



**THE INFLUENCE OF MARKET DEVELOPMENT STRATEGY ON
PERFORMANCE OF FIRMS WITHIN THE INSURANCE INDUSTRY IN
KENYA**

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ABSTRACT

Insurance players continue to struggle with the ways in which they can increase their performance and have better profits. Some tend to spread their branch network nationally or even regionally. In this regard, there is a need of research to determine whether the strategy of Market development as applied by insurance firms to improve their performances Leads to increased performance or not. The General objective of this study was be to investigate the influence of Market development and performance of firms within the insurance industry. The target population of the study were all the 5,188 insurance players in Kenya as at 2013. The study adopted a descriptive research design and used random stratified sampling frame with a sample size of 125 respondents. Data was collected using interviewer-administered structured questionnaire as well as from the secondary sources. The response rate was 83% meaning 102 respondents returned the questionnaire. Data was analysed using both descriptive and inferential statistics on both the independent (Market Development strategy) and dependent (performance of firms) variables. The findings of the study were that market development strategy does not improve the performance of firms. The study recommends that as number of firms in the insurance industry increases, it is only those who choose to pursue the 'other' growth strategies will have better performances. Firms are strongly warned against expanding and opening branches (Market development) because in the long run these branches do not create value to the shareholders.

Key words: Market development strategy, Insurance firms, performance

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

There exist fourteen (14) types of strategies at the corporate level that take into account different directions and types of corporate development. Among them, they are further classified into four (4) broad categories, namely:- stability strategies, survival strategies, growth strategies and combination strategies (Yabs, 2010). Growth strategies are designed to expand an organization's performance. In fact they are often used to mitigate a firm's business risks and enhance its performance (Fahy, 2000). Market development strategy is one of the key growth strategies which firms may pursue.

Locally, the insurance industry in Kenya recorded Gross Written Premium(GWP) of Kshs. 130.65 billion in 2013 compared to Kshs.108.54 Billion In 2012, representing a growth of 20.4%.The firms within the industry have grown for the last five(5) years from a number of 3,770 to 5,188 as at the end of 2013,a 37.6 percent(%) increase. Despite the increase in the firms within the industry their performance has not been impressive in terms of premium(sales) recorded. The trend means that on a relative scale, insurance as an industry has been experiencing mildshrinkage.

1.1.1 The growth of insurance Industry

The performance of insurance firms is deemed to be low in the whole world thus also reducing the penetration level. Swiss Re, (2014) adds that the global insurance industry penetration recorded a 6.28 percent (%) rise in revenue in premiums (sales) in 2013.The insurance market in Africa is under-developed, largely because most Africans simply cannot yet afford it. Access to insurance products only starts to increase quickly in the upper middle income groupings with most Africans still just struggling to meet their basic food and other day-to-day needs; it is still a long way off for the majority of Africans (KPMG, 2010).Policy Holders Compensation Fund Report (2013) notes with discontent that for the last fifteen(15) years, ten(10) insurance companies have gone 'under' and have been placed under statutory management(Appendix V).

1.2 Problem Statement

Insurance industry is known to be one of the key engines of economic development in the whole world by the fact that it facilitates trade and foreign exchange beside giving people a piece of mind to carry out their day to day operations (Marco,2006).Its performance and growth therefore cannot be under estimated. The key players in the Kenyan industry have grown for the last five (5) years at a rate of 37% though performance has not increased at the same proportionate (Appendixes IV & VI). In view of this, the industry players need to devise products which cuts

across all segments in order to ensure majority of the population are insured and can access the insurance products without leaving a very huge gap (AKI, 2010).

Various studies carried out by different scholars have tended to lean more on the areas of insurer's profitability, for example (Kozak, 2011; Ahmed & Ahmed, 2010), competitive strategies (Ilovi,2013), financial distress (Cheluget, Gekara, Orwa, & Keraro, 2014) and risk management issues (Njuguna, 2013) thus leaving the growth strategies unattended. A closely related study to performance of insurance firm was carried out by Elango, Ma, & Pope (2008) on performance of Nigerian Insurance firms, where they established that the relationship between product diversification and insurance firm performance was significantly affected by the level of geographical diversification.

In view of these, though studies on insurance industry have been done, there is limited literature on studies carried on or related to the influence of the growth strategies, specifically market development strategy on the performance of firms within the insurance industry. This study therefore aimed to bridge this existing gap in the literature as it embarked to study:- The influence of market development strategy on performance of firms within the insurance industry in Kenya.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of the study was to carry out a research on the Influence of the market development strategies on the performance of firms within the insurance industry in Kenya.

1.4 Hypotheses

The study sought to test the undernoted formulated null hypotheses

1. There is no significant effect for the Market Development Strategy on Performance of firms within the insurance industry in Kenya.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter deals with theories related to growth strategies more so the Market Development strategy and performance of firms. It reviews the literature related to the key study variables as depicted in the conceptual framework. It also looks into linkages in addition to establishing the

existing relationships amongst the variables. Empirical studies related to the study variables are also reviewed in details to lay proper ground for the research.

2.2.3 The Ansoff Matrix

This was proposed by Ansoff (1957) as a method to be used to come up with growth strategies. Market Development strategy entails moving to new markets with existing products. An established product in the marketplace can be targeted to a different customer segment, as a strategy to earn more revenue for the firm. The main benefits for the firm are the economies it can gain on Research & Development (R&D) and manufacturing (Cravens, 2000). The main drawbacks are that the firm will need new sales force training and distribution channels (Kotler, 2007). New geographical markets, for example exporting the product to a new country, new product dimensions or packaging. For example, new distribution channels with different pricing policies to attract different customers or create new market. It is argued that success in planning marketing activities requires precise utilization of market segmentation and targeting. This will then yield the anticipated results of performance of firms in terms of increased revenues (Kotler, 2007).

2.3.4 The Market Development Strategy

Market development strategy entails expanding the potential market through new users or new uses for a product. New users can be defined as new geographic segments, new [demographic](#) segments, new institutional segments, or new psychographic segments. Another way to expand sales is through new uses for the product (Kotler, 2007). High growth businesses develop and/or secure capacity in the necessary distribution channels which allow it to reach their target customers. This might be through a wholesale or retail distribution system, direct through a sales force or via an e-commerce facility. Without the bandwidth of the distribution channel(s) the enterprise is not able to support its growth.

This strategy calls for a systematic working knowledge of existing markets and the ability know the gaps in the marketplace that should be exploited to your advantage. Therefore if a firm does not have marketing skills which are up to the task, there is a need to have the assistance of a skilled marketing professional to achieve growth in the new market.

Retention of customers

There are numerous attempts aimed to tie marketing actions to firm performance and generate a customer-level strategy that can enhance profitability and shareholder value. Managers on their part need to be able to respond to customer needs as well as predict the same. Reinartz and Kumar (2000,2003), do posit that the most important steps in this process involve determining the lifetime values of each of the customers and the drivers of profitable lifetime duration that are appropriate for a firm, especially in a non-contractual situation where the purchasing probability of each customer is much harder to predict. The number of times in which a firm contacts a customer and the methods of contacting that customer(e.g., telephone, e-mail, direct mail, etc.)

will reflect on the purchasing behaviours of that customer and in turn help to determine and maximize that customer's lifetime value (Kumar & Petersen, 2005). Also, customers of today have become more demanding, expecting more value and benefits from the services they buy.

Different distribution channels

Market share responds to elements of marketing strategy and one of the important items that affect it is the elements of the marketing mix (Kolter, 2007). In a competition environment for firm Griffith (2004) noted that exporter channel strategy was imagined as the degree to which a firm applied direct instead of indirect channels for sale its products.

Establishment of both local and foreign branches

This happens to firms who are Multinational enterprises (MNEs) and have diversification plans of opening to new markets, carrying their products and brands to new and diverse markets in emerging economies becomes a challenge (Mayer, Klaus, Tran & Yen 2014). This happens as they tailor their strategies to the local context, they have to create product and brand portfolios that match their competences with local needs. A multi-tier strategy with local and/or global brands may provide MNEs with the widest reach into the market and the potential for market leadership.

However, it has to be supported with an appropriate combination of global and local resources. Foreign entrants thus have to develop operational capabilities for the specific context, which requires complementary resources that are typically controlled by local firms (Mayer, et al, 2014). Though Prahalad, (2006) argues passionately, there is money to be made "at the bottom of the pyramid". The sheer number of people with a low income makes even the less developed parts of the world attractive to business and more so also outside cities. However, the markets have some challenges due to environment and systems thus calling for business to develop new business processes in order to serve these markets well. In the long run this spread may not lead to firm's value in terms of increased performances (Mayer, et al, 2014)

2.3.6 Performance of firms

Performance can only be effective where the firm has a clear corporate strategy and has identified the elements of its overall performance which it believes are necessary to competitive advantage (Hamel & Prahalad, 1994). The Balance Score Card approach measures performance from four different perspectives that together encourage managers to look beyond traditional financial measures. The four perspectives of performance are: Learning and growth which is concerned with actions to improve and create value for employees; internal processes which concerns itself with what the firm must excel at. Customer on the other hand considers how the firm looks to its customers; and financial which considers how the firm looks at the shareholders (Norton and Kaplan, 2008).

CHAPTER THREE

RESEARCH METHODOLOGY

3.5 Sample and Sampling frame

According to Mugenda & Mugenda (2003) sampling is the process of selecting a number of individuals for a study in such a way that the individuals selected represent the large group from which they were selected. A sample is a subset of a population selected to participate in the study, it is a fraction of the whole, selected to participate in the research project. It describes the list of all population units from which the sample is selected (Cooper & Schindler, 2003). It is assumed that by studying the sample we may fairly generalize our results back to the population from which they were chosen. It is a representation of the target population and comprises all the units that are potential members of a sample (Kothari, 2008).

A sample size of 10% of the target population is large enough so long as it allows for reliable data analysis and allows testing for significance of differences between estimates (Mugenda & Mugenda 2012). In this study, 10% of each stratum was chosen to arrive at the anticipated frequency save for the independent Agents where the researcher narrowed down only to those with established offices and have employed at least ten(10) employees and choose 1% (Percent) to arrive at the anticipated frequency. Polit & Hungler (1999) adds that sampling helps because it is more economical to choose a sample. The process of selecting a portion of the population to represent the entire population is known as sampling (Creswell, 1994).

In this specific study, 125 respondents were selected as specified in table 3.2 below. This comprised of insurance companies, brokers, agents, investigators and other service providers that conformed to a set of specifications. As a remedy, we sought a sampling frame which had the properties that we could identify every single element and include it in our sample. It formed a representative of the population. The study used a random stratified sampling technique. Since the data collected was to establish the influence of the growth strategies on the performance of firms in the insurance industry in Kenya, It sought to portray characteristics of these groups who had similar objectives. The current research study was conducted in the insurance industry, targeting insurance players which formed the accessible population.

The researcher stratified the players in the industry. In stratified sampling, the chosen sample is forced to contain units from each of the segments, or strata, of the population – equalizing "important "aspects. Stratified random sampling in this case means independent simple random samples (SRS's) taken within each stratum. The sample population was to be purposively selected from all the sectors in the industry. A study of five strata of firms was used, in the industry which was deemed to be a good representative. The frame was organized into separate "strata." each stratum was then sampled as an independent sub-population, out of which

individual elements could be randomly selected. Every unit in a stratum had the same chance of being selected

Table 3.1 Population and respondents sector

Stratum	Insurance Player	Target population,(N)	Percentage %
A	Insurance co	48	0.93%
B	Insurance broker	187	3.60%
C	Insurance agents	4,628	89.21%
D	Investigators	134	2.58%
E	Other service providers	191	3.68%
		5,188	100%

Source: AKI (2013)

Therefore, in this intended study, a sample size of 125 respondents was selected using a stratified random sampling technique as shown in table 3.1 above.

Orodho (2003) opines that stratified sampling do apply when the population from which a sample is drawn does not constitute a homogeneous group. Finally Table 3.2 below, shows the target population of the five strata which include insurance companies, insurance brokers, insurance independent agents, investigators and other service providers

Table 3.2 Sampling Frame and Technique

Stratum	Target population	Percentage	Sample	Freq	Respondents
Ins. Co.	48	10	5	3	15
Ins. Broker	187	10	19	1	19
Ins. Ind. Agents	4628	1**	46	1	46
Investigators	134	10	13	2	26
Other serv. providers	191	10	19	1	19

	5,188	518	102	125
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The study targeted only the COO or CEO and for all the stratum save for insurance companies where the researcher interviewed at least three (3) respondents with one been at middle level. The choice of the middle level management was to control the response of the COO or CEO because of the assumed biasness in responding to the questions since they are perceived to be part of the owners.

Similarly, for investigators two (2) respondents were chosen in an attempt to avoid biasness of the CEO or the key shareholder. Bryman (2012) do attest that the results from a proportionate stratified sample are associated with less sampling error because a sample is selected from a fairly homogeneous sub- group.

3.6 Data collection

Creswell (1994) defines data collection as a means by which information is obtained from the selected subjects of an investigation. The primary research data was collected from the senior managers of various insurance players in Nairobi using a questionnaire and supported by interview guide. Interviews were conducted as a follow up in determining the authenticity of the information as filled in the questionnaire. In this study, data was collected by using structured interview questionnaire. This was used in order to capture data relevant to the study's objectives and research questions.

1. Market Development Strategy (Independent Variable)	New market with existing products.	1. What is your dominant market, SME, Public, Private 2. Market demographic issues 2. Key distribution channels 3. Establishment of branches 4. Location of your markets	Dummy Variables 1= present 0= otherwise
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3.10 Data Processing and Analysis

Data analysis was guided by the objectives of the study. The researcher used SPSS Version 20. Questionnaires were collected from the data and follow up with the respondents to ensure maximum return rate. Mugenda (2003) notes that any response rate of up to 70% is quite well and should be able to yield that anticipated results. Before processing the responses, from the questionnaire, a data clean-up was carried out on the completed questionnaires by editing, coding, entering and ensuring that the data is ready for usage. Data collected was analysed using descriptive statistics as a way to determine the level into which the respondents agree with the research objectives. Inferential statistics followed thereafter in order to fully understand the extent to which independent variables explained the dependent variable.

3.10.1 Multiple Regression Analysis

The dependent variable which is the performance of firms in the insurance industry was linked with the four independent variables (Diversification, Market penetration, Product development and Market development). A moderating variable of ownership structure was also linked to resultant effect of the independent variables in order to establish the effects it has on the dependent variables.

The said models are as highlighted below-:

$Y_s = \beta_0 + \beta_1 X_1 + e_i$... **Equation 1** (Direct relationship with Variables)

Where

Y_s = Dependent Variable (Performance of insurance firm)

β_0 = constant (coefficient of β intercept)

X_1 = Market Development Strategy

β_1 = Regression coefficients of the independent Variables.

For the equation one (1) the researcher applied both descriptive and inferential statistics and non-parametric test such as analysis of variance (ANOVA) to test the significance of the overall model at 95% confidence level. Other statistic applied included Chi Square, T-statistic and F-Test to determine the association of the independent variable with the dependent variable.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents empirical findings using both descriptive and inferential statistics in order to analyse the data presented. It starts with data cleaning, response rate and some diagnostic tests applied in order to establish whether the data is fit to be subjected to the statistical tests. The specific objectives together with the general objective are re-examined in the findings in order to base our hypothetical conclusion on the same. The study sought to investigate the influence of growth strategies on performance of firms within the insurance industry in Kenya.

4.2 Response Rate

This research was conducted between the periods of May 2015 to December 2015. A sample of 125 respondents from the various insurance players were selected using stratified random sampling technique. Out of the sample covered, 103 were responsive. This gave a percentage response rate of 82% (Table 4.1). This percentage is rated as very good and adequate for analysis. A response rate of 50% is adequate, 60% is good and 70% and above is very good (Mugenda & Mugenda 2003). The recorded high response rate was attributed to the data collection procedures applied, where the researcher utilized an interviewer administered questionnaire. Interviewer administered questionnaire method involves interviewer physically meeting the respondents and asking questions face to face. This method usually has a higher response rate than a self-administered questionnaire (Bechhofer & Paterson, 2008).

On completing the questionnaire, the researcher picked them shortly thereafter and made follow up calls to clarify queries as well as prompt those respondents who had not completed the questionnaire to do so. Secondary data from the firm's website was also assessed to ascertain certain features as highlighted in the interview guideline and also to authenticate what was filled in the questionnaires. The firms published material was also accessed through their respective secretariat and authorities such as AIBK and IRA.

Table 4.1 Response Rate

Stratum	Sampled	Responded	Response rate
Ins. Co.	15	12	80.0%
Ins. Broker	19	15	78.9%
Ins. Ind. Agents	46	38	86.2%
Investigators	26	22	83.9%
Other service providers	19	16	84.2%
Total	125	103	82%

4.2.1 Diagnostic Tests

The researcher conducted some tests on the data before proceeding to full scale research in order to ensure that the data was reliable and could draw to the objectives outlined above as well as test the hypotheses specified. The tests included-: Cronbach's Alpha test for the reliability tests of the variables, Factor analysis for exploring the content as well as transforming and making inferences and Kaiser-Meyer-Olkin (KMO) was used to measure the sampling adequacy. Finally Multicollinearity was used to check on the association of independent variables and dependent variables.

4.2.2 Cronbach's Alpha Test

An instruments reliability is its ability to produce consistent and stable measurements. Bagozzi (1994) explains that reliability can be seen from two sides: reliability (the extent of accuracy) and unreliability (the extent of inaccuracy). To measure the reliability of the instruments used, the researcher applied the Cronbach's alpha. Cronbach's alpha is a coefficient of reliability that gives an unbiased estimate of data generalizability (Zinbarg, 2005). An alpha coefficient of 0.80 or higher indicates that the gathered data are reliable and have relatively high internal consistency and can be generalized to reflect opinions of all respondents in the target population (Zinbarg,2005).All constructs depicted that the value of Cronbach's Alpha are above the suggested value of 0.8. Reliability of the constructs is as shown in table 4.2 below.

Table 4.2 Reliability test of Constructs

Variable	N of Items	Cronbach's Alpha	Comment
Market Development	8	0.903	Accepted

Performance of the firm	5	0.821	Accepted
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4.2.3 Factor Analysis

Factors are a smaller set of underlying composite dimensions of all the variables in the data set while loadings are the correlation coefficients between the variables and the factors (Mugenda & Mugenda, 2012). Factor analysis can be applied in order to explore a content area, structure a domain, map unknown concepts, classify or reduce data, illuminate causal nexuses, screen or transform data, define relationships, test hypotheses, formulate theories, control variables, or make inferences. Factor loading assume values between (0-1) zero and one of which loadings of below 0.30 are considered weak and unacceptable (Nachmias & Nachmias, 2008).

The pilot study assumed factor loadings of 0.4 as acceptable. For the independent variable, all the indicators in the study at least had a factor loading greater than 0.4 for one of the components and hence were a representative of the variables analysed. No indicator had loadings below 0.4 for all components of the independent variables and therefore none of the independent variables indicators was expunged. The dependent variable however had one indicator with factor loadings below 0.4. The indicator of performance market share had loadings less than 0.4 and was therefore expunged.

The results are indicated in details in factor loading matrix (Appendix X). The idea in factor analysis is to find out a set of latent variables that essentially contain the same information which manifests the variables (Joreskog & Moustaki, 2006). The researcher thus reorganized the items under investigation into a more precise group of variables and build confidence on retention of possible items.

4.2.4 Sampling Adequacy

To measure the sampling adequacy of the data, the researcher used Kaiser-Meyer-Olkin test (KMO) and Bartlett's test of sphericity. The KMO is a statistic that indicates the proportion of variance in your variables that might be caused by underlying factors. A value of zero (0) indicates that the sum of partial correlation is large relative to the sum of correlations indicating diffusions in the patterns of correlations, and hence, factor analysis is likely to be inappropriate (Costello & Osborne, 2005). A value close to one (1) indicates that the patterns of correlations are relatively compact and so factor analysis should yield distinct and reliable factors (Cooper & Schindler, 2011). The Kaiser-Meyer-Olkin measure of sampling adequacy shows the value of test statistic as $0.914 > 0.5$ implying that factor analysis should yield distinct and reliable factors.

Bartlett's test of sphericity on the other hand tests whether the relationship among the indicators is significant or not. It tests the hypothesis that our correlation matrix is an identity matrix, which would indicate that our variables are unrelated and therefore unsuitable for structure detection. Small values (less than 0.05) of the significance level indicate that a factor analysis may be useful with our data. Bartlett's test of sphericity is used to test whether the data is statistically significant or not. With the value of test statistic and the associated significance level, it shows that there exists a relationship among variables. This is as depicted in table 4.3 below.

Table 4.3 KMO and Bartlett's Test

Test	Value	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.914
Bartlett's Test of Sphericity	Approx. Chi-Square	3389.042
	Df	595
	Sig.	.000

4.2.5 Test for Multi-collinearity

A situation in which there is a high degree of association between independent variables is said to be a problem of multi-collinearity which results into large standard errors of the coefficients associated with the affected variables. According to Mugenda and Mugenda (2012), multi-collinearity can occur in multiple regression models in which some of the independent variables are significantly correlated among themselves. In a regression model that best fits the data, independent variables correlate highly with dependent variables but correlate, at most, minimally with each other. Multi-collinearity can also be solved by deleting one of the highly correlated variables and re-computing the regression equation. The pilot data was tested for multi-collinearity of the accepted variables. From the table 4.4 the tolerances are all above 0.2. If a variable has collinearity tolerance below 0.2 implies that 80% of its variance is shared with some other independent variables. The Variance Inflation Factors (VIFs) are all below 5. The VIF is generally the inverse of the tolerance. Multi-collinearity is associated with VIF above 5 and tolerance below 0.2. The accepted variables were therefore determined not to exhibit multi-collinearity and acceptable for collection and analysis.

Table 4.4 Multicollinearity

	Tolerance	VIF
Market Development	0.563	1.776

4.2.6 Test for Normality

The regression model is fit based on the assumptions that the residuals follow a normal distribution. The figure 4.1 clearly shows a normal distribution curve. The curve is not skewed to either side of the plot implying a normal distribution with a mean of 0.000 and a standard deviation of 0.960. Other tests which the researcher conducted to ensure normal distribution is adhered to included, autocorrelation using the Durbin Watson Test and finally Heteroscedasticity using scatter plot.

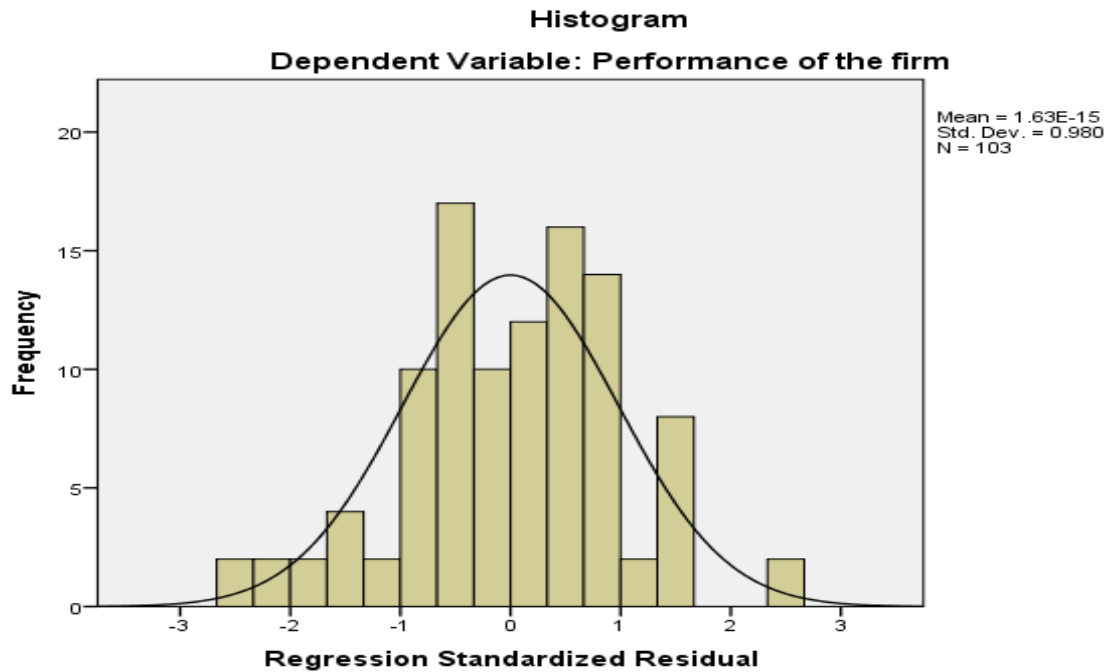


Figure 4.1 Normality Histogram

For further normality test, table 4.5 represents key statistics for this test. The Shapiro-Wilk normality test for the standardized residuals is significant with a significance of 0.960 which is greater than 0.05. This implies that the residuals follow a normal distribution as required for a linear regression.

Table 4.5 Normality Test

	Shapiro-Wilk Statistic	Df	Sig.
Standardized Residual	.986	103	.347
Standardized Residual	.985	103	.306

4.2.7 Test for Autocorrelation

It is also required that the residuals should not be auto correlated. Autocorrelation implies that adjacent observations are correlated. If the regression model violates the assumption of no autocorrelation then the predictors may be significant even though the model will have underestimated the standard errors of the predictors.

The Durbin Watson value is 2.469, the upper limit for 4 predictors excluding the intercept for is 1.679 as depicted in (Appendix XI) and the lower limit is 1.571. 2.469 is higher than the upper limit so we conclude that the residuals are not auto correlated.

Table 4.6 Autocorrelation

Durbin Watson
2.469

Test for heteroscedasticity

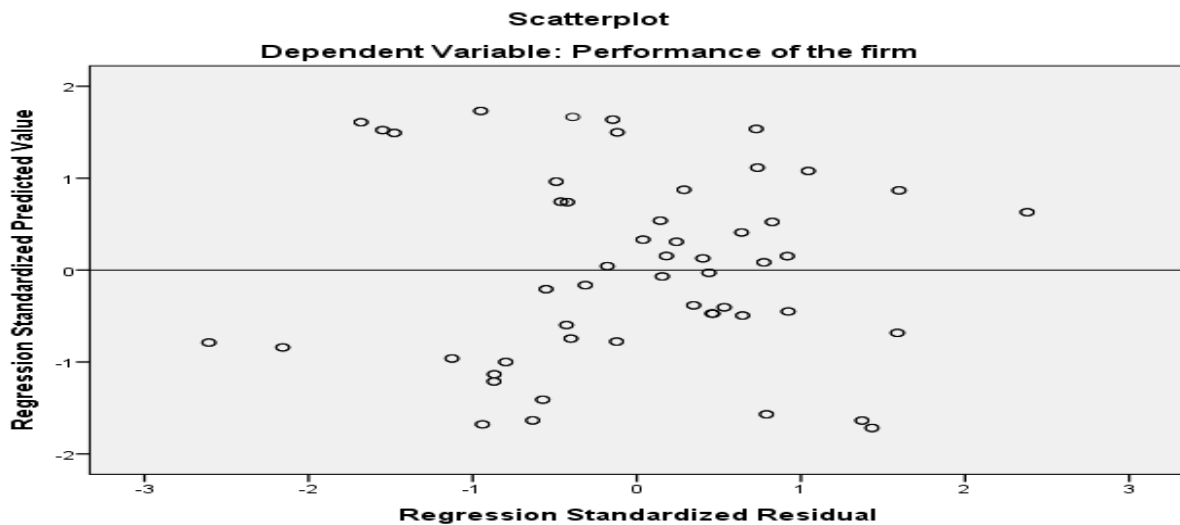


Figure 4. 2 Standardized residual scatter plot

4.3 The Descriptive Analysis

4.4 The specific objectives of the study

This section looks critically at all the specific objectives of the research and draws conclusion of the same. The section highlights presentations of descriptive analysis of the variables according to the objectives of the study. The analysis includes frequency tables of the indicator sub variables of the main independent objective variables and the mode as the measure of central tendency. The use of frequency tables and the mode as the measure of central tendency were chosen because the sub variables were all categorical in nature. The measure of central tendency of choice for categorical data is the mode.

This section also includes a cross sectional analysis between the independent sub variables and the sub variables of the dependent variable. The sub variables of the dependent variable performance were however measured as continuous variables therefore were analysed using the mean as the measure of central tendency and standard deviation as the measure of dispersion. The cross sectional analyses were therefore done as graphical presentations comparing the mean of the continuous dependent sub variables across categories or groups of the independent sub variable being analysed.

4.4.4 The Relationship between Market Development Strategy and performance

The researcher sought to establish any new markets entered to or within the last three years from each firm. 6.73% of the respondents have not entered into any new markets while 93.27% have had a new market entered into in the last 3 years.

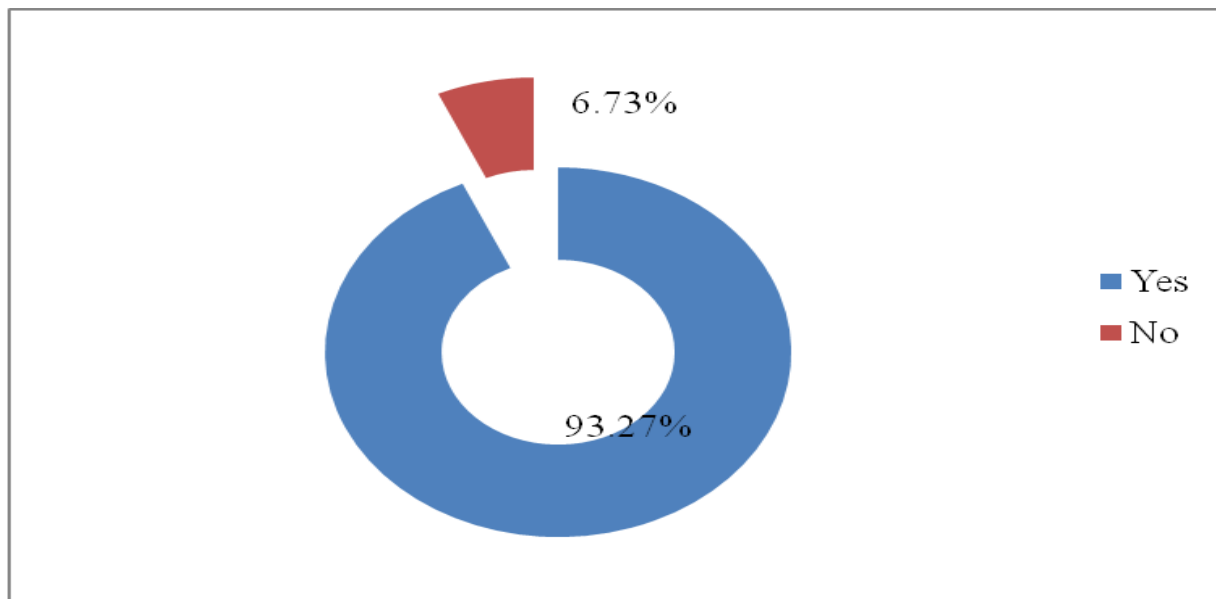


Figure 4.22 Any new markets entered in the last three years

In 2011, only three (3) firms managed to enter into new markets(foreign countries), in 2012, twenty four (24) firms managed to enter into new markets while in 2013 was the best year since most of the firms entered a new market while in 2014 we only had sixteen(16) firms entering into the new market. The jump in 2013 can be attributed to smooth transition in the Kenyan political system.

Table 4. 12 New market

	0	2	3	4	Mode
Number of new markets entered in the past three years	3	24	61	16	3

On a scale of 5, forty three(43) firms consider a level of importance of one (1) regarding to the level of importance of dominant market, two(2) firms considered it as level 2 important, three(3) firms considered this with a level 3 out of 5 importance. Two (2) firms gave level four (4) out of 5 level of importance while fifty four (54) firms gave it level 5 out of 5 importance.

The modal class was 5 implying that on average the firms consider level of importance of dominant market an important aspect of entering into new market. On a scale of 5, thirty three (33) firms considered a level of importance of 1 regarding to the distribution channels, none of the firms considered it as level 2 important, ten(10) firms considered this with a level 3 out of 5 importance. Thirty one (31) firms gave it 4 out of 5 level of importance while thirty (30) firms gave it at level 5 out of 5 importance. The modal class was one (1) implying that on average the firms considered level of importance of distribution channels as least important aspect of entering into new market. This disagrees with Cummins and Doherty (2006) who analyzed the economic functions of independent insurance agents and concluded that they are helpful in the selection of risks and thus helps to break the “winner’s curse” and encourages insurers to bid more aggressively. Independent intermediaries also help markets operate more efficiently by reducing the information asymmetries between insurers and buyers that can cause adverse selection.

On a scale of 5, sixty four (64) firms considered a level of importance of one (1) regarding to the level of importance of demographic markets developed, three (3) firms considered it as level two (2) important, thirteen (13) firms considered this with a level 3 out of 5 importance, twenty two(22) firms gave it 4 out of 5 level of importance while 2 firms gave it level 5 out of 5 importance. The modal class was one (1) implying that on average the firms considered level of importance of demographic markets developed as least important aspect of entering into new market.

On a scale of 5, 16 firms considered a level of importance of 1 regarding to the level of importance of local markets branches developed, none of the firms considered it as level 2 important, thirty three (33) firms considered this with a level 3 out of 5 importance, thirty seven (37) firms gave it 4 out of 5 level of importance while eighteen (18) firms gave it at level 5 out of 5 importance. The modal class was 4 implying that on average the firms consider level of importance of local markets branches developed as equally very important in establishment of local markets branches as a strategy of entering new markets.

Finally, on a scale of 5, sixty nine (69) firms considered as a level of importance of one (1) regarding to the level of importance of foreign markets developed, three (3) firms considered it as level 2 important, fourteen (14) firms considered this with a level 3 out of 5 importance, sixteen(16) firms gives 4 out of 5 level of importance while two(2) firms gives it level 5 out of 5 importance. The modal class was one (1) implying that on average the firms consider level of importance of foreign markets developed as equally less significant as a strategy of entering into new market. This aspect strongly disagrees with the sentiments posited by Meeyer & Trun,(2006) where they argued that firms have to develop operational capabilities and efficiencies to be able to serve and enter into new markets effectively.

Table 4.13 New market and related factors

	1	2	3	4	5	Mode
Level of importance of dominant market	43	2	3	2	54	5
Level of importance of distribution channels	33		10	31	30	1
Level of importance of Demographic markets developed	64	3	13	22	2	1
Level of importance of Local Market branches	16		33	37	18	4
Level of importance of Foreign Markets	69	3	14	16	2	1

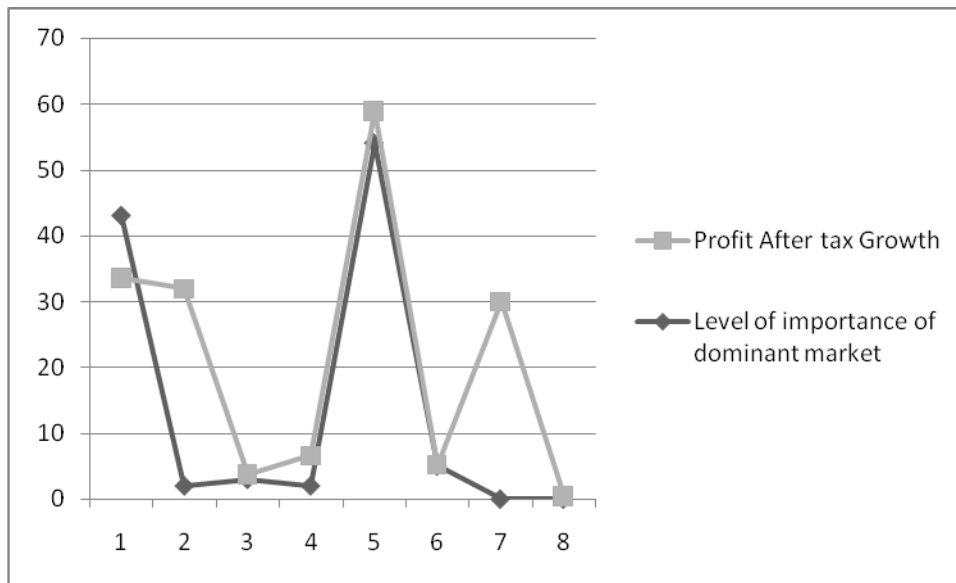


Figure 4.23 Level of importance of dominant market and performance

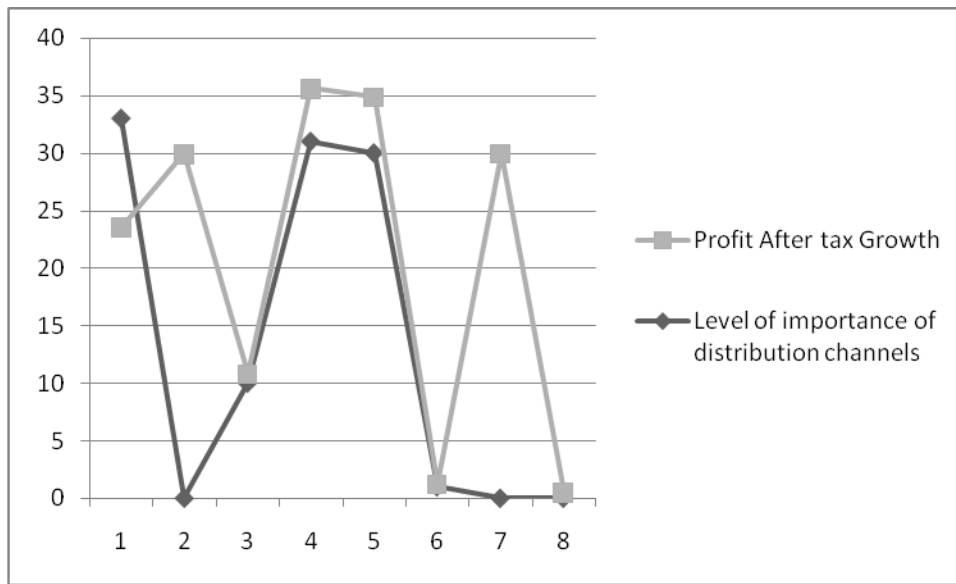


Figure 4. 24 Level of importance of distribution channels

Distribution channels help firms to enter into new market with ease, in this case most of the brokers and independent Agents were noted to only have offices in Nairobi thus limiting the aspect of market development in the upcountry market

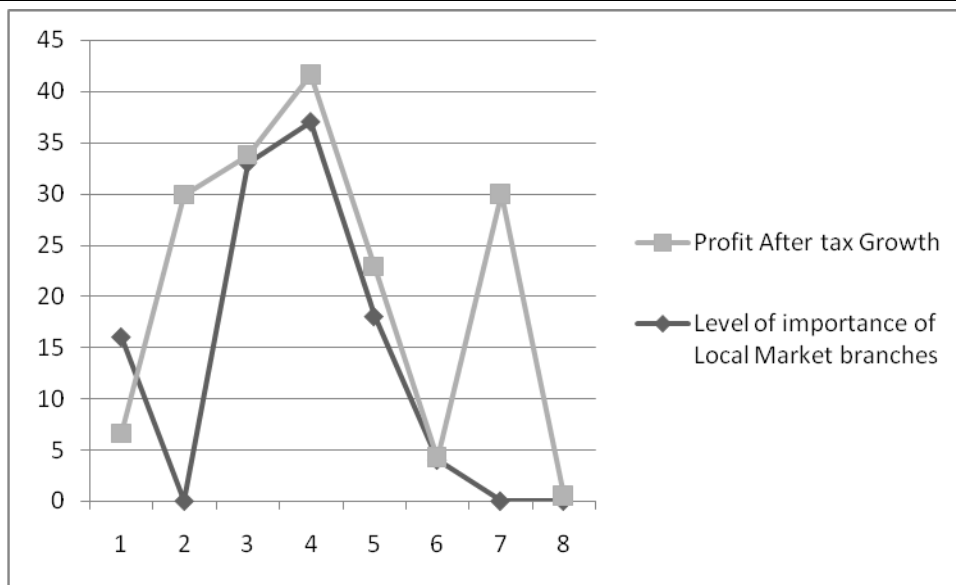


Figure 4. 25 Level of importance of Local Market branches and performance

Firms with branch network were noted to have a strong brand but not high performance. This is in agreement with the fact that the branches were noted to eat up the head quarters profits. It in turn disagrees with the sentiments of Prahalad, (2006) who argued passionately, that there is money to be made “at the bottom of the pyramid.

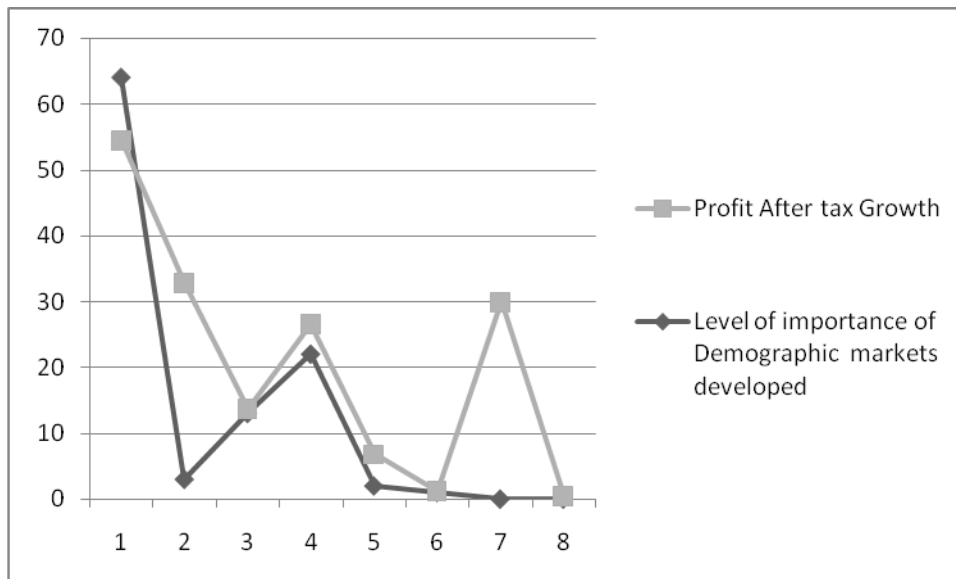


Figure 4.26 Importance of Demographic markets developed and performance

Lack of developing markets with demographic notion in mind led to drop of performance of firms.

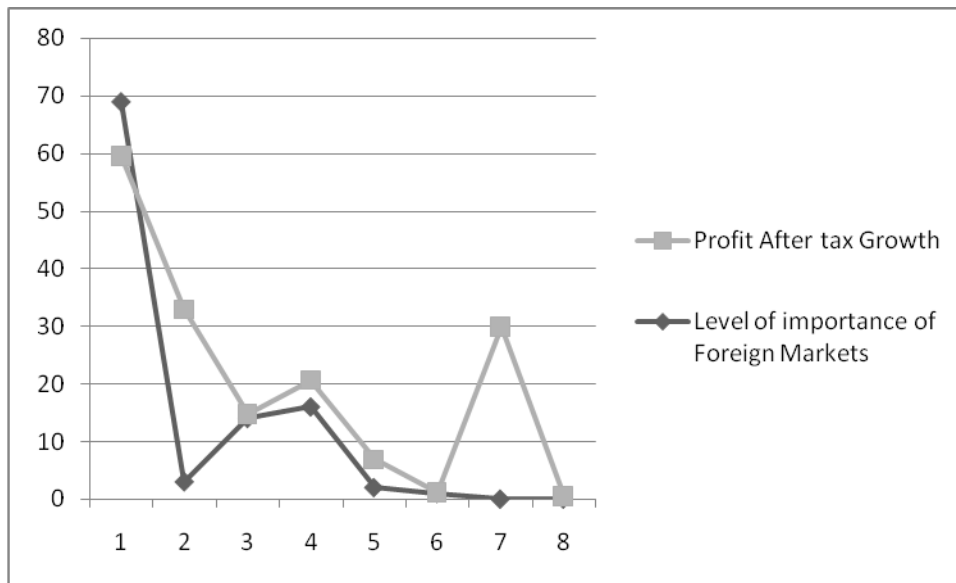


Figure 4. 27 Level of importance of Foreign Markets

4.4.7 Performance of the firm

In analysing performance, the researcher did so within the insurance firms by using financial and non-financial parameters such as sales growth, profit before tax, and profit after tax and number of staffs employed by a certain firm and profit margin. These measures had been used in previous studies by Lusch and Brown (1996). It also conforms to past research that has advocated the use of multiple rather than single measures of organizational performance (Naman and Slevin, 1993). On average, the firms had a sales growth rate of 0.276 between 2010 and 2014 with a Standard Deviation of 0.675. The data on sales growth rate was positively skewed with a skewness of 3.308. The firms also had an average growth rate of 0.215 in Profit before Tax (PBT) between 2010 and 2014 with a Standard Deviation of 0.707. The data on Profit before Tax (PBT) growth rate was positively skewed with a skewness of 3.734. The average growth rate in profit after tax for the firms between 2010 and 2014 was 0.785 with a Standard Deviation of 4.62. The data on Profit before Tax (PBT) growth rate was positively skewed with a skewness of 4.867. The average growth rate in the number of employees for the firms between 2010 and 2014 was 0.150 with a Standard Deviation of 0.410. The data on Profit before Tax (PBT) growth rate was positively skewed with a skewness of 4.543.

Table 4. 15 Performance of the firm

	Min	Max	Mean	Std. Deviation	Skewness		Kurtosis	
					Statistic	Std. Error	Statistic	Std. Error
Sales growth	-.24	3.06	.2762	.67505	3.308	.237	10.394	.469

Profit Before tax Growth	-1.15	4.11	.2152	.70766	3.734	.237	18.278	.469
Profit After tax Growth	-9.45	29.91	.7859	4.62979	4.867	.237	29.963	.469
Growth in no. of staff	-.22	2.35	.1508	.41016	4.543	.237	22.501	.469

4.5 Inferencial Analysis

From factor analysis factor, scores were computed in turn and used to compute total scores of the variables from the sub variable data. The factor scores matrix for all the indicators is shown in Appendix X. The scores computed were used in this part of analysis to determine the relationship between the independent variables and the dependent variable and the level of influence that the independent variables have on the dependent variable. This was achieved by fitting linear regression models for the data. Bivariate regression analysis was done for each independent variable with the dependent variable.

4.5.4 Market Development and Performance of the firm, Bivariate Analysis

Table 4.24 present a summary of regression model results. The value of R and R² are .728 and .531 respectively. This shows that there is a positive linear relationship between Market Development and Performance of the firm. The R² is the coefficient of determination which indicates that explanatory power of the independent variables is 0.531. This means that 53.1% of the variation in the variable Performance of the firm is explained by the variation of the variable Market Development in the model

$Y = \beta_0 + \beta_1 X_1$. The remaining 46.9% of the variation in the dependent variable unexplained by this one predictor model but by other factors. This further confirms the statement as highlighted by IRA(2015) that most of the insurance uptake was had in Nairobi (76.8%) and insurance uptake had not penetrated fully into the counties since only a few had opened up branches in the whole country.

Table 4. 25 Model Sammury; Market Development and Performance of the firm

R	R Square	Adjusted R Square	Std. Error of the Estimate
.728	.531	.526	.68840217

Table 4.25 shows the results of the Analysis of Variance ANOVA on the variables Performance of the firm versus Market Development of the firm. The test reveals that Market Development has a significant effect on the Performance of the firm. The P value is actually 0.000 which is

less than 5% level of significance implying that the coefficient of Market Development is at least not equal to zero.

Table 4. 26 ANOVA table; Market Development and Performance of the firm

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	54.663	1	54.663	115.347	.000
Residual	48.338	102	.474		
Total	103.000	103			

The study further determined the beta coefficients of Market Development. Table 4.27 shows the results of Coefficient of Market Development as -0.852 which helps to generate the model $Y=0.440-0.852X_1$ for Performance of the firm versus Market Development of the firm. This model implies that every unit increase in the measure of Market Development of a firm leads to a 0.852 **decrease** in the level of Performance of the firm. Since the p value of the T statistic of Market Development is equal to zero which is less than 0.05, it implies that the coefficient of market development Strategy is statistically significant. Thus Market Development negates the influences performance of firms within the insurance industry in Kenya.

Table 4.27 Coefficients table; Market Development and Performance of the firm

	Coefficients	Std. Error	T	Sig.
(Constant)	.440	.079	5.572	.000
Market Development	-.852	.079	-10.740	.000

4.6 Multiple Regression

A multiple regression model was fitted to determine whether independent variables; X_1 = Diversification Strategy, X_2 = Market Penetration, X_3 = Product Development, X_4 = Market Development simultaneously affected the dependent variable Y = Performance of the firm. As a result, this subsection examines whether the multiple regression equation can be used to explain the nature of the relationship that exists between the independent variables and the dependent variable. The multiple regression model was of the form:

$$Y = \beta_0 + \beta_1 X_1 + e$$

where

β_0 = constant

β_i = coefficient of X_i for $i = \{1, \dots\}$

e = error term

4.6.2 Hypothesis testing

Since the study sought to test certain null hypotheses, the researcher proceeded to test the same from the inferential statistics carried out. The hypothesis to be tested were based on the specific objectives of the study as highlighted in chapter one. **Objective:** To determine the relationship between market development strategy and performance of firms within the insurance industry in

Year	Ins. Cos	Ins. Broker	Ins. Agents	Invest'	MIPs	Ins. Surveyors	Risk Manager	Loss Adjuster	Motor Assessors	Total players
2009	42	154	3320	112	25	29	6	20	60	3770
2010	46	159	3847	121	26	28	10	22	74	4305
2011	45	168	4578	128	28	26	8	21	89	5093
2012	46	170	4,862	140	24	27	10	21	92	5,392
2013	48	187	4,628	134	29	27	8	22	105	5,188

Kenya.

APPENDIX IV:

THE GROWTH OF INSURANCE PLAYERS FOR THE LAST SIX (6) YEARS

Adopted: From AKI 2013 Industry Report

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the findings of the study done with specific to the objectives and research hypothesis as applied. The researcher carried out both descriptive and inferential statistics and the results of the findings were interpreted based on the theoretical and empirical

literature available. The undernoted recommendations have therefore been derived from the findings.

APPENDIX V:

HISTORY OF COMPANIES PLACED UNDER STATUTORY MANAGEMENT

	Insurer	Nature of Business	Year
1.	Kenya National Assurance Co. Ltd.	Composite (Life & General	1996
2.	United Insurance Co. Ltd	composite	2005
3.	Access Insurance Co. Ltd.	General	1998
4.	Liberty Insurance Co. Ltd	General	2003
5.	Stallion Insurance Co. Ltd	General	2002
6.	Invesco Assurance Co. Ltd	General	Operational
7.	Standard Assurance Co.	General	Statutory Management
8.	Lake Star Insurance Co. Ltd	General	2002
9.	Blue Shield Insurance Co.	General	Statutory Management
10.	Concord Insurance Co. Ltd	General	Statutory Management

Source: Policy holders compensation fund Report (2013)

APPENDIX-VIII**PERFORMANCE OF INSURANCE COMPANIES-2013/2014**

	<i>COMPANY</i>	<i>LIFE</i>	<i>GENERAL</i>	<i>TOTAL</i>	<i>% MKT LEADER</i>
1	JUBILEE	6,104,562.00	9,916,763.00	16,021,325.00	12.13
2	CIC	4,102,385.00	9,200,880.00	13,303,265.00	10.07
3	BRITAM	6,459,883.00	4,482,615.00	10,942,498.00	8.29
4	UAP	1,656,142.00	7,600,587.00	9,256,729.00	7.01
5	APA	628,786.00	7,321,738.00	7,950,524.00	6.02
6	ICEA LION	2,440,760.00	4,947,882.00	7,388,642.00	5.59
7	PAN AFRICA LIFE	5,246,528.00		5,246,528.00	3.97
8	AIG		3,951,752.00	3,951,752.00	2.99
9	HERITAGE		3,766,001.00	3,766,001.00	2.85
10	GA INSURANCE	17,704.00	3,657,152.00	3,674,856.00	2.78

11	KENINDIA	738,512.00	2,703,496.00	3,442,008.00	2.61
12	FIRST ASSURANCE	132,618.00	3,265,820.00	3,398,438.00	2.57
13	AAR		3,282,348.00	3,282,348.00	2.49
14	REAL		3,077,494.00	3,077,494.00	2.33
15	PIONEER LIFE	2,608,491.00		2,608,491.00	1.98
16	RESOLUTION		2,491,239.00	2,491,239.00	1.89
17	AMARCO		2,474,562.00	2,474,562.00	1.87
18	DIRECTLINE		2,266,339.00	2,266,339.00	1.72
19	MADISON	897,044.00	1,295,818.00	2,192,862.00	1.66
20	INVESCO		2,094,031.00	2,094,031.00	1.59
21	LIBERTY LIFE	2,027,605.00		2,027,605.00	1.54
22	KENYA ORIENT	202,317.00	1,787,448.00	1,989,765.00	1.51

23	OCCIDENTAL		1,792,679.00	1,792,679.00	1.36
24	MAYFAIR		1,778,960.00	1,778,960.00	1.35
25	KENYA ALLIANCE	225,814.00	1,293,807.00	1,519,621.00	1.15
26	GEMINIA	77,876.00	1,404,927.00	1,482,803.00	1.12
27	CANNON	280,698.00	1,152,708.00	1,433,406.00	1.09
28	FIDELITY SHIELD		1,384,413.00	1,384,413.00	1.05
29	XPLICCO		1,305,664.00	1,305,664.00	0.99
30	SAHAM	44,956.00	873,874.00	918,830.00	0.70
31	PACIS		915,702.00	915,702.00	0.69
32	INTRA AFRICA		870,469.00	870,469.00	0.66
33	TAUSI		841,632.00	841,632.00	0.64
34	TRIDENT		814,003.00	814,003.00	0.62

35	GATEWAY			702,694.00	702,694.00	0.53
36	OLD MUTUAL	668,659.00			668,659.00	0.51
37	TAKAFUL			608,474.00	608,474.00	0.46
38	THE MONARCH	45,585.00		561,253.00	606,838.00	0.46
39	CORPORATE	240,172.00		330,452.00	570,624.00	0.43
40	PHOENIX			460,573.00	460,573.00	0.35
41	METROPOLITAN CANNON LIFE	369,140.00			369,140.00	0.28
42	PRUDENTIAL LIFE	153,355.00			153,355.00	0.12
43	CAPEX LIFE	21,366.00			21,366.00	0.02
	TOTALS	35,390,958.00		96,676,249.00	132,067,207.00	100.00

APPENDIX IX:

**GROSS WRITTEN PREMIUM FOR INSURANCE INDUSTRY (FIGURES IN BILLION
KENYA SHILLINGS)**

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013
Non Life	25.39	29.20	32.95	36.89	43.11	52.35	60.67	71.46	86.64

Insurance									
Life Insurance	11.03	12.48	15.14	18.30	21.36	26.71	30.93	37.08	44.01
Total	36.42	41.68	48.09	55.19	64.47	79.06	91.60	108.54	130.65
Penetration				2.63	2.84	3.10	3.02	3.16	3.44

Source: Adopted from AKI industry reports (2013)

APPENDIX: X

FACTOR LOADINGS MATRIX

Indicators	Components			
	1	2	3	4
Diversification strategies in your firm	-0.739	0.178	0.203	0.105
Diversification strategies used	0.867	0.297	0.367	0.358
Establish. Of related firms Rank	0.918	0.541	0.136	0.294
Establishment of non related firms Rank	0.935	-0.582	0.152	0.245
Any Mkt Power assumed due to diversification Rank	0.845	0.356	0.106	-0.366
Shared resources Rank	-0.959	-0.083	0.136	-0.187
Solution to Agency problem Rank	0.977	0.22	-0.178	0.502
Retention trend of Key accounts	-0.044	0.97	0.26901	-0.265
Retention trend of non Key accounts	-0.094	0.936	0.37466	-0.011
Penetration strategies used	0.447	0.953	-0.1021	0.043
Presence of product discounts Rank	0.345	0.948	0.48599	-0.175
Awarding loyalty programs to customers Rank	0.047	0.935	-0.2906	0.162
Acquisition/merger of your competitor Rank	0.325	0.926	0.3819	0.202
Conversion of non user into users Rank	0.046	0.962	-0.3683	0.089
Conversion Through referrals Rank	-0.22	0.973	-0.2747	-0.336

Have you developed New products	-0.778	-0.207	0.959	0.247
New products developed 2011	0.133	0.186	0.958	0.082
New products developed 2012	0.643	0.153	0.859	0.295
New products developed 2013	0.737	-0.101	0.867	-0.128
New products developed 2014	0.794	0.106	0.909	-0.249
Product development strategies used	0.84	0.169	0.973	0.087
Adoption of technology Rank	0.717	0.028	0.972	0.006
Modification of existing products Rank	0.42	0.127	0.945	0.567
Setting of the price-:Market force or regulated Rank	0.174	0.131	0.913	-0.382
No. of dominant products which you sell Rank	0.057	0.031	0.973	-0.243
Research & business development. dept. Rank	0.636	0.449	0.943	0.006
Substitutes available Rank	0.21	-0.281	0.944	0.118
Any New markets in the last 3 years	-0.203	0.434	-0.026	0.734
Markets entered	0.184	0.326	0.158	0.952
Market strategies used	0.403	-0.364	0.382	0.942
dominant market rank	0.496	-0.4	0.348	0.835
distribution channels rank	-0.422	0.374	-0.078	0.926
Demographic markets developed rank	0.228	-0.548	-0.204	0.922
Local Market branches rank	-0.045	0.018	-0.393	0.971
Foreign Markets rank	0.158	0.194	0.671	0.726

Factor scores Matrix

	Component			
	1	2	3	4
Diversification strategies in your firm	-0.063	0.057	0.072	0.039
Diversification strategies used	0.036	0.095	0.131	0.134
Establish. Of related firms Rank	-0.019	0.173	0.048	0.11
Establishment of non related firms Rank	0.02	-0.186	0.054	0.092
Any Mkt Power assumed due to diversification Rank	0.051	0.114	0.038	-0.137
Shared resources Rank	-0.049	-0.027	0.048	-0.07
Solution to Agency problem Rank	-0.01	0.07	-0.063	0.188
Retention trend of Key accounts	-0.008	0.068	0.26901	-0.099
Retention trend of non Key accounts	-0.017	0.066	0.37466	-0.004
Penetration strategies used	0.079	-0.109	-0.1021	0.016
Presence of product discounts Rank	0.061	-0.113	0.48599	-0.066
Awarding loyalty programs to customers Rank	0.008	-0.09	-0.2906	0.061
Acquisition/merger of your competitor Rank	0.057	0.046	0.3819	0.076
Conversion of non user into users Rank	0.008	0.14	-0.3683	0.033
Conversion Through referrals Rank	-0.039	-0.068	-0.2747	-0.126
Have you developed New products	-0.137	-0.066	0.027	0.093
New products developed 2011	0.023	0.059	-0.083	0.031
New products developed 2012	0.113	0.049	-0.079	0.111
New products developed 2013	0.13	-0.032	-0.029	-0.048
New products developed 2014	0.14	0.034	-0.06	-0.094
Product development strategies used	0.148	0.054	-0.094	0.032
Adoption of technology Rank	0.127	0.009	-0.134	0.002
Modification of existing products Rank	0.074	0.041	0.064	0.213

Setting of the price-:Market force or regulated Rank	0.031	0.042	-0.178	-0.143
No. of dominant products which you sell Rank	0.01	0.01	0.033	-0.091
Research & business development. dept. Rank	0.112	0.143	0.02	0.002
Substitutes available Rank	0.037	-0.09	-0.069	0.044
Any New markets in the last 3 years	-0.036	0.139	-0.009	-0.153
Markets entered	0.032	0.104	0.056	-0.066
Market strategies used	0.071	-0.116	0.136	0.161
dominant market rank	0.087	-0.128	0.124	-0.04
distribution channels rank	-0.074	0.119	-0.028	0.134
Demographic markets developed rank	0.04	-0.175	-0.072	-0.003
Local Market branches rank	-0.008	0.006	-0.14	0.224
Foreign Markets rank	0.028	0.062	0.239	-0.034

5.2 Summary of the findings

The study sought to investigate the influence of the market development strategies on performance of firms within the insurance industry in Kenya.

5.2.4 The Relationship between Market Development Strategy and performance of insurance firm

As per the study Market development which forms part of the growth strategies was noted to influence the performance of insurance firms in a negative manner. This greatly indicated that for any firm with aim of performing well, it must carefully choose the markets to enter unless the firm is enjoying loyalty from strong brands. This agrees with Homburg (2010) who was able to establish that the more the strong the brand is in the market, the more it's likely to perform well since it will be able to carry out massive market campaigns and advertisement. Otherwise firms with weaker brands may not add value if they open various branches/markets at ago but may only do so and end up consuming some of the profits derived from their headquarters. It can therefore be construed that the pursuit of the Market Development strategy worked to negate performance.

5.4 Recommendations

On the market development strategy, firms have been advised to pursue it with much caution since it is known to negate the performance of a firm.

APPENDIX:XI

DURBIN WATSON TABLES

Table A-1
Models with an intercept (from Savin and White)

Durbin-Watson Statistic: 1 Per Cent Significance Points of dL and dU

n	k*=1		k*=2		k*=3		k*=4		k*=5		k*=6		k*=7		k*=8		k*=9		k*=10	
	dL	d U d L	d U d L	d U d L	d U d L	d U d L	d U d L	d U d L	d U d L	d U d L	d U d L	d U d L	d U d L	d U d L	d U d L	d U d L	d U d L	d U d L	d U d L	d U d L
6	0.390	1.142	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
7	0.435	1.036	0.294	1.676	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----
8	0.497	1.003	0.345	1.489	0.229	2.102	----	----	----	----	----	----	----	----	----	----	----	----	----	----
9	0.554	0.998	0.408	1.389	0.279	1.875	0.183	2.433	----	----	----	----	----	----	----	----	----	----	----	----
10	0.604	1.001	0.466	1.333	0.340	1.733	0.230	2.193	0.150	2.690	----	----	----	----	----	----	----	----	----	----
11	0.653	1.010	0.519	1.297	0.396	1.640	0.286	2.030	0.193	2.453	0.124	2.892	----	----	----	----	----	----	----	----
12	0.697	1.023	0.569	1.274	0.449	1.575	0.339	1.913	0.244	2.280	0.164	2.665	0.105	3.053	----	----	----	----	----	----
13	0.738	1.038	0.616	1.261	0.499	1.526	0.391	1.826	0.294	2.150	0.211	2.490	0.140	2.838	0.090	3.182	----	----	----	----
14	0.776	1.054	0.660	1.254	0.547	1.490	0.441	1.757	0.343	2.049	0.257	2.354	0.183	2.667	0.122	2.981	0.078	3.287	----	----
15	0.811	1.070	0.700	1.252	0.591	1.465	0.487	1.705	0.390	1.967	0.303	2.244	0.226	2.530	0.161	2.817	0.107	3.101	0.068	3.374
16	0.844	1.086	0.738	1.253	0.633	1.447	0.532	1.664	0.437	1.901	0.349	2.153	0.269	2.416	0.200	2.681	0.142	2.944	0.094	3.201
17	0.873	1.102	0.773	1.255	0.672	1.432	0.574	1.631	0.481	1.847	0.393	2.078	0.313	2.319	0.241	2.566	0.179	2.811	0.127	3.053
18	0.902	1.118	0.805	1.259	0.708	1.422	0.614	1.604	0.522	1.803	0.435	2.015	0.355	2.238	0.282	2.467	0.216	2.697	0.160	2.925
19	0.928	1.133	0.835	1.264	0.742	1.416	0.650	1.583	0.561	1.767	0.476	1.963	0.396	2.169	0.322	2.381	0.255	2.597	0.196	2.813
20	0.952	1.147	0.862	1.270	0.774	1.410	0.684	1.567	0.598	1.736	0.515	1.918	0.436	2.110	0.362	2.308	0.294	2.510	0.232	2.174
21	0.975	1.161	0.889	1.276	0.803	1.408	0.718	1.554	0.634	1.712	0.552	1.881	0.474	2.059	0.400	2.244	0.331	2.434	0.268	2.625
22	0.997	1.174	0.915	1.284	0.832	1.407	0.748	1.543	0.666	1.691	0.587	1.849	0.510	2.015	0.437	2.188	0.368	2.367	0.304	2.548
23	1.017	1.186	0.938	1.290	0.858	1.407	0.777	1.535	0.699	1.674	0.620	1.821	0.545	1.977	0.473	2.140	0.404	2.308	0.340	2.479
24	1.037	1.199	0.959	1.298	0.881	1.407	0.805	1.527	0.728	1.659	0.652	1.797	0.578	1.944	0.507	2.097	0.439	2.255	0.375	2.417
25	1.055	1.210	0.981	1.305	0.906	1.408	0.832	1.521	0.756	1.645	0.682	1.776	0.610	1.915	0.540	2.059	0.473	2.209	0.409	2.362
26	1.072	1.222	1.000	1.311	0.928	1.410	0.855	1.517	0.782	1.635	0.711	1.759	0.640	1.889	0.572	2.026	0.505	2.168	0.441	2.313
27	1.088	1.232	1.019	1.318	0.948	1.413	0.878	1.514	0.808	1.625	0.738	1.743	0.669	1.867	0.602	1.997	0.536	2.131	0.473	2.269
28	1.104	1.244	1.036	1.325																

*k' is the number of regressors excluding the intercept

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