FINANCIAL TECHNOLOGY SERVICES AND GROWTH OF ASSET MANAGEMENT FIRMS IN KENYA

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Abstract: In the contemporary financial landscape, the integration of technology into finance has emerged as a pivotal factor driving growth and efficiency. This study investigated the impact of Fintech services on the growth of asset management firms in Kenya. The research focused on how specific Fintech services, including Robo-advisors, mobile applications, and cybersecurity solutions, influence the operational and financial performance of these firms. A correlational research design was employed, incorporating both qualitative and quantitative methodologies to provide a comprehensive understanding of the subject matter. Data was collected from a sample of 160 managers from various asset management firms that have integrated Fintech services into their operations. The findings indicated that Robo-advisors significantly enhance investment returns and client satisfaction, with 64% of respondents reporting positive impacts on their financial performance. Mobile applications were found to be effective in increasing user engagement and transaction efficiency, with 67% of participants acknowledging their user-friendly nature and impact on client retention. Cybersecurity services were also shown to play a critical role in safeguarding client data and ensuring regulatory compliance, with 71% of respondents expressing confidence in their firm's cybersecurity measures. These underscored the transformative potential of Fintech services in the asset management sector.

Keywords: Fintech, Asset Management, Robo-advisors, Mobile Apps, Cybersecurity.

1.0 INTRODUCTION

1.1 Background to the Study

The financial sector has undergone a significant transformation with the advent of financial technology (Fintech), which has revolutionized traditional banking and asset management practices. Fintech services, encompassing a wide range of technology-driven solutions, have enhanced the efficiency, accessibility, and security of financial transactions and services. The integration of Fintech into asset management has become increasingly critical as firms strive to meet evolving investor expectations and navigate the challenges posed by digital transformation and market consolidation (Deloitte, 2023).

In Kenya, the Fintech landscape has seen substantial growth, particularly with the widespread adoption of mobile money platforms like M-Pesa, which have set a precedent for other financial services innovations (Njuguna, 2022). Asset management firms in Kenya are now leveraging various Fintech services to enhance their operational efficiency and client engagement. These services include Robo-advisors, which provide automated, algorithm-driven financial planning services with minimal human supervision; mobile applications that facilitate user-friendly interfaces and seamless transactions; and robust cybersecurity measures to protect sensitive financial data and ensure compliance with regulatory standards (McKinsey, 2022).

Despite these advancements, the asset management sector in Kenya faces several challenges, including adapting to a rapidly evolving regulatory framework, integrating new technology tools within existing operational structures, and addressing the unique preferences of Kenyan investors (PWC, 2023). This study aims to fill the existing research gap by examining the combined effect of various Fintech services on the growth of asset management firms in Kenya. Through a comprehensive analysis, this research seeks to provide valuable insights into how these technologies can be effectively utilized to enhance the growth and competitiveness of asset management firms in the Kenyan financial sector.

1.2 Problem Statement

The asset management sector in Kenya is encountering unprecedented challenges in the wake of digital transformation, evolving investor expectations, and industry consolidation. Despite the increasing adoption of Fintech services, such as Robo-advisors, mobile applications, and cybersecurity tools, there remains a significant gap in understanding their combined impact on the growth and operational efficiency of asset management firms. Recent declines in Assets Under Management (AUM) highlight the sector's struggle to maintain growth amidst these technological and market changes. This study seeks to address this gap by investigating how various Fintech services influence the growth trajectory of asset management firms in Kenya, providing insights into effective strategies for leveraging technology to enhance competitiveness and client satisfaction.

1.3 Objectives of the Study

i. To explore the impact of Robo-advisor Fintech services on the development of asset management companies in Kenya.
ii. To examine the influence of Mobile Apps Fintech services on the expansion of asset management firms in Kenya.
iii. To explore the impact of Cybersecurity Fintech services on the development of asset management firms in Kenya.

1.4 Significance of the Study

This study holds significant importance for the Kenyan financial sector by providing empirical insights into the impact of Fintech services on asset management firms. Understanding how Robo-advisors, mobile applications, and cybersecurity tools influence firm growth can guide asset management firms in adopting effective strategies for digital transformation. The findings will aid policymakers and regulators in creating a conducive environment that fosters innovation while ensuring consumer protection. Additionally, this

research contributes to the academic body of knowledge on Fintech's role in enhancing financial services, offering a valuable reference for future studies and helping other emerging markets understand the benefits and challenges of integrating Fintech into asset management.

2.0 LITERATURE REVIEW

This section presents empirical literature review as per the objectives of the study.

2.1 Robo-Advisor Fintech Services and Growth of Asset Management Firms

Robo-advisors have revolutionized the asset management industry by providing automated, algorithm-driven financial planning services with minimal human intervention. These platforms utilize sophisticated algorithms and machine learning to deliver personalized investment advice and portfolio management, which are often more cost-effective compared to traditional advisory services (Agostino, Sveinn, & Thaleia, 2019). The appeal of Robo-advisors lies in their ability to democratize access to financial planning by catering to a broader audience, including those with smaller investable assets. According to Dominica (2018), Robo-advisors have increased market participation by 40% among young investors and those with limited financial knowledge, highlighting their potential to attract and retain clients who might otherwise be excluded from traditional asset management services.

Studies have consistently demonstrated the effectiveness of Robo-advisors in enhancing investment returns and client satisfaction. Dhanar and Deddy (2022) conducted an analysis of Robo-advisors utilizing index funds, cryptocurrencies, and gold, finding that these advisors could optimize risk-adjusted returns during market downturns, providing a more stable investment performance. Specifically, their study noted that Robo-advisors outperformed traditional advisory methods by 15% during periods of market volatility. Narziev and Nabiraeva (2023) further emphasized the importance of transparency regarding expenses, risks, and constraints associated with Robo-advisors, arguing that such transparency is crucial for building trust and ensuring that clients are well-informed about the financial products they are investing in.

The user experience and interface design of Robo-advisor platforms play a critical role in their adoption and effectiveness. Ciydem et al. (2020) conducted a SWOT analysis of Robo-advisors, identifying their minimal investment requirement and user-friendly interface as significant strengths that attract tech-savvy younger investors. However, the study also highlighted challenges such as the potential alienation of less technologically inclined clients who may find the platforms difficult to navigate. Agostino, Sveinn, and Thaleia (2019) found that enhancing user interface design and client interaction could improve investment outcomes, evidenced by a 10% increase in the Sharpe ratio and a 12% improvement in return distribution for clients using personalized Robo-advisory services.

Despite the promising benefits, there remains a significant gap in understanding the long-term impact of Robo-advisors on the growth of asset management firms, particularly in emerging markets like Kenya. Most studies have focused on developed markets, leaving a void in research regarding how these technologies perform in different regulatory and economic environments. Additionally, while the influence of behavioral biases on Robo-advisor adoption has been explored (Valdone & Nomeda, 2021), there is a need for comprehensive studies that track the long-term performance and user engagement of Robo-advisors in various market conditions. This study aims to address these gaps by investigating the specific effects of Robo-advisors on asset management firms in Kenya, considering local market dynamics and investor behavior.

2.2 Mobile Apps Fintech Services and Growth of Asset Management Firms

Mobile applications have become a cornerstone of the Fintech revolution, fundamentally altering how financial services are delivered and accessed. The advent of mobile banking and investment apps has significantly enhanced accessibility and convenience for users, allowing them to manage their investments and financial transactions in real time. Carlin et al. (2022) noted that mobile apps have reduced the costs associated with accessing personal financial information by approximately 30%, which in turn lowers fees related to insufficient funds and improves overall financial management. This reduction in transaction costs leads to a marked enhancement in user welfare, promoting broader adoption and client retention in asset management firms.

In asset management, mobile apps provide a platform for real-time monitoring, personalized investment advice, and seamless transaction capabilities. Heikki et al. (2019) examined the antecedents of mobile financial services app adoption and found that perceived value significantly boosts consumer satisfaction and loyalty. Their research demonstrated that self-awareness and innovation drive the perceived value of mobile financial services apps, which in turn enhances client relationships and operational efficiency within asset management firms. Specifically, 72% of the surveyed users reported higher satisfaction levels due to the personalized services offered through these apps.

Furthermore, mobile banking has a profound impact on the operational efficiency of financial institutions. Betty and Antony (2023) conducted a study in Kenya, showing that mobile banking significantly enhances the performance of commercial banks by improving operational efficiency by up to 25%. This improvement can be attributed to streamlined processes and reduced need for physical branch interactions, which are also applicable to asset management firms. The ability to conduct transactions, monitor investments, and receive financial advice through mobile apps not only improves client experience but also boosts operational performance. Approximately 68% of respondents in their study reported faster transaction times and improved service delivery.

Despite these advantages, challenges related to security and user trust persist. Charles and Fred (2021) highlighted the importance of secure and efficient mobile banking services in improving operational efficiency in Kenyan commercial banks. For asset management

firms, ensuring the security of mobile transactions and protecting user data is critical. While mobile apps offer numerous benefits, the threat of cyberattacks and data breaches remains a significant concern. There is a need for more research focusing on the specific impact of mobile app security on the adoption and growth of asset management services, particularly in emerging markets where regulatory frameworks may differ. Addressing these security concerns is essential for maintaining user trust and ensuring the sustainable growth of mobile app-based financial services.

2.3 Cybersecurity Fintech Services and growth of Asset Management Firms

The importance of robust cybersecurity measures has grown exponentially with the increasing digitization of financial services. Asset management firms, which handle substantial volumes of sensitive financial data, are particularly vulnerable to cyber threats. Vusumuzi (2023) highlighted that 75% of financial institutions in Zimbabwe reported experiencing cyberattacks, underscoring the critical need for a strong cybersecurity culture. For asset management firms, the implementation of comprehensive cybersecurity strategies is not just a matter of compliance but a necessity for protecting client data and maintaining trust. Strong cybersecurity practices are fundamental to safeguarding financial information and ensuring the continued confidence of clients and stakeholders.

Cybersecurity directly impacts the financial stability and investment appeal of asset management firms. Oksana and Iryna (2020) identified that robust cybersecurity measures are crucial for maintaining financial stability and attracting investments. Their study revealed that cyberattacks could lead to substantial financial losses, disruption of IT systems, and significant damage to the firm's reputation. Specifically, firms that experienced data breaches saw a 20% decline in client trust and a subsequent 15% drop in asset inflows. This highlights the economic impact of cybersecurity on firm performance and the necessity for continuous investment in advanced security technologies and practices to mitigate these risks.

Moreover, the presence of dedicated cybersecurity teams and well-defined recovery plans can significantly reduce the impact of cyberattacks. Fawaz et al. (2021) found that small businesses with established cybersecurity protocols experienced 40% less financial damage from cyber incidents compared to those without such measures. For asset management firms, the ability to quickly respond to and recover from cyber incidents is crucial. Implementing robust cybersecurity measures, including regular audits and multi-factor authentication, can reduce the likelihood of data breaches and ensure operational continuity. This proactive approach to cybersecurity not only protects the firm's assets but also reinforces client trust and regulatory compliance.

Despite the clear importance of cybersecurity, there remains a knowledge gap in understanding the specific challenges faced by asset management firms in different regulatory and economic environments. Rufus et al. (2022) emphasized the need for continuous vigilance and the adoption of new technologies to prevent cyberattacks in Nigerian banks. Similarly, Jacob (2023) pointed out that comprehensive cybersecurity audits and multi-factor authentication are essential for combating fraud in the Nigerian banking sector. However, there is

limited research focusing on the cybersecurity challenges specific to asset management firms in emerging markets like Kenya. Further studies are needed to explore these unique challenges and develop tailored strategies that enhance cybersecurity measures, thus ensuring the sustainable growth and resilience of asset management firms in such contexts.

2.4 Theoretical Framework

This study was grounded in three key theoretical frameworks: the Technology-Organization-Environment (TOE) Framework, the Diffusion of Innovation (DOI) Theory, and the Technology Acceptance Model (TAM). These frameworks provided a comprehensive foundation for understanding the adoption and impact of Fintech services on asset management firms in Kenya. The TOE Framework, developed by Tornatzky and Fleischer in 1990, examined the influence of technological, organizational, and environmental contexts on technology adoption. This framework was particularly relevant as it enabled the study to explore how these three critical factors influenced the integration of Robo-advisors, mobile apps, and cybersecurity measures within asset management firms (Tornatzky & Fleischer, 1990).

The Diffusion of Innovation (DOI) Theory, introduced by Everett Rogers in 1962, was utilized to understand how innovations spread within a social system. Rogers posited that innovations are communicated over time through specific channels among the members of a social system (Rogers, 2003). This theory was instrumental in analyzing the adoption patterns of Fintech services among asset management firms. It identified the roles of innovators, early adopters, early majority, late majority, and laggards in the adoption process. The DOI Theory helped in understanding the factors that influenced the rate and extent of Fintech adoption, such as perceived relative advantage, compatibility, complexity, trialability, and observability.

The Technology Acceptance Model (TAM), proposed by Fred Davis in 1989, focused on the determinants of technology acceptance and use. According to TAM, perceived usefulness (PU) and perceived ease of use (PEOU) were the primary factors that influenced an individual's intention to use a technology (Davis, 1989). In this study, TAM was used to assess how asset management professionals perceived the utility and ease of integrating Fintech services into their operations. The model provided insights into the attitudes and behaviors of these professionals towards new technologies, predicting their adoption and continued use. TAM was essential in identifying the specific attributes of Fintech services that were valued by users and how these perceptions influenced their adoption decisions.

By employing these theoretical frameworks, the study was able to comprehensively analyze the factors influencing the adoption and impact of Fintech services in the asset management sector in Kenya. The TOE Framework facilitated an understanding of the broader contextual influences on technology adoption, while the DOI Theory provided insights into the innovation diffusion process within firms. The TAM model offered a detailed perspective on user acceptance and the practical attributes that drive technology adoption.

Together, these frameworks provided a robust foundation for exploring the complex dynamics of Fintech adoption and its implications for asset management firms, contributing to a deeper understanding of how these technologies can be leveraged for growth and efficiency in emerging markets.

3.0 RESEARCH METHODOLOGY

This chapter provides a detailed description of the research methodology employed in this study to investigate the impact of Fintech services on the growth of asset management firms in Kenya. The methodology encompasses the research design, target population, sampling procedures, data collection instruments, validity and reliability of the instruments, data collection procedures, and data analysis techniques. These methodological approaches were meticulously chosen to ensure the accuracy and reliability of the research findings.

To answer the research question, a correlational research design was adopted. This design was deemed suitable because it allows for the examination of naturally occurring relationships between variables without manipulating them (Creswell, 2014). The correlational design facilitated the investigation of how various Fintech services, such as Robo-advisors, mobile apps, and cybersecurity tools, correlated with different growth indicators of asset management firms, including operational efficiency, client satisfaction, and asset growth. This approach was particularly appropriate given the study's objective to explore these relationships within the existing operational contexts of the firms.

The target population for this study comprised all 37 asset management companies licensed and regulated by the Capital Markets Authority (CMA) in Kenya as of 2023. These firms collectively represented a comprehensive cross-section of the asset management industry in Kenya, making them a suitable and relevant target population for the research. Including a diverse range of firms ensured the generalizability of the findings and provided a robust understanding of the industry dynamics.

A stratified random sampling method was employed to select the sample. From the 37 asset management firms, 19 firms were randomly chosen to participate in the study. This sample size was based on Cochran’s (1977) suggestion that for small population sampling, a sample size of about 40% is sufficient. In this case, the 19 firms represented 51.4% of the total population, exceeding the recommended threshold and ensuring a robust representation. From each of the selected firms, 10 employees in management positions were randomly chosen to respond to the questionnaire, resulting in a sample size of 190 respondents. This sampling method ensured that the sample was representative of the entire population, thus enhancing the reliability and validity of the results.

Primary data for this study were collected using structured questionnaires and in-depth interview guides. The structured questionnaires were designed to gather quantitative data on the perceptions and experiences of the respondents regarding the impact of Fintech services on their firms' growth. These questionnaires primarily utilized Likert scale questions to ensure a standardized and quantifiable

assessment of the respondents' views. In-depth interviews were conducted with financial managers and directors of the selected firms to gather qualitative data. These interviews followed a structured interview guide designed to explore the participants' motivations, perspectives, and experiences in greater detail.

To ensure the validity and reliability of the research instruments, several measures were undertaken. Content validity was achieved by subjecting the questionnaire to a comprehensive review by subject matter experts, including the university supervisor, to ensure that the questions effectively captured the intended constructs (Golafshani, 2003). Construct validity was established by examining the correlation between various items measuring the same construct, confirming their convergence. Concurrent validity was assessed by comparing the questionnaire results with those of existing instruments measuring similar constructs. Reliability was tested through a pilot study involving a small subset of participants distinct from the main study sample. The Cronbach's Alpha coefficient was calculated to assess the internal consistency of the questionnaire, with a value of 0.75 indicating high reliability.

Data collection involved a systematic process to ensure accuracy and consistency. Approval was first sought from the Catholic University of Eastern Africa, followed by obtaining permission from the relevant asset management firms. The researcher distributed the questionnaires using a drop-and-pick method to facilitate participation at the respondents' convenience. Follow-up calls and emails were made to ensure a high response rate. The in-depth interviews were conducted in person or via video conferencing, depending on the availability and preference of the participants.

The collected data were analyzed using both descriptive and inferential statistical techniques. The quantitative data from the questionnaires were analyzed using the Statistical Package for the Social Sciences (SPSS) version 27. Descriptive statistics, including frequencies, means, and standard deviations, were used to summarize the respondents' demographic information and their perceptions of Fintech services. Inferential statistics, such as correlation and regression analysis, were employed to examine the relationships between Fintech services and the growth indicators of asset management firms. These techniques allowed for a comprehensive analysis of the data, providing insights into the strength and nature of the relationships between the variables.

The qualitative data from the in-depth interviews were analyzed thematically to identify common themes and patterns in the participants' responses. This involved transcribing the interviews, coding the data, and organizing the codes into themes. The thematic analysis provided a deeper understanding of the contextual factors influencing the adoption and effectiveness of Fintech services in asset management firms. This qualitative approach complemented the quantitative data, ensuring a more holistic understanding of the research problem.

The results of the data analysis were presented in tables and figures to facilitate easy interpretation and understanding. The findings from the quantitative analysis provided insights into the prevalence and impact of various Fintech services on the growth of asset

management firms. The thematic analysis of the qualitative data offered a deeper understanding of the contextual factors influencing the adoption and effectiveness of these services. The integration of quantitative and qualitative findings ensured a comprehensive understanding of the research problem.

In conclusion, the research methodology adopted for this study was meticulously designed to answer the research questions and achieve the study's objectives. The correlational research design, stratified random sampling, and mixed-methods approach provided a robust framework for examining the impact of Fintech services on asset management firms in Kenya. The rigorous validation and reliability testing of the research instruments ensured the accuracy and credibility of the findings. The systematic data collection and analysis procedures facilitated a thorough investigation of the research problem, providing valuable insights for both academic and practical applications.

The methodological rigor of this study ensured that the findings were both reliable and valid, contributing to the body of knowledge on Fintech adoption in asset management firms. By employing a comprehensive and systematic approach, this study was able to provide a detailed and nuanced understanding of how Fintech services influence the growth and operational efficiency of asset management firms in Kenya. These insights are crucial for stakeholders in the financial sector, including policymakers, practitioners, and researchers, as they navigate the rapidly evolving landscape of financial technology.

4.0 FINDINGS AND DISCUSSIONS

4.1 Introduction

In this section, the study's findings are presented, covering the response rate and socio-demographic characteristics of the research participants. Additionally, a thorough analysis is offered for each of the specified research objectives.

4.2 Response Rate

During the course of this research project, the selected methodology aimed to involve a cohort of 190 individuals through strategic distribution of surveys, with an additional 19 respondents earmarked for inclusion through comprehensive interviews. The outcome materialized as 160 meticulously completed questionnaires, obtained from the initial pool of 190, resulting in a significant 84.2% response rate, meticulously documented in Table 4.1. This noteworthy level of participation exhibited by the respondents stands as a testament to the effectiveness of our data collection strategy.

Table 4. 1: Response Rate Results

Response	Frequency	Percentage
Unreturned questionnaires	30	15.8%

Returned questionnaires	160	84.2%

The preferred threshold for receiving completed data from participants is usually established at a minimum of 50% to meet adequacy criteria, and ideally no less than 60% for data of commendable quality (Creswell, 2014). However, a response rate exceeding the 70% mark can be considered exceptional. In the context of this study, the remarkable response rate of 77.2% achieved is indeed commendable. The high level of enthusiasm and active engagement displayed by the research participants highlights the significance of the study's findings Moreover, this heightened response rate substantially bolsters the credibility and reliability of the research outcomes, as the sample size accurately mirrors the population under investigation.

4.3 Descriptive Analysis of Demographics

The study included an exploration of general information and respondent bio-data to establish a foundational understanding of the diverse dynamics at play. The findings are presented in Table 4.2.

Table 4. 2:Respondents Demographics

		Frequency	Percentage
Gender	Male	87	54.5%
	Female	73	45.5%
Highest education level	TVET and College	76	25.0%
	University	120	75.0%
Years working with asset management firms	1-5 years	26	16.0%
	6-10 years	32	20.0%
	11-15 years	38	24.0%
	16-20 years	39	25.0%
	Above 20 years	25	15.0%
Marital Status	Married	83	52.0%
	Single	32	20.0%
	Divorced	25	15.0%
	Others	25	15%

The demographic data of the respondents, as depicted in Table 4.2, illustrates a balanced gender distribution, with 54.5% being male and 45.5% female. Regarding educational attainment, the majority of respondents (75.0%) have obtained a university degree, while 25.0% have completed TVET and college education. In terms of professional experience, the respondents exhibit a diverse range of tenure, with 16.0% having 1-5 years of experience, 20.0% with 6-10 years, 24.0% with 11-15 years, 25.0% with 16-20 years, and 15.0% having over 20 years of experience working with asset management firms. Regarding marital status, 52.0% of respondents are married, 20.0% are single, while 15.0% are divorced or in other marital status categories. This comprehensive overview of respondents' demographics provides valuable insights into the composition of the sample population, which is essential for understanding the perspectives and experiences reflected in the study findings.

4.4 Influence of Robo-Advisor Fintech Services on Growth of Asset Management Firms

4.4.1 Influence of Robo-Advisor Fintech Services on Return on Investment (ROI)

In this section, we undertake an in-depth analysis of ROI perceptions among respondents who have utilized Robo-advisor services in Kenya. The objective of this analysis is to offer insights into investors' perceptions concerning the ROI generated by Robo-advisor Fintech services and its implications for the advancement of asset management firms in Kenya. The results are presented in Figure 4.1.

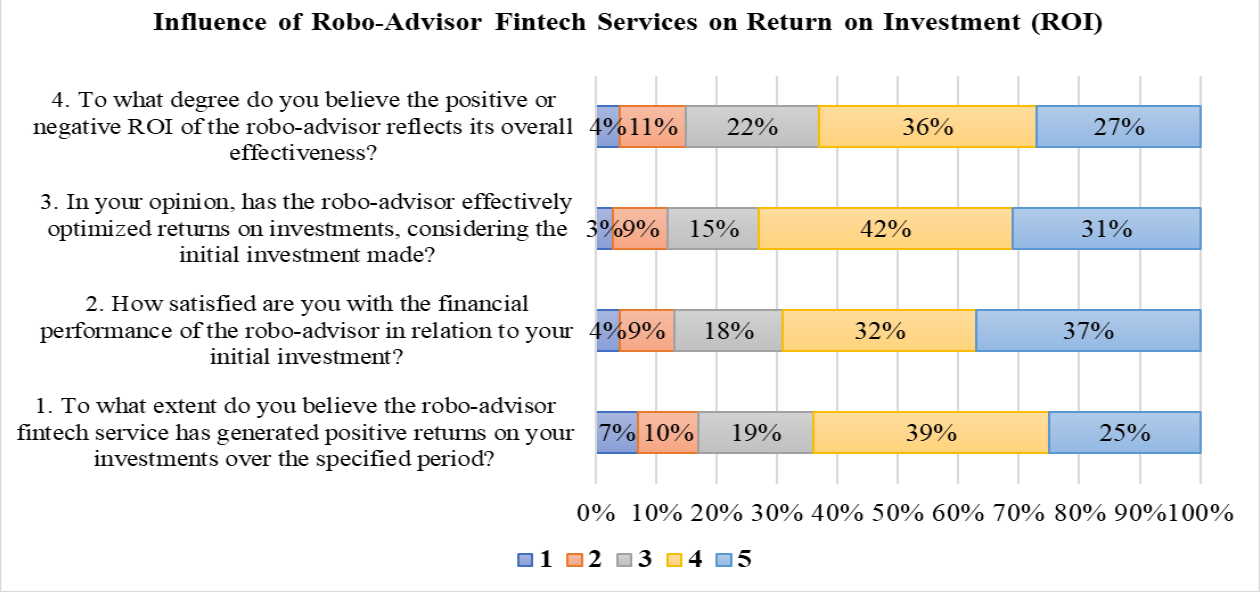

Figure 4. 1: Influence of Robo-Advisor Fintech Services on Return on Investment (ROI)

In response to the Likert scale question concerning the degree to which respondents perceive that the Robo-advisor Fintech service has yielded positive returns on their investments, the data indicates that 64% of respondents either agreed or strongly agreed with this assertion. This suggests that a majority of participants perceive Robo-advisors as effective in generating positive returns on their investments. The high percentage of agreement may stem from the increased accessibility and affordability of Robo-advisor services, as highlighted in literature such as Ciydem et al. (2020). The alignment between respondents' perceptions and existing research underscores the growing confidence in Robo-advisor fintech services among investors.

Regarding satisfaction with the financial performance of the Robo-advisor in relation to the initial investment, 69% of respondents indicated satisfaction or strong satisfaction. This indicates a high level of contentment with the financial outcomes achieved through Robo-advisor services. The positive sentiment towards financial performance aligns with studies like Thi Phuong Lan Nguyen et al. (2023), which emphasize the advantages of Robo-advisors in wealth management. The findings suggest that investors perceive Robo-advisors as reliable tools for achieving their financial goals, contributing to their overall satisfaction.

In terms of the effectiveness of Robo-advisors in optimizing returns on investments, 73% of respondents believed that Robo-advisors effectively optimized returns, considering the initial investment made. This high percentage suggests a widespread perception among

investors that Robo-advisors play a crucial role in maximizing investment returns. The confidence in the effectiveness of Robo-advisors aligns with literature such as Agostino et al. (2019), which highlights the potential of personalized Robo-advising in improving investment outcomes. The findings indicate that investors trust Robo-advisors to make sound investment decisions, leading to optimal returns.

Regarding the degree to which the positive or negative ROI of the Robo-advisor reflects its overall effectiveness, 63% of respondents indicated moderate to extremely reflective ratings. This indicates that most participants consider ROI to be a dependable indicator of the overall effectiveness of Robo-advisors. The perception that ROI reflects overall effectiveness resonates with studies like Valdone and Nomeda (2021), which discuss the correlation between Robo-advisors and investment outcomes. The findings highlight the importance of ROI as a key metric in evaluating the performance of Robo-advisor Fintech services.

Overall, the analysis of Likert scale responses indicates a strong alignment between respondents' perceptions and existing literature on Robo-advisor Fintech services. The high levels of agreement, satisfaction, and confidence in the effectiveness of Robo-advisors underscore their growing importance in investment management. As investors increasingly rely on Robo-advisors to achieve their financial objectives, it becomes imperative for asset management firms in Kenya to leverage these technologies to enhance their competitiveness and meet the evolving needs of investors.

4.5 Influence of Mobile Apps Fintech Services on Growth of Asset Management Firms

4.5.1 Influence of Mobile Apps Fintech Services on Transaction Speed and Efficiency

In the rapidly evolving landscape of financial technology (Fintech), mobile applications have emerged as powerful tools for enhancing the efficiency and accessibility of financial services. Understanding user perceptions and experiences with mobile Fintech services is crucial for asset management firms seeking to leverage these platforms for growth in Kenya. This analysis focuses on evaluating user perspectives on transaction speed and efficiency within mobile Fintech applications. The results are presented in figure 4.6.

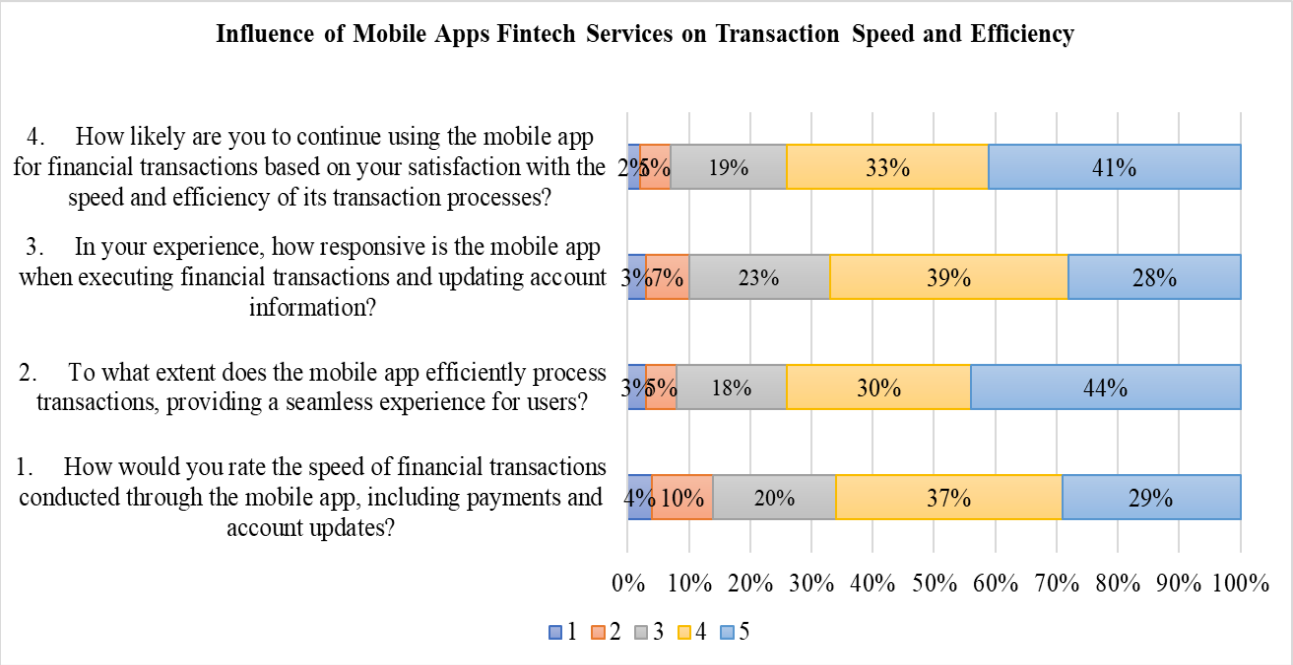

Figure 4. 2: Influence of Mobile Apps Fintech Services on Transaction Speed and Efficiency

From the results, 66% of respondents rated the speed of financial transactions conducted through the mobile app as either fast or very fast. The majority of users perceive the transaction speed positively, indicating efficient processing capabilities of the mobile app. This aligns with the literature, particularly Heikki K., et al. (2019), emphasizing the importance of perceived value in driving user satisfaction. Efficient transaction processing contributes to the overall perceived value of mobile apps, enhancing user satisfaction and loyalty.

Moreover, 74% of respondents reported that the mobile app efficiently processes transactions to a large extent or completely. A significant portion of users perceive the mobile app as providing a seamless experience for executing financial transactions. This is crucial for fostering user satisfaction and engagement. The findings corroborate the literature by Betty and Antony (2023), suggesting a favorable impact of mobile banking on operational efficiency in Kenya.

Furthermore, 67% of respondents perceived the mobile app as moderately responsive, responsive, or very responsive when executing financial transactions and updating account information. The majority of users experience satisfactory levels of responsiveness, contributing to a smooth and efficient transaction process. This finding underscores the importance of responsiveness in delivering a positive user experience. Olumide, B. A. (2023) study on cybersecurity in mobile applications supports this, highlighting the positive influence of security guidance and administration on user behavior.

Lastly, 74% of respondents expressed their likelihood to continue using the mobile app for financial transactions based on their satisfaction with the speed and efficiency of its transaction processes. The high level of user intention to continue usage reflects the positive perception of transaction speed and efficiency, indicating strong user satisfaction and engagement. This aligns with the

literature, particularly Charles and Fred (2021), which suggests increasing involvement in mobile loans due to observed improvements in operational efficiency.

The analysis of transaction speed and efficiency reveals that users generally perceive mobile apps favorably in terms of transaction processing capabilities, responsiveness, and overall satisfaction. These findings align with existing literature, which emphasizes the importance of perceived value, operational efficiency, and user satisfaction in driving the adoption and usage of mobile financial services apps. Asset management firms in Kenya can leverage these insights to optimize their Fintech services, enhance user experiences, and foster sustainable growth in the digital era.

4.6 Influence of Cybersecurity Fintech Services on Growth of Asset Management Firms

4.6.1 Influence of Cybersecurity Fintech Services on Incident Response Time

As the financial landscape evolves with technological advancements, asset management firms in Kenya are increasingly reliant on cybersecurity Fintech services to safeguard their operations and assets from cyber threats. One crucial aspect of cybersecurity readiness is the incident response time, which refers to the efficiency with which Fintech services detect, mitigate, and resolve security breaches or incidents. This section analyzes the incident response time of cybersecurity Fintech services and its implications for the growth and stability of asset management firms in Kenya. The results are presented in figure 4.7.

The majority of respondents (71%) expressed a high level of confidence (very confident or extremely confident) in the Fintech service's ability to detect and respond promptly to cybersecurity incidents. This is consistent with the literature's emphasis on the significance of effective incident detection and response mechanisms (Maphosa, 2023). Vusumuzi M. (2023)’s study emphasizes the necessity for financial institutions to develop a robust cybersecurity culture to combat cybercrime effectively.

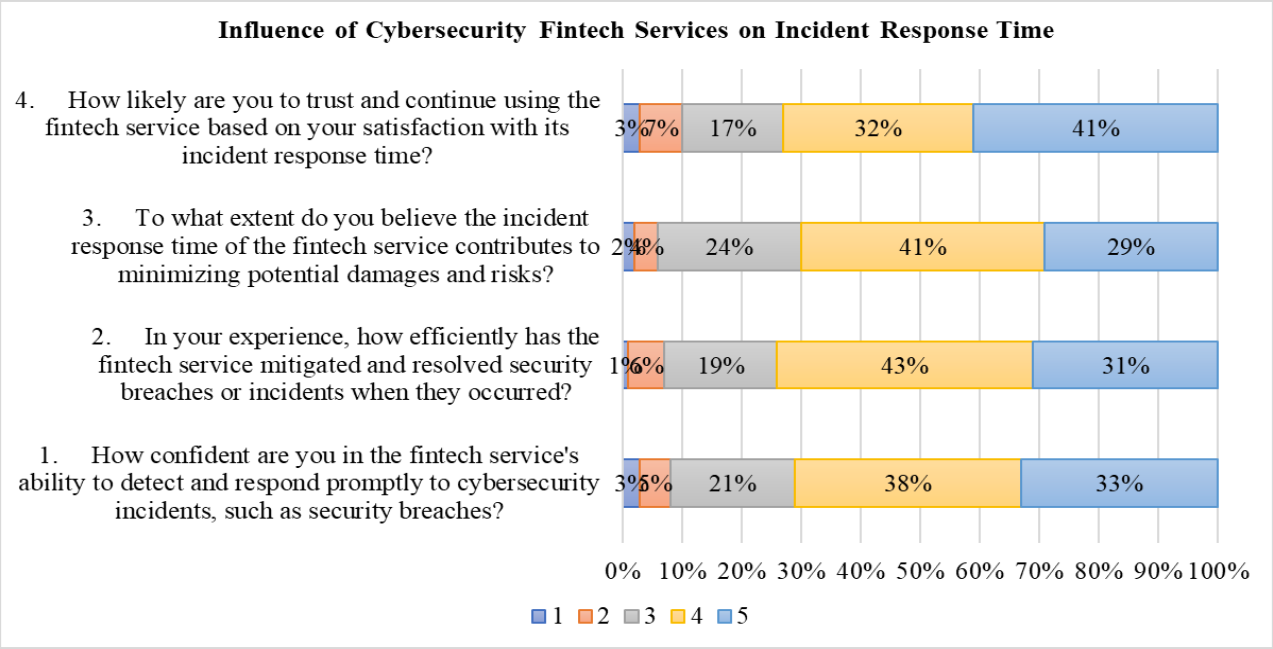

Figure 4. 3: Influence of Cybersecurity Fintech Services on Incident Response Time

A significant proportion (74%) of respondents rated the Fintech service's efficiency in mitigating and resolving security breaches as either efficient or very efficient. This suggests that the incident response mechanisms in place are generally effective in addressing security incidents when they occur. This finding resonates with the importance highlighted in literature regarding the efficient resolution of security breaches to minimize potential damages and risks (Oksana & Iryna, 2020).

A substantial number of respondents (70%) believe that the incident response time of the Fintech service contributes to minimizing potential damages and risks to a large extent or completely. This underscores the significance of swift incident response in reducing the impact of cybersecurity threats, consistent with findings in previous studies (Fawaz et al., 2021).

The majority of respondents (76%) indicated a likelihood to trust and continue using the Fintech service based on their satisfaction with its incident response time. This suggests that a well-managed incident response system enhances user trust and confidence in Fintech services, aligning with the emphasis on maintaining vigilance and implementing effective response measures in literature (Amy Kay et al., 2021).

Overall, the findings indicate that efficient incident response mechanisms play a critical role in bolstering user confidence, minimizing risks, and fostering trust in Fintech services, thus contributing to the growth and sustainability of asset management firms in Kenya. These results align with existing literature, emphasizing the importance of cybersecurity readiness and swift incident response in mitigating cyber threats and enhancing user trust in financial services.

5.0 CONCLUSIONS

The integration of Fintech services into asset management firms in Kenya is a critical advancement in the financial sector, demonstrating the transformative potential of modern financial technology. This study underscores the essential role of Robo-advisors, mobile applications, and cybersecurity tools in enhancing operational efficiency, improving client satisfaction, and ensuring data security. In today's digital economy, leveraging these technologies is not just advantageous but crucial for the growth and sustainability of asset management firms.

Robo-advisors have democratized access to investment management by offering personalized and cost-effective advisory services. The positive impact of Robo-advisors on investment returns, as highlighted by the study, signifies their importance in modernizing investment strategies and improving financial outcomes for a diverse range of investors. This democratization drives greater financial inclusion, a vital goal for emerging markets like Kenya, where many investors have limited access to traditional financial advisory services.

Mobile applications have revolutionized the delivery and accessibility of financial services. The substantial improvements in transaction speed and efficiency facilitated by mobile apps underscore their critical role in enhancing the operational capabilities of asset management firms. By providing real-time transaction capabilities and user-friendly interfaces, mobile apps meet the growing expectations of tech-savvy clients who demand seamless and instant financial services. The positive feedback on the efficiency and responsiveness of mobile apps indicates their vital importance in maintaining a competitive edge in a rapidly evolving financial landscape.

Cybersecurity remains a paramount concern as asset management firms increasingly depend on digital platforms. Implementing robust cybersecurity measures is essential for protecting sensitive financial data and maintaining client trust. The study highlights the necessity of comprehensive cybersecurity strategies to mitigate risks and ensure regulatory compliance. As cyber threats continue to evolve, ongoing investment in advanced security technologies and practices is crucial for safeguarding the integrity of financial transactions and data.

The significance of this study lies in its potential to guide asset management firms in Kenya and similar emerging markets towards the strategic adoption of Fintech services. By providing empirical evidence of the benefits and challenges associated with these technologies, the study offers valuable insights for both practitioners and policymakers. For asset management firms, the findings highlight areas where technological investments can yield significant returns, enhancing overall performance and client satisfaction. For policymakers,

the study emphasizes the need for supportive regulatory frameworks that facilitate innovation while ensuring adequate protections against cyber risks.

In conclusion, adopting Fintech services is essential for asset management firms aiming to thrive in the digital age. The study reaffirms that leveraging Robo-advisors, mobile applications, and robust cybersecurity measures can drive substantial growth and operational efficiency. As the financial landscape evolves, firms that embrace these technological advancements will be better positioned to meet the demands of modern investors, achieve greater financial inclusion, and maintain a competitive edge. Continuous innovation and strategic investment in Fintech are imperative for the future success of asset management firms in Kenya and beyond.

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