

**INNOVATION STRATEGIES USED BY JUBILEE INSURANCE  
COMPANY LIMITED TO ENHANCE PREMIUM GROWTH IN  
THE EAST AFRICAN REGION**

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## **DECLARATION**

I declare that this research project is my original work and has not been submitted in any other university for academic merit.

Signature.....

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D61/81705/2015

This research project has been submitted for examination with my approval as the university supervisor.

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## **LIST OF ABBREVIATIONS & ACRONYMS**

<b>AKI</b>	Association of Kenya Insurers
<b>IRA</b>	Insurance Regulatory Authority
<b>EPS</b>	Earnings per Share
<b>NSE</b>	Nairobi Securities Exchange

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## **ABSTRACT**

Premium growth in insurance firms has been a common challenge as a result of poor strategic approach, lack of adoption of innovation and increased competitiveness among insurance providers in East Africa. The current study addressed these challenges by focusing on innovation strategies and premium growth in Jubilee Insurance East Africa. The study focused mainly on technology innovation strategy, product innovation strategy and market innovation strategy. The study was based on resources based theory that focuses on the need for effective utilization of strategic resources. The other theory was blue ocean theory that focuses on the need for firms to search for new markers instead of taking competitors head to head. The paper also focused on diffusion of innovation theory that addresses how customers perceive and adopt innovations over time. The study employed a case study research design. Data collection was conducted from 7 selected respondents in top management of Jubilee insurance. Structured interview guide was used where content information was recorded and analysed. Findings were that Jubilee insurance has adopted modern technology such as the use of JubiCare, artificial intelligence and chatbox towards communicating and conveying products to the customers. Jubilee insurance has also adopted product innovation strategy where the insurer has introduced new products in the market and improved customers services and added value to the existing products and services. Lastly, the study established that Jubilee insurance uses market innovation strategies such as the use digital promotion and social networks to create awareness and sell products to customers. It was also established that the use of innovative strategies has resulted in 30% growth in premium over a period of 5 years. The study concluded that there is a relationship between technology innovation and premium growth, product innovation and premium growth and market innovation and premium growth. The study recommends that technology innovations implemented by Jubilee insurance should be user-friendly, cost-effective, efficient and available to customers in all regions of operation. In relation to product innovation strategy, the study recommends that Jubilee insurance should ensure that customer needs and demands are potentially met, and that product promotion be conducted to persuade customers to consume the products and services.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

According to Braunerhjelm and Henrekson (2016), remaining competitive in the business environment requires companies to adopt effective and efficient ways that enhance value and economic growth. Innovative strategies are one aspect. With globalization and technology on the rise, insurance companies are finding themselves in a competitive market environment that only innovation strategies and practices can sustain. Insurance industries across the world rely on premium as part of their income (Upreti and Adams, 2015). Premium is the amount paid by the insured or business to have an insurance cover or policy. Whilst innovation alone does not imply sustainability of the business in the long run, it holds the largest share of responsibility in the business. As such, innovative strategy must indicate to the business whether product improvement, disruptive or breakthrough innovation approach is the best in enhancing premium growth in the insurance industry (Hollanders & Evangelista, 2012).

This study is guided by the model of Kim and Maubogne (2005) that developed the blue ocean theory to explain how business firms can compete effectively in the market environment by adopting value innovation through differentiation and low-cost products that meet consumer taste and preferences. According to this theory, firms should not focus much on competition as the only alternative to gaining competitive advantage. However, they should be able to foresee market developments and development innovation strategies that can help them maximize shareholder value. Attaining this require value creation as part of the innovation strategy to enhance premium growth (Demir, Wennberg & McKelvie, 2017).

Additionally, Penrose (1959) looked at the innovation strategies level in each company by linking them to the resource-based capacity of the company. The theory stipulated that firms with immense resources have the ability to adopt innovative strategies than those that lack resources. Adequate resources in a firm stimulate need for technology adoption and as a result of increased technical know-how among employees. Prajogo and Oke (2016) explained that deep knowledge in technology allows firms to invest in career development which allows their employees to gain more skills in using technology as an innovation strategy to enhance sales which leads to increase in premium growth in the firm.

Further, the theory of diffusion and innovation by Rodgers (1962) will form part of the study. According to Ernst & Young (2014), diffusion entails the channels involved in implementing the adoption of innovation strategies in the firm. Firms with strong and effective systems as well as culture can witness and experience the fastest adoption of innovation strategies compared to the ones with weak systems. Further, having career development provides an opportunity for employees to learn new ideas and share among themselves which can result into fastest implementation of innovation strategies in the firm. However, the theory further illustrates that majority of adoption of innovation strategies fail at the initial stage when the above factors are not considered in the firm (Felicio & Rodrigues, 2015).

In Kenya just like any other countries in East Africa, insurance industries face stiff competition among the key players. As such, the high level of competition exerts pressure on firms to increase their level of attractiveness through the adoption of various innovation strategies. Though insurance products have similarities across the industry; the level of insurance penetration is still low at 2.8 per cent in Kenya and 3.5 per cent in Africa (IRA, 2017). With growth in population among youths and middle-



class individuals in the country, insurance companies are up to the task of grabbing this potential market. This study, therefore, seeks to establish how insurance companies can apply various innovative strategies and practices to enhance premium growth.

### **1.1.1 Innovation Strategies**

Generally, innovation is seen as a process of adoption of policies, systems, products and services that are new to the organization. A literature review by Kiragu (2016) established that innovation strategies can either be new products, new methods of production, and new ways of reaching consumers or alternative channels adopted by insurance companies to deliver their products in the market. Hence technology, product innovation, process innovation and market innovation are core innovation strategies in enhancing premium growth in insurance industry.

Organizations develop competitive advantage and differentiation by focusing on the unmet customer needs and targeting that market to offer insurance products that meet consumer tastes and preferences at affordable cost compared to other competitors in the Market. Innovation strategy entails a solid definition of the needs of the customer, understanding the approaches in meeting these needs and effective execution of the plans in delivering satisfying insurance products than competitors in the market to the consumers using modern technological tools that enhance customer value (Ombaka, Machuki, Awino, & Wainaina, 2015).

According to Cui, Ye, Teo and Li (2015), firms that leverage on some of the up-to-date innovation strategies have a high possibility of thriving in the business and become market leaders as others play catch up. Again, innovation strategies not only enhance service or product delivery to the customers but also provide an opportunity for insurance consumers to choose from which insurance firm best provide insurance

products that meet their standards. Insurance products are similar hence the need for insurance companies to adopt effective marketing strategies that involve high level of innovation in order to penetrate the growing needs of middle-class people. Therefore, to increase insurance premium, the insurance companies must adopt different innovation strategies and practices such as leading the market, design thinking, customer empathy and finding the next strategy curve idea (Hinterhuber, & Liozu, 2017).

### **1.1.2 Premium Growth**

Premium refers to the amount an insured pay for the insurance cover to the insurer (Davicik & Sharma, 2015). The insurance companies generate their income through premiums charged in the market. Premiums vary with many factors over time and are more likely to change at any given time in the market due to; inflation, government taxes, reassessment of insured risk, investment returns, availability of insurance, and value of quantity as well as the insurer's cost of doing business. This factor hence determines the premium cost charged in the market (Young, Lopez, Rice, Ramsey & McTasney, 2016).

Moreover, in the insurance industry, premium determines the level of the insurer's market penetration. Jubilee holdings recorded a 13 per cent growth in pre-tax profit for the year 2017 as a result of increased net earned premiums, higher investment income and fair value gains on investment. The company enjoys its position as East Africa's largest insurer with a 15 per cent increase in total assets at Ksh. 104.96 billion from Ksh. 90.56 billion in 2016. This indicates that the company has financial strength to protect the interest of its customers while also leveraging innovative solutions to grow its portfolio in East Africa region. According to Pearson (2017), high growth in premium signal an increase in customer base and the level of

innovative strategies applied by the company in penetrating the market and meeting consumer needs. The advantage of high premium growth to the insurance firm is that it also signals the growth in business sector and consumption or purchase of insurance products and services by the customers. However, Martin and Kinoti (2017) explained that low premium indicate that the company is not able to sell its product effectively to the consumers. Further, it indicates that there is little or low market penetration hence more need to be done by the firm to provide or offer required skills for its salespersons to penetrate the market.

Kibicho (2015) also argues that premium is the main source of revenue for the insurance companies providing the necessary synergy for running activities. Premiums enable the insurance companies to meet and sustain their obligations including the administrative and operational activities. The companies also reinvest the premium in new portfolios that gives them competitive advantage in the market. Significantly, Kimani (2017) also stated that the insurance companies use premiums for compensating the insured for the risk incurred. These advantages have drawn the attention of the insurance companies, to embrace new innovation strategies and practices that would reinforce their premium growth (Kimani, 2017).

### **1.1.3 Insurance Sector in East African Region**

According to IRA report (2017), insurance sector players consist of insurance companies, reinsurance companies, insurance brokers, agents and other service providers. The insurance sector in East Africa is driven by growing economies such as Rwanda, Uganda, Tanzania and Kenya with limited penetration in South Sudan, and Burundi. In Kenya, there are a total of 55 insurance companies, 7 reinsurance companies and 206 insurance brokers with a total of 8,123 insurance agents as at May 2018. The sector is regulated by the Insurance

Regulatory Authority (IRA) with sole obligation to regulate, supervise and develop the sector. Currently, the insurance sector penetration in Kenya stands at 2.8 per cent compared to Africa's 3.5 per cent. The enabling trade treaties in East Africa have predominantly created space for multinational companies to establish operations in the region. Other companies such as CIC insurance, Britam Plc have expanded, and they increasingly invent new strategies to penetrate the East Africa market. In Tanzania, the insurance sector is made up of 30 insurance companies and 112 insurance brokers. The sector is regulated by Tanzania Insurance Regulation Authority (TIRA) and its penetration rate is 0.9 of the country's GDP with expectation of 18% growth rate by 2020. This clearly indicates that unlike Kenya, Insurance sector in Tanzania isn't much developed.

The insurance sector in Uganda is regulated by Insurance Regulation Authority (IRA-Uganda) and is made up of 19 general insurance companies and 39 insurance brokers and its penetration rate is at 1%. Various challenges such as low level of insurance uptake attributes to public mistrust, low public awareness and narrow insurance product range. Insurance sector in Rwanda is manned and regulated by the National Insurance Commission (NIC) and is made up of 15 general insurance companies and the penetration rate is much higher than Uganda and Tanzania (less than 2 percent).

With the formation of East Africa Economic block, insurance sector in East Africa has expanded not only within national territory but within other East Africa nations hence making the sector fastest growing in Africa (IRA, 2017). Jubilee Insurance seized this opportunity and expanded in Uganda, Tanzania & Burundi making it a major player in the sector. Though the players expect steady market growth, the sector still faces several challenges that hinder its growth. Weak regulation and poor corporate governance by all key stakeholders in the sector have seen the sector losing

billions of shillings through corruption orchestrated by insiders in the sector (Kimani, 2017).

#### **1.1.4 Jubilee Insurance Company Limited**

Jubilee insurance was established as the first incorporated insurance company in 1937 and later listed in Nairobi Securities Exchange (NSE) in 1973. It's among the main players in the insurance industry in Kenya and East Africa region. This is the largest composite insurer in East Africa with key interests in corporate business and individual insurance. Jubilee insurance operates in various countries including Kenya, Uganda, Tanzania and Burundi. The company provides a variety of insurance products including Life, Medical, Pension and General Covers. The vision of the company is to enable people overcome uncertainties while its mission is to provide solutions that protect the future of the customers.

Additionally, the company is guided by values such as integrity, passion, excellence and teamwork. Over the years, Jubilee holdings recorded a 13 per cent growth in its pre-tax profit for the year ended 2017 to Sh. 5.16 billion up from Sh. 4.56 billion during the same period in 2016. The company's total income recorded 25.2 per cent rise to Sh. 31.27 billion from Sh. 24.98 billion as a result of increased net earned premiums, higher investment income and fair value gains on investments. This made the company to become 2<sup>nd</sup> in the overall insurance industry performance after Kenya Re insurance in terms of profit earned and assets combined (Jubilee, 2017).

Further, the overall gross written premium and contributions grew marginally from Sh. 33.94 billion, while the short-term business underwriting results grew by 83% to stand at Sh. 1.41 billion. The earnings per share (EPS) of the company rose to Sh. 54.26 from Sh. 45.49 of the previous year, an increase of 19 per cent. It's on this results and performance that the study has sought to use Jubilee Company as the area

of study. The research seeks to establish how adoption of innovation strategies by Jubilee insurance firm enhances growth in premium, increase insurance penetration and focus on building sustainable profitability based on more disciplined pricing in an increasingly competitive business environment.

## **1.2 Research Problem**

The performance of insurance firms at times is measured by the premium growth. However, most insurance firms still face difficulties in boosting their premium growth. AKI report (2017) established that insurance growth in Kenya is still relatively low at 2.8% compared to other states with higher percentages. In addition, Insurance premium is critical for all insurance players as it form part of their income. Insurance companies not only pay close attention to premium growth in the market but also on long term investments from assets.

Although Jubilee Insurance firm is considered one of the big insurance firms, the innovation strategies for premium growth have not yet been established efficiently to determine if they enhance performance in the firm. From the current insurance data, premium growth grew by 13.4 per cent equivalent to Sh. 109 billion with the general written insurance premium accounting for 62.4 per cent while that of life insurance premium at 20.7 per cent. Hence, there is a possibility that adoption of effective innovation strategies and practices have contributed to the growth of premiums in the insurance firm leading to improved financial performance.

A study conducted by Cui, Ye, Teo and Li (2015) revealed organisations that leverage up-to-date innovation strategies have a high possibility of thriving in the business and become market leaders as others play catch up. Internet and applications for instance have enhanced the delivery channels of insurance services and products from the insurance firm where high network of faster clearing and settlement are done on time

(Eling & Lehmann, 2018). Similarly, Epetimehin (2011) assessed the impact of marketing innovation and creativity on achieving competitive advantage in insurance industry in Nigeria. The results demonstrated that marketing innovation and creativity are crucial in company success. It also found that marketing innovation and creativity have improved activities in insurance industry thus achieving competitive edge.

A number of recent studies in Kenya on innovation have approached insurance industry from the general growth perspective with little focus on premium growth in the industry. Furthermore, there isn't a specific study addressing the effect of innovation strategies on premium growth in the insurance industry, rather than just insurance growth as the dependent variable in most cases. Mutegi (2018) studied the role of innovation strategy on insurance penetration. Kiragu (2016) studied the influence of innovation on performance of insurance companies. Mwangi (2010) also studied strategic issue management in insurance companies in Kenya. It is therefore evident that more studies need to be done on premium growth which has remained under addressed by those who have studied the area. This study sought to bridge this gap by answering the question; what are the innovation strategies used by Jubilee Insurance Company to enhance premium growth in the East African region?

### **1.3 Research Objective**

The objective of the study was to investigate the effect of innovation strategies on premium growth in Jubilee Insurance Company in the East African Region.

### **1.4 Value of the Study**

The study is significant to the management of Jubilee insurance company in getting a comprehensive idea of how effective innovation strategies can enhance premium growth in the firm. To the other insurance players in the market such as insurance companies and brokers, the study provides an in-depth analysis on the effective

innovation strategies that can boost the growth of their premiums in the industry to a relatively higher level compared with the current performance.

The research is significant to the regulator (IRA) and the government. The study unearths the various innovation strategies on insurance premium that has been on the slow growth over the years and provides effective recommendations such as the adoption of innovative strategies that creates value to the industry through premium growth.

To the scholars and academicians, the study is significant in drawing more discussion on innovation strategies and premium growth in insurance firms, hence creating debate on what innovation strategies are effective in driving premium growth. The research further develops knowledge that future scholars will use for reference and in the process advancing more research to help address innovation strategies that insurance firms should embrace to grow their portfolio and become profitable. Innovation strategies will also inform insurance companies which products and services to design to meet the ever-changing customer's needs and wants. This is supported by the fact that market leaders in industry invest in innovation to keep up to date with market dynamics thereby producing specific product package for consumers. As a result, they achieve competitive advantage.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter covers theoretical review, innovation strategies and premium growth where empirical literature and critique of the review are discussed, summary of empirical studies and research gaps are outlined.

#### **2.2 Theoretical Review**

This section outlined the theories that explain the study and includes Resource-Based Theory, Blue Ocean Theory and Diffusion of Innovation Theory.

##### **2.2.1 Resource-Based Theory**

According to Penrose (1959), the ability of a company to outperform its competitors in the market lies heavily with the resource that it has in the market environment. Firms with huge resources have capabilities in undertaking innovation at all levels that promote growth and enhance performance in the market. As such, many companies are investing heavily on assets and other resources that can enhance their resource base and give them a competitive edge in the market. Hence to have a competitive advantage, firms believe they must invest in intangible and tangible assets comprising of human capital, career development and adoption of technological developments which enhance innovation processes in the firm.

Investing in career development within the organization promotes knowledge-based resources. Ponnampalath and Balaji (2015) reiterate that employees who are trained are more likely to be innovative and would use their skills to provide quality services which improve performance. Firms strive to support their employees to acquire relevant skills to improve their productivity and competitiveness in the job market. Further, knowledge gives firms the ability to predict the nature of the business based

on economic changes. When this occurs, knowledge base resources become integral part of premium growth and supporting firm performance (Ponnam & Balaji, 2015). This theory generally looks at how an organization can employ its resources prudently to improve performance. For insurance companies, human resource is considered most to ensure that services are rendered efficiently to customer's satisfaction.

According to Jonathan (2015), resource-based capacity of an organization provides it with more diversity in undertaking various innovation strategies aimed at promoting performance of insurance companies. The competitive advantage of a firm, therefore, is tied to the resources it possesses. Resource adequacy would mean that a firm has enough capital to perform intensive research and development (R&D) to identify market gaps and provide insurance services that meet consumer needs (Pradhan, Arvin & Norman, 2015).

This theory, therefore, is very relevant to the study as it clarifies the nature of insurance industry where high competition and control is of interest to each firm. However, to remain competitive require companies to have enough resources which are not limited to only technology but also knowledge-based resources. The theory, therefore, connects to the study as it brings out how resource-based capacity can support and promote innovation strategies in enhancing premium growth in Jubilee Insurance Company.

### **2.2.2 Blue Ocean Theory**

This theory was developed by Kim and Mauborgne (1997). The theory suggests that firms should strive to identify new markets than just taking their competitors head-on in the existing market. As a result, firms should invest in research and development in order to identify both new products and new markets, giving them a high edge in growing their performance.

In their strategy development, Kim and Mauborgne (2005) argue that firms should try to align their innovation with utility, price and cost positions in order to meet consumer needs and expectations

Insurance market is changing with changing technology and globalization. Threat of new entrants into the industry and having high competitive bargaining power alone cannot prosper premium growth in the firm. For this, dynamic business environment exists for insurance firms hence the need for a robust approach in addressing premium growth. Porters' five forces are effectively in giving firms a competitive edge in the market however, with the changing consumer environment, value creation is the goal of enhancing premium growth in the firm leading to profit maximization and wealth maximization for shareholders (Lilly & Juma, 2014).

Market forecasting should be part of innovation development. Blue ocean theory provides firms with opportunity to predict the market performance and develop appropriate mechanisms and contingency measures in dealing with the unknown risks in the firm. Enhancing firm's product differentiation should form part of innovation strategy as explained by Blue ocean theory. Customers want services that meet their preferences hence if value creation is not addressed effectively, firms cannot achieve their premium growth even if they have high competitive advantage (Auka & Jacob, 2014).

The theory is further pegged on the belief that creating value for buyers should focus on market segmentation. Innovation strategies adopted by the firm should first understand the need of the consumers in each market. Once this is done, market segmentation gives a firm a competitive edge in knowing how and when to provide insurance services and products that their target audiences expect rather than

providing insurance products that do not add value to the customer. This theory, therefore, advocates for creativity in the business environment through innovation which creates value and gives firms an opportunity to compete not only based on competition but also on value creation to their customers (Hassan, 2018).

Connecting this theory to the study, innovation strategies adopted by the firm should not only enhance competition but also increase value and offer low-cost insurance products to the customers. Value innovation strategy, therefore, is more beneficial to both the customers and the firm since that consumers re-buy products and insurance services where they enjoy value of their money and where services offered to meet their taste preferences.

### **2.2.3 Diffusion of Innovation Theory**

This theory was developed by Rodgers in 1962. Diffusion is a process and it involves how information spread across to reach the target audience. In relation to innovation, diffusion explains how innovation strategies are communicated and implemented over time in the firm by the innovators to firm performance. Successful diffusion of innovation, therefore, depends on the type of innovation strategies adopted by the firm, ways in which they are communicated to each member in the company or channels, rate of implementation or time and the organization culture or system of the firm (Rodgers, 1962).

Whether the firm is on the stage of early adopters, early majority, late majority or laggards, the concept of adopting innovation strategies in the firm should communicated effectively to all the employees as it requires enough human capital. According to Kyengo, Ombui and Iravo (2016), most innovation strategies fail before the final stage of working efficiently due to poor diffusion processes. Proper diffusion of innovation, therefore, should incorporate both the hardware and the physical aspect

or idea as it can determine the compatibility and complexity of the innovation strategies being adopted in the firm (Rodgers, 1962).

Relating this theory to the topic of study, insurance products and services are characterised by several procedures which require normalization and standardization in order to create an effective framework that promotes easy diffusion of innovation strategies in the firm. Whether it's technological or process innovation strategy, a sound network must be created in order to promote successful implementation of diffusion of innovation in the firm. This will allow all employees to participate and give their inputs which in the long run can result in growth in premium (Kyengo, Ombui and Iravo, 2016).

### **2.3 Innovation Strategies and Premium Growth**

This section briefly discusses the innovation strategies and linking them to the premium growth in the firm. It also provides a critique of the strategies.

#### **2.3.1 Technology Innovation Strategy**

According to Auka and Jacob (2014), innovative organizations have deep understanding of their customers' challenges. To this extent, technology helps the company to establish customer empathy systems which provide customer insight leading to lean approach as an innovation practice. This provides an opportunity for business managers to create new options through innovation. Insurance companies should, therefore, think like designers and reduce the application of the concept of Porter's Five Forces as innovation strategy as it only addresses market forces without proper consideration of product, process and technology as innovation strategies and practices that enhance premium growth in insurance industry (Auka & Jacob, 2014).

Kimani (2017) also argues that realignment and business re-engineering have been experienced in insurance firms as a result of the continuous adoption of technology as

an innovating tool. This has seen an increase in integrated systems where delivery and insurance payments can be done efficiently at the consumers' ease. And as more challenges occur in the business environment, consumers want to align themselves with the up-to-date technology systems in the organization as innovation strategy that increase the speed of transaction of insurance businesses. Internet and applications have enhanced the delivery channels of insurance services and products from the insurance firm where high network of faster clearing and settlement are done on time (Eling & Lehmann, 2018).

Technology as an innovation strategy increases premium growth in the firm through increase profitability and performance. Besides, technology has got its challenges to organizations thus the need to employ it professionally in spearheading firms' operations. Advanced technology, for instance, has seen employees losing their jobs because companies have resorted to employing technology to cut costs in order to boost revenue (Omwono, John & Kevin, 2016). In addition, technology increases cyber theft by enabling anonymous people access private information of companies due to poor security systems in firms. Innovation strategies and practices thus involve matching organization's goals to its resources. Insurance firms that invest heavily on technology undertake research and development (R&D) practices that provide the company with an opportunity to adopt various levels of innovation strategies which gives the firm the lead in the market in effective and efficient utilization of organization resources (Andersson, Dasí, Mudambi, & Pedersen, 2016).

### **2.3.2 Product Innovation Strategy**

According to Nagle and Muller (2017), the strategy of product innovation involves introducing new product or improved product to the market based on its features or its use. Insurance firms generate revenues through insurance products and services that

they offer. Quality is important in determining the relevance of any product in the market. Knowledge of product specifications and different taste and preferences causes firms to go back to the drawing board with the sole goal of enhancing their product features through product innovation strategy (Braunerhjelm & Henrekson, 2016).

Product innovation strategy involves maximizing on differentiation ability and creating uniqueness attributes of insurance products which increase perceptions in consumer mind. Further, the goals of product innovation strategy in the firm should be attracting consumer and create a value proposition in their eyes which makes them see their products in a special and different way than their competitors in the market (Visnjic, Wiengarten & Neely, 2016).

According to Davcik and Sharma (2015) product differentiation involves incorporating perceived prestige and status that comes with owning a certain insurance product. It is on this area that insurance competes at a high rate in order to enhance their premium growth. Having a large market share through product consumption enables the firm to undertake several researches and development with the goal of improving their product characteristics and features in the market. The success of product innovation strategy in enhancing premium growth is always limited by market forces and regulations set by the government (Davcik and Sharma, 2015).

Existence of consumer distrusts restricts product innovation in that insurance firm must use a lot of convincing power which may also involves use of money to employ skilled marketers to reach to the customers (Bhalla, 2010). These literatures illustrate the degree of product innovation in other areas; therefore, they create a ground for

insurance firms to develop competitive innovation strategies. Notably, a number of firms imitate others to provide a basis for formulating their own strategies.

### **2.3.3 Market Innovation Strategy**

One of the challenges facing insurance firms is the creation of new markets for the products. According to Martin, Javalgi and Cavusgil (2017), marketing innovation strategy involves significant changes in packaging, product promotion and design as well as pricing them. The goal of the marketing strategy is to address the needs of customers better by creating products that meet their tastes and also opening new markets through market segmentation. Segmenting the market provide the firm with the opportunity to study its customers in different view and make conclusions in enhancing product features (Junge, Severgnini & Sorensen, 2016).

Moreover, Banerjee (2017) argues that the success of market innovation strategy depends on the level of technology adopted by the firm. The current generation has seen a number of sales made online, even insurance firms marketing online. Education and technical know-how have disposed-off brokers hence individuals search for their insurance products on their own. Further, the firms have reduced the cost of commission which has led to increase in premium growth as a result has good position which is part of marketing strategy (Banerjee, 2017). Additionally, firms use technology to gather customer information which they use in effective segmentation and positioning of insurance products and services in the market (Karanja, 2009).

Little attention has also been given to market innovation strategy. Though some literature and articles have been written on market innovation strategy with others addressing process and technology innovation, establishing how firms position themselves in a market which has similar products is very crucial in enhancing premium growth in the industry (Agic *et al.*, 2016). This is majorly due to increased



completion and high demand of firm performance which is characterised by expected growth in premium. Product promotion and pricing are noted in other studies as major drivers of marketing mix yet are not elaborated in marketing innovation strategy (Cooper & Edgett, 2009).

#### **2.4 Summary of Empirical Literature and Research Gap**

This section of the research study presents the summary of the literature and research gap of the study. It also discusses the critique of the literature identified in the study. Epetimehin (2011) assessed the impact of marketing innovation and creativity on achieving competitive advantage in insurance industry in Nigeria. 20 insurance companies were selected for the study and primary data was used where users and employees at insurance firms were targeted for response using questionnaires. The findings of the study clearly demonstrated that marketing innovation and creativity are crucial in organizational success. It also found that through marketing innovation and creativity, the insurance industry can improve their businesses and achieve a competitive edge. Since that the study was done in Nigeria, it leaves a gap that can be filled in the Kenyan Insurance market as the study aim to achieve.

Kiragu (2016) examined the influence of innovation on performance of insurance companies in Kenya. Product innovation strategy, market innovation strategy, process and technology strategy formed his independent variables. The study adopted the use of descriptive cross-sectional design and a census survey was taken on all 49 insurance companies operational in Kenya as at 31<sup>st</sup> December 2014. Primary data was collected using structured questionnaires and data was analysed using SPSS. The results of the study established that process and product innovation strategy positively and significantly influence organizational performance while no evidence was reported between market innovation strategy and organization performance. This

study therefore identifies a gap on effect of market innovation strategy which it aims to achieve in order to determine its effect on premium growth.

Karanja (2009) conducted a study on innovation strategies adopted by insurance companies in Kenya. The research design employed was a survey method where all the 43 insurance companies formed the study population. Primary data used for the study was obtained through the use of semi-structured questionnaires and the analysis was done through descriptive statistics. The study findings indicated that companies with strong technology-enabled innovation strategies are more likely to secure competitive advantage and create superior value creation for their customers as well as shareholders. The study did not demonstrate how technology enhances premium growth in the industry.

Additionally, Mutegi (2018) researched on the role of innovation strategy on insurance penetration in Kenya by reviewing four study variables; product innovation strategy, market innovation strategy, technological innovation strategy and scenario plan strategy. The study involved all the licensed 51 insurance companies in Kenya and the sample was 34 with 146 managers drawn from different department. Descriptive research design was used. Data was collected using primary and secondary sources. Linear and multiple regression analysis were used to show the relationship between independent and dependent variables. From the study findings, majority of the respondents agreed that product innovation enable insurance firm's quick accessibility to the market. Product innovation helps firms to produce products that meet customer needs hence ensuring that the firm resonate with customers in the market. However, the study did not show a correlation between innovation strategies and premium growth.

Nandwa (2016) did a study to assess the effect of innovation strategies on financial performance of insurance companies in Eldoret with a target population of 21 companies. Strategies involved in the study were processed innovation strategy, promotion innovation strategy and pricing innovation strategy. Structured questionnaire was used to collect primary data and analysis was through content analysis technique. The findings indicated a significant relationship between product innovation, promotion innovation, pricing innovation strategies and financial performance. The study didn't also cover premium growth, hence the need to undertake a study on innovation strategies and premium growth.

Innovation strategies are instrumental in increasing premium growth in the insurance firm. Several studies undertaken as shown above under empirical review were done on innovation strategies and financial performance and insurance penetration with less or no focus on insurance premium growth. A study of Nandwa (2016) was done on market mix strategies which are promotion and pricing strategies on financial performance. Based on the above findings, it is difficult to predict premium growth in insurance firms in Kenya. As such, a study needs to be done to incorporate all the strategies adopted by these researchers such as technology, product and market innovation strategies and predict how they affect premium growth in Jubilee insurance. However, the study findings were significant in explaining influence of innovation strategies on insurance industry.

In summary, this chapter discussed empirical literature on innovation strategies and premium growth. Three innovation strategies and premium growth have been explained with much focus on technology, product and market innovation strategies and their existing gaps has also been indicated. Empirical evidence both local and international has been identified where the study will use them in comparison with the

study findings. The findings in the empirical review indicate that these innovation strategies have a significant positive relationship with performance and penetration of insurance industries. Critique of the findings has also been identified that majority of the study has been on firm performance. This left a gap that this study sought to fill by establishing innovation strategies and premium growth in Jubilee Insurance Company Limited (Ltd).

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the steps that the study adopted in obtaining data for the study and how these data were analysed to make study inferences. Additionally, the chapter covers research design, data collection, and data analysis.

#### **3.2 Research Design**

According to Kothari (2008), a research design is the structure or guidelines developed by the researcher with the objective of gathering information in accordance to the research objective without deviating to other topics that do not form the study. This study, therefore, adopted a case study design. Case study design is recommended for such studies due to its ability simplify complex concepts as it also contains the study of observations and perceptions of one person.

A good study structure and guidelines are useful in assisting the study to obtain accurate data that aids in meeting study objectives. As such, there should be simple guidelines that clearly explain what the objectives of the study are, so that both the researcher and the respondents can cooperate effectively in enhancing the study questions. Further, the structure developed by the researcher should clearly demonstrate how data gathered will be treated with utmost confidentiality in order to increase the confidence level of the respondents when responding to research questions (Dul & Hak, 2008).

A case study design is good for the study since it allows a complex study to be accessible and interesting to the respondents. It also enhances flexibility and broadness of the study where the researcher provides a detailed account of what the study is and what the study aims to achieve using the storytelling approach (Dul &

Hak, 2008). This design helped the study to determine the effect of innovation strategies on premium growth in Jubilee Company (Rolls, 2005).

### **3.3 Data Collection**

This study used primary data and targeted seven management that were considered as competent to give accurate information in relation to the objective of the study which was to examine innovation strategies used by Jubilee Insurance Company to enhance premium growth in East African region. To ensure that information gathered was easy to understand for the participants and to interpret for the researcher, interview guide as data collection instrument was used (Mugenda, 2009).

### **3.4 Data Analysis**

Data analysis is the process of scrutinising, cleansing, converting and modelling data with the aim of ascertaining useful information, informing conclusions, and supporting decision making to the study (Fandango, 2008). Content analysis was used in the study. The content analysis method is significant because it facilitates the researcher's ability to analyse qualitative information gathered from the participants.

The method identified participants' expressions through behavioural response to the study questions. The study used both rational and conceptual analysis in order to address the research problem and provide clear understanding of the results. Conceptual analysis explains new concepts while also addressing research problem by breaking down information into meaningful and pertinent information. Rational analysis was used to determine whether there exists a relationship between innovation strategies used by Jubilee Insurance Company to enhance premium growth in East African region (Krippendorff, 2001).

## **CHAPTER FOUR**

### **DATA ANALYSIS, FINDINGS AND DISCUSSION**

#### **4.1 Introduction**

The research objective of this study was to determine innovation strategies and premium growth in Jubilee Insurance Company East Africa region. The study findings were categorized into three different sections, where the first section was to determine innovation strategies and premium growth in Jubilee Insurance Company, the second section focused on the implementation of technology innovation strategy in Jubilee Insurance, the third section addresses implementation of product innovation strategy in Jubilee Insurance and the last section addressed implementation of market innovation strategy in Jubilee Insurance. The study focused on content analysis hence the presentation of qualitative data.

#### **4.2 Demographic Data of Participants**

An interview guide was designed to collect data from seven senior management officials in Jubilee Insurance Company East Africa. Out of the 7 targeted respondents, only 5 (71%) participants participated in the study. Those who participated were head of policy and administrative department, underwriting manager, strategic planning manager, finance manager and human resources managers. The respondents were long term employees of Jubilee insurance with over 6 years' working experience with the company.

### **4.3 Innovation Strategies adopted by Jubilee Insurance Company**

This section addresses various innovation strategies pointed out by the managers during the course of the interview. Respondents identified that digitization of different platforms such as application for claims, documentation and also use of artificial Intelligence services has generally resulted to enhanced customer services and better rating which has resulted to the attraction of more customers than the competitors. Ideally, average insurance services require a lot of documentation and time consuming while in Jubilee; services are centralized into one application where clients and customers can access every single service cost effectively. According to the respondents, over 60% of the Jubilee insurance activities are done online while only 40% requires manual paperwork or one on one interaction.

Participants similarly revealed that apart from direct innovation of products and services, Jubilee insurance has adopted additional services to their products such as the J-assistance, J-evacuation and Jubilee mums' club which are services enhances not only towards premium growth but towards community engagement and participation. The management believes that participation in community-related services and offering better care of the customers and non-customers creates high chances of business growth as a result of customer attraction.

The use of product differentiation was addressed as one of the innovative strategies which Jubilee insurance has adopted towards premium growth. The participants revealed that jubilee insurance has not only been a risk management company, but it has integrated insurance services with banking services and business consultancy services hence making the company the most preferred by customers. Some of the common innovative products adopted by Jubilee insurance are; - motor and non-motor services, health, savings and pension.



Lastly, respondents identified that Jubilee insurance has invested heavily in research and development and this has totally enabled the company to be one of the top leading insurance companies in Kenya where services are enhanced online, complains are handled at individual comfort and payment is similarly done online. The use of Chat Box, WhatsApp messaging and direct interaction with the website has enhanced ease of service delivery in Jubilee insurance. Other common innovation strategies adopted by Jubilee insurance are; -internet of things, telematics and other common digital platforms.

#### **4.4 Technology innovation strategy implementation**

This section addresses specific technology innovation strategies implemented by Jubilee insurance in Kenya. One of the most recognised innovative strategies, as depicted by participants, was the use of artificial intelligent platform, referred to as Julie. Julie has the capability of responding to any claim, complain and directing clients to customer care unit on standby to answer personal queries which require their attention. Artificial Intelligent service has not only contributed to ease of doing business in Jubilee but has resulted in cost leadership and cost management. It also tailors fast time service to clients at relatively lower costs.

Participants established that adoption of JubiCare App has been the second most innovative strategy implemented by Jubilee insurance. Jubilee identified that for a couple of years, customers have been complaining in relation to how insurance companies interact or associate with their clients. Jubilee ensured that with the JubiCare, customers can follow up with their contribution and claim just as they follow up with their banking services. The adoption of the application has also been in line with the need of Jubilee insurance to be transparent to their customers and clients as much as they can. JubiCare has similarly been used by customers towards locating

the nearest service provider in case of emergency. The application similarly updates Jubilee customers on health and wellness behaviour hence showing total care and concern for customers.

The adoption of InsurTech in Jubilee insurance has resulted to premium growth by at least 20% as stated by the participants. InsurTech is an insurance technology system that ensures that products and services are centralized in one platform hence making easy access to services, products and information. The use of the well-informed website is one of the strategies enhanced by Jubilee insurance to enhance premium growth.

Participants identified that the use of technology in Jubilee insurance has helped the company to grow premiums in various ways hence demonstrating clear relationship between technology innovation and premium growth. One of the most common significant means in which technology implementation has resulted in premium growth is cost-saving and resource diversion on business growth and customer attraction. The use of technology has resulted in over 24% cost saving in Jubilee insurance. Secondly, the efficiency of services in the Jubilee as a result of self-centred services has resulted to increase in customer base with a margin of 8% in the last 2 years hence a clear indication of premium growth.

However, participants established that high concentration on technology implementation has resulted in the diversion of resources from other core activities such as employee's welfare concern, training and development.

#### **4.5 Product Innovation Strategy implementation**

The main aim of technology implementation in Jubilee insurance has not only been for the purpose of market leadership and publicity but the core aim is to keep innovating products as much as the company can manage. Product development and innovation have been the key focus for Jubilee insurance. Respondents identified that the company has a policy review of products every 3 months with the aim of identifying weaknesses and strengths to capitalize on.

Participants identified that Jubilee insurance uses product rating, customer reviews, surveys and taste and preferences towards the analysis of products in the market. The poorly rated products are given priority by the management and the development team. One of the most significant aims is to understand the reason why the product isn't performing well in the market to attract poor rating.

Development and implementation of P2P or rather peer to peer product in Jubilee insurance has been one of significant product innovation strategies used by Jubilee insurance to enhance premium growth. Insurance has always been considered as an individual affair or family affair but with P2P, individuals are able to access insurance services through grouping together and contributing towards the purchase of the product. Although P2P products have been in existence for long, many insurance companies have never considered effective implementation.

Participants similarly pointed out that from the perspective of the current generation, individuals are entangled with many responsibilities hence preferring to purchase insurance services on demand. This basically means that short term insurance and purchase of insurance services in small quantities is the most preferred technique by customer. As a result of this rationale, Jubilee insurance has been working towards effective implementation of On-Demand Insurance (ODI) which is not only aimed at

easing mode of customer payments but as an inclusive strategy to attract low income earners and self-employed.

The participants pointed out that the use of J-assistance and J-evacuation has resulted in premium growth. Through J-evacuation services, Jubilee insurance has been able to enhance the sale of motor vehicles covers and medical covers which has been beneficial towards premium growth and Jubilee Insurance performance.

Integration of product innovation and technology innovation was mentioned to the long-term plans adopted by Jubilee insurance towards ensuring that the company remains a market leader. Respondents similarly identified that Jubilee insurance is considering investing heavily in research and development to identify any opportunity or potential threat. According to the findings, there is a relationship between product innovation and premium growth in Jubilee Insurance

#### **4.6 Market Innovation Strategy implementation**

Participants identified that the adoption of innovation in Jubilee insurance has aligned every operation of insurance with technology to ensure smooth operation. Promotion strategies, delivery strategies and pricing strategies have all been aligned with modern innovative platforms to enhance efficiency and customer attraction. For instance, Jubilee has been able to use digital marketing as means of promoting company products more than any other form of product promotion strategy. Respondents identified that it is estimated that 60% of product awareness is generated through social media advertisement.

Market segmentation was similarly considered to be one of the significant market innovation strategy adopted by Jubilee Insurance East Africa. The respondents identified that Jubilee insurance uses survey and reviews to determine what customers

needs and the nature of customers they have. Brand usage rate is the most sought strategy in market segmentation. Some brands such as health and motor vehicle insurance are highly sought with high demand across East Africa.

Participants identified that segmentation by benefit sought is also a common market strategy adopted by Jubilee insurance. Jubilee insurance does not promote its products based on the need to offer but based on the benefit attached to the products. Jubilee insurance has strategized its market not only towards the provision of highly sought products but also towards adding benefits such as savings plans and pension plans in their product line.

The use of modern technology such as internet-based platforms in analytical processes, customer mapping, customer engagement and market segmentation has potentially contributed to market innovation in Jubilee insurance. Technology has been the centre of all operations conducted by Jubilee insurance hence resulting in premium growth. The findings of the study clearly identified that there is relationship between market innovation and premium growth.

Participants further established that intensified use of innovative strategies in provision of insurance services and products has resulted in a 30% growth in premium within a period of five years. Similarly, the insurer recorded a total of 25.3% increase in pre-tax profits hence having a clear indication of improved organizational performance. This growth has been attributed by heavy investment in innovation and use of innovations towards the delivery of services to customers.

The participants pointed out that although the insurance has been able to perform well over years in a very competitive environment, challenges such as low access of technology in East Africa countries such as Uganda and Burundi are affecting

effective implementation of current technologies towards premium growth. Participants identified that Jubilee insurance is handling this problem towards participation in national development strategies such as technology empowerment and Public-Private Partnership that will strike a balance between the functions of the company and its commitment towards public affairs in a bid to foster economic growth in the country.

#### **4.7 Discussion of Results**

Jubilee instance has adopted various innovation strategies which have led to the growth of premium and company performance in general. The most significant innovation which Jubilee insurance has adopted is the use of technology towards the delivery of products and services. Jubilee insurance over the last 5 years has been leader in the industry in terms of service delivery through the use of automated systems and e-platforms which have also contributed to cost-saving, service efficiency and loyalty. The findings agree with Kimani (2017) who pointed out that the increase in integrated systems where delivery and insurance payments can be done efficiently at the consumers' ease has resulted to customer attraction and retention. The results further revealed that customers are always on the look out to associate with service providers that promise more benefits and value.

Other than the implementation of technology in the delivery of services, Jubilee insurance has adopted product innovation strategy where the company has added value to the current insurance services. Some products such as P2P insurance, On-demand insurance, J-assistance and J-evacuation are some of the common innovative products the company has been able to implement other than basic insurance services. Product innovation strategy in Jubilee insurance has resulted in growth in customer base and expansion of the company over the last 5 years. Just as Visnjic, Wiengarten

& Neely (2016) stated, the goal of product innovation and differentiation is to attract consumer and create value proposition in their eyes which makes them see their products in a special and different way than their competitors in the market.

Market innovation similarly is one of the innovation strategies used by Jubilee insurance towards the provision of products and services to customers. The use of technology-based platform to promote company's products and services has been highly sought in Jubilee insurance. Segmentation strategies in Jubilee insurance are not aimed at a certain market but the company has ensured that their services are the most sought in East Africa through integrating low-income earners and middle class. Other innovative promotion strategies adopted are; use of internet-based platforms in analytical processes, customer mapping and electronic customer engagement and interaction. The findings concurred with Karanja (2009) who identified that firms use technology to gather customer information which they use towards effective segmentation and positioning of products and services.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

The purpose of this section is to present the study summary, conclusion and recommendations. The study summary and conclusion were conducted in relation to the study findings while recommendations were carried out in relation to areas where Jubilee insurance should improve on towards premium growth.

#### **5.2 Summary of Findings**

Findings in relation to innovation strategies adopted by Jubilee insurance East Africa identified that Jubilee insurance has been in the core front towards implementation of modern technologies towards the delivery of services and products to the customers. Some of the common technologies which Jubilee insurance has been able to develop and adopt are; - digitization of all operations through the use of Artificial intelligence, JubiCare, WhatsApp Messaging, Chat Box, InsureTech and digital documentation. The new technology strategy implementation has been able to ease services and contribute to premium growth and revenue collection. In relation to the fact that the adoption of innovations in Jubilee insurance has resulted in growth in premium, Organizational resources have been fully concentrated towards procurement, training and development of employees and management respectively on how to handle the new technology effectively. This has however limited growth on other business aspects.

In regard to technology advancement in the private sector, Jubilee Insurance has taken the advantage of technology towards creation and development of products which suits current needs. As a result of this, jubilee insurance has been fully engaged in being market leaders towards product innovation. Some of the common innovation-



based products delivered by Jubilee insurance are;- P2P insurance where a group of individual pull resources together towards access of insurance services, On-Demand Insurance (ODI) which is not only aimed at easing mode of customer payments but as an inclusive strategy to attract low income earners and self-employed. Jubilee has also launched J-evacuation and J-assistant products which have contributed towards creating awareness and premium growth. Findings identified that Jubilee focuses on customer needs and wants and preferences as means towards designing and creating new products.

In relation to market innovation, findings were that the use of modern technology such as adoption of digital marketing in Jubilee insurance has resulted in creating of awareness and customer attraction hence resulting in growth in premium. According to the findings, online marketing and digital promotion is the core product promotion activity conducted by Jubilee insurance towards communicating the company products and services to the customers. Jubilee insurance has also adopted benefit sought strategy of marketing segmentation where the customer target and communication are based on the benefit attached to the product. For instance, the benefits of being a jubilee customer are having online agent always ready to serve; monitoring premium through digital platform and having access to any query instantly through the JubiCare. The use of modern technology such as internet-based platforms in analytical processes, customer mapping, customer engagement and market segmentation has potentially contributed to market innovation in Jubilee insurance.

### **5.3 Conclusion**

In conclusion, the study acknowledged that Jubilee insurance has been a market leader towards adoption of most innovative technologies in the delivery of products and services to the customers. The ease of doing business in Jubilee insurance has

been able to attract quite a number of customers hence resulting in growth in premium subscription. The use of JubiCare, Chat Box, Artificial Intelligence, WhatsApp messaging and direct interaction with the website has enhanced ease of service delivery in Jubilee insurance. The study clearly concluded that there's relationship between technology innovation and premium growth.

As much as companies are seeking means of producing unique products and services, Jubilee insurance has focused not only on the introduction of new products and services but also strengthening customer services as innovative means creating value to products and services. Innovative products such as J-assistance and J-evacuation are some of the products which have led Jubilee towards growth in market share hence indicating a relationship between product innovation and premium growth. Other innovative products which Jubilee has been able to launch are P2P and On-Demand Insurance (ODI) which is not only aimed at easing mode of customer payments but as an inclusive strategy to attract low income earners and self-employed. Respondents however identified that some of the innovations claimed by Jubilee are existing among few competitors hence showing concerns on market leadership.

The use of digital promotion and adoption of e-marketing in Jubilee insurance has potentially contributed to growth in customer base. Jubilee insurance has been able to strategize its promotion strategies towards creating a positive image and communicating advanced organizational products and services to the customer at a low budget and with ease. Quite a number of insurance companies in East Africa have a specific market segment but Jubilee insurance has focused on benefit sought segmentation which basically concerned with fulfilling customers needs and wants. Jubilee insurance uses survey and reviews to determine what customers' needs and

the nature of customers they have. Brand usage rate similarly is a commonly sought strategy in market segmentation. Some brands such as health and motor vehicle insurance are highly sought with high demand across East Africa hence requiring differentiation through packaging, pricing or delivery. Jubilee Insurance has specifically focused on the pricing and delivery strategies where products attract low price and high quality in relation to access to services with a click of a button. The researcher concluded that there is relationship between market innovation and premium growth

#### **5.4 Recommendations for Policy and Practice**

The study recommends that implementation of technology innovations in Jubilee Insurance should be based on ease of use, cost-effectiveness and accessibility. As much as the use of technology is the future of every business, disregarding the fact that technology is not well adopted in East Africa can have a major implication on growth in customer base and premium growth. The study recommends that technology innovation should be well thought of to ensure that it does not limit customers such as those in rural areas from accessing products and services.

In relation to product innovation strategy, the study recommends that Jubilee insurance should ensure that customer needs and demands are potentially met. This clearly means that research and development should be the best priority for product innovation. Jubilee insurance must also ensure that unique but highly sought products have been developed as means of creating value to customers.

Jubilee insurance must ensure that product promotion has been conducted with aim of persuading customers towards access to products and services. However, promotion must not always focus on persuasion but also Jubilee must walk the talk or rather being reliable for what they promote. E-marketing should enhance value through cost-

cutting and growth in customer base through communicating the right message to the right audience.

### **5.5 Limitations of the Study**

The study focused only on content analysis with no focus on quantitative information. This clearly means that data analysis, conclusion and recommendations were conducted based on the nature of responses provided. Therefore, the validity of data provided is purely based on primary data and partially secondary data.

In addition, participants were not open enough to provide detailed information in concern that strategic information is confidential to the company itself. This clearly means that access to information was limited only to company policies in relation to public information. This therefore limited researchers' ability to gather conclusive information to address the research problem and to provide further recommendations.

### **5.6 Suggestions for Further Research**

This study focused only on limited innovation strategies such as technology innovation, product innovation and market innovation. Further studies should focus on identifying more innovation strategies which insurance firms can use towards enhancing premium growth. Future studies should focus on expanding the scope to incorporate other industries such as banking and non-banking financial sectors to establish the implications.

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## **APPENDIX: INTERVIEW GUIDE**

### **Section 1: Innovation Strategies and Premium Growth in Jubilee Insurance Company Limited.**

1. Please indicate some of the innovation strategies adopted by Jubilee Insurance firm.
2. Do these innovation strategies play a key role in promoting premium growth in the firm?

#### **Technology innovation strategy**

3. Describe technology development situations adopted in the firm. How do you cope with them?
4. Describe how technology innovation strategy is helping the firm gaining market competitive to increase its premium growth.
5. Describe some of the technological ideas that frustrate the business development to increase premium growth.
6. In the firm, has technology failed to assist people to implement organization objective in relation to innovation?
7. Does technology help in product development, delivery channel and gaining customer base in achieving premium growth?

#### **Product Innovation Strategy**

8. How often do you perform product developments in the market?
9. How do you assess product innovation in relation to product features to meet customer tastes and preferences to increase premium growth?
10. Has product innovation been beneficial in increasing premium growth in the firm? If yes, to what extent? If yes, explain
11. What plans do the company have to catch up with product innovation with continuous product developments in the market driven by technology?

#### **Market Innovation Strategy**

12. Does highly market segmentation and product positioning yield premium growth in the firm?
13. Does creation of multiple market segments and distribution channels enhance product delivery in the market which increases premium?
14. To what extent has the insurance firm adopted innovative strategies to enhance its premium growth? And can you name a few of these innovation strategies?
15. How do you connect technology in facilitating market innovation in the firm?