FACTORS INFLUENCING RETENTION OF PENSION CLIENTS IN FUND MANAGEMENT: A CASE OF THE OLD MUTUAL INVESTMENT GROUP IN KENYA

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DECLARATION

This research project is my original work and has never been presented for any academic award in any other university.

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DEDICATION

This project is dedicated to my Dad Ayub Obara and my Mum Margaret Obara for their love, encouragement and invaluable support. My siblings Dan Obara, Isaac Obara, Joseck Obara and Tabitha Obara for always encouraging me to keep up with the work. This achievement has been possible because of your support.

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ABBREVIATIONS AND ACRONYMS

CMA	Capital Markets Authority
CRM	Customer Relationship Management
FMA	Fund Managers Association
LTV	Customer Lifetimeøs Value
NACOSTI	National Commission for Science, Technology and Innovation
NCCF	Net Client Cash Flow
NSSF	National Social Security Fund
OECD	Organizational of Economic Cooperation and Development
OMIG	Old Mutual Investment Group
ORS	Occupational Retirement Scheme
RBA	Retirement Benefits Authority
ROI	Return On Investment

ABSTRACT

Retention is vital to the growth of the Organizationøs revenue. The purpose of this study was to examine the perception of Pension clients and staff on the factors influencing the retention of pension clients in Fund Management, a case of Old Mutual Investment Group, Kenya. The objective of this study was to examine three customer retention strategies; Customer relationship Management, Relationship Marketing and perceived - Value Pricing tactics that influence pension client retention in Fund Management. The target population was 102 respondents comprising of OMIG pension clients (39 schemes each constituting of 2 decision makers; 9 staff from 3 fund managers, 9 staff from3 fund administrators and a sample of 88 respondents was determined by Krejcie & Morgan table. Primary data was collected using a questionnaire then analysed using descriptive survey with aid of a computer software SPSS data analyst and inferential statistics. The findings were presented through tables factors that influence pension client retention. Customer relationship management had a significant relationship with pension client retention, the staff had sufficient knowledge on the system operations, the fund manager reaches out to clients through client surveys, research in efforts to improve services, there is personalized service, there is customer relationship management performed right the first time and continuous. Relationship marketing had a significant relationship with pension client retention the respondents rated the level of pension client satisfaction received from the fund manager, to what extent they are satisfied on the way pension clients are treated by the fund manager, the fund manager knows individual schemes, the stocks to invest, serves and understands pension clients better, the fund manager always makes every effort to incorporate feedback in improving services and investments and that the fund manager has been able to meet pension client needs by having various products. perceived - value pricing had a significant relationship with pension client retention, there was total satisfaction on price offered by the fund manager, price is an indicator of the quality of service, the fund manager offers few products as compared to other fund managers. The study recommends the management of OMIG, Kenya to continue with the objective of embracing customer relationship management, relationship marketing and perceived - value perceived - value pricing since they enhance the retention of pension clients in fund management. Fund Management in Kenya is very competitive and the fund managers are on the edge to retain their pension clients and acquire new pension clients. Product development is highly recommended but can only be achieved if the needs of the pension clients are well understood. It is recommended for management to analyse and act on feedback on issues related to service and feedback, this will lock in most clients since the products will be tailor made to fit their needs. Since CRM happened to be the strongest retention strategy, the study recommends that OMIG, Kenya should implement the tool and train their staff to utilize the feedback obtained to improve service.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The present competitive setting of businesses exploits client retention in order to ensure the Companyôs fortification against penetrative competition (Fluss,2010). Retention of the client is the approach in which organizations emphasize their exertions on current customers with the aim to carry on business with them (Mostert et al, 2009).

The precise meaning and measure of Client retention vary between Industries and firms (Aspinall et al.,2001), there appears to be a general consensus that focusing on customer retention can yield several economic benefits (Reichheld,1996; Buttle 2004). As It is substantially more cost-effective to retain existing clients than attract new ones. Existing clients have known and identified needs that have been satisfied by the organizationôs products or services in the past. By focusing the organizations marketing strategy on the profitable segments of their client base an organization will normally produce most of the required revenue and increase the market share.

New client acquisition is six times more expensive than retaining old ones. Loyal clients pay less attention to competitors, most of them act as referrals by advocating services and products to their niche of friends by extension (Baumeister, 2002). To develop effective retention strategies an organization has to have an in-depth knowledge of pension clients behaviour and needs.

Loyalty is a physical and emotional commitment given by clients in exchange for their needs being met (Stone, et al 2002). Client retention will develop over time if the parameters for the relationship are planned and implemented correctly. In a democratized market it is the quality and depth of the clients' relationships-physically and psychologically that ultimately differentiates between brands (Burnett, 2004).

In line with Richard (2009), performance of organizations incorporates three main zones of firm outcomes: financial performance (profits, return on assets, and return on investments); product market return and economic value added). In recent times, organizational performance has also been measured using non-financial measures such as customer satisfaction, social responsibility, organization structure (Herman & Renz, 2008); increased customer base and reduced complaints and defections, meeting client needs, brand visibility, relationship management, and technology.

Various major aspects including pension client retention in fund management embrace the variety of services, prices charged (Abtratt & Russel, 2004). It is apparent that greater service is not satisfactory. Prices is vital and relationship excellence. Though there have been numerous researches on client retention in various financial institutions (Fisher, 2001), there is pint -sized pragmatic research probing the paradigms that could bring about client retention.

1.1.1 Client Retention

Client retention is an assessment of the service and satisfaction provided by a business that measures how loyal its customers are (Anderson & Sullivan, 1993. Organizations come up with different strategies to retain clients by assessing the quality of their services, products, satisfaction and relationship management. Keeping a clientôs business rather than have the client defecting to a competitor, reflects relationship continuation and management. Organizations need to take this into account (Watkins, 1999). The longer a client stays with an organization the more utility the client generates revenue to the organization. Maintaining high levels of satisfaction will not, by itself, ensure client loyalty, organizations lose certain clients who have built a relationship with a competitor over time, as a consequence, retaining clients becomes a priority. A client may not be thrilled by an organization but the rational experience (convenience) outweighs the emotional experience (the fact that you dislike them), in this case, client retention numbers may appear high, but it's built on a false premise. As soon as an alternative is available, many clients will exit. The emotions evoked by a client experience act as a chief mediator for client retention (Chen &

Popovich, 2003). When combined with an organization's strong reputation and the profile of the recognized expertise, client emotions are the chief determinant of client retention, without the emotional bond necessary to retain clients, client loyalty is impossible. Interactions that evoke negative feelings or manipulative tactics negate trust and while there are a few notable exceptions, most companies do not intend to negate trust. Failure to craft a deliberate client experience puts organizations at risk for doing just that.

The advantage of client retention to the organization is that it provides for cost savings, risk taking comfort with a company and trust in their expertise leads to client recommendation to new clients.

The most lasting way of retaining clients, however, is through conscientious service that includes following up on any issues or complaints. If a consumer has a negative experience with a company, he or she may deal with that business less often or not at all. If the firm sincerely apologizes and takes the time to have a polite representative telephone the client occasionally to see how they can meet his or her needs, the consumer may reconsider and keep dealing with that company despite any past unpleasantness.

In order to retain customers over time professional service providers need to place more efforts on the creation of personal relationships with the clients, as it is a strong bond tying client to the firm, creation of customer satisfaction and switching barriers are the main strategies employed by firms, for retaining clients (Gummesson, 2002).

1.1.2 Pension Funds in Kenya

A pension scheme is an arrangement which is anchored on written law or by a convention and should be well planned and systematic in order to provide regular income after retirement to specific person Devolder, P. Janssen. J, & Manca, R. (2013).

Kenya Retirement Benefit plan was initiated immediately after independence making it the primary Post Independent Retirement Benefit Plan Fund Unit, which later evolved to the National

Social Security Fund (NSSF) that was initiated in 1965. In the past, the Kenya Retirement Benefit Scheme systems prior to improvements were done to the segment. The Retirements Benefits Scheme fund system offered benefits when an employeeǿs retired or achieving the obligatory retirement age of 55 (RBA 2007).

Kenyan workers or Trust Companies initiated pension funds in the binding trusts. This is done in agreement with the subsequent Parliament Acts: Trustees (Perpetual Succession) Act Cap 164: Trustee Act Cap167. Benefits Act (1997) which initiated the growth of Retirement Benefit Regulation for occupational schemes, which was later operationalized on 8th October 2001 (Bodie, Detemple & Rindisbacher, 2009). The regulations were envisioned to attain pension funds separation from the employerǿs funds. Previously employers had indefinite access to the pension funds to recover their cash flows in the firm. Some of the cases comprise of the University of Nairobi, Railway Corporation of Kenya. The Pre RBA-period in Kenya saw a retirement benefits division with little efficient supervision and guidelines. In the past the interest of retirement plan beneficiaries and their members were not protected adequately. Also, apprehension about the financial viability and design of definite plans in the state, unless suitable corrective actions were taken, deprived administration and investment of plans funds with specific concerns focused on investment, principally in a property. It was observed in the most of the cases; this was always a risk of misappropriation and mismanagement. Additional accountability and disclosure were lacking and confidence in the sector was low.

The Kenya Retirement Benefit Plan fund has four types: Individual Pension Plan, NSSF, Civil Servants Pension Scheme (CSPS) and Occupational Retirement Schemes (ORS). NSSF is a pension fund sponsored by the state operating by the name National Social Security Fund (NSSF). This fund is compulsory to all workers who work both in private and public sector. NSSF is considered to be a public fund that covers an approximation of 1,000,000 members both the informal and formal divisions and the NSSF contributions are compulsory for workers in

Companies with more than five workers. The members give about 5% of their monthly incomes to a highest of Kenya Shillings 200 that is harmonized by an equivalent employer contribution. Nevertheless, RBA permits the workers to contribute more on a deliberate basis to a highest of Kenya shillings 1,000 every month and that the old ï age Retirement Benefit Scheme benefits are accessible to those aged 55 who have already retired from dynamic service.

Second category being the one run by public service and is usually intended to serve civil servants. (Antolin et al.2008) civil servants pension plans for the public employees, judiciary work force, military workforce, Kenya armed forces, parliamentarians and teachers. CSPS offers benefits counting old age pension, compensation, and injury, benefits of continued existence, dependence pension for 5 years immediately after pensioner death, pension disability which is only for military and lump sum gratuities. The CSPS had about300,000 members as at January 2015. The third category of pension funds is known as occupational schemes and their membership comprises of the private sector companies that operate pension schemes. In an attempt to collect retirement benefits for their workforce, ORS were initiated. In Kenya, ORS are controlled on a Defined Contribution Retirement Benefit Plan structures. Although for the situation of Kenya, the Defined Contribution is the principal design; however, it is not obligatory for employees to initiate the ORS, once initiated, the funds fall under the Retirement Benefits Authority mandate and therefore should conform to the put down policies. The ORS, once initiated, the funds falls under the Retirement Benefits Authority mandate and therefore should conform to the put down policies. The ORS are expected to cover an approximated 5% of the Kenya working population. The last type encompasses individual pension plan that ran as trust, and its membership is usually open to everybody. The Individual Retirement Schemes (IRS) are usually operated by financial firms, for the case of Kenya, it is mostly operated by insurance firms in Kenya, that offer a saving path for employees who do not have their individual plans and employees who anticipate to make extra deliberate contributions. As at 2015, RBA had indexed over 21 IRS that enclosed an approximated

2% of the working inhabitants (Black, 1994). IRS filled the spaces where the employeeõs number is so depressing to outline an ORS that would make it no being economically feasible because of low membership.

A trustee is an individual appointed to administer the trust of a fund. Theyõre responsible for ensuring the scheme operates according to all the rules specific to the Scheme and to current law. They ensure that employerõs contributions are sufficient to pay the future benefits (Marcaillou, P,2016). Trustees, mange the investment portfolio and can wind up schemes, they are required to appoint scheme service providers; Administrators, Fund Managers, Auditors, Actuaries, Custodians, Investment Consultants & Lawyers. To protect the benefits of members, to promote and to improve understanding of the good administration of work based on pension schemes, and to ensure the fund is well invested in terms of the asset classes according to the RBA regulations.

1.2 Statement of the Problem

It costs as much as six times to get a new client than retention (Stubb ,2005) Comments that many firms take it for granted ñthey donõt look for opportunities to increase revenue from perfectly satisfied clientsò. Firms are in the long run strategizing how to keep the current client than acquire but the risk here is once you lose the highest revenue generator this automatically affectõs the financials thus causing loss in profits. The probability to acquire a new account is high but the probability to retain is very low. Thus, the assumption if the client has switched, thereõs a likelihood to switch again. A successful business is defined by the relationship it has with the clients. The relationship should be caring and ongoing (La Barbera & Mzursky. 1983). Once you have the clients, retention is way easier and much least costly (and that comes to treating the customer well and making them feel valued).

Assets under management have grown for the past 7 years from 62 Billion to 159 Billion, the significant growth has been due to great investment in people, systems, processes, market performance and have upheld professionalism and ensured accuracy in promptness of information at all times. Value adds to clients by providing trustees trainings to enhance their expertise and duties as trustees.

Access to RBA industry reports for June 2016 and 2018 respectively (www.rba.go.ke). In June 2017 OMIG was ranked fourth in the Pension Industry market share taking up 105.1 billion which constitute13.4% of Kshs. 781.09 Billion, Sanlam was ranked as one taking up Kshs. 176.26 billion which constitute 21.73 % and 64.87% taken up by Gen Africa, Stanlib and ICEA. In 2018, Old Mutual Investment Group was still ranked fourth in the Pension Industry market share taking up 12.5% of Kshs. 998.17 Billion, Sanlam was ranked as one taking up 20.48 %, and 67.02% taken up by Gen Africa, Stanlib and ICEA. Despite the fact that OMIG has been able to retain position four in the industry for three consecutive years there has been stiff competition in fund management, the top managers have also maintained the same positions. There is need to establish the study on factors influencing the retention of pension clients in fund management, in order to mitigate defection of pension clients from OMIG, Kenya.

1.3 Purpose of the study

This research was intended to examine the factors influencing retention of pension clients in fund management a case of Old Mutual Investment Group, Kenya.

1.4 Objective of the study

i) To establish how client relationship management influence retention of pension clients in fund management.

ii) To establish how relationship marketing influence retention of pension clients in fund management.

iii) To determine the extent to which perceived - value pricing influence retention of pension clients in fund management.

1.5 Research Questions

i) How does customer relationship management influence customer retention in fund management?

ii) How does relationship marketing influence customer retention in fund management?

iii) How does perceived -value pricing influence customer retention in fund management?

1.6 Significance of the Study

The findings of this study will assist OMIG and other fund managers, scheme administrators and RBA to gain additional knowledge in relation to customer relationship management, relationship marketing and price perceived tactics in actual practices in the Industry. This is expected to enhance their understanding of the strategies and how theyǵre applied to facilitate pension client retention.

The findings will also guide the pension scheme trustees to select their preferred fund manager or administrator basing on certain factors that must be met by the service providers.

This research will also help the Retirement Benefits Authority, Fund Managers Associations or any other body to draft policies for fund management. This research can further be replicated in other industries or other fund managers to test if the strategies have changed or the same are still being applied.

The study focuses on factors influencing retention of pension clients in fund management and scholars in this area will be in a position to use this study to further the debate on the strategies related to the study.

1.7 Limitations of the Study

Due to various decision makers and service providers involved in selection of a fund manager, it was difficult to conduct in depth interviews with a particular board of trustees, the management and service providers involved in decision making. However, we interviewed one or two decision makers from selected schemes, administrators and fund managers.

The study faced challenges of response bias due to known response where the respondents were sceptical on the reputation of the fund manager. This was however overcome by informing them of the magnitude and importance of the data to be collected as well as the ethical requirements expected of them upon consenting to participate in the study.

1.8 Delimitations of the Study

The study was carried out in Nairobi city. It was delimited to respondents that are within the Nairobi Area. This was carried out among fund managers staff that deal with pension clients directly, administrators and pension clients. The study confined to the three variables; Client Relationship Management, Relationship Marketing and perceived value pricing seeking to determine factors influencing the retention of pension clients in fund management.

1.9 Basic Assumptions of the Study

The assumption of this study was that all the respondents involved in this study gave accurate and honest responses and all the responses-maintained confidentiality.

In achieving the objectives of the study, several assumptions were made. The study assumed that the internal validity of the instruments of data collection that is how the respondents responded to the questionnaire, does not have an effect on the relationship between the study variables. The study also assumed that the choice of Old Mutual Investment Group as a case study did not have an effect on the quality of data collected due to bias.

1.10 Definitions of Significant Terms

Operational definitions of key terms used.

Retirement Benefits Authority is a regulatory body in Kenya that is involved in supervision and guidelines of the retirement act.

Customer Relationship Management is an approach that focuses on the long -term relationship with customers. CRM aims to provide the customers benefits and values from their point of view and not based on what the company wants to sell.

Return on Investment is a measure the gain or loss generated on an investment relative to the amount of money invested. This usually compares the companyôs profitability or loss.

Return on Assets is an indicator of how profitable a company is in relation to its assets. This gives an investor an idea of how efficient a companyôs management is using its assets to generate earnings.

Customer Retention is the activity that a selling organization undertakes in order to reduce customer defections

Fund Manager is a professional who invests funds on behalf of an individual or institution in order to meet specified investment goals for the benefit of the investor.

Funds under Management measures the total market value of the portfolio that an institution manages on behalf of its clients and themselves.

1.11 Organization of the Study

The research study is organised in five chapters. Chapter One of the study introduces the topic of the study, gives its background, statement of problem, the studyôs purpose, objectives of the study, research questions, the basic assumptions, limitations, delimitation of the study, definitions of significant terms used in the study and a summary of the organization of the study. Chapter Two of the study is the literature review, which consists of an introduction and a review of literatures based on the themes or objectives of the study. This chapter also has the empirical, theoretical and conceptual frameworks and an explanation of the relationships among the variables in the conceptual framework. Chapter Three, the methodology section, outlines the research design, target population, sample size and sampling procedures and the data collection instruments used in the study. It also has the pilot testing, reliability and the validity of the instruments, data collection procedures and the data analysis techniques used. This chapter also contains the ethical considerations and the operational definition of the variables. Chapter four presents the results of the study, findings, data presentation and analysis of the same. Chapter five contains summary of the findings, discussion, conclusion and recommendations of the results obtained from the data analyzed and the information gathered in chapter four.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This Chapter provides previous research and what has been found in study. This chapter will focus on factors influencing retention of pension clients in fund management, present the theoretical framework, conceptual framework, knowledge gap and summary of the literature review.

2.2 Client Retention

According to Thompson (2004), client retention is about increasing the sales by extremely satisfy and provision of good service so that they keep returning back. In order to ensure client retention is successful, the quality of service needs to satisfy or go beyond a clientφs expectations (Zikmund, McLeod and Gilbert (2002). The same view has been supported by Storbaka and Lehtimen (2001), considering the client needs for today is not enough, it is prudent to predict the clientφs future needs. As clients begin to experience a better service, their expectations rise. The customer makes conscious and unconscious comparisons between different service experiences irrespective of the industry. Cook (2002) states that, a firmφs ability to attract and retain a new client, it is a function of not only its product or offering but also the way it serves its existing clients and the reputation created within and across the market.

Client retention implies a long-term commitment on the part of the client and firm to maintain the relationship. Cook (2002), there are underlined statistics that show how crucial retaining clients can be; Reducing client defections this can boost the profits by 25% to 85%. The price of acquiring client can be six times greater than the cost of keeping current ones Stubb, (2005).

Reichheld and Sasser, (1990) client retention has been advocated as an easier and more reliable source of superior performance. Customer retention brings benefits such as employee retention and satisfaction, better service, builds a strong team, higher productivity, motivates staff, increase in market share, Zineldin, (2000). The tangible effects of firmӧs commitment to retaining clients were first published by Dawkins and Reichheld (1990) who claim that higher retention rate leads to higher profitability. Reichheldӧs core proposition is that building and sustain customer loyalty require a three prolonged approach: retaining employees, retaining investors and retaining clients, Reichheld (1996).

According to Reichheld (2002) identified success in retaining clients is attributed to by a combination of strategies such as; define and measure retention, looking for loyalty in the right places with a focus of getting the right clients and not a lot of them, changing channels of distribution, minimizing adverse selection of customers through creative filtering, rewarding the sales force for retaining clients and hold the most valuable clients. Kottler (1999) clearly outlines that firms must pay close attention to client defection rate and take measures to reduce it. He outlines the following steps: A firm must define and measure its retention rate, firms must distinguish the causes of customer attrition and identify those that can be managed better, there is need to establish how much profit is lost if it loses clients and lastly the firmӧs needs to figure out the budget required to reduce the defection rate. In terms of attracting and retaining new clients, firms are reminded to be aware of the different ñloyalty coefficientò ï the amount of economic forces needed to move different kinds of clients. The easiest to win is likely to be the one who will be the quickest to defect. Yan (2008), the clients who glide into your arms for a minimal price discount are the same clients who will take off with someone else at the slightest enticement.

Payne and Fow (1997) examined customer retention in the context of a major UK electricity supplier. Specifically, they modelled the probable impact of marketing programmes that focused on either retention rates, profit per customer and cost of acquisition in terms of four variables; number of clients, retention rates, profit per customer and cost of acquisition. Based on other factors, they then suggest that retention strategies need to be based on the understanding of the relative profitability of different segments (the economics of retention), existing mass marketing strategies need to be replaced based on those identifiable value propositions and retention management strategies should be aimed at specific segments that are currently or potentially profitable. Page et al. (1996) and Payne and Frow (1997) acknowledged that customer retention brought profits to the firm and that existing, potential and new clients should be treated differently. Reichheld (2000) acknowledges that not all clients prefer long- term relationships. There are customers who prefer to spend more and require prompt and quality service.

There has been very little specific research into the development and content of client retention and acquisition plans (De Souza, 1992). However there have been some reports indicative of the relative weight attached to client retention budgets. According to Weinstein (2002) most companies spend a majority of their time, energy and resources chasing new business. Eighty percent or more budget is usually assigned to new business. Payne and Frows (1999) finding only 23 percent of marketing budget is allocated for retention in most organizations. Aspinall et al (2001), in contrast, found that 54 per cent of organizations reported that client retention was more important than client acquisition.

Customers decision to purchase products and services offered in the financial industry are influenced by a number of factors. For instance, Abratt and Russell (1999) cited factors such as range of services available, rates, fees and prices charged as some of the factors influencing customers, choice of an organizationҫs product or service. Besides factors such as prices, quality of services, ability to satisfy customer needs and product innovation are important in marketing financial products, very few empirical studies have investigated constructs that could lead to customer retention (Fisher, 2001). Colgate et al., (1996) further stated that most banks claim that creating and maintaining customer relationships are important to them and they are aware of the positive values that relationships provide.

Local studies done on customer retention in Kenya have not focused on factors affecting customer retention in fund management. Siboe (2006) did a study on customer retention strategies used by internet service providers in Kenya while relationship marketing study was conducted by Jerono (2008) who pointed the strategy as a strong pillar for client acquisition and retention in the commercial banks in Kenya.

2.2.1 Customer Relationship Management

Customer relationship management is remarkable technique that involves creating relationship that gives a win-win situation for both clients and the Company, Bran, Galka and Strunk (2008). Customer Relationship Management in banking industry has been established as the main strategy in retention; Dawkins & Reichheld (2003), Fisher (2001) and Heskett et al., (2002). However, in fund management where we have a chain of decision makers, most clients are corporate thus the retention strategies vary, the focus on the clients and service becomes increasingly important as institutions compete in order to retain and not loose existing clients to competitors Osenton (2004).

According to Smith (2006), Customer Relationship Management, outlines guidelines for a firm to follow in developing loyalty card program; A firm needs to establish whether it has real loyal clients and long term benefits of the loyalty scheme to customer and the firm, assess the cost of putting up the loyalty program in terms of time, resources and increased value of client, look and the balance between retention and new acquisition, examine ways in which the loyalty program can be build to fit the varying needs and expectations of clients. Reichheld (1996) proposes that in building and sustaining client loyalty we require a three ï pronged strategy: retaining employees, retaining investors and retaining clients.

Mohammed (2000) outlines that achieving and maintaining an effective customer relationship management culture, a firm needs to consider the following; Get closer to the customer, know them better, be clear about their needs, predict their needs, get their feedback through surveys and be aware of their concerns that they may raise. Sometimes profitability and increases in business are extremely poor measures and it could be well that the reasons are incidental rather than deliberate. Customer relationship management means that a firm is in a position to assess the adequacy of current approaches for fulfilling client needs and in a position to know the new services and products required in the future. This means that though concentration on your clients as a firm it is easy to identify strengths and weaknesses and asses performance from a competitive perspective. Finally, external feedback is the echo of efforts and the indicator for determining whether the firm is on track, rate employees performance and most appropriate reward and recognition.

According to Wanjau , (2003) identified the underlying benefits of CRM to unlock the relationship with client retention in an organization to enable acceleration in revenue; detect customer retention incentives, winning back exited accounts, client satisfaction, client acquisitions, client loyalty, and complaints resolutions enabled to manage data efficiently, the study found out that the manual system used by KCB was not perfect but was stable and had worked well in managing client service. Parreault & McCarthy (2002) note that CRM improves the marketing effort with information from a detailed customer base and profit growth Ellis (2004).

2.2.2 Customer Relationship Marketing

Relationship Marketing has been studied for decades. Nonetheless, customer relationship management and client retention remain a key strategy for companies (Roig et al.,2006). With the increasing use of internet, clients have great opportunities to be more powerful and effective against the banks. Banks now understand that they can only be successful in retention if they build long lasting relationships (Kocogu&Kimaci,2012). This is because developed positive relationships with the customer links their loyalty, and loyal client has potential to provide various advantages and benefits (Roig et al, 2006).

According to Reinartz & Kumar (2003) and Gupta et al. (2004) support the assertion that relationship marketing is an important interactive strategy with a client of a firm that is associated with client retention. (Robert, Varki & Brodie,2003) stressed on the importance of relationship marketing as an important tool that fosters interaction or two-way communication with clients. Clients are sometimes reluctant to change service providers due to concerns over loss of membership points or special rates (Steven, Dong & Dresner, 2012). Relationship marketing therefore serves to increase switching costs and enhance client retention (Reintarz & Kumar,2003).

Thuo (1999) conducted a research to investigate the state of relationship marketing strategy in the Kenyan banking sector. His study found that bank marketerφs awareness and understanding of the relationship marketing concept was quite high but implementation was rather low and unilateral. Banks tended to apply relationship marketing mostly to their corporate clients who form a minority of their clientφs base as opposed to consumer clients who form the bulk of their customer base. Njuguna (2003) in a study on the use of relationship marketing strategy by supermarkets found that managers of large supermarkets had a highly positive attitude towards relationship marketing. Managers of medium and small supermarkets had a fairly positive attitude and average understanding of the concept. She found that the managers understanding of the relationship marketing concept influenced the managers attitude towards adopting relationship marketing practices.

According to Murage (2002) on relationship marketing strategies in the paint industry, which sought to measure its usage in enhancing brand loyalty of industrial buyers, he found that most executives were not aware of the relationship marketing concept. But they undertook those activities particularly the ones to do with customer retention such as identifying customer needs through research and recognized the importance of reinforcing promotions for their customers as a tool to enhance brand loyalty.

2.2.3 Perceived Value pricing

Price is an ultimate payment of an offered good or service. Pricing strategies is a method used by different firms to establish the services and products they provide when penetrating in the market and when already in existence (Roxer, 2009). Marketing configuration of a firm forms the underlying base of factors that determine pricing (Yan, 2008). However, Fall (2008) brought into light that pricing of services and products is determined by certain guidelines based on the firmǿs resolutions; financial, commercial and psychological factor.

According to Kaguri (2016) price plays a positive role in customer retention. Clients have no control over prices such as interest rates which are regulated hence a client will not move from one Bank to another hoping to find a better rate but accept what is offered by the Bank. On the other side (Polo, Sese & Verhoef ,2011) found that when a consumer pays a higher price than others do, or when a consumer receives a lesser product than anticipated either in terms of quantity or quality, apparent negative price inequity occurs. Then again, positive price inequity may result from either receiving high quality product than others, who paid the same price, or paying lower price but getting the same product. Polo, Sese &Verhoef (2011) stressed on the importance of setting rational prices for services offered by firms in order to entice and retain customers in the long run.

Abratt and Russell (1999) found that the price of accessing banking services, charges on transactions and other costs such as time, internet and transport fees for the client influence client retention rates in commercial banks. In fact, a study by power &Associates (2012) concluded that overall cost of banking significantly determines the institution of choice. The recent reduction in fees by banks to enhance client retention this has not prevented defection rate instead clients are opting for cheaper and more financial convenient banking competition.

Michael (2004) explains the existence of competitive pricing which he explains as the type of pricing that involves the use of competitor prices as a base for setting own prices. Prices set are a little bit lower, higher or the same as the competitor depending on the strategy you employ to position your products and services. Chin (2008) advises that prices of competitors can be observed from the market environment and be used to offer guidance in setting personal prices through this needs to be done with extra care and clarity after a detailed research on the financial standing of the products and services.

2.3 Theoretical Framework

This study is anchored on the following theories to help establish the factors influencing the retention of pension clients in fund management.

2.3.1 Customer Retention Theory

The theories on Customer Retention emerged from three main theories: Service Approach, Industrial Marketing and General Management Approach.

Service approach: the way to retain clients is to improve customer service and satisfaction (Zeithaml and Bitner, 1996). In related study, Ennew and Binks (1996) examined the links between client retention, defection, acquisition and service quality in the context of relationships between firms and their clients. Their findings supported the hypothesis that retention is influenced by service quality in both functional and technical and customer relationship.

Industrial marketing approach, clients are retained by creating multi ï level bonds comprising of financial, social and structural bonds. According to Turnbull and Wilson (1989) social bonds are positive interpersonal relationships between the buyer and seller. Although they did not provide an explicit definition of structural bonds they implied, through their illustrations that structural bonds refer to relationship that are built upon joint investments which cannot be retrieved when the relationship ends. This may be due to the complexity of the relationship and the cost of terminating the contract.

Management approach, caters on management behaviour and how the behaviour can influence client retention. Desouza (1992) advocates retention measures and implementation of measures which prevent clients defecting through referrals, analysing complaints, service data and identifying and raising barriers to customers switching or declining to offer new business. Also, the first impression by new customers, repeat, switched away and return customers. Reorganizing the firm greatly influences customer retention and acquisition (Rosenberg and Czepiel (1984). Reichheld (1996) advocated the pursuit of a three- prolonged approach of the investors, customers, employees and the firmøs mission, which should be about creating value for the three above mentioned items. His idea rested on the notion that disloyal investors do not support long term relationship programmes.

York (2001) points out that organizations must become outward looking and achieve their objectives through customer satisfaction and develop customer loyalty. Selling must be based on the needs of the customer and must be a dimension of service (Ferreira,2004). A key dependent of relationship selling is the development of a culture of employee empowerment (Bennett & Durkin,2002).

Competition in Fund Management has become more complex and dynamic. To achieve retention, Fund Managers need to pay more attention to the relationships with their clients. A higher level of commitment in the relationship will result in more durable loyalty (Reichheld,1994; Iniesta & Sanchez, 2002). Commitment is the highest level of relational union (Wetzeløs, De Ruyter & Van Birgelen, 1998), and will invariably lead to sales to satisfy needs. Bennett & Durkin (2002) state the importance of a relationship- based sales culture, which is based on the following three sets of relationships within the organization; relationship between staff and customers and the relationship between the fund manager and other service providers; custodians and administrators. The successful application of this model should lead to high levels of employee commitment, an integrated and focused Customer Relationship Management Strategy.

2.3.2 Customer Relationship Management (CRM) Theory

The origins of CRM can be traced in the 1990ǿs of the 20th century when the concept of marketing changed from transactional to relational (Dohnal,2002). Since the beginning there are varied definitions, CRM acronym varied from Customer Relationship Management to Customer Relationship Marketing (Buttl,2009). It is difficult to define wo was the first to define CRM. Some sources claim that Lehitnen together with colleagues were the first to research and write about CRM (Lehtinen, 2007). CRM came to be being together with development of marketing which became more personal until it transformed into client marketing also known as one to one marketing, which aims at individual clients. Therefore, CRM requires companies to change their views of marketing. Transactional (classical) marketing is becoming a thing of the past and the new trend is relational marketing (Dohnal,2002).

CRM as an approach where the seller fine tunes the marketing effort with information from a detailed customer database (Perrault & McCarthy, 2002:84). CRM is a customer centric approach and focuses on the long -term relationship with customers (Gray & Byun, 2003). CRM aims to provide the customers benefits and values from their point of view and not based on what the company wants to sell. The main principles of CRM implantation include personalization, loyalty and lifetime value. Customers need to be treated individually; customer loyalty needs to be acquired and retained through a personal relationship; and they need to be selected based on lifetime value (select good customers and not bad customers). The four goals of CRM include; customer identification. The Organization builds up information about its customers over time through transactions, interactions and other marketing channels. There is need to know the customer and identify their needs in order to offer value offering services and products. Customer differentiation, they are different based on lifetime value, unique demands, requirements and customers interaction. The Company continuously needs to learn about the customer behaviour and needs; Personalization. The motto of CRM is that customers need to be treated in a unique manner. Customer loyalty can be increased through a personalisation process.

The main benefits of CRM include the following; improved retention ability of the fund manager; to maximise the customerœs lifetime value; improving customer service, without an increase in costs. A CRM programme that is successful will help a company to generate high revenues and sustain growth by linking with customers and receiving value through relationship (Cap Gemini Ernst & Young, 2005). Organizations cannot generate sustainable growth without growing the value of its customer base. A disciplined CRM programme can assist the company to realise relationship value and growth through either effective targeting or acquiring customers, cross selling, cultivating existing relationships and by improving customer loyalty.

Customer Relationship Management literature shows the incidence of high service, quality and extraordinary customer retention rates will result in a high level of purchase intentions. Rowley and Daws (2000), they also found out that the quality of product and service quality, in general it depends with the type of manager. Organizations are stressing on customer retention plan which is an integral component of an organizationœs business plan.

2.3.3 Relationship Marketing Theory

The general framework of the existence of relationship marketing theory was represented by the marketing functionality. Central to market functionality and essential for marketing theory is the concept of exchange. There are two literature streams that define the exchange concept and the understanding of marketing concept. The first one is that markets can be understood though the economic behavior of its actors, the people involved retain any information from other similar exchanges (Hedda & Ritter, 2005). In opposition with market actors from their commercial or market relations. The second is the relational aspect of exchanges, considered to be a new paradigm in understanding marketing theory (Sheth and Parvatiyar,1995).

The change of paradigmatic framework that has determined the rise of the relationship marketing paradigm took the forms of market fragmentation and the growing importance of services within the developed economies in the 1980ǿs. Until that moment, the marketing mix was unanimously accepted as the paradigm of marketing theory (McCarthy, 1960). The changes imposed the companies a more relational approach of their clients. This change of paradigm created a favorable condition for the emergence of relationship marketing, this has been achieved through vast researches. A first set of research was based on the service marketing literature and use relationship marketing as a critic for the marketing mix which attracted by one client (Berry,1983). A second research concluded that the purpose of marketing was to maintain, create relationships with its clients (Hakanson, 1982).

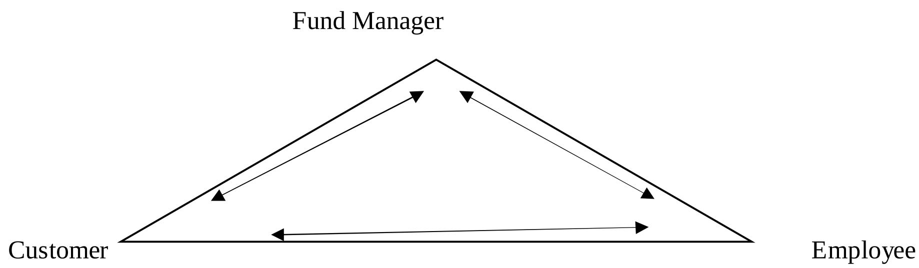
The challenge for most companies today is to thrive in a relationship economy (Cap Gemini Ernst & Young, 2005). Competition for the most profitable customer is very tough and companies need to know their Customerǿs; experiences, habits and their values. Customers have become very demanding and increased their expectations. The environment has evolved into a complex landscape which has resulted in the high value placed on relationship marketing in the 1990ǿs (Christopher, Payne & Ballantyne, 1991) Gronroos (1994) states that a paradigm shift is evolving in marketing from the focus on the four Ps of marketing - Product, price, place and promotion to a new approach based on building and management of relationships and interactions between customers, suppliers, stakeholders and competitors. This does not mean that the four Ps are less valuable but the focus has shifted to a new paradigm where more market-oriented drive and the customer as the focal point are suggested as the marketing concept.

Relationship segmentation can be seen as the cornerstone of marketing (Gronroos, 1994b). Relationship marketing is focussed on customer retention, acquisition, service, product benefits, long term scale, high customer commitment, customer contact and loyalty (Cheese,1994; Gummesson, 1998; Abratt & Russell,1999). Relationship Marketing focus is to move the customers to the ladder of loyalty (Voss & Voss, 1997). It also seeks to change the market demands in favour of a particular company by providing unique value which must be sustainable over time. Relationship marketing is seen as a combination of quality, customer service and marketing. The key relationship is based between the supplier and the customer. All these reflects the notion that the centre of the relationship marketing philosophy is to make the most of existing customers (retention) to enable the company to make long term profits.

Relationship marketing is similar to the concept of one- to ï one marketing. This means to be willing to change your behaviour toward an individual customer based on what the customer tells you and what else you know about that customer (Peppers, Rogers & Dorf,1999:3). It is grounded in the principle of establishing a learning relationship with each customer, with the focus on your most valuable ones. The marketing concept sees satisfaction as the highway to profits (Perrenault & McCarthy,2002). However, although it seems logical. I tend to defer that Satisfaction alone that may lead to profits (Gummesson,1998). The customer relationship must be maintained to sustain purchase loyalty and retention which lead to profitability. Customer value reflects benefits and costs, or the difference between the benefits from the market offering and the cost of obtaining the benefits. Providing continuous value to customers firms the relationship (Cram,2001)

Fund managers that embrace the marketing concept, see relationship building as the way to build long-term relationship with each customer. Relationship marketing can result in long term retention, which leads to improved financial and market performance and an increased competitive edge. It is further concerned with the building of bonds with customers to ensure long term relationships of mutual advantage. Figure 1 below illustrates the inter ï relationships that exist between the Fund Manager, Customer and employee. For relationship marketing to be successful, two-way relationships must exist between the three parties of the triangle (Bennett & Durkin, 2002).

Figure 1: Inter- Relationships of Relationship Marketing in Fund Management



Source: Bennett & Durkin (2002:204)

Part of the wide field of marketing is concerned with the exchange relationships between a company and its customer. Organizations need to be customer focused and oriented (Christopher et al, 1991). Relationship marketing has been addressing the importance of acquiring customers but also retaining and building ongoing relationship (Rayner, 1996). It is no longer sufficient to provide the customer with technical solutions to be competitive. To create customer loyalty various value-added services, which start way back before the transaction and continue far beyond (Wetzelõs Ruyter & Van Birgelen,1998). The concept of relationship marketing is embedded in services marketing and incorporates service delivery processes.

The relational exchange can provide competitive advantage and create barriers to switching. To be effective and successful the relationship marketing philosophy needs the support of the all employees in the department and extended to the whole organization on integrated basis. However, it is not always possible for Organizations with large customer base to have close relationships with all their customers (Benett & Durkin,2002). Not all relationships need to be at the same level of intimacy. An appropriate relationship marketing strategy will ensure that customers are managed in segmented levels. According to Gummesson (1998) and Abratt & Russell (1999) there are certain themes emerging in relationship marketing Literature: Placing emphasis on relationship rather than on a transaction approach to relationship marketing. The focus is to increase customer retention and acquisition. Fund Managers need to know their customers, their needs and cross- sell through the group and offer value adds like financial education and sponsorship. The relationship is also based on equal and respectful terms; the organization must understand the economies of customer retention. Thereꞔs need to ensure the appropriate allocation of marketing resources to existing customers. The increased retention will lower costs and can lead to increased productivity. Customer segmentation is essential for a relationship marketing strategy. This involves targeting certain profitable customers and maximizing the lifetime value of desirable customers and customer segmentation.

The relationship is based on a win- win scenario, where all parties involved receive increased and mutual value; Marketing and quality customer service needs to be integrated. The extend to which the client perceives the Fund Manager will be acting ethically will influence the relationship quality. This will lead to the establishment of trust and will build commitment throughout the length of the relationship; fund managers need to care for existing customers and increase their share of spending.

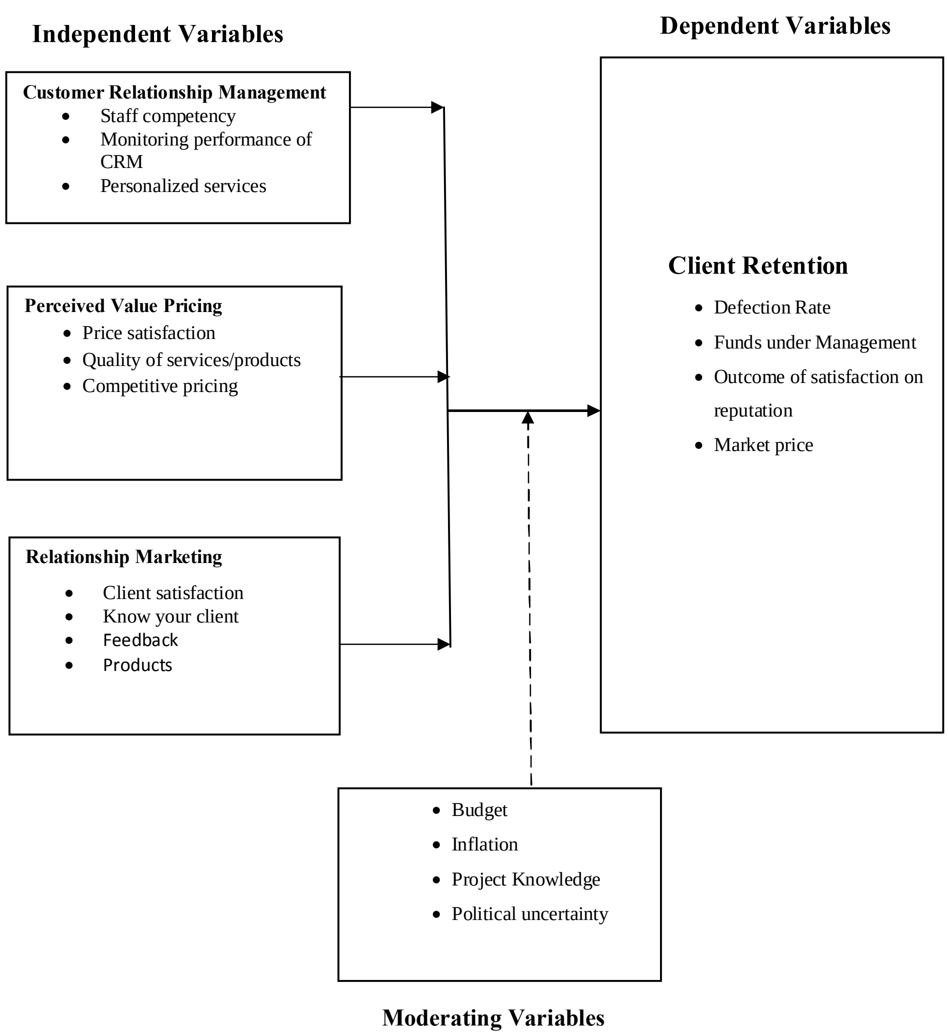
There is need for awareness on organization structure, stability of operations, staff training and empowerment. As the knowledge on the fund manager reputation buildꞔs up, the Manager moves into a position to better satisfy individual customer needs; Relationship marketing can be applied to various market domains and not just consumer markets. Relationship marketing can differentiate an organization and lead to competitive advantage. An example is customers who become less sensitive to price over time.

2.4 Conceptual Framework

The conceptual framework shows the interconnectedness between the concept and clearly outline the variables and the relationship between them (Miles and Huberman, 1994). The independent variables in this study are; Customer Relationship Management, Relationship Marketing and perceived -value pricing. The dependent variable is client retention (Dawkins & Reichheld, 2003). The moderating variables are political stability, budget, inflation and funds under management.

This is illustrated in Figure 2;

Figure 2: Conceptual Framework



Source; (Researcher, 2018)

2.5 Knowledge gap

The study intends to intends to fill various gaps as highlighted per objective in table 2.1:

Table 2.1: Knowledge Gap

Objective	Gap that the project seeks to fill
To establish how client relationship management influence retention of pension clients in fund management.	A study carried out by Wanjau (2011) on the effect of customer relationship management on client retention at KCB, the study supported the theories that technology assisted in identifying ways to detect client retention incentives, receive client feedback, analyze and resolve and data management. The study focused on the banking. This study focused on retention of pension clients in fund management.
To establish how relationship marketing influence retention of pension clients in fund management.	Studies have been conducted in the banking sector which still can be replicated in fund management. The projects such as product strategy in commercial banks (Kimani 2003), influence of technology in marketing in commercial (Mbote 2003) client perception and expectation of quality service in banks. Little has been done on factors influencing retention of pension clients. It is therefore necessary to establish how relationship marketing influence retention of pension clients in fund management.
To determine the extent to which pricing influence retention of pension clients in fund management.	According to (Njane 2013) clients are maintained because they have competitive advantages through offerings and distinctive products and competitive pricing compared to others. (Machibya,2015) studied various pricing strategies that were influencing client retention at airtel which would help retain many customers since it was discovered this is the main factor influencing retention, it was recommended that staff to be trained on customer service in order to retain clients. The study sought to bridge the gaps by focusing on market range, products offered in fund management and perception on pricing of fund management fees.

2.6 Summary of the Literature Review

Client retention is an area that a fund manager needs to understand, strategize and execute in order to achieve the desired goal of retention of clients. Client retention can only be achieved if clientôs needs, behavioural patterns and voice are understood. These needs result to either price, products, satisfaction or dissatisfaction. Therefore, the study is aimed to examine the effect of customer relationship management, relationship marketing and price on retention of pension clients in fund Management.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter gives various stages that were used and adapted in order to answer the research questions. It outlines the project research design, the targeted population, the sampling procedure, methods of data collection and justification of the validity and reliability of the process and how the data collected will be analysed.

3.2 Research Design

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to research purpose with economy in procedure. Descriptive research involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data collection (Mugenda & Mugenda, 2003).

The study entailed the collection of information and demonstration of how the three strategies: Client relationship management, relationship marketing perceived - value pricing influence retention of pension clients in fund management. It is through descriptive research methodology that relationships between various elements are demonstrated and their relationships outlined. However, descriptive design has some disadvantages whereby the participants or subjects in a descriptive research may not be truthful or may not behave naturally when they know they are being observed. Issues of confidentiality also arise in a descriptive research. However, the study factored this during data collection stage.

3.3 Target Population

A population is a well-defined or set of people, services, elements, and events, group of things of interest that researchers wish to investigate. Population studies are more representative because everyone has an equal chance to be included in the final sample that is drawn according to Mugenda and Mugenda (2003).

The target population was 102 respondents comprising of OMIG pension clients (39 schemes each constituting of 2 decision makers, 9 staff from 3 fund managers, 9 staff from3 fund administrators and a sample of 88 respondents was determined by Krejcie & Morgan table. Mugenda Mugenda, (2003), explains that the target population should have some observable characteristics, to which the researcher will generalize the results of the study. The respondents were from the pension industry in Nairobi. These respondents qualified to be respondents because they are all knowledgeable of pension client retention strategies.

Table 3.1: The Target population

Source; (OMIG database 2018)

Category	Population
Pension clients	84
3 Fund Managers Staff	9
3 Administrators Staff	9
TOTAL	**102**

Source; (OMIG database 2018)

3.4. Sample Size and Sampling Procedures

Sample is a part of the accessible target population that has been procedurally selected to represent the greater population (Oso and Onen, 2005). In statistics, a simple random sample is a group of subjects chosen from a larger group (a population). Each subject from the population is chosen randomly and entirely by chance, such that each subject has the same probability or chance of being selected at any stage during the sampling process. The sampling technique is more accurate than a census of the entire population. The researcher will use simple random sampling procedure to select the sample population from the target population. Simple random sampling is the most basic form of probability sampling. With this method, the elements are drawn from the population at random and all the elements have the same chance of selection. Reiss and Judd (2010).

A total sample size of 88respondents was selected using the Krejcie and Morgan table.

Table 3.2: The sample size using Krejcie ad Morgan Sample Size Determination

Category	Population	Sample Size
Pension clients	84	70
3 Fund Managers Staff	9	9
3 Administrators Staff	9	9
TOTAL	**102**	**88**

Source: OMIG records, 2018

3.5 Data Collection Methods

Data collection is defined as an instrument which aides in data collection (Fixsen, Naoom, Blasé and Friedman (2015). The study will make use of both primary and secondary data. Whereby, primary data will focus on current situation on variable under study whereas secondary data will focus on perceived information on performance.

Primary data was gathered by use of semi -structured investigator questionnaires and captured through a 5- Point Likert scale type. A Likert scale with close ended questions was distributed to respondents, after approval to collect the data from the relevant authorities. Likert scale is an interval scale that specifically uses five anchors of strongly disagree, disagree, neutral, agree and strongly agree. The Likert measures the level of agreement or disagreement. This type of questionnaire is more appropriate because it enabled consistency in questions asked and data yielded will be easy to analyse. Likert scales are good in measuring perception, attitude, values and behaviour (Smith, 2015).

3.6 Data Collection Procedure

Data collection is the precise, systematic gathering of information relevant to the research problems (Koul, 2009). The study collected data using drop and pick method. Questionnaires were dropped and picked later to enable the respondents have enough time to respond to the questionnaires. The method of pick and drop was used in the study since the respondents are busy and hence need to respond to the questionnaire. Scholars such as Finchman (2008) have argued that drop and pick methodology enhances the response rate of a study. For respondents who did not respond to the questionnaires in a week, one or more week was allocated.

Prior to actual collection of data from the respondents, the proposal was presented to the supervisor for approval. Upon approval of the proposal, a letter of introduction from the University was obtained as well as a permit from the National Commission for Science, Technology and Innovation (NACOSTI) for research to be conducted. The research assistants were trained and briefed on their work to book appointments, drop and pick the questionnaires from the respondents.

3.7 Research Instruments

The study used questionnaires to collect data and information from the targeted population identified. The data collection method was via structured questionnaires developed by the researcher to gather data from the sample population according to the objective of the study. According to Kothari (2004) structured questionnaires are those in which there are definite, concrete and pre ï determined questions. The questionnaire was open and closed ended in order to encourage respondents to give their insights to their feelings, feel motivated and give us much feedback without holding back. The study also collected secondary data from the published reports which include periodicals, journals and internet.

3.7.1 Pilot Testing of the Instruments

The study instrument (questionnaire) was pre - tested in the field using a sample with features similar to the actual target sample. However, the subjects used in the pre-test was not used in the actual study.

After the pre- testing, problems such as ambiguity associated with the questionnaire were modified.

3.7.2 Validity of the Instrument

Instrument validity is the defensibility of the interference researchers make from the data collected through the use of an instrument (Fraenkel and Wallen, 2006). Validity is concerned with whether the findings are really about what they appear to be about and the researcherӳ supervisor will be consulted and complementary sources of evidence from the published reports which include periodicals, journals and internet. There is need to ensure the questionnaire is valid before being used for the main survey. Therefore, validity was checked through the use of exert opinion on ensuring that the questionnaire is not vague but clear enough to be understood by the respondents.

3.7.3 Reliability of the Instrument

There is need to ensure that the research instrument is reliable meaning that it is consistent (Mackey & Gass, 2015). Although unreliability is always present to a certain extent, there will generally be a good deal of consistency in results of a quality instrument gathered at different times; and the tenancy toward consistency found in repeated measurements is referred to as reliability (Best and Kahn, 2006). Coding will be accurate and questionnaire instruction drafted as unambiguously as possible. To achieve reliability, respondent fatigue, interviewer fatigue and bias will be avoided in the administration of the questionnaire.

A pre- test exercise was done on the instrument to check whether the instrument measures the objectives of the research. To achieve reliability, internal reliability, a measure of internal consistency that is Cronbach Alpha was adopted for the study. The findings presented in Table 3.3 indicates that all the variables were reliable since their Cronbach Alpha was greater than 0.7.

Table 3.3: Reliability Results

Variable	Cronbach's Alpha	Number of Items	Reliability measure
Client relationship management	0.825	5	Reliable and valid
Relationship marketing	0.881	5	Reliable and valid
Pricing	0.837	5	Reliable and valid
Retention of pension clients	0.816	4	Reliable and valid

3.8 Methods of Data Analysis

Data analysis involves the ordering of data into consistent parts in order to obtain answers to research questions (Ahuja, 2003).

The completed questionnaires were reviewed for completeness and consistency. The data was coded to enable the responses to be grouped into various categories which were analysed using Statistical Package for Social Scientists (SPSs). SPSs was used to generate frequencies, descriptive and inferential statistics (Chi Square) which will assist the researcher to describe the data and determine the extent used. The findings will be used to identify the relationship between the dependent variable (pension client retention) and independent variables (customer relationship management, perceived ï value pricing and relationship marketing strategies). This will provide an explanation of the extent to which changes in the dependent variables can be explained by the change in the independent variables or the percentage of variations in the dependent variables. The analysed data will be represented by use of, tables, percentages, essays and narrations.

3.9 Ethical Considerations

The researcher ensured the research ethics were observed while administering the data collection instruments to ensure their rights and privacy are upheld. Prior to actual administration of the instruments, an introduction on the main purpose was made to the respondents. The study sought consent of the respondents before they were provided with all the requirements of the study. To ensure confidentiality the respondents names did not appear on the questionnaire. Furthermore, no respondent will be coerced into the exercise at any level.

3.10 Operationalization of study variables

Table 3.4: Operationalization of study variables

Objective	Variables	Indicators	Measurement Scale	Type of analysis	Research Approach
Factors influencing retention of pension clients in fund management	**Dependent**	Defection Rate Funds under Management Outcome of satisfaction on reputation Market price	Ordinal	Frequency Tables Percentages Correlation Inferential	Quantitative
To establish how client relationship management influence retention of pension clients in fund management.	**Independent** Customer Relationship Management **Dependent** Retention of Pension clients	ÅStaff competency ÅMonitoring performance of CRM ÅPersonalized services	Ordinal	Frequency Tables Percentages Correlation Inferential	Quantitative
To establish how relationship marketing influence retention of pension clients in fund management.	**Independent** Relationship Marketing **Dependent** Retention of Pension clients	ÅClient satisfaction ÅKnow your client ÅFeedback ÅProducts	Ordinal	Frequency Tables Percentages Correlation Inferential	Quantitative
To determine the extent to which perceived - value pricing influence retention of pension clients in fund management.	**Independent** Perceived - value pricing **Dependent** Retention of Pension clients	ÅPrice satisfaction ÅQuality of services/products ÅCompetitive pricing	Ordinal	Frequency Tables Percentages Correlation Inferential	Quantitative
Retention strategies of pension clients in fund management	**Dependent** Retention of Pension clients	ÅPrice satisfaction ÅQuality of services/products ÅCompetitive pricing	Ordinal	Frequency Tables Percentages Correlation Inferential	Quantitative

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION INTERPRETATION AND DISCUSSION

4.1 Introduction

This chapter presents the analysis, presentation as well as interpretation and discussion of the research findings. Data was analysed using descriptive statistics such as frequency and percentages as well as multiple regression analysis. The findings were presented using tables. The findings were presented using tables. The findings are presented and analysed on the basis of the research questions and specific objectives and contextualized in the light of previous studies done in the area.

4.2 Response Rate

The response rate of the study is presented in table 4.1

Table 4.1: Response Rate

Response rate	Frequency	Percentage
Response	76	86%
Non-response	12	14%
TOTAL	**88**	**100%**

A total of 76 filled questionnaires were collected out of 88 that were distributed, yielding a 86% response rate. However, 12questionnaires were completely not responded to by the targeted respondents (representing 14%). The response rate of 86% was found to be above the acceptable range for such a survey. Kothari (2014) argued that in research, a response above 50% is adequate, 60% is good and a response of over 70% is very good. This response rate was, therefore considered representative of the respondents to provide information for analysis and was deemed acceptable for making statistical inferences. The high response rate because the method of pick and drop was effective. The respondents who were busy were given more time to respond to the questionnaire before they were picked.

4.3 Background Information of the Respondents

The study sought to establish the respondents level of education and work experience. The level of education contributes to understanding of the questions in the questionnaire while work experience helps to understand the respondentǿs institutional knowledge regarding what is being established.

4.3.1 Respondents Level of Education

The study sought to establish the respondents level of education and the findings are presented in Table 4.2.

Table 4.2: Level of Education

Level of Education	Frequency	Percentage
Secondary	2	2.6%
College	35	46.1%
University	39	51.3%
TOTAL	**76**	**100**

The study findings indicated that majority of the respondents have a college and university level of education, out of the 76 respondents 35 had college level of education and 39 had university level of education. This indicates the Fund managers and Administrators staff that deal with the business development & relationship managers and scheme trustees.

4.3.2 Respondents Work Experience

The study sought to establish the respondents work experience and the findings are presented in Table 4.3.

Table 4.3: Work Experience

Work Experience	Frequency	Percentage
Less than 1 Year	7	9.2%
1 to 2 Years	13	17.1%
3 to 5 Years	22	28.9%
More than 5 Years	34	44.7%
TOTAL	**76**	**100**

The study findings indicated that majority of the respondents have a work experience of more than 5 years at 44.7%, 17.1% had a work experience of 1 to 2 years, 9.2% less than 1 year and 28.9% had a work experience of 3 to 5 years. The findings imply that the respondents who participated in the study had a high work experience and had knowledge regarding retention of pension clients in fund management and hence they were in a position to give the information being sought by the study.

4.4 Descriptive Statistics

The respondents were asked to rate their level of agreement on statements on each of the variables. A five-point likert scale ranging from 1 to 5 where 1-Strongly Disagree, 2-Disagree,3 ï Neither agree nor disagree,4 ï Agree and 5 ï Strongly Agree was used. This section presents the descriptive statistics in form of percentages for the response on each statement.

4.4.1 Customer Relationship Management

The respondents were asked to rate their level of agreement on statements on each of the variables. A five-point likert scale ranging from 1 to 5 where 1-Strongly Disagree, 2-Disagree,3 ï Neither agree nor disagree,4 ï Agree and 5 ï Strongly Agree was used. The study findings are presented in Table 4.4.

Table 4.4: Descriptive Statistics of Customer Relationship Management

Statement	1 %	2 %	3 %	4 %	5 %
Customer Relationship Management is a possible pension client retention strategy affecting fund managerœs performance in pension client retention. In your experience, to what extent do you agree with this statement?	1.3	3.9	5.3	39.5	50.0
The staff have sufficient knowledge on the system operations; provision of reports, sound advice and guidance to pension clients.	0.0	1.3	2.6	60.5	35.5
They reach out to pension clients through client surveys research in efforts to improve services	3.9	19.7	4.5	48.7	13.2
The fund manager offers personalized services to pension clients.	0.0	2.6	19.7	42.1	35.5
The management ensure that customer relationship management is performed right the first time and continuous.	2.6	11.8	25.0	50.0	10.5

The findings showed that 89.5% of the respondents agreed that customer relationship management is a possible pension client retention strategy affecting fund managerœs performance, 96 % of the respondents agreed that the fund managerœs staff have sufficient knowledge on operations, 61.9% on the other hand agreed that the fund manager reaches out to clients through client surveys, 77.6% agreed that the fund manager offers personalized services and 60.5% of the respondents agreed that the management ensures that that customer relationship management is performed right the first time and continuous. The findings imply that there are great efforts put by the fund manager to improve client relationship management in the retention of pension clients.

4.4.2 Relationship Marketing

The respondents were asked to rate their level of agreement on statements on each of the variables. A five-point likert scale ranging from 1 to 5 where 1-Strongly Disagree, 2-Disagree,3 ï Neither agree nor disagree,4 ï Agree and 5 ï Strongly Agree was used. The study findings are presented in Table 4.5.

Table 4.5: Descriptive Statistics of Relationship Marketing

Statement	1 %	2 %	3 %	4 %	5 %
Rate the level of pension client satisfaction from your fund manager?	0.0	3.9	21.1	46.1	28.9
To what extent are you satisfied on the way pension clients are treated by this fund manager?	0.0	9.2	32.9	31.6	26.3
The fund manager knows our scheme, the stocks to invest, serves and understands us better.	0.0	10.5	18.4	39.5	31.6
The fund manager always makes every effort incorporate our feedback in improving services and investments.	6.6	22.4	7.9	35.5	27.6
The fund manager has been able to meet our needs by having various products.	14.5	52.6	7.9	17.1	7.9

The findings showed that 75% of the respondents rated the level of pension client satisfaction as high, 57.9% of the respondents were satisfied on the way pension clients were treated by the fund manager, 71.1% of the respondents agreed that the fund manager knows the scheme, the stocks to invest, serves and understands them better63.1% agreed that the fund manager always makes every effort to incorporate their feedback in improving services and investments and 25% of the respondents agreed that the fund manager was able to meet their needs by having various products while 67.1% of the respondents disagreed that the fund manager was able to meet their needs by having various products. The findings imply that thereȎs client satisfaction, knowing your client, and incorporation of feedback but the fund manager is required to introduce various products.

4.4.3 Perceived -Value Pricing

The respondents were asked to rate their level of agreement on statements on each of the variables. A five-point likert scale ranging from 1 to 5 where 1-Strongly Disagree, 2-Disagree,3 ï Neither agree nor disagree,4 ï Agree and 5 ï Strongly Agree was used. The study findings are presented in Table 4.6.

Table 4.6: Descriptive Statistics of Pricing

Statement	1 %	2 %	3 %	4 %	5 %
Pricing is a possible pension client retention strategy affecting fund managerõs performance. In your experience, to what extent do you agree with this statement?	23.7	26.3	1.3	22.4	26.3
I am totally satisfied with the price offered by my fund manager.	6.6	26.3	2.6	57.9	6.6
Price is an indicator of the quality of service in this firm.	13.2	28.9	9.2	27.6	21.1
My fund manager offers few products and affordable services as compared to other fund managers based on market demand.	0.0	14.5	1.3	40.8	43.4

The findings showed that that 48.7% of the respondents agreed that pricing is a possible client retention strategy affecting the fund managerõs performance while 50% of the respondents disagreed that pricing is a possible pension client retention strategy affecting fund managerõs performance, 64.5% respondents agreed that they are totally satisfied with the price offered by the fund manager while 32.9% of the respondents disagreed that they are totally satisfied with the price offered by the fund manager, 48.7% agreed that the price is an indicator of the quality of service offered by the fund manager while 42.1% disagreed that price is an indicator of the quality of service offered by the fund manager and 84.2% of the respondents agreed that their fund manager offers few products and affordable services as compared to other fund managers based on market demand. The findings imply that most of the clients are satisfied with the pricing though the fund manager is required to introduce new products as compared to other fund managers.

4.4.4 Retention of pension client strategies in fund management

The respondents were asked to rate their level of agreement on statements on each of the variables. A five-point likert scale ranging from 1 to 5 where 1-Strongly Disagree, 2-Disagree,3 ï Neither agree nor disagree,4 ï Agree and 5 ï Strongly Agree was used. The study findings are presented in Table 4.7.

Table 4.7: Descriptive Statistics of retention strategies of pension clients in fund management

Statement	1 %	2 %	3 %	4 %	5 %
The price is within market range.	7.9	25.0	1.3	48.7	17.1
I believe this fund manager has done all that it can to retain pension clients.	5.3	22.4	27.6	32.9	11.8
There is more interest earned when the funds under management increase and high returns earned on pension client portfolios, depending on market performance.	0.0	0.0	10.5	57.9	31.6
Client satisfaction efforts by the fund manager has increased the firmôs reputation.	5.3	23.7	23.7	32.9	14.5

The findings showed that that 65.8% of the respondents agreed that the price is within market range 44.70% of the respondents agreed, 27.7% disagreed and 27.6% of the respondents neither agree nor disagree that the fund manager has done all that it can to retain pension clients, 89.5% respondents agreed that there is more interest earned when the funds under management increase and high returns earned on pension client portfolios, depending on market ,47.4% of the respondents agreed, 29% disagreed and 23.7% of the respondents, neither agree nor disagree of the respondents that client satisfaction efforts by the fund manager has increased the firmôs reputation. The findings imply that the respondents are in agreement but more can be done by the fund manager to enhance retention of pension clients.

4.5 Chi Square Analysis

To achieve the research objectives, the study adopted inferential analysis involving chi square to establish the relationship between each independent variable and the dependent variable. The responses for each variable including the dependent variable were scored into two groups, agree and disagree then chi square analysis conducted for each of the objectives. The discussion is presented in the subsections.

4.5.1 Influence of Client Relationship Management on Retention of Pension Clients in Fund Management.

The first objective of the study was to determine the influence of client relationship management on retention of pension clients in fund management a case of Old Mutual Investment Group, Kenya. The responses for client relationship management were scored into agree and disagree then used to cross tabulate against the response for retention of pension client strategies in fund management which were also scored into agree and disagree. The findings are presented in Table 4.8.

Table 4.8: Influence of Client Relationship Management on Retention of Pension Clients in Fund Management.

Chi-Square Tests

	Value	df	Asymp.Sig (2- sided)
Pearson Chi-Square	257.503a	169	.000
Likelihood Ratio	175.811	169	.344
Linear-by-Linear Association	48.572	1	.000
N of valid Cases	76		

a. 196 cells (100.0%) have expected count less than 5. The minimum expected count is .01.

The findings on table 4.8 indicated that the χ^2 value of 257.503 was significant at 5% level of significance (Asymp. Sig. = 0.000, <0.05). This indicates that the influence of client relationship management on retention of pension clients is significant.

4.5.2 Influence of Relationship Marketing on Retention of Pension Clients in Fund Management.

The second objective of the study was to determine the influence of relationship marketing on retention of pension clients in fund management a case of Old Mutual Investment Group, Kenya. The responses for relationship marketing were scored into agree and disagree then used to cross tabulate against the response for retention of pension client strategies in fund management which were also scored into agree and disagree. The findings are presented in Table 4.9.

Table 4.9: Influence of Relationship Marketing on Retention of Pension Clients in Fund Management.

Chi-Square Tests	Value	df	Asymp.Sig (2- sided)
Pearson Chi-Square	215.680a	143	.000
Likelihood Ratio	155.572	143	.223
Linear-by-Linear Association	49.404	1	.000
N of valid Cases	76		

a. 168 cells (100.0%) have expected count less than 5. The minimum expected count is .01.

The findings on table 4.9 indicated that the χ^2 value of 215.680 was significant at 5% level of significance (Asymp. Sig. = 0.000, <0.05). This indicates that the influence of relationship marketing on retention of pension clients is significant.

4.5.3 Influence of Perceived Value Pricing on retention of pension clients in fund management.

The third objective of the study was to determine the influence of pricing on retention of pension clients in fund management a case of Old Mutual Investment Group, Kenya. The responses for pricing were scored into agree and disagree then used to cross tabulate against the response for retention of pension client strategies in fund management which were also scored into agree and disagree. The findings are presented in Table 4.10

Table 4.10: Influence of Pricing on Retention of Pension Clients in Fund Management.

Chi-Square Tests	Value	df	Asymp.Sig (2- sided)
Pearson Chi-Square	245.469a	156	.000
Likelihood Ratio	147.674	156	.671
Linear-by-Linear Association	.314	1	.575
N of valid Cases	76		

a. 182 cells (100.0%) have expected count less than 5. The minimum expected count is .01.

The findings on table 4.10 indicated that the G^2 value of 245.469 was significant at 5% level of significance (Asymp. Sig. = 0.000, <0.05). This indicates that the influence of pricing on retention of pension clients is significant.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter presents the summary of the findings particularly the descriptive and the inferential statistics. The chapter also presents the conclusions and the recommendations to the study. The last section of the chapter contains areas of further study where suggestions are made for future researchers to expand more into the knowledge gaps of this study.

5.2 Summary of the findings

The summary has been presented as per each research objective. From the summary, the study presented conclusions which aided in developing the recommendations to the study. The summary of findings combined both descriptive and inferential results.

5.2.1 Client Relationship Management

The study established that the respondents agreed that customer relationship management is a possible pension client retention strategy affecting fund managerĝs performance in pension client retention, the staff have sufficient knowledge on the system operations, that there is the reach out to clients through client surveys research in efforts to improve services, there is personalized services, there is customer relationship management performed right the first time and continuous. The influence of client relationship management on retention of pension clients was established to be significant.

5.2.2 Relationship Marketing

The study established that respondents rated the level of pension client satisfaction received from the fund manager, to what extent they are satisfied on the way pension clients are treated by the fund manager, the fund manager knows individual schemes, the stocks to invest, serves and understands pension clients better, the fund manager always makes every effort incorporate feedback in improving services and investments and that the fund manager has been able to meet pension client needs by having various products. The influence of relationship marketing findings on retention of pension clients was established to be significant.

5.2.3 Pricing

The findings indicated that pricing is a possible pension client retention strategy affecting fund managerøs performance, thereøs total satisfaction on price offered by the fund manager, that the price is an indicator of the quality of service, that the fund manager offers few products as compared to other fund managers. The influence of pricing on retention of pension clients was established to be significant.

5.3 Conclusion

The study findings led to the conclusion that influence of client relationship management on retention of pension clients is significant in fund management. The respondents agreed that customer relationship management is a possible pension client retention strategy affecting fund managerøs performance in pension client retention, the staff have sufficient knowledge on the system operations, the fund manager reaches out to clients through client surveys research in efforts to improve services, personalized services, customer relationship management performed right the first time and continuous. It can be concluded from the study that the fund manager can make further performance improvements by ensuring that CRM is done the first time and continuous without CRM there will be low pension client retention. It is therefore important for OMIG, Kenya and other fund managers to implement CRM. If Customer Relationship Management is done right the first time, clients will be satisfied with the fund manager and likelihood of retention increased. More needs to be done by staff, from the first-time introduction, service selling, onboarding of new client, turnaround and execution of instructions.

The study also concludes that the influence of relationship marketing is significant on retention of pension clients in fund management. This implies that respondents rated the level of pension client satisfaction received from the fund manager, they are satisfied on the way pension clients are treated, the fund manager knows individual schemes, the stocks to invest, serves and understands pension clients better, makes every effort incorporate feedback in improving services and investments and that the fund manager has been able to meet pension client needs by having various products. There was a weak relationship on the fund manager to meet clientøs needs by having various products. The fund manager is able to reward a pension client by having continuous rapport, their needs will be identified hence this will provide insight on products to be developed to suit the needs of the client. Through better relationship retention strategy, OMIG, Kenya can secure a wider client base while retaining the existing ones.

It was lastly established that the influence of pricing on retention of pension clients is significant in fund management. This implies that pricing is a possible pension client retention strategy affecting fund managerøs performance, thereøs total satisfaction on price offered by the fund manager, that the price is an indicator of the quality of service, that the fund manager offers few products as compared to other fund managers. This study concludes that clients are satisfied with price offered this is because the price is regulated but the defection rate can be high due to undercutting of prices by other fund managers, so management has to collect market intelligence information and mitigate in case it occurs. There is need for OMIG, Kenya to introduce new products compared to other fund managers, in order to reduce the defection or split of funds by one client appointing two fund managers in order for to co- manage their funds.

5.4 Recommendations

This study findings unveiled the strategies that Old Mutual Investment Group should implement in order to retain pension clients. The following are therefore recommended based on the findings.

1. Continue with the objective of embracing customer relationship management, relationship marketing and pricing since they enhance the retention of pension clients in fund management. Fund management in Kenya is very competitive and the fund managers are on the edge to retain their pension clients and acquire new pension clients.

2. Product development is highly recommended but can only be achieved if the needs of the pension clients are well understood. It is recommended for management to analyse and act on feedback on issues related to service and feedback, this will lock in most clients since the products will be tailor made to fit their needs.

3. Pricing is within the market range but management is required to come up with a strategy to retain pension clients in cases of undercutting by competitors.

4. CRM happened to be the strongest retention strategy, the study recommends that OMIG, Kenya should implement the tool and train their staff to utilize the feedback obtained to its success as a long-term practice.

5.5 Areas of further studies

The study focused on three variables which can influence the retention of pension clients in fund management. Further studies can choose to expand the list of factors other than those considered in the study. The study also recommends future studies to focus on other segment of clients other than the pension clients retention strategies in fund management so as to provide a comparison.

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APPENDICES

Appendix I: Introduction and consent

Dear Respondent,

I am a postgraduate student from the University of Nairobi pursuing my master degree in Project Planning and Management. As part of the requirements in my program, am carrying out a study on "Factors influencing the retention of pension clients in Fund Management focusing on three strategies (customer relationship management, pricing and relationship marketing). A study of Old Mutual Investment Group".

To achieve this, you have been selected to take part in this study as a respondent. Kindly respond to all items to reflect your opinion and experience. Please answer all the questions freely. You will not be identified from the information you provide and no information about individuals will be given any organization. The data collected will be used for this academic research only.

Your participation is important for the success of this project and I greatly appreciate your contribution.

Yours sincerely,

Abigael Obara
Abigael.millen@gmail.com
0708997713

Appendix II: Questionnaire

A: DEMOGRAPHIC INFORMATION

Please provide responses to the questions below and additional information where you feel is necessary.

1. What is your highest level of education?
   a) Secondary ☐
   b) College ☐
   c) University ☐
2. Number of years in the organization
   a) Less than I year ☐
   b) 1 to 2 Years ☐
   c) 3 to 5 Years ☐
   d) More than 5 Years ☐

B: FACTORS INFLUENCING RETENTION OF PENSION CLIENTS IN FUND MANAGEMENT

1. **Customer Relationship Management.**

i) Customer Relationship Management is a possible pension clients retention strategy affecting fund managerôs performance. In your experience, to what extent do you agree with this statement?

1-Strongly Disagree [ ] 2-Disagree [ ] 3 ï Neither agree nor disagree [ ]
4ï Agree [ ] 5 ï Strongly Agree[ ]

Statement	1	2	3	4	5
The staff have sufficient knowledge on the system operations; provision of reports, sound advice and guidance to pension clients.					
They reach out to clients through pension client surveys research in efforts to improve services					
The fund manager offers personalized services.					
The management ensure that customer relationship management is performed right the first time and continuous.					

2. **Relationship Marketing**

i) Rate the level of pension client satisfaction from your fund manager?

Very high [ ] High [ ] Average [ ] Low [ ] Very low [ ]

ii) To what extent are you satisfied on the way pension clients are treated by this fund manager?

Very large extent [ ] Large extent [ ] Moderate extent [ ]

Less extent [ ] No extent [ ]

Indicate your level of agreement on the following statements related to Customer Satisfaction with your fund manager? Rate where 1-Strongly Disagree, 2-Disagree,3 ï Neither agree nor disagree,4 ï Agree and 5 ï Strongly Agree.

Statement	1	2	3	4	5
The fund manager knows our scheme, the stocks to invest, serves and understands us better.					
The fund manager always makes every effort incorporate our feedback in improving services and investments.					
The fund manager has been able to meet our needs by having various products.					

3. Perceived - Value Pricing

i) Pricing is a possible pension client retention strategy affecting fund managerøs performance.

In your experience, to what extent do you agree with this statement?

1-Strongly Disagree [ ] 2-Disagree [ ] 3ï Neither agree nor disagree [ ]

4ï Agree [ ] 5 ï Strongly Agree [ ]

Indicate your level of agreement on the following statements related to Pricing? Rate where 1-Strongly Disagree, 2-Disagree, 3-Neither agree nor disagree,4 ï Agree and 5 ï Strongly Agree.

Statement	1	2	3	4	5
I am totally satisfied with the price offered by my fund manager					
Price is an indicator of the quality of service in this firm					
My fund manager offers few products as compared to other fund managers					

C: RETENTION OF PENSION CLIENTS STRATEGIES IN FUND MANAGEMENT

Indicate your level of agreement on the following statements related to pension client retention with your fund manager/ as a fund manager? Rate where 1-Strongly Disagree, 2-Disagree,3 ï Neither agree nor disagree,4 ï Agree and 5 ï Strongly Agree.

Statement	1	2	3	4	5
The price is within market range.					
I believe this fund manager has done all that it can to retain pension clients.					
There is more interest earned when the funds under management increase and high returns earned on pension client portfolios.					
Client satisfaction efforts by the fund manager has increased the firmôs reputation.					

THANK YOU FOR YOUR CONTRIBUTION

Appendix III: UoN Research Authorization Letter

UNIVERSITY OF NAIROBI
OPEN, DISTANCE AND e-LEARNING CAMPUS
SCHOOL OF OPEN AND DISTANCE LEARNING
DEPARTMENT OF OPEN LEARNING
NAIROBI LEARNING CAMPUS

Your Ref:
Our Ref:
Telephone: 318262 Ext. 120

Main Campus
Gandhi Wing, Ground Floor
P.O. Box 30197
NAIROBI

REF: UON/ODeL/NLC/29/394

24th October, 2018

TO WHOM IT MAY CONCERN

RE: ABIGAEL MILLEN OBARA - REG NO: L50/71996/2014

This is to confirm that the above named is a student at the University of Nairobi, Open Distance and e-Learning Campus, School of Open and Distance Learning , Department of Open Learning pursuing Masters of Art in Project Planning and Management.

She is proceeding for research entitled **"Factors Influence Retention of Pension Clients in Fund Management: A Case of the Old Mutual Investment Group in Kenya."**

Any assistance given to her will be highly appreciated.

UNIVERSITY OF NAIROBI ODEL CAMPUS
P.O. Box 30197,
25 OCT 2018
NAIROBI
LEARNING CENTRE

CAREN AWILLY
CENTRE ORGANIZER
NAIROBI LEARNING CENTRE

Appendix IV: NACOSTI Research Authorization

NACOSTI

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone:+254-20-2213471,
2241349,3310571,2219420
Fax:+254-20-318245,318249
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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/18/28686/26689**

Date: **2nd November, 2018**

Abigael Millen Obara
University of Nairobi
P.O. Box 30197-00100
NAIROBI

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on ***"Factors influencing retention of pension clients in fund management: A case of Old Mutual Kenya"*** I am pleased to inform you that you have been authorized to undertake research in **Nairobi County** for the period ending **2nd November, 2019.**

You are advised to report to **the County Commissioner and the County Directors 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.

GKalerwa.
GODFREY P. KALERWA MSc., MBA, MKIM
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Nairobi County.

The County Director of Education
Nairobi County.

Appendix V:

Table for Determining Sample Size for a Finite Population

N	*S*	*N*	*S*	*N*	*S*
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—*N* is population size. *S* is sample size.

Source: Krejcie & Morgan, 1970