EFFECTS OF INFORMATION COMMUNICATION TECHNOLOGY
STRATEGY IMPLEMENTATION ON THE CUSTOMER SERVICE
DELIVERY IN THE INSURANCE INDUSTRY IN KENYA

BY
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UNITED STATED INTERNATIONAL UNIVERSITY – AFRICA

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BY

MARTIN KIMANI

A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Master of Business Administration (MBA)

UNITED STATED INTERNATIONAL UNIVERSITY – AFRICA

SPRING 2017
STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University- Africa in Nairobi for academic credit.

Signed ___________________________  Date __________________________

Martin Kimani
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This project report has been presented for examination with my approval as the appointed supervisor.

Signed ___________________________  Date __________________________

Fred Newa

Signed ___________________________  Date __________________________

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ABSTRACT

The purpose of the study was to establish the effect of Information Communication and Technology (ICT) strategy implementation on customer service delivery in the insurance industry in Kenya. The study was guided by the following research questions: How does the implementation of online underwriting strategy affect customer service delivery in the insurance industry?; How does the implementation of claims management strategy affect customer service delivery in the insurance industry?; and How does the implementation of a centralized Customer Relationship Management (CRM) strategy affect customer service delivery in the insurance industry?

The study used a descriptive research design. The target population of the study consisted of the individual policy holders with active policies in the top 10 insurance companies in Kenya. The list of the top 10 insurance companies was obtained from Insurance Regulatory Authority (IRA). A list of the active policy holders was obtained from the respective insurance companies. The sampling technique for this study was stratified random sampling technique. Questionnaires were used to collect data from the selected respondents. Data collected was analyzed using descriptive and inferential statistics. Descriptive statistical analysis included means and standard deviations. Inferential statistical analysis included making valid conclusions from the data. For this study, data analysis tool used was Statistical Package for Social Sciences (SPSS) computer software.

The study showed that the rating of the respondents understanding of customer service delivery in the insurance industry was high as indicated by all respondents. Rating the quality of customer service delivery for the insurance providers in Kenya was high as indicated by 87.3% of the respondents. Rating of the quality of customer service delivery for insurance providers was high as indicated by 97.5% of the respondents. The underwriting process was important to customers when ranking the quality of customer service delivery for any insurance provider as indicated by all the respondents.

The study showed that, the insurance providers had implemented efficient claims management strategy as indicated by all the respondents. Current claims management process was automated from claims notification to claims payment as indicated by all the respondents. Automated claims workflow allowed the customer to keep track of the progress made on their claim settlement process without having to visit the branch as
indicated by 97.5% of the respondents. Automated claims management process had robust validation process that shortened the validation phase as indicated by all the respondents.

The study showed that, the population was aware of the CRM services in their insurance provider to a high extent as indicated by 87.3% of the respondents. CRM services affected customers’ choice of insurance provider to a high extent as indicated by all respondents. Customers felt their insurance provider had robust CRM strategy to a high extent as indicated by 97.5% of the respondents. Customers were satisfied with their customer care service offered by their insurance provider as indicated by 97.5% of the respondents. Customers felt that their insurance provider addressed their primary needs adequately as indicated by all the respondents.

The study concludes that customers understood customer service delivery that was offered by the insurance industry and the rating of customer service delivery by the insurance providers in Kenya was high. From the study, it can be concluded that customers were familiar with the automated online insurance application processes and the usability of the online underwriting process was highly better than the manual process. The automation of an underwriting process highly affected customers’ choice of insurance providers in Kenya, and customers felt to a high extent that their insurance providers had adopted the online underwriting strategy. The study concludes that the population was aware of the CRM services in their insurance providers and CRM services affected customers’ choice of insurance providers in Kenya to a very high extent.

The study recommends insurance companies to ideally capture the essence of the carrier’s underwriting strategy, this will enable them to enable their underwriters to make the best underwriting decisions, and insurance companies must arm them with the company’s leading practices and expertise. These firms need to articulate an actionable strategy that front line underwriters can easily understand and execute.
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Above all, I am incredibly grateful to God who gave me strength, good health, and a sound mind throughout my study.
DEDICATION

This study is dedicated to my parents, Priscila and Stanley Kimani for their early childhood support and discipline which was instrumental in pursuing this course.

To my wife and children and their encouragement and the support they have shown me during my course.
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

As the global insurance industry is gradually recovering from the impact of the global financial crisis, the focus of insurance companies is shifting from sustenance to driving growth (E&Y 2016). One way to achieve this growth is through effective customer service delivery. It is necessary that the customer is attacked less by the competition which this is only possible if they are satisfied with the offer and receives the highest quality and from the other hand insurance plans are tailored in accordance to for their requirements. Loyalty is ensured not from satisfaction, but by persistently exceeding expectations i.e. the delight of customers and the ability to listen to the customer whose personal expectations are known as a process of communication and listening which are in tune. The most effective way to provide effective customer service is not being more aggressive towards the competition in terms of market share, this no longer enough to design and deliver policies in accordance with standard rules to ensure a good demand response, but to focus on improving customers service and consequently get all customer faithful (Coviello, 2013).

To achieve the desired level of customer service delivery, a company may consider a lot of ways, which can lead it to better serving the customer. Insurance companies, as part of the services industry, trying to define the boundary of their competitive area, must take into consideration the large number of competitors, the old ones, other insurance companies, and the new ones brokerage companies and banks. In these circumstances, creation of the competitive advantage is considered a very difficult job (Meerman, 2012).

In insurance environment, the industry must not only focus its strategic attention on areas from better financial and risk-pool management but also develop innovative, growth-oriented products that can secure the loyalty of existing customers and attract new ones. The adoption of ICT among the insurance companies has become a necessity, taking in consideration the need of faster insurance operation, faster processing of customer claims and companies liabilities (Madani, 2012). Most insurance companies now see the need to include ICTs in their business goals even though they face the challenges of formulating the right policies that should strategically position ICTs for effective service delivery to
their customer. They are aware that positioning ICT strategically, a much better perception and utilization level should take place (Ganesh, 2013).

With the rapid expansion of East Africa’s economy, the insurance industry is on a solid footing entering 2015. It is expected that the demand for both life and non-life insurance products will continue to rise as more households join the middle income class and as the market for project risk coverage’s soars driven by the ongoing investment in infrastructural projects across the region. This is by no means to say the industry faces no challenges of its own (Bhatnagar, 2011). Whether it is how to maximize information fluency in the age of big data, meet moving compliance targets during a time of regulatory uncertainty or satisfying an increasingly demanding and sophisticated consumer, insurers have their hands full. In order to facilitate sustainable growth and tap into these emerging opportunities, innovation, nimbleness and collaboration will be important (Deloitte, 2015).

Kenya represents East Africa’s best developed insurance market and the regions financial focal point. It is the market leader in the region with 3% insurance penetration and a highly competitive market comprising of 47 insurance companies. Kenya’s insurance regulatory system is also the most mature in the region e.g. Risk Based Supervision and a framework that is being replicated in other regional countries. While most insurance companies are struggling to create a strong competitive edge, many of the companies lack agile, responsive customer relationship mechanisms to match their growth ambitions and customer experience programs are often seen as a cost, rather than a way to build value. A survey conducted by KPMG revealed that that over 80 percent of organizations are not confident that their customer service delivery is the best in the industry. Of concern is 10 percent believe that their customer service delivery is below average (KPMG, 2015).

The products offered by insurance companies in Kenya are generally the same although each company has a set of value added services for consumers. There are three locally incorporated reinsurers including East Africa Reinsurance Company, Continental Reinsurance and Kenya Reinsurance Corporation. Other regional reinsurers include Africa Reinsurance Corporation and PTA Reinsurance (Zep Re). Some of the top insurance companies in Kenya as rated by IRA include CIC, Blue shield, ICEA Lion, Kenindia, UAP, and BRITAM.
According to Insurance Regulatory Authority (IRA, 2010), products sold by insurers in Kenya market are divided into two main categories, Short Term or General insurance whose products provide protection for one year and below. Examples of short term products would be medical, funeral and motor insurance. The other category would be Long Term or Life insurance whose products provide protection for more than one year. Examples of products under this category include whole life assurance, annuities and endowment insurance. The buyers of insurance can also be divided into three (3) main categories. The individual clients which include you and me, the corporate clients which include registered companies and the Government. The other additional category are the foreign clients who buy Kenyan insurance services by buying cover from Kenyan insurers (IRA 2010).

In Kenya, companies with strong technology-enabled innovation strategies are more likely to secure competitive advantage and create superior shareholder value (Ndungu, 2011). A formal innovation strategy helps firms achieve success in new product development. Technology-enabled innovation strategy is concerned firstly with understanding the role of innovation to support profitable growth for your business; then secondly making the most appropriate decisions concerning technology sourcing and development to best underpin the innovation strategy. Overall the effect should be to maximize shareholder value creation (Karanja, 2009).

The insurance industry in Kenya is no exception when it comes to competition and the need for strategic technology based initiatives for improved customer service delivery. With costs and competition rising and growth facing limits, this is a good time for insurers to reexamine their IT options (Karanja, 2009). Rapidly evolving technologies will probably change the industry’s competitive patterns. Insurance companies in Kenya have lagged behind in taking key steps to gain first-mover advantages through the intensive use of technology, which could facilitate new types of interactions with customers and significantly improve customer service delivery (IRA, 2015). Management has missed the key insight that in a growing number of areas, for example, IT may allow insurers to automate processes and cut costs without damaging service delivery. Customized products that rely on data and better risk analysis could provide new avenues for growth-boosting innovations. Finally, the combined effects of technology can change


the nature of insured risk, leading to market disruptions that insurers will need to understand (Mbogo, 2013).

1.2 Statement of the Problem
IRA (2012) noted a significant improvement in technology adoption by insurance companies in Kenya. Many of these companies are adopting various ICT strategies in attempt to improve their customer delivery service. Some of these strategies include the use of web portals to facilitate online underwriting processes, predictive underwriting, use of automated claims management to significantly shorten the claims settlement process and curb fraudulent claims while others are adopting platforms to run customer care function from a centralized position. Due to incomprehensive surveys, many of these companies lack the basis to determine the impact that the adoption of these technology has on their customer service delivery. Most insurance companies in Kenya cannot tell with certainty whether having adopted the ICT strategy has significantly improved the customer service delivery or affected them negatively given other prevailing factors such as IT literacy in the Kenyan market and accessibility to such technology across the various regions in Kenya (IRA,2015).

According to Okeefe (2013), customer-centric service has become a vital measure of business health. The proliferation of online insurance options and the ease of finding them make customer service that much more vital. Consumers are time-strapped and impatient. When they compare service times, they are not just comparing insurers to insurers; they are judging service against all of their purchasing experiences. Younger consumers especially have been raised in a culture where products and services can be researched, found, purchased and downloaded in a matter of minutes. The answer lies in automated underwriting strategy. Whether it is used to provide “instant” opportunities at the point of sale or to drastically shorten underwriting time for fully underwritten products, automated-underwriting helps insurers meet consumer expectations and raise the bar on good service. However there is need to investigate how the use of automated underwriting process affects customer delivery service in the Kenya market.

Winning and retaining policyholders often comes down to providing a superior claims experience. But meeting consumers' changing needs and expectations requires insurers to reinvent the claims operation. While many insurers have undertaken claims management
strategies designed to improve performance, they are scrambling to meet new challenges posed by profound changes in consumer attitudes and expectations. Delivering what consumers want will require the creation of a new playbook, one that works within the digital environment in which the new consumer is most comfortable (Accenture, 2014). There lacks a comprehensive study to determine the impact of claims management strategies on the customer service delivery in the Kenya market.

According to Rashidi (2012), to maintain competitive edge and viability, insurance companies are focusing intently on delivering superior customer service. A comprehensive Customer Relationship Management (CRM) strategy addresses one such key imperative, retaining customer with great services. A study to investigate if this applies in the Kenya market has not been conducted.

Graham (2014) from Lancaster University Management School undertook a research on diagnosis and improvement of service quality in the insurance industries of Kenya and Greece while IRA (2013) undertook a research to show Kenya Insurance Industry Outlook. However, none of these studies capture the effects of ICT strategies adoption in the insurance industry in Kenya and its impact on customer service delivery. This gap therefore serves as a springboard for this study to investigate the impact of ICT strategy implementation on the customer service delivery in the insurance industry in the Kenya Market.

1.3 Purpose of the Study
The purpose of this study was to examine the effects of ICT strategy implementation on the customer service delivery in the insurance industry in Kenya.

1.4 Research Questions
The study was guided by the following research questions:

1.4.1 How does the implementation of online underwriting strategy affect customer service delivery in the insurance industry?

1.4.2 How does the implementation of automated claims management strategy affect customer service delivery in the insurance industry?
1.4.3 How does the implementation of a centralized Customer Relationship Management (CRM) strategy affect customer service delivery in the insurance industry?

1.5 Importance of the Study
The findings of this study will benefit the following:

1.5.1 Executive Management of Insurance Companies
Executive management is ultimately responsible for setting up the long-term strategy that will drive the organization towards realization of its vision. With this study, the executives will develop a strategy that is well aligned with the customer needs and will make informed choices on the appropriate ICT strategies to adopt.

1.5.2 Operational Managers of Insurance Companies
Operational managers are responsible for the day to day running of the customer service delivery and back office activities of the company. The ICT strategy adopted by the management will affect the level of the efficiency and effectiveness of the key business processes either positively or negatively. The management of the various insurance companies in Kenya will use this information to align the ICT strategy with the business strategy for the effective customer service delivery. The study will also give management an insight on some of the key challenges faced by organization in trying to align the IT strategy with the business strategy and how to overcome such challenges.

1.5.3 Insured/Policy Holders
The policy holder will appreciate the role that ICT can play in the improvement of service and their relationship with the insurer. Some of the benefits brought about by adoption of the modern technology would include extended options on product selection and configuration, flexible purchase and payment channels. The insights would also improve the policy holder’s perception of the insurance and hence the service expectation.

1.5.4 Academicians
The study will be an important catalyst for further exploration and research in this area. This is particularly so because the study is suitable for further research by scholars. It will also form the basis of others studies with interest in the process maturity model in the
The insurance industry in Kenya. The study will contribute to the body of knowledge on the strategic role played by ICT in the organization.

1.6 Scope of the Study
The target group for the study comprised of the individual policy holders who had active policies with any of the five (5) insurance companies who had implemented the three ICT strategies (online underwriting strategy, automated claims management and centralized CRM) and were in the list of top ten (10) insurance companies in Nairobi. The study was based on the policy status as at September 2016. The research was carried out between September 2016 and December 2016.

During the study, the researcher had to identify the significant approach of collecting data from the targeted population. To achieve this, the researcher had to work in conjunction with representatives from the customer service department at CIC, UAP, Britam, Jubilee, and APA insurance company respectively. These representatives aided the researcher in gaining access to customers who were the study population. The researcher had to explain to the representatives the significance of the study and assured them that the data collected would be used for academic purposes only.

1.7 Definition of Terms
1.7.1 Customer Service Delivery
Customer service delivery in the insurance industry is the support offered to policy holders (both before and after they buy the insurance products) that helps them have an easy and enjoyable experience. This can be measured by the efficiency and effectiveness of key processes such as the time it takes to onboard a new policy holder, time taken to settle customer claims and how well customer issues are managed (KPMG, 2016).

1.7.2 Online Underwriting Strategy
Online underwriting strategy is the adoption of better process flow, higher customer service levels, enhanced agency communications, improved tracking, more consistent underwriting decisions, faster throughput, and better mortality all leading to the opportunity for significantly improving the customer service delivery (Stockwel, 2014)
1.7.3 Automated Claims Management Strategy
This is a strategy where claims processing software is used to enter claims into your computer system. The objective is saving enormous time and money. The data capture technology reduces human errors to a minimum and therefore also increase the data quality. In this strategy, the OCR software "reads" information on your insurance claims no matter if they arrive via email, paper, fax or web. The insurance claims processing software then automatically extracts information from your documents. Once the information is extracted, it is interpreted, verified and transferred into any computer system. All is handled automatically and hence improving customer service delivery significantly (Lexmark, 2015).

1.7.4 Centralized Customer Relationship Management (CRM) Strategy
This is concept which focuses on customer needs and demands that re-design the enterprise and its information technology-driven business process combining a series of methods, software and Internet access capability with customer-oriented business strategy and aims to get the profits and achieve high customer satisfaction.

1.7.5 Claims Settling Agents
Means a person who engages in the business of settling or negotiating insurance claims under policies issued by insurers whether in Kenya or outside Kenya (IRA, 2015).

1.7.6 Insurance Business
Means the business of undertaking liability by way of insurance (including reinsurance) in respect of any loss of life and personal injury and any loss or damage, including liability to pay damage or compensation, contingent upon the happening of a specified event (IRA, 2015).

1.7.7 Insurer
Means a person, registered under this Act, who carries on insurance business and includes a reinsurer (IRA, 2015).

1.7.8 Kenya Business and Kenya Reinsurance Business
Mean insurance business carried on by an insurer in respect of any person, human life, property or interest situated in Kenya, or in respect of which premiums are ordinarily payable in Kenya and include insurance business in respect of any vessel, hovercraft
or aircraft registered or ordinarily located in Kenya, including marine cargo insurance policies for commercial imports but excludes marine cargo insurance policies issued on personal effects, goods and items imported into Kenya by returning residents or passengers entering Kenya for permanent or temporary residence (IRA, 2015).

1.7.9 Policy
In relation to ordinary life assurance business or industrial life assurance business, includes an instrument evidencing a contract to pay an annuity upon human life. In relation to bond investment business, includes a bond, certificate, receipt or other instrument evidencing the contract with the insurer and in relation to other classes of business, includes an instrument under which there is for the time being an existing liability already accrued or under which any liability may accrue (IRA, 2015).

1.7.10 Policy Holder
Means the person who for the time being is the legal holder of the policy for securing the contract with the insurer (IRA, 2015).

1.7.11 Underwriter
Means a financial professional that evaluates the risks of insuring a particular person or asset and uses that information to set premium pricing for insurance policies (IRA, 2015).

1.8 Chapter Summary
This chapter has outlined the background of the study, problem statement, purpose of the study, research questions, and importance of the study, scope and the definition of key terms used in the research. Chapter 2 of the research project covers the literature review, Chapter 3 outlines the research methodology followed in the study, and Chapter 4 presents and explains the data collected, while Chapter 5 covers the study discussion, conclusion and recommendations.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter is structured based on the specific research questions. It reviews the relevant literature available that focuses on the effect of ICT strategy implementation on customer service delivery in the insurance industry in Kenya. The chapter will be divided into sections that include how implementation of online underwriting, automated claims management and customer relationship management strategies affect customer service delivery.

2.2 Online Underwriting Strategy Implementation and Customer Service Delivery

2.2.1 Customer Service Delivery

According to Hasemark and Albinsson (2004), customer service is the support you offer your customers both before and after they buy your product that helps them have an easy and enjoyable experience with you. It’s more than just providing answers; it’s an important part of the promise your brand makes to its customers. And it’s a critical to the success of your business. It’s often said that it’s cheaper to keep existing customers than to find new ones. And it’s true: bad customer service is a key driver of churn. The United States (U.S.) Small Business Administration claims 68% of customers leave because they’re upset with the treatment they have received. Prioritizing customer service delivery helps you attract and retain quality customers (MacInnis, 2011).

In managing an insurance business, some of the key objectives include increasing sales, managing expenses, enhancing customer service, and reducing loss costs. According to Mark Breading (2011), customer service is the most challenging in terms of setting goals and measuring success. All of the others involve specific metrics that can be easily quantified to indicate the health of the business. For example, the expense ratio provides an instant picture of how well or how poorly an insurer is managing overhead costs. Sales volumes are easily measured in terms of units and premium volume. On the other hand, customer service is more difficult to quantify. Many would say that the financial impact that improved customer service has on an organization cannot be translated directly into dollars.
According to Hancer and Park (2010), the question insurers should be asking is, “How can I best achieve great customer service?” Some insurers are able to achieve excellence in one line of business or in one functional area such as their agent channel, billing, or claims. But, very few insurers have been able to deliver highly effective customer service across the organization. In fact, very few insurers have been able to unify (across their entire business) the communications that take place between their organization and policyholders. Some of the business drivers that largely affect the level of satisfaction for the customer service delivery include the efficiency in the process of onboarding the potential policy holder, claims efficiency and effectiveness and the process established to manage the customer relationship throughout the life of a policy (Verhoef, 2003).

### 2.2.2 Automated Underwriting Solutions

According to Araujo (2016), Insurance underwriting is the process of evaluating the risk(s) of a property (such as in home or car insurance), a situation or an individual (such as in life insurance) to determine if it is profitable for the insurance company to take on the risk and accept responsibility on behalf of the insurance company by means of providing insurance for a set price (the insurance premium charged for the risk). An insurance underwriter chooses who and what the insurance company will insure based on a risk assessment. Underwriting is the "behind the scenes" work in an insurance company. Insurance underwriting also involves choosing who or what the insurance company will not insure (Aggour, 2013).

From an insurance perspective, customer service delivery is a component of insurance that defines the level of interaction between an insurance provider and the client, where the provider offers insurance service and the client either finds value or loses value as a result. Good service delivery provides clients with an increase in value (Bonissone, 2012). Underwriting is one of the key measures of the service delivery in that it affects the speed of onboarding the customer and the cost of premium. The two factors are key in maintaining the client relationship. In the current market, the winners are the insurers who invest and believe in taking customer care to the next level and creating the next big thing for their customer, (KPMG, 2016).

Due to processing inefficiencies, today’s underwriters struggle to maximize profit (KPMG, 2016). The study conducted by KPMG considered 47 insurance companies in Kenya, to better gauge efficiency in underwriting departments. Results concluded that
due to processing inefficiencies, 82 percent of underwriters spend a maximum of half their time on underwriting. Over half of underwriters work with four or more systems in the underwriting process and many spend the bulk of their time on tasks unrelated to underwriting. Three-quarter of insurers surveyed mentioned underwriting as a top business priority. A further 20 percent said it was a moderate focus and 5 percent said it was unimportant. Despite these claims, underwriting often takes a backseat to other less profitable tasks. 41 percent of respondents estimated they spend 10 percent to 25 percent of time on underwriting; another 41 percent claimed it takes up 26 to 50 percent of their time. 18 percent of respondents spend over half their time on underwriting.

According to Josefowicz (2013), Information technology is driving rapid changes in insurance underwriting across the property/casualty and life/annuity segments. But while most insurers are embracing more efficient underwriting processes, few are aggressively exploring the revolutionary possibilities that new data sources and analytical capabilities herald. Some of the common underwriting strategies that directly affect service delivery are discussed below.

Sarich (2014) argues that commercial underwriting is very low-tech–files and documents are complex, cumbersome and highly paper oriented. While Association for Cooperative Operations Research and Development (ACORD) standards provides upload capability, there is very little that an agency can upload in terms of forms, Occupational Safety and Health Administration (OSHA) reports, loss control reports, workers’ compensation loss reports, vehicle schedules and so forth. For most new and renewal submissions, the improvements in technology haven’t changed the way commercial insurance agencies operate compared to 10 or 15 years ago. Most continue to use paper-based processes. Going paperless involves deploying technology to simplify and transform among others day-to-day underwriting business operations and enables an underwriter to increase productivity and serve the customers even better (Jurafsky, 2013).

The greatest Return on Investment (ROI) out of all technology investments today is an Automated Underwriting Solution (AUS). AUS do exactly what they sound like; automate the process of underwriting taking much of the work done in manual process today into a “no touch” low cost environment (Chisholm, 2011). Typical manual underwriting tasks include; quoting, policy issuance, document management, reporting, message notifications, inquiry, policy modification, filing, mailing and cancellation.
Increased automation benefits customers, brokers, insurers and reinsurers. Not only can the delivery of insurance products be real-time fast, but the customer experience can be greatly enhanced (Kaukinen, 2014).

Survey conducted by Klynveld, Peat Marwick, and Geordeler – United Kingdom (KPMG-UK) (2015) reveals that 70% of the customers develop an opinion of insurers customer service satisfaction based on the underwriting experience. Of the 70%, 50% were keen on the speed of underwriting while 20% were more interested in the extent of paper work required during the onboarding process. Some of the benefits of automated underwriting solutions that improve the customer service delivery include:

2.2.2.1 Greatly Enhanced Workflow
Typical interaction between underwriter and insurance broker, in a non-automated environment, includes multiple and repeated data entry at every level, frequent communication back and forth, even before any sale is made, paper and more paper (Rao, 2013). Automating the process from broker through underwriter asks the appropriate set of questions, allows for supplementary information if required, routes the request (quote, renewal, policy change) efficiently through the right process. In the example of a new business request, it will give an instant indication which can either give permission to issue the policy, an opportunity to submit supplemental information for an updated indication and permission to issue or to be submitted to an underwriter for further scrutiny or an immediate decline (Kaukinen, 2014).

2.2.2.2 Customer Service and Premium Growth and Error Reduction
If an insurance broker can offer clients an instantaneous way to obtain an insurance quote and then in most circumstances, allow the broker to issue a correct policy document. This is the kind of service that is standard in most other industries (Kaukinen, 2014). By having one data set shared between underwriter and broker and well-designed interfaces and underwriting question sets, virtually eliminates any non-human error. In a non-automated environment the intervention required by many, each with their own system greatly increases the opportunity for error resulting in a much greater workload. The reduced error rate reduces the amount of time taken to underwrite a policy resulting to significantly reduce underwriting process (Verbeke, 2012).
2.2.2.3 Paper Reduction and Greatly Improved Underwriting Process

Modern technology literally allows a completely paperless underwriting process. This, in turn, means no more paper handling or mailing. Information is instantly available at your fingertips on any wireless device (Thornhill, 2013). By eliminating many sources of error and improving workflow to allow for underwriting intervention the process becomes a decision making process rather than a “paper pushing” process. Underwriting rates and rules are followed; authority levels are adhered to through the orchestration engine (Shenghverzy, 2013).

2.3 Automated Claims Management Strategy Implementation and Customer Service Delivery

2.3.1 Claims Management

A claim is a request made by the insured individual or a corporate to the insurer for the payment of benefits under a certain policy (Asokere & Nwankwo, 2010). However, to reduce the cost of claims and deliver on a value-added brand promise to customers, insurance companies are focusing on enhancing efficiency and effectiveness of service delivery in claims function. Claims processing is the gateway to the customer that will drive improvement in the insurers’ customer acquisition, retention, enterprise business intelligence for product development insight and profitability for the next several years (Capgemini, 2011). The speed, accuracy and effectiveness of claims processing is also paramount for controlling costs, managing risks and meeting portfolio underwriting expectations (IBM, 2011).

Most of the insurance policy holders have experienced the frustration of dealing with insurance contact centers when all too often, claims fall through the cracks, resulting in unexpected expenses. Not only are costs incurred by these companies to compensate for these operational inefficiencies, but there is also the annoyance and embarrassment of having to explain to suppliers why these claims have not been paid. The end result, Poor customer service and operational risk issues, often with legal implications. But all is not lost and these challenges can be avoided (Rajesh, 2013). According to the study by Rajesh (2013) claim settlement process need to be as per requirement of the customers, so that at the time of need, no customer should be suffered due complexity of the claim settlement process. Faster claim settlement process reduces the cost of processing any claim whereas multiple stages in the process should be avoided since it increases the cost.
of claim settlement. 80% of policy holder’s rank the customer service delivery for insurance companies based the effectiveness of the claims process. Some of the strategies under claims management that can be adopted to greatly enhance the customer service delivery include:

2.3.2 E-Claim Process

Insurance companies in Kenya are under extreme pressure to keep up with the growing demand for better customer service delivery during the claims process, with vital information embedded in faxes, emails, handwritten notes and phone calls that have pertinent information which need to be processed timeously. However, the fact is that these forms of data have traditionally been too big and too complex to collate. As a result, insurance companies haven’t known what information to look for to effectively manage these data sources from a claims processing perspective (Ashturkar, 2014). For claims function, service delivery is concerned with the speed, accuracy and effectiveness of claims processing. This is also paramount for controlling costs, managing risks, meeting portfolio underwriting expectations, (IBM, 2011). The level of satisfaction of the service delivery affect competitive positioning, customer service, fraud management, risk exposure, cost control (TIBCO, 2011).

Whatever the type of insurance, and whether it is being bought by a corporation or a private individual, making a claim may be the most important contact a client has with the insurance company. How that claim is dealt with is likely to decide whether they stay with the company, whether they buy further products, and whether they are a true advocate for that company. Insurers need to meet the varying needs of both client and third parties whether claims are submitted on paper forms, online, by telephone or face to face, (Yusuf & Ajemunigbohun, 2012). They are aiming to manage a claim as soon as it is submitted, and transfer it automatically through various processes right up to the moment when the client’s incident has been resolved and the claim file is closed. This process can be controlled and monitored from start to finish with the appropriate business process management solution, only initiating human intervention where business requirements demand it. Important decisions remain in the insurance company’s control, but good process management makes the handling claims faster, more efficient and more reliable (IRA, 2015).
Oftentimes, loss situations awake the minds of the customer towards their insurer, as many consumers pay little attention to their insurance coverage until they have a loss. Claims, being the heartbeat of insurance, are the most critical contact the insuring public has with the industry and thus, critical moment of truth that shapes a customer’s overall perception of their insurer (Crawford, 2007). Singh (2012) noted that claims are the defining moment in the customer relationship for insurance firms, with a firm’s success often defined by one factor: the customer’s experience around claims. Singh (2012) points at certain inefficiencies that are driving up claims costs and adversely affecting customers’ claims experience. These inefficiencies include aging technology, increasing process complexity, and a rising number of fraudulent claims.

The way an insurance company manages the claims process is fundamental to its profitability and long-term customer relationship sustainability and thus argues that good claim management must be proactively conducted in recognizing and paying legitimate claims; and assessing accurately the reserve associated with each claim, (Asokere & Nwankwo, 2010). Claims processing requires a complex mix of electronic and paper documents, including emails, faxes, letters and data. As a result, many of these important documents are in formats that make them unavailable to back-end claims-processing systems. Compounding the difficulty, documents may arrive at different times and from different sources, including customers, agents, adjusters and repair shops. With older systems, the task of collecting information and creating a single customer case file for fast processing and payments is far from simple (Yusuf & Dansu 2014).

By adopting E-claim process, Electronic data capture of claim submissions and related information will simplify the customer experience and reduce claims handling costs, (Kalani, & Ahirrao, 2013). Electronic claims notification advantages the customer and insurer simultaneously in that presentation of a membership card to the treating physician could trigger claims details to be electronically passed through to the insurer for prompt assessment and payment while automated notification and electronic access to death certificates through the Registry of Births, Deaths and Marriages could strip out more administrative components of claims management. The practice of electronic capture of health and financial data could improve the accuracy and efficiency of claims assessment. Obtaining permission and direct links to external information will likely be challenging
for insurers, but could ensure better support customers for in their time of need (Yusuf & Dansu 2014).

Automated claims-management workflow solution captures all required documents from both electronic systems and paper sources and verifies that all required documents and important fields are complete and correct. A claims specialist collects the supporting documentation received through fax, email and regular mail and authenticates it at a Multifunction Printer (MFP) (Yadav & Mohania, 2013). In leading solutions, the MFP displays a list of the claims that specialist is working on. The claims specialist can select the correct customer from the screen and then scan all related hard-copy documents. The best claims-management solutions will verify required fields, then classify and compare the information against a list of required documents. If any document or information is missing, the agent receives an alert. That way, exceptions can be corrected at the point of service before the claim is submitted for processing. Once the claims documents are complete, the file is passed into a back-end system for a claims decision (Varian, 2012).

E-claim processing assists in early claim screening. Early claim screening systems help to decide whether incoming claims are suspicious or not. This is the basis for routing claims through different claim handling workflows (Derrig, 2012). Claims that pass the initial (automated) screening phase are settled swiftly and routinely, involving a minimum of transaction processing costs, this plays a key role in improving the customer service delivery. Claims that are flagged as suspicious pass a costly state verification process, involving (human) resource intensive investigation. This task is typically delegated to so-called Special Investigation Units or (SIUs) (Ghezzi, 2011).

If recent and historical insurance information is carefully logged, an insurer’s automated detection system can take the decision to investigate claims on the basis of the entire claim and customer history (Rose, 2013). More systematic data collection stimulated data-driven initiatives have aimed at analyzing and modelling the formal relations between fraud indicator combinations and transaction suspiciousness, resulting in the implementation of automated indicator-based fraud screening models. The claims screen then typically takes the form of a scoring device, which relates case-based fraud indicators to levels of suspicion. As indicative information on the level of fraud suspicion
only gradually becomes available during the life of a claim, the diagnostic system ought to follow claims throughout their lives (Viaene, 2014).

The right case management solution can break down claim processes into an infinite number of sub-claim units, each of which is able to be routed, managed and monitored individually, while still providing insight and control (Singh, 2012). Adjusters and managers can leverage real-time analytics to get comprehensive views of claim operations any time. They have the ability to view and re-route work as needed, enabling a dynamic response to complex claims or shifts in work volume. Insurers can use this insight to drill down into specific tasks to understand which processes are working well, and which are not. Insurers can apply these concepts to track, measure, and report on an infinite number of sub-units under the primary claim event. This further drives best practice processes and can be extended to other lines of business; it also gives insurers the flexibility to systematically integrate claim processes that are historically segregated or require manual intervention - a must for insurers trying to contain overall claim costs or bundle new product offerings (Derrig, 2012).

2.3.3 Claims Triage
Automated risk profiling can triage claims to focus management effort and reduce manual intervention. Claims management effort is most valuable when targeted. For example, 70-90% of costs for back pain relate to the 5-10% of claims which extend for long durations (Yusuf & Dansu, 2014). A claims rules engine can undertake consistent and efficient triage by automating assessors’ existing processes or using analytics to correlate claims characteristics with outcomes. For example, investigation of non-disclosure is more valuable for claims close to policy commencement. Early intervention can be directed appropriately towards claims at risk of prolonged recovery. Conversely, more straightforward risks can undergo streamlined assessment. Tele-claims innovation provides simplicity for the customer, with the decision to admit the claim made over the phone at the initial point of contact. Life Insurance has seen almost 25 per cent of all income protection claims paid without the requirement of claim forms while reducing end-to-end times by up to four weeks (Kim Cohen, 2012).

Claims Triage is designed to improve the decision-making process at First Notice of Loss. This eliminates assignment guesswork by defining questions and criteria around the status
of the vehicle, enabling you to route the assignment to the best resource for timely and accurate completion (Derrig, 2012). Claims Triage helps identify total losses early in the claims process and initiate early tow, customize your scoring and thresholds to more accurately define the right resource for you, determine your preferred appraisal resources and specify the resources to send the assignment based on the evaluation results (Kim Cohen, 2012).

2.4 CRM Strategy Implementation and Customer Service Delivery

2.4.1 Customer Relationship Management

According to Gartner (2011), CRM is a widely-implemented business strategy that focuses on customer segmentation to organize the customer-centric enterprises, and thus satisfy the customer needs and increase the revenues and profits. Burghard and Galimi have defined CRM further and added some new concepts in it. They thought CRM is a concept which focuses on customer needs and demands that re-design the enterprise and its information technology-driven business process, CRM combines a series of methods, software and Internet access capability with customer-oriented business strategy and aims to get the profits and achieve high customer satisfaction (Burghard & Galimi 2011).

Study conducted by Rashidi (2013) revealed that Insurance Companies as an industry that needs to contact customers frequently should pay more attention to customer relationship. Currently, the existing problems in the implementation of company’s CRM are obvious, so more and more insurance companies have realized the importance of customer relationship, but a perfect establishment of CRM also needs long-term efforts. The result of research for the implementation of insurance’s CRM showed that insurance’s CRM is not professional and a strategic CRM and especially lacks technical and systematic support that cannot achieve the desired results. So, for the majority of insurance companies, there should be a comprehensive CRM plan which is based on company’s actuality to guide and improve it. Details on how CRM can improve service delivery in an insurance industry are detailed below.

2.4.2 Unified Enterprise Customer View

Today, in the business world, management recognizes that customers are the core business and the success of companies depends highly on customer relationship management. Customer relationship management can be implemented as a process of
digitization of personnel’s information about their customers (Amoako, 2011). When management of an organization, introduces itself as a customer-centric organization, it is necessary to develop capacities and capabilities to achieve the necessary resources, information and tools for facing the demands of customers and offer appropriate products and services (Rygielski, 2012).

With the acceleration of global economic integration process, the markets today have changed from the production and sales-oriented marketing to customer-oriented marketing. In this situation, the vital factor to enhance the corporation’s competitive powers is customer relationship, like Peter Drucker1 said: “The business of business is getting and keeping customers” (Vazifehdust, 2012). High quality customer service and satisfaction will relate to corporation’s revenues, profits and market share closely. Thus, facing a highly competitive environment, more and more corporations are realizing the importance of CRM (Anton & Petouhoff 2011).

In attempt to improve customer service delivery, it has become difficult for the sales, marketing and service sectors of an enterprise to gain the requisite customer interaction information. In addition, the information from sales, customer service, marketing, manufacturing, inventory and other departments is scattered in the whole enterprise, and the scattered information cannot help the enterprise to get a full understanding about the customer situation (Ramperasd, 2012). Meanwhile each department cannot face the customer separately when the information has not been collected. Consequently, for most enterprises the best choice to solve these customer problems is finding an effective measure like collecting the customer information and activities from different departments, establishing a customer-centric enterprise and achieving a comprehensive customer management. All these situations are the demand base for CRM’s emergence (Zhang, 2012).

With the focus being placed more on the insured, there is a drive to ensure that Customers can access the enterprise and do business by telephone, fax, network and other technical ways, that all the employees who deal with customers can fully know the customer relationship, trade with the customers based on their demands, understand how to do the vertical and horizontal marketing with customers and record the customers’ information (Romano & Fjermestad, 2013). They can track customer sales easily, make the planning
and assessment for marketing activities and get the perspective for all aspects of the activities, can provide the information of cost, profit, productivity, risk and other useful factors to the enterprises, and make the multidimensional analysis in the customers, products, functions, geographic area and other aspects. The development of data warehousing, Business Intelligence, Knowledge Discovery and other technologies help the customer in the collection, collation, processing and utilization of information to achieve significant improvement (Shao & Yu, 2004).

In this era of change and innovation, one step ahead the competitor could mean success, and a new management concept could help the enterprise to take the winning step (Greenberg, 2014). In the process of developing the management concept, with the evolution of the marketing environment and thinking, the concept has gone through five stages: product-oriented, sales-oriented period, profit-oriented period, marketing oriented period and customer-oriented period. With the arrival of customer-oriented period, more and more enterprises focus on establishing a common victorious relationship with customers in order to achieve a win-win situation, rather than trying to gain all possible profit from their customers (Catalán-Matamoros, 2012). Facing the update of the management concept, enterprises require a new systematic management process which focuses on customers; the new management also needs enterprises to synchronize their own business operation with the customer demands, make and implement the different mode of operation for different customers, to achieve and meet the real needs of every customer. Accordingly, CRM emerges as the demand (Zhang, 2014).

2.4.3 Retain Customers with Great Service

Within many insurance companies, there is a wealth of valuable information about individual customers; you know who they are and what insurance products and services they buy. You know their history of claims and the status of their accounts. You may even know about their opinions and preferences, or whether promotions have attracted their response. But can you unify all these fragments into a complete portrait of this most important asset: your customer? For insurance companies, "know thy customer" can be a challenging imperative. Customer data may be divided among product lines, or among legacy claims, policy and billing systems (Cheng, 2012). If an insurance company has expanded its customer base through mergers or acquisitions, its information may be even more fragmented. CRM in insurance starts with a single, complete, real-time enterprise view, so that call center representatives, agents and brokers can understand and serve
every facet of individual customers. This level of holistic, personalized service can be the differentiating factor that retains good customers and reduces churn an important goal, given that customer retention is profitable and new customer acquisition can be expensive (Zhang, 2014).

Most insurance companies understand the virtues of a single, complete, real-time enterprise view of individual customers, and they have made great progress towards providing this view at customer touch-points throughout the enterprise (Payne, 2014). But it's critical to note that this view should not be regarded as an end in and of itself rather, it is a rich foundation to be used as a basis for a deeper, more advanced level of customer understanding. Without customer analysis and behavior prediction, this is exactly the quagmire that calls center representatives, agents and brokers find themselves in every day (Buttle, 2014). This advanced level of understanding is needed to help insurance companies predict customer behavior and align marketing, cross-selling and up selling efforts accordingly. By making customer analysis and behavior prediction data immediately accessible at the desktop, sales efforts are optimized and customer loyalty is strengthened, as individual customers feel that their needs are understood and met in a way that is fast and convenient (Rygielski, 2012).

2.4.4 Control Costs While You Expand
Business expansion presents many positive opportunities to insurance companies, including increased assets and broader geographic reach to new customers. So how does an insurance company grow without sacrificing profitability? The company at hand must offer the same level of superior service that its customers have come to expect while minimizing operational costs that, paradoxically, have the potential to spiral out of control, as the company begins to serve an augmented and growing customer base (Chang, 2012). The first key is to enable your agents, representatives and brokers to identify and spend the right amount on each opportunity. A high-value, low-risk customer, who carries policies over a long period and makes relatively low claims, is an ideal subject for marketing and sales efforts targeted at extending his or her portfolio. Call center representatives, agents and brokers need real-time access to this business intelligence, so they will know where to concentrate their efforts in the limited amount of time they have the customer's attention. The second key is to use the most cost-effective channels without sacrificing a high level of customer service (Goodhue, 2012).
Call center, agents, email, phone and self-service portals, how can your employees determine which channels are the most efficient and cost-effective for different target audiences and desired behaviors? Again, using customer analysis and behavior prediction, call center representatives, agents and brokers can target marketing and sales efforts through different channels depending on the target audience in question (Kincaid, 2013).

Going one step further, new and advanced email response, Web chat and self-service portal tools are drawing more and more customers to the Web each day, enabling a consistently high level of customer service while "pulling" customers to a communications medium which is much more cost-efficient than the phone. Particularly valuable are Web-based self-service portals, which can function as a first and last point of contact and eliminate valuable time spent assisting a customer who can just as well assist him or herself (Pan, 2013). Finally, Web-based interactions tend to deliver on the holy grail of customer service speed and convenience. The third key is automation of the more mundane insurance business processes. Given the myriad systems in the insurance world claims, billing and policy systems, not to mention automobile, home, life and health insurance subsystems for each one CRM systems in insurance will only add another layer of complexity, labor and expense if they are not pre-built to connect with legacy systems and automate the mundane work of keeping these systems updated (Zhang, 2012).

Automated, multi-step workflow capabilities are critical to minimizing these and other potential bottlenecks, such as the processing of trailing documents supporting a policy application documents like expert appraisals, doctor's statements and/or proof of student status (Kkolou, 2012). By automating mundane processes and removing the paper trail, call center agents, representatives and brokers are freed up to focus on the more strategic activities like servicing customers (Romano & Fjermestad, 2013).

Today's insurance companies certainly face a daunting challenge in maintaining and increasing their competitive edge (Tanner, 2013). By focusing on three key imperatives gaining a unified enterprise view of customers, retaining customers with great service and controlling costs while expanding insurance companies can turn challenges into strategic competitive advantage and enhance their long-term viability and profitability (Siderio, 2003).
2.5 Chapter Summary
In this chapter, an introduction of the literature review was given. This included the understanding of the various ICT strategies used by insurers in the effort of improving the service delivery. This chapter has explored the proposed strategies detailing the challenges faced by the insurers and the benefits of adopting these strategies. The next chapter covers the methodology of the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the methodology to be used in the study including the design, the population of the study, sample size, sample frame, data collection methods, research procedures, data analysis and presentation of the research findings.

3.2 Research Design

The research design used in this study was descriptive research design. Descriptive research design was adopted since it helped to establish the pertinent facts that the research intended to establish without necessarily manipulating the variables of the study. According to Yin (2013), a descriptive design describes an intervention or phenomenon and the real-life context in which it occurred. Descriptive design seeks to find out who, what, which and how of a Phenomenon (Pamela, 2009). The process of relating an empirical test to affirm or refute a knowledge claim involves making decisions on the type of data required, where that data was found, techniques used during data collection, analysis of the collected data and interpretation. This was therefore appropriate for this study which sought to establish the effect of ICT strategy implementation (independent variable) on customer service delivery (dependent variable) in the insurance industry in Kenya.

3.3 Population and Sampling Design

3.3.1 Population

Coopers (2014) postulate that a population is the total collection of elements about which we wish to make some references. The target population of the study consisted of the individual policy holders who had active policies with the top five (5) insurance companies who have implemented the three ICT strategies (online underwriting strategy, automated claims management and centralized Customer Relationship Management). The top five (5) insurers and respective number of insured policies by products were as listed in Table 3.1.
Table 3.1 Target Population

<table>
<thead>
<tr>
<th>Products</th>
<th>CIC</th>
<th>UAP</th>
<th>BRITAM</th>
<th>Jubilee</th>
<th>APA</th>
<th>Total By Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical</td>
<td>87,000</td>
<td>92,876</td>
<td>78,654</td>
<td>101,000</td>
<td>87,678</td>
<td>447,208</td>
</tr>
<tr>
<td>Funeral</td>
<td>13,000</td>
<td>12,650</td>
<td>14,124</td>
<td>9,867</td>
<td>6,897</td>
<td>56,538</td>
</tr>
<tr>
<td>Motor</td>
<td>187,000</td>
<td>156,723</td>
<td>143,292</td>
<td>163,656</td>
<td>97,567</td>
<td>748,238</td>
</tr>
<tr>
<td>Life</td>
<td>53,000</td>
<td>46,000</td>
<td>63,323</td>
<td>52,897</td>
<td>40,000</td>
<td>255,220</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>340,000</strong></td>
<td><strong>308,249</strong></td>
<td><strong>299,393</strong></td>
<td><strong>327,420</strong></td>
<td><strong>232,142</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Insurance Customer Database (2016)

3.3.2 Sampling Design

This section describes the sampling frame and technique used for the study and the actual sample size drawn from the target population. According to Bell (1999), a sample is a subset of the population.

3.3.2.1 Sampling Frame

Suitable sampling frame was required for the selection of the sampling units. According to Cooper and Schindler (2014), a sampling frame is a list of elements from which sample is actually drawn and is closely related to the population. The list of the policy holders from these companies were obtained from the respective five (CIC, UAP, BRITAM, Jubilee, and APA) insurance companies. The population data was obtained from the official list of customers in the insurance companies, and was collected from the customer service department representatives.

3.3.2.2 Sampling Technique

According to Molenberghs (2013), sampling techniques is the process of selecting some elements from a population to represent that population. The sampling technique for this study was stratified random sampling technique. Policy holders were placed in strata based on the type of policies held, that is, medical, funeral, motor and life insurance and simple random sampling technique was then used to draw the samples across the strata.
3.3.2.3 Sample Size

In any research, selected sample enables the researcher to make a generalization about a given population. A sample is a subset of a population (Blumberg, 2014). This is however useful only if it accurately represents the larger population. To ensure all sections were well represented in the study, the researcher employed the use of stratified sampling. The researcher used simple random sampling to select population elements in the various study strata. This was done to ensure that all the population elements had an equal chance of being selected.

To ascertain that the selected sample is representative of a given population, a researcher needed to clearly define the characteristics of the population, establish the required sample size, and choose the appropriate method for selecting members from the population. Given the homogenous nature of the target population, the sample size was selected by taking a representative size of the population across the strata for each insurance company. Distribution of the respondents was as detailed below:

<table>
<thead>
<tr>
<th>Products</th>
<th>CIC</th>
<th>UAP</th>
<th>BRITAM</th>
<th>Jubilee</th>
<th>APA</th>
</tr>
</thead>
<tbody>
<tr>
<td>sample</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Medical</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Funeral</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Motor</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Life</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
</tbody>
</table>

3.4 Data Collection Method

Data collection instrument used by the researcher for this study was structured questionnaire. Use of questionnaire was preferred as large amounts of information can be collected from a large number of people in a short period of time and in a relatively cost effective way and the results of the questionnaires can usually be quickly and easily quantified by either a researcher or through the use of a software package allowing scientific analysis objectively than other forms of data collection method. The questionnaire was developed and organized on the basis of the research questions to
ensure relevance to the research problem. Likert measurement with a scale of 4 was used for each question. Based on the three research questions, the questionnaire was divided into four sections, section A, B, C and D where section A captured the demographic information of the respondent while section B, C and D captured information relating to the variables under the study.

3.5 Research Procedures
Reliability of the questionnaire was also tested through piloting using 10 questionnaires which was submitted to randomly selected employees and whom their responses was not included in the final study sample. Validity was tested by submitting the questionnaire to the supervisor of this project to confirm whether the questions captured the objectives of the research.

The researcher sought consent from the university prior the research. The researcher also requested permission from the management of the insurance companies to carry out a research selected to participate in the study. The researcher collected the data through the use of research assistants, who used the both ‘drop and pick method’ and real time administration of the questionnaire. The assistants followed up on the fully completed questionnaires. To ensure a high response rate, the researcher agreed to share the results of the study with the customer care representatives.

3.6 Data Analysis Methods
Cooper and Schindler (2014), define data analysis as the process of editing and reducing accumulated data to a manageable size, developing summaries, looking for patterns and applying statistical techniques. The data collected was first reviewed to detect any possible errors and omissions. In the instances where the provided data was deemed incomplete or noted errors, the respondents were re-contacted over the phone for further clarification. Data was then prepared in readiness for analysis using statistical package for social sciences (SPSS) computer software. SPSS generated descriptive statistics.

Data collected was analyzed using descriptive and inferential statistics. Descriptive statistical analysis included methods for organizing and summarizing data such as tables and graphs, and descriptive values such as measures of central tendency (median, and mean) and measures of spread (range, quartiles, absolute deviation, variance and standard
deviation) was used to summarize data. Inferential statistical analysis included the use of Pearson Correlation to make valid conclusions from the data. This helped predict how a large group behaved based upon information taken from a part of the group. For this study, data analysis tool used was be statistical package for social sciences (SPSS) computer software.

3.7 Chapter Summary
This chapter included the research design and the sample size and sampling design that was used. It also outlines the data collection method, which was primary data, and the data analysis techniques used. Chapter 4 presents and explains the data collected.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter offers the study results and findings and is based on the specific research questions. It offers tables and figures as well as brief discussions of these tables and figures for readers to understand. Descriptive and inferential statistics were used for analysis.

4.1.2 Response Rate

The researcher with the aid of his research assistants managed to distribute 200 questionnaires to the target population. After numerous phone calls and follow-ups, the researcher was able to gather 158 usable questionnaires for analysis. This gave the study a response rate of 79% as shown in Figure 4.1.

![Response Rate Chart]

Figure 4.1 Response Rate

4.2 Demographic Information

4.2.1 Gender

The respondents were asked to indicate their gender and Figure 4.2 shows that 64.6% were male while 35.4% were female. This shows that majority of the respondents were male. This indicates that males are more thoughtful on insurance matters than ladies.
4.2.2 Age Bracket
The respondents were asked to indicate their age bracket and Figure 4.3 shows that 63.3% were aged between 26-40 years, 21.5% were below the age of 25 years, 12.7% were aged between 41-55 years, and 2.5% were aged above 56 years. This indicates that majority of the respondents were aged between 26-40 years, showing that young adults in Kenya cared about insurance.
4.2.3 Policy Duration

The respondents were asked to indicate the duration of their policy and Figure 4.4 shows that 53.2% had policies for 3-5 years, 32.9% had policies for between 6-10 years, 11.4% had policies that were for less than 2 years, and 2.5% had policies that were for 11 years and above. This indicates that majority of the respondents had long policies which made them viable candidates for the study.

![Figure 4.4 Policy Duration](image)

4.2.4 Insurance Provider

The respondents were asked to indicate their insurance provider and Figure 4.5 shows that 20.0% were from CIC, 20.9% were from UAP, 20.3% were from Britam, 19% were from Jubilee, and 17.7% were from APA. This indicates that all targeted insurance companies were well represented which made the results easily applicable across the board.

![Figure 4.5 Insurance Provider](image)
4.2.5 Tech-Savvy
The respondents were asked whether they considered themselves tech-savvy and Figure 4.6 shows that 55.7% indicated moderate extent, 31.6% great extent, and 12.7% small extent. This shows that majority of the respondents were tech-savvy and great candidates for the study.

Figure 4.6 Tech-Savvy

4.2.6 Insurance Product
The respondents were asked to indicate their insurance products and Figure 4.7 shows that 32.9% had motor cover, 28.5% had medical covers, 27.8% had life covers, and 10.8% had funeral covers. This indicates that all targeted insurance covers were well represented which made the results easily applicable across the board.

Figure 4.7 Insurance Product
4.2.7 Marital Status

The respondents were asked to indicate their marital status and Figure 4.8 shows that 41.8% were single, 35.4% were married, and 22.8% were divorced. This shows that majority of the respondents single.

![Marital Status Chart](image)

Figure 4.8 Marital Status

4.3 Online Underwriting Strategy Implementation and Customer Service Delivery

4.3.1 Rating of Online Underwriting Strategy Implementation

The researcher sought to determine the extent to which the population rated the online underwriting strategy implementation and customer delivery using a four point likert scale of 1-4 where 1=Low, 2=Medium, 3=High, and 4=Very High. The results were as shown in Table 4.1. The table shows that the responses had a mean of >3.0 which means that online underwriting strategy highly influenced customer service delivery. The resulting standard deviation of <1.5 that is shown on the table indicates that the response received from different elements of the target population were almost similar.

Table 4.1 shows that the rating of the respondents understanding of customer service delivery in the insurance industry was high as indicated by all respondents. Rating the quality of customer service delivery for the insurance providers in Kenya was high as indicated by 87.3% of the respondents. Rating of the quality of customer service delivery for insurance providers was high as indicated by 97.5% of the respondents.
Table 4.1 Rating of Online Underwriting Strategy Implementation

<table>
<thead>
<tr>
<th></th>
<th>V.Low</th>
<th>Low</th>
<th>High</th>
<th>V. High</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>How would you rate your understanding of customer service delivery in the insurance industry?</td>
<td>0</td>
<td>0</td>
<td>94.9</td>
<td>5.1</td>
<td>3.05</td>
<td>.220</td>
</tr>
<tr>
<td>How would you rate the quality of customer service delivery for the insurance providers in Kenya?</td>
<td>0</td>
<td>12.7</td>
<td>39.2</td>
<td>48.1</td>
<td>3.35</td>
<td>.696</td>
</tr>
<tr>
<td>How would you rate the quality of customer service delivery for your insurance provider?</td>
<td>0</td>
<td>2.5</td>
<td>54.4</td>
<td>43</td>
<td>3.41</td>
<td>.542</td>
</tr>
<tr>
<td>How important is the underwriting process to you when ranking the quality of customer service delivery for any insurance provider?</td>
<td>0</td>
<td>0</td>
<td>32.9</td>
<td>67.1</td>
<td>3.67</td>
<td>.471</td>
</tr>
<tr>
<td>How important is the claims settlement process to you when ranking the quality of customer service delivery for any insurance provider?</td>
<td>0</td>
<td>0</td>
<td>60.8</td>
<td>39.2</td>
<td>3.39</td>
<td>.490</td>
</tr>
<tr>
<td>How important is the customer care services to you when ranking the quality of customer service delivery for any insurance provider?</td>
<td>0</td>
<td>0</td>
<td>43</td>
<td>57</td>
<td>3.57</td>
<td>.497</td>
</tr>
<tr>
<td>What is the level of interest by your insurance provider towards improving customer service delivery?</td>
<td>0</td>
<td>2.5</td>
<td>67.1</td>
<td>30.4</td>
<td>3.28</td>
<td>.503</td>
</tr>
<tr>
<td>What is your level of satisfaction with the current level of customer service delivery?</td>
<td>0</td>
<td>2.5</td>
<td>67.1</td>
<td>30.4</td>
<td>3.28</td>
<td>.503</td>
</tr>
</tbody>
</table>
Table 4.1 shows that the underwriting process was important to customers when ranking the quality of customer service delivery for any insurance provider as indicated by all the respondents. Claims settlement process was important to customers when ranking the quality of customer service delivery for any insurance provider as indicated by all respondents. Customer care services were important to customers when ranking the quality of customer service delivery for any insurance provider as indicated by all respondents. The level of interest by insurance providers towards improving customer service delivery was high as indicated by 97.5% of the respondents. The level of satisfaction by customers with the current level of customer service delivery was high as indicated by 97.5% of the respondents.

4.3.2 Correlations for the Online Underwriting Strategy Implementation

Online underwriting strategy components were computed to form 3 variables that impacted customer service delivery and were tested using the Pearson Correlation where a threshold for significant factors was set at a p value of <0.05, and their results were as shown in Table 4.2. These variables were: enhanced workflow, customer service and premium growth, and paper reduction.

**Table 4.2 Correlations for the Online Underwriting Strategy Implementation**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Service Delivery</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Online Underwriting</td>
<td>.045</td>
<td>.570</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enhanced Workflow</td>
<td>-.103</td>
<td>.355**</td>
<td>.000</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Customer Service &amp; Premium Growth</td>
<td>.077</td>
<td>.335</td>
<td>.351**</td>
<td>.085</td>
<td>.291</td>
</tr>
<tr>
<td>Paper Reduction</td>
<td>.003</td>
<td>.366**</td>
<td>.372**</td>
<td>.220**</td>
<td>.005</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed)**
Table 4.2 shows that there was a positive, but insignificant relationship between online underwriting and customer service delivery with the results giving an r value of 0.045 and a p value of 0.570 which was >0.01. There was a negative (inverse) insignificant relationship between enhanced workflow and customer service delivery with the results giving an r value of -0.103 and a p value of 0.199 which was >0.01. There was a positive, but insignificant relationship between customer service and premium growth and customer service delivery with the results giving an r value of 0.077 and a p value of 0.335 which was >0.01. There was a positive, but insignificant relationship between paper reduction and customer service delivery with the results giving an r value of 0.003 and a p value of 0.968 which was >0.01. Since all the variables were insignificant, the researcher did not carry inferential statistics to determine their relationship.

4.4 Automated Claims Management Strategy and Customer Service Delivery

4.4.1 Rating of Automated Claims Management Strategy
The researcher sought to determine the extent to which the population rated the automated claims management strategy and customer delivery using a four point likert scale of 1-4 where 1=Low, 2=Medium, 3=High, and 4=Very High. The results were as shown in Table 4.3. The table shows that the responses had a mean of >3.0 which means that automated claims management strategy highly influenced customer service delivery. The resulting standard deviation of <1.5 that is shown on the table indicates that the response received from different elements of the target population were almost similar.

Table 4.3 shows that, customers were familiar with the automated online insurance application process as indicated by 87.3% of the respondents. The usability of the online underwriting process was highly better than the manual process as indicated by all respondents. The automation of an underwriting process highly affected customers’ choice of insurance provider as indicated by 88.6% of the respondents. Customers felt to a high extent that their insurance provider had adopted the online underwriting strategy as indicated by all respondents. The automation of the underwriting process had improved the customer onboarding process as indicated by all respondents. The online underwriting process gave customers the flexibility to customize their insurance product according to their insurance needs as indicated by 84.8% of the respondents. To relevance of the personal information captured in the automated underwriting process was high as indicated by all the respondents. Automated underwriting had improved customer service
delivery to a high extent as indicated by all respondents. The online system was highly available as indicated by all respondents.

Table 4.3 Rating of Automated Claims Management Strategy

<table>
<thead>
<tr>
<th>Question</th>
<th>Low</th>
<th>Med</th>
<th>High</th>
<th>V. High</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>How familiar are you with the automated online insurance application process?</td>
<td>0</td>
<td>12.7</td>
<td>55.7</td>
<td>31.6</td>
<td>3.19</td>
<td>.640</td>
</tr>
<tr>
<td>To what extent is the usability of the online underwriting process better than the manual process?</td>
<td>0</td>
<td>0</td>
<td>25.3</td>
<td>74.7</td>
<td>3.75</td>
<td>.436</td>
</tr>
<tr>
<td>To what extent does automation of an underwriting process affect your choice of insurance provider?</td>
<td>0</td>
<td>11.4</td>
<td>26.6</td>
<td>62</td>
<td>3.51</td>
<td>.693</td>
</tr>
<tr>
<td>To what extent do you feel your insurance provider has adopted the online underwriting strategy?</td>
<td>0</td>
<td>0</td>
<td>63.3</td>
<td>36.7</td>
<td>3.37</td>
<td>.484</td>
</tr>
<tr>
<td>Has the automation of the underwriting process improved the customer onboarding process?</td>
<td>0</td>
<td>0</td>
<td>77.2</td>
<td>22.8</td>
<td>3.23</td>
<td>.421</td>
</tr>
<tr>
<td>Does the online underwriting process give you the flexibility to customize your insurance product according to your insurance needs?</td>
<td>0</td>
<td>15.2</td>
<td>81</td>
<td>3.8</td>
<td>3.11</td>
<td>.422</td>
</tr>
<tr>
<td>To what extent is the relevance of the personal information captured in the automated underwriting process?</td>
<td>0</td>
<td>0</td>
<td>78.5</td>
<td>21.5</td>
<td>3.22</td>
<td>.412</td>
</tr>
<tr>
<td>To what extent has automated underwriting improved customer service delivery?</td>
<td>0</td>
<td>0</td>
<td>34.2</td>
<td>65.8</td>
<td>3.66</td>
<td>.476</td>
</tr>
<tr>
<td>How available is the online system?</td>
<td>0</td>
<td>0</td>
<td>57</td>
<td>43</td>
<td>3.43</td>
<td>.497</td>
</tr>
</tbody>
</table>

4.4.2 Rating of Claims Management Strategy

The researcher sought to determine the extent to which the population rated the claims management strategy and customer delivery using a four point likert scale of 1-4 where 1=Low, 2=Medium, 3=High, and 4=Very High. The results were as shown in Table 4.4. The table shows that the responses had a mean of >3.0 which means that the claims management strategy highly influenced customer service delivery. The resulting standard deviation of <1.5 that is shown on the table indicates that the response received from different elements of the target population were almost similar.
Table 4.4 Rating of the Claims Management Strategy

<table>
<thead>
<tr>
<th></th>
<th>Low</th>
<th>Med</th>
<th>High</th>
<th>V. High</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>My insurance provider has implemented an efficient claims</td>
<td>0</td>
<td>0</td>
<td>50.6</td>
<td>49.4</td>
<td>3.49</td>
<td>.502</td>
</tr>
<tr>
<td>management strategy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current claims management process is automated from claims</td>
<td>0</td>
<td>0</td>
<td>58.2</td>
<td>41.8</td>
<td>3.42</td>
<td>.495</td>
</tr>
<tr>
<td>notification to claims payment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automated claims workflow allows the customer to keep track of</td>
<td>0</td>
<td>2.5</td>
<td>41.8</td>
<td>55.7</td>
<td>3.53</td>
<td>.549</td>
</tr>
<tr>
<td>the progress made on the claim settlement process without</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>having to visit the branch.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automated claims management process has robust validation</td>
<td>0</td>
<td>0</td>
<td>46.8</td>
<td>53.2</td>
<td>3.53</td>
<td>.501</td>
</tr>
<tr>
<td>process that shortens the validation phase.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The automated claims management has significantly reduced the</td>
<td>0</td>
<td>0</td>
<td>32.9</td>
<td>67.1</td>
<td>3.67</td>
<td>.471</td>
</tr>
<tr>
<td>time it takes to settle a claim.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>When selecting an insurance provider, the claims process</td>
<td>0</td>
<td>0</td>
<td>58.2</td>
<td>41.8</td>
<td>3.42</td>
<td>.495</td>
</tr>
<tr>
<td>is the most important consideration.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My insurance provider is keen on adopting better claims</td>
<td>0</td>
<td>0</td>
<td>64.6</td>
<td>35.4</td>
<td>3.35</td>
<td>.480</td>
</tr>
<tr>
<td>management strategy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My insurance provider is always fast to implement improvement</td>
<td>0</td>
<td>2.5</td>
<td>77.2</td>
<td>20.3</td>
<td>3.18</td>
<td>.445</td>
</tr>
<tr>
<td>feedback around claims management.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.4 shows that, the insurance providers had implemented efficient claims management strategy as indicated by all the respondents. Current claims management process was automated from claims notification to claims payment as indicated by all the respondents. Automated claims workflow allowed the customer to keep track of the progress made on their claim settlement process without having to visit the branch as indicated by 97.5% of the respondents. Automated claims management process had robust validation process that shortened the validation phase as indicated by all the respondents. The automated claims management had significantly reduced the time it took to settle a claim as indicated by all the respondents. When selecting an insurance provider, the claims process was the most important consideration as indicated by all the respondents. The insurance providers were keen on adopting better claims management strategy as indicated by all the respondents. The insurance providers were always fast to
implement improvement feedback around claims management as indicated by 97.5% of the respondents.

### 4.4.3 Correlations for the Automated Claims Management Strategy

Automated Claims Management strategy components were computed to form 3 variables that impacted customer service delivery and were tested using the Pearson Correlation where a threshold for significant factors was set at a p value of <0.05, and their results were as shown in Table 4.5. These variables were: claims management, e-claim process, and claims triage.

**Table 4.5 Correlations for the Automated Claims Management Strategy**

<table>
<thead>
<tr>
<th></th>
<th>Customer Service Delivery</th>
<th>Claims Management</th>
<th>E-Claim Process</th>
<th>Claims Triage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Service</td>
<td>1</td>
<td>.063</td>
<td>.070</td>
<td>.128</td>
</tr>
<tr>
<td>Delivery</td>
<td></td>
<td>.434</td>
<td>.382</td>
<td>.110</td>
</tr>
<tr>
<td>Claims Management</td>
<td></td>
<td>1</td>
<td>.273**</td>
<td>.075</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>.001</td>
<td>.262**</td>
</tr>
<tr>
<td>E-Claim Process</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Claims Triage</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.5 shows that there was a positive, but insignificant relationship between claims management and customer service delivery with the results giving an r value of 0.063 and a p value of 0.434 which was >0.01. There was a positive, but insignificant relationship between e-claim process and customer service delivery with the results giving an r value of 0.070 and a p value of 0.382 which was >0.01. There was a positive, but insignificant relationship between claims triage and customer service delivery with the results giving an r value of 0.128 and a p value of 0.110 which was >0.01. Since all the variables were insignificant, the researcher did not carry inferential statistics to determine their relationship.
4.5 CRM Strategy Implementation and Customer Service Delivery

4.5.1 Rating of CRM Strategy Implementation and Customer Service Delivery

The researcher sought to determine the extent to which the population rated the customer relationship management strategy and customer delivery using a four point likert scale of 1-4 where 1=Low, 2=Medium, 3=High, and 4=Very High. The results were as shown in Table 4.6. The table shows that the responses had a mean of >3.0 which means that CRM strategy highly influenced customer service delivery. The resulting standard deviation of <1.5 that is shown on the table indicates that the response received from different elements of the target population were almost similar.

Table 4.6 shows that, the population was aware of the CRM services in their insurance provider to a high extent as indicated by 87.3% of the respondents. CRM services affected customers’ choice of insurance provider to a high extent as indicated by all respondents. Customers felt their insurance provider had robust CRM strategy to a high extent as indicated by 97.5% of the respondents. Customers were satisfied with their customer care service offered by their insurance provider as indicated by 97.5% of the respondents. Customers felt that their insurance provider addressed their primary needs adequately as indicated by all the respondents. The insurance providers recommended products or services that matched their customers’ profile as indicated by 97.5% of the respondents. The insurance companies interacted with their customers through personalized massages and communication as indicated by 97.5% of the respondents. The customers felt that the insurance companies managed customer information to facilitate easy interaction when dealing with their queries as indicated by all respondents.
Table 4.6 Rating of the CRM Strategy

<table>
<thead>
<tr>
<th></th>
<th>Low</th>
<th>Med</th>
<th>High</th>
<th>V. High</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent are you aware of the CRM services in your insurance provider?</td>
<td>0</td>
<td>12.7</td>
<td>63.3</td>
<td>24.1</td>
<td>3.11</td>
<td>.597</td>
</tr>
<tr>
<td>To what extent does a CRM service affect your choice of insurance provider?</td>
<td>0</td>
<td>0</td>
<td>24.1</td>
<td>75.9</td>
<td>3.76</td>
<td>.429</td>
</tr>
<tr>
<td>To what extent do you feel your insurance provider has robust CRM strategy?</td>
<td>0</td>
<td>2.5</td>
<td>65.8</td>
<td>31.6</td>
<td>3.29</td>
<td>.509</td>
</tr>
<tr>
<td>Are you satisfied with the customer care service offered by your insurance provider?</td>
<td>0</td>
<td>2.5</td>
<td>65.8</td>
<td>31.6</td>
<td>3.29</td>
<td>.509</td>
</tr>
<tr>
<td>Do you feel your insurance provider addresses your primary needs adequately?</td>
<td>0</td>
<td>0</td>
<td>62</td>
<td>38</td>
<td>3.38</td>
<td>.487</td>
</tr>
<tr>
<td>Does your insurance provider recommend products or services that match your profile?</td>
<td>0</td>
<td>2.5</td>
<td>67.1</td>
<td>30.4</td>
<td>3.28</td>
<td>.503</td>
</tr>
<tr>
<td>Does your insurance company interact with you by personalized massages and communication?</td>
<td>0</td>
<td>2.5</td>
<td>59.5</td>
<td>38</td>
<td>3.35</td>
<td>.530</td>
</tr>
<tr>
<td>Do you feel the insurance company manages customer information to facilitate easy interaction when dealing with customer queries?</td>
<td>0</td>
<td>0</td>
<td>55.7</td>
<td>44.3</td>
<td>3.44</td>
<td>.498</td>
</tr>
</tbody>
</table>

4.5.2 Correlations for the Customer Relationship Management Strategy

Customer Relationship Management strategy components were computed to form 3 variables that impacted customer service delivery and were tested using the Pearson Correlation where a threshold for significant factors was set at a p value of <0.05, and their results were as shown in Table 4.7. These variables were: unified enterprise customer view, customer retention, and costs control.
Table 4.7 Correlations for the Customer Relationship Management Strategy

<table>
<thead>
<tr>
<th></th>
<th>Customer Service Delivery</th>
<th>CRM</th>
<th>Unified Enterprise View</th>
<th>Customer Retention</th>
<th>Costs Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Service Delivery</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CRM</td>
<td>.200*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.012</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unified Enterprise View</td>
<td>-.172*</td>
<td>-.030</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.031</td>
<td>.708</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Retention</td>
<td>-.002</td>
<td>.410**</td>
<td>-.163*</td>
<td>.041</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>.984</td>
<td>.000</td>
<td>.041</td>
<td>.193</td>
<td>.031</td>
</tr>
<tr>
<td>Costs Control</td>
<td>.065</td>
<td>.239**</td>
<td>.104</td>
<td>.171*</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>.416</td>
<td>.003</td>
<td>.193</td>
<td>.031</td>
<td></td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.05 level (2-tailed)
** Correlation is significant at the 0.01 level (2-tailed)

Table 4.7 shows that there was a positive, significant relationship between CRM and customer service delivery with the results giving an r value of 0.200 and a p value of 0.012 which was <0.05. There was a negative (inverse), but significant relationship between unified enterprise view and customer service delivery with the results giving an r value of -0.172 and a p value of 0.031 which was <0.05. There was a negative insignificant relationship between customer retention and customer service delivery with the results giving an r value of -0.002 and a p value of 0.984 which was >0.05. There was a positive, but insignificant relationship between costs control and customer service delivery with the results giving an r value of 0.065 and a p value of 0.416 which was >0.05.

4.5.3 Regression Analysis of Customer Relationship Management Strategy

The CRM strategy element and the unified enterprise view showed a significant relationship and were further tested using a regression analysis. Table 4.8 shows the
results of the regression model summary and the R square value of 0.068 indicates that CRM and unified enterprise view impacted customer service delivery by 6.8%.

**Table 4.8 Model Summary of Unified Enterprise View**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.260</td>
<td>.068</td>
<td>.056</td>
<td>.37612</td>
</tr>
</tbody>
</table>

a. Predictors (Constant): CRM, and Unified Enterprise View

Table 4.9 shows the ANOVA results for the unified enterprise view and the p value of 0.004 shows that CRM and unified enterprise view significantly predicts customer service delivery since the p value was less than the threshold of 0.05.

**Table 4.9 ANOVA for Unified Enterprise View**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>1.592</td>
<td>2</td>
<td>.796</td>
<td>5.627</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>21.927</td>
<td>155</td>
<td>.141</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>23.519</td>
<td>157</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant) CRM, and Unified Enterprise View

b. Dependent Variable: Customer Service Delivery

Table 4.10 shows the regression coefficients of unified enterprise view on customer service delivery. The table indicates that CRM and unified enterprise view had a positive significant influence on customer service delivery due to the fact that its precision level was less than 0.05. The relationship between CRM, unified enterprise view, and customer service delivery was:

**Customer Service Delivery = 3.047 + 0.166 CRM - 0.126 Unified Enterprise View**

This indicates that for every unit increase in CRM there would be an increase of 16.6% in customer service delivery. This also shows that for every increase in unified enterprise view, there would be a decrease in customer service delivery by 12.6% if all factors are held constant.
### Table 4.10 Regression Coefficients of Unified Enterprise View

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>3.047</td>
<td>.166</td>
<td>-.126</td>
</tr>
<tr>
<td>CRM</td>
<td>.166</td>
<td>.066</td>
<td>.195</td>
<td>2.517</td>
</tr>
<tr>
<td>Unified Enterprise View</td>
<td>-.126</td>
<td>.059</td>
<td>-.166</td>
<td>-2.142</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer Service Delivery

### 4.5.4 Relationship between Online Underwriting, Claim Management, and CRM Strategies

The online underwriting strategy, claim management strategy, and CRM strategy were tested using a regression analysis to determine the existing relationship to customer service delivery. Table 4.11 shows the results of the regression model summary and the R square value of 0.042 indicates that the underwriting, claim management, and CRM strategies influenced customer service delivery by 4.2%.

### Table 4.11 Model Summary of Underwriting, Claim Management, and CRM Strategies

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.206</td>
<td>.042</td>
<td>.024</td>
<td>.38240</td>
</tr>
</tbody>
</table>

a. Predictors (Constant): Underwriting, Claim Management, and CRM Strategy

Table 4.12 shows the ANOVA results for underwriting, claim management, and CRM strategies and the p value of 0.082 shows that underwriting, claim management, and CRM strategies insignificantly predict customer service delivery since the p value was greater than the threshold of 0.05.

### Table 4.12 ANOVA for Underwriting, Claim Management, and CRM Strategies

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>.999</td>
<td>3</td>
<td>.333</td>
<td>2.278</td>
<td>.082</td>
</tr>
<tr>
<td>Residual</td>
<td>22.520</td>
<td>154</td>
<td>.146</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>23,519</td>
<td>157</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant) Underwriting, Claim Management, and CRM Strategies

b. Dependent Variable: Customer Service Delivery

Table 4.13 shows the regression coefficients of underwriting, claim management, and CRM strategies. The table indicates that online underwriting and claim management both
had positive, but insignificant relationship with customer service delivery due to the fact that their precision levels were 0.557 and 0.709 respectively and these were above the threshold of 0.05. The CRM strategy had a positive significant influence on customer service delivery due to the fact that its precision level was 0.014 which was less than the threshold of 0.05. The relationship between online underwriting strategies, claim management strategy, CRM strategy and customer service delivery was:

\[
\text{Customer Service Delivery} = 2.596 - 0.062 \text{ Online Underwriting} + 0.054 \text{ Claim Management} + 0.183 \text{ CRM}
\]

This indicates that for every unit increase in online underwriting strategy, there would be a decrease in customer service delivery by 6.2%; for every unit increase in claim management strategy, there would be an increase in customer service delivery by 5.4%; and for every unit increase in CRM strategy, there would be an increase in customer service delivery by 18.3%; if all factors are held constant.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>2.596</td>
<td>.500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Online Underwriting</td>
<td>-.062</td>
<td>.106</td>
<td>-.054</td>
<td>-.588</td>
</tr>
<tr>
<td>Claim Management</td>
<td>.054</td>
<td>.146</td>
<td>.032</td>
<td>.374</td>
</tr>
<tr>
<td>Customer Relationship</td>
<td>.183</td>
<td>.074</td>
<td>.214</td>
<td>2.473</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer Service Delivery

4.6 Chapter Summary

In this chapter, data analysis methods, study results and a discussion of the findings have been presented. Data findings were described as correlations to the study variables and presented as tabulations. Regressions have been used to indicate the study relationships. The next chapter presents the study discussions, conclusions, and recommendations.
CHAPTER FIVE
5.0 DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction
This chapter concludes the study by presenting the summary of findings, study discussions and conclusions, and finally discussing the study’s recommendations for improvement and for further studies.

5.2 Summary
The purpose of the study was to establish the effect of Information Communication and Technology (ICT) strategy implementation on customer service delivery in the insurance industry in Kenya. The study was guided by the following research questions: How does the implementation of online underwriting strategy affect customer service delivery in the insurance industry?; How does the implementation of claims management strategy affect customer service delivery in the insurance industry?; and How does the implementation of a centralized Customer Relationship Management (CRM) strategy affect customer service delivery in the insurance industry?

The study used a descriptive research design. The target population of the study consisted of the individual policy holders with active policies in the top 10 insurance companies in Kenya. The list of the top 10 insurance companies was obtained from Insurance Regulatory Authority (IRA). A list of the active policy holders was obtained from the respective insurance companies. The sampling technique for this study was stratified random sampling technique. Questionnaires were used to collect data from the selected respondents. Data collected was analyzed using descriptive and inferential statistics. Descriptive statistical analysis included means and standard deviations. Inferential statistical analysis included making valid conclusions from the data. For this study, data analysis tool used was Statistical Package for Social Sciences (SPSS) computer software.

The study showed that the rating of the respondents understanding of customer service delivery in the insurance industry was high as indicated by all respondents. Rating the quality of customer service delivery for the insurance providers in Kenya was high as indicated by 87.3% of the respondents. Rating of the quality of customer service delivery for insurance providers was high as indicated by 97.5% of the respondents. The underwriting process was important to customers when ranking the quality of customer
service delivery for any insurance provider as indicated by all the respondents. Claims settlement process was important to customers when ranking the quality of customer service delivery for any insurance provider as indicated by all respondents. Customer care services were important to customers when ranking the quality of customer service delivery for any insurance provider as indicated by all respondents. The level of interest by insurance providers towards improving customer service delivery was high as indicated by 97.5% of the respondents. The level of satisfaction by customers with the current level of customer service delivery was high as indicated by 97.5% of the respondents.

The study showed that, customers were familiar with the automated online insurance application process as indicated by 87.3% of the respondents. The usability of the online underwriting process was highly better than the manual process as indicated by all respondents. The automation of an underwriting process highly affected customers’ choice of insurance provider as indicated by 88.6% of the respondents. Customers felt to a high extent that their insurance provider had adopted the online underwriting strategy as indicated by all respondents. The automation of the underwriting process had improved the customer onboarding process as indicated by all respondents. The online underwriting process gave customers the flexibility to customize their insurance product according to their insurance needs as indicated by 84.8% of the respondents. To relevance of the personal information captured in the automated underwriting process was high as indicated by all the respondents. Automated underwriting had improved customer service delivery to a high extent as indicated by all respondents. The online system was highly available as indicated by all respondents.

The study showed that, the insurance providers had implemented efficient claims management strategy as indicated by all the respondents. Current claims management process was automated from claims notification to claims payment as indicated by all the respondents. Automated claims workflow allowed the customer to keep track of the progress made on their claim settlement process without having to visit the branch as indicated by 97.5% of the respondents. Automated claims management process had robust validation process that shortened the validation phase as indicated by all the respondents. The automated claims management had significantly reduced the time it took to settle a claim as indicated by all the respondents. When selecting an insurance
provider, the claims process was the most important consideration as indicated by all the respondents. The insurance providers were keen on adopting better claims management strategy as indicated by all the respondents. The insurance providers were always fast to implement improvement feedback around claims management as indicated by 97.5% of the respondents.

The study showed that, the population was aware of the CRM services in their insurance provider to a high extent as indicated by 87.3% of the respondents. CRM services affected customers’ choice of insurance provider to a high extent as indicated by all respondents. Customers felt their insurance provider had robust CRM strategy to a high extent as indicated by 97.5% of the respondents. Customers were satisfied with their customer care service offered by their insurance provider as indicated by 97.5% of the respondents. Customers felt that their insurance provider addressed their primary needs adequately as indicated by all the respondents. The insurance providers recommended products or services that matched their customers’ profile as indicated by 97.5% of the respondents. The insurance companies interacted with their customers through personalized massages and communication as indicated by 97.5% of the respondents. The customers felt that the insurance companies managed customer information to facilitate easy interaction when dealing with their queries as indicated by all respondents. The study showed that CRM and unified enterprise view had a positive significant influence on customer service delivery due to the fact that its precision level was less than 0.05. The relationship between CRM, unified enterprise view, and customer service delivery was: Customer Service Delivery = 3.047 + 0.166 CRM - 0.126 Unified Enterprise View. This indicates that for every unit increase in CRM there would be an increase of 16.6% in customer service delivery. This also shows that for every increase in unified enterprise view, there would be a decrease in customer service delivery by 12.6% if all factors are held constant.

5.3 Discussions
5.3.1 Online Underwriting Strategy Implementation and Customer Service Delivery
The study showed that the rating of the respondents understanding of customer service delivery in the insurance industry was high as indicated by all respondents. These results are in agreement with MacInnis (2011) who states that, prioritizing customer service delivery helps you attract and retain quality customers, and, in managing an insurance
business, some of the key objectives include increasing sales, managing expenses, enhancing customer service, and reducing loss costs.

The study showed that, rating the quality of customer service delivery for the insurance providers in Kenya was high, but according to Hancer and Park (2010), the question insurers should be asking is, “How can I best achieve great customer service?” Some insurers are able to achieve excellence in one line of business or in one functional area such as their agent channel, billing, or claims. But, very few insurers have been able to deliver highly effective customer service across the organization.

Rating of the quality of customer service delivery for insurance providers was high, but according to Hancer and Park (2010), the question insurers should be asking is, “How can I best achieve great customer service?” Some insurers are able to achieve excellence in one line of business or in one functional area such as their agent channel, billing, or claims. But, very few insurers have been able to deliver highly effective customer service across the organization.

The study showed that, the underwriting process was important to customers when ranking the quality of customer service delivery for any insurance provider. According to KPMG (2016), underwriting is one of the key measures of the service delivery in that it affects the speed of onboarding the customer and the cost of premium.

The study showed that, claims settlement process was important to customers when ranking the quality of customer service delivery for any insurance provider. According to Capgemini (2011), claims processing is the gateway to the customer that will drive improvement in the insurers’ customer acquisition, retention, enterprise business intelligence for product development insight sand profitability for the next several years. A study by IBM (2011) notes that, the speed, accuracy and effectiveness of claims processing is also paramount for controlling costs, managing risks and meeting portfolio underwriting expectations.

Customer care services were important to customers when ranking the quality of customer service delivery for any insurance provider. These results are in agreement with the results of a study conducted by KPMG (2016) which showed that, in the current
market, the winners are the insurers who invest and believe in taking customer care to the next level and creating the next big thing for their customers.

The level of interest by insurance providers towards improving customer service delivery was high. Bonissone (2012) notes that, from an insurance perspective, customer service delivery is a component of insurance that defines the level of interaction between an insurance provider and the client, where the provider offers insurance service and the client either finds value or loses value as a result, and good service delivery provides clients with an increase in value.

The level of satisfaction by customers with the current level of customer service delivery was high. According to Verhoef (2003), some of the business drivers that largely affect the level of satisfaction for the customer service delivery includes the efficiency in the process of onboarding the potential policy holder, claims efficiency and effectiveness and the process established to manage the customer relationship throughout the life of a policy.

5.3.2 Automated Claims Management Strategy Implementation and Customer Service Delivery

The study showed that the usability of the online underwriting process was highly better than the manual process. According to Josefowicz (2013), Information technology is driving rapid changes in insurance underwriting across the property/casualty and life/annuity segments. But while most insurers are embracing more efficient underwriting processes, few are aggressively exploring the revolutionary possibilities that new data sources and analytical capabilities herald.

The study showed that automation of an underwriting process highly affected customers’ choice of insurance provider. According to Kaukinen (2014), increased automation benefits customers, brokers, insurers and reinsurers. Not only can the delivery of insurance products be real-time fast, but the customer experience can be greatly enhanced.

The study showed that, customers felt to a high extent that their insurance provider had adopted the online underwriting strategy as indicated by all respondents. According to the
study by Rajesh (2013), 80% of policy holder’s rank the customer service delivery for insurance companies based the effectiveness of the claims process. Some of the strategies under claims management that can be adopted to greatly enhance the customer service delivery.

The study showed that the automation of the underwriting process had improved the customer onboarding process. A study by KPMG (2016) showed that, underwriting is one of the key measures of the service delivery in that it affects the speed of onboarding the customer and the cost of premium.

The study showed that online underwriting process gave customers the flexibility to customize their insurance product according to their insurance needs. These results are in agreement with Cohen (2012) who states that, claims triage helps identify total losses early in the claims process and initiate early to customize scoring and thresholds to more accurately define the right resource for you, determine your preferred appraisal resources and specify the resources to send the assignment based on the evaluation results.

The study showed that there was relevance of the personal information captured in the automated underwriting process. According to Yusuf and Dansu (2014), compounding the difficulty, documents may arrive at different times and from different sources, including customers, agents, adjusters and repair shops. With older systems, the task of collecting information and creating a single customer case file for fast processing and payments is far from simple.

The study showed that the automated underwriting had improved customer service delivery to a high extent. Breading (2011) states that, customer service is the most challenging in terms of setting goals and measuring success, and that, many would say that the financial impact that improved customer service has on an organization cannot be translated directly into dollars.

The study showed that, the insurance providers had implemented efficient claims management strategy. According to Josefowicz (2013), Information technology is driving rapid changes in insurance underwriting across the property/casualty and life/annuity
segments. But while most insurers are embracing more efficient underwriting processes, few are aggressively exploring the revolutionary possibilities that new data sources and analytical capabilities herald.

The study showed that, current claims management process was automated from claims notification to claims payment. According to Kalani and Ahirrao (2013), adopting E-claim process, electronic data capture of claim submissions and related information will simplify the customer experience and reduce claims handling costs. Electronic claims notification advantages the customer and insurer simultaneously in that presentation of a membership card to the treating physician could trigger claims details to be electronically passed through to the insurer for prompt assessment and payment while automated notification and electronic access to death certificates.

The study showed that automated claims workflow allowed the customer to keep track of the progress made on their claim settlement process without having to visit the branch. According to the study by Rajesh (2013), Claim settlement process need to be as per requirement of the customers, so that at the time of need, no customer should be suffered due complexity of the claim settlement process. Faster claim settlement process reduces the cost of processing any claim whereas multiple stages in the process should be avoided since it increases the cost of claim settlement.

The study showed that, automated claims management process had robust validation process that shortened the validation phase. According to a study by IBM (2011), for claims function, service delivery is concerned with the speed, accuracy and effectiveness of claims processing. This is also paramount for controlling costs, managing risks, meeting portfolio underwriting expectations.

The study showed that, automated claims management had significantly reduced the time it took to settle a claim. According to Kaukinen (2014), increased automation benefits customers, brokers, insurers and reinsurers. Not only can the delivery of insurance products be real-time fast, but the customer experience can be greatly enhanced.

The study showed that, when selecting an insurance provider, the claims process was the most important consideration. According to Asokere and Nwankwo (2010), the way an
insurance company manages the claims process is fundamental to its profitability and long-term customer relationship sustainability and thus argues that good claim management must be proactively conducted in recognizing and paying legitimate claims; and assessing accurately the reserve associated with each claim.

The study showed that, insurance providers were keen on adopting better claims management strategy. These results are in agreement with Capgemini (2011) who states that, to reduce the cost of claims and deliver on a value-added brand promise to customers, insurance companies are focusing on enhancing efficiency and effectiveness of service delivery in claims function.

The study showed that insurance providers were always fast to implement improvement feedback around claims management. These results are in agreement with the results of a study by IRA (2015) which notes that, the claim process can be controlled and monitored from start to finish with the appropriate business process management solution, only initiating human intervention where business requirements demand it. Important decisions remain in the insurance company’s control, but good process management makes the handling claims faster, more efficient and more reliable.

5.3.3 CRM Strategy Implementation and Customer Service Delivery

The study showed that, the population was aware of the CRM services in their insurance provider to a high extent. These results are in agreement with Gartner (2011) who states that, CRM is a widely-implemented business strategy that focuses on customer segmentation to organize the customer-centric enterprises, and thus satisfy the customer needs and increase the revenues and profits.

The study showed that, CRM services affected customers’ choice of insurance provider to a high extent. According to Burghard and Galimi (2011), CRM combines a series of methods, software and Internet access capability with customer-oriented business strategy and aims to get the profits and achieve high customer satisfaction.

The study showed that, customers felt their insurance provider had robust CRM strategy to a high extent. These results contradict the findings of the study conducted by Rashidi (2013) which revealed that, insurance’s CRM is not professional and a strategic CRM,
lacks technical and systematic support that cannot achieve the desired results. So, for the majority of insurance companies, there should be a comprehensive CRM plan which is based on company’s actuality to guide and improve it.

The study showed that, customers were satisfied with their customer care service offered by their insurance provider. According to Gartner (2011), CRM is a widely-implemented business strategy that focuses on customer segmentation to organize the customer-centric enterprises, and thus satisfy the customer needs and increase the revenues and profits.

The study showed that, customers felt that their insurance provider addressed their primary needs adequately. Burghard and Galimi (2011) thought CRM as a concept which focuses on customer needs and demands that re-design the enterprise and its information technology-driven business process, CRM combines a series of methods, software and Internet access capability with customer-oriented business strategy and aims to get the profits and achieve high customer satisfaction.

The study showed that insurance providers recommended products or services that matched their customers’ profile. These results are in agreement with Rygielski (2012) who states that, when management of an organization, introduces itself as a customer-centric organization, it is necessary to develop capacities and capabilities to achieve the necessary resources, information and tools for facing the demands of customers and offer appropriate products and services.

The study showed that, insurance companies interacted with their customers through personalized massages and communication. According to Zhang (2014), CRM in insurance starts with a single, complete, real-time enterprise view, so that call center representatives, agents and brokers can understand and serve every facet of individual customers. This level of holistic, personalized service can be the differentiating factor that retains good customers and reduces churn an important goal, given that customer retention is profitable and new customer acquisition can be expensive.

The study showed that customers felt that the insurance companies managed customer information to facilitate easy interaction when dealing with their queries. According to Shao and Yu (2004), the development of data warehousing, Business Intelligence,
Knowledge Discovery and other technologies help the customer in the collection, collation, processing and utilization of information to achieve significant improvement.

5.4 Conclusions

5.4.1 Online Underwriting Strategy Implementation and Customer Service Delivery

The study concludes that customers understood customer service delivery that was offered by the insurance industry and the rating of customer service delivery by the insurance providers in Kenya was high. Rating of the quality of customer service delivery for insurance providers was high in Kenya and it can be concluded that the underwriting process in Kenya was important to customers when ranking the quality of customer service delivery for any insurance provider. The claims settlement process was important to customers when ranking the quality of customer service delivery for any insurance providers in Kenya as well as the customer care services. It can be concluded that the level of interest by insurance providers towards improving customer service delivery in Kenya was high as well as the level of satisfaction by customers with the current level of customer service delivery offered by the insurance companies.

5.4.2 Automated Claims Management Strategy Implementation and Customer Service Delivery

From the study, it can be concluded that customers were familiar with the automated online insurance application processes and the usability of the online underwriting process was highly better than the manual process. The automation of an underwriting process highly affected customers’ choice of insurance providers in Kenya, and customers felt to a high extent that their insurance providers had adopted the online underwriting strategy. The study concludes that, the automation of the underwriting process has improved the customer onboarding process of insurance companies in Kenya and it has given customers the flexibility to customize their insurance product according to their insurance needs. The study concludes that there is relevance of the personal information captured in the automated underwriting process which has improved customer service delivery to a high extent.

The study concludes that insurance providers in Kenya had implemented efficient claims management strategy whose process was automated from claims notification to claims payment. The automated claims workflow, allowed the customer to keep track of the
progress made on their claim settlement process without having to visit the branch and it has a robust validation process that shortened the validation phase. The study concludes that, the automated claims management had significantly reduced the time it took to settle a claim and for Kenyan customers, the claims process was the most important consideration when selecting an insurance provider. The study concludes that insurance providers are keen on adopting better claims management strategies and are always fast in implementing improvement feedback around claims management.

5.4.3 CRM Strategy Implementation and Customer Service Delivery

The study concludes that the population was aware of the CRM services in their insurance providers and CRM services affected customers’ choice of insurance providers in Kenya to a very high extent. The study concludes that customers in Kenya felt their insurance providers had robust CRM strategies and were satisfied with the customer care services offered by their insurance providers. Customers felt that their insurance providers addressed their primary needs adequately and that their insurance providers recommended products or services that matched their profiles. From the study, it can be concluded that, insurance companies interacted with their customers through personalized massages and communication these companies managed customer information to facilitate easy interaction when dealing with their queries.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Online Underwriting Strategy Implementation and Customer Service Delivery

In order for underwriters of all levels to do their jobs consistently, it is critical for carriers to clearly define and communicate their underwriting strategy. The study recommends insurance companies to ideally capture the essence of the carrier’s underwriting strategy, this will enable them to enable their underwriters to make the best underwriting decisions, and insurance companies must arm them with the company’s leading practices and expertise. These firms need to articulate an actionable strategy that front line underwriters can easily understand and execute.

5.5.1.2 Automated Claims Management Strategy Implementation and Customer Service Delivery
The right case management solution can break down claim processes into an infinite number of sub-claim units, each of which is able to be routed, managed and monitored individually, while still providing insight and control. The study recommends insurance managers to leverage real-time analytics to get comprehensive views of claim operations any time. Insurance companies can use this insight to drill down into specific tasks to understand which processes are working well, and which are not, as well as apply these concepts to track, measure, and report on an infinite number of sub-units under the primary claim event.

5.5.1.3 CRM Strategy Implementation and Customer Service Delivery
Insurance companies face the plenty of problems in the process of CRM’s improvement. For the long-term development of insurance’s CRM, the study recommends for a restructuring the business process and organizational structure by changing its focus from a management-oriented perspective, to a customer-oriented perspective, and also change from the traditional concept and put the customer demands at the core and heart of their business as their primary need.

5.5.2 Recommendations for Further Studies
This study focused on effects of information communication technology strategy implementation on the customer service delivery in the insurance industry in Kenya. The study was limited to insurance companies in Nairobi Kenya and it therefore recommends that similar studies be carried out on other insurance firms outside Nairobi for a comprehensive result.
REFERENCES


APPENDICES

APPENDIX I: DATA COLLECTION INSTRUMENTS

Kindly answer the following questions. The researcher would like to assure you that the information gathered will be kept confidential and used strictly for the purpose of this research only. The usefulness of the information to the researcher will solely depend on your honesty.

Please tick [✓] where appropriate or fill the information as necessary

SECTION A: Demographic Information

1. What is your gender?
   Male [ ]          Female [ ]

2. What is your age?
   25 or under [ ]      26 – 40 [ ]      41 – 55 [ ]      56 or older [ ]

3. For how long (in years) have you had your insurance policy?
   2 or under [ ]            3 – 5 [ ]           6 – 10 [ ]          10 or above [ ]

4. Who is your insurance provider?
   CIC [ ]          UAP [ ]          BRITAM [ ]         Jubilee [ ]         APA [ ]

5. Would you consider yourself as tech-savvy?
   Not at all [ ]         Small Extent [ ]       Moderate Extent [ ]    Great Extent [ ]
6. What insurance product do you currently have (you can tick more than one where applicable)?
   Medical [ ]   Funeral [ ]   Motor [ ]   Life [ ]

7. What is your marital status?
   Single [ ]   Married [ ]   Widowed [ ]   Divorced [ ]
SECTION B: Customer Service Delivery

Please indicate on the scale provided below by ticking the extent to which you agree with the following statements: Very High =4, High =3, Medium =2, Low =1

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. How would you rate your understanding of customer service delivery in the insurance industry?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. How would you rate the quality of customer service delivery for the insurance providers in Kenya?</td>
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<tr>
<td>10. How would you rate the quality of customer service delivery for your insurance provider?</td>
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<tr>
<td>11. How important is the underwriting process to you when ranking the quality of customer service delivery for any insurance provider?</td>
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<tr>
<td>12. How important is the claims settlement process to you when ranking the quality of customer service delivery for any insurance provider?</td>
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<tr>
<td>13. How important is the customer care services to you when ranking the quality of customer service delivery for any insurance provider?</td>
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<tr>
<td>14. What is level of interest by your insurance provider towards improving customer service delivery?</td>
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<tr>
<td>15. What is your level of satisfaction with the current level of customer service delivery?</td>
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16. What are some of the challenges you experience with the customer service delivery offered by your insurance provider?

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### SECTION B: Online Underwriting and Customer Service Delivery

Please indicate on the scale provided below by ticking the extent to which you agree with the following statements: Great Extent=4, Moderate Extent=3, Small Extent=2, Not at all=1

<table>
<thead>
<tr>
<th>Statement</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>17. How familiar are you with the automated online insurance application process?</td>
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<tr>
<td>18. To what extent is the usability of the online underwriting process better than the manual process?</td>
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<tr>
<td>19. To what extent does automation of an underwriting process affect your choice of insurance provider?</td>
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<tr>
<td>20. To what extent do you feel your insurance provider has adopted the online underwriting strategy?</td>
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<tr>
<td>21. Has the automation of the underwriting process improved the customer onboarding process?</td>
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<td>22. Does the online underwriting process give you the flexibility to customize your insurance product according to your insurance needs?</td>
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<td>23. To what extent is the relevance of the personal information captured in the automated underwriting process?</td>
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<tr>
<td>24. To what extent has automated underwriting improved customer service delivery?</td>
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<td>25. How available is the online system?</td>
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</tbody>
</table>

26. What are some of the challenges you experience when using the automated online underwriting process?

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SECTION C: Claims Management Strategy and Customer Service Delivery

Please indicate on the scale provided below by ticking the extent to which you agree with the following statements: Strongly agree =4, Agree =3, Disagree =2, Strongly Disagree =1

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>27. My insurance provider has implemented an efficient claims management strategy</td>
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<td>28. Current claims management process is automated from claims notification to claims payment</td>
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<td>29. Automated claims workflow allows the customer to keep track of the progress made on the claim settlement process without having to visit the branch.</td>
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<td>30. Automated claims management process has robust validation process that shortens the validation phase.</td>
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<td>31. The automated claims management has significantly reduced the time it takes to settle a claim.</td>
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<td>32. When selecting an insurance provider, the claims process is the most important consideration.</td>
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<tr>
<td>33. My insurance provider is keen on adopting better claims management strategy.</td>
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<td>34. My insurance provider is always fast to implement improvement feedback around claims management.</td>
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</table>

35. What are some of the challenges you experience when launching claims to your insurance provider process?

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**SECTION D: Centralized Customer Relationship Management (CRM) Strategy Implementation and Customer Service Delivery**

Please indicate on the scale provided below by ticking the extent to which you agree with the following statements: Great Extent=4, Moderate Extent=3, Small Extent=2, Not at all=1

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
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<th>4</th>
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<tbody>
<tr>
<td>36. To what extent are you aware of the CRM services in your insurance provider?</td>
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<tr>
<td>37. To what extent does CRM services affect your choice of insurance provider?</td>
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<tr>
<td>38. To what extent do you feel your insurance provider has robust CRM strategy?</td>
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<tr>
<td>39. Are you satisfied with the customer care service offered by your insurance provider?</td>
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<td>40. Do you feel your insurance provider addresses your primary needs adequately and?</td>
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<td>41. Does your insurance provider recommends products or services that match your profile</td>
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<td>42. Does your insurance company interact with you by personalized massages and communication?</td>
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<tr>
<td>43. Do you feel the insurance company manages customer information to facilitate easy interaction when dealing with customer queries?</td>
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44. What are some of the key improvement areas would you suggest to your insurance provider on customer relationship management?
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**THANK YOU VERY MUCH FOR YOUR SUPPORT IN THIS STUDY PROJECT**