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**The Influence of Marketing Mix Strategies on Organizational
Performance: A Case of Asset Management Companies in Nairobi
County**

BY

MUMBI MBIYU KAGIRI

MBA/81963/14

**A Dissertation Submitted in Partial Fulfillment of the Requirements
for the Award of the Degree of Master of Business Administration at
Strathmore University**



Strathmore Business School

Strathmore University

Nairobi, Kenya

June, 2019

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DECLARATION

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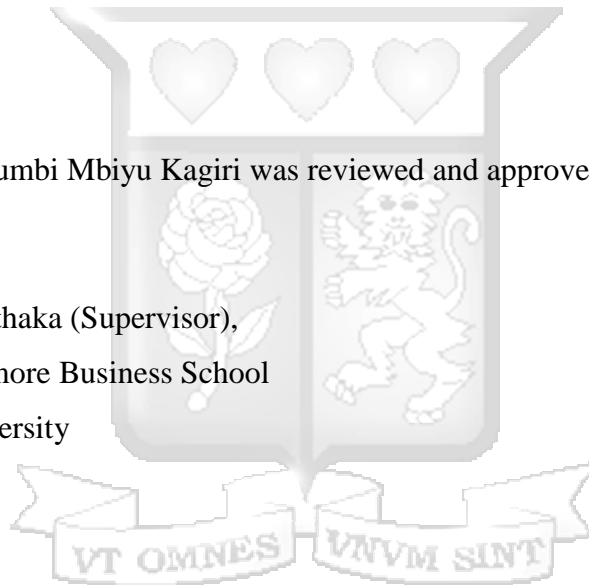
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Approval

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ABSTRACT

Asset Management Companies (AMCs) play a critical role in the economy as they channel funds from savers to investors therefore providing an efficient way of pooling funds for investment in the capital markets. Stiff competition and a challenging business environment has forced organizations to devise strategies for increasing their performance with limited resources. One such strategy is the marketing mix strategy. The relationship between marketing mix strategy and performance has been observed in past studies revealing mixed findings with limited attention in the context of AMCs in the Kenyan setting. The purpose of the study was to establish the influence of marketing mix strategies on organizational performance of AMCs in Nairobi County. Primary data was collected through use of structured questionnaires. The population of the study was 21 AMCs licensed in Kenya. A census survey was carried out on all the AMCs due to their small size. Judgmental sampling technique was used in selecting 163 AMC managers consisting of senior managers, business development managers and customer service managers as key informants. A cross sectional research design was used in the study. The relationship between the marketing mix strategies and performance of AMCs was analyzed using regression analysis. Significance of the study was tested at 5% level. From estimation, price, place, people and physical evidence strategies were found to be statistically significant whereas product, promotion and process strategies were not statistically significant. Among those variables that significantly influenced performance of AMCs, price strategy ($\beta=0.4468$, P value=0.000) and physical evidence ($\beta=0.7794$, P value=0.000) had a positive influence whereas people strategy ($\beta= -0.4186$, P value =0.012) and place strategy ($\beta= -0.2557$, P value =0.004) had a negative effect. Based on the study results, it was suggested that firms need to arrive at the right price which often requires significant resources and some human, social and system capabilities. Further, AMCs need to focus on strengthening appearance and physical setting which both demonstrates and promises quality. AMCs also need to have continuous engagement with their employees in order to improve their skills and competencies while ensuring their distribution strategies deliver the same quality of service across all channels in order to enhance the customer experience and grow their assets under management.

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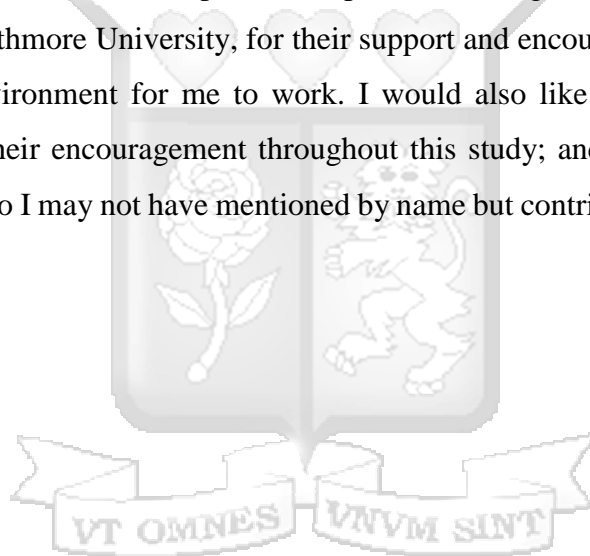
LIST OF ABBREVIATIONS

- AMC - Asset Management Companies
AUM - Assets under Management
CMA - Capital Markets Authority
RBV - Resource Based View



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DEDICATION

To my sons, Mathenge Kamundia and Mbiyu Kamundia.



CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Asset Management Companies (AMCs) play a critical role in the global and Kenyan economy as they channel funds from savers to investors by pooling funds for investment in the capital markets. AMCs offer their intermediary role to households, corporations, governments and other categories of financial intermediaries, in particular pension funds and insurance companies (European Fund and Asset Management Association (EFAMA), 2015). As at 2017, the global value of assets under management (AUM) held by asset management companies (AUM) was estimated to be at \$79.2 Trillion a growth of 12% from \$71 Trillion in 2016 exhibiting the strongest annual growth since the 2009 financial crisis (Boston Consulting Group (BCG), 2018).

The largest AMCs in the world are based in the United States of America (USA). These AMCs had more than \$19 trillion in AUM at year-end 2016, largely on behalf of more than 95 million US retail investors (Investment Company Institute, 2017). In Kenya, the estimated AUM in 2018 was kes 1.057 Trillion (\$ 1 Billion) (Capital Markets Authority (CMA), 2018; Retirement Benefits Authority (RBA), 2018). This sharp contrast in sizes of AUMs reveals the growth potential of Kenya's asset management industry. PwC (2017) predicts that AUMs will grow faster in developing countries than in developed countries by 2020. It is therefore important for developing countries such as Kenya to develop strategies to ramp up growth of their AUMs.

Although the size and growth potential of AMCs is impressive the industry is facing a number of challenges. A volatile global and local economic environment, characterized by inflationary fears, greater regulatory scrutiny and monetary policy tightening have resulted in investors seeking higher returns and more value for their money (Ernst & Young (EY), 2018). This volatility has subsequently caused stiff competition among companies that offer investment management services such as AMCs as they compete to deliver more value for money for their customers (BCG, 2015). Apart from stiff competition, other challenges facing AMCs include changing customer demands, the ability to leverage on the rapidly changing technologies in digital innovations such as

block chain and big data technology, increasing fee and margin pressure from customers and macroeconomics factors such as declining interest rates (EY, 2018).

According to McKinsey's (2013) study on profitable growth of AMCs, budgetary and cost pressures will require managers to exercise greater discipline about where to invest their resources effectively, especially in the sales and marketing function. The study further noted that over the past decade, only a third of an average firm's growth is explained by its investment performance while two thirds of performance is explained by management's decisions on how to compete in terms of location, distribution channel or even which products to focus on. Given the important role that AMCs play in an economy, it is therefore important to device strategies for competitive advantage in order to ensure organizational performance and ultimately; survival. One such strategy is the marketing mix strategy.

Past studies examining the relationship between marketing mix strategies and organizational performance have revealed mixed findings. There has also been a scanty of research on the influence of marketing mix strategies on AMC performance. There is therefore need to carry out a research on the influence of marketing mix strategies on organizational performance of asset management companies in Kenya in order to establish the exact relationship in the context of asset management industry.

1.1.1 Marketing Mix Strategy

The concept of marketing mix strategy has gained considerable attention over the years and continues to be a key element that can be manipulated by marketers to satisfy customers' needs and gain a competitive advantage (Judd, 2003). The term 'marketing mix' was first advanced by Borden (1964) describing it as the art of constantly engaging in creatively fashioning a mix of marketing procedures and policies in the efforts to produce a profitable enterprise. McCarthy (1964) later grouped the marketing mix elements into the 4Ps of a marketing mix strategy to include product, price, place and promotion which mostly applied to the marketing strategy of tangible goods.

Booms (1981) posited that the marketing of services cannot be satisfied by the 4Ps alone and proposed an extension of the 4Ps by adding three more elements into the 4Ps

marketing mix namely people, process and physical evidence subsequently resulting in the 7Ps marketing mix strategy. Booms' (1981) criticism of the 4Ps marketing mix continues to gain support as evidenced by various scholars (Goi, 2009; Möller, 2006; Van Waterschoot & Van den Bulte, 1992). This study will therefore adopt the 7Ps marketing mix strategies as shown by Rafiq & Ahmed (1995) who demonstrated that the 7Ps framework achieved a high degree of acceptance as a generic marketing mix in the United Kingdom (UK) and Europe. The adoption of the 7Ps marketing mix is further informed by the AMC industry being a service industry and the need to address the "tangible" components of the service experience (Sullivan, 2002).

Kotler & Armstrong (2010) define a product as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. Product can refer to a physical object or a service that is sold and has a palpable characteristic, a complex set of benefits that can be used to meet customer needs (Kotler, 2006). In marketing mix, product is defined as what is offered to the market for noticing, buying, or using which may meet a need. Product may include a physical object, service, place, organization, or even an idea (FakhimiAzar *et al.*, 2011).

David (2008) defined the price as the amount of money charged for a product or service or the sum of the values that consumers exchange for the benefits of having or using the product or service. Price is the only marketing mix variable that generates revenues while all other variables involve expenditures or investments of funds (Lovelock, 1992, 2011; Marn & Rosiello, 1992; Kotler & Armstrong, 2010). Therefore, the importance of pricing strategies and its contribution to organizational performance cannot be emphasized enough.

Zeithaml, Berry, & Parasuraman, (1996) describe promotion as the specific effort to encourage customers to tell others about their services. A place or distribution channel is described as sets of independent resources involved in the process of making a product or service available for use or consumption (Kotler, 2006). People include all human actors who play a part in the delivery of services and thus affect the perception of buyers. An essential ingredient to any service provision is the use of appropriate staff and people.

Given the inseparability nature of services, many stakeholders are involved in the buying and selling: namely the customer, other customers and the firm's personnel in the service environment (Zeithaml *et al.*, 1996).

Creating and delivering product elements to customers requires the design and implementation of an effective process. A process is the method and sequence of actions in the delivery of a service or good (Goi, 2009). Physical evidence is the elements of the service mix which allows the consumer to make a judgment on the organization. It is an essential ingredient of the marketing mix, consumers will make perceptions based on their sight of the service provisions, which will have an impact on the organizations perceptual plan of the service (Parasuraman, Zeithaml & Berry, 1985).

Researchers examining the concept of marketing mix strategy have shown that the concept continues to evolve in an ever changing competitive business environment (Constantinides, 2006; Goi, 2009; Grönroos, 1997; Möller, 2006). Möller (2006) undertook an academic review of the debate around the marketing mix paradigm revealed a growing convergence towards the customer as a focal point when creating a marketing mix strategy. (Grönroos, 1997) reinforced the need for recognition of the importance of customer satisfaction, customer retention, customer relationship building and management. The focus on the customer is also in line with the growing trend in the asset management industry to focus on the customer's needs and wants in order to grow AUMs and ultimately gain a sustainable competitive advantage for long term financial performance. It is therefore imperative that managers of AMC's formulate their marketing mix strategies with their main focus being the customer.

Evidence from studies examining the relationship between marketing mix strategies and organizational performance have found a correlation (Appiah-Adu, 2000; Gruca, 2015; Langat, 2016). However the research on the concept of marketing strategies adopted by asset management companies is pocket-sized to say the least (Bishnoi, 2014). This observation is further confirmed by the dearth of empirical evidence on the influence of marketing mix strategies on organizational performance in the context of AMC's in Kenya.

1.1.2 Organizational Performance

Studies on the concept of organizational performance have gained considerable momentum in the field of strategic management research and continues to be of interest to both academic scholars and practicing managers (Marr & Schiuma, 2003; Richard, Devinney, Yip, & Johnson, 2009; Venkatraman & Ramanujam, 1986). Neely, Gregory, & Platts (1995) define organizational performance measurement as “the process of quantifying the efficiency and effectiveness of action.” Effectiveness measures how well an organization is able to achieve the desired output at the minimum cost of input (it is about doing the right things) while generating incremental sales and customer value while efficiency focuses on reducing costs, is about doing things right (Bartuševičienė & Šakalytė, 2013; Zheng, Yang, & McLean, 2010)

Despite the considerable interest in measuring performance, there is still inconsistency regarding its conceptualization and measurement. Previous studies have established three distinctive schools of thought, these are; Financial measures, Non-Financial measures (NFMs) and a mix of both financial and non-financial measures (Mudida & Ngene, 2010; Philip, 2010; Richard, Devinney, Yip, & Johnson, 2009).

The first school of thought is established by studies that have measured organizational performance using financial measures these indicators are considered to be objective and include Sales, Return on Assets (ROA), Return on Equity (ROE), Return on Investment (ROI), Earnings per Share (EPS), Jensen’s Alpha also known as Capital Asset Pricing Model (CAPM) and profits among others (Daniel, Grinblatt, Titman, & Wermers, 1997; Fama, Fisher, Jensen, & Roll, 1969; Jensen, 1968; Keramati, Ardalan, & Ashtiani, 2012; Mwirigi, 2017; Ombongi, 2014; Richard et al., 2009; Sharpe, 1991).

The second school of thought is established by studies which take into account both financial as well as non-financial measures in order to conceptualize organizational performance such as Balanced score card (BSC); Discounted Cash Flow (DCF) and Net Present Value (NPV) (Cruz-Ros, González Cruz, & Pérez-Cabañero, 2010; Daniel, Grinblatt, Titman, & Wermers, 1997; Kaplan & Norton, 1996; Richard et al., 2009; Venkatraman & Ramanujam, 1986).

The third school of thought is established by studies that have used non-financial measures (NFMs) to conceptualize organizational performance such as market share, customer satisfaction, customer retention, customer loyalty, employee satisfaction, employee morale, survival, happiness, reputation, product quality, efficiency, effectiveness and innovation (Bartuševičienė & Šakalytė, 2013; Cruz- Ros, González- Cruz, & Pérez- Cabañero, 2012; Hughes & Morgan, 2007; Kaplan & Norton, 1992, 1996; Nagar & Rajan, 2005; Ngo, 2015; O'Connell & O'Sullivan, 2014; Venkatraman & Ramanujam, 1986).

The argument for measuring performance using non- financial indicators is that, NFMs enable a higher level of performance management that can't be achieved by relying exclusively on financial measures (Bourne, Neely, Mills, & Platts, 2003; Cruz-Ros et al., 2010; Neely, Gregory, & Platts, 1995; O'Connell & O'Sullivan, 2014; O'Sullivan & O'Connell, 2016). Consistent with this argument are numerous studies that conclude that NFMs can act as indicators of future financial performance (Cavalluzzo, Ittner, & Larcker, 1998; Ittner & Larcker, 1998a; Nagar & Rajan, 2005; O'Connell & O'Sullivan, 2014; O'Sullivan & O'Connell, 2016). These measures are better predictors of a firm's long run performance and they help managers monitor and assess their firm's progress towards strategic goals and objectives (Kaplan & Norton, 2001).

Cruz- Ros, González- Cruz, & Pérez- Cabañero, (2012) established that different marketing capabilities of an organization have varied impact on financial performance and stakeholder's satisfaction while Hooley, Greenley, Cadogan, & Fahy (2005) found that marketing resources impact on financial performance indirectly through creating customer satisfaction and loyalty and building superior market performance. However, in growing markets, competitors may lack the resources to grow as fast as the market. Others might lack the wherewithal to contest every sale when new rivals appear in the market (Gruca 2015). Therefore strategies like the marketing mix are crucial for such growing markets as Kenya.

Since any form of marketing is done to attract customers (Christian, 2009), it is therefore important that an organization focuses on marketing activities that deliver value to customers (Day, 1994). By providing customers with the right level of performance at the

right price, firms do not require customers to spend money on benefits they do not want. Furthermore, satisfied customers typically demonstrate high levels of brand loyalty resulting in a reduction in the expenses necessary to retain these customers (Aaker, 2008).

In the context of AMC's, it is even more imperative that customers remain satisfied in order to increase the market share as indicated by the assets under management (AUM) and achieve sales alpha (Mckinsey, 2013). For this reason, this study measured organizational performance indicated by customer satisfaction and market share (AUM)

1.1.3 Asset management companies in Kenya

In Kenya, AMC's are sometimes referred to as Fund Managers or Fund Management Companies (FMC's). The Capital Markets Act CAP485A defines a "Fund Manager" as a manager of a collective investment scheme, registered venture capital company or an investment adviser who manages a portfolio of securities. As of January 2019 there were 26 licensed and approved AMC's in Kenya (Capital Markets Authority, 2019), a growth from 21 AMC's as at 2017 (Mwirigi, 2017). The main products and services offered by AMC's in Kenya are Collective Investment Schemes (CIS) also known as Unit Trust Funds, Pension Funds Management, Wealth Management Services targeted towards retail high net worth individuals (HNWI), and Corporate Fund Management for corporates such as insurance companies.

In 2015, the asset management industry in Kenya recorded the second fastest growth in Africa with the pension funds and insurance companies contributing the highest inflows into the AUMs (Mwirigi, 2017). The massive potential for growth of the asset management industry is further illustrated by the size of AUMs held by AMC's in collective investment schemes which increased by Sh11 billion to Sh28 billion in 2010 from Sh16.8 billion in 2009 CMA (2011). Total revenue of the fund managers, which includes unrealized gains on securities, increased more than four times to Sh3.8 billion compared to the 2009 level of Sh868 million. The industry reported profits after tax of Sh3.3 billion from Sh446 million with British American Asset Managers (BAAM) being the market leader in the industry measured by assets under management (Ombongi, 2014).

As at 2018, the estimated AUM held by AMCs was kes 1.057 Trillion (\$ 1 Billion) (CMA, 2018; RBA, 2018). According to a CMA (2018) Quarter 4 statistical bulletin, the total CIS Portfolio under management was Kshs. 58.52 Billion. CIC Unit Trust Scheme had the largest CIS asset portfolio valued at Kshs. 18.33 Billion, while British American Unit Trust had the second largest CIS portfolio valued at Kshs. 8.58 Billion. In terms of management of pension funds, for the period ending June 2018, the total AUM was at Kshs. 998.17 Billion with Sanlam Investments East Africa Company Limited (SIEAL) being the fund manager with the largest assets under management of the pension funds with total AUM at Kshs. 204.45 Billion (Retirement Benefits Authority, 2018). Thus the importance of the asset management industry to the Kenyan economy cannot be ignored. The rapid growth also means that AMCs need to devise strategies such as the marketing mix in order to maintain a sustainable competitive advantage.

Over and above returns to the investors, the revenue generating capacity of a fund to the AMC as a stakeholder is also key. This revenue is generated in terms of management fees that is derived as a percentage of the size of the AUM (Mwirigi, 2017). The AUM of an AMC is key to performance. First, growth in fund size provides cost advantages, as brokerage costs for larger transactions are lower while research expenses increase less than proportionately with fund size. (Indro, Jiang, Hu, & Lee, 1999).

Empirical studies on performance of AMCs have shown that portfolio selection capabilities and timing, CAPM risk adjusted measures have an impact on performance (Fama & French, 2004; Sharpe, 1964, 1966). However, in recent times, asset managers have shifted from evaluating performance in terms of investment performance only but to also evaluate their performance in terms of the growth of their AUMs in order to develop sales alpha(excellence in distribution)(McKinsey, 2013). This study therefore measured performance indicated by customer satisfaction, and the market share an AMC this is because of the growing recognition of the need to satisfy the customer's demands in order to grow the AUM and achieve a sustainable competitive advantage.

1.2 Statement of the Problem

Despite the critical role that AMCs play in the global and Kenyan economy (EFAMA, 2015) and the growth potential of AMCs by the year 2020 (PwC ,2017), the asset management industry continues to face numerous challenges brought about by a volatile global and local economic environment. (EY,2018; BCG,2015;McKinsey ,2013). It is evident from these challenges, that there is a need to develop a strategy for competitive advantage in order to ensure survival. One such strategy is the marketing mix strategy.

A review of literature shows that a number of studies examining the relationship between marketing mix strategy and performance have resulted in mixed findings (Appiah-Adu, 2000; Ateba, Maredza, Ohei, Deka, & Schutte, 2015; Gruca, 2015; Keramati et al., 2012; Langat, 2016; Muchiri, 2016). The exact relationship between marketing mix strategies and the performance of asset management companies in Kenya remains unclear. Surprisingly, the academic efforts analyzing the influence of marketing mix strategies on the performance of AMCs also remains scarce.

This study therefore aimed to fill in the gap in the AMC and marketing mix strategies literature in the Kenyan context. Its main objective is to deepen the knowledge on how AMC managers perceive the impact that different marketing mix strategies exert on organizational performance, considering the latter in terms of customer satisfaction and market share (AUM) as performance measures.

1.3 Research Objectives

The main objective of this study was to investigate the influence of marketing mix strategies on organizational performance of asset management companies in Nairobi County.

The specific objectives of the study were:

- i. To determine the marketing mix strategies that Asset Management Companies in Nairobi County find most important.
- ii. To establish the relationship between marketing mix strategies and organizational performance of Asset Management Companies in Nairobi County.

1.4 Research Questions

Based on the specific research objectives outlined above, this study sought to answer the following research questions:

- i. What are the marketing mix strategies Asset Management Companies in Nairobi County find most important?
- ii. What is the relationship between marketing mix strategies and organizational performance of Asset Management Companies in Nairobi County?

1.5 Significance of the Study

The relevance of the information on the effect of marketing mix elements on the performance of Asset management companies will be of interest to several stakeholders. Policy makers such as the Kenyan government through its regulatory bodies; Capital Markets Authority (CMA) and Retirement Benefit Authority (RBA) should be in a better position to avail informed policies on strategies to adopt in the Kenyan market in order to grow and survive in the Kenyan competitive landscape therefore aiding market efficiency and industry growth.

Managers in the asset management industry such as Managing directors, Chief Executive Officers, business development managers and customer service managers will benefit from this study as they will be able to improve their selection of marketing mix strategies so as to save on costs and increase their overall performance. AMCs should comprehend how best to add value to their customers with the intent of boosting the size of their AUMs and ultimately growing their revenues.

Marketing practitioners also benefit from the findings of this study as the added knowledge will enable them formulate marketing policies and procedures that are more suited towards the asset management industry especially in the context of a developing country such as Kenya rather than adopt a generic approach.

Ultimately, this paper will be a basis for further research to interested bodies and academicians alike. Researchers and scholars that may like to investigate the asset management industry should deem this study a sufficient basis for carrying out more studies in the Kenyan context.

1.6 Scope of the Study

The scope of this study included 21 asset management companies licensed and approved by the Capital Markets Authority (CMA). The study focused on a set of seven independent variables from the 7ps of marketing mix namely product, price, place, promotion, people, physical evidence and process. Customer satisfaction and market share were used as measures of organizational performance denoting the dependent variables.

The relationship between the variables was analyzed using correlation matrix and the relationship between the independent and dependent variables was analyzed using regression analysis. The geographical scope of the study was confined to Nairobi County due to time and financial constraints. The target population was drawn from the senior managers, business development managers and customer service managers within the AMC's due to their knowledge of marketing mix strategies adopted by their organizations. The study was conducted between January and June 2019.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section contains a review of the literature relevant to the study highlighting the knowledge that already exists in relation to the topic under study. It also provides theoretical foundation of the study. Additionally, it has a conceptual framework which is a graphic presentation showing various variables and how they interact as well as the direction of the outcomes from such interactions. Finally, it has a summary of literature review which will help to bring out the existing knowledge gaps in the area of study.

2.2 Theoretical Review

This section reviews the major theoretical viewpoints of marketing mix and organizational dynamics that are considered pertinent for this research namely: Resource Based View (RBV).

2.2.1 Resource Based View Theory

The Resource-Based View (RBV) theory is seen as a theory of competitive advantage of the firm and has been used to explain how firms allocate their scarce resources to obtain and exploit competitive capabilities. RBV is the most cited theory in the literature relevant to this study (Morgan et al., 2011; Theodosiou et al., 2012; Akinbola, Adegbuyi, & Otokiti, 2014; Agyapong, 2015; Moore & Fairhurst, 2003; Cabanero et al., 2010). The theory assumes that the desired outcome of managerial effort within the firm is the creation and deployment of a sustainable competitive advantage (SCA) which in turn will result in the achievement of superior performance. To create economic value, sustain competitive advantage, and achieve superior profitability, an organization requires a wide range of capabilities (Day, 1994).

The study of competitive advantage has attracted profound research interest due to contemporary issues regarding superior performance levels of organizations in today's competitive market (Porter, 2008). A company is said to have a competitive advantage when it is implementing a value creating strategy not simultaneously being implemented

by any current or potential player (Clulow, Gerstman, & Barry, 2003). Porter's (1980) model for achieving competitive advantage has been referred to as one of the most important pillars of strategy analysis and implementation around the world (Barney, 1991). Porter (1980) identified two ways in which an organization can achieve competitive advantage over its rivals: cost advantage and differentiation advantage. Cost advantage is when a business provides the same products and services as its competitors, at a lower cost while a differentiation advantage is when a business provides better products and services than its competitors (Christensen and Fahey 1984, Kay 1994, Porter 1980; Chacarbaghi and Lynch 1999)

Porter (1980) further developed the three key generic strategies for competitive advantage identified by Porter (1980) are cost leadership, product differentiation, and market focus strategy. In cost leadership, a firm sets out to become the low cost producer in its industry. In a differentiation strategy a firm seeks to be unique in its industry along some dimensions that are widely valued by buyers. It selects one or more attributes that many buyers in an industry perceive as important, and uniquely positions itself to meet those needs. The generic strategy of focus rests on the choice of a narrow competitive scope within an industry. The focuser selects a segment or group of segments in the industry and tailors its strategy to serving them to the exclusion of others (Porter, 1980).

In recent years strategy scholars have increasingly agreed that non-imitable and non-substitutable organizational resources (capabilities) are a key source of organizational differences in performance (Barney, 1991; Dosi, Nelson, and Winter, 2000; Nelson, 1991; Rumelt, 1984; Wernerfelt, 1984). This recognition has, in turn, placed emphasis on the question of where and how these resources emerge and how they influence organizational performance.(Ethiraj, Kale, Krishnan, & Singh, 2005)

RBV argues that the route to achieving SCA lies in the possession of key resources having the characteristics of adding value for customers for example through lower prices, superior quality or greater benefit (Cabanero et al., 2010); two having barriers to duplication (Collins & Montgomery, 1995); and three being appropriate (Amit & Shoemaker, 1993) . According to Wernerfelt (1984),there are two types of resources:

tangible and intangible. Tangible assets are physical things such as land, buildings, machinery, equipment and capital. Intangible assets are everything else that has no physical presence but can still be owned by the company such as brand reputation, trademarks, intellectual property (Aaker, 2008), capabilities such as the skills to create, nurture and deploy assets (Mahoney, 1995) and core competencies such as specialized knowledge, technique, or skills (Prahalad & Hamel, 1990).

The two critical assumptions of RBV are that resources must also be heterogeneous and immobile. The first assumption of heterogeneous resources is that skills, capabilities and other resources that organizations possess differ from one company to another. The second assumption of RBV is that resources such as brand equity, processes, knowledge or intellectual property are usually immobile and do not move from company to company, at least in the short-run. Due to this immobility, companies cannot replicate rivals' resources and implement the same strategies.

Barney's (1991) VRIO framework argued that although, having heterogeneous and immobile resources is critical in achieving competitive advantage, the business must also be ready and able to utilize the resources in order to sustain competitive advantage. Barney (1991) further argued that in addition to simply possessing valuable, rare, non-substitutable/inimitable resources, a firm also needed to be organized in such a manner that it could exploit the full potential of those resources if it was to attain a competitive advantage.

Although RBV has been criticized for its inability to explain how firms should develop and deploy these resources in the dynamic environments in which companies find themselves (Lengnick-Hall & Wolf, 1999; Priem & Butler, 2001; Barney and Delwyn, 2007), the theory still remains an influential theoretical framework in enhancing the understanding of an organization's performance. RBV suggests that the mere possession of capabilities is a necessary but not sufficient condition for superior performance. Yang (2015) concluded, that companies should develop core competencies and effectively implement core capabilities as important strategic actions for any enterprise in order to be rewarded with sustainable competitive advantage and improved long-term performance.

RBV theory is therefore relevant to this study as it helps in understanding the importance of identifying rare, non-imitable and non-substitutable marketing resources, competencies and capabilities relevant to the asset management industry and the impact on organizational performance.

2.3 Empirical Review

The following section provides an empirical review of literature on the marketing mix strategies in relation to organizational performance. The marketing mix strategies under review include product, price, place, promotion, people, process, and physical evidence.

2.3.1 Product Strategy and Organizational Performance

Product strategy is the way a firm competes in the market and improves its total performance (Aaker, 2009). Product strategy has been touted as the single most important component of marketing strategy and is regarded as a blueprint for marketing resources allocation toward realizing organizational objectives such as sales, financial and customer performance (Hughes & Morgan, 2007; Rosa & Spanjol, 2005; Yarbrough, Morgan, & Vorhies, 2011). Product strategy determines which product categories the firm should be competing within and which categories it should relinquish and includes the responsibility for deciding which products to add and which to phase out (Slater & Narver, 1995).

Companies with the capability of aligning their product strategy with their organizational goals, should exhibit higher organizational performance (Oktemgil & Greenley, 1997). Hughes & Morgan (2007) analyzed high-technology industrial manufacturers in the US and concluded that the effectiveness of a firm's product–market strategy was as important as its persistence in achieving overall strategic performance. Adopting a resource-advantage perspective, Hughes & Morgan (2007) found that companies with significantly greater levels of strategic resources—that include strategy championing, strategy commitment, implementation support, implementation effectiveness, learning, and memory were successful. These findings show that strategic resources such as the product strategy if implemented with commitment lead to success.

New products may take different forms, such as up-grades, modifications, and extensions of existing products; they may be new to the firm, the market, or the world (Li &

Atuahene-Gima, 2001). Thorpe & Morgan (2007) posit that there are at least six marketing strategy options related to the newness of products, these are innovation, new product lines, product line extensions, improvements or changes in existing products, repositioning and cost reductions. Therefore new product offering can be described as the core of the marketing strategy and a lifeline to an organization's performance and survival. Subjective evidence of product innovation may include evaluations of a firm's degree of emphasis in terms of resource allocation on new product development, varieties of new product lines, and frequency or speed in introducing such products to market (Covin & Slevin, 1989; Li & Atuahene-Gima, 2001; Zahra & Covin, 1993)

According to Booz & Hamilton (1982) new product development (NPD) is an important exercise in marketing and is basic to the survival and growth of firms. The author further posited that it is commonplace for major companies to have 50% or more of current sales in new products. NPD capability enables firms to design unique new products/services/brands which are highly valued by customers but difficult for competitors to imitate, thereby enjoying a differentiation advantage and performance reward (Dawar & Parker, 1994).

Innovation is a new way of doing something (McKeown, 2008). It may refer to incremental and emergent or radical and revolutionary changes in thinking, products, processes, or organizations (Langat, 2016). Gruca (2015) established that in order to fairly evaluate the effect of the marketing mix on performance, it is paramount to assess product innovation as indicated by patents or the presence trade secrets as these have shown to significantly influence corporate venture performance. Innovative new products with advantages over their incumbent substitutes tend to grow more rapidly as their advantage increases (Rogers, 1983; Abrahamson, 1991; Rogers, 2004). Product innovation is therefore likely to have considerable effects on performance as a core source of differential advantage (Li & Atuahene-Gima, 2001).

Kotler (2006) describes product differentiation as the process of distinguishing a product or service from competitors to make it more attractive to a particular target market. Resources available to an organization allow firms to be different which reduces

competition and makes it possible to reach new segments of the market thereby resulting in sustainable competitive advantage (Barney, 1991). In markets where there is little product differentiation, consumers have low switching costs therefore entrants with standardized products should be able to compete for customers on an equal basis with existing suppliers and they should build share more easily however, margins should be lower (Gruca, 2015).

Marketing strategies are crucial for the product diversification. Kandpal & Kavidayal (2013) posited that mutual funds in India develop a competitive advantage with one another either by satisfying different economic functions or by introducing a low-cost or a differentiated product. It is therefore expected, that organizations whose products offer a major advantage over their competitors' products should have higher market share and command higher margins.

Past researchers have suggested that product strategy have a positive significant impact on organizational performance (Dawar & Parker, 1994; Li & Atuahene-Gima, 2001). Leonidou, Katsikeas, & Samiee's (2002) assessment of marketing strategy determinants of export performance revealed a significant positive relationship between product offering and overall firm performance in export markets. Leonidou et al. (2002) further posited that an opportunity to increase sales performance can be achieved by serving more customer segments and that marketing, administrative, and other exporting costs can be spread over a number of products.

Gruca (2015) examined the effect of marketing mix strategy on performance of a corporate venture and found that an organization can achieve high market share by focusing on a broader market segment or by focusing on a narrow niche. Furthermore, a corporate venture can combine their focus on a broad market coverage with a high quality product offering to achieve high market share (Biggadike, 1979; Gruca, 2015; Kandpal & Kavidayal, 2013).

Mohammad (2015) found that product was significantly related to customer satisfaction in North East Nigeria. Langat (2016) conducted a study on influence of marketing mix elements on performance of Safaricom in Uasin Gishu County and established that the

company's product innovativeness, pricing, channel of distribution and the attractive packaging mix resulted in higher company profitability, market share, return on investment and expansion.

In a study on the effects of sales promotion, market intelligence, product innovation and marketing strategies on the performance of insurance companies in Kenya, Magunga (2010) found that there was a positive relationship between product innovation as a marketing strategy and organizational performance. Mwirigi (2017) studied the relationship between unit trust products mix and turnover of asset management companies and concluded that a unit increase in equity funds led to the highest increase in revenues of asset managers followed by money market funds, balanced funds and bond funds respectively. Evidence from these studies show that there is a positive relationship between product strategy and performance.

However some studies have found no relationship between product strategy and performance, Özgül & Haluk Köksal (2007) studied 1,000 organizations in Turkey and found that the introduction of new products and product quality were not significantly related to market share. Leonidou et al. (2002) also found that product type had a limited impact on the effect of marketing strategy elements on export performance. Capon, Farley, & Hoenig, (1990) found that empirical results of prior studies on product innovation have been mixed, with over two-thirds of the studies finding a positive relationship between product innovation strategy and firm performance, and the rest finding a negative relationship or none at all. Evidence from these mixed findings necessitate the need to establish the exact relationship of product strategy in the context of AMCs.

2.3.2 Price Strategy and Organizational performance

Pricing strategy is a key element in firm profitability, research on it is comparatively limited: price is so important to the firm's success it is surprising why pricing has not received more attention" (Dutta, Zbaracki, & Bergen, 2003). The lack of research on the relationship between pricing methods and firm performance is puzzling (Kotler & Armstrong, 2010; Davey et al., 1998).

Kotler et al. (2008) states that price is an important but difficult issue in the marketing mix model. Arriving at the right price often requires significant resources as firms respond to market conditions (Zbaracki, Ritson, Levy, Dutta, & Bergen, 2004). In practice, effective pricing requires capabilities – human capabilities in knowledge, skills and techniques; systems capabilities in data, hardware and software; and social capabilities in communication, organization and authority (Dutta et al., 2003).

The price offering often influences whether consumers will purchase them at all and, if so, which competitive offering is selected, many value-conscious consumers may buy products more based on price rather than other attributes (Peter et al., 2004). The search for value for money is especially relevant as seen in the asset management industry (Boston Consulting Group, 2015; Ernst & Young, 2018).

Competitive pricing strategies are based on the company's position in relation to its competition and include penetration pricing which involves pricing the product relatively low compared to similar goods in the hope that it secures wide market acceptance that allows the company to raise its price. Price signaling puts high prices on low quality products. For a company to successfully use price signaling strategy, a segment of the buyers must believe high prices indicate good quality. It must also be difficult for the buyers to ascertain this quality. Going rate approach is used when products compete on the basis of attributes other than price (Yulkur and Herbig, 2007).

Differential pricing involves selling the same product to different buyers under a variety of prices. This strategy works when differences in the reactions to prices exist among consumers and consumers segments. The quality and quantity of one product is sold for different prices to different buyers. One common form of differential pricing is price skimming which involves setting the price of the product relatively high compared to similar goods and then gradually lowering it. A skimming strategy allows the firm to recover its cost rapidly by maximizing the revenue it receives (Bitner, 2003).

Studies assessing pricing capabilities found price to be positively related to firm performance (Davey et al., 1998; Dutta et al., 2003). Keramati et al., (2012) conducted a

survey on 120 top managers and marketing managers of 12 Iranian steel companies and established that there was a relationship between marketing mix and sales performance with place and price having the most effect on performance. An analysis of the role of the marketing mix (4P's) framework and its effect on customer satisfaction and retaining bank customers in South Africa established that price was the most influential element that customers related to most hence leading to organizational performance (Ateba et al., 2015). Appiah-Adu (2000) also found that for both domestic and foreign firms in Ghana, product, pricing and customer orientation activities were positively related to performance.

Murangiri (2014) assessed the role of marketing mix on performance of Micro Finance Institutions (MFIs) and found that poor pricing strategies result to inflated interest rates that turn away potential clients and reduce the amount of loan demanded. Odhiambo (2015) studied the effect of marketing mix on performance and established that the retail stores in footwear sector in Kenya adopted a pricing strategy that incorporated premium pricing, price promotions and discounts which resulted in increased sales and increased market penetration of retail outlet. Ombongi (2014) conducted a study on determinants of performance of unit trust funds in Kenya and found that the minimum investment amount had an overall impact on fund performance of unit trusts in Kenya.

However, some scholars have found no significant relationship between pricing strategies and organizational performance. Mohammad (2015) analyzed customer satisfaction using 7Ps marketing mix elements to retail bank customers in North East Nigeria and found that price was the least influential on performance. Özgül & Haluk Köksal (2007) studied companies in Turkey and found that the effect of the price variable exhibited was not significant with respect to sales, net profit or average performance. These results suggest that there is no significant differentiation in the performance of companies that practice different pricing policies during an economic crisis.

In a study on marketing and distribution charges of mutual funds Kihn (1996) concluded that mutual fund investors should trade off all marketing costs (front-end loads, annual fees, and deferred charges) of the mutual funds and that marketing charges do not add any

real value to the performance of mutual funds. Kihn's (1996) findings suggest that marketing costs do not lead to performance of a mutual fund. There is therefore need to establish pricing strategies that result in organizational performance in the context of asset management.

2.3.3 Promotion Strategy and Organizational performance

The purpose of promotion is to spread benefits of using a product or service so that more customers are attracted to buy (Lamb et al, 2009). Gupta (2007) noted that the objectives of promotions are to attract new customers, to make existing customer loyal, reward loyal customers and increase the market size by stimulating the use of an entire product category and to reinforce other communication tools. According to Duncan (2005) promotion is the key to the market exchange process that communicates with present and potential stakeholders, and the general public.

The marketing literature suggests that such promotional capabilities are built upon fundamental marketing activities such as advertising, social media participation, sponsorship, public relations, and corporate image management (Aaker, 2008). Promotion has evolved to encompass the “coordination of all promotional activities such as media advertising, direct mail, personal selling, sales promotion, public relations, packaging, store displays, website design, and personnel to produce a unified, customer-focused message” (Ferrell & Hartline, 2008).

Borden (1964) describes promotion activities as sales promotion, advertising, personal selling, public relations and direct marketing. Tull (2005) argued that sales promotions should not be confused with advertisements and further distinguished sales promotions as initiatives that include a timing constraint and an activity requirement such as the customer must enter a contest as hallmarks of sales promotion.

(Kotler, 2000) observed that organizations should concern themselves with sales promotion campaigns because of factors such as competitive pressures from their counterparts, leading to the need of differentiation of their products and services. Promotion strategy can be used as either offensive and/or defensive tools in the battle for market share. To be effective, the promotional strategy must be guided by the marketing concept such as focusing on

consumer needs and integrating all activities of the organization to satisfy those needs (McDonald & Keegan, 2002). Such strategies include advertising and direct customer interaction. Good salesmanship is essential for small businesses because of their limited resources to spend on advertising. Direct mail is an effective, low-cost medium available to small business (McDonald & Keegan, 2002). Prahalad (2010) argues for the need to shift from promotion towards brand awareness and states that the consumers need to be aware of new products and services that are being offered to them.

Branding plays a critical role when implementing a promotion strategy in a marketing mix (Aaker, 2009). The function of branding is one of the most important aspects of any business be it a large or a small business organization. (Gupta, 2007) noted that a strong brand strategy can increase the awareness of a company and its offerings in such a way that it establishes strong feelings and reactions and a favorable view towards the company as a whole. An effective brand strategy enables marketers to sell more and win the market share. Kimball (2002), stated that effective sales promotion campaign enables a business organization to successfully out-brand its competitors in a continuous battle for the hearts and minds of the market share and customers.

In recent years, technology advances such as ease of access to mobile phones and availability of mobile data has enabled an increase in two-way communication channels especially through social media marketing (Parment, 2008). Oloko, Anene, Kiara, Kathambi, & Mutulu (2014) noted that an organization's social devotion can be determined in three ways such as, if the firm uses social media sites as an avenue for communication with its subscribers. The company should be most likely to post significant information worth sharing with its consumers. Another is that the company must be about 65% active on the site and being able to attend to questions posted by its followers. Lastly, companies must respond to its customer's concerns appropriately (Cox & McLeod, 2014).

Past studies on the effect relationship between promotion strategies and organizational performance have established a relationship. Moore & Fairhurst (2003) studied 60 retail and apparel firms in the fashion industry in the US and found that the most effective marketing capabilities in terms of performance were promotional capabilities and image

differentiation. Keh, Nguyen, & Ng (2007) found a positive relationship between promotion marketing mix decisions and firm performance of SMEs in Singapore.

Styles & Ambler, (2009) examined six promotion-related variables that is, advertising, sales promotion, personal selling, trade fairs, personal visits, and promotion adaptation, for their effects on export performance. Most of the promotional related variables were found to be positively linked to firm performance. Size of sales force, budgeting for advertising and promotion, and after-sales service have also been found to have a significant relationship on performance of organizations in Turkey (Özgül & Haluk Köksal, 2007). Notta (2014) studied the effect of advertisements on Greek Dairy firms during an economic crisis and found a positive relationship between media advertisements and performance. Appiah-Adu (2000) also found that promotion was positively related to foreign firms' performance but the link was not significant in domestic firms in Ghana.

However, Langat (2016) found that the relationship between promotion consideration and business performance was significant, but negative due to consumer perception that heavily promoted products could be problematic products – of poor quality and from clearance stocks. From these findings, the importance of promotional strategies and its effect on performance is key, however empirical studies on its effect on asset management companies' performance is surprisingly scarce.

2.3.4 Place Strategy and Organizational performance

Anderson & Narus (1990) pointed out that one of the biggest challenges of serving markets is to ensure availability of products and services throughout the country, not just in cities. Distribution has been shown to play a central role in building new brands (Ataman et. al, 2008). Distribution strategy with strong structures and wide number of intermediaries like types of outlets, and channel functions is important for firm performance (Keegan, 2009).

A strong distribution channel is important as demonstrated by Safaricom which boasts of a distribution footprint of 167,083 Mpesa agents pushing Mpesa, Safaricom airtime & other products countrywide not only ensures that subscribers can access Safaricom

services wherever they are, but resulted in Sales Revenue of over 250 Billion compared to 61.3 Billion in 2008, a growth of 307% in revenues (Safaricom Annual Report, 2019).

The findings of the study conducted by Louter, Ouwerkerk, & Bakker (1991) indicated that this argument is valid to the extent that distribution strategy export channel intermediary type positively impacts firm performance in terms of export proportion of sales and profit level. The effectiveness and efficiency in the delivery time of the products is key to total firm performance as it affects the firm's operations in terms of competitiveness and success in the market (Piercy, Philip & Organ 2007).

Studies examining the relationship between distribution strategy and performance have found a relationship. The results of the study by Keegan (2009) exhibited a positive correlation between number of intermediaries and sales performance. In addition, significant findings on delivery time which is a result of distribution structures put in place by a firm were also observed to be related to sales performance. Keramati et al., (2012) conducted a survey on 120 top managers and marketing managers of 12 Iranian steel companies and established that there was a relationship between marketing mix and sales performance with place and price having the most effect on performance. Keh, Nguyen, & Ng (2007) found a positive relationship between place marketing mix decisions and firm performance of SMEs in Singapore.

Chikweche & Fletcher (2012) found cases of success where distribution channels were related to the development of unconventional channels. In those cases, the usage of informal channels was applied besides the formal (traditional) ones. Wairachu (2000) studied changes in the oil marketing industry in Kenya and found that the ease of accessibility of products and services positively affected sales and in turn the market shares of the company. Miriti (2016) conducted a study to assess the influence of the marketing strategy on consumer preference of private retail brands in Nairobi. The study revealed that among the marketing strategies, the place positively influences consumers' preference of private retail brands in Nairobi.

However, in a study of the impact of marketing mix decisions on the performance of 200 firms in Ghana, Appiah-Adu (2000) found that there was no significant link between the

distribution activities of foreign and local firms and performance. Özgül & Haluk Köksal (2007) also found no significant relationship between any performance variable and the policy of distribution via discount stores and wholesalers but concluded that increasing the number of distribution channels can be expected to have a positive effect on overall performance in times of crisis. The findings suggest that distribution strategy affects performance differently across countries and across sectors. There is therefore need to establish its effect on asset management companies

2.3.5 People Strategy and Organizational performance

People generally cannot be separated from the total service. The appearance, skills, and attitude of all the persons involved in the customer's experience requires first class service since this impacts on the overall satisfaction of the customer and enhances the tangibility of the product-service combination (Reid & Bojanic, 2009). The people in an organization are part of and responsible for everything that is visible to those outside the organization (Sullivan, 2002). Some of employees within an organization are involved with the creation or implementation of the marketing mix such as designing, producing, pricing, financing, distributing, installing or servicing the product (Judd, 2003).

The people aspect of marketing mix involves personnel issues such as training, incentives, commitment, appearance, interpersonal behaviour and attitudes (Möller, 2006). The people involved with the marketing mix have the opportunity to reinforce favorably or change the behaviors of target market members' relative to the mix. The ability of employees to deliver the service to the required standards consistent with organization image is of vital concern to the service providers (Brassington & Pettitt, 2007; Jayawardhena & Farrell, 2011) Therefore AMC employees can be influential element in aiding the organization differentiate itself in substantial ways in boosting its performance.

Organizational learning through enhancing the competencies-knowledge and skills of its employees has been noted as key to a company's performance (Kaplan & Norton, 1992). Scholars have argued that an organization's ability to learn faster than their competitors may be the only sustainable competitive advantage (DeGeus 1988, Day 1994; Dickson 1992; Slater & Narver, 1995). An organization provides superior value to customers when

its culture and climate foster behaviors that lead to improvements in effectiveness or efficiency, which, in turn, provide additional benefits or lower prices for customers (Day & Wensley 1988).

Organizational learning is valuable to a firm's customers in this context because it focuses on understanding and effectively satisfying their expressed and latent needs through new products, services, and ways of doing business (Day 1994b; Dickson 1992; Sinkula 1994). This should lead directly to superior outcomes, such as greater new product success, superior customer retention, higher customer defined quality, and, ultimately, superior growth and/or profitability (Slater & Narver, 1995).

Holmes and Faff (2009) studied mutual fund companies in Australia and found that the success of asset managers is primarily a function of their stock selection and timing ability. Over periods in which the market risk premium is positive, a manager that has market timing ability increases or decreases their exposure to equity market or fixed income market. Conversely over periods when market premium is negative a manager that has market timing ability decreases or increases their exposure to the equity market or fixed income market. The International Fund for Agricultural Development (IFAD) (2007) studied customer satisfaction in rural micro-finance institutions in Uganda, Kenya and Tanzania. The study concluded that financial services should be delivered by courteous staffs that preferably are not being 'changed /swapped. The appearance of the staff, including clothes and grooming may be used as clues as to how a firm is performing.

Kasanga (2011) conducted a study on determinants of performance of Unit Trusts in Kenya focusing on money market funds product and equity funds product and found that the forecasting ability, market timing and security selection ability of the portfolio managers were critical determinants of performance for unit trusts. Daniel *et. al.*, (1997) also found that the persistence of a mutual fund performance was as a result of superior portfolio managers who consistently outperformed the market.

However, Carhart (1997) found that persistence in mutual fund performance does not reflect superior stock-picking skill by the fund manager. Rather, common factors in stock returns and persistent differences in mutual fund expenses and transaction costs explain

almost all of the predictability in mutual fund returns. Mucai, Mbaeh, & Noor (2013) found evidence from the Meru County that the people mix had no significant influence on customer satisfaction in the hospitality industry. These findings confirm a correlation between people mix and performance however, the mixed findings necessitate the need to establish this relationship in the context of AMC in Kenya.

2.3.6 Process Strategy and Organizational performance

Innovation in terms of processes is arguably one of the most important ways in which an organization can increase efficiencies by reduction of costs and ultimately increase customer satisfaction and firm performance (Abrahamson, 1991; Ittner & Larcker, 1998; McKeown, 2008). Innovation in process strategy can be defined as a technology, strategy, or management practice that a firm is using for the first time, whether or not other organizations or users have previously adopted it, or as a significant restructuring or improvement in a process (Li & Atuahene-Gima, 2001; Nord & Tucker, 1987).

The use of technology in organizational processes has been shown to increase operational efficiencies and overall organizational effectiveness (Feng, Terziovski, & Samson, 2007; Zahra & Covin, 1993). However, evidence from Korea shows that technologies such as Customer Relationship Management (CRM) systems have not necessarily impacted performance (Chang, Park, & Cha, 2015). Specialization in organizational processes allows producers achieve economies of scale as it breaks down a complex task into smaller, simpler ones and thus creates greater efficiency and lower average production costs (Weingand, 2007).

Abd-Karim (2010) carried out a study on Islamic funds' performance in Malaysia and found that active fund management process was the best strategy for Islamic funds in Malaysia as compared to the simple buy-and-hold or passive fund management strategy. The study suggested that in order for the process of an active strategy to work, the portfolio managers should hold the skills for active fund management. Brown & Reilly (2009) further found that in evaluating unit trusts, the fund managers whose actions and decisions affect performance are involved in constructing an investment strategy. What asset class should be considered for investing, policy weight to be assigned to each eligible asset

class, allowable allocation ranges based on policy weights and specific securities or funds to be purchased (selection) for portfolio.

Mohammad (2015) analyzed customer satisfaction using 7Ps marketing mix elements to retail bank customers in North East Nigeria. The results found that process was the most influential driver of performance. Mucai *et. al.*, (2013) conducted a study on the extended marketing mix and customer's satisfaction in classified non-star hotels in Meru Municipality in Kenya and found that process marketing mix had a significant influence on customer satisfaction in the hospitality industry.

2.3.7 Physical Evidence Strategy and Organizational performance

Physical evidence denotes the appearance and physical setting of an organization which both demonstrates and promises quality. Physical surrounding and other visible cues can have a profound effect on the impression customers' form about the quality of the service they receive. The "service scope" that is, the ambience, the background music, the comfort of the seating and the physical layout of a service facility - can greatly affect a customer's satisfaction with a service experience leading to organizational performance (Yoon, 2013; Zeithaml *et.al.*, 1996). The essential evidence is central to the service and is an important contributor to the customers' purchase decisions and service quality (Singh and Sahay, 2012).

The symbolic, experiential expression of the manner in which consumers see or visualize a store is the store image. Different researchers have focused upon varying attributes of store image and indicate the factors which affect it fall into two broad categories; utility and the impression oriented made. Utility has been understood as the functional quality and tangible aspect (McGee & Peterson, 2000), while the latter as the psychological and the intangible aspect (Toften & Hammervoll, 2010).

The utility aspect refers to the factual or physical store functions such as merchandise assortment, price range, store layout, or any other possible qualities while the impression oriented aspect refers to intangible feelings (consumers' experience on being exposed to the store) that a store delivers to its consumers, such as sense of belonging, feeling of excitement or feeling of warmth and friendliness.

Thuong (2016) conducted a study on customer satisfaction in supermarkets in Vietnam and concluded that, it could not be proved in the study that physical appearance positively influenced customer satisfaction. Mucai *et.al.*, (2013) studied the extended marketing mix and customer's satisfaction in non-star hotels in Meru and determined that physical evidence marketing mix had no significant influence on customer satisfaction in the retail industry. These findings show that the exact relationship between physical evidence and performance is inconclusive especially in the context of AMCs in Nairobi County. This research will therefore examine the relationship in the background of AMCs.

2.4 Research Gaps

The relationship between marketing mix strategies and organizational performance is a multi-faceted phenomenon and there is no agreement on how to conceptualize and measure them across all industries (Ittner & Larcker, 1998a; Krasnikov & Jayachandran, 2008; O'Sullivan & O'Connell, 2016). Therefore every organization needs to develop its own configuration of marketing mix strategies that are rooted in the realities of the competitive landscape of their industry and anticipated objectives and goals. Previous researchers have agreed that marketing mix strategies have an effect on performance resulting in a sustainable competitive advantage (Ateba et al., 2015; Cruz-Ros et al., 2010; Fakhimi Azar et al., 2011; Langat, 2016; Magunga, 2010; Özgül & Haluk Köksal, 2007). However, the empirical research on the effect of marketing mix strategy on organizational performance of AMCs is surprisingly scarce.

There have also been mixed findings with regards to some of the marketing mix elements. Langat (2016) found that the relationship between promotion and business performance was negative but Appiah-Adu (2000) found that promotion was positively related to performance. Kasanga (2011) found that stock selection ability of the portfolio managers was a critical determinants of performance of unit trusts while Carhart (1997) found that mutual fund performance did not reflect superior stock-picking skills by the portfolio manager. These mixed findings compel the need to establish the exact relationship between marketing mix strategies and performance of AMCs in Kenya.

This study therefore sought to fill the research gap by identifying marketing mix strategies relevant to the asset management industry in Kenya and their influence on organizational performance in the context of AMC's. The aim of the study was to develop a comprehensive understanding of how marketing mix strategies are linked with AMC performance in order to add to the body of knowledge in strategy and marketing in general.

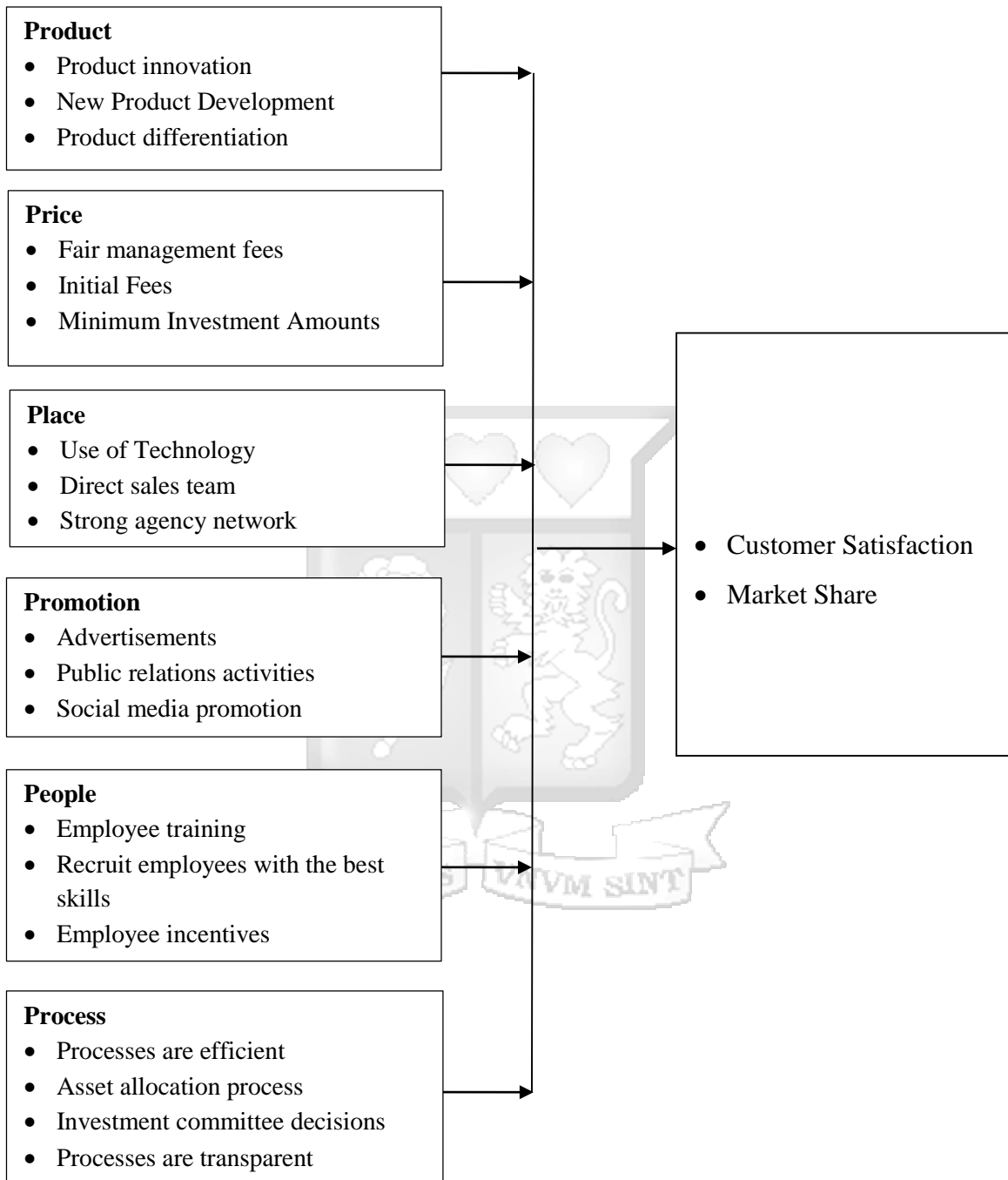
2.5 Conceptual Framework

The conceptual framework below represents the relationship between marketing mix strategies and organizational performance.



Independent variables
Marketing mix strategies

Dependent variables
Organizational Performance



Source: Researcher (2019)

Figure 2.1: Conceptual Framework

Figure 2.1 illustrates the relationship between the independent variables; the marketing mix strategies and the dependent variables; organizational performance indicated by customer satisfaction and AUM.

2.6 Operationalization of Study Variables

This research revolved around concept of marketing mix strategies and organizational performance. Marketing mix strategies are the independent variables while organizational performance is the dependent variable. The table below demonstrates how the study variables were measured.



Table 2.1: Operationalization of Variables

Variable	Operational Definition	Measurement	Source
Independent Variables:			
Product Strategy	<ul style="list-style-type: none"> • Product Innovation • New Product Development • Product differentiation 	5 point likert scale	(Thorpe & Morgan, 2007) Langat (2016)
Price Strategy	<ul style="list-style-type: none"> • Management Fees • Initial Fees • Minimum Investment Amounts • Fair pricing methods 	5 point likert scale	(Dutta et al., 2003; Kihn, 1996; Ombongi, 2014)
Promotion Strategy	<ul style="list-style-type: none"> • Advertising • Public Relations (PR) • Direct Selling 	5 point likert scale	(Ferrell & Hartline, 2008; Langat, 2016; Oloko et al., 2014; Özgül & Haluk Köksal, 2007)
Place/Distribution Channels Strategy	<ul style="list-style-type: none"> • Ease of Access. • Agency Network • Technology as a distribution channel 	5 point likert scale	(Chikweche & Fletcher, 2012; Langat, 2016; McDonald & Keegan, 2002; Özgül & Haluk Köksal, 2007; Wairachu, 2000)
People Strategy	<ul style="list-style-type: none"> • Staff Skills • Stock Selection Ability • Market Timing Capabilities 	5 point likert scale	(Barney, 1991; Holmes & Faff, 2004; Kasanga, 2011; Zeithaml et al., 1996)
Process Strategy	<ul style="list-style-type: none"> • Asset Allocation process • Investment Committee • Investment Policy • Active vs Passive • Portfolio Weighting 	5 point likert scale	Abd-Karim (2010) (Brown and Reilly 2009).
Physical Evidence Strategy	<ul style="list-style-type: none"> • Branding • Furniture and Fixtures • Ambience • Comfort • Background Music 	5 point likert scale	(Zeithaml et.al., 1996).
Dependent Variable			
Organizational Performance	<ul style="list-style-type: none"> • Customer Satisfaction • Assets Under Management 	5 point likert scale	(Bartuševičienė & Šakalytė, 2013; Ittner & Larcker, 1998b; Ngo, 2015)

Source (Researcher, 2019)

2.7 Summary of Literature Review

The literature review focused on the theories and previous studies that explain the relationship between marketing mix strategy and organizational performance. A diagrammatic relationship between marketing mix elements and performance of AMCs is also shown in the conceptual framework. Operationalization of the independent and dependent variables has also been illustrated showing how the study variables will be measured.



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a brief detail of the research methodology that was adopted in the study. It defines and spells out the research processes and systems that will be adopted to achieve the objectives of the study as well as answer the research questions of the study. It is presented in the following sub sections: research design, population of the study, sampling design, data collection, data analysis, validity and reliability, data analysis, and ethics adopted in the study.

3.2 Research Design

Research design is a plan and structure of investigations that's conceived and applied to help a researcher answer research questions (Schindler, 2007). Other definitions include, arrangement of how one can collect and analyze data with the aim of actualizing the research purpose (Kothari, 2004). This study adopted a cross sectional research design because it involved a one-time interaction with respondents which enabled the researcher gather data, knowledge and beliefs of the entire population under study (Kombo and Tromp, 2006).

3.3 Population of the Study

According to Mugenda and Mugenda (2003) population refers to an entire group of individuals, events or objects having common observable characteristics. The population of the study was drawn from 26 asset management companies licensed and approved by CMA as at January 2019. The 5 AMCs that were dormant or had discontinued operations due to mergers or acquisitions were excluded from the study. A census survey was then carried out on 21 AMCs because of the small population size. According to Mugenda & Mugenda (2003) a population of less than 10,000 elements is considered a small population.

3.4 Sampling Design

The research utilized a judgmental sampling technique whereby respondents were selected based on the researcher's knowledge and professional judgment of the AMC industry. The target respondents were the senior managers, business development managers and customer service managers employed by the AMCs as at April 30th 2019. This was because their roles allowed them to be aware of the marketing mix strategies that their organizations engaged in in order to achieve competitive advantage and also because of their regular interactions with the customers as such they were considered key informants.

The researcher undertook a preliminary survey by calling the 21 AMCs and surveying their websites for information on the number of senior managers, business development managers and customer service managers employed as at April 30th 2019. The preliminary investigation revealed a total of 163 respondents as shown in table 3.1 below.

Table 3.1: Selection of Respondents

	Fund managers	Senior Management-MD/CEO/GM	Business Development Managers	Customer Service Managers	Total
1	Alpha Africa Asset Managers	1	3	2	6
2	Amana Capital Limited	1	6	1	8
3	Apollo Asset Management	1	2	2	5
4	Abraaj Kenya Advisers Limited	IN RECEIVERSHIP			
5	Britam Asset Managers (Kenya)Limited	1	11	6	18
6	Canon Asset Managers Limited	1	1	1	3
7	Nabo Capital Limited	1	5	3	9
8	CIC Asset Management Limited	1	27	6	34
9	Co-optrust Investment Services Limited	1	6	1	8
10	FCB Capital Limited	1	1		2
11	Fusion Investment Management Limited	1	1	1	3
12	GenAfrica Asset Managers Limited	3	2	1	6
13	ICEA Lion Asset Management Limited	1	2	3	6
14	Madison Asset Management Services Limited	1	3	2	6
15	Old Mutual Investment Group Limited	1	3	4	8
16	Old Mutual Investment Services (K) Limited	MERGED WITH UAP TO FORM OLD MUTUAL GROUP			
17	Sanlam Investments East Africa Limited	1	6	3	10
18	Standard Chartered Investment Services Limited	1	2	1	4
19	Stanlib Kenya Limited	1	4	2	7
20	Zimele Asset Management Company Limited	4	2	2	8

	Fund managers	Senior Management-MD/CEO/GM	Business Development Managers	Customer Service Managers	Total
21	Natbank Trustee and Investment Services Ltd	1	1		2
22	Seriani Asset Managers Limited	BOUGHT OUT BY CYTONN			
23	Allan Gray (Kenya) Limited	1	1		2
24	Watu Capital Limited	DORMANT			
25	Cytonn Asset Managers Limited	1	4	3	8
26	Altree Capital Kenya Limited	DORMANT			
	TOTAL	26	93	44	163
	PERCENTAGE	16.0%	57.1%	27.0%	100%

Source: Researcher (2019)

3.5 Data Collection

The use of questionnaires is one of the most commonly used data collection methods within the survey strategy (Saunders, 2003). In addition, questionnaires are one of the most convenient methods for the respondents to answer the questions as the structured style gives the respondent an opportunity to choose among possible alternatives in a structured manner (Kothari, 2004; Saunders, 2003). Data for this study was collected using a self-administered structured questionnaire accompanied by an introduction letter from Strathmore Business School informing the respondents who the researcher is and the purpose of conducting the research.

The questionnaire included four sections. Section A collected background and demographic data about the respondents and the asset management companies. Section B collected data on the marketing mix strategies considered important by AMCs. Section C collected data on the marketing mix strategies of AMCs. Section D collected data on the performance of the AMCs. A five point Likert scale was used in the questionnaire (Sekaran & Roger, 2009).

3.6 Data Analysis

Data collected was inspected for errors and completeness. The analysis process involved data cleaning to alienate any irrelevant data, grouping and coding using excel. The coded data was then entered into STATA software system. Descriptive tests were conducted on

the study through frequency distributions and measures of central tendency specifically, mean, and standard deviations to establish description of the patterns and trends in the data. The data was then be presented in tables.

The study assumed a standard linear regression model to examine the relationship between marketing mix strategies and AMC performance, the general equation is as below:

$$Y_i = X_i b_i + \varepsilon$$

Where:

i = dependent variables -customer satisfaction, market share

X_i = marketing mix strategies as independent variables,

Y_i = organizational performance variable of interest,

ε = denotes an error term.

The specific equation for this study is,

$$Y = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \varepsilon$$

Where;

Y = Customer Satisfaction, Market Share

β_1 = beta Coefficient of product strategy, X_1 =product strategy

β_2 = beta Coefficient of price strategy, X_2 =price strategy

β_3 = beta Coefficient of place strategy, X_3 =place strategy

β_4 = beta Coefficient of promotion strategy, X_4 =promotion strategy

β_5 = beta Coefficient of people strategy, X_5 =people strategy

β_6 = beta Coefficient of process strategy, X_6 = process strategy

β_7 = beta Coefficient of physical evidence mix, X_7 = physical evidence strategy

ε = Error term

A structural equation model (SEM) was run to verify the effect of marketing mix strategies on AMC performance as proposed in the above hypotheses. Among the strengths of structural equation modelling is the ability to construct latent variables that are not measured directly. This technique allows the researcher to explicitly capture the unreliability of measurement in the model while estimating the structural relations between latent variables (Cruz-Ros et al., 2012; Rajh & Ozretić Došen, 2009).

3.7 Validity and Reliability

Research quality was measured using the validity and reliability. Validity refers to how accurately the data obtained captures what it was purported to measure. To ensure content validity, the questionnaire was subjected to a pilot test to check for any weaknesses in design and development of the questionnaire and then the final questionnaire constructed (Page et al, 2007).

A pilot test was undertaken to ensure generalizability; a representative sampling of the population was drawn from 4 investment banks whereby 3 managers from each company were selected for the pilot. The investment banks were selected because they possess similar characteristics to the AMCs.

Reliability refers to the measure of the consistency of a concept. The purpose of the reliability is to minimize the errors and biases in the study (Bryman et al., 2007). A reliability test was carried out to assess the relationship among the study variables using the Cronbach alpha test. A Cronbach alpha coefficient of 0.7 was considered acceptable.

Reliability analysis was ascertained through the use of Cronbach's Alpha. This measures the internal consistency by establishing if certain items within a scale measures the same construct. The findings were as shown in Table 3.2.

Table 3.2: Reliability Analysis

	Cronbach Alpha value	No of items	Comments
Product	0.9107	7	Reliable
Price	0.7369	6	Reliable
Place	0.8216	6	Reliable
Promotion	0.6997	5	Reliable
People	0.7557	6	Reliable
Process	0.7634	6	Reliable

Physical Evidence	0.8167	5	Reliable
Market Share	0.8571	3	Reliable
Customer Satisfaction	0.6801	4	Reliable

Source: Research Data (2019)

From the results above, all the variables were reliable since their Cronbach Alpha value were greater or very near 0.7. Some of the marketing strategies such as product, place and physical strategies had the highest Cronbach Alpha value of above 0.88. Customer satisfaction and promotion strategy and had least but significant Cronbach Alpha value of 0.6801 and 0.6997 which is close to 0.7. This was considered reliable as a Cronbach Alpha of about 0.7 and above is considered acceptable (Bryman et al., 2007; Gliem & Gliem , 2003)

3.8 Ethics in Research

This study was undertaken within the ethical frameworks of social research which are confidentiality, informed consent and the use of no deception (Saunders, 2003). Before embarking on the data collection process, the researcher sought a letter of introduction from Strathmore Business School to conduct the research. Approval for data collection was also sought from Strathmore University’s Institutional Ethics Review Committee (SU-IERC) and the National Commission for Science, Technology and Innovation (NACOSTI) which is the state corporation mandated to grant research licenses in Kenya. An introduction letter was availed to the respondents explaining the purpose of the survey. After consent, the researcher communicated to the respondents on the requirements and need for the research in order to enhance informed consent by the participants and why their contribution is important. No use of force was employed during the data collection process. After collection of data, the information collected for the study was utilized strictly for research purposes and was only accessible by authorized personnel.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.1 Introduction

This chapter provided analysis and findings obtained from the field. It also discusses results on demography; age, gender, income levels, level of education, years the company has been in operation, number of employees and nature of ownership of the organization. The chapter further outlines the relationship between marketing mix strategies on organizational performance.

4.2 Response Rate

A total of 163 questionnaires were administered to the sampled respondents, out of which approximately 151 questionnaires were properly filled and returned. This represented an overall successful response rate of 92.64%. It is suggested that a response rate of 50% or more is adequate. Also it is claimed that return rates of 50% are acceptable to analyze and publish, 60% is good and 70% is very good (Mugenda and Mugenda, 2003; Babbie, 2015). Findings are as shown in table 4.1.

Table 4.1: Response Rate

Response	Total	Percent
Returned	151	92.64%
Unreturned	12	7.36%
Total	163	100%

Source: Research Data (2019)

4.3 Demographic Characteristics

This section consists of information that describes basic respondent's characteristics. They include gender, age category, level of income, management role and level of education. The section further collected information on the AMC that included the number of employees, the years in operation, ownership and size of AUM

4.3.1 Gender

The respondents were asked to indicate their gender. The findings are as shown in table 4.2. Results indicated that majority of the respondents 65.56 % were female while the remaining 34.44% were male. These findings reveal that more women are taking up roles in the financial industry such as the asset management sector.

Table 4.2 : Gender

Gender	Frequency	Percent
Male	52	34.44
Female	99	65.56
Total	151	100.00

Source: Research Data (2019)

4.3.2 Age of the respondents

The respondents were asked to indicate their age bracket. The results are as shown in table 4.3. The results indicated that majority of the respondents that is 37.75% were between the ages of 25-34 years, followed by 33.77% of the respondents who were between the ages 35-44 years. The rest that is 28.48% were mainly from age categories (18-24 years; and 45 years and above) where 25.17% were 45 years and above whereas those who were 18-24 years were only 3.31%. These findings show that the AMC industry predominantly constitutes of a younger age group this could be due to the need for new skills such as portfolio management skills which the younger population may have more interest in. The demanding nature of the industry may also result in high turnover of the higher age groups leaving a relatively younger population.

Table 4.3: Age of the respondents

Age Bracket	Frequency	Percent
18-24 years	5	3.31
25-34 years	57	37.75
35-44 years	51	33.77
45 and above years	38	25.17
Total	151	100.00

Source: Research Data (2019)

4.3.3 Income Levels

The respondents were asked to indicate their level of income. The results are as shown in table 4.4. Results in table 4.4 indicated that majority of the respondents 49% earned income of more than Kes 150,000 while 6.63% earned between Kes 50,000-100,000. On the other hand, 44.37% earned between Kes 100,001-150,000, while none of the respondents earned less than Kes 50,000. These findings reveal that a high population that is 49% earn above 150,000. This shows that the industry pays their employees well.

Table 4.4 : Level of income

Income level (Kes)	Frequency	Percent
Less than 50,000	0	0
50,001-100,00	10	6.63
100,001-150,000	67	44.37
More than 150,001	74	49
Total	151	100.00

Source: Research Data (2019)

4.3.4 Management Role

The respondents were asked to state their role. The findings are as shown in table 4.5. Results indicated that majority of the respondents 58.94 % were business development managers. This shows that these roles could be on high demand in the AMC industry while 27.81% were customer service managers and 13.25% were senior managers.

Table 4.5 : Table 0.1 Management role

Role	Frequency	Percent
Senior manager	20	13.25
Business development manager	89	58.94
Customer Service manager	42	27.81
Total	151	100.00

Source: Research Data (2019)

4.3.5 Years in Operation

The respondents were asked to indicate their years of operation in Kenyan market. The results are as shown in table 4.6. Results in table 4.6 indicated that majority of the respondents 35.76% had more than 20 years of operation. This shows that it is possible to grow to maturity in the AMC industry. Results also show that 29.80% of the respondents had been in the market between 16-20 years. Only 9.27% had been in operation for less than 5 years .On the other hand, 25.17% had been in operation between 11-15 years, while 0% (none) had been in operation between 6-10 years.

Table 4.6 : Number of Years in Operation

Time period(years)	Frequency	Percent
Less than 5	14	9.27
6-10	-	-
11-15	38	25.17
16-20	45	29.80
More than 20	54	35.76
Total	151	100.00

Source: Research Data (2019)

4.3.6 Number of Employees

The respondents were asked to indicate their number of employees. The results are as shown in table 4.7. Results indicated that majority of the respondents 45.03% had between 21-40 employees implying that technology could be a factor in terms of provision of services hence the few number of employees verses the size of AUMs. Those with between 41-60 employees were 22.52% closely followed by 21.19% who had less than 20 employees. Those who had between 61-80 employees and above were 3.31% and 7.95% respectively.

Table 4.7: Number of Employees

Number of employees	Frequency	Percent
Less than 20	32	21.19
21-40	68	45.03
41-60	34	22.52
61-80	5	3.31
More than 80	12	7.95
Total	151	100.00

Source: Research Data (2019)

4.3.7 Size of Your Assets Under Management (AUM)

The respondents were asked to indicate their size of their assets under management (AUM). The results are as shown in table 4.8. The findings show that about 32.45% of the respondents had attained an AUM of 0-1 billion. These findings imply that there is a need for most of the AMCs to devise strategies to grow their AUMs. The asset size of 27.81% was associated to those who had 2-3 billion. On the other hand, 29.14% had 4-5 billion, while 9.27% had 5-6 billion with only 1.32% of respondents had asset under management of more than 6 billion.

Table 4.8 : Size of Assets under Management

Size of asset (billions) (Kes)	Freq.	Percent
0-1 Billion	49	32.45
2-3 Billion	42	27.81
4-5 Billion	44	29.14
5-6 Billion	14	9.27
Above 6 Billion	2	1.32
Total	151	100.00

Source: Research Data (2019)

4.3.8 Level of Education

The respondents were asked to indicate their highest level of education. The results are as shown in table 4.9. Results indicated that majority of the respondents 49.01% had attained masters education while on the other hand, 47.02% had gone up to undergraduate level of education. Only 1.99% had attained higher diploma and diploma education levels respectively. These findings reveal that the AMC industry requires highly skilled employees.

Table 4.9 : Level of education

Educational Qualification	Frequency	Percent
Diploma	3	1.99
Higher Diploma	3	1.99
Degree	71	47.02
Masters	74	49.01
Total	151	100.00

Source: Research Data (2019)

4.3.9 Nature of Ownership

The respondents were asked to indicate the nature of ownership of the companies. Results in table 4.10 indicate that majority of the respondents 54.30% was locally owned while 3.31% belonged to those who were partially locally owned. On the other hand, 3.97% were fully foreign owned, with only 38.41% of the respondents were fully/partly owned. These findings reveal that there is huge potential for the local asset management industry in Kenya.

Table 4.10: Nature of ownership

Nature of Ownership	Frequency	Percent
Fully locally owned	58	38.41
Partially locally owned	82	54.30
Fully foreign owned	5	3.31
Fully foreign owned	6	3.97
Total	151	100.00

Source: Research Data (2019)

4.3.10 Company's Type of group

The respondents were asked to indicate which type of group their company belonged to. The results are as shown in table 4.11. Majority of the respondents 35.10% belonged neither to a banking nor did insurance group while 17.88% belong to an insurance group. On the other hand, 25.17% belonged to a banking group whereas 21.85% belonged to both banking and insurance groups. These findings reveal that it is not necessarily beneficial that an organization should be part of a group. On the contrary, it infers that the independence makes the AMC more agile to change and growth.

Table 4.11: Company Part of Group

Company part of the group	Frequency	Percent
Insurance	27	17.88
Banking group	38	25.17
Both of the above	33	21.85
None of the above	53	35.10
Total	151	100.00

Source: Research Data (2019)

4.4 Importance of Marketing Mix Strategies in Asset Management firms in Kenya

The study further went ahead to determine the importance of market mix strategies and the results are as indicated in the table 4.12. It was revealed that most of the marketing mix strategies were rated as best or significant in influencing performance of AMCs. However, the results on physical evidence was relatedly distributed across the responses. Place/Distribution Strategy was ranked as most important with a mean of 4.36. More details are indicated in table 4.12.

Table 4.12 : Importance of Marketing Mix Strategies

Marketing Mix Strategies	Percentage (%)						
	Not Important	Less Important	Not sure	Important	Very Important	Mean	STD
Product strategy	7.95	7.28	5.3	38.41	41.06	3.97	1.22
Price strategy	4.64	4.64	2.65	39.07	49.01	4.23	1.04
Place/Distribution channels Strategy	1.99	1.32	2.65	46.36	47.68	4.36	0.78
Promotion/advertisements Strategy	3.31	3.31	5.96	37.75	49.67	4.27	0.96
People/ employees Strategy	3.97	3.97	5.96	45.03	41.06	4.15	0.98
Process Strategy	3.31	3.97	5.96	47.02	39.74	4.15	0.95
Physical evidence Strategy e.g. Office fittings, corporate colors branding	19.87	20.53	17.88	21.19	20.53	3.02	1.43

Source: Research Data (2019)

4.5 Descriptive Statistics

This section presents the descriptive results of the marketing mix strategies that influence performance of asset management companies in Kenya. The marketing mix strategies include product strategy, price strategy, place/distribution strategy, promotion/advertisements strategy, people strategy, process strategy and physical evidence strategy. Measures of central tendency as stated earlier were adopted; Mean measures the highly typical value in a set of values. The standard deviation shows how far from the mean the distribution is. The presentation in this section was based on the objectives of the study.

4.5.1 Product Strategy

The study sought to establish the product strategies of AMCs. The responses were rated on a Likert scale and the results presented in table 4.13. The study results indicated that majority, 41.72% of the respondents strongly agreed with the statement that product innovation attracts new customers to their company while only with 7.95% strongly disagreed with this statement. The mean for the statement was 3.67 while the standard deviation was 1.40. Moreover, 41.72% also agreed that their company uses product

differentiation to distinguish their services from their competitors making them more attractive to their target market. The mean for this statement was 3.62 while the standard deviation was 1.19.

Furthermore, 26.49% of the managers agreed that, their company frequently develops new products that increase their market share. The mean and the standard deviation for this statement was 3.23 and 1.44 respectively. The study also found that 25.83% of the respondents agreed with the statement that their company used technology in new product development leading to exemplary customer experience. The mean and the standard deviation for this statement was 3.23 and 1.42 respectively. Equally 25.83% of the respondents agreed with the statement that their company offers a variety of products that meet customer needs thus keeping their customers satisfied. This statement had a mean of 3.01 and a standard deviation of 1.44.

On the contrary, 28.48% of the respondents neither agreed nor disagreed with the statement that their asset management company offers products for different customer clusters based on risk appetite leading to enhanced customer experience. This statement had a standard deviation of 1.31 and a mean of 2.95. In the same manner, 26.49% with a mean of 2.55 and a standard deviation of 1.33 were neutral on the statement that their company modifies existing product offerings to suit the changing customer needs.

Table 4.13 : Product Strategy

Statements	Percentage (%)						
	SD	D	N	A	SA	Mean	STD
Product innovation attracts new customers to our company	7.95	21.19	8.61	20.53	41.72	3.67	1.40
Our company frequently develops new products that increase our market share	15.89	21.85	10.60	26.49	25.17	3.23	1.44
Our company offers a variety of products that meet our customer needs thus keeping our customers satisfied	20.53	21.85	12.58	25.83	19.21	3.01	1.44
Our company uses technology in new product development leading to exemplary customer experience	14.57	22.52	12.58	25.83	24.50	3.23	1.42
Our company modifies existing product offerings to suit the changing customer needs	16.56	26.49	17.22	25.17	14.57	2.95	1.33
The asset management company offers products for different customer clusters based on risk appetite leading to enhanced customer experience	14.57	25.83	28.48	12.58	18.54	2.95	1.31
Our company uses product differentiation to distinguish our service from our competitors making us more attractive to our target market.	5.96	16.56	11.26	41.72	24.50	3.62	1.19
Average						3.24	1.36

Source: Research Data (2019)

4.5.2 Price Strategy

The study sought to establish the pricing strategy of AMCs. The responses were rated on a Likert scale and the results presented in table 4.14. The study results indicated that majority, 37.09%, of the respondents agreed with while 5.96% disagreed with the fact that their company's fair management fees had led to increased number of customers. The

mean for the statement was 3.88 while the standard deviation was 1.20. Furthermore, 65.56% agreed that their company adopted data analysis and technology to determine pricing of their services thereby growing their customer base. The mean and the standard deviation for this statement was 3.63 while the standard deviation was 0.93.

The study also established that the majority, 32.45% of the respondents agreed with the statement that their management fees were below industry average ensuring repeat buys from their customers. This statement has a mean of 3.58 and standard deviation of 1.35. A majority of the respondents, 28.48%, also agreed with the statement that their marketing costs were low therefore ensuring that they delivered their services at the lowest cost to their customers. The mean for this statement 3.32 while the standard deviation was 1.26 implying low variation in responses.

Lastly 25.83% of the respondents agreed that minimum investment amounts were reasonable and fair leading to increase in AUM. Their mean was 3.27 while the standard deviation was 1.35., while 28.48% with a mean of 3.26 and a standard deviation of 1.28 agreed that pricing strategy had led to increase in AUM. The average mean for the constructs was 3.49, indicating that majority of the respondents just agreed that their pricing strategy had led to an increase in assets under management. The standard deviation was 1.2 indicating that there was some variation in responses.

Table 0.2 : Price Strategy

Statements	Percentage (%)						
	SD	D	N	A	SA	Mean	STD
Our company's fair management fees has led to increased number of customers	5.96	11.26	8.61	37.09	37.09	3.88	1.20
The company's management fees are below industry average ensuring repeat buys from customers	9.27	17.88	10.60	29.80	32.45	3.58	1.35
Our minimum investment amounts are reasonable and fair leading to increase in AUM	11.26	23.84	15.23	25.83	23.84	3.27	1.36
Our marketing costs are low therefore ensuring that we deliver our services at the lowest cost to our customers. This has increased our market share	5.96	28.48	15.23	28.48	21.85	3.32	1.26
Our pricing strategy has led to an increase in assets under management	7.95	27.81	15.23	28.48	20.53	3.26	1.28
The company adopts data analysis and technology to determine pricing of our services thereby growing our customer base	4.64	9.27	12.58	65.56	7.95	3.63	0.93
Average						3.49	1.23

Source: Research Data (2019)

4.5.3 Promotion Strategy

The study sought to establish the promotion strategies of AMCs. The responses were rated on a Likert scale and the results presented in table 4.15. The study results indicated that majority, 58.28% of the respondents strongly agreed with the statement that personal selling had led to growth of their assets under management. Their mean was 3.98 while the standard deviation was 1.39. This shows that relationship management is critical for performance. Similarly, 33.77%, also strongly agreed that they have a strong brand which is easily recognizable to customers leading to increase in AUM. The standard deviation for this statement was 1.15 and a mean of 3.85

Majority of the respondents, 60.26%, agreed with the statement that social media promotion activities influenced their positive word of mouth from customers. The mean for this statement 3.827 while the standard deviation was 1.21 implying low variation in responses. Moreover, 41.06% agreed with the statement that their public relations activities had increased the referral business they got from their customers thereby influencing performance. The mean and the standard deviation for this statement was 3.74 while the standard deviation was 1.21

Similarly, 60.26%, of the respondents agreed with the statement that advertisements had increased their number of customers. The mean for the statement was 3.69 while the standard deviation was 1.01. Furthermore, 52.32% of the respondents agreed that their promotions effectively communicated the benefits of their products making it easy for customers to understand and buy their products The average mean for the constructs was 3.68 while the standard deviation was 1.04, indicating that there was some variation in responses.

Table 4.14: Promotion Strategy

Statements	Percentage (%)						Mean	STD
	SD	D	N	A	SA			
Advertisements have increased our number of customers	4.64	11.26	9.27	60.26	14.57	3.69	1.01	
Our public relations activities has increased the referral business we get from our customers thereby influencing performance	6.62	13.25	9.27	41.06	29.80	3.74	1.21	
Personal selling has led to growth of our assets under management	7.95	13.25	9.93	10.60	58.28	3.98	1.39	
Social media promotion activities influence our positive word of mouth from customers	7.95	7.95	11.26	39.07	33.77	3.83	1.21	
We have a strong brand which is easily recognizable to our customers. This has increased our AUM.	3.31	14.57	10.60	37.09	34.44	3.85	1.47	

Statements	Percentage (%)						
	SD	D	N	A	SA	Mean	STD
Our promotions effectively communicate the benefits of our products making it easy for our customers to understand and buy our products	3.31	14.57	11.26	52.32	18.54	3.68	1.04
Average						3.79	1.22

Source: Research Data (2019)

4.5.4 Place/Distribution Strategy

The study sought to establish the place strategy of the AMCs. The responses were rated on a Likert scale and the results presented in table 4.16. The majority of the respondents, 52.98% strongly agreed with the statement that their direct sales team was critical to the growth of their market share. The mean for this statement was 4.00 while the standard deviation was 1.24 implying low variation in responses. This signifies the importance of a strong distribution network in the asset management industry.

The study results indicated that majority, 70.20%, of the respondents agreed that their customers could easily access their premises leading to repeat buys. The mean for the statement was 3.92 while the standard deviation was 0.82. Furthermore, 42.38% of the respondents strongly agreed with the statement that they used the efficiencies of economies of scale through their group companies to market their products thereby growing the size of funds. The mean and the standard deviation for this statement was 3.90 while the standard deviation was 1.17.

The study also established that a majority, 47.02% of the respondents agreed that the company had a strong agency network throughout the country leading to growth in assets under management. The mean for the statement was 3.83 while the standard deviation was 1.01 while 53.64% of the respondents strongly agreed with the statement that they used technology such as mobile apps to sell their products and services thereby enhancing their customer experience. Their mean was 3.70 while the standard deviation was 1.20. The average mean for the constructs was 3.87, indicating that majority of the respondents just

agreed that place strategy was important in influencing performance. The standard deviation was 1.06, indicating that there was some variation in responses.

Table 4.15 : Place/Distribution Strategy

Statements	Percentage (%)					Mean	STD
	SD	D	N	A	SA		
Our company has a strong agency network throughout the country leading to growth in assets under management.	1.32	13.2 5	12.5 8	47.0 2	25.8 3	3.83	1.01
We use the efficiencies of economies of scale through our group companies to market our products thereby growing the size of funds	2.65	13.2 5	17.8 8	23.8 4	42.3 8	3.90	1.17
We use technology such as mobile apps to sell our products and services thereby enhancing our customer experience	3.31	13.2 5	11.9 2	53.6 4	17.8 8	3.70	1.02
Our direct sales team is critical to the growth of our market share	2.65	15.8 9	13.2 5	15.2 3	52.9 8	4	1.24
Our customers can easily access our premises leading to repeat buys	2.65	5.96	4.64	70.2 0	16.5 6	3.92	0.84
Average						3.87	1.06

Source: Research Data (2019)

4.5.5 People Strategy

The study sought to establish the people strategy of the AMCs. The responses were rated on a Likert scale and the results presented in table 4.17. The study results indicated that majority, 50.99%, strongly agreed with the statement that market timing capabilities of their staff influenced their returns to the customer thereby keeping the customer happy. The mean for this statement 3.95 while the standard deviation was 1.25 implying that the staff had to be well skilled in knowing when to make changes in their portfolios for maximum returns to customers. Similarly, 41.06% strongly agreed with the statement that their employees were always helpful to customers leading to repeat buys. The mean and the standard deviation for this statement was 3.85 while the standard deviation was 1.20.

Moreover, 68.21%, of the respondents agreed with the statement that employee incentives led to improved customer experience. The mean for the statement was 3.84 while the standard deviation was 0.86. The study also established that the majority, 70% of the respondents agreed with the statement that growth of their AUM was attributed to their staff's stock selection abilities. Their mean was 3.66 while the standard deviation was 1.06.

Moreover, 31.13% agreed with the statement that they recruited employees with the best skills leading to growth of AUM. The mean for the statement was 3.34 while the standard deviation was 1.12 while 29.14% of the respondents were neutral on the fact that their employees were well trained to resolve their client complaints thereby keeping our customers satisfied. The mean for the statement was 3.48 while the standard deviation was 1.13. The average mean for the constructs was 3.69, indicating that majority of the respondents just agreed that people mix strategy was easy to use. The standard deviation was 1.11, indicating that there was some variation in responses.

Table 4.16 : People Strategy

Statements	Percentage (%)						Mean	STD
	SD	D	N	A	SA			
Our employees are well trained to resolve our client complaints thereby keeping our customers satisfied.	3.97	16.56	29.14	27.81	22.52		3.48	1.13
We recruit employees with the best skills leading to growth of our AUM	4.64	21.19	26.49	31.13	16.56		3.34	1.12
Our employees are always helpful to customers leading to repeat buys	3.31	14.57	17.22	23.84	41.06		3.85	1.20
Growth of our Assets Under Management can be attributed to our staff's stock selection abilities	5.30	11.26	13.25	52.98	17.22		3.66	1.06
Market timing capabilities of our staff influences our returns to the customer thereby keeping the customer happy	2.65	16.56	14.57	15.23	50.99		3.95	1.25
Our employee incentives have led to improved customer experiences	2.65	7.95	6.62	68.21	14.57		3.84	0.86
Average							3.69	1.11

Source: Research Data (2019)

4.5.6 Process Strategy

The study sought to establish the process strategy of AMCs. The responses were rated on a Likert scale and the results presented in table 4.18. The study results indicated that majority, 53.64%, of the respondents agreed the fact that their processes were efficient leading to great customer experience and repeat buys. The mean for the statement was 4.09 while the standard deviation was 0.95. Similarly, 43.36% of respondents agreed that their investment committee decisions are crucial to ensuring customers get the best returns keeping them happy and that they pursue an active portfolio strategy to increase our market share. This statement had a mean of 3.91 and a standard deviation of 1.30.

Furthermore, 40.4% of the respondents agreed that they pursue an active portfolio strategy to increase market share their mean was 3.89 while the standard deviation was 1.05 while 33.11%, agreed with the statement that their asset allocation process was well organized therefore leading to increased market share. The mean and the standard deviation for this statement was 3.821 while the standard deviation was 1.095.

Moreover, 39.74% agreed with the statement that their Investment Policy influenced growth of their AUM. Their mean was 3.80 while the standard deviation was 1.15. Lastly, 53.64% of the respondents agreed with the statement that their processes were transparent therefore leading to customer satisfaction. The mean for this statement 3.24 while the standard deviation was 1.36 implying low variation in responses. The average mean for the constructs was 3.79, indicating that majority of the respondents just agreed that process strategy was easy to use. The standard deviation was 1.15, indicating that there was some variation in responses.

Table 4.17 : Process Strategy

Statements	Percentage (%)						Mean	STD
	SD	D	N	A	SA			
Our processes are efficient leading to great customer experience and repeat buys	3.31	5.96	3.31	53.64	33.77	4.09	0.95	
Our asset allocation process is well organized therefore leading to increased market share	3.97	7.28	24.5	31.13	33.11	3.82	1.10	
Our investment committee decisions are crucial to ensuring our customers get the best returns keeping them happy	5.96	15.89	5.96	25.83	46.36	3.91	1.30	
Our Investment Policy influences growth of our AUM	1.32	21.85	4.64	39.74	32.45	3.80	1.15	
Our processes are transparent therefore leading to customer satisfaction	9.27	29.8	13.25	23.18	24.5	3.24	1.36	
We pursue an active portfolio strategy to increase our market share	3.31	7.95	16.56	40.4	31.79	3.89	1.05	
Average						3.79	1.15	

Source: Research Data (2019)

4.5.7 Physical Evidence Strategy

The study sought to establish how physical evidence strategy influenced performance of Asset management companies. The responses were rated on a Likert scale and the results presented in table 4.19. The study established that 47.02% of the respondents agreed with the statement that their office furniture and fittings were well maintained making their offices attractive to customers. Their mean was 3.49 while the standard deviation was 1.08. This shows that physical evidence demonstrates quality therefore giving customers the confidence that the organization is performing well.

The study results further indicated that majority, 35.10%, of the respondents agreed that their company's corporate brand colors were visible and well displayed in their offices thereby increasing positive word of mouth. The mean for the statement was 3.45 while the

standard deviation was 1.24. Similarly, 30.46%, agreed with the statement that their reception had a good ambience that was comfortable and welcoming to clients thereby enhancing the customer experience. The mean for this statement 3.32 while the standard deviation was 1.13 implying low variation in responses.

Moreover, 27.15% agreed with the statement that their high standards of cleanliness kept their customers satisfied. The mean and the standard deviation for this statement was 3.19 while the standard deviation was 1.21. Finally, the study also established that 31.79% of the respondents agreed with the statement that their facilities are well designed and decorated leading to our customers' satisfaction, the mean was 2.97 while the standard deviation was 1.13. The average mean for the constructs was 3.29, indicating that majority of the respondents just agreed that physical mix strategy was important in influencing performance. The standard deviation was 1.16, indicating that there was some variation in responses.

Table 4.18 : Physical Evidence Strategy

Statements	Percentage (%)					Mean	STD
	SD	D	N	A	SA		
Our company's corporate brand colors are visible and well displayed in our offices thereby increasing positive word of mouth	8.61	16.5	17.8	35.1	21.8	3.45	1.24
Our high standards of cleanliness keeps our customers satisfied	9.27	21.1	26.4	27.1	15.8	3.19	1.21
Our office furniture and fittings are well maintained making our offices attractive to customers.	3.97	11.9	37.0	25.1	21.8	3.49	1.08
Our reception has a good ambience that is comfortable and welcoming to clients thereby enhancing the customer experience	4.64	21.8	26.4	30.4	16.5	3.32	1.13
The asset management's facilities are well designed and decorated leading to our customers' satisfaction	11.9	19.8	36.4	22.5	9.27	2.97	1.13
Average						3.29	1.16

Source: Research Data (2019)

4.5.8 Market Share of Asset Management Companies in Nairobi County

The study sought to establish the performance of asset management companies in Nairobi County. The responses were rated on a Likert scale and the results presented in table 4.20 which shows that a majority, of the respondents were in agreement with the statement that customers repeatedly purchased their products and services because of their fair management fees. The mean for the construct was the highest at 3.66 while the standard deviation was 1.04. This implied that pricing services fairly was good for growth in market share.

Additionally, 40.40% agreed that the growth of assets under management was influenced by their wide variety of products and services. The mean for this statement was 3.35 while the standard deviation was 1.19. Similarly, respondents agreed that an increase in the size of market share was attributed to a strong agency network throughout the country. This statement had a mean of 3.15.

Table 4.19 : Market Share of Asset management companies in Nairobi County

Statements Market Share	Percentage (%)					Mean	STD
	SD	D	N	A	SA		
Growth of our assets under management (AUM) has been influenced by our wide variety of products and services	7.95	19.87	16.56	40.4	15.23	3.35	1.19
Our customers repeatedly purchase our products and services because of our fair management fees	4.64	3.31	38.41	28.48	25.17	3.66	1.04
In increase in the size of our market share is attributed to our strong agency network throughout the country	6.62	16.56	43.71	21.19	11.92	3.15	1.05
Average						3.39	1.09

Source: Research Data (2019)

4.5.9 Customer Satisfaction of Asset Management Companies in Nairobi County

The study sought to establish the performance of asset management companies in Nairobi County. The responses were rated on a Likert scale and the results presented in table 4.21. Considering the overall mean responses, 3.58, it could be deduced that the majority of the

respondents agreed that the customer experiences were positively enhanced as a result of the ambience and comfort of their offices. However, the responses had some variation, hence a standard deviation of 1.28.

The results on the other hand indicated that majority of the respondents 35.76 % agreed with the statement that their clients were happy because they consistently outperformed benchmark returns as a result of their investment management processes. The mean for the statement was 3.57, while the standard deviation was 1.21. Similarly, 29.14% of the respondents agreed with the statement that their customers were satisfied because complaints were handled in a timely manner by their skilled employees thus ensuring positive word of mouth. The mean for the agreement of this statement was 3.57 while the standard deviation was 1.27.

Lastly, the results indicated that majority 33.77%, of the respondents strongly agreed with the statement that customer referrals were as a result of the company’s advertising activities. The mean for this statement was 3.49 while the standard deviation was 1.38.

Table 4.20 Customer Satisfaction of Asset management companies in Nairobi County

Statements	Percentage (%)					Mean	STD
	SD	D	N	A	SA		
Customer referrals are as a result of the company’s advertising activities	7.28	26.49	9.93	22.52	33.77	3.49	1.38
Our customers are satisfied because complaints are handled in a timely manner by our skilled employees thus ensuring positive word of mouth	8.61	13.25	19.87	29.14	29.14	3.57	1.27
Our clients are happy because we consistently outperform benchmark returns as a result of our investment management processes	5.96	17.22	15.89	35.76	25.17	3.57	1.21
The customer experiences are positively enhanced as a result of the ambience and comfort of our offices	4.64	21.19	19.21	21.19	33.77	3.58	1.28
Average						3.55	1.29

Source: Research Data (2019)

4.6 Correlation Analysis

Correlation analysis was used to determine both the significance and degree of association of the variables. The correlation technique was used to analyze the degree or extent of association between two variables. The results of the correlation analysis are summarized in table 4.22 and in the appendices section. The correlation ranges from 1 to -1 where 1 indicates a strong positive correlation and a -1 indicates a strong negative correlation and a zero indicates lack of association between the two variables.

Table 4.21: Correlation Matrix

Variables	Market Share	Customer Satisfaction	Product Strategy	Price Strategy	Place Strategy	Promotion Strategy	People Strategy	Process Strategy	Physical Evidence Strategy
Market Share	1.000	0.2772 (0.016)	-0.0299 (0.571)	0.1305 (0.078)	0.0693 (0.373)	-0.0048 (0.739)	0.6000 (0.000)	0.0473 (0.405)	0.0350 (0.000)
Customer Satisfaction	0.2772 (0.016)	1.0000	0.0863 (0.155)	0.3700 (0.000)	0.2719 (0.001)	0.0308 (0.237)	0.0331 (0.726)	0.1071 (0.101)	0.0194 (0.716)
Product strategy	-0.0299 (0.571)	0.0863 (0.155)	1.0000	0.0120 (0.582)	0.0511 (0.200)	-0.0059 (0.461)	0.0067 (0.883)	0.0461 (0.153)	-0.0076 (0.773)
Price strategy	0.1305 (0.078)	0.3700 (0.000)	0.0120 (0.582)	1.0000	0.1057 (0.048)	0.0102 (0.382)	0.2072 (0.004)	0.2751 (0.000)	0.1175 (0.007)
Place strategy	-0.0693 (0.373)	0.2719 (0.001)	0.0511 (0.200)	0.1057 (0.048)	1.0000	-0.0255 (0.207)	0.0235 (0.730)	0.0564 (0.168)	-0.0120 (0.609)
Promotion Strategy	-0.0048 (0.739)	0.0308 (0.237)	0.0059 (0.461)	0.0102 (0.382)	0.0255 (0.207)	1.0000	0.0105 (0.481)	0.0133 (0.266)	-0.0044 (0.577)
People strategy	0.6000 (0.000)	0.0331 (0.726)	0.0067 (0.883)	0.2072 (0.004)	0.0235 (0.730)	-0.0105 (0.481)	1.0000	0.1390 (0.014)	0.5912 (0.000)
Process strategy	-0.0473 (0.405)	0.1071 (0.101)	0.0461 (0.153)	0.2751 (0.000)	0.0564 (0.168)	-0.0133 (0.266)	0.1390 (0.014)	1.0000	0.0756 (0.024)
Physical evidence strategy	0.0350 (0.000)	0.0194 (0.716)	0.0076 (0.773)	0.1175 (0.007)	0.0120 (0.609)	-0.0044 (0.577)	0.5912 (0.000)	0.0756 (0.024)	1.0000

NB: Bold values are correlation coefficients and corresponding values in parentheses are the p values.

Source: Research Data (2019)

The results in table 4.21 showed that the variables had some association which was either positive or negative within their respective pairs. The relationship between market share and product strategy was ($r = -0.0299$) while the relationship between customer satisfaction and product strategy was ($r = 0.0863$). The relationship between market share and price strategy was ($r = 0.1305$) while the relationship between customer satisfaction and price strategy was ($r = 0.3700$). The relationship between market share and place strategy was ($r = -0.0693$) while the relationship between customer satisfaction and place strategy was ($r = -0.2719$). The relationship between market share and promotion strategy was ($r = -0.0048$) while the relationship between customer satisfaction and promotion strategy was ($r = 0.0308$). The relationship between market share and people strategy was ($r = 0.6000$) while the relationship between customer satisfaction and people strategy was ($r = 0.0331$). The relationship between market share and process strategy was ($r = -0.0473$) while the relationship between customer satisfaction and process strategy was ($r = 0.1071$). The relationship between market share and process strategy was ($r = 0.0350$) while the relationship between customer satisfaction and process strategy was ($r = 0.0194$). Generally, the explanatory variables were all moderately correlated showing that there was no multicollinearity.

4.7 Regression Analysis

A regression analysis through Structural Equation Modeling (SEM) was conducted to determine the influence of various marketing mix strategies on market share and customer satisfaction of AMCs in Kenya. Bagozzi & Yi (1988) pointed out SEM with latent variables as the most widely used in the measurement and hypothesis testing in marketing. According to Byrne, (2013) this model is suitable since both the dependent and independent variables are structural in nature. The model characterizes the links between the concepts or the unobservable variables as well as defining latent factors that are either directly or indirectly causing modifications in the values of other latent factors in the prescribed model (Sobel, 1982). The study estimated standardized SEM. A measurement model for the latent(s) was first estimated in order to determine whether observed

variables could be modeled as a single latent construct. Table 4.23 shows the analysis of the relationship between the structural variables and the dependent variables.



Table 4.22: Standardized Structural Equation Modelling of Marketing Mix Strategies and Market Share

Number of observations = 151						
Estimation Method = ml						
Log likelihood = -8222.2089						
Market Share	Standardized Coefficients	Std. Err.	t stat	P value	[95% Conf. Interval]	
Product Strategy	-0.0086	0.0538	-0.16	0.872	-0.1140	0.0968
Price Strategy	0.0952	0.0821	1.16	0.246	-0.0656	0.2561
Place Strategy	-0.0331	0.0524	-0.63	0.528	-0.1357	0.0670
Promotion Strategy	-0.0412	0.0556	-0.74	0.458	-0.1501	0.0677
People Strategy	-0.4186**	0.1665	-2.51	0.012	-0.7449	-0.0923
Process Strategy	-0.1740	0.1013	-1.72	0.086	-0.3727	0.0246
Physical Strategy	0.7794**	0.0485	16.06	0.000	0.6843	0.8745
(1) [D201] Market Share = 1						
(2) [C121] Product = 1; (3) [C131] Price = 1						
(4) [C141] Place = 1; (5) [C151] Promotion = 1						
(6) [C161] People = 1; (7) [C171] Process = 1						
(8) [C181] Physical = 1						

Source: Research Data (2019)

****Significant Coefficients at 5% level.**

The linear regression equation obtained from the outcome was represented below:

$$Y = -0.0086X_1 + 0.0952X_2 - 0.0331X_3 - 0.0412X_4 - 0.4186X_5 - 0.1740X_6 - 0.7794X_7 + \varepsilon$$

Where:

Y= Market Share; **X₁**= Product Strategy; **X₂**= Price Strategy; **X₃** = Place Strategy;

X₄ = Promotion Strategy; **X₅**= People Strategy; **X₆** = Process Strategy; **X₇** = Physical

Evidence Strategy; ε = Error term

The results display the output of the structural modeling of the predictor variables. Results indicate that two out of the seven variables were statistically significant at the 5% level. The beta coefficient indicates the direction and degree of influence of the predictor variable on the dependent variable. From the findings, the study established that a unit decrease in product strategy, led to a non-significant (5% level) increase in market share of AMCs by 0.0086 units holding other factors constant. This is because the p value of 0.872 was more than 5% level of significance.

Also, a unit increase in pricing strategy, led to a non-significant increase in performance of AMCs by 0.095 units holding other factors constant. This is because the p value of 0.246 is more than 0.05 level of significance. An increase in place/distribution strategy led to a non-significant decrease in performance of AMCs by 0.0331 units holding other factors constant. This is because the p value of 0.528 is more than 0.05 level of significance.

An extra promotion event led to a non-significant decrease in performance of AMCs by 0.0412 units holding other factors constant. This is because the corresponding p value of 0.458 is more than 5 percent level of significance. Also, people focused strategy led to a significant reduction in performance of AMCs by 0.4186 units holding other factors constant. This is because the corresponding p value of 0.012 is less than 5 percent level of significance.

Further, process strategy led to a non-significant reduction in performance of AMCs by 0.1740 units holding other factors constant. This is because the corresponding p value of 0.086 is greater than 5 percent level of significance.

Lastly, physical evidence strategy was shown to have a significant increase in performance of AMCs. It led to an increase in performance of AMCs by 0.7794 units holding other factors constant. This is because the p value of 0.000 is less than 0.05 level of significance.

Table 4.23: Standardized Structural Equation Modelling of Marketing Mix Strategies and Customer Satisfaction

Number of observations = 151						
Estimation Method = ml						
Log likelihood = -8513.0279						
Customer Satisfaction	Standardized Coefficients	Std. Err.	t stat	P value	[95% Conf. Interval]	
Product Strategy	0.1311	0.0961	1.36	0.172	-0.0572	0.3194
Price Strategy	0.4468**	0.1121	3.99	0.000	0.2271	0.6665
Place Strategy	-0.2557**	0.0885	-2.89	0.004	-0.4291	-0.0822
Promotion Strategy	0.1693	0.0946	1.79	0.073	-0.0161	0.3547
People Strategy	-0.0861	0.2287	-0.38	0.707	0.5344	0.3622
Process Strategy	0.1665	0.1240	1.34	0.179	-0.0765	0.4095
Physical Evidence Strategy	-0.0345	0.2278	-0.15	0.880	-0.4811	0.4120

(1) [D201] Customer Satisfaction = 1
 (2) [C121] Product = 1; (3) [C131] Price = 1
 (4) [C141] Place = 1; (5) [C151] Promotion = 1
 (6) [C161] People = 1; (7) [C171] Process = 1
 (8) [C181] Physical = 1

Source: Research Data (2019)

****Significant Coefficients at 5% level.**

The linear regression equation obtained from the outcome was represented below:

$$Y = 0.1311X_1 + 0.4468X_2 - 0.2557X_3 + 0.1693X_4 - 0.0861X_5 + 0.1665X_6 - 0.0345X_7 + \varepsilon$$

Where:

Y = Customer Satisfaction; **X₁** = Product Strategy; **X₂** = Price Strategy; **X₃** = Place Strategy; **X₄** = Promotion Strategy; **X₅** = People Strategy; **X₆** = Process Strategy; **X₇** = Physical Evidence Strategy; **ε** = Error term

The results in table 4.23 display the output of the structural modeling of the predictor variables. Results indicate that two out of the seven variables were statistically significant at the 5% level. The beta coefficient indicates the direction and degree of influence of the predictor variable on the dependent variable. From the findings, the study established that a unit increase in product mix, led to a non-significant (5% level) increase in customer satisfaction of AMCs by 0.1311 units holding other factors constant. This is because the p value of 0.172 is more than 5% level of significance.

Additionally, a unit increase in pricing strategy, led to a significant increase in customer satisfaction of AMCs by 0.4468 units holding other factors constant. This is because the p value of 0.000 is less than 0.05 level of significance. A place/distribution strategy led to a significant reduction in performance of AMCs by 0.2557 units holding other factors constant. This is because the p value of 0.004 is less than 0.05 level of significance.

An extra promotion event led to a non-significant increase in performance of AMCs by 0.1693 units holding other factors constant. This is because the corresponding p value of 0.073 is more than 5 percent level of significance. Also, people focused strategy led to a non-significant reduction in performance of AMCs by 0.0861 units holding other factors constant. This is because the corresponding p value of 0.707 is more than 5 percent level of significance.

Further, process mix strategy led to a non-significant increase in performance of AMCs by 0.1665 units holding other factors constant. This is because the corresponding p value of 0.179 is less than 5 percent level of significance.

Lastly, physical evidence mix strategy was shown to have a non-significant decrease in customer satisfaction of AMCs. It led to an increase in performance of AMCs by 0.0345 units holding other factors constant. This is because the p value of 0.880 is more than 0.05 level of significance.

CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents comprehensive discussions of the study findings obtained in the previous chapter which are presented in the light of literature reviewed. It later makes broad conclusions upon which key policy recommendations are drawn.

5.2.1 Discussion of Findings

5.2.1 *Importance of marketing mix strategies to AMCs*

The study revealed that the AMCs found the place/distribution strategy to be most important. This finding could be associated with the need to achieve distribution excellence in order to grow AUMs (Mckinsey, 2013). Anderson & Narus (1990) pointed out that one of the biggest challenges of serving markets is to ensure availability of products and services throughout the country, not just in cities as is the case with AMCs in Kenya who only have offices in Nairobi. These results were consistent with Keegan's (2009) findings that a distribution strategy with strong structures and wide number of intermediaries like types of outlets, and channel functions was important for firm performance (Keegan, 2009).

It is also consistent with the observation that Safaricom Limited a telecommunication company based in Kenya boasts of a large distribution network as a contributing factor to its network reach and ultimate performance (Safaricom, 2019). This strong distribution network has made Safaricom dominance a force to reckon with. AMCs who are able to develop such a network may enjoy such dominance.

The outcomes of the study conducted by Louter, Ouwerkerk, & Bakker (1991) indicated that this study's findings on place strategy is valid to the extent that distribution strategy export channel intermediary type positively impacts firm performance in terms of export proportion of sales and profit level. The effectiveness and efficiency in the delivery time of the products is key to total firm performance as it affects the firm's operations in terms of competitiveness and success in the market (Piercy, Philip & Organ 2007).

5.2.2 Relationship Between Marketing Mix Strategies And Organizational Performance of AMCs in Nairobi County

It was found that product strategy had a negative and non-significant influence on the market share and customer satisfaction of asset management of companies. These findings concur with, Özgül & Haluk Köksal (2007) conclusion that the introduction of new products and product quality were not significantly related to market share. Leonidou et al. (2002) also found that product type had a limited impact on the effect of marketing strategy elements on export performance. This could be associated by the homogeneity in products that comes from regulation leaving little room for innovation and new product development.

Pricing strategy had a positive influence on performance and was significant on customer satisfaction. This could be associated with the statement that companies with fair management fees and minimum investment amounts led to repeat buys from customers thereby increasing the AUM. It could be argued that competitive pricing strategies are based on the company's position in relation to its competition. The study results are supported by studies assessing pricing capabilities that found price to be positively related to firm performance (Davey et al., 1998; Dutta et al., 2003). Similarly, the findings concur with the conclusions of Appiah-Adu (2000) who found that for both domestic and foreign firms in Ghana, pricing and customer orientation activities were positively related to performance.

As put forward in the literature, promotional capabilities are built upon fundamental marketing activities such as advertising, social media participation, sponsorship, public relations, and corporate image management (Aaker, 2008). This study found that promotion strategy had a negative and non-significant influence on market share. It could be associated with the fact that social media promotion activities influenced their customers negatively failing to satisfy their customers. These findings are also consistent with Langat (2016) findings that the relationship between promotion consideration and business performance was negative due to consumer perception that heavily promoted products could be problematic products. The negative results were also obtained by

Kotler, (2000) who suggested that promotion strategy can be used as either offensive and/or defensive tools in the battle for market share.

This study found that promotion mix strategy had a positive and non-significant influence on customer satisfaction. It could be associated with the fact that promotion activities failed to effectively communicate the benefits of their products and services failing to satisfy their customers' needs. The positive relationship concurred with Moore & Fairhurst (2003) study on 60 retail and apparel firms in the fashion industry in the US which established that the most effective marketing capabilities in terms of performance were promotional capabilities and image differentiation. Keh, Nguyen, & Ng (2007) found a positive relationship between promotion marketing mix decisions and firm performance of SMEs in Singapore.

This study also sought to establish how place/distribution strategy influenced performance of asset management companies in Nairobi County. From the regression analysis, it was found that place/distribution strategy had a negative and non-significant influence on market share. The findings were in line with observations and suggestions put forth by Appiah-Adu (2000) and Özgül & Haluk Köksal (2007) conclusions that there was no significant link between the distribution activities and performance. However, the findings contradicted those obtained by Wairachu (2000) who explored changes in the oil marketing industry in Kenya and revealed that the ease of accessibility of products and services positively affected sales and in turn the market shares of the company.

From the regression analysis, it was also found that place/distribution strategy had a negative and significant influence on performance. This could be associated with the fact that they may have used technology such as mobile apps to sell their products and services which may have unfortunately not matched with their customer experiences leading to declined customer satisfaction. The findings were in line with observations and suggestions put forth by Keramati et al., (2012) who established that there was a relationship between marketing mix and sales performance with place having the most effect on performance. Chikweche & Fletcher (2012) who established that cases of success given distribution channels were related to the development of unconventional

channels. In those cases, the usage of informal channels was applied besides the formal (traditional) ones.

Studies on people strategy have shown that the appearance, skills, and attitude of all the persons involved in the customer's experience requires first class service since this impacts on the overall satisfaction of the customer and enhances the tangibility of the product-service combination (Reid & Bojanic, 2009). In this study, it was found that people strategy had a negative and significant influence on performance. It may be associated with the fact that their employees may not have been well trained on stock selection abilities and market timing capabilities to increase benchmark returns thereby discouraging customers. The study findings concurred with the conclusions put forth by other scholars. Kasanga (2011) concluded that the forecasting ability, market timing and security selection ability of the portfolio managers were critical determinants of performance for unit trusts. Daniel et. al., (1997) also found that the persistence of a mutual fund performance was as a result of superior portfolio managers who consistently outperformed the market.

In this study, it was found that people strategy had a negative and non-significant influence on customer satisfaction. It may be associated with the fact that their employees may not have been well trained to resolve their client complaints thereby discouraging the clients. Studies suggest that organizational learning is valuable to a firm's customers in this context because it focuses on understanding and effectively satisfying their expressed and latent needs through new products, services, and ways of doing business (Day 1994b; Dickson 1992; Sinkula 1994). This should lead directly to superior outcomes, such as greater new product success, superior customer retention, higher customer defined quality, and, ultimately, superior growth and/or profitability (Slater & Narver, 1995).

Literature emphasized that creating and delivering product elements to customers requires the design and implementation of an effective process (Goi, 2009). In this study, it was found that process strategy had a negative and non-significant influence on market share and a positive and non-significant influence on customer satisfaction. This could be associated with the fact that their active portfolio strategy was not well executed leading

to decline in market share. Inefficient and bureaucratic processes could have also led to a tainted customer experience thereby leaving customers dissatisfied. These findings differed from Mucai et. al., (2013) in their study on the extended marketing mix and customer's satisfaction in classified non-star hotels in Meru Municipality in Kenya, in terms of effect whereby it was found that process marketing strategy had a significant and positive influence on customer satisfaction in the hospitality industry. Abd-Karim (2010) suggested that active fund management process was the best strategy for Islamic funds in Malaysia as compared to the simple buy-and-hold or passive fund management strategy. The study suggested that in order for the process of an active strategy to work, the portfolio managers should hold the skills for active fund management.

It was found that physical evidence strategy had a positive and significant influence on market share. The finding could be associated with the fact that their company's corporate brand and colors were visible and well displayed in their offices thereby increasing positive word of mouth leading to increased market share. It is argued that physical surrounding and other visible cues can have a profound effect on the impression customers' form about the quality of the service they receive. These findings also demonstrate that the "service scope" that is, the ambience, the background music, the comfort of the seating and the physical layout of a service facility - can greatly affect a customer's satisfaction with a service experience leading to organizational performance (Yoon, 2013; Zeithaml et.al., 1996).

The study also revealed physical evidence had a negative and non-significant influence on customer satisfaction. The finding could be associated with the fact that poor branding, unclean facilities or poor ambience negatively affected customer satisfaction. It is argued that physical surrounding and other visible cues can have a profound effect on the impression customers' form about the quality of the service they receive. The study results concurred with the findings obtained by Thuong (2016) who conducted a study on customer satisfaction in supermarkets in Vietnam and concluded that, it could not be proved in the study that physical appearance positively influenced customer satisfaction. Mucai et.al., (2013) also studied the extended marketing mix and customer's satisfaction

in non-star hotels in Meru and determined that physical evidence marketing mix had no significant influence on customer satisfaction in the retail industry.

5.3 Conclusions

As stated in this study, marketing mix strategies and performance of an organizational are a multi-faceted phenomenon. This study delved into the debate around concept of marketing mix strategies and organizational performance. Marketing mix strategies were considered as the independent variables while organizational performance denoted by market share and customer satisfaction were the dependent variable.

This study having considered all marketing mix strategies, it revealed that, price strategy and physical evidence had a positive influence on market share whereas the rest had a negative influence on market share of AMCs in Nairobi County. It was also found that product strategy, price strategy, promotion strategy and physical evidence strategy had a positive influence on customer satisfaction. Further, upon close examination, pricing strategy, place/distribution strategy, people strategy, and physical evidence were statistically significant and thus necessitated the policy formulation. First, the study concurs that price is the only marketing mix variable that generates revenues while all other variables involve expenditures or investments of funds, whereas under place, a distribution strategy with strong structures and wide number of intermediaries like types of outlets, and channel functions is important for customer satisfaction.

People generally cannot be separated from the total service. The appearance, skills, and attitude of all the persons involved in the customer's experience requires first class service since this impacts on the overall satisfaction of the customer and enhances the tangibility of the product-service combination. This will in turn keep customers satisfied and increase the market share of AMCs. Lastly, it's factual that consumers will continue making perceptions on the caliber of a company based on their sight of the service provisions, which will have an impact on the organizations perceptual plan of the service. Thus, recommendations ought to be arrived at based on the significant marketing strategies revealed in this study.

5.4 Recommendations

Marketing mix strategy has continuously been gaining considerable attention especially in the last two decades. It's coming into light and persistent evolution cannot be ignored in an ever changing competitive business environment. Nevertheless, the focus on the customer is also in line with the growing trend in the asset management industry to focus on the customer's needs and wants in order to grow AUMs and ultimately gain a sustainable competitive advantage for long term financial performance.

Based on the study results as revealed through structural modeling, it is imperative that the players in the industry that is AMC's focus on evaluating their pricing strategy which is a key element in performance as it was shown to have a significant and positive influence on AMC's customer satisfaction. The study suggests for a well thought out plan to improve human capabilities in knowledge, skills and techniques; as well as systems capabilities in data, hardware and software; and social capabilities in communication, organization and authority. Even though, it should be agreed that competitive pricing strategies are based on the company's position in relation to its competition and thus only firms interested at growing or improving their value should prioritize the pricing strategy.

Secondly, the study revealed that place/distribution strategy significantly influences customer satisfaction among AMC's albeit negatively. It should be understood that a strong distribution network is important however, the distribution channels such as agency network or mobile apps should be able to deliver the same superior quality in customer experience thereby keeping the customers satisfied. Similarly the study revealed that people strategy significantly influenced market share although negatively. People generally cannot be separated from the total service. The appearance, skills, and attitude of all the persons involved in the customer's experience requires first class service since this impacts on the overall satisfaction of the customer and enhances the tangibility of the product-service combination. The study suggests that employees of AMC's who are not well trained or incentivized may end up negatively impacting the customer experience thereby leading to decline in market share and ultimately performance.

Finally, it is evident that appearance and physical setting demonstrates and promises quality. The study suggests that the firms under asset management need to work on their brands and environment so as to maintain client loyalty and satisfaction. The study subscribes to the fact that physical appearance positively influenced customer satisfaction. This suggestion is based on the fact that physical evidence strategy had a significant and positive influence on performance of AMCs in Nairobi County.

5.5 Limitations of the Study

This study mainly focused on the influence of the marketing mix strategies and their effect on organizational performance using customer satisfaction and market share as dependent variables. Due to financial and time constraints the study was limited to Nairobi County. For further studies, the researcher recommends that future scholars can focus on other strategies that may influence performance of AMCs in other countries while using other performance measures as variables.

5.6 Areas for Further Study

This study has basically focused at exploring the relationship hypothesized between marketing mix strategies and performance of AMCs in Kenya. It has brought forward the evidence from studies investigating the relationship between marketing mix strategy and organizational performance where debates ensued and ultimately empirically determined. The study concentrated however on AMCs and left other firms in other sectors. It is prudent therefore for future studies to explore at how marketing mix strategies also impact on the performance of non-asset management firms in Kenya. Other studies could also simulate the same by increasing the scope and focus at AMCs in the entire East Africa Community states. Other significant factors such as political climate or business environment were not explored as moderating factors. They need to be considered in the upcoming studies.

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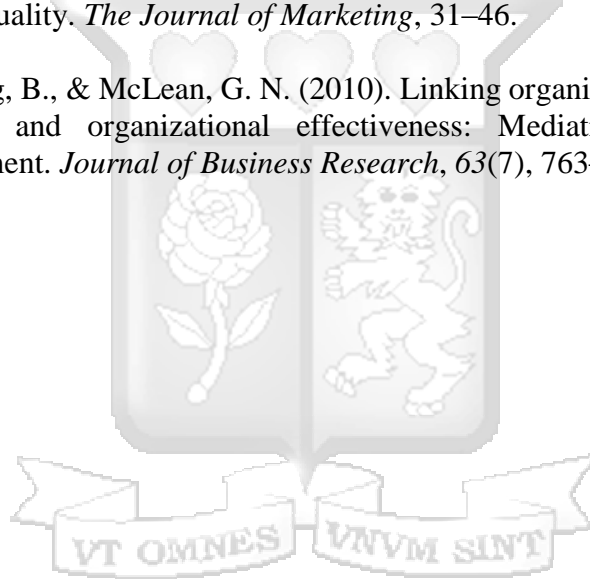
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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

**MUMBI MBIYU KAGIRI,
STRATHMORE BUSINESS SCHOOL,
P.O BOX 73978-00200
NAIROBI**

20th May, 2019

To Whom It May Concern,

REF: DATA COLLECTION FOR ACADEMIC PURPOSES

I am a student at Strathmore Business School undertaking a Master's in Business Administration Course. As part of the requirements I am required to undertake research. My research is on **THE INFLUENCE OF MARKETING MIX STRATEGIES ON ORGANIZATIONAL PERFORMANCE: A CASE OF ASSET MANAGEMENT COMPANIES IN NAIROBI COUNTY.**

To complete this research, I am required to collect data from Asset management companies licensed and approved in Kenya by the Capital Markets Authority (CMA). I am humbly requesting for authority to collect data on the same.

Your assistance is highly appreciated.

Sincerely,

Mumbi Mbiyu Kagiri

APPENDIX II: QUESTIONNAIRE

INSTRUCTIONS

Kindly respond to the questions by ticking on the appropriate box or filling the answers in the blank spaces

SECTION A: BACKGROUND INFORMATION

Name of the Asset Management Company (Optional).....

1. Kindly select your gender.
a) Male b) Female
2. In which of the following age bracket do you belong?
18-24 b) 25-34 c) 35-44 years d) 45 years and above
3. What is your current income bracket per month (Kes)?
a) Less than 50,000 b) 50,001–100,000
c) 100,001-150,000 d) Over 150,001
4. Please indicate your role in the company
a) Senior Manager b) Business Development Manager
c) Customer Service Manager
5. How long has your Asset Management Company been in operation in Kenya?
a) Less than 5 years
b) 6-10 years
c) 11-15 years
d) 16-20 years
e) Over 20 years
6. What is the approximate number of employees in your asset management company?
a) Less than 20 employees
b) 21-40 employees
c) 41-60 employees
d) 61-80 employees
e) Above 80 employees
7. What is the current estimated size of your Assets under Management (AUM) in Kes?
a) 0- 1 Billion
b) 2-3 Billion
c) 4-5 Billion
d) 5-6 Billion
e) Above 6 Billion

8. What is the most common academic qualification in your organization?
- a) Diploma
- b) Higher Diploma
- c) Degree
- d) Masters
- e) Others (specify) _____
9. What is the nature of ownership of your company?
- a) Fully Locally Owned
- b) Partially Locally owned
- c) Fully Foreign Owned
- d) If fully/partly owned in which country is your parent domiciled?
10. Please indicate if your company is part of a group
- a) Banking Group
- b) Insurance Group
- c) Both of the above
- d) None of the above

Section B: Importance of Marketing Mix Strategies in Asset Management Companies in Kenya

11. Please rate the extent to which your Asset management company finds the following marketing mix strategies important. Use 1-Not Important, 2-Less Important, 3-Not Sure, 4- Important and 5-Very Important.

		Not Important	Less Important	Not sure	Important	Very Important
	Marketing Mix Strategies	1	2	3	4	5
1	Product Strategy					
2	Price Strategy					
3	Place/Distribution channels					
4	Promotion/advertisements					
5	People/ employees Strategy					
6	Process Strategy					
7	Physical evidence Strategy e.g. Office fittings, corporate colours					

SECTION C: Influence of marketing mix strategies on performance of Asset Management Companies

On a scale of 1-5 where 1 = Strongly disagree, 2= Disagree, 3= Not sure 4 = Agree and 5= Strongly agree, please indicate the extent to which you agree with the following statements as they relate to the marketing mix strategies and your company's performance		1	2	3	4	5
	Statements.	1	2	3	4	5
12	Product Strategy	Strongly disagree	Disagree	Not sure	Agree	Strongly agree.
a)	Product innovation attracts new customers to our company					
b)	Our company frequently develops new products that increase our market share					
c)	Our company offers a variety of products that meet our customer needs thus keeping our customers satisfied					
d)	Our company uses technology in new product development leading to exemplary customer experience					
e)	Our company modifies existing product offerings to suit the changing customer needs					
f)	The asset management company offers products for different customer clusters based on risk appetite leading to enhanced customer experience					
g)	Our company uses product differentiation to distinguish our service from our competitors making us more attractive to our target market.					
		1	2	3	4	5
13	Pricing Strategy	Strongly disagree	Disagree	Not sure	Agree	Strongly agree.
a)	Our company's fair management fees has led to increased number of customers					
b)	The company's management fees are below industry average ensuring repeat buys from customers					
c)	Our minimum investment amounts are reasonable and fair leading to increase in AUM					
d)	Our marketing costs are low therefore ensuring that we deliver our services at the lowest cost to our customers. This has increased our market share					
e)	Our pricing strategy has led to an increase in assets under management					
f)	The company adopts data analysis and technology to determine pricing of our services thereby growing our customer base					

		1	2	3	4	5
	14. Promotion Strategy	Strongly disagree	Disagree	Not sure	Agree	Strongly agree.
a)	Advertisements have increased our number of customers					
b)	Our public relations activities has increased the referral business we get from our customers thereby influencing performance					
c)	Personal selling has led to growth of our assets under management					
d)	Social media promotion activities influence our positive word of mouth from customers					
e)	We have a strong brand which is easily recognizable to our customers. This has increased our AUM.					
f)	Our promotions effectively communicate the benefits of our products making it easy for our customers to understand and buy our products					
		1	2	3	4	5
15	Place/Distribution Strategy	Strongly disagree	Disagree	Not sure	Agree	Strongly agree.
a)	Our company has a strong agency network throughout the country leading to growth in assets under management.					
b)	We use the efficiencies of economies of scale through our group companies to market our products thereby growing the size of funds					
c)	We use technology such as mobile apps to sell our products and services thereby enhancing our customer experience					
d)	Our direct sales team is critical to the growth of our market share					
e)	Our customers can easily access our premises leading to repeat buys					

		1	2	3	4	5
16	People Strategy	Strongly Disagree	Disagree	Not sure	Agree	Strongly Agree.
a)	Our employees are well trained to resolve our client complaints thereby keeping our customers satisfied.					
b)	We recruit employees with the best skills leading to growth of our AUM					
c)	Our employees are always helpful to customers leading to repeat buys					
d)	Growth of our Assets Under Management can be attributed to our staff's stock selection abilities					
e)	Market timing capabilities of our staff influences our returns to the customer thereby keeping the customer happy					
f)	Our employee incentives have led to improved customer experiences					
		1	2	3	4	5
17	Process Strategy	Strongly disagree	Disagree	Not sure	Agree	Strongly agree.
a)	Our processes are efficient leading to great customer experience and repeat buys					
b)	Our asset allocation process is well organized therefore leading to increased market share					
c)	Our investment committee decisions are crucial to ensuring our customers get the best returns keeping them happy					
d)	Our Investment Policy influences growth of our AUM					
e)	Our processes are transparent therefore leading to customer satisfaction					
f)	We pursue an active portfolio strategy to increase our market share					

		1	2	3	4	5
18	Physical Evidence Strategy	Strongly disagree	Disagree	Not sure	Agree	Strongly agree.
a)	Our company's corporate brand colors are visible and well displayed in our offices thereby increasing positive word of mouth					
b)	Our high standards of cleanliness keeps our customers satisfied					
c)	Our office furniture and fittings are well maintained making our offices attractive to customers.					
d)	Our reception has a good ambience that is comfortable and welcoming to clients thereby enhancing the customer experience					
e)	The asset management's facilities are well designed and decorated leading to our customers' satisfaction					

19. Please indicate in the space below any other factors that influence the performance of the Asset Management Company.

.....

.....

Section D: Performance of Asset management companies in Kenya

On a scale of 1-5 where 1 = Strongly disagree, 2= Disagree, 3= Not sure 4 = Agree and 5= Strongly agree, please indicate the extent to which you agree with the following statements as they relate to the influence of marketing mix strategies and your company's performance		1	2	3	4	5
20	Statements	Strongly Disagree	Disagree	Not sure	Agree	Strongly Agree.
a)	Growth of our assets under management (AUM) has been influenced by our wide variety of products and services					

b)	Our customers repeatedly purchase our products and services because of our fair management fees					
c)	In increase in the size of our market share is attributed to our strong agency network throughout the country					
d)	Customer referrals are as a result of the company's advertising activities					
e)	Our customers are satisfied because complaints are handled in a timely manner by our skilled employees thus ensuring positive word of mouth					
f)	Our clients are happy because we consistently outperform benchmark returns as a result of our investment management processes					
g)	The customer experiences are positively enhanced as a result of the ambience and comfort of our offices					

Thank you very much for your time and participation in the research



Appendix III: Letter of Introduction From Strathmore Business School



Strathmore Business School

26th April 2019

To Whom It May Concern

Dear Sir/ Madam

RE: FACILITATION OF RESEARCH – MUMBI KAGIRI

This is to introduce Mumbi Kagiri who is a Master of Business Administration student at Strathmore Business School, admission number MBA/81963/14. As part of our MBA Program, Mumbi is expected to do applied research and undertake a project. This is in partial fulfilment of the requirements of the MBA course. To this effect, she would like to request for appropriate data from your organization.

Mumbi is undertaking a research paper on “Influence of Marketing Mix Strategy on Organizational Performance among Asset Management Companies in Kenya.” The information obtained from your organization shall be treated confidentially and shall be used for academic purposes only.

Our MBA seeks to establish links with industry, and one of these ways is by directing our research to areas that would be of direct use to industry. We would be glad to share our findings with you after the research, and we trust that you will find them of great interest and of practical value to your organization.

We appreciate your support and shall be willing to provide any further information if required.

Yours sincerely,

Caroline Tiara,
Manager – Masters’ Programs



Strathmore
UNIVERSITY

Off Sangale Road, Modania Estate,
PO Box 59857 00200 Nairobi, Kenya
Cell: +254 709 414087
Email: info@sbs.ac.ke or Visit www.sbs.strathmore.edu
Twitter: @SBSKenya

Strathmore Business School is a proud member of:



AACSB

EFMD

APPENDIX IV: NACOSTI LETTER OF RESEARCH AUTHORIZATION



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,
2241349, 3310571, 2219420
Fax: +254-20-318245, 318249
Email: dg@nacosti.go.ke
Website : www.nacosti.go.ke
When replying please quote

NACOSTI, Upper Kabete
Off Waiyaki Way
P.O. Box 30623-00100
NAIROBI-KENYA

Ref. No. **NACOSTI/P/19/64348/30185**

Date: **30th May, 2019.**

Mumbi Mbiyu Kagiri
Strathmore Business School
P.O. Box 59857 - 00200
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on *“Influence of marketing mix strategy on organizational performance of Asset Management companies in Kenya.”* I am pleased to inform you that you have been authorized to undertake research in **Nairobi County** for the period ending **30th May, 2020.**

You are advised to report to **the County Commissioner and the County Director of Education, Nairobi County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a **copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.


BONFACE WANYAMA
FOR: DIRECTOR-GENERAL/CEO

Copy to:
The County Commissioner
Nairobi County.

The County Director of Education
Nairobi County.

Appendix V: Strathmore University Institutional Ethics Review Committee Approval



7th May 2019

Ms. Kagiri, Mumbi
P.O. Box 73978 – 00200
Nairobi
mumbiyu@gmail.com

REF Protocol ID: SU-IERC0449/19 Student No: MBA/81963/14

THE INFLUENCE OF MARKETING MIX STRATEGIES ON ORGANIZATIONAL PERFORMANCE OF ASSET MANAGEMENT COMPANIES IN KENYA

We acknowledge receipt of your application documents to the Strathmore University Institutional Ethics Review Committee (SU-IERC) which includes:

1. Study Protocol submitted 2nd May 2019
2. Cover letter listing all submitted documents 2nd May 2019
3. Proposal declaration Page signed by supervisors 2nd May 2019

The committee has reviewed your application, and your study "*The influence of marketing mix strategies on organizational performance of asset management companies in Kenya*" has been granted **approval**.

This approval is valid for one year beginning 7th May 2019 until 7th May 2020

In case the study extends beyond one year, you are required to seek an extension of the Ethics approval prior to its expiry. You are required to submit any proposed changes to this proposal to SU-IERC for review and approval prior to implementation of any change.

SU-IERC should be notified when your study is complete.

Thank you

Sincerely,


Prof. Florence Oloo
Secretary

Strathmore University Institutional Ethics Review Committee



APPENDIX VI: NACOSTI PERMIT

THIS IS TO CERTIFY THAT:
MS. MUMBI MBIYU KAGIRI
of STRATHMORE BUSINESS SCHOOL,
73978-200 Nairobi, has been permitted
to conduct research in Nairobi County

Permit No : NACOSTI/P/19/64348/30185
Date Of Issue : 30th May,2019
Fee Received :Ksh 1000

on the topic: INFLUENCE OF
MARKETING MIX STRATEGY ON
ORGANIZATIONAL PERFORMANCE OF
ASSET MANAGEMENT COMPANIES IN
KENYA.

for the period ending:
30th May,2020



.....
Applicant's
Signature


Director General
National Commission for Science,
Technology & Innovation



APPENDIX VII: NACOSTI RESEARCH PERMIT

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013

Grant of Research Licenses is guided by the Science, Technology and Innovation (Research Licensing) Regulations, 2014.

CONDITIONS

- 1. License is valid for the proposed research, location and defined period.
- 2. License and any rights thereunder are non-transferable.
- 3. Licensee shall inform the County Governor before commencement of the research.
- 4. Excavation, filming and collection of specimens are subject to other necessary clearance from relevant Government Agencies.
- 5. License does not give authority to transfer research materials.
- 6. NACOSTI may monitor and evaluate the licensed research project.
- 7. Licensee shall submit one hard copy and upload a soft copy of their final report within one year of completion of the research.
- 8. NACOSTI reserves the right to modify the conditions of the license including cancellation without prior notice.

National Commission for Science, Technology and Innovation
P.O. Box 30623 - 00100, Nairobi, Kenya
TEL: 020 400 7000, 0713 788787, 0735 404245
Email: dg@nacosti.go.ke, registry@nacosti.go.ke
Website: www.nacosti.go.ke



REPUBLIC OF KENYA



National Commission for Science,
Technology and Innovation

RESEARCH LICENSE

Serial No.A 25101

CONDITIONS: see back page



**APPENDIX VIII: CAPITAL MARKETS AUTHORITY LIST OF
LICENSEES AND APPROVED INSTITUTIONS AS AT
JANUARY 2019**

ASSET MANAGEMENT ENT			
1	Alpha Africa Asset Managers	P.O. Box 34530-00100,	023
2	Amana Capital Limited	P.O. Box 9480-00100,	024
3	Apollo Asset Management	P.O. Box 30389, Nairobi	025
4	Abraaj Kenya Advisers Limited	P.O. Box 19558-00100,	026
5	Britam Asset Managers (Kenya)	P.O. Box 30375-00100,	027
6	Canon Asset Managers Limited	P.O. Box 30216-00100,	028
7	Nabo Capital Limited	P.O. Box 10518-00100,	029
8	CIC Asset Management Limited	P.O. Box 59485-00200,	030
9	Co-optrust Investment Services	P.O. Box 48231-00100,	031
10	FCB Capital Limited	P.O. Box 26219-00100,	033
11	Fusion Investment	P.O. Box 47538-00100,	034
12	GenAfrica Asset Managers	P.O. Box 79217-00200,	035
13	ICEA Lion Asset Management	P.O. Box 46143-00100,	036
14	Madison Asset Management	P.O. Box 20092-00100,	037
15	Old Mutual Investment Group	P.O. Box 11589-00400,	038
16	Old Mutual Investment Services	P.O. Box 30059-00100,	039
17	Sanlam Investments East Africa	P.O. Box 67262-00100,	040
18	Standard Chartered Investment	P.O. Box 30003-00100,	042
19	Stanlib Kenya Limited	P.O. Box 30550-00100,	043
20	Zimele Asset Management	P.O. Box 76528-00508,	045
21	Natbank Trustee and Investment	P.O. Box 72866 – 00200	087
22	Seriani Asset Managers Limited	P.O. Box 21986-00100	099
23	Allan Gray (Kenya) Limited	P.O. BOX 63946 – 00619	101
24	Watu Capital Limited	P.O. Box 13606-00800	102
25	Cytonn Asset Managers Limited	P.O. Box 20295-00200,	108
26	Altree Capital Kenya Limited	P.O. Box 2607 -00200	110

Source CMA (2019)

APPENDIX IX: TARGET RESPONDENTS

	FUND MANAGERS	Senior Management-MD/CEO/GM	Business Development Managers	Customer Service Managers	Total
1	Alpha Africa Asset Managers	1	3	2	6
2	Amana Capital Limited	1	6	1	8
3	Apollo Asset Management	1	2	2	5
4	Abraaj Kenya Advisers Limited	IN RECEIVERSHIP			
5	Britam Asset Managers (Kenya)Limited	1	11	6	18
6	Canon Asset Managers Limited	1	1	1	3
7	Nabo Capital Limited	1	5	3	9
8	CIC Asset Management Limited	1	27	6	34
9	Co-optrust Investment Services Limited	1	6	1	8
10	FCB Capital Limited	1	1		2
11	Fusion Investment Management Limited	1	1	1	3
12	GenAfrica Asset Managers Limited	3	2	1	6
13	ICEA Lion Asset Management Limited	1	2	3	6
14	Madison Asset Management Services Limited	1	3	2	6
15	Old Mutual Investment Group Limited	1	3	4	8
16	Old Mutual Investment Services (K) Limited	MERGED WITH UAP TO FORM OLD MUTUAL GROUP			
17	Sanlam Investments East Africa Limited	1	6	3	10
18	Standard Chartered Investment Services Limited	1	2	1	4
19	Stanlib Kenya Limited	1	4	2	7
20	Zimele Asset Management Company Limited	4	2	2	8
21	Natbank Trustee and Investment Services Limited	1	1		2
22	Seriani Asset Managers Limited	BOUGHT OUT BY CYTONN			
23	Allan Gray (Kenya) Limited	1	1		2
24	Watu Capital Limited	DORMANT			
25	Cytonn Asset Managers Limited	1	4	3	8
26	Altree Capital Kenya Limited	DORMANT			
	TOTAL	26	93	44	163
	PERCENTAGE	16.0%	57.1%	27.0%	73.01%

Source: Researcher (2019)