Positioning Strategies, Customer Experience and Market Performance of Insurance Firms in Kenya

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POSITIONING STRATEGIES, CUSTOMER EXPERIENCE AND MARKET PERFORMANCE OF INSURANCE FIRMS IN KENYA

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A Research Thesis Submitted to the Board of Graduate Studies in Partial Fulfilment of the Requirements for the Conferment of the Degree of Doctor of Philosophy in Business Administration (Marketing Option) of the University of Kabianga

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DECLARATION AND APPROVAL

Declaration

I declare this research thesis is my original work and has not been presented for the conferment of a degree or award of diploma in this or any other institution.

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DEDICATION

This work is dedicated to the Almighty God the giver of life & health for allowing me to accomplish this task successfully. To my lovely wife Daisy Bosuben, my children Michael Kiplangat, Abigael Cherop, Agatha Cheptoo and Mark Kipngeno for their moral support and giving their time to enable me pursue this dream. To my late mum Elizabeth C. Birech, late grandpa Sawe Birech Arap Muzee, late grandma Naomi Birech for their inspirations in my life and for helping me understand the value of hard work, humility & determination. My loving brothers Caleb Bosuben, late Nathan Bosuben, Hillary Bosuben, Gideon Bosuben and my only sister Caro Cherono Rukaria for being my daily inspiration.

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ABSTRACT

Positioning strategy plays a crucial role in marketing the product and brand of insurance firms to the employee if integrated with positive customer experience leading to customer satisfaction and high market performance. However, high competition from international insurance and banc-assurance products from commercial banks have affected the performance of insurance in Kenya leading to low market share and overall performance. Kenyan insurance products are facing high competition; low penetration as evident by constant dropped in market penetration between 2015 to 2022 from 2.7% to 2.2% showing that the insurance sector is constantly losing its market share to competing financial products. This is accelerated by poor customer experience leading to high default rate among customers. The insurance firms require continuous branding of the product and the firm; however, most marketers make an error of under positioning, over positioning or confused positioning creating dissonance between customer's expectations and experience. Therefore, there is need to examine positioning strategies in relation to customer experience and market performance. The general objective of the study was to examine the relationship among positioning strategies, customer experience and market performance of insurance firms in Kenya. The specific objectives were to determine the relationship between brand focus positioning and market performance, customer focus positioning, and price focus positioning, and market performance in Kenya. The study also assessed the moderating effect of customer experience on positioning strategies and market performance of insurance firms in Kenya. The study adopted theory of customer satisfaction, assimilation-contrast theory, Keller Expectancy Theory and Market Base View Theory. The study adopted positivism research design. A mixed research design was employed which, incorporated cross-sectional and correlation designs. The target population of the study was 220 top management respondents who are responsible in implementing positioning strategies in the firm. Using census method data was collected from all the 220 target respondents. Data was collected using structured questionnaires. Experts in the area of study and supervisors assisted in scrutinizing the questionnaire for validity in terms of face, content and construct. The reliability of the questionnaire was tested using the Cronbach Alpha coefficient where a threshold of 0.7 is deemed reliable. For data summarization, descriptive statistics such as mean and standard deviation was employed in the study. Inferential statistics: - regression and correlation were used to test the relationship between variables. The study found that brand focus positioning ($B=0.266$, $p<0.05$), customer focus positioning ($B=0.302$, $p<0.05$) and price focus positioning ($B=0.689$, $p<0.05$) had a positive significant influence on market performance of insurance firms in Kenya. It was also found that customer experience significantly moderates the relationship between positioning strategies and market performance ($B = 0.785$, $p < 0.05$). The moderating effect of customer experience contributed 7.3% to change in market performance (R^2-Change = 0.073). The findings highlight the importance of integrating a positive customer experience with positioning strategies to improve market performance. The study concluded that positioning strategies that is brand, customer and price focus play a significant role in market performance. Consequently, customer experience plays an important role in enhancing positioning strategies leading to higher market performance. The study recommended that businesses should focus on customer experience when implementing positioning strategies creating a competitive advantage of insurance products in the market and better market performance. These results might be beneficial to insurance and related firms who are looking for market of their products in a competitive market environment.

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LIST OF ABREVIATIONS AND ACRONYMS

AAR	Africa Air Rescue
AKI	Association of Kenya Insurers
ANOVA	Analysis of Variance
B2B	Business to Business
BP	Brand Positioning
CBBE	Customer-Based Brand Equity
CBD	Central Business District
CE	Customer Experience
CEF	Customer Experience Framework
CEM	Customer Experience Management
CEO	Chief Executive Officer
CFA	Confirmatory Factor Analysis
CIC	Co-operative Insurance Company
CP	Customer Positioning
CSR	Corporate Social Responsibility
CX	Customer Experience
EFA	Explanatory Factor Analysis
EPS	Earning Per Shares
ETL	Extraction Transformation-Load
FDI	Foreign Direct Investment

GDP	Growth Domestic Product
IRA	Insurance Regulatory Authority
KFC	Kenya Flowers Commission
KMO	Kaiser-Meyer-Olkin
KPI	Key Performance Indicators
KPMG	Klynveld, Peat, Marwick and Goerdeler
MBV	Market-Based View
MNCs	Multi-National Companies/Corporations
MP	Market Performance
MSME	Micro, Small and Medium Enterprise
NACOSTI	National Commission for Science, Technology & Innovation
NI	Net Income
NIC	National Insurance Company
PLS	Partial Least Square
PP	Price Positioning
PR	Public Relation
ROA	Return on Asset
ROE	Return on Equity
ROI	Return on Investment
SEM	Structural Equation Model
SME	Small and Medium Enterprises

SMM	Social Media Marketing
SPSS	Statistical Package of Social Science
SWOT	Strength, Weakness, Opportunity, Threat
TQM	Total Quality Management
UK	United Kingdom
UN	United Nations
US	United States
USA	United States of America
VIF	Variance Inflation Factor

OPERATIONAL DEFINITION OF TERMS

Brand Focus Positioning Strategy	It refers to a marketing technique that creates an effect on the mind of the customer more than the actual situation of the brand of the company (Marsden, 2002, p. 307). Currently it refers to the use of brand personality, brand image and brand identity in positioning the brand in the mind of the customer.
Customer Experience	It refers to measure of actual verses perceived output of a service or product as experienced or used by the customer (Du, et al., 2023). According to the study customer experience meant the actual output of a service or a product in terms product experience, customer expectation and customer satisfaction.
Customer Focus Positioning Strategy	It refers to a positioning strategy where the perception of the customer is taken into consideration in marketing a product or service (Saqib, 2020). According to the current study this refers to positioning a product or service capitalizing on customer's attitude, customer's category and target audience of the product.
Market Performance	This is an aspect of performance that examines the performance of the product in a specific market (Agyabeng-Mensah, Afum & Ahenkorah, 2020). According to the currents study market performance refers to performance of sales, customer base, quality of service and market share.
Positioning Strategies	It is a marketing plan which enables an organization to position products and services in the mind of the customer with an aim to attract more customers (Maoto, 2017). This study is defined as brand, price and customer focus strategies used to position products in customer's mind.
Price Focus Positioning Strategy	This refers to a positioning strategy where price strategies are adopted in positioning the product into a market segment (Ampountolas, Shaw & James, 2019). The current study defines it as price related position of product through skimming pricing, penetration pricing and price lining strategy in customer's mind.

CHAPTER ONE

INTRODUCTION

1.1 Overview

The chapter consist of the background of the study, problem statement, objectives, justification, significance and scope of the study. It outlines the introduction of the study of positioning strategies, customer experience and market performance of insurance firms in Kenya.

1.2 Background of the Study

In recent years, the insurance sector in Kenya has continued to face challenges related to market performance, including declining profitability, low customer retention, and intense competition from both local and international players. Many insurance firms struggle to increase market share and achieve sustainable growth despite the growing demand for insurance products. According to the Insurance Regulatory Authority (IRA, 2023), the industry's market penetration remains below 3%, indicating persistent inefficiencies in market performance and weak customer confidence. Factors such as limited product differentiation, poor brand perception, and unsatisfactory customer experiences have constrained the competitiveness of many firms. To address these market performance challenges, insurance firms must rethink on how they position their products and services in the marketplace.

Market positioning strategies enable firms to establish a distinct and appealing identity in the minds of consumers, thereby influencing purchase decisions and customer loyalty. Effective positioning highlights unique attributes such as affordability, reliability, and brand reputation, which are essential for maintaining competitiveness in a dynamic insurance market (Stankevich, 2017). Equally important is the role of customer experience, which significantly shapes customer perceptions and behavioural intentions. A positive experience enhances trust, satisfaction, and repeat purchases, while negative encounters can erode loyalty and harm brand reputation. Therefore, firms must integrate customer experience into their positioning strategies by developing brand-focused, product-focused, customer-focused, and price-focused approaches that align with consumer expectations.

According to Butt, Kumar, and Kumar (2017), positioning strategies refers to the act of designing the firm's products and services to make a distinctive and meaningful competitive position among target customers. The positioning strategy's components are customer, brand and pricing focus. In a study that looked at the impact of positioning strategy on the performance of five-star hotels, Maoto (2017) found that differentiation strategies, cost and promotion strategies, service quality strategies, and pricing strategies boost organizational performance.

According to Mukeshimana, Nkechi, and Ogoi (2019), positioning strategy aids organizations in maintaining their competitiveness, whereas differentiation strategy, perceived quality, and price strategy benefit the performance of a company that manufactures power. Positioning strategy is crucial in marketing process used by organization with an aimed of distinguishing itself from competitors. Positioning entails an organization's specific niche within its sphere; with the right strategic position, the organization is bound to be successful, differentiated, and achieve sustainability and competitive advantage (Maarit & Keränen, 2014). It defines the organization's goals and plays a major role in creating distinction in a competitive environment and achieving their goals. Butt, Kumar, and Kumar (2017) pointed out that there are four positioning strategies, which are price, brand, product and customer focus. Marketers create a competitive advantage positioning strategies by focusing on brand of the product and company, price of the product or customer knowledge of the product. The current study focused on brand, customer and price positioning since they are the most used measure of positioning strategy.

In Europe, USA and Asia, market performance has improved due to high research and development on the need of the customer in product and services. According to Sehrawala and Karaduman, (2015) study in Turkey pointed that today's global change, unpredictable consumer demands, economic hiccups, and strong competition make it necessary for organizations to respond by positioning themselves in the customers' minds to achieve their goals. A study in Malaysia by Sarma et al. (2020) pointed that customer satisfaction is associated with customer perception and position of the product. Another study by Guan, Yusuf, and Ghani (2020) pointed out that while doing customer positioning, customer purchase intentions is significantly influenced by service quality and brand reputation. In Iranian, Iyer et al. (2019) found that market orientation and positioning strategy significantly affect how well Iranian dairy product companies' performance. Positioning strategies in improving the brand reputation, performance and service quality.

African countries are increasing their focus in developing and improving the market performance through positioning strategies. A study by Affiah, Udom, Mwaguru, John, and Okon (2022) which focused on customer and product positioning pointed that customer perception of the product and company is important in developing positioning strategy. Hence, marketers should conduct sufficient market research on what the customer perceives and need in a product. In Rwanda, positioning strategy in terms of price strategy, perceived quality and differentiation strategy played a critical positive role in the performance of Rwanda's independent power providers (Mukeshimana, Nkechi & Ogoi, 2019). Similarly, brand focus positioning is necessary in the field of marketing; it helps the consumer choose products that meet their needs.

A study done in Kenya by Maoto (2017) on perspective of positioning strategies focused on prices strategies, perceived quality strategies, differentiation strategies and market strategies as positioning strategies. The positioning strategies enable the Nairobi’s five-star hotels to improve customer relationship management resulting to competitive advantage. Another study in Kenya by Simiyu, and Makhamara (2020) determined how positioning techniques affected insurance firms in Kenya's ability to compete. The positioning strategies in terms of cost leadership approach, product differentiation, and product consumption have significant impact on the competitive advantage of insurance firms in Kenya.

In Lamu County Kenya, Bute (2019) examined positioning strategies in terms of product differentiation, cost leadership, focusing and strategic alliance. The study revealed that the adoption of positioning strategies contributed to the performance of the organization. The focus on insurance industry has increased due to small growth in the industry with most of the customers having negative positioning on the product, brand, pricing and customer perception of the insurance firms. Okoth (2015) who focused on positioning strategies on performance of insurance firms signalized that positioning strategies are considered in marketing.

Positioning strategies have a positive impact on performance because they increase market share, customer brand loyalty, customer satisfaction and customer base expansion. According to the research, strategic positioning also affects customers' views, expectations, benefits, and willingness to pay for a product or service. The study tried also to establish a link between performance and strategic positioning, and the findings of the correlation analysis revealed that performance and strategic positioning were positively correlated.

Damar, Rintari, and Muema (2018) noted that brand-focused positioning strategies allow organizations to compete well in the market. Brand personality, brand element, brand image, and brand identity, as investigated, positively influence the organizational performance of multinational corporations. The insurance firms require brand positioning strategy to combat the stiff competition in the market by differentiating the product through proper branding. Customer focus positioning contribute to customer perception, competitive perception and distinctiveness of a product leading to competitive advantage in an organization Saqid (2021). Insurance firms can capitalize on customer focused positioning strategies that assists customers to be associated with the firm. Price focused positioning is another important aspect where customer focuses on the pricing strategy according to Kawira (2021). Customers differentiate product based on prices affecting the performance of the product or brand. Therefore, the current study focused on, brand, customer and price focus positioning strategies.

According to Teekathananont et al. (2022), customer experience quality plays a critical role in the relationship between brand image and brand equity. Their empirical study in Bangkok found that brand image positively influences both brand equity and customer experience quality, and in turn, customer experience quality enhances brand image, creating a mutually reinforcing effect.

Maklan and Klaus (2011) pointed that customer experience has led to the growth of customer satisfaction in product and service marketing from traditional service quality in 90s as a result of total quality management (TQM). Currently improvement of customer experience management practices has enhanced customer satisfaction. Nasution, et al., (2014) proposed a customer experience framework that enables customer behavioural change, accumulated customer experience and customer experience stages. Customer experience plays an important role in positioning strategies applied by the customer. However, most of the marketers frequently fall into the traps of under-positioning, over-positioning, or confused positioning which can lead to dissonance between customer's expectation and their experience resulting to poor performance of the product. Therefore, the current study examines whether customer experience has a moderating effect on the relationship between positioning strategies and market performance of insurance firms in Kenya.

1.2.1 Positioning strategies

Positioning strategies are essential for shaping customer perceptions and driving market performance in competitive industries. According to Butt, Kumar, and Kumar (2017), positioning strategies range from brand, product, customer, and price focus positioning, all of which aim at placing a product or service in the customer's mind. This study specifically focuses on brand, customer, and price focus positioning strategies due to the close association between brand and product positioning. Since product positioning plays a vital role in shaping brand perceptions, marketers must consider both elements simultaneously. Therefore, the current study evaluates positioning strategies through brand focus positioning, customer focus positioning, and price focus positioning.

Brand focus positioning is one of the most widely adopted strategies by marketers, as it establishes a strong brand image in the minds of consumers. According to Kraujaliene and Kromalcas (2022), organizations must engage in continuous branding efforts to remain competitive. Branding not only helps in differentiating a company from its competitors but also creates customer loyalty and trust. However, firms often make the mistake of under-positioning (failing to highlight their unique value), over-positioning (narrowly defining their brand), or confused positioning (sending mixed messages), leading to a mismatch between customer expectations and experience.

A study in Turkey by Sehrawala and Karaduman (2015) found that brand positioning significantly impacts perceived product quality. However, this study did not examine its direct relationship with market performance. Brand positioning can be analyzed from multiple perspectives, including benefit positioning (how customers perceive the brand's benefits), surrogate positioning (using indirect associations to enhance brand appeal), and competitive positioning (how a brand differentiates itself from rivals) (Azmat & Lakhani, 2015). Rua and Santtos (2022) found that brand positioning significantly influences competitive advantage through market orientation as a mediating variable.

In the Nigerian context, Amadi and Obayi (2022) examined the impact of brand quality positioning on sales performance among SMEs in Rivers State. Their findings revealed a moderate but positive association between brand quality positioning and sales performance, highlighting the importance of strong branding in driving business success. In Kenya, Damar, Rintari, and Muema (2018) investigated brand positioning strategies among multinational corporations. Their study focused on brand personality, brand elements, brand image, and brand identity. This research contributed to the knowledge of brand positioning, but it did not examine the service industry, leaving a gap in understanding how brand positioning impacts market performance in insurance firms. Therefore, the current study bridges this gap by focusing on brand positioning strategies in the Kenyan insurance sector and their influence on market performance.

Customer focus positioning emphasizes how consumers perceive a product in relation to competing offerings. Unlike traditional positioning strategies that emphasize the company's perspective, customer focus positioning seeks to align branding efforts with consumer expectations and experiences. However, this approach is under-researched, primarily because it requires an in-depth understanding of customer perceptions (Fuchs & Diamantopoulos, 2012). According to Saqid (2021), customer positioning lacks a coherent framework, but key elements include customer perception, competition perception, distinctiveness, and competitive advantage. While these factors influence how brands position themselves in consumers' minds, most existing studies have not examined their direct impact on market performance. The current study aims to bridge this research gap by investigating how customer focus positioning strategies impact market performance in the insurance industry.

Customer perception is particularly important in the insurance sector, where trust and reliability play a vital role in purchasing decisions. Since insurance products are intangible and long-term in nature, consumer confidence in an insurer’s ability to deliver on its promises is a key determinant of market success. Insurance companies that effectively position themselves based on customer needs and preferences are likely to experience improved customer retention and increased market share.

Price focus positioning revolves around how customer’s perception of a product based on pricing strategies. Pricing is a critical component of market positioning, as it influences consumer purchasing decisions and overall market competitiveness. According to Kawira (2021), pricing strategies contribute significantly to company performance, particularly among micro, small, and medium enterprises (MSMEs) in Kenya. Companies that adopt effective pricing strategies can gain a competitive edge by appealing to price-sensitive consumers while maintaining profitability.

Goodie-Okio (2012) explored the impact of pricing tactics on marketing effectiveness and found that target customer perception and price sensitivity significantly enhance marketing effectiveness. However, this study did not assess the direct relationship between price positioning and market performance, which the current study seeks to investigate. In the United States, Noone, Canina, and Enz (2013) examined price positioning in relation to revenue management and found that strategic price positioning plays a fundamental role in driving revenue performance. Their findings highlight the importance of pricing strategies in shaping market performance and customer perceptions. However, price positioning alone is not sufficient to ensure long-term success; it must be complemented by strong branding and a positive customer experience.

1.2.2 Customer Experience

Customer experience remains a crucial element in marketing, as it determines whether a product or service meets customer expectations, which can in turn override the effectiveness of the positioning strategies employed. This study therefore, examined customer experience as a moderating variable, because of the way customers' perceive and interact with a firm's, therefore these offer influence the on its positioning strategies on market performance. According to Mashingaidae (2014), customer experience is the customer attitude or reaction as results of receiving the service, consuming or using the product. The cognitive and behavioural aspect of the customer can be positive or negative. This has led to most other organizations considering customer experience management as mean of suppressing negative attribute of a product or service and increasing competitive advantage. In this study customer experience was further categorized into price experience, brand experience, product experience, service mix experience, location experience, packaging and labelling experience. Each of these categories can be further broken down into a number of other aspects that pertain to the customer's interaction with the company's goods or services.

The customer relationship-related characteristics of thinking, acting, feeling, and sensing are included in the product experience (Becker & Jaakkola, 2020). The total experience of a consumer further influenced by product expectations and product personalization. The general expectations a customer has for a particular product referred to as product expectations. In order to keep a competitive edge, businesses must meet or exceed the expectations of their customers.

Customers can alter a product to suit their requirements and preferences, which can make the overall experience more satisfying (Hoyer et al., 2020). Hence, this study examined product experience, product expectation and product customization. Witell et al. (2019) examined the impact of customer experience management in business-to-business relationship where the study identified relation expectations, actor interaction problems and temporal problems. These challenges have made customer experience management hard to control due to subjective nature that dependent on customer expectation, continuous expectation and customer relationship aspects. Hence, customer experience can be improved through improving employees' relationship with customers since it is under control of the organization.

Customer experience plays a key role in market performance, since it is based on customer perception toward a product or service. Despite positioning strategies applied by marketers in positioning a product or a services, customer's experience and perception of product or service can change the direction of market performance. This implies that customer experience might results to positive or negative impact on the relationship between positioning strategy and market performance. Therefore, there is need to look into whether or not customer experience has moderating effect on the relationship between positioning strategies and market performance of an organization.

1.2.3 Market Performance of Organization

The market performance of an organization is a key indicator of its overall success. It is determined by examining market share, profitability, client acquisition and retention, and changes in the company's sales and customer service (Maaz & Ahmad, 2022). The market performance of a company can provide important information about its competitive environment, guide decisions about new products and services, and point out possibilities for development. Any firm must consider market performance of the organization, which is gauged by critical metrics including sales, earnings, customer satisfaction, customer acquisition, customer retention, and market share.

Empirical study evaluate how positioning strategies affect market performance, in terms of consumer share, market share, quality of service, and sales volume, has been

organizational performance for instant Blankson, et al., (2022), studied on impact of Positioning Strategies on Corporate Performance. The performance was measured using consumer share, market share, profitability and sales volume. Similarly, Okoth (2015) examined positioning strategies and performance where measured performance using customer satisfaction, customer brand loyalty, market share and customer base expansion.

In Jordanian Hotels, Al-Gasawneh, (2020) explored the impact of service quality on marketing performance. The study examined effects of service quality on the broad concept of marketing performance, which includes customer satisfaction, customer retention, and market share. This studies indicated a wide gap in measuring performance in terms of market performance.

Market performance is an aspect of performance of organization that affect the performance of a product in terms of number of customers' uptake, product satisfaction, quantity consumed and growth of the market share (Khalayleh & Al-Hawary, 2022). Given that the majority of customers are worried about the quality of the products, they consume; it is important to customer happiness. Santos and Brito (2012) further confirmed that the quantity of complaints and the frequency of repeat purchases might be used to gauge consumer satisfaction. Maina (2016) also made note of the fact that market sales made over time might be used to gauge a market performance.

Despite numerous indicators of market performance, sales, quality of service, customer based and market share remain to be used consistently in majority of the empirical studies (Maaz & Ahmad, 2022; Okoth, 2015; Al-Gasawneh, 2020; Khalayleh & Al-Hawary, 2022). Therefore, market performance was measured using sales, quality of services, customer base and market share.

1.2.4 Insurance Firms in Kenya

The Kenyan insurance market is expanding along with the competitiveness of international insurance firms like Sanlam and Old Mutual Group (AKI, 2014). A top insurance provider in Kenya is Old Mutual, which offers investment, health, and life insurance products. The services and products offered by Old Mutual are designed to adapt to evolving consumer demands.

Old Mutual has more than a century of insurance sector experience, and it also plays an important role among the major financial institutions in the region (Ajowi & Reuben, 2019). Even though there were 55 registered insurance underwriters in Kenya as of 2017 (IRA), only ten (10) of them held 60 % of the market as of 2024 there are 58 licensed insurance companies in Kenya. Major underwriter rivalry has made it difficult for many insurance businesses to grow significantly or achieve break-even.

Jubilee Insurance, Britam, CIC, AAR, and Madison are among the largest insurance companies in Kenya, experiencing growth in premiums and profitability due to innovative product offerings and expanding distribution channels (Mwongela, 2023). However, despite these positive trends, the industry faces a number of challenges, including widespread fraud and unethical practices that erode trust and result in financial losses. Moreover, Kenya's insurance penetration rate remains relatively low compared to other markets, signalling untapped growth potential but also emphasising the need for increased consumer awareness and incentives to enhance insurance uptake.

Like any other business, the competitiveness of an insurance company is influenced by financial conditions, industry regulations, and market competition. In response, Kenyan insurance firms have adopted various competitive strategies, including cost leadership, differentiation, and focus strategies, to strengthen their market position. With the growing number of industry players, finding the right balance between product offerings, pricing strategies, and promotional efforts is central for success (Odhiambo & Njuguna, 2019).

Regulation of the insurance sector falls under the Insurance Regulatory Authority (IRA), established under the Kenyan Insurance Act Chapter 487, which is responsible for monitoring and promoting industry growth. Additionally, the Association of Kenyan Insurers (AKI), founded in 1987, plays a key role in fostering ethical standards among insurers, increasing public awareness, and supporting industry development. According to the AKI report (2017), Kenya had 55 licensed insurance companies at that time, reflecting the industry's competitive environment.

Five main insurers hold approximately 40 % of the general insurance market and about 70 % of the life insurance market, according to research by Standard Investment Bank (2013) more recent data show that while market share remains concentrated, the top five insurers account for nearly 50 % of total premiums. Agents, brokers, loss adjustors, surveyors, risk managers, and reinsurers are other participants in the industry in addition to insurers. The general insurance business includes micro-insurance, medical insurance, aviation, engineering, fire domestic, fire industrial, liability, theft, marine, motor private, motor commercial, personal accident, and workers' compensation related business, according to the IRA report 2022. Life insurance which falls under long-term insurance includes life assurance, annuities, investment, permanent health, group credit, group life and pensions (both deposit administration and personal pension).

According to the IRA industry study in 2017, automation of business processes, elevated public awareness, banc assurance, better regulation and creation of new products are the main factors driving insurance growth in Kenya. However, some insurance companies lack the necessary capitalization levels to cover large and growing risks like political violence and terrorism, according to the Insurance Regulatory Authority's (2022) annual report this led to the requirement for a review of the Kenyan insurance industry.

In East Africa, Kenya continues to lead in insurance market development, with an estimated insurance penetration rate of 2.4% and 58 licensed insurers as of 2024, according to the Insurance Regulatory Authority (IRA, 2024). Earlier reports by the Association of Kenyan Insurers (2016) indicated that general and life insurance accounted for 3.0% and 1.2% of the national GDP, respectively. However, the Kenyan insurance sector has experienced persistent challenges, particularly in maintaining profitability and expanding market penetration. Kamau (2017) noted that the industry faces stiff competition from banc assurance and other financial institutions, coupled with limited public awareness and trust in insurance products.

Data from the Financial Sector Regulators Report (2024) further illustrate a sustained decline in performance indicators over the past decade. The Return on Assets (ROA) fell from 3.8% in 2015 to 0.3% in 2022, before a modest improvement to 1.8% in 2024, while Return on Equity (ROE) decreased from 11.4% in 2015 to 1.2% in 2022, with a slight recovery to 4.9% in 2024. Insurance penetration, which was stable at 2.7% between 2015 and 2017, dropped steadily to 2.2% in 2020 and 2021, reflecting the sector's inability to expand its market base despite regulatory and structural reforms. The marginal rebound to 2.4% by 2024 suggests slow progress that does not align with the country's financial inclusion targets. These indicators collectively point to systemic challenges in marketing and customer engagement, underscoring the need for innovative strategic approaches such as effective positioning strategies. The persistent low penetration, coupled with declining returns, highlights the importance of examining how positioning strategies particularly those focused on brand, customer, and price interact with customer experience to influence market performance in Kenya's insurance industry.

This indicates that the insurance sector is not only declining in financial performance but also experiencing a continuous shrinking of market penetration. The shrinking penetrations have a negative impact on the market performance of insurance products in the Kenyan market. Therefore, there is need to further investigate insurers' positioning strategies and customer experience, which are key in enhancing market penetration and general performance.

1.3 Statement of the Problem

Insurance firms in Kenya play a crucial role in economic growth through risk mitigation, employment creation, and financial intermediation; however, their market performance has been on a persistent decline. According to the Financial Sector

Regulators Report (2024), key performance indicators reveal that the Return on Assets (ROA) decreased from 3.8% in 2015 to 0.3% in 2022, before marginally improving to 1.8% in 2024, while the Return on Equity (ROE) similarly declined from 11.4% in 2015 to 1.2% in 2022, with only a modest rise to 4.9% in 2024. Insurance penetration also fell from 2.7% in 2015 to 2.2% in 2021, with slight recovery to 2.4% in 2024, indicating stagnation in market expansion and competitiveness. These patterns suggest that the sector continues to experience structural and strategic challenges despite its economic significance. Prior empirical studies attribute this decline to ineffective positioning strategies characterized by over, under, or confused brand positioning, which weaken brand differentiation and fail to align with customer expectations. Such deficiencies create a gap between perceived and actual service value, leading to poor customer experience, low trust, and limited policy renewals. Existing studies on marketing and performance of insurance firms have largely focused on product development, pricing, and promotional strategies, with limited emphasis on how positioning strategies interact with customer experience to influence market performance. Moreover, there is a lack of empirical evidence contextualized within the Kenyan insurance sector that integrates customer experience as a moderating variable capable of explaining variations in firm performance outcomes. This study therefore seeks to fill this conceptual, contextual, and methodological gaps by examining the relationship between positioning strategies and market performance of insurance firms in Kenya. Hence, determine the moderating role of customer experience in strengthening or weakening this relationship.

1.4 General Objective of the Study

To establish relationship among positioning strategies, customer experience and market performance of insurance firms in Kenya

1.5 Specific Objectives of the Study

i. To determine the relationship between brand focus positioning and market performance of insurance firms in Kenya.

ii. To assess the relationship between customer focus positioning and market performance of insurance firms in Kenya.

iii. To establish the relationship between price focus positioning and market performance of insurance firms in Kenya.

iv. To examine the moderating effect of customer experience on the relationship between positioning strategies and market performance of insurance firms in Kenya.

1.6 Research Hypotheses

H_{01}: There is no statistical significant relationship between brand focus positioning and market performance of insurance firms in Kenya.

H_{02}: Customer focus positioning has no statistical and significant relationship with the market performance of insurance firms in Kenya.

H_{03}: There is no statistical significant relationship between price focus positioning and the market performance of insurance firms in Kenya.

H_{04}: There is no statistical significant moderating effect of the customer experience on the relationship between positioning strategies and market performance of insurance firms in Kenya."

1.7 Justifications of the Study

The insurance industry in Kenya has been facing challenges that range from external competition to customer related problems. The study on positioning strategies sheds light on the process from which a customer accepts and experience the insurance product. Positioning strategies require an organization to effectively persuade the customer by positioning the product positively in the mind of the customer.

Most marketers fail to position correctly the product in the mind of customer leading to over expectation, under expectation or confusion when the product is over positioning, under positioning or confused positioning. The study also ascertains the specific focus of positioning strategy on brand, price or customer positioning. The dissonance between position strategies and customer expectation can affect customer experience. Customer experience might play important role in the relationship between positioning strategy and market performance.

There was need to examine whether or not customer experience plays moderating role in the relationship between positioning strategy and market performance. The study also examined if customer experience acts as moderating variable to the relationship between positioning strategy and market performance among insurance firms in Kenya. This study was able to solve the problems associated with penetration of insurance products to the market, which have effect to growth of the industry.

1.8 Significance of the Study

This study is significant to insurance firms in Kenya to understand customers and service management through ensuring their products thrive in the competitive market. This may assist the insurance firms to develop appropriate mix of positioning strategies that can be applied for better market performance. It may also assist the insurance firms to identify whether or not customer experience moderates the relationship between positioning strategies and market performance. The recommendations from the study may guide the management of insurance firms to position themselves by improving the weaknesses for the common good.

The study may give guidance to other stakeholders especially policy and marketing strategist by acting as a reference point on positioning strategies, customer experience and their market performance. The Insurance Regulatory Authority (IRA) may be able to adopt the new knowledge for better policy making. It may also provide more knowledge on positioning strategies and customer experience to achieve higher market performance.

The research may also assist researchers and scholars to further research on the study topic. This research may not only assist in providing new information but also it may assist in filling the gap of knowledge hence used for reference and filling the gap made in other research. It may also provide new areas of research through the proposal for further research.

1.9 Scope of the Study

The study was conducted among insurance firms in Kenya that are licensed and regulated by the Insurance Regulatory Authority (IRA). However, international insurance companies offering services to Kenyan businesses and banc-assurance services provided by commercial banks were excluded from the scope, as their operational models and market dynamics differ from those of locally licensed insurers. The study focused on examining the relationship between positioning strategies specifically brand focus, price focus, and customer focus positioning strategies and market performance within the Kenyan insurance sector. In addition, customer experience was investigated as a moderating variable on the relationship between positioning strategies and market performance. The study further assessed the overall market performance of the insurance industry, with emphasis on key indicators such as sales growth, customer acquisition, and market expansion.

The study was anchored on theory of Customer Satisfaction, Assimilation-Contrast theory, Keller Expectancy theory and Market Base View theory. The study applied positivism philosophy which applied cross-sectional and correlation research design. The study was carried out within the period of July to October 2024.

1.10 Limitation of the Study

The study was limited to the use of primary data due to inadequate secondary data available for examining positioning strategies, customer experience, and market performance among insurance firms in Kenya. Data were collected through structured questionnaires administered to licensed insurance firms. While all insurance companies operating legally within Kenya are required to be licensed and regulated by the Insurance Regulatory Authority (IRA), a few unregulated entities, such as informal insurance schemes, cross-border digital insurers, and micro-insurance initiatives not fully registered under IRA, may operate on the periphery of the formal insurance sector. These firms often lack standardized reporting structures and reliable data, making their inclusion impractical. Consequently, this study focused exclusively on insurance firms duly registered and supervised by the IRA, which is the statutory body mandated to regulate, license, and oversee the conduct of insurance business in Kenya in accordance with the Insurance Act. Furthermore, international insurers offering services from outside Kenya and banc-assurance units of commercial banks were excluded, as their operational and regulatory frameworks differ from those locally operating licensed insurance firms.

1.11 Assumptions

The research made the assumption that the managers possess adequate and accurate information that reflected the company's position with regard to positioning strategies, customer satisfaction and market performance.

The results were obtained from the perspective of the managers of the insurance firm who have sufficient knowledge on positioning strategies applied by the firm as well as customer experience from feedback report as well as the market performance of the firm.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The reviews of the literature provide an overview of ontological knowledge from various academics. The study includes the knowledge gap, conceptual framework, empirical and theoretical reviews, and associated literature. This provided a deeper understanding of positioning strategies namely brand, customer and price focus as well as customer experience and market performance of the organization.

2.2 Empirical Review

Positioning strategies, customer experience and market performance of insurance firms in Kenya were reviewed in the study. Empirical literature for brand positioning, customer positioning and price positioning were also reviewed. The section besides reviewing the concepts, it was critic for knowledge gaps in the scholarly literature.

2.2.1 Brand Focus Positioning Strategy and Market Performance

Brand positioning represents a deliberate managerial process through which firms design and communicate a distinctive image and identity in the minds of their target consumers. It is a strategic approach aimed at creating both cognitive and emotional associations between a brand and its audience, ensuring that the brand is perceived as unique and superior relative to competitors (Kotler & Keller, 2016). As Marsden (2002, p. 307) notes, effective positioning requires marketers to continually review and adjust their strategies to maintain relevance in a constantly changing marketplace. Brand positioning therefore transcends physical products to address the psychological, symbolic, and social dimensions of consumer perception. In contemporary competitive environments—such as Kenya's insurance industry, which faces low penetration and intense rivalry brand focus positioning becomes a crucial mechanism for differentiation and market performance improvement.

Kraujaliene and Kromalcas (2022) identified three major forms of brand positioning failures confused positioning (lack of clarity), over-positioning (narrow appeal), and under-positioning (weak differentiation) which collectively lead to poor customer engagement and diminished market outcomes. They concluded that effective brand positioning must communicate a clear value proposition and emotional connection that customers can easily identify with. In competitive service industries, this clarity enables a firm to build trust, customer loyalty, and eventually superior market performance. This conceptual understanding is particularly relevant to the insurance sector, where service intangibility and trust-based transactions make perceived brand reliability a decisive performance factor.

Empirical studies across industries further substantiate the pivotal role of brand positioning in influencing performance. Damar, Rintari and Muema (2018) investigated 122 multinational corporations (MNCs) in Kenya, employing mixed methods to explore the effect of brand strategies on firm performance. Their findings showed that firms actively invested in brand personality, brand image, brand elements, and brand identity, but only brand identity and brand personality had a statistically significant influence on performance. They argued that these two constructs capture the essence of how customers emotionally connect with the brand. Their study, however, measured organizational performance rather than market performance and considered broad brand strategies rather than a focused dimension such as brand focus positioning. Nonetheless, the findings underscore the importance of consistent brand communication and identity coherence—both of which are integral to positioning success.

Similarly, Sehrawala and Karaduman (2015) examined brand positioning strategies in Turkish coffee shop chains specifically Starbucks and Costa using a combination of qualitative interviews and quantitative customer surveys. The study revealed that effective brand positioning positively influenced customers' perceptions of quality, emotional satisfaction, and purchase intentions. This study's emphasis on perceived quality and customer attachment provides insights applicable to insurance firms, where brand image and customer confidence can influence policy uptake and retention. However, since the study focused on retail service outlets rather than financial services, contextual differences limit direct generalization. Insurance services are inherently risk-based and require deeper trust relationships; hence, brand credibility and long-term consistency become even more critical determinants of market success.

Azmat and Lakhani (2015) investigated brand positioning through a consumer perception lens, analyzing benefit, surrogate, and competitive positioning strategies across 250 television advertisements. They found that surrogate positioning—where brands indirectly reference competitors—elicited the most favourable consumer response. Although the study did not measure firm-level outcomes, it highlighted the psychological mechanisms that drive brand recall and preference. In industries like insurance, similar surrogate associations occur when customers equate a company's brand with reliability benchmarks (e.g., comparing local insurers with global benchmarks). This perspective supports the idea that strategic brand cues influence not only awareness but also purchasing decisions, which are central to market performance.

Ekmekçi (2010) explored product and brand positioning strategies within the Turkish manufacturing industry and concluded that consistent positioning enhances competitive advantage and market share growth. The study emphasized the need for firms to align product attributes and brand promises with consumer expectations. Although manufacturing and service sectors differ in tangibility, this finding reinforces the need for coherence between service experience and brand message—a relationship that is often weak in Kenya's insurance sector due to product complexity and low consumer understanding.

In a global maritime context, Vural et al. (2021) examined sustainable brand positioning among the top 13 container-shipping companies worldwide, analyzing their social media presence using network analysis and content analysis methods. The study established that firms employing clear and consistent sustainable positioning strategies achieved higher levels of brand awareness, loyalty, and reputation, all of which correlated positively with market performance indicators. These findings suggest that positioning is not merely about communication but also about embedding values such as sustainability and social responsibility into brand identity. For insurance firms in Kenya, incorporating social or environmental consciousness into their brand focus positioning could enhance differentiation in a market where customers are increasingly value-conscious.

Rua and Santos (2022) extended this discourse in their study of Portuguese footwear exporting firms, examining the relationships among brand, positioning, market orientation, and competitive advantage. They employed structural equation modeling to test hypothesized relationships and found that brand had a direct and significant effect on both positioning and competitive advantage. Furthermore, positioning itself directly influenced differentiation-based competitive advantage, though market orientation showed no significant mediating effect. Their study underscores positioning as the mechanism through which brands translate internal strategic orientation into external performance outcomes. The implication for Kenya's insurance firms is that strategic orientation whether towards customers, innovation, or service must be communicated effectively through positioning to yield tangible market results.

In Nigeria, Amadi and Obayi (2022) examined brand quality positioning strategy and sales performance in 490 small and medium-sized enterprises (SMEs) within the food and beverage sector. They reported a moderate but statistically significant relationship between brand quality positioning and sales performance, indicating that clear brand differentiation enhances consumer trust and purchasing frequency. They recommended that firms should improve product quality and branding consistency to build lasting customer relationships. Although their study focused on tangible products, the findings remain relevant for service industries such as insurance, where perceived service quality and brand credibility are closely intertwined.

Other studies, including those by Zameer et al. (2019) and Gummesson (2017), have established that effective brand positioning fosters long-term brand equity and customer loyalty, which are antecedents of market performance. Brand equity, in this context, reflects the cumulative value that customers attach to a brand based on their experiences and perceptions. For insurance companies in Kenya, cultivating brand equity through consistent brand positioning could mitigate customer churn and enhance policy renewals—key indicators of market performance.

Despite the robust evidence linking brand positioning to firm outcomes, several empirical gaps persist. First, most prior studies measure broad constructs such as brand strategy, brand management, or brand equity, without isolating brand focus positioning—the deliberate process of aligning brand communication, values, and identity with target market perceptions. Second, much of the literature emphasizes organizational performance metrics such as profitability, sales volume, or internal efficiency rather than market performance, which includes customer acquisition, retention, and market share. Third, studies from Sub-Saharan Africa, and particularly Kenya, remain limited. The Kenyan insurance industry presents unique characteristics—low penetration (averaging 2.3% of GDP as of 2024), fierce competition, and high consumer mistrust—making it an ideal context for examining how brand positioning can improve market outcomes.

Moreover, the extant studies have not adequately considered moderating or mediating variables that might influence the brand–performance relationship. For instance, customer experience—the cumulative effect of customer interactions with the brand—may either strengthen or weaken the relationship between brand focus positioning and market performance. Firms that invest heavily in branding but fail to provide consistent, high-quality customer experiences risk brand dissonance, where customer perceptions contradict brand promises. In contrast, firms that align their brand positioning with superior service delivery and customer engagement can enhance brand credibility, resulting in higher satisfaction, loyalty, and market performance. This interaction between positioning and customer experience remains underexplored, especially in the Kenyan insurance sector.

The current study therefore fills several key gaps identified in previous research. Conceptually, it refines the understanding of brand positioning by focusing specifically on brand focus positioning, operationalized through indicators such as brand–customer benefit alignment, corporate image management, brand value/motto coherence, and branded product marketing. Contextually, it extends the investigation to the Kenyan insurance industry, a sector characterized by low penetration, regulatory complexity, and stiff competition from banks and foreign insurers. Geographically, most earlier studies were conducted in Western, Asian, or manufacturing contexts; few have addressed financial service industries in Africa. Methodologically, many previous studies relied heavily on qualitative approaches or descriptive statistics. The current study employs a quantitative correlational design with inferential analysis to empirically test the relationship between brand focus positioning and market performance, while examining customer experience as a moderating variable.

In summary, the reviewed empirical literature confirms that strategic brand positioning can significantly influence market outcomes across industries and regions. However, the strength and direction of this relationship depend on contextual and mediating factors, such as customer experience and service quality. In the Kenyan insurance context—where product differentiation is limited, and service quality concerns persist—brand focus positioning offers a viable avenue for enhancing market competitiveness and performance. By empirically testing this relationship within a regulated but competitive environment, the present study not only contributes to the theoretical advancement of positioning literature but also provides practical insights for insurance managers seeking to strengthen their brand influence and improve market penetration.

2.2.2 Customer Focus Positioning Strategy and Market Performance

Fuchs and Diamantopoulos (2012) looked at the effectiveness of positioning as viewed by the customer. The goal of the study was to present a novel method for evaluating placement effectiveness that aids in overcoming certain significant shortcomings of existing methods and functions as a decision-supporting tool. A multidimensional construct based on the needs of the customer is used to represent positioning effectiveness. This construct captures theoretically relevant characteristics of positioning success at the overall product level rather than the attribute level.

Seven studies in total demonstrate the validity, reliability, and viability of the suggested positioning effectiveness measure for application across diverse types of branded items and distinct product categories. The research's findings show the measure's higher predictive performance when compared to commonly use attribute-based techniques and its ability to accurately predict key consumer behaviour variables like overall superiority or buying intentions. Recognizing the importance of various positioning effectiveness factors should also help new product managers identify the advantages and disadvantages of a product's current positioning, providing a tool for creating more successful product strategies. Since the measurement tool is general in nature, it is especially well suited for use in longitudinal product-tracking studies, cross-national studies comparing the positioning effectiveness of products across nations, product categories with a high degree of technological turbulence, and studies comparing the positioning effectiveness of various products within a portfolio. The current study examined customer-focused positioning in relation to market performance.

Saqid (2021) conducted an empirical analysis of existing literature on positioning tactics. This paper's goal is to evaluate the most recent research on product and brand positioning in order to re-examine the notion and create a more thorough definition from a theoretical standpoint. Positioning was analysed in a methodological manner. According to the literature review, there is no consensus among marketing academics and practitioners over the precise definition of positioning, and there is a lack of coherence in the term. Consequently, a thorough description of positioning must take into account the five fundamental positioning axes of customer perception, competitive advantage, competition perception, and distinctiveness. Customer perception remains an important aspect of positioning, which examines how customers view products in the market. The current study examined customer-focused positioning strategies in relation to market performance.

A research was undertaken by Sarma et al. (2020) to evaluate the effect of client attitude and satisfaction on a Malaysian insurance company. The study's main goal was to determine how customer satisfaction and attitude affected customers' loyalty to an insurance service provider. The main objectives were to determine consumer expectations, establish customer preferences based on customer satisfaction, and gauge customer attitude. The study's target audience was made up of Malaysian insurance company clients. The study utilized 218 respondents comprised the sample, who were selected using an intentional selection technique. This study's research approach was quantitative, and data gathering was done through an analysis of descriptive statistics. Microsoft Excel was utilized to analyze the study data once it had been obtained using Google forms. The study's conclusions demonstrated that customer satisfaction was a key element in determining customer loyalty and had a big effect on the market performance of insurance companies. Customers also had a favorable opinion toward the insurance provider. The results of this survey may thus be very helpful for analyzing and tracking consumer satisfaction and attitude toward insurance companies, which can aid in business growth.

Guan, Yusuf, and Ghani (2020) carried out this study to investigate the variables impacting consumer purchase intention towards insurance goods. The study's main goal was to determine the variables that affect consumers' decision to purchase insurance products in Malaysia. It also determined the link between numerous elements and the buying intentions of consumers. The study also aimed at identifying the influencing dimensions on customer purchase intention. A survey approach where questionnaires were used data collection. A population of insurance consumers was used in the study.

229 respondents that were selected by convenience sampling comprised the sample size. SPSS was used to analyze the data, and the findings were displayed graphically. The results showed that consumer purchase intention is most strongly influenced by two factors that include service quality and insurance business reputation. Additional elements including pricing, branding, product accessibility, and advertising were noted as contributing elements. The findings showed that customer purchase intentions were significantly influenced by characteristics such as service quality and brand reputation, and that these issues needed to be addressed in order to enhance consumer interest in insurance products.

Affiah, Udom, Mwaguru, John, and Okon (2022) looked at Nigerian techniques for customer and product positioning. The study examines the function of customer targeting strategies and product positioning in small manufacturing companies in Rivers State, Nigeria. The target population consisted of 385 small manufacturing companies that were members of the Rivers State Chapter of the Nigerian Association of Small-Scale Industrialists. A sample of 191 people was adopted. The study used a structured questionnaire, which she distributed to the owners and managers of SME manufacturing companies. The results were then analysed using means, standard deviations, and mean scores to identify which practices were most commonly used. Results show that undifferentiated marketing was the most popular consumer targeting strategy, while characteristics-based positioning was the most widely used product positioning strategy. It was determined that product positioning and customer targeting are decisive in giving small-scale manufacturing enterprises a strategic direction. This study did not focus product positioning and market performance of insurance industry. The proposed study was intended to examine market performanc rather than customer target in insurance industry.

Fruit (2021) did a research to evaluate the impact of customer relationship management on the market performance of a few selected insurance businesses in East Shawa Zone, Oromia Region. The main goal of the study was to examine how customer relationship management affects the market performance of a few insurance businesses in East Shawa Zone, Oromia Region. The specific objectives were to determine what factors influence customer relationship management and to look at how it affects market performance. All fourteen insurance firms located in the East Shewa Zone of the Oromia Region served as the study's target population. There were 500 customer insurers in the sample. Descriptive survey research was used for the study. Structured questionnaires and unstructured interviews served as the data gathering methods. Simple descriptive statistics like mean, frequency, and percentages were used in the data processing and presentation processes. According to the research's findings, the performance of the chosen insurance companies in East Shawa Zone's market is significantly impacted by customer relationship management. In the East Shawa Zone of the Oromia Region, customer relationship management is critical to enhancing the market performance of the chosen insurance companies.

Ngunguni et al. (2020) carried out a research to look at the impact of financial factors on the profitability of general insurance companies in Kenya. The research used a quantitative approach, using 54 general insurance businesses in Kenya as its intended audience. A sample was 35 people was used. Questionnaires were utilized to gather the data, and a content analysis was performed to analyze the data. The results indicated that operating costs, financial leverage, and reinsurance management all had statistically significant influence on profitability. The analysis came to the conclusion that reinsurance could be managed systematically and operational expenses could be decreased to boost profitability. The authors suggested that policy interventions be created to support the insurance industry's capacity to remain financially viable while maintaining the quality of its policyholder services.

In order to find prospective directions for future research, Bhatia, Bhat, and Tikoria (2021) conducted a systematic evaluation of the literature on life insurance buying behaviour. Their main goals were to investigate the factors that influence life insurance policies and identify any gaps in the literature. More specifically, they wanted to assess the methodologies used in the existing research, look into the factors that influence purchase behaviour, and determine how the auto industry had affected the demand for life insurance by analyzing the variations in purchase behavior across geographical areas. They used a systematic review methodology in terms of methodological approach. The method comprised of content analysis and systematic mapping of the literature through a thorough process of analyzing pertinent papers published in English-language journals. The authors conducted quality control on the listed studies before analyzing them to determine the variables influencing life insurance buying behavior. The research found that fulfilling life objectives, saving money, and spreading risk are the three main motivators for purchasing life insurance. This study improved our knowledge of life insurance purchasing behavior and identified the main factors that influence people's decisions to acquire life insurance. It's important to note that the authors also noted the information gaps in the current insurance industry.

The effectiveness of the customer service methods used by the National Insurance Company (NIC) was investigated by Jeya and Gopinath (2020). Their main goal was to determine the customer service strategies employed by the NIC to increase efficiency and the effects of those strategies on performance. Customers of the NIC in India were the study's intended target demographic. The study used 600 consumers made up the sample, which was chosen using a stratified random sampling process. A qualitative design was used in the study, which included primary and secondary data sources. In order to gather information regarding the customers' perceptions of the NIC's level of customer service, data collecting methods included interviews and the SWOT analysis. Data analysis was done by carefully reviewing the results. According to the study's findings, NIC employed a number of efficient customer service strategies to increase their effectiveness. Customers expressed satisfaction with the NIC's services and commended how quickly it responded to their questions and complaints.

The overall goal of Eckert, Neunsinger, and Osterrieder's (2022) research was to examine how insurance companies may manage client satisfaction by using digital applications. The study's specific goal was to offer information on how to employ digital apps to raise customer satisfaction. Insurance companies were the study's primary target group. The study's research methodology was qualitative in nature. Data was gathered through case studies, a study of previous research, and conversations with industry professionals in insurance. Inductive coding, which entailed categorizing data in accordance with themes, was used to examine and display the data. The study's findings demonstrated that digital applications may be utilized to increase customer satisfaction in a number of ways, including better data analytics, a better customer experience, and quicker customer service. The study's findings recommended that insurance firms spend money on digital apps to increase client satisfaction.

Jeya and Gopinath's (2020) identifying customer service strategies and their effects on the effectiveness of the National Insurance Company of India. The precise goals were determining the present service delivery procedures and customer service standards, analyzing the specific service methods, and then developing workable alternatives to increase the effectiveness of customer service delivery. For the study, 137 customer service agents from three distinct National Insurance Company offices in Tamil Nadu were selected as the sample size. A descriptive survey was the research method used. Information from clients, coworkers, and consumers was gathered through standardized surveys and in-depth interviews. The Statistical Package for the Social Sciences (SPSS) was used to analyze the data and determine the most important customer service strategies. According to the research's findings, the National Insurance Company's customer service delivery method was made more successful by using customer service approaches such client service training, efficient communication, and greater team collaboration. The study came to the conclusion that effective customer service methods are fundamental to raising the process's effectiveness.

2.2.3 Price Focus Positioning Strategy and Market Performance

Kawira (2021) investigated how pricing strategy affected the performance of micro, small, and medium enterprises in Kenya. The study evaluated how pricing strategy affected Kenya's micro, small, and medium-sized enterprises' (MSMEs') performance. The research philosophy of positivism served as the study's guide. The chosen survey design was descriptive. In Tharaka-Nithi County, where 368 MSMEs were chosen as the study's sample size, there were 8,526 licensed MSMEs. The results of the simple linear regression indicated that the pricing strategy was responsible for 39.3% of the variation in performance of MSMEs in Kenya. Further findings indicated that MSMEs in Kenya perform significantly better when they have an efficient pricing plan in place.

Pricing strategy and MSMEs' success have a very positive association. In light of this, the study confirmed the alternative hypotheses that pricing strategies significantly improve the performance of MSMEs in Kenya. Effective pricing methods lead to improved performance, according to the study's findings. The pricing strategies were the main focus whereas the current study examined the relationship between price focus positioning and market performance.

Goodie-Okio (2022) looked into the pricing tactics and marketing effectiveness of Port Harcourt-based telecom companies. This descriptive study analyzes the pricing practices and marketing effectiveness of Port Harcourt-based telecommunications companies. A secondary source of data used in this study was a survey of pertinent literature that focused on both variables. According to the study, an effective pricing strategy that takes into account both organizational objectives and target customers' perceptions and sensitivities improved an organization's marketing effectiveness. The findings showed that value-based pricing and marketing effectiveness are positively correlated. The study also shows a link between cost-based pricing and effective marketing. Therefore, the study concluded that pricing strategies and marketing effectiveness correlate positively. The current study focused on price focus positioning strategy rather than pricing strategies on marketing performance.

Noone, Canina, and Enz (2013) looked at strategic pricing positioning in relation to revenue management. In addition to revenue management, the study also looked at the impact of prices on business performance. In this study, relative pricing positioning and relative price fluctuation, two crucial elements of strategic price positioning, are compared to the revenue performance of 6998 US hotels over an 11-year period. It concludes that hotels with higher prices than their rivals and stable relative prices over time perform best in terms of revenue. Practitioners in revenue management should consider the implications. The study focused on strategic pricing positioning on revenue management; however, the current study addressed price focus positioning on market performance where revenue is one of the indicators. The study also examined insurance industry, which is different from hotel industry.

Wambugu, Maina, and Ndung'u, (2020) carried out a study with a focus on Kenya's general insurance companies. The main goal was to evaluate the elements that affect how successfully general insurance companies penetrate the Kenyan market. Establishing the primary strategic marketing techniques employed by general insurance businesses and how they impact market penetration were the particular objectives of the study. The sample size was 30 people, including the managers and directors of these firms. The target population was 120 officials from general insurance companies in Kenya. The study used structured interviews and questionnaires to collect data.

The SPSS version 24.0 was used to analyze the data, and descriptive statistics like frequencies, percentages, medians, means, and standard deviations were utilized to show the results. The study's conclusions showed that general insurance companies in Kenya employ a variety of strategic marketing techniques that have an impact on market penetration, including customer relationship management, automation/innovation, customer segmentation, digital marketing, and others. The study's conclusion was that strategic marketing strategies are essential for the development and prosperity of general insurance firms in Kenya. The current study focused on positioning strategies, customer experience and market performance of insurance firms in Kenya.

Korubo and Onuoha (2020) examined the strategic pricing methods and their impact on the marketing effectiveness of breweries in the south-south area of Nigeria. The Tafida-Mensen, Royal Noah, Dorto Breweries, Xtra-Man, and Golden beer companies in Warri, Delta State, made up the target demographic for the research. Eight hundred and fifty (850) consumers from Warri, Delta State, were chosen as the study's total sample size. To gather data for the study, the researchers used a quantitative research strategy in addition to survey questions and interviews. Descriptive statistics, Pearson product moment correlation, and multiple linear regressions were used to examine the data. The study found a connection between effective marketing techniques and clever pricing strategies. Breweries need to use smart pricing practices to flourish in Nigeria's south-south area, according to the experts.

The main goal of the study by Wang, Zhao and Ji, (2022) was to discover if resale or agency selling is more advantageous by evaluating the strategic function of live streaming commerce for distribution contract selection. The bulk of business-to-consumer live streaming firms made up the study's target demographic. The study employed a sample size of 465 business-to-consumer enterprises overall. A quantitative survey was used as the study's research strategy. 3 in-depth interviews for 3 instances and an online survey with 462 respondents were used to obtain the study's data. Data analysis and presentation methods included frequency analysis and structural equation modeling.

According to the study's conclusions, resale rather than agency selling was more appropriate for business-to-consumer live streaming operations. According to the study's findings, reselling appears to be more profitable for business-to-consumer companies when they engage in live streaming commerce. For this reason, the authors advise such companies to choose the reselling distribution contract in the situation.

A research by Michael and Horland (2021) examined on the impact of economic pricing strategy on the success of Kenyan insurance companies. Finding out how economy pricing affected Kenya's insurance companies' profitability was the study's main goal. Assessing the effects of price leadership, pricing strategy, pricing mechanism, and pricing multiplier on the profitability of Kenya's insurance enterprises was one of the study's particular goals. Kenya's insurance industry served as the study's population, with 51 companies participating from 2011 to 2017.

Secondary data was gathered from the sample size using a descriptive approach. Data collection and analysis were carried out using Extraction Transformation Load (ETL) data extraction and descriptive statistical analysis, respectively. The data results were analyzed using the SPSS and STATA software. The findings showed that the profitability of Kenya's insurance companies was highly influenced by price leadership, pricing strategy, pricing method, and pricing multiplier. Additionally, the study came to the conclusion that in order to increase their profitability, insurance companies in Kenya should use economy pricing when creating their pricing strategy.

Frees and Huang (2023) conducted a research on the discriminating (pricing) actuary in North America. Examining the pricing strategies used by actuaries in the US was the study's main goal. Investigating the frequency of actuarial pricing procedures, examining pricing results in terms of their impacts on risk-taking behaviour, and determining the level of regulatory compliance were some of the particular goals of the study. The study used 200 actuaries from the American Academy of Actuaries made up the research sample. Semi-structured and standardized web-based questionnaires were used in the research's quantitative design to gather data. Following that, the data was examined and displayed using descriptive statistical methods including frequency and cross-tabulation. The study's findings showed that, with a few exceptions, most of the actuaries' investigated pricing procedures complied with the laws that applied to them. The research's findings generally indicated that actuaries exhibited a modest level of risk-taking behaviour. According to the study's findings, regulatory agencies must keep an eye on actuaries' pricing methods to guarantee fairness and compliance.

2.2.4 Customer experience

In Bangkok, Teekathananont et al. (2022) conducted an empirical investigation aimed at defining the concept and analysing the relationship between brand equity, brand image, and customer experience. The study targeted 500 consumers who regularly used meal delivery applications in Bangkok and its metropolitan surroundings. Data were collected through an online survey and subsequently analysed using Confirmatory Factor Analysis (CFA) and Structural Equation Modelling (SEM) to test the hypothesised relationships among the constructs. The findings revealed that brand image exerts a significant positive influence on both brand equity and the quality of customer experience, while the reverse effect was also observed, suggesting a reciprocal relationship. More importantly, the results indicated that brand image enhances brand equity indirectly through the mediating role of customer experience quality. This implies that consumers' experiential perceptions of a brand significantly shape their overall evaluation and loyalty towards it.

The study provides critical insight into how customer experience functions as a decisive mediator between brand image and brand equity. Since brand image constitutes a major indicator of brand positioning strategies, the findings further suggest that customer experience may also play a moderating role in the relationship between brand positioning and market performance. In other words, firms with strong brand positioning may achieve superior market outcomes only when customer experiences are consistent with the brand's promised value. This underscores the need for further research to empirically examine the moderating effect of customer experience on the relationship between positioning strategies and market performance, particularly in service industries such as insurance, where brand trust and customer satisfaction are critical.

Similarly, Zollo et al. (2020) explored the dynamics between social media marketing (SMM) and consumer-based brand equity (CBBE), focusing on the mediating roles of consumer benefits and brand experience. Their study, titled "Unpacking the Relationship Between Social Media Marketing and Brand Equity: The Mediating Role of Consumers' Benefits and Experience," drew from Uses and Gratifications Theory to explain why consumers engage with online brand communities. The research revealed that consumers increasingly rely on social media brand communities to seek information, validate perceptions, and interact with other users before making purchasing decisions. Findings demonstrated that both emotional and rational brand experiences significantly predict brand awareness, brand loyalty, and perceived quality, which are the key dimensions of brand equity.

Collectively, these studies demonstrate that customer experience whether through direct service interaction or mediated digital engagement plays a pivotal role in strengthening brand equity and enhancing market performance. They provide empirical support for the argument that customer experience is not only an outcome of effective brand positioning but also a strategic moderator that determines how brand positioning translates into tangible market results. These results could be used by luxury brand managers to create social media marketing plans that improve Millennials' perceptions of brands generally and brand equity evaluations in online spaces. The study focused on core aspect of brand positioning which that is brand on customer experience. Which indicated some evidence between brand concept that brand loyalty, brand awareness and perceived quality with brand experience. However, current study focused on brand personality, brand image and brand identity as brand positioning strategies and market performance as moderated by customer experience.

Schanz and Lile (2018) investigated customer experience as a design strategy. The goal of the study was to determine how a design approach might help a company transition from an abstract strategic direction emphasizing customer experience (CX) to a practical method of operating. It was a case study of an airline corporation where the first author tested solutions directly in daily operations while working from within the organization. The study concluded that designers may help both top-down and bottom-up processes transition from the strategic direction of a CX focus to an applicable proposal. For employees to reflect on their own roles, it can be helpful to identify emotional triggers using a trial-and-error method and boundary items.

Keiningham et al. (2020) did a study with the explicit goal to identify development of customer experience driven business model and how it relates to market performance. The study's target group consisted of 370 American manufacturing companies operating between 2013 and 2018. Descriptive design was utilized for this study. Primary data was used in this study and analysed analytically. The information was subsequently examined to see if there was a connection between customer experience and market performance and innovation. According to the research, companies who put a higher priority on customer experience have a stronger market position in terms of ROI, profits, and market share than those that do not.

According to the study's findings, a key consideration when introducing new business model innovations should be the customer experience because it might affect the effectiveness and feasibility of the new strategy. Customer experience played a role in market performance of most of the firms, however, the study did not examine whether it had moderating effect on positioning strategies and market performance where the current study tends to explore.

Witell et al. (2019) evaluated the characteristics of customer experience management in commercial markets. Because interactions between businesses are also "experienced" in these settings, the current study promotes the use of customer experience management in business to business settings. It describes how business to business companies can plan and oversee the customer experience to have an impact on the customer at many touch points. The study creates a thorough framework that defines customer experience management in business to business. The report outlines the three main difficulties facing business to business customer experience management: relationship expectations, actor interaction problems, and temporal difficulties. Customer experience management was not examined on either market performance nor whether its moderating effect on positioning strategies and market performance. The current study assessed whether customer experience moderated positioning strategies and market performance.

In the application of service marketing Nasution, et al., (2014), investigated customer experience framework. The goal is to provide a new customer experience framework that places a stronger emphasis on the customer's experience of the service throughout their journey. Customer values, needs, and wants are the first layers of the framework, followed by customer experience stages, accumulated customer experience, and customer behaviour change. This contrasts with the paradigm developed by Verhoef, which largely focuses on building the ideal customer experience from the provider's perspective. This customer experience framework may be used to create both experiences and analysed customer experiences after the fact. The current study focused on establishing whether or not customer experience had moderating effect on positioning strategies and market performance.

In Nigerian road transport companies, Ogonu and Lolia (2021) looked at customer experience management and marketing wellness. This study looked at the connection between marketing health and customer experience management in Nigerian road transport companies. When examining the variables, the study used a cross-sectional survey. The creation of primary data involved a systematic questionnaire. Three road transport companies in Port Harcourt provided a sample of 359 customers. The study used a sample size of 189 respondents. In order to examine the hypotheses, the Spearman rank-order correlation was used. The study's findings indicated a strong correlation between customer experience management and the marketing health of Nigerian transport companies, and it concluded that the two factors are related. This indicate that customer experience had role in market performance. However, there is need whether or not customer performance has moderating effect on positioning strategies and market performance.

Mashingaidze (2014) examined the connection between customer experience management and competitive strategy in Zimbabwean banking industry. The objective was to carry out a comprehensive analysis of the customer experience management literature in order to make clear the relationships between the various components of customer experience management. The research therefore examined experience in the price, brand, customer, location, promotion, service mix, environment, packaging and labelling, and supply chain management. The literature review studied and analysed the customer experience management think, feel, act, relate, and sense modules. Results demonstrated that parameters in customer experience management play a significant role in the competitiveness of businesses. Despite, customer experience showing a link with brand, customer and price, it does not show clear relationship with positioning strategies namely brand, customer and price focus position strategy. Hence, the current study examined whether or not customer experience moderated positioning strategy and market performance.

2.2.5 Market performance

Market performance is a multifaceted concept that encompasses various dimensions such as sales, customer satisfaction, quality of service, and market share. Sales volumesw as a primary indicator of market success as used by Gotteland, Shock, & Sarin, (2020) in measuring market performance in the study of market performance in relation to strategic orientation and market proactivity. It reflects a company's ability to convert market demand into revenue. High sales figures are often indicative of effective marketing strategies and strong brand positioning according to Heinberg, Katsikeas, Ozkaya and Taube (2020) in a study of brand positioning in emerging and develop market.

Customer satisfaction and loyalty are critical components of market performance. Customer satisfaction is a measure of market performance defined as the degree to which a product or service meets or exceeds customer expectations according to Puspaningrum (2020) in a study of market orientation, competitive advantage and marketing perofrmance. High levels of customer satisfaction can lead to increased customer loyalty, positive word-of-mouth, and reduced customer churn. Positioning strategies that emphasize superior customer experiences enhance customer satisfaction and loyalty as pointed by Hariandja and Vincent (2022) in a study of customer experience, satisfaction and loyalty to brand powere and performance. These strategies help create a strong, positive image in the minds of consumers, making the brand more attractive and competitive in the market.

The quality of service is a significant determinant of market performance. High service quality can differentiate a company from its competitors and is often perceived as added value by customers. Parasuraman, Zeithaml, and Berry in 1988 developed the SERVQUAL model, which identifies reliability, assurance, tangibles, empathy, and responsiveness as key dimensions of service quality as pointed by Yeong, Knox, & Prabhakar (2022) in a study that examined customer satisfaction and loyality in relation to service quality.

Market share is a critical measure of a company's competitive position within an industry. It represents the proportion of total sales in a market captured by a company. Gaining market share often involves outcompeting rivals through superior product offerings, innovative marketing strategies, and effective positioning. Market leaders typically invest heavily in understanding market trends and consumer behaviour. According to Adıgüzel, (2022), brands that achieve high market share often do so by positioning themselves effectively to meet the specific needs and preferences of their target audience. Strategies such as differentiated product offerings, competitive pricing, and targeted marketing campaigns can help a company increase its market share.

Market performance was examined by Khalayleh and Al-Hawary (2022) on digital content of marketing mix. Market performance was measured using customer loyalty, customer satisfaction and attracting new customers. The marketing mix dimensions for digital content included a digital marketing database, social media platforms, digital pricing, and digital advertising, while the dimensions of marketing performance were customer loyalty, customer satisfaction, and attracting new customers. The study focused on five-star hotel customers in Jordan, using a suitable sample of 294 customers. The data were analyzed using Structural Equation Modelling (SEM). The study found that all dimensions of the digital marketing mix positively influenced the marketing performance of five-star hotels in Jordan. It recommended that hotel managers emphasize digital promotion by publishing advertisements featuring images and videos showcasing the quality of services available. The current study measured market performance using sales, customer based, market share and quality of service.

2.3 Theoretical Review

Theoretical review explores ideas, theories, concepts, and models that support positioning strategies, customer experience and performance of insurance firms. The study utilized the theory of Customer satisfaction, Assimilation-contrast theory, Keller Expectancy theory and Market base view theory.

2.3.1 Theory of Customer Satisfaction

The theory known also as contrast theory was proposed by Hovland, Harvey, and Sherif in 1957. According to Hovland, Harvey, and Sherif, (1957) contrast theory tends to disapprove the use of dissonance theory. The theory proposes that when a customer's expectations are not fulfilled by a product, they tend to exaggerate the difference since their expectations and the product's actual performance are not aligned. It implies that the impact of a product's performance on customer satisfaction is more harmful than the advantage of superior performance over subpar performance.

Contrast theory is described by Kokthi & Kelemen-Erdős, (2017) as the propensity to emphasize the differences between one's own attitudes and the attitudes expressed by opinion statements. This theory holds that customers try to close the gap between their previous expectations and the actual performance of the product or service by shifting their evaluations away from expectations whenever they experience disconfirmation. The theory of contrast highlights that customers may exaggerate the difference due to the surprise effect, despite the assimilation theory's prediction that they tried to reduce the expectation-performance disparity. Any discrepancy between experience and expectations, according to the contrast theory, was amplified in the direction of the difference. If the corporation raised expectations in its advertising and then a customer's experience was only little less than that promised, the items or service would be rejected as completely unacceptable.

On the other hand, contrast theory also accounts for instances where overpromising followed by unexpected high performance leads to exaggerated positive disconfirmation (Vavra, 1997). This occurs when consumers expect mediocrity but are pleasantly surprised by superior service, leading to heightened satisfaction and stronger brand loyalty. The theory highlights the importance of setting realistic customer expectations in marketing communications to avoid negative amplification effects. Instead of merely making exaggerated claims, firms should focus on transparency, service reliability, and continuous customer engagement to enhance positive experiences. By aligning their brand positioning with actual service delivery, companies can reduce the risk of contrast effects leading to dissatisfaction and instead leverage contrast effects to create memorable and positively exaggerated customer experiences.

In the context of this study, the Theory of Customer Satisfaction provides valuable insights into the role of customer expectations in shaping market performance. Since insurance services are largely intangible, customer satisfaction is driven by perceptions of service quality, brand trust, and claims experience. Misalignment between promised service benefits and actual service delivery can lead to significant dissatisfaction, affecting retention rates and overall business performance. Therefore, this theory underscores the importance of accurate brand positioning and consistent service delivery in the insurance sector. Marketers must carefully manage expectations to ensure that their offerings align with customer perceptions, ultimately enhancing customer experience and driving sustainable market performance.

2.3.2 Assimilation-Contrast Theory

The assimilation-contrast theory, originally developed by Hovland, Harvey, and Sherif (1957), provides a robust framework for understanding consumer satisfaction and perception by analyzing the extent of differences between expectations and actual performance. This theory plays a significant role in the disconfirmation model by illustrating how consumers navigate between zones of acceptance and rejection when evaluating products and services. Essentially, the theory postulates that minor discrepancies between expectations and reality tend to be assimilated, while larger discrepancies result in contrast effects, leading to greater perceived differences.

Peyton, Pitts, and Kamery (2003) expanded on this theory by explaining that consumers often adjust their perception of a product's performance to align it with their pre-existing expectations when the deviation is small. This cognitive adjustment helps to minimize dissonance and maintain a sense of consistency. However, when the gap between perceived performance and expectations is large, consumers tend to exaggerate the difference, leading to contrast effects. In such cases, instead of adjusting their perceptions to fit expectations, consumers perceive the product or service as significantly different, which may result in extreme satisfaction or dissatisfaction.

This theory is particularly relevant in the study of consumer satisfaction, as it highlights the dual nature of perceptual responses—either assimilation or contrast—based on the degree of disconfirmation. Oliver (1980) referenced this concept in his research, emphasizing the perceptual distinctions between disconfirmation and satisfaction. This underscores the importance of understanding how consumer expectations shape their reactions to product or service performance.

A practical application of the assimilation-contrast theory is evident in the evaluation of insurance companies. Isac and Rusu (2014) assert that customers form perceptions of insurance firms by comparing them to similar or unrelated firms. If two insurance companies appear similar in their service offerings, customers are more likely to assimilate their views, focusing on subtle differentiating factors such as pricing, customer service, or additional benefits. In contrast, when two firms appear vastly different, consumers are more likely to engage in a contrast effect, where the differences become more pronounced in their minds, leading to a preference for the one that offers the most appealing advantages.

Customer experience is a critical factor in this evaluative process. By leveraging the assimilation-contrast theory, insurance companies can gain valuable insights into how customers perceive their services compared to competitors. If an insurance firm is seen as only slightly different from competitors, customers may assimilate their perception, making minor adjustments to fit their expectations. However, if significant differences exist—such as stark contrasts in customer service quality, claims processing efficiency, or policy offerings—consumers may form a contrast-based evaluation, leading to stronger preferences or aversions.

Understanding the mechanisms of assimilation and contrast allows insurance firms to refine their positioning strategies. By identifying key areas where customers perceive a lack of differentiation or significant disparities, companies can take targeted actions to enhance their competitive advantage. For instance, if customers perceive minimal differences between insurance firms, a company may emphasize unique selling propositions such as superior customer service or specialized coverage options.

Conversely, if customers contrast the company unfavourably with competitors due to negative service experiences, strategic improvements can be made to address those areas and reshape consumer perceptions.

Beyond the insurance sector, the assimilation-contrast theory has broader applications across various industries, including retail, hospitality, and technology. Businesses can use this theoretical framework to analyze customer satisfaction, brand positioning, and market differentiation. By systematically evaluating how customers adjust their perceptions of performance, companies can make informed decisions on marketing, product development, and service enhancements to optimize customer satisfaction and brand loyalty.

The assimilation-contrast theory provides a powerful lens through which consumer perception and satisfaction can be understood. It illustrates how customers adjust their expectations based on perceived differences, either minimizing them through assimilation or exaggerating them through contrast. This theory serves as an essential tool for businesses seeking to enhance customer experience, improve competitive positioning, and drive long-term success in the marketplace. By applying the principles of assimilation-contrast theory, firms can more effectively manage consumer expectations, refine service delivery, and ultimately, achieve greater customer satisfaction and loyalty.

2.3.3 Keller Theory of Branding

Kevin Lane Keller in 1993 created the Keller Brand Enquiry model, also known as the customer-based brand equity (CBBE) model. According to Keller's viewpoint, the relationship between customers and brands can be visualized as a pyramid, with customer recognition at the base and brand resonance at the top (Keller, 2000). In actuality, the CBBE model also referred to as the Brand Equity Pyramid is a pyramid that illustrates how to develop brand equity through target market awareness and appropriate use of tactics. Hence, a relationship between the brand at the top of the pyramid and the customer at its base results in positive brand equity. Brand equity gives an organization the ability to attract and keep customers, giving the company and the product brand a competitive advantage (Mionic & Lindgärde, 2020). Four levels make up Keller's brand equity model (Keaton, 2019).

The first level is brand identity, which refers to how consumers view a brand and differentiate it from others. From the viewpoint of the consumer, it is how the brand characterizes itself (Stukalina & Pavlyuk, 2021). This objective must be attained through the growth of brand salience, or awareness. This means that the brand must be distinctive in order for the consumer to quickly recognize it. This can be accomplished, according to Mionic and Lindgärde (2020), by conducting market research to better understand clients and establish market segments for various needs related to the brand. Determine how the customer chooses the right brand from among the available options.

Tasci (2021) identifies the second level as occurring after brand recognition is attained through customer surveys. It is possible to develop brand meaning that alludes to a product's or company's functionality or purpose. Brand performance and brand imaging make up the two main components of brand meaning. For the consumer, the brand's performance is central. Five components make up the model's definition of performance: price; style and design; empathy of the provided services; effectiveness and efficiency; product serviceability, durability, and dependability; and fundamental traits and features (Dubravka & Domagoj, 2015). On the other hand, brand imagery refers to the image that customers associate with the brand. These are based on how the customer feels.

The third level is where customer expectations and brand performance are represented by brand reaction (Shuv-Ami, 2016). This can be divided into two categories: judgment and feelings. Consideration, credibility, brand, and quality excellence are all present in judgment. The emotional reaction to a product is called feeling, and it might be anything from comfort to enjoyment, security, social acceptance and to self-respect. Keller's idea of brand equity has been criticized since, according to Stukalina and Pavlyuk (2021), it does not take into account the financial aspects of brand equity. Taleghani and Almasi, (2011). argues that it is crucial to also consider the cost because it indicates whether a consumer is willing to pay a premium price to be satisfied. In most cases, price may have a detrimental effect on Keller's model application, influencing the steps utilized to develop brand loyalty.

Therefore, when there is brand resonance, brand equity can be achieved, according to Cornwell, Humphreys and Kwon (2023). The most ideal situation is one in which customers have a strong psychological connection to the brand. Brand fidelity, attitude attachment, a sense of belonging, and participation are the outcomes of the brand equity model. Husain, Ahmad and Khan (2022) discovered that corporate purchasers place more value on staff, credibility, and the corporate brand than they do on individual brands and their associated dimensions. According to the model, brand loyalty and brand awareness go hand in hand. However, it also shows how to create a brand identity that satisfy customers.

2.3.4 Market Based View Theory

The Market-Based View (MBV) theory, initially developed by Bain (1968) and later expanded by Porter (1985), posits that a firm's performance and competitive advantage are primarily determined by external market conditions rather than internal resources. The theory emphasizes that the structure and dynamics of the industry in which a firm operates play a dominant role in influencing its strategic choices and overall performance. According to Krakowski, Luger, and Raisch (2023) the structure of an industry—defined by the number of competitors, barriers to entry, product differentiation, and the bargaining power of buyers and suppliers—shapes firms' conduct and ultimately determines their performance. Porter (1980, 1985) further strengthened this view through the Five Forces Model, which identifies the intensity of rivalry, threat of new entrants, threat of substitutes, and the bargaining power of both buyers and suppliers as the key external forces that determine the profitability and performance of firms.

The theory assumes that resources are relatively mobile and homogeneously distributed across firms; therefore, sustained superior performance can only be achieved through effective market positioning and responsiveness to external opportunities and threats (Barney, 1995). Firms that successfully interpret market signals such as customer needs, pricing trends, technological shifts, and competitor actions can formulate strategies that exploit these external dynamics for competitive advantage. Peteraf and Bergen (2003) argue that a firm's capacity to exploit market imperfections is critical to achieving growth and superior performance. In this sense, strategic positioning becomes the cornerstone of competitive advantage, enabling firms to perform essential activities more efficiently or in a distinct manner that creates greater value for customers.

In the context of insurance firms in Kenya, the MBV theory is highly relevant as it highlights the importance of understanding market forces such as customer expectations, regulatory frameworks, and competitive pressures in shaping strategic decisions. By adopting appropriate positioning strategies—such as brand differentiation, customer responsiveness, innovative product offerings, and value-driven marketing—insurance firms can enhance their competitiveness and strengthen their market presence. These strategies enable firms to attract and retain customers, adapt to changing market conditions, and ultimately improve their market performance. Therefore, the Market-Based View supports this study by demonstrating that market performance is largely a function of how effectively a firm aligns its strategic actions with external market opportunities while mitigating competitive threats within the industry.

2.4 Conceptual Framework

The study was guided by a conceptual framework that illustrates the relationship between positioning strategies, customer experience, and market performance of insurance firms in Kenya. In this framework, market performance was the dependent variable, reflecting the extent to which an insurance firm achieves success in its target markets relative to competitors. Market performance was measured through key indicators such as market share, customer share, insurance sales volume, and quality of services offered to clients. These indicators collectively represent both the firm's ability to attract and retain customers and its capacity to deliver superior value in a competitive marketplace.

The independent variable in this study was positioning strategy, which refers to the strategic process by which a firm establishes a distinct image and value proposition in the minds of its customers relative to competitors. Positioning strategy was operationalized through three main dimensions: brand focus positioning, customer focus positioning, and price focus positioning. Brand focus positioning entails creating a strong, recognizable, and trustworthy brand identity that differentiates the firm's products or services. Customer focus positioning emphasizes understanding and addressing the unique needs, preferences, and behaviors of target customers to enhance customer loyalty and perceived value. Price focus positioning, on the other hand, involves using pricing as a competitive tool to appeal to specific market segments by offering products perceived as affordable, valuable, or premium, depending on the firm's strategic intent.

The relationship between positioning strategy and market performance was moderated by customer experience, which captures the overall perception customers develop through their interactions with the firm's products, services, and brand. Customer experience was assessed using three core dimensions: product experience, customer expectations, and customer satisfaction. Product experience reflects the functional and emotional value derived from using the insurance products, while customer expectation represents the anticipations customers hold prior to purchase or engagement. Customer satisfaction, meanwhile, indicates the degree to which these expectations are met or exceeded, shaping customers' loyalty and willingness to repurchase or recommend the firm's services. The moderating role of customer experience implies that the effectiveness of positioning strategies on market performance may vary depending on how positively customers perceive their interactions with the firm.

In summary, the conceptual framework postulates that effective positioning strategies enhance market performance by improving the firm's visibility, customer appeal, and competitiveness. However, the strength of this relationship is influenced by the quality of customer experience, which determines how customers interpret and respond to the firm's positioning efforts. Therefore, firms that integrate strategic positioning with superior customer experience are more likely to achieve sustainable market performance and long-term competitive advantage in the insurance industry.

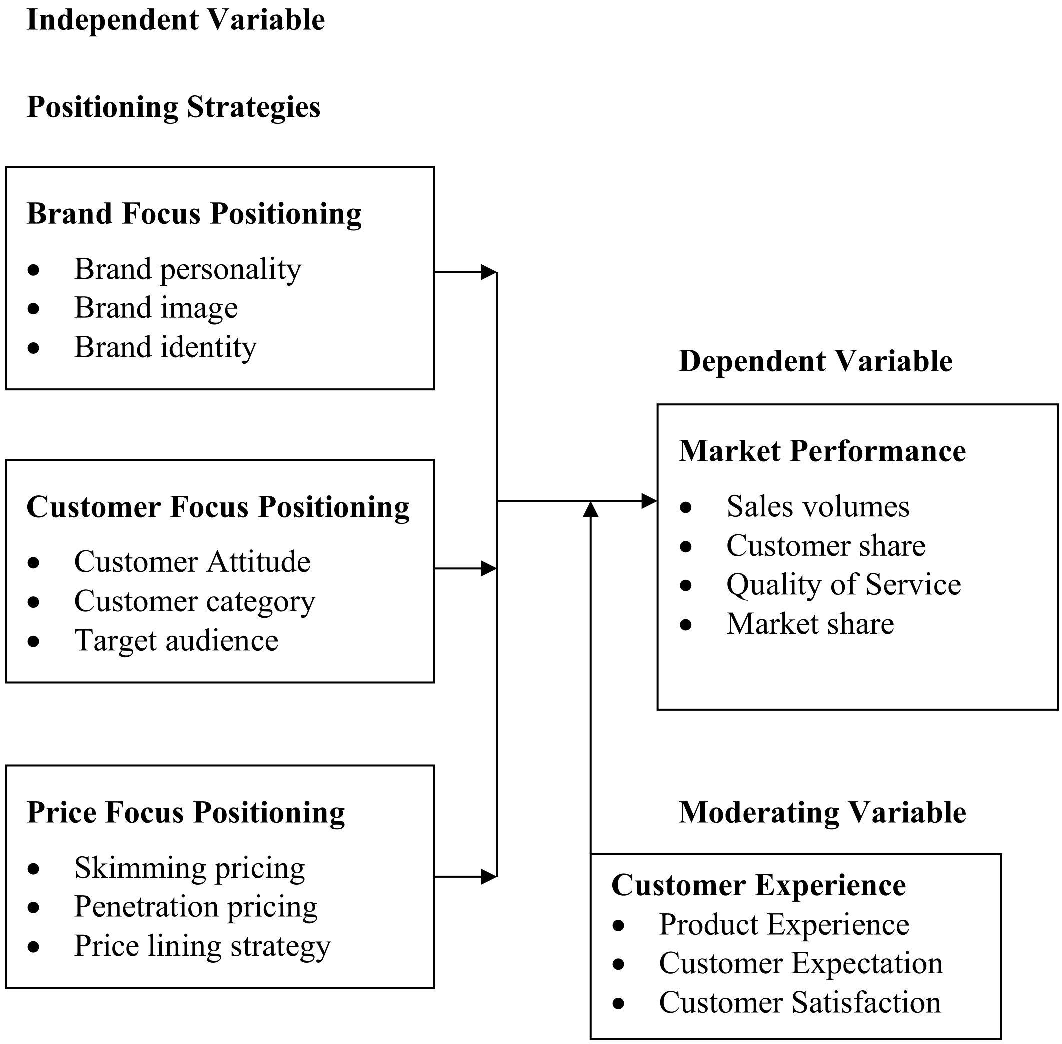

Figure 2.1: Conceptual Framework

Source: Adapted and Modified from Gul et al. (2021)

2.5 Identification of Knowledge Gap

Empirical literature shows that brand positioning plays a critical role in shaping customer perceptions and market competitiveness. Studies such as Azmat and Lakhani (2015) in Pakistan and Fuchs and Diamantopoulos (2012) in Germany focused on brand identity and consumer-based brand associations as determinants of market performance. Similarly, Vural et al. (2021) emphasized sustainable branding as a key factor influencing performance among transport firms, while Damar et al. (2018)

explored brand reputation among multinational corporations. However, these studies mainly conceptualized branding in terms of product image and advertising, overlooking the strategic orientation of brand-focused positioning—which includes brand differentiation, brand image consistency, and brand promise delivery. Contextually, most of these studies were conducted in manufacturing, transport, and hospitality sectors, leaving a gap in service industries such as insurance, where brand trust and credibility are critical. Geographically, limited evidence exists in Kenya's insurance industry, despite its low penetration and competitive nature. Methodologically, many prior studies used qualitative and descriptive designs, limiting causal inference.

The current study fills these gaps by conceptualizing brand focus positioning as a strategic construct encompassing brand differentiation, identity, and promise. It applies this construct specifically to insurance firms in Kenya, a sector where intangible services and trust dominate customer decision-making. Through a quantitative explanatory design, the study empirically tested the relationship between brand-focused positioning and market performance, thus addressing conceptual, contextual, geographical, and methodological shortcomings in prior research.

Customer-focused positioning is critical in aligning product offerings and service delivery to customer needs and expectations. Previous studies, such as Sarma et al. (2020) in India and Fruit (2021) in Nigeria, linked customer relationship management and customer orientation to firm performance. Similarly, Rua and Santtos (2022) in Portugal explored the mediating effect of customer satisfaction in positioning-performance relationships. However, these studies often viewed customer focus as an operational or relational tool rather than a strategic positioning dimension. Conceptually, there is a gap in understanding how customer-centered differentiation, personalized service delivery, and value communication form a positioning strategy that drives market performance. Contextually, most research has focused on manufacturing and retail sectors, with little evidence from financial services and insurance, where customer perception of reliability and service assurance largely determines firm success.

To address these gaps, the current study operationalized customer focus positioning as a strategic construct involving customized service, relationship marketing, and customer trust-building mechanisms, investigating its direct influence on market performance of insurance firms in Kenya. The study's focus on the insurance sector, which depends heavily on customer confidence and retention, bridges the contextual and geographical gaps. Additionally, by employing quantitative analysis techniques such as correlation and regression, the study provides empirical validation for the conceptual link between customer-oriented positioning and market performance—an area largely underexplored in past literature.

Pricing remains a fundamental element of positioning strategy that influences customer choice, perceived value, and competitiveness. Prior studies, such as Noone et al. (2013) on the hotel industry and Goodie-Okio (2022) on SMEs in Nigeria, explored pricing tactics such as penetration pricing and premium pricing in relation to sales performance. Kawira (2021) examined pricing policies among Kenyan SMEs but did not treat price positioning as a deliberate strategic approach to market leadership. Conceptually, there is limited literature integrating price focus positioning—that is, the use of pricing as a differentiating tool reflecting value perception—within models of market performance. Contextually, the insurance sector has unique pricing challenges, including premium rate competition and regulatory pricing controls, yet these dynamics have rarely been studied. Geographically, there is scarce evidence from Kenya and East Africa, where pricing sensitivity among consumers is high and affects insurance uptake.

Methodologically, most prior research relied on descriptive statistics and case studies, lacking robust inferential testing.

The current study fills these gaps by defining price focus positioning as a strategic use of pricing to communicate value and create a competitive advantage. It empirically assessed how pricing differentiation and value-based premium strategies affect the market performance of insurance firms in Kenya. By focusing on a regulated service sector with intense price competition, the study provides context-specific evidence, and by employing inferential statistical analysis, it advances the methodological rigor of previous works.

Customer experience is increasingly recognized as a central determinant of customer loyalty, brand advocacy, and overall firm performance. Studies such as Muriithi (2018) and Ndungu and Irungu (2020) in Kenya have shown that customer experience positively affects customer satisfaction and retention. However, conceptually, most prior research treated customer experience as an outcome variable rather than a moderating variable influencing the strength of relationships between positioning strategies and market performance. Moreover, previous models failed to capture the multidimensional nature of customer experience—including emotional, cognitive, and behavioural interactions—that shape market outcomes. Contextually, few studies have examined this construct within the insurance industry, where service encounters and claims management significantly influence client perceptions. Geographically, most evidence originates from developed markets such as the UK, USA, and South Africa, limiting the applicability of findings to Kenyan settings. Methodologically, past research primarily used cross-sectional descriptive designs without moderation analysis.

The current study addresses these gaps by conceptualizing customer experience as a moderating variable that strengthens or weakens the relationship between positioning strategies and market performance. Conducted among insurance firms in Kenya, it provides context-specific empirical evidence on how enhancing customer experience can amplify the effectiveness of brand, customer, and price positioning strategies. Using multiple regression and moderation analysis, the study fills the methodological gap by quantifying the interaction effects of customer experience on market performance, providing a more holistic understanding of strategic marketing in the insurance industry.

Overall, existing literature provides partial insights into how positioning strategies relate to market performance but lacks integration, contextual depth, and methodological robustness. The current study bridges these gaps by developing and empirically testing a comprehensive model linking brand focus, customer focus, and price focus positioning strategies to market performance, with customer experience as a moderating variable—specifically within the context of insurance firms in Kenya, thereby contributing new theoretical, empirical, and practical knowledge to strategic marketing literature.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The study's research design blueprint is presented in this chapter. In order to determine the appropriate sample size, it also explains the population and the sampling process. The guidelines for data collection, the instrument's validity and reliability, and the data collecting techniques are all provided in this section. The study also looked at data analysis and ethical considerations.

3.2 Research Design

The study adopted the positivism research philosophy, which emphasizes empirical and objective approaches to knowledge acquisition (Ali, 2024). Positivism is grounded in the principles of scientific inquiry, relying on measurable and observable phenomena to investigate research questions. This approach was considered appropriate because it enables the establishment of causal relationships, the generation of empirical evidence, and the maintenance of systematic and structured inquiry. In line with positivist philosophy, the study sought to objectively test hypotheses using quantifiable data and rigorous methodologies. The commitment to objectivity, reliability, and hypothesis verification makes positivism particularly relevant for studies in both the natural and social sciences.

A mixed research design was employed which, incorporated cross-sectional and correlation designs. A cross-sectional design involves collecting data at a single point in time, making it effective for analyzing current trends and relationships within a given population (Hunziker & Blankenagel, 2024). This design was suitable for the study as it enabled the researcher to gather up-to-date information from all 55 insurance firms regarding their positioning strategies, customer experience, and market performance. By capturing data at a single time frame, the study ensured efficiency while maintaining comparability across different firms.

The correlational research design was utilized to assess the interrelationships among key study variables (Temizhan, Mirtagioglu, & Mendes, 2022). This design allowed the researcher to statistically examine the strength and direction of relationships between positioning strategies, customer experience, and market performance of insurance firms in Kenya. Correlational analysis is particularly useful when investigating both direct and moderating effects between variables. In this study, it was applied to test the direct relationship between positioning strategies and market performance, as well as the moderating effect of customer experience on this relationship. Since the study was quantitative in nature, both cross-sectional and correlational designs were appropriate, as they enabled the collection and analysis of statistically relevant data. These designs facilitated objective hypothesis testing, ensuring the research findings were valid, reliable, and generalizable within the Kenyan insurance sector.

3.3 Target Population

A target population refers to the entire group of individuals, objects, or entities that share specific characteristics and from which a sample may be drawn to obtain the desired research outcomes (Willie, 2024). The target population is derived from an accessible population within the study area, consisting of individuals or entities that meet the criteria relevant to the study (Kasomo, 2006). In this study, the target population consisted of 220 managerial-level respondents drawn from 55 insurance companies that are officially registered with the Insurance Regulatory Authority (IRA) (Appendix III). However, the study excluded three insurance firms that had been registered within the last five years. This exclusion criterion was applied because newly established firms may not have attained operational stability or developed sufficient market experience to provide reliable data on long-term positioning strategies, customer experience, and market performance.

The selected managers play a strategic role in their respective organizations and were chosen based on their knowledge and influence on key business operations. The managers were categorized into four key groups: General Managers, Risk Managers, Finance Managers, and Marketing Managers. General Managers oversee the overall strategic direction of the company, while Risk Managers handle risk assessment and mitigation strategies. Finance Managers are responsible for financial sustainability, including pricing strategies and revenue management, whereas Marketing Managers focus on customer acquisition, retention, and brand positioning.

The selection of these managers as respondents was based on their strategic knowledge and experience regarding the study variables. They were well-positioned to provide valuable insights into the positioning strategies employed by insurance companies, their customer experience as institutional decision-makers, and their access to market performance data.

Table 3.1:

Target Population

Managers	Number of Insurance Firm	Number of Manager
Managing director/CEO	55	55
Marketing Manager	55	55
Finance Manager	55	55
Risk Manager	55	55
TOTAL	55	220

Source: List of Insurance (IRA, 2023)

3.4 Sampling Size and Sample Procedures

The study employed a census technique, which involves collecting data from the entire target population rather than selecting a subset. A total of 220 respondents was used, ensuring comprehensive data collection from all relevant participants. A census approach was considered appropriate because the total population was relatively small and manageable, making it feasible to include all potential respondents in the study. This minimized sampling error and ensured a more accurate representation of the population.

The study also included all 55 registered firms operating in the sector, from which data was collected. Within these firms, the senior personnel served as the primary respondents. This selection was based on the assumption that top management possesses critical knowledge regarding positioning strategies, customer experience, and market performance of the insurance firms. Since these elements require strategic decision-making and oversight, senior managers were best placed to provide insightful and reliable information.

3.5 Data Collection Instrument

The primary data for this study was collected using structured questionnaires. The questionnaire was designed to capture relevant information systematically, ensuring reliability and validity in data collection. Given the quantitative nature of the study, a Likert scale was incorporated to measure the variables under investigation. The Likert scale provided a structured way to assess respondents' perceptions, attitudes, and experiences on a continuum, which is essential for statistical analysis.

The adoption of a questionnaire as the primary data collection tool was informed by the limited availability of comprehensive and up-to-date secondary data on key study variables, particularly on positioning strategies, customer experience, and market performance within the insurance industry in Kenya. While general financial performance data are available from the Insurance Regulatory Authority (IRA) and other public reports, these secondary sources do not adequately capture firm-level strategic practices, customer-centered initiatives, or the internal measures of market performance such as customer share, service quality, and brand positioning outcomes. Consequently, it was necessary to obtain primary data directly from managerial respondents who possess first-hand knowledge of their firms' strategic approaches and market outcomes.

The structured questionnaire was therefore deemed the most appropriate instrument as it allowed for the quantification of managerial insights into how positioning strategies and customer experience influence market performance. The questionnaire design emphasized clarity and logical flow, with sections aligned to the study objectives and corresponding research variables. Prior to full-scale data collection, the instrument was pretested to evaluate its consistency, comprehensibility, and measurement accuracy, thereby enhancing its reliability and validity.

3.6 Validity and Reliability of Research Tool

3.6.1 Validity of the Research Instrument

According to Cohen et al. (2000), the validity of a research instrument refers to the extent to which it measures what it is intended to measure. A valid instrument ensures that the collected data accurately reflects the constructs under investigation, thus enhancing the credibility and generalizability of research findings. In this study, validity was assessed through face validity, content validity, construct validity, and criterion validity (Oso & Onen, 2008).

Face and content validity were determined through comprehensive peer reviews and supervisor assessments. The draft questionnaire was reviewed by two academic peers within the School of Business and a panel of three research supervisors with expertise in marketing and strategic management. Their feedback focused on the logical flow, wording clarity, and relevance of each item to the study variables — positioning strategies, customer experience, and market performance. The reviewers recommended restructuring ambiguous statements and refining the Likert-scale anchors for better respondent comprehension. This expert input ensured that the instrument appeared both conceptually sound and contextually appropriate, thereby strengthening its face and content validity.

Construct validity was statistically assessed using Exploratory Factor Analysis (EFA) after pilot testing the instrument. The EFA results revealed that all items loaded significantly (factor loadings ≥ 0.5) on their respective constructs, confirming that each item represented its intended theoretical dimension. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.812, which exceeded the acceptable threshold of 0.6, while Bartlett's Test of Sphericity was significant ($\chi^2 = 356.21$, $p < 0.05$), indicating that the dataset was suitable for factor analysis. These findings confirmed that the questionnaire items were well-clustered and conceptually aligned with the study constructs.

Criterion validity was established by correlating the pilot data results from the new instrument with existing validated measures of similar constructs from previous studies. A Pearson correlation coefficient ($r = 0.724$, $p < 0.05$) between the pilot questionnaire and the benchmark instrument indicated a strong positive association, demonstrating that the developed tool effectively measured comparable phenomena. Through the combined use of expert review and statistical validation techniques, the study ensured that the research instrument achieved a high degree of validity. Consequently, the questionnaire was deemed suitable for data collection, capable of accurately capturing the relationships among positioning strategies, customer experience, and market performance in insurance firms in Kenya.

3.6.2 Reliability of the Research Instrument

Reliability refers to the degree of consistency or stability exhibited by an instrument in measuring a particular construct (Mugenda & Mugenda, 2003). A reliable instrument yields consistent results when administered repeatedly under similar conditions. To assess the reliability of the research instrument, a pilot test was conducted involving 20 respondents drawn from selected insurance three recently licensed insurance firms in Kenya. These firms were excluded from the main study sample to avoid response bias.

The collected pilot data were analyzed using SPSS Version 27, and reliability was determined using Cronbach's Alpha Coefficient, as recommended by Nunnally and Bernstein (1994). According to the authors, a Cronbach's Alpha value of 0.7 or higher indicates acceptable internal consistency among the items.

Table 3.2

Reliability Test

Variables	Cronbach Alpha	Items
Brand Focus Positioning Strategy (BP)	.795	6
Customer Focus Positioning Strategy (CP)	.743	5
Price Focus Positioning Strategy (PP)	.798	5
Customer Experience (CE)	.794	5
Market Performance (MP)	.716	5
Overall	**.729**	**26**

Source: Field Data (2024)

The reliability test indicated that brand positioning, customer positioning, price positioning, customer experience and market performance had Cronbach alpha coefficient more than 0.7. This indicated that each construct was reliable. The overall Cronbach alpha coefficient of 0.729 indicated that the instrument was reliable.

3.7 Data Analysis and Presentation

Kombo (2004) pointed that the process of data analysis is deductive, involving the synthesis of field data to generate new ideas based on conclusions drawn from the findings. The research employed a quantitative analytical methodology, whereby the gathered data were processed to yield both descriptive and inferential results that may be utilised to deduce conclusions and suggestions. As such, the study's goal, hypothesis, and measuring scale all influence the analysis process choice. This study used SPSS software for data analysis where the study’s objectives as well as the research hypothesis was statistically measured descriptively and inferentially. Means and standard deviation were applied as descriptive statistics. Simple and multiple regression modelling used as inferential statistics using a significance threshold of 5%.

3.7.1 Empirical Models

To stablish the relationship between positioning strategies that is brand, customer and prices focus positioning strategies with market performance, a simple linear regression analysis was used (Model 3.1- 3.3). In order to examine the moderating effect of customer experience on the link between positioning strategies and market performance of insurance firms, model 3.4-3.6 was applied. Hence, the significant of β_9 in model 3.6 examined whether or not customer experience has moderating effect on positioning strategies respectively in relation market performance.

The structured multiple regression models include;

$$Y = \beta_0 + \beta_1 X_1 + e \quad \text{-----(3.1)}$$

$$Y = \beta_0 + \beta_2 X_2 + e \quad \text{-----(3.2)}$$

$$Y = \beta_0 + \beta_3 X_3 + e \quad \text{-----(3.3)}$$

$$Y = \beta_0 + \beta_4 X + e \quad \text{-----(3.4)}$$

$$Y = \beta_0 + \beta_5 X + \beta_6 M + e \quad \text{-----(3.5)}$$

$$Y = \beta_0 + \beta_7 X + \beta_8 M + \beta_9 XM + e \quad \text{-----(3.6)}$$

Where;

Y	= Market Performance
β_0	= Constant Term
$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6, \beta_7, \beta_8, \beta_9$	= Beta coefficients
X_1	= Brand Focus Positioning
X_2	= Customer Focus Positioning
X_3	= Price Focus Positioning
X	= Positioning Strategies
M	= Customer Experience
ε	= Error Term

3.7.2 Diagnostic Test

Before conducting multiple regression analysis, it is essential to test the underlying statistical assumptions to ensure the validity and reliability of the model. The key assumptions tested in this study included linearity, homoscedasticity, multi-collinearity, and autocorrelation. These assumptions are fundamental in adopting multiple linear regression models, as violating them may lead to biased estimates, inefficient predictions, and incorrect inferences.

3.7.2.1. Normality Test

Normality assumption in multiple regression models is an essential aspect that ensures the validity of statistical inference and predictions. It assumes that the residuals, which are the differences between the observed and predicted values of the dependent variable, are normally distributed. Normality test was examined using Shapiro-Wilk which is adopted for a study with small sample size that is less than 2000 otherwise Kolmogorov-Smirnov would have been appropriate.

The results were presented on Table 3.3 where significant value above 5% was termed as normally distribution.

Table 3.3

Normality Test

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	**Df**	**Sig.**	**Statistic**	**df**	**Sig.**
BP	.202	195	.099	.839	195	.071
CP	.167	195	.151	.954	195	.123
PP	.216	195	.066	.897	195	.099
CE	.160	195	.199	.945	195	.108
MP	.210	195	.078	.867	195	.087

a. Lilliefors Significance Correction

Key: BP-Brand Positioning, CP-Customer Positioning, PP-Price Positioning, CE-Customer Experience and MP-Market Performance.

Source: Field Data (2024)

The Shapiro-Wilk statistical results in Table 3.3 revealed that Brand Positioning (p=0.71), Customer Positioning (p=0.123), Price Positioning (p=0.099), Customer Experience (p=0.108) and Market Performance (p=0.087) had significant values above 5% (p>0.05). This implied that the null hypothesis was accept and therefore these constructs were normally distributed. This allowed the researcher to adopt simple and multiple linear regression models.

3.7.2.2. Autocorrelation Test

Autocorrelation in a multiple linear regression model is diagnosed to evaluate whether the residuals exhibit correlation over time. This assessment is critical as it ensures the validity of the model's assumptions, particularly the independence of residuals. Detection of autocorrelation alerts researchers to potential biases and inefficiencies in parameter estimates, stemming from the violation of this assumption.

The study also examined autocorrelation to ascertain whether their existed predictive residual error using tested using Durbin-Watson coefficient. The coefficient was test where since of auto-correlation is observed when d<1.5 or d>2.5. This was presented in Table 3.4 below.

Table 3.4

Autocorrelation Test

Model	Durbin-Watson
1	1.777

Source: Field Data (2024)

The results of the Durbin-Watson (DW) test indicated that there was no significant autocorrelation in the regression model, as the computed DW coefficient of 1.777 fell within the acceptable range of 1.5 to 2.5. Since the DW statistic ranges from 0 to 4, with a value close to 2 suggesting no autocorrelation, the findings confirm that the residuals were independent and randomly distributed. This implies that the assumption of autocorrelation was not violated, ensuring that the regression model produced unbiased and efficient estimates. The absence of autocorrelation strengthens the validity and reliability of the statistical conclusions, as it prevents inefficiencies in hypothesis testing and ensures that the relationships observed in the model are not distorted by systematic patterns in the residuals.

3.7.2.3. Multi-Collinearity Test

In multiple linear regression models, multi-collinearity testing is performed to assess the degree of correlation between independent variables. This diagnostic process is vital as multi-collinearity can lead to inflated standard errors and imprecise coefficient estimates, compromising the reliability and interpretability of the model. In order to test multi-collinearity, the study examined Variance Inflation Factor (VIF), which should be less than 10 for no multi-collinearity.

Table 3.5

Multi-Collinearity Test

		Collinearity Statistics	
Model		Tolerance	VIF
1	BP	.622	1.607
	CP	.820	1.219
	PP	.682	1.465

Source: Field Data (2024)

In the results above brand positioning (VIF=1.607), customer positioning (VIF=1.219) and price positioning (VIF=1.465) had variance inflation factors less than 10. This implies that the independent constructs had no multi-collinearity among its variables. Therefore, simple and multiple linear regression were the most appropriate models for examining the significant of hypotheses of the study.

3.7.2.4. Homoscedasticity Test

Homoscedasticity is an assumption that test the variance of the residuals is constant across all levels of the independent variables. This is essential as violations of this assumption can lead to biased standard errors, undermining the reliability of parameter estimates and hypothesis tests.

The spread of residual errors along the regression line plays an important in determining the regression predictors. Levene statistic was applied where significant above 5% indicated that residual errors in the simple and multiple linear regression models are homogenously spread, otherwise, heteroscedastic.

Table 3.6

Homoscedasticity Test

		Levene Statistic	df1	df2	Sig.
BP	Based on Mean	11.714	10	184	.056
CP	Based on Mean	10.015	10	184	.101
PP	Based on Mean	4.377	10	184	.124

Source: Field Data (2024)

According to the output results the Levene statistics revealed that brand positioning (p=0.056), customer position (p=0.101) and price positioning (p=0.124) had significant value greater than 5%. This lead to reject of null hypothesis and acceptance of alternative. This implies that this construct residual errors were homogenously spread across the regression line.

3.7.2.5. Linearity Test

Linearity assumes that the relationship between the independent variables and the dependent variable is linear. Linearity was examined as an assumption that need to be evaluated before using simple and multiple linear regression models. This was determined using ANOVA analysis of each independent constructs on dependent construct. A 5% significant level was used to examine linearity where the null hypothesis implies that there is no significant linearity.

Table 3.7

Linearity Test

			Sum of Squares	df	Mean Square	F	Sig.
MP * BP	Between Groups	(Combined)	27.808	15	1.854	7.685	.000
		Linearity	5.860	1	5.860	24.292	.000
		Deviation from Linearity	21.948	14	1.568	6.499	.000
	Within Groups		43.182	179	.241		
	Total		70.990	194			
MP * CP	Between Groups	(Combined)	18.438	10	1.844	6.456	.000
		Linearity	4.532	1	4.532	15.868	.000
		Deviation from Linearity	13.906	9	1.545	5.410	.000
	Within Groups		52.552	184	.286		
	Total		70.990	194			
MP * PP	Between Groups	(Combined)	40.318	11	3.665	21.869	.000
		Linearity	26.514	1	26.514	158.193	.000
		Deviation from Linearity	13.804	10	1.380	8.236	.000
	Within Groups		30.672	183	.168		
	Total		70.990	194			

Source: Field Data (2024)

The output results indicated that the null hypothesis in for brand position and market performance (MP*BP) was reject and alternative adopted (p=0.000). Similarly, the null hypothesis was rejected also in the relationship customer positioning and market performance (MP*CP) as well as in the relationship between price positioning and market performance (MP*PP) with both p value of 0.000. This implies that the independent constructs that is brand positioning, customer positioning and price positioning had significant linear relationship with the dependent construct market performance. This implies that simple and multiple linear regression models were the best fit as compared with other non-linear regression models.

3.8 Ethical Consideration

Ethical considerations are fundamental to ensuring the credibility, integrity, and professionalism of any research involving human participants. This study adhered to the ethical guidelines prescribed by the National Commission for Science, Technology and Innovation (NACOSTI), as well as the standards of academic integrity set by the university. A letter of authorization was first obtained from the university, which enabled the researcher to secure research permits from the NACOSTI before commencing fieldwork. These approvals ensured that the study was legally compliant and conducted within the required institutional and national research frameworks.

One key ethical issue addressed was informed consent. Before data collection, each respondent was provided with an information sheet explaining the purpose, objectives, and scope of the study. Participants were informed that their participation was voluntary and that they could decline or withdraw at any point without any negative consequences. Consent forms were signed to confirm their willingness to participate, ensuring that all engagement was based on voluntary and informed participation.

Another ethical concern was confidentiality and anonymity. Respondents were assured that all personal information and responses would be treated with strict confidentiality. To protect participant identity, no personal identifiers such as names or specific organizational details were recorded in the data collection instruments. The collected data were coded to maintain anonymity and stored securely in password-protected digital files accessible only to the researcher. This approach safeguarded participants' privacy and upheld the principles of data protection and confidentiality.

The study also addressed data integrity and objectivity. Throughout the research process, the researcher maintained impartiality by ensuring that data collection, analysis, and interpretation were free from personal bias or external influence. Findings were reported accurately and transparently, with proper acknowledgment of all sources used. This upheld the principles of academic honesty and research accountability.

In addition, beneficence and non-maleficence were observed by ensuring that no harm—psychological, social, or professional—came to the participants as a result of the study. The questions were carefully structured to avoid sensitive or intrusive content that could cause discomfort. The research also ensured that the results would be used solely for academic purposes, contributing to knowledge enhancement and policy improvement within Kenya's insurance sector.

Finally, data security and retention were given priority. Both primary and secondary data were securely stored in encrypted files, and printed materials were kept in locked cabinets. The researcher retained full control over the data throughout the study and committed to destroying the raw data after the completion of the project in line with ethical data management practices. The study adherence to these ethical protocols covering informed consent, confidentiality, objectivity, data integrity, and participant protection the study ensured compliance with professional and institutional standards, thereby enhancing its credibility, trustworthiness, and ethical soundness.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

The results and discussion of the study are presented in this chapter, which includes both descriptive and inferential statistics. Descriptive statistics are provided in the form of frequencies (percentage frequencies), means, and standard deviations. Inferential statistics were conducted using correlation analysis, simple linear regression, and hierarchical multiple linear regression. The findings are presented in tabular form for clarity.

4.2 Response Rate

A total of 220 questionnaires were distributed to senior managers across 55 registered insurance firms in Kenya. Out of these, 195 questionnaires were successfully completed and returned, representing a response rate of 89%. This indicates that data were obtained from managers in nearly all participating firms, reflecting a broad and reliable representation of the insurance industry. However, 15 questionnaires were not returned due to non-responsiveness by some senior managers, and an additional 10 responses were excluded from analysis because of discrepancies and incomplete information detected during data cleaning and scanning.

Overall, valid responses were received from 45 firms, which provided sufficient and representative data for analysis. According to Mugenda and Mugenda (2003), a response rate of above 80% is considered excellent and adequate for statistical analysis. Therefore, the obtained response rate ensured that the study findings were both statistically reliable and generalizable to the target population. Consequently, the data collected were analyzed using both descriptive and inferential statistical techniques to address the study objectives effectively.

4.3. Demographic Information

The demographic characteristics of the respondents were analyzed to understand the diversity, composition, and representativeness of the sampled population. Demographic data such as gender, age, education level, and work experience provide crucial contextual insights into the nature of respondents and enhance the interpretability of the study results. The information helps determine whether respondents possess the requisite knowledge, experience, and professional exposure to offer reliable and informed perspectives on positioning strategies, customer experience, and market performance in the insurance industry. The data were analyzed using frequencies and percentages and presented in tables for clarity and ease of interpretation.

Table 4.1

Gender of Respondents

	N	%
Male	115	59.0%
Female	80	41.0%

Source: Field Data (2024)

The findings in Table 4.1 indicate that 115 (59.0%) of the respondents were male, while 80 (41.0%) were female. This shows that although the male respondents were slightly more than female respondents, there was a fairly balanced gender representation. The inclusion of both genders is essential as it promotes diversity of opinion and minimizes gender bias in understanding managerial perceptions of market performance. Gender distribution also reflects the gender composition within Kenya's insurance industry, providing a realistic view of managerial demographics and ensuring the findings are inclusive and representative.

Table 4.2

Age of Respondents

	N	%
18-29 years	50	25.6%
30-39 years	87	44.6%
40-49 years	33	16.9%
50 years and above	25	12.8%

Source: Field Data (2024)

As shown in Table 4.2, most respondents (87 or 44.6%) were between 30 and 39 years, followed by 50 (25.6%) aged between 18 and 29 years. A smaller proportion, 33 (16.9%) and 25 (12.8%), were aged between 40–49 years and above 50 years, respectively. These results indicate that the majority of respondents were relatively young to middle-aged professionals, forming 70.2% of the total sample. Age is an important demographic factor because it reflects the level of adaptability, innovativeness, and openness to change—traits relevant to implementing effective positioning strategies and improving customer experiences. Younger managers may bring creativity and technology-driven insights, while older respondents contribute experience and strategic depth, thereby enriching the study's findings.

Table 4.3

Highest Education Attained

	N	%
College	82	42.1%
First Degree	84	43.1%
Postgraduate	29	14.9%

Source: Field Data (2024)

Table 4.3 shows that most respondents (84 or 43.1%) held a first degree, followed closely by 82 (42.1%) with college-level qualifications, and 29 (14.9%) with postgraduate education. The high academic qualifications among respondents indicate a well-educated workforce capable of understanding complex strategic and market dynamics within the insurance sector. Education level is an essential demographic factor because it correlates with analytical capacity, decision-making ability, and awareness of positioning and marketing concepts. This diversity in academic background enhances the reliability of responses and the intellectual depth of insights regarding customer experience and market performance.

Table 4.4

Duration of Working

	N	%
1 year and below	40	20.5%
2-4 years	49	25.1%
5-10 years	62	31.8%
Above 10 years	44	22.6%

Source: Field Data (2024)

The results in Table 4.4 reveal that 62 (31.8%) of the respondents had worked in their firms for between 5–10 years, 49 (25.1%) for 2–4 years, 44 (22.6%) for over 10 years, and 40 (20.5%) for one year or less. The distribution indicates a good mix of both experienced and relatively new employees, suggesting a balanced representation of perspectives across different tenure levels. Work experience is a critical demographic factor as it influences respondents' familiarity with firm operations, customer interactions, and strategic implementation processes. Managers with longer experience provide deep insights into long-term market trends and organizational positioning, while those with shorter experience may offer fresh perspectives on emerging market practices. This blend ensures a comprehensive understanding of how positioning strategies and customer experiences affect market performance across time horizons.

4.4. Descriptive Statistics

The study employed descriptive statistics, specifically mean and standard deviation, to summarize and interpret the respondents' views on key study variables. These statistics were derived from a five-point Likert scale, which measured opinions ranging from "strongly disagree" (scored as 1) to "strongly agree" (scored as 5).

The mean provided an average score, indicating the general tendency of respondents' perceptions, while the standard deviation measured the degree of variation or dispersion in their responses. To ensure clarity and objectivity, the results were systematically presented in tables, allowing for easy comparison and interpretation of findings. The descriptive statistics focused on key study areas, including brand focus positioning, customer focus positioning, price focus positioning, customer experience, and market performance.

4.4.1. Brand Focus Positioning

Brand focus positioning was presented in frequency, percentage frequency, mean and standard deviation. This examined the extent to which brand focus positioning was implemented among the insurance firms. The results were summarized in Table 4.5.

Table 4.5

Brand Focus Positioning

	SD	D	N	A	SA	Mean	Std. Deviation
Our company has associated the brand with specific benefit to the customer	12 (6.2%)	0 (0.0%)	46 (23.6%)	64 (32.8%)	73 (37.4%)	3.9538	1.08072

	SD	D	N	A	SA	Mean	Std. Deviation
The insurance firm associates its product with the brand of the organization during promotion and marketing.	5 (2.6%)	10 (5.1%)	19 (9.7%)	95 (48.7%)	66 (33.8%)	4.0615	.93407
The insurance firm has developed marketing promotion campaign that ensure our brand is well known by customer.	6 (3.1%)	3 (1.5%)	6 (3.1%)	94 (48.2%)	86 (44.1%)	4.2872	.85530
The insurance firm has developed corporate image through public relation to improve on our brand image.	4 (2.1%)	1 (0.5%)	20 (10.3%)	137 (70.3%)	33 (16.9%)	3.9949	.69235
Our firm identifies itself with specific value and motto while selling the product.	4 (2.1%)	3 (1.5%)	16 (8.2%)	84 (43.1%)	88 (45.1%)	4.2769	.84049
The insurance firm has branded the products in the market to attract customer to our products.	18 (9.2%)	1 (0.5%)	8 (4.1%)	107 (54.9%)	61 (31.3%)	3.9846	1.10050
Aggregate						**4.0932**	**0.65256**

Source: Field Data (2024)

From the ranking in Table 4.5, the statement with the highest mean score (4.2872) indicates that most insurance firms prioritize marketing promotion campaigns to ensure their brands are well known among customers. This suggests that marketing communication plays a central role in brand positioning, reinforcing the visibility of insurance products in an industry often characterized by low product differentiation. The moderate standard deviation (0.85530) shows relative consistency in respondents' views, suggesting that most firms have institutionalized structured promotional programs as part of their branding strategy.

The second-highest ranked statement, with a mean of 4.2769, shows that firms emphasize organizational values and mottos as part of their branding efforts. This indicates that symbolic and emotional branding, through slogans, mottos, and value statements, contributes to customer recognition and trust. It also implies that aligning brand communication with company values enhances perceived reliability and brand loyalty — key factors in customer retention and long-term market performance.

The third-ranked aspect, with a mean of 4.0615, shows that product-brand association during promotion and marketing is widely recognized across firms. This reflects an integrated marketing approach in which the corporate brand identity reinforces the credibility of individual insurance products. The relatively low standard deviation (0.93407) indicates convergence among respondents, suggesting a common understanding that corporate identity strengthens product acceptance and brand recall.

The fourth-ranked indicator, corporate image development through public relations (mean = 3.9949), reflects the importance of sustained stakeholder communication in strengthening brand reputation. Public relations efforts such as customer forums, CSR activities, and community engagement appear to enhance both corporate and product image. However, the slightly lower mean value compared to promotional campaigns suggests that while PR activities are recognized, they may not be uniformly emphasized across firms.

The fifth-ranked statement, product branding to attract customers (mean = 3.9846), indicates that branding at the product level is a common but variably executed practice. The high standard deviation (1.10050) suggests notable differences among firms—some may have established distinct product identities, while others rely more on corporate branding. This disparity could stem from resource constraints or differing brand management philosophies across insurance firms.

Finally, the lowest mean value (3.9538) relates to associating the brand with specific customer benefits. While the mean still indicates agreement, the higher standard deviation (1.08072) points to variability in how firms articulate tangible customer benefits in their branding strategies. This suggests that while most firms recognize the importance of benefit-based branding, the degree of implementation differs significantly, possibly due to varying product portfolios or target market segments.

The aggregate mean of 4.0932 and standard deviation of 0.65256 indicate that brand focus positioning is well embedded across insurance firms in Kenya, though with differing levels of intensity and strategic emphasis. Firms that integrate strong brand campaigns, value-based communication, and consistent brand–product association are more likely to enhance customer recognition, trust, and loyalty—factors that directly contribute to improved market performance.

However, the observed variations imply that some firms have not fully optimized brand-driven differentiation. This unevenness could lead to unequal competitive advantages, where firms with stronger brand focus enjoy higher market share, while weaker brands struggle to attract or retain customers. The results suggest the need for insurance firms to adopt a holistic branding approach that combines marketing promotions, consistent corporate identity, and customer benefit communication. Doing so can enhance overall brand equity, reduce price sensitivity, and improve customer-based market performance in Kenya's increasingly competitive insurance sector.

4.4.2. Customer Focus Positioning

Customer focus positioning was assessed using descriptive statistics (mean and standard deviation) to evaluate the extent to which insurance firms in Kenya incorporated customer-oriented approaches into their market positioning strategies.

Table 4.6 presents the results organized by ranking the items in descending order of mean values to better highlight areas of strong and weak customer focus among the firms.

Table 4.6

Customer Focus Positioning

	SD	D	N	A	SA	Mean	Std. Deviation
The insurance firm has improved customer relation by valuing our customer's and attending to customer need.	0 (0.0%)	9 (4.6%)	31 (15.9%)	78 (40.0%)	77 (39.5%)	4.1436	.84944
The insurance firm resolve problems with customer to create positive attitude to our product.	0 (0.0%)	2 (1.0%)	32 (16.4%)	101 (51.8%)	60 (30.8%)	4.1231	.70727
The insurance firm do market survey to correctly segment market.	2 (1.0%)	15 (7.7%)	27 (13.8%)	114 (58.5%)	37 (19.0%)	3.8667	.84504
Our firm has used target marketing for specific products.	0 (0.0%)	0 (0.0%)	43 (22.1%)	67 (34.4%)	85 (43.6%)	4.2154	.78305
The insurance firm ensure that customer focus are linked to specific market segments.	12 (6.2%)	2 (1.0%)	24 (12.3%)	88 (45.1%)	69 (35.4%)	4.0256	1.03762
Aggregate						**4.0749**	**.50639**

Source: Field Data (2024)

The results in Table 4.6 show that the highest-rated aspect of customer focus positioning was the use of target marketing for specific products (Mean = 4.2154, SD = 0.78305). This finding implies that insurance firms strategically align their marketing activities to cater to distinct customer segments and product types. Target marketing helps insurers to optimize their marketing resources, address the unique needs of specific client groups, and enhance competitiveness by personalizing products and communication strategies. The relatively moderate standard deviation indicates that while most firms applied this strategy consistently, some variations in intensity and execution still exist.

The second-ranked item was the improvement of customer relations through valuing and attending to customer needs (Mean = 4.1436, SD = 0.84944). This demonstrates that insurance firms emphasize the importance of nurturing positive customer relationships by responding promptly and empathetically to client needs. Such customer-centric approaches are essential for promoting loyalty, improving satisfaction, and strengthening trust in insurance brands—particularly in a market where customer retention is often a challenge.

Closely following was the item on resolving customer problems to create positive attitudes toward insurance products (Mean = 4.1231, SD = 0.70727). The low standard deviation implies high agreement among respondents, signifying that most firms have established mechanisms to handle customer complaints and inquiries effectively. Timely problem resolution not only improves customer experience but also helps reduce negative perceptions that could otherwise harm a brand's image or sales performance.

The statement that customer focus is linked to specific market segments was also rated highly (Mean = 4.0256, SD = 1.03762). This suggests that firms align their customer service and engagement strategies with the distinct characteristics of different market segments, enhancing personalization and relevance in service delivery. However, the relatively higher standard deviation implies varying degrees of implementation across firms, possibly due to differences in firm size, customer base, or technological adoption.

Finally, the lowest-ranked but still significant aspect was conducting market surveys to correctly segment the market (Mean = 3.8667, SD = 0.84504). Although this item received the lowest mean, it remains relatively high overall, indicating that most firms periodically collect customer data to refine segmentation strategies. Nonetheless, the finding may reflect a gap where some firms conduct such surveys less regularly or lack advanced analytical tools to fully leverage customer insights.

The aggregate mean of 4.0749 with a standard deviation of 0.50639 indicates that, overall, customer focus positioning is strongly adopted and consistently practiced across insurance firms. This consistency suggests that firms recognize the strategic importance of customer-oriented practices in maintaining competitiveness and achieving sustained market performance.

From an implication standpoint, the results reveal that insurance firms that prioritize customer focus positioning are better equipped to enhance client satisfaction, foster loyalty, and improve retention rates. By continually understanding and responding to customer needs, insurance firms can differentiate themselves in a competitive market, build long-term relationships, and strengthen their brand equity. However, the relatively moderate variation among firms suggests the need for industry-wide capacity building particularly in customer analytics, market research, and segmentation to ensure that all firms fully benefit from customer-focused strategies in driving sustainable performance.

4.4.3. Price Focus Positioning

The analysis of price focus positioning aimed to determine the extent to which insurance firms in Kenya employed pricing strategies as part of their broader market positioning approaches. The descriptive statistics were analyzed using mean and standard deviation, supplemented by frequency and percentage distributions to capture the diversity of practices among the firms. Table 4.7 presents the ranked results in descending order of mean scores, providing a clearer understanding of the most and least emphasized aspects of pricing strategy implementation within the insurance sector.

Table 4.7

Price Focus Positioning

	SD	D	N	A	SA	Mean	Std. Deviation
The insurance firm has developed our prices so that its competitive in the market.	6 (3.1%)	15 (7.7%)	37 (19.0%)	51 (26.2%)	86 (44.1%)	4.0051	1.10527
The insurance firm utilize prices penetrate strategy for new products in the market.	0 (0.0%)	8 (4.1%)	7 (3.6%)	109 (55.9%)	71 (36.4%)	4.2462	.71141
Our insurance company considers the price line based on the competitor pricing strategies.	0 (0.0%)	15 (7.7%)	16 (8.2%)	83 (42.6%)	81 (41.5%)	4.1795	.88142
The insurance firm has used price focus positioning as a means of selling our product to our customers.	0 (0.0%)	4 (2.1%)	9 (4.6%)	100 (51.3%)	82 (42.1%)	4.3333	.66322
The insurance firm ensure our products are affordable to our customers to reduce default rate of premiums payments.	2 (1.0%)	10 (5.1%)	13 (6.7%)	45 (23.1%)	125 (64.1%)	4.4410	.90266
Aggregate						**4.2410**	**.53685**

Source: Field Data (2024)

The ranked descriptive findings in Table 4.7 indicate that the highest-rated strategy among insurance firms was ensuring product affordability to reduce default rates on premium payments (Mean = 4.4410, SD = 0.90266). This suggests that affordability is a primary consideration in pricing decisions across the sector. Affordable pricing not only attracts and retains customers but also minimizes payment defaults, ensuring stable cash flows for insurers. The relatively moderate standard deviation indicates some variation among firms, which may reflect differences in product types or target markets. The implication of this finding is that pricing sensitivity remains crucial in Kenya's insurance market, where price elasticity strongly influences customer decisions, particularly among low- and middle-income clients.

The second-ranked aspect was the use of price focus positioning as a key marketing tool for product promotion (Mean = 4.3333, SD = 0.66322). This demonstrates that firms consider pricing an integral component of their overall marketing mix, using it to communicate value propositions and differentiate their products. The low standard deviation suggests a high level of uniformity among firms in employing pricing as a persuasive factor in sales. This approach enhances product visibility and influences customer preferences, especially in a competitive industry where price comparisons are easy to make.

The third-ranked item was the use of price penetration strategies for new products (Mean = 4.2462, SD = 0.71141). This finding indicates that insurers frequently use introductory pricing to attract new customers and encourage trial of new products. The strategy is particularly relevant in a market characterized by low insurance penetration rates, as it enables firms to expand their customer base before gradually adjusting prices to sustainable levels. The implication is that penetration pricing serves as a market entry mechanism that supports long-term customer acquisition and loyalty.

Following closely was the consideration of competitor pricing in setting price lines (Mean = 4.1795, SD = 0.88142). This result suggests that most insurance firms monitor competitor pricing structures and adjust accordingly to remain competitive. The moderate variation observed may be attributed to differences in cost structures, target markets, and product differentiation levels. This form of competitive benchmarking helps firms avoid pricing themselves out of the market while maintaining profitability, but it also reflects a reactive pricing culture that could limit innovation in pricing models.

The lowest-ranked yet still significant strategy was developing competitive prices to maintain market relevance (Mean = 4.0051, SD = 1.10527). Although this item received the lowest mean, the high agreement levels indicate that firms consistently aim to set prices that balance affordability with profitability. The relatively high standard deviation, however, shows that some firms face challenges in achieving optimal pricing balance, possibly due to varying operating costs or differences in customer segments. This suggests that while competitive pricing is widely recognized as important, its practical implementation may vary depending on firm capabilities and market conditions.

The aggregate mean of 4.2410 with a standard deviation of 0.53685 indicates that price-focused positioning strategies are consistently applied across insurance firms in Kenya, with minimal variation in their adoption. This reflects a strong emphasis on pricing as a key determinant of competitiveness and market performance. The findings collectively demonstrate that insurance firms strategically use a mix of pricing techniques—affordability, penetration, competitive benchmarking, and value-based pricing—to attract customers, stimulate demand, and sustain market growth.

From an implication perspective, these findings highlight that effective pricing strategies significantly contribute to improving customer retention, market share expansion, and profitability. Insurance firms that carefully balance price competitiveness with value perception are better positioned to achieve long-term sustainability. However, the study also reveals that while pricing is an important driver of customer behavior, overreliance on price-based competition could limit innovation and service differentiation. Therefore, insurance firms need to complement pricing strategies with enhanced customer experience, product innovation, and brand differentiation to achieve holistic and sustainable market positioning.

4.4.4. Customer Experience

The results presented in Table 4.8 provide a detailed assessment of customer experience among insurance firms in Kenya using frequency, percentage frequency, mean, and standard deviation. The analysis sought to determine the extent to which insurance firms prioritize customer experience as part of their market performance strategies.

Table 4.8

Customer Experience

	SD	D	N	A	SA	Mean	Std. Deviation
Customers have rated our products as the best in the market.	4 (2.1%)	26 (13.3%)	8 (4.1%)	105 (53.8%)	52 (26.7%)	3.8974	1.01013
Our products are rated among the highest as compared with competing firm in insurance industry.	0 (0.0%)	0 (0.0%)	10 (5.1%)	132 (67.7%)	53 (27.2%)	4.2205	.52523
The insurance firm have matched the customer expectation with the products provided.	2 (1.0%)	21 (10.8%)	22 (11.3%)	85 (43.6%)	65 (33.3%)	3.9744	.98669
The insurance firm has improved on the experience of the customer through application of customer relation practices.	9 (4.6%)	7 (3.6%)	22 (11.3%)	92 (47.2%)	65 (33.3%)	4.0103	1.00509
The customers are satisfied with our products.	7 (3.6%)	3 (1.5%)	18 (9.2%)	84 (43.1%)	83 (42.6%)	4.1949	.93223
Aggregate						**4.0595**	**.49215**

Source: Field Data (2024)

The findings on customer experience indicate that insurance firms in Kenya have made significant strides in enhancing customer satisfaction and overall market perception. A considerable proportion of respondents 105 (53.8%) agreed and 52 (26.7%) strongly agreed that customers perceive their firm's products as among the best in the market. This statement recorded a mean of 3.8974 and a standard deviation of 1.01013, reflecting a generally favorable perception though with moderate variation among responses.

Moreover, 132 (67.7%) respondents agreed and 53 (27.2%) strongly agreed that their firm's products rank among the highest in the insurance industry, as shown by a high mean score of 4.2205 and a low standard deviation of 0.52523. This demonstrates a strong consensus among respondents, signifying consistent competitiveness and brand strength across firms.

Regarding customer expectations, 85 (43.6%) agreed and 65 (33.3%) strongly agreed that their firm has successfully matched its products with customer expectations. With a mean of 3.9744 and a standard deviation of 0.98669, this implies a generally positive alignment though some gaps in meeting diverse customer needs persist. Similarly, 92 (47.2%) agreed and 65 (33.3%) strongly agreed that the application of customer relations practices has enhanced customer experience, supported by a mean of 4.0103 and standard deviation of 1.00509. This highlights the significance of customer relationship management in improving client retention and satisfaction.

Lastly, the majority 84 (43.1%) agreed and 83 (42.6%) strongly agreed that customers are satisfied with their firm's products, supported by a mean of 4.1949 and standard deviation of 0.93223. This indicates a strong consensus regarding the positive perception of product satisfaction. The aggregate mean of 4.0595 with a standard deviation of 0.49215 further confirms that customer experience is perceived positively across the insurance firms, with minimal variability.

Overall, the findings suggest that most insurance firms in Kenya have embraced customer-centric strategies that enhance satisfaction, loyalty, and market competitiveness. Firms that consistently deliver value through quality products, effective communication, and relationship management tend to enjoy stronger customer perceptions and higher market performance.

4.4.5. Market Performance

The results presented in Table 4.9 provide key insights into the market performance of insurance firms in Kenya, analyzed through frequency, percentage frequency, mean, and standard deviation. The analysis focused on major performance indicators, including sales volume, customer growth, service quality, market share, and geographical expansion.

Table 4.9

Market Performance

	SD	D	N	A	SA	Mean	Std. Deviation
The company has improved on the sales volume.	9 (4.6%)	9 (4.6%)	23 (11.8%)	75 (38.5%)	79 (40.5%)	4.0564	1.06097
The insurance firm increased number of customers over the past one year.	0 (0.0%)	10 (5.1%)	9 (4.6%)	86 (44.1%)	90 (46.2%)	4.3128	.78621
Our employees have received quality service from the firm.	0 (0.0%)	4 (2.1%)	23 (11.8%)	90 (46.2%)	78 (40.0%)	4.2410	.73804
Our firm have improved in market share where we have developed new products for new market segments.	5 (2.6%)	4 (2.1%)	9 (4.6%)	110 (56.4%)	67 (34.4%)	4.1795	.82086
The insurance firm has expanded to other markets in other regions within and outside Kenya.	11 (5.6%)	2 (1.0%)	2 (1.0%)	93 (47.7%)	87 (44.6%)	4.2462	.97437
Aggregate						4.2072	.60492

Source: Field Data (2024)

The findings indicate that insurance firms in Kenya have experienced significant progress across multiple dimensions of market performance, including increased sales, expanded customer base, enhanced employee satisfaction, and wider market reach.

The results show that a majority of respondents 75 (38.5%) agreeing and 79 (40.5%) strongly agreeing believed that their firms had improved in sales volume over the study period. This was supported by a mean score of 4.0564 and a standard deviation of 1.06097, indicating an overall positive perception of sales growth though with moderate variability among firms. Similarly, a strong majority of respondents 86 (44.1%) agreeing and 90 (46.2%) strongly agreeing indicated that their firms had recorded an increase in the number of customers in the past year. The corresponding mean of 4.3128 and a relatively low standard deviation of 0.78621 affirm consistent growth in customer acquisition across firms.

Employee satisfaction was identified as a crucial internal performance factor. Results revealed that 90 (46.2%) agreed and 78 (40.0%) strongly agreed that their firms had offered quality service and support to employees, yielding a mean of 4.2410 and a standard deviation of 0.73804. This suggests that firms that prioritize employee welfare and service quality tend to maintain higher productivity and improved market outcomes.

Regarding market share, 110 (56.4%) of respondents agreed and 67 (34.4%) strongly agreed that their firms had expanded their market share through the development of new products for emerging market segments. The mean of 4.1795 and standard deviation of 0.82086 indicate that most firms are adopting product innovation and diversification strategies to enhance competitiveness.

Moreover, expansion into new geographical markets was strongly supported by the findings, with 93 (47.7%) agreeing and 87 (44.6%) strongly agreeing that their firms had expanded operations within and outside Kenya. This statement recorded a mean of 4.2462 and a standard deviation of 0.97437, reflecting a shared perception of strategic growth through regional and cross-border expansion.

The aggregate mean of 4.2072 and a standard deviation of 0.60492 suggest that overall, insurance firms in Kenya have achieved strong market performance characterized by consistent sales growth, customer retention, product innovation, and expansion into new markets. These results imply that firms adopting dynamic market strategies centered on customer needs, product differentiation, employee engagement, and geographical diversification are better positioned to achieve sustainable growth and competitiveness. The findings reinforce the significance of aligning internal operational efficiency and customer experience with strategic market objectives to drive long-term performance in the insurance industry.

4.5. Inferential Statistics

Pearson correlation and regression analysis are discussed as inferential statistics applied in this study. The Pearson correlation assisted in understanding the inter-relationship between variables. On the other hand, both simple and multiple regression analysis were adopted in testing the research hypothesis of the study. The results were all tested using 5% significant level.

4.5.1 Pearson Correlation Analysis

The Pearson correlation coefficients in Table 4.15 illustrate the relationships among key factors in the marketing and performance strategy, namely Brand Focus Positioning Strategy (BP), Customer Focus Positioning Strategy (CP), Price Focus Positioning

Strategy (CP), Customer Experience (CE), and Market Performance (MP). These relationships were assessed using Pearson's correlation, and the results reveal several significant interconnections between these variables.

Table 4.10

Correlation Analysis

		BP	CP	PP	CE	MP
BP	Pearson Correlation	1	.415**	.558**	.618**	.287**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	195	195	195	195	195
CP	Pearson Correlation	.415**	1	.303**	.523**	.253**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	195	195	195	195	195
PP	Pearson Correlation	.558**	.303**	1	.558**	.611**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	195	195	195	195	195
CE	Pearson Correlation	.618**	.523**	.558**	1	.360**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	195	195	195	195	195
MP	Pearson Correlation	.287**	.253**	.611**	.360**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	195	195	195	195	195

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Field Data (2024)

The results in Table 4.15 indicated that Brand Focus Positioning Strategy (BP) shows significant positive correlations with Customer Positioning (r = 0.415), Price Positioning (r = 0.558), Customer Experience (r = 0.618), and Market Performance (r = 0.287), all of which are statistically significant at the 0.01 level. The strongest relationship is between Brand Positioning and Customer Experience, indicating that effective brand positioning is closely tied to creating a positive customer experience. This suggests that companies with strong brand positioning are likely to enhance customer satisfaction and loyalty.

Customer Focus Positioning Strategy (CP) is positively correlated with Price Positioning (r = 0.303), Customer Experience (r = 0.523), and Market Performance (r = 0.253), with all correlations being significant at the 0.01 level. Notably, Customer Positioning also shows a moderate positive relationship with Brand Positioning (r = 0.415), suggesting that how a company positions itself relative to its customers is crucial for establishing a strong brand identity. This highlights the importance of aligning customer positioning with brand messaging to improve business performance.

Price Focus Positioning Strategy (CP) has strong positive correlations with Brand Positioning (r = 0.558), Customer Experience (r = 0.558), and Market Performance (r = 0.611). These relationships indicate that a well-executed pricing strategy plays a critical role in shaping both brand perception and customer experience, which, in turn, influences market outcomes. The significant correlation between Price Positioning and Market Performance (r = 0.611) emphasizes the importance of competitive pricing in driving business success and achieving market growth.

Customer Experience (CE) shows strong positive correlations with all other variables, including Brand Positioning (r = 0.618), Customer Positioning (r = 0.523), and Price Positioning (r = 0.558). Additionally, Customer Experience is positively correlated with Market Performance (r = 0.360). These results suggest that improving customer experience has a direct and substantial impact on brand perception, customer positioning, and market performance, making it a key lever for driving overall business success.

Market Performance (MP), the ultimate indicator of business success, is positively correlated with all other variables, with the strongest relationship with Price Positioning (r = 0.611). This shows that price positioning is a major factor in achieving strong market performance. Additionally, the significant positive correlations between Market

Performance and other factors such as Brand Positioning, Customer Positioning, and Customer Experience imply that a cohesive strategy that incorporates these elements is fundamental for sustained market success.

Therefore, findings suggest that brand positioning, effective customer positioning, competitive pricing strategies, and superior customer experience are all interrelated and contribute significantly to improved market performance. Companies that align these factors are likely to see better customer satisfaction, enhanced brand perception, and stronger market performance. These results highlight the importance of integrated marketing strategies in driving business success.

4.5.2 Test of Hypothesis

H_{01}: There is no statistical significant relationship between brand focus positioning and market performance of insurance firms in Kenya.

The first hypothesis was examined using simple linear regression model that tested the direct relationship between brand focus positioning and market performance.

Table 4.11

Model Summary

					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.287[a]	.083	.078	.58091	.083	17.366	1	193	.000

a. Predictors: (Constant), BP

Source: Field Data (2024)

This table presents the incremental contribution of Brand Focus Positioning Strategy (BP) in predicting market performance (MP). The results show a significant relationship between brand positioning and market performance, with R=0.287 and

R^2=0.83, indicating that brand positioning explains 8.3% of the variance in market performance ($F_{(1,193)}$ = 17.366, $p<0.05$).

Table 4.12

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.860	1	5.860	17.366	.000[b]
	Residual	65.130	193	.337		
	Total	70.990	194			

a. Dependent Variable: MP

b. Predictors: (Constant), BP

Source: Field Data (2024)

The ANOVA results in Table 4.13 confirm the statistical significance of the models of the first hypothesis. The results indicated reveals a significant effect of Brand Focus Positioning Strategy (BP) on market performance (MP) ($F_{(1,193)}$ =17.366, $p<0.05$).

Table 4.13

Regression Coefficient

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	3.117	.265		11.767	.000
	BP	.266	.064	.287	4.167	.000

a. Dependent Variable: MP

Source: Field Data (2024)

In Table 4.13 BP has a positive and significant effect on MP (B=0.266, t=4.167, $p<0.05$). The results of the first objective, indicating that Brand Focus Positioning Strategy (BP) has a positive and significant effect on market performance (MP) (B=0.266, t=4.167, $p<0.05$). Hence, the null hypothesis was rejected and alternative was accepted.

This align with several studies that underscore the importance of brand positioning in driving market success. One of the study is by Marsden (2002), which asserts that effective brand positioning creates a strong psychological impact in the minds of consumers, which ultimately contributes to enhanced market performance. This finding is reflected in the current study, where insurance firms in Kenya that strategically positioned their brands experienced a notable improvement in market performance. The positive relationship between brand positioning and market performance corroborates the assertions of Kraujaliene and Kromalcas (2022), who highlight the importance of clear and effective positioning to avoid errors that could otherwise diminish a brand's impact.

The study by Damar, Rintari, and Muema (2018) also provides context for the current findings. Their research focused on multinational corporations in Kenya, highlighting the positive influence of brand identity and personality on organizational performance. While their study centered on organizational rather than market performance, the findings are relevant in demonstrating the pivotal role of strategic branding efforts in achieving positive outcomes. Similarly, the current study's focus on brand positioning, particularly its effect on the market performance of insurance firms in Kenya, further emphasizes that clear, targeted positioning—akin to brand identity and personality—leads to better market outcomes. This contrasts with Damar et al.'s focus on brand identity, but the commonality lies in the central role of brand-related strategies in influencing overall performance.

Sehrawala and Karaduman’s (2015) study on coffee shops in Turkey revealed a significant relationship between brand positioning and quality perceptions, which influenced their market performance. Although the study’s focus was on coffee shop quality, the results echo the findings of the current study, where a well-executed brand positioning strategy significantly impacts market outcomes. The current research, however, distinguishes itself by investigating the broader concept of brand focus positioning in the insurance sector, as opposed to a singular focus on quality. This distinction highlights how different industries, such as coffee shops and insurance firms, can benefit from tailored brand positioning strategies, suggesting that while positioning strategies are universally beneficial, their specific applications may vary depending on the sector.

Additionally, the findings of Azmat and Lakhani (2015) regarding customer perceptions of brand positioning tactics resonate with the results of the current study. Their research found that consumers had a more favourable response to surrogate positioning, demonstrating how consumer perceptions of brand positioning can impact brand success. While Azmat and Lakhani focused on the consumer's perspective, the current study emphasizes the importance of brand positioning as a strategic tool that enhances market performance within the business context. The positive effect of brand positioning on market performance observed in the insurance firms aligns with their findings, but it extends beyond consumer perception to include tangible business outcomes, offering a broader understanding of how brand strategies influence market success.

The results of the first objective, indicating a positive and significant effect of brand positioning on market performance, are consistent with the broader literature on branding. This includes findings from various industries, such as multinational corporations, coffee shops, and even SMEs, where effective brand positioning strategies have been shown to improve performance.

However, the current study contributes a unique perspective by examining the relationship between brand positioning and market performance specifically within the Kenyan insurance sector, thereby addressing a gap in the literature. The positive correlation between brand positioning and market performance in this context underscores the importance of developing clear, focused positioning strategies for organizations seeking to enhance their market standing.

H_{02}: Customer focus positioning has no statistical and significant relationship with the market performance of insurance firms in Kenya.

The second objective examined the relationship between customer focus positioning and market performance.

Table 4.14

Model Summary

					Change Statistics				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**R Square Change**	**F Change**	**df1**	**df2**	**Sig. F Change**
1	.253[a]	.064	.059	.58681	.064	13.162	1	193	.000

a. Predictors: (Constant), CP

Source: Field Data (2024)

Table 4.14 shows the strength of relationship between Customer Focus Positioning Strategy (CP) and market performance (MP). The results reveal a statistically significant relationship between customer positioning and market performance ($R = 0.253$, $R^2 = 0.064$, $p<0.05$), indicating that customer positioning alone explains 6.4% of the variance in market performance.

Table 4.15

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.532	1	4.532	13.162	.000[b]
	Residual	66.458	193	.344		
	Total	70.990	194			

a. Dependent Variable: MP

b. Predictors: (Constant), CP

Source: Field Data (2024)

The ANOVA results validate the statistical significance of each model. The results indicated that Customer Focus Positioning Strategy (CP) significantly predicts market performance (MP) ($F_{(1,193)}$=13.162, $p<0.05$).

Table 4.16

Regression Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.977	.342		8.715	.000
	CP	.302	.083	.253	3.628	.000

a. Dependent Variable: MP

Source: Field Data (2024)

The coefficients Table 4.16 provides insights into the individual contributions of Customer Focus Positioning Strategy (CP). The study revealed that customer positioning has a positive and significant effect on market performance (B=0.302, t=3.628, $p<0.05$), suggesting that higher levels of customer positing lead to better market performance. This led to rejection of null hypothesis and acceptance of alternative hypothesis. The positive and significant effect of customer focus positioning on market performance is consistent with several studies that emphasize the importance of aligning a brand's positioning with customer needs and perceptions.

Fuchs and Diamantopoulos (2012) argue that positioning effectiveness should be measured from the customer’s perspective, highlighting that a customer-centric positioning approach leads to higher predictive performance and better market outcomes. Their findings suggest that focusing on customer needs and preferences increases the likelihood of driving consumer behaviour towards positive buying intentions, an insight that aligns with the current study's results showing a strong connection between CP and MP.

Similarly, Saqid (2021) notes the central role of customer perception in positioning strategies, observing that the way a brand is positioned in the market influences how customers view its offerings, which in turn impacts brand success. This reflects the current study's finding that higher levels of customer-focused positioning result in better market performance. The focus on customer perception as a key axis of positioning in Saqid’s review underscores the notion that the more a brand tailors its positioning to customer desires, the more likely it is to enhance its competitive advantage and achieve superior market results.

Contrastingly, while the current study examines customer-focused positioning in the insurance sector, Sarma et al. (2020) explore customer satisfaction and attitude as determinants of loyalty and market performance in the Malaysian insurance industry. Their findings emphasize that customer satisfaction plays a critical role in fostering loyalty and improving performance, but the current study’s focus on customer-focused positioning takes a broader view, positioning as a strategic tool to enhance brand perception and market outcomes. While both approaches emphasize customer considerations, the current study extends the conversation by directly linking positioning strategy with market performance, rather than focusing solely on satisfaction or loyalty.

Furthermore, studies like those by Affiah et al. (2022) and Fruit (2021) discuss the importance of customer relationship management (CRM) in improving market performance, yet they focus on the relational aspects of service delivery rather than the strategic role of positioning. Fruit (2021), for example, underscores the impact of CRM on market performance in insurance firms, demonstrating the value of effective service strategies. However, the current study highlights how a clear and customer-centric positioning strategy-aligned with consumer needs and expectations-directly influences the broader market outcomes, suggesting that while CRM is key, positioning may be equally influential in shaping market success. Thus, this study reinforces the idea that customer-focused positioning is a foundational strategy for improving market performance in the insurance industry.

H_{03}: There is no statistical significant relationship between price focus positioning and the market performance of insurance firms in Kenya.

The third hypothesis was examined using hierarchical regression model that examined the direct effect of price focus positioning and market performance.

Table 4.17

Model Summary

					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.611[a]	.373	.370	.48005	.373	115.056	1	193	.000

a. Predictors: (Constant), PP

Source: Field Data (2024)

The results in Table 4.17 show the incremental contributions of Price Focus Positioning Strategy (CP), in predicting market performance (MP). Price positioning demonstrates a strong and significant relationship with market performance ($R=0.611$, $R^2=0.373$, $p<0.05$), explaining 37.3% of the variance in Market performance.

Table 4.18

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	26.514	1	26.514	115.056	.000^b
	Residual	44.476	193	.230		
	Total	70.990	194			

a. Dependent Variable: MP

b. Predictors: (Constant), PP

Source: Field Data (2024)

The ANOVA results further confirm the significance of the models. The finding demonstrates that Price Focus Positioning Strategy (CP) significantly predicts market performance (MP) ($F_{(1,193)}=115.056$, $p<0.05$). These findings reinforce that price positioning is the primary driver of market positioning.

Table 4.19

Regression Coefficient

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.287	.274		4.688	.000
	PP	.689	.064	.611	10.726	.000

a. Dependent Variable: MP

Source: Field Data (2024)

The regression coefficients Table 4.19 provides insight into the individual contributions of Price Focus Positioning Strategy (CP). Price Positioning has a strong positive and significant effect on market performance (MP) ($B=0.689$, $t=10.726$, $p<0.05$), indicating that higher price positioning is associated with better market performance. The findings revealed that price positioning has a significant and direct positive relationship with market performance. This leads to rejection of null hypothesis and adoption of alternative hypothesis.

This aligns with a growing body of research emphasizing the pivotal role of pricing strategies in business success. Kawira (2021) specifically highlights that pricing strategy plays a substantial role in the performance of micro, small, and medium-sized enterprises (MSMEs) in Kenya. The study found that effective pricing strategies were responsible for a significant portion of performance variation. The findings of the current study, which show that price focus positioning leads to improved market performance, are in agreement with Kawira's conclusions. The impact of a well-executed pricing strategy on performance extends beyond just small businesses to larger firms, reinforcing the idea that price-focused positioning is a key driver of market success.

In a similar vein, Goodie-Okio (2022) observed that pricing strategies tailored to customer perceptions are crucial in enhancing marketing effectiveness in the telecommunications sector. Goodie-Okio's findings emphasize the importance of aligning pricing tactics with customer sensitivities and organizational goals to optimize marketing outcomes. While this study focused on telecommunications, the general principle that effective pricing enhances marketing performance is consistent with the current study's results. Price focus positioning, as identified in the present study, operates in much the same way by aligning the brand's pricing with customer expectations and market positioning, thus contributing to improved market performance.

However, Noone, Canina, and Enz (2013) take a slightly different approach by focusing on strategic pricing positioning in the hospitality industry, specifically revenue management in hotels. The authors argue that stable and higher relative prices compared to competitors lead to better revenue performance. While this study focused on relative pricing and revenue generation in the hospitality industry, the insights are still applicable to the insurance sector in the current study. Both studies underscore that effective pricing—whether relative or focused—can drive positive business performance. Nevertheless, the present research uniquely emphasizes price focus positioning in the context of market performance, which includes not only revenue but also customer acquisition and retention as key indicators.

Finally, Wambugu, Maina, and Ndung'u (2020) explored strategic marketing techniques in the Kenyan insurance industry, noting that customer relationship management and other marketing strategies are essential for market penetration and business success. While their research touches on marketing strategies, including pricing, it does not directly explore the relationship between price focus positioning and market performance. The current study extends this conversation by focusing specifically on price focus positioning, providing further evidence that strategic pricing—when positioned effectively in the market—plays a significant role in achieving better market outcomes. By connecting pricing to overall market performance, the current research contributes to a deeper understanding of how pricing strategies, distinct from general marketing tactics, drive the success of insurance firms in Kenya.

H_{04}: There is no statistical significant moderating effect of the customer experience on the relationship between positioning strategies and market performance of insurance firms in Kenya."

The forth hypothesis was examined using hierarchical regression model that tested moderating effect of customer experience (CE) on the relationship between positioning strategies (PS) and market performance (MP).

Table 4.20

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.304[a]	.093	.088	.57771	.093	19.704	1	193	.000
2	.372[b]	.138	.129	.56452	.045	10.125	1	192	.002
3	.459[c]	.211	.199	.54156	.073	17.626	1	191	.000

a. Predictors: (Constant), PS

b. Predictors: (Constant), PS, CE

c. Predictors: (Constant), PS, CE, PS_CE

Source: Field Data (2024)

Table 4.20 results indicate that positioning strategies (PS) accounted for 9.3% of the variance in market performance ($R^2 = 0.093$) and the relationship was statistically significant ($F = 19.704$, $p < .005$). This finding suggests that positioning strategies have a direct and measurable effect on market performance.

When customer experience (CE) was introduced in the second model, the explanatory power increased to 13.8% ($R^2 = 0.138$) with a statistically significant change ($F = 10.125$, $p = .002$). This indicates that customer experience independently enhances market performance, reinforcing its role as a key determinant in the competitive success of insurance firms.

Further, the introduction of the interaction term (PS_CE) to test for moderation led to a notable increase in variance explained, reaching 21.1% ($R^2 = 0.211$), with a significant model improvement ($F = 17.626$, $p < .005$). This result implies that customer experience strengthens the effect of positioning strategies on market performance, highlighting its role as a moderating factor that amplifies the impact of effective positioning on firm success.

Table 4.21

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.576	1	6.576	19.704	.000[b]
	Residual	64.414	193	.334		
	Total	70.990	194			
2	Regression	9.803	2	4.901	15.380	.000[c]
	Residual	61.187	192	.319		
	Total	70.990	194			
3	Regression	14.972	3	4.991	17.017	.000[d]
	Residual	56.018	191	.293		
	Total	70.990	194			

a. Dependent Variable: MP
b. Predictors: (Constant), PS
c. Predictors: (Constant), PS, CE
d. Predictors: (Constant), PS, CE, PS_CE

Source: Field Data (2024)

The three models in Table 4.241were found to be statistically significant, confirming the relationships among the variables. The results revealed that positioning strategy had a direct and significant impact on market performance ($F = 19.704$, $p < .005$). Secondly, customer experience also exhibited a significant direct effect on market performance ($F = 10.125$, $p = <.005$). Finally, customer experience was found to have a significant moderating effect on the relationship between positioning strategy and market performance, indicating that the influence of positioning strategies on market performance is strengthened when customer experience is taken into account.

Table 4.22

Regression Coefficient

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.915	.294		9.917	.000
	PS	.425	.096	.304	4.439	.000
2	(Constant)	2.290	.348		6.582	.000
	PS	.169	.123	.121	1.370	.172
	CE	.346	.109	.281	3.182	.002
3	(Constant)	11.558	2.233		5.177	.000
	PS	2.839	.726	2.035	3.910	.000
	CE	2.098	.591	1.707	3.548	.000
	PS_CE	.785	.187	3.777	4.198	.000

a. Dependent Variable: MP

Source: Field Data (2024)

The regression coefficients Table 4.22 further support this finding. Initially, PS had a significant positive effect on market performance (MP) ($B = 0.425$, $p < .005$). However, when customer experience (CE) was introduced, the effect of positioning strategies (PS) became non-significant ($B = 0.169$, $p = .172$), while customer experience had a significant positive effect on market performance ($B = 0.346$, $p = .002$). In the final model, the interaction term was significant ($B = 0.785$, $p < .005$), confirming the moderating role of customer experience (CE).

These findings indicate that customer experience is a important factor in enhancing the effectiveness of positioning strategies. When customer experience is strong, positioning strategies have a greater impact on market performance, emphasizing the need for insurance firms to integrate both elements in their strategic approach. Since the moderating effect of CE is statistically significant, the null hypothesis (H04) is rejected, confirming that customer experience plays a pivotal role in shaping the relationship between positioning strategies and market performance in Kenya's insurance industry.

The findings of the current study align with and extend previous research by confirming the significant role of customer experience in shaping market performance. Teekathananont et al. (2022) highlighted the critical role of customer experience as a mediator between brand equity and brand image, which supports the notion that customer experience influences brand positioning strategies. The current study builds upon this by demonstrating that customer experience moderates the relationship between positioning strategies and market performance, reinforcing the idea that firms must integrate customer experience into their strategic positioning to enhance market performance.

Similarly, Zollo et al. (2020) explored the role of brand experience in shaping consumer perceptions, emphasizing the importance of emotional and rational brand experiences in fostering brand loyalty and awareness. This aligns with the present study's findings that customer experience significantly contributes to market performance. However, while Zollo et al. (2020) focused on social media marketing and brand equity, the current study extends this perspective by examining the broader role of customer experience in moderating positioning strategies and market performance within the insurance sector.

The study by Keiningham et al. (2020) further supports the idea that firms prioritizing customer experience achieve better market outcomes in terms of return on investment, profits, and market share. However, their study did not specifically test whether customer experience moderates the effect of positioning strategies on market performance. The current study fills this gap by confirming that customer experience not only contributes to market performance but also strengthens the impact of positioning strategies, making it a key strategic consideration for insurance firms.

Other studies, such as those by Witell et al. (2019) and Ogonu and Lolia (2021), emphasized the importance of customer experience management in business-to-business (B2B) and service industries, respectively, but did not explore its moderating role. The present study advances this research by demonstrating that customer experience actively enhances the effectiveness of positioning strategies in influencing market performance. Similarly, Nasution et al. (2014) introduced a customer experience framework but focused on customer experience stages rather than its interaction with positioning strategies. The current study goes beyond by empirically establishing customer experience as a moderator between positioning strategies and market performance.

Schanz and Lile (2018) provided insights into customer experience as a design strategy, showing that firms must integrate customer experience into both strategic and operational levels. This resonates with the findings of the present study, which indicate that firms that effectively integrate customer experience into their positioning strategies achieve higher market performance.

Lastly, Mashingaidze (2014) explored customer experience management in the Zimbabwean banking sector and its influence on competitiveness. While the study linked customer experience to brand elements, it did not establish whether customer experience moderates positioning strategies and market performance. The current study bridges this gap by empirically confirming that customer experience significantly moderates this relationship in the insurance sector.

The findings highlight the growing necessity for firms to embed customer experience into their strategic positioning efforts. Prior studies have primarily established customer experience as a direct contributor to market performance or a mediator in brand-related constructs. However, the current study extends this understanding by confirming that customer experience plays a moderating role, amplifying the effectiveness of positioning strategies in driving market success. Therefore, insurance firms and other businesses should not only develop strong positioning strategies but also prioritize customer experience to maximize their market performance.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1. Introduction

The study section provides the summary of results discuss objective wise. The summary findings obtained from previous chapter provide necessary information that were used in developing conclusions and recommendations. Further areas of study are also explored in this chapter.

5.2 Summary of the Findings

Positioning strategies comprising brand focus, customer focus, and price focus were evaluated in relation to market performance among insurance firms in Kenya. Additionally, the moderating influence of customer experience on the relationship between positioning strategies and market performance was assessed. The findings from both descriptive and inferential analyses provide a comprehensive understanding of how these strategies collectively and individually contribute to market outcomes in the insurance industry.

5.2.1 Brand Focus Positioning and Market Performance

The findings revealed that brand focus positioning plays a key role in shaping market performance within the insurance sector. Most respondents indicated that insurance firms associate their brands with distinct attributes such as product value, corporate reputation, and reliability, which enhance their competitiveness in the marketplace. Firms use targeted marketing campaigns and public relations initiatives to communicate brand benefits and reinforce a positive corporate image. These branding practices contribute to the visibility, recognition, and credibility of insurance firms among existing and potential clients.

Furthermore, the results showed that firms integrate unique brand values, mottos, and identity elements to build emotional connections and trust with their customers. Such practices foster loyalty and repeat business, enabling firms to sustain a stable market presence. The analysis demonstrates that brand focus positioning contributes to market performance through enhanced differentiation, customer trust, and brand recognition. When firms align their brand strategies with customer expectations and maintain consistency in brand communication, they are more likely to record improved market outcomes. This underscores the relevance of coherent brand management as a strategic tool for enhancing performance in a competitive business environment.

5.2.2 Customer Focus Positioning and Market Performance

The study established that customer focus positioning contributes to market performance by promoting practices that prioritize customer relationships and responsiveness to client needs. Insurance firms that listen to customers, handle complaints effectively, and deliver quality services were reported to achieve better customer satisfaction and loyalty. By creating positive experiences and ensuring that customers feel valued, firms enhance their reputation and foster repeat patronage, which in turn supports improved market performance.

The findings further revealed that firms that conduct market research and customer surveys are better equipped to identify customer preferences and adjust their products accordingly. This targeted approach allows firms to serve distinct market segments more effectively and to tailor their services in ways that meet varied expectations. The analysis indicates that customer experience complements customer focus positioning by reinforcing customer trust and satisfaction, thus improving overall firm performance. Firms that integrate customer-oriented approaches into their broader marketing and operational frameworks are more likely to sustain favorable market positions and long-term growth.

5.2.3 Price Focus Positioning and Market Performance

The results showed that price focus positioning remains a central element in the competitive strategies of insurance firms. Respondents indicated that most firms employ competitive pricing structures to attract and retain customers in a price-sensitive market. The use of price differentiation, penetration pricing for new products, and benchmarking against competitors' prices were commonly adopted strategies. These practices help firms remain competitive while ensuring that their pricing policies align with customer affordability and perceived value.

In addition, the analysis revealed that pricing strategies that promote affordability contribute to the reduction of premium payment defaults and enhance customer retention. By offering flexible and well-structured pricing options, firms are able to sustain profitability while maintaining accessibility for a broader customer base. The findings also showed that price-focused strategies contribute to building long-term relationships with clients, as affordability enhances customer satisfaction and brand loyalty. Consequently, pricing serves as both a marketing and operational tool that supports market growth and stability within the insurance industry.

5.2.4 Positioning Strategies, Customer Experience, and Market Performance

The study's regression results indicated that positioning strategies have a positive and statistically significant relationship with market performance. Similarly, customer experience independently influences market performance in a positive direction. When the interaction between customer experience and positioning strategies was introduced, the analysis revealed that customer experience moderates the relationship between the two variables. This means that firms with effective positioning strategies achieve better market outcomes when they also enhance customer experience.

The findings therefore suggest that both positioning strategies and customer experience are essential for achieving and sustaining superior market performance. Firms that combine clear brand, customer, and price positioning with strong customer experience management are better placed to enhance competitiveness, customer retention, and overall market success. Based on these results, the null hypothesis (H_{04}) was rejected, confirming that customer experience moderates the relationship between positioning strategies and market performance.

5.3. Conclusions of the Study

The findings conclude that brand focus positioning has a significant and positive relationship with market performance. Insurance firms that strategically associate their brands with specific customer benefits, organizational values, and corporate identity are more likely to attract and retain customers. The use of targeted marketing campaigns, public relations efforts, and clear value propositions enhances brand visibility and customer loyalty, thereby driving market performance. Furthermore, aligning brand positioning with customer experience amplifies this relationship, showcasing the importance of integrating customer-centric strategies with branding efforts. Overall, brand focus positioning emerges as a critical determinant of market success in the insurance industry.

The study concludes that customer focus positioning plays a significant role in enhancing market performance by prioritizing customer relationships, addressing their needs, and aligning products with specific market segments. Insurance firms that actively engage in valuing customers, resolving issues, and conducting market surveys to understand customer preferences are better positioned to meet customer expectations and create positive perceptions of their products. This targeted approach not only strengthens customer trust and loyalty but also enables firms to deliver tailored solutions to distinct market segments, thereby improving their competitive edge. Moreover, the findings highlight that customer experience significantly enhances the impact of customer focus positioning on market performance, emphasizing the need for insurance firms to integrate customer-centric strategies into their marketing and operational practices for sustainable success.

In conclusion, the study demonstrates that price focus positioning significantly influences market performance in the insurance industry. Insurance firms that strategically adopt competitive pricing, including price differentiation, penetration pricing for new products, and alignment with competitor pricing, are better positioned to attract customers and boost sales. Furthermore, prioritizing affordability helps reduce premium payment defaults, enhancing customer satisfaction and loyalty. The findings clearly show that price positioning not only drives immediate sales but also fosters long-term customer retention, reinforcing its critical role in maintaining a competitive edge and achieving sustained market success in the insurance sector.

The study concluded in the fourth objective that customer experience had a moderating impact on the relationship between positioning strategies and market performance. These findings suggest that while positioning strategies alone contribute to market performance, their effectiveness is significantly strengthened when customer experience is integrated. This indicates the importance of customer-centric strategies in the insurance sector, where firms that prioritize customer experience in their positioning strategies are likely to achieve superior market performance. Therefore, the study concludes that customer experience plays a critical role in shaping the success of positioning strategies. Insurance firms should not only focus on developing strong positioning strategies but also ensure that these strategies are aligned with superior customer experience to enhance their competitive advantage and market performance.

5.4. Recommendations of the Study

Based on conclusion on brand focus, the study recommends that insurance firms should prioritize brand focus positioning as a strategic tool to enhance market performance. This can be achieved by clearly defining and communicating the unique benefits of their products and aligning them with customer needs and expectations. Firms should invest in targeted marketing campaigns that highlight their brand values and leverage public relations to strengthen their corporate image. Emphasizing consistent and customer-centred branding efforts, such as adopting memorable mottos and showcasing organizational values, can improve brand recognition and loyalty. Additionally, integrating customer experience into branding strategies will further amplify the impact of brand focus positioning on market performance. These initiatives will enable firms to differentiate themselves in a competitive market, attract more customers, and achieve sustainable growth.

Based on the conclusions of the second objective, insurance firms should enhance their customer focus positioning strategies to drive market performance. This can be achieved by actively engaging in initiatives that prioritize customer relationships, such as valuing customer feedback, resolving issues promptly, and addressing specific needs. Firms should invest in regular market surveys to better understand customer preferences and segment their markets effectively, enabling the delivery of tailored products and services to distinct customer groups. Additionally, integrating customer experience into customer focus strategies is essential to amplify the positive effects on market performance. By fostering trust, loyalty, and positive perceptions through these efforts, insurance firms can strengthen their competitive advantage and achieve sustainable growth in the market.

Based on the conclusion in third objective, it is recommended that insurance firms focus on refining their price focus positioning strategies to improve market performance. This can be achieved by adopting competitive pricing tactics, such as price differentiation and penetration pricing for new products, to remain attractive to potential customers. Firms should also ensure that their products are affordably priced to minimize premium payment defaults and enhance customer satisfaction. Additionally, aligning pricing strategies with market trends and competitor prices can further strengthen their competitive position. By focusing on customer-centric pricing strategies and maintaining affordability, insurance firms can not only drive sales but also improve customer loyalty and sustain long-term business growth in the highly competitive insurance market.

Based on the conclusion of the fourth objective, it is recommended that insurance firms in Kenya focus on enhancing customer experience as a core component of their positioning strategies. Specifically, companies should prioritize aligning their brand focus and customer focus strategies with superior customer experiences, as these combinations have shown the greatest potential to improve market performance. Insurance firms should invest in training employees to ensure personalized and responsive customer service, integrate customer feedback into product and service development, and leverage technology to provide seamless, user-friendly experiences. While price positioning remains important, firms should recognize that customer experience does not significantly enhance its impact on market performance in this context. Therefore, a balanced approach that emphasizes customer-centric strategies will likely yield more favourable market outcomes.

5.5 Suggestion for Further Studies

Future research could explore the influence of digital transformation and technology on positioning strategies and market performance, particularly in the context of customer experience. Given the increasing reliance on digital platforms, further studies could examine how digital customer engagement, online reviews, and social media interactions shape brand, customer, and price positioning in the insurance sector. Additionally, future studies could investigate the role of customer demographics in moderating the relationship between positioning strategies and market performance. Exploring other moderating factors, such as corporate reputation, competitive intensity, and economic conditions, could provide a more comprehensive understanding of the factors influencing market performance in the insurance industry.

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APPENDICES

Appendix I: Introduction Letter

Isaac K. Bosuben

University of Kabianga,

P.O Box 2030 – 20200,

Kericho, Kenya.

Dear Sir/Madam,

RE: DATA COLLECTION

I am a student at University of Kabianga pursuing Doctor of Philosophy in Business Administration (Marketing Management Option). As part of the requirements for the fulfilment of the PhD degree, I am conducting a study titled "POSITIONING STRATEGIES, CUSTOMER EXPERIENCE AND MARKET PERFORMANCE OF INSURANCE FIRMS IN KENYA".

Your involvement is highly appreciated and I assure you that the information provided will be handled with utmost confidentiality and solely used for research purposes.

Thank you for your consideration.

Yours Faithfully,

Isaac Kipyegon Bosuben

UNIVERSITY OF KABIANGA

Appendix II: Questionnaire

Please answer the following question based on the choice provided. Your participation will be highly appreciated.

SECTION A: Bio Information

1. Please provide the gender:

   { } Male. { } Female.

2. What is your Age? { } 18 – 29 years { } 30 – 39 years { } 40 – 49 years { } 50 years and above

3. Please provide the highest education level

{ } Secondary { } College { } First degree { } Postgraduate

4. Duration of working in the organization

   { } 1 year and below { } 2 – 4 years { } 5 – 10 years { } above 10 years

SECTION B: Sectional Questionnaires

Part 1: Brand Focus Positioning

Please select the appropriate answer where 1 = Strongly Agree; 2 = Agree; 3 = Neutral; 4 = Disagree; 5 = Strongly Disagree.

	Brand Focus Positioning	1	2	3	4	5
1	Our company have associated the brand with specific benefit to the customer					
2	The insurance firm associates its product with the brand of the organization during promotion and marketing.					
3	The insurance firm has developed marketing promotion campaign that ensure our brand is well known to the customer.					
4	The insurance firm has developed corporate image through public relation to improve on our brand image.					
5	Our firm identifies itself with specific value and motto while selling the product.					
6	The insurance firm has branded the products in the market to attract customer to our products.					

Part II: Customer Focus Positioning

Please select the appropriate answer where 1 = Strongly Agree; 2 = Agree; 3 = Neutral; 4 = Disagree; 5 = Strongly Disagree.

	Customer Focus Positioning	1	2	3	4	5
7	The insurance firm has improved customer relation by valuing our customer’s and attending to customer need.					
8	The insurance firm resolve problems with customer to create positive attitude to our product.					
9	The insurance firm do market survey to correctly segment market.					
10	Our firm has used target marketing for specific products.					
11	The insurance firm ensure that customer focus are linked to specific market segments.					

Part III: Price Focus Positioning

Please select the appropriate answer where 1 = Strongly Agree; 2 = Agree; 3 = Neutral; 4 = Disagree; 5 = Strongly Disagree.

	Price Focus Positioning	1	2	3	4	5
12	The insurance firm has developed our prices so that its competitive in the market.					
13	The insurance firm utilize prices penetrate strategy for new products in the market.					
14	Our insurance company considers the price line based on the competitor pricing strategies.					
15	The insurance firm has used price focus positioning as a means of selling our product to our customers.					
16	The insurance firm ensure our products are affordable to our customers to reduce default rate of premiums payments.					

Part V: Customer Experience

Please select the appropriate answer where 1 = Strongly Agree; 2 = Agree; 3 = Neutral; 4 = Disagree; 5 = Strongly Disagree.

	Customer Experience	1	2	3	4	5
17	Customers have rated our products as the best in the market.					
18	Our products are rated among the highest as compared with competing firm in insurance industry.					
19	The insurance firm have matched the customer expectation with the products provided.					
20	The insurance firm has improved on the experience of the customer through application of customer relation practices.					
21	The customers are satisfied with our products.					

Part VI: Market Performance of Insurance Firms

Please select the appropriate answer where 1 = Strongly Agree; 2 = Agree; 3 = Neutral; 4 = Disagree; 5 = Strongly Disagree.

	Market Performance of Insurance Firms	1	2	3	4	5
22	The company has improved on the sales volume.					
23	The insurance firm increased number of customers over the past one year.					
24	Our employees have received quality service from the firm.					
25	Our firm have improved in market share where we have developed new products for new market segments.					
26	The insurance firm has expanded to other markets in other regions within and outside Kenya.					

Thank You for Your Cooperation

Appendix III: Key Performance Indicators for Insurance Firms in Kenya

KPI	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
ROA	3.8%	3.6%	3.2%	1.8%	3.0%	1.3%	1.6%	0.3%	1.7%	1.8%
ROE	11.4%	9.9%	9.7%	4.9%	9.9%	3.9%	5.1%	1.2%	4.9%	4.9%
Insurance Penetration	2.7%	2.7%	2.7%	2.4%	2.3%	2.2%	2.2%	2.3%	2.4%	2.4%

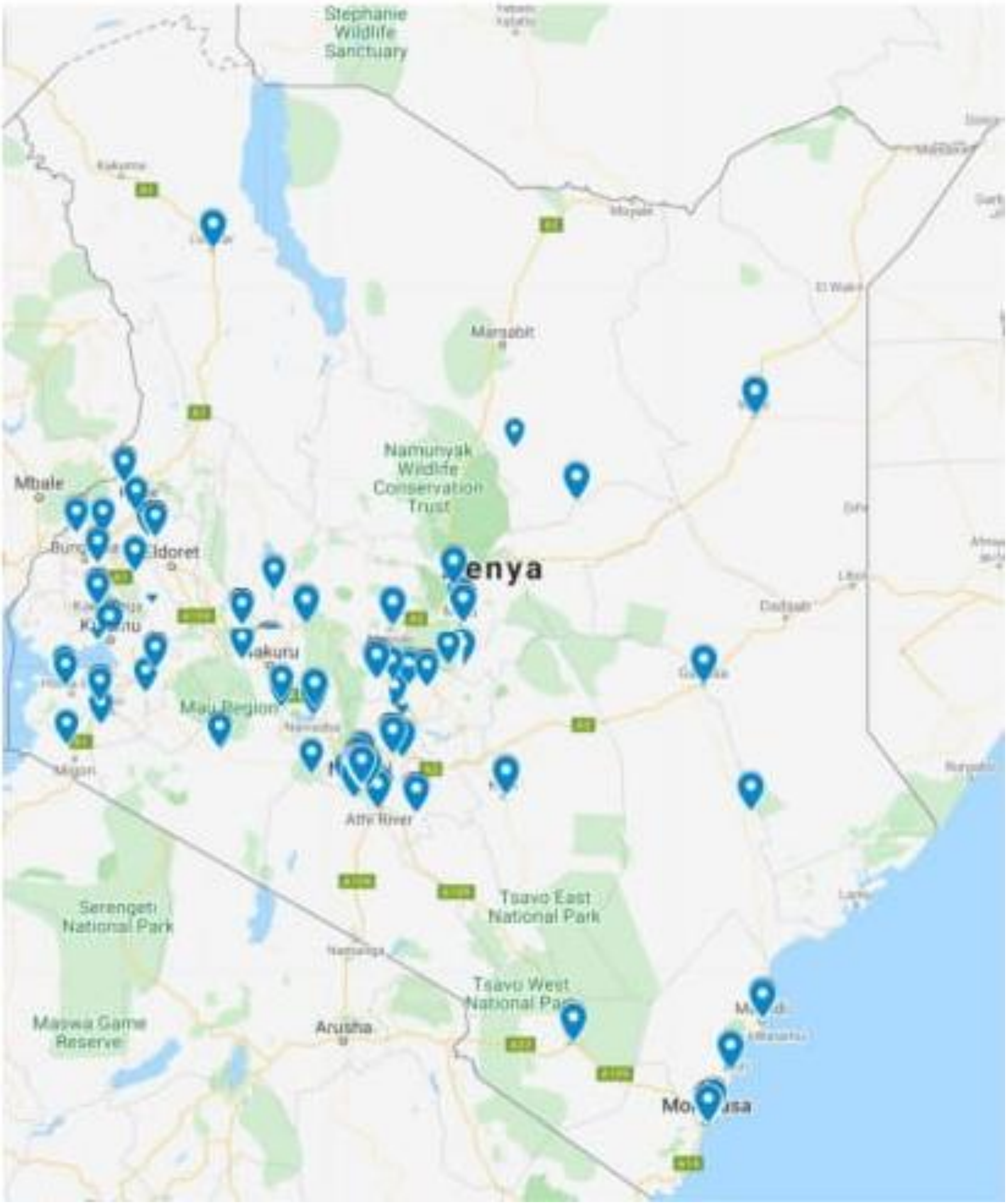
"Published by the Financial Sector Regulators, July 2024, Issue No. 13,

Appendix IV: List of Insurance Firms

1. AAR Insurance Company Limited
2. Africa Merchant Assurance Company Limited
3. AIG Kenya Insurance Company Limited
4. Allianz Insurance Company of Kenya Limited
5. APA Insurance Limited
6. APA Life Assurance Company Limited
7. Barclays Life Assurance Kenya Limited
8. Britam General Insurance Company (K) Limited
9. Britam Life Assurance Company (K) Limited
10. Cannon Assurance Company Limited
11. Capex Life Assurance Company Limited
12. CIC General Insurance Company Limited
13. CIC Life Assurance Company Limited
14. Continental Reinsurance Limited (Kenya)
15. Corporate Insurance Company Limited
16. Direct-Line Assurance Company Limited
17. East Africa Reinsurance Company Limited
18. Fidelity Shield Insurance Company Limited
19. First Assurance Company Limited
20. GA Insurance Limited
21. GA Life Assurance Limited
22. Geminia Insurance Co. Limited
23. ICEA Lion General Insurance Company Limited
24. ICEA LION Life Assurance Company Limited
25. Intra Africa Assurance Company Limited
26. Invesco Assurance Company Limited
27. Kenindia Assurance Company Limited
28. Kenya Orient Insurance Limited
29. Kenya Orient Life Assurance Limited
30. Kenya Reinsurance Corporation Limited

31. Liberty Life Assurance Kenya Limited
32. Madison Insurance Company Kenya Limited
33. Mayfair Insurance Company Limited
34. Metropolitan Cannon Life Assurance Limited
35. Occidental Insurance Company Limited
36. Old Mutual Assurance Company Limited
37. Pacis Insurance Company Limited
38. Phoenix of East Africa Assurance Co. Limited
39. Pioneer General Insurance Company Limited
40. Pioneer Assurance Company Limited
41. Prudential Life Assurance Company Limited
42. Resolution Insurance Company Limited
43. Saham Assurance Company Kenya Limited
44. Sanlam General Insurance Company Limited
45. Sanlam Life Assurance Company Limited
46. Takaful Insurance of Africa Limited
47. Tausi Assurance Company Limited
48. The Heritage Insurance Company Limited
49. The Jubilee Insurance Company of Kenya Limited
50. The Kenyan Alliance Insurance Company Limited
51. The Monarch Insurance Company Limited
52. Trident Insurance Company Limited
53. UAP Insurance Company Limited
54. UAP Life Assurance Company Limited
55. Xplico Insurance Company Limited

Appendix V: Map of Kenya Illustrating Insurance Firms



Appendix VI: Authorization from University

UNIVERSITY OF KABIANGA
ISO 9001:2015 CERTIFIED
OFFICE OF THE DIRECTOR, BOARD OF GRADUATE STUDIES

REF: PHD/BSA/006/19 **DATE: 23RD AUGUST, 2024**

Isaac Kipyegon Bosuben,
Department of Marketing, Mgt Science, Hospitality and Tourism Mgt,
University of Kabianga,
P.O Box 2030- 20200,
KERICHO.

Dear Mr. Bosuben,

RE: <u>CLEARANCE TO COMMENCE FIELD WORK/DATA COLLECTION</u>

I am pleased to inform you that the Board of Graduate Studies has considered and approved your PhD research proposal entitled **"Positioning Strategies, Customer Experience and Market Performance of Insurance Firms in Kenya."**

Subsequently the Board has also approved the following supervisors for appointments.

1. Dr. Lydia Langat
2. Dr. Williter Rop

You may now proceed to commence field work/data collection on condition that you obtain a research permit from NACOSTI and /or an ethical review permit from a relevant ethics review board.

You are also required to publish two (2) articles in a peer reviewed journal, with all your supervisors, before your oral defense of thesis.

You are required to submit through your supervisors, and HoD, progress reports every three months, to the Director, Board of Graduate Studies.

Please note that it is the policy of the University that you complete your studies within three years from the date of registration. Do not hesitate to consult this office in case of any difficulties encountered in the course of your studies.

I wish you all the best in your research and hope that your study will yield original contribution for the betterment of humanity.

Appendix VII: NACOSTI Permit

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Ref No: **324533**

Date of Issue: **05/September/2024**

RESEARCH LICENSE

This is to Certify that Mr.. Isaac Kipyegon Bosuben of University of Kabianga, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Kericho, Nairobi, Nakuru on the topic: POSITIONING STRATEGIES, CUSTOMER EXPERIENCE AND MARKET PERFORMANCE OF INSURANCE FIRMS IN KENYA for the period ending : 05/September/2025.

License No: **NACOSTI/P/24/39639**

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Applicant Identification Number

Director General

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

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Appendix VIII: First Journals Publication

INTERNATIONAL JOURNAL OF RESEARCH AND INNOVATION IN SOCIAL SCIENCE (IJRISS)
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Nexus Between Brand Focus Positioning and Market Performance of Insurance Firms in Kenya

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ABSTRACT

Brand positioning strategy is a critical element in marketing, particularly for insurance firms seeking to enhance their market performance. In Kenya, the insurance sector faces intense competition from international firms and banc-assurance products offered by commercial banks, resulting in low market penetration, poor customer experiences, and high default rates. Many insurance firms struggle with under-positioning, over-positioning, or confused positioning, which creates a gap between customer expectations and actual experiences. This study sought to examine the relationship between brand focus positioning and the market performance of insurance firms in Kenya. The research was guided by Keller's Expectancy Theory and adopted a mixed-method approach incorporating correlational and cross-sectional research designs. The study targeted 220 top-level managers tasked with implementing brand positioning strategies, and data were collected from the entire population using a census approach. Structured questionnaires were used for data collection, with expert validation ensuring content, face, and construct validity. The reliability of the research instrument was confirmed using Cronbach's Alpha coefficient, with a threshold of 0.7 indicating acceptable reliability. Descriptive statistics such as means and standard deviations summarized the data, while simple linear regression analysis tested the hypothesized relationship. The results revealed a statistically significant and positive relationship between brand focus positioning and market performance ($\beta = 0.266$, $p < 0.005$). The study concluded that brand-focused positioning strategies significantly influence the market performance of insurance firms in Kenya. It recommends that insurance firms adopt effective brand positioning strategies that align with customer expectations to create competitive advantage and enhance performance in a competitive market environment.

Keywords: Brand Focus Positioning, Market Performance, Insurance Firms, Kenya, Brand Strategy, Regression Analysis.

INTRODUCTION

In today's highly competitive global marketplace, brand positioning has become an essential strategic tool for firms seeking to differentiate their products, enhance customer loyalty, and improve market performance. In the 21st century, customers are increasingly attracted to affordable, high-quality, and reputable brands, prompting organizations to refine their brand positioning strategies in pursuit of a competitive edge (Stankevich, 2017). In developed economies such as Europe, the United States, and parts of Asia, brand positioning strategies are heavily informed by customer research and innovation, with a strong emphasis on service quality and brand reputation as critical determinants of purchase intentions (Guan, Yusuf, & Ghani, 2020). In Iran, for instance, Iyer et al. (2019) demonstrated that market orientation and positioning strategies significantly impact firm performance, particularly in the dairy sector. Similarly, Sehrawala and Karaduman (2015), in their study in Turkey, found that brand positioning significantly influences perceived product quality, though its direct relationship with market performance remained underexplored.

Across African markets, firms are increasingly embracing brand-focused positioning strategies to respond to rising consumer expectations and intensified competition. Damar, Rintari, and Muema (2018) emphasized that brand elements such as image, identity, and personality positively influence organizational performance among multinational corporations. African businesses are recognizing that brand positioning—whether based on price, benefits, or customer focus—plays a vital role in shaping consumer perceptions, creating distinctiveness, and

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Relationship between Price Focus Positioning and Market Performance of Insurance Firms in Kenya

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ABSTRACT

In the increasingly competitive insurance industry, firms are under pressure to adopt pricing strategies that enhance customer appeal and improve market outcomes. In Kenya, insurance companies face stiff competition from international providers and banc-assurance products offered by commercial banks, which has contributed to shrinking market share, declining penetration rates, and weakened overall performance. This study examined the relationship between price focus positioning and market performance among insurance firms in Kenya. Guided by Market-Based View theory, the study applied a mixed-method approach, incorporating both correlational and cross-sectional designs. The target population included 220 senior managers across 55 insurance firms registered with the Insurance Regulatory Authority (IRA). A census method was employed, and data were collected through structured questionnaires. The instrument underwent validation through expert reviews to ensure face, content, and construct validity, and a pilot test produced a Cronbach's Alpha of 0.795, confirming its reliability. Descriptive statistics such as means and standard deviations were used to summarize the data, while simple linear regression tested the hypothesized relationship. The findings indicated that price focus positioning had a significant positive influence on market performance ($\beta = 0.689$, $p < 0.001$). The study concludes that price-based positioning is a key driver of competitive advantage, enabling insurance firms to meet customer expectations and improve their market standing. It recommends that insurance providers develop adaptive pricing strategies aligned with customer segments and market dynamics to enhance product uptake and organizational performance in a saturated market. These findings contribute to strategic marketing literature by highlighting the importance of pricing as a positioning tool in the insurance sector.

Keywords: Price Focus Positioning, Market Performance, Correlational and Cross-Sectional Design, Insurance Firms, Kenya.

INTRODUCTION

In the 21st century, customer behaviour has shifted significantly toward value-oriented consumption, where affordability and brand reputation greatly influence purchasing decisions (Stankevich, 2017). As global competition intensifies, organizations across sectors have embraced price positioning strategies to differentiate their products, enhance visibility, and gain sustainable competitive advantage (Maarit & Keränen, 2014). Positioning strategies which including brand, customer, and price-based focus have proven effective in capturing consumer attention and improving firm performance (Mukeshimana, Nkechi, & Ogoi, 2019). In the U.S., Noone, Canina, and Enz (2013) demonstrated that strategic price positioning is integral to driving revenue performance, while Goodie-Okio (2012) emphasized how customer price sensitivity and perception significantly enhance marketing effectiveness.

Regionally, African businesses are increasingly utilizing price positioning to respond to changing market dynamics. In Rwanda, Mukeshimana et al. (2019) revealed that price, perceived quality, and differentiation strategies significantly influenced the performance of power providers. Similarly, in Kenya, Kawira (2021) identified pricing as a critical determinant of customer decisions and firm performance, especially for small and medium-sized enterprises. Despite this, limited research has examined the direct influence of price positioning on performance in the insurance sector.