

# The Interplay Of Marketing Strategies And Performance Of Pension Fund Administrators In Cross River State.

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**Abstract:** *The researchers investigated the relationship between marketing strategies and performance of pension fund administrators in Cross River State, Nigeria. Survey research design was adopted for the study. The sample for the study was 115 respondents that caught across all the PFAs. Simple linear regression was used to ascertain the relationship between the underpinnings of marketing strategy which is the predictor variable and performance which is the criterion variable. Findings indicated a significant positive relationship between the two dimensions of marketing strategies and performance of pension fund administrators in Cross River State. The researcher concluded that Relationship marketing and marketing communications are essential dimensions of marketing strategy that enhances performance in service industry such as Pension Fund Administrator and recommended that Pension Fund Administrators in Cross River State wishing to enhance their performance should adopt the dimensions of marketing communication and also maintain an open communication channel for free flow of information between the PFAs and their clients and that Pension Fund Administrators should pay attention to relationship marketing strategy in order to retain their customers and also enhance their general performance.*

**Keywords:** Marketing strategies, performance, pension fund administrators.

## 1. INTRODUCTION

Marketing strategies is one of the functional strategies applied by modern companies in order to enhance performance. Marketing strategy has become a substantial instrument globally for any business to remain in competitive market environment and wax stronger. Marketing strategy lures its strength from the overall corporate strategy. Ebitu (2016) opined that marketing strategies are those marketing tactics and schemes designed to achieve the marketing objectives of an organization. It can be summarized to be tactical plans that must be implemented to support the company's overall objectives. In essence, marketing strategy must focus on delivering more value to customers and the firm at a lower cost and also quantifying the return on investment from marketing expenditure on activities such as advertising and promotion.

Understanding performance and measuring it is the goal upon which management decisions are based. Eke (2022) opined that measuring performance allows businesses to align her marketing strategies accordingly, increase their competitive advantage and to avert or outsmart the marketing strategies of their competitors. According to Haghghinasab et al, (2013) performance can be measured on the bases of growth, market share, sales volume and profitability. The higher the indices, the better the performance of the business.

Pension Fund Administrators has been widespread across the country because of it crucial role in ensuring adequate income in retirement for workers. According to Ayim, Olusanya and Okeke (2014), pension guarantees comfortable life after years of active service as well as standard of living earlier enjoyed during the active and productive years. In the pass six decades, several reforms have taken place in Nigerian Pension space to cater for various group of workers under the defined pension scheme. However, in 2004 there was a radical reform of the pension system in Nigeria. In the new Pension Reform Act of 2004, National Pension Commission (PenCom) was assigned the responsibility of regulating the scheme, the Pension Fund Custodians have the duty of keeping and managing pension fund while Pension Fund Administrators (PFAs) in line with Section 45 of PRA 2014 are assigned the role of providing up to date information to PenCom, employees and other beneficiaries of the retirement servings account (RSA), provide customer support service and pay retirement entitlement to beneficiaries among others. It is worthy of note that PFAs are essential institution in the current pension dispensation as they have the mandate to invest employees and employers contributions in paying adequate post-employment entitlement as and at when due (Lawal, 2014).

### 1.1 Statement of Problem

Marketing strategies are dynamic and should be updated as often as possible. PFAs in Cross River State are not really paying attention to marketing strategies as observed by the researcher. Studies have suggested that this negligent could be as a result of lack of knowledge about marketing strategies especially as it concerns service industry. It is on this background that this study is

been set out to unravel the relationship between marketing strategies and performance of Pension Fund Administrators in Cross River State, Nigeria.

## 1.2 Objective of the Study

The main objective of the study was to ascertain the relationship between marketing strategies and performance of pension fund administrators in Cross River State

The specific objectives were as follows:

- I. To examine the relationship between marketing communication strategy and performance of PFAs in Cross River State
- II. To examine the relationship between relationship marketing strategy and performance of PFAs in Cross River State

## 1.3 Research Question

- I. What is the relationship between marketing communication strategy and performance of PFAs in Cross River State?
- II. What is the relationship between relationship marketing strategy and performance of PFAs in Cross River State?

## 1.4 Research Hypotheses

H<sub>01</sub> There is no relationship between marketing communication strategy and performance of PFAs in Cross River State

H<sub>02</sub> there is no relationship between relationship marketing strategy and performance of PFAs in Cross River State

## Review of Related Literature

### 1.1. Concept of Marketing Strategies

Marketing strategy is a tactics used by firms in an attempt to reach their target customers and to attract new customers. According to Nymous, (2006) Marketing strategy begins with market research, in which needs, attitudes and competitors are assessed and the firm concentrate its resources on the utmost opportunities to upsurge sales and achieve a viable competitive advantage. The main aim of marketing strategy is to cope with competition and gain competitive advantage. According to Kotler (2006) Marketing strategy is the basic approach used by firms to attain its goals and it which comprises of elaborate decisions (strategies) on major markets, market positioning and marketing expenditure allocation. Marketing strategy according to Obasan, Ariyo and Hassan (2015) involves the allocation of resources to support firms in gaining a competitive advantage in a target market. Marketing strategies in service industry serve as the essential component of marketing plans designed to fill market needs and achieve marketing objective.

## Indicators of Marketing Strategies

### a. Relationship Marketing Strategy

The meaning of marketing has changed from transaction driven to being process driven. The process approach syndicates both transactional (related to goods) and relational (related to services). The new idea strives to create, maintain, and enhance mutually favorable relationships with customers so as to satisfy the objectives of both parties. The aim of relationship marketing is to generate strong, emotional and customer connections to a brand that can lead to ongoing business, word-of-mouth promotion and information from customers (Rouse, 2015). Relationship Marketing permits personalized marketing, which deals with direct one-to-one connections between a marketer and its customers. One of the benefits of interactive marketing is that customers are in better positions to tell sellers what they want, and marketers can match their offerings to the needs of buyers (Nwakanma, Jackson and Burkhalter 2007). Martins (2015) as cited in Ebitu (2016) opined that Showing customers that you value and appreciate them encourages them to refer other potential customers which may be their friends, colleagues, relatives to your company.

### b. Marketing Communication Strategy

According to Cornelissen (2009), marketing communications consist of advertising, direct marketing, sales promotion, personal selling, and marketing public relations that are used by businesses to connect with its existing and potential customers. Ebtu (2016) also defined marketing communication as a planned persuasive technique that communicates favourable information about goods, services and ideas to target customers for attention. Marketing communication plays an essential role in firm's marketing efforts. In broader sense, Shrivastava and Dawle (2020) described marketing communication as all the pieces of information in form of messages a firm deploys to communicate with the market. The components of marketing communication include advertising, direct marketing, sponsorships, branding, internet, printed materials, public relation activities, sales presentations, trade show appearances

and the like. The major objectives of marketing communication include creating and sustaining demand and preference for the product and finally contributing to mitigating the sales cycle (Shrivastava and Dawle, 2020).

### **1.2 Concept of Performance**

Measuring marketing performance allows businesses to bring into line her strategies accordingly, upsurge their competitive advantage and to prevent or outsmart the strategies of their competitors (Etuk, Udoh and Eke 2021). It is only through the measurement of the performance of a company that marketers can be able to craft a new strategy and grow its profits while achieving its objectives accordingly. Spillan and Parnell (2006) opined that the links between strategy and performance have been substantiated at firm and functional levels, although there is often overlap between the two. Ebitu (2026) further explained that at the business level, strategy typologies—also referred to as gestalts, frameworks, and archetypes—recognized several generic strategic approaches and were developed and used as a theoretical basis for classifying strategic groups in industries.

### **1.3 Concept of Pension Fund Administrators**

The Pension Reform Act (PRA) of 2004 is a legislation of the Federal Government aimed at providing the solution to the associated problems of the old Pension System. The PRA 2004 redefined the directive of the Fund to accommodate not only pension but to further look at the provision of Social Security Insurances services. It established a Pension System that is uniform for both the public and private sectors respectively. The Social Security Insurances services received statutory support from the order given by section 71(2) of the PRA to NSITF when the Employee Compensation Act of 2010 was signed into law in December 2010 by the assent of the then President Goodluck E. Jonathan, GCFR (<http://www.nsitf.gov.ng>).

According to Odia and Okoye (2012), the foremost concern of the 2004 pension scheme is the safety of the fund and the sustenance of fair returns on investment. Corroborating this statement, the PenCom boss Mrs. Chinelo posit that a key attribute of the CPS is the institutionalization of risk-based regulation as a way of stimulating a long-term sustainability of the pension industry (Iloani, 2015). The "safety" mantra has been driven by willpower of the quality of instrument to invest. Odia and Okoye (2012) further suggested that PFA is expected to adopt a risk management profile in making investment resolutions with due regard to the credit rating of firms registered under the Investment and Securities Acts of 1999.

### **Theoretical Framework**

This work is anchored on commitment-trust theory of relationship marketing by Morgan and Hunt in 1994. They argued that trust and relationship commitment are the key mediators in an exchange between participants. This theory is relevant to this study as it explains relationship marketing which is one of the underpinnings of marketing strategy. It explain the fact that when both commitment and trust, not just one are present, they produce outcomes that promote efficiency, productivity, performance and effectiveness.

### **Empirical Review**

Ebitu (2016) did a work on marketing strategies and the Performance of small and medium enterprises in Akwa Ibom State, Nigeria. The study investigated the impact of three marketing strategies on the performance of selected Small and Medium Scale Enterprises in Akwa Ibom State. The researcher adopted the survey research method. 240 copies questionnaire were issued to SMEs in the three senatorial districts of Akwa Ibom State State. The data obtained from the field was analyzed using Pearson Product Moment correlation analysis which was computed electronically with the use of SPSS version 21. The study revealed a significant influence of product quality and relationship marketing on the profitability and market share of SMEs in Akwa Ibom State. The researcher recommended that SMEs should invest so much in product quality rather than in advertisement as this would enhance their profit.

Obasan, Ariyo and Hassan (2015) carried out a study on marketing strategy and product performance: a study of selected firms in Nigeria. The study was carried out to unravel the nature of relationship between marketing strategy and product performance with a special emphasis on the food and beverage industry in Nigeria. The researcher made use of primary data gathered from 284 randomly selected staff of ten selected firms. The data was subjected to regression analysis and factor analysis. The results revealed that marketing strategy influences product performance of the observed companies. The researcher further recommended that firms should give attention to the element of marketing strategy by designing market strategies driven by a sound marketing management, targeting and strategic positioning

### **3. Methodology**

This study was carried out in Cross River State, Nigeria. Cross River State is located in the South-South of Nigeria. It comprises 18 local government areas with Calabar as the State Capital. The state is made up of three senatorial districts. South, Central and Northern senatorial district. According to National Pension Commission, there are 23 Pension Fund administrators operating in Cross River State. 5 staffs in each of the PFAs were selected for this study. With that, the sample for the study was 115. The researcher adopted the survey research design and the simple random sampling technique. Simple linear regression was used to ascertain the relationship between the underpinnings of marketing strategy which is the predictor variable and performance which is the criterion variable.

### 3.1 Data Analysis and Result

Out of 115 copies of questionnaire that was distributed, 106 was returned and found usable. Two hypotheses were tested and are as follows:

#### Results:

#### Summary of Simple Regression Analysis Showing the Relationship between Relationship Marketing and Performance of PFAs

	B <sub>1</sub>	SE	B <sub>2</sub>	t-value	Significant (2 tailed)
Constant	10.277	0.939		10.943	0.000
Relationship marketing	0.423	0.61	0.392	6.968*	0.000

Dependent variable: performance

R = 0.392<sup>a</sup>

R<sup>2</sup> = 0.154

Adjusted R-square = 0.154

Std. Error of estimate = 2.47068

F = 48.560

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Significance = 0.000

\*significantly related at 5% ( $p < 0.05$ ). B<sub>1</sub> = unstandardized beta, B<sub>2</sub> = standardized beta, SE = standard error.

Table: 1. Shows R<sup>2</sup> of 0.154 which means that the independent variable reliability accounted for 15.4% of the variation in performance. In addition, the significant F-ratio at F = 48.560,  $p < 0.000$  suggest that the results of the regression model could not have occurred by chance and that the independent variables significantly predicted the dependent variable.

To assess the importance of the independent variable in determining the degree of change in the dependent variable, the beta coefficients for the variable; reliability X<sub>1</sub> (CR) had statistically significant standardized coefficient of ( $\beta = 0.423$ , S.E = 0.61, t calc = 6.968,  $p = 0.000$   $p < 0.05$ ) showing a significant influence on performance. This finding can be interpreted that every 1-unit change in customer relationship will lead to a 0.423 change in performance. Since the p-value is less than 0.05 ( $p = 0.000 < 0.05$ ), the null hypothesis is rejected. Therefore, there is a significant relationship between relationship marketing and performance of pension fund administrators.

#### Summary of Simple Regression Showing the Relationship between marketing communication and performance

	B <sub>1</sub>	SE	B <sub>2</sub>	t-value	Significant (2 tailed)
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Constant	9.774	0.728	-	13.433	0.000
Marketing Communication	0.463	0.048	0.512	9.751*	0.000

Dependent variable: Performance

R = 0.512<sup>a</sup>

R<sup>2</sup> = 0.263

Adjusted R-square = 0.260

Std. Error of estimate = 2.30648

F = 95.090

Significance = 0.000

\*significantly related at 5% ( $p < 0.05$ ).  $B_1$  = unstandardized beta,  $B_2$  = standardized beta, SE = standard error.

Table: 2 reveals that R<sup>2</sup> of 0.263 which means that the independent variable (Marketing Communication) accounted for 26.3% of the variation in Performance. In addition, the significant F-ratio at F = 95.090,  $p < 0.000$  suggest that the results of the regression analysis could not have occurred by chance and that the independent variables significantly predicted the dependent variable. To ascertain the essentiality of the independent variable in determining the degree of change in the dependent variable, the beta coefficients for the variable; Marketing communication X<sub>2</sub> (Mc) had statistically significant standardized coefficient of  $\beta = 0.463$ , S.E = 0.048,  $t = 9.751$ ,  $p = 0.000$   $p < 0.05$ , showing significant influence on performance. This finding can be interpreted that every 1-unit change in marketing communication will lead to a 0.0463 change in performance. Since the p-value is less than 0.05 ( $p = 0.000 < 0.05$ ), the null hypothesis is rejected. Therefore, there is a significant relationship between marketing communication and performance.

### Discussion of the Findings

Findings indicate a significant positive relationship between the two dimensions of marketing strategies and performance of pension fund administrators in Cross River State.

The result of the first hypothesis shows that relationship marketing influences performance of pension fund administrators with a regression coefficient of 0.423. This result is in agreement with that of Ebitu (2016) who found out that relationship marketing is one of the drivers of SMEs performance in Akwa Ibom State.

The second hypothesis also shows a regression coefficient of 0.463 which denotes a strong positive relationship between marketing communication and performance of pension fund administrators in Cross River State.

### Conclusions

The main aim of this study was to examine whether the proxies of marketing strategies thus influences performance of pension fund administrators in Cross River State. From the findings of the study, it is evident that relationship marketing and marketing communication separately and positively influences performance of pension fund administrators in Cross River State. The empirical results of the study underscore the following:

- Relationship marketing is an essential dimension of marketing strategy that enhances performance in service industry such as Pension Fund Administrator.
- Marketing communication also plays a vital role in the performance of PFAs as it gives room for two way communication as well as feedback.

### Recommendations

Based on the findings of the study, the following recommendations were made by the researcher:

- Pension Fund Administrators in Cross River State wishing to enhance their performance should adopt the dimensions of marketing communication and also maintain an open communication channel for free flow of information between the PFAs and their clients.
- Pension Fund Administrators should pay attention to relationship marketing strategy in order to retain their customers and also enhance their general performance

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