EFFECTS OF MARKETING INTELLIGENCE ON SALES PERFORMANCE OF BANCASSURANCE AMONG FINANCIAL INSTITUTIONS IN KENYA

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DECLARATION

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

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This research project has been submitted for examination purposes with my approval as the University Supervisor.

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DEDICATION

This project is dedicated to the dearest figures in my life: My husband and our two amazing God given children, a very special thank you for your practical and emotional support. Without your love and support this project would not have been made possible. Finally, this project is dedicated to all those who believe in the power of research for the betterment of life on Earth.

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LIST OF ABBRVIATIONS AND ACRONYMS

ATM   Automatic Teller Machine

CBK   The Central Bank of Kenya

CI   Competitive Intelligence

ICT   Information Communication Technology

IRA   The Insurance Regulatory Authority

KBV   Knowledge Based View Theory

MO   Market Orientation

RBV   Resource Based View Theory

SME   Small and Micro Enterprises

SPSS   Statistical Package for Social Sciences

ABSTRACT

The ever changing marketing environment requires that marketers continuously gather and disseminate information for timely decision making and improved organizational performance. Developments in information, communication and Technology (ICT) have revolutionized the way organizations gather relevant market information to position themselves appropriately. Marketing intelligence is the key necessity of any business procedure and is the technique for transforming crude data into profitable data, transforming that significant information into plan, and transforming system into business performance which can keep up an organization's CA. The high competition among insurance companies coupled with higher confidence level among customers to commercial banks compared to insurance companies has seen commercial banks include insurance services as part of their service offerings. Today, 26 Kenyan commercial banks have implemented bancassurance. However, in order to improve the sales volume of insurance services through banks, there needs to be adequate market intelligence to inform the tailoring of their services for higher customer appeal. The objective of this study was to investigate the effect of marketing intelligence on sales performance of bancassurance among financial institutions in Kenya. This study adopted a cross-sectional descriptive survey design. The target population of the study comprised of 26 commercial banks that had implemented bancassurance by December 2015. The study used primary data collected using a questionnaire data analyzed using descriptive statistics using SPSS regression analysis was used to establish the effects of marketing intelligence on sales performance of Bancassurance. The study found that majority of the banks mostly adopts the identification of ways to modify current strategy to add value for customers as a marketing intelligence practice. It was also found that the marketing intelligence practices least employed by the banks include conducting of pilot studies to collect information on customer preferences and developing and using marketing information systems to gather market data and the investment in R&D to discover new knowledge of serving customers. The study recommends that Kenyan financial institutions dealing in bancassurance not only identify ways to modify their current strategies in order to add value for pilot studies to better understand their customers' needs and preferences. The study also recommends all banks dealing in insurance products to come up with sound and workable marketing insurance strategies that will not only see them enhance performance in terms of profitability but also increase their sales volumes.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The ever changing marketing environment requires that marketers continuously gather and disseminate information for timely decision making and improved organizational performance. Developments in information, communication and Technology (ICT) have revolutionized the way organizations gather relevant market information to position themselves appropriately. Marketing knowledge is the key essential of any business technique and is the strategy for transforming crude data into profitable data, transforming that significant data into methodology, and transforming procedure into business execution which can keep up an organization's CA (Agarwal, 2006). Luecal and Dahl (1995) trust that marketing insight is data and learning to be picked up and used to figure systems to keep up compelling managing three elements: contenders, clients and controllers.

This study will be based on the knowledge based view theory which was forwarded by Grant (1996). The theory focuses that knowledge is the most deliberately essential asset of the firm. Furthermore, through aptitudes and knowledge influenced, a firm can increase CA, since it is through this arrangement of learning and abilities that a firm can advance new items and processes, or enhance existing ones all the more productively or potentially adequately. The second theory is the resource based hypothesis was established by Penrose (1959) and explains the manner in which an organization can

make use of unique bundle of resources to gain and sustain competitive advantage in the market. The theory believes that the combined bundle of resources make firms unique and difficult for replication hence the sustainable advantage.

The banking industry in Kenya has witnessed a challenging time as technology keeps advancing from time to time. Many banks have adopted different technologies including; Automated Teller Machines (ATM), plastic cards, mobile banking, internet banking among others to leverage on the advancements in ICT. However, this has also brought about a number of challenges that served to reduce the gains made from ICT adoption. In order to improve their competitiveness and offer their clients a one stop shop for financial services, a total of twenty five commercial banks have implemented bancassurance as part of their services. In comparison with the banking industry, many customers have applied for banking services compared to insurance services which have kept the level of penetration very low. As one of the strategies to improve the distribution of insurance services in the country, insurance companies entered into partnerships with commercial banks to have insurance services distributed by commercial banks. The statistics indicate that the level of insurance penetration in Kenya has remained low despite the various strategies employed by insurance companies.

1.1.1 Marketing Intelligence

Market intelligence alludes to the way procuring and dissecting data with a specific end goal to comprehend the market both existing and potential clients in order to decide the present and future needs and inclinations, states of mind and conduct of the market; and

to evaluate changes in the business environment that may influence the size and nature of the market later on (Kohli and Jaworski, 1990). It is an industry-focused insight that is created on constant (dynamic) parts of aggressive occasions occurring among the 4Ps of the marketing blend (evaluating, place, advancement, and item) in the item or administration commercial center keeping in mind the end goal to better comprehend the engaging quality of the market. It helps in Market and client introduction to advance outer focus, recognizable proof of new open doors in order to distinguish new patterns in the business sectors and contenders.

Through promoting insight, an organization can get early cautioning of contender moves in this manner demonstration appropriately to guarantee they stay in front of the competitor (Craig, 2003). This aides in minimizing venture hazards by identifying dangers and patterns early, better client communication, acquire heightened client market view better market choice and situating it empowers the organization to comprehend where your offer fits and find undiscovered or under-served potential market, more productive and practical data (Cornish, 2007).

Keeping in mind the end goal to stay aggressive and remain in front of the opposition, an organization needs a well working business sector insight framework set up. This is accomplished through an arrangement of techniques and sources utilized by administrators to get their regular data about appropriate advancements in the marketing environment (Kotler and Armstrong, 1997). It includes a ceaseless and intelligent structure of individuals, hardware, and methodology to accumulate, sort, break down and

convey related, opportune and precise data for use by promoting chiefs to enhance their marketing planning, usage and control (McGonagle and Vella, 2002).

1.1.2 Sales Performance

Sales performance alludes to the volume of offers accomplished inside a predefined period contrasted with predetermined sales levels (Siegler, 2010). Accomplishing more noteworthy sale execution is the most essential part of sales pioneers as it specifically impacts on their key execution pointers. Sales performance has been conceptualized to incorporate both the result and behavioral measurements (Silva, 2006). Sales results have dependably been seen by execution situated sales representatives as proof to their behavioral execution and therefore a positive relationship has been found to exist between occupation association segment of responsibility and sales performance. In today's dynamic working business environment, organizations that depend on poor information to settle on key deals sales performance decisions, risk being rendered clumsy by the opposition. As organizations develop more idealistic about open doors for development, the weight is on for deals staff to meet ever-higher income targets (Richard, 2009).

Sales inspiration is thought to be an essential component that drives performance. Sales execution is utilized to decide the capacity of a salesman to finalize the negotiations with the organization and meet set performance objectives as plot by the organization or business. Sales performance can likewise demonstrate the rate of client reliability to the business or a particular worker. Salesmen work in a requesting domain and are

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continually moving from the excitement of making a deal to the failure of being turned down. They often converse with outsiders whom may not be prepared or willing to purchase what they are offering and others should routinely spend extend periods of time out and about far from family or companions

1.1.3 Bancassurance Industry in Kenya

Bancassurance as referred to by Yuan (2011) is the procedure of a bank marketing insurance items offered by insurance agencies to their clients. Artikis et al. (2008) express that the most originally recorded utilization of the expression "banc assurance" was recognized in France, in the 1980s where its appearance was connected with the growth of the buyer and home loan acknowledge and in addition the progression of the financial related markets. The Bancassurance sector in Kenya is regulated by strict guidelines that have seen only 26 commercial banks implementing bancassurance by December 2015.

The Insurance Industry comprises 47 insurance companies licensed and operating in Kenya as at December 2015 (IRA, 2015). The idea behind Bancassurance is the relationship or partnership between the bank and an insurance company, where the bank sells insurance products to its current customer list using the banks sales channels. The idea so Bancassurance was introduced in Kenya and many commercial banks embraced the prospect and in effect only 26 commercial banks have adopted Bancassurance in an effort to differentiate its operations, change in accordance with the variations in client needs and venture into new and gainful markets; this study exhibits a decent boondocks

for Commercial Banks to wander into to keep up their benefit furthermore survival in the ever-changing business world. Few studies have been done relating to Bancassurance in its entirety.

1.1.4 Financial Institutions in Kenya

Kenya's financial framework involves commercial business banks, non-bank financial organizations, a scope of insurance agencies and a stock trade. The Kenyan banking industry is controlled by the Central Bank of Kenya Act, Banking Act, the Companies Act among different rules issued by the Central Bank of Kenya (CBK) (CBK, 2015). The banking system contained 43 commercial banks, 52 micro-finance institutions and 116 Forex Bureaus toward the end of December 2015.

The Kenyan financial institutions have changed with the new advancements in technology. The players in the financial sector must develop strategies that would anchor them towards sustainability and success. Many commercial banks have therefore adopted the use of mobile banking and internet banking so as to reach many of the unbanked customers. Agency banking and efficient money transfer methods have also featured in its current strategies that banks are using. All these new adoptions are done under the guidance and the regulation of the Central Bank of Kenya (CBK) and the banking act.

1.2 Research Problem

Successful companies perceive that marketing environment is always offering new open doors and threats, which must be recognized, gathered, examined and used using marketing intelligence (Marius and Bogdan, 2011). To anticipate purchaser's reactions to

various components, styles and different traits, dealer must swing to marketing insight. These challenges have called on organizations to rethink their distribution channels for efficient distribution. This has seen commercial banks enter into strategic agreements with insurance companies to have commercial banks distribute insurance services (Fields, Fraser & Kolari, 2007).

The high competition among insurance companies coupled with higher confidence level among customers to commercial banks compared to insurance companies has seen commercial banks include insurance services as part of their service offerings (Fields et al., 2007). As at December 2015, according to the Central Bank of Kenya (2016), 26 Kenyan commercial banks had implemented bancassurance with more banks set to set up agencies this year. However, in order to improve the sales volume of insurance services through banks, there needs to be adequate market intelligence to inform the tailoring of their services for higher customer appeal (Kotler et al., 2015).

Several studies have been conducted on market intelligence and sales force performance. Internationally, McGowan and Styger (2012) conducted a correlation of hypothesis and practice in market insight gathering for Australian smaller scale businesses and SMEs. The discoveries demonstrate that, in spite of the fact that the act of market insight was not formally attempted by SMEs, there was a culture of gathering inside the organizations in a reactive manner to a change the business or marketplace. This study was conducted in Australia which limits its application in the case of bancassurance in Kenya.

Guarda, Santos, Pinto, Silva and Lourenço (2012) developed a conceptual framework for marketing intelligence based on the literature review to presents the Pervasive Business Intelligence and proposing a conceptual framework to guide the development of activities of Marketing Intelligence. The study adopted literature review methodology which does not examine any particular context but generalization which makes it difficult to apply in the current case study settings. Igbaekemen (2014) examined marketing intelligence as a strategic tool for competitive edge and established that Information and reliable data from the bedrock of any management decision.

Locally, Kirigo (2011) conducted a research of MI practices on product growth in the banking sector using case of standard Chartered Bank Kenya Limited. The findings indicate that he bank used marketing intelligence in its products development/modification by building brands through the creation of identities, interactions, and experiences. This study failed to evaluate its application in bancassurance and its effects on organization performance. Kiragu (2014) in his study evaluated the brriers that insurance agencies confront in building CA in Kenya. He delineated that changes in strategy had the most negative effect in the Insurance business. Omondi (2013) on the other hand did a study on the determinants of grasping Bancassurance by Commercial Banks in Kenya. The study concentrated on the inflow of new income and business uniqueness as recognized by Bancassurance.

Muathe, Karanja and Kuria Thuo, (2014) examined the Marketing Capability and the Performance of Mobile Service Provider Intermediary Organizations in Nairobi County, Kenya. The study perceives the role played by media transmission sector towards

Kenya's economic growth with multiplier impacts on different perspectives in this manner underscoring their significance in the nation's advancement agenda. The study set up that marketing capacities contributed altogether to the MSP Intermediary organizations' performance. From these studies a knowledge gap is presented which the current study sought to fill by answering the research question: What are the effects of MI on sales performance of bancassurance in Kenya?

1.3 Research Objective

To establish the effects of marketing intelligence on sales performance of bancassurance in Kenya

1.4 Value of the Study

The findings of this study will be important to a number of stakeholders including: future researchers and academicians, managers in commercial banks in charge of bancassurance and the Government of Kenya especially the Ministry of Finance in development of policies and regulations governing the operations of bancassurance.

For future scholars and academicians, the findings of this study will be relevant in providing them with literature that they can cite as empirical evidence of what has already been done in the area of marketing intelligence and sales performance. It will also suggest to them areas for future studies where they can extend literature on.

For managers and other key decision makers in commercial banks, the findings of this study will guide them on prudent decision making in matters concerning bancassurance

sales. The findings of this study will inform their decision making for stronger insurance-commercial bank relationships.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of the relevant literature on effects of marketing intelligence on performance of bancassurance as presented by various researchers and scholars. The chapter covers the theoretical foundation of the study is anchored, market intelligence programs and their effects on organization performance.

2.2 Theoretical Foundation

This study was based on the Knowledge Based View and the resource Based View of the firm. These theories are discussed in detail below:

2.2.1 Knowledge Based View Theory of the Firm

The knowledge-based theory was proposed by Grant (1996) and stresses that knowledge is the most deliberately imperative asset of the firm. It contemplates knowledge as the most deliberately huge strength of the firm (Barney, 1991). Through information and abilities possessed, a firm can increase CA, since it is through this arrangement of learning and aptitudes that a firm can enhance new items and forms, or enhance existing ones more proficiently as well as successfully (Grant, 1996).

Its defenders (DeFillippi and Arthur, 1998; Hobday, 2000; and Wathne, Roos and Krogh, 1996) maintain that since learning based assets are by and large difficult to imitate and socially mind boggling, heterogeneous data bases and capacities among firms are the

chief determinants of continuous CA and prevalent corporate performance. This learning is embedded and conceded through different substances including legitimate culture and character, systems, plans, reports, structures, and specialists. Beginning from the essential organization literature, this perspective develops and expands the Resource-Based View of the firm (RBV) initially progressed by Edith Penrose (1959) and later reached out by others (Wernerfelt, 1984).

Several scholars have applied KBV in their studies to help explain how organizations gain competitive advantage in a givern market. For instance, Theriou, Aggelidis and Theriou (2009) explored the relationship between the RBV and the KBV, by looking at the relative effect of firm particular resources and information capacities on the company's CA. A composite model is proposed which expounds upon both points of view causal rationale as for the conditions significant for the firm achievement. Eisenhardt and Santos (2002) sought to establish whether KBV was a new theory of strategy. The findings show that KBV is a theory that connects autonomous factors to a particular origination of firm performance that goes past the bits of knowledge given by the resource-based view and the related dynamic capacities approach

2.2.2 The Resource-Based Theory

The resource-based view was developed by Penrose (1959) and explains the manner in which an organization can make use of unique bundle of resources to gain and sustain competitive advantage in the market. The theory believes that the combined bundle of resources make firms unique and difficult for replication hence the sustainable advantage.

The theory holds that resources are significantly heterogeneous across industries and imperfectly immobile which means that the resources owned by one organization cannot be replicated by another organization (Hunt & Derozier, 2004). This therefore means that an organization can attain unrivaled performance through More advanced CA strategies achieved by use of unique, high esteem and uncommon institutional resources at their disposal.

Resources of the firm can be considered as sources of info that encourage the organization to play out its exercises. All resources that an association has might not have vital pertinence. Just certain assets are fit for being a contribution to an esteem making system which set the association in a place of upper hand. An organization's asset ought to have four characteristics to give the possibility to CA. Marketing intelligence can be used as a resource possessed which if well utilized can help an organization improve its performance and competitiveness in an industry.

2.3 Market Intelligence Process

Market information is an important element to decision making in organizations. It helps managers make optimal decision that would enable the attainment of set objectives. MI relies upon exceptionally created programming instruments and scientific abilities highly proficient individuals to give market information, proficient skill and promoting understanding. According to Mbole (2016), market intelligence plays a key role in the competitive market processes which regulate prices charged for goods and services rendered by an organization. An efficient market intelligence system ensures operational

efficiency by availing the required market information on buyers and sellers (Crowley, 2009). It avails information on market dynamics that management can rely on in decision making to ensure that they remain competitive. In order to be useful, market intelligence data needs to be received in good time and be detailed enough so as to inform optimal decision making in an organization.

Various market information systems exist which help organizations in gathering, analyzing and dissemination of information as regards the demand and supply of a given product or service in a given market so as to enable optimal decision making. Intelligence system covers four main knowledge areas including: competitor intelligence, products/services intelligence, market intelligence, and customer intelligence. Moniotoring competitors in an industry are important because it provides necessary knowledge that enables prediction of their next moves and how such moves are to affect the organization. Competitor intelligence enables an organization to take optimal advantage of their weaknesses while at the same time strategizing to undermine their strengths. Customer intelligence enables organizations in predicting the target buyers' responses to different product/service features, styles and other attributes. Proper use of market intelligence enables organizations to develop appropriate products for different markets hence can engage in product differentiation and brand development. Customer intelligence also enables an organization to understand the appropriate advertising and sales promotional strategies to adopt for optimal effect on sales.

There are seven distinguished stages in market insight: perceiving and building up Market knowledge (April and Bessa, 2005), which incorporate the requirements for the

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organization, overcoming limitations, recognizing sources and then continuing to gather the crude data, change of crude data into client esteemed market intelligence, analyses and value-adding techniques, preparing, introducing and imparting market insight in an auspicious way, securitization of the knowledge and expected ways of spread, utilizing the market insight as a part of basic leadership and making a move, and inspecting of the insight and its related databases, to set up continued significance and connected supportability of the stored knowledge.

Different sources of market intelligence have been identified including: search engines and corporate web sites, newspapers, publications, trade magazines, trade shows and associations, salespeople, suppliers and industry experts, customers and economic data produced by the government among others. Different firms have different methodologies of collecting and disseminating Market intelligence. For instance, some organizations have a well established market intelligence department with specialists tasked with collecting, analysing, interpreting and communicating intelligence information to relevant managers for informed decision making.

2.4 Summary of Literature and Research Gaps

A number of studies have examined the impacts of marketing intelligence on performance of institutions. For example, Waithaka, Bula and Kimencu (2016) examined the impact of strategic intelligence insight on the performance of firms listed on the Nairobi Securities Exchange, Kenya. It is noted that through intelligence, organizations are able to solve their productivity related challenges to remain competitive. According to

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April and Bessa (2005), an organization's ability to collect and analyze new information on the operating environment enhances an organization's ability to make maximum usage of both internal and external business networks.

Hussain, Shah and Akhtar (2016) analyzed the relationship between market orientation (MO) and business performance in little and medium estimated undertakings utilizing conceptual approach. The study noticed that organizations following the MO oblige an open framework which permits them to have a dynamic connection with the outer environment. It is set up that market orientation permits attainment of sustainable CA in firms through effective utilization of the organizational assets. In the findings, the study developed recommendations which analyze the relationship of the measurements of MO and organisation performance. Mahmoud (2011) analyzed MO and business performance among SMEs in Ghana. The study takes note of that MO is exceedingly connected with higher result regarding business profitability.

Navarro-García, Barrera-Barrera and Villarejo-Ramos (2013) studied the effects of market intelligence on the interrelationships between market distances (domestic vs. foreign) perceived by export managers, strategic marketing mix decisions (standardization vs. adaptation) and export performance (growth in foreign sales and satisfaction). The findings indicate a positive relationship between marketing intelligence and firm performance on the global scene.

Trim and Lee (2006) Examined the role of marketing intelligence officers in technique formulation and execution through a survey of a wide literature. The discoveries

demonstrate that MI officers should be given a more extensive part all together that they connect with all the more completely in the examination and translation of information and data. MI officers need to build up their aptitude and knowledge base, and receive a proactive position to strategy formulation and execution. By raising their profile, advertising knowledge officers will have the capacity to search out future administration challenges. Senior directors need to set up a viable corporate security framework.

Mochtar and Arditi (2001) analyzed the role of MI in making pricing approach in development. The MI framework investigated included: marketing data frameworks, marketing research, and choice decision supportive networks. The study recognized twelve profitable sources of data on pricing, including the firm's own particular business people and other field delegates, printed value records, rumors, inviting clients, wholesaler and other advisory gatherings, offers and citations made by administrative bodies, daily papers/diaries and counseling administrations, yearly and other money related reports, government and different productions, guide request to contenders and contacts with partners among them, unmistakable verification from clients, and advertising overview/look into. The discoveries demonstrate that temporary workers utilize for the most part conventional showcasing insight systems.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research methodology that that was used to collect and analyze data. It specifically covers the research design, population, data collection methods and data analysis.

3.2 Research Design

This study used a cross-sectional descriptive study design. Mugenda (2008) takes note that a survey research endeavors to gather information from individuals from a population and depict existing phenomena by getting some information about their observation, disposition conduct or values. Descriptive research upgrades a deliberate depiction that is precise, substantial and dependable as could be allowed in regards to effects of marketing intelligence on sales performance of bancassurance among financial institutions in Kenya

3.3 Population of Study

Population refers to particular elements about which information is derived and the study findings are to be generalized. It comprises a well-defined set of people, elements, events, group of things or households that are being investigated (Bryman and Bell, 2003). The target population of the study comprised of 26 commercial banks that had implemented bancassurance by December 2015. Since this population is small and easily accessible

from Nairobi, all the banks that have implemented bancassurance were included hence a census.

3.4 Data Collection Methods

The study used primary data collection technique using a questionnaire. Primary data was collected using a semi structured questionnaire that allows for uniformity of responses to questions and at the same time gives respondents a chance to provide insightful information on the study variables. Questionnaires are also preferred because they allow greater uniformity in the way research questions are asked, ensuring greater compatibility in the responses. The questionnaire contained three sections: A- was demographic information; B- market intelligence while section C: covered sales performance.

The study targeted bancassurance managers who are in-charge of bancassurance business in commercial banks. The bancassurance managers were selected because of their key role in development of sales target and monitoring performance on a regular basis. They also formulate necessary strategies to grow the bancassurance business in banks. The questionnaire was given out through a drop-and-pick later method. The researcher dropped the questionnaires and allowed the respondents a few days before collecting.

3.5 Data Analysis

The completed research questionnaires were edited for not only completeness but also consistency and data analyzed using descriptive statistics using Statistical Package for the Social Sciences (SPSS), Version 22.0, where percentages, means, standard deviations and frequencies were obtained. The data collected was quantitative because of the

standardized questions by the use of a five point Likert. To analyze the Likert scale questions, descriptive statistics including mean and standard deviation were used in the analysis. Inferential statistics: regression analysis was used to establish the effects of marketing intelligence on sales performance of bancassurance. The regression model took the form:

$$Y = \beta_0 + \beta_1 X_1 + \text{€}$$

Where: Y= Bancassurance Sales Performance

X_1= Market Intelligence Activities

The analyzed data was presented using frequency tables and percentages.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1 Introduction

This chapter gives the presentation of analysis and discoveries of the study as set out in the research method. The results of the investigation on the effects of marketing intelligence on sales performance of bancassurance among financial institutions in Kenya are given. Primary data was gathered from questionnaires. Likert type questions were included whereby respondents indicated the extent to which the variables were practiced in a five point Likert scale.

4.2 Response Rate

The study targeted 26 respondents in collecting data with regard the effect of marketing intelligence on sales performance of Bancassurance among financial institutions in Kenya. Of these, 21 questionnaires were filled and returned. This gives a response rate of 81% as shown on Table 4.1.

Table 4.1: Response Rate

	Rate	Percent
Response	21	80.7
Non-response	5	19.3
Total	**26**	**100**

Source: Research Data (2016)

4.3 Background Information of the Banks

4.3.1 Number of Branches

The study sought to find out how many branches the bank has in the country. Results are shown on Table 4.2.

Table 4.2: Number of Branches

Number of branches	Frequency	Percent
Less than 50	14	66.7
50-100	4	19.0
More than 150	3	14.3
Total	**21**	**100**

Source: Research Data (2016)

It was found that 66.7% of the banks have less than 50 branches in the country, 19% had 50-100 branches while 14.3% had over 150 branches countrywide. This means most of the commercial banks in Kenya have a small number of branches (less than 50) as compared to those with many branches (over 100). This also means that most of commercial banks in Kenya are middle tier banks.

4.3.2 Ownership

The study sought to determine whether the bank's majority ownership was foreign or local. Results are shown on Table 4.3.

Table 4.3: Ownership

Ownership	Frequency	Percent
Local	17	81
Foreign	4	19
Total	**21**	**100**

Source: Research Data (2016)

Findings show that 81% of the banks are locally owned while the rest, 19%, are foreign owned. This shows the Kenyan banking sector is mostly indigenous, which means that Kenyan banks have been very competitive and thus have been able to withstand pressure from big multinational banks. This may be partly explained by the efforts the Kenyan government has been putting in ensuring a free market economy as well as promoting local banks.

4.4 Background Information of the Respondents

4.4.1 Position of Respondents in the Bank

The study sought to find out the position of the respondent in the bank. Results are given on Table 4.4

Table 4.1: Position in the Bank

Position	Frequency	Percent
Top level management	1	9.6
Middle level management	10	47.6
Supervisory level	9	42.9
Total	**21**	**100**

Source: Research Data (2016)

From the findings, 47.6%) of the respondents were in middle level management, 42.6% are in middle level management and only 9.6% were in top-level management. This depicts the true picture in any organization whereby those who supervise are less than their subordinates. This also means most of the respondents were in a position to understand well their organization's Bancassurance business and hence the marketing intelligence practices practiced therein.

4.4.2 Experience of the Respondents

The study sought to establish the period the employees have served in their current position. Results are shown on Table 4.5.

Table 4.2: Years Served

Period	Frequency	Percent
Less than 1 year	1	4.8
1-3 years	18	85.7
4-6 years	2	9.5
Total	**21**	**100**

Source: Research Data (2016)

From the findings 85.7% of the respondents had served 1-3 years in their current position, 9.5% having served for 4-6 years and only 4.8% served for less than one ear. This gives the real picture in that in most of the banks, Bancassurance was introduced less than four years ago. It also mean that most of the respondents had served a substantial period of time so that they are familiar with the performance of their bancassurance departments.

4.5 Marketing Intelligence

The study sought to find out the type of marketing intelligence practices adopted by the banks to improve sales performance. Respondents were requested choose the extent to which the various practices were adopted in their organizations in the scale of 1 and 5, of which 1 represented very low extent and 5 very great extent. Results are given on table 4.6.

Table 4.3: Marketing Intelligence

Practice	Mean	Std. Dev
Our Bank analyzes the strengths of other channels of insurance distribution	4.222	0.972
Our Bank analyzes the weaknesses of other channels of insurance distribution	4.000	1.118
Our Bank analyzes the strengths of other banks offering bancassurance services	3.778	1.093
Our Bank analyzes the opportunities presented by its network	4.444	0.882
Our Bank analyzes competitive risks in the bancassurance market	4.000	0.866
Our Bank analyzes the market opportunities presented by bancassurance	4.333	0.866

Our Bank analyzes its strengths and how they can be improved through bancassurance	4.111	1.054
Our Bank focuses on identifying ways to modify current strategy to add value for customers.	4.667	0.500
Our Bank analyzes the processes of other banks offering bancassurance	3.111	1.453
Our Bank reviews regulatory provisions to ensure pertinent information on bancassurance is gotten	4.222	1.202
Our Bank conducts pilot studies to collect information on customer preferences and tastes in our bancassurance services	3.000	1.323
Our Bank reviews the bancassurance products of our competitors to ensure it delivers better services	3.889	1.364
Our Bank has invested in Research and Development to discover new knowledge of serving customers	2.556	1.130
The Bank involves all employees in gathering relevant information from the market for competitiveness	3.222	1.481
The Bank collects information from customers to guide its bancassurance products	3.333	1.500
The Bank has a marketing information system to gather market data	2.625	1.188

Source: Research Data (2016)

From the findings, whether the Bank focuses on identifying ways to modify current strategy to add value for customers had the largest mean of 4.667 followed by the case that the Bank analyzes the opportunities presented by its network with a mean of 4.444. Whether the Bank analyzes the market opportunities presented by Bancassurance had a mean of 4.333 , whether the Bank analyzes the strengths of other channels of insurance

distribution had a mean of 4.222 and whether the Bank reviews regulatory provisions to ensure pertinent information on bancassurance is gotten had a mean of 4.222.

Whether the Bank analyzes its strengths and how they can be improved through Bancassurance had a mean of 4.111, whether the Bank analyzes the weaknesses of other channels of insurance distribution had a mean of 4.000 and whether the Bank analyzes competitive risks in the bancassurance market had a mean of 4.000. That the Bank reviews the bancassurance products of its competitors to ensure it delivers better services had a mean of 3.889, that the Bank analyzes the strengths of other banks offering bancassurance services had a mean of 3.778 and that the Bank collects information from customers to guide its bancassurance products had a mean of 3.333.

Whether the Bank involves all employees in gathering relevant information from the market for competitiveness had a mean of 3.222, whether the Bank analyzes the processes of other banks offering Bancassurance had a mean of 3.111 while whether the Bank conducts pilot studies to collect information on customer preferences and tastes in its bancassurance services had a mean of 3.000. That the Bank has a marketing information system to gather market data had the second smallest mean of 2.625 while whether the Bank has invested in Research and Development to discover new knowledge of serving customers had the lowest mean of 2.556 .

The results thus show that the marketing intelligence activities mostly employed by banks is in focusing on identifying ways to modify current strategy to add value for customers, analyzing the opportunities presented by its network, analyzing the market opportunities

presented by bancassurance and analyzes the strengths of other channels of insurance distribution. The marketing intelligence activities least employed by the banks include conducting of pilot studies to collect information on customer preferences and developing and using marketing information systems to gather market data and the investment in R&D to discover new knowledge of serving customers.   .

4.6 Bancassurance Performance

The study sought to find out the performance of bancassurance departments in the various banks. The performance indicators are bancassurance premiums, number of customers, market share, profitability and sales volume. Respondents were requested to tell whether the performance of each of the five indicators was very high, high, and medium or no performance at all. Results are given on table 4.7.

Table 4.7: Bancassurance Performance

Sales Performance Indicator	Mean	Std. Dev
Bancassurance premiums	3.667	1.323
Growth in customers	2.444	0.782
Market share	2.378	0.441
Profitability	3.889	0.527
Sales volume	2.722	0.236

Source: Research Data (2016)

From the findings, growth in customers had a mean of 3.889, bancassurance premiums had a mean of 3.667, market share had a mean of 2.722 and profitability had a mean of 2.444 while sales volume had a mean of 2.378. This shows that the majority of the banks had performed highly in terms of growth of customers and performed poorly in terms of sales volume. This means banks have been putting more efforts to grow their customer base by investing more in advertising and sales promotion.

4.7 Multiple Regression Analysis

In this study, a numerous relapse investigation was led to test the relationship between the autonomous variable and ward variable. The exploration utilized factual bundle for sociologies (SPSS V 21.0) to code, enter and figure the estimations of the various relapses.

4.5.1 Model Summary

Table 4.8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.882[a]	.778	.741	1.33195

The five independent variables studied explain 74.1% of sales performance of bancassurance in Kenya as represented by the adjusted R^2. This therefore means the market intelligence contribute to 74.1% of sales performance.

4.5.2 Relationship between Market intelligence and Bancassurance Performance Indicators

Table 4.9: Coefficients of MI on Bancassurance Premiums

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	4.248	0.073		3.397	0.032
Marketing intelligence	0.391	0.187	0.472	2.091	0.041

The findings presented show that, a unit increase in the market intelligence would lead to a 0.391 increase in the scores of bancassurance premiums.

Table 4.10: Coefficients of MI on Growth in customers

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.433	0.079		5.481	0.022
Marketing intelligence	0.531	0.205	0.033	2.595	0.012

The findings presented also show that, a unit increase in the market intelligence would

lead to a 0.531 increase in the scores of growth in customers.

Table 4.11: Coefficients of MI on Market Share

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.803	0.275		2.920	5.04E-03
Marketing intelligence	0.423	0.395	0.674	1.071	0.289

The findings presented also show that, a unit increase in the market intelligence would

lead to a 0.423 increase in the scores of Market share.

Table 4.12: Coefficients of MI on Profitability

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.413	0.156		2.647	1.05E-02
Marketing intelligence	0.516	0.134	0.659	3.851	3.05E-04

The findings presented also show that, a unit increase in the market intelligence would lead to a 0.516 increase in the scores of Profitability.

Table 4.13: Coefficients of MI on Sales Volume

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.770	0.451		6.142	0.000
Marketing intelligence	0.259	0.062	0.916	4.177	0.000

The findings presented also show that, a unit increase in the market intelligence would lead to a 0.259 increase in the scores of Sales Volume.

4.8 Discussion of the Findings

On marketing intelligence, it was found that majority of the banks mostly adopt the identification of ways to modify current strategy to add value for customers as a marketing intelligence practice. The other marketing intelligence practices widely adopted by majority of the banks in bancassurance business are the analysis of the opportunities presented by their networks as well as analyzing the market opportunities presented by Bancassurance. This is in agreement with Mbole (2016) who argued that the analysis of the opportunities presented by their networks as a market intelligence practice plays a key role in the competitive market processes which regulate prices charged for

goods and services rendered by an organization. Reviewing of regulatory provisions to ensure pertinent information on bancassurance was also one of the marketing intelligence practices widely adopted by commercial banks in the insurance business.

From the findings, it can also be noted that the marketing intelligence practices least employed by the banks include conducting of pilot studies to collect information on customer preferences and developing and using marketing information systems to gather market data and the investment in R&D to discover new knowledge of serving customers. This is in agreement with April and Bessa (2005) who argued that most organizations do not invest enough in gathering information on their customers' preferences and hence end up brining into the market products/services that do not suit the tastes/needs of the customer, hence losing their competitive edge.

On the performance of Bancassurance, findings show that majority of the banks recorded high performance in market share growth followed by profitability but performed poorly in terms of growth in customer and in generating bancassurance premiums. The findings are in agreement with Crowley (2009) who opined that an efficient market intelligence system ensures operational efficiency by availing the required market information on buyers and sellers which in return increased competition consequently enhancing market growth and profitability.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND

RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings from chapter four, and also gives the discussions, conclusions and recommendations of the study based on the objectives. The objective of this study was to investigate the effect of marketing intelligence on sales performance of Bancassurance among financial institutions in Kenya.

5.2 Summary of Findings

On the number of ranches, it was found that the majority of the banks have less than 50 branches in the country. On ownership, findings showed that most of the banks are locally owned. From the findings, the majority of the respondents were in middle level management. On the experience of the respondents, it was found that the majority had served 1-3 years in their current position. The results thus show that the marketing intelligence activities mostly employed by banks is in focusing on identifying ways to modify current strategy to add value for customers, analyzing the opportunities presented by its network, analyzing the market opportunities presented by bancassurance and analyzes the strengths of other channels of insurance distribution.

The marketing intelligence activities least employed by the banks include conducting of pilot studies to collect information on customer preferences and developing and using

marketing information systems to gather market data and the investment in R&D to discover new knowledge of serving customers. On bancassurance sales performance, it was found that most of the banks performed well in growth of customers.

5.3 Conclusions

From the findings, it can be concluded that Kenyan financial institution dealing in bancassurance identify ways to modify their current strategies in order to add value for customers. These banks have also been involved in the analysis of opportunities presented by their networks as well as analyzing the market opportunities presented by bancassurance. These banks also invest much resources in following up on the regulatory environment to ensure that no new regulations finds them unawares. However, Kenyan banks in the insurance business do not conduct research on what the customer really needs.

Most managers use past and obsolete data as well as their guts to develop bancassurance products. This leads to poor customer service and customer dissatisfaction. From the findings, it can also be concluded that most banks dealing in Bancassurance do not invest enough resources in R&B and hence end up bringing into the market products that do not satisfy the needs/preferences of their customers which leads to most customers fleeing to their traditional market for insurance products and which are insurance companies. On the performance of Bancassurance, it can be concluded that most Kenyan banks dealing in Bancassurance have recorded good performance in growth of customers due investment in advertisements, sales promotions and other forms of sales drive.

5.4 Recommendations from the Study

On marketing insurance, this study recommends that that Kenyan financial institutions dealing in bancassurance not only identify ways to modify their current strategies in order to add value for pilot studies to better understand their customers' needs and preferences. They should also invest in R&B in order to come up with better products that suit their customers' needs and preferences. This will lead to better customer service and customer enhances customer satisfaction hence retaining as well attracting more customers. This will also increase the banks' competitiveness in the insurance industry. The study also recommends all banks dealing in insurance products to come up with sound and workable marketing insurance strategies that will not only see them enhance performance in terms of profitability but also increase their sales volumes.

5.5 Recommendations for Future Research

This study investigated the effect of marketing intelligence on sales performance of Bancassurance among financial institutions in Kenya. As the present study did a survey of commercial banks dealing in insurance products (Bancassurance), the researcher suggests a similar study be conducted on among insurance companies in the region so that generalizations can be made on the effect of marketing intelligence on the performance of the insurance sector in Kenya. It is also suggested that other studies be done to investigate the challenges facing firms in the insurance sector and in their marketing intelligence efforts. This will enable these organizations come up with ways of mitigating these challenges and hence increase growth in the sector.

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APPENDICES

APPENDIX I: LIST OF COMMERCIAL BANKS

1. African Banking Corporation Ltd.
2. Barclays Bank of Kenya Ltd.
3. CFC Stanbic Bank Ltd.
4. Chase Bank (K) Ltd.
5. Commercial Bank of Africa Ltd.
6. Consolidated Bank of Kenya Ltd.
7. Co-operative Bank of Kenya Ltd.
8. Credit Bank Ltd.
9. Diamond Trust Bank Kenya Ltd.
10. Eco-bank Ltd
11. Spire Bank Ltd.
12. Equity Bank Ltd.
13. Family Bank Ltd.
14. Fidelity Commercial Bank Ltd.
15. Gulf Africa Bank (K) Ltd
16. Housing Finance Ltd.
17. Imperial Bank Ltd.
18. I&M Bank Ltd.
19. Jamii Bora Bank Limited
20. Kenya Commercial Bank Ltd.
21. K-Rep Bank Ltd.
22. National Bank of Kenya Ltd.
23. NIC Bank Ltd.
24. Prime Bank Ltd.
25. Standard Chartered Bank (K) Ltd
26. Trans-National Bank Ltd.

Source: (Central Bank of Kenya, 2016)

APPENDIX II: QUESTIONNAIRE

EFFECTS OF MARKETING INTELLIGENCE ON SALES

PERFORMANCE OF BANCASSURANCE AMONG

FINANCIAL INSTITUTIONS IN KENYA

SECTION A: DEMOGRAPHIC INFORMATION

1. Name of the Bank (Optional) _____

2. How many branches does the bank have in Kenya?

   Less than 50   [   ]   51-100   [   ]

   101-150   [   ]   More than 150   [   ]

3. Please indicate the banks ownership.

              Local [   ]   Foreign   [   ]

4. Your Position in the Bank _____

5. How many years have you been in the position?

   Less than 1 yr   [   ]   1-3 years   [   ]

   3-6 years   [   ]   More than 6 years [   ]

6. What is your Bancassurance sales collection per month (Ksh.)?

   Less than 1 Million   [   ]   1-10 Million   [   ]

   11-20 Million   [   ]   21-30 Million   [   ]

   More than 30 Million [   ]

SECTION B: MARKET INTELLIGENCE

7. Below are several market intelligence practices adopted by organizations to improve their sales performance. Kindly indicate the extent to which each of these intelligence practices have been applied in your Bank. Use a scale of 1-5 where: Very low extent (1) Low extent (2) Moderate extent (3) Very Great extent (4) great extent (5)

Practice	1	2	3	4	5
Our Bank analyzes the strengths of other channels of insurance distribution					
Our Bank analyzes the weaknesses of other channels of insurance distribution					
Our Bank analyzes the strengths of other banks offering bancassurance services					
Our Bank analyzes the opportunities presented by its network					
Our Bank analyzes competitive risks in the bancassurance market					
Our Bank analyzes the market opportunities presented by bancassurance					
Our Bank analyzes its strengths and how they can be improved through bancassurance					

Our Bank focuses on identifying ways to modify current strategy to add value for customers.				
Our Bank analyzes the processes of other banks offering bancassurance				
Our Bank reviews regulatory provisions to ensure pertinent information on bancassurance is gotten				
Our Bank conducts pilot studies to collect information on customer preferences and tastes in our bancassurance services				
Our Bank reviews the bancassurance products of our competitors to ensure it delivers better services				
Our Bank has invested in Research and Development to discover new knowledge of serving customers				
The Bank involves all employees in gathering relevant information from the market for competitiveness				
The Bank collects information from customers to guide its bancassurance products				
The Bank has a marketing information system to gather market data				

SECTION C: BANCASSURANCE SALES PERFORMANCE

8. Please tick as appropriate the sales performance of the company over the

last 24 months.

1=Very high 2=high 3= medium 4=low 5=not at all

Sales Performance Indicator	Very High	High	Medium	Low	Not at All
Bancassurance Premiums					
Growth in customers					
Market share					
Profitability					
Sales Volume					