

**INNOVATIVE MARKETING STRATEGIES ADOPTED BY INSURANCE
REGULATORY AUTHORITY TO ENHANCE AWARENESS AND GROWTH OF
INSURANCE SERVICES. A STUDY OF KISII COUNTY.**

BY

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DECLARATION

I declare that this research proposal is my original work and it has never been presented to any other university or collage for assessment or award of a degree.

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This project has been written under my supervision and submitted for examination with my approval as the university supervisor.

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DEDICATION

I dedicate my project to my young family, my parents, friends in the Insurance Industry and the entire Insurance industry at large.

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ABSTRACT

The advent of the internet as a source of interactive communications has provided new opportunities for direct marketing through electronic commerce. Due to intense competition marketing has evolved as a powerful tool not only for promotion of consumer goods but also for ideas, ideologies, and other tangible offerings. Marketing today is omnipresent, pervading all works of life. Markets have become more competitive, quality of goods and services has improved considerably and the consumer has become more discerning and quality conscious, exposure to global competition has introduced issues like technology, competition, environment protection, consumer rights and innovativeness. The objective of the study was to establish the innovative marketing strategies adopted by insurance regulatory authority to enhance awareness and growth of insurance services in Kisii County. The study adopted a cross sectional survey of insurance users in Kisii County. The study findings indicated most respondents were aware of these innovative internet based channels of communication like use of e-mail, the whatsapp, facebook, instagram and a host of social media touch points where there's active customer interaction. The study witnessed a remarkable adoption and use of insurance services among the respondents. The most preferred channels of communication included the modern handset phones especially the smart phones due to their enormous features. This has accelerated communication within the county. The study noted that the insurance penetration in Kenya stands at 2.73% which is considered low. Average world average is 6.28%. The authority has taken a host of measures aimed at improving insurance penetration in Kenya. Key measures undertaken include localization of Marine Insurance; development of micro insurance policy; training of insurance executives under the executive certificate of proficiency in insurance (ECOP) programmes encouraging use of technology in transacting insurance business; and authorization of use of new channels of distribution. The study noted the development of Islamic finance especially Takaful, which is insurance that is compliant with Sharia principles, Kenya being an Agro-economy, the insurance sector has recognized the importance of index based insurance to support farmers; The sector has also introduced a Banca insurance model of insurance distribution where banks sell insurance products through their establishments. The study identified that reputation factor is affecting the insurance business. The study identified a number of factors causing negative perception towards insurance this included, delayed settlement of claims, lack of awareness about insurance needs, and benefits of insurance and industry malpractices. The authority is conducting awareness campaign across the counties, developed guidelines on claims settlement, adoption of best practices on treating customers fairly and establishment fraud investigation unit.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study.

There are numerous challenges and opportunities in planning and developing marketing strategy, formulation of the marketing involves an organizations preparedness to handle the future; the future has become unpredictable due to continuous and unpredictable changes in the environment, customer needs products, customers, competitors and organizations are changing rapidly. Most of the changes relate to the growth in the new economy, but most of it are evolutionary, affecting marketing and the society (Xardel and Raju 2006). Bench marking, innovation and e-commerce services are getting increasingly relevant in a fluid marketing environment the political Economic Socio-cultural and technological forces continue to exert pressure on customer frontiers and organizations decision making areas prompting change and adaptation of modern marketing strategies, targeting positioning and segmentation practices.

Social responsibility and ethics has also emerged to be another challenge of marketing frontiers of today. Raju et al (2006) argues that the business environment affects the mode of business operations and calls for re-engineering of the marketing strategies and tactics the same trend of changes affects the firms products markets, customers and competitors; all these leads to the forms/ organizations to identify threats and opportunities and enables the firm to develop marketing strategies and programmes to accommodate the changes guarantee firms success.

Company's ability to penetrate into new markets needs to have specific marketing strategies that will ensure it grows in the area. This becomes even more important if the target market is already filled up with companies that are offering the same services (Kotler & Armstrong, 2010). Effective innovative marketing strategies are the key to frontline of an organizations

performance (Fischer & Hanssens, 2006). Innovative Marketing strategies will be grounded on market based theory and expected utility theory. The following theory(s) support the study. This include the technology acceptance model, and diffusion of innovation theory; all these theorys reflect the level and acceptance of new product/ service acceptance in the market place.

IRA (Insurance Regulatory Authority) is an industry regulatory of insurance firms in Kenya. The number of these firm's number fifty two. The firm's in the industry sector work under the regulatory framework in terms of policy guidelines. The regulator monitors the operations of these member firms to ensure consistency in service delivery within the industry.

1.1.1 Innovative Responses

Innovation refers to radical and incremental changes in thinking, processes or in services, (McKeown, 2008). Innovative organizations are constantly searching for new ways to disrupt their status quo and fuel the growth of their companies by coming up with innovative marketing strategies and demand generation tactics that drive results for both top and bottom lines. Tidd, (2001) states that the ability to innovate is viewed as the single most important factor in developing and sustaining a competitive advantage. Hence the main aim of innovation is to create positive change and to make something better for both the producer and the end user. Innovation that results in increased productivity is the fundamental source of increasing wealth in an economy. Marketing is continually having to adopt new approaches and techniques to respond to a changing business environment that is characterized by increasing consumer sophistication, deregulation, time-based competition, and lack of market growth. Such adaptive techniques have led to marked change in marketing practices over the years Malcolm, (1997).

The ability to innovate is increasingly viewed as the single most important factor in developing and sustaining competitive advantage (Tidd, 2001). It is no longer adequate to do things better; it's about "doing new and better things" (Slater and Narver, 1995). Much emphasis has been placed on building innovative organisations and the management of the innovation process as essential elements of organizational survival (Brown, 1997). Tidd, (2001) suggest that effective innovation must involve all areas of a bank with the potential to affect every discipline and process (McAdam, 2000). Innovation can be transformational, radical or incremental depending on the effect and nature of the change. Afuah (1998) suggests that innovations do not have to be breakthroughs or paradigm shifting; however Slater and Narver, (1995) maintain that organizations should strive for the larger innovations.

Xardel and Raju (2006) states that a marketing strategy as the development of and decisions abouts firms relationships with it's stakeholders. It's offerings, resources, allocation and timing; The marketing strategy tries to focus on the configuration and coordination of a firms value chain activities across different boarders. The alternative dimension of strategy relates to how the firm responds to the needs of the ever changing business environment. Bartlett, Ghoshal and Birkinshaw (2004) identifies four generic worldwide strategies an external strategy, a global strategy, a transnational strategy and multinational strategy; all these are applied in relation to local responsiveness. The consequences of marketing operational studies include, service quality strategies, innovation and new product development, marketing decision making process. The application of these strategies leads to adaptation, coordination and strategic intergration.

1.1.2 Marketing Strategies

Marketing strategy is the fundamental goal of increasing sales and achieving a sustainable competitive advantage (Srivastava & Reibstein, 2005). It includes all basic, short-term, and long-

term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and the formulation, evaluation and selection of market-oriented strategies and therefore contributing to the goals of the company and its marketing objectives (Lehmann, 2004). According to Kunio (2006), market penetration strategy is also called the concentrated growth strategy because a firm thoroughly develops and exploits their knowledge and expertise in a specific market with known products.

Meidan (2002) states that marketing strategy allows firms to develop a plan that enables them to offer the right product to the right market with the intention of gaining competitive advantage. A marketing strategy provides an overall vision of how to correctly position products in the marketplace while accounting for both internal and external constraints (Kotler & Armstrong, 2010). According to Samuel and Mittal (2011), marketing strategy research primarily focuses in either one of two arenas: marketing strategy formulation or marketing strategy implementation. Marketing strategy formulation research examines the impact of certain variables on the development of marketing strategies themselves (Fifield, 2008).

1.1.3 Concept of Growth

Organizations growth initiatives/ strategies are the pillars to successful business venture and success. Growth is visible through the firm's positive image, progressive performance expansion and diversification in related and even unrelated areas of operation. The growth factors signals sustainability of business in the industry. According to Churchil and Lewis (1993) there are five stages of growth for an entrepreneur organization. These stages include the existence, survival, success, take off and resource maturity. Growth at resource maturity of many organizations signifies maturity in terms of period of operation and generally are large in size and operations.

Portfolio examination facilitates organizations to identify the strategic options that can enable a firm strengthen the current business portfolio to ensure performance. Various options of different portfolio models exist, the growth share/ Boston consulting group (BCG) Matrix; with emphasis on stars, question marks, dogs, cash flows; there is also market attractiveness, business strength Matrix known by various names as general electric, Mckinsey Matrix, multifactor matrix (Majmudar 1996).

1.1.4 Insurance Industry in Kenya

The insurance industry in Kenya is classified as a service sector. It is comprised of insurance companies, reinsurance companies, insurance brokers, reinsurance brokers, loss adjusters, loss assessors, insurance investigators, insurance agents, medical insurance providers, claims settling agents and risk managers. These are registered and licensed by the Commissioner of Insurance at IRA and in accordance with the Insurance Act, CAP 487 (Karanja, 2009).

According to the (AKI) Insurance Industry Annual Report for the year 2015, there were 51 licensed insurance companies with 25 companies writing general insurance, 14 writing life insurance while 14 were composite. There were 139 licensed insurance brokers, 6,424 insurance agents, 22 medical service providers and 6 reinsurance companies during the year. The key players in the industry are Geminia, Jubilee, British America, UAP, APA, Pan Africa Life and CFC insurance companies.

According to the association of Kenya Insurers Report (AKI) 2016, the gross written combined Premium by the industry in 2015 was Kshs 173.79 Billion compared to Kshs 157.2 Billion in 2014 representing a growth of 10.55%. The gross written premium from General insurance was Kshs 121.93 Billion (2014: Kshs 100.24 Billion) while that from long term business was Kshs 61.86 Billion (2014: Kshs 56.97 Billion). General insurance premium grew by 11.65% while life

insurance premium and contributions from deposit administration business grew by 8.58%. The industry recorded growth over the last five years. The penetration of insurance computed as a ratio of Gross Premium to Gross Domestic Product (GDP) was 2.79% compared to 2.93% in 2014. Long term insurance recorded a penetration ratio of 0.99% while that of general insurance was 1.83%. Insurance penetration decreased in 2015 due to rebasing of the GDP.

The Insurance industry in Kenya can broadly be classified into general and life or long term. The general and life insurance is subdivided into various products and services that are described as insurance policies or classes of insurance which can be used as profit centers. The Kenya Insurance Survey KPMG, (2004) report indicates that the insurance industry in Kenya is made up of the following classes of insurance which drive the General insurance industry business: Motor-Commercial, motor-private, fire-domestic, aviation, Fire- Industrial and Engineering, theft workmen's compensation, Personal Accident, engineering, liability and Marine. The life insurance industry is mainly driven by the following lines of business: Ordinary Life and Superannuation, which includes Group Life Insurance and Deposit Administration. The Survey revealed that General insurance business in Kenya is facing major challenges. The first challenge is to manage Fraud claims and come up with a solution for companies whose viability is threatened by their inability to meet policy holder's genuine claims. The second major challenge is how to generate growth for an industry that has significant potential for growing as a percentage of GDP but has been stagnant. In contrast to General insurance business, life insurance business is also facing increasing difficulty of managing chronic illness like Cancer that is wiping away Policy holders hence causing insurers to pay huge claims.

1.1.5 Insurance Regulatory Authority

The Insurance Regulatory Authority (IRA) is a statutory government agency established under the Insurance Act (Amendment) 2006, CAP 487 of the Laws of Kenya to regulate, supervise and develop the insurance industry. The authority is a precursor to the then Office of the Commissioner of Insurance that came into existence with the enactment of the Insurance Act, CAP 487 in 1986. Prior to this, insurance regulation was based on the UK legislation under the Companies Act 1960. Circulars and Guidelines are issued by the Commissioner of Insurance/Chief Executive Officer of IRA detailing provisions that insurance/re-insurance companies and intermediaries need to comply with (IRA, 2016).

IRA works collectively and individually with Industry players in achieving the following fundamental insurance regulatory objectives which are compliance by insurance/reinsurance companies and intermediaries with legal requirements and sound business practices. Set clear objectives and standards of intervention for insurance/reinsurance companies and intermediaries .Protect consumers and promote high degree of security for policyholders. Promote efficient, fair, safe and stable markets. Maintain the confidence of consumers in the market .Ensure insurance/reinsurance companies and intermediaries remain operationally viable and solvent and establish a transparent basis for timely, appropriate and consistent supervisory intervention, including enforcement (Muriuki, 2013).

1.2 Research Problems

The business environment changes have given rise to modern marketing strategy practices, the inclination getting towards sphere of relationships; communication & media; obsolescence; flexible production and digital marketing. Building and maintaining relationships has become vital function which must include customer relations, public relations and stakeholder relations.

Benchmarking, innovation and E-commerce services becoming quite critical in modern business arena. Benchmarking practices enable firms to evaluate themselves against the competition, in terms of operational efficiency; this reduces costs and improves value chain. Innovative practices are key to any successful firm and organization (Dominique and Raju 2006)

Pavitt (2005) indicates that innovation is the implementation of a significantly improved service or product, a new work process procedures. Afua (1998) indicates that innovations involve use of new technical and administrative knowledge to introduce new products/ services to the market. Summarily innovations include any practices that are new to the organization inclusive of services, processes, equipments, policies and projects. Firms competitiveness relies on the level and degree of innovative strategies adopted. Zhugnet et al (1999) undertakes a classification of innovations as inventions or improvements coupled with modern marketing strategies delivers organization results of desired levels. According to Thompson et al (2005) the firms growth maximization behaviour motivates its managers to seek growth opportunities once there is an environment organization fit to enable the firm exploit a market opportunity; This means that firms need build; business portfolios help it reduce the risks through operating in difficult sectors, acquisitions can also play positive as firms execute their strategies.

IRA (Insurance Regulatory Authority) is a regulatory body of insurance company in Kenya. The body regulates and promotes insurance policies and fundamental principles in the field of insurance. As a regulatory, the body harmonizes all insurance operations in the industry. The regulatory body act as an advisor to the government. International studies on insurance services have been undertaken in various countries globally. Sandhu (2011) undertook a study on consumer perceptions towards service quality of life insurance corporation of India the findings indicated that both situational self image (that's the physical and mental state of a person at a

particular time and situational variables comprising of environmental circumstances constituting the context where transactions take place contributed quite highly to individual perceptions towards insurance services; other factors noted were socio-cultural elements and lifestyle. Bhatt 2007 undertook a study on factors affecting renewal of health insurance policy in India.

Ayimey (2013) researched on customer retention strategies of SIC life insurance & company limited and starlife Assurance Company limited in Ghana. The study found out that various customer retention strategies played a great role in the success of retaining their clients, these strategies included, loyalty programmes, customer clubs, effective recovery systems, sales promotion, creation of bonds which bind the customer with the firm, monitoring of customer relationships, extra ordinary service , commitment building, local studies have also been undertaken in the field of insurance services and industry at large, Ouma (2007) undertook a study on the relationship between value chain and competitive advantage in the insurance industry in Kenya. Aswani (2010) undertook an investigation of the effects of marketing strategies on performance of insurance companies in Kenya. Results indicated that most insurance companies adopted a series of competitive marketing strategies like segmentation and positioning; Aggressive promotional effects, using electronic networks, E-commerce networks, buzz marketing, events and sponsorships to increase the awareness of insurance services in the market & industry.

Masese (2013) researched on the factors which influenced the uptake of insurance services in Kenya; the study findings indicated a number of factors which tend to affect the uptake of services like the cultural influence, low income literacy levels; and non awareness of benefits of insurance services; strategies to enhance insurance uptake included proper training of sales persons to increase awareness and help clients understand the benefit(s) of insurance;

improvement of product and services; high level of innovation is also required in service delivery and total service product.

Kiragu (2014) studied about the challenges facing the insurance companies in creating competitive advantage in the industry; some of the cited challenges included severe competition amongst industry players; regulatory framework which create hindrances to operational performance; low insurance uptake; cultural and socio-economic factors have also contributed and affected competitiveness within the industry. From the above studies it can be identifies that no know studies have been undertaken to investigate the innovative marketing strategies adopted by the I.R.A. Insurance Regulatory authority to enhance the growth and awareness of insurance services in Kisii and Nairobi counties of Kenya; the research question is what are the innovative marketing strategies adopted by I.R.A (insurance Regulatory Authority) to enhance awareness and growth of insurance services in Kisii and Nairobi Counties.

1.3 Research Objectives

The research objective of this study is to establish the innovative marketing strategies adopted by IRA to create & enhance the growth of insurance services in Kisii and Nairobi counties in Kenya.

1.4 Value of the Study

The study will add to the existing knowledge of the marketing strategies adopted by insurance companies and enhance organizational competitiveness as well as give an insight into the insurance industry in Kenya. The study will be useful the management of Insurance Regulatory Authority as it will provide them with means of responding to the external environment.

The research will be important to the policyholder and the government who can use the research to understand the marketing strategies adopted by IRA. This will assist them when making policies regarding Insurance Regulatory Authority for effective management.

Future researchers can use the study to enrich their research with the results of this study being invaluable to researchers and scholars, as it will form a basis for further research. The academics will use this study as a basis for discussions on marketing strategies adopted by the Kenyan insurance regulatory and how these enhance its competitive advantage.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter examines the various theoretical foundations of the study and other relevant literature.

2.2 theoretical Framework

This particular study is anchored on the following theories, the technology acceptance model (TAM) (Davis 1989) and innovation diffusion theory of Rogers (1983).

2.2.1 Technology Acceptance Model (TAM)

Technology acceptance model offers a strong view and explanation for user acceptance and usage behaviour of information technology services. (Davis 1989).

The theory has elaborate and good applicability in comprehending and predicting intentions and predict behaviour. According to the TAM adoption and use behaviour is determined by the intention to adopt particular systems which in turn are determined by the perceived benefits and ease of adoption and use of the system. The cornerstone premise of TAM lies in the fact of usefulness and ease of adoption which results into productivity and firm success (Pakkarain et al 2004). Consumer perceptions are highly influenced by the information made known about the usefulness; practicality and convenience of the IT systems. Awareness is highlighted as being driven through user experience and information sharing “worth f mouth” influence with early service adopters, communicating freely. Effective communication is a powerful driving force in successful adoption.

2.2.2 Innovation Diffusion Theory

Rogers (1983) theory of diffusion of innovations describes the innovation adoption process of new services or products, to reduce uncertainty about the new technology, customers gather and process information about technology, Rogers (1995) outlines the three processes of innovation decisions processes, which comprise of the knowledge and access to the innovation; persuasion of a favourable attitude toward the innovation; decision to adopt; implementation of the innovation, and confirmation and repeat behaviour of the innovation. The theory supports the view that the increased rate of positive acceptance and decision adoption of an innovation is dependent on its usefulness and relative advantage, compatibility with existing needs and wants experiences being the priority. (Rogers 2003).

Resistance to innovations occur when the value of the innovation is less, not relevant or applicable. Success and less resistance is attributed to minimal consumer learning's involvement of relatively high certainty and the innovation is viewed as relevant, legitimate and adaptable. (Scarborough 2013). Modern internet communications represents a break through of innovation of technology (Rogers 2003); The diffusion of innovation theory tries to analyse the consumer adoption process, acceptance, consumer preferences and behaviour, new markets and business frontiers. (Aggrawal 2000). Research has indicated that the internet has been found quite compatible with clients and has enhanced efficiency of many operations through its diverse features, allowing flexibility in communications and low cost adaptation.

2.3 Social Media Techniques

Marketing practices through social media is the cheapest cost channel to reach target markets (Klicki 2011) the popular sites/ channels are the facebook, twitter, flicker, you tube linked flicks,

e-mail these channels can easily assess clients worldwide quite cheaply and lowest cost but high speed of transmission (Harris 2009). Since 2015 social media has become one of the fastest growing network & connections marketers organizations are using to reach various target and audience. Giant popular produces are utilizing these social media platforms to reach various audiences. Reardon (2015) indicates that in the years 2014 – 2015 mobile advertisements consisted of 68% in facebook revenue; and 84% of twitters revenues respectively.

Barnes (2010) argues that social media has become the popular channel corporations are utilizing to reach to their target markets segments even the healthcare institutions have adopted the same strategies . research undertaken indicate that most firms adopted social media for variance of reasons, prominent being the element of feedback 40%; another reasons indicated was it is adopted for monitor customer feedback and understanding the competitive landscape of the market (39%); increasing brand awareness 32%;media relations 31%; monitoring conversations 6%; lead generation 31%; product introductions 19%; (Maul 2009). Recent studies indicate that firms have made competitive changes on products and marketing efforts based on feedback acquired firm social media, this translates that business should be customer centric in approach(s).

According to Funk (2011) there are several benefits arising from social media as a technique to reach various target audience, these include use of social media to create additional revenues as well as enhancing networks and collaboration opportunities; the channel offers accessibility to many target audiences within a shortest possible time. (Nicholson and Ailleo 2010) indicates that the utilization of social media communication tools are providing to be very critical resources for successful event marketing; through adaptation of these tools they tend to create buzz about events and increase the attendance rate of customers; through the sites companies can send

photographs, videos, product/ service promotion/ and new product launches. (Klicki 2011). Statistics from ROI research indicate that 41% of uses indicate the popularity of social media is a good source of information for both buyers and sellers of services and goods.

2.4 Market Segmentation, Targeting & Positioning Strategies

Kurtz and Boone (2009) indicate that segmentation is the division of total market into smaller and relatively homogeneous groups, the act leads to the identification of similar values, preferences and consumer behaviour among; various segmentation criteria include the psychographic, geographic gender, product related segmentation includes segmenting by benefits sought; segment by usage rate, segmentation by brand loyalty; competition related segmentation.

Kotler and Amstrong (2011) outlines the various segmentation processes, the first step being the survey stage, the objective of surveying us to collect data on attributes sought in product and their priority ratings, brand awareness and rating of different brand; product usage patterns; consumer attributes towards the generic product and demographics psychographics and media habits of sample respondents; secondly the analysis stage which analysis the survey data using factor analysis, with the objective of identifying factors that differentiate customer groups. Clusters analysis is adopted to enable customers be classified into different groups; Finally the profiling stage, this is the stage where market demographics psychographics media habits attitudes, behaviours and consumption habits; saxens (2006) outlines that certain requirements are critical in attainment of effective segmentation practices, these include the element of

Targeting strategy involves the choice of segmented markets to participate through adoption of various marketing strategies. These include the standardization approach which implies producing some product to different market segments advantages of this strategy is also popular.

Its a contribution of differentiation and standardization. The choice of serving a particular market instead of wide market; finally firms can adopt the differentiation strategy, involving changing particular attributes to fit into particular segment requirements. (Saxena 2006).

Kourtz and Booue (2009) indicates that firms can adopt undifferentiated marketing strategy which focuses on producing a single product and marketing it to all customer markets; micro marketing strategy involving targeting potential customers at very narrow basic levels such as specific occupation, lifestyle, even to individuals; concentrated marketing is equivalent of focus marketing practices. Positioning strategy enables markets approach the market more focused. It entails use of specific product/ service attributes to appeal to target audience(s); this involves the product, the service, the channels, price/ people, image.

2.5 Technology and service Delivery

Laudon (2000) argues that technology through information technology has revolutionized methodology of undertaking business practices; there's a need for continuous innovation of products and services as well as modification of process and procedures. Modern organizations have to invest in new markets, new competition and increasing customer expectations, hence need to monitor and manage customer expectations; manage competitive trends to increase market share. Technological service delivery in processes/ innovations generate competitive advantage based on cost and service differentiation. The digitalization of Insurance service delivery leads to competitive solutions in the industry and other business frontiers making service delivery failures minimal. Kotler and Keller (2008) suggests improvement of customer interaction and conversion into business transactions should make total use of the websites and other electronic channels easy to use. The increasing use of cell phones, smartphones have

allowed clients and potential clients to interact and undertake business through the internet; The multiple communication channels, diversity of service providers has increased level of interactiveness; and has enabled brand, service awareness to greater heights. Insurance service delivery through electronic channels have cut down costs and increases convenience of transactions and has widened the target market segment. (Allen et al 2012).

Social implications of use of mobile phones in low income segment implies that the e-facilitated channels enhances awareness of service/ brand success, the challenge of firms delivering the service is to create relevant infrastructure to facilitate success. (Zimmerman et al 2014). The level of success depends on their ability to differentiate their systems procedures & processes, services from the competition, especially the ICT platform. Innovation responses also reflects application of strategic management to add value and help organizations operate successfully in a dynamic complex environment, firms need be flexible responsive and adaptive to their ever changing scenes and wider environment. Ansoff (1984) concludes that strategic management is a systematic approach to the major and increasing responsibility of the firm's management position relative to the environment.

2.6 Drivers of Innovation Adaption

Sathye (1999) defines adoption as acceptance and continued use of a product/ service or ideas; innovation adoption signifies the process in knowledge, conviction, decision and confirmation (Rogers and Shoemaker 2001). According to Oconnel (1996) slow growth of e-banking innovations was lack of ownership about availability of such services, unfriendly e-platforms, and insecurity reliability concerns. Pikkarainen (2004) strongly asserts that customer awareness of the availability of a service and its benefits has a critical impact on the adoption process.

Unpleasant use of an innovation is a key factor in failure to adopt the process. Cooper (1997) asserts that “ease of use” or application is one of the key ingredients of customer perspectives for adoption of innovative service, ease of use is easily noted in self-serving technologies. Safety and reliability of transactions over the internet facilitated platforms is a critical factor in technology driven services. Suspicion and fear leads to avoidance of e-related transactions like payments and confirmation reports. This perceived risks damages the adoption process and increases uncertainty issues (Featherman & Parlou 2002)

Allen et al (2012) concludes that reliable payment systems and e-related transactions on the internet should be cyber-attacks free and any form of fraud, hence need be protected, to secure and win customer confidence and trust; the resultant outcomes is awareness increase ease of adoption and success story of the services provided by the firm’s.

2.7 Literature Review

Joshi and Van (2007) emphasized on the new product characteristics that affected the rate of adoption of new products; fashion items indicated quick adoption due to customer lifestyle and preferences. Various contributing benefits aided quick adoption, ease of use and application, benefits accruing; compatibility and divisibility of the innovation, conformity to values & expectations of the customers. Likewise complexity, incompatibility all affected the role of adoption process.

Robertson (2004) endorses that customers undergo a five step process in the service/ product adoption; consumers need awareness as a pre-requisite, customer interest, information search and evaluation are critical steps that need be noted. Trial has to take samples before full blast purchases then mode and regularity of purchase follows suit. Ram and Seit (1989) identifies

various barriers to consumer innovation/ adoption process, these included value, psychological barriers, tradition and change. Incompatibility and habit inconsistencies; Barrati (2009) asserts that technology acceptance model (TAM) signifies that the user of a new product/ service is technologically associated and is guided by the intention to utilize the system(s). the common elements include beliefs on perceived usefulness and ease of use, positive attitude and perception promoted adoption of innovations.

Sweeny and Soutar (2001) elaborately indicate that the new product adoption also depended on customer preferences perception of the service quality. Perceptive influences like pride, price, quality, societal status need be managed to achieve successful innovative adoption process. Perceived value also significantly contributes to innovation success. Wakefield and Blodgett (1996) indicated that service layout accessibility, facility aesthetics, comfort, electronic equipment and displays facilities all led to perceived standards of innovation and adoption. Evans and Dave (2010) argues that facebook profiles are better detailed than twitter accounts, since they allow video, photos, and longer descriptions, videos indicate product/ service use and applications, ease of information exchange and enables quick customer on board facilitation. Marketers field more value in social media marketing advertising countries with its routine effects of informative/ remedial and educative roles. Kyle et al (2010) strongly supports Yu-tube as a popular channel advertisements suited to particular users and market segments social marketing providers firms with ways to connect with their customers but confidentially and safeguards need attention.

Klicki (2011) favourably indicates that marketing through social media sites is the quickest means to reach consumers without huge operational expenses. Sites like Yu-tube; LinkedIn; twitter; flickr are quickly and easily accessed by millions of customers daily. Innovative

approaches by organizations need be developed to take advantage of the trend facebook popularly has recently grown quite tremendously than any other component of social media promotion.

Keller (1993) argues that corporate image is a set of evaluations feelings and attitudes towards a company. Bitner (1991) indicates that corporate image and positioning the service management system, the series mix, technical and functional quality counts. Kottler or Keller (1993) state that research within the service marketing relate to the impact of corporate image (attitude towards the firm) and its impact on customer loyalty doesn't share the same view as customer satisfaction research. Most firms provide different environmental inputs like advertisements; direct marketing and public relations to attract/ retain new customers, Gronoos (1988) indicates that corporate huge is a filter which influences the perspective expectations of the clients. Customers perceived value proposed by Ulaga and Eggert (2005) argue that relationship value, in terms of product related dimensions is composed of relationship benefits and relationship costs. Relationship costs encompasses of quality; service support, service scape and infrastructure, delivery performance supplier know how, relationship value based antecedents of customer satisfaction, and time to market individual interaction. Relationship costs include direct product costs & process costs. There exists a casual relationship among the service quality customer satisfaction and purchase intentions; Day (2003) indicated that customer satisfaction strongly mediated the effect of service quality on customer's behaviour. Managed service recovery strategy positively affects customer satisfaction.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section introduces the research methodology which was adopted for the study. It encompassed of the research design; data collection methods, the population, sampling technique(s) and data analysis.

3.2 Research Design

According to Burns & Groove (2003) a research design is a blueprint for undertaking a particular research; its a plan of action for collecting data as well as utilizing it towards attainment of pre-determined objectives. This research utilized a descriptive cross sectional survey of sampled insurance & clients. Gay (1981) indicates that a survey is an attempt to collect data from members of a population in order to determine the populations current positions in respect to some variables. A descriptive survey enabled the identification of the relationship amongst various variables by analysing their attitudes, opinions towards the organization. The ultimate objective of descriptive study is to learn what, who, when, where and how of a particular situation Cooper and Schindler (2003) the descriptive design tries to explain and describe possible behaviour, values, attributes and characteristics. (Mugenda and Mugenda 2003). Quee (1999) asserts that descriptive research intends to explain the characteristics of a population.

3.3 Population

The study of population is as aggregation of all the components/ cases that conform to some designated set of specifications (Hoyle et al 2002) Mugenda and Mugenda (1999) indicates that a

population is an entire group of individuals, events, objects, that possess observable features and characteristics. The population for this study were the residents of Kisii county.

3.4 Sampling Design

Dawson & Catherine (2002) indicates that a sample is a segment of the population selected to represent the population the purpose of the sample is to make logical conclusions, regarding characteristics of the entire population Kothari (2004) defines a sample as an organized process of selecting objects or number of individuals to represent the entire population group. Mugenda (2003) strongly indicates that a convenient sample involves choice of cases/ units observable as they get available to the researcher. This view is shared and confirmed by Ngau & kamsa (2004). Cooper and Schindler (2006) notes that convenient sampling has low cost factor and easy to undertake, measure, cooperative and articulate. It is the best approach to draw logical conclusions about the entire population. For this study a stratified random sampling was undertaken to get respondents from the two counties.

3.5 Data Collection

Primary data was utilized for the study. This kind of data was solicited from the respondents directly and for the first time. The data was collected using a structured questionnaire; a combination of closed and open ended questions were used to facilitate depth of inquiry. Mugenda and Mugenda (1999) argue that questionnaires enable the researcher to get detailed solutions to certain unique situations; they conclude that the use of questionnaires is popular and cheap to administer. The questionnaire will be divided into various sections; section A comprised demographic data, section B consisted of various innovative marketing strategies adopted by IRA (Insurance Regulatory Authority) section C comprised of issues of growth of the insurance

services. The respondents will comprised of the current insurance holders, motor vehicle and property owners, teachers, and county staff; at the authority level senior managers incharge of operations and marketing strategies.

3.6 Data Analysis

Orodho (2009) asserts that data analysis is the process of systematically arranging and searching the field data and notes. The study utilized a qualitative data analysis as the method is very relevant and the method is very relevant and suitable to well designed and suitable to well designed and administered surveys (Denscombe 2007). Descriptive statistics was used to analyse the data and will be analysed using the percentages, standard deviations, measures of central tendency data will be presented in the form of tables, pie charts, bar graphs.

CHAPTER FOUR: DATA ANALYSIS FINDINGS AND INTERPRETATION

4.1 Introduction

This chapter presents the findings and analysis as well as results obtained from field responses in relation to the objectives of the study which was to establish innovative marketing strategies adopted by the insurance regulatory authority to enhance awareness and growth of insurance services in Kisii County. Descriptive statistics were adopted to analyse the data; the findings were presented using tables, charts and diagrams. This section covers the respondent's background findings.

4.2 Response rate

The researcher sought to establish the response rate as presented in table 4.1

Table 4.1 Response rate

Category	Frequency	Percentage
Respondent	220	73%
Non response	80	27%
Total	300	100%

Researcher (2017)

The study targeted 300 respondents users in the county especially in the urban centres and sub urban rural set ups. Out of the 300 distributed and administered questionnaires, two hundred and twenty (220) were successfully filled and returned, which indicated a 73% percent success.

Eighty (80) questionnaires were however not returned, this comprised of a 27% non response rate. The success rate of the outcome was attributed to well preparedness of the researcher and respondent's cooperation and positive attitude towards the exercise.

4.3 Respondent Demographics

The researcher sought to find out the demographic information of the respondents which included the age, marital status, education level, employment status, gross income of respondents.

4.3.1 Respondents age & marital status

The study sought to understand the respondent's age and marital status, with a view of analysing the particular age group(s) or brackets which has a high awareness of insurance services as well as ascertaining which category of marital status was positively in response with the insurance awareness programmes. The findings indicate that the age groups of 26 – 35 comprised of 30% (66 respondents) had a moderate awareness of insurance services while the age group of 35 – 55 had a very high awareness of insurance services, this segment of respondents comprised the over 60% of the total number of respondents registered that meant approximately 132 respondents, reasons for this high awareness were attributed to most of these respondents are teachers, employees, of various companies in the country and county government officials, the same respondents have property ranging from motorcycles, motor vehicles and have capital investments hence their knowledgeable awareness of these services. Majority of these respondents are also active users of social media; 55 – 60 years comprising of 10 of the respondents, comprising apparently informed of these insurance services the low number of respondents indicate that

most of these respondents had retired or did not use social media actively as those other age brackets.

Table 4.2 indicates the summary(s)

Table 4.2 age brackets

Category	Frequency	Percentage
26 – 35	66	30%
35 – 60	132	60%
Over 60	22	10%
Total	220	100%

Source Researcher (2017)

The findings indicated that the married couples had a high awareness of insurance services than the single persons this is a partly to the reason that there couples have a wide exposure to live and most of them are knowledgeable and run various businesses from kiosks, motorcycles, matatus etc, hence their level and understanding of insurance services is quite high.

4.3.2 Education Qualification

The study sought to understand the level of academic qualifications of its respondents with a view to gauge their level of intelligence and awareness as well as their understanding of productive roles insurance service play in an economy. From the findings 75% of the respondents post secondary qualifications comprising of middle level college level and

university as well as post graduate qualifications. Translating to 165 respondents of the 220 positive respondents 25% percent of the respondents approximately 55 respondents had an average of high school education level in table 4.3 below indicates.

Table 4.3 academic qualification

Statement (Category)	Frequency	Percentage
Tertiary& Post tertiary level of education	165	75%
Colleges/ University/ Post graduate		
High school level of education	55	25%
Total	220	100%

Source Researcher (2017)

These findings indicate that a huge number of respondents have quite good level of education qualifications indicating their active use of modern communication channels of communication as well as exposure to current technological innovations and developments like active usage of social media channels of communication.

4.3.3 Employment status & Gross Monthly income

The study sought to understand the employment status of respondents as well as their monthly income. The findings indicate that 65% respondents were employees (143 respondents) in county & central government service. Public schools & private sector schools and private sector enterprises respectively, thus aspect of employment status, with average income of between ksh 70,000 – 120,000/= signified the relative exposure of respondents to information flow within the

economy, the high level of respondents in employment status also meant that these respondents have enough resources to acquire property and spend on vital services like insurance, healthcare and entertainment. The balance of 35% comprising of (77) seventy seven respondents were in self employment status in their respective establishments in the commercial; service; & food and beverage sectors; as most of their business are classified as small and medium enterprises (SMEs) and whose gross income ranged between Ksh 10,000 to approx Ksh 70,000. These category had minimal exposure and awareness to insurance services partly due to their level of operations and exposure, to modern business practices; The awareness indicated of these category was the insurance covers for motor vehicles and non of the other packages of insurance products.

4.4 Connection to Social Media Networks

The study sought to understand the percentage of respondents connected to the social networks like whatsapp, facebook, twitter, instagram, email, youtube, linkedin. The findings indicated that over 85% were regular subscribers to whatsapp and facebook as well as email networks. The balance of 15% of the respondents especially the elder age group were not linked to more than two of the networks mostly they were connected to E-mail networks of yahoo.com or g.mail; The popularity of these networks is facilitated by the presence of 4G and 3G Safaricom abled Networks and technological upgrading. The findings that social media among the youth was a very popular channel of communication socially which business firms could adopt to reach a large section of its clientele. The findings indicated that most respondents were aware of most of the insurance firms in the industry. On the findings of loyalty status the findings indicated that there was no high level of loyalty among the service providers.

4.5 Awareness Enhancement Options

The study sought to investigate the awareness enhance strategies and innovations the firm adopted.

Table 4.4 Awareness Enhancement Options

Statement (factors)	Mean	SD	Interpretation
The firm has an updated social media platform/ trends for creating service awareness	3.32	1.09	Important
The firm regularly uses social media to place their advertisements	3.24	1.25	Important
The firm uses celebrates to create service awareness	3.25	0.86	Important
The firm uses pictures, animations in their advertisements to promote services	3.00	1.42	Important
The firm uses interactive media to create awareness	3.25	1.24	Important
The firm adopts electronic channels to facilitate awareness	2.81	1.38	Neutral
The firm creates dialogue on social media to encourage consumer participation	3.20	1.39	Neutral
The firm promotes its products offline	2.69	1.19	Neutral

The company uses creative appeals in persuasions of its clients	2.70	1.30	Neutral
The firm offers service guarantees	2.06	1.06	Neutral
The firm uses aggressive personal techniques	1.69	0.79	Neutral
The firm uses events & experiences to create awareness	3.33	1.08	Important
The firm uses public relations programmes to increase awareness	3.31	1.09	Important

Source Researcher (2017)

The findings from the table has different interpretations, the mean score above 3.0 reflects the importance of the factor (variable and a mean score below between 2.0 – 2.99 reflects the aspects of neutral effects or application of the variables involved. Mean score of less 2.0 means least effective. From the table the followings can be drawn the firms adaptation of updated social media platform trends pro creating service awareness is quite highly adopted with a mean score of 3.32 and standard deviation of 1.09 respectively; the firms use of social media, mean score 3.24 std deviation 1.25; The use of celebrities in creation of service awareness is not quite adapted with mean score of 1.25 and SD 0.86 being regarded as least in terms of applicability; the use of social media and electronic channels to enhance awareness is quite very popular with a mean score of 3.25 & SD 1.24; M 3.31 & SD 1.08 respectively hence the interpretation being indicated as important. The study findings indicated that personal measures of promotion are least adopted as the regulator undertakes the supervisory role of insurance services industry hence personal

selling approaches are easily undertaken by individual insurance firms in the industry. The firms use of expenses and events in awareness creation mean score 3.33 and SD deviation of 1.08 and public relations programmes Mscore 3.31 and std deviation 1.09 signifies the importance of these innovative approaches as popular modes of awareness options.

Final analysis of the majority of respondents indicated that their 60% respondents indicated source of awareness was through internet advertisements, social media sources, blogs. 30% of the respondents indicated T.V advertisements, and radio as their source of information and awareness; while 10% of the respondents indicated trends, relatives and family members as their source of this insurance services awareness.

4.6 Innovative Marketing Strategies.

The researcher sought to investigate the various innovative marketing strategies adopted by the regulator to enhance insurance service awareness.

Table 4.5 Innovative Marketing Strategies

Statement	Mean	SD	Interpretation
E-promotion (allows effective communication use of database, social networking use of e-mail)	1.55	0.64	Very great extent
E-product (firm conducts E-marketing of services by providing online information)	1.64	0.64	Very great extent
E-place (firm enhances strongly market presence through image building strong web site presence)	1.69	0.70	Very great extent

where products and services are displayed)			
E-price (firm uses online channel to display price competitiveness)	1.54	0.63	Great extent
E-processes (frequent use of net to indicate service procedures especially in service recovery & self service)	2.06	1.06	Great extent
E-personal selling (frequent use of net to demonstrate/ update/ inform and discriminate information)	2.25	0.58	Moderate
Physical scape creation of necessary environment online for convenient shoppers & customers.	2.24	0.58	moderate

Source: Researcher (2017)

The study findings above indicate the extent to which each innovative strategy was utilized in response to the level of awareness in terms of applicability. The mean score of less than 2 indicated the very great extent of the indicated strategy; while the ratings mean score of 2 reflected great extent & moderate extent respectively. The following findings were pronounced, the utilization of E-promotion through use of database information, social networking techniques and use of email was greatly adopted mean score of 1.55; SD 0.64 the adoption of E-product through online marketing. E-place in terms of strong market presence to display of products and services had a mean score of 1.64; SD 0.64 & mean score 1.69; SD 0.70 reflecting a very great

extent towards the use of these innovative channels of marketing. E-processes and E-personal selling had a mean score of 2.06 SD 1.06 and 2.25; SD 0.58 reflecting a moderate extent of the usage of these channels to reach the target audience. E-physical scape environmental component had a mean score of 2.24; SD 0.58, reflecting a moderate extent of this practice(s).

The study findings indicated that the regulator is adopting direct marketing strategies to reach its target audience to reach non metro and non-urban markets since the metro and urban areas or market segments are highly saturated. The findings reflected that the key to any direct marketing campaign is to expand to rural and semi rural markets such as Kisii County and the environs. The study identified some infrastructural constraints which direct marketing practices have experienced, however it was notable that in Kisii County there are cyber cafes, satellite(s) connecting major telecommunication firms, mobile phones penetrating and availability of internet and broadband services have accelerated the information reach and speed of delivery of information to various target customers .The study findings also indicated that through interactive mode of marketing , the regulator has been able to penetrate into the rural markets through its programmes of awareness campaign(s).The effect of direct marketing reflects elimination of boundaries in terms of information reach; the study noted that are elements that are key to the practice of this innovative marketing approach; these were cited as interactive systems & measurability of responses in any location.

Further study findings revealed that database marketing was the best and effective way to customize the marketing mix to suit particulars target audience the findings further revealed that the customization of the offering/ service improves client satisfaction as well as improves the quality of the service, and forms the backbone of all relationship marketing efforts of the firm, the study concluded that the strengths of any database is its ability to be measured tested and

customized. The study findings concluded that the future of innovative marketing practices lies in the firm's ability to reach and serve the rural and semi-rural market segments, enhancement of credibility offer; wider use of possible channels directly; and emergence, management of specialized database programmes and facilities.

4.7 Growth Insurance Services

The study findings indicated that as one of the key pillars of the financial services sector, the insurance industry is central to the realization of financial services goals as set out in the Vision 2030 economic blueprint. The blueprint recognizes that as the economy expands and disposable incomes rise, there will be growth in insurable assets thereby generating demand for insurance services.

In 2016, the Authority reviewed the 2013-2018 Strategic Plans to establish performance levels, isolate factors affecting such performance, and identify areas for improvement. This review was based on the Authority's goals of promoting consumer education and protection, promoting an inclusive, competitive and stable insurance industry and offering quality customer service. The revised strategic plan is expected to bolster renewed focus on realizing vision 2030. The findings indicated that currently, insurance penetration in Kenya stands at 2.73% which is considered low compared with the world average of 6.28%. In light of this, the Authority has taken a host of measures aimed at improving insurance penetration. Key among the measures are localization of marine insurance business, development of a micro-insurance policy, training of insurance agents under the Executive Certificate of Proficiency in Insurance (ECOP) program, encouraging the use of technology in transacting insurance business and authorizing the use of new distribution channels further growth dimension noted was that the Authority has also embraced the development of Islamic finance, specifically Takaful, which is insurance that is compliant

with Sharia principles. Kenya being an agro-economy, the insurance sector has also recognized the importance of index based insurance that has in the recent past supported farmers. In addition, the sector has adopted bank assurance model of insurance distribution where banks sell insurance products through their establishments.

The study indicated that the reputation of the insurance industry in Kenya has been eroded over the years as a result of both perceived and actual malpractices. The Authority has identified reputation as a major hindrance to uptake of insurance. The major issues causing negative perception towards insurance include delayed claim settlement, lack of awareness about the needs and benefits of insurance and industry malpractices. To address this, the Authority is conducting awareness campaign across counties, developed guidelines on claims settlement, adoption of best practice on treating customers fairly and establishment of insurance fraud investigation unit.

The authority takes cognizance of the need to have a stable insurance industry in Kenya that will boost both investor and public confidence in order to enhance competitiveness and promote insurance inclusiveness. In this regard, the Authority continues to implement and enhance risk based supervision in order to strengthen its regulatory framework. The Authority is also in the process of introducing group-wide supervision of insurance groups. Regarding the financial and performance of the Authority, it was indicated that the Authority is financed through the 1% insurance premium levy. The Authority's total revenue was KES 1.65 billion in the financial year 2015/2016 compared to KES 1.52 billion in 2014/2015. Out of this, the Authority spent KES 810.20 million leaving a surplus of KES 841.00 million compared to KES 769.80 million in 2014/2015. As a requirement, 90% of the surplus is transferred to the Consolidated Fund. The surplus resulted from high revenue collection which exceeded the budgeted amount by KES 200

million during 2015/2016. In addition, the Authority's expenses were KES 811.5 billion against a budget of KES 1.07 billion. Authority is commitment to the protection of insurance consumers and the relentless effort towards ensuring industry growth and stability and the overall growth of Kenya's economy.

CHAPTER FIVE: SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.1 Introduction

This chapter relates the findings of the undertaken research as per the study objectives. It also highlights the limitations of the research study and suggestions for further research.

5.2 Summary of the findings

The research found out that in order to enhance insurance service awareness in rural markets like Kisii county there is need to adopt innovative marketing strategies using modern technologies and also utilizing modern targets and instrument through electronic platform like on marketing channels and direct marketing strategies. The study findings indicated the popularity of various platforms enhancing information awareness and reach those included use of internet advertisement, social media platforms like in whatsapp, facebook, networks, blogs, twitter, instagram, you-tube.

The study also revealed that direct marketing approaches were key to the success of service awareness and the growth of the insurance sector. Direct marketing was analyzed as an interactive mode of marketing through which the marketer firm reaches out to the target audience at any location. The study revealed the direct innovative marketing practices enabled the firm focus and improve in service delivery than in conventional marketing. Tele marketing, online channel reach, catalogue marketing were some of the tools that enhanced service awareness and increase core customer values. The use of database marketing practises was also identified as an interactive approach to marketing using all available tools and media vehicles to reach the designated target audiences.

The study also noted cross selling can be effectively utilized/managed through database marketing especially where a firm is operating or has several services (Provision) requiring the same database. The study indicated that the strength of database marketing is its ability to be measured, tested, and customized. The study concluded that the future of competition and firms lied on factors like easy of reach to a large target audience, serving the non urban market segments and enhancement of credibility of offer and effective management of customer database (s).

5.3 Conclusion

From the results of the study it can be concluded that the future of any organization lies in the adoption of innovative marketing approaches, in time the following issues being addressed and managed, the ability to reach non urban markets, enhancement of credibility/offer and emergence and management of specialized databases. The study noted that ICT plays a critical role in application of modern communication network and especially in the service industry. The growth of self serving technologies has enabled the service sector growth and awareness level to reach unprecedented heights. The study notes that there is need to increase ICT related infrastructure to widen and increase awareness among the potential and marginalized market segments.

5.4 Recommendation for policy and practice

The growth of insurance services sector still unsatisfactory in comparison with other service sector segments(s). There is need to intensify the awareness campaigns to improve service delivery and quality. Use of modern communication channels seem key to achievement of these

goal(s). There is need to integrate and adopt multiple communication channels to reach the non-users in untapped market segments. Use of ICT seem great key to the success of this strategy.

The study recommends that there is need to enhance, develop, manage the customer database profiles, this will increase customization and improve service delivery. The study also recommends to the management of the insurance sector(s) to develop innovative marketing strategies which are market compliance, that's understanding the markets demographic and lifestyle channels as these might create new opportunities for marketers. There's also need to finding market niches since markets evolve and customer needs become more refined, hence requiring the marketer to adopt a segmental approach, carving niches in the market penetrating and protecting them from competitive onslaughts. Niches like price, service, convenience, technology and fashion are prevalent in the market .Its notable that technology has enabled firms to adopt mass customization strategies which have given them the benefit of niche marketing and also economies of scale, the challenge is the firm's ability to identify the relevant niches and adopt a mass customization strategy simultaneously serve the clientele base without compromising on quality. The study also recommends service planning practices which involves the analysis of the customer perception of the service brand both for the firm and the competitors besides the analysis of the situation in which the customer uses the service; The infrastructural processes which involves management of channels of distribution and information flow through use of modern technological innovations need be assessed, audited to alleviate any constraints or challenges to enable the firm to capitalize on opportunities arising.

5.5 Limitations of the study

Since the study is specifically for insurance service awareness programmes. Therefore the inference(s) made cannot be applicable to other service sector organizations. The researcher encountered un-informed and sometimes uncooperative respondents who didn't understand the significance of the researcher.

Information relating to insurance is always treated with sensitivity and caution, this also caused considerable challenges to the researcher; the study also had challenges of cultural barriers hindering promotion of insurance services among the elderly clientele who hold strong believes in traditions.

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APPENDIX I: LETTER OF INTRODUCTION

Rosylene K. Mose

University of Nairobi

School of Business (DBA)

P.O Box 30197 (GPO) NBI

Kenya

Dear Respondent,

REF: REQUEST TO FILL/ PARTICIPATE IN DATA COLLECTION

I kindly request you to participate in filling the attached questionnaire whose objective is to collect primary data for the research assignment for my academic purpose a requirement. The topic of study/ research is entitled “innovative marketing strategies adopted by the insurance regulatory of insurance services in Kenya.

The information and results obtained will be treated with confidentiality and for academic gains alone.

I look forward for your favourable participation.

Rosylene Mose

APPENDIX II: LIST OF LICENCED INSURANCE COMPANIES IN KENYA.

1. AAR Insurance Kenya Limited.
2. Africa Merchant Assurance Company Limited.
3. AIG Kenya Insurance Company Limited.
4. APA Insurance Limited.
5. APA Life Assurance Limited.
6. British American Insurance Co.
7. Cannon Assurance Company Limited.
8. CFC Life Assurance Limited.
9. CIC General Insurance Limited.
10. CIC Life Assurance Limited.
11. Continental Reinsurance Limited.
12. Corporate Insurance Company.
13. Directline Assurance Company Limited.
14. East Africa Reinsurance Company Limited.
15. Fidelity Shield Insurance Company.
16. First Assurance Company

17. GA Assurance Company
18. GA Life assurance Limited
19. Gateway Insurance Company Limited
20. Geminia Insurance Company
21. ICEA LION General Insurance Co.
22. ICEA LION Life assurance Co. Limited
23. Intra Africa Insurance company Limited
24. Invesco Assurance Company Limited
25. Kenindia Assurance Company Limited
26. Kenya Orient Insurance Company Limited
27. Kenya Reinsurance company Limited
28. Madison Insurance Company Limited
29. Mayfair Insurance Company Limited
30. Mercantile Insurance Company Limited
31. Metropolitan Life Insurance company
32. Occidental Insurance Company Limited
33. Old Mutual Life Assurance Company Limited

34. Pacis Insurance Company Limited
35. Pan Africa Life Assurance Limited
36. Phoenix of East Africa Insurance Company Limited
37. Pioneer Assurance Company Limited
38. Real Insurance company Limited
39. Resolution Insurance Company Limited
40. Takaful Insurance of Africa Limited
41. Tausi Insurance Company Limited
42. The Heritage Insurance Company Limited
43. The Jubilee Insurance Company Limited
44. The Kenyan Alliance Insurance Company Limited
45. The Monarch Insurance Company Limited
46. Trident Insurance Company Limited
47. UAP Insurance Company
48. UAP Life Assurance Limited
49. Xplico Insurance Company

APPENDIX III: QUESTIONNAIRE

TOPIC: INNOVATIVE MARKETING STRATEGIES ADOPTED BY THE INSURANCE REGULATORY AUTHORITY TO ENHANCE AWARENESS AND GROWTH OF THE INSURANCE SERVICES. A SURVEY OF KISII COUNTY.

SECTION A: RESPONDENT DEMOGRAPHICS/ BIODATA OF RESPONDENTS

Kindly indicate ✓ on the space provided

Q1. Name of respondent (optional)

Q2. Age	18 – 25	<input type="checkbox"/>	45 – 55	<input type="checkbox"/>
	26 – 35	<input type="checkbox"/>	55 – 60	<input type="checkbox"/>
	35 – 45	<input type="checkbox"/>	over 60	<input type="checkbox"/>

Q3. Marital status

Single/ Married/ Separated/ Widowed

Q4. Education level:-

- (a) High school
- (b) Middle college level (polytechnic)
- (c) University level
- (d) Post graduate level

Q5. Employment status

- (a) Student

- (b) Employed
- (c) Self employed
- (d) Housewife
- (e) Not employed

Q6. Cross monthly income

- (a) Less than Ksh 10,000
- (b) Kshs 15,000 – Kshs 35,000
- (c) Kshs 35,000 – Kshs 55,000
- (d) Kshs 55,000 – Kshs 70,000
- (e) Kshs 70,000 – Kshs 120,000
- (f) Kshs 120,000 – Kshs 160,000
- (g) Kshs over 160,000

Q7. County residence

- (a) Nairobi
- (b) Kisii
- (c) Kisii/ Nairobi

SECTION B: AWARENESS ENHANCEMENT OPTIONS

Q8. Are you connected to Social Media Networks?

Kindly Indicate

- (a) Whatsup
- (b) Facebook
- (c) Twitter

(d) Instagram

(e) E-mail

(f) You tube

(g) Linked in

Q9. Indicate the familiar Insurance Companies you know

Q10. Are you loyal to any one of them, give reasons?

Q11. Indicate the extent to which you agree with the following statements using a scale of 1 – 4.

4 = Strongly agree, 3 = Agree, 2 = Disagree, 1 = Strongly disagree.

Statement (factors)	1	2	3	4
The firm has an updated social media platform/ trends for creating service awareness				
The firm regularly uses social media to place their advertisements				
The firm uses celebrities to create service awareness				
The firm uses pictures, animations in their advertisements to promote services				
The firm uses interactive media to create awareness				
The firm adopts electronic channels to facilitate awareness				

The firm creates dialogue on social media to encourage consumer participation				
The firm promotes its products offline				
The company uses creative appeals in persuasions of its clients				
The firm offers service guarantees				
The firm uses aggressive personal techniques				
The firm uses events & experiences to create awareness				
The firm uses public relations programmes to increase awareness				

Q12. On ordinary view and evaluation how do the following contribute to your source of awareness?

- (a) Internet advertisements
- (b) Friends
- (c) Relatives & family
- (d) Social Media Sources
- (e) TV advertisements
- (f) Blogs
- (g) Only other. Explain

SECTION C: INNOVATIVE MARKETING STRATEGIES

Q13. Using the given scale of 5-1. Indicate as appropriate (5 = Very great extent; 4 = great extent; 3 = moderate; 2 = neutral; 1 = not at all.

Statement	5	4	3	2	1
E-promotion (allows effective communication use of database, social networking use of e-mail)					
E-product (firm conducts E-marketing of services by providing online information)					
E-place (firm enhances strongly market presence through image building strong web site presence where products and services are displayed)					
E-price (firm uses online channel to display price competitiveness)					
E-processes (frequent use of net to indicate service procedures especially in service recovery & self service)					
E-personal selling (frequent use of net to demonstrate/ update/ inform and discriminate information)					
E-physical & cape creation of necessary environment					

online for convenient shoppers & customers.					
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Indicate how you would like the insurance firm improve its E-marketing practices.

SECTION D: CONSTRAINTS INNOVATIVE MARKETING PRACTICES

Q14. Indicate where appropriate

- (a) Lack of specialist skills
- (b) High competition in industry
- (c) Poor communication
- (d) Practical implementation challenges
- (e) Nature of product services/ not relevant technical/ lack of awareness
- (f) Organizational obstacles
- (g) Financial constraints
- (h) Complicated E-processes
- (i) Low literacy level among customers

Q15. Suggest the way forward to overcome challenges associated with awareness enhancement to make insurance services a success especially at county level market segments.