INFLUENCE OF CUSTOMER EXPERIENCE MANAGEMENT ON MARKET PERFORMANCE OF MULTINATIONAL INSURANCE COMPANIES IN KENYA

BY

MAUNDU CATHERINE MBULA

D65/5621/2017

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF SCIENCE IN MARKETING, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

2018

DECLARATION

This research project is my original work and has not been submitted for presentation to any other university for academic award.

Maundu Catherine Mbula

Reg. No. D65/5621/2017

Sign ______________________________ Date _________________________

This project has been submitted with my approval as the appointed University supervisor.

Sign ………………………………………. Date ……………………………………

Supervisor: Dr. Joseph Owino

Department of Business Administration

School of Business

University of Nairobi

DEDICATION

I dedicate this project to Family especially my mother for her constant inspiration and support all through my education. I also dedicate it to my daughter Imani, my colleagues and my friends who saw me through this period until completion of this project. God bless them abundantly.

ACKNOWLEDGEMENT

I would like to direct huge appreciation to Dr. Joseph Owino for his prized as well as positive guidance over the entire development of this project, his preparedness to give his time so big-heartedly is hugely appreciated. I would also like to express my gratitude to Dr. Victor Ndambuki for his advice plus assistance in moderating my research proposal. I would like to acknowledge the role played by the Customer experience Management departments of the multinational insurance companies I visited for their full support and assistance. I also acknowledge the help from all my classmates and colleagues. Finally, I wish to thank my family and friends for their support as well as inspiration all through my MSc Journey. God bless you all.

ABSTRACT

The aim of this research was to establish the influence of customer experience management on the performance of multinational insurance companies in Kenya. The research was anchored by two theories namely; relationship marketing theory and identify, differentiate, interact and customize model. The theories suggest that with customer interactions at all touch points the organization has ability to categorize the requirements and wants of the customer and hence trigger their emotions through the experience. The study utilized descriptive research design. This design was preferred since the research needed to establish the influence of customer experience management on performance of international insurance companies in Kenya. The target population was five insurance firms that have customer experience department which included CIC, Jubilee, APA, AIG and UAP. 150 customers were selected as the sample size through simple random sampling. The study relied on primary data specifically a questionnaire which was self-administered and data analysis was through the statistical package of social sciences (SPSS) to generate descriptive as well as inferential statistics. Descriptive statistics comprised of mean as well as standard deviation while inferential statistic included correlation and regression analysis. The study findings indicated that customer experience management impacted performance of insurance companies in Kenya. The findings showed that the insurance firms had enough approaches to allure the customer's emotions and feelings thus ensuring that the customers remained loyal to the firms. Pearson correlation coefficient and regression results indicated that customer experience management and performance of insurance companies had a positive and significant relationship. The study concludes that customer experience management has a great impact on performance of insurance companies in Kenya. This means that a well formulated customer experience management strategy would make sure that organizations are better placed in the market and thus improved performance. Customer experience management method aids to deliver enhanced loyalty, enhanced growth and financially optimal performance of companies. The study concludes that those firms that embrace customer experience management have higher chances of improving their performance because the firms are able to manage the customer experiences by getting customer feedback and knowing exactly the customer's needs and wants and action towards delivering them. The study recommends that in order to improve performance, the organizations should therefore manage customer experiences to improve their satisfaction. The management should ensure that they know exactly what are the needs and requirements of their customers and thus give them personal attention and embrace the changes taking place globally due to technology advancement.

TABLE OF CONTENTS

LIST OF TABLES

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Various associations among them insurance agencies use a noteworthy piece of their time, vitality as well as assets pursuing new business. Despite the fact that it is critical to supplant off-track business, develop the business plus venture into fresh markets, one of the essential objectives is to retain current clients as well as improve client connections (Weinstein, 2002). Hence, the expense of securing new clients could nearly be ten times the expense of keeping current customers, and even a little increment in standards for dependability can increase a huge number of shillings to premium income (Weinstein, 2002). Knowledge illustrate that a client holding two initiatives with alike organizations is significantly additionally liable to retain than a consumer retaining a solitary strategy and is not possible to establish the types of customers that are beneficial and must be held. Despite the reality that getting new consumer is essential, accentuation entails moving towards retaining gainful consumers and establishing enduring connection with them. Firms have found that losing a client depicts that the company has lost a single deal together with a lifetime of referrals and procurement. As a result, the twofold aim of marketing is to catch new consumers by assuring prevalent value and hold existing clients by ensuring contentment (Armstrong and Kotler, 2011).

Importance of managing customer’s experience has increasingly been recognized by the business administrators all over the world. In the present business condition, client connections are basic to making a competitive advantage and in this way picking up the financial advantages got from client holding (Verhoef, 2003). Creating and keeping up a faithful client base is of basic importance to benefit companies (Kandampully and Duddy, 1999). Client experiences are the aggregate of all encounters the client has with the firm, founded on all interactions and contemplations about the enterprise. Positive client experience prompts client reliability and enhanced execution. It is presently obvious that an institution's capability to present an experience that separates it according to its clients serves them to purchase more from the organization and, ideally, rouse steadfastness to its image. Sebor (2008) contends that "reliability is presently determined fundamentally by an organization's cooperation with its clients and how well it delivers on their needs and wants."

Relationship marketing approach suggested by Alexander (1998) opines that relationship advertising is the creation and improvement of productive, long haul and intelligent association with existing and potential clients, providers and different intrigue groups. This hypothesis accordingly recommends that as organization delivers an incentive to client, quality of its association with the client will enhance and expand the client retention, client dedication and profit. The IDIC model proposes that organizations should take the four initiatives including differentiate, identify, customize and interact, with the end goal to assemble nearer balanced associations with consumers. The notion need is to recognize the diverse needs of every client by evaluating the esteem and significance of every client and tailor the business offer to every client (Peppers and Rogers, 2001). The approach recommends that with client associations at all touch indicates the association is capable to distinguish the necessities and needs of the client and subsequently trigger their feelings through the experience changing them to faithful clients.

With products getting to be commoditized, value separation no longer feasible plus clients needing more, institutions are concentrating on delivering prevalent client encounters. A 2009 investigation of more than 860 corporate executives illustrated that institution that have grown their awareness on client experience administration where the last few years report more client referral rates along with consumer loyalty (Strativity Group, 2009). This finding was likewise bolstered by study finished by programming organization Chordiant in 2008 into the client experience administration execution of vast associations in Europe. The study carried over 450 extensive associations and the outcomes demonstrated that performance in four major business regions (market share, holding, gainfulness, and consumer loyalty) was specifically identified with CEM performance. Furthermore, the connection between positive client encounters and steadfastness has additionally been looked into before. For instance, Srivastava and Kaul (2016) have demonstrated in their research "Investigating the connection between client experience – faithfulness – customer spend" that there is straight relationship among three independent factors: how much individuals were delighted to deal with the company, behavioral and attitudinal dependability to the brand, and their spend on the organization's items.

Several insurance product improvements are not hard to amplify and once insurance agencies give about comparative services, they can just separate themselves dependent on compelling customer experience management (CEM) and consumer loyalty hone. Client Experience Management is the capacity to comprehend the solicitations and requirements of clients and fulfill them with positive encounters they get by means of their favored channel along the entire client life cycle. All cooperation of an organization with its clients are distinguished and estimated with the end goal to guarantee that an additional value results from each organization action to fortify client reliability and make steadfast clients' actual backers for the organization. The occurrence of client experience is regarded as the current direction within the marketing sector. Although the products along with services are getting to be commoditized, the experiences given to consumers are regarded to be distinctive that they make the following level for separation and the current field for aggressive fights as well (Bolton et al., 2014).

1.1.1 Concept of Customer Experience Management

Seybold (2002:108) termed CEM as a reliable portrayal and impeccable execution, crosswise over conveyance stations and association focuses, of the passionate association and connections you need your clients to have with your image. Afterward, Esch et al. (2006) described CEM as the procedure of deliberately dealing with a client's whole involvement with an item or a service. Esch et al. (2006) underscored on coordinating diverse components of clients' understanding over an assortment of touch focuses.

CEM includes dealing with a client's involvement with an item or service deliberately. The focal point of Customer Relationship Management (CRM) is recording of exchanges while CEM centers around building associations with client by concentrating on encounters which clients have in course of their communication with the institution. CEM drives client relationship forward. Client feelings should be overseen adequately to pick up and hold clients. Administration of client feelings is imperative as client feelings drive and crush an incentive in an association (Shaw, 2007) and add to relationship disintegration. In particular, most relationship disintegrations depend on instinct (Helm, 2005). In the present solid rivalry simply having a fulfilled client isn't sufficient however solid devotion must be accomplished if firms go for higher level of consumer loyalty (Lilja and Wiklund, 2006). This offers significance to an investigation on promoting from an affair point of view.

CEM opines that the organization and its items have importance to client's life with the end goal that client interaction happen at different touch focuses and the possibility of CEM is to coordinate components of encounters at these touch focuses. CEM is really related with and prompts brand inclination and deals. Clients value great encounters and CEM records, coordinate and investigate experiences which fill in as a valuable promoting device for producing fulfillment and faithfulness among clients. It results in associations looking inside and in addition remotely. Clients are collaborating with representatives of a firm and these communications influence the view of clients. Propelled, proficient and accommodating workers give experiential incentive to client and this can fill in as an administration apparatus to a company. For most businesses, focus is around client obtaining conduct as opposed to client feelings and along these lines they neglect to use brand experiences as incitements (Meyer and Schwager, 2007).

1.1.2 Market Performance

Performance may termed as the outcomes accomplished after work culmination. It tend to be regarded as the outcomes of work because they offer the most grounded network to the major aims of a business, monetary commitments and consumer loyalty. Association performance is the capacity and capability of an association to effectively use the accessible assets to accomplish achievements with the set destinations of the organization, and in addition thinking about their importance to its clients (Marinova et al., 2016). As indicated by Katou and Budhwar (2014) association performance levels decides the degree of accomplishment of set objectives.

Organizational performance is the collection of money associated and nonfinancial markers that present data on the level of achievement of aims as well as outcomes. Non-monetary markers incorporate adequacy, proficiency, worker and clients' satisfaction, benefit quality and degree of worker holding. Organizational monetary performance is the measuring stick or scale for estimating the proficiency of administration and viability of utilization of the organization's assets.

Research has shown that firms which perform highly attract investors, create wealth and jobs. Organization performance is used as a measure for competitive advantage, strategy development and implementation. According to Al-Matari (2014) measures of profitability are good indicators of growth and economic performance of a firm. The determination of the most fitting execution markers however, an area with no characterizing limits as there are various purposes to which performance estimation can be put, in spite of the fact that not all performance estimation can be utilized for all reasons. Despite the fact that individual firms have a tendency to use firm-particular performance pointers suitable to their necessities, for some organizations the primary performance pointers would commonly incorporate a blend of budgetary; showcase/client; contender; human asset; inner business process; and natural markers (Camp 2008). This study utilized non - financial measures of performance, specifically the measures for performance were customer satisfaction, customer retention and customer loyalty.

1.1.3 Insurance Companies in Kenya

Insurance is a concept of pooling funds from several entities to provide protection from risk. Insurance plays a crucial role in the financial intermediation chain by providing a ready source of long term funds from the pooling function. Insurance is a critical element of any modern economy due to its contribution to the Gross domestic product. Insurance companies offer protection from loss by charging a premium to the insured. By indemnifying risk, insurance companies play the crucial role of providing capital for investment and infrastructure financing. Insurance companies provide protection to policy holders through offering protection against loss to their investments. Insurance has therefore has gained importance due to its significant contribution to the development of the economy.

In Kenya there are 52 licensed insurance companies (IRA, 2017). Of this twenty seven underwrite general insurance business, thirteen life insurance business and twelve are composite companies. The insurance industry has various players namely; insurance firms, reinsurance firms, insurance brokers, intermediaries and other service providers such as assessors of vehicles, insurance agents, loss adjusters, claims settling agents, insurance investigators, insurance surveyors, and risk managers (Insurance Regulatory Authority, 2017). This study focused on only international insurance companies in Kenya. Insurance is controlled under the statutes of the Insurance Act, Chapter 487 Laws of Kenya by the Insurance Regulatory Authority (IRA).

The insurance business within Kenya has expanded drastically for the past few years based on the premiums underwritten and number of firms created. The yearly report of 2017 by IRA indicated that the insurance sector of Kenya has sustained an upward extension trend with more than 196.64 billion Kenya shillings as the total premium income together with 528.75 billion shillings as the asset base. Moreover, the growth is commonly attributed to the overall economic development in the nation. The insurance sector has had a turbulent history and challenges arising out of premium undercutting, fraud, low penetration and unpaid claims. The closure of several large insurance companies including Stallion Insurance, Standard Assurance, Kenya national Assurance, Access Insurance, Lake Star Insurance, United Insurance and others in the last two decades has been linked to poor corporate governance. Price undercutting and high claims leading to insolvency contributed to the collapse of these companies (Wanyama and Olweny, 2013). Muriithi (2009) opined that insurance companies are fraught with scandals and despite the constricted regulatory framework corporate governance continues to fade. The sub- optimal performance of insurance companies has seen the contribution to GDP drop.

1.2 Research Problem

Various associations among them insurance agencies use a noteworthy piece of their time, vitality as well as assets pursuing new business. Despite the fact that it is critical to supplant lost business, develop the business as well as venture into fresh markets, one of the essential objectives is to retain current clients and improve client connections (Weinstein, 2002). Hence, the expense of securing new clients could nearly be ten times the expense of keeping current customers, and even a little increment in standards for dependability can increase a huge number of shillings to premium income (Weinstein, 2002). Knowledge illustrate that a client holding two initiatives with alike organizations is significantly additionally liable to retain than a consumer retaining a solitary strategy and is not possible to establish the types of customers that are beneficial and must be held. Despite the reality that getting new consumer is essential, accentuation entails moving towards retaining gainful consumers and establishing enduring connection with them. Firms have found that losing a client depicts that the company has lost a single deal together with a lifetime of referrals and procurement. As a result, the twofold aim of marketing is to catch new consumers by promising prevalent value and hold existing clients by ensuring contentment (Armstrong and Kotler, 2011).

Insurance has been identified as a key contributor to vision 2030 goals under the economic pillar. The insurance penetration declined in the last five years from 3.16 % in 2012 to 2.73 % in 2017. The decline has been attributed to low insurance uptake, industry malpractices and poor governance practices (Swiss Re Sigma, 2017). The low penetration hinders the achievement of goals and influence to the Gross domestic product. The performance of the insurance companies in Kenya is sub – optimal. Customers are the major stakeholders in any service industry. The insurance companies being service organizations that provide premium services, their survival solely depends on the customers. For any firm to continue improving on its performance, it must differentiate itself by consistently providing exceptional customer experience. Positive experience enables the companies to keep and entice new customers hence leading to improved performance.

The environment in which insurance companies operate has been fraught with various corporate governance challenges arising out of premium undercutting, fraud, low penetration and unpaid claims that have hindered its progress. With respect to the above difficulties, insurance companies need to establish focused intercession procedures for each to have credible market share. A portion of the methodologies set up to address the difficulties the business faces include: create insurance segment picture administration methodology; enhance Insurance Fraud Investigation Unit (IFIU) perceivability and insurance agencies to set clear extortion discovery techniques; set delegates advancement system and improve protection intermediaries' divulgence prerequisites; extend protection purchaser mindfulness and government funded instruction measures; upgrade creativity in item advancement and showcasing; combine directions, empower consistence and improve authorization. Ultimately, to address the issue of low purchaser request, insurance companies ought to enhance the general client benefit and have an emphasis on technique for expanding consumer loyalty and holding proportion. Client service driven by organic renewal system, client needs focus and expanded client individual contact will address the issues of low market entrance (Insurance Regulatory Authority, 2017).

Experience administration enhances trust, consumer loyalty, dedication, budgetary execution, and impacts clients' conduct over the scope of settings, quality and length of the connection among brand and client (Hardyman et al., 2015; Klaus, 2011; Klaus, 2014; Klaus and Maklan, 2012; Lemke et al., 2011; McColl-Kennedy et al., 2015; Nguyen et al., 2014).

Mindful of these administrative and academic network is endeavoring to comprehend the experience. They are dissecting the entire procedure from the production of experience, its estimation, plotting the results to its enhancement (Voss et al., 2008). The vital essential of investigating client experience is the capacity to play the job of a client. In any case, the organizations are as yet attempting to leave their business procedure and, rather, to embrace the clients' view of client venture. Accordingly, they are not ready to comprehend the clients' jobs and clients' subjective, full of feeling, passionate, social, physical reactions and, more terrible, they can't influence these outcomes in the coveted way or co-make the involvement with the client (Bolton et al., 2014; Laming and Mason, 2014; McColl-Kennedy et al., 2012). Founded on the limitation of CEM, this research looks to close the gap through carrying out a study in Kenyan context to recognize the impact of CEM on performance of insurance companies.

In an investigation done between 930 shoppers in Canada as well as US by Strativity Group in year 2010, it was discovered that clients are prepared to pay higher costs, give item referrals, give organizations more offer of wallet and set up long haul connections, if client encounter is predominant (Arussy et al, 2010). As per Buttle,(2009) the components that the CEM center exposes are comprehensive of upgrading key esteem drivers to separate the client encounter and a framework to address negative encounters. Positive experience improvement is conceivable with the acknowledgment that client connections are client encounters and business forms are planned taking discernment of those client contact focuses in administration were encounters are produced.

Several local studies have been done on the performance of insurance companies for instance; Kimosop, 2011; Makokha, 2014; Wanyama and Olweny, 2013 who have looked at the impact of corporate governance on performance of insurance companies. Other studies have looked at different concepts on performance of insurance for instance Aswani (2010) investigated in general the influence of marketing initiatives on performance of insurance firms in Kenya; however this study only utilized marketing, market intelligence and product advancement and innovation as its variables; Sivave (2014) conducted a study on CEM: new game strategy for competitiveness and Fatma (2014) did a study on the antecedents and consequences of customer experience management. None of the past research aimed on the impact of customer experience management on performance hence this study aimed to close the gap by answering the research question; What was the influence of customer experience management on performance of insurance companies in Kenya?

1.3 Research Objective

To establish the influence of customer experience management on the performance of international insurance companies in Kenya.

1.4 Value of the Study

The study can benefit the stakeholders and management within the insurance industry in Kenya, in understanding customer experience management practices and how they are effectively adopted and implemented to improve customer services, retention and satisfaction.

For the policy makers, the results of this research can be significant since they would have the capability of being utilized to establish positive financial policies that are sensitive and relative to forces of impact the entire insurance industry in the country. To the investigators and academicians, the study can offer the chance for professional expansion of the current knowhow on client experience management which is new aspect in the Kenyan aspect. The study can also offer essential basis for future studies on client experience.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presented an examination of literature regarding the matter under investigation as exhibited by different scientists, scholars, investigators and writers. This part reviewed the writing as for the examination goals on client experience management in the insurance segment in Kenya.

2.2 Theoretical Review

The models that create the basis of the research are the Identify – Differentiate – Interact – Customize model by Peppers and Rodgers (2001) and relationship marketing theory by Alexander (1998).

2.2.1 The Identify, Differentiate, Interact and Customize (IDIC) Theory

The theory was created by Peppers and Rogers (2001) and proposed that institutions should take the four activities; distinguish, separate, cooperate and modify, with the end goal to fabricate nearer coordinated associations with clients. They recognize who their clients are and construct a profound comprehension of them. Data, for example, name, address and buy data must be gathered over the organization, at all purposes of contact. It might appear to be straightforward and evident for a firm to accumulate data; nonetheless, commonly the data is spread out among offices and not composed so that data can be connected rapidly to every individual client (Siddiqi, 2002).

Every one client presents a different level of significant value to the institution. The requirement here is to distinguish the distinctive needs of each client by evaluating the esteem and significance of every client and tailor the business offer to every client (Peppers and Rogers, 2001). In every collaboration with the firm through the "contact focuses", the firm should keep on get-together information of inclinations; information that can enable them to additionally tweak and keep on giving measured an incentive to client, a precedent could be not to have the most esteemed clients sitting tight in any lines for administration (Peppers & Rogers, 2001). This theory provides a basis for firms to use technology infrastructure to identify, differentiate, interact and customize their services to customers to enhance customer loyalty and retention.

2.2.2 Relationship Marketing Theory

This model was suggested by Alexander (1998) and contends that association marketing is the establishment as well as advancement of productive, long haul and intuitive association with present and potential clients, providers and different intrigue gatherings. There exist three kinds of relationship advertising that include; database marketing, cooperation marketing as well as network marketing. Inside marketing involving the utilization of data innovation to expand client dependability, benefits and consumer loyalty is termed as database marketing.

Connections exist when clients have associations with the firms. There are two things that relationship advertising worldview thinks about when looking at client retailer money related relationship (Alexander, 1998). Right off the bat, relationship advertising must be profitable and feasible both to clients and associations. Besides, connection among clients and association will build the significance of retailers to keep up and upgrade the general connections that as of now exist with the clients. Clients will probably collaborate with the firms which fulfill their requirement (Melonakos, 2003). As per Lahtinen and Isoviita (1994), the benefit of a client will be most prominent amid the later long periods of the client association because of the accompanying three reasons including: incremental buys, increment in cost and diminishing expenses.

The discoveries of these investigations showed that relationship advertising significantly affected the associations' business execution in both administration and mechanical promoting. This model as a result suggests that as firms present worth to client, the power of its connection with the client with grow and enhance client retention, client loyalty and profit creation. Along these lines, relationship marketing hypothesis demonstrates that there is certain association with firm and those organizations that embrace relationship promoting their performance enhances enormously this is because of the links with the clients and hence recognize what the clients' require and necessities are and react to their requirements quickly. This hypothesis hence is of importance in this investigation in clarifying to what extent enduring associations with clients and different partners can add to enhance performance of insurance companies. By knowing the needs, wants and requirements of the customer it will be easy to build up an encouraging experience with the client and hence make the customers loyal thus increased profits.

2.3 Customer Experience Management and Market Performance

As indicated by Schmitt (2003), organizations of various sorts recognize that their consumers are vital; that clients are the organization's most significant resource; that the organization survives just when it has clients and develops just when it can hold them and enroll new ones; and that the organization, in this manner, ought to be organized and overseen around the client. The term Customer Experience Management (CEM) translates to the control, approach and process utilized to completely deal with a customer's cross-channel introduction, collaboration and exchange with an institution, item, brand or even administration. Client encounter arrangements give techniques, process models, and data innovation to configuration, oversee and enhance the conclusion to-end client encounter process. The CEM includes deliberately dealing with a client's whole involvement with an item or an organization.

Customer experience Management (CEM) in this way is described as the increase of procedures that an institution utilizes to track, regulate and restructure every cooperation amongst a client and the institution all through the customer lifespan (Schmitt, 2003). The aim of CEM is to advance connections from the customer's viewpoint and, as a result, inspire client faithfulness. The objective of CEM is to transfer clients from fulfilled to steadfast and after that from faithful to advocate. Generally, dealing with the client relationship has been the area of Customer Relationship Management (CRM). In any case, CRM procedures and arrangements are intended to center around item, cost and venture process, with insignificant or no emphasis on client need and want. The outcome is a sharp befuddle between the association's way to deal with client desires and what clients really need, bringing about the disappointment of numerous CRM usage.

Where CRM is venture concentrated and intended to oversee clients for greatest proficiency, CEM is a procedure that centers the activities and procedures of a business around the requirements of the specific client. Organizations are concentrating on the significance of the experience and understanding that building extraordinary customer encounters is an unpredictable venture, including system, joining of innovation, coordinating plans of action, mark administration and official duty. CEM is another worldview that speaks to an extreme break from the old marketing and administration methods. It presents systematic and innovative understanding into the client's reality, key apparatuses for molding that world, and usage instruments that organizations can use to expand client esteem.

Bennekom (2007) noticed that Companies with prevalent CEM practices, structure their business forms conscious of the client, particularly in those client contact focuses which are moved in the administration capacities. These organizations place themselves in the client's shoes and think about what makes value from the client's stance, consequently making their organization emerge. This value focus lessens the value center in clients' basic leadership math.

As indicated by Fiveson (2010), at each touch point workers can "make a difference" to the client encounter venture. The CEM program needs to propel workers to exchange their encounters of the organization, its way of life every single time they contact a client. Along these lines, basic as it sounds, if the workers are kept cheerful, centered and remunerated, they make a similar ordeal for their clients. Such individuals driven experience amplify brand loyalty and fabricate a committed client following for the brand.

Shaw and Ivens (2005) asserted that 85 percent of senior business pioneers concur that separating exclusively on the customary physical components, where CEM procedures and arrangements are intended to center around item, cost and venture process with negligible spotlight on client need and want isn't manageable (Shaw and Ivens, 2005). Strom (2011) presented several advantages of client experience has on the execution of the association. It enables organizations to "close the circle" with clients, recognizing the individuals who are in danger of surrendering so as to maneuver them over into the overlap. It additionally enables organizations to distinguish their greatest client fans and single them out for steadfastness rewards and special offers. These activities convert into more future visits and more cash spent.

Strom (2011) additionally emphasizes that the client encounter administration diminishes the expense of new client procurement by drawing in new clients all the more easily. At the point when positive client encounter data about the organization flourishes, new clients have a tendency to pursue. Client experience prompts client faithfulness who thus goes about as brand evangelists. This decrease of costs signifies the general benefit of the association.

2.4 Empirical Review

Fatma (2014) completed an investigation on the precursors and outcomes of client encounter management. She evaluated and combined the contemporary research on CEM and established a reasonable approach of precursors and results of CEM via a thorough assessment of literature. Six classifications of precursors specifically brand performance, multichannel association, profit interface, physical situation, social situation and budget and advancements were recognized through widespread survey of existing literature and three straight outcomes to be specific consumer loyalty, client unwaveringness and client value were additionally distinguished. Fatma's study utilized desk review methodology where it analyzed the existing literature from various authors on customer experience management. The current study adopted a descriptive survey design and focused on assessing the influence of customer experience management on market performance in insurance firms in Kenya.

Mahendhiran and Khong (2006) evaluated the impacts of CSMon enterprise performance in Malaysian bank industry and finance organizations. The goal was accomplished through an observational examination including a review. Only 128 questionnaires were answered out of the sample size of 700. Furthermore, the information obtained was analyzed statistically including confirmatory and exploratory, reliability test and structural equation modelling. Factor investigations extricated two measurements, perceived enterprise performance and CSM. Every single related marker showed their builds individually. In spite of the presence of desires where CSM could wander into more measurements through exploratory factor examination (customer assessment, customer association management, client satisfaction and market research), the outcomes demonstrated that CSM were epitomized as a solitary development by respondents. The discoveries affirmed that CSM had noteworthy relationship on business performance. The above study focused on the effect of CEM on enterprise performance in a developed country while the current research sought to recognize the effect of CEM on performance in Kenyan insurance industry which is a developing country and thus the business environment is different from that of developed economies.

Amaoko (2014) assessed the impact of good client service on the performance of Telecom, Companies in Ghana-a contextual investigation of Vodafone Ghana. The investigation utilized the snow-ball study which was suitable for populace about a marvel, with a specialist planned survey for information gathering to answer the examination question notwithstanding close to home meeting with endorsers and staff of the chose firm. The objective populace included 150 versatile telecom singular endorsers for the year 2010 from Vodafone Ghana. Straightforward frequencies and crosstabs were utilized as the system in the variable investigation. The outcomes demonstrated that great client benefit have positive effect on execution of Telecom organizations in Ghana. The study was done in Ghana and concentrated on effect of client benefit on execution of media transmission organizations while the current investigation tries to set up the impact of CEM on execution of insurance agencies in Kenya. There is a contextual gap since the study looked into insurance firms and not telecommunication companies, the current study also sought to address a new issue in the marketing aspect with a special keen of understanding the customer more by getting feedback and learning about their emotions and feelings as compared to CRM.

Sivave (2014) directed an investigation on "CEM: new diversion procedure for intensity". The examination's point was to complete a broad writing audit of articles on client encounter administration to clarify the connection between client encounter administration and its components which are store network administration, area experience, bundling and naming background, environment, benefit blend understanding, advancement, client encounter, mark involvement, and value understanding for proposal to the keeping money segment in Zimbabwe. Five modules of client encounter administration which are sense, feel, think, act, and relate have likewise been checked on and investigated in the writing audit. Discoveries demonstrated that CEM factors contribute especially as a methodology to aggressiveness in business. The above study was conducted in Zimbabwe and relied on desktop review methodology where the existing literature was used while the current study was conducted in Kenya with a special focus on insurance companies.

Most of the past researches in Kenyan context have focused on effect of CRM on organizational performance. For instance; Mwangi (2013) investigated the influence of relationship marketing on performance of commercial banks in Kenya. Nyakerario and Oloko (2014) on their research regarding the impact of client relationship administration methodologies on the performance of state funded college saving and credit societies in Kenya, they found that client obtaining systems altogether impact the performance of SACCOs like some other association. Kimani (2010) on the connection among CRM and execution in Kenyan assembling firms found that numerous organizations don't comprehend the job of this idea in the cutting edge dynamic business condition. Moyi (2010) on the effect of CRM on performance of grocery stores in Kenya found that most associations have little information of CRM. Wanjohi (2014) in his examination on the connection among CRM and SMEs execution in Kenya found a positive link amongst the two factors as far as benefits is created. Jerono (2012) conducted a study on customer relationship marketing as retention strategy in commercial banks and in their findings noted that customer relationship marketing positively influenced retention of customers. It is quite clear that most studies have focused on CRM and not CEM thus a new area that needs to be studied. There is limited empirical evidence on the influence of customer experience management on market performance in Kenya, which the knowledge gap this study sought to fill by addressing the question; what is the influence of customer experience management on market performance of insurance companies in Kenya?

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

Chapter three discusses the research design utilized. It explained the design of that was involved in conducting the study, the population that formed part of the investigation, design of the sample, the methods that were used in data collection and approaches utilized to analyze and present the data.

3.2 Research Design

Research design was defined by Kombo and Tromp (2006) as the composition of a research, the glue that seizes all rudiments in an investigative project together. A plan is involved in structuring the research, by showing how the critical parts of the research work together in addressing the essential research questions. The research utilized descriptive research design. This method was preferred since the study needed to formulate the influence of customer experience management on performance of multinational insurance companies in Kenya. Evocative survey refers to an information collecting method through conducting interviews or by administering questionnaires to an individual sample (Orodho, 2003). It could be utilized in gathering information regarding the attitudes, habits, feelings or any personal attributes. Sekaran and Bougie (2011) note that explanatory study is linked to several advantages such as helping in understanding the distinctiveness of a group in specified state as well as the methodical thinking regarding characteristics of a specific situation.

3.3 Population of the Study

A population refers to a collection of individuals, objects or items that deliver samples required in measurement. Population describes a whole group of elements or people that have a common aspect (Kombo & Tromp, 2006). For the aim of this research, target population included all multinational insurance companies that dominate the insurance division. There are 10 companies that control 67.1 per cent of the bazaar with the number of stakeholders involved increasing from 48 to 52 (IRA, 2017). The study population therefore was 10 firms namely; ICEA, AAR, Jubilee, APA, Heritage, UAP, GA, CIC, AIG and Britam. However the study used five insurance firms that had customer experience department. The five firms are CIC, Jubilee, APA, AIG and UAP.

3.3.1 Sample and Sampling Technique

In some elements, sampling is usually done to a population in order to draw conclusions regarding the entire population. The ultimate analysis of a sample design depends on how well it characterizes the distinctiveness of the populace it intends to (Kothari, 2004). According to Polit and Beck (2003), a sample can be a fraction of population being investigated. This study utilized purposive along with simple random sampling. Purposive sampling is involved in the picking of case respondents from the workforce (customer experience managers). Based on Mugenda and Mugenda (2003) argument, purposive sampling refers to a sampling method that enables a researcher to employ cases that have obligatory data with regards to the study goals. Cases of area under discussion were therefore specially selected since they were handpicked and contained the necessary characteristics.A sample of 5 was generated by purposively sampling one customer experience manager from each firm.

Simple random sampling was involved in customers' selection. The target population consisted of over 10,000 customers who have active accounts with the insurance companies and hence was defined as a large population. In such a scenario, a complete sample approximation was calculated by involving a formula that was recommended by Mugenda (2008) and Gay (1981) to determine a sample derived from a huge population. A large population is typically made up of elements above 10,000 (Mugenda, 2008).

The 150 potential respondents were picked through simple random sampling method from all the companies and 5 customer experience managers.

3.4 Data Collection

In this investigation primary data was gathered via the utilization of a prearranged questionnaire which was easier to analyze, administer and economical since it saved time and money. The researcher used questionnaires as tools of data collection. The questionnaire contained open and close ended questions. By using a structured questionnaire, the researcher ensured questions consistency and appropriate answers from the respondents. A questionnaire was preferred by many respondents since it ensured anonymity. The questionnaires were involved in collecting data from the respondents about customer experiences and its impact on performance. Secondary data sheet was utilized to collect data from the managers to validate and give more views and opinions on customer experience management and performance.

3.5 Data Analysis and Presentation

Data analysis is described as the process where data collected is converted to formulate significant information (Sounders, Lewis and Thornhill, 2009**).** Additionally, data analysis is described as a method used in reducing and consolidating data with an aim of producing findings that require researcher's interpretation. De Vos (2002) goes ahead to define data analysis as an inventive and challenging process distinguished through an intimate relationship between the researcher and the participants involved in generating the data. This is essential since raw data presents little meaning to most individuals hence the need to analyze. Collected data was quantitative and qualitative in nature.

For quantitative data the researcher utilized statistical software named, Statistical Package for Social Sciences (SPSS) to generate the expressive statistics and also to generate inferential information. Descriptive statistics refers to a term given to the data analysis which helps offering description, summarizing or showing data in a consequential manner in that, patterns are derived from the data collected. Descriptive analysis included use of percentages, tendencies and frequencies.

CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presented the results of data analysis in relation to the research objective as presented in chapter one of the study. The chapter also presents the results on sample description, descriptive statistics, and regression analysis. The study sought to establish the influence of customer experience management on the performance of international insurance companies in Kenya. A detailed discussion has also been provided as the current findings are compared to findings of other studies in related areas.

4.2 Response Rate

The research distributed 150 questionnaires to the respondents. From the 150 questionnaires presented 117 were properly filled and returned by customers of insurance companies in Kenya. This signified response rate of 78%. Mugenda and Mugenda (2003) asserted that a response rate of 50% or more is adequate for a research. In addition, Babbie (2004) affirmed that return rates of 50% are suitable to analyze and publish, while 60% is good and 70% is quite good.

Table 4.1: Response Rate

Response rate	Frequency	Percent
Returned	117	78%

4.3 Demographic Characteristics of Respondents

In this study, data was gathered from different groups of respondents based on their age, level of education, and gender. Table 4.2 presents the characteristics of the respondents.

Table 4.2: Demographic Characteristics of the Respondents

		Frequency	Percent
Age	26 to 30 years	16	13.7
	31 to 35 years	16	13.7
	36 to 40 years	8	6.8
	41 to 45 years	30	25.6
	46 to 50 years	45	38.5
	Above 50 years	2	1.7
Gender	Male	71	60.7
	Female	46	39.3
Level of Education	Postgraduate	24	20.5
	Degree	47	40.2
	Diploma	46	39.3

According to results on Table 4.2 above most of the respondents (38.5%) were aged between 46- 50 years, 25.6% of the respondents were aged between 41 to 45 years while 13.7% were between 31 to 35 years between 26 to 30 years. These study findings show that the customers were distributed across the age brackets. Further Table 4.2 shows that sixty one percent (61%) presented the male gender from the respondents while 39% were the female gender. This implies that most of the insurance companies' customers were male.

Finally, the findings in Table 4.2 showed that 40.2% of the individuals involved in the study had a degree, while 39.3% of the individuals had attained a diploma and 20.5% had reached postgraduate level. These findings indicated that the individuals involved in the study certainly provided accurate responses as a result of their responses. Additionally, the levels of education showed that numerous clients had knowledge on matters relating to insurance industry and thus aware of customer experience management and its benefits towards the customers and the organization at large.

4.4 Descriptive Statistics

4.4.1 Customer Experience Management

The study sought to find out the impact of customer experience management on performance of insurance companies in Kenya. Results are presented in Table 4.3.

Table 4.3: Customer Experience Management Responses

	Mean	**Std. Deviation**
I have a feeling of safety when carrying out transactions with the company	4.06	1.177
The workers in the firm acknowledge my immediate needs.	4.15	0.802
The company gives me individual attention.	3.6	1.218
The firm has workers who present me with personalized attention.	3.59	1.353
Personnel in the institutions are always eager to assist you.	3.86	1.224
Workers behavior in the firm encourages assurance in you.	4.08	1.084
Workers in the company inform you precisely when the services will be carried out.	3.62	1.209
Workers in the company are continually considerate with you.	3.76	1.264
Anytime you have an issue, the firm finds a sincere manner to tackle it.	3.79	1.332
Company presents its service during the period it guarantees to do so.	4.06	1.045
Once the company assures to carry out something by a specific period, it does so	3.67	1.218
The firm performs the service correctly the initial time.	3.7	1.124
Employees in the organization are never too busy to answer to your demand.	4.18	1.055
The company’s image as well as reputation is decent	3.93	1.209
Employees in the firm give you prompt service.	3.74	1.054
The firm ensures the records are error free.	3.72	1.136
Company environment is well-ordered as well as tidy	3.84	1.137
Workers in the organization possess the knowledge to respond to your queries.	3.65	1.341
I will not switch to any other insurance company	3.68	1.119
I speak positive elements about the company to other individuals	4.3	0.812
I anticipate to go on being a client of the firm for the longest time possible	4.27	0.997
I will promote friends as well as relatives to utilize the service presented by the firm	4.26	0.882
Generally, I am content with the services provided by the company	3.84	1.137
Aggregate Score	3.89	1.127

The results on Table 4.3 established that the customers felt safe in their transactions with the firm as indicated with a mean score of 4.06 as well as standard deviation of 1.177, the statement employees of the firm understood their specific needs attracted a mean of 4.15 and the firm gave them individual attention had a mean of 3.6. The study also found that the firm had employees who gave customers personal attention as suggested by a mean score of 3.59 and the statement workers in the firm were always willing to help them had a mean of 3.86.

In addition, the study found that the behavior of workers in the firm instilled buoyancy amongst them, workers in the firm told them precisely when the services will be carried out and employees in the firm are reliably considerate with them with mean scores of 4.08, 3.62 and 3.76 correspondingly. Furthermore, the study also established that when customers had a problem, the firm showed sincere interest in solving it as asserted by a mean of 3.79. The statement "company presents its service during the period it guarantees to do so" attracted a mean score of 4.06.

Table 4.3 also shows that when the company promised to do something by a specific time it ensures that (3.67), the firm carries out the service right the initial time with a mean of 3.7 while workers in the organization are certainly not too busy to reply to an individual's request (4.18) and the company's image along with reputation was awesome with a mean score of 3.93. The study established that employees in the firm gave them prompt service as shown by a mean of 3.74 while the statement "the firm insisted on error free records" and "the environment was neat and tidy" attracted a mean score of 3.72 and 3.84 correspondingly.

Additionally, the findings implied that employees in the organization had the know how to respond to the questions with a mean of 3.65, the statements "I will not switch to any other insurance company and I speak positive elements about the company to other individuals" had mean scores of 3.68 and 4.3 correspondingly. Majority of the participants were in agreement that they plan to carry on being customers of the firm for a long time to come attracting a mean score of 4.27, while the statement "I will promote friends as well as relatives to utilize the service presented by the firm" and "generally, I am content with the services provided by the company" with a mean score of 4.26 and 3.84 respectively. The cumulative mean score for customer experience management was 3.89 with a standard deviation of 1.127 which shows that averagely the customers agreed that by creating connections with client through emphasizing on experiences which clients have during engagement with the institution and knowing how to manage the customers emotions effectively will help to gain and retain customers thus improving the firm performance.

4.4.2 Performance

The participants were requested to rate the extent to which they agreed customer experience management influenced performance of insurance companies. Table 4.4 presents the results.

Table 4.4: Performance Responses

	Mean	Std. Deviation
I am satisfied with the company services	3.95	1.136
I feel secure transacting with the company	4.06	1.177
I constantly refer my friends to the firm due to the quality of service	4.11	0.888
The level of service delivery is high and satisfying	3.67	1.196
Aggregate Score	3.95	1.099

The study recognized that the individuals involved in the study were content with the company services with a mean score of 3.95, additionally they felt secure transacting with the company and they constantly referred their friends to the firm due to the quality of service which attracted a mean score of 4.06 and 4.11 respectively. Finally, the level of service delivery was high and satisfying attracted the lowest mean score of 3.67. The aggregate mean score for performance was 3.95 with a standard deviation of 1.099 which shows that averagely the customers were in agreement that the insurance companies had instituted approaches to allure the customers' emotions and feelings thus ensuring that the customers remained loyal to the firms.

4.5 Customer Experience Management and Performance

The results presented in Table 4.5 below are a correlation matrix showing the relationship between performance and customer experience management.

Table 4.5: Correlation Matrix of Customer Experience Management and Performance

Variable		Performance	Customer Experience Management
Performance	Pearson Correlation	1	
	Sig. (2-tailed)		
Customer Experience Management	Pearson Correlation	.818**	1
	Sig. (2-tailed)	0.000	

** Correlation is significant at the 0.01 level (2-tailed).

The results implied that there was a positive as well as significant ($r=0.818$, $p<0.000$) correlation between performance and customer experience management. This therefore implies that customers experience with the firm influences the customers' loyalty and satisfaction. Importantly, clients show their loyalty due to the experiences that they have at a specific place due to quality control procedures and relationship management inventiveness hence customer experience management aids in presenting improved loyalty, improved development and financially optimal performance.

4.5.1 Regression Analysis of Customer Experience Management and Performance

In order to understand the influence of customer experience management on performance of insurance firms a regression model was estimated where performance was considered to be a function of customer experience management. The results in Table 4.6, 4.7 and 4.8 are the model summary results, goodness of fit results for the estimated regression model as well as the regression estimates respectively. The results in Table 4.6 show that customer experience management explains 66.9% of the variations in performance of insurance companies as indicated by an R-Square of 0.669.

Table 4.6: Model Fit for Effect of Customer Experience Management on Performance

Indicator	Coefficient
R	0.818
R Square	0.669
Adjusted R Square	0.666
Std. Error of the Estimate	0.3213

The general model significance was shown in table 4.7. An F statistic of 232.306 showed that the overall model was significant. Continually, the ANOVA test shows that the significance of the F-statistic 0.000 is less than 0.05 indicating that there is a significant relationship amongst customer experience management and performance of insurance companies. The findings imply that customer experience management was statistically significant in explaining performance of Kenyan insurance companies.

Table 4.7: Model Significance

	Sum of Squares	df	Mean Square	F	Sig.
Regression	23.982	1	23.982	232.306	.000b
Residual	11.872	115	0.103		
Total	35.854	116			

Following the establishment that the regression model was significant, Table 4.8 below showed the regression estimates that were achieved.

Table 4.8: Regression Coefficients

Variable	Beta	Std. Error	t	Sig.
Constant	0.633	0.219	2.883	0.005
Customer Experience Management	0.861	0.056	15.242	0.000

Particularly, the estimates showed that customer experience management was positive (β=0.861) and significantly (p=0.000) related to performance. This asserted that a one percentage change in customer experience management by insurance firms is related with 86.1 percentage increase in their performance. The regression analysis can be summarized in functional form as indicated below;

Performance = 0.633 + 0.861Customer Experience Management+ ε

4.6 Discussion

The study sought to establish the impact of customer experience management on performance of Kenyan insurance companies. The results indicated that customer experience management to an extent influenced performance of insurance firms in Kenya. The assertion was maintained by a mean score of 3.89 and a standard deviation of 1.127 which implied that averagely the customers were in agreement that by creating relations with customers and by emphasizing on experiences which clients had over their interaction with the firm and knowing how to manage the customers emotions effectively will help to gain and retain customers thus improving the firm performance. The study findings agree with those of Amaoko (2014) who assessed the impact of good customer service on the performance of Telecom, firms in Ghana and found that good customer service have encouraging effect on performance.

The study established that the customers felt safe in their transactions with the firm, employees of the firm understood their specific needs and the firm gave them individual attention. The study also found that the firm had employees who gave customers personal attention and the workers in the firm were at all times willing to help the clients. Results are in tandem with Sirare (2014) who examined customer experience management as a fresh game strategy for effectiveness and concluded that customer experience management factors contribute very much as an approach to competitiveness in business.

On performance, the study instituted that the respondents were satisfied with the company services with a mean score of 3.95, additionally the respondents felt secure transacting with the company and they constantly referred their friends to the firm due to the quality of service which attracted a mean score of 4.06 and 4.11 respectively. Finally, the level of service delivery was high and satisfying attracted the lowest mean score of 3.67. The aggregate mean score for performance was 3.95 with a standard deviation of 1.099 which showed that averagely the customers were in agreement that the insurance companies had put in place approaches to allure the customer's emotions and feelings thus ensuring that the customers remained loyal to the firms. The findings concur with Sebor (2008) who argued that "loyalty is presently driven mainly through a firm's interaction with its clients and how well it conveys on their needs and wants."

The study found that customer experience management influenced performance of insurance firms in Kenya. The findings are in line with relationship marketing theory and the IDIC model which asserted that as a firm conveys value to client; strength of its connection with the client will progress thus growing the customer loyalty, customer retention, along with profit creation. The IDIC model suggested that clients should take the four actions, identify, differentiate, interact and customize, so as to formulate closer one-to-one relationships with clients. The study found out that through effective customer experience management, the company is able to recognize the various needs of each client through estimating the value and significance of each customer and tailor the business offer to every customer. The theories therefore support the findings that with customer interactions at all touch points the organization has ability to understand the needs and wants of the customer and hence trigger their emotions through the experience converting them to loyal customers.

The Pearson correlation coefficient results indicated that customer experience management and performance of insurance companies had a positive ($r=0.881$) and significant ($p<0.000$) correlation. A research by software company Chordiant in 2008 into the customer experience management performance of large organizations across Europe supported the research findings since it examined 450 huge institutions and the outcomes revealed that performance in four huge business areas that included; retention, market share, , customer satisfaction and profitability was directly connected to CEM performance. The results further showed that 66.9% of the variance in performance is accounted for by the variance in customer experience management and further found that customer experience management had a positive ($\beta=0.861$) and significant effect ($p=0.000$) on the performance of insurance companies in Kenya. The study findings agree with those of Amaoko (2014) who found that good customer service have positive impact on performance. Similarly, Srivastava and Kaul (2016) proved that through “Exploring the link between customer experience – loyalty – consumer spend” there was a direct association amongst three independent variables: to what extent individual enjoyed dealing with the company, behavioral as well as attitudinal loyalty to the brand, along with their spend on the firm’s items.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter concludes the study through providing the summary of key findings, conclusions as well as recommendations. These will be aligned to the goals of the research.

5.1 Summary

The summary sections describe a summary of findings with regards to study goals. The chapter one discussions implied that the overall goal was to establish the influence of customer experience management on performance of insurance companies in Kenya. The type of research design adopted was descriptive design. The target population of this study comprised of customers of five international insurance companies namely; CIC, Jubilee, APA, AIG and UAP. The study relied on primary data and specifically by use of questionnaires. Data was assessed through utilization of SPSS where descriptive as well as inferential statistics were used.

The study found that most of the respondents (64.1%) were over 40 with 38.5% of the respondents being aged between 46- 50 years and 25.6% aged between 41 to 45 years. In regards to gender, sixty one percent (61%) of the respondents were male and 39% were female. The study findings indicated that 40.2% of the respondents had a degree, while 39.3% of the respondents had attained a diploma and 20.5% had reached postgraduate level. The research findings asserted that a majority of the respondents possessed high levels of education that could have led to exact responses. The levels of education were high with respondents implying that numerous customers are knowledgeable on matters relating to insurance industry and thus aware of customer experience management and its benefits towards the customers and the organization at large.

The study found that customer experience management influence performance of insurance firms in Kenya. A mean score of 3.89 and a standard deviation of 1.127 implied that on average the customers agreed that by creating connections with customers and by emphasizing on experiences that clients had in course of their interaction with the company and knowing how to manage the customers emotions effectively will help to gain and retain customers thus improving the firm performance. The customers felt safe in their transactions with the firm, the employees of the firm understood their specific needs and the firm gave them individual attention.

On performance, the study asserted that the respondents were content with the company services with a mean score of 3.95, additionally the respondents felt secure transacting with the company and they constantly referred their friends to the firm due to the quality of service which attracted a mean score of 4.06 and 4.11 respectively. Finally, the level of service delivery was high and satisfying attracted the lowest mean score of 3.67. The aggregate mean score for performance was 3.95 with a standard deviation of 1.099 which infers that on average the customers established that the insurance firms had instituted approaches to allure the customer's emotions and feelings thus ensuring that the customers remained loyal to the firms.

The Pearson correlation coefficient results indicated that customer experience management and performance of insurance companies had a positive ($r=0.881$) and significant ($p<0.000$) correlation. The results further showed that 66.9% of the variance in performance is accounted for by the variance in customer experience management and further found that customer experience management had a positive ($\beta=0.861$) and significant effect ($p=0.000$) on the performance of insurance companies in Kenya.

5.2 Conclusion

Founded on the study findings the researcher established that customer experience management has a huge influence on performance of insurance companies in Kenya. This means that a well formulated CEM strategy would make sure that organizations are in a better place in the market and thus improved performance. CEM approach aids in delivering more loyalty, more growth and financially optimal performance of institutions. The study concludes that those firms that embrace customer experience management have higher chances of improving their performance because the firms are able to manage the customer experiences by getting customer feedback and knowing exactly the customer's needs and wants and action towards delivering them.

5.3 Recommendations

From the summary and concussion the study recommends that in order to improve performance, the organizations should therefore manage customer experiences to improve their satisfaction. The management should ensure that they know exactly what are the needs and requirements of their customers and thus give them personal attention and embrace the changes taking place globally due to technology advancement. Businesses will constantly be receiving information from these devices and through the use of artificial intelligence and advanced analytics, will analyze the data to learn what customers want without them having to communicate with the organization directly.

Anticipating what a customer needs through the interpretation of data is key, and businesses will need to learn how to communicate and create experiences with their customers through devices and communications platforms, rather than directly to the customer. Ultimately, the ability of the consumer to demand answers from a business and control the relationship, is forcing organizations to up their CEM game. As such, businesses must harness new technologies such as automation and advanced CEM platforms, in conjunction with analytics, to ensure they can manage communication with customers quickly and consistently. Those that embrace these technologies stand to make huge gains over their competitors, by being able to communicate more effectively with customers and event predict their needs in advance so they can keep them happier in the long-term.

5.4 Suggestions for Further Studies

The study sought to institute the influence of customer experience management on performance of multinational insurance companies in Kenya, there is need therefore for a study to be conducted on other insurance companies in Kenya to find out if the results still hold valid. There is also need to conduct a study on the relationship between customer experience management and performance in other organizations that offer services such as commercial banks, parastatals and public institutions.

REFERENCES

Alexander, R. (1998).*Starting Research: An introduction to academic research and dissertation writing*11thEd Derby. Saxon Graphics

Al-Matari, E. M. (2014). The measurements of firm performance's dimensions. *Asian Journal of Finance and Accounting, 6*(1), 24-49. http://dx.doi.org/10.5296/ajfa.v6i1.4761

Bell, D., Deighton, J., Reinartz, W. J., Rust, R. T., & Swartz, G. (2002). Seven barriers to customer equity management. *Journal of Service Research*, *5*(1), 77-85.

Bennekom, F.V. (2007). Customer Experience Management - By Design. Retrieved from http://www.greatbrook.com/customer_experience_management.htm

Bolton, R. N., Kannan. P.K., &Bramlett M. D (2014). Implications of Loyalty Program Membership And Service Experiences For Customer Retention And Value. Journal Of The Academy Of Marketing Science, 28 (Winter), 95–108.

Esch, F. R., Langner, T., Schmitt, B. H., &Geus, P. (2006). Are brands forever? How brand knowledge and relationships affect current and future purchases. *Journal of Product & Brand Management*, *15*(2), 98-105

Fiveson, K. (2010). What's Love Got to Do With "It" - How Employees Impact Customer Experience. Retrieved from http://www.getcustomerexperience.com/hr-training/whats-love-got-to-do-with-qitq-how-employees-impact-customer-experience.html

Insurance Regulatory Authority (2017). Annual Insurance Industry Report for the Year ended 31st December 2017.

Kandampully, J. and Duddy, R. (1999). Relationship marketing: a concept beyond the primary relationship. Marketing Intelligence& Planning, 17(7), 315-323.

Katou, A. A., Budhwar, P. S., & Patel, C. (2014). Content vs. process in the HRM-performance relationship: An empirical examination. *Human Resource Management, 53*(4), 527–544.

Khong, K. W.&Mahendhiran, N. (2006). "The effects of customer service management on business performance in Malaysian banking industry: an empirical analysis", *Asia Pacific Journal of Marketing and Logistics*, Vol. 18 Issue: 2, pp.111-128, https://doi.org/10.1108/13555850610658264

Knutson, B. J., Beck, J. A., Kim, S., & Cha, J. (2009). Identifying the dimensions of the guest's hotel experience. *Cornell Hospitality Quarterly*, *50*(1), 44-55.

Kombo, D., & Tromp, D. (2011). Proposal and Thesis Writing: An Introduction. Paulines Publications Africa. Nairobi

Kotler, P., & Armstrong, G. (2011).Principles Of Marketing (14th Ed.). New Jersey: Prentice Hall.

Marinova, J., Platenga, J., &Remery, C. (2016). Gender Diversity and Firm Performance: Evidence from Dutch and Danish Boardrooms. *The International Journal of Human Resource management*, 27 (15).

Mathwick, C., Malhotra, N., &Rigdon, E. (2001). Experiential value: conceptualization, measurement and application in the catalog and Internet shopping environment. *Journal of Retailing*, *77*(1), 39-56.

Mehrabian, A., & Russell, J.A. (1974). *An approach to environmental psychology*. Cambridge, MA: MIT Press.

Melonakis, P. (2003). *Marketing Management.* 11th Ed. United States: Prentice Hall.

Meyer, C., Schwager, A. 2007. Understanding Customer Experience. Harvard Business Review, Articles. February 2007. (Retrieved 27.10.2013) Available: http://hbr.org/2007/02/understanding-customer-experience/ar/1

Mugenda, A. G. (2008). *Social Science Research Theory and Principles* 2nd. Edition. Nairobi: Kijabe Printers.

Oh, H., Fiore, A. M., & Jeoung, M. (2007). Measuring Experience Economy Concepts: Tourism Applications. *Journal of Travel Research*, *46*(2), 119-132.

Orodho, A. J. (2003).*Essentials of Educational and Social Science Research Method*. Nairobi: Masola Publishers.

Peppers, D., & Rodgers, M. (2001). *A CRM blueprint: Maximising ROI from your customer -based strategy.* Insight Reports, USA.

Pine, B. J. & H. J. Gilmore (1999*). The Experience Economy: Work is Theatre & Every Business Stage.* Boston, MA: Harvard Business School Press.

Pine, B. J., & Gilmore, J. H. (1998). Welcome to the experience economy. *Harvard Business Review*, *76*, 97-105.

Saunders, M. N., Thornhill, A., & Lewis, P. (2009). *Research Methods for Business Students*. 5th Edition. Prentice Hall.

Schmitt, B. H. (2003). *Customer Experience Management*. Hoboken, Wiley and Sons.

Schmitt, B., & Zarantonello, L. (2013). Consumer experience and experiential marketing: a critical review. Review of Marketing Research, 10, 25-61.

Sebor, J. (2008). CRM Gets Serious.CRM Magazine. http://www.destinationcrm.com/articles/ReadArticle.aspx?ArticleID=46971.

Sekaran, U. &Bougie, R. (2011). Research Methods for Business: A Skill Building Approach. 5th Edition. Aggarwal printing press, Delhi, ISBN: 978-81-265-3131-8

Seybold P.B (2002), The customer Revolution. London Business Books

Shaw, C. 2007. The DNA of Customer Experience. USA, New York: Palgrave Macmillan.

Shaw, C., &Ivens, J. (2005). Building Great Customer Experiences. New York: MacMilla

Siddiqi, J. (2002). *A Fram Strategy in the Retail Sectorework for the Implementation of a Customer Relationship Management*. Sheffield Hallam University (UK).

Strativity Group (2009). 2009 Global Customer Experience Management Benchmark Study. Retrieved from Strativity Group, Inc. website: http://strativity.com/products/2009-Experience-Management-Benchmark-Study.aspx

Swanson, G. E. (1978). Travels through inner space: family structure and openness to absorbing experiences. *American Journal of Sociology*, *83*(4), 890–919.

Swiss Re (2016). Sustained insurance sector growth in 2017 largely based on demand from emerging markets; *Global insurance review and outlook for 2017/18*

Verhoef, P. (2003). Understanding the effect of customer relationship management efforts on customer retention and customer share development. Journal of Marketing, 67(4), 30-45.

Wanyama and Olweny 2013, Effects of Corporate Governance on Financial Performance of Listed Insurance Firms in Kenya. *Public Policy and Administration Research Journal.*

Weinstein, A. (2002). Customer-Specific Strategies- Customer Retention: A Usage Segmentation and Customer Value Approach. Journal Of Targeting, Measurement And Analysis For Marketing, 10(3), 259-268. American Marketing Association

Zuckerman, M. (1994). *Behavioral expressions and biosocial bases of sensation seeking*. Cambridge university press, Cambridge.

Appendix I: Introduction Letter

Date…………………..

Dear participant

P.O Box ----------------

Nairobi – Kenya

Dear Sir,

RE: REQUEST FOR PERMISSION FOR DATA COLLECTION

Dear Respondent,

I am a Masters student at University of Nairobi, carrying out research on the "Influence of customer experience management on performance of multinational insurance companies in Kenya" This is in partial fulfillment of the requirement of the Master of Science- Marketing degree program.

You have been randomly selected among many to participate in this study. It is estimated that it will take less than twenty (20) minutes of your time to complete the questionnaire. Please respond as honestly and objectively as possible. Your participation is very essential for the accomplishment of this study and it will be highly appreciated. I guarantee that the information that you will provide will be treated with the utmost confidentiality and will be used only for academic purposes.

This is an academic research and confidentiality is strictly emphasized, your name will not appear anywhere in the report. Kindly spare some time to complete the questionnaire attached. Thank you.

Yours faithfully,

Maundu Catherine Mbula

Appendix II: Questionnaire for Customers

This Questionnaire is aimed at seeking facts and information about influence of customer experience management on performance of insurance companies in Kenya. You have been selected to participate in the study. Please answer the questions by ticking or filling on the space provided.

Part A: Respondents Information

1. Name……………………………………………………………………. (Optional)

2. Age of the respondent

26 to 30 years ( ) 31 to 35 years ( ) 36 to 40 years ( ) 41 to 45 years ( )

46 to 50 years ( ) Above 50 years ( )

3. Gender of the respondent

Male ( )   Female ( )

4. What is your highest level of education?

Postgraduate ( ) Degree ( ) Diploma ( )

Part B: Customer Experience Management

To what extent do you agree with the following statement relating to customer experience in insurance companies in Kenya? The rating is as follows:

1- Strongly disagree, 2 – Disagree, 3 – Neutral, 4 – Agree, 5 – Strongly agree

	1	**2**	**3**	**4**	**5**
I feel safe in my transactions with the firm					
The employees of the firm understand my specific needs.					
The firm gives me individual attention.					
The firm has employees who give you personal attention.					
Employees in the firm are always willing to help you.					

The behavior of employees in the firm instills confidence in you.					
Employees in the firm tell you exactly when the services will be performed.					
Employees in the firm are consistently courteous with you.					
When you have a problem, the firm shows a sincere interest in solving it.					
The company provides its service at the time it promises to do so.					
When the company promises to do something by a certain time, it does so					
The form performs the service right the first time.					
Employees in the organization are never too busy to respond to your request.					
The company's image and reputation is good					
Employees in the firm give you prompt service.					
The firm insists on error free records.					
The environment is neat and tidy					
Employees in the organization have the knowledge to answer your questions.					
I will not switch to any other insurance company					
I say positive things about the company to other people					
I intend to continue being a customer of the firm for a long time to come					
I will encourage friends and relatives to use the service offered by the firm					
Overall, I am satisfied with the company services.					

Part C: Performance

This section has statements regarding performance of insurance companies in Kenya. Kindly respond with the response that matches you opinion. Please tick as appropriate in the boxes using a tick (√) or cross mark (x). Rate your response on a scale where:

1=Not at All, 2= Low Extent, 3=Moderately Extent,
4= Great Extent 5= Very Great Extent.

	Not at all	Low Extent	Moderate Extent	Great Extent	Very Great Extent
I am satisfied with the company services					
I feel secure transacting with the company					
I constantly refer my friends to the firm due to the quality of service					
The level of service delivery is high and satisfying					

Appendix III: Secondary Data Schedule

Please rate the following measures of market performance in percentages for the last five years.

Indicator	**2013**	**2014**	**2015**	**2016**	**2017**
Current market share					
Revenues					
Customer satisfaction					
Customer retention					
Customer loyalty					