# MARKET GROWTH STRATEGIES AND PERFORMANCE OF INSURANCE COMPANIES DURING COVID-19 PANDEMIC PERIOD IN KENYA

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION IN STRATEGIC MANAGEMENT, UNIVERSITY OF NAIROBI**

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## DECLARATION

I declare that this research project is my original work and has not in its entirety or in part been presented to this or any other university.

30th Sept 2021

**Signature: ………………………** **Date: ………………………**

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This research project has been presented with my approval as the university supervisor

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# DEDICATION

I dedicate this paper to my parents, late Mishael and Damaris Ogalloh for encouraging me throughout the whole education process so far and for their support, patience, and love. I hope this achievement will complete the dream you had for me all those years when you chose to give me the best education you could. May God's blessings always be with you.

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Am grateful for the moral, financial, and emotional support and being my guardian throughout my educational career. Am deeply indebted. You have never left my side and taught me the value of hard work. You have encouraged me all the way and your encouragement has made sure that I give it all it takes to finish that which I started

# ABSTRACT

The objective of the study was to establish the relationship between market growth strategies and performance of Insurance Companies during Covid-19 in Kenya. The study investigated various dimensions of market growth strategies such as product development, market development as well as online shares and innovations. The research employed a cross-sectional research design and data was collected among all Insurance Companies in Kenya. Primary data was collected through the use of questionnaire method and the analysis was done using descriptive statistics and regression analysis models. The findings revealed that the adoption of market growth strategies improve the performance of the insurance companies in Nairobi Kenya. The study also established that market growth promoted performance in terms of profitability, high customer value, high quality services, smooth operations, increased market share, low costs of operations and increased customer base. The study also found that market development strategies are most critical in enhancing customer base through building customer loyalty. Market development strategies play an important role in building customer base, enhancing the company's smooth operations and increased market share. The results established that market development strategies did not affect the cost of operations of the companies and it helps improved performance of the companies. The study concluded that Insurance Companies should adopt market growth strategies to promote their performance during Covid-19 pandemic. The research recommends that organizations top management and policy makers should make efforts to adopt market growth strategies such as diversification and innovation in order to promote their performance.

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# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

In today's world there are rapid dynamic changes, characterized by increased technological advancement. Many organizations demand new marketing growth strategies to promote their performance. Westerlund and Leminen (2012) noted that a firm's market growth strategy is the means by which the organization plans to achieve its objective to increase in size, volume, and turnover. According to Hole and Misal (2013), the growth and performance of an organization can be measured in different courses with inward development being considered as one of the key measures of organization achievement. Firm development is additionally viewed as a critical measure of organization accomplishment to a degree that the qualification between firm development and firm achievement is seen as out of date. As per Ausloos et al. (20198), market growth and development is as a consequence of information and proof educated basic leadership and involves getting concentrated on critical objectives, and including others in accomplishing them. With effective market growth and development strategies, firm are able to improve their performance and success. This means that market growth strategies is associated with high performance of companies.

This study is anchored on resource based theory and marketing mix theory. The resource based theory indicates that organizations that own strategic resources tend to have greater competitive advantage over its competitors (Abdi & Ali, 2013). These competitive advantages in turn can help the organization enjoy strong profits (Barney, 1991). The proponents of the theory indicate that resources within the organization can help to promote the firm performance (Hole & Misal, 2013). However, the marketing mix theory indicates that a firm should integrate marketing mix models included product planning, pricing, branding, distribution channels, personal selling, advertising, promotions, packaging, display, servicing, physical handling, and fact finding and analysis to promote their performance (Lee, Wang & Chang, 2011).  Jerome McCarthy later grouped these ingredients into the four categories that today are known as the 4 P's of marketing (Akinwale, 2020).

In Kenya, companies are currently embracing adoption of market growth strategies to improve their performance, especially within the current era of Covid-19 pandemic.  This is because it has been noted that marketing growth can be as a result of innovations, technology advancement, exploring new markets and adapting to the changing customer demands (Ndwiga, 2018). Many companies have realized that they can align their strategies with structure, leadership and corporate culture in order to be successful. According to Mwadime (2010), before a company embarks on its growth journey, one of the first things it definitely needs to do apart from assessing its growth readiness is, to identify and know the market(s) it intends to penetrate into. A company will need to be sufficiently equipped with knowledge of the market conditions of the country or countries surrounding its radar. This will require detailed market research on the country of entry, including the political, economic, socio-cultural and technological factors. With this information, a company will have an indication of the political stability and business operating environment. Many companies in Kenya have increasingly adopted market growth strategies to build more brand and shareholder value, add revenue sources, reduce dependence on home market, to leverage existing corporate technology, to enhance domestic competitiveness, increase sales and profits, gain global and local market share as well as to exploit international trade technology and to extend their sales potential of existing products. Market growth strategies have also helped the firms to stabilize seasonal market fluctuations, to access to cheaper inputs, increase quality and efficiency as well as to enhance their potential for expansion for business and maintain cost competitiveness in domestic market. Thus, the study will focus on the analysis of the effects of market growth strategies on the performance of Insurance Companies during Covid-19 in Kenya.

### 1.1.1 Market Growth Strategies

The concept of market growth refers to the plans that companies use to ensure the increase in the size of their market for a product or service over time. This depict the growth and performance potential of a company. According to Ansoff (1957), market growth strategies aim at promoting the development and growth of the organization. This is because it considers new products and existing markets for improvement and enhancement of the firm operations. This means that companies can use market growth strategies to enhance and expand their operations. In market improvement, new client gatherings are looked for an association's current items.

Moreover, Johnson and Scholes (2002) noted that market growth strategies consider development of new products or services and consideration of the utilization of different strategies in particular; inward improvement, obtaining and joint advancement. Companies also use market growth strategies to promote their diverse innovative methodologies for their survival and development. In many companies, market growth strategies help the organization to raise their demand for a product or a service in the market. Usually, the market growth happens when a company is in its expansion phase. Companies try to increase the value of the product and promote features and sometimes offer attractive pricing to get more sales. If the product is accepted in the market at a particular price point, then there is a positive growth of the market. If the customers take this price point or if they accept the product, then the market demand increases and if they do not accept the product, then the market demand decreases and so does the market growth. This means that market growth is directly proportional to market demand and performance of a company.

### 1.1.2 Firm Performance

Firm performance can be termed as the actual output or outcomes of an association as measured against its expected targets. As indicated by Richard (2009), firm performance envelops three viewpoints: financial performance, that is, benefits, return on resources and quantifiable profit; item showcase performance and shareholder return which incorporates add up to shareholder return and financial esteem included. Firm Performance measures the yield of a specific procedure or methodology, then adjusting the procedure or strategy to build the yield, increment proficiency, or increment the adequacy of the procedure or system. The idea of firm performance can be connected to either singular Performance, for example, a competitor or firm performance, for example, a hustling group or a business endeavor or even a homestead or domesticated animal's generation (Giuri and Luzzi, 2003).

In the modern business environment, examination and estimation of association's Performance has gotten to be mainstream and assume a critical part in the achievement of the association and a ton of work has been done on this. The assessment of Performance is typically done by figuring the estimations of subjective and quantitative Performance markers like benefit, cost, and customers (Scott, 2003). It is vital for an organization to decide the fundamental Performance markers and how they identify with the organization's objectives and their reliance on the performed exercises. Timothy (2012), takes note of that such assessment is done in a casual way and advantages more from the orderly approach. Making unequivocal the accessible learning on Performance markers and how they are connected is an underlying stride towards a change around there. This not just adds to the plan and examination of associations and the assessment of their Performance additionally empowers re-utilize, trade and arrangement of learning and exercises between organizations.

### 1.1.3 Insurance Industry in Kenya

Today, insurance sector is regarded as one of the most important and stable industries in the country. This is because insurance covers more than 40% of the people in the country  This means that the majority of people are starting to embrace insurance cover within the East Africa region, despite high levels of poverty. It should also be noted that there is much distrust of the insurance sector among the low income earners, mostly out of ignorance, thus there is need for a comprehensive awareness programme in order to tap the vastly un-served market of low income households in need of insurance services. In addition, the products available are not designed to meet the needs of low income earners (Njenga, 2012). The penetration ratio reveals existing coverage and growth challenges for insurance market in the country.

Moreover, at face value, Kenya's insurance sector appears to be a prime African market for investment with the sector experiencing more than a dozen mergers and acquisitions in 2019, including the arrival of large multinational players. While this activity slowed in 2020 due to Covid-19 pandemic, it is expected that many changes will occur going forward.  Meanwhile, Kenya's Insurance Regulatory Authority (IRA) is laying the groundwork that will inspire greater investor confidence and it has been noted that the insurance industry is expanding, especially the healthcare insurance cover. This is due to the need for employee safety during this Covid-19 era.

### 1.1.4 Insurance Companies in Kenya

The insurance industry in Kenya is controlled by the Insurance Act; Laws of Kenya, Chapter 487. The key partners in the Kenyan insurance industry are middle people, for example, protection intermediaries and protection operators, reinsurance organizations, insurance agencies, chance directors or misfortune agents and other administration suppliers (Insurance Regulatory Authority, 2010). The workplace of the official of protection was set up under its arrangements to fortify the administration control under the Ministry of Finance (AKI, 2011).

Furthermore, it has been noted that the Relationship of Kenya Insurers (AKI) does self-direction of the insurance sector in Kenya, (Njenga, 2012). The expert body of the business is the Insurance Institute of Kenya (IIK), which bargains for the most part with preparing and expert instruction. Protection Regulatory Authority (IRA) was set up with the command of administers and directs the insurance business players. This move has seen the quantity of enlisted organizations develop from 15 in 1978 to 43 in 2006, Government of Kenya (2005) the magistrate of Insurance Report for 2005. This has increased rivalry in the business and there is need for adoption of market growth strategies to manage the gap.

## 1.2 Research Problem

With market growth plans, companies can achieve superior performance (Msinga et al., 2018). This is because superior performance can be accomplished in an aggressive industry through the quest for a development procedure, which is characterized as the advancement of a general cost initiative, separation, or center way to deal with industry rivalry (Lee, Wang & Chang, 2011). On the off chance that a firm does not seek after development techniques it stalls out in-the-center and encounters bring down Performance not at all like firms that seek after a non specific methodology (Muigai & Gitau, 2018). Analysis of studies indicates that market growth strategies improve the performance of companies in almost all industries. This is because market growth strategies aim at expanding the company products, services and ensuring that the firm has high market share in the industry. According to Soi (2016), market growth strategies improve and promote performance of organizations since it is associated with development of new and premium products and the use of innovative technologies to attract new clients. This is why all market growth strategies mostly results into high performance of the organization (Ouma, 2016).

In Kenya, it has been noted that Insurance Regulatory Authority of Kenya (2019) has reported total direct premiums within the global insurance industry which rose by 1.8% in real terms compared to 2.1% registered in 2018. The premiums in nominal USD terms increased by 4.0% to USD 4,892 billion, up from USD 4,703 billion recorded in 2016. Further, the Insurance Industry Annual Report of 2017 indicates Africa's insurance industry premium grew by 0.5% in real terms to USD 66.7 billion in 2017, representing 1.4% of World's insurance market share. In Kenya, insurance growth was 2.8 % in year 2016 compared to 2.63% in previous year while South Africa whose growth was 12.9% The comparative growth rate of Kenya's insurance industry is still low. In 2017 Life insurance recorded a penetration ratio of 1.02% while that of non-life insurance was 2.00%. The penetration of Insurance among the Kenyan population is also low compared to other countries outside Africa. A good example is Malaysia which has an estimated 41% of the population covered. There is therefore need for establishing why market growth strategies of insurance in Kenya remain low. This may be rooted in the insurance industry market growth strategies. However studies in the past on the subject of market growth strategies in financial and non-financial establishments have yielded conflicting outcomes. Some studies have recommended further studies. These inconsistent results point to the fact that the effect of market growth strategies is still not clear and needs further investigation. Therefore clear knowledge is lacking on effect of market growth strategies on the performance of Insurance Companies in Kenya.

Several studies have been done to determine the level of influence of market growth strategies on the performance of companies across the globe.  Abdi and Ali (2013) conducted a study on the insurance innovation and business performance in telecommunication industry in Sub-Saharan

African context using a case study of Somalia and noted that insurance information and innovation is associated with high levels of performance of companies within the tele-communication industry. Another study by Akinwale (2020) on the determination of technology innovation and financial performance of MSMEs during Covid-19 lockdown in Dammam area of Saudi Arabia using a case of food and beverage sector confirmed that technology innovation promoted the financial performance of companies in Saudi Arabia. In Jordan, Almajali, Alamro and Al-Soub (2012) determined the factors affecting the financial performance of Jordanian insurance companies listed at Amman Stock Exchange and noted that innovation, market growth and product development influence financial performance of Jordanian insurance companies listed at Amman Stock Exchange. However, these studies were done outside the country and leave a contextual gap that the current study seeks to fill.

Moreover, local studies by Obonyo (2015) who looked at growth strategies and performance of Safaricom limited in Kenya and found that Safaricom Limited has adopted various growth strategies to enhance the Safaricom performance. In addition, the study concludes that Safaricom considers competition as an impetus toward enhancing products and services and improving performance. Karanja (2008), conducted a study on the innovation strategies used by insurance agencies in Kenya, however this concentrate just served to educate us yet neglected to build up the connection amongst development and performance. Likewise, Kyeva (2005), did an overview of the showcasing blend utilized by life coverage organizations as a part of Kenya in reacting to the test of HIV/Aids pandemic, however this study was restricted just to the connection between disaster protection organizations and HIV/Aids pandemic. Despite this, these studies were done in the past before the outbreak of Covid-19.

In view of these past studies on growth strategies and performance of firms, it was clear that little had been done on growth strategies and performance of Insurance Firms in Kenya, especially during the Covid-19 era. Therefore this study sought to fill in this gap by answering the question: what are the effects of market growth strategies on performance of Insurance Firms in Kenya, during the Covid-19 Era?

## 1.3 Research Objective

The objective of this study was to establish the relationship between market growth strategies and performance of Insurance Companies during Covid-19 in Kenya

## 1.4 Value of the Study

The study will sensitizes the managers of insurance companies in Kenya to identifying appropriate market growth strategies to promote their performance. The government can use the study findings to formulate policies that would develop competitiveness of Kenyan insurance industry. This means that the study will help insurance managers to find out the best market growth strategies to promote their performance.

Moreover, the study findings will also help the policy makers in the country. The legislature of Kenya will use the study results in figuring approaches that help firms in the in the insurance business to enhance their administration delivery through better and more effective procedures. The policymakers have discover the study significant since as the nation adapts on the best way to accomplish the Vision 2030 goals, insurance industry will be one of the key drivers of this goal it is yearning for all Kenyan's to know how best they can tap on this industry.

The study results will also benefit researchers, academicians and protection experts, since the study will add to the wellspring of learning by seeking to fill the holes left by different researchers in landing at how the appropriation of market development techniques that firms can use to enhance their Performance during this Covid-19 pandemic. The study results will act as a reference point in conjunction with studies that relate to the relationship between market growth strategies and performance of Insurance Companies during Covid-19 era.

# CHAPTER TWO: LITERATURE REVIEW

## 2.1 Introduction

This chapter focuses on theories explaining the relationship between market growth strategies and performance of Insurance Companies during Covid-19 in Kenya. The study also includes the establish how market growth strategies influence the performance of Insurance Companies during Covid-19 in Kenya. Some of the theories discussed here include the resource based view theory and the marketing mix theory

## 2.2 Theoretical Foundations

This study is grounded resource based theory and marketing mix theory.

### 2.2.1 Resource Based Theory

In a turbulent environment, organizations should continuously re-invent themselves in order to survive. According to this theory, organizations that own strategic resources tend to have greater competitive advantage over its competitors. These competitive advantages in turn can help the organization enjoy strong profits (Barney, 1991).

Resources are inputs into the production process. Categories of resources include financial, physical, human, technological, reputation and organizational resources. Strategic resources are considered to be valuable, rare, difficult to imitate and non-substitutable. Valuable resources are useful in creating strategies that will help an organization capitalize on opportunities while neutralizing on threats. Rare resources are those owned by few or no competitors. Inimitable resources are those that are legally protected. Non -substitutable resources are those that competitors cannot find alternative ways to access benefits that they provide. Resources and capabilities form the basis of competitive advantage through development of appropriate strategies. Capabilities define what the firm can do that is the capacity of a firm's resources to perform some activity. They are important to an organization as they are needed to bundle, manage and exploit resources in a manner that provides value addition to customers and advantage over competitors. With the state of flux in the external environment, resources and capabilities form a more stable basis for the firm to define its position in the market. Strategic positioning of the firm has been attributed to cost and differentiation advantage, yet fundamental to these choices is the resource base of a firm. Resources can be classified into tangible and intangible resources. Tangible resources are those that can be quantified e.g. plant, equipment, land and cash. Intangible resources are those that cannot be quantified. To attain long term competitive advantage, the theory explains the importance of investing in intangible resources as opposed to tangible resources. Intangible resources meet the criteria of strategic resources.

High performance is obtained when an organization acquires a set of attributes that help it outwit its competitors. It involves adoption of value creating strategy that is not replicable by competitors. In addition to the previously discussed traits of strategic resources, durability and transparency are key to attaining competitive advantage. Durability defines how long resources can be maximized to develop long term strategies while Transparency involves ease of strategy duplication. Therefore, an organization resources must be well exploited to ensure it gains competitive advantage theorists therefore advised that instead of a firm focusing on external environment; it should invest in its internal environment to develop its capabilities which would form sources of competitive advantage.

### 2.2.2 Marketing Mix Theory

The term marketing mix became popularized after Neil H. Borden published his 1964 article, The Concept of the Marketing Mix. Borden began using the term in his teaching in the late 1940's after James Culliton had described the marketing manager as a "mixer of ingredients". The ingredients in Borden's marketing mix included product planning, pricing, branding, distribution channels, personal selling, advertising, promotions, packaging, display, servicing, physical handling, and fact finding and analysis. Jerome McCarthy later grouped these ingredients into the four categories that today are known as the 4 P's of marketing.

These four P's are the parameters that the marketing manager can control, subject to the internal and external constraints of the marketing environment. The goal is to make decisions that center the four P's on the customers in the target market in order to create perceived value and generate a positive response. The marketing mix framework was particularly useful in the early days of the marketing concept when physical products represented a larger portion of the economy. Today, with marketing more integrated into organizations and with a wider variety of products and markets, some authors have attempted to extend its usefulness by proposing a fifth P, such as packaging, people and process.

However, the marketing mix most commonly remains based on the 4 P's. Despite its limitations and perhaps because of its simplicity, the use of this framework remains strong and many marketing textbooks have been organized around it. The marketing mix in marketing strategy includes views such as product, price, place and promotion. The marketing mix is the set of controllable, tactical marketing tools that a company uses to produce a desired response from its target market. It consists of everything that a company can do to influence demand for its product and promote its performance in general.

### 2.2.3 Dynamics Capability Theory

This theory explains that companies must use flexible plans to achieve success in their operations. The theory is associated with Teece (1990) and help firms to adapt in a changing environment. This is achieved through dynamic capabilities that create new forms of competitive advantage in a timely manner through creation of new capabilities. According to Teece (1990), firms should examine the ever turbulent forces of the environment thus the need for strategies. This helps the firm to adapt, integrate, and reconfigure the core competencies of the organization including the skills set and other resources in line with the rapidly turbulent environment.

Teece et al. (2007) conceived competitiveness in the rapidly changing forces of the environment as a form of dynamic capabilities as opposed to rivalry in industry or the positioning. The term 'dynamic' was applied to refer to the need for a firm to restructure its competencies in order to align with the changing forces of the environment.

The key assumption of the theory is the view that companies can use different plans or flexible models in promoting their success. The theory considers the use of different ways in achieving firm goals. Despite this, it should be noted that the theory failed to consider the importance of formal plans in managing the organization.

### 2.2.4 Chaos Theory of Management

This theory was founded by Tom Peters in the late 1980s. He stated that managers must be prepared for environmental and technological changes. However, according to Johnson and Burton (1994), chaos theory focuses on the unpredictability in occurrences and behaviors. Naturally, systems gravitate toward complexity. As such, they become increasingly volatile and susceptible to the effects of chaos. Also, organizations require increased energy and effort to maintain their systems and stability. The effect is that these systems will ultimately fail if not split or combined with other systems. While the occurrence of the unpredictable cannot be controlled, randomness can be accounted for within mathematical formulas and issues such as Covid-19 are considered as chaos that can reduce the stability of organizations

Moreover, the theory assumes that rigid hierarchical structures ultimately harm the company's ability to react to this ever-present randomness. This means that there is a need for responsiveness to customer's needs and wants through organizational change. According to Doherty and Delener (2001), the theory suggests that management should place more emphasis on adaptability, initiative and entrepreneurial creativity to cope with a future that is inherently unknowable. This is because the future is disorder.

In this study, the theory will help in guiding organizations to adopt guiding behaviors in an organization that depends on project-based work for its vitality. The theory informs us that small initial conditions can have a huge impact on project outcomes; however, what actually happens is unpredictable. This means that managers must understand that the world is a nonlinear, complicated and unpredictable system and adopt various plans in managing their operations and systems.

### 2.3 Performance among Insurance Firms

The success or failure of any firm depends on its performance and its competitive advantage that is the delivering the product at a lower cost or offering unique benefits to the buyer that justify a premium price. According to Wang (2014), high performance is obtained when an organization develops or acquires a set of attributes that allow it to outperform its competitors. Performance is influenced by factors such as infrastructure, business complexity, technology and macroeconomics. In the face of turbulence in the external environment, businesses must continuously re-invent new strategies to gain a competitive edge.

Other sources of high performance in organizations include distribution networks, brand identity, intellectual property, and location in terms of proximity to supply chain, management and employees of the organization. Type of leadership in an organization is a critical factor in gaining competitive advantage. Burns (1978) differentiate transactional and transformational leadership. Transformational leaders motivate followers to attain extraordinary outcomes through putting their interests first so as to attain the desired goal. Transactional leaders as the name suggests, provide guidance through ensuring social exchange.

Menguc et al. (2013) suggested that improvements in transformational-based leadership competencies should lead to marketplace positional advantages through competitive strategies. Efficient distribution network play a critical role in the launch of a new product in the market and availability of the product when demanded. Intellectual property forms the basis of knowledge based competitive advantage which ensures that knowledge is locked up and is exchanged through exclusive rights granted by the proprietor. Location in terms of proximity to the supply chain presents an organization with cost advantage through ensuring flexibility in distribution and reduced operation costs. Therefore, an organization should determine its various sources of competitive advantage and capitalize on ensuring it reaps maximum benefit from it.

### 2.3.1-Marketing Growth Strategies and Performance of Companies

The relationship between growth strategies and a firm performance is a key issue to the survival of the organization in every industry. Growth strategies and its relationship with firm performance have been associated with the field of strategic management from its earliest foundations. Porter

(2000) suggested that strategists must assess the factors affecting competition in their operational environment, and then identify their organization's strengths and weaknesses. This way strategist can come up with a plan of action that may include positioning the company so that its capabilities provide the best defense against the competitors, influence the balance of the competitive forces thus improving the company's position. This will thereby lead to choosing a strategy appropriate for the dynamic and competitive environment the firms operate in.

Moreover, internal growth of any organization is a key measure of firm performance. It can be used to explain how well a firm is utilizing its available resources and opportunities to expand its activities. According to Richard (2009), organizational growth is a very important factor for any company to survive in the modern ever increasingly complex and dynamic environment. Knowledge and evidence-informed decision making are instrumental in organizational growth.

### 2.4 Empirical Review and Research Gaps

Various studies have been conducted to establish the relationship between market growth strategies and performance of Financial institutions (Insurance Companies). For example, Mutuma (2013) did an investigation of the effects of expansion strategies on the performance of Commercial Banks in Kenya. The study adopted a descriptive research design and targeted the staff working in commercial banks in tier one. It focused mainly on the top, middle and lower management staff who are directly dealing with the day to day management of the banks. Stratified proportionate random sampling technique was used to select the sample. The study found out that product development has the highest effect on the performance of commercial banks, followed by market penetration, then diversification while market development has the lowest effect on the performance of commercial banks meaning that expansion strategies adopted by the banks had a positive and significant effect on their overall performance.

Mwadime (2010) conducted an analysis of growth Strategies by The Kenya Commercial Bank Ltd. The study investigated the different reasons that led to KCB's growth strategy in each country it is operational in. Data was collected from the top management using an interview guide. The research found out that the reasons for KCB's growth were; increased profits, growth of customer base/market share, growth of bank deposits, increase revenues, stronger corporate image, increase investor confidence, increase shareholder value, stronger brand name, the presence of a virgin market in other countries and favorable political environment. The study also found out that KCB indeed had different reasons for growing into Tanzania, Uganda, Sudan, and Rwanda.

Another study by Muturi, Mwau & Oloko, (2017) was done to establish the moderating effect of ownership structure on the relationship between the growth strategies and the performance of firms within the insurance industry in Kenya. The study investigated how the Diversification strategy, Market penetration strategy, Market development strategy, Product development strategy and the moderating effect of ownership structure have contributed to the performance of firms within the insurance industry. The target population of the study was all the 5,188 insurance players in Kenya as of 2013. The study adopted a descriptive research design. Random stratified sampling was used to select 125 respondents. The study found out that the growth strategies have a positive influence on the performance of the insurance firms within the insurance industry in Kenya except for the market development strategy. The moderating effect of the ownership structure was also noted to have a positive effect on the performance of the firm.

Mulwa & Kosgei (2016) conducted an investigation on commercial bank diversification and financial performance and looked at the moderating role of risk. The study used an ex post facto explanatory design to investigate whether bank diversification affects financial performance and whether this effect is moderated by solvency and credit risk based on panel data from 34 commercial banks in Kenya over nine firm years. The results showed that income and asset diversification negatively and significantly affected commercial bank return on assets (ROA) while geographical diversification significantly and positively affects both ROA and return on equity (ROE). There was also a significant positive moderation effect of credit risk on the relationship between income diversification and ROA but a significant negative effect on the relationship between asset diversification and geographical diversification with both ROA and ROE.

Mwania (2017) investigated the relationship between growth strategy and performance of commercial banks in Kenya. The main purpose of the study was to establish if there is a link between organizational growth and performance. The research target was the entire staff working in commercial banks in Kenya. The study found out that product development and diversification strategies had a positive and significant effect on the bank's performance. It concluded therefore that expansion strategies have a positive and significant effect on the performance of commercial banks in Kenya.

Onyonka (2013) conducted an investigation on expansion strategies and performance of Commercial Banks in Kenya. The main purpose of the study was to determine if there was a link between expansion and performance. The research target was the entire population of commercial banks in Kenya. Data was collected from the managerial staff. The study established that commercial banks in Kenya are impacted on positively by expansion strategies. It concluded, therefore, that to gain sustainable growth and achieve economies of scale, banks must embrace expansion strategy as a key competitive strategy.

Marembo (2012), analyzed the impact of mergers and acquisitions on the financial performance of Commercial Banks in Kenya. The study used a survey design. The findings of the study showed that merger and acquisition improve both returns on equity and return on assets. It further revealed that merging /acquisitions only cannot propel banks in achieving high performance in terms of ROA and ROE because the performance of banks is dependent on several other factors.

Ogada, Achoki & Njuguna (2016) investigated the effect of mergers and acquisitions strategies on the financial performance of the financial services sector in Kenya. The purpose of this study was to establish the effect of mergers and acquisitions strategies on the financial performance of firms in the financial services sector in Kenya. The study adopted a mixed methodology research design. The study population included all the 51 merged financial service institutions in Kenya. Purposive sampling was used. The results showed that diversification strategy had no significant effect on the financial performance of merged institutions and that there was a significant relationship between the moderating effect of economic growth and financial performance of merged institutions.

Mohamed and Bustamam (2018) investigated external growth strategies and organizational performance in emerging markets: The mediating role of inter-organizational trust. The purpose of this paper was to identify and compare the effect of external growth strategies on the organizational performance of companies and to examine the mediating role of inter-organizational trust between growth strategies and organizational performance in Malaysia. Data was collected from 240 senior managers from public listed companies (PLCs) in Malaysia and was analyzed using analysis of a moment structures. The findings indicated that growth strategies have a significant effect on organizational performance. Strategic alliances and acquisitions were also found to have significant effects on organizational performance. Moreover, inter-organizational trust was found to fully mediate the effect of growth strategies on organizational performance.

Jung (2007) examined the relationship between international expansion and firm performance: An investigation of US-based restaurants and firms. This study aimed to examine whether there is an association between international expansion and U.S.-based restaurants performance in terms of accounting-based measures. Second, it intended to examine how the performance of service firms will indeed change within an observed time frame of international expansion. The results showed that international expansion and international diversification possesses both positive and negative effects on company performance. This study suggests an inverted U-shaped nonlinear relationship which is positive up to an optimal level resulting from the advantages of internationalization and negative beyond that level caused by the complication between international expansion and firm performance. The point depends on when and how a company employs the international expansion strategy.

Akpinar & Yigit (2016) investigated the relationship between diversification strategy and firm performance in developed and emerging economy Contexts: Evidence from Turkey, Italy, and the Netherlands. The aim of this study was to determine whether there is a difference between types of diversification and performance comparing Turkey, Italy, and the Netherlands. Data from 166 firms in the Netherlands, 265 firms in Italy and 128 firms in Turkey were analyzed in the period between 2007-2011. The results indicated that there is no correlation between total diversification and a performance criterion of ROA and ROS in Italy and the Netherlands.

Oyewobi, Windapo, Cattell & Rotimi (2013) investigated the impact of organizational structure and strategies on construction organizations' performance in South Africa. This paper examined how organizational structure and strategies influence the organization's corporate performance and investigate whether an organizational structure has a moderating impact on the association between organizational performance and strategy. The results revealed that organizational structure has an explanatory effect on the relationship between strategy and organizational corporate performance.

**Summary of Research Gaps Table:**

| **AUTHOR(S)** | **RESERACH** | **FINDINGS** | **RESEARCH GAPS** |
|---|---|---|---|
| Akinwale 2020). | Technology innovation and financial performance of MSMEs during Covid-19 lockdown in Dammam area of Saudi Arabia: a case of food and beverage sector. | The adoption of technology innovation help promote the financial performance of MSMEs during Covid-19 lockdown in Dammam area of Saudi Arabia | This study mainly Focus on food and beverage sector and it was also done in Saudi Arabia region |
| Kimiti, P. G., Muathe, S. M., & Murigi (2020). | Nexus between Cost Leadership Strategy and Performance: Fact or Fallacy in | The study found out that there is a relationship between Cost Leadership | The study focus in cost leadership strategy among Milk |

| | | | |
|---|---|---|---|
| | Milk Processing Firms in Kenya | Strategy and Performance of Milk Processing Firms in Kenya | Processing companies in Kenya |
| Almajali, A. Y., Alamro, S. A., & Al-Soub, Y. Z. (2012). | Factors affecting the financial performance of Jordanian insurance companies listed at Amman Stock Exchange | The study found out that there are various factors that affects the financial performance of Jordanian insurance companies listed at Amman Stock Exchange | The study was done in Jordan |
| Maroofi, F., Ardalan, A. G., & Tabarzadi, J. (2017). | The effect of sales strategies in the financial performance of insurance companies in Bangladesh | The study concluded that sales strategies help promote financial performance of insurance companies | The study focus only on UK-based Companies |
| Hole, A., & Misal, A. (2013). | Impact of Compensation Strategies on Performance of Insurance Agents in | Compensation Strategies promotes the Performance of Insurance Agents in | Focus on Compensation Strategies promotes only . |

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|---|---|---|---|
| | General Insurance Companies. | General Insurance Companies | |
| Ogbonna, B. U., & Ogwo, O. E. (2013). | Market orientation and corporate performance of insurance firms in Nigeria. | Market orientation promotes corporate performance of insurance firms in Nigeria. | The study was done in Nigeria not Kenya |
| Lee, Y. J., Wang, G. L., & Chang, L. Y. (2011). | The influence of intellectual capital and marketing innovation strategies upon marketing performance | Intellectual capital promotes the marketing innovation strategies upon marketing performance | The study was done within Telecommunication Industry in Taiwan. |

**2.5 Conceptual Framework**

This conceptual framework depicts the relationship between the independent and dependent variables. In this study, the dependent variable is the performance of Insurance Companies in Kenya while the independent variables are the Market Growth Strategies. The market growth strategies are measured in terms of diversification strategies, online sales promotions as well as use of premium products and new technology or product innovations. However, the performance of Insurance Companies which is the dependent variables is measured in terms of market share, number of clients and the company profitability levels.

**Market Growth Strategies**

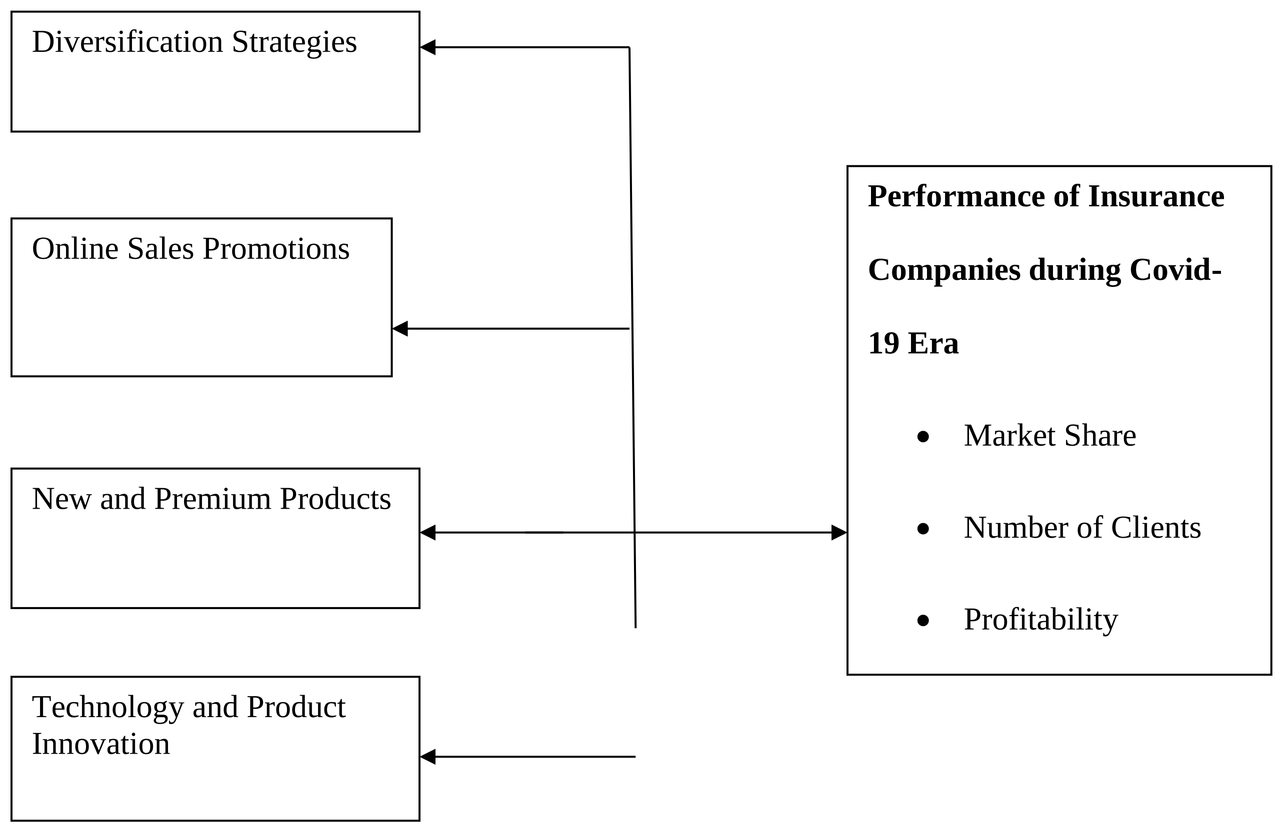



**Figure 1: Conceptual Framework**

**Source: Author, (2021)**

# CHAPTER THREE: RESEARCH METHODOLOGY

## 3.1 Introduction

This section includes the research designs that were used in this study. In addition, the section includes the data collection methods that were used in this study. It is also worth noting that this section also included the data analysis methods that were used to analyze the research data.

## 3.2 Research Design

According to Bhat (2019) research design is a combination of a network of methods and techniques that are used to effectively address the research problem. In this study, a cross sectional descriptive survey design was adopted. This helped to ascertain the relationship between market growth strategies and performance of Insurance Companies during Covid-19 in Kenya. The researcher adopted this design since it helped to provide multiple information related to the topic of study.

Moreover, it should be noted that the researcher adopted cross-sectional research design and data were collected among various Insurance Companies in Kenya. This method enhanced consistency and generalizability of the study findings. This is because it involves quantitative data collection and subsequent analysis of the data. It also provided a convenient way of data collection when administering the questionnaires via digital means as well as through the use of non-digital methods.

## 3.3 Population of Study and Sampling

In this study, the target populations were Insurance Companies in Nairobi Kenya. This means that data was collected from top managers within different Insurance Companies in Nairobi Kenya.

Today, there are 50 Insurance Companies in Nairobi Kenya and the researcher adopted a census study and data were collected from all the 50 Insurance Companies in Nairobi Kenya.

### 3.4 Data Collection

This study included primary and secondary data. The primary data were collected from the field while secondary data were obtained from articles, books, newspapers and other online data bases related to the literature on the topic of study, especially on the relationship between market growth strategies and performance of Insurance Companies during Covid-19 in Kenya. Additionally, the secondary data included the reports associated with the market growth strategies and performance of Insurance Companies during Covid-19 in Kenya on the company's websites and other online data bases.

Accordingly, the researcher used questionnaire to obtain important information about the study and the use of the questionnaire method gave the study participants an opportunity to express their ideas in a free environment. The use of questionnaire method helped to achieve high response rate during the data collection process. This is because face to questionnaire method allowed researcher to send questions to various respondents in different formats and help to provide honest and reliable data associated with the relationship between market growth strategies and performance of Insurance Companies during Covid-19 in Kenya.

### 3.5 Data Analysis

In this study, the researcher used quantitative techniques in data analysis. The study sought to underscore and determine the relationship between market growth strategies and performance of Insurance Companies during Covid-19 in Kenya. This study adopted quantitative data analysis techniques to analyze the quantitative data that were obtained in terms of numbers. After the collection of data, the researcher analyzed the data thereafter the study findings were presented in different charts, tables and graphs for easier understanding.

Descriptive statistics were used in the analysis of quantitative data. Cross-tabulations and correlational analysis were used to analyze the data. The research included regression analysis models as well as ANOVA and regression models in analysis the data. The following linear model was used:

Y= a+bx1+ bx2+ bx3+ bx4……..+c +B3

Where Y= Performance of Insurance Companies

X1= Diversification Strategies

X2= Product Development Strategies

X3= Online Sales Promotions

X4= Innovations and New Technology

X5= Market Development Strategies

B3=Error Factors

# CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

## 4.1 Introduction

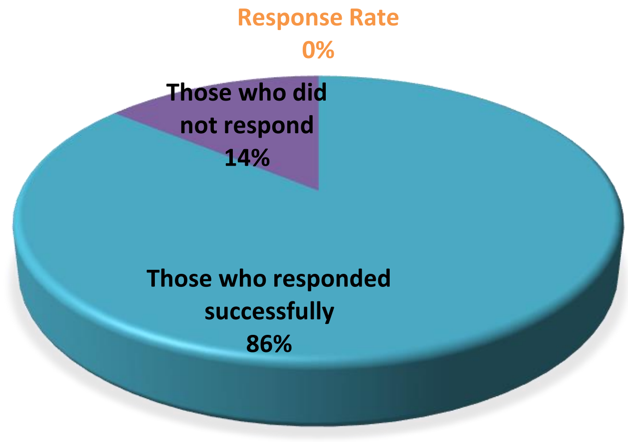
This chapter covers presentation of the study findings obtained from the primary study and lays the analysis of the findings regarding the relationship between market growth strategies and performance of Insurance Companies during COVID-19 in Kenya. The section involves the use of descriptive statistics such as measures of central tendency, variability and inferential statistics to analyze the results of the study.

## 4.2 Response Rate

The response rate mainly depicts the test statistical value and scholars prefer a high response rate in research. A higher response rate provides high credibility of the results. During the study, the researcher sought demographic information related to Insurance Firms in Nairobi Kenya.

The study targeted all the 50 Insurance Companies in Nairobi Kenya whose top managers were issued with questionnaires. All the strategic heads of the 50 insurance companies were contacted and 200 questionnaires were issued out and the response rate was 86% (172 questionnaires) as 14% (28 questionnaires) were not received.

**Figure 4.1 Response rate**




***Source: Author, (2021).***

## 4. 3 The Company Demographics

The study sought to establish the sizes of the companies studied in terms of the number of employees per company. This parameter is a critical in that it determines the company's ability to establish and utilize a number of market development strategies. It also helps the researcher to underscore the company's market share and stamina. It was established that most of the insurance companies (21 out of 50), representing 42.0% of the sampled companies, hade between 101 and 150 employees. The companies which had 100 or less employees were only 8, representing 16% while those with more than 150 employees were also 21, representing 42% of the companies sampled.

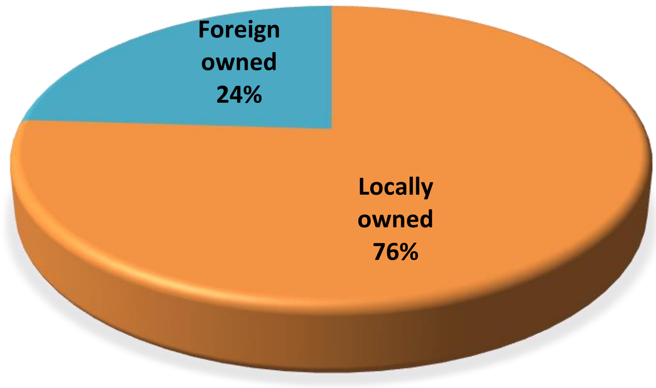
**Table 4.3.1 Number of employees of each company**

| Number of Employees | Frequency | Percentage (%) | Cumulative percentage |
|---|---|---|---|
| Less than 50 | 02 | 4.0 | 4.0 |
| 51-100 | 06 | 12.0 | 16.0 |
| 101-150 | 21 | 42.0 | 58.0 |
| 151-200 | 13 | 26.0 | 84.0 |
| More than 200 | 08 | 16.0 | 100 |
| **Total** | **50** | **100** | |

***Source: Author, (2021).***

The study also sought to determine and ascertain the ownership of the insurance companies sampled. Out of the 50 companies, 38 were locally owned while the remaining 12 were foreign owned. These denote 76% and 24% respectively.

**Figure 4.3.2 Company ownership**




***Source: Author, (2021).***

The study identified the years which the respondents had worked in their current insurance companies; this information is critical because it explains the experience of the respondent thus the validity of their responses. The findings are illustrated in the figure below as shown.

**Table 4.3.2 Years of Operations**

| **Years of operation** | **Frequency** | **Percentage (%)** | **Cumulative percentage** |
|---|---|---|---|
| 1-3 years | 13 | 7.6 | 7.6 |
| 3-5 years | 67 | 38.9 | 46.5 |
| 6-10 years | 59 | 34.3 | 80.8 |
| Over 10 years | 33 | 19.2 | 100 |
| **Total** | **172** | **100** | |

***Source: Author, (2021).***

## 4.4 Growth Strategies

The study sought to establish the market growth strategies utilized by the insurance companies in Nairobi Kenya. The strategies named by the respondents included diversification, product development, online sales promotion, innovation and technology and other market development strategies. The respondents were asked to state whether their company had established the mentioned strategies as a means of enhancing market growth; they were to respond in a Likert-scale ranging 1-5. On the scale, 1 implied - strongly disagree, 2 - disagree, 3 - uncertain, 4 - agree, 5 - strongly agree.

### 4.4. 1 Diversification Strategies

| Statement | N | Mean | SD |
|---|---|---|---|
| The company management has adopted diversification strategies to improve performance | 172 | 3.4892 | 0.9107 |

On whether their companies had adopted diversification strategies, most respondents agreed that their companies had adopted such strategies (at a mean of 3.482 and SD = 0.9107). This implies that most companies had in place diversification strategies.

### 4.3.2 Product Development Strategies

| Statement | N | Mean | SD |
|---|---|---|---|
| The company management has adopted product development strategies to improve performance | 172 | 4.0276 | 1.0035 |

Most respondents also agreed that their companies had adopted product development strategies as a means of enhancing marked growth. The parameter had a mean of 4.0276 and SD = 1.0035.

### 4.3.3 Online Sales Promotions

| **Statement** | **N** | **Mean** | **SD** |
|---|---|---|---|
| The company management has adopted Online Sales Promotion strategies to improve performance | 172 | 2.4789 | 0.6470 |

The study established that most of the insurance companies do not utilize online sales promotion strategies. A mean of 2.4789 and SD = 0.6470 imply that most respondents disagree with the allusion of the existence of vibrant online sales programs in their companies. Online selling is an emerging strategy that has not been taken up with the Kenyan Insurance companies due to the public notion of the companies.

### 4.3.4 Innovations and New Technology

| **Statement** | **N** | **Mean** | **SD** |
|---|---|---|---|
| The company management has adopted innovation and modern technology plans to improve performance | 172 | 3.6990 | 0.9827 |

The respondents agreed that their companies had in place innovation and modern technology use strategies. A mean of 3.6990 and SD = 0.9827 show that most of the insurance companies have innovative strategies and most of them also use modern technology to improve their performance.

### 4.3.5 Market Development Strategies

| Statement | N | Mean | SD |
|---|---|---|---|
| The company management has adopted market growth strategies to improve performance | 172 | 4.2335 | 0.8617 |

The respondents were asked to state whether their companies had in place market development strategies as a measure of improving performance. Most respondents strongly agreed that there were market development strategies in their companies, at a mean of 4.2335 and SD = 0.8617.

## 4.4 Growth Strategies and Firm Performance

The objective of the study was to establish the effect of market growth strategies on the performance of the insurance companies in Nairobi Kenya. Performance measures used included profitability, high customer value, high quality services, smooth operations, increased market share, low costs of operations and increased customer base. The respondents were therefore asked to ascertain whether the mentioned market growth strategies had influenced the performance parameters within their companies. The respondents were to respond in a Likert-scale ranging 1-5. On the scale, 1 implied - strongly disagree, 2 - disagree, 3 - uncertain, 4 - agree, 5 - strongly agree. The findings are given in the table below.

| Statement | N | Mean | SD |
|---|---|---|---|
| Adoption of Market growth strategies has led to high profitability of the company | 172 | 3.8896 | 0.7551 |

| | | | |
|---|---|---|---|
| Adoption of Market growth strategies has led to high customer value and high-quality services. | 172 | 3.2000 | 0.8373 |
| Adoption of Market growth strategies has led to smooth operations | 172 | 4.0187 | 0.9940 |
| Adoption of Market growth strategies has led to high market share of the company | 172 | 3.9092 | 1.1333 |
| Adoption of Market growth strategies has led to high number of clients in the company | 172 | 4.3343 | 0.6720 |
| Adoption of Market growth strategies has led to low cost of operations in the company | 172 | 0.2794 | 0.8845 |

The study established that market development strategies are most critical in enhancing customer base through building customer loyalty. Market development strategies play an important role in building customer base. The second critical importance of market development is witnessed in enhancing the company's smooth operations which eventually lead to increased market share. On the other hand, it was established that market development strategies did not affect the cost of operations of the companies.

## 4.5 Correlation Coefficient

The correlation coefficient, r is a measure of the strength of a linear association between two variables and its values ranges from +1 to -1. A correlation coefficient of 0 indicates that there is no relationship between the two variables while a coefficient below 0 indicates a negative relationship, thus a higher coefficient indicates a stronger relationship between the variables. The analysis established a correlation coefficient of 0.6734 at a 0.05 significance level, indicating that there existed a strong positive correlation between the independent variable (market growth strategies) and the dependent variable (company performance).

### 4.6 Regression Analysis

Regression analysis performed on the data is illustrated here and the coefficients are first discussed. Coefficients provide information on predictor variables; therefore, the coefficient of determination assesses the extent in which a change in the independent variable (marketing strategies) explains the change in the dependent variable (performance). The table below shows the coefficient of determination utilized in the analysis.

**Coefficient of determination ($R^2$)**

| Model | R | $R^2$ | Adjuster $R^2$ | Std. Error of Estimate |
|---|---|---|---|---|
| **1** | .801 | .6416 | .5710 | .4823 |

From the analysis above, the independent variable (market growth strategies) explains 64.16% of the changes in the company performance as shown by the R square. This implies that the remaining 35.6% of the company performance is explained by other variables. However, before ascertaining the validity of the findings, an analysis of ANOVA was conducted and the findings are shown in the table below.

**Summary of ANOVA[a]**

| Model | Sum of Squares | Df | Mean Square | F | Sig. (p-value) |
|---|---|---|---|---|---|

| | | | | | | |
|---|---|---|---|---|---|---|
| **1** | Regression | 2.833 | 5 | 13.000 | 16.326 | .000[b] |
| | Residual | 65.000 | 166 | 0.796 | | |
| | Total | 67.833 | 171 | | | |

a. Dependent variable: Company Performance

b. Predictors (Constant)

The ANOVA indicates that the regression model is an acceptable predictor of the dependent variable. The statistical significance of the regression model applied was 0.00. The value being less than 0.05 indicates that the model is statistically significant in predicting how market growth strategies influence the performance of insurance companies. The F critical at 5% level of significance was 3.072, a value that was lower than the F calculated value of 16.326, showing that the overall model was significant.

**Coefficient of Regression**

| | Unstandardized Coefficients | | Standardized Coefficients | T – values | *P* – value |
|---|---|---|---|---|---|
| | Beta | Std. Error | Beta | | |
| (Constant) | 1.403 | .300 | | 3.864 | .500 |
| Diversification | .501 | .108 | .189 | 0.842 | .029 |
| Product development | .438 | .259 | .201 | 0.207 | .122 |
| Online sales | .041 | .231 | .911 | 0.341 | .034 |
| Innovation and Modern technology | .356 | .167 | .572 | 0.206 | .059 |

| | | | | | |
|---|---|---|---|---|---|
| Market development strategies | .633 | .198 | .677 | 0.573 | .228 |
| R | .7031 | | | | |
| $R^2$ | .6443 | | | | |
| Adjusted $R^2$ | .6410 | | | | |

The impact of market growth strategies on company growth was analyzed using a coefficient of regression analysis. The findings indicate that a unit increment in market growth strategies lead to an increase of diversification by 0.501, product development by 0.438, online sales by 0.041, innovation and technology by 0.356 and market development strategies by 0.633. This means that an increment in market growth strategies had a general increment on each of the company performance parameters.

**4.7 Discussion**

The correlation analysis showed that there exists a strong positive relationship between the insurance companies' market growth strategies with their performance based on growth of profitability, customer service, and number of customers, smooth operations and market share. Specifically, the analysis showed that performance of the insurance companies is a factor of product development; this replicates Mutuma's (2013) study, albeit in commercial banks which found out that product development has the highest effect on the performance.

Likewise, the findings showed that diversification as a strategy of market growth has a high impact on company performance, which agreed with Mutuma's (2013) and Muturi, Mwau & Oloko, (2017) who established that diversification had a positive and significant effect on a company's overall performance. Muturi, Mwau & Oloko, (2017) specifically studies insurance companies and found out that diversification strategy, market penetration strategy, market development strategy, product development strategy contributes to the performance of firms within the insurance industry.

This study also established that product development has a positive and significant effect on the company performance in line with Mwania's (2017) findings that indicated that product development and diversification strategies had a positive and significant effect on the performance of commercial bank. Generally, the impact of market growth strategies on the performance of the insurance companies in Kenya can be established by the regression equation:

$$Y = 1.403 + 0.501x_1 + 0.438x_2 + 0.041x_3 + 0.356x_4 + 0.633x_5 + B3,$$

Where **Y** = performance of insurance companies, $\mathbf{x}_1$ = diversification strategies, $\mathbf{x}_2$ = product development strategies, $\mathbf{x}_3$ = online sales promotions, $\mathbf{x}_4$ = innovations and new technology, $\mathbf{x}_5$ = market development strategies and B3 = error factors.

# CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

## 5.1 Introduction

The chapter presents the summary of the study findings, conclusions drawn from the findings and policy recommendations. The conclusions and recommendations drawn are quest of addressing research objectives based on the data collected and analyzed.

## 5.2 Summary of the Findings

The objective of the study was to establish the relationship between market growth strategies and performance of Insurance Companies during Covid-19 era in Kenya. The study focused on Insurance Companies during COVID-19 era in Kenya.

The findings indicate that Insurance Companies in Kenya have adopted various market growth strategies such as diversification, product development, online sales promotion, innovation and technology and other market development strategies to promote their performance. The study established that the adoption of market growth strategies led to improve performance in terms of the profitability, market share and ROA. However, the growth strategy that led to high performance in the companies was diversification strategy, especially during the Covid-19 pandemic.

Moreover, the study found out that adoption of online sale promotions and product development strategies improve performance and enhanced the marked growth of the companies.  The online sale promotion was mostly adopted by various Insurance Companies after the outbreak of the Covid-19 pandemic. The adoption of online sales has been accelerated by the innovation and modern technology improvements. With online sales and other diversification strategies, the companies were able to experience high levels of performance in terms of their profitability, high customer value, high quality services, smooth operations, increased market share, low costs of operations and increased customer base. The regression analysis and correlation coefficient also confirmed that market development strategies promoted the performance of the companies significantly at a correlation coefficient of 0.6734 and this indicates that there is a strong positive correlation between market growth strategies and the performance of Insurance Companies in Kenya, during the Covid-19 Pandemic period. The regression analysis also confirmed that market growth strategies improved the performance of Insurance Companies in Kenya, during the Covid-19 Pandemic period at Coefficient of determination (R2) of 64% which is statistically significant.

## 5.3 Conclusion

From the findings of the study, it was concluded that there is a strong positive relationship between the adoption of market growth strategies and the performance of insurance companies in Kenya, especially during the Covid-19 pandemic era. This was evidenced based on growth of profitability, customer service, number of customers, smooth operations and market share among the Insurance Companies that have adopted various market growth strategies such as diversification, product development, online sales promotion, innovation and technology and other market development strategies. The adoption of diversification and online sales strategy provided highest score in terms of promoting performance of the companies during the Covid-19 period. This was due to the lockdowns, changes in travel arrangements and restrictions in operations of many companies. The study concluded that Insurance Companies should adopt online sales and diversification as a strategy of market growth since they have high impact on company performance.

Moreover, the study concluded that adoption of market penetration strategy, market development strategy, product development strategy and innovations contribute to the high performance of firms within the insurance industry even before the Covid-19 pandemic. This study also established that product development has a positive and significant effect on the company performance since it allow the firm to penetrate new markets and it is associated with diversification models. The study concluded that Companies within the Insurance industry should adopt diversification, product development, online sales promotion, innovation and technology and other market development strategies to promote their performance, especially during the Covid-19 period.

## 5.4 Recommendations

The study focused on five market growth strategies such as diversification, product development, online sales promotion, innovation and technology and other market development strategies. However, it was established that diversification and online sales promotion provided the highest impact on the performance of Insurance Companies in Kenya during the Covid-19 Pandemic era. Therefore, this study recommends the need for insurance companies, policy makers and the government to create conditions that will allow insurance organizations in the country to adopt diversification and online sales promotions in their major operations. This is imperative in promoting the performance of the companies, especially when faced with a disaster or a pandemic like the Covid-19.

It is also important that companies adopt other market growth strategies associated with market development strategy, product development strategy and innovations to promote the performance. This is because the study noted that these market growth strategies contributed to moderate and high performance of firms within the insurance industry even before the Covid-19 pandemic era.

With proper market growth strategies, companies can enjoy high profitability and competitive advantage in the long run. However, the study recommends the need for evaluation and analysis of the market growth strategies before they are adopted in the company operations.

## 5.5 Limitations of the Study

The study is limited in terms of scope, context and methodological approaches that have been adopted. The research was limited to analysis of the relationship between market growth strategies and performance of Insurance Companies during Covid-19 in Kenya. This means that data was only limited to Insurance Companies in Kenya. Therefore, the findings gathered in this study cannot be generalized to other sectors such as the banking industry. In addition, the study restricted itself to market growth strategies associated with product development, innovation and market development and it is important that more variables be considered. The research was also limited to descriptive research design. Consequently, the results might differ with findings from other studies that adopted a different methodology such as time series analysis. However, despite the inherent limitations to the study, the study provided reliable evidence on the relationship between market growth strategies and performance of Insurance Companies during Covid-19 in Kenya.

## 5.6 Recommendation for Further Research

This study was limited to review of the relationship between market growth strategies and performance of Insurance Companies during Covid-19 in Kenya. It is important that future studies be on specific market growth strategies such as diversification and its influence on the performance of insurance companies in Kenya. In addition, the study focused on all Insurance Companies in Kenya and it is important that future studies be done on a case study of Insurance Company in Kenya to determine the relationship between market growth strategies and performance of the

Insurance Company in Kenya during the Covid-19 pandemic. Future studies should focus on how market growth strategies influence performance, specifically market share and profitability of the Insurance Companies in Kenya.

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# APPENDICES

## Appendix I: Questionnaire

The objective of this study is to establish the relationship between market growth strategies and performance of Insurance Companies during Covid-19 in Kenya

**SECTION A: GENERAL INFORMATION**

**Kindly fill all the questions either by ticking in the boxes or writing in the spaces provided.**

1. Name of your Insurance Company

______________________________________________

**What is your Position in the Company?**

Board of Directors [ ]

Senior Management [ ]

Middle level Management [ ]

General Staff [ ]

Others……………………………………

**Age**

Below 20 years [ ]

20– 25 [ ]

26 – 30 [ ]

31– 35 [ ]

Above 36years [ ]

**Gender**

Male [ ]

Female [ ]

**What is the highest level of education you have attained?**

Diploma [ ]

Bachelors [ ]

Masters [ ]

Doctorate [ ]

Other (Please specify) …………………………………………..

**How many years have you been working in the Insurance industry? (Years of experience)**

Less than 3years [ ]

3 –5years [ ]

6 –10years [ ]

More than10years [ ]

**How many years have you been working in this Company?**

a) 0-5 years [ ]

b) 6-10 years [ ]

c) 11-15 years [ ]

d) 16 years and above [ ]

**SECTION B: Market Growth Strategies**

Tick the only one most appropriate answer from the alternatives provided below.

1 = Strongly Disagree

2 = Disagree

3 = Uncertain

4 = Agree and

5 = Strongly Agree

**To what extent do you agree that your Company has adopted the following market growth strategies to improve performance levels?**

| **Statement** | **Strongly disagree** | **Disagree** | **Uncertain** | **Agree** | **Strongly agree** |
|---|---|---|---|---|---|
| The company management has adopted market growth strategies to improve performance | 1 | 2 | 3 | 4 | 5 |
| The company management has adopted diversification strategies to improve performance | 1 | 2 | 3 | 4 | 5 |
| The company management has adopted Online Sales Promotion strategies to improve performance | 1 | 2 | 3 | 4 | 5 |
| The company management has adopted creation of new and premium products to improve performance | 1 | 2 | 3 | 4 | 5 |

| | | | | | |
|---|---|---|---|---|---|
| The company management has adopted innovation and modern technology plans to improve performance | 1 | 2 | 3 | 4 | 5 |
| The company management has adopted product development strategies to improve performance | 1 | 2 | 3 | 4 | 5 |

**SECTION C: Relationship between Market Growth Strategies and Performance**

To what extent has the adoption of market growth strategies improved the performance of your Company

| **Statement** | **Strongly disagree** | **Disagree** | **Uncertain** | **Agree** | **Strongly agree** |
|---|---|---|---|---|---|
| Adoption of Market growth strategies has led to high profitability of the company | 1 | 2 | 3 | 4 | 5 |
| Adoption of Market growth strategies has led to high customer value and high-quality services. | 1 | 2 | 3 | 4 | 5 |
| Adoption of Market growth strategies has led to smooth operations | 1 | 2 | 3 | 4 | 5 |

| | | | | | |
|---|---|---|---|---|---|
| Adoption of Market growth strategies has led to high market share of the company | 1 | 2 | 3 | 4 | 5 |
| Adoption of Market growth strategies has led to high number of clients in the company | 1 | 2 | 3 | 4 | 5 |
| Adoption of Market growth strategies has led to low cost of operations in the company | 1 | 2 | 3 | 4 | 5 |

**Suggest various market growth strategies that can be adopted by company management to promote and improve its performance**

……………………………………………………………………………………………………

……………………………………………………………………………………………………

**THANK YOU**