

# STRATEGIC MARKETING APPROACHES AND MARKET PENETRATION BY GENERAL INSURANCE COMPANIES IN KENYA

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## ABSTRACT

The insurance industry is faced with a number of challenges the world over, among them the internationalization and globalization leading to increased competition. In Africa, the nature of competition in the Insurance industry has generated various levels of marketing strategies and applications. All players in the insurance industry are competing for the limited insured population. There is much mistrust of the insurance sector among the population mostly out of ignorance, hence the need for a comprehensive awareness programme in order to tap the vastly un-served market hence the need for insurance companies to be innovative in their marketing approaches. The purpose of this study was to determine the effects of strategic marketing on market penetration of the general insurance companies in Kenya. The study sought to establish whether direct response marketing has a significant effect on market penetration of general insurance companies in Kenya; to establish the effects of electronic marketing on market penetration of general insurance companies in Kenya, establish whether strategic alliances have a significant effect on the market penetration of general insurance companies in Kenya. The study was guided by the resource dependence theory, commitment trust theory and resource based view theory. Descriptive research design was used and the target population was 160 employees in general insurance companies in Nyeri County from which a sample of 64 respondents was selected. Data was collected using questionnaires. Multiple regression analysis was used to establish the relationship between the dependent variables and the independent variables. Results showed that direct response marketing had a positive and significant influence on market penetration (Coefficient/beta =0.131, P-value= 0.001), effect of electronic marketing was positive but insignificant (Coefficient/beta =0.162, P-value=0.063), while strategic alliances were positive and significant (Coefficient/beta was 0.196, P-value = .031). This implied that if the general insurance companies were to increase market penetration, they should not only use the traditional methods of marketing (direct marketing), but have to be innovative and employ strategic alliances as a marketing penetration strategy among other marketing methods.

**Key Words:** *Market Penetration, Direct Response Marketing, Electronic Marketing and Strategic Alliances*