MARKETING INSURANCE PRODUCTS TO GENERATION Y:
STRATEGIES EMPLOYED BY INSURANCE COMPANIES IN KENYA

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ABSTRACT

This study sought to investigate the marketing strategies employed by insurance companies towards generation Y in Kenya. Specifically, this study sought to achieve the following objectives: to investigate the insurance products offered to generation Y, to examine the insurance branding strategies used to lure generation Y and to investigate the insurance distribution channels used for generation Y.

The study adopted a descriptive research approach using a quantitative approach. The population of the study was drawn from insurance companies totaling 45 in Kenya (IRA, 2012). This study was census study utilizing all the insurance companies in Kenya in the study. Therefore the sample size was 45. The study was conducted in the county of Nairobi during the months of September and October, 2013 since all the insurance companies have headquarters in the county. Data for the study was collected using self-administered questionnaires. Analysis of the data was done using SPSS version 20 for descriptive statistics of means, frequency distributions, and standard deviation. Analyzed data was presented using tables and figures.

This study found that most insurance companies in Kenya provide both life and general insurance products. Very few insurance companies provide life or general insurance products in isolation. Further the study found that most insurance companies provide similar (general) insurance products to generation Y while some companies though very few developed unique and specific products for generation Y. Nevertheless, generation Y contributed less than 50% of the total sales of insurance companies. Motor insurance, education policies and personal accident covers were the most demanded insurance products by generation Y.
Insurance companies distributed the products mainly through mobile sales and tied agents. This were the most important distribution channels to generation Y. Further, insurance companies leveraged on technology to distribute insurance products especially through the use of company websites, social media and mobile phones.

Most insurance companies in Kenya undertook a combination of product as well as company branding. Nevertheless, most of insurance companies do not consider generation Y when branding their products and companies. To woo generation Y insurance companies indicated that sports accessories, automobiles and apparels were the most important brand associations while the most important reference points were offices and buildings. Employees were used in branding to communicate, provide information and show commitment to generation Y.

This study concluded that the major insurance products demanded by generation Y were automobile insurance, personal accident and education policies. However, their proportion to the total company sales was well below 50%. Further, insurance companies do not undertake specific branding to generation Y. However, insurance companies utilized brand associations of motor vehicles, sports accessories and apparel to associate the brands. Reference points used to brand the insurance products to generation Y were offices, buildings, employees and Music. Use of technology was the major insurance distribution channel for Generation Y. Further, direct sales and tied agents were also useful in driving insurance sales amongst generation Y.

This study recommends that, insurance companies should develop specific products to generation Y or remodel existing products to suit generation Y needs. Further, insurance companies should increase their marketing activities towards generation Y. To enhance brand management insurance companies should widen their scope of brand associations and reference points to include items and goods that generation Y easily identify with e.g. environmental conservation, corporate social responsibility, business financing, technology and prestige.

Finally, insurance companies should leverage on technology as a tool for insurance products distribution because technology presents the biggest potential for insurance products especially taking into consideration the level of sophistication amongst generation Y. Further, insurance
companies should forge partnerships with institutions to distribute products to generation Y. The use of banc assurance as a platform for generation Y should also be reviewed.