. This is due to a number of factors, including rapid changes in technology of corporate actions and issues, increased demand for transparency, better prospects from different social categories, Customers' personal observations with a company's products and services, as well as word-of-mouth and social networking, the effect of organizational change management' influence, growth-in-interest groups, and greater exposure for the company's products and services.

Although corporate reputation has been a hot topic in public debates due to its impact on microfinance institutions' operations, as Appiah and Arthur (2016) point out, there appears to be relatively little study on the matter, particularly in the developing world like Kenya. Whereas other previous studies have attempted to fill this gap in the literature by analyzing the impact of strategic innovation on corporate reputation in developing economies, for example, (Roberts & Dowling, 2018) scrutinized the relationship between credit risk and performance between many rural banks in Ghana. Appiah and Arthur (2016) looked at the corporate reputation procedures of a few Kenyan listed commercial banks, while Alshatti, (2014) looked into the impact of credit corporate reputation for commercial bank performance.

On the other hand, Bougatef (2017) examined commercial bank corporate reputation tactics. However, the majority of this research either focused on commercial banks or ignored microfinance institutions entirely. As a result, there is a gap in-the literature when it comes to microfinance credit risk management. As a result, the purpose of this research is to fill a gap in the literature by looking into the influence of strategic innovation on corporate reputation management among microfinance institutions (MFIs).

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Objective of the Study

i. To investigate the influence of product innovation on corporate reputation management in Machakos County microfinance institutions

Review of Related Literature

To investigate the influence of product innovation on corporate reputation management in Machakos County microfinance institutions

Product innovation characteristics such as In case of technological items, better products, and higher quality products, efficacy and efficiency were proven to have a significant and positive impact on corporate performance (Alegre, et al., 2016).Furthermore, (Erickson & Jacobs, 2018), product innovation in organizations has a favorable and significant effect on organizational image. Alegre et al., (2017) researched on product innovation performance in firms and found the same results. Walker (2018) conducted comparative study on the impact of product and process innovations on business results According to the findings, specific product improvements are favorably associated with company growth. As a result of product developments, firms will be able to expand their brands or products in the market, giving them a competitive advantage.

Savings and product innovations are the most important innovations in microfinance organizations, according to an empirical study (Kojo, 2013). However, it should be highlighted that the MFI market in the country's northern region remains mostly untapped. As a result, it is suggested that MFIs in the region produce unique micro MFIS products, as well as other loan and utility products, to fulfill the expanding underprivileged and disenfranchised people who can't afford the institutes' present packages.

A research by Dacin, (2017) on the influence of a company's reputation for product innovation on consumers found positive results. It is argued that consumer commitment levels mediate the relationship between the customer perceived and the outcomes of consumers. A high customer perceived, as evaluated by the participation construct, leads to enhanced enthusiasm for and loyalty to the innovative firm, according to empirical results. Favorable outcomes identified in the research include tolerance for infrequent product failures and a more positive overall business image. A supposedly high RPI does not, in fact, indicate a high RPI contrary to popular belief, lead to a consumer willingness to pay higher prices.

Analysis by Belder, (2019) attempts to determine what the strength of a corporate brand shapes the adoption of an innovative service, as well as the essential characteristics of the construct: corporate brand (CB). The marketing mix and competitive climate for a new service from three separate CBs were held constant in a real-world, online information acceleration test. Respondents were asked about their likelihood of purchasing from each of these companies, as well as their impressions of them. According to the findings, there is a link between CB strength and respondents' likelihood of adopting the service. The CB construct was discovered to have two components: conative and cognitive, with the former having a greater impact on adoption likelihood.

As per a study by Lopez-Mielgo et al., (2019) process innovation has a positive impact on organizational reputation management Process innovation, in addition to improving speed and quality, results in flexibility and cost efficiency, according to the study. However, according to a study of German companies, not all process changes result in cost

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savings. The report went on to say that when a company's process innovation results in cost savings, it allows them to sell their products at a competitive price. Process improvements, on the other hand, have been shown to increase overall customer satisfaction and firm market share (Wang & Wei, 2015). Furthermore, (Mabrouk & Mamoghli, 2014) stated that even if process innovation and new technology are maintained, innovative results will be achieved. Businesses would continue to make large profits. However, if inventions become more extensively accepted and employed by competitors, profitability may suffer. Moreover, Commercial banks in Ghana benefit from process innovation and internet banking, which results in increased revenue, decreased operational costs, and higher profitability. In Kenya, researchers looked into the relationship between process innovation and commercial bank reputation (Kariuki, 2013). The study's purpose was to find out how process innovation affected bank profitability. A causal research design was used in this study. Kenya's commercial banks were all targeted. Commercial banks had used a variety of financial challenging projects, including process innovation, according to the data. Process innovation In addition, measures were found to have a favorable influence on performance.

The research (Singh & Sharma, 2016) looked at the Global Pulse Initiative of the Reputation Institute published current strategic communications from firms in 2008. (Five organizations were scored highly on innovation, but five were rated lower on international popularity.)The findings point to common themes, stylistic choices, and speech patterns that have been utilized to construct organizations' identities, create positive stakeholder perceptions, and establish a "innovation" reputation. A research study by Mattera & Baena, (2015) looked at how process innovation affects the value added of a company. Firms with such a global presence, on the other hand, have a large number of global stakeholders, indicating that their intangible assets are in good shape. Firms profit from stakeholders and contribute to social welfare when they honor the social contract, providing a win–win situation.

The investigation (Padgett & Moura-Leite, 2014) looked at the impact of R&D intensity on company reputation, as well as how this effect might be positively tempered when process innovation results in some type of societal benefit. The resource-based view theory and the institutional theory are used as theoretical frameworks in this study. Our models were estimated using the panel data technique in this investigation for the empirical analysis; the sample consisted of 257 US enterprises and covered a four-year period from 2004 to 2007. The findings of this study show that R&D combined with the controlled doses of process innovation of high social benefits has a greater positive impact on corporate reputation than R&D alone, because R&D activities can outcome in innovations that have no social benefit and are therefore not perceived by stakeholders.

Empirical review by Wagner, (2016) on the relationship between high-social-benefit innovation and corporate social performance reveals how businesses might engage in private-benefit innovation, such as enhanced products, to gain competitive advantage. These inventions can also have social benefits, such as pollution reduction through process improvements. The author proposes that innovation should be balanced, with enterprises intangibly capital incentivized to innovate because they will earn higher rents while also contributing to society. As per Wagner, a high-social-benefit invention is one that has a direct positive social effect, such as lowering environmental externalities or providing items or services to the economically poor.

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Further than a halo effect: the relative impact of business reputation on customer choice (Paul, et al. 2018) revealed that marketing managers should pay greater attention to corporate reputation in order to boost preferences for their products. By this study, end user choices are influenced by the reputation of the company that uses its designation to brand products, and evidence for the general halo effect, which suggests that corporate reputation techniques can influence product choices whilst also increasing the functionality of a company's product, is present. In a study on market innovation (Helm, 2018) Customers' possible negative reactions to a price increase are mitigated by a positive corporate reputation, according to the study. This means that companies with a better reputation will be able to charge higher pricing, while those with a lesser reputation will just have to accept a lower price for an equivalent product.

An investigation by Biegas & Steiner-Neto, (2015) on the clothing industries, found the positive relationship of marketing innovation with both reputation (image), and with the market performance (keep and attract customers). A study by Sashittal & Jassawalla, (2016) showed that the adoption and implementation of new marketing methods are inherent in the process of marketing strategy, always aiming the attraction and retention of consumers and also the achievement of good reputation. A study investigated the impact of innovation types on company performance (Gunday, et al., 2017) discovered a link between marketing innovation capability and higher firm image, and validated a framework to assess the execution of promotional innovation in the context of strategic innovation Brazilian Clothing Industries' Marketing Innovation Capacity but also Firm Performance, according to an innovation study (Biégas, 2018), Market performance determines financial performance, which forecasts marketing innovation capacity. As a result, in order to get financial gains from it is critical to keep track of the components that make up market performance when marketing innovation capability.

Using a comprehensive methodology, the study (Smith, & Wang', 2017) intended to empirically examine the relationship and discover whether enterprises with a positive brand image, that is, those with a positive reputation, benefit economically. These companies are linked to a considerable market-value premium, stronger financial performance, and a reduced cost of capital, according to the findings. Given these findings, marketing executives would be wise to work hard to establish and maintain a positive brand image. Technological improvement reputation is linked to innovative performance (citation intensity)., according to empirical findings (Höflinger, et al., 2018). Surprisingly, our findings show that marketing intensity does indeed have a negative impact on a company's technical innovation reputation the findings lead us to the conclusion that inventiveness is linked to a reputation for technological innovation. Actual technology innovation captures customer attention that can't be bought with bigger marketing budgets. This means that consumers reward companies who are constantly offering new products and services, despite the fact that R&D is costly and uncertain. As a theoretical conclusion, including intangible inputs in reputation research makes a substantial contribution to a comprehensive understanding. The findings give crucial strategic information for the development and marketing of new products and services, units, which must coordinate their actions and investments.

Berry (2016) conducted research on the impact of resource innovation methods on commercial banks' competitive advantage in Kenya. According to the findings of the study, resource innovations help managers to better understand how to use resources in order to maximize earnings, revenue generation, and the number of consumers that come to make

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deposits. According to the study, a necessary prerequisite for an invention's longevity is for the organizations that directly determine whether the innovation is employed or not to deem it important, and if the innovation is to survive, the firm must create new service innovations to make additional profits. According to a study (Hermelo & Vassolo, 2017) on the factors of business growth in Ethiopia, technology, diversification, and productivity all contribute to increased corporate growth.

Walker (2018) did a comparative study to see how asset innovations affect company performance. According to the findings, specific product improvements are favorably associated with company growth. As a result of product developments, firms will be able to expand their brands or products in the market, giving them a competitive advantage. Deposits and resource innovations are the most important innovations in microfinance institutions, according to an empirical study (Kojo, 2013). However, it should be highlighted that the MFI market in the country's northern region remains mostly untapped. As a result, it is suggested that MFIs in the region produce unique micro MFIS products as well as various loan and service products to meet the growing needs of the poor and disadvantaged who are unable to afford the institutions' current offerings

A good business reputation helps to temper potential unfavorable reactions to a price increase, according to a study on innovation (Helm, 2018). This means that companies with a better reputation will be able to charge higher pricing, while those with a lesser reputation will have to accept a lower price for an equivalent product. The study by Wang and Wei (2015) looked at various methods to the corporate reputation construct in order to develop a comprehensive definition that can be used for measurement purposes, filling in the gaps identified by previous research. The authors examined studies on the relationship between corporate reputation and organizational performance, and perhaps even the characteristics of national and international corporate reputation rankings. The authors developed a more concise framework for the reputation construct and suggested methods for measuring it, including: internal, supplier, client, and financial market judgments; periodic evaluations from various Along with many other things, pay attention to organizational perspectives and theoretical assumptions.

The goal of the study Barney, et al. (2011) was to identify the antecedents of business model innovation and compare the effects of corporate reputation and different organizational capabilities on business model development. The research is based on the digital disruption phenomenon, in which established businesses are disrupted by new entrants with a new business plan that takes advantage of digital capabilities. The study focuses on incumbent companies' information, communication, and technology (ICT) in generating business model innovations as the second curve in business sustainability. The ICT sector is critical to the development of other industries and has a substantial impact on economic growth, which is now reliant on emerging countries like Indonesia.

The Indonesian ICT market is distinct in that it is fast evolving, yet infrastructure lags behind and the market is very competitive. This creates disconnect between innovation opportunities and digital infrastructure development. In terms of incumbent firms, hedging from ICT investment in infrastructure and competition from new entrants with their new business model and market Incumbent firms still have the advantage of corporate reputation and must create distinctive capability. However, research into generating dynamic capabilities for market incumbents with an emphasis on corporate reputation is still in its

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early stages. The present study is based on an empirical sample of 35 Indonesian ICT professionals.

Theoretical Framework

Resource Based View (RBV)

Amongst the recognized impressive theoretical viewpoints in today strategic management literature is the resource-based view (RBV) (Eisenhardt & Martin, 2000). RBV's theoretical foundations can be traced all the way back to Marshall (1890). According to Barney (1991), the key assumptions of RBV include the heterogeneity of each firm's resources and competencies, as well as the long-term persistence of these differences inside the firm. He also said that the assets and capacities are path-dependent, and that they can only be grown over the years. Statistical ambiguity (it's not always evident how these qualities affect the firm's performance) and social complexity (can't be purchased or sold in some situations) are equally important in nature (Barney, 1991).

The resource-based view (RBV) theory backs up the idea that if a resource is valued, it can help an organization gain a competitive advantage. At the same time, the company can assess possible resources that will assist the company and allow it to succeed in emerging markets (Kozlenkova 2014). This same resource-based approach also prompts the company to consider if its assets are valuable at the predicted level. In addition, this theory is used to check the availability of resources within the company (Barney et al. 2001). The assets' competitive advantages are evaluated so that the company can determine whether resource is exceptional and not available to its competitors. Non-substitutable resources can provide a greater benefit to the firm because competitors will not be able to meet the same market expectations that the firm adopts (Wernerfelt 2011). According to Barney (2011), resource-based operations inside the organization enable the business to reinvent goods in response to client demand while also allowing for long-term growth.

In this method, a company may be able to maintain its corporate reputation by identifying, developing, deploying, and preserving specific resources and distinguishing them from its competitors in order to support its accomplishment in a competitive market (Carmeli & Tishler, 2004.Other aspects of strategic skills were further explored by Peteraf (1993), who proposed that a corporation can only maintain its corporate reputation across four primary scenarios: resource heterogeneity, ex post competition restrictions, imperfect mobility, and ex ante competition limits (Peteraf, 1993). In other words, Peteraf (1993) stated that a company's corporate reputation can be preserved if it can generate long-term economic rent through improving internal resources. To support the long-term viability of the firm's economic rent, the better resources must remain steady in supply, inimitable, nor non-substitutable (Dierickx & Cool, 1989). (Lippman & Rumelt, 1982), and the resources' costs must be lower than their excess profits (Barney, & Clark, 2007).

A resource is commonly defined as a company's assets that it owns or controls (Amit & Schoemaker, 1993). A firm's resources, according to Wernerfelt (1984), are quasi connected tangible and intangible assets to the company (Wernerfelt, 1984). Tangible resources are important items or assets inside a business, such as equipment, buildings, raw materials, and equipment (Carmeli & Tishler, 2004). Intellectual capital, on the other hand, is a set of assets that includes know-how, talents, knowledge, perspectives, product reputation, culture, & network Heterogeneous and static in nature (Connor, 2002) (Barney, 1991).The resource-based perspective attempts to explain why businesses expand and diversify.

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Penrose's (1959) study, in which she highlights untapped management resources as the key generator of expansion, sparked the hypothesis. Internal management resources are both drivers and restrictions to the development that any one organization can pursue, according to Penrose. Following major diversification and company expansion in the 1970s and early 1980s, this body of literature was enlarged (Teece 1998)

The resource-based view (RBV) has become a management tool as well as s theoretical foundation that may be used by businesses to assist them discover strategies for developing and deploying strategic resources. The RBV theory assumes that a firm's success is directly proportional to its critical intangible assets (Auger et al. 2013).This is largely due to the fact that intangible strategic resources provide organizations with a competitive advantage that is difficult to duplicate, resulting in high profitability and long-term viability. There are two fundamental assumptions in RBV theory that identify the nature of strategic resources, according to Michalisin et al. (1997). First, strategic resources are asymmetrically dispersed across the company and are relatively immobile. To be competitive, resources must not be in high demand prior to acquisition, and they must core competencies by being difficult to obtain, particularly due to causal vagueness.

Strategic assets, on the other hand, contain four characteristics that serve as the foundation for a company's business strategy. Simultaneously time, strategic assets constitute non-substitutable, scarce, valued, and irreplaceable. Assets missing these four important characteristics will not produce high or long-term earnings. It's also important to note that assets may possess some, but not all, of these characteristics; yet, these assets will not provide a long-term competitive advantage since their strategic prowess is contained within the collective scarcity created by the convergence of these four factors. Strategic assets, according to RBV theory, generally are intangible. Because tangible assets can be easily reproduced and acquired, strategic competitive advantage is built on intangible assets that are much more difficult to replicate and purchase. Difficult for competitors to obtain. Certain intangible assets can create strategic competitive advantage, as stated in considerable scientific RBV research. Employee skill or knowledge, organizational culture, and corporate reputation are three significant crucial assets that have been tested to evaluate if they provide organizations with a competitive advantage.

Worker expertise is defined as the ability to turn employee knowledge towards corporate success through collaboration. Culture of the organization reflects that it is indeed a highly holistic asset, meaning that each component of the culture plays a substantial role in its construction, and if one piece changes, the culture changes as well; it is a very holistic asset, therefore means that whenever one element changes, the culture changes as well. Finally, company reputation refers to how customers, employees, and other constituents perceive the company. Opinions on a company's financial stability, product quality, staff quality but also retention, financial performance, investment worth, innovativeness, and corporate social responsibility are all examples of perception (Michalisin, 1997). A company's reputation is important because it allows it to grow market share, charge premium rates, and hire top-notch employees It can also influence customer purchasing decisions in favor of new products; buyers are more likely to take a chance on a new product if they already know and trust a reputable firm. A solid reputation, brand reputation and corporate culture reputation are all examples of company reputation. Company reputation, staff knowledge, and organizational culture are all strategic assets because they possess the four criteria of strategic assets: scarcity, value, non-substitutability, and imperfect immutability.

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Employee knowledge, organizational culture, and company reputation, as a result, provide businesses with a significant competitive advantage.

For different reasons, a company's reputation is exceedingly unique, no substitutable, imperfectly imitable, valued, and strategically important the corporate identity must first and foremost be legitimized and validated (Porter, 1998, 1998; Porter & Kramer, 2006; Smith, 2007). This could be accomplished through official organizations such as the Better Business Bureau, or by more industry-specific accreditation with some well recognized authorities. Finally, political participation and acceptance are required to establish a company's reputation. Because of various factors, a company's reputation is exceedingly unique, for the last several decades, the venue for public opinion has shifted considerably.

The internet has become a popular area for sharing user opinions and experiences with complete strangers, thanks to websites, social networking, and blogs. Because bad experiences were traditionally passed down by word-of-mouth (WOM) and sometimes just to persons the unsatisfied customer knew, this is a novel and uncertain factor affecting corporate reputation. When it comes to determining a company's reputation, there really are various factors to consider. Whereas an intangible asset like a company's reputation is unobservable, it can be difficult to assess; because if it's difficult to quantify, benchmarking and gauging its performance is even more challenging. As a result, organizations must use quantifiable traces left behind to measure an intangible asset like company reputation and correlate the results with firm success (Michalisin, 2000). With this in mind, firm reputation is not only the foundation that only gives you a strategic competitive advantage, but it also helps you achieve financial and emotional fulfillment.

Customers purchasing things is the easiest indication of a firm's positive reputation; however this is not restricted to consumers. Suppliers and distributors may view a corporation with a good reputation as a highly preferred service provider, according to social success (Yang, 2009). This could also make a company attractive to banks, investors, and other businesses as an investment. A good firm reputation translates to a high stock price as a result of solid shareholder value. A further key social component of success is that companies with good reputations have more clout when it comes to legislative plus regulatory issues. Firm can appropriately use this power for the advantage of themselves and their industry. Finally, the social success of a company's reputation will aid in retaining employees who desire to reinvest in it. Firms that achieve some of these social triumphs will benefit financially in the long run.

The resource-based concept, like other business ideas, is not without its detractors. Because of the various definitions of resources, it can be difficult to determine the right level of analysis. Furthermore, certain resources are subjective, such as from a company's reputation or knowledge. Managers must also keep in mind that distinctiveness does not always imply heterogeneity. Whilst the company's resources are critical, they are not the only element influencing operational efficiency. Regulatory policies, strategic planning, and other considerations are also important. Some other potential concern is that new technology and trends emerge on a daily basis, which could have a significant impact on your critical resources.

According to the researchers, valuable resources may not always confer a competitive edge. Under certain conditions, the global economy and other external forces may have a stronger impact. Customers may prefer a less-advanced product with a lower price tag throughout economic downturns, even if your software application is precious, rare, and so

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forth. Furthermore, your competitors may provide an entirely different product that achieves identical efficiency results. Resource based theory is important and relevant to this study since it focuses on the matters of corporate resource that are the outcome of corporate reputation. Corporate resources such as infrastructure, reputation, competent human capital, favorable locations among others if well managed can enable them realize corporate reputation.

Research Design

Descriptive survey research design was applied in this study. The target population consisted of all the Microfinance Institutions (MFI's) licensed by the Association of Microfinance Institutions of Kenya (AMFI-K) as at 31st December 2019. There are (15) fifteen licensed MFI's by AMFI-K. All the selected MFI's were included in the study with the respondents being all the selected Branch managers, team leaders and operations officers. The total respondents therefore were forty-five (45). The main methodologies were questionnaires, which were self-administered by the researcher and yielded an 82.2 per cent response rate. These questionnaires contained structured questions that were constituted using a likertscale.

Results and discussion

To investigate the influence of product innovation on corporate reputation management in Machakos County microfinance institutions

The objective of the study was to investigate the influence of product innovation on corporate reputation management in Machakos County microfinance institutions. The data collected was analyzed using mean scores and standard deviations. A mean score of less than 1.5 implies that the respondents strongly disagreed with the statement. A mean score of 1.5 to 2.5 implies disagreed, 2.5 to 3.5 undecided and 3.5 to 4.5 implies agreed. A mean score of more than 4.5 implies strongly agreed. Standard deviation of less than 1 means that there were no significant variations in the responses while greater than 1 implies that there were significant variations in the responses. The findings of the mean scores and standard deviation are shown in table 1 below.

Table 1 Product innovation and corporate reputation management

Statements		Mean	Std. Dev
Products and services are some of the primary pillars for corporate reputation management	37	4.4865	.55885
Managers should look for strategies to improve public impressions of their company. Products of an organization.	37	4.4324	.64724
Continues innovation helps a company to be a product innovation leader	37	4.3784	.72078
Product innovation is The export intensity of enterprises has a big impact.	37	4.1081	.90627
Extent of product Export promotes growth and innovation.	37	4.1892	.77595

Source: Research data (2021)

The study sought to determine the influence of product innovation on corporate reputation management in microfinance institutions (MFI'S) in Machakos County. Table-4.3-summarizes respondents' extent of agreement-on how product innovation influences

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corporate reputation management in microfinance institutions (MFI'S) in Machakos County. The statement that products and services are some of the primary pillars for corporate reputation management had the highest mean score of 4.4865 and Std dev. 0,5585 while the statement that Product innovation is The export intensity of enterprises has a big impact had the least mean score of 4.1081 and Std dev. of 0.90627 These findings imply that the innovative products and services in MFI's in Machakos County are some of the primary pillars for corporate reputation management since they have streamlined and enhanced corporate reputation management in microfinance institutions (MFI'S). This finding is in line with that of (Erickson & Jacobs, 2018), who found that product innovations in businesses have a favorable and significant impact on the image of the company. Alegre, et al, (2017) researched on product innovation performance in firms, they found the same result.

Summary

The study's primary goal was to investigate the impact of product innovation on corporate reputation management in Machakos County's microfinance institutions (MFIs). In terms of describing corporate reputation management, product innovation was considered to be adequate. Product innovation is also an excellent predictor of business reputation management, according to the findings. Product innovation was favorably and strongly connected with corporate reputation management, according to correlation analysis. Product innovation and business reputation management have a favorable and substantial link, according to coefficient regression. This indicates that better product innovation will result in better business reputation management.

Conclusion

According to the study's findings, product innovation has a favorable and significant ($P<0.05$) influence on company reputation management. Firms' export intensity has a considerable influence on product innovation, and the extent of product export adds to innovation and growth.

Recommendations

This study found that Innovation of a market gives a the firm's products a new market position with the goal of increasing sales income meaning that marketing innovation is a key component. This study therefore recommends to the marketing officers of the MFI's to improve on marketing innovation strategies. As a practical consequence, in order to get financial outcomes from marketing innovation capacity, it is required to monitor the elements that comprise market performance. Product innovations assist enterprises to improve the market presence of their brands or products, resulting in a competitive advantage for the organizations. This study therefore recommends to the marketing officers to ensure that a product innovative approached is implemented. This study finding contributes to the new knowledge on the extent to which product innovation, market innovation, process innovation and resource innovation influence corporate reputation management.

Suggestions for Further Research

The study sought to determine the influence of Strategic innovation on corporate reputation management in microfinance institutions (MFI'S) in Machakos County. This called for the analysis of Machakos County; As a result, future research could focus on additional Kenyan

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counties in order to compare the findings with those of the current study. The study variables only accounted for 83.3% of the variation on corporate reputation management in microfinance institutions (MFI'S) in Machakos County. Other factors other than Product innovation, process innovative, market innovation, and resource innovation are all examples of innovation. Studied should be identified by other researchers for further investigation.

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