

**INFLUENCE OF TECHNOLOGICAL INNOVATIONS ON
CUSTOMER EXPERIENCE IN INSURANCE FIRMS IN NAIROBI
COUNTY**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF
THE REQUIREMENTS FOR AWARD OF THE DEGREE OF MASTER OF
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DECLARATION

I declare that this research project is my original work and has never been presented for a degree in any other college or University other than the University of Nairobi.

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

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DEDICATION

I dedicate this research project to my husband Mr. Elias Okoth, thank you for your understanding and companion. You have been supportive throughout this program and I will always be grateful to you. To my sons Brian and Bradley, daughter Barbara may this work inspire you to face life with determination and realize your full potential. May you experience God's blessings throughout your life. You have been the source of my joy and pride.

To my entire family, especially George and Beatrice your encouragement have gone a long way in enabling this dream come to fulfilment. I can only pay forward your kindness and love.

To my late mother and brothers, thank you for the gift of education and encouragement while you were around because it is the foundation on which I stand and declare this today. It is never late when God is in it. You inspired me to cherish education and aim high. It is my belief that wherever you are I have done you proud!

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ABBREVIATIONS AND ACRONYMS

AIBK	-	Insurance Brokers of Kenya
AKI	-	Association of Kenya Insurers
CE	-	Customer experience
ICT	-	Information Communication and Technology
IRA	-	Insurance Regulatory Authority
OECD	-	Organization for Economic Co-operation and Development
PAYD	-	Pay as you drive
SEM	-	Structural Equation Modelling

ABSTRACT

The objective of the study was to assess the influence of technological innovations on customer experience in the insurance firms in Nairobi County. The study was anchored on Innovation Diffusion Theory and the Assimilation Theory. A descriptive cross sectional research design was used in this research study. The population of the study consisted of about 4,800,000 with the sample size being 384 of general and life customers of all the insurance companies in Nairobi County. Convenience random sampling was used. Primary data were collected through a self administered questionnaires . Data were analysed by descriptive and inferential statistics. Multiple regression analysis was used to establish the influence of technological innovations on customer experience. The results indicated that technological effectiveness, efficiency, usability, security and convenience had an influence on customer experience. Correlation results also indicated that technological effectiveness, efficiency, usability, security and convenience was positively related with customer experience. Regression statistics indicated that technological efficiency and convenience had the highest influence while usability and security and effectiveness had the least influence on customer experience. The study concludes that technological efficiency and convenience was an important determinant of customer experience. The insurance firms' management should make use of these research findings in assessing the how better to come up with innovative approaches and maintain the existing ones in the conduct of their business so as to reach more clients with their products and services. Policy makers should use the findings of this study in coming up with robust policies to enhance the relationship between technological innovations and customer experience so as to enhance insurance service delivery. Future studies can be carried out to determine other factors explaining customer experience in view of the study context and scope.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Inventions on innovative technologies is seen as fundamental driver of transformation and change in the business sector and this has caused massive efficiency benefits. Recently, such innovation has been supported by new technological developments, by phenomenon described as “FinTech” (OECD, 2017). The capacity to come up with new inventions is more and more perceived as the only greatest significant influence in nurturing and preserving competitive benefits. Great importance has been stressed on creation of inventive firms and the administration of the procedures for invention, as vital fundamentals of firm’s existence (Carney, 2017). Technological innovations and promotion are the binary features key to the firm's capability to capital formation in a market that is competitive (Ngo & O’Cass, 2013). Capability of technological innovations to steer firm status and experience replicates on status as combined decisions done by viewers founded on their assessment of the firm's capability to be inventive (Balmer, 2011). Customers see a business as dependable and deferential due to the reason of their experience with the firm, its offering and image status (Bhattacharya & Sen, 2013).

Existing studies reflect on technological innovations and customer experience as the two things key to the institution’s capability to capital formation in a market full of competition(Ngo & O’Cass, 2013) and retailers world over, Africa included in the awareness of this new prospect that inventions can give in a retail environment (Foroudi, 2014). Academic literature has revealed that technological innovations do have a positive and statistically positive association with customer experience (Balmer, 2011) and consider on reputations as observers collective of judgments based on how they evaluate of the innovative capability of corporations. Consumers see companies as

worthy of trust and full of respect because of their knowledge of the company, its services, products and reputation (Bhattacharya & Sen, 2013).

This research is anchored on diffusion of innovation, and assimilation theories. Diffusion innovation theory sheds light in the way an invention is assimilated on partekaters over a long period (Hannig & Jansen, 2010). Changing competences try to connect environmental cavities by assuming a process approach: through being a defense amid company resources and the dynamic commercial environment, capabilities aid a company to change its resource proportion and in that way keep its competitive advantage sustainability, which if not, may be rapidly worn out (Miles, 2011). The theory implies that the consumers avoid disagreement through adjustment of how they perceive product, so as to bring it close to what they expect (Anderson, 1973).

The insurance firms in Kenya contribute to the national economy by way of reserves mobilization and reserves in national stocks, deposits, capital markets and the property sector (IRA, 2017). As vital supports of the monetary facilities sector, the industry is essentially aware of monetary facilities goals as planned in the 2030 Vision of economic plan. The plan appreciates that as the economy develops and no reusable returns grow, progress in the assests to be insured thus causing demand for insurance facilities (Abdi, 2017). IRA is tasked with implementation and supervision of Technological know how in the firm and insufficient lawful and official agenda to handle developing matters. They have put a requirement that all the players must register or renew their licenses online and also submit their returns online (Kihara, 2014). This research study focuses on all general and life insurance customers in Nairobi County.

The institution of innovative offerings in the Kenya market and the weighty enhancement in areas of service delivery being felt in the insurance sector has undoubtedly pushed it to high developed levels (KPMG, 2016). This has been supported by the massive potential of unexploited insurance market in the nation joined by the current determinations by the Government in firming up the supervisory atmosphere of the monetary services industry, which consist of the appraisal of the Insurance Act and the significance positioned on insurance amenities under Vision 2030 (AKI Report, 2014). The insurance firms, nonetheless, remain to face various challenges. Rivalry in the businesses is still a very large hindrance. Taking into consideration the very least levels of product invention, variation is still fairly less. This has over the years lead to enormous cost cutting, an occurrence that has had a key influence on progress and productivity (AKI Report, 2014).

1.1.1 Technological Innovations

This is a concept within the field of innovative studies which explain nature and rate of changes in technology (Baldassarre, 2017). Technological innovations refer to adoption of fresh and first-hand services and procedures with important technological modifications of services and procedures (Monsef & Ismail, 2012). A novelty has been well applied if it has been presented into the market (product innovation). It is a changing grid of means intermingling in precise trade context under a specific formal structure and is characterized by the technological creation, adoption, and use. (Danielsen, 2009).

Globalization and often disorientating changes resulting from technological advances have created threats for some businesses, opportunities for others, and a combination of both for many and has prompted a need to relook at the concept of key success factors

(Kariuki, 2015). Demand for new products e.g. Pay as you drive (PAYD) motor insurance cover, Kilimo Salama weather index based agricultural product coupled with M-Pesa mobile phone technology and telematics have also led to technological innovations in the market. The insurance firms have been traditionally paper based and predominantly used manual systems, today most of the players have embraced the concept of paperless office and high tech information systems. Insurers have exploited the benefits of E-commerce and mobile phone technology through development of innovative products (Kariuki, 2015).

Among the technological innovations adopted in the insurance firms in Kenya consist of Digital platforms, Cloud Computing, Telematics, Artificial Intelligence and Internet of Things (Monsef & Ismail, 2012). These novelties are not only set to trigger the introduction of new insurance products but are also anticipated to change how services are provided and adjust business models too. These technological innovations are envisioned to provide an enhanced experience of the customer and lesser charges/subscriptions when offerings are vended, even though the original fixed rate will probably stay high (Baldassarre, 2017).

Shqipe (2013) posits that there are broadly, two major categorise of invention: radical and incremental innovations. In addition, Pellissier (2008) exposed four categories of innovation which include; incremental innovation, radical innovation, modular innovation and architectural innovation. Angelova & Zekiri (2011) also stated that inventions can also be categorized as either opened or closed with the various innovations being applied in different sectors of different economies in varying geographical and locational contexts (Angelova & Zekiri, 2011).

Technological innovations are envisioned to provide an enhanced experience to the customer and lesser charges/subscriptions when offerings are vended, even though the original fixed rate will probably stay high (McKinsey, 2015). Among the technological innovations adopted in the insurance firms in Kenya consist of Digital platforms, Cloud Computing, Telematics, Artificial Intelligence and Internet of Things (Maurya, 2015). These novelties are not only set to trigger the introduction of new insurance products but are also anticipated to change how services are provided and adjust business models too. These technological innovations are envisioned to provide an enhanced experience of the customer and lesser charges/subscriptions when offerings are vended, even though the original fixed rate will probably stay high (Gerke, 2017). For this study, the scholar will measure technological innovations by assessing technological effectiveness, technological efficiency, technology usability, technology security and technology convenience in the insurance firms in Nairobi.

The fast growth of different types of technological increment and the increase of its usage globally have high conversion effects on behaviours of and largely on businesses (Nielsen, 2013). There are commonly, two major types of inventions: incremental and radical inventions. A radical invention concentrates on services, products or processes with unmatched production characteristics, whereas increase of invention concentrates on enhancements of services that exist, and processes (Shqipe, 2013).

Conversely, prior researchers such as Pellissier (2008) exposed four categories of technological inventions which include; incremental, radical, modular and architectural innovations. Incremental innovation do not include modifications to products but rather involve alterations of the elements of existing products and services, like changes to

packaging. Radical innovation involves a whole new design of a product which entails the use of a new set of components that are linked together in a new architecture. Modular innovation uses the design and architecture of an existing product and employs the use of newly designed components. Architectural innovation entails designs which remain the same but with new linkages (Angelova & Zekiri, 2011).

Innovation can likewise be grouped as either opened or closed. In closed invention model, all the steps of innovation occur in-house and under the direction of the organization (Angelova & Zekiri, 2011). The organization is closed to ideas and influences from outside context. There is however, a shift from closed to open innovations in research and development institutions, where ideas and influences from the outside be brought in during research and development phases to enhance the process. Concepts, on the other hand, leave the institution during these stages and may be taken up by external entities. It is consequently vital that open inventions are appropriately managed (Gabison & Pesole, 2014).

1.1.2 Customer Experience

This being a new concept in recent years, it has been widely acknowledged as essential part of human nature (Ali & Omar, 2014). Cohen (1979) and MacCannell (1989) debate on perception of customer experiences from sociological point of view by stating that tourists predict encounters that are not in occurrence within their normal environment hence very different from day to day routine of life. Tapping from such characteristic, many institutions craft these experiences to distinguish them from their rivals in extremely competitive markets (Cetin & Dincer, 2014).

Customer experience (CE) play a vital role defining accomplishment of an organization's product/service (Gentile, 2007). Organizations have made use of both tangible goods and intangible amenities to produce memorable actions for customers (Chen & Lin, 2015). According to Yakhlef (2015) experience of the customer is referred to as the sensitivity that comes after the enthused motivation of a customer who sees or takes part in activity which can enhance the worth of facilities and amenities offered in the market. Customer Experience is a multi-dimensional concept incorporating aspects for instance lighting, interferences, music amenities, evidence, sounds and website (Arnold & Reynolds, 2003). Inside investigation service facility, the experience of a customer/client has been considered as entrenched in worth of service and is measured by assessing anticipations prior and post the experience, (Parker & Lehmann, 2011).

Customer/client experience comprises every feature that a business is giving to the customer including service quality, promotion, packaging, the product itself and service characteristics, user-friendliness, and dependability (Meyer & Schwager, 2007). Experience of the customer is a multifaceted procedure of comprehending the aware and non-aware sensitivities of the customer in their association with the business on or after every relations. Customer experience has turn out to be a crucial competitive edge driver in this competitive, worldwide marketplace. Exemplary client experience management translates to better loyalty, reinforce product preference, increase income, and reduce overheads (Espana, 2006).

Customers' experiences is dependent on the business's ability to apply technology in its operations (Foroudi, 2014). Frow and Payne (2007) states that a client's experience is able to influence the standing of the business. Top management' plans have appreciated

the significance of comprehending and augmenting the experience of the customer (Grewal, Levy & Kumar, 2009a). Customer experience can be assessed using hedonic or recognition elements. Hedonic elements include: memorability, entertainment, excitement, sense of comfort, education, novelty while recognition elements can include: importance, respect, welcoming effect, safety, beauty, relational, among others (Foroudi, 2014). For this study, the researcher will use both hedonic and recognition elements to measure customer experience.

Kim and Choi (2013) when studying how quality of customer experience affect customer's behavioral intentions tests a model of theory of the association amongst the outcome of quality service, interaction , peer-to-peer , their effect on customer experience and loyalty. In their results, quality perceptions meaningfully affect customer experience quality (Angelova & Zekiri, 2011).

Customer experience is a calculating approach to make the client feel the influence of the facilities that have been provided by the business organizations. Schmitt (1999), has assessed how firms come up with marketing experiments by testing clients senses, feeling, thinking, action and relate it to institution and its offerings. This is because, experience is one of the element which based on the personal judgment from the clients either good or bad depend on the offerings that they are offered by the retailers (Oh, Fiore & Jeoung, 2007).

1.1.3 Insurance Firms in Kenya

Kenya denotes East Africa's finest established insurance marketplace and the area's monetary pivotal area. It is market front-runner within an area of 3% insurance diffusion among the populace and a greatly competitive market including 51 firms (KPMG, 2016). The gross premiums of all insurance firms totaled to 1.75 billion

sterling pounds with non life insurance materializing into the bigger proportion of it in 2015/16. Kenya's regulatory system for insurance is as well the greatest developed in the area for example Supervision and the framework currently simulated within different regions and nations. Recently, Kenya insurance sector has had key regulatory modifications, for instance, there have been key modifications in terms of solvency and conduct risks (KPMG, 2016).

As of July 2016, the market comprised of Forty Seven companies underwriting both short and long-term insurance (AKI, 2017). The insurance sector in Kenya comprises of 25 general insurers, 13 life insurers and 11 composite insurers. Other players include 198 brokers of insurance that are licensed, 29 health cover providers (MIPs), 5,155 agents, 133 investigators, 108 assessors of motor vehicles, 25 adjusters of losses and 24 surveyors of insurance (AKI Report, 2016). There are two main associations – The Association of Kenya Insurers (AKI) and The Association of Insurance Brokers of Kenya (AIBK), while the regulating body of the firms is the Insurance Regulatory Authority (IRA) (AKI Report, 2016).

The insurance firms in Kenya are no exception when it comes to competition and the need for strategic technology based initiatives for improved customer service delivery (Mbogo, 2013). Having to face limitation in terms of business growth because of costs and increased competition among the firms, it has caused insurers to reconsider their information technology choices (Karanja, 2009). Fast changing technologies have altered the firms' competitive trends. Insurance firms in Kenya have lagged behind in taking key paces to achieve beginner benefits by way of serious usage of technology, which may perhaps assist fresh kinds of interrelations with clients and meaningfully enhance client service delivery (IRA, 2015). Kenya was rated as one of Africa's greatest

developed insurance markets in 2016, with growth projection at 6% per annum in a report conducted by Earnest and Young (2017). Although this is not as fast as a number of other big African markets, yearly premium revenue was still anticipated to rise meaningfully, starting \$1.8bn in 2014 to \$2.2bn by 2018, determined by urbanization and a robust economy (Surungai, 2018).

1.2 Research Problem

Customers see a business as dependable and deferential due to the reason of their experience with the firm, its offering and image status (Bhattacharya & Sen, 2003). These technological innovations are envisioned to provide an enhanced experience of the customer and lesser charges/subscriptions when offerings are vended, even though the original fixed rate will probably stay high (McKinsey, 2015). The capacity of technological innovations to enhance experience translates to repeat business and better performance for the firm (Balmer, 2011).

The insurance sector in Kenya which is part of the nation's business environment faces challenges which show few signs of abating (OECD, 2017). Top among the challenges facing the insurance sector in Kenya, is inability of insurance firms to study to comprehend the changing needs of the target market (Soko, 2015). This has been worsened by the stiff competition among the insurance companies which are fighting to command a share in the market (Kwach, 2018). This has seen the need to constantly review and introduce new service innovation technologies in order to promote customer experience. However, not all insurance companies see the value in embracing such technological innovations position them precariously where they lose competitive advantage, are subject to losses or even are edged out of the market (Kiarie, 2014). This

begs the question whether technological innovations do have an influence on customer experience in the Kenyan insurance firms.

Globally, various studies have been done on the technological innovations and customer experience. Daragahi (2017) studied the impact of innovation on customer experience of cosmetics producers in Tehran and found that innovation in product presentation translated into an affirmative influence on the experience of clients consuming cosmetics. This study was not conducted in a Kenyan perspective rendering a geographical gap which the current study attempts to address. Kumar and Anbuoli (2013) studied the impact of information technology in delivery of services of Indian insurance sector and found that technological innovations were positively associated to service delivery hence better customer experience. However, this study focused on how technology could make processes efficient thus reduce costs rather than the desire to make the consumers' lives better in terms of ease of use, reliability and timeliness which is what the current study concentrates on.

Obeng and Mkhize (2017) studied the effects of innovations in technology, dependability of service, and customer experience and client loyalty in banking industry in Ghana and found that all the predictors including client experience importantly influenced client loyalty. This study was conducted in the Ghana context rather than in the Kenyan context creating a geographical gap which the present research attempts to close. In addition, the study just employed dependability and technology while the present study effectiveness, efficiency, usability, security and convenience.

In addition to the geographical gaps as they were conducted in Tehran, Indian and Ghana, the mentioned studies viewed customer experience in organization's view rather than the view of customers which is what the researcher attempts to adopt in the current study. Furthermore, the mentioned studies failed to use hedonic and recognition elements in measuring customer experience in the insurance.

1.3 Research Objective

The objective of the study was to assess the influence of technological innovations on customer experience in insurance firms in Nairobi County.

1.4 Value of the Study

Shareholders, management, employee plus clients for the insurance companies will appreciate the findings on the influence of technological innovations on client satisfaction drawing from the best practices in other countries. The lessons brought out in the study can be used by management to improve operations through automation and innovation. The shareholders will be in a position to understand which areas to build more investments on so as to enable their firms to achieve maximum productivity. The clients will be able to air their concerns through information gathered in this study. Such issues will help to improve links between management and users of the services by establishing amicable ways of addressing issues raised by clients in the industry. Students, scholars, academicians in technological innovations and management will find this study useful in building on their theoretical and conceptual approaches on the same. They will be able to access the study in libraries, magazines, journals and online open access academic sites once the findings of the study are published. They will be able to add value on the gaps identified by this study.

Policymakers through Insurance Regulatory Authority (IRA) and other policymakers will be in a position to adopt suggestions from the study which would lead to new orientation in formulation and implementation of policies that could enhance proper regulations entailing the insurance sector in the country. This research also seeks to identify policy gaps that can be used to feed on development of policy for the betterment of strategic management.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter outlines theoretical framework on innovations on technology performance in banking. It presents the empirical works and literature existing in relation to the area of study which flows consistent to the study objectives. To diagrammatically illustrate the relationship among variables, a conceptual framework has also been developed.

2.2 Theoretical Foundation

This study was anchored on Innovation Diffusion and Assimilation Theories. These theories are foundations of ideas and models hypothesized and tested over time intended to explain technological inventions and customer experience. The propositions of the theories and relevance to the current study are also presented.

2.2.1 Innovation of Diffusion Theory

The above theory was grandly introduced by Bradley and Stewart in 2002 and its underpinnings are that that institutions are a part of the assimilation of inventions so as to attain competitive edge, reduce costs and protect their position in a strategic way (Hannig & Jansen, 2010). The theory of innovation of diffusion was showcased by Rogers in 1962 as a well known and well highlighted theory that sheds light on how inventions are absorbed amidst clients over time (Liu & Li, 2009). It helps in understanding character of purchasers by way of accepting and executing or why the buyer is not applying invention (Vaugh & Schavione, 2010). It shows that those who apply any novelty have shape of bell distribution curve that can be grouped into five in terms of innovativeness. Rogers categorized them as those who were innovators, then

there is early adopters. These are followed by early majority, who are followed by late majority and finally laggards (Liu & Li, 2009).

The acceptance, application and utilization of technological innovations has the ability to increase the restricted characteristic and impact of the financial industry which is official to the underprivileged and local populace in Africa (Nyangosi, Arora & Sing, 2009). By connecting the models and frameworks connected to traditional technology acceptance to the receipt and application of transformational technological innovation in the insurance firms in Kenya, this investigation work resolves to bring the argument on how the technological inventions works. This theory is used to provide underpinnings on how technological innovations affect customer experience.

2.2.2 Assimilation Theory

Assimilation theory is based on Festinger's (1957) dissonance theory. Dissonance theory posits that consumers make some kind of cognitive comparison between expectations about the product and the perceived product performance. This view of the consumer post-usage evaluation was introduced into the satisfaction literature in the form of assimilation theory. According to Anderson (1973), consumers seek to avoid dissonance by adjusting perceptions about a given product to bring it more in line with expectations. Consumers can also reduce the tension resulting from a discrepancy between expectations and product performance either by distorting expectations so that they coincide with perceived product performance or by raising the level of satisfaction by minimizing the relative importance of the disconfirmation experienced.

The theory presumes the consumers are motivated enough to adjust both their expectations and their product performance perceptions. If the consumers adjust their expectations or product performance perceptions, dissatisfaction would not be a result

of the post-usage process. Consumers can reduce the tension resulting from a discrepancy between expectations and product/service performance either by distorting expectations so that they coincide with perceived product performance or by raising the level of satisfaction by minimizing the relative importance of the disconfirmation experienced (Olson and Dover, 1979) Some researchers have discovered that the control on the actual product performance can lead to a positive relationship between expectations and satisfaction. (Anderson, 1973) Consequently, it is assumed that dissatisfaction could never appear unless the evaluation process began with the customers' negative expectations.

2.3 Empirical Studies and Knowledge Gaps

On a study on the impact of technological services on customer experience in upscale hotels in Portugal, Margarido (2015) employed a two-step approach to do an analysis of the qualitative phase of Portuguese upscale hotel websites. In the quantitative stage a questionnaire was utilized for hotel guests, generating a sample of 310 valid responses. The outcomes exposed that internet access was the most imperative technology for both leisure and business travelers. The results also demonstrated that installing specific new technology can have a significant influence on enhancing guest experience.

Ali and Omar (2014) opine physical and social environments as factors that influence experiences of customers pertaining to guest satisfaction Malaysia. Outcomes from data collected and investigated exposed physical and social environments as good determinants of customer satisfaction. The outcomes also gave indication that customer satisfaction affirmatively led to positive customer experience.

Gafar, Ali and Abdullah, (2017) did a study on factors which determine customer experience creation in retail industry in Malaysia. The researchers examined service interface, retail atmosphere, assortments as drivers which influence customer experience creation in retail industry in Malaysia. They observed that due to this, retailers in Malaysia must make sure they provide a great services rather than focus on their strategies because with a great services contribute to more sales performance.

Islam and Rima (2013) on a study on telecommunication companies in Bangladesh have used network, product differentiation, and excellent customer service as major influencers of customer experience as issues influencing experience of the client. In the provision of a quality customer experience, companies needs knowledgeable employee to teach, train and develop so as to maintain the steady call of giving exceptional customer experience (Allen, James, Frederick & Barney, 2005).

Kumar and Vinutna (2016) conducted a study on how useage of technology and innovation enhances customer experience in India. Their intention was to incorporate the consumers' experience in the development the procedure of trade. Specifically, the results indicate how the technologies can be a well-organized apparatus for pushing invention in retailing. A quantitative survey methodology was utilized with the aim of dealing with the research objectives. He established that technology and innovation were positively associated and was statistically significant with customer experience in India.

An empirical investigation by Kirimi (2014) focused on existence of relationships in marketing practice on retention of customers on underwriters in Kenya. He used descriptive survey. From findings, most of the relationship marketing practices presented to the respondents were, to a moderate extent, perceived to have an effect on

customer retention. Those practices that were established to be seen as having the highest influence consist of: designing and applying programs to proficiently and excellently assign the right resources to each client; enhancing technological innovations aimed at improving customer experience.

A report was carried out by OECD (2017) on technology and innovation in the insurance sector. The report findings indicated that innovation and fresh technologies have the possibility to influence the franchise worth of insurance companies, and this is directly linked to customer experience. These findings are also consistent with those of Banerjee (2017) who did a study on insurance customer experience innovation and found technological innovations have a straight and significant bearing on experience of customers.

Harrington (2011), investigated the effect of determinants for instance, gender and age of consumers on experiences of customers in service provision. Findings of study conducted by Harrington (2011) emphasizes that attributes of consumer demographics are important in a retail setting created by a fine dining company. These studies have although studied effect of complexity of demographics of consumer characteristics for example age, gender amongst others in dissimilar approaches, they were not capable to explain influence on loyalty and reputation.

2.4 Summary of Literature and Knowledge Gaps

In the insurance industry, bigger rivalry intimidates the desirability of the sector and lessens the financial performance of the actors in the industry (Monsef & Ismail, 2012). It applies pressure on the companies to act and come up with fruitful tactics that enable proactive solution to expected and real variations in the environment characterized by competition. Insurers as a result concentrate on using innovation strategies to empower

them react to, and compete well in the marketplace. By recognizing their fundamental capabilities and originality that they have ready, insurers are capable of focusing on parts that provide them with an advantage over market players, and offer a competitive benefit by engaging exclusive inventions. Fundamental capabilities are more strong and hard to replicate for the reason that they relate to the organization of associations within the firm's value chain and to associations into the supply and distribution chains (Baldassarre, 2017).

A number of studies have established that technological innovations directly influence customer experience. Nevertheless, there have been affirmative outcomes and better customer experience in the sector of insurance in Kenya as a result of technological innovations. However, as to whether technological innovations do influence customer experience in the insurance firms in Nairobi County remains a valid question. Various researches point out of the association amid technological effectiveness, technological efficiency, technology usability, technology security and technology convenience. This research aims at studying technological effectiveness, technological efficiency, technology usability, technology security and technology convenience and their influence on customer experience on the insurance firms in Nairobi County, Kenya.

Table 2.1 Study Gaps in Summary

Author	Area of Study	Findings	The Gaps
Margarido (2015)	Impact of services of technology customer in Portugal	Installed new technology had significant influence on guest experience	Study was conducted in Portugal while present study focuses on Kenya hence geographical gap
Gafar, Ali and Abdullah, (2017)	Factors which determine customer experience creation in retail industry in Malaysia.	Positive and significant link between determinants and customer experience	Study was conducted in Malaysia while present study focuses on Kenya hence geographical gap
Kumar and Vinutna (2016)	Concentrated on experience in the India market.	Technology innovation were positively associated and statistically significant to customer experience in India.	Study was conducted in India while present study focuses on Kenya hence geographical gap
Foroudi, Gupta, Sivarajah and Broderick (2018)	Technological effects on customer experience in London, United Kingdom.	strong and significant relationship in taking up inventive implementation of technologies in retail environment	Study was done in London, UK while present study focuses on Kenya hence geographical gap
Ali and Omar (2014)	Influence of physical and social environment on experiences of customers in resort hotels in Malaysia.	physical and social environments were good determinants	Study was conducted in Malaysia while present study focuses on Kenya hence geographical gap

Source: Research Data (2018)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The ways utilized in the study includes work preparation, gathering facts and analysis were presented in this chapter. The subsections incorporated are the study design, populace, sampling technique; data collection method analysis and presentation. This section gives detail of who, where, how the research will be undertaken with a specific focus to the factors determining the response factor.

3.2 Research Design

The design is how raw facts will be gathered, quantified and translated into meaningful information. It is a strategy and organization of facts so brought into being as to acquire solutions to study queries (Coopers & Schindler, 2006). A descriptive cross section research design was used in this study. Hair, Bush, and Ortinau (2000) define cross sectional studies as a design that views at population elements which differ on one key characteristic at one specific point in time.

Descriptive research was chosen over other designs because it allowed the person conducting research have comparison of different variables (Creswell, 2003). Data were collected from elements of similar characteristics but with different key factor of interest for example income levels and geographic location (Babbie, 2005).

3.3 Population of the Study

Research population is described by Sekaran and Bougie (2008) as the entire objects groupings from which interpretations are deduced and denotes to every conceivable object of importance for a research work. Mugenda and Mugenda (2003) explains it as

a huge assemblage of issues from which a true representation is gotten from. The target populace objects in a study are the particular things from which findings interpretations are expected (Sekaran, 2010).

The population consisted of over 4,800,000 general and life customers of all the insurance companies in Nairobi County. According to a survey report by Insurance Regulatory Authority (2017) 12 per cent of Kenyans (which translates to about 4,800,000 Kenyans out of the country's over 40 million people population) are subscribed to insurance programs with the higher concentration being in Nairobi County (Natabona, 2017). This formed the population of the study which were of interest in the current research study.

3.4 Sampling Techniques

Hair, Bush, Ortinau (2000) explain study of a subclass on the entire populace. Coopers and Schindler (2003) elaborated that a sample is a factual illustration of the whole populace to be researched on. A presentable sample ought to truthfully symbolize the entire populace, have in minor sampling errors, feasible, cost-effective, and organized, with its outcomes being put into practice bearing a sensible magnitude of confidence (Kothari, 2004).

Convenience random technique was used of in this research study. This technique is a category of non-probability sampling methods that depends on data collection from populace objects which are appropriately accessible in partaking of the research. Mugenda (2003) argue that if well chosen, a size of sample of 10-30% is representative of the population for a small population (less than 10,000 cases). However for a large population (More than 10,000 cases) a formula is more appropriate to calculate the

sample. The sample of our study was calculated using formulate of (Cochran 1963);

Formula for calculation of an adequate sample

$$n = (Z\text{-score})^2 * p*(1-p) / (e)^2$$

With	n = Sample size
	p = Population
	e = Error Margin
Z score	= 1.96
Level of confidence	= 95%
Margin of error	= 0.05
n	= $1.96^2 * 0.5 (1-0.5)/0.05^2 = 384.16$
n	= 384

3.5 Data Collection

The data were collected by use of a five point Likert type scale questionnaire. Questionnaires are deemed to bear the benefit of time saving, suitability, in addition to privacy (Mugenda & Mugenda, 2003). Questionnaires are the key tools made use of in generating statistics in an examination/investigation (Hair, Bush & Ortinau, 2000). Drop and pick technique was made use of in handing the research tools.

The data collection instrument was divided into two main sections; the first part had questions on demography characteristics such as gender, age, education type of insurance products, the insurance company the respondents subscribe to and category of insurance product they use. The second section presented questions assessing the link between technological innovations and customer experience in line with the study objectives.

3.6 Data Analysis

Data were analyzed largely by way of descriptive frequencies and inferential statistics. The analyzed information were in terms of descriptive comprising arithmetic averages

and standard deviation. Inferential statistical methods used were correlation and regression techniques which were adopted to assess the influence of the predictor variables on customer experience.

Collected raw data examined using Package related to statistics in Social Sciences version 22 so as to assess and examine the influence of the predictor variable on the criterion variable. Multiple regression outcomes was assessed and deduced through; the determination coefficient (R^2) to explain influence, f statistic to explain the general importance of the model. Data were presented in form of figures, graphs and tables.

In specific, the regression model used was;

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

Where: Y = Customer Experience

α = Constant

X_1 = Technological Effectiveness

X_2 = Technological Efficiency

X_3 = Technology Usability

X_4 = Technology Security

X_5 = Technology Convenience

α = constant

$\beta_1, \beta_2, \beta_3, \beta_4$ = coefficients of beta

e = error term

CHAPTER FOUR: DATA ANALYSIS , RESULTS AND DISCUSSION

4.1 Introduction

The chapter presents the data analysis, results and discussion of the study. The general information results were presented first, followed by descriptive statistics, and finally inferential results. Finally the discussion of findings are presented.

4.2 Rate of Response

A successful response rate of 200 questionnaires out of 384 (62.5 %) were attained. According to Babbie (2004) instruments' response rates of 50% are said to be acceptable for analysis and publication, 60% is stated to be good and 70% is classified as very good. The research rate of responding was acceptable in reference to the standards of Babbie (2004). As shown below.

Table 4.1 Response rate

Status	Response	% Response
Successful	200	52.1%
Not Successful	184	47.9%
Total	384	100%

Source: Research Data (2018)

4.3 Sample Demographics

4.3.1 Gender of the Respondents

The research set out to find gender proportion of participants as presented below.

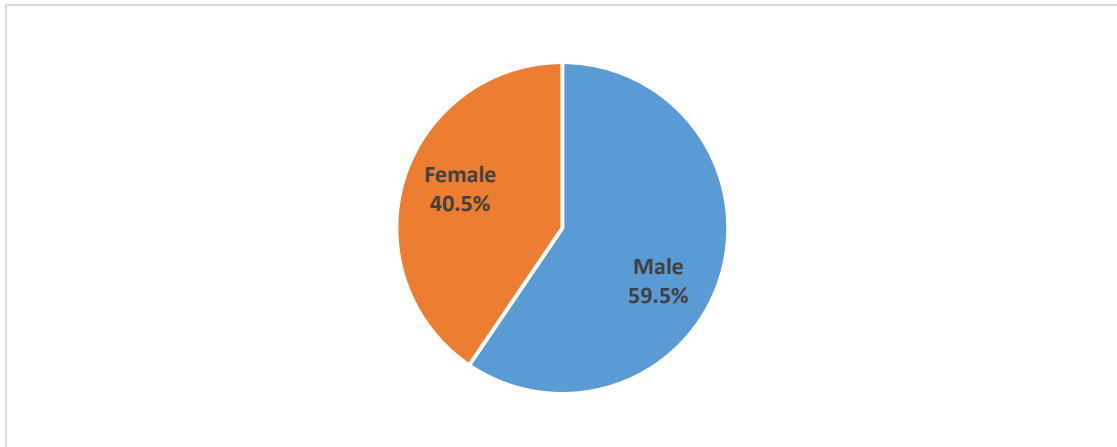


Figure 4.1: Gender

Source: Research Data (2018)

Majority of the respondents were male at (59.5%) and (40.5%) were female. The findings implies majority users of insurance products are male and as insurance services partakers are a male dominated segment. The findings also imply that men are more interested in taking up insurance cover/ services compared to their female counterparts further indicating they are more risk takers compared to women.

4.3.2 Age

The research set to determine age bracket of respondents. The results are presented in Figure.4.2

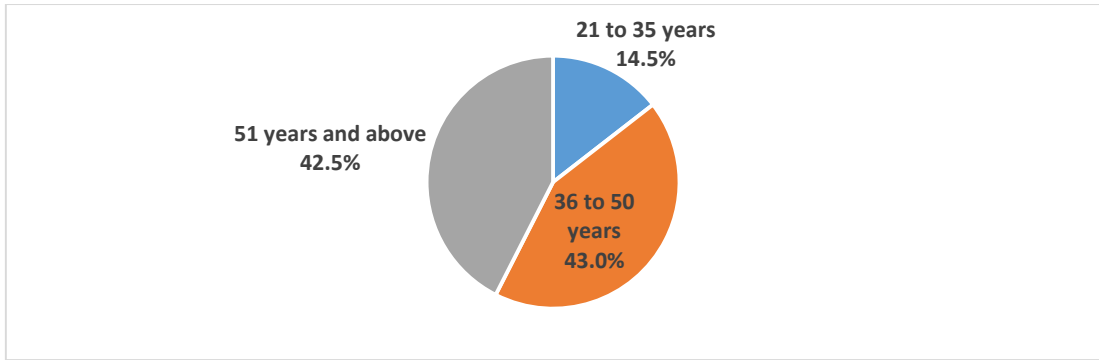


Figure 4.2: Age Bracket of Respondents

Source: Research Data (2018)

The results indicate the forty three percent of the respondents are aged between 36 and 50 years, while 42.5% are aged above 51 years. Fourteen per cent of the respondents are aged between 21 and 35 years. These findings imply that majority of respondents are relatively advanced in years as they were above middle age bracket as they were aged above 36 years. These findings imply that relatively aged people are more conscious about using insurance products which explains the higher uptake among this age bracket.

4.3.3 Highest Level of Education Attained

The research investigated their levels of education and findings are presented below.

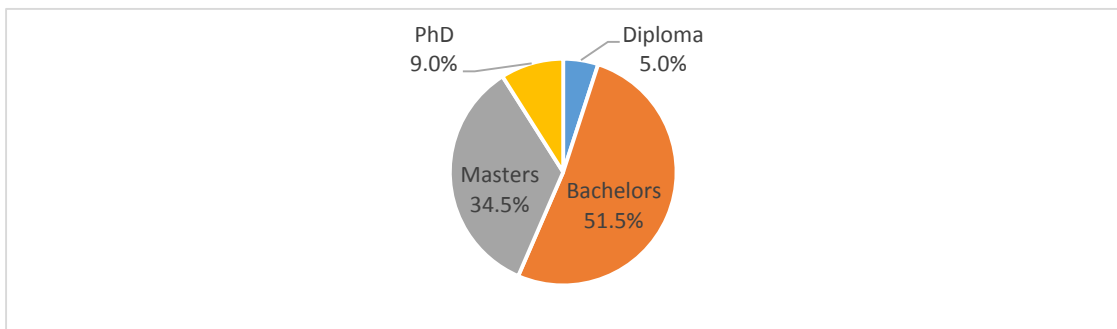


Figure 4.3: Education Levels

Source: Research Data (2018)

The results in figure 4.3 show that majority of the respondents (51.5%) had a bachelor's degrees. Above thirty four per cent had master's degree and with 9% having doctorate (PhD) and five percent with diploma as their highest level of education. These findings imply that most insurance products are consumed by people with advanced levels of education hence are well enlightened on risk and uncertainties. This could explain the fact that most of them are conscious of growth in terms of education making them an ideal respondents for this study.

4.3.4 Duration of Product Use

The research sought to establish how long they had used their respective insurance products. The findings were presented in Figure 4.4.

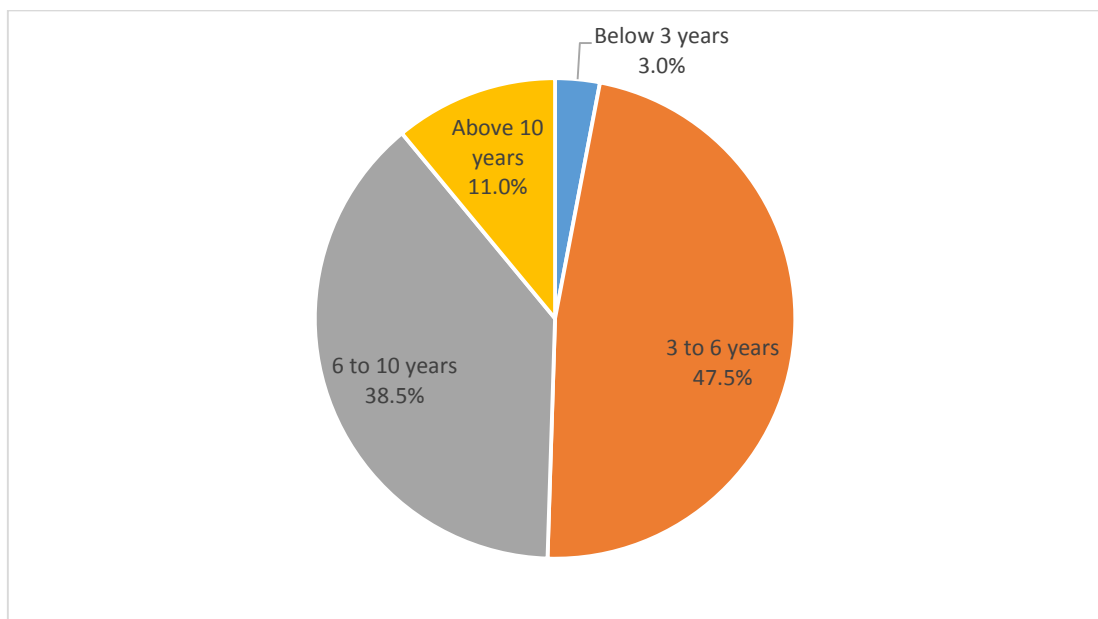


Figure 4.4: Duration of Insurance Product Use

Source: Research Data (2018)

Most of those of the customers at (47.5%) had used their respective products for 3 to 6 years while 38.5% of the respondents indicated that they had used their respective products for 6 to 10 years. Eleven percent of the respondents indicated that they had used their respective products for more than 10 years.

4.3.5 Category of Insurance Product

The researcher sought to assess the category within which the respondents' products lay as presented in the findings in Figure 4.5.

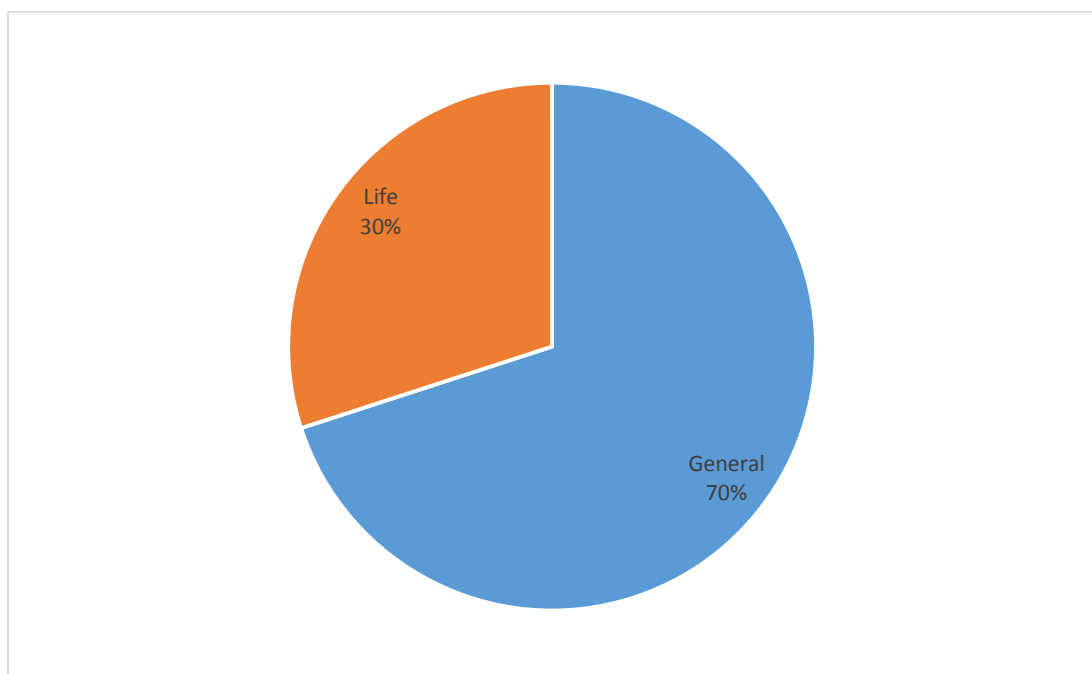


Figure 4.5: Category of Insurance Product

Source: Research Data (2018)

Seventy percent of the respondents indicated that they used general / products while 30% of the respondents indicated that they used life products. These findings imply that most people are more interested in non-life products which are relatively short-term compared to life investments as indicated by majority of the respondents.

4.4 Technological Innovations and Customer Experience

This section presents findings on the independent variables (technological effectiveness, efficiency, usability, security and convenience) and their effect to customer experience.

4.4.1 Technological Effectiveness

The researcher sought to assess technological effectiveness and customer experience. The findings were presented below.

Table 4.2 Technological Effectiveness

Statement	N	Mean	Std. Deviation
1. The use of technology encourages me as a customer to interact more with my insurance company	200	3.9	0.91
2. The use of technology enables me as a customer to express my ideas	200	3.9	1.02
3. The use of technological innovations increases my confidence to participate actively in insurance issues	200	4.0	0.98
4. The use of technology motivates me to inquire more about a product	200	4.0	0.88
5. I get prompt feedback when make queries by way of technological innovations	200	3.9	0.97
6. I find technological innovations to be a reliable contact point to the company should I need it	200	3.8	1.10
7. I would say technological innovations timely when I need to use them	200	4.0	0.87
8. I feel technological innovations are dependable	200	3.9	1.04
9. Technological innovations have done valued addition in the insurance process	200	4.0	0.86
10. I would say technological innovations has enabled me interact better with my company	200	4.0	1.11
Average score		3.9	0.97

Source: Research Data (2018)

Most of respondents at (81.5%) agreed that they use technology encouraged them as a customer to interact more with their insurance company. Seventy seven percent of those who participated agreed that use of technology enabled them as a customer to express their ideas. About eighty three percent (82.5%) of the respondents agreed that the use of technological innovations increased their confidence to participate actively in insurance issues. Most respondents (86.5%) agreed that the use of technology motivated them to inquire more about a specific product.

Seventy nine percent of the respondent agreed that they got prompt feedback when they made queries by way of technological innovations. Furthermore, 73% of the respondents agreed that they found technological innovations to be a reliable contact point to the company whenever they needed services. Eighty three percent of the study participamnts accepted that technological innovations were timely when they needed to use them. Eight one percent of the participants stated that they felt technological innovations to be dependable. Majority of the respondents (84.5%) agreed that technological innovations had done valued addition to their insurance's processes.

Seventy Six (76.5%) of the respondents agreed that they would say technological innovations had enabled them to interact better with their company. The aggregated average mean was 3.9 characterized a standard deviation of 0.97. These findings indicate that technological effectiveness as an independent variable was adequately measured by the statements as shown by most participants. Further, the results imply that technological effectiveness was well fit as a proxy variable for technological innovations in measuring the influence of technological innovations on customer experience in Nairobi County.

4.4.2 Technological Efficiency

The research sought to assess technological efficiency and customer experience. The findings are presented below

Table 4.3 Technological Efficiency

Statement	N	Mean	Std. Deviation
1. I spend less time when using technology compared to traditional insurance platforms	200	3.7	1.11
2. Using technology innovations I get the intended results	200	3.9	1.08
3. I find technological avenues to be safe	200	3.8	1.13
4. Technological platforms are well structured helping me easily interact with them	200	3.8	1.10
5. I receive prompt help in case I have a query to raise	200	3.9	1.14
6. The technology avenues are likable and enjoyable	200	3.8	1.12
7. I can get what I want without many challenges	200	3.8	1.13
8. I find navigation of platforms to be simple	200	3.8	1.07
9. The platforms are well integrated enabling	200	3.7	1.23
10. I get immediate and fast response in case I raise any issues	200	3.9	0.98
Average Score		3.8	1.11

Source: Research Data (2018)

Seventy three percent of the participants affirmed that they spent less time when using technology compared to traditional insurance platforms. Eighty one percent (81.1%) of the participants agreed that using technology innovations enabled them get the intended results. Majority of the respondents (75.5%) agreed that they found technological avenues to be safe. Seventy two percent (71.5%) of the study participants affirmed that technological platforms were well structured helping them to easily interact with them. Above seventy nine percent of the respondents (79.5%) affirmed that they received prompt help in case they raised queries. Seventy three percent of the study respondents agreed that the technology avenues they used were likable when being used. Most of those who responded (76.5%) agreed they received good service without many challenges. Seventy two percent of the participants affirmed that they found

navigation of technological platforms as simple. Seventy three percent of the study respondents accepted that the platforms were well integrated. Eighty one percent of the participants accepted that they got immediate and fast response in case they raised any issues. The aggregated average mean was 3.8 characterised by a standard deviation of 1.11. These findings show that technological efficiency as an independent variable was adequately measured by the statements as implied by most of the study respondents. Further, the findings imply that technological efficiency was well fit as a proxy variable for technological innovations in measuring the influence of technological innovations on customer experience in Nairobi County.

4.4.3 Technology Usability

The researcher sought to assess technological usability and customer experience. The findings are here below.

Table 4.4 Technology Usability

Statement	N	Mean	Std. Deviation
1. Interfaces developed in technology in insurance services are very simple to use	200	3.8	1.11
2. Interaction with technological platforms requires no mental effort	200	3.7	1.19
3. Use of technology in insurance services is easier than the traditional insurance	200	3.8	1.24
4. I can easily remember to use the platform	200	3.6	1.20
5. I find technological avenues easily learnable the first time I interact with them	200	4.0	0.77
6. The innovations avenues I use are not complicated to navigate and edit	200	3.8	1.17
7. There are help/aid options in case I find difficulty navigating the avenues	200	4.0	1.03
8. Educational materials which help understand technological innovations are readily available on the system	200	3.8	1.24
9. I can use without much strain after a period of not using it	200	4.1	1.10
10. I generally like using the technological platforms	200	3.8	1.25
Average		3.8	1.13

Source: Research Data (2018)

Seventy six of respondents were in agreement that interfaces developed in technology in insurance services were simple to use. They further agreed that their interaction on technological platforms required no mental effort. Above seventy four percent affirmed that use of technology in insurance services was easier than in the traditional insurance. Majority of the respondents (69.5%) agreed that they could easily remember to use the platform. Eighty five percent of the participants affirmed that they found technological avenues easily learnable the first time they interacted with them. Seventy percent of the study respondents accepted that the innovations avenues they used were not complicated to navigate and edit on.

Seventy six percent of the study participants accepted that there were help/aid options in case they encountered difficulty navigating the platforms. Seventy five percent of the study participants affirmed that there were educational materials which helped explain the platforms and were readily available on the system. Seventy six percent of the respondents (75.5%) affirmed that they could use systems without much strain after a period of not using it. About seventy one percent (71.5%) agreed that they generally liked using the technological platforms of their respective insurance firms. The aggregated average mean was 3.8 characterized by a standard deviation of 1.13. These findings imply that technology usability as an independent variable was adequately measured by the statements as indicated by most study participants. Further, the findings imply that technology usability was well fit as a proxy variable for technological innovations.

4.4.4 Technology Security

The research sought to assess technological security and customer experience result of which is here below.

Table 4.5 Technology Security

Statement	N	Mean	Std. Deviation
1. I feel that the technological avenues protect my information	200	3.9	0.91
2. I am prompted for personal credentials to enable log in to my platform as a way on controlling access to my account	200	3.9	1.02
3. I am alerted immediately in case there is unauthorized access into my account	200	4.0	0.98
4. I receive instruction on what to do in case I feel or experience a breach of the security of my information	200	4.0	0.88
5. In case I raise an issue regarding technology security it is dealt with promptly	200	3.9	0.97
6. I have not heard anyone complain of security breach as a result of engaging with technology in the company	200	3.8	1.10
7. There is dedicated personnel who deal issue on technology security	200	4.0	0.87
8. I feel secure in providing sensitive information during when using technological innovations	200	3.9	1.04
9. I am assured of trust when using technological innovations	200	4.0	0.86
10. I am confident when using technological innovations	200	4.0	1.11
Average		3.9	0.97

Source: Research Data (2018)

Most of the study participants (81.5%) accepted that they felt that the technological avenues protected their personal information. Seventy seven percent of the those that responded agreed that they were prompted for personal credentials to enable log in to their respective platform as a way on controlling access to their accounts. Above eighty two percent (82.5%) of the respondents agreed that they were alerted immediately in case there was unauthorized access into their account. Most of the respondents (86.5%) accepted having received instruction about what to do in case they felt or experienced a breach of the security of their information.

Seventy nine percent of those that responded affirmed that when they raised an issue regarding technology security it was dealt with promptly. Seventy three percent of the participants accepted that they had not heard anyone complain of security breach as a result of engaging via technology. Eighty three percent of them agreed that there being dedicated personnel who dealt with issues on technology security.

Eighty one percent of the those that responded affirmed that they felt secure in providing sensitive information when using technological innovations. Eighty four of respondents (84.5%) confirmed that they are assured of trust when using technological innovations. Seventy seven percentum of them agreed they felt confident when using technological innovations. There was aggregated mean of 3.9 and deviation from standard of at least 0.97. This is confirmation that technology security is an independent variable as adequately measured by the statements as indicated by majority of the respondents. Further outcome showed technology security was well fit as a proxy variable for technological innovations in measuring the influence of technological innovations on customer experience in Nairobi County, Kenya.

4.4.5 Technology Convenience

The researcher sought to assess technological convenience and customer experience.

The findings were presented in below.

Table 4.6 Technology Convenience

Statement	N	Mean	Std. Deviation
1. Using innovations in technology has enabled the users to accomplish tasks more quickly	200	3.7	1.11
2. Technology interfaces and designs are user friendly	200	3.9	1.08
3. Technological platforms and interfaces are easy to use	200	3.8	1.13
4. I can depend on technological platforms at any time	200	3.8	1.10
5. I get prompt assistance in case I get technical issues with technological avenues	200	3.9	1.14
6. The technological platforms are convenient enabling the customer access the service anytime anywhere	200	3.8	1.12
7. The technology avenues are reliable to use whenever required	200	3.8	1.13
8. Services offered through technology are fast	200	3.8	1.07
9. The technological platforms are simple	200	3.7	1.23
10. The technological platforms have enabled me access the service anywhere	200	3.9	0.98
Average		3.8	1.11

Source: Research Data (2018)

Seventy three percent of the respondents agreed that using innovations in technology had enabled them accomplish tasks more quickly. Eighty one percent of the respondents agreed that technology interfaces and designs were user friendly. Majority of the respondents (75.5%) agreed that technological platforms and interfaces were easy to use. About seventy two percent of the study participants accepted that they could depend on technological platforms at any time.

Eighty percent of the study respondents affirmed that they got prompt assistance in case they get technical issues with technological avenues. Seventy three percent of the study participants agreed that the technological platforms were convenient enabling the customer access the service anytime anywhere. Majority of them (76.5%) were convinced that technology avenues were reliable to use whenever required. Seventy

two percent of those who responded agreed that the services offered through technology were fast. Seventy three percent of those who responded agreed that the technological platforms were simple.

Eighty one percent of those who responded in the study agreed that technological platforms had enabled them access insurance services anywhere. The aggregated mean was 3.8 having a standard deviation of 1.11. These findings imply that technology convenience as an independent variable was adequately measured by the statements as shown by majority of the respondents. Further, the results imply that technology convenience was well fit as a proxy variable for technological innovations in measuring the influence of technological innovations on customer experience in Nairobi County, Kenya.

4.4.6 Customer Experience

The research sought to assess customer experience in insurance firms in Nairobi County as shown here below.

Table 4.7 Customer Experience

Statement	N	Mean	Std. Deviation
1. Product awareness creation has been enhanced as a result of my interaction with technological platforms	200	3.8	1.12
2. I feel that tasks that would otherwise be complex have become easier through using technology	200	3.8	1.19
3. I better educated on different products through different technological avenues	200	3.8	1.23
4. I feel that technology interfaces are well interactive	200	3.6	1.21
5. Using technological innovations in insurance has had a positive impact on my experience	200	4.0	0.77
6. Services provided through innovative technologies are faster making me a happier client	200	3.8	1.00
7. I would recommend to other people to use technological platforms when transacting insurance products	200	3.9	1.06
8. I have received better customer service through interaction with new technology for my insurance	200	3.8	1.22
9. I relate well with the product through new technological avenues	200	3.7	1.28
10. Real time chats on the companies' website have helped me get prompt and immediate feedback on queries	200	3.8	1.17
Average		3.8	1.13

Source: Research Data (2018)

Seventy percent of them accepted that product awareness creation has been enhanced because of interaction with technological platforms. Many respondents accepted tasks that would otherwise be complex had become easier through using technology. About seventy four percent (73.5%) of the respondents were in agreement that were educated on different products through different technological avenues.

Eighty six percent of of those who respondend agreed that using technological innovations in insurance had impact on their experience. Seventy seven percent of them agreed that services provided through innovative technologies were faster making them a happier client. Majority of the respondents (75.5%) agreed that they would

recommend to other people to use technological platforms when transacting insurance products. Seventy six percent of the respondents accepted having received better customer service through interaction with new technology for their insurance services. Sixty nine percent of respondents (69.5%) affirmed they related well with the products through new technological avenues. Seventy seven percent of those that responded agreed that real time chats on the companies' website had helped them get prompt and immediate feedback on queries.

The aggregated mean was 3.8 having a standard deviation of 1.13. These results indicate that customer experience as a response variable was adequately measured by the statements as indicated by most of those who responded. Further, the findings show that customer experience was well fit as an independent variable in measuring the influence of technological innovations on customer experience in Nairobi County, Kenya.

4.5 Inferential

This section presents the inferential findings for the study. Pearson's moment correlation is presented first then regression analysis follows.

4.5.1 Pearson's Correlation Coefficient

The bivariate shows the link amidst two elements falls between from one to negative where one shows a robust positive association and negative one shows robust negative association whereas zero indicates no link amidst them. The more this association tends towards zero the weak it turn out to be.

Table 4.8 Pearson's Correlation Coefficient

Variable		Customer Experience	Effectiveness	Efficiency	Usability	Security	Convenience
Customer Experience	Pearson Correlation	1					
Effectiveness	Pearson Correlation Sig. (2-tailed)	0.483 0.000	1				
Efficiency	Pearson Correlation Sig. (2-tailed)	0.661 0.000	0.413 0.000	1			
Usability	Pearson Correlation Sig. (2-tailed)	0.437 0.000	0.125 0.077	0.388 0.000	1		
Security	Pearson Correlation Sig. (2-tailed)	0.463 0.000	1.000 0.000	0.413 0.000	0.125 0.077	1	
Convenience	Pearson Correlation	0.660	0.413	1.000	0.388	0.413	1

Correlation is significant at the 0.01 level (2 tailed)

Source: Research Data (2018)

Association between technology effectiveness and customer experience was weak and positive (0.483) and the variable was statistically significant (0.000). The association between technology efficiency and customer experience was robust and positive (0.661) and the variable was statistically significant (0.000).

The association between technology usability and customer experience was weak and positive (0.437) and the variable was statistically significant (0.000). The association between technology security and customer experience was weak and positive (0.463) and the variable was statistically significant (0.000). The association between

technology convenience and customer experience was robust and positive (0.483) and the variable was statistically significant (0.000). The finding is indicative that independent variables are all positively associated with response variables. The findings indicate that all the predictor variables: technology effectiveness, efficiency, usability, security and convenience were important determinants of customer experience as they all had a 0.000 which are lower than the conventional. The findings imply that all the predictor factors: technology effectiveness, efficiency, usability, security and convenience were key determinants of customer experience

4.5.2 Model Fitness

The research sought to assess the fitness of joint model, findings of which are illustrated in Table 4.9. The findings show that regression model explain the variables being studied.

Table 4.9

Model	Coefficient
R	0.729
R Square	0.532
Adjusted R Square	0.525
Std. Error of the Estimate	0.39824

Source: Research Data (2018)

The results indicate that the variables: technology effectiveness, efficiency, usability, security and convenience were fittingly explaining customer experience. This inference is statistically supported by the R square of 0.532. The results indicate that technology effectiveness, efficiency, usability, security and convenience jointly explain 53.2% of customer experience.

4.5.3 Analysis of Variance

Analysis of variance (ANOVA) results were presented below.

Table 4.10 Analysis of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	35.32	3	11.773	74.236	0.000
Residual	31.084	196	0.159		
Total	66.404	199			

Source: Research Data (2018)

The findings show that the general joint model was statistically significant. The results were explained by the support of a probability value of 0.000. The above stated probability value is lower than significance level 0.05 hence this model overall is a good fit. These results indicate that technology effectiveness, efficiency, usability, security and convenience are good predictors of customer experience.

4.5.4 Regression of Coefficients

The above stated of facts were presented here below;

Table 4.11 Regression of Coefficients

Variable	Unstandardized Coefficients	Std. Error	t	Sig.
(Constant)	0.074	0.275	0.267	0.790
Effectiveness	0.315	0.069	4.534	0.000
Efficiency	0.550	0.055	9.946	0.000
Usability	0.181	0.043	4.210	0.000
Security	0.326	0.067	4.894	0.000
Convenience	0.461	0.057	8.049	0.000

Source: Research Data (2018)

The results shows a positive relationship between the variables and customer experience whose beta coefficients are 0.315, 0.550, 0.181, 0.326 and 0.461 respectively. The study outcomes show that; a positive change in technology effectiveness by a single unit leads to positive change customer experience by 0.315 unit. One positive change in technology efficiency by single unit is positively identified with change in customer experience by 0.550 unit. One favourable change in technology usability by one unit positively change in customer experience by 0.181 unit. A single positive change in technology security by one unit leads to a favourable change in customer experience by 0.326 units. One positive change in technology convenience by single unit leads to a positive change in customer experience by 0.315 unit. Technology effectiveness, efficiency, usability, security and convenience were satisfactorily explaining customer experience as they were all statistically significant as they all had 0.000 significance level which is less than conventional significance level of 0.05. These results indicate that customer experience predicted by technology effectiveness, efficiency, usability, security and convenience.

Overall, the regression equation is as follows:

$$\begin{aligned} \text{Customer Experience} = & 0.074 + 0.315 \text{ Technological Effectiveness} + 0.550 \\ & \text{Technological Efficiency} + 0.181 \text{ Technology Usability} + 0.326 \text{ Technology} \\ & \text{Security} + 0.461 \text{ Technology Convenience.} \end{aligned}$$

4.6 Discussion of the results.

The research sought to establish how technological innovations and customer experience in insurance firms in Nairobi County, Kenya. The predictor variables for the

study included; technological effectiveness, efficiency, usability, security and convenience. Results indicated that all the independent variables; technological effectiveness, efficiency, usability, security and convenience had an influence on customer experience as shown by most of those that responded. The findings are in agreement with those of Margarido (2015) who studied the influence of technological services on experiences of clients in upscale hotels in Portugal and found that introduction of new technology is vital element in improving guest experience. The findings were also consistent to those of Ali and Omar (2014) who opined that physical and social environments as factors that influence experiences of customers.

Correlation results also indicated that technological effectiveness, efficiency, usability, security and convenience was positively associated with customer experience. The study findings agree with those of Kumar and Vinutna (2016) who conducted a research on the function of technology and innovation in enhancing client experience in India and found that technology and innovation were positively associated and was statistically significant with customer experience in India. In addition, Kirimi (2014) focused on effects of relationship marketing practice on customer retention in insurance firms in Kenya and found positive association between the variables. Furthermore, a report was carried out by OECD (2017) on technology and innovation in the insurance sector. The report findings indicated that innovation and fresh technologies have the possibility to influence the franchise worth of insurance companies, and this is directly linked to customer experience. These findings are also consistent with those of Banerjee (2017) who did a study on insurance customer experience innovation and established that technological innovations has direct and significant on insurance companies.

Regression findings indicated that technological effectiveness, efficiency, usability, security and convenience were statistically significant predictors of customer experience. The findings are in agreement with those of Foroudi, Gupta, Sivarajah and Broderick (2018) who investigated impact of technology on customer dynamics and customer experience in London, United Kingdom and found that customer dynamics and customer experience have a strong and significant relationship.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter present a summary of all findings, draws conclusions and provide recommendations. The aim of the research was to examine influence of technological innovation on customer experience in Nairobi County, Kenya. The empirical literature shows that increase in technological innovation has a direct influence in customer experience. General studies indicate a steady increase in demand for online insurance services . This formed a motivation of this research. It was important to factually establish how technological innovation impacted customer experience within Nairobi County. A conclusion on the relationship between the study variables was deduced in line with the objectives. Suggestions for policy recommendations relative to various stakeholders and areas for further studies were then drawn.

5.2 Summary

The main objective of the research was to establish how technological innovations impacted on customer experience in insurance firms in Nairobi County, Kenya. The predictor variables for the study included; technological effectiveness, efficiency, usability, security and convenience. Results indicated that technological effectiveness had an influence on customer experience as indicated by most of the those that participated who accepted that the use of technology encouraged them as a customer to interact more with their insurance company, use of technology motivated them to inquire more about a specific product, they found technological innovations to be a reliable contact point to the company whenever they needed services, they felt technological innovations to be dependable and that they would say technological innovations had enabled them to interact better with their company. Correlation results

also indicated that technological effectiveness was positively associated with customer experience. Regression findings indicated that technological effectiveness was a statistically significant predictor of customer experience.

The study findings indicated that technological efficiency had an influence on customer experience as indicated by majority of the respondents who agreed that they spent less time when using technology compared to traditional insurance platforms, they found technological avenues to be safe, they received prompt help in case they raised queries, that they found navigation of technological platforms as simple and that they got immediate and fast response in case they raised any issues. Correlation results also indicated that technological efficiency was positively associated with customer experience. Regression findings indicated that technological efficiency was a statistically significant predictor of customer experience.

Results indicated that technology usability had an influence on customer experience as indicated by majority of the most of the those that participated who affirmed that the interfaces developed in technology in insurance services were simple to use, the use of technology in insurance services was easier than in the traditional insurance, found technological avenues easily learnable the first time they interacted with them, that there were help/aid options in case they encountered difficulty navigating the platforms and that they could use the systems without much strain after a period of not using it. Correlation results also indicated that technology usability was positively associated with customer experience. Regression findings indicated that technology usability was a statistically significant predictor of customer experience.

The research positively established that technology security had positive influence on customer experience as indicated by majority of the respondents who agreed that they

felt that the technological avenues protected their personal information, they were alerted immediately in case there was unauthorized access into their account, that when they raised an issue regarding technology security it was dealt with promptly, there was a dedicated personnel who dealt with issues on technology security and that they were assured of trust when using technological innovations. Correlation results also indicated that technology security was positively associated with customer experience. Regression findings indicated that technology security was a statistically significant predictor of customer experience.

Results indicated that technology convenience had an influence on customer experience as indicated by majority of the respondents who agreed that using innovations in technology had enabled them accomplish tasks more quickly, technological platforms and interfaces were easy to use, they got prompt assistance in case they get technical issues with technological avenues, that the technology avenues were reliable to use whenever required and that technological platforms were simple. Correlation results also indicated that technology convenience was positively associated with customer experience. Regression findings indicated that technology convenience was a statistically significant predictor of customer experience.

5.3 Conclusion

This study concludes that technological effectiveness did have an influence on customer experience and that effectiveness was an important determinant of customer experience. Furthermore, effectiveness was positively linked to customer experience. Technological efficiency did have an influence on customer experience and that efficiency was an important determinant of customer experience. Furthermore, technological efficiency was positively linked to customer experience. Technology

usability did have an influence on customer experience and that usability was an important determinant of customer experience. Furthermore, technological usability was positively linked to customer experience. Technology security did have an influence on customer experience and that security was an important determinant of customer experience. Furthermore, technological security was positively linked to customer experience. Technology convenience did have an influence on customer experience and that convenience was an important determinant of customer experience. Furthermore, technological convenience was positively linked to customer experience.

5.4 Recommendations of the Study

The insurance firms' management should make use of these research findings in assessing the how better to come up with innovative approaches and maintain the existing ones in the conduct of their business so as reach more clients with their products and services. Academicians and scholars should make use of these findings as a basis of their literature as well as support of gaps as terms of concept, context or even contradictory findings. The methodology used in this study would be used by the scholars as a model for their study if the respective study assumes the same study discipline.

The government should use the findings of this study to come up with better ways to enhance customer protection in the country by creating a favorable environment for the technological innovations to be introduced, formulated, implemented, monitored and evaluated in a stable environment. Policymakers should use the findings of this study in coming up with better and robust policies to enhance the relationship between technological innovations and customer experience as to enhance better insurance service delivery to the public. Researchers in customer experience could use this study

as a basis for their literature. They could also use the findings in this study to understand how different technological innovations influence customer experience.

5.5 Limitations of the Study

The study established that technological innovations influenced customer experience in insurance firms in Nairobi County. However, it would have yielded different results if other Counties within Kenya or other branch offices outside Kenya where these insurance companies have branch offices were included and also other stakeholder like insurance intermediaries.

The researcher did not get the full cooperation of all the informants, some turned down appointments at last minute claiming they were not available, other postponed interview appointment consequently this caused delayed data collection. Time factor was also another limitation for this study. There was limited time available to gather adequate data.

5.6 Suggestions for Further Study

From the findings, the model fitness indicates that the joint model (technological effectiveness, efficiency, usability, security and convenience) did not explain customer experience fully (hundered percent). Another study can be carried out to determine other factors explaining these remaining factors in view of context and scope.

Time limitation for this study could not allow in-depth analysis of more influence of technological innovations on customer experience in Nairobi County, Kenya. At the same time these findings were based on small sample that may have influenced results obtained. There is need of expansion of the sample size and carry out similar research in Kenya in order to draw conclusions and provide information that is sufficient for policy development.

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APPENDICES

Appendix I: Introduction Letter

“TO WHOM IT MAY CONCERN”

Dear Sir/Madam,

REF: RESEARCH STUDY

I am a student studying Master of Business Administration, University of Nairobi. I am currently doing my research project as a requirement for the award of the degree. The topic of my research is; **“Influence of Technological Innovations on Customer Experience in the Insurance Firms in Nairobi, Kenya”**. I kindly request your assistance in availing your valuable time to respond to the questionnaire. All data collected will be treated in confidence and used only for purpose of this specific study.

Your assistance will be highly appreciated.

Yours trully

Rose Ogwang

Sign:

Appendix II: Questionnaire

SECTION A: General Information (Please tick as appropriate)

1) Please indicate your gender

1) Male []

2) Female []

2) Please specify your age

a. Below 20 yrs. []

b. 21 - 35yrs []

c. 36-50 years []

d. 51 and above []

3) Please indicate your highest attained level of education

Diploma []

Degree []

Masters []

PhD []

4) Duration of usage of the insurance products?

Below 3 years []

3 - 6 years []

6 - 10 years []

Above 10 years []

5) Which category of product are you insured on?

General [] Life []

SECTION B: TECHNOLOGICAL INNOVATIONS

Section is concerned with assessment of independent variables and how they influence on customer experience.

Section B1: Technological Effectiveness

This subsection is on how technological effectiveness has influenced customer experience. Please put an (x) in the area which best describes the extent of your agreement with each of the following statements.

Rate your response on a scale of 1 to 5;

(1= Strongly Disagree; 2= Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree)

Statements	1	2	3		4	5
1. Technology usage encourages me as a customer to interact more with my insurance company						
2. The use of technology enables me as a customer to express 3. my ideas						
4. The use of technological innovations increases my confidence to participate actively in insurance issues						
5. The use of technology motivates me to inquire more about a product						
6. I get prompt feedback when make queries by way of technological innovations						
7. I find technological innovations to be a reliable contact point to the company should I need it						
8. I would say technological innovations timely when I need to use them						
9. I feel technological innovations						

are dependable						
10. Technological innovations have done valued addition in the insurance process						
11. I would say technological innovations has enabled me interact better with my company						

Section B2: Technological Efficiency

This subsection is concerned with assessing technological efficiency and how it influences customer experience. Please put (x) in responses that best describes extent to which you agree with each statements.

Rate your response on a scale of 1 to 5;

(1= Strongly Disagree; 2= Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree)

Statement	1	2	3	4	5
1. Spends less time when using technology compared to traditional insurance platforms					
2. Using technology innovations I get the intended results					
3. I find technological avenues to be safe					
4. Technological platforms are well structured helping me easily interact with them					
5. I receive prompt help in case I have a query to raise					
6. The technology avenues are likable and enjoyable to use					
7. I can get what I want without many challenges					
8. I find navigation of technological platforms to be simple					
9. The platforms are well integrated enabling					
10. I get immediate and fast response in case I raise any issues					

Section B3: Technology Usability

This area is concerned with how technology usability influences customer experience.

Please (x) in the box which best describes the extent to which you agree with each of the following statements.

Rate your response on a scale of 1 to 5;

(1= Strongly Disagree; 2= Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree)

Statements	1	2	3	4	5
1. Interfaces developed in insurance services are very simple to use					
2. Interaction with technological platforms.					
3. Use of technology in insurance services is easier than the traditional insurance					
4. I can easily remember to use the platform					
5. I find technological avenues easily learnable the first time I interact with them					
6. The innovations avenues I use are not complicated to navigate and edit					
7. There are help/aid options in case I find difficulty navigating the avenues					
8. Educational materials which help understand technological innovations are readily available on the system					
9. I can use without much strain after a period of not using it					
10. I generally like using the technological platforms					

Section B4: Technology Security

This subsection is concerned with assessing technology security and its influence on customer experience. Please mark (x) in the box which best describes the extent to which you agree with each of the following statements.

Rate your response on a scale of 1 to 5;

(1= Strongly Disagree; 2= Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree)

Statement	1	2	3	4	5
1. I feel that the technological avenues protect my information					
2. I am prompted for personal credentials to enable log in to my platform as a way on controlling access to my account					
3. I am alerted immediately in case there is unauthorized access into my account					
4. I receive instruction on what to do in case I feel or experience a breach of the security of my information					
5. In case I raise an issue regarding technology security it is dealt with promptly					
6. I have not heard anyone complain of security breach as a result of engaging with technology in the company					
7. There is dedicated personnel who deal issue on technology security					
8. I feel secure in providing sensitive information during when using technological innovations					
9. I am assured of trust when using technological innovations					
10. I feel confident when using technological innovations					

Section B5: Technology Convenience

This subsection is concerned with assessing technology convenience and its influence on customer experience. Please mark (x) in the box which best describes the extent to which you agree with each of the following statements.

Rate your response on a scale of 1 to 5;

(1= Strongly Disagree; 2= Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree)

Statement	1	2	3	4	5
1. Using innovations in technology has enabled the users to accomplish tasks more quickly					
2. Technology interfaces and designs are user friendly					
3. Technological platforms and interfaces are easy to use					
4. I can depend on technological platforms at any time					
5. I get prompt assistance in case I get technical issues with technological avenues					
6. The technological platforms are convenient enabling the customer access the service anytime anywhere					
7. The technology avenues are reliable to use whenever required					
8. Services offered through technology are fast					
9. The technological platforms are simple					
10. The technological platforms have enabled me access the service anywhere					

Section B6: Customer Experience

This subsection is concerned with assessing customer experience. Please mark (x) in the box which best describes the extent to which you agree with each of the following statements.

Rate your response on a scale of 1 to 5;

(1= Strongly Disagree; 2= Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree)

Statement	1	2	3	4	5
1. Product awareness creation has been enhanced as a result of my interaction with technological platforms					
2. I feel that tasks that would otherwise be complex have become easier through using technology					
3. I better educated on different products through different technological avenues					
4. I feel that technology interfaces are well interactive					
5. Using technological innovations in insurance has had a positive impact on my experience					
6. Services provided through innovative technologies are faster making me a happier client					
7. I would recommend to other people to use technological platforms when transacting insurance products					
8. I have received better customer service through interaction with new technology for my insurance					
9. I relate well with the product through new technological avenues					
10. Real time chats on the companies' website have helped me get prompt and immediate feedback on queries					