MARKETING OF INSURANCE PRODUCTS IN KENYA

Case: African Merchants Assurance Company

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ABSTRACT

The purpose of the study is to find out and improve on strategy used in the Marketing of Insurance Products in Kenya; Case of African Merchants Assurance Company Ltd (AMACO). AMACO is one of the 44 insurance firms in Kenya. Among others it is a local incorporated company, which makes a difference in that it is not one of the leading insurance firms in Kenya, which is held by such firms as British-American insurance company. The methodology used is quantitative, qualitative methods, interview and a comparison was made between AMACO and other insurance companies in Kenya, as to find out about the issues of the strategic implementation of the marketing of insurance products in Kenya.

The study is based on the 4Ps, marketing mix, as a theoretical and strategic option of effective marketing. The study is focused at determining the specific marketing strategy of the marketing mix that Amaco uses to market their insurance products. The study does a comparison of various insurance firms, both local and international, operating in Kenya. It specifically focuses on Amaco, a firm with mission statement, objectives and based on implementation of the marketing mix strategy for marketing their products; price, place, product and promotion.
The results of the study indicate aspects of marketing mix (Price, Place Promotion, and Product) are improved. Price is the main problem; Amaco will introduce strategies like instalment payments and adapting the new M-Kesho way of payment.

Keywords:
Marketing, Marketing mix, Strategy, Insurance, Amaco, Kenya

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ABBREVIATIONS

AKI:	Association of Kenya Insurers.
AMACO:	African Merchants Assurance Company.
App:	Approximately.
CBK:	Central Bank of Kenya
COMESA:	Common Market for Eastern and Southern Africa.
GDP:	Gross Domestic Product
ICT:	Information Communication Technology
KenGen:	Kenya Electricity Generating Company
KPLC:	Kenya Power and Lighting Company
KShs:	Kenyan Shillings
NEMA :	National Environmental Management
NISCO:	National Informal Sector Coalition
PWC :	Price Water House Coopers limited
NHIF :	National Hospital Insurance Fund

1 INTRODUCTION

1.1 Background

Insurance is the promise given from one party to another in protection of individuals and assets of the other against any risk by paying premiums as protection assurance. The risk is an outcome of unforeseen circumstances. As a risk management strategy and remedy to solving this problem, risks are transferred to insurance firms based on the principle of mutual agreement between the two parties, the insurer and the insured (Investor words 2010).

The insurance industry has flourished in 40 years since independence, making Kenya the leader within COMESA (Common market for Eastern and Southern Africa) region, despite the flourishing of the industry in reference to a report in 2009, National Financial Access Survey; “only 7% of the population used insurance products and 91% never used (Ndungu 2010, 2) Therefore, out of a population of 39 million, those using any insurance products were approximately 1.3 million only (2009). It was also found out that “48% of the population was ignorant of the meaning of insurance and its usefulness” (Miriri 2010).

This is indicates that Kenya is a potential market and lots of research is to be considered in order to improve on the prevailing and current problems as related to the industry. Level of customer dissatisfaction is high and widely spread in the insurance industry sector, which is characterised by poor service design and delivery (Wells & Stafford, 1995), henceforth the Association of Kenyan Insurers (AKI) was established in 1987 in order to create awareness on the matters concerning the insurance business in Kenya (AKI 2009).

Kenya’s Central Bank manager said “that a lack of awareness was hampering growth of the insurance industry in east Africa’s largest economy, where only 7 percent of its 39 million people are insured” (Miriri 2010). With the current era, doing business is based on strategies; henceforth the insurance industry should ensure that their strategy is sound as this determines the current and the future prosperity of the industry.

1.2 Objective of the Thesis, Research Questions and Limitations.

The objective of this thesis is to find out and improve on the strategy used in marketing of insurance products in Amaco Insurance in comparison with other insurance company in Kenya, henceforth leading to increase in the sales and understanding customer’s perception on the insurance products from the organised interviews. The main objective can be divided into sub questions;

- What are the various products that insurance market in Kenya?
- What distribution channels do the insurance firms employ?
- How does most organization promote their insurance products?
- What insurance price strategies are employed in the marketing of insurance products in Kenya?
- How should the marketing mix be improved in Amaco?

These questions will be answered in order to come with an implementation plan in improve or change the marketing mix in AMACO.

This study has certain limitations; the study limits the exploration and describing of the producers perspective, it focuses on the customers perspectives. In terms of geographical location, it concentrates only in Nairobi, Kenya’s capital city, and will not indulge in economic and financial related reports as these are confidential issues concerning the company.

1.3 Research Method and Data Collection.

The use of qualitative and quantitative methods is used as a technique in this research. To find out the strategies used by most insurance firms in Kenya as well as seeking the views of consumers, there is a need to use both methods. Qualitative research analyse data in form of words. This method explores and describes people's lives, experience, feelings and also organisational function, placing a researcher to experience the feelings of the individual interviewed. Qualitative analysis analyse data in form of numbers, counts and hypothesis, the use of both methodologies is recommended in complex research, according to Keegan (Keegan 2009, 13- 17).

In order to acquire the appropriate information, both primary and secondary data collection methods are implemented. Primary data is the first hand information gained by a researcher which include interviews, questionnaire, and observations. Secondary data is the use of primary sources by the researcher in order to gather concrete findings, they include paper based sources; magazines, books, newspapers, etc. Electronic sources are internet. A comparison of competitors (kenindia, Madison, British) marketing mix will be analysed.

1.4 Theoretical Framework.

In the current era no business can prosper without sound strategic planning. Strategic planning is a process whereby a company clearly states both its internal and external objectives; in order to formulate a strategy, evaluate and implement necessary adjustments in order to stay in position. Organisations have realised the important role of sound strategic planning (Luiz Moutinho et al 2004, 94) and considered it as a high level planning, since the decisions made determines the current and future prosperity of the business.

Strategic planning process defines the current position of the business, which gives details on the products, markets, as well as the customer in the region and how needs of these customers is executed. This also indicates the number of segments the organisation is putting into consideration, the marketing techniques to be used in order to satisfy the customers. Organisation state their objectives as reflected by the mission statement in relation to their activities, there after an analysis to measure the strength or weakness of the business can be analysed through SWOT analysis.

Organisations will pursue its objective through formulation of strategies underlining its competitive advantage, competencies and growth, which should be a functional strategy indicating the company achievements hand in hand with the objectives. The company will therefore analyse its position through implementation and follow up in order to confirm the progress of the strategic planning process (Peter Doyle 2006, 126).

Marketing is the building of long term relationship between the buyer and the seller with the aim of creating and capturing value from the customers in return, through the selection of target markets and suitable products and services for the consumers. This is achieved through marketing strategies used by a company. Marketing strategy is the “techniques used in organizations in order to develop high customer value and attain profitable customer relationship” (Kotler et al 2010, 72); on the other hand it indicates the company competitive advantage. Marketing strategy plays an important role as it outlines the objective and missions of a company, henceforth the development of an integrated marketing system (the 4Ps) which in return acts as a mode of achieving the customer service level, as reflected by Philip kotler, on the concept of marketing mix.

1.5 Structure of the Thesis

The thesis consists of six parts. The second chapter of this study covers strategic planning in regards to Ansoff Growth Matrix in relation to the marketing mix tools (4ps). Planning process provides an insight into what activities are to be carried out in this process so as to achieve strategies put in place.

The third chapter defines Kenya as a Market, whereby a description of general market is analysed, thereafter focusing on the insurance business in Kenya. Mentioning briefly key insurance companies in Kenya and the products offered by the various listed insurance companies and the challenges faced in the industry.

The fourth chapter is a lead to case company of African Merchant Assurance Company limited (AMACO). An insight of the company selling process will be described, the products and the target groups.

The fifth chapter looks into problems faced by Amaco in the insurance industry, giving recommendations on how to improve the marketing strategy in relation to the marketing mix.

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Lastly the summary follows as a result of the findings of this research.

2 MARKETING STRATEGY AND PLANNING PROCESS.

The Chartered Institute of Marketing define marketing as “the management process responsible for identifying, anticipating and satisfying customer requirements profitably” (Learn Marketing 2010). Incidentally, the term marketing has transformed and evolved over a period of time. In the current world marketing has become more professional and is based on providing constant benefits to the customer, while the benefits are provided, transactional exchange also takes place. Essentially, the theme in marketing is meeting the needs and providing resources. In the definition of marketing, as sited in the Learn Marketing Website the following Figure illustrates a framework for the marketing definitions by various authors;

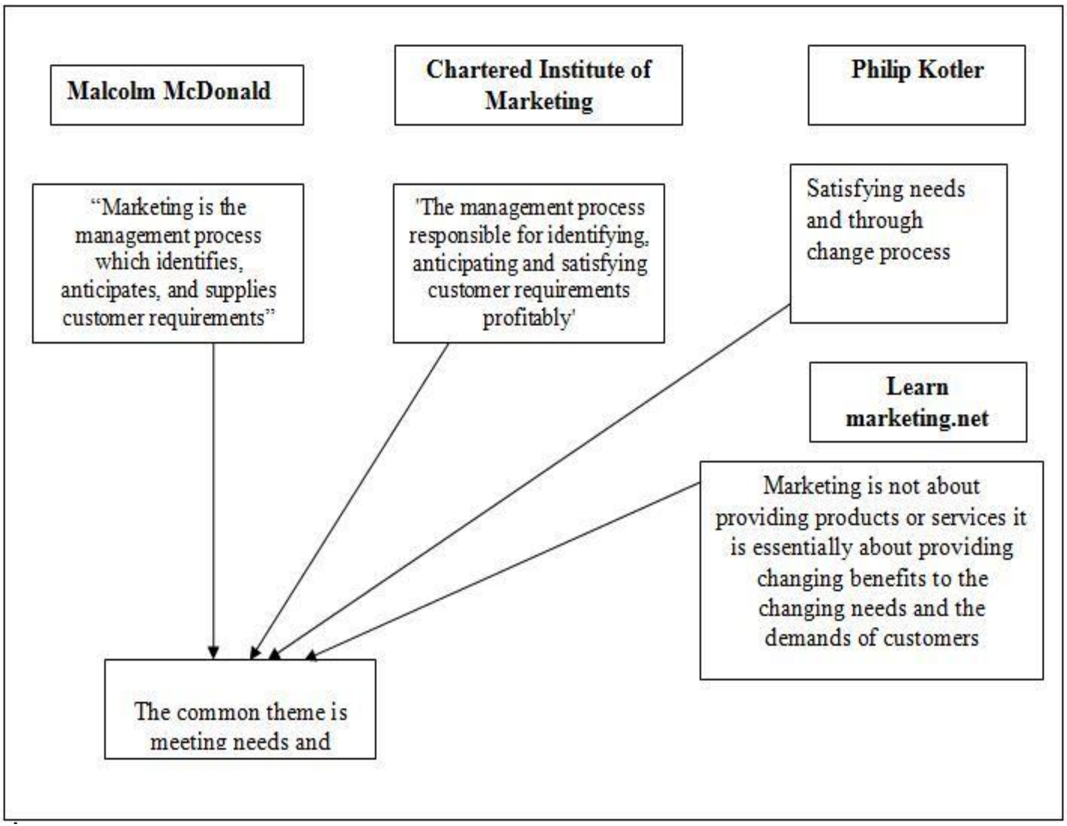

FIGURE 1. Definition of Marketing adapted from (Learn Marketing 2010)

As illustrated by Figure 1 above, it’s clear that all aspects of the definitions concentrate on satisfying customers’ needs, creating brand loyalty henceforth enjoying the products benefits.

Marketing strategy and planning process are essential components in product selling. Given the complex product marketing nature in the current environment due to competition, it provides a framework for focussing organizations' resources towards targeted and beneficial markets. They will not only in the long term help the organization to advance but also sustain gained markets and customer relationships. They also minimise threats easing entry into new markets, henceforth aids in development of new products or services. Marketing plan ensures that organisation's resources are used in the most efficient manner to create, communicate, deliver and sustain better-quality value for both the client and the organisation. The two are the key basic objectives of product development and marketing initiation, as stated below:

2.1 Strategic Planning Process.

Sound strategic planning of a company depends on its marketing plan. A marketing plan is a document illustrating the direction and integrated actions to achieve both strategic and tactical marketing plans and long term objectives and goals, as indicated in the Figure 2 below:

Strategic Planning Process

FIGURE 2. Strategic planning process modified from (QuickMBAa 2010)

Strategic marketing defines what the company is ready to offer to its customers in regard to customer value and the target markets of focus, while Tactical marketing explains how marketer's cover the marketing activities (4Ps). All this aims at improving of a company's position and achieving the targets, inform of profit and business growth (Gary et al 2009, 53).

According to the Figure 2 above, achievements of a successful strategic plan first starts with analysing and stating the company's mission and vision, answering to what a company intends to do and achieve in respect to their customers, thus indicating the direction towards their achievements. Stake holders are always interested in what benefits they will gain from the company and can be outside as well as in the company, for instance consumers, investors and suppliers among others.

Secondly, companies should understand the environment they want to invest in, henceforth the need for environmental scanning is important as it assists in the analysis of current situation of the company. Environmental scanning analyses the environment; external aspect, competitors, internal business culture and knowledge analysis. Environmental analysis illustrates the fluctuation of prices in the market, consumers demands, economic condition locally and internationally and the technological developments. Environmental scanning can be achieved through various methods namely; PESTEL analysis, Competitor analysis, Porter Five analysis and SWOT analysis. PESTEL analysis evaluates the external microenvironment of the company. Competitor analysis indicates the competition in the market, companies should understand that new or substitutes products can be introduced into the same market, therefore a porter five strategies should be implemented to measure entry barriers, suppliers, customers, substitute products, and industry rivalry to be on track. Companies can use strategies such as differentiation, market segmentation (customer driven) and production activities focused at cost efficiency level (manufacturing, distribution, marketing and administration costs) in order to have a competitive advantage. They should measure their internal capabilities for instance, strengths and opportunities. A SWOT analysis is a convenient way of measuring the status, and makes clear the weakness and threats that a company might encounter in the target market putting into consideration also the cultural aspects (NetMBA 2010).

Thirdly a company formulates the strategies; these strategies are a result of the environmental analysis results attained by the company as referred to in the Figure 2 above. Companies run business activities aiming at making profits; the strategies are based on competitive advantage so as to achieve the desired profit level. They use cost leadership, differentiation and focus strategies to attain competitive edge. In cost leadership, a company produces and offers to the market a product comparatively at a lower price. Differentiation is the developing of a product in the market, to achieve a unique aspect that makes it stand out from the rest. Focus strategy "concentrates on a narrow segment and within that segment attempts to achieve either a cost advantage or differentiation" (QuickMBAb 2010).

Fourthly, implementation Strategy follows. This is not an easy task; an interview stated that nine out of ten strategies occasionally fails, (CNBC Video 2011) henceforth, according to Robin the leaders should concentrate on the strategies as part of the agenda in company’s meetings. Appointing a strategy manager to manage the project is essential, communication flow in this process needs to be clear and reliable in staff meetings, memos and e-mails in order to emphasise on what is required of the organization staff. Accountability should emphasise on who is executing the goal and how often the update is provided. The updates review can be done weekly, monthly, quarterly or annually. It is therefore important to set the strategic reviews date in advance, leaders are advised to spend more time on the implementation process after strategy formulation (Olsen 2010)

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Lastly is evaluation and control, this monitor the overall strategies implemented are positively working. The strategic planning process focuses on a product or service, a brand, or a product line. Normally the plans cover between one to five years. As stated earlier, marketing strategy is the basis of the marketing plan. They basically incorporate a sound strategic plan which is the foundation for effective marketing. According to (Malcom et al 2002, 31-33) market planning is a very simple concept and involves;

- Analyzing the current situation
- Formulating basic assumptions.
- Objectives set pertaining the product is considered, what to or not to sell.
- Deciding how the objectives are to be achieved.
- Scheduling and costing out the actions necessary for implementation.

2.2 Marketing mix

Marketing mix elements are the tactical elements in the marketing plan, they are also referred to as the 4Ps of marketing (price, place, product and promotion.) as illustrated in Figure 3 below. In this competitive business era, a company should enforce a sound strategy as it determines the performance of the company, therefore the marketing mix of a company should be integrated to increase profits and offer customer value service. It is important that the marketing mix blends with the strategies formulated (Kotler et al 2010,76).

The 4Ps of marketing are defined as follows; Price is the "The sum of the values that customer exchange for the benefits of having or using the product or service" (Kotler et al 2008, 639). The sum price can be in discounts, allowances, credit terms and list price. Product is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a need or want, can be tangible or intangible (Kotler et al 2010,76). Customer selects a product depending on its quality, package, design, warrant, brand and size. Place is the distribution channels of a product, from producer to the end users. Promotion is the creating awareness of new or existing products, improving image of products stating the benefits of the product to the consumers in the target market. Promotional mix strategy consists of personal selling, sales promotion, advertising, publicity and public relations in order to follow through on its marketing and advertising objectives (Trehan et al 2007,17).

Figure 3 below illustrates the marketing mix concept which is the core of the business activities. An emphasis on integrated marketing mix is compulsory for excellent results.

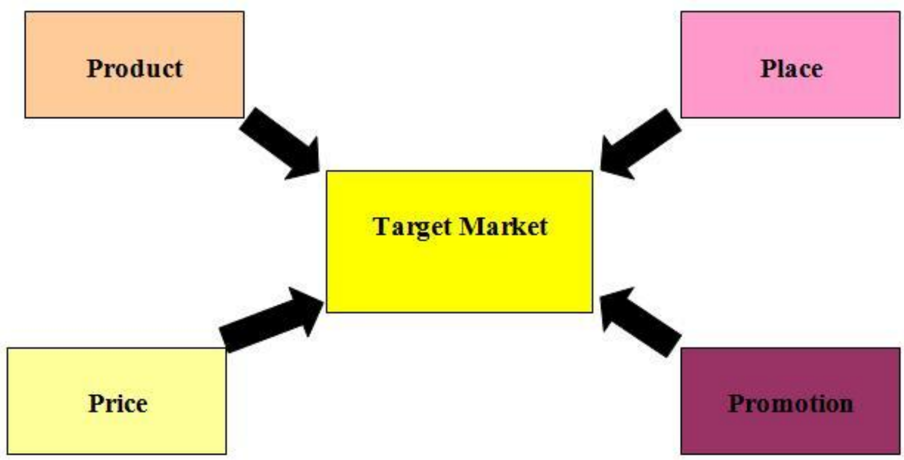

Figure 3.The marketing mix modified from (QuickMBAc, 2011).

It is recommended that the integrated marketing mix has to work hand in hand with the formulated strategy in order to conquer the targeted markets'. One way to consider and structure the marketing strategy can be such as the Ansoff Growth Matrix. The Ansoff Growth matrix is a tool that enables enterprises to make decisions on product and market growth strategy. According to the matrix there are four possible product-market combinations; market penetration, product development, market development and diversification, as illustrated in Figure 4 below;

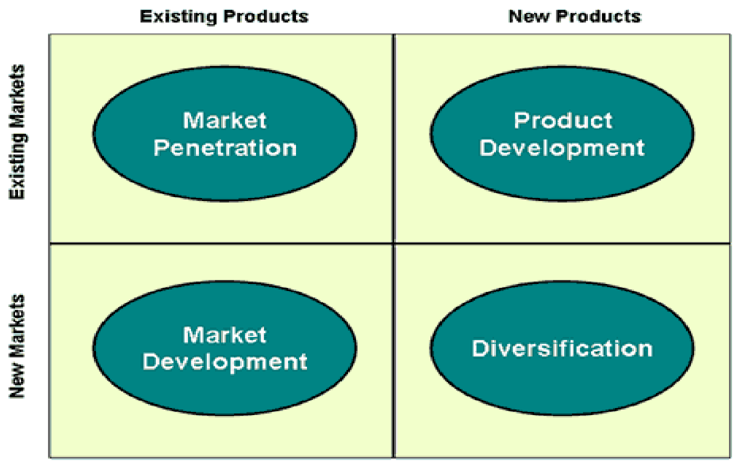

FIGURE 4. Ansoff Growth Matrix modified from (Tutor2u 2011).

The market growth depends on marketing of new or existing products in new and existing markets. The output from the Ansoff product/ matrix is a series of suggested growth strategies that set the direction for the business strategy as described below:

2.2.1 Market Penetration.

Market penetration is a “measure of amount of sales or adaptation of a product or service compared to the total theoretical market for that product. The amount of sales or adoption can be an individual company's sale, while the theoretical market can be the total population, an estimate of total potential consumers for the product (Investopedia 2010).

Market penetration is where an organization seeks to increase its market share in their existing markets. It is the extent to which a product can be recognized and bought by customers in a particular market. This effort is achieved when the strategy utilizes the organizations existing resources and capabilities, maintaining the market share hence growth. However, whenever a strategy reaches its optimum level another strategy should be pursued in order to maintain the growth.

Market penetration focuses on maintaining or increasing the market share of existing products. This can be achieved by utilizing the 4 Ps of marketing, (price, promotion, place, product); competitive pricing strategies, advertising, sales promotion and dictate the skills of personal selling the products. It also involves securing the dominance of growth markets. This engrosses restructuring of the market by ensuring that the competitors are driven out. This requires not only aggressive promotional mix but also pricing strategy as indicated below;

Price; Price is the reflection of the market forces and is defined as “The sum of the values that customer exchange for the benefits of having or using the product or service” (Wong et al 2008, 639), pricing tactics normally change as the product or service goes through the product life cycle (Kotler et. al, 2005**,** 293). Firms normally follow four types of strategies; premium pricing, good values, overcharging and economy pricing strategy. The following Figure 5 provides further information.

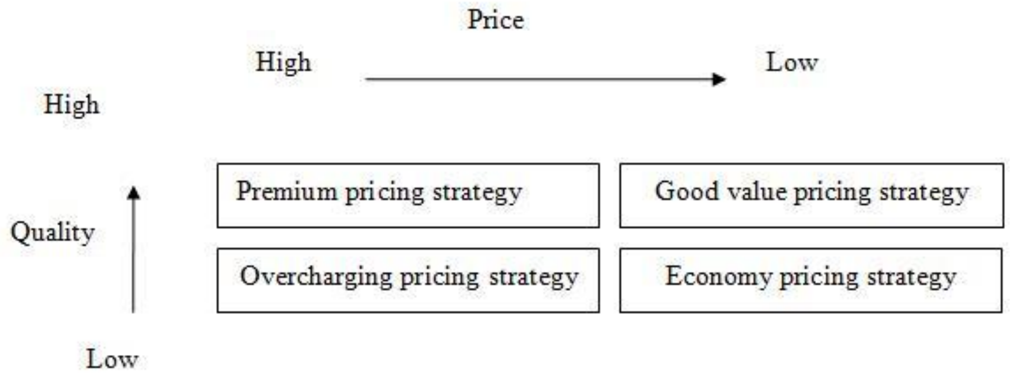

FIGURE 5. Pricing strategies model adopted from (Kotler et al, 2005).

Pricing is the most important aspect of the 4ps as it is a source of revenue unlike the other aspects of marketing mix; promotion, place and product as they are cost aspects. In theory, the price is the determinant of what customers perceive as the value of the item on sale therefore, an organizations pricing policy will vary according to time and circumstances. Sound pricing strategy determine the success of a product however inefficient strategy will negative impact on the product and the organisation in general (Kotler et al 2010, 314).

Pricing strategies used ensures the success of market penetration and development. There is different types of pricing strategies; premium pricing, economy pricing, good value pricing and overcharging pricing strategy. From figure 5 premium pricing strategy means high-quality product and higher prices, can be associated with luxurious goods, economy pricing strategy has a low quality product or services and changes lower prices and maintaining low costs (Bovay, 2010). Good – value pricing offers high quality at an affordable price, whereas overcharging strategy means that the product or service relative to the quality/service (Kotler et.al 2005)

Firms dealing with innovative products can chose pricing as a strategy to market skimming or penetration strategy. Market skimming pricing is “setting a new price for products to skim extra revenues layer by layer from segments willing to pay high prices, company makes fewer but more profitable sales” (Kotler et al 2010, 336). Penetration pricing concentrates on low entry price in comparison to the market price in order to attract customers (new brands). The price of an item is an important determinant of the value of sales made.

Promotion; these are the payable activities incurred by the sponsor in order to create awareness of new or existing products, enlighten the users on the benefits offered through the product, creating positive image on the product and company in general, promotion also allows users to distinguish products from the competitors (Kotler et al 2010, 454). Communication is the important tool in promotions henceforth the need to identify the appropriate channel of communication is compulsory, this calls for integrated promotional mix strategy. Promotion as a tool develops market penetration as it defines the product category, for instance it encourages the usage of a product by the users and also creation of brand awareness, as it “speaks of market penetration in terms of brand awareness, brand recall, or some other marketing-communication metric that reflects ‘share of mind.’ For example, an advertiser might recommend a new campaign as part of a market penetration strategy designed to increase brand awareness from 25% of the market to 40 %” (Market Penetration 2010).

Promotional mix strategy is a combination of channels used by firms to communicate to its targeted customers; the channels can be defined as internal and external channels. Internal channels consist of information whose source is from the organisation on how to undertake the organisation activities for instance marketing and production. External channels are information that is derived outside the organisation (Palmer 2001, 324).

(Kotler et al 2006, 111) state that the relative importance of each of the promotional mix tools for industrial goods, in descending order, is: Personal selling, sales promotion, advertising, and public relations. They add that, personal selling in such markets is more heavily used with expensive and risky products and in markets that have fewer and larger sellers, that’s why insurance companies should consider this as an effective and direct method of selling the products. Intermediaries are used in the distribution channels as they create efficiency in providing products to end users as these intermediaries are more specialized expertise.

Advertising is the mode of conveying of information to the audience or users, in regards to the new or existing product in order to create the awareness, quality, and benefits of the product. According to observations, transformation in advertising sector has improved from traditional to modern advertising where sophisticated, fast and reliable forms are used. This includes media, newspapers, internet, product placements, and billboards among others.

Sales promotion a marketing tool used to create value to the sales force, distributors, or ultimate consumer and can immediately stimulate sales. It can be categorized into two, consumers and trade oriented sales promotion. Consumer oriented sales promotion concentrates on the end user of the product; it includes free samples, premiums, couponing and sweepstakes. Trade oriented sales promotion as defined by the term trade targets the buyers in bulk for instance wholesalers, distributors and retailers. Trade oriented sales promotion is aimed to encourage the traders to stock the products on sales promotion whereby the trader's benefits from merchandising and promotion allowances, price deals, sales contest and trade shows.

Public relations aims at evaluating and identifying policies, attitudes and perceptions of an organization in regards to the public interest, this is important to the company as the focus is building of the company positive cooperate image with the society in general (public). The use of public relations as a promotional tool is highly increasing. Many firms are engaging in PR s form of communication tool that could cover most of marketing and advertising activities (Belch et al 2001, 23).

Insurance is a sensitive business in Kenya, henceforth the promotional mix aspect personal selling id the most convenient mode of sales execution. Personal selling is face to face communication whereby a seller try's to persuade the buyer to buy the product or to initiate the buyer of the new product henceforth allowing them to act on the idea. As stated earlier in the text, personal selling is an effective method of promotion in markets dealing with expensive and risky products and in markets that have fewer and larger sellers, as the marketer has communication flexibility and an immediate feedback are visible according to the buyers reactions, which gives room for rectify the communication process and tune it in an appropriate manner (Belch et al 2001, 24).

Personal selling is the most recommended marketing mix tool that can penetrate the insurance market in Kenya due to its beneficial characteristics of direct contact, as many Kenyan’s regard insurance as a luxurious product, therefore it calls for this mode of marketing since the adverts in the media has cropped no changes in the insurance industry.

2.2.2 Market Development.

Market development is a “strategy for a company growth by identifying and developing new market segments for current company’s products” (Kotler et al 2008, 146). This is a marketing strategy aimed at increasing a company's market in order to widen the customer base for the purpose of selling more products. The strategy is achieved through expansion in new areas not served by the segment markets, indulging by winning customers of rival companies. Market development is made possible by selling of new products to new and existing customers; need to focus in new geographical (Palmer 2001, 424).

Place can be referred to as “all company activities that make the product or service to make the product available to the targeted customers” (Kotler et al 2008, 50). Place is concerned with various methods of transporting and storing of goods and then making them available for the customer. According to (Boone et al 2011, 416) a marketing channel is defined as “A system of marketing institutions that promote the physical flow of goods and services, along with ownership title, from producer to consumer or business user, also called a distribution channel*”*. It is crucial to determine the type of channel which is most appropriate for attainment of their objectives. Channels can be through stores, internet, distributors, retailer and brokers among others. Direct marketing involves no intermediaries, as illustrated in the figure 6 below.

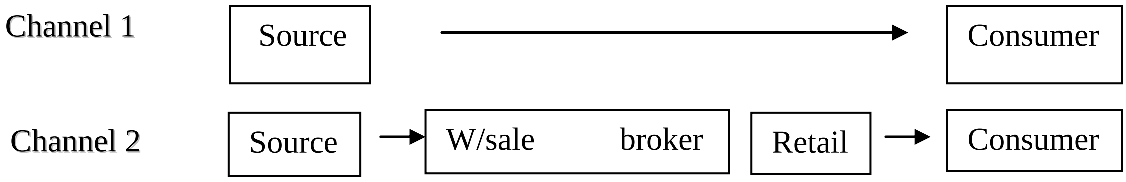

FIGURE 6. Types of distribution channels modified from (Boone et al 2011,436.

This aims at availability of the product to the consumers, it's convenient when available in all places to increase sale and sustain customer value and satisfaction.

Main objectives in market development include; moving into new geographical markets; improving the product dimensions or packaging, improved distribution channels, enhancing effective pricing policies to attract diverse customers or creating new market segments. All these are emphasised in order for profit making and growth according to the company's target.

For a successful market development that blends with the objectives, organisations should first make a definition of targets; henceforth the identification of the target market sectors is established as this give focus of what they are involved in. Secondly an assessment is made the current sales department, if need for adjustments then action is taken, efficiency is important as information should be up to date. Based on the strategic decision makers, they formulate strategy aims focusing competitors, positioning, product mix and margin. Fourth, monitoring, measuring and reporting systems should be developed, with good communication flow, back and forth for production and reliability. Fifth the implementation of sales activities are emphasized and finally follow up is essential in order to be certain goals are achieved, both positive and negative should be considered. Company's encounter failures in strategies henceforth if not a successful strategy actions should be taken. (Smith 2011).

2.2.3 Product Development.

Product development is the growth strategy where a business aims to introduce new products into existing markets. According to (Lamb et al 2007, 384), a new product strategy links the new-product development process with the objectives for the marketing department, the business unit and the corporation. A new product has to be part of the organization's overall marketing strategy (4Ps-Product). The product offering is the heart of the organizations survival. An organization cannot determine a price, design a promotion strategy or create a distribution channel without a product to sell. (Lamb et al 2007, 310). Lamb et al (2007, 284), further defines the product as everything, both favourable and unfavourable, that a person receives in an exchange.

Product are the goods and services offered by the company in order to satisfy the customer's needs and wants, as AMACO insurance products that ranges from domestic to business solutions. (Kotler et al 2010, 248) defines a product as anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a need or want. It can be a tangible physical goods, services or ideas. According to (Societal Marketing 2011) the product has been categorized as desirable, salutary, pleasing, and deficient products. This is what the design of the product should be in order to appeal to buyers.

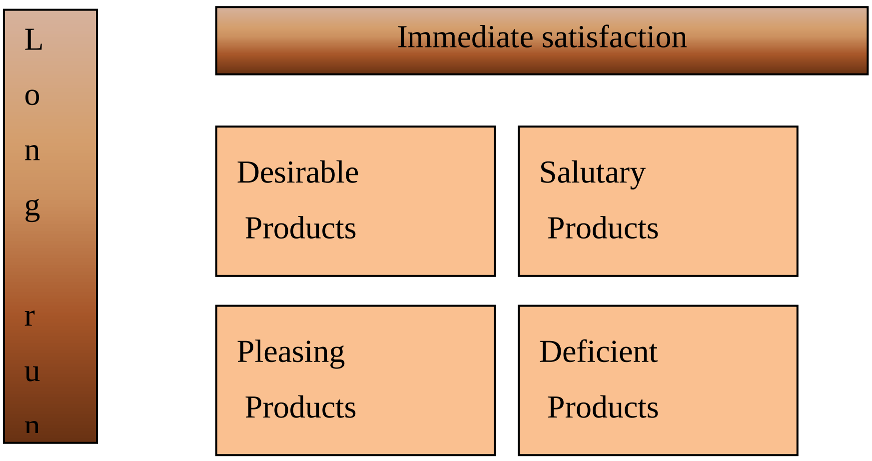

FIGURE 7 .Consumer welfare and satisfaction model of products; adopted from (Societal Marketing 2011).

As illustrated in the figure 7 above desirable products have both high and immediate appeal and long term satisfaction. Salutary products have low immediate appeal but may benefit the customer in the long term. Pleasing products have high immediate appeal but might hurt the consumer. Consequently, Deficient products have neither immediate appeal nor long term benefits, therefore when a product is introduced into the market it must be understood; who the product is aimed at, what benefits will be expected, the plans to position the product within the market and what differential advantage will the product have over their competitors. (Societal Marketing 2011).

Lamb et al 2007, 321), states the following characteristics that can explain the rate of acceptance and diffusion of a new product into the market.

Complexity – the degree of difficulty involved in understanding and using a new product.

Compatibility – the degree to which the product is consistent with existing values and product knowledge, past experiences, and current needs.

Relative advantage – the level of superiority of a product to other existing substitutes in the market.

Observability – the degree to which the benefits or other results of using the product can be observed by others and communicated to target customers.

Product development is more than what is to be presented to customers. According to (Thomas 1993,7) “products link a firm with its stakeholders – organizations and individuals that include its customers, suppliers, owners, employees, regulators and others interested in the firms performance” He further states that “A new product can also be to change an organizations competitive advantage” (Thomas 1993, 8)

2.2.4 Diversification

Product diversification is very important in the general marketing strategy. When firms market or introduce new line of products in new market, which is totally different from the previous line of business this is referred to diversification, unlike product variation or differentiation whereby a new variety of products is introduced in the market. In reference to Kesavan et al he states that a firm that produces products which is completely different product which cannot be substitute to an existing product we call that diversification (Kesavan et al 2005, 12.8).

Diversification other than involve new products or new missions, “in practice and product development or market development represents continual rather than discrete categories of business growth (Placeholder1)” (Foxall 1981, 83).

According to Foxall the “precise point at which product or market development becomes diversified depends on the definition of the term new’’ (Kazmi et al 2008, 150), also reinstates that “when new products are made for new markets then diversification takes place. The notion of diversification is related to the newness of products or markets or both.” Rather the rationale behind diversification stems from two circumstances; first, the firm can no longer attain its objectives by expanding its penetration of existing markets or by strict measures of product or market development. Second, diversification offers a more profitable alternative to expansion along the lines that already exist. (Foxall 1981, 84). The following provides the implications of diversification;

2.3 Marketing Objectives.

As defined on the website marketing objectives “is what the organisation is trying to achieve through its marketing activities on a specified period of time, which are closely linked with corporate objectives” (Glosary 2010).

An organization to achieve its set strategies, necessary objectives and outcomes must first be known. This also involves the process of analyzing relevant environments and setting marketing objectives. To create any objectives however the marketers must first develop accurate and appreciation of issues in the relevant internal and external organizational environments that will affect the organization and the resources either positively or negatively in achieving the expected outcomes. The marketing objectives are predominantly concerned with creating, communicating, delivering and sustaining value. To do this effectively, there are two distinct issues that the marketing planners must address; the existing and potential customers (market segments); or the value proposition to be offered (created and communicated) to those customers.

While setting the objectives the organization should ensure that they meet the organizations needs. Fundamentally, the marketing objectives should lead to sales of products otherwise one should change the objectives when necessary. The objectives should be clear, measurable, and have the stated time frame for achievement (Marketing Plan 2010). Let us revisit the common SMART acronym of objectives. Business needs to set objectives for the marketing of their products or services. When objectives are established it helps the company to focus on specific agendas over a certain period of time, which motivates the staff to achieve the common goals and objectives, enabling the company to control its marketing plan and consistent focus on all functions of the organization. (Smart Objectives 2010). Smart stands for;

1. Specific – aim and goals are specified.
2. Measurable – organisation should know their achievements through measuring.
3. Achievable – Are the set objectives attainable.
4. Realistic – if realistically they can achieve the expected objectives with the available resources.
5. Time – specific time frame of achieving the objectives. (Smart Objectives 2010).

Planning process of an organisation use various methods as market analysis, planning, implementation and control, this are enforced in order to help the company achieve and correct errors henceforth achievement of their objectives. The company should analyse their current situation, what they intend to do, how to do it and also focus on what they want to be in the future, as illustrated by the Figure 8 below. Considering this aspect the company has to develop the internal and external marketing strategies and if need to changes arise, action should be taken, henceforth this calls for efficiency in tracking of the firms activities and implementation as the current business evolves on customers perspective, thus models like Market analysis, segmentation, implementation and control have to be considered (Kotler 1994).

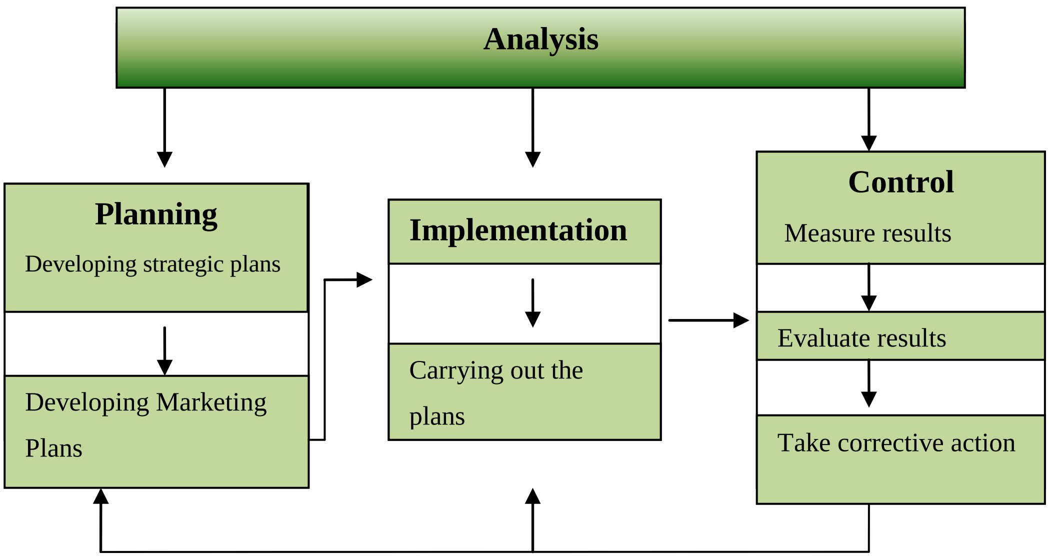

FIGURE 8. Managing marketing; planning, implementation and control (Kotler et al 2010, 78)

2.3.1 Market Analysis

Market analysis shows the attractiveness of a market and indicates the situation analysis of the organisation, illustrating the opportunities and threats of the business in reference to its strengths and weakness, which is made possible by analysis of the SWOT analysis of the company as will be illustrated later in the case company study. Market analysis has various dimensions which will only be stated they include; Market size (current and future), Market growth rate, Market profitability, Industry cost structure, Distribution channels, Market trends, Key success factors and competitors. The analysis of the above aspects enables the organisations to understand its market; however there is need for external and internal analysis of the organisation as well in relation to their marketing activities and goals.

External analysis is the “macro-environment that affects all firms and a micro-environment that affects only the firms in a particular industry. The macro-environmental analysis includes political, economic, social, and technological factors and sometimes is referred to as a Pest Analysis” (QuickMBAa, 2010). The external analysis define the environment in which organisation wants to establish its business in terms of political stability and legal requirements, economical standard, social standard in reference to the culture and the technological forces. Micro economics affecting the micro environment especially in industrial sectors can be analysed using Porter Five forces.

The analysis of the competitors allows the organisation to understand the external environment they are to compete with, according to Kotler et al the understanding of the external environment is essential to the prosperity of the business. This is made possible by porters five analysis which clearly defines the relationship with other competitors. Organisations can identify its strategic groups leading to the identification of their position, strength, weakness and objectives of their competitors. Porter five analyses the major forces in order to evaluate the competitor’s environment. These forces include; threat of new entrants, power of buyers, and threat of new substitutes, competitive rivalry and power of suppliers (Kotler 2005, 42).

As determined by the vision and mission statement, a reflection of the company's potentials to offer customer value is executed through segmentation, marketing mix and positioning. Kotler refers to company as a value creation and delivery sequence, this means segmentation takes place in order to establish the target market and develop the offers value positioning. Further emphasis on segmentation, targeting and positioning (STP) is introduced as an essential of strategic marketing (Kotler 1994, 93). Issues like implementation and control should also be considered. The author will briefly explain these relevant parts below;

Segmentation is the art of identifying a range of customers with the same specific needs, henceforth the marketers act in response to these needs according to the marketing actions. Organisations acts on this manner to cut down costs as it's expensive to achieve customer value when dealing with different and small segments of customer needs. Understanding customers' needs is an essential point; this will give the marketers the knowhow to achieve their marketing actions, thereafter enabling them to create target segments in relation to their marketing activities. Segmentation is based on customer's characteristics, for instance geographic, demographic, psyographic and behaviouristic. Geographic segmentation is related to target markets in different locations, as customers from different areas portray different buying habits. Demographic refers to dividing the market in aspects of age, sex, family size and levels of income. Psyographic segmentation deals with dividing the markets according to lifestyles and personality in brief. Behaviouristic is dividing users according to loyalties, usage and response to the products (Belch et al 2001, 47).

Effective segmentation criteria make it easier for the marketer to choose the target markets, whether to focus on undifferentiated marketing, which focuses on one product for the entire market or Differentiated marketing whereby the focus is on a number of segments with different marketing strategies. Concentrated marketing focuses on one segment with the aim of capturing a large market share. Organisations should ensure that a sound segmentation criterion is used in order to offer customers satisfaction to the target customers (Belch et al 2001, 50).

Targeting comes in hand after the selection of the segment markets, this gives an organisation a choice in which target market segment to venture in. Kotler et al stated that a chosen target market segment should be profitable and have potential of offering customer value to the customers in a sustainable duration of time. An organisation considers it capability financially, levelling the profitability involved in engaging in different market segments if proven profitable. It is encouraged that firms with less capability should engage in niche markets in order to maintain their profitability and customer value level (Kotler et al 2010, 73).

Positioning is a technique whereby a product or service is placed to fit in various segments of the market, in a creative manner in order to differentiate it from competition. Improving of brand image is achieved from this and the benefits of the product are conveyed in the message itself to the targeted customers. Positioning is considered as a great brand image builder by the marketers, henceforth positioning strategies should indicate whether they are consumers or competition focused, also the level of competition should be analysed to know the rate of competition in the market. Strategies derived define the positioning strategies whether by price, usage, product attributes, class, users and competitors. It is advisable to reposition the product in cases of low sales output as this will improve on the current situation of a product or service. This indicates that the previous positioning strategy is not effective (Belch et al 2001, 52-55).

2.3.2 Implementation

As stated earlier, after determining the situation analysis of the organisation using strategic plans and marketing plans during the planning process, the next step is for the company to carry out the plans by implementation. Implementation is putting in practice the strategic plans of an organisation into action. To achieve the strategic objectives, it answers to who, where, when and how the plans can be accomplished (Kotler et al 2010, 79). Implementation tends to be difficult; henceforth decisions may change on the basis of improvement. Carrying out this process needs both the internal and external sector to aid with different activities. “The implementation phase involves identifying the required resources and putting into place the necessary organizational changes” (NetMBA 2010).

2.3.3 Control

Control measures and evaluates the implementation process; organisations dictates the methods to be used in order to know what products are achieving the outlined goals, a measure like return on investment can be used. Control system should be developed in order to acquire adequate monitoring which will lead to the success of the company (QuickMBAa, 2010)

3 INSURANCE BUSINESS IN KENYA

3.1 Kenya as a Market

Kenya is a country located on the east coast of Africa; economic growth was estimated at 5.3 percent in the year 2011, with an estimated population of 40.8 million. Since independence in 1963, Kenya has realised transformation due to investments in Public sectors, Agriculture and Foreign industrial investments, the infrastructure is also improved (Roads and Ports) (Central Intelligence Agency 2011)

There are several markets in Kenya's manufacturing industries, Agriculture based and Services sectors (Tourism, ICT and Energy) and these are the main players in the economic growth. Manufacturing industry has positively contributed to the growth of the economy, as it experienced growth as from the late 1990s. It is reflected that Nairobi industries are the major contributors to the GDP of the economy as the industries headquarters are located there. It is further stated that apart from Agriculture the Service industry leads with a GDP contribution of 59.2, Agriculture at 24 and lastly followed by the Manufacturing sector (Encyclopedia of the Nations 2011).

Agriculture is referred to as the backbone of Kenya's economy, not only it is a source of foreign exchange , but also contributes to 30 percent of Kenya's GDP, henceforth accounts to 80 percent of the national employment mainly in the rural areas, providing food for the locals. This is visible by the Cash crop products (Tea, Coffee, Cotton, and Horticulture) which are important export materials in the sector. Kenya's farmers also concentrate on Livestock rearing, Sugarcane Plantation, Pyrethrum, Forestry and Fisheries. (Pwc 2011).

Manufacturing sectors are private (Foreign),of which a quarter is owned by the United Kingdom investors and United States of America investors being the next with a larger share. The manufacturing sector also includes "Electronics production, Vehicle assembly, Publishing, and Soda Ash processing are all significant parts of the sector. Assembly of computer components began in 1987. Kenya also manufactures Chemicals, Textiles, Ceramics, Shoes, Beer and Soft drinks, Cigarettes, Soap, Machinery, Metal products, Batteries, Plastics, Cement, Aluminium, Steel, Glass, Rubber, Wood, Cork, Furniture, and Leather goods. It also produces a small number of Trucks and Automobiles"(Encyclopedia of the Nations 2011).

Juakali sector is an informal sector in Kenya, under National Informal Sector Coalition (NISCO), which acts as a representative to the sector. The term 'jua kali' means under the hot sun. This is due to the severe conditions endured while working on an open air area (market), the sector comprises of Micro-entrepreneurs who offers job opportunities to Kenyans as a result of formal industries inability of admitting new employees. The industry currently has 600 registered offices and 300 pending for registration. According to the economic survey established by the Kenya's Central Bureau of Statistics, it indicates that employment rate has increased from 4.2 in 2000 to 5.1 in 2002, accounting to 74.2 percent of the total employment. The sector contributed to 18.4 percent of Kenya's GDP (Orwa 2007).

Kenya generates hydroelectric energy from the River Tana Turkwell Gorge Dam providing the largest share. Geothermal power derived from Olkarai and other Petroleum plants are established in the Coastal region of Kenya. Due to the power shortage experienced in Kenya it also imports electricity from Uganda. In cases of inadequate rainfall and drought, Kenya experience power rationing which affect the productivity of the manufacturing industries. Two companies operate in Energy sector; Kenya Electricity Generating Company (KenGen) established in 1997, operates in the generating of electricity while the Kenya Power and Lighting Company (KPLC) executes it's the transmission (Research Division 2007).

Tourism is the largest sector of foreign exchange earner. The author states that this will also depend on the political stability of the country, as insecurity disrupts the incoming rate of tourists (Political disturbances, Bombs). The sector generates more compared to the Agricultural sector, as a result the Service sector inclusive of tourism has contributed approximately 63 percent of Kenya's GDP (Research Division b 2007). Tourists are attracted to the wildlife in their natural habit, beaches, curios, and the Maasai ethnic culture. Kenya's government is improving publicity in relation to security measures by introduction of police tourist and campaigns in tourist attraction region on tourism, in order to promote and attract tourism.

The Information Communication Technology (ICT) sector has increased its market share since independence. According to the these statement, "in 2011 we project GDP growth at 5.3 percent, and even 6.0 percent if no shocks occur". This is as a result of liberisation of the Telecom sector thus room for healthy competition. This lead to the transformation of the ICT sector, leading to triple technology transformation which includes use of mobile phones, mobile money transfer and internet services (The World Bank 2011).

Insurance industry in Kenya is the leading in the COMESA region with high potentials, although the market penetration rate is low. The industry consists of International and Local insurance companies. They are governed by the Insurance Act 1 of 1985, the market indicates high potentials.

3.2 Insurance Business in Kenya

Insurance business in Kenya is governed by the Insurance Act 1 of 1985 which provides the registration of Insurance companies, Intermediaries, Risk managers, Loss adjusters, Insurance surveyors and Claim settling agents. All persons and companies carrying out insurance business in Kenya must be registered (Christian 2006, 241). After independence transformation has taken over Kenya's insurance industry. In reference to Association of Kenyan Insurers, in the end of 2009 "there were 44 licensed insurance companies, 20 companies engaged in non life insurance while 9 wrote life insurance and 15 companies were composite engaging in both life and non life insurance. The industry had 137 licensed insurance brokers, 21 Medical Insurance Providers (MIPs) and 3,076 insurance agents. Other licensed players included 106 investigators, 57 motor assessors, 18 loss adjusters, 2 claims settling agents, 5 risk managers and 26 insurance surveyors” (AKIa 2009).

Kenya’s insurance industry is categorised as the leading insurance industry in East African Community, it is further described as a key player in the COMESA region. This not only indicates the potential and capabilities of the insurance industry, but also acts as a source of income for Kenyans as it employs over 10,000 people. Leaders in insurance industry handle approximately 70 percent of motor industry and 90 percent of property related business (Rand 2004).

According to Kenya Insurance Report, “Kenya provides evidence that the insurance industry can thrive in Sub-Saharan Africa in face of highly challenging economic and political problems.” This then provides a space for an effective marketing strategy in order to capture this potential market. At the end of closing the year 2009, the combined Assets of Kenya’s 44 insurance firms amounted to € 1, 3 billion. The Non-life and the Life segments both sustained double-digit growth over the previous five years. Olende (2010) states the Figures as Total Industry Premium being €452 million, whereby General Business was € 303 million and the Life Business € 147 million. The Industry grew by 14.8 percent, General Business grew by 12 percent and Life Business grew by 20.9 percent in year 2008 as illustrated in Table 1 below. The top 10 General Insurance Companies accounted for about 65 percent of the total premium, while the 8 top Life Insurance Companies accounted for 83 percent of total premium.

There are several insurance sectors and products in Kenya’s market. They can be split into; non life and life insurance. Non life insurance is also referred to as General insurance. It covers the policy owner from risks, for instance property/casualty; it protects your possessions from fire and peril (Floods, Earthquakes etc). Health insurance protects you through settling the costs related to your health (Physicians fees). Life insurance is the payments paid to the beneficiaries as a result of death of the insured, according to the contract made by the policy owner and the insurer.

Health sector; it has two players the Public and Private sectors. The Private is still relatively small, with about 600,000 insured. The public has many insured people with the major player alone; National Hospital Insurance Fund (NHIF) with more than 2 million in the health sector (Barnes et al 2010, 29) while, the penetration into the market is only at about 2 percent.

In the health sector there are two distinct players; insurance companies and medical insurance providers. According to the AKI report 2007 there were 14 insurance companies offering health insurance products with total gross premiums of Kshs. 4.25 billion (approximately € 33 million).Further information in the report indicates that the sector grew by 20 percent from 2006 to 2010. According to the data from AKI (2009), the insurance industry in the wider African market shows a sluggish growth in 2009. A summary has been highlighted in table 1 below. South Africa leads in Africa with a higher penetration rate in non life premiums at 2.9 percent in the GDP of its country, seconded by Kenya and morocco at 1.9 percent. Compared to life premiums, South Africa still leads at 10 percent in the GDP, Kenya at 0.94 percent and the least being Tunisia and Nigeria at 0.1 percent.

TABLE 1 Economic Survey 2009 (AKIb 2009)

	Non-Life Premium	**Penetration**	**Life Premium**	**Penetration**	**Total Premium**	**Total Penetration**
Country	US$ millions	% of GDP	US$ millions	% of GDP	US$ millions	% of GDP
Kenya	575	1.90	285	0.94	860	2.84
Algeria	734	0.04	63	0.56	797	0.6
Egypt	861	0.5	704	0.4	1596	0.8
Morocco	1758	1.9	825	0.9	2583	2.8
Nigeria	787	0.4	147	0.1	758	0.5
Tunisia	658	1.7	100	0.1	758	1.9
South Africa	8215	2.9	28773	10.0	36987	12.9

Kenyans concentrates on Motor insurance package (Nonlife insurance) compared to other packages as indicated on the Table 2 below. The motor insurance leads with highest premium of 27 percent followed by personal accidents at 19 percent and the least being industrial fire at 12 percent in relation to short term business. This indicates consumers are willing to purchase Nonlife premiums compared to Life insurance. The Table 3 further illustrates that Long term business generates the least percentage of premiums, as it total amount to only € 269.7 of gross premium compared to the short term business

TABLE 2 .Assets and Liabilities for Insurance industry in Kenya (PwC 2007)

Short term business	**Amount (€ Million)**	**% of total premium**
Motor private	45.1	17 %
Motor Commercial	72.1	27 %
Personal accident	51.6	19 %
Fire industrial	31.1	12 %
Other classes	69.7	26 %
Total	**269.7**	**100 %**

TABLE 3.Assets and Liabilities for the Insurance industry in Kenya (PwC 2007)

Long term business	Amount (€ Million)	**% of total**
Pensions	45.1	38 %
Ordinary Life	50.0	41 %
Group Life	24.6	21 %
Total	**119.7**	**100 %**

TABLE 4 1.Growth in gross Premium for period 2005-2009 (AKIc 2009)

Year	2005	2006	2007	2008	2009
Non- life Insurance	20.8	23.9	27.0	30.2	43.11
Life Insurance	9.0	10.2	12.4	15.0	17.5
Total	**29.8**	**34.1**	**39.4**	**45.2**	**52.8**

Figures in Euros (billions).
*Includes deposit administration contributions

Insurance business in Kenya has experienced some growth in Gross premium, as illustrated by Table 4, Non life insurance experienced a Gross premium growth steadily from the year 2005- 2009, unlike in Life insurance the growth has been appreciating and depreciating, as indicated in the year 2006.

3.2.1 Insurance Companies in Kenya

The insurance industry in Kenya is fairly represented by a variety of insurance companies with an array of products. It is one of the fastest and growing in the East African region. Olende (2010) in a presentation sited on the website as indicated earlier; there are 45 Insurance Companies in Kenya, 19 General Insurance Companies, 7 pure Life Insurance Companies, 17 Composite Companies, 3 Registered Re-insurance Companies, 21 Medical Insurance Providers, 149 Insurance Brokers and 3,355 Insurance Agents as by 2010. According to the insurance directory the following are some of the key players in the industry;

International are;

1. Chartis Insurance (previously AIG - America)
2. Kenindia Assurance Company(General Insurance Corporation - India)
3. British-American Insurance Company Limited. (Bermuda)
4. Pan Africa Insurance Company Limited (South Africa)
5. Old Mutual Assurance Company Limited (South Africa)

Local firms include;

1. APA Insurance Company Limited
2. Kenya National Assurance
3. Madison Insurance
4. Cannon Assurance
5. UAP-Provincial Insurance Company of East Africa Limited
6. Jubilee Insurance Company Limited

7. First Assurance
8. African Merchant Assurance Company Limited.(AMACO)

3.2.2 4 p´s of Main Competitors of Amaco

Comparatively with Amaco we shall contrast with other key players in the Kenyan market; Kenindia, British American Insurance (K) Ltd and Madison Insurance Kenya Ltd. Kenindia is one of the international insurance companies operating in Kenya. With its mission based on customer satisfaction, employee satisfaction, growth with profit, excellent public image and significant market share, the company has been operational in Kenya for the last 30 years.

British American Insurance is another international company operating in Kenya. British American Investments Company Limited offers a wide range of Insurance and Asset management services to individuals, small businesses, corporations and government entities (British American Insurance 2011). Madison Insurance is also another leading local insurance company in the country. This study compares and contrast the three firms in comparison to the strategies put in place by AMACO, which was the main focus of this study.

Product:

Kenindia boasts of a wide variety of products in two areas; General and Life insurance products. General insurance caters for fire, burglary, marine, carrier legal liability, and money insurance, goods in transit, personal accidents, work injury benefits, group personal accidents, engineering insurance and fidelity guarantee. On the side of life insurance the following product are available; Individual Life products and Corporate plan (Kenindia Assurance, 2011). By every means, this is a wide scope of the marketing strategy on all this products. On the other hand British American Insurance (K) is a leading firm that has diversified quite heavily. British-American Investments Company Limited is a leading financial services Group in Kenya, offering a wide range of Insurance and Asset management services to individuals, small businesses, corporations and government entities. It is classified as the market leader in insurance industry. (British American Insurance

2011). Information from business daily newsletter indicates that; British-American personal insurance business is the fourth largest in Kenya amounting to KShs 475 million (App € 3.9 million), which is behind APA Insurance at Sh1.9 billion (App € 15.5 Million), UAP Insurance at Sh714.7 million (App € 5.9 Million) and CFC Life at Sh631.2 million (App € 5.2 Million), based on 2008 financial statistics (Britak 2010).

Setting a pace on the access of products to the market, the insurance premium can be paid by M-Pesa through M- Kesho ; a popular mobile phone money transfer system in Kenya. According to Safaricom; mobile phone operators in Kenya behind M-Pesa ideology has 13.5 million subscribers as from 2010 and 80% of this subscribers are registered with M-Pesa (Safaricom 2011). As a new idea, most insurance firms are gearing out to access this market by adjusting their products to suite into any innovative technology of mobile banking method (Safaricom 2011).

Like Kenindia, Madison insurance has two principle products; General and Life insurance. In general they have the following innovative products; Double Sure (Accident Cover), Group Life Cover, Medical Insurance, Excess Protector, Golfers, Engineering, Fidelity Guarantee, Marine Insurance, Workman's Compensation, Motor, Fire And Perils, Group Personal Accident, Burglary, Domestic Package. In Life insurance, they have Smart Investor Financial, Bima Dada, Gain Plus, Bima Chali, Group Multibenefit, Term Assurance Policy, Lala Salama and Modified Whole Life Policy (Madison Insurance products 2011).

Price:

Though most of the case insurance company have a variety of products which in one way or another they have tried to differentiate, each insurance company in the country have tried to gain a niche of the market through the price. The main focus being affordability and financially accessible to the clients where the majority of the population have no insurance covers. To reduce the overhead cost of products, most premiums can now be paid daily, monthly, quarterly or annually through mobile phones, cheque, check-off or direct debit. British-American on its part, for instance rolled out one of its products in 2010 at a cost of KSh530 (App € 4) per year or staggered monthly payments of Sh69.17 (App € 0.6) or weekly payments of about Sh20 (App € 0.2). This was meant to be micro-insurance product that was expected to increase the pace of innovation in the insurance industry, although its still struggling to increase penetration (Britak 2011).

Notably, insurance penetration in Kenya is still dismal, with general insurance averaging 1.7 per cent according to the AKI data of 2008 ,combined general and life insurance had a of penetration of 2.63 per cent. As a result of this venture by British-American, several insurance companies followed suit by providing low cost insurance products into the market. Kenya Orient Insurance Company launched a 24-hour personal accident cover in 2008 that costs Sh30 and traded over the mobile phone. CIC Insurance, a pioneering micro insurance company in Kenya on this part said that micro insurance products contributed KSh400 million (App € 3.2 million) to its overall KSh2.8 billion (App € 22.9 million) gross premiums (BusinessDaily 2010). In the market there is also Madison's monthly premium of KShs 1,500 Bima Dada, an enhanced policy for ladies with a life and disability cover as well as life endowment of KShs. 500, 000 (App € 4098) and last expense benefit of KShs.100, 000 (App € 819.67).

According to the Kenindia websites (KenindiaAssurance 2011), Kenindia is the sixth largest life insurer in Kenya with a life fund in more than of 6.23 billion Kenya Shillings (App € 51.0 million) as at 31st December 2008. The company has grown tremendously with a total gross premium as at Dec 31st 2009 being KShs 3.8 billion (App € 31 million) while the total assets were KShs 16 billion (APP € 133 million). Investment income was over KShs 200 million (App € 1.6 million) by Dec 31st 2009. The company realised an increase in employees from 29 to 50 agents in the year 1980 to 300 employees and 750 agents in 2009 (BusinessDaily, 2010). With such a command the company can dictate the price niche effectively on all its products. Since inception, Madison has grown from recording a total premium income of over 1.6 Billion (APP € 13.1 million), Life Fund of 2.3 Billion (App € 18.9 million) and Assets of KShs 3.5 Billion (APP € 28.7 million) in year 2009. By 2010 the company had an asset base of KShs 3.5 billion (App € 28.7 million)

Place:

Unlike Amaco, Kenindia has sought its place in the east Africa region, by establishing its presence in the East African Region through opening subsidiary branches in Tanzania known as Tanzindia Subsidiary. British American is a Global financial services company with offices in London, Mauritius, Malta and Kenya. Since November 2010 the company established its presence in Uganda. Madison Insurance Company Kenya has 14 branches located in major towns in Kenya. They have established branches in 3 regions namely; Western, Coastal, Central and Nairobi. Which are managed by competent professionals capable of executing efficient services on all the products provided by Madison Insurance Company (Corporate history 2011). Insurance being more of a service than a good, the main channels of distribution is by internet, stores (offices) and direct marketing (personal selling).

Promotion:

Kenindia Assurance strategy of promotion includes a website that markets its products. The website has provided extensive information on products and other strong points about the company. You can also pay your premiums through MPESA, a local mobile phone money transfers which eases the clients' payment for premiums. It has adverts both on the local newspapers and other media channels (Television and Radio). Like Kenindia most insurance companies promote their products and services through modern methods, such as internet websites. Madison insurance on its part officially launched a website on July 18th 2007 to help promote its firm with a quote on the website "set of Internet-based services that will allow it to significantly improve its turnaround time for the diverse requirements of its policyholders while improving its speed to market new products" (web based services 2011).

4 CASE COMPANY AND PRESENTATION (AMACO)

The information in the coming chapters is based on the interviews conducted in the case company and also from other reliable secondary sources.

4.1 AMACO Profile

African Merchant Assurance Company Limited (AMACO) was incorporated in Kenya and licensed to transact General insurance business. It was licensed and began full operations in the year 2000. It has a team of highly qualified, experienced and dynamic 160 staff who render personalized, efficient and professional insurance services. The company has a strong asset base with an 18 branches network countrywide. It provides a wide range of insurance products within the local market and targets small, medium and large clients with the right service innovative products that are flexible on a broad range of clients.

The Company's motto is "Service beyond the obvious" which signifies, promotes and supports a professionally run insurance enterprise that is able to offer superior and quality services. (Africa Merchant Assurance Company 2011). As a marketing strategy Amaco has been focused on excellent service delivery that would ensure customer retention from successful referrals with assistance of its integrated organisational structure as indicated in Figure 9 below.

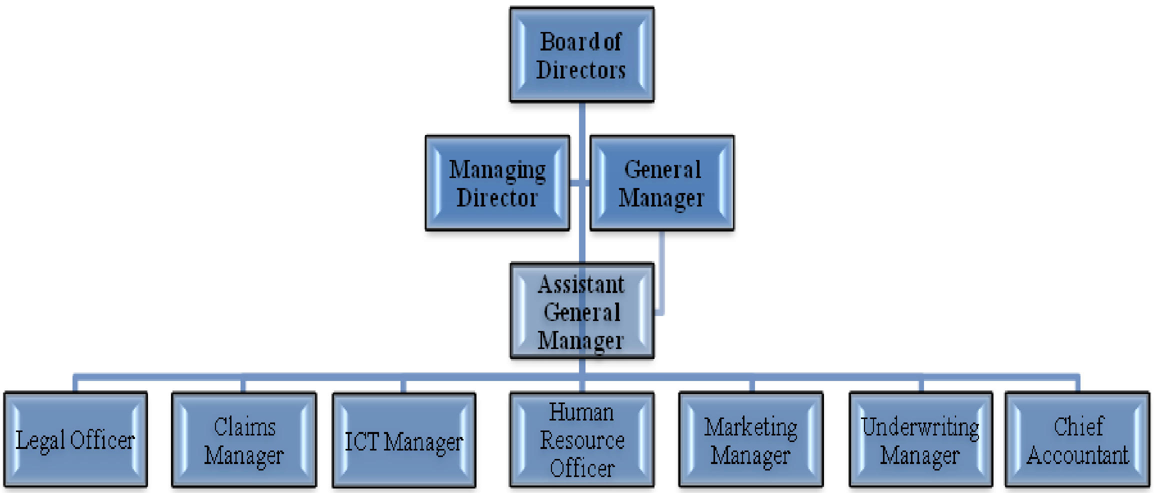

FIGURE 9. Amaco's Organisational structure, (Author 2010)

According to the Company's Annual Report, 2006, AMACO´S financial position over five years has grown solidly and steadily in all the sectors including: underwritten premiums, assets, profits and shareholder's funds. The Figure 10 below illustrates the growth of AMACO´s gross premium in 5 years. This growth is what makes AMACO unique after starting in 2000 and growing steadily.

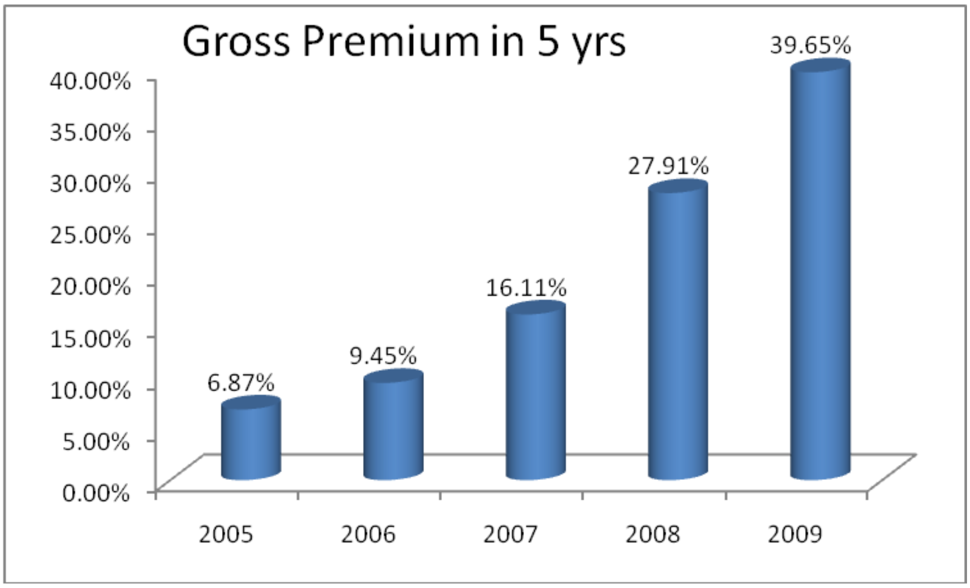

FIGURE 10. Amaco's gross premium in 5 years Source: Mwavuli Amaco newsletter data, 2010.

This was made possible by the company after its situation analysis, henceforth analyzing its capabilities in the market. The analysis of its strengths, weakness, opportunities and threats in the target market environment was carried out with the aim of positioning the organization in the market, as indicated in AMACO´S swot analysis in Figure 11 below.

Figure 11 illustrates Amaco as a company with potentials; the strengths indicate that the personnel are well armed in regards to the product knowledge and the aggressive attitude in the industry, an essential tool for personal selling. They consider the pricing criteria to satisfy their clients and have adequate resources and equipments in running of the business.

Amaco faces competition from other insurance companies as other insurance companies have the financial capability henceforth, they can afford to offer training facilities to its staff. Being new in the market, the need to improve the company's image is important in order to gain more clients, although Amaco has 7 branches in Kenya, it still faces challenges as other insurance companies are internationalized. Despite the competition, AMACO has opportunities in Kenya as it is a large market with uncovered areas. New technology also offers a wide range of opportunities for AMACO, for instance an innovative way of paying insurance premiums. Challenges of corruption and negative image on insurance companies are still prevailing and the cultural beliefs on securing one's life is classified as taboo in African context (Among different tribes).

AMACO SWOT ANALYSIS

STRENGTH	WEAKNESS
• Strong and aggressive workforce • Product Knowledge • Strong brand name • Spread out firms branches across the country • Full force product promotions through adverts, internet, media etc • Updated management systems • Offering competitive price, value and quality of services • Up-to date accreditations, qualifications, certifications(staff) • Comprehensive customer insight.	• New in the market(7 branches in Kenya) • Limited financial capacity • Lean workforce • Company limited logistics to advance • Amaco is local company with limited experiences. • Amaco high risk venture, non-diversified • Weak reputation, presence and outreach • Limited capacity know market vulnerabilities
OPPORTUNITIES	**THREATS**
• Wide un-penetrated market • Conducive management information systems (M-pesa etc) • Conducive political climate in Kenya • Improving economic status of the country • Improved internet link through high performing fiber cable network • Broader market with the EAC (East Africa Economic Community) implementation	• Poor concept on insurance products. • Aggressive competition from leaders. • Cultural beliefs (taboo to plan for death). • Poor general governance of the economy on Kenya. • National rising cases of corruption, impunity, cheating on insurance. • World economy position. • High poverty level in Kenya • High illiteracy level that limits the publics' appreciation of insurance products. • Constant unpredictable insurance regulatory changes • Unpredictable changing market demand

FIGURE 11 Amaco's swot analysis (Author 2011).

4.2 AMACO´s Selling Strategy

Established in the year 2000 AMACO is one of the best middle size insurance company's in Kenya. The market strategy of Amaco is to ensure that all the challenges to effective marketing of various insurance products are duly addressed. The basic objective of the AMACO Company is to gain a niche of the market and make profits while sustaining the positive outcomes. They have made an effort to ensure a perfect practise of professionalism in the marketing processes. It offers innovative products enhanced to meet the market needs, widen the market scope, and implement a clear marketing strategy.

Despite the huge market for the insurance industry in Kenya, the insurance company's faces challenges that hinder the growth and prosperity of this industry. According to (Rand 2004) "There is widespread customer dissatisfaction in the insurance industry, stemming from insurers' failure to satisfy customers' needs." This has inherently hindered faith on the insurance industry. Relying on a survey on the health sector insurance, for instance in reference to the World Bank paper; (Barnes et al 2010, 15) states there is lack of public understanding and trust in risk pooling mechanisms. There is general lack of awareness and significant misunderstanding of how risk pooling works. Sited in the World Bank working paper, a survey by Steadman Group indicated that reasons for most consumers not having insurance of any sort were due to affordability, lack of information on how insurance works, the perception that insurance firms were dishonest and fatalism. The current law in Kenya and the regulatory apparatus clearly inhibit some vibrant insurance innovations (Barnes et al 2010, 16). Notably there is low a management capacity in the insurance industry; precisely, lack of skills and expertise in insurance management and information and communication technology utility across the public and private insurance sectors. There is need for insurance training where the curriculum has to be worked in to focus on the modern insurance issues including marketing. Most private insurance firms focus their product marketing to the upper and middle class earners, this leaves out the majority of potential clients. The health sector in Kenya, a public firm, National Hospital Insurance Fund (NHIF) has made efforts to focus on poor communities (Barnes et al 2010, 29).

Professionalism - Kenya is still challenged by lack of professional insurance policies marketing strategies. Insurance requires elite networking community of decision makers who will make professional informed judgment on strategies that will be implemented to gain a bigger market.

Laws and Regulatory risks. The laws regarding financial services, taxation laws and government policies influence the sector; henceforth the company ensures that they are incompliance with the laws and regulation.

Motor repair costs .Due to inflation level and improper road network management the repair costs of vehicles are very high. Most Kenyan road networks are dilapidated due to poor quality of roads constructed; episodic heavy rains, irresponsible road use and poor management of roads inherently raise the cost of vehicle maintenance on damaged spares due to poor state of the roads.

Undisplined Matatu Industry. Matatu is passenger service vehicles that operate in Kenya. In a research sited on the website by (Kibua et al 2005) by 2003, the number of Matatus operating on both urban and rural areas were estimated at 40,000 (Asingo 2004).They are mannered by rowdy youth with loud music, though the National Environment Management (NEMA) has moved in to ban loud music in the matatus; one major concern to the insurance industry is that the matatus are rough which not only proves dangerous to the matatu but also to other road users who might also be insured by other insurance companies.

Competition Risk .Currently there are 45 players in the Kenyan insurance industry. Each of this companies are struggling to outdo one another so as to gain a niche in the market, as the market is still far from being fully developed. Vehicle insurance is regulated by law but premiums such life insurance is still optional. Due to poverty challenges and the attitudes of most people to insurance, there are several people who may not be interested in any of the policies. This leaves the insurances to struggle for the little percentage of clients interested in insurance. Despite these challenges AMACO use the following means to sell its products;

4.2.1 Advertsing

Amaco have gone far in the advertising of their products on the local media. They actually run a daily advert during prime time news in the entire local television network such as Kenya Television Network (KTN), Citizen, Kenya Broadcasting Television (KBC), Nation TV among others with the logo word "Service beyond the Obvious". The adverts also appear in other mediums such as literature and the local newspapers. It is expected that this will give AMACO a niche in the insurance marketing.

4.2.2 Internet

Various clients who wish to buy certain products can apply for them online. As a modern venture, using the internet, AMACO expects to increases there product sells rate. AMACO have developed a website which provides information on the various products they are selling categorized in two cases; Business solutions and Home solutions. The business solutions products are;

- Fire perils; which covers damages on property as a result of fire or lightening
- Consequential loss; It covers trading loss as a result of business interruptions following damage by fire or allied perils.
- Burglary; Covers loss arising from forcible entry into or exit out of the insured building.
- Contractors All Risks; Protection against loss or damage in respect of: Contract works - construction plant and equipment - construction machinery - third party claims in respect of property damage or body (physical) injury.

- Professional Indemnity; protection of person against his/her legal liability towards third parties for injury or damage arising from his own professional negligence or that of his employees.
- Public Liability; protects an insured in respect of his/her legal liability to third parties for both bodily injury and property damage arising from: - negligence - statute - contract - vicarious liability.
- Goods in Transit; covers loss or damage by fire, collision or overturning or derailment of the conveyances, including theft.
- Group Personal Accident; available to groups the policy covers Bodily Injury resulting solely and directly from accident caused by outward violent and visible means.
- Fidelity Guarantee; the policy indemnifies the insured against direct pecuniary loss that he/she may sustain through acts of dishonesty by an employee in course of his/her employment.
- Workmen's Compensation; covers liability for bodily injury, disease sustained by employees and arising out of their employment by the insured.
- Employers Liability; the cover is for legal liability of the insured to his employees arising from a contract of employment

In home solutions the product are categorised as follows;

- Domestic Package; which covers residential buildings and contents.
- Motor; Motor vehicle third party bodily injury or death insurance
- Personal Accident; provides benefits for death, and/or bodily injury caused by violent, external and visible means.

4.2.3 Promotions

AMACO runs a number of promotions as a marketing and selling strategy. Some of them appear on their website. For instance AMACO has programs such as

Agents Competition that ran for duration of three months where the best five agents were awarded. This was meant to motivate the agents.

4.2.4 Personal Selling

As stated above, AMACO practices the technique of personal selling as its most convenient way of marketing its products in Kenya. Sales representatives need to explain and persuade the customers of the benefits they will attain for the services. Good marketing skills are emphasized as it results to positive harvests. Agents can get a feedback on the consumer attitude towards the product, as their movements are not limited in order to conquer more markets and clients. Sales representatives are henceforth motivated in order for the benefit of both the company and customers in general.

4.2.5 Price

Insurance products are expensive in Kenya. Most companies have differentiated their products aiming at winning a niche of the market. In comparison to the living standards of the locals most Kenyans are living on the poverty line henceforth insurance tends to be an expensive service to acquire.

Poverty can be defined as the lack or deficiency of necessary basic needs (Shelter, food and clothing), as a result of having no money. Household income consumption by percentage share was approximated at 2.4 percent, the lowest (10 percent) while the highest is 36.1 percent accounted for by the (10 percent) of the rich Due to the unemployment among other agendas, this increases the poverty level rate. The figure below shows the poverty line in Kenya. Population below the poverty level was approximated 50 percent in the year 2002- 2009, in reference to the household consumption; it's visible that 10 percent of the rich contributes 15 times of the poor contribution (Kenya Income 2010). Assuming the remainder 61.2 is contributed by the middle class in Kenya

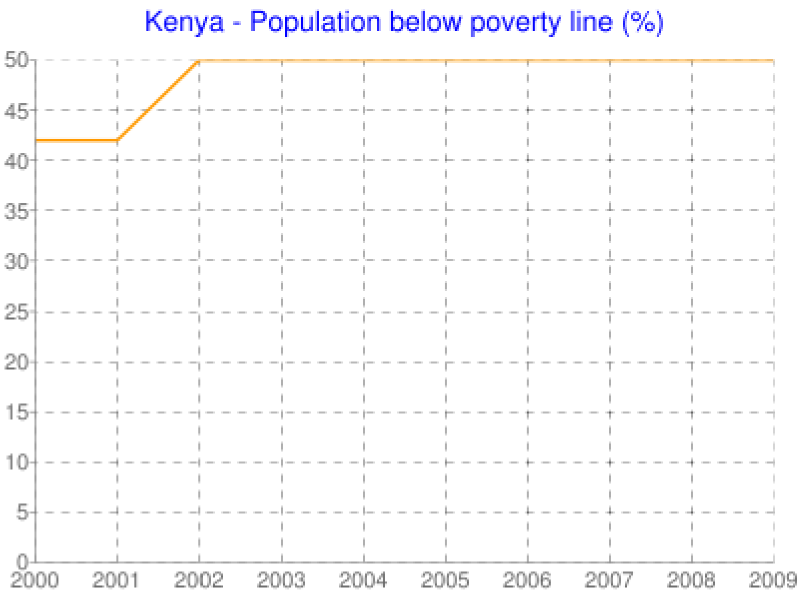

FIGURE12. Population below poverty line

The main focus being affordability and financially accessible to the clients where the majority of the population have no insurance cover. Methods of payment have been introduced to customers to reduce the costs of products. Premiums can now be paid daily, monthly, and quarterly or annually through mobile phones, cheque, check-off or direct debit. New technology of mobile phone payments has evolved in Kenya (M – Kesho 2011) whereby the banks have connected with Safaricom network (Mobile subscriber) through the M- Pesa which enables the low income earners to attain short term loans which can uplift their financial standards (Voice of America News 2011). M- Pesa is a method of using mobile phones for money transfer and savings, the service allows the user to qualify for short term loans. AMACO is intending to capture the technology in coordination with the banks in order for the financial unstable Kenyans to be insured.

5 CONCLUSION AND RECOMMENDATIONS

5.1 Conclusions

Marketing is an essential aspect in regards to the business activities. The type of product in question and its life cycle determines the marketing techniques to apply in order to increase sale and product awareness. Sound marketing strategies should be emphasised as it's a source of business flourishment as it consist of arrays of procedures. These strategies include situational, market analysis and target market, as these enables them to identify their position and gain best assessment of their target customers. Identification of the competitors in the market is important; these can be determined by use of the competitor analysis and SWOT analysis in the measurement of the business capabilities.

In real life working company, particularly AMACO the analysis indicated that the insurance sector industry is perceiving growth. The situation analysis indicated the insurance industry market has potentials; AMACO has experienced growth though slow due to the factors hindering the insurance sector. Based on customer's perspective, the acquisition of insurance products is expensive hence classified as luxurious product bearing into consideration majority of Kenyans are living on poverty level, henceforth the pursue may tend to be a challenge to the insurance companies. Companies are the highest consumers of insurance products; they often purchase business solutions packages, motor insurance, and employee's health insurance among others unlike the individuals who concentrate on motor insurance and majority been uninsured. All this is as a result of income level, lack of product knowledge, customer's perception and cultural influence on insurance products, marketing techniques and the many players in the market (competition).

It is clear that in the current economic condition in Kenya, not all of its citizens can afford insurance, the need of adapting the new phone (M-Kesho) mode of payment is in consideration among insurance companies as it believed to be a way all status of people in the society can afford.

5.2 Recommendations: New marketing mix for Amaco.

Recommendations are based on the 4ps of marketing. For Amaco to ensure that it creates a niche in the marketing of their products should focus on some strategy recommended below. The marketing concept states that businesses must satisfy customers' needs and wants in order to make a profit. Issues like where and to whom you sell your product must be considered. Who your target audiences are and which niche of the market you are aiming for should also be well thought out. The quality of the product will determine who to target and where you place your product.

5.2.1 Product

A firm in the market economy survives by producing goods that clients are willing and able to afford. Access to consumer demand is therefore vital element for the survival and future viability of an organization. An organization will need to create more and precise targeted marketing campaigns. Defined insurance Product Profiles provide a clear picture of the insurance behaviours and habits of customers and markets. In order to participate in the world of marketing, you'll want to understand how businesses focus on the needs and wants of their customers in order to improve their products, remain competitive and increase sales. Essentially, an insurance product goes hand in hand with research. This will ensure that an organization puts into the market a product that can enhance consumer demand. So this study recommends that AMACO or any other insurance firms should endeavour to enhance the product base.

Product strategies include what product to make, how to package it, what brand name to use, and what image to project. A product name will give a company a mileage in terms of marketing. This study recommends that Amaco design a strategy to brand their name, to deliver quality services, ensure safety of their products, to offer a comprehensive package and fully support it and to fully take responsibility of any positive and negative outcomes.

5.2.2 Price

In today's world, new approaches direct distribution and database marketing to business and integrating the marketing strategy, underwriting and pricing activity is increasingly becoming important. Many insurers are actually adapting to more and more sophisticated approaches to direct marketing. Large, sophisticated customer databases and sophisticated analytic approaches are used to direct marketing efforts. Using this approaches organization should endeavour to reduce the general costs of insurance. Such savings should then be passed on to reduce the costs of the insurance products. This should also see the profitability of the firms. This study recommends that Amaco as a firm should explore a marketing strategy focused at ensuring the organizations deep penetration such as determining the retail pricing, offering of discounts, seasonal pricing, bundling, and price flexibility among others. Essentially, price strategies should reflect what customers are willing and able to pay, being the greatest challenge of insurance industry. Also if all the insurance firms should adopt the M-Kesho technology of payment this might work for insurance clients and companies.

5.2.3 Place

Currently Amaco is operational in Kenya, with branches in 11 major towns in Kenya; Nairobi, Mombasa, Nakuru, Eldoret, Kisumu, Kitale, Nyahururu, Kisii, Kericho, Bungoma and Malindi. There is still a wide market since the insurance penetration rate is still low in the country. Amaco should venture into the market opening up distribution channels including outside the country. They should aim increasing their market coverage. They should also ensure that management is completely effective. The branches will ensure efficient processing, and better logistics. Amaco should consider the idea of specialization and diversification that have worked out for other insurance firms. Diversification is one of the fundamentals of the business as it helps spread risk, which allows for the shifting of risk for reasonable pricing. Diversification can be done through variety of approaches, including enhanced business line, product line, and geographic concentration and distribution strategies. These will ensure sustainability of the gains made so far by Amaco.

5.2.4 Promotion

The insurance industry has significant opportunities to improve in Kenya. Since the main assumptions are that industry is the most misunderstood in Kenya, effective promotion is very important. However, key issues such as message content, placement, sales promotion, public relations are very essential here. The organization has to provide for the budget for the promotion purpose. Amaco should focus on aggressive marketing that includes advertising, copywriting, media selection, competent sales force, personal and mass selling, sales promotion and positioning of their products. The need for further research is recommended on marketing of insurance products, as the pricing criteria of insurance products tend to be exorbitant to many customers, henceforth the need of improving on the pricing strategy is vital.

6 SUMMARY

The study is on marketing of insurance products in Kenya focusing on the case of African Merchants Assurance Company, an insurance company in Kenya, aiming at finding and improving its marketing mix criteria of insurance products the use of qualitative, quantitative, secondary data and organised interviews of key respondents of Amaco which assisted in the data collection.

Based on marketing, the theoretical part was based on the marketing mix concept 4p`s whereby analysis of the strategic planning process is outlined emphasising the goals o the company. The process consisted of five steps namely; Missions and objectives, environmental scanning, strategy formulation, implementation evaluation and control. These steps aimed at determining the situation analysis of the company, business culture and also the internal capabilities was analysed by the SWOT analysis of the company. The use of Ansoff growth matrix was used for decisions on product and market growth strategy. Ansoff matrix as a tool consists of four product market combination; Market penetration, product development, market development and diversification. The aspects were linked with the 4p´s in order to improve on the marketing mix of the company, whereby price, product, promotion and place were discussed in relation to the Ansoff matrix. The study further stated the marketing objectives and customer based satisfaction as a result segmentation, targeting and position was discussed under managing marketing.

A comparison of the marketing mix was made with the main players in the insurance industry in Kenya; British American insurance, Kenindia and Madison insurance. Based on the marketing mix comparison, the players are cutting down on the insurance price in order to win more markets, recruitments, up to date technology (internet sales). Amaco is still new in the market as the players have the financial capabilities; on the other hand the problems facing the industry are rampant in that it leads to increase in running costs.

The new Amaco marketing mix is suggested to consider the pricing strategy, price of the services is the most crucial aspect, and therefore the payments are to be made annually, quarterly or weekly depending on the product. M- kesho technology is also a refuge in that all Kenyans of all status can afford it. The increase of market share is essential as there are uncovered insurance markets in Kenya. Amaco should engage in diversification and specialization, specialization increase skills as one concentrates on what they do best. The product sales depend on the image of the company. Amaco should strengthen its brand name by improving its products, packaging, product safety and reliability as some insurance companies had problem in claims payments. Company's image should be improved hand in hand with promotion activities, aggressive marketing is a tool for sale representatives henceforth the need for more training and clearing of the negative assumptions is need as insurance industry is taken negatively.

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APPENDICIES

Appendix 1: Research Questionnaire

The purpose of this questionnaire is to find out the Challenges facing the marketing of insurance products in Kenya; A case study of African Merchant Assurance Company Limited (AMACO).

Instructions

1. *Do not indicate your name anywhere in this form*
2. *Please fill in the spaces or tick against the box (where provided) an answer that responds with your view or position. .*
3. *Be assured that the information you will provide will be treated with uttermost confidence*

Personal Details

1. Gender
   Male [ ] Female [ ]

2. Position/Rank in the insurance industry………………………………………………......

3. Age (18-25) [ ] (26-30) []
   (31-35) [ ]
   (36-45) [ ] (Above, 45) [ ]

4. What is the highest level of education you attained?
   Primary [ ] Secondary [ ]
   Tertiary [ ] Diploma [ ]
   Degree [ ] Post Graduate [ ]
   Other [ ] No Formal Education [ ]

Competition

5. How can you rate competition as a problem in the marketing of insurance products?
   Very big problem [ ] Big problem [ ]
   Rare [ ] Very Rare Problem [ ]
   Not a Problem [ ]

6. Using the criteria below, please indicate the rate of challenges for the insurance products listed in the table below

   Very big challenge [1] Moderate challenge [2]

   Challenging [3] Hardly challenging [4]

   Not a challenge at all [5]

Use the attributes above to fill the table

MOTOR INSURANCE	
Burglary Insurance	
Personal Accident	
Professional Indemnity	
Public Liability	

Economic Factors

7. How far is the economic status of the potential clients a challenge to the sell of insurance products?

   Very big challenge [ ] Moderate challenge [ ]

   Challenging [ ] Hardly challenging [ ]

   Not a challenge at all [ ]

8. How do you suggest the community economic problem can be handled to improve the insurance product sells?

   Best option [1] Better option [2]

   Good option [3] Average [4]

   Bad option [5] Worst option [6]

   From the options above, indicate the number of your choice of option against each item in the table below

IMPROVE PRODUCT MARKETING STRATEGIES	
Diversify the insurance products for all status of clients	
Reduce the premium rates of insurance products to cater for poor clients	
Increase the number of people selling insurance products	
Improve organizations innovativeness	

Improve customer services	

Selling Skills

9. Do you think the sellers of insurance are skilled in product marketing?
   Yes [ ]   No [ ]

10. How can you rate the skills of those people you often see selling insurance products?
    Most highly skilled [ ]   Less skilled [ ]
    Good skilled [ ]   Not skilled [ ]
    Average skilled [ ]

11. How is the training of insurance products marketers and sellers necessary?
    Very necessary [ ]
    Average Necessary [ ]
    Not Necessary [ ]

12. What kind of selling skills can be preferred for sellers of insurance products? Using the following attributes fill in the table below the number of preference that suites your views
    Most preferable [1]   Less preference [4]
    Good Preference [2]   Not important [5]
    Average preference [3]

COURTESY	
Honesty	
On public relations	
Confidentiality	
Out going	
Knowledgeable	

Attitude and Perceptions

13. What kind of challenge are the attitudes and perceptions of the potential clients in the marketing of insurance products?
    Very big challenge [ ]   Moderate challenge [ ]
    Challenging [ ]   Hardly challenging [ ]

Not a challenge at all [ ]

14. From the issues below, rate what you think is responsible for poor marketing of the insurance products

Complete failure	[1]	Well done	[2]
Moderate Failure	[3]	Best done	[4]
Hardly Failed	[5]		

SENSITIZATION AND CAPACITY BUILDING OF THE POTENTIAL CLIENTS	
Failure of the sellers to be sensitive to the clients needs	
Insurance firms failure to compensate for accidents	
Trust on the insurance firms	
Resettlement of claims taking too long time	

Please suggest ways in what you think insurance firms should do to improve their market product…