

**MARKETING STRATEGIES ON ACQUISITION OF
GENERATION Y CUSTOMERS AMONG INSURANCE
COMPANIES IN KENYA**

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**Marketing strategies on acquisition of generation y customers
among insurance companies in Kenya**

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the Degree of Doctor of Philosophy in Business Administration of
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DECLARATION

This thesis is my original work and has not been presented to any other University for the award of a degree.

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DEDICATION

This work is dedicated to my husband Dr. Justus Ngatia, for his moral and financial support throughout my course and to my sons Chris, Sam, and Darwin for their patience and inspiration to press on.

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ABBREVIATIONS AND ACRONYMS

AKI	Association of Kenya Insurers
CBD	Central Business District
DOI	Diffusion of Innovations
GDP	Gross Domestic Product
ICT	Information Communication Technology
IIK	Insurance Institute of Kenya
IRA	Insurance Regulatory Authority
KPMG	Klynveld Peat Marwick Goerdele
PBC	Perceived Behavioural Control
RBV	Resource Based Value
SMEs	Small and Medium Enterprises
SPSS	: Statistical Package for the Social Sciences

DEFINITION OF OPERATIONAL TERMS

Customer acquisition	the term refers to the gaining of new customers. Insurance setup means gaining new policy holders through persuasion (Jurgensen, 2017).
Distribution strategies	this is a plan that provides an outline of the specific actions on how insurance companies' distribution should be clearly and properly placed at a safe place where there is no contamination whatsoever. Distribution strategies are done using marketing channels that are friendly to the environment and the main aim is to reduce carbon print on the firm's products (Mbatia, 2019).
Generation Y consumers	Generation Y consumers are groups that were born in the year between 1977 and 1994 (Maxwell & Broadbridge, 2018). Nevertheless, some researchers confined the group to those born in the years 1977 to 1995. Whereas, generation Y was referred to population group born in the years 1980 to 1994 (Kumar & Lim, 2018). They are also referred to as the internet or dot.com generation, echo boomers, Millenials, and Nexters. Generation Y refers to individuals born from 1980 onwards and who entered the workforce after 1 July 2000 (Price WaterhouseCoopers, 2016), those born since 1980 (Erickson, 2018), and those born between 1978 and 2000 (Uda Nagu, 2016).
Marketing Strategy	the term refers to a plan or action taken by an organization to reach prospective customers and convert them to actual customers using practices such as promotion, product innovation, using appropriate channels of distribution as well as using attractive

prices to win new customers. In the insurance set-up, a marketing strategy would include similar practices of promoting products to prospective customers, using attractive policies prices, enhancing that the products are close to the customers as well as coming up with products that meet the need of the customers targeted such as marketing strategies in attracting generation Y customers (Parment, 2020).

Pricing rationalization strategies pricing strategies used to ensure the success of market penetration and development. There are different types of pricing strategies among them premium pricing, economy pricing, good value pricing, and overcharging pricing strategy (Bovay, 2017).

Product innovation strategies the products have to be developed depending on the needs of the customers who prefer friendly products. The products can be made from raw materials or used goods, products with labels as long as they offer substantiation, organic products, and certified products which meet or exceed environmentally responsible criteria (Dangelico & Pujari, 2017).

Promotional strategies refers to a method that is used by companies in advertising, and promoting products for purposes of making sales. Through promotion prospective customers also become aware of the products that the company deals in. Promotion strategy is a term that was used by the study to refer to methods used to reach generation Y customers by insurance companies in Kenya (Tingley, 2019).

ABSTRACT

Generation Y occupies a leading edge of technology and other marketplace changes. Generation Y's characteristics shed light on its purchasing behaviors and rising expectations of insurers. By paying systematic attention to Generation Y's expectations, insurers need to put in place appropriate marketing strategies to develop better customer experience strategies through suitably tailored product offerings, marketing, and distribution. All these need to be done by taking into account their distinct behaviors, preferences, attitudes, and values that set them apart from other market segments. To overcome the challenges of this generation, insurance companies need to think strategically when implementing strategies to attract, acquire and retain millennial consumers. The purpose of this study was to establish the effect of marketing strategies on the acquisition of generation Y customers among insurance companies in Kenya. The study was guided by the following objectives; to determine the effect of product innovation strategy, pricing rationalization strategy, distribution strategies, promotional strategies, and social media on the acquisition of generation Y customers among insurance companies in Kenya. The study was anchored on the market power theory, and diffusion of innovation theory, supplemented by the resource-based view theory and theory of planned behavior. The study adopted a descriptive research design targeting 280 top management employees from marketing, claims, and operations departments in the 55 Insurance Companies in Kenya. The study adopted a stratified random sampling technique to select a sample size of 165. The primary research data was collected using a questionnaire. The quantitative data in this research was analyzed through descriptive statistics. The analyzed data was then interpreted and presented in frequency tables, bar charts, graphs, and pie charts. This data was tested for normality, heteroscedasticity, and autocorrelation using the Jarque-Bera test. The coefficient of determination (R^2) was used to measure the extent to which the variation in, the acquisition of generation y customers is explained by the variations in marketing strategies determinants. The study found that there is a significant relationship between; product innovation, pricing rationalization, distribution strategy promotional strategy, and the acquisition of generation Y customers among insurance companies in Kenya. The study also found that social media significantly moderated the relationship between the effect of market strategies and the acquisition of generation Y customers among insurance companies in Kenya. The study recommends insurance companies adopt more to come up with diversified products and standardize prices, enhance their distribution channels and promote the products more to acquire more generation Y customers, Besides, the study recommended that the insurance companies should align all their marketing strategies with social media because social media significantly moderated the effect of the different marketing strategies on the acquisition of generation Y customers.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Many organizations are looking for a win-win solution that meets their needs and those of their customers. Companies nowadays face high competitive markets and very different needs and buying behaviors of consumers. It is therefore a reasonable strategy to segment all potential buyers into distinguished segments (Luck & Mathews, 2017). To serve these segments more effectively, a company needs to understand what the specific needs in such a segment are and how to satisfy them. The process of serving a special market segment must fit the market. Otherwise, the profits will suffer as a result of lower revenues or higher operating costs.

Gondwe (2016) postulates that marketing strategies in a business act as key to business growth and the customer's satisfaction in terms of achievement made by the organization. Therefore, insurance companies must maintain the highest standard in coming up with strategies that translate into customer satisfaction and convenience. Gitau (2016) for example looked at strategies adopted by Kenyan insurance companies to alleviate low insurance penetration while Odemba (2016) looked at factors affecting the uptake of life insurance in Kenya. On his part, Kiragu (2017) assessed the challenges facing insurance companies in building a competitive advantage in Kenya. The emerging customer, the Millennial, is however transacting on online and mobile platforms, and all indications are that they much prefer to access insurance in the same way. Likely, they will not easily be reached using these traditional methods and this could contribute to the low uptake of insurance (Labi, 2018).

The environmental forces which affect the business in attaining its needs require to be detected in advance and handled well to enable the business to meet its vision and mission (Mbatia, 2019). Related to this, are the methods of promotion and messaging. Companies (insurers included) have continued to use the traditional print and electronic media to create awareness of their products and services (Millennial

Case Study, 2019). Millennials seldom read hard copy print advertisements in newspapers and magazines. They access their content online using apps and on social media like Twitter and Facebook (Hershatter & Epstein, 2017). It would follow then that the insurance message is likely not getting through to this segment of the market.

1.1.1 Concept of Marketing Strategy

A marketing strategy is a plan that provides an outline of the specific actions to be taken over time to achieve the objectives (Grant, 2016). The development of marketing strategy is necessary for success not only in developed markets which have extreme competition and with the players attempting to gain market share, but also the emerging markets where the elements of the product, price, promotion, and distribution are recognized as valuable sources for competitive advantage. The greatest challenge facing marketers in today's changing business environment is the development of decisive strategic thinking and analytical skills required to adapt swiftly and effectively to the environmental and market changes (Peattie & Crane, 2016). Selecting strategies for fast-changing markets begin with the identification and evaluation of potential market changes and the strategic implications. Emerging from this process should be a strategic vision for the future (Zaslow, 2016).

The development of marketing is influenced by the development of society and its economy. Social and economic conditions largely influence the direction in which marketing evolves. Hence, marketing must continuously make the adaptation necessary to meet the changing needs of the target customers (Peattie, 2016). A marketing strategy is most effective when it is an integral component of corporate strategy, defining how the organization will successfully engage customers, prospects, and competitors in the market arena. It is partially derived from broader corporate strategies, corporate missions, and corporate goals. As the customer constitutes the source of a company's revenue, marketing strategy is closely linked with sales. A key component of marketing strategy is often to keep marketing in line with a company's overarching mission statement (Keegan, 2016).

There has been much research into the relationship between marketing strategy and business performance and there is broad agreement that the failure of Kenyan

companies to embrace marketing is a contributory factor to their poor performance. An effective marketing strategy is one part of the business that is essential to its success. Even an inferior product can be a financial success if marketed properly (Branwell, 2017).

Successful marketing strategies create a desire for a product. An incisive marketer, therefore, needs to understand consumer likes and dislikes to come up with appropriate marketing strategies (Ezell, 2016). In addition, marketers must know what information will convince consumers to buy their product, and whom consumers perceive as a credible source of information (Wedel & Kamakura, 2019). Some marketing strategy components focused on in this study include; product innovation strategies, pricing rationalization strategies, distribution strategies, and promotional strategies. These were chosen because they relate to customer acquisition in the organization.

1.1.2 Concept of Customer Acquisition

Customer acquisition is a term used to describe the methodologies and systems to manage customer prospects and inquiries, generally generated by a variety of the many marketing techniques (Wedel & Kamakura, 2019). It can be considered the connectivity between marketing strategy and customer relationship management. This critical connectivity facilitates the acquisition of targeted customers in the most effective fashion. This allows organizations to realize continuous improvements in both promotional activities and customer acquisition systems. As Mitra (2018) posits, customer acquisition also often includes the original response to a prospect immediately after their inquiry. This response could come in many forms – a personalized fulfillment letter and brochure, an electronic email response, or a telephone call. In each case, the initial response is targeted to further the interest of the prospect and simplify the initial sales call for the sales channel.

Acquiring new customers involves persuading consumers to purchase a company's products or services. Customer acquisition management refers to the set of methodologies and systems for managing customers. Customer acquisition is witnessed by an increase in profitability, market share, customer service quality, and

dividends paid.

1.1.3 Concept of Generation Y

Generation Y is described to be a diverse, yet potentially the most dynamic generation in history because its members are more informed since they are equipped with more information, greater technology skills, and higher financial clout than prior generations. Therefore, there is a critical need for marketers to understand how to target them with product offerings to satisfy them and bring out their high potential. Being the most pluralistic, integrated, high-tech generation makes them ideally suited to our increasingly demanding, diverse, and dispersed global product consumers. They are a well-positioned market for diverse products with a short life cycle as they see the world as a global market (Smith, 2018; Ismail & Safrana, 2019).

Generation Y has become an important target demographic for marketers because of the cohort's vast size and significant purchasing power (Tingley, 2019). Additionally, the behavior and expectations of this large age group are key for the insurance industry for the very simple reason that today they are their largest target age group. On top of that, in general, they seem to have other attitudes concerning insurance. Due to the large amount of information they have at their disposal every day (through access to the internet), the decision-making for buying a product has evolved. Their decisions are based on the evaluation of the greatest benefit vs. lowest price, and because of this, marketing campaigns that are currently used seem to be less effective (Duncan, 2017). Unlike consumers of other generations, they are most likely to support a brand that they find is socially conscious, when their social concerns align with the social concerns of that organization (Ashley & Tuten, 2019).

As a result of the emerging technologies, the millennial has emerged as a new kind of consumer that is discerning, well-informed, and pressed for time (Ashley & Tuten, 2019). They are looking for real-time access, faster and easier ways of transacting, clarity in product information, and ease of payment (Duncan, 2017). Recent events in the world economy have resulted in a drop in consumerism, with potential customers holding on to their money. They are now more careful with how they spend and have

an increased propensity to shop around and negotiate deals (Fullerton, 2018). As consumers seek more meaningful associations from products and services, they are moving away from wanting value for money to wanting value for time (Fullerton, 2018). Millennials are characterized by heavy digital media usage and a unique preference for smartphones. They are both experimental and experiential. They are quick to criticize and expect instant feedback. They are spending more time on the social spaces on the internet and increasingly, their work and play revolve around online platforms essentially the internet is their first port of call for all things (Fullerton, 2018).

When marketers seek similarities within consumers they use age and in a broader sense, generations as a segmentation criterion. One of these generations with unique characteristics is the so-called “Generation Y”. Born between the beginning of the eighties and the mid-nineties, this group cohort is today between the ages of twenty-four and forty-one years old. It is a valuable customer segment with increasing buying power. It is said that this generation has its own set of needs that influence its purchase behavior. So, it is vital to analyze how Generation Y can be reached by companies in their pursuit of better performance (Otaigbe & Beehner, 2021).

Each generation has unique expectations, experiences, generational history, lifestyles, values, and demographics that influence their buying behaviors. Accordingly, many companies are reaching out to multi-generational consumers and trying to understand and gain the attention of these diverse buyers (Lissitsa & Kol, 2020). Multi-generational marketing is the practice of appealing to the unique needs and behaviors of individuals within more than one specific generational group, with a generation being a group of individuals born and living about the same time (Zaslow, 2016). It is essential to create innovative products, and place utility, time utility, and satisfaction, in a competitive environment. Without common understanding and acceptance of generational differences and rapid changes in customer preferences and micro and macro environment, changes will lead to product failure, post-purchase dissonances, poor segmentation, distorted communication, and poor product mix. Individuals differ in countless ways, in background, personality, values, preferences, and lifestyle (Kotler, 2018).

1.1.4 Concept of Social Media

Social media sites such as Facebook and Twitter have become an integral part of the lives of Internet users (Saxena & Khanna, 2016). Generation Y consumers are considered digital natives and have been connected to digital technology most of their lives (Williams *et al.*, 2019). Acquisition of Generation Y Customers according to Jurgensen (2017) has many similarities to lead management. Sometimes missing from lead management definitions, but always included in customer acquisition management, is a closed-loop reporting system. Such a reporting system typically allows the organization to quantify the effectiveness of results of various promotional activities geared toward creating awareness, attracting and retaining customers (Marko, 2020).

An important challenge that markets face involves customers' diversity. Earlier on, marketers followed the production approach to satisfy differences in customer characteristics which may not work appropriately with modern generations who are dynamically different in attitude, language, lifestyle, orientation, and aspirations. It was assumed that people who were different would assimilate with the majority group. It is however now recognized that customers do not set aside their values, beliefs, lifestyle, and preferences when they are choosing their products. It is therefore desired for the marketers to recognize and value such differences by adapting segmentation to different customer segments. Customer diversity has significant implications for marketing. The marketers are required to shift their approach from treating each group of customers alike to recognizing their differences and following such an approach to be able to segment the market, device creative advertising, and innovate desired products to avoid product failure (Parment, 2020).

1.1.5 Marketing Strategies and Customers Acquisition of Generation Y

Generational differences challenge marketers in today's corporations. One generation of consumers exhibits maturity and steadfast loyalty, while marketers of the young generation show interest in the products and have an exit strategy ready if boredom or dissatisfaction with products sets in (Luck & Mathews, 2017). Many marketers lack the strategies needed to win and retain Generation Y consumers (Wynn, 2018).

Targeting Gen Y consumers by understanding what they want and feel about the product and using that information to win them. Marketers should be ready to maintain Gen Y consumers by giving them what they want. Create a market environment with Gen Y consumers in mind knowing what they want in terms of product varieties and product attributes (Bagozzi, 2016; Knight & Young Kim, 2019).

At the same time, Generation Y is not favorably impressed with an “in your face, hard-sell” approach to advertising. For example, Nancy Carruth, Target’s director of advertising management, stated that the internal market research conducted by the firm over a year and a half-revealed that the circulars the company ran in newspapers were not reaching teens at all (Coughian, 2018).

The old way of selling does not work at all for generation Y customers (Lim,2018). This generation prefers to research as well as discover new products and services by themselves, therefore the use of television or newspapers will not work for them. For any company to reach them they have to get online marketing right. Scholars such as Kumar and Lim (2018); Morton (2017) revealed some of the strategies that companies can use to reach these customers. In a bid to attract them the sellers need not only to be authentic but must also be trustworthy, the organizations can do so by offering products that solve a genuine problem as well as involve the customers in every step of the sale therefore a human-like conversation is the step number one in getting their attention.

Besides, companies need to have a clear purpose when making any sales to Yers. The way to do this is to build a relationship with them that is more than just being your customer by sending them tips on how a particular product or service works or can yield move value to them which can be done through social media email or even through the website (Canhoto, Clark & Fennemore, 2016).

According to Belleau, Summers, Xu, and Pinel (2019), to gain the attention of Generation Y you should therefore do more than the obvious by building an online community where the Yers customers can associate with their fellow fans. This way they can easily buy your products because the online platform for them is a

‘movement-like’ thing that they dearly hold to themselves. Companies targeting to sell to generation y need to appreciate that this generation put more value in renting something rather than buying it. For instance, this generation has grown up during a time when the internet has almost reached every corner of the world. Generation Y customers, therefore, own almost everything temporarily, they seek temporary rights to use almost everything. Many music companies in the USA have fore-instance appreciated this phenomenon and are therefore using podcasts, Netflix, and Spotify to give the right to use music to this generation, unlike generation X which relied on buying music CDs and videotapes (Tingley, 2019).

To attract generation Y customers’ companies, need to be almost online especially on social media including Facebook, Twitter, and Youtube. The majority of these customers have a preference for convenience, to them due to the availability of Facebook they need instant feedback on the service and products they seek. These social media which have become part of their lives are not only for connecting with their friends and families but also for the business they want to buy from. According to Maecker, Barrot, and Becker (2016), customers interacting with the brand through social media is generally more profitable. Consumers of the Generation Y cohort also referred to as Millennials, include approximately 75 million Americans who have significant purchasing power (Schewe, Debevec, Madden, Diamond, Parment & Murphy, 2016). They access social media daily and have a direct effect on how marketers successfully engage consumers on social media. Social media sites such as Facebook and Twitter have become an integral part of the lives of Internet users (Saxena & Khanna, 2016).

To offer an ideal social media platform companies need to develop mobile websites - user friendly, and provide instant feedback to the customers, especially on issues that touch on the brand. It is also important to over a digital knowledge base by uploading articles and video content that explain to the customers how they can gain the optimal benefit of a particular service or product. Finally live charts including live-facebook charts can be a medium that almost instantly brings marketing credibility to Yers (Knight & Young Kim, 2019; Maxwell & Broadbridge, 2018).

To attract Yers companies also need to use inbound marketing strategies. Inbound marketing calls for intent-driven marketing where the sellers create original and high-quality content that can instantly reach Yers who uses the internet as a they-to-go approach when searching for products and services. Companies can also use target paid marketing such as boosting an advert on Facebook with intention of reaching customers in a particular region or targeting a specific age –group. This approach of paid social media marketing is very common in smart-product and appliances which can also be used by insurance companies in targetting Yers. Insurance companies need to make the information they post on social media shareable by either making it downloadable in a pdf or a link that can be shared to ensure that friends share with their friends. Finally, companies that want to sell to Yers may need to leave space for review because generation Y customers do not trust the marketers they new people to review so that they can increase their confidence in their product. Finally, companies must embrace influences who post on behalf of the company's social media posts that can attract lots of comments, likes, and engagements (Lim (2018; Kumar and Lim, 2018).

Generation Y consumers are considered digital natives and have been connected to digital technology most of their lives (Williams, Crittenden, Keo, & McCarty, 2019). Internet consumers in the Generation Y cohort consume a significant number of advertising messages, especially through social media (Wright, Khanfar, Harrington, & Kizer, 2017). Therefore, social media is a relevant moderating variable when determining the relationship between marketing strategies and the acquisition of generation Y customers.

1.1.6 Global Perspective on Acquisition of Generation Y

The millennial is global in nature and outlook. The market make-up is not only from different regions, nationalities and cultures, the product and service requirements have also taken a global character. They are now much more aware of products and services on offer elsewhere in the world (Goldie, 2017). They have therefore come to expect the same options and standards of service (Ryan, 2018). They exist in a time when consumer-driven marketing is increasingly important as customers seize

control of the process and actively “pull” information helpful to them. Consumer-driven marketing activities include internet reviews and word-of-mouth recommendations from friends and family, as well as in-store interactions and recollections of past experiences. Hamilton and Hewer (2017), refer to an emerging phenomenon they call the groundswell which is a social trend in which people use technologies to get the things they need from each other rather than from traditional institutions like corporations. It is a result of people’s desire to connect with new interactive technologies and online economies. Reference groups in the post-internet age no longer require face-to-face contact. They are now virtual communities involved in mass collaboration with a great influence on individual product choices (Hadija, Barnes & Hair, 2019).

1.1.7 Regional Perspective on Acquisition of Generation Y Customers

The African continent is going through economic dynamics in marketing systems. Internet consumers in the Generation Y cohort consume a significant number of advertising messages, especially through social media (Wright, 2016). These consumers often multitask while using social networking and become uninterested in engaging with advertisements on social media (Sashittal, Sriramachandramurthy & Hodis, 2019). This call for marketers to overcome obstacles not only in reaching their target markets but also in capturing continuous engagement (Hanna & Rowley, 2018). These consumers have had their regular use of social media, Generation Y consumers rarely notice advertisements targeted at them in favor of paying attention to other Internet content (Hadija, Barnes & Hair, 2019). Their lack of engagement in social media advertising creates a problem for marketers who are trying to capitalize on their social media usage (Parment, 2020).

In South Africa, Generation Y uses digital platforms for communication and prefers Facebook over any other communication tool. Facebook, LinkedIn, YouTube, and Twitter are examples of popular social media websites (Hamilton & Hewer, 201; Pate & Adams, 2016). When aligned with traditional marketing methods, social media can be an effective tool for marketers if the obstacle of engaging Generation Y is overcome (Kaplan & Haenlein, 2017; Wright, 2016). To communicate with

Generation Y, insurance companies in South Africa have to learn what makes them tick. One of the key aspects of Generation Y is that they are the first generation that has grown up with the internet and also after the mobile phone became ubiquitous (Hershatter & Epstein, 2017).

The marketing strategy in Ethiopia's insurance industry focuses on high sales and low prices and ignores its traditional market segment (Bernard & Spielman, 2019; Ordun, 201; Saxena & Khanna, 2016). The market strategy is aimed at providing services and products to the entire market with one offer or one approach. Over the last decade, firms in the insurance industry experienced a 15-30% drop in customer satisfaction ratings and an estimated \$10 billion annually due to the inconsistent and less brand loyal tendencies of Generation Y customers (Ascarza, Iyengar & Schleicher, 2016; Labi, 2018b).

In Nigeria, Otaigbe and Beehner (2021) noted that firms in the insurance industry have experienced a 15 to 30% drop in customer satisfaction ratings estimated at \$10 billion annually due to the unpredictable tendencies of Generation Y customers, also known as Millennials. The findings from this qualitative multiple case study revealed that positive brand image, social media, continuous engagement, feedback, co-creation, quality service, and timely delivery all improved the retention of Generation Y customers. Increasingly the insurance companies are competing directly with one another in the same locations for the same cluster of customers. This is a notable change for an industry reliant on specific locations to limit the threat of competition (Goldie, 2017).

1.1.8 Local Perspective On Acquisition of Generation Y Customers

The Kenya National Bureau of Statistics (2017) stated that millennials form approximately 48% of the population in Kenya. As a result of the emerging technologies, the millennial has emerged as a new kind of consumer that is discerning, well-informed, and pressed for time. They are looking for real-time access, faster and easier ways of transacting, clarity in product information, and ease of payment. However, have not attained the status of excellence they desire for quality of service through marketing strategies and acquisition of generation Y

customers. Kanyingi (2018) stated that even though the traditional methods of access to information and payment remain strong, alternative methods are also gaining popularity, especially with the millennial age group. The internet and social media are now a critical part of business promotion and messaging and must form an integral part of insurance companies' marketing endeavors. The study also concluded that the purchase activity for millennials is an experience that encompasses their emotions, worldview, and general status in society. It is important to them how a product or service feels, how it looks to others, its impact on the environment, and the relations it provides for them with the provider of the product or service. The organizations fail miserably in their attempts to consistently satisfy the needs and wants of cosmopolitan and culturally diverse customers in the global village of the 21st century (Murungi, 2019). They continually have to deal with a very informed client. Great businesses are those which have pro-actively adapted to focus on the critical elements of the insurance industry for success.

Kiriri and Kinisu (2020) 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.

1.1.9 Insurance Industry in Kenya

Kenya's insurance industry ranked fourth highest in Africa in terms of penetration after South Africa, Namibia, and Mauritius. The insurance industry in Kenya consists of several players namely; 49 insurance companies (including foreign reinsurance companies' operating liaison offices in Kenya) and 3 reinsurance companies, 4,847 intermediaries (insurance brokers including foreign reinsurance brokers authorized to run liaison offices, medical insurance providers, and insurance agents) and 298 other service providers (insurance investigators, motor assessors, insurance surveyors, loss

adjusters, claims settling agents and risk managers) (IRA, 2016).

The Insurance industry in Kenya is comprised of Fifty-five (55) insurance companies (IRA, 2016). Other players in this sector include one hundred and ninety-six (196) licensed insurance brokers, thirty-four (34) medical insurance providers, six thousand five hundred ninety-six (6,596) insurance agents, one hundred and thirty-six (136) investigators, one hundred and seventeen (117) motor assessors, thirty-one (31) loss adjusters, four (4) claims settling agent, nine (9) risk managers, and thirty-one (31) insurance surveyors. Therefore, the total number of players in the insurance industry according to the insurance regulatory authority was seven thousand two hundred and five (7,205) by July 2016 (IRA, 2016). This industry is regulated by the insurance Act; Laws of Kenya, Chapter 487 enacted in 1986, the office of the commissioner of insurance was established under its provisions to strengthen the government regulation under the Ministry of Finance (IRA, 2016). The Insurance (Amendment) Act 2016 enacted on 30th December 2016 established the Insurance Regulatory Authority (IRA) to take up the role of regulating, supervising, and developing the insurance industry. The Act became effective on 1st May 2007. The professional body of the industry is the Insurance Institute of Kenya (IIK), which deals mainly with training and professional education. The insurance Regulatory Authority (IRA) was established with the mandate of supervising and regulating the insurance industry players (IRA, 2016).

The insurance business can broadly be classified into general and life/ long term. Despite this classification, the different classes of insurance businesses can be viewed as lines of business along with the profit center concept. According to the Association of Kenya Insurer insurance penetration as of 2014 stood at 3.02% with non-life premiums at 2.0%. This was represented by a total Gross written premium of Kes 91.6 Billion with a non-life premium of Kes 60.7 Billion (AKI, 2018). The industry's profitability stood at Kes 7.78 Billion with underwriting profits contributing Kes 2.49 Billion. The industry is experiencing an average annual growth of 18% in total premiums further underpinning the growth potential the industry presents (Kenya Insurance survey, 2019). Insurance premiums during the first quarter of 2016 registered a year-on-year growth of 9.6% while a 16.4% year-on-year growth

was registered in the first quarter of 2015 (AKI, 2018; KPMG, 2018).

The importance of the insurance industry to national development and especially the achievement of Vision 2030 policy objectives is set out in various government policy documents. The industry as we know it is important as it helps transfer risks away from the insured to the insurer. By helping transfer risks, insurance enables the insured to undertake projects or engage in economic activities and transactions that they would otherwise not have been willing to engage in due to the risk involved. AKI (2016) reported that low insurance penetration through strategy is one of the challenges facing the insurance industry development in terms of market share and product diversification among other measures. In Kenya, insurance growth was 2.84% in the year 2009 compared to 2.63% in the previous year while in South Africa whose growth was 12.9% with a population of 44 million. The penetration of 3.02% in 2011 is compared to 3.1% in 2010. Life insurance recorded a penetration ratio of 1.02% while that of non-life insurance was 2.00%. The penetration of Insurance among the Kenyan population is also low compared to other countries outside Africa. A good example is Malaysia which has an estimated 41% of the population covered by some form of life insurance in comparison to Kenya which has less than 1% of the population insured.

To keep up with the competition and changing consumer needs and wants in the competitive business environment, insurance companies need to use effective marketing strategies in managing service quality among customers. Changing consumer needs and business environment has necessitated insurance companies to adopt marketing strategies to survive hence attracting and retaining customers. Product, price, place, promotion, people, process, and physical evidence strategies have remained key pillars of any successful insurance company. Adoption of effective marketing strategies promotes quality service delivery in the industry hence social-economic developments in Kenya (Appiah-Adu & Amoako, 2016).

As the Kenyan consumer becomes more informed, consumer watchdogs are being formed, and awards are being created for the best companies, it is reaching a point whereby either a company starts being responsible in all its core and non-core

activities or goes under. The insurance companies in Kenya compete amongst themselves with amazing technology and investment in marketing to outdo each other. The changes witnessed in the industry coupled with the jockeying of position by industry players would drive the insurance industry towards adopting customer-based structures (Mwangi, 2019).

In the short term, Gen Y's rising economic influence may present an even larger opportunity for insurers compared to previous generations of young adults (Jurgensen, 2017). For example, according to one auto manufacturer, Gen Y will buy approximately 25 percent of new cars and trucks sold in the U.S. by 2010, and up to 40 percent by 2020. From a consumer perspective, a combination of existing literature and proprietary research at Deloitte describes Gen Y financial services customers as financial freshmen, independently dependent, practically motivated, tech-savvy, entrepreneurially spirited, diverse, and socially mindful. Of interest to this study is the age group that covers those born between the years 1982 and 2000, which has been identified as the millennial generation (Howe & Strauss, 2018). In Kenya, this cohort forms approximately 48% of the population (Kenya National Bureau of Statistics, 2018).

1.2 Statement of the Problem

There exist immediate and future benefits that millennials can enjoy from buying an insurance cover, about 84% of young adults who have insurance covers in the Scandinavian countries are set to benefit from a financial firewall for them and their immediate families if the unexpected such as critical illness or disability sets in. Insurance companies take care of medical bills including therapies, long-term care, rehabilitation, and life-end bills including funeral expenses (Mittag et al., 2018). According to De Nardi (2021), with smart use of insurance one can leave a legacy behind without interruption as loved ones continue to enjoy an uninterrupted source of income and give the family financial peace in case the worst happens.

However, most young people find no good reason to insure themselves in Kenya.

The Millennials have an assumption that the insurance covers are very expensive. Other has the belief that the process of obtaining an insurance cover is a very complicated one. Some find it complicated to understand the policy, payments to make, and the benefits derived from the cover. Others are keen on purchasing a policy but they don't know how to go about it in terms of which one is best for them or where it finds an insurer. The effect of ignoring such an opportunity of insuring themselves poses a great financial risk that they could hardly handle or afford (Gitau, 2016; Kadzo, 2019; Kanyingi, 2018). In Kenya, Generation Y is more than five times (45.9%) of Generation X (8.8%) and the number is expected to grow to more than 50% by 2022. Despite the large population, American Community Survey (ACS) survey in 2019 found that globally, Adults aged 26 Had Highest Uninsured Rate Among All Ages, Followed By 27-Year-Olds. Adults ages 19 to 34 had the highest uninsured rates of any age group. Therefore, understanding marketing strategies that can be used to attract this group is a great opportunity for the insurance industry because a generation Y customer will be with the company for decades. To reach Generation Y, insurers are focusing on new and existing products that meet a need in the broader context of a relationship (Misonzhnik, 2016). Insurers' future success depends on their ability to attract Generation Y customers (Kumar & Lim, 2018). However, the insurance companies seem not to understand the Generation Y customers enough to sell and deliver relevant products and services as a result of the continued application of traditional marketing avenues. To overcome the challenges of this disengaged generation, insurance companies must think strategically when implementing strategies to acquire and retain millennial consumers, such as exploring the effect of integrating social media to win generation Y customers (Smith, 2017).

Ong'ong'a, 2018 noted that researchers have posited conflicting findings on the relationship between marketing strategies and customer acquisition. Some scholars have posited a positive relationship between marketing strategies used by insurance companies in Kenya and market acquisition (Gitau, 2017; Odemba, 2017; Kadzo, 2016)). Other scholars found no significant relationship (Kyevea, 2018; Kihagi, 2019; Magunga, 2017)). Available studies on the effect of social media on market performance in the insurance sector posed is also inconclusive, Gajanayake

(2019) revealed that there is no significant relationship. Whereas others posited that there exists a positive correlation (Nkonyo, 2019; Ong'ong'a, 2018).

Methodologically, previous studies have only focused on the direct relationship between marketing strategies and performance, with limited research work focusing on the intervention variable such as intervening and moderating variables. Available scholars have only focused on general business performance as an overall performance measure of the dependent variable and not the acquisition part of customers to boost market share. The question in this study was: what is the relationship between marketing strategies, social media, and the acquisition of generation X among insurance companies in Kenya?

1.3 Objectives of the Study

1.3.1 General objective

The general objective of this study was to establish the effect of marketing strategies on the acquisition of generation Y customers among insurance companies in Kenya.

1.3.2 Specific objectives

- i. To determine the effect of product innovation strategy on the acquisition of generation Y customers among insurance companies in Kenya.
- ii. To establish the effect of pricing rationalization strategy on the acquisition of generation Y customers among insurance companies in Kenya.
- iii. To examine the effect of distribution strategy on the acquisition of generation Y customers among insurance companies in Kenya.
- iv. To determine the effect of promotional strategy on the acquisition of generation Y customers among insurance companies in Kenya.
- v. To establish the moderating effect of social media on the relationship between marketing strategies and acquisition of generation Y customers among insurance companies in Kenya.

1.4 Research Hypotheses

H₀₁. There is no significant effect of Product innovation strategy d on the acquisition of generation Y customers among insurance companies in Kenya.

H₀₂. There is no significant effect of pricing rationalization strategy on the acquisition of generation Y customers among insurance companies in Kenya.

H₀₃. There is no significant effect of distribution strategy on the acquisition of generation Y customers among insurance companies in Kenya.

H₀₄. There is no significant effect of promotional strategy on the acquisition of generation Y customers among insurance companies in Kenya.

H₀₅. There is no moderation effect of Social media on the relationship between marketing strategies and the acquisition of generation Y customers among insurance companies in Kenya.

1.5 Significance of the Study

1.5.1 Insurance Industry

The study would be of significance to all the existing firms in the insurance industry in Kenya. The identification of the marketing strategies that would be employed by the leading insurance companies in Kenya and their effect on acquiring customers gave an insight to other aspiring insurance companies on what elements are important for their success. The study would provide insurance companies with insights into the demographics of the customer base that lies between the ages of 24 and 41 years. It would provide information on their awareness levels regarding insurance products, their preferred socio media platform for accessing the insurance information, and their ability to purchase the products. The role of social media would also be brought to the fore.

1.5.2 Practitioners in the Marketing Field

Not much study was done on this subset of the market, especially regarding their perception of insurance, and their buying habits. Information is also lacking on the products and services that Millennials prefer and percentage representation in the insurance market. Such information would be quite useful for managers. It would influence the strategic direction concerning the positioning of insurance products targeted to Millennials.

Social media marketing professionals could use the results of this study to promote the improvement of business practice by using strategies to become more effective in engaging Generation Y consumers through social media. This study might benefit marketers by providing information that allowed them to deliver more engaging, informative, and educational social media advertising, resulting in well-informed Generation Y consumers who are responsive to social media advertising. Marketers could use social media to allow consumers to become co-creators, rather than passive recipients, of a brand's message and thus become part of a two-way marketing exchange. Social change might result from more consumers becoming better informed due to improved social media advertising.

The study would enlighten the Millennials on the workings of the insurance industry and the vital role they play in its development. Further, it should serve to show them that the industry considers them to be an important segment of their market and would be willing to take the necessary measures to ensure that their needs are met.

A key characteristic of the Millennials is that they are heavily digitized and would access information and content online from various devices; which would be mostly mobile. ICT companies stand to gain from information on the platforms Millennials prefer, their user experiences, and what they would like to see improved on. This information would prove invaluable in the innovations these companies could provide.

To the investors, this research would hopefully add to the body of knowledge about the insurance sector. Being a developing and dynamic sector, the insurance sector has

been recognized as one of the vehicles for the attainment of Kenya's vision 2030 and would continue to derive a lot of interest from investors and researchers in the developing world.

1.5.3 Government Agencies

Government agencies and policymakers might use the results to formulate positive national policies on a framework that is relevant and sensitive to the market forces influencing the insurance industry in Kenya and the East African region. An area of additional interest is the legal framework that guides and regulates how insurance products are to be presented to prospective customers, and how the documentation which enforces the insurance contract is to be assembled, ensuring that the contract is in force. The current status is that all documentation is presented in hard copy paper as recognized by law. The emerging digitized environment is increasingly interrogating this process, and exploring the possibility of commencing, negotiating, and finalizing insurance contracts in a paperless process.

1.5.4 Researchers and Academicians

The study provided information to potential and current scholars on the marketing strategies factors used by insurance companies in Kenya. This would expand their knowledge of marketing strategies in the insurance industry and also identify areas for further study. The study would form a basis for further research in the area of demographic-based insurance product design, with an emphasis on Millennials. Research could also be carried out on other products and services that are of interest to Millennials.

1.6 Scope of the Study

The study was undertaken to establish the effects that marketing strategies have on the acquisition of generation Y customers among insurance companies in Kenya. The study was guided by four research objectives premised on the marketing strategies, such as the effect of product innovation strategy, pricing rationalization strategy, and distribution strategy on the acquisition of generation Y customers among insurance

companies in Kenya. The moderating factor was the social media effect on the relationship between marketing strategies and the acquisition of generation Y customers. The study focused more on the acquisition of generation Y customers among the 55 insurance companies in Kenya because they face the challenge of acquisition of generation y customers. Generation Y consumers access social media daily and have a direct effect on how marketers use social media. Top management will provide primary data for the study.

Young people do not care so much about insurance policies because they feel healthy and feel getting an insurance policy is not worth the risk. Insurance companies have therefore an uphill task trying to sell insurance policies to generation Y which is the future of the current generation. It is worth investigating whether moderating the available marketing strategies would enable more generation Y to uptake insurance policies, therefore the challenge to conduct the study is worth the time. If a company can convince a generation y to purchase a policy is worth it because such a client will be with you for decades. These prospective clients to health policies are online most of the time therefore an insurance company making an extra step to reach them online would be worth seeing whether it would yield more business. The generation y represents a large pool of clients who are underserved by the fact that some of them are not covered by their employers yet, besides they are also old enough not to be covered by their parents, therefore convincing them to have a policy by changing the perception that insurance covers are for the old would mean a great opportunity to insurance companies. Besides this generation may not have many assets or possessions to insurance because some have just left school or just settled in life. Some prospective clients in this group might have already left university, overburdened with student loans, and know how bad it is to be bankrupt, they would therefore require an insurance policy may be in health which to cushion them against this risk. Available statistics indicate that only about 30% of generation Y in their twenties is aware of where one can get insurance cover, with the Ministry of health in Kenya worried that the statistics would deteriorate further in case an intervention is not made. Generation Y with tech-savvy skills to browse online can therefore be reached through social media to bridge the widening gap.

The study was carried out over six months to enable the researcher to have enough time to collect data and carry out analysis, the school calendar also requires the scholar to write a thesis report within the six months. Secondary panel data for the study was collected between 2009 and 2017 on the Customer reviews, Sales volume, and Claims paid using a secondary data collection schedule.

1.7 Limitations of the Study

Limitations are potential weaknesses or problems with the study identified by the researcher. The researcher used secondary data that was provided by the IRA, the secondary data was available for general purpose use, therefore any limitations on the reliability of the data therein could affect the overall reliability of the findings presented herein.

The study did not provide for the interaction variable to establish whether the market risk management department intervened in the marketing strategies to enhance the acquisition of generation Y customers among insurance companies in Kenya.

The study considered only considered three social media as the only moderating variable however there are numerous moderators affecting the acquisition of generation Y customers among insurance companies in Kenya.

The study adopted a questionnaire that only obtained quantitative data to test the hypothesis, this limited the research to only carrying out quantitative analysis, however, the researcher overcame this challenge by asking questions that covered broadly the subject of marketing strategies and acquisition of generation Y customers. Some of the questions that had been given by previous scholars who used interviews were converted to quantitative data, therefore, the researcher overcome the challenge of not asking in-depth questions.

The study was also only limited to generation Y customers possible other generations including Silent Generation, Generation X, Baby Boomers, and the Centennials could pose different findings.

Chapter one of the study has given a brief background to the study on the effect of

marketing strategies on the acquisition of generation Y customers among insurance companies in Kenya. Global, regional and local perspectives on the topic was given to develop the problem in the study, Available methodological, conceptual, and contextual gaps were revealed in the statement of the problem which gave justification to the study, the study also developed both research objectives as well as questions to the study. The significance of the study to the government, researchers, and practitioners was also given. The scope of the study was also clearly drawn as well as the limitation that the study encountered. The following chapter was on literature review where the scholar empirical, theoretical as well as conceptual framework for the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter summarizes the information from other researchers who have carried out their research in the same field of study. The theoretical review, conceptual framework, review of variables, empirical review, and critique of the literature and knowledge gap for this study has also been discussed.

2.2 Theoretical Framework

This section looked at the theoretical underpinning of the study by specifically reviewing the market power theory, resource-based view theory, and the theory of planned behavior. The theories presented guided the study on the effect of market strategies on the acquisition of generation Y customers among insurance companies in Kenya while being moderated by social media. The marketing strategies which form the independent variables in the study are product innovation strategies, pricing rationalization strategies, distribution strategies, and promotional strategies. The dependent variable in the study is the acquisition of generation Y customers among insurance companies in Kenya. The theories are presented on pioners of the theories, what the theory postulates, and the relationship of the theory the variables, and study in general.

2.2.1 Diffusion of Innovations Theory

Everett Rogers (1983) proposed the Diffusion of Innovation Theory. It is defined as the communication and knowledge-sharing process by which a new idea or innovation is accepted by individuals. The speed at which the information/knowledge is transferred from one individual to another is referred to as the rate of diffusion. According to Rogers (1983), the Diffusion of innovations theory has five attributes that affect the rate of its diffusion, namely: relative advantage, triability, compatibility, complexity, and observability. Relative advantage is “the degree to which an innovation is perceived as better than the idea it supersedes”. Compatibility

is “the degree to which an innovation is perceived as consistent with the existing values, past experiences, and needs of potential adopters”. Complexity is the “degree to which an innovation is perceived as difficult to understand and use”. Trialability is “the degree to Future Internet which an innovation may be experimented with on a limited basis” and finally observability is the “degree to which the results of an innovation are visible to others” (Rogers, 1983).

Rogers (1983) proposed the first innovation adoption processes model that follows an S-Curve in which an innovation or new technology begins with a slow change, followed by rapidly increasing change, reaches the optimum level then ends in slow change as the new and better innovations and technologies emerge. To support Rogers DOI theory Moore (2018) observed that people adopt new technologies and innovations at varying rates and times. They used the different rates of adoption and diffusion to explain the different phases in the diffusion process to access such things as the adoption of new services, systems, and the application of the correct set of processes at the best time, and targeting the correct persons.

The innovation adoption process through the diffusion curve is a decision-making process in which an individual pass from the initial knowledge of an innovation to forming an attitude toward the innovation, to a decision to adopt or reject it, then to its implementation and the use of the new idea, and finally to confirmation of this decision. Product innovation is one of the ways through which the diffusion of innovation theory guides, insurance companies need to come up with products (policies) that are highly innovative in reaching the generation Y customers who have different preferences in life which highly contrasts with other generations. A company that can identify accurately the needs and wants of the generation Y can customize insurance covers that will be bought by the insurance companies.

2.2.2 Market Power Theory

Market Power Theory was developed by Jean Tirole when he began his research on regulation and oligopoly in the early 1980s. This theory postulates that markets can be dominated by either the customers or the companies. Companies that have market power can change the prices of the goods or services that they are providing

(Athanasoglou, Brissimis & Delis, 2017). These kinds of situations are found in imperfect markets. Imperfect markets allow the participants to have monopoly power. Perfect markets on the other hand are controlled by the forces of demand and supply. The participants in the perfect markets do not have any control over the prices they can charge for the goods or services and are therefore price takers. Such firms tended to gain larger market shares, which manifested in higher levels of market concentration, but without any causal relationship from concentration to profitability (Athanasoglou *et al.*, 2017). The scaling approach emphasized economies of scale rather than differences in management or production technology. Larger firms could obtain lower unit costs and higher profits through economies of scale. This enabled large firms to acquire market shares, which manifested in higher concentration and then profitability.

Athanasoglou *et al.* (2017) argue that profitability is a function of internal factors that are mainly influenced by management decisions and policy objectives such as the level of liquidity, provisioning policy, capital adequacy, expense management, and Sacco size, and the external factors related to industrial structural factors such as ownership, market concentration, and stock market development and other macroeconomic factors. The above theoretical analysis shows that the MP theory assumed profitability as a function of external market factors, while the ES and Portfolio theory largely assumed that Sacco's performance was influenced by internal efficiencies and managerial decisions (Olweny & Shipho, 2018). With regards to this theory, customer-oriented firms must lay greater emphasis on sufficient understanding of the needs of their target customers to deliver superior values for them. The theory applies to the current study because firms in a particular industry need to find a way of standardizing prices to serve a particular segment effectively, for instance, the insurance companies need to establish prices that fit well with Generation Y while selling them insurance covers.

2.2.3 The Resource-Based View

This theory was postulated by Penrose (1959) who suggests that performance is driven by the resource profile of the firm while the source of superior performance is

embedded in the possession and deployment of distinctive resources that are difficult to imitate (Wernerfelt, 2018). RBV proposes that firms achieve sustainable performance if they possess certain key resources and if they effectively deploy these resources in their chosen markets (Barney, 1991).

The resource-based view further stipulates the fundamental sources and drivers of firms' superior performance are mainly associated with the attributes of their resources and capabilities which are rare, valuable, difficult to imitate, and not substitutable. The resource-based view (RBV) of the firm proposes that firm performance depends on firm-specific resources and capabilities (Baker & Sinkula, 2017). Grant (1991) puts forth levels of durability, transparency, transferability, and replicability as the key RBV determinants. Amit and Schoemaker (1993) argue that complementarity, scarcity, low tradability, inimitability, limited substitutability, appropriability, durability, and the overlap with strategic industry factors constitute the key firm resources.

Intangible assets such as market orientation, knowledge management, and organizational learning allow firms to develop abilities that enhance competitive advantage leading to enhanced market performance. Firms' performance may be determined by the strategic resources it possesses. In relation to this study, this research hopes to shed light on the effect of marketing strategies on the acquisition of generation Y customers, whereby proper resources are utilized to enhance customer satisfaction. A company may own unique and well-established distribution channels that are hard for competitors to imitate which becomes a resource for the organization. Acquisition of generation Y customers to get insurance policies is not easy, therefore an insurance company requires a distribution channel that can reach the generation Y right at the point of their convenience. An insurance company that is, therefore, able to capitalize on a unique distribution channel will reap huge benefits from gaining a customer base to stay with for a decade because of the age of generation Y customers.

2.2.4 Theory of Planned Behavior

According to Ajzen (1980), the theory of planned behavior suggests that a person's

behavior is determined by his/her intention to perform the behavior and that this intention is, in turn, a function of his/her attitude toward the behavior and his/her subjective norm. The best predictor of behavior is intention. The theory of planned behavior consists of three variables. The first variable is an attitude towards the behavior (AB) and it describes how the consumer views the behavior in question. The second variable is subjective norms (SN), and it considers factors in the surroundings of the consumer, such as the viewpoint of friends and family.

Finally, there is the perceived behavioral control (PBC), which illustrates the ease of completion of the behavior that the consumer believes to have (Eide & Toft, 2016). The theory of planned behavior gives a complete framework for exploring the factors which influence the decision to engage in behavior related to environmental issues such as recycling and the same can be applied in systematically understanding different factors affecting the purchase behavior for environmentally sustainable products (Kumar, 2019). By understanding the behaviors of the generation Y a policy seller is, therefore, able to understand the different intentions and preferences of the customer, by so doing the company making the promotion can know how to catch the attention of its prospective customers. One of the ways of doing this is customizing the promotion in a way that gets the attention of the customers for them to pay attention where the policy sellers can sell the policies to the generation Y customers

2.2.5 Theoretical Model

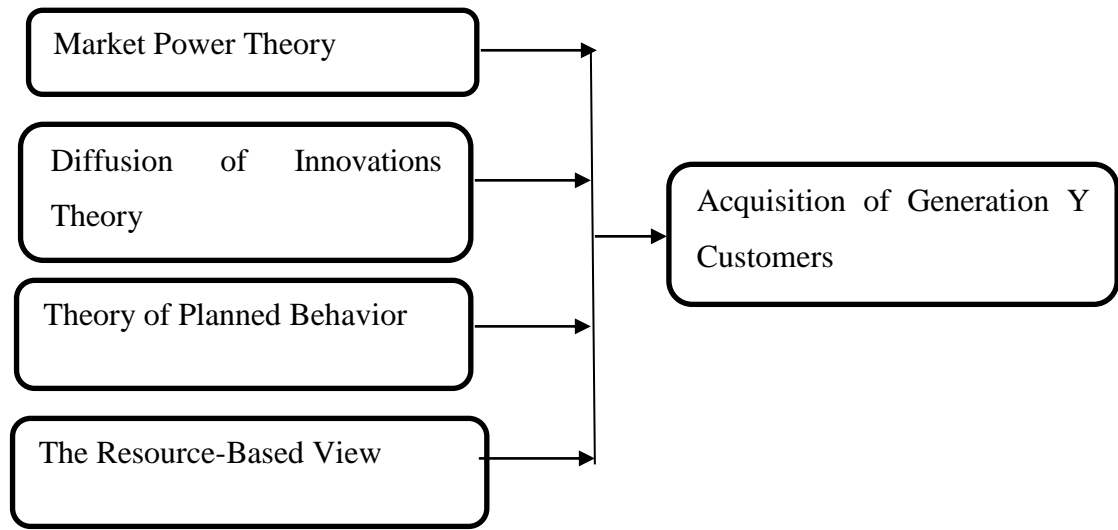


Figure 2. 1: Theoretical Model

2.3 Conceptual Framework

A conceptual framework is a model that presents and explains the relationship between various variables. In a conceptual framework, there are two types of variables: dependent variable and independent variable (Jabareen, 2016). In this study, the independent variables included product innovation strategy, pricing rationalization strategy, distribution strategies, and promotional strategies while the dependent variable was the acquisition of generation Y customers and the moderating variable was social media. The study conceptual framework established the direct effect of the independent variables (product innovation strategy, pricing rationalization strategy, distribution strategies, and promotional strategies) with the dependent variable (Acquisition of generation Y customers among insurance companies in Kenya). The conceptual framework also indicated the interaction of the moderating variable with each of the independent variables and the effect that such interaction had on the dependent variable (acquisition of generation y customers).

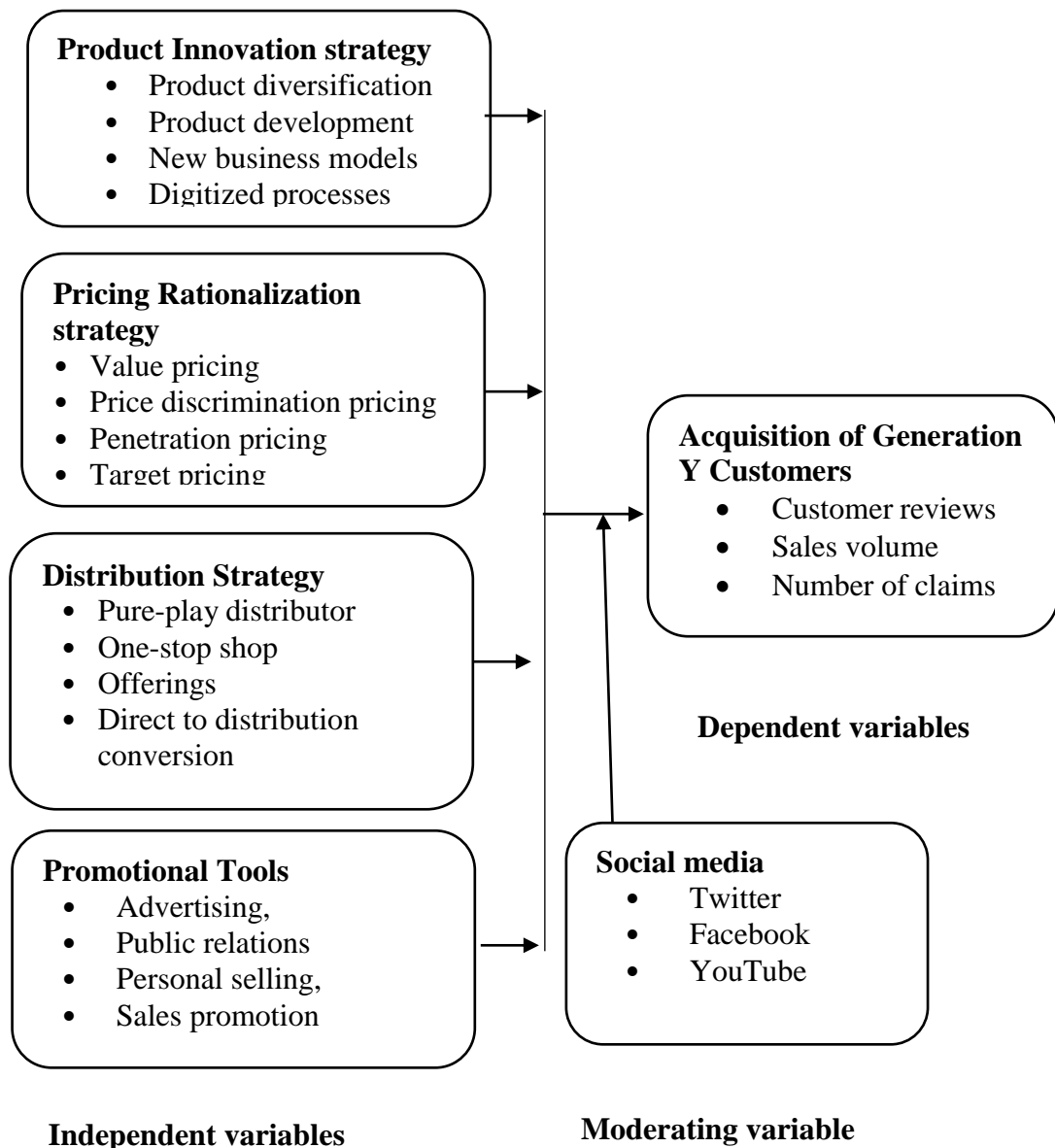


Figure 2.2: Conceptual Framework

Source: Modified Framework/Model

The variables are extracted from the studies conducted by the following scholars and reports: (Muda *et al*, 2016; Ordun, 2019; Rahman, 2019). The variables were tested and found to be reliable with Cronbach alpha vales above 0.7 by the previous scholars, the KMO tests conducted on the variables by the previous scholars also indicated that the indicators were valid for analysis, therefore the scholar choose these indicators after a thorough literature review of past scholars. Previous scholars

including Muda *et al*, 2016; Ordun, 2019; Rahman, 2019) used indicators given by the independent variables as well as the ones given by the dependent variables.

Models by the scholars where the conceptual framework was modified were as follows:

Muda *et al*, 2016: Y (online purchase intention among generation Y customers) = β_1 (perceived risk when buying) + β_2 (perceive the usefulness of product) + β_3 (perceived trust) + ϵ .

Ordun, 2019: Y (Loyalty among generation Y) = β_1 (price) + β_2 (Variety) + β_3 (Trend) + β_4 (advertisement) + ϵ .

Rahman, 2019: Y (Acquisition of generation Y customers) = β_1 (Facebook) + β_2 (Ads on website) + β_3 (Tv commercial) + β_4 (You tube) + β_4 (You Tube) + β_4 (Phone call) + ϵ .

2.4 Review of Literature on Variables

2.4.1 Product Innovation Strategies

In the marketing strategies, the product is also credited with the role of being the basic resource involved in the exchange process. A product in business may refer to a physical good or the service that the company deals in. Assuming marketing, the product is treated as given but also as being generic. Consequently, the product is seen as the result of a production system from which its features and value are independent, and it is regarded as an input in a user system that affects neither its features nor its value. In other words, there is no need to pay attention to the system that handles the product's supply and use. Instead, the focus can be concentrated on how the product is composed and presented by the producing company (Muda *et al.*, 2016).

There is a growing amount of evidence indicating that consumers are choosing products or avoiding others based on their impact on their preferences and taste. Product strategies that companies have employed to push market share include

coming up with differentiated products that are unique in the market (Ordun, 2019; Wedel & Kamakura, 2019).

Customers have shown that their purchase decisions can encompass factors that go beyond conventional processes to take into account, the externalities' involved in production. Thus, customers may reject a technically excellent product because they become aware of the harm caused in production or disposal, or because they disapprove of some activities of a producer, its suppliers, or investors. Overall, the products should communicate performance in their production and packaging, therefore the products should be produced from safe (Muda et al, 2016; Dangelico & Pujari, 2017). The products have to be developed depending on the needs of the customers who prefer friendly products. Consumers and product developers are put on board to bring out not only a unique product but one that meets the customized needs of the user. Product differentiation can be a key effort where firms differentiate the products using marketing practices. Eco-performance, therefore, is a key issue in differentiation where low performers become targets for new substitution in the market. Organizations identify customers' environmental needs and develop products to address these needs; or develop environmentally responsible products that have less impact than competitors. This increases the perceived quality of the firm's products, market share, as well as customer satisfaction.

2.4.2 Pricing Rationalization Strategies

Price is the reflection of the market forces and is defined as the sum of the values that customers exchange for the benefits of having or using the product or service (Ordun 2019; Wong *et al.*, 2018), pricing tactics normally change as the product or service goes through the product life cycle. Firms normally follow four types of strategies; premium pricing, good values, overcharging, and economy pricing strategy. Pricing is the most important aspect of the 4ps as it is a source of revenue unlike the other aspects of the marketing mix; promotion, place, and product as they are cost aspects. In theory, the price is the determinant of what customers perceive as the value of the item on sale therefore, an organization's pricing policy will vary according to time and circumstances. A sound pricing strategy determines the success of a product

however inefficient strategy will negatively impact the product and the organization in general (Kotler *et al.*, 2016).

Pricing strategies used ensures the success of market penetration and development. Premium pricing strategy means high-quality products and higher prices, which can be associated with luxurious goods, economy pricing strategy has a low-quality product or services and changes lower prices and maintains low costs (Bovay, 2017). Good value pricing offers high quality at an affordable price, whereas an over-charging strategy means that the product or service is relative to the quality service.

Firms dealing with innovative products can choose pricing as a strategy for market skimming or penetration strategy. Market skimming pricing is “setting a new price for products to skim extra revenues layer by layer from segments willing to pay high prices, the company makes fewer but more profitable sales” (Zaslow, 2016). Penetration pricing concentrates on low entry prices in comparison to the market price to attract customers (new brands). The price of an item is an important determinant of the value of sales made.

A lower price caused by cost savings will encourage consumers to buy a product. When the demand for a product is price responsive, a lower price will be a more successful strategy for the company. When the price is held at the same level, the positive properties of the product can be used as a competitive advantage element. In case the price of the product is higher, importance should be given to the promotion of differentiated products, and also there should be consumers ready to overpay for the product. In this case, the important thing is the level of price (Ertan & Eker, 2016). Grail Research surveyed 520 US consumers in June 2009. According to this study, consumers who never bought the products are deterred from purchasing them because they are perceived to be too expensive. Price is the main reason consumers choose not to buy products (Ordun, 2019; Grailresearch, 2017).

Price has an important influence on consumers’ product choice and represents the total value that consumers sacrifice to obtain the benefits or usefulness of a product or service (Kotler & Roberto, 2017). Pricing is one of the most challenging aspects of marketing given that if the higher costs involved in being eco-friendly are passed

on to the consumer, the organization is susceptible to accusations of exploiting consumers' aspirations and price undercutting from competitors (Peattie & Charter, 2017). Products tend to be perceived as being relatively costly and the prices typically are higher than conventional products because of the higher production costs that are involved (Chang, 2018). In the case of energy-saving products, the hurdle of non-competitive pricing may be overcome by stressing the cost savings to the consumer resulting from greater energy efficiency (Peattie & Crane, 2016).

Marketers to ensure that they communicate a clear and relevant benefit to consumers to mitigate the price issue, as Laroche *et al* (2018) found that consumers with a positive attitude towards environmentalism are willing to pay more for products. Peattie and Charter (2017) agree and indicate that a fundamental determinant of a willingness to pay a price premium for market offerings is the consumers' confidence in the environmental benefits rendered by the purchase of that offering. Price is a critical factor in marketing strategy. Most consumers will only be prepared to pay additional value if there is a perception of the extra product value. This value may be improved performance, function, design, visual appeal, or taste. Marketing should consider all these facts while charging a premium price. Pricing takes into consideration the people and profit in a way that takes care of the health of employees and communities and ensures efficient productivity. Value can be added to it by changing its appearance, and functionality and through customization.

When considering how pricing is approached in the marketing strategy model, once again the heritage of economic theory becomes clear. Due to the marketing assumption, it is solely through its price that a product can contribute to creating revenue. Kotler (2018) comments that price is the only element in the marketing mix that produces revenue; the other elements produce costs. According to traditional economic theory, however, a company does not have to worry about the price. The price of a product is independent of any individual user's preferences, and how the product is combined with other resources. The price is given by the interplay between supply and demand. Since markets are driven by prices. The price of a product usually covers the direct and indirect costs of production plus a profit margin to reward the investors and for reinvestment. The socio-environmental costs of

production, product use, and disposal are largely excluded from the price that consumers pay. The debate about the environment and marketing has been underpinned by an assumption that products will necessarily cost more, and by a discussion about how much premium the customers are willing to pay. However, evidence suggests that where a „clean technology“ approach is followed, developing new technologies from first principles, which reduce the inputs needed and the amount of pollution and waste produced, such initiatives can be cost-effective (Ismail & Safrana, 2019).

The price sometimes is relatively high because consumers are willing to pay extra for the product. The benefits accrue to firms because of low costs of production due to recycling and reusing the materials coupled with efficient use of resources. An acceptable price change is determined by the buyers' willingness and ability to purchase a product and the sellers' cost of producing and distributing the product. Often, products have higher initial out-of-pocket expenses but lower long-run costs (Polonsky & Rosenberg, 2018). A company on the other hand can, for example, save on costs due to the existing energy-efficiency features of a product. Price discrimination is a common method used by organizations where products are of different prices depending on the quality, thus products are of high quality and priced higher than similar products thus scooping the cr em of the market and eventually more profits for the organization. The organization can show that a portion of the price goes to a worthy cause such as scholarships, sponsorships, and donations to the needy in society. Welford (2018) points out that if social and environmental protection measures cost extra money, they can be passed on to consumers, making it clear that the price differential is a result of such improvements.

2.4.3 Distribution Strategies

The distribution represents the location where a product can be purchased. It can include physical as well as virtual stores. Some of the revolutions in marketing have come about by changing this marketing variable. In the sale of insurance policies virtual shops can be considered, besides insurance brokers and agencies are the ones mainly involved in the sale of insurance covers. Good choice of the distribution

channel to use is key to the market success. (Ordun, 2019; Kotler, 2018).

The choice of where and when to make a product available will have a significant impact on the customers a company attracts. Very few customers will go out of their way to buy products merely for the sake of it. Marketers looking to successfully introduce new products should, in most cases, position them broadly in the marketplace so that they are not just appealing to a small niche market, but the location must also be consistent with the image the company wants to project rather than being dominated or compromised by the image of the venue. The location must differentiate the company from its competitors. This can be achieved by in-store promotions and visually appealing displays or by the use of recycled materials that emphasize the environmental and other benefits (EPA, 2019).

The place or distribution element of the marketing mix refers to the activities an organization undertakes to make a product accessible to the organization's target consumers (Kotler, 2018). The major place decision facing organizations that aspire towards environmental sustainability is where to establish their production and distribution facilities (Ordun, 2019; Kotler, 2018). Achieving an optimal performance level in distribution represents a significant challenge.

In the marketing mix model, the place issue is equal to handling a distribution channel that brings the given product to its potential users, and the main task is to link an existing supply with existing demand. Since the distribution channel is a cost and a means that can create a certain outcome, attention is directed to how to balance it by choosing between different kinds of internal or external channel solutions and creating a suitable mix between it, the price, and the promotion of the product. In accordance with its heritage from traditional economic theory, in the marketing mix model's interpretation, the chosen channel is regarded as not influencing the resources distributed through it (Rahman, 2019; Bennett, 2016).

The place issue includes more than the question of how to connect a given supply with a given demand, as has been articulated by scholars engaged in environmental research. Although these research traditions represent a rather wide variety of approaches, emphasizing the role of competition as well as cooperation, they share

the common understanding that place is not only a cost driver but includes features that can create benefits. These benefits are mainly seen in the learning processes that can occur within special places, within environments where the traditional, anonymous market exchange due to proximity has been replaced by interaction and relationships (Scott, 2017).

The place-related qualities are nothing that grows out of special geographical areas where the traditional market exchange is played out in favor of relationships. Whether or not there is any geographical proximity between the parties engaged in the exchange process, the activated resources are characterized by place-related features. Any resource, a product, a production facility, a business unit, or a business relationship, can include place-related features. These can be both costs and benefits, depending on how resources are combined (Scott, 2017; Mbatia, 2019).

2.4.4 Promotional Strategies

An organization's promotional mix includes advertising, public relations, personal selling, sales promotion, and direct marketing (Rahman; 2019; Kotler & Roberto, 2017). The primary purposes of promotion are to inform target consumers about the organization's practices and market offerings and to persuade consumers to switch to offerings from conventional offerings (Peattie, 2016). Advertising, in particular, is used to encourage consumers to engage in pro- environmental behavior and to purchase market offerings (Rahbar & Wahid, 2018; Haytko & Matulich, 2018).

Promotion is the payable activities incurred by the sponsor to create awareness of new or existing products, enlighten the users on the benefits offered through the product, creating a positive image of the product and company in general, promotion also allows users to distinguish products from the competitors (Rahman, 2019; Kotler, 2018). Communication is an important tool in promotions henceforth the need to identify the appropriate channel of communication is compulsory, this calls for an integrated promotional strategy. Promotion as a tool develops market penetration as it defines the product category, for instance, it encourages the usage of a product by the users and also the creation of brand awareness, as it "speaks of market penetration in terms of brand awareness, brand recall, or some other

marketing-communication metric that reflects the share of mind. For example, an advertiser might recommend a new campaign as part of a market penetration strategy designed to increase brand awareness from 25% of the market to 40 % (Market Penetration, 2017).

A promotional strategy is a combination of channels used by firms to communicate to their targeted customers; the channels can be defined as internal and external channels. Internal channels consist of information whose source is from the organization on how to undertake the organization's activities for instance marketing and production. External channels are information that is derived outside the organization (Rahmen, 2019; Palmer, 2018; Haytko & Matulich, 2018:2).

Kotler (2018) stated that the relative importance of each of the promotional mix tools for industrial goods, in descending order, is: Personal selling, sales promotion, advertising, and public relations. They add that personal selling in such markets is more heavily used with expensive and risky products and in markets that have fewer and larger sellers, that's why insurance companies should consider this as an effective and direct method of selling the products. Intermediaries are used in the distribution channels as they create efficiency in providing products to end-users as these intermediaries are more specialized expertise.

Advertising is the mode of conveying information to the audience or users, in regards to the new or existing product to create the awareness, quality, and benefits of the product. According to observations, transformation in the advertising sector has improved from traditional to modern advertising where sophisticated, fast, and reliable forms are used. This includes media, newspapers, the internet, product placements, and billboards among others. Sales promotion is a marketing tool used to create value for the sales force, distributors, or ultimate consumer and can immediately stimulate sales. It can be categorized into two, consumer-oriented sales promotion. Consumer-oriented sales promotion concentrates on the end-user of the product; it includes free samples, premiums, couponing, and sweepstakes. Trade-oriented sales promotion as defined by the term trade targets the buyers in bulk for instance wholesalers, distributors, and retailers (Luck & Mathews,

2017).

Public relations aim at evaluating and identifying policies, attitudes, and perceptions of an organization regarding the public interest, this is important to the company as the focus is building the company's positive cooperative image with the society in general (public). The use of public relations as a promotional tool is highly increasing. Many firms are engaging in PR s a form of communication tool that could cover most of the marketing and advertising activities (Belch *et al*, 2018). Insurance is a sensitive business in Kenya, henceforth the promotional mix aspect of personal selling is the most convenient mode of sales execution.

Personal selling is face-to-face communication where a seller tries to persuade the buyer to buy the product or to initiate the buyer of the new product henceforth allowing them to act on the idea. As stated earlier in the text, personal selling is an effective method of promotion in markets dealing with expensive and risky products and in markets that have fewer and larger sellers, as the marketer has communication flexibility and immediate feedback is visible according to the buyers' reactions, which gives room for rectify the communication process and tune it in an appropriate manner (Rahman, 2019; Zaslow, 2016; Leonidou *et al.*, 2018).

Sales promotion of life insurance products put the agent on pure commission compensation. According to a study by Kamau (2016), promotion includes all activities the company undertakes to communicate and promote its products and services to the target market. Promotion represents the fourth element in the marketing mix commonly referred to as the 4P's of marketing. The promotion element comprises a mix of tools available for the marketer called the promotional mix. Life insurance companies employ these tools to reach their customers and persuade them to purchase their products. Belch and Belch (2018) (as cited in Kabui, 2017) define promotion as the coordination of all seller-initiated efforts to set up channels of information and persuasion to sell goods and services or promote an idea. While implicit communication occurs through the various elements of the marketing mix, most of an organization's communications with the marketplace take place as part of a carefully planned and controlled promotional program.

Ogutu (2016) points out that, the role of marketing in the organization is changing. Traditionally marketers have played the role of middlemen, charged with understanding customer needs. In a networked enterprise, every functional area can interact directly with customers and modern marketers of life insurance need to interact with the entire customer-facing process so that customers see a single face and hear a single voice when they interact with the firm. Sales promotion techniques tend to offset different behavior, varying from consumer to consumer. According to Gilbert and Jackaria (2017), the effects caused by sales promotion on buying behavior are brand loyalty, brand switching, purchase acceleration, stock piling, and product trial (Pollay & Mittal, 2016).

2.4.5 Social Media

Social media has allowed consumers the opportunity to become co-creators of marketing information and has driven a business model of customer interaction and user-generated content (Hanna & Rohm, 2018). Consumers of the Generation Y cohort also referred to as Millennials, include approximately 75 million Americans who have significant purchasing power (Tingley, 2019). They access social media daily and have a direct effect on how marketers successfully engage consumers on social media (Rahman, 2019; Smith, 2018).

Social media consumers in the Generation Y cohort consume a significant number of advertising messages, especially through social media (Wright, 2016). These consumers often multitask while using social networking and become skeptical and uninterested in engaging with advertisements on social media (Sashittal, Riramachandramurthy & Hodis, 2019). This requires marketers to overcome obstacles not only in reaching their target markets but also in capturing continuous engagement (Hanna & Rowley, 2018). The purpose of this qualitative phenomenological study was to explore social media marketing strategies that will allow marketers to successfully engage with Generation Y consumers. Generation Y, the generational cohort whose members were born after 1981, is the second-largest generational cohort in the United States, comprising approximately 75 million consumers (Rahman, 2019; Tingley, 2019). The cohort is made up of consumers in

the United States who have been able to access digital technology most of their lives (Williams *et al.*, 2019). As consumers, they are brand loyal, very conscious of fashion, and motivated by the establishment of trust with a brand (Noble, Haytko, & Phillips, 2016). They exhibit a strong reaction to a positive brand experience and will most likely become brand loyal when they have received a positive brand experience (Qader & Omar, 2016). More than consumers of other generations, they are most likely to support a brand that they find is socially conscious, when their social concerns align with the social concerns of that organization (Ashley & Tuten, 2019).

Generation Y has become an important target demographic for marketers because of the cohort's vast size and significant purchasing power via Social media (Tingley, 2019). These consumers have had a profound effect on marketers due to their regular use of and familiarity with social media (Smith, 2018). Despite their regular use of social media, Generation Y consumers rarely notice advertisements targeted at them in favor of paying attention to other Internet content (Hadija, Barnes & Hair, 2019). Lack of engagement in social media advertising creates a problem for marketers who are trying to capitalize on their social media usage. Facebook, LinkedIn, YouTube, and Twitter are examples of popular social media websites. Retailers, non-profit organizations, and manufacturers around the world use social media to market their products (Pate & Adams, 2016). When aligned with traditional marketing methods, social media can be an effective tool for marketers if the obstacle of engaging Generation Y is overcome (Kaplan & Haenlein, 2017). Social media presents a new opportunity for marketers to embrace their consumers. However, to be successful, an organization must stay connected and develop two-way communication with consumers to create a sense of value (Rahmen, 2019; Wright, 2016).

2.5 Empirical Review

Various studies have been conducted concerning marketing strategies; product innovation strategy, pricing rationalization strategy, distribution strategy, promotional strategy, and social media as discussed below.

2.5.1 Product Innovation Strategy

Saif (2019) studied how marketing strategy influences firm performance and the implementation of marketing strategy for firm success. The study was descriptive and involve 100 top SMEs in Saud Arabia. Variable in the study whose relationship with the organization performance was a promotion, pricing, distribution, and product standardization and adaptation have an impact on sales, customer acquisition, and financial performance of firms. The study revealed that differentiation strategies on products adopted by the different firms revealed a significant influence on the overall performance of the firm. Price strategies including target pricing revealed a positive but weak relationship with the organization's performance. the other variables dis not show any significant effect on the overall organization performance. Finally, the study revealed that the relationship between the study variables was mediated by marketing risk implementation success. The study is a proof that there at least exists some relationship between the study variable which is either significant and positive or a relationship that is not significant which to the current study is a plus because the researcher tries to establish the nature of the relationship between the study variables and the acquisition of customers, overall organization performance is comprised of measures such as market share or even sales revenues which the current study investigated indirectly by looking at the acquisition of generation Y customers among Insurance companies in Kenya.

Njoroge (2019) assessed the extent that which marketing strategies influenced the performance of small and medium enterprises in Matuu town, Machakos County, Kenya. To achieve the study objectives, the study used a cross-sectional survey research design with the population of interest comprising all the Small and medium enterprises in Matuu town, Machakos County. A representative sample of 86 SMEs was selected using simple random and stratified sampling methods. Data was collected using a semi-structured questionnaire which was administered to the owners and employees of the sampled SMEs. To establish the instrument reliability, the Cronbach Coefficient alpha (α) was used. The data collected was analyzed using a cross-sectional survey and inferential statistics using the statistical package for

social sciences (SPSS). To establish the relationship between the dependent variable (performance) and the independent variable the linear regression model was used. The study established that product innovation and technology-based innovation had a positive insignificant influence on the performance of SMEs in Matuu town. The study lays a foundation for the current study by looking at how product innovation strategies influenced the performance of small and medium enterprises, the current study looked at a service sector on how product innovation (insurance policies) as a marketing policy affected the acquisition of generation Y customers. Whereas this stud focused on the general population of consumers on the change in market share as a measure of organization performance, the current study looked at the generation Y consumer for an insurance company and looked at the number of customers attracted through claims paid as well as premium paid by the generation Y customers.

2.5.2 Pricing Rationalization Strategy

Lule (2018) studied the effectiveness of marketing strategies on the sales performance of pharmaceutical companies in Nairobi, Kenya. The study sought to establish the effectiveness of marketing strategies used by pharmaceutical companies operating in Nairobi on sales. A cross-sectional survey research design was used for the study. Towards this end, the study collected primary data from 38 multinational pharmaceutical companies operating in Kenya that employ pharmaceutical representatives and managers. The data was collected through the administration of questionnaires to the companies. The data collected was analyzed using SPSS. Cross-sectional survey statistics were used in the presentation and analysis of results. The study established that the companies used different pricing strategies including target pricing and value pricing in marketing. The other strategies which were not used quite often and thus their effect on sales were unknown included penetration pricing, economy pricing, skimming, etc. The current study by Lule (2018) is of value to the current study because it revealed different pricing strategies used by pharmaceutical companies. The different pricing methods also apply to insurance companies that can also use target marketing as well as target marketing or even skimming in the determination of prices to offer the policies to generation Y customers. However, this

study was conducted among physical product companies, the current study is on a service (insurance policy)

Kadzo (2019) looked at marketing strategies used by insurance companies in Kenya to manage service quality among customers. The study adopted a cross-sectional survey targeting staff in the marketing departments of the 41 insurance companies operating in Kenya. The study carried out a census of all the staff within the department of marketing in 41 insurance companies. This study utilized a questionnaire as the data collection tool. Data collected was analyzed through cross-sectional survey statistics with the help of SPSS version 18. It was established that several insurance companies used marketing strategies including promotion and pricing strategies to a little extent due to internal and external challenges in the business environment like high costs associated with marketing the insurance products or services, inadequate training of staff on customer care relations by the insurance firms and ineffective policies formulated by Association of Kenya Insurers and the government posed a major challenge to the growth of insurance companies in Kenya. The study was conducted in the Insurance sector in Kenya, the study also identified pricing as one of the strategies used by insurance companies to win customers. The study was, however; did not consider the moderating role of other variables such as the use of social media.

Kihagi (2019) focused on the influence of marketing strategies on purchase behavior in the insurance industry using a case study of Jubilee insurance. The research design used was a case study. The study used primary data and an interview guide to collect data. Content analysis was used to analyze the responses; the data was transcript and organized by systematically analyzing the transcripts. The study revealed that pricing strategies adopted by Jubilee Insurance Company significantly influenced purchasing behavior of its customers. The study however only related to a direct relationship between pricing and purchasing behavior. Purchasing behavior is not only influenced by prices there are other variables that determiners prices decision. Besides, the relationship between the prices that are offered by the insurance company can be intervened or moderated by other variables to the which variables affects purchasing behavior in insurance companies. The case study of just one insurance company is

also not adequate several companies can be evaluated and key determinants of the marketing mix established as to whether they affect customer acquisition or market share. The study considered general respondents without segmenting them according to their age and preference. Consumers of different age groups Xers or even Yers have different preferences.

2.5.3 Distribution Strategy

Akinyele (2019) researched strategic marketing strategies and the performance of firms in the Nigerian Oil and Gas Industry. The specific objectives of the study included determining how the industry environmental performance indices affected the various strategies and factors of Nigerian oil and gas marketing companies; determining how inter-industry marketing commitment and company goal actualization could affect the performance of Nigerian oil and gas marketing companies. This study adopted a survey research methodology to examine the strategic marketing strategies of Nigerian oil and gas marketing companies in an attempt to attain their desired level of performance. Three hundred and forty-one (341) respondents were chosen from the target population of two thousand three hundred (2310) through stratified random sampling. Out of the 341 copies of the questionnaire given out, two hundred and eighty-six (286) copies representing 83.87% of responses were received for analysis. Two hypotheses were formulated from the research questions. Analysis of Variance, Pearson Correlation Analysis, and Factor Analysis among other statistical tools were used in testing the hypotheses. The overall results suggest that strategic marketing strategies were a driver of organizational positioning in a dynamic environment and that it helps to enhance the development of new products/services for existing markets.

Al-Debi and Al-waely (2019) focused on the effect of services marketing mix dimensions on attracting and retaining customers using the Case of Jordanian Insurance Companies. This study aimed at diagnosing services marketing mix dimensions and their effects on attracting and retaining customers. The questionnaire was distributed to 150 customers from 15 different companies; 107 questionnaires were returned and 100 of them were usable. The study used SPSS to analyze the

results to reach the result that attractive distribution strategies significantly and positively affected customers attraction and retention, the strategies adopted by the companies include: online virtual shops and the use of insurance agents and brokers. The research recommended that the insurance companies should foster and enhance the process of retaining the current customers and searching for new ones. Also, providing new services that meet and exceed the customers' needs achieves mutual benefits for both companies and customers. The study was able to identify some distribution strategies including the use of virtual shops and the hiring of competent insurance agents as some of the sub-variables for distribution strategies in an insurance company. The study, however, was carried out outside the Kenyan location and investigated the general population of policy holders and not the generation Y. The study also did not consider the moderation of other variables which was covered by the current study by analyzing the effect that social media as moderators has on the effect of marketing strategies and the acquisition of generation Y customers.

2.5.4 Promotional Strategy

Magunga (2017) did a study on the effects that marketing strategies have on the performance of insurance companies in Kenya. The study's purpose was to establish the effect of direct selling on the performance of insurance companies in Kenya. The data was collected from the marketing managers of all the insurance companies to gain a wide representation of the sector. In all, 43 self-administered questionnaires were distributed among the marketing managers. For purposes of this study, the output of the insurance was market share, sales volume, penetration levels, and pre-tax profits. The study revealed that insurance companies used direct selling in the promotion of their products. The study revealed a significant positive relationship between direct selling and the dependent variables (market share, sales volume, and sales volume), However, the study revealed a statistically insignificant effect of direct sales on market penetration. The study revealed direct selling as a variable under promotion strategies among insurance companies in Kenya. However, the study was not moderated by any variable, because the study only studied the direct link between sales promotion and market share. There are other sub-variables not included in the study under promotion strategies that will be included in the study

including advertising, public relations, and sales promotion.

Mbatia (2019) focused on studying the effects that advertising as a marketing strategy had on the performance of the Heineken brand in Nairobi's central business district (CBD). The study used a cross-sectional survey research design. A cross-sectional survey was undertaken to ascertain and be able to describe the characteristics of the variable of interest in the study. The population of interest was made up of outlets selling premium beer within Nairobi CBD. The number of outlets selling premium beer in Nairobi CBD was 258 outlets. The cluster sampling survey method was used in this study. There were four clusters based on the geographic location of the outlets namely: North, South, East, and West of the Tom Mboya monument on Moi Avenue. The researcher randomly selected 15 outlets from the cluster. Data was collected using a semi-structured questionnaire. The respondents were outlet managers within Nairobi CBD. Data was analyzed using SPSS. Results of the study revealed that advertising through television media significantly increased the market share of the Heineken brand in Nairobi county. This revealed advertising as one of the measures of promotion used in increasing the acquisition of customers or market share. The study was, however, conducted in a physical product industry (Heineken), the study also focused on the direct relationship between advertising and the independent variable and market share as the dependent variable, therefore the study ignored the effect of the moderator in the relationship.

2.5.5 Social Media

Gajanayake (2019) reviewed the impact of social media marketing through the use of Facebook and YouTube marketing and the behavior of small and medium enterprises on their business growth. This study was based on secondary and primary data. Primary data was collected through the method of sample survey and for this purpose a structured questionnaire was used as the research instrument. Data was gathered by a sample of 100 entrepreneurs in the Gampaha district who were engaged in the manufacturing sector. Both cross-sectional survey statistics and inferential statistics such as correlation, and partial correlation were applied through SPSS to test the validity of formulated hypotheses. The findings revealed that there was no significant

impact of social media marketing strategies on their business growth.

Nkonyo (2019) studied the influence of social media on customer acquisition of crop insurance in Narok County, Kenya. The research adopted a cross-sectional survey design to collect quantitative and qualitative data. This was preferred as it could enable the researcher to obtain complete and possible accurate information. A sample of 25 crop insurance firms and agents was used to collect data by use of questionnaires. The data collected was then analyzed by use of SPSS to show correlations. The presentation of data was by tables and means. The findings were analyzed using Pearson correlation statistics. The findings showed that there is a strong correlation between social media marketing and market customer acquisition of crop Insurance in Narok County, Kenya. The study also revealed that the relationship between social media marketing acquisition of customers was moderated by customers' characteristics in terms of size of their assets, type of crops insured, and geographical location of the farmer. This study shows that there exists a significant relationship between social media and customer acquisition. The study revealed that a moderator can be used for better prediction of the results. However, this stud only focused on crop insurance. The current study considered insurance companies in Kenya and more specifically to it on the generation Y customers. Social media will also moderate the relationship between marketing mix strategies and the customers' Yers acquisition among insurance companies.

Ong'ong'a (2018) examined the effect of social media marketing in gaining market share by insurance companies in Kenya. The study was carried out in all the 47 insurance companies in Kenya and data was gathered and cross-sectional survey statistics of Mean, Frequency, and percentages were done on the characteristics of the respondent, and regression analysis was used to measure and predict the relationship between the predictor variables and the dependent variable. The findings of the study are significant in enabling the organizations in the Insurance industry to develop appropriate marketing strategies to gain a competitive edge in the market and enlarge the organization's market share and grow the insurance industry revenue. The study however considered social media as an independent variable. The study also considered the general population without any segmentation of the customers.

The current study considered Social media as an important moderator of the relationship between marketing strategies and the acquisition of generation Y customers among insurance companies in Kenya.

2.6 Critique of the Existing Literature Relevant to the Study

The existing empirical studies illustrate the relationship between marketing strategies and the performance of an organization in terms of market share, general sales performance or even, net profits, and market penetration. The existing literature points out that there exists a positive relationship between product innovation strategy and organizational performance: Saif (2019) on marketing strategy influences firm performance and implementation of marketing strategy for firm success; Njoroge (2019) marketing strategies influenced the performance of small and medium enterprises in Matuu town, Machakos County, Kenya. These studies lay a foundation on how the dependent variable product innovation strategy is measured through market share or even sales revenues which the current study investigated indirectly by looking at the acquisition of generation Y customers among Insurance companies in Kenya as shown by Saif (2019). The study also revealed that product innovation can be measured by the extent of product differentiation as given by Njoroge (2019). However, these two studies did not consider a moderating variable in the study to establish more than the direct relationship between the independent and dependent relationship. The sector identified by the studies as well as the targetted case studies were different from the study. Whereas these two studies focused on a physical product the current study focused on a service (insurance cover), besides the studies. The two studies were also on the general population as the market the current study looked specifically at generation Y as the specific market segment under scrutiny.

On the effect of price standardization on performance two studies were discussed (Lule, 2018; Kadzo, 2019). Lule (2018) studied the effectiveness of marketing strategies on the sales performance of pharmaceutical companies in Nairobi which is of value to the current study by revealing different pricing studies such as target pricing and skimming. Kadzo (2019) on the other hand looked at marketing

strategies used by insurance companies in Kenya to manage service quality among customers. The study established a direct positive relationship between pricing and purchasing behavior. The study by Kadzo (2019), revealed that there are past scholars who have as well looked at marketing strategies among the insurance companies in Kenya. These studies, however, do not exhaust the pricing employed by companies. Whereas the study by Lule (2008) was on a physical product, drugs, the current study looked at an insurance company on the acquisition of generation Y, the study also lacks a moderating variable, it is only a study focusing on independent vs dependent variable. A study by Kadzo (2019) even though conducted among insurance was only conducted on a direct relationship between an independent variable (price) and a dependent variable (purchase behavior). The study also focused on general customers without segregating them according to age segment. The current study premised on social media as an important moderator of the relationship between marketing strategies and the acquisition of generation Y customers.

The other study focuses on the effect of distribution strategies and the performance of Al-Debi and Al-waely (2019). Al-Debi and Al-waely (2019). effect of services marketing mix dimensions on attracting and retaining customers using the Case of Jordanian Insurance Companies. The study was able to identify some distribution strategies including the use of virtual shops and hiring of competent insurance agents as some of the sub-variables for distribution strategies in an insurance company. The study, however, was carried out outside the Kenyan location and investigated the general population of policy holders and not the generation Y. The study also did not consider the moderation of other variables which were covered by the current study by analyzing the effect that social media as a moderator has on the effect of marketing strategies and the acquisition of generation Y customers.

The relationship between the promotion strategy and the performance studies by both Magunga (2017) and Mbatia (2019) was presented. Magunga (2017) did a study on the effects that marketing strategies have on the performance of insurance companies in Kenya whereas focused on studying the effects that advertising as a marketing strategy had on the performance of the Heineken brand in Nairobi central business district (CBD). A study by Magunga (2017) revealed both significant and

insignificant relationships between direct selling strategies and different measures of performance. A significant relationship was revealed between direct selling and (market share, sales volume, and sales volume) whereas an insignificant one was revealed between direct selling and market penetration. The study revealed that there were studies by past scholars on the insurance sector. However, the current study differs from the current one because the study was not moderated by any variable, the study only studied the direct link between sales promotion and market share. There are other sub-variables not included in the study under promotion strategies that will be included in the study including advertising, public relations, and sales promotion. The study by Mbatia (2019) was able to reveal advertising as a variable in promotion strategy, however, the study differs from the current study because it was on a sector offering a physical (Heineken) and not a service, besides the study did not moderate the relationship between the independent and dependent available.

Studies on the effect of social media on the performance of organizations were presented by three scholars: Gajanayake (2019), Nkonyo (2019), and Ong'ong'a (2018). Gajanayake (2019) reviewed the impact of social media marketing through the use of Facebook and YouTube marketing and the behavior of small and medium enterprises on their business growth; Nkonyo (2019) on the other hand looked at the acquisition of insurance policies among crop farmers in Narok county; Fianny Ong'ong'a (2018) looked at how social media influenced market share among insurance companies in Kenya. Gajanayake (2019)

The findings revealed that there was no significant impact of social media marketing strategies on their business growth. Nkonyo (2019) revealed that the relationship between social media marketing acquisition of customers was moderated by customers' characteristics in terms of size of their assets, type of crops insured, and geographical location of the farmer. A study by Nkonyo (2019) is a revelation that a moderator can be used in moderating relationships between independent and dependent variables. However, this study only focused on crop insurance. The current study considered insurance companies in Kenya and more specifically to it on the generation Y customers. The current study is premised on the moderating effect of social media on the effect of marketing mix strategies on the acquisition of

generation Y customers.

2.7 Research Gaps

The inconsistencies and conflicting results in the relationship between the marketing mix variables and the acquisition of customers are the foundation for the current study gaps. Whereas some studies were conducted outside the insurance sector Njoroge (2019) assessed the extent that which marketing strategies influenced the performance of small and medium enterprises in Matuu town, Machakos County, Kenya; Lule (2018) studied the effectiveness of marketing strategies on the sales performance of pharmaceutical companies in Nairobi, Kenya whereas Mbatia (2019) focused on studying the effects that advertising as marketing strategy had on the performance of the Heineken brand in Nairobi central business district (CBD). The current study looked at the effect of marketing mix strategies on the acquisition of specifically generation Y customers among insurance companies in Kenya which was not covered by the other scholars.

Even though some of the existing studies were in the insurance sector they either did not moderate the relationship between the independent and dependent variables or generally considered the customers without segmentation according to age eg generation Y or X. Kadzo (2019) looked at marketing strategies used by insurance companies in Kenya to manage service quality among customers; Al-Debi and Al-waely (2019) focused on the effect of services marketing mix dimensions on attracting and retaining customers using the Case of Jordanian Insurance Companies which was even outside Kenyan Scope whereas Magunga (2017) did a study on the effects that marketing strategies have on the performance of insurance companies in Kenya. The current study filled these gaps by moderating the relationship between the marketing mix strategies on the acquisition of specifically generation Y customers with social media.

Whereas no studies found significant relationships others did not find any significant relationships these results could be a result of ignoring a moderating variable which improves the prediction of the variables. The lack of moderating variables compromises the model fitness and should not be ignored, the more reason the

current study used social media as a moderator in defining the relationship between the marketing mix strategies and the acquisition of generation Y customers among insurance companies in Kenya. Results presenting insignificant findings was by Magunga (2017) did a study on the effects that marketing strategies have on the performance of insurance companies in Kenya the study revealed a statistically insignificant effect of the direct sale on market penetration whereas the study by Mbatia (2019) focused on studying the effects that advertising as marketing strategy had on the performance of the Heineken brand in Nairobi central business district (CBD where he revealed that advertising had a significant and positive effect on gaining market share. Despite, the two studies being carried out on the effect of promotion on market share/penetration they posited contradicting findings.

Previous studies in the literature were also conducted on univariate relationships (simple regression models only) such as the relationship between one of the independent variables and the dependent variable only. The current study looked at the relationship between the univariate variables as well as a multivariate variable (all the four marketing mix strategies and the acquisition of generation Y customers among insurance companies in Kenya). The study also went ahead to moderate the relationship between the marketing mix strategies and customer acquisition with social media as a joint model.

2.8 Summary of Literature Reviewed

Previously various studies have been carried out on marketing strategies such as Gajanayake (2019) established the impact of marketing strategies and behavior of Small and Medium Enterprises on their Business Growth. Kyeva (2016) surveyed the marketing mix used by life insurance companies in Kenya. Nkonyo (2019) studied the determinants of marketing strategies of crop insurance in Narok County, Kenya. Kadzo (2019) studied marketing strategies used by insurance companies in Kenya to manage service quality among customers. Aswani (2017) established the effects of marketing strategies on the performance of insurance companies in Kenya. These studies adopted a descriptive research approach using a quantitative approach. Moreover, they used a census sampling method which was not the case in the current

study. in responding to the challenges of the HIV/AIDS pandemic.

These studies found that most insurance companies in Kenya provide both life and general insurance products and 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. It is clear that Generation Y is a unique group and can be forgotten more often when creating products of their age group. It has also been found in several of these studies that they 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.

Kihagi (2019) focused on ascertaining the influence of marketing strategies on purchase behavior in the insurance industry: a case study of Jubilee insurance. Ong'ong' a (2018) established the effect of marketing strategies in gaining market share by insurance companies in Kenya. Akinyele (2019) researched Strategic Marketing Strategies in the Performance of Firms in the Nigerian Oil and Gas Industry. Al-Debi and Al-waely (2019) established the Effect of Services Marketing Mix Dimensions on Attracting Customers and Retaining Them: The Case of Jordanian Insurance Companies. Lule (2018) studied the effectiveness of marketing strategies on the sales performance of pharmaceutical companies in Nairobi, Kenya. Njoroge (2019) assessed the marketing strategies and the performance of small and medium enterprises in Matuu town, Machakos County, Kenya. Mbatia (2019) established the effects of marketing strategies on the performance of the Heineken brand in Nairobi Central Business District (CBD). In these studies, the products were mainly marketed through mobile sales and tied agents. These were the most important distribution channels to generation Y. Further, the companies leveraged technology to distribute their products, especially through the use of company websites, social media, and mobile phones. Most of the companies studied also Kenya undertook a combination of product as well as company branding. Nevertheless, most of them 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. However, these studies were conducted in a different context to that of this study that was carried out among insurance companies in Kenya.

Chapter two presented the empirical, theoretical as well as the conceptual framework of the study where the scholar was able to develop indicators for the variables in the study as well as showing in a diagram the direct relationship between the four independent variables as well as the effect of the control/moderating variable between the independent and dependent variables. The chapter was also able to indicate that there exist methodological, conceptual as well as contextual research gaps through a critical review of previous studies conducted by other scholars globally, in the region as well as locally. The following chapter on research methodology presented how the research will be approached in terms of the research design, population targetted by the study, sampling techniques, and sample size. Besides, the chapter presented how the data was collected and analyzed as well as how it was presented.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out various stages and phases that were followed in completing the study. It describes the methods that were used in the collection of data pertinent to answering the research questions. The following subsections are included; research design, target population, sampling design, data collection instruments, data collection procedures, and finally data analysis.

3.2 Research Philosophy

Research philosophy relates to how knowledge is developed and the nature of the knowledge as well researchers view the world through assumptions. The four major branches of research philosophy are; realism, interpretivism, positivism, and pragmatism (Saunders, 2007). According to Bhaskar (2014), a researcher applies a philosophy depending on what needs to be achieved and the nature of the study under scrutiny.

According to Williams (1998), positivism is concerned with facts and not the impression which mainly comes from the observable social reality. In conducting the research the researcher is not affected nor does he/she affect the research outcomes in any way, therefore independence of the research is realized. Therefore research designs such as descriptive and cross-sectional analysis are premised on positivism because data from the field is collected and reported as it is without manipulation with a pre-designed research instrument. The positivism normally assumes that the reality is objectively given and there exist measurable indicators of the phenomenon which is independent of the researcher as well as the instrument that is used in the research by the researcher. According to Baroudi (2021), positivism is used to test for theories to help in the improvement of predictability in understanding a phenomenon at hand. The main emphasis of the positivism approach is on making the observation that is quantifiable to build the statistical relationship in cause-effect

research. Quantifiable data from large samples enables the researcher to test for hypotheses in correlations and regression analysis as well as tests of theories as to whether findings support a theory or bring divergent views. Positivism is used where data is easily quantifiable to test for hypothesis and draw inferences from a given sample about a certain population. Therefore, the current study will have premised on positivism because it tested several hypotheses from the given variables with quantified data.

3.2.1 Research Design

This refers to the overall plan of conducting the study to answer the research questions and achieve the objective of the study. Orodho (2018) defined a research design as the scheme, outline, or plan that is used to generate answers to research problems. The study adopted a descriptive research design aimed at investigating marketing strategies and the acquisition of generation Y customers among insurance companies in Kenya. Thus, this approach was suitable for this study, since the study intended to collect comprehensive information through descriptions that helped identify variables. The descriptive research design was used to describe the characteristics of a population or phenomenon being studied and describe "what exists" concerning variables or conditions in a situation. Shield and Rangarjan (2016) indicated that descriptive research design is used to describe the characteristics of a population or a phenomenon being studied. Descriptive research design is also appropriate in the collection of data for both the dependent and the independent variables. Orodho (2018) indicated that the descriptive research method is appropriate when the researcher wants to collect data that describes the peoples' opinions by directly asking questions to the respondents. Positivism research philosophy held that with descriptive research a researcher can test for hypotheses from quantified data, therefore with descriptive research design, the researcher was able to test for hypotheses.

Shields and Rangarjan (2016) further posited that descriptive research design is used to answer research questions: What is happening? How is something happening? Why is something happening? The choice of this design is appropriate as it would

achieve the research objectives by describing the data and characteristics of the population of the phenomenon being studied.

3.3 Target Population

Mugenda and Mugenda (2017) define a population as an entire group of individuals, events, or objects having a common observable characteristic. According to Pole and Lampard (2017), a target population is classified as all the members of a given group to which the investigation is related, whereas the accessible population is looked at in terms of those elements in the target population within the reach of the study. The target population in statistics is the specific population about which information is desired. The unit of analysis was all the Registered Insurance Companies while the unit of observation was the top management employees from the marketing, claims, and operations departments since they are well conversant with the marketing strategies and acquisition of customers in their organization. According to IRA (2017), there are 55 Registered Insurance Companies in Kenya. Therefore, the target population was 280 top management employees from marketing, claims, and operations departments in the 55 Insurance Companies in Kenya.

Table 3.1: Target Population

Department	Total Number
Marketing	93
Operations	95
Claims	92
Total	280

Source: AKI (2018)

3.4 Sampling Frame

Bryman and Bell (2019) define a sample frame (also known as a working population) as a portion of the population from which the sample size will be chosen and excludes subjects in the population who cannot be accessed or interviewed by the researcher. Since this study was interested in the marketing strategies used by insurance companies in Kenya in acquiring generation Y customers, the sampling

frame was a list of all 280 top management employees in marketing, claims, and operations departments in the 55 insurance companies in Kenya (IRA, 2017).

3.5 Sample and Sampling Technique

According to Kombo and Tromp (2018), the rule of the thumb is to obtain as big a sample as possible. Taking a population size of 280 to represent the entire population of the insurance companies, the researcher adopted the Yamane formula (1967). According to the Yamane formula (1967), the size of a sample for a particular study was calculated as follows:

$$n = N / (1 + N e^2)$$

N= Population targeted (280)

e = Margin error (0.05)

In this study, the size of the sample will be computed at a significance level of 5%. In this study the size of the sample is

$$n = 280 / (1 + 280 (0.05^2)) = 165$$

The sampling technique refers to the method of investigation that a researcher employs to strategically investigate a population. The study used a stratified random sampling technique to select the sample size for the study while simple random sampling was used in the picking of participants. Simple random sampling is used where all subsets of the frame are given an equal probability and stratified random sampling while stratified random sampling technique is used where the population embraces several distinct categories, and the sampling frame can be organized by these categories into separate "strata." Each stratum is then sampled as an independent sub-population, out of which individual elements can be randomly selected. The strata in this case were the three departments (marketing, claims, and operations).

Table 3.2: Sample Size

Department	Total Number	Ratio	Sample size
Marketing	93	0.589	55
Operations	95	0.589	56
Claims	92	0.589	54
Total	280		165

Source: Researcher (2022)

3.6 Data Collection Instruments

The study collected primary data using a semi-structured questionnaire. Kothari (2019) explained that primary data is data that is used for a scientific purpose for which it was collected. Closed-ended questions were used to conserve time and money as well as to facilitate an easier analysis as they were in immediate usable form (Sproul, 2018).

These secondary sources of data included reports, published financial statements, and news articles. Secondary data was also obtained from peer-reviewed journals; reviews of books, articles in journals or professional literature, research studies, and Web-published materials that related to the research questions. This information was readily available from authentic sources and also suitable and adequate.

3.7 Data Collection Procedure

The study used primary data. Questionnaires were used to collect primary data. The researcher administered the questionnaire individually to all respondents. Care and control by the researcher were exercised to ensure all questionnaires issued to the respondents were received. To achieve this, the researcher maintained a register of questionnaires, which was sent and received. The questionnaire was administered using a drop and pick later method to the sampled respondents.

Both Primary and secondary data collection methods were used. Primary data was collected using the interviewer-administered questionnaires method and self-administered questionnaires; while secondary data was collected through a desktop

review of secondary data, both from the theoretical and empirical literature. The researcher personally administered the questionnaires to the respondents in personal interviews; drop and pick the questionnaires; or use Emails to send and receive feedback.

3.8 Pilot Testing

In this study, the researcher piloted the research instruments. The purpose of the pilot testing was to establish the validity and reliability of the research instrumentation (Joppe, 2016). From the pilot results, reliability and validity were tested. The quality of research instruments determines the outcome of the study. The pilot test was conducted in 5 insurance companies which represent 10% of the 55 insurance firms ($10\% * 55 = 5$) where top-level management employees in marketing, claims, and operations departments were involved. This number represented approximately 10 percent of the sample size, which according to Joppe (2016), 1-10% of the study sample is adequate for a pilot test. The pilot group was selected randomly. Sekaran and Bougie (2017) recommended that the questionnaire pre-tests be done by personal interviews to observe the respondent's reactions and attitudes. All aspects of the questionnaire were pre-tested including question content, wording, sequence, form and layout, question difficulty, and instructions. The feedback obtained was used to revise the questionnaire before administering it to the study respondents.

3.8.1 Validity of Research Instrument

Content validity that was employed by this study is a measure of the degree to which data collected using a particular instrument represents a specific domain or content of a particular concept. Experts' opinions were requested to comment on the representativeness and suitability of questions and give suggestions for corrections to be made to the structure of the research tools. To establish the validity of the research, instrument the researcher sought the opinions of experts in the field of study especially the lecturers and supervisors in the department of business administration. This helped to improve the content validity of the data that was collected. It also facilitated the necessary revision and modification of the research instrument thereby enhancing validity. In addition, factor analysis was computed for

all the study parameters to check for the construct validity of the research tool.

3.8.2 Reliability of Research Instrument

Reliability is achieved when the same research process is repeated and reproduces results within stated confidence limits. Eriksson (2019) states that the reliability of an investigation is satisfying if another researcher can conduct the same research and draw the same conclusions. Reliability is concerned with estimates of the degree to which a measurement is free of random or unstable error. Reliable instruments are robust and they work well at different times under different conditions (Welman & Kruger, 2018). This has to do with the ability of research finding to replicate themselves if a parallel study is conducted. Thus, to ensure the finding of this research the Cronbach Alpha was used to test the reliability of questions asked for this research. The alpha value ranges between 0 and 1 with reliability increasing with the increase in value. A coefficient of 0.7 is a commonly accepted rule of thumb that indicates acceptable reliability (Sekeran, 2017). The reliability coefficient of the research instrument was assessed using Cronbach's alpha (α) which was computed as follows:

$$A = \frac{k}{k-1} \times [1 - \frac{\sum (S^2)}{\sum S^2_{sum}}]$$

Where: α = Cronbach's alpha

k = Number of responses

$\sum (S^2)$ = Variance of individual items summed up

$\sum S^2_{sum}$ = Variance of summed up scores

3.9 Data Analysis and Presentation

After collecting all the data, the process of analysis began. To summarize and rearrange the data several interrelated procedures are performed during the data analysis stage (Zikmund, Babin, Carr & Griffin, 2019). This process was important as it made data sensible. The data analysis tool that was used was dependent on the

type of data to be analyzed depending on whether the data was qualitative or quantitative.

3.9.1 Descriptive Analysis

The quantitative data in this research was analyzed by descriptive statistics using IBM Statistical Package for the Social Sciences (SPSS) version 25. This version was used since it was the most recent version of SPSS and hence it had advanced features. Descriptive statistics included mean, frequency, standard deviation, and percentages to profile sample characteristics and major patterns emerging from the data. In addition to measures of central tendencies, measures of dispersion and graphical representations were used to tabulate the information. To facilitate this Likert Scale was used to enable easier presentation and interpretation of data. Data was presented in tables, charts, and graphs. Content analysis was also used in processing this data and the results were presented in prose form. The analyzed data was then interpreted and presented in frequency tables, bar charts, graphs, and pie charts.

3.9.2 Diagnostics Tests

This study tested for normality, heteroscedasticity, and autocorrelation. Normality is important in knowing the shape of the distribution and helps to predict dependent variable scores. Heteroscedasticity means a situation in which the variance of the dependent variable varies across the data, as opposed to a situation where Ordinary Least Squares, OLS, makes the assumption that $V(\epsilon_j) = \sigma^2$ for all j , meaning that the variance of the error term is constant (homoscedasticity). Heteroscedasticity complicates analysis because many methods in regression analysis are based on an assumption of equal variance (Park, 2018). Autocorrelation refers to the correlation of a time series with its past and future values (Box, 2016). The autocorrelation function can be used to detect non-randomness in data and also to identify an appropriate time series model if the data are not random.

To test normality, heteroscedasticity, and serial correlation (autocorrelation) of regression residuals, this study used the Jarque-Bera test, which, unlike most other

tests, did not tend to reject the null hypothesis when N becomes large (Jarque & Bera, 2018). This study also tested for multicollinearity. Multicollinearity is the undesirable situation where the correlations among the independent variables are strong (Belsley, Kuh & Welsch, 2018). To test for multicollinearity, correlations between all pairs of independent variables were computed. If some r was close to 1 or -1, one of the two correlated independent variables would be removed from the model. Another method was by use of the Variance Inflation Factor (VIF). This measured multicollinearity in the model. If no two independent variables were correlated, then all the VIFs were above 1. If VIF for one of the variables was around or greater than 5, there was multicollinearity associated with that variable. In this case, one of these variables must be removed from the regression model (Cohen, Cohen, West & Aiken, 2017).

Table 3.3: Summary of the Diagnostics Tests

Test	Significance	Test used	Conclusion
Normality	Help in knowing the shape of the distribution and helps to predict dependent variables scores	- Shapiro -Wilk test -Quartile- Quartile Plot (Q-Q plot)	-If P-value< 0.05, data is normally distributed -For the fit to be done, the dependent variable scatter should be normally distributed
Heteroscedasticity	Checks whether the variance of the dependent variable varies across the data (test the assumption of equal variance)	Levene test	If P-value< 0.05, presence of non- uniform variance
Multicollinearity	Check whether the correlations among the independent variables are strong	Variance Inflation Factor (VIF)	If VIF for one of the variables is around or greater than 10, there is multicollinearity associated with that variable
Sampling Adequacy	Checks for an acceptable degree of sampling adequacy	Kaiser- Meyer- Olkin (KMO) test. Bartlett's tests of sphericity	Test outcome of 0.5 or higher establishes the suitability of the data for regression analysis.

3.9.3 Factor Analysis

The next technique involved factor analysis as the main component of quantitative data analysis. As explained by Hinton *et al.* (2019), SPSS was used to examine the correlations between variables in the questionnaire data to establish sets of underlying variables or factors that explain the variation in the original (questionnaire/measured) variables. When correlations between the variables were high, it was possible to confuse some of the factors and/or that some variables may be redundant measures. Factor analysis; therefore, allowed a large number of the

questionnaire variables to be reduced to more limited sets of important and useful factors. The study undertook exploratory factor analysis a level of analysis that involves examining the variable relationships without predetermination of a model in which to fit the results (Bryman & Cramer, 2018). Four basic steps were followed in undertaking factor analysis: KMO and Bartlett's test, Factor extraction, Factor retention, and Factor rotation. Finally, interpretation of factor analysis was done from the results of rotation. Before embarking on the factor analysis, tests were done to ensure the suitability of the data for this purpose; including the Kaiser-Meyer-Olkin measure of sampling adequacy (KMO test). According to Hinton *et al* (2019), a KMO test outcome of 0.5 or higher establishes the suitability of the data for factor analysis. Another test that the study performed was the Bartlett test of sphericity, which was to establish whether there are relationships to investigate (Hinton *et al.*, 2019).

Further, on suitability and reliability, the study also ensured that the data met the recommended sample size. There are various suggestions on the most suitable sample size for factor analysis. Hinton *et al.* (2019) and Pallant (2019), for instance, recommended a minimum ratio of two subjects (respondents) for every one item (variable). However, to ensure that the data meets the sample size threshold for factor analysis, the study relied on the suggestion by Gorsuch (1983), popularly cited in factor analysis literature, of an absolute minimum of not less than 100 respondents for any analysis.

3.9.4 Inferential Statistics

To bring out the quantitative meaning of the data, relationships, and predictions among variables were determined using correlations and regression techniques (Swift & Piff, 2017). Pearson's Moment Correlation coefficients amongst all variables were computed to find how they were related to one another in the sample. In addition, a multiple linear regression (MLR) model was run to quantify the combined effect of the contribution of marketing strategies to the acquisition of generation y customers. The multiple regression model was chosen because it is useful in establishing the relative importance of independent variables to the dependent variable (Bryman &

Cramer, 2018). Such importance was deduced from standardized regression coefficients (beta-weights), whose magnitudes showed how much relative impact the independent variables have on the dependent variable, while the negative and positive signs associated with the coefficients show negative and positive impacts respectively (Park, 2018). Also, it was ideal for the dependent variable to be recorded at a continuous level of measurement. The first model for the relationship between marketing strategies and acquisition of generation Y customers among insurance companies took the form:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \quad (\text{Model 1})$$

Where: - Y= Acquisition of generation y
customers β_0 =constant

X_1 = Product innovation strategy X_2 = Pricing rationalization strategy X_3 =
Distribution strategies

X_4 = Promotional strategies

ε =Error Term

Moderated Multiple Regression

Moderated Multiple Regression Model was also used. Moderation implied an interaction effect, where introducing a moderating variable change the direction or magnitude of the relationship between two variables (Elite Research LLC, 2016). To answer question 5 of the study, the moderating role was assessed by carrying out moderated multiple regression (MMR) analysis, moderation implied an interaction effect with the acquisition of generation y customers as the dependent variable, marketing strategies (product innovation strategy, pricing rationalization strategy, distribution strategies, and promotional strategies) as the independent variables and social media on the relationship between marketing strategies as the moderating variable. A moderated multiple regression model, as shown in equation 2, was used to establish and test the moderating effect of social media on the relationship

between marketing strategies and acquisition of generation y customers. The second model on the moderating effect was as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_i X_i Z + \epsilon. \quad (\text{Model 2})$$

Where: Y= Acquisition of generation y customers β_0 =constant

X_1 = Product innovation strategy

X_2 = Pricing rationalization strategy

X_3 = Distribution strategies

X_4 = Promotional strategies

X_i is the variables from X_1, X_2, \dots, X_4

β_Z is the coefficient of M = social media $X_i * Z$ is the product term, i.e the product of the standardized variables (independent and the moderator at any moment)

ϵ =Error Term

In testing the significance of the model, the coefficient of determination (R^2) was used to measure the extent to which the variation in, the acquisition of generation Y customers was explained by the variations in marketing strategies determinants. F-statistic was also computed at a 95% confidence level to test whether there is any significant relationship between marketing strategy and acquisition of generation y customers. This analysis was done using SPSS version 25 software and the findings were presented in form of a research report.

3.9.5 Hypothesis Testing

Table 3.4: Hypotheses Testing

H ₀₁ There is no significant relationship between product innovation strategy and acquisition of generation Y customers among insurance companies in Kenya	<ul style="list-style-type: none"> • Pearson correlation Coefficient • T-Tests , F-Test H₀₁:$\beta_1 = 0$; $\beta_1 \neq 0$ 	<ul style="list-style-type: none"> • Reject H₀₁ if P- value is < 0.05 • Fail to reject H₀₁ if P-value is > 0.05
H ₀₂ : There is no significant relationship between pricing rationalization strategy and acquisition of generation Y customers among insurance companies in Kenya	<ul style="list-style-type: none"> • Pearson correlation Coefficient • T-Tests , F-Test H₀₂:$\beta_2 = 0$; $\beta_2 \neq 0$ 	<ul style="list-style-type: none"> • Reject H₀₂ if P-value is < 0.05 • Fail to reject H₀₂ if P-value is > 0.05
H ₀₃ : There is no significant relationship between distribution strategies and acquisition of generation Y customers among insurance companies in Kenya	<ul style="list-style-type: none"> • Pearson correlation Coefficient • T-Tests, F-Test H₀₃:$\beta_3 = 0$; $\beta_3 \neq 0$ 	<ul style="list-style-type: none"> • Reject H₀₃ if P-value is < 0.05 • Fail to reject H₀₃ if P-value is > 0.05
H ₀₄ : There is no significant relationship between promotional strategies and acquisition of generation Y customers among insurance companies in Kenya	<ul style="list-style-type: none"> • Pearson correlation Coefficient • T-Tests , F-Test H₀₄:$\beta_4 = 0$; $\beta_4 \neq 0$ 	<ul style="list-style-type: none"> • Reject H₀₄ if P-value is < 0.05 • Fail to reject H₀₄ if P-value is > 0.05
H ₀₅ : Social media does not moderate the relationship between marketing strategies and acquisition of generation Y customers among insurance companies in Kenya	<ul style="list-style-type: none"> • Pearson correlation Coefficient • T-Tests , F-Test H₀₅:$\beta_5 = 0$; $\beta_5 \neq 0$ 	<ul style="list-style-type: none"> • Reject H₀₅ if P-value is < 0.05 • Fail to reject H₀₅ if P-value is > 0.05

3.10 Ethical Considerations

Any study that collects data from the public is expected to meet some minimum safety, privacy, and confidentiality thresholds. The study observed the following

guidelines. Participation in the impending study was voluntary. Participants had the power to opt-out at any time during the study even after giving their consent to participate in it. A consent form was provided that instructs participants to participate out of their own will. The form also outlined the purpose of the study, participants' ability to cooperate or withdraw at any time, confidentiality clause, and use of the research findings. The study was transparent and devoid of any deception.

Before starting data collection, the study obtained an introductory letter from the university and a research permit from National Commission for Science, Technology, and Innovation (NACOSTI). Also, the study sought permission from the management of the insurance companies to collect data from them. In addition, an introduction letter accompanied the questionnaires to help participants understand the background of the study. The risk to participants was minimal since the researcher interacted with participants online. The study also ensured that participants' details that can be used to identify them were not collected nor shared with any third party. Also, the study ensured that the information provided by the participants was used for no other purpose other than to help the study achieve its objectives. Lastly, information on the questionnaires was extracted through data entry and stored on the cloud for security and ease of access. The data was deleted after the study is concluded.

Chapter three presented the research design, population targeted by the study, sampling techniques, and sample size for the study. The study also presented the questionnaires as research instruments that were used to collect primary data in the field. The chapter also presented how collected data was analyzed through both descriptive as well as inferential analysis. Finally, the chapter gave how the variables and indicators were analyzed. The following chapter presented the findings and discussions of the study. Both descriptive and inferential analyses were given.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

This chapter outlines an analysis and a discussion of study results and findings on the effect of marketing strategies on the acquisition of generation Y customers among Insurance companies in Kenya. The primary research data was collected from the management staff working at insurance companies in Kenya. The data was afterward scrutinized based on the objectives of the study and the findings are as presented as per the different classes which included both descriptive and inferential statistics. Results presented are on the validity and reliability of the research instrument, demographic characteristics of the respondents, diagnostic tests on the assumption of linear regression, the descriptive statistics of the variables in the study, simple and multiple linear regression analysis as well as a summary of the findings.

4.1.1 Response Rate

The target population for this study included top management employees in the marketing, claims, and operations departments of the 55 Insurance Companies in Kenya. The sample size was 165 and all were issued with questionnaires for data collection. From these only 147 respondents from 53 insurance companies were able to return filled questionnaires which represented a response rate of 89.1 percent. This response rate was good and representative and conforms to Brewer's (2017) stipulation that a response rate of above 50 percent is adequate for analysis. Fincham (2017) indicates that a response rate of 60% and above is acceptable for analysis. Further, Kothari (2019) indicates that a response rate of 50% should be considered average, 60% to 70% considered adequate while a response rate of above 70% should be regarded as excellent. This implies that the response rate of 89.1% was excellent and adequate for analysis, concluding, and reporting.

Table 4.1: Response Rate

Response Rate	Frequency	Percent
Response	147	89.1
Non-Response	18	10.9
Total	165	100.0

4.1.2 Validity Analysis

4.1.2.1 Sampling Adequacy

The study conducted Kaiser-Meyer-Olkin (KMO) and Bartlett's test of sphericity. The Kaiser-

Meyer-Olkin mainly measures sampling adequacy. This test shows the proportion of variance in the variables that can be attributed to underlying factors. KMO measure varies between 0 and 1, and values closer to 1 are better with a threshold of 0.5. Williams, Brown, and Onsmann (2019) stated that a KMO of 0.50 is the acceptable degree for sampling adequacy. Bartlett's test of sphericity test is used in testing the hypothesis that the correlation matrix is an identity matrix. This simply indicates that there are sufficient relationships among variables (Wilson, 2017). These results are presented in Table 4.2.

The sampling adequacy was assessed using Bartlett's Test of sphericity which analyses if the samples are from populations with equal variances and produced p-values less than 0.05 ($p < .001$). Since Bartlett's test significances were less than 0.05 further indicates an acceptable degree of sampling adequacy (sample is factorable). Also, the KMO statistics for all the variables were greater than 0.5 (product innovation strategy (0.933), price rationalization strategy (0.601), distribution strategy (0.921), promotion strategy (0.928), social media (0.870), and acquisition of generation Y customers (0.867)). This implies that the data was suitable for regression analysis.

Table 4.2: Kaiser-Meyer-Olkin (KMO) and Bartlett's Test

Factors	KMO Test	Bartlett's Test of Sphericity			Determinant
		Approx. Chi-Square	df	Sig.	
Product Innovation Strategy	.933	3460.026	147	0.000	0.044
Price Rationalisation Strategy	.601	1239.605	147	0.000	0.001
Distribution Strategy	.921	2338.081	147	0.000	0.013
Promotion Strategy	.928	3224.208	147	0.000	0.026
Social Media	.870	1407.898	147	0.000	0.000
Acquisition of generation Y Customers	.867	786.123	147	0.000	0.005

4.1.2.2 Construct Validity

With factor analysis, the construct validity of a questionnaire can be tested (Churchill & Iacobucci, 2017). It is always ideal to conduct factor analysis on the scale data to see if the scale is one-dimensional. Responses to the individual scale items are the variables in such a factor analysis. These variables are generally well correlated with one another. In this case, the aim is to reduce the (large) number of variables to a smaller number of factors that capture most of the variance in the observed variables. If variables correlate too highly ($r > 0.8$ or $r < -.8$), it becomes impossible to determine the unique contribution to a factor of the highly correlated variables. If some variable correlates lowly with many other variables ($-0.3 < r < 0.3$), the variable probably does not measure the same underlying construct as the other variables. Both the highly and lowly correlating items should be eliminated. If a questionnaire is a construct valid, all items together represent the underlying construct well. Exploratory factor analysis detects the constructs - i.e. factors – that underlie a dataset based on the correlations between variables (in this case, questionnaire items) (Joppe, 2016). The factors that explain the highest proportion of variance the variables share are expected to represent the underlying constructs.

According to the Table on Communalities in Appendix VI, initial communalities are

estimates of the variance in each variable accounted for by all components or factors. Extraction communalities are estimates of the variance in each variable accounted for by the factors (or components) in the factor solution. Small values (in the extraction column) indicate variables that do not fit well with the factor solution and should possibly be dropped from the analysis.

In Table on Total Variance Explained in Appendix VI, the Kaiser Normalization Criterion is used, which allows for the extraction of components that have an Eigen value greater than 1. The principal component analysis was used and 6 factors were extracted. As the table above shows, these 41 factors explain 84.032% of the total variation.

The component Matrix table in Appendix VI reveals that the results allowed for the identification of which variables fall under each of the 6 major extracted factors. Each of the 41 parameters was looked at and placed on one of the 6 factors depending on the percentage of variability it explained the total variability of each factor. From the factor analysis, all of the indicators indicated high construct validity since all variables exceeded the prescribed threshold of 0.40 (Schindler, 2017).

A commonly used method to investigate construct validity is confirmatory factor analysis (CFA) carried out through SPSS Amos. Like EFA, CFA is a tool that a researcher can use to attempt to reduce the overall number of observed variables into latent factors based on commonalities within the data. In this study, marketing strategies were measured using product innovation strategy, pricing rationalization strategy, distribution strategy, and promotional strategy. To confirm whether these measurements are appropriate for this study, a confirmatory factor analysis (CFA) was conducted. Confirmatory factor analysis was computed for individual variables.

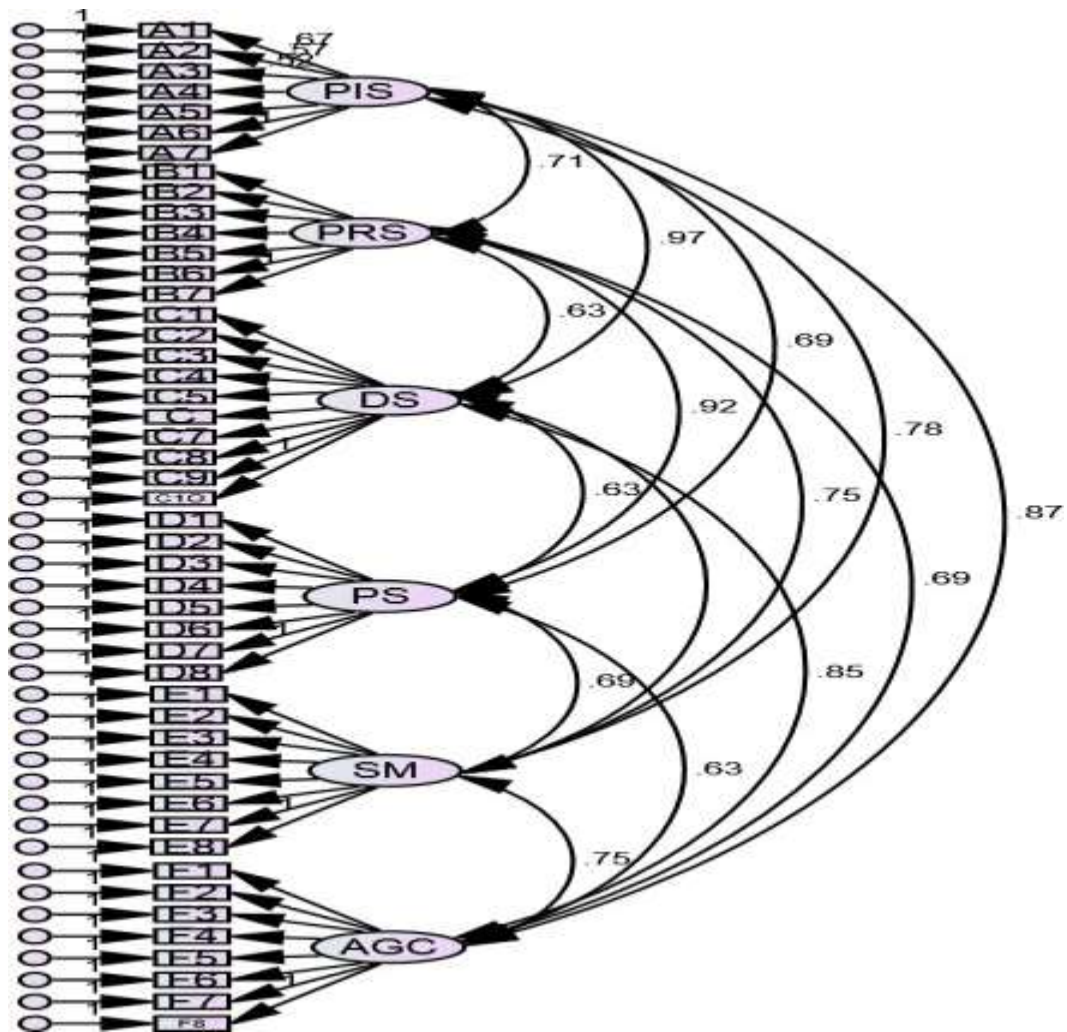


Figure 4.1: CFA model, Product innovation strategy (PIS), Pricing rationalization strategy (PRS), Distribution strategies (DS), Promotional strategies (PS), Social Media (SM), Acquisition of Generation Y Customers (AGC)

The value of correlation between the factors indicates the discriminant validity. Through model trimming, the model is revised by deleting parameters with low factor loading (<0.5) and low reliability ($R^2 < 0.5$). The loadings in the path model provide a measure for the convergent validity; the value of R^2 provides a measure with which to assess the reliability of the variables; the value of correlation between the factors indicates the discriminant validity.

Through model trimming, the model is revised by deleting parameters with low

factor loading (<0.5) and low reliability ($R^2 <0.5$). Results of the final modified CFA model are indicated in Figure 4.1 displaying the corresponding path diagram. From the path model, all the paths had a factor loading of above 0.5. All the measures for each of the variables had loadings above 0.5 and were all displayed. The variable Product innovation strategy (PIS) had 7 items, Pricing rationalization strategy (PRS) had seven items, Distribution strategies (DS) had 10 items, Promotional strategies (PS) had eight items, Social Media (SM) had 9 items, and Acquisition of Generation Y Customers (AGC) had eight items. This was an indication that all the items met the construct validity threshold and were therefore included in the final study.

4.1.2.3 Convergent Validity

This study also assessed convergent validity, which is a measure of the strength of the relationship between a measure and other measures that capture the same concept (Chin, 2019). In Structural Equation Modeling, convergent validity is tested using Average Variance Extracted (AVE) and composite reliability CR (measures internal consistency just like Cronbach alpha) and they should be greater than 0.5 and 0.6 respectively. Establishing convergent validity involves ensuring that AVE values are at least 0.5 and CR is at least 0.6 (Hair, Anderson, Tatham, & Black, 2016; Chin, 2019). As seen in table 4.3, the AVE values are greater than 0.5 and CR greater than 0.6 thus demonstrating adequate convergent validity. From the findings presented in Table 4.3, AVE values for all constructs are still acceptable to represent adequate convergent validity of constructs even when they are below the minimum acceptable threshold of 0.5, as long as CR values are higher than 0.6, therefore demonstrating convergent validity.

Table 4.3: Assessment of AVE and Composite Reliability (CR)

Construct	PIS	PRS	DS	PS	SM	AGC
AVE	.495	.451	.504	.533	.735	.707
CR	.795	.765	.798	.816	.932	.906

Note: Product innovation strategy (PIS), Pricing rationalization strategy (PRS), Distribution strategies (DS), Promotional strategies (PS), Social Media (SM), Acquisition of Generation Y Customers (AGC)

4.1.3 Reliability Results

Reliability analysis was subsequently done using Cronbach's Alpha which measures the internal consistency by establishing if certain items within a scale measure the same construct. The constructs or indicators under each variable are given by the number of items (N of items). Cronbach Alpha was established for every hypothesis which formed a scale as shown in Table 4.4.

Table 4.4: Reliability Analysis

	Cronbach's Alpha	N of Items	Decision
Product innovation strategy	0.915	7	Reliable
Pricing rationalization strategy	0.803	7	Reliable
Distribution strategies	0.891	10	Reliable
Promotional strategies	0.968	8	Reliable
Social Media	0.978	9	Reliable
Acquisition of Generation Y Customers	0.956	6	Reliable

This table illustrates that all the six scales were reliable as their reliability values exceeded the prescribed threshold of 0.7 (Welman & Kruger, 2018). That is, product innovation strategy had a value of 0.915, pricing rationalization strategy had 0.803, distribution strategies had 0.891, promotional strategies had 0.968, social media had 0.978, and acquisition of Generation Y Customers had 0.956. This, therefore, depicts that the research instrument was reliable and therefore required no amendments.

4.2 Demographic Information

Demographic is defined as statistical data about the characteristics of a population, such as the age, gender, and income of the people within the population. In this study, the basic characteristics considered were the highest level of education and duration worked in the organization.

4.2.1 Respondents' Highest Level of Education

The respondents were asked to indicate their highest level of education. The

results are presented in Table 4.5.

Table 4.5: Respondents' Highest Level of Education

Education Level	Frequency	Percent
„O“ Level	25	20.1
Certificate/Diploma	40	26.1
Degree	43	28.1
Postgraduate	39	25.5
Total	147	100.0

The study revealed that most of the respondents had completed their Degree (28.1%) followed by a Certificate/Diploma (26.1%), Postgraduate (25.5%) and the least had „O“ Level with 20.1%. This meant that they were able to comprehend the questions being asked and they would therefore give valid and reliable data. This is in line with Saxena and Khanna (2016) who noted that respondents were learned and hence could write and understand the questions thus providing valid information for the study.

4.2.2 Duration Worked in the Organization

The respondents indicated the duration that they worked in the Insurance Company. The findings of the results were presented in Table 4.6.

Table 4.6: Duration Worked in the Organization

Duration	Frequency	Percent
Less than 5 years	29	19.8
Between 5-10 years	35	23.7
Between 10-15 years	31	20.9
Between 15 - 20 years	23	15.8
More than 20 years	29	19.8
Total	147	100.0

Concerning the time the respondents had worked with the Insurance Company, the study established that most of the respondents had worked with organizations for 5-10 years (23.7%). This is closely followed by 10-15 years (20.9%), Less than 5 years (19.8%), More than 20 years (19.8%), and lastly, 15 - 20 years (15.8%). This could

be an indicator that the Insurance Company was old since most of the employees have been there for more than 10 years. These findings relate to Ezell (2016) who noted that respondents had worked with the insurance firms long enough to understand their internal processes and hence could easily come up with marketing strategies aimed at targeting the Generation Y

4.3 Diagnostic Tests for Regression Assumptions

Linear regression is premised on some assumptions including data to be normally distributed, no-auto correlation, little or no multicollinearity at all, independence of the independent variables, and the data does not suffer homoscedasticity. In this section diagnostic tests for testing the regression assumptions were presented. These tests include normality test, test for multicollinearity, heteroscedasticity test, linearity test, chi-square tests, and test for sampling adequacy

4.3.1 Normality Test

Normality can be defined as the shape of the data distribution for an individual metric variable and its correspondence to the normal distribution, the benchmark for statistical methods. Normality is one of three assumptions for multivariate analysis. Regression assumes normality between the variables under analysis (Hair *et al.*, 2017). To prove that the sample used in the study shared similar characteristics with the entire population, the Shapiro-Wilk test was used to test the normality of the data. The null hypothesis in Shapiro–Wilk test indicates that variables data are obtained from a normally distributed population (Cooper & Schilndler, 2016). The criteria given by Shapiro–Wilk test is that the p-value derived by results should be greater than the significant level of 0.05. These tests are favored over graphical tests on skewness observation due to their greater accuracy, when testing for normality and first using scatter plots you will need to use carry out statistical tests such as Shapiro–Wilk test. Therefore, the optimal solution is found when you use Shapiro–Wilk test.

Table 4.7: Normality Test Results

Variables	Shapiro-Wilk		
	Statistic	df	Sig.
Product Innovation Strategy	.894	147	.084
Price Rationalisation Strategy	.952	147	.057
Distribution Strategy	.979	147	.108
Promotion Strategy	.955	147	.141
Social Media	.973	147	.072
Acquisition of generation Y customers	.872	147	.439

Table 4.7 indicates that using Shapiro-Wilk tests, the p-value for the Shapiro-Wilk test, is greater than 0.05, thus the study rejected H_0 and a conclusion was made that data on both the dependent and the independent factors were normally distributed and as a result, it helps to predict dependent variables. This is as prescribed by Park (2019) that if the Sig. value of the Shapiro-Wilk Test is greater than 0.05, and the data is normal. If it is below 0.05, the data significantly deviate from a normal distribution.

4.3.2 Test for Multicollinearity

The assumption of collinearity requires that the independent variables are not correlated. Multicollinearity is one of the tests for independence, multicollinearity exists when there is a strong correlation between 2 or more independent variables and this reduces the predictive power of individual variables because they could be measuring the same thing showing a lack of independence. This study tested the analysis variables for multicollinearity using the multicollinearity statistics of Tolerance and Variance Inflation factors (VIF). VIF indicates whether the independent variable has a strong linear relationship with another independent variable. The tolerance levels are the inverse of respective VIF values, the range of VIF is given between 1 and 10, if the values generated are outside the range of between 1 and 10 then there is a problem of multicollinearity. VIF values of greater than 10 indicate multicollinearity and Tolerance values of below 0.1 indicate serious multicollinearity problems. Multi-collinearity is addressed by dropping one of the variables if they are highly correlated with another to improve predictability. With

VIF you can tell which two or more variables have the correlation problem. The results for the Collinearity tests are presented in Table 4.8.

Table 4.8: Multicollinearity Test Results

Variables	Collinearity Statistics	
	Tolerance	VIF
Product Innovation Strategy	.541	1.848
Price Rationalisation Strategy	.917	1.091
Distribution Strategy	.990	1.010
Promotion Strategy	.636	1.572
Social Media	.813	1.230

Based on Table 4.8, the collinearity statistics Product Innovation Strategy (VIF = 1.848, T = .541); Price Rationalisation Strategy (VIF= 1.091, T= .917); Distribution Strategy (VIF=1.010, T= .990); Promotion Strategy (VIF= 1.572, T= .636) and Social Media (VIF= 1.230, T= .813). All the VIF values for the independent variables are less than 10 while the Tolerance values for all the independent variables are greater than 0.1 indicating the non-existence of multi-collinearity (Field, 2016). Based on the results, there is no collinearity between the independent variables that can affect their predictive power, hence all the independent variables are appropriate for regression analysis.

4.3.3 Heteroscedasticity and Homoscedasticity Test

Violation of homoscedasticity tends to inhibit critical evaluation of forecast errors of standard deviation, which often leads to confidence intervals that are extremely narrow or extremely wide. Homoscedasticity assumes that the change in residuals is the same for any values of X i.e independent variables. The residual should not be increasing with the increase in the independent variables but should rather remain the same across all the values of the independent variables. Scatter plots are often used for observation as to whether data suffers homoscedasticity, however just seeing graphics with the eye is not enough, statistical approach is more accurate in making judgments therefore, the presence of heteroscedasticity problem in the regression

model in this study was determined by the use of Breusch-Pagan test. Where the Z residuals were regressed against the independent variables. The null hypothesis for this test was that the error variances were equal and were multiple functions of variables. Homoscedasticity normally occurs when the p-value is greater than the significance level (0.05), whereas heteroscedasticity occurs when the p-value is lower than the set significance level of 0.05 (Bryman & Cramer, 2019).

Table 4.9: Breusch-Pagan test for Heteroscedasticity

Ho: Constant variance	
Chi2 (1)	0.74
Prob>chi2	0.6547

In the results presented in Table 4.9, the p-value observed of 0.6547 was higher than the significance level (0.05) hence there was no violation of the homoscedasticity principle in the data. Hence it was concluded that there is no heteroscedasticity problem and errors in the ordinary least square (OLS) were minimized as a principle of OLS hence the model accurately predicts the dependent variable.

4.3.4 Linearity Test

The linearity test aims to determine if the relationship between independent variables and the dependent variable is linear or not. It is a requirement in correlation and linear regression analysis. Non-linearity is a serious violation of the linearity assumption. To establish if there is linearity the relationship can be plotted in scatter plots through SPSS chart builders where the dots in scatter plots can be used to tell if there is linearity. Results in the figure revealed that there scatter plot for the different variable relationships had a diagonal appearance which shows the relationship that could either be positive or negative therefore the assumption of linearity was not violated in the sample data, Park (2018) argued that scatter plots of the independent vs independent variables in correlation analysis or independent vs dependent, the p-value can also be used if the relationship is significant, linearity exists.

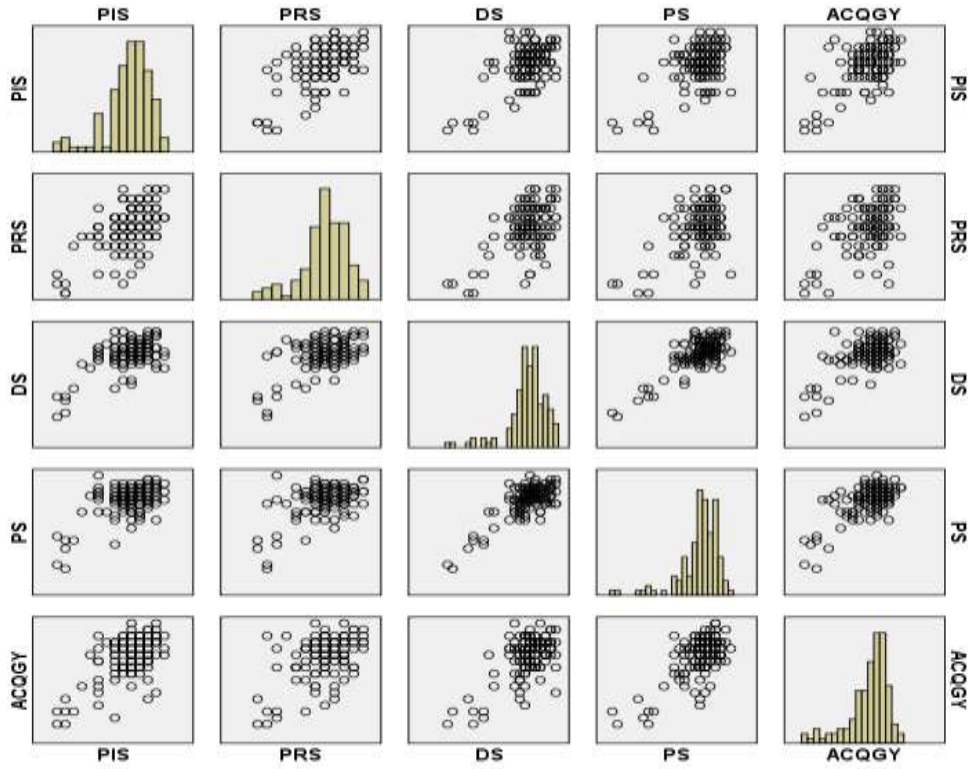


Figure 4.1: Linearity Test Results

4.3.5 Chi square Tests

Table 4.11 shows the Chi-square results.

Table 4.10: Chi square Test Results

Variables	Pearson Chi-square	p-value	Strength (Phi/Cramers' V)	P-values
Product Innovation Strategy	221.086	0.000	1.118	0.000
Price Rationalisation Strategy	227.751	0.000	1.134	0.000
Distribution Strategy	143.513	0.000	.900	0.000
Promotion Strategy	135.409	0.000	.875	0.000
Social Media	206.354	0.000	1.080	0.000

Since the p-values (.000) are smaller than the level of significance of the study (0.05 or 5%) as shown in Table 4.11, then the test of the study is in favor of the research hypothesis; therefore we reject the null hypothesis and conclude that all the determinants of Acquisition of Generation customers i.e. product innovation strategy(221.086, p-value= 0.000), price rationalization strategy (227.751, p-value= 0.000), distribution strategy(143.513, p-value= 0.000), promotion strategy (296.274, p-value= 0.000) and social media (206.354, p- value=0.000) were associated to the acquisition of Generation customers. The study also found that product innovation strategy (1.118), price rationalization strategy (1.134), distribution strategy (.900), promotion strategy (.875), and social media (1.080) had a great effect on the acquisition of generation Y customers. This, therefore, shows that product innovation strategy, price rationalization strategy, distribution strategy, promotion strategy, and social media are important determinants of the acquisition of generation Y customers.

4.4 Descriptive Analysis

Quantitative data were obtained from the closed questions as well as items that were measured by using a 5-point Likert scale, where 1 represented strongly disagree, 2 represented disagree, 3 represented agree and 5 represented strongly agree. According to Bhattacharjee (2019) interpretation of arithmetic mean in a 5 scale Likert question, strongly agree (SA) is between 4.5 and 5.0, agree (A) is between 3.5 and 4.5, moderately agree is between 2.5 and 3.5, disagree is between 1.5 and 2.5 while strongly disagree is between 1 and 2.5. The Likert scale comprises categorical data (ordinal) and hence cannot be used in conducting inferential statistics such as

correlation analysis and regression analysis that demand the use of continuous data. To obtain continuous data, averages of responses (in the Likert questions) in each of the variables were obtained. Using transformation option > compute variables the SPSS was configured to automatically give averages using the summation of the composite/number of items (N).

4.4.1 Product Innovation Strategy and Acquisition of Generation Y customers

This study sought to determine the effect of product innovation strategy on the acquisition of generation Y customers among insurance companies in Kenya. The respondents were asked to indicate their level of agreement with statements on how various aspects of product innovation strategy affect the acquisition of generation Y customers using a Likert scale of 1-5. Table 4.14 shows the results.

Table 4.11: Level of Agreement of the Effect of Aspects of Product Innovation Strategy on Acquisition of Generation Y Customers

Aspects of product innovation strategy	SA	A	N	D	SD	Mean	Std. Dev.
Product diversification is a key determinant for customer joining our company	26.8%	43.9%	17.7%	10.2%	1.4%	3.98	.91
The popularity of our company effects customer purchase decision	16.7%	13.3%	35.6%	19.1%	15.3%	3.21	1.32
The reliability of product effectcustomers' choice	55.6%	22.2%	11.1%	9.1%	2%	4.06	.90
Source vendors is used understanding of the customer's needs	11.1%	5.6%	16.7%	22.2%	44.4%	3.32	1.35
Product development is grounded on collaboration between technical groups and customers' opinions and preference	8.2%	8.5%	26.4%	33.3%	23.6%	3.37	1.32
New business models have a greater chance of successfully meeting future customer requests	0%	7.2%	16.4%	41.4%	35.0%	2.05	1.00
Efficiency improvements effects choice of the customers' opinions	51.3%	28.5%	10.3%	0.2%	9.7%	3.87	.99
Composite Mean						3.41	

The study showed that the respondents agreed that the reliability of the product affected customers' choice with a mean of 4.06; product diversification was a key determinant for customers joining the company as shown by a mean of 3.98 and efficiency improvements influenced the choice of the customers' opinions had a mean of 3.87. This conforms to Collins, Rasmussen, Garber, and Doty (2016) found that young adults think they need health insurance. The service experience has been touted as the last frontier in the market for goods and services; including financial services wherein insurance falls. It has been argued that as goods and services become less and less differentiated, the quality of the service experience will be the source of competitive advantage for the discerning and customer-oriented organization.

The respondents were undecided on whether product development is grounded on collaboration between technical groups and customer’s opinions and preferences as shown by a mean of 3.37; source vendors being used in understanding the customer's needs as shown by a mean of 3.32 and the popularity of the company influencing customer purchase decision as shown by a mean of 3.21. These findings are in line with Saif (2019) who argues that there is a growing amount of evidence indicating that consumers are choosing products or avoiding others based on their impact on their preferences and taste.

Further, the respondents disagreed that new business models had a greater chance of successfully meeting future customer requests as shown by a mean of 2.05. these results are not in agreement with a study by Saif (2019) on how marketing strategy influences firm performance and implementation of marketing strategy for firm success. The study revealed that differentiation strategies on products adopted by the different firms revealed a significant influence on the overall performance of the firm, coming up with a new model is expected to meet successfully the customers' needs, however, the findings from the study were not in agreement.

Table 4.13 represents the results of the respondents who were asked to give their opinion on whether their firm diversified products.

Table 4.12: Opinion on Product Diversification in the Organization

Opinion on Product Diversification	Frequency	Percent
Yes	130	88.1
No	17	11.9
Total	147	100.0

From the findings, the respondents indicated that their product diversification in your organization was shown by 88.1% while the rest declined.

The study sought to find out ways in which the insurance firms had diversified themselves. The results are displayed in Table 4.14.

Table 4.13: Ways in which Firms Have Diversified/Ventured

Ways in which Firms Have Diversified/Ventured	Frequency	Percent
Introduction of new products	46	31.3
Offer discounts on premiums	56	38.5
Online registration	15	10.0
Online claim management	30	20.2
Total	147	100.0

The majority of the respondents indicated that their firms offer discounts on premiums, as shown by 38.5%, followed by 31.3% who indicated that their firms used the introduction of new products as diversification ways, and a further 20.2% of the respondents indicated that they used online claim management, whereas only, 10.0% indicated they used online registration. This is evidence that the insurance firms had come up with new ways of diversification of the products or the processes of offering the product through the introduction of ICTs. These results are in agreement with those posited by Saif (2019) who argued that organizations identify customers' environmental needs and develop products to address these needs of their customers which keep on changing according to times and references.

The study also sought to find out the new business models in the organizations. The findings were shown in Table 4.15.

Table 4.14: New Business Models in the Organization

New Business Models in the Organization	Frequency	Percent
Use of the internet to market	9	6.2
Online applications model	12	8.5
Short-term insurance	19	13.0
Smart contracts / parametric insurance products	55	37.3
Telematics	27	18.1
The Use of Smart Speakers (and Virtual Assistants)	18	12.4
Re-inventing Products and premiums	7	4.5
Total	147	100

From the findings, 37.3% of the respondents indicated that smart contracts/parametric insurance products were adopted by their company, 18.1%

indicated telematics, 13.0% indicated short-term insurance, 12.4% indicated the use of smart speakers (and Virtual Assistants), 8.5% indicated online applications model, 6.2% indicated the use of the internet to market and 4.5% indicated re-inventing products and premiums. The findings are evidence that the insurance firms have come up with different business models as innovations in ICTs to customize their product appearance and packages. The findings by the researcher are in agreement with those of Njoroge (2019) who noted that new product innovation involves the coming up with new features of the product that becomes appealing to the eyes of the customers.

The respondents were requested to indicate in which ways product innovation strategy affected the acquisition of generation Y customers. The findings are shown in Table 4.16.

Table 4.15: Opinions on the Effect of Product Innovation strategy on Acquisition of Generation Y Customers

Ways product innovation has affected customers Y acquisition	Frequency	Percent
Increases referrals	40	27.1
Encourages repeat purchase	73	49.7
Discourages switching to another product or service	34	23.2
Total	147	100.0

The study revealed that most of the respondents specified that product innovation strategies encouraged repeat purchases (49.7%), increased referrals (27.1%), and discouraged switching to another product or service (23.2%). Therefore, product innovation strategies did affect the acquisition of generation Y customers. The findings by the researcher, therefore, implied that as a result of insurance companies carrying out different product innovations the results were an increase in referrals, repeated purchases as well as customers being loyal to the insurance brands. The findings are in agreement with those by Njoroge (2019) who argued that customers' loyalty comes as a result of an organization providing that it can meet the customers' needs and preferences.

4.4.2 Pricing Rationalization Strategy and Acquisition of Generation Y customers

Table 4.16: Level of Agreement with Aspects of Pricing Rationalization Strategy Influencing Acquisition of Generation Y Customers

Aspects of Pricing Rationalization strategy	SA	A	N	D	SD	Mean	Std. Dev.
Prices in our organization are determined by market surveys	8.4%	13.1%	22.0%	38.3%	18.2%	3.34	1.33
Our current pricing structure include discounts, product options, rebates	15.9%	12.1%	9.3%	33.6%	29.0%	3.07	1.40
Our organization is a leader in price offerings, compared to her competitors	31.8%	54.7%	8.4%	2.8%	2.3%	4.24	.71
We offer prices that reflect the value of our product	0%	3.3%	7%	22.9%	66.8%	3.09	1.47
Organizations review the prices of the product before deciding on which brand to Purchase	26.6%	58.9%	14.5%	0%	0%	4.18	.70
We associate higher prices with high quality product	33.6%	56.5%	5.1%	4.2%	0.5%	3.88	1.24
The price of a product is a reflection of its usefulness	52.8%	28.0%	15.9%	0.9%	2.3%	4.20	.78
Composite mean						3.71	

This study sought to establish the effect that the pricing rationalization strategy had on the acquisition of generation Y customers among insurance companies in Kenya. The respondents also stated their level of agreement with statements on how various aspects of pricing rationalization strategy affect the acquisition of generation Y customers. The researcher used a Likert scale of 1- 5 that is from Strongly Disagree to Strongly Agree and Table 4.17 displays the results.

Table 4.17 shows that the respondents agreed that the organization's practice of price leadership compared to competitors with a mean score of 4.24; the price of the product offered by the organization reflected its usefulness with a mean score of 4.20; the organization reviewed the prices of the product before deciding on which brand to purchase with a mean score of 4.18 and associates higher prices with high quality of a product with a mean score of 3.88. The findings of the current study are in agreement with those of Kadzo (2019) who argued that price is a key and significant factor in the purchasing behavior of customers, therefore Organizations need to standardize their prices according to the value of the product, costs associated with the product as well as its usefulness.

Additionally, the respondents were undecided on whether prices in the organization are determined by market surveys as well as whether offering prices reflected the value of the product as shown through a mean of 3.34 and 3.09 respectively. Besides, the respondents were undecided as to whether the current pricing structure included discounts, product options, and rebates as shown by a mean score of 3.07 affect the acquisition of generation Y customers. The findings of the study are in agreement with those of Kihagi (2019) who argued that price has an important influence on consumers' product choice and represents the total value that consumers sacrifice to obtain the benefits or usefulness of a product or service. Gauzente and Roy (2019) also agreed with the study findings when they noted that millennials are price sensitive and take time to gather and process price-related information, including looking at non-price features.

Further, the respondents were asked to indicate which of the listed pricing rationalization strategies are adopted by their organization. The findings were shown in Table 4.18.

Table 4.17: Pricing Rationalization Strategies Adopted

Pricing Rationalization Strategies Adopted	Frequency	Percent
Use of dynamic pricing method	18	12.4
Innovative and customized pricing strategy	46	31.1
Offering discounts on their products	26	17.5
Mergers & Acquisitions	14	9.6
Clear and transparent pricing	17	11.9
Flexible payment models	26	17.5
Total	147	100

Results in table 4.18 indicated that the majority of the companies used innovative and customized pricing strategies as shown by (31.1%), further, the study revealed that the organizations offered discounts on their products as a pricing strategy shown by (17.5%), flexible payment models (17.5%), further the companies used dynamic pricing method as shown by (12.4%), further the insurance companies used clear and transparent pricing as shown by (11.9%). This is in line with Kadzo (2019) who argues that a sound pricing strategy determines the success of a product however inefficient strategy will hurt the product and the organization in general. The respondents gave their opinions on how the pricing rationalization strategy affects the Acquisition of Generation Y Customers. The results are shown in Table 4.19.

Table 4.18: Ways in Which Pricing Rationalization Strategy affects Acquisition of Generation Y Customers

Ways Pricing Rationalization Strategy affects Acquisition of Generation Y Customers	Frequency	Percent
Increases positive attitude	34	23.2
Enables customers to defend service provider's	76	51.4
Increases the intention to continue using the product	37	25.4
Total	147	100

The study established that the respondents indicated that the pricing rationalization strategy results in an increase in positive attitude (23.2%) and an increase in the intention to continue using the product (25.4%). 51.4 % of the respondents specified that the pricing rationalization strategy enabled customers to defend service providers. The results of the study are in agreement with those of Lule (2018)

noted who states that price is a critical and important factor of marketing strategy which affects consumer buying behaviors. Well, reasoned prices can help a customer stick with the seller.

4.4.3 Distribution Strategies and Acquisition of Generation Y Customers

The study sought to examine the effect of distribution strategy on the acquisition of generation Y customers among insurance companies in Kenya. The study sought to determine the respondents' level of agreement with statements on the effect of distribution strategies aspects on the Acquisition of Generation Y Customers. The findings are shown in Table 4.20.

Table 4.19: Level of Agreement with Aspects of Distribution Strategies Influencing Acquisition of Generation Y Customers

Aspects of Distribution Strategies	SA	A	N	D	SD	Mean	Std. Dev.
We have a direct sales channel that allows customers to contact your customers without any intermediaries through visits	26.6%	65.0%	1.9%	5.1%	1.4%	3.82	1.16
Our business is a pure-play Distributor	29.0%	33.6%	9.3%	12.1%	15.9%	3.76	1.17
We distribute your services is by providing on-site work	32.2%	34.6%	15.9%	11.2%	6.1%	3.71	1.22
Our company operates a one stop Shop	38.8%	44.4%	11.2%	4.2%	1.4%	3.69	1.15
We distribute our services by offering virtual service	40.7%	43.3%	5.6%	0.5%	10.0%	3.72	1.20
In our marketing, we give out clear offerings	47.2%	44.9%	4.2%	3.7%	0.0%	4.13	.76
Our business in involved various partnership	36.9%	7.9%	52.3%	0.0%	2.8%	3.52	1.13
Our customers are linked to direct to distribution conversion	39.3%	55.6%	4.7%	0.5%	0.0%	3.85	1.17
We conduct workshops Customers	50.9%	40.7%	7.5%	0.5%	0.5%	4.49	.60
We distribute our services by networking with other service Providers	57.5%	33.6%	7.9%	0.9%	0.0%	4.42	.62
Composite Mean						3.91	

As per the findings, the respondents agreed that conducting workshops and seminars to attract more customers with a mean of 4.49; distributing the services by networking with other service providers at a mean of 4.42; giving out clear offerings in the company's marketing at 4.13; customers being linked directly to distribution conversion at a mean of 3.85; having direct sales channel allowing customers to contact other customers without any intermediaries through visits at a mean of 3.82; the business being a pure-play distributor at a mean of 3.76; the company distributing services by offering virtual service at a mean of 3.72; the company distributing services by providing on-site work at a mean of 3.71; the company operating a one-stop-shop at a mean of 3.69 and the business being involved in various partnership at a mean of 3.52 affect acquisition of generation Y customers. The composite mean of 3.91 implied that aspects of distribution strategies affected the acquisition of generation Y customers greatly. This conforms to Al-Debi and Al-waely (2019) who argue that it is marketing channels are sets of interdependent organizations involved in the process of making a product or service available for use or consumption. Further, they were asked to indicate the distribution strategies adopted by the organization. The results were as shown in Table 4.23.

Table 4.20: Distribution Strategies Adopted in the Organization

Distribution Strategies Adopted in the Organization	Frequency	Percent
Market development (opening new branches)	15	10.2
Use of strategic alliances and partnerships	47	32.2
Digital marketing and analytics	24	16.4
Vertical integration (Mergers and Acquisition)	9	6.2
Establishing regional offices to enhance awareness	16	10.7
Internal marketing through a common database for all branches	26	17.5
Participation in corporate social responsibility activities	10	6.8
Total	147	100

Table 4.21 shows that majority used strategic alliances and partnerships as a distribution method (32.2%), the insurance firms also used internal marketing through a common database for all branches as a distribution method shown by (17.5%), digital marketing and

analytics were also used as shown by (16.4%), the insurance companies used regional offices to enhance awareness as shown by (10.7%) of the respondents, the insurance companies also used market development (opening new branches) as shown by (10.2%) of the respondents, the insurance companies also used participation in corporate social responsibility activities as a distribution method as shown by (6.8%) of the respondents and finally vertical integration (Mergers and Acquisition) was used by the insurance companies as shown by (6.2%) of the respondents. The findings of the current study are in agreement with those of Akinyele (2019) who noted that businesses employ methods such as mergers and acquisitions, use strategic alliances, and establish local branches as methods of distributing their products.

The study sought the respondents' opinions on the ways that distribution strategies affect the acquisition of generation Y customers. Table 4.22 shows the responses.

Table 4.21: Ways that Distribution Strategies Affect the Acquisition of Generation Y Customers

	Frequency	Percent
Lowers positive attitude	44	29.9
Discourages customer defend service provider's	65	44.1
Lowers the intention to continue using the product	38	26.0
Total	147	100

From the findings, 44.1% of the respondents indicated that distribution strategies discourage customers to defend service providers, 29.9% indicated that they lower positive attitude and 26% indicated that they lowered the intention to continue using the product. These findings are in line with Akinyele (2019) who argued that this result in efficiency due to the reduced costs as well as customer satisfaction and loyalty because consumers feel they „own“ the brand since the materials used are local.

4.4.4 Promotional Strategies and Acquisition of Generation Y customers

The research aimed to determine the effect of promotional strategy on the acquisition

of generation Y customers among insurance companies in Kenya. The respondents' also specified their level of agreement with statements on how various aspects of promotional strategies affect the acquisition of generation Y customers. The findings were as illustrated in Table 4.23.

Table 4.22: Level of Agreement with Promotional Strategies Influencing Acquisition of Generation Y Customers

Aspects of Promotional Strategies	SA	A	N	D	SD	Mean	Std. Dev.
Advertisers create branding moment that resonate with target Markets	34.1%	47.7%	9.3%	8.4%	0.5%	3.77	1.16
Public relations create and maintains corporate identity and image	54.7%	36.9%	4.2%	1.9%	2.3%	4.24	.73
Personal selling is a cornerstone that assists firms to build strong customer relationship	13.6%	35.0%	49.1%	0.0%	2.3%	3.08	1.41
Direct marketing is a crucial element in ensuring customer after-sale satisfaction	29.4%	39.3%	19.2%	7.9%	4.2%	3.93	1.09
Customers purchase brands that their friends have recommended	6.1%	15.9%	55.1%	15.9%	7.0%	3.11	1.41
Exhibitions are used in our organizations	10.3%	9.3%	30.8%	48.1%	1.4%	2.97	1.46
Professional seminars are well integrated in our company	1.4%	38.8%	46.3%	12.1%	1.4%	3.05	1.39
Newspaper articles are weekly used to market our company	36.9%	43.9%	13.1%	3.3%	2.8%	3.88	1.15
Composite Mean						3.50	

The findings revealed that the respondents agreed that public relations create and maintain corporate identity and image with a mean of 4.24; direct marketing is a crucial element in ensuring customer after-sale satisfaction with an average of 3.93; newspaper articles being weekly used to market the company with a mean of 3.88 and advertisers creating branding moment that resonates with target markets with a

mean of 3.77 affect the acquisition of generation Y customers. These findings concur with Mbatia (2019) who stated that an organization’s promotional mix includes advertising, public relations, personal selling, sales promotion, and direct marketing.

Moreover, the respondents were undecided on whether the customers purchase brands that their friends have recommended at a mean score of 3.11; personal selling is a cornerstone that assists firms to build strong customer relationships at a mean score of 3.08; professional seminars being well integrated into the company at a mean score of 3.05 and exhibitions being used in the organization at a mean score of 2.97 affect the Acquisition of Generation Y Customers. The composite mean was 3.50 which implied that aspects of promotional strategies affect the acquisition of generation Y customers greatly. This is in line with Mbatia (2019) who stated that the relative importance of each of the promotional mix tools for industrial goods, in descending order, is: Personal selling, sales promotion, advertising, and public relations.

The respondents were required to indicate the promotion strategies that are adopted by the company. The findings are shown in Table 4.24.

Table 4.23: Promotion Strategies adopted

	Frequency	Percent
Prospectus	9	6.2
Institutional website	2	1.1
Newspapers/Magazines Adverts	12	7.9
TV/Radio Adverts	6	4.0
Online advertisements	7	4.5
Consultant Network	7	5.1
Face to Face talk with Clients	15	10.2
Bulk Messaging	23	15.8
Public address system	18	12.4
Press releases	12	8.5
Giving discounts	5	3.4
Commissions for staff	6	4.0
Posters	9	6.2
Billboards	16	10.7
Total	147	100

From the findings, the respondents indicated promotion strategies adopted by their companies were bulk messaging (15.8%), public address system (12.4%), billboards (10.7%), face to face talk with clients (10.2%), press releases (8.5%), newspapers/magazines advert (7.9%), prospectus (6.2%), posters (6.2%), consultant network (5.1%), online advertisements (4.5%), tv/radio adverts (4.0%), commissions for staff (4.0%), giving discounts (3.4%) and institutional website (1.1%). Magunga (2017) conforms to the findings by stating that promotion as a tool develops market penetration as it defines the product category, for instance, it encourages the usage of a product by the users and also the creation of brand awareness, as it speaks of market penetration in terms of brand awareness, brand recall, or some other marketing-communication metric that reflects the share of mind.

Gauzente and Roy (2019) indicated that a vast majority of Millennials prefer the internet to traditional mainstream media and are more likely to buy a product if it was marketed on social media. This seems to indicate a contradiction to their earlier stated preference for television and radio. They are also likely to buy a product if friends and other users said good things about it on social media and the internet. The study indicated that the internet influences the purchase habits of Millennials who primarily access it through their mobile phones. The study also confirmed that Millennials are getting more accustomed to mobile advertisements with a majority becoming as comfortable with mobile advertising as they are with TV or online advertising.

Moreover, Valentine and Powers (2016) found that Millennial primarily used electronic media with television ranking first, the internet second, magazines third, and radio fourth. The internet and television were rated high as a source of advertising information. Free community papers, in-store ads, Billboards, radio, direct mail, magazines, daily newspapers, and weekly newspapers were rated low as a source of advertising information. Overall, traditional print media was rated lower than electronic media.

Table 4.25 illustrates the respondents' opinions on the ways that promotional strategies affect the acquisition of generation Y customers.

Table 4.24: Ways that Promotional Strategy Affects the Acquisition of Generation Y Customers

Ways that Promotional Strategy Affects the Acquisition	Frequency	Percent
Lowers customer referrals	37	24.9
Encourages customer repeat purchase	67	45.8
Does not affect switching to another product or service	43	29.4
Total	147	100

According to the findings, 45.8% of the respondents indicated that promotional strategies encourage customer repeat purchases while 24.9% of the respondents indicated lowers customer referrals. However, 29.4% of the respondents indicated that promotional strategies do not affect switching to another product or service. As stated by Magunga (2017), advertising, in particular, is used to encourage consumers to engage in pro-environmental behavior and to purchase market offerings conforms to the findings of this study.

4.4.5 Social Media and Acquisition of Generation Y customers

The study sought to establish the moderating effect of social media on the relationship between marketing strategies and the acquisition of generation Y customers among insurance companies in Kenya. The respondents were also required to indicate the social media strategies adopted by their company. The findings are shown in Table 4.26.

Table 4.25: Social Media Strategies Adopted By Companies

Social Media Strategies	Frequency	Percent
Twitter	13	9.0
Facebook	45	30.5
Google+	26	17.5
Blogging	12	8.5
Youtube	14	9.6
Podcasts	23	15.8
Website	13	9.0
Total	147	100

From the findings, the respondents indicated that the social media strategies adopted by companies were Facebook as shown by 30.5%, Google+ as shown by 17.5%, podcasts as shown by 15.8%, YouTube as shown by 9.6%, Twitter as shown by 9.0%, website as shown by 9.0% and blogging as shown by 8.5%. This finding is in line with Nkonyo (2019) who stated that more than consumers of other generations; they are most likely to support a brand that they find is socially conscious when their social concerns align with the social concerns of that organization. Additionally, Engel, Bell, Meier, Martin, and Rumpel, (2018) asserted that these platforms have proved useful to organizations in connecting with the Millennial as well as obtaining feedback and insight that has been difficult to access through conventional methods. Table 4.29 shows the respondents' results on the level of agreement on various aspects of social media effect on the acquisition of generation Y customers.

Table 4.26: Level of Agreement with the effect of Aspects of Social Media on the Acquisition of Generation Y Customers

Aspects of Social Media	SA	A	N	D	SD	Mean	Std. Dev.
Twitter allows customers to upload, share, comment on and discuss their photographs	48.6%	21.0%	9.3%	18.7%	2.3%	4.20	.76
Facebook offer advertising opportunities for businesses either directly or through advertising and affiliate networks	26.2%	61.5%	10.3%	2.3%	0.0%	4.01	1.13
Google offers a chance based on analyses of users' profile information.	36.9%	43.5%	16.8%	2.8%	0%	3.64	.98
Blogging is set to explode as more people embrace our Products	33.6%	46.7%	9.8%	7.5%	2.3%	3.66	.99
YouTube is used for promotions deals	48.6%	15.9%	22.0%	12.1%	1.4%	3.67	1.51
Podcasts can be a valuable channel to reach target market	10.7%	39.7%	41.6%	7.5%	0.5%	3.58	.97
Social network monitor Conversations about insurance business	7.0%	37.4%	38.3%	15.4%	1.9%	3.46	1.02
Quality of our website enhances perceived usefulness of our product to customers	12.1%	42.1%	42.1%	3.7%	0.0%	3.62	1.57
Consumers have added value through collaboration and social interactions on the internet.	37.4%	22.4%	14.5%	14.0%	11.7%	4.16	.74
Composite Mean						3.78	

Table 4.27 revealed that the respondents agreed that Twitter allowed customers to upload, share, comment on and discuss their photographs as shown by a mean of 4.20; consumers had added value through collaboration and social interactions on the internet as shown by a mean of 4.16; Facebook offered advertising opportunities for businesses either directly or through advertising and affiliate networks as shown by a

mean of 4.01; YouTube being used for promotions deals promotions and deals as shown by a mean of 3.67; blogging is set to explode as more people embrace the products as shown by a mean of 3.66; Google+ offering a chance based on analyses of users' profile information at 3.64; Quality of the company's website enhancing perceived usefulness of the product to customers as shown by a mean of 3.62 and podcasts being a valuable channel to reach target market as shown by a mean of 3.58 affected the acquisition of Generation Y Customers. However, the respondents were undecided on whether social network monitoring conversations about the insurance business as shown by a mean of 3.46 affected the Acquisition of Generation Y Customers., Gajanayake (2019) concurred that social media has allowed consumers the opportunity to become co-creators of marketing information and has driven a business model of customer interaction and user-generated content.

Table 4.28 shows the results of respondents' opinions on the ways that social media affects the acquisition of generation Y customers.

Table 4.27: Ways in Which Social Media Affects Acquisition of Generation Y Customers

	Frequency	Percent
Increases profitability	27	18.6
Increases market share	76	52.0
Enhances customer service quality	43	29.4
Total	147	100

As per the findings, 52% of the respondents indicated that social media increases market share, 29.4% of them affirmed that it enhances customer service quality and 18.6% indicated it increased profitability. This is in line with Ong'ong'a (2018) who argued that when aligned with traditional marketing methods, social media can be an effective tool for marketers if the obstacle of engaging Generation Y is overcome. Peterson (2016) adds that the millennial generation dislikes being an advertising target and therefore depends more on word-of-mouth and their friends' opinions when making purchase choices. They are more aware of marketing spin than previous generations and have a strong aversion to "push" marketing, preferring brands that are engaging and already embraced by their friends (InMobi, 2019).

4.4.6 Acquisition of Generation Y Customers

This study sought to find the respondents' level of agreement with statements on the Acquisition of Generation Y Customers for the last 5 years as illustrated in Table 4.29.

Table 4.28: Level of Agreement with Statements on Acquisition of Generation Y Customers

Acquisition of generation Y customers	SA	A	N	D	SD	Mean	Std. Dev.
Number of new customers have greatly increased	22.0%	46.7%	16.4%	13.1%	1.9%	3.94	.62
The level of customer satisfaction is high	21.5%	41.1%	29.0%	7.5%	0.9%	3.97	.57
The company has continually received customers who have been recommended to purchase our products	5.1%	15.0%	18.7%	35.0%	26.2%	3.42	1.05
Customers have repeatedly purchased our products	27.6%	45.3%	17.8%	0.9%	8.4%	3.60	.98
We have retained customers who do not switch to another product or service	20.1%	46.7%	19.2%	12.6%	1.4%	4.01	.62
We have received defence of our authenticity in service provision from our customers	1.4%	9.8%	42.5%	18.2%	28.0%	3.54	1.02
Composite Mean						3.75	

The research showed that the respondents agreed the company retains customers who do not switch to another product or service as shown by a mean of 4.01; the level of customer satisfaction is high as shown by a mean of 3.97; the number of new customers has greatly increased as shown by a mean of 3.94; customers have repeatedly purchased the products as shown by a mean of 3.60; the companies have

received defense of the company's authenticity in service provision from the customers as shown by a mean of 3.54

Further, the respondents were undecided on whether the company has continually received customers who have been recommended to purchase the products as shown by a mean of 3.42 for the last 5 years. This is in line with Kadzo (2019) who stated that acquiring new customers involves persuading consumers to purchase a company's products or services. Customer acquisition is witnessed by an increase in customer reviews, sales volume, and the number of claims paid. The study also collected secondary data that helped to measure the acquisition of generation Y customers. The study measured it using the quality of customer service, sales volume, and the number of claims.

4.4.6.1 Customer Reviews

Customer service was measured using data collected from the website of respective companies where customers rated the services they received. Usually, customers gave reviews based on stars where 5 stars represented very satisfied and 1 representing dissatisfied. The study collected data for a period of 9 years from 2009 to 2017 from the 55 Registered Insurance Companies in Kenya. The findings were as presented in Figure 4.2.

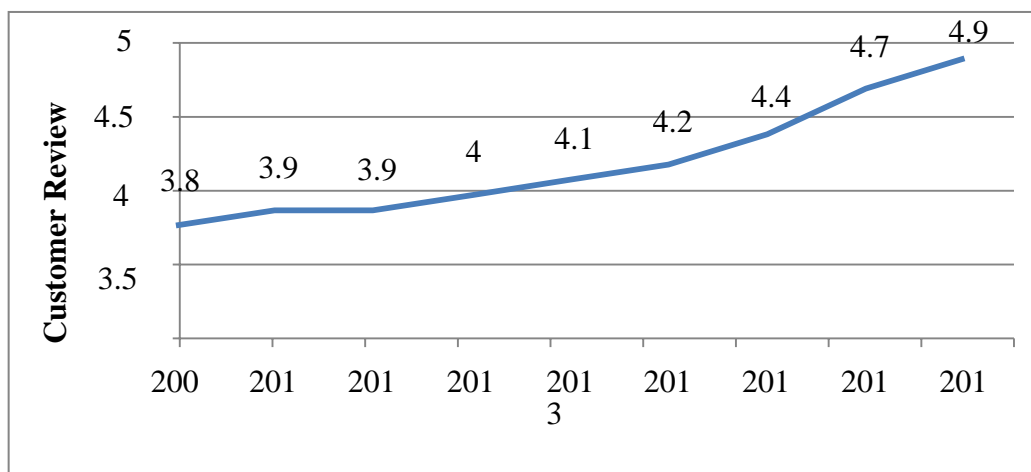


Figure 4.2: Customer Reviews

From the findings, the customer reviews have been improving over the years. In 2009, the customer reviews averaged 3.8 which was slightly satisfactory. The trend also shows that there was an increase over the years and by 2017, the review average was 4.9 which suggested that most of the customers were very satisfied with the services they received. This implies that the insurance companies in Kenya have improved their service delivery to customers to the extent in customers are more satisfied. This could be attributed to their increased adoption and implementation of marketing strategies. The study findings are in agreement with Saif (2019) who states that Targeting Gen Y consumers by understanding what they want and feel about the product and using that information to win them. Marketers should be ready to maintain Gen Y consumers by giving them what they want. Create a market environment with Gen Y consumers in mind knowing what they want in terms of product varieties and product attributes

4.4.6.2 Sales Volume

The study used sales volume to determine the acquisition of customers. The study collected data from the Association of Kenya Insurers on the sales volume of individual companies from 2009 to 2017. The findings were graphically presented in Figure 4.3.

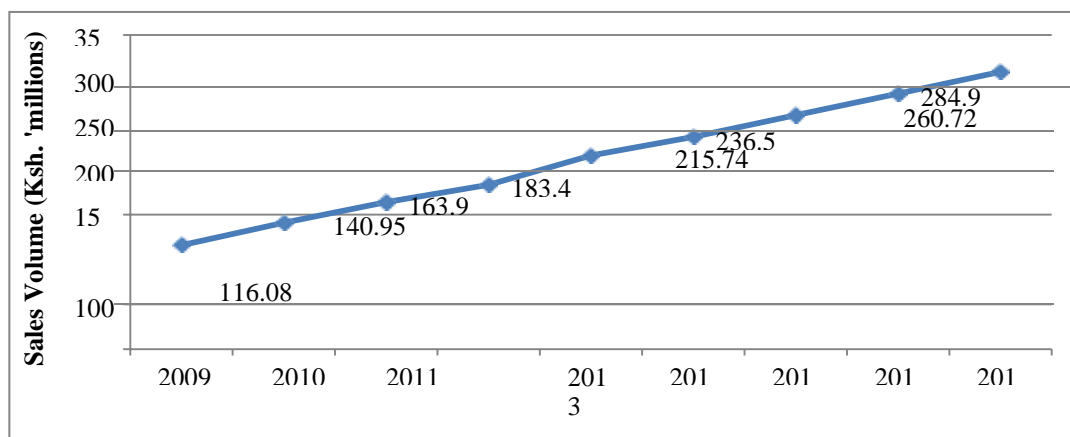


Figure 4.3: Sales Volume

From the findings presented in Figure 4.3, there has been a steady increase in sales volume in insurance companies. In 2009, the least volumes of sales were recorded at

116.08, and in 2017; it was the highest at 309.07. This implies that the insurance companies have made significant progress in their acquisition of customers which has seen an increase in company sales volume. This concurs with Magunga (2017) who states that the acquisition of customers allows organizations to realize continuous improvements in both promotional activities and customer acquisition systems.

4.4.6.3 Claims

The study also collected data on claims paid by the insurance companies between the years 2009 and 2017. The findings were displayed in Figure 4.4 below.

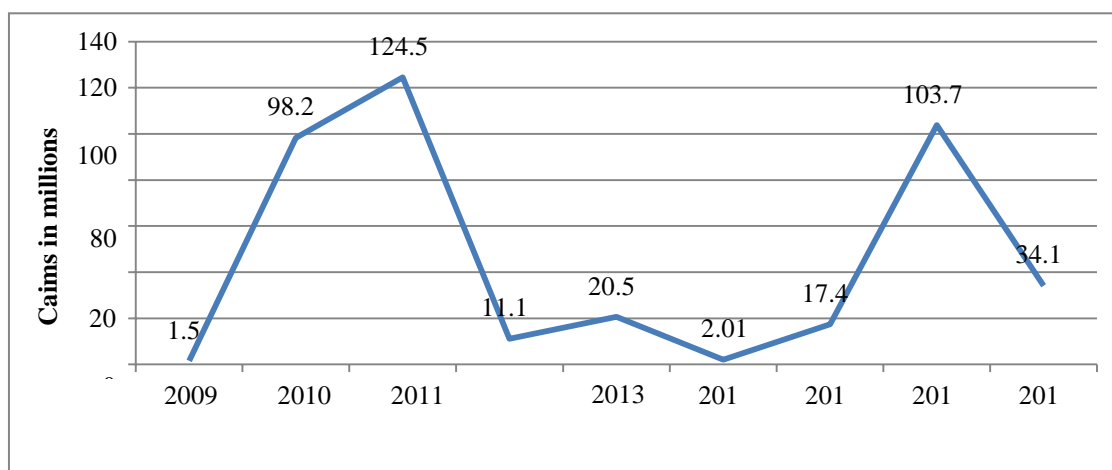


Figure 4.4: Trends in Insurance Company Claims

Based on the findings presented in Figure 4.4, the claims paid by the insurance companies fluctuated over the period under consideration. Between 2009 and 2011, there was a steady increase in claims paid by the insurance companies with 2011 being the highest during the entire period under consideration i.e. 2009-2019. Between 2011 and 2012, there was a sharp decline from 124.51 to 11.12 million. From 2012 to 2015, there was steady fluctuation which increased significantly thereafter to 103.72 in 2016 and decreased to 34.18 in 2017. These findings show that there is no pattern in the claims reported by the insurance companies over the years. This agrees with Kihagi (2019) who noted that in today's corporations,

generational differences challenge marketers. One generation of consumers exhibits maturity and steadfast loyalty while marketers of the young generation show interest in the products and have an exit strategy ready if boredom or dissatisfaction with products sets in. Population booms and generational differences in mindset combine to create adverse conditions that will gradually worsen, creating a perfect storm that spells disaster for consumers.

4.5 Correlation Analysis

The strength and the direction of the relationship between the dependent and the independent variables were assessed using Pearson correlation analysis. All the independent variables that describe the management practices together with the independent variable were correlated to establish the nature of relationships among variables and to establish the strength of the relationship. The values of the correlation coefficient range between -1 and 1 where a +1 value indicates a perfect positive relationship between the variables and a value of -1 indicates a perfect negative relationship between the variables. If the correlation coefficient value is 0 it implies that there is no relationship existing between the variables under consideration. A correlation coefficient of between 0.0 and 0.19 is considered “very weak”, between 0.20 and 0.39 is considered “weak”, between 0.40 and 0.59 is considered “moderate”, and 0.6-0.79 is considered “strong” and 0.80 -1.0 is considered “very strong”.

The study conducted a Pearson correlation analysis. Using the correlation coefficient, the study tested whether interdependency existed between the predictor variables and whether there was any relationship between the response variable (acquisition of generation Y customers) and predictor variables (product innovation strategy, price rationalization strategy, distribution strategy, and promotion strategy).

Table 4.29: Correlation Coefficients of Study Variables

		PIS	PRS	DS	PS	AcqgY
PIS	Pearson Correlation	1	.547**	.691**	.589**	.644**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	147	147	147	147	147
PRS	Pearson Correlation	.547**	1	.550**	.453**	.449**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	147	147	147	147	147
DS	Pearson Correlation	.691**	.550**	1	.675**	.606**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	147	147	147	147	147
PS	Pearson Correlation	.589**	.453**	.675**	1	.641**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	147	147	147	147	147
AcqgY	Pearson Correlation	.644**	.449**	.606**	.641**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	147	147	147	147	147

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

Based on the findings in Table 4.30, product innovation strategy (PIS) is seen to have a positive and significant relationship with the acquisition of generation Y customers (AcqgY) ($r=0.644$, $N=147$ $p<0.001$). The finding concurs with Njoroge (2019) that customer relationship marketing strategies and technology-based marketing strategies had a positive insignificant influence on the performance of SMEs. Also, Saif (2019) found that promotion, pricing, distribution, product standardization, and adaptation have an impact on sales, customer acquisition, and the financial performance of firms.

Price rationalization strategy (PRS) is also seen to have a strong positive and significant relationship with the acquisition of generation Y customers ($r=0.449$, $N=147$, $p<0.001$). This is in line with Lule (2018) who found that the strategies used by the firms that increased sales included the 4Ps of marketing namely product, place, promotion, and pricing. Other marketing strategies used that increased sales were competitive market strategies including the defender strategy which describes holders of the highest market share, a prospector who will continually search for market opportunities and are creators of change, and an analyzer who reads the market and watch competitors closely in various segments and rapidly adapt

promising ideas.

Distribution strategy (DS) was also seen to have a positive and significant relationship with the acquisition of generation Y customers ($r=0.641$, $N=147$, $p<0.001$). Since the p-value was less than the selected level of significance (0.05) it was concluded that the two variables are positively correlated. This concurs with Akinyele (2019) that strategic marketing strategies were a driver of organizational positioning in a dynamic environment and that it helps to enhance the development of new products/services for existing markets. Also, Al-Debi and Al-waely (2019) found that there was a positive effect for the services marketing mix dimensions; physical evidence, service providers, and process of service providing and their effect on attracting customers and retaining them and establishing mutual trust between insurance companies in the research sample.

Finally, promotion strategy (PS) and acquisition of generation Y customers were found to have a strong positive and significant relationship ($r=0.689$, $N=147$, $p<0.001$). The significance obtained was less than 0.05, an indication that the two variables are significantly and positively correlated with each other. This is in line with the findings of Magunga (2017) that there is much distrust of the insurance sector among the low-income earners, mostly out of ignorance, thus there was the need for a comprehensive awareness program to tap the vastly un-insured market of low-income households in need of insurance services.

4.6 Simple Regression Analysis

The study computed a simple regression analysis to investigate the effect of the independent variables (marketing strategies) on the acquisition of generation Y customers. The univariate analysis was conducted to investigate the effect of product innovation strategy, price rationalization strategy, distribution strategy, and promotion strategy on the acquisition of generation Y customers among insurance companies in Kenya. This guided the study in testing the null hypotheses H_{01} , H_{02} , H_{03} , and H_{04} .

4.6.1 Effect of Product Innovation Strategy on Acquisition of Generation Y Customers

A univariate analysis was conducted to determine the effect of product innovation strategy on the acquisition of generation Y customers among insurance companies in Kenya. The null hypothesis stated:

H₀₁. There is no significant effect of product innovation strategy on the acquisition of generation Y customers among insurance companies in Kenya.

To test the hypothesis, the regression between the acquisition of generation Y customers among insurance companies in Kenya and product innovation strategy was conducted.

Table 4.30: Model Summary for Product Innovation Strategy and Acquisition of Generation Y Customers

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.876 ^a	0.767	0.766	2.299

a. Predictors: (Constant), Product Innovation Strategy

From the results, the adjusted R square for the regression of acquisition of generation Y customers among insurance companies in Kenya was 0.766 which means that product innovation strategy could only explain 76.6% of the variation in the acquisition of generation Y customers among insurance companies in Kenya. The remaining 23.4% was explained by other strategies influencing the acquisition of generation Y customers among insurance companies in Kenya. This corresponds to Saif (2019) who argues that organizations identify customers' environmental needs and develop products to address these needs; or develop environmentally responsible products that have less impact than competitors increasing the perceived quality of the firm's products, market share, as well as customer satisfaction. Ingredients, with a package from recyclable, biodegradable, and reusable materials.

Table 4.31: ANOVA for Product Innovation Strategy and Acquisition of Generation Y Customers

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	3047.371	1	3047.371	576.626	0.000 ^b
Residual	766.325	145	5.285		
Total	3813.696	146			

a. Dependent Variable: Acquisition of Generation Y Customers Among Insurance Companies

b. Predictors: (Constant), Product Innovation Strategy

From the ANOVA results, the F-calculated was 576.626 and the p-value was 0.000 implying that the relationship was significant at a 95% significance level since F-calculated was greater than F-critical (3.8951). This showed that the model could significantly predict the outcome of the relationship between product innovation strategy and the acquisition of generation Y customers among insurance companies in Kenya. This conforms to Saif (2019) who reasoned that product differentiation can be a key effort where firms differentiate the products using marketing practices.

Table 4.32: Regression Coefficients for Product Innovation Strategy and Acquisition of Generation Y Customers

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	24.515	2.233		10.976	0.000
Product Innovation Strategy	0.895	0.300	0.876	2.983	0.003

a. Dependent Variable: Acquisition of Generation Y customer

The regression equation obtained from this output was: Acquisition of generation Y customer = 24.515+ 0.895X₁ + ε

From the findings, the coefficient for product innovation strategy is 0.895 which is significant since p=0.003 is less than 0.05, meaning that when a unit change in product innovation strategy changes leads to 0.895 unit change in acquisition of generation Y customers among insurance companies in Kenya. Further, the study

found that if product innovation strategy was held constant at zero, then the acquisition of generation Y customers among insurance companies in Kenya would be 24.515. This shows that the null hypothesis, which claims that there is no significant relationship between product innovation strategy and acquisition of generation Y customers among insurance companies in Kenya, is rejected. This implies that there exists a significant positive relationship between product innovation strategy and the acquisition of generation Y customers among insurance companies in Kenya. These findings are in line with Saif (2019) who argues that there is a growing amount of evidence indicating that consumers are choosing products or avoiding others based on their impact on their preferences and taste.

4.6.2 Effect of Pricing Rationalization Strategy on Acquisition of Generation Y Customers

A univariate analysis was conducted to determine the effect of pricing rationalization strategy on the acquisition of generation Y customers among insurance companies in Kenya. The null hypothesis stated:

H₀₂. There is no significant effect of pricing rationalization strategy on the acquisition of generation Y customers among insurance companies in Kenya.

Hypothesis two focused on identifying whether there is any relationship between pricing rationalization strategy and acquisition of generation Y customers among insurance companies in Kenya. To test this hypothesis, the regression between the acquisition of generation Y customers and the pricing rationalization strategy was done.

Table 4.33: Model Summary for Pricing Rationalization Strategy and Acquisition of Generation Y Customers

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate
1	0.920 ^a	0.846	0.846	2.300

b. Predictors: (Constant), Pricing Rationalization Strategy

Table 4.34 is a model fit that established how to fit the model equation fits the data. The adjusted R^2 was used to establish the predictive power of the study model and it was found to be 0.846 implying that 84.6% of the variations in the acquisition of generation Y customers among insurance companies in Kenya are explained by pricing rationalization strategies affecting the acquisition of generation Y customer among insurance companies in Kenya. This is in agreement with Kihagi (2019) who states that a premium pricing strategy means high-quality products and higher prices, can be associated with luxurious goods, economy pricing strategy has a low-quality product or services and changes lower prices and maintaining low costs.

Table 4.34: ANOVA for Pricing Rationalization Strategy and Acquisition of Generation Y Customers

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	5103.33	1	5103.330	964.570	0.000 ^b
Residual	767.195	145	5.291		
Total	5870.525	146			

- a. Dependent Variable: Acquisition of Generation Y Customers Among Insurance Companies
- b. Predictors: (Constant), Pricing Rationalization Strategy

The probability value of 0.000 indicates that the regression relationship was highly significant in predicting how the pricing rationalization strategy affected the performance of acquisition of generation Y customers among insurance companies in Kenya. The F calculated at a 5 percent level of significance was 964.570. Since F calculated is greater than the F critical (value = 3.8951), this shows that the overall model was significant. Kihagi (2019) recognized that price has an important

influence on consumers' product choice and represents the total value that consumers sacrifice to obtain the benefits or usefulness of a product or service.

Table 4.35: Regression Coefficients for Pricing Rationalization Strategy and Acquisition of Generation Y Customers

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	21.506	6.934		3.102	0.002
Pricing Rationalization Strategy	0.972	0.3	0.920	2.573	0.001

a. Dependent Variable: Acquisition of Generation Y Customer Among Insurance Companies

The regression equation obtained from this output:

This means: Acquisition of generation Y customers = 21.506 + 0.972X₂+ε

From the findings, the pricing rationalization strategy was held constant at zero, then the acquisition of generation Y customers among insurance companies in Kenya will be 21.506. The study further found that a unit change in pricing rationalization strategy changes would lead to a 0.972 unit change in the acquisition of generation Y customers among insurance companies in Kenya and was significant since p=0.001 is less than 0.05. This shows that null hypothesis three was not accepted meaning that there was a positive and significant relationship between pricing rationalization strategy and acquisition of generation Y customers among insurance companies in Kenya. Just as Kadzo (2019) study found that consumers with a positive attitude toward environmentalism are willing to pay more for products.

4.6.3 Effect of Promotional Strategy on Acquisition of Generation Y Customers

A univariate analysis was conducted to determine the effect of distribution strategy on the acquisition of generation Y customers among insurance companies in Kenya. The null hypothesis stated:

H₀₃. There is no significant effect of Promotional Strategy on the acquisition of generation Y customers among insurance companies in Kenya.

Hypothesis three stated there is no significant effect of promotional strategy on the acquisition of generation Y customers among insurance companies in Kenya. To test the hypothesis, the regression between the acquisition of generation Y customers and promotional strategies as a composite of independent variables was done.

Table 4.36: Model Summary for Promotional Strategy on Acquisition of Generation Y Customers

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.867 ^a	0.751	0.749	2.260

a. Predictors: (Constant), Promotional Strategies

From the findings in Table 4.37, the adjusted R square for the regression of acquisition of generation Y customers among insurance companies in Kenya on Promotional strategies was 0.749 which meant that Promotional strategies could only explain 74.9% of the variation in the acquisition of generation Y customers among insurance companies in Kenya. The remaining 25.1% was explained by other marketing strategies influencing the acquisition of generation Y customers among insurance companies in Kenya. These findings concur with Mbatia (2019) who stated that an organization’s promotional mix includes advertising, public relations, personal selling, sales promotion, and direct marketing.

Table 4.37: ANOVA for Promotional Strategy on Acquisition of Generation Y Customers

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	2695.166	1	2695.166	527.547	0.000 ^b
Residual	740.805	145	5.109		
Total	3435.971	146			

a. Dependent Variable: Acquisition of Generation Y Customer

b. Predictors: (Constant), Promotional Strategies

From the ANOVA Table, the F-calculated was revealed to be 527.547 and the p-value was 0.001. This showed that this relationship was significant at a 95% significance level because F-calculated was greater than F-critical (3.8951) and the p-value was less than 0.05. This meant that the relationship between the acquisition of generation Y customers among insurance companies in Kenya on Promotional strategies was positively and significantly related and promotional strategies could significantly predict the value of acquisition of generation Y customers among insurance companies in Kenya. This is in line with Mbatia (2019) who stated that the relative importance of each of the promotional mix tools for industrial goods, in descending order, is: Personal selling, sales promotion, advertising, and public relations.

Table 4.38: Regression Coefficients for Promotional Strategy on Acquisition of Generation Y Customers

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	27.634	10.895		2.536	0.012
Promotional strategies	.888	.278	.867	3.194	0.002

a. Dependent Variable: Acquisition of Generation Y Customer Among Insurance Companies

The regression equation obtained from this outcome was: -

This means: Acquisition = 27.634+ 0.888X₃ +ε

If promotional strategies were held constant at zero, then the acquisition of

generation Y customers among insurance companies in Kenya will be 27.634 which is significant since $p=0.002$ is less than 0.05. The study further found that a unit change in Promotional strategies changes would lead to a 0.888 unit change in the acquisition of generation Y customers among insurance companies in Kenya. This shows that null hypothesis two was rejected meaning that there was a positive and significant relationship between Promotional strategies and acquisition of generation Y customers among insurance companies in Kenya. This concurs with Magunga (2017) who stated that promotion as a tool develops market penetration as it defines the product category, for instance, it encourages the usage of a product by the users and also the creation of brand awareness, as it speaks of market penetration in terms of brand awareness, brand recall, or some other marketing-communication metric that reflects the share of mind.

4.6.4 Effect of Distribution Strategy on Acquisition of Generation Y Customers

A univariate analysis was conducted to determine the effect of distribution strategy on the acquisition of generation Y customers among insurance companies in Kenya. The null hypothesis stated:

H₀₄. There is no significant effect of distribution strategy on the acquisition of generation Y customers among insurance companies in Kenya.

The study tested the null hypothesis that there is no significant effect of distribution strategy on the acquisition of generation Y customers among insurance companies in Kenya by carrying out a regression between the acquisition of generation Y customers and distribution strategies.

Table 4.39: Model Summary for Distribution Strategy and Acquisition of Generation Y Customers

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.871 ^a	0.758	0.757	2.260

a. Predictors: (Constant), Distribution Strategies

Table 4.40 is a model fit that establishes how to fit the model equation fits the data.

The adjusted R^2 was used to establish the predictive power of the study model and it was found to be 0.757 implying that 75.7% of the variations in the acquisition of generation Y customers among insurance companies in Kenya are explained by distribution strategies meaning that the unexplained 24.3% is attributed to other marketing strategies affecting the acquisition of generation Y customer among insurance companies in Kenya. This conforms to Al-Debi and Al-waely (2019) who argue it is that marketing channels are sets of interdependent organizations involved in the process of making a product or service available for use or consumption.

Table 4.40: ANOVA for Distribution Strategy on Acquisition of Generation Y Customers

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	2800.538	1	2800.538	548.401	0.000 ^b
Residual	893.679	5	5.107		
Total	3694.217	.46			

a. Dependent Variable: Acquisition of Generation Y Customer Among Insurance Companies

b. Predictors: (Constant), Distribution Strategies

The ANOVA results show that the relationship between the acquisition of generation Y customers among insurance companies in Kenya and distribution strategies was significant since the $F_{\text{calculated}}=548.401$ was greater than $F_{\text{critical}}= 3.8951$ and the $p\text{-value}=0.000$ was less than 0.05. This means that the value of acquisition of generation Y customers among insurance companies in Kenya could be positively and significantly predicted by distribution strategies. Akinyele (2019) states concerning the results that for businesses to be established and become competitively priced, companies have to ensure that their distributors are concerned about the environment and ascertain that they establish a distribution strategy.

Table 4.41: Regression Coefficients for Distribution Strategy on Acquisition of Generation Y Customers

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	18.397	8.743		2.104	0.037
Distribution strategies	0.905	0.357	0.871	2.535	0.012

a. Dependent Variable: Acquisition of Generation Y Customer Among Insurance Companies

The regression equation obtained from this outcome was: -

This means: Acquisition = 18.397 + 0.905X₄ + ε

As per the results, if distribution strategies were held constant at zero, then the acquisition of generation Y customers among insurance companies in Kenya will be 18.397. The study further found that a unit change in distribution strategies changes would lead to a 0.905 unit change in the acquisition of Generation customers and was significant since p=0.012 is less than 0.05. This shows that the null hypothesis was rejected meaning that there was a significant relationship between distribution strategies and acquisition of generation Y customers among insurance companies in Kenya. This finding is similar to Akinyele (2019) who states that it is the marketing channels that are sets of interdependent organizations involved in the process of making a product or service available for use or consumption.

4.7 Multiple Regression analysis

Multiple regression analysis was conducted to determine the relationship between Product Innovation Strategy, promotion strategy, pricing rationalization strategy, and distribution strategies against the dependent variable acquisition of generation Y customer among insurance companies in Kenya. After running the selected data through SPSS, a statistical model was generated. The model generated is what is popularly called a multiple regression model.

Table 4.42: Overall Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.884 ^a	0.782	0.775	0.732

a. Predictors: (Constant), Product Innovation Strategy, Promotional Strategies, Pricing Rationalization Strategy, Distribution Strategies

Table 4.43 is a model fit that establishes how to fit the model equation fits the data. The adjusted R^2 was used to establish the predictive power of the study model and it was found to be 0.775 implying that 77.5% of marketing strategies for acquisition of generation Y customers among insurance companies in Kenya are affected by the following variables; product innovation strategy, pricing rationalization strategy, distribution strategies, promotional strategies, and social media leaving 22.5% unexplained. Therefore, further studies should be done to establish the other factors (22.5%) that influence the marketing strategies for the acquisition of generation Y customers among insurance companies in Kenya.

Table 4.43: Overall ANOVA Results

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	268.352	4	67.088	122.332	0.000 ^b
Residual	77.816	142	0.548		
Total	346.168	146			

a. Dependent Variable: Acquisition of Generation Y Customer Among Insurance Companies

b. Predictors: (Constant), Product Innovation Strategy, Promotional Strategies, Pricing Rationalization Strategy, Distribution Strategies

The probability value of 0.000 indicates that the regression relationship was highly significant in determining how product innovation strategy, pricing rationalization strategy, distribution strategies, promotional strategies, and social media affect the acquisition of generation Y customers among insurance companies in Kenya. The F calculated at a 5 percent level of significance was 122.332. Since F calculated is greater than the F critical (value = 2.2670), this shows that the overall model was significant.

Table 4.44: Beta Coefficients of the Study Variables

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	11.91	4.398		2.708	0.007
Product Innovation Strategy	0.895	0.300	0.876	2.983	0.003
Price Rationalisation Strategy	0.972	0.300	0.920	2.573	0.001
Distribution Strategy	0.905	0.357	0.871	2.535	0.012
Promotion Strategy	0.888	0.278	0.867	3.194	0.002

a. Dependent Variable: Acquisition of Generation Y Customer Among Insurance Companies

From the findings in Table 4.45, the following regression equation was fitted.

$$Y = 11.91 + 0.895X_1 + 0.972X_2 + 0.905X_3 + 0.888X_4 + \varepsilon$$

From the findings, if all independent variables were held constant at zero, then the Acquisition of Generation Y customers will be 11.91. From the findings, the coefficient for product innovation strategy is 0.895 which is significant since $p=0.003$ is less than 0.05, meaning that when a unit change in product innovation strategy changes leads to 0.895 units change in Acquisition of Generation Y customers.

The study found that a unit change in pricing rationalization strategy changes would lead to 0.972 unit change in the Acquisition of Generation Y customers in Kenya. The variable was significant since $p\text{-value}=0.001 < 0.05$. Also, a unit change in Distribution Strategies changes would lead to a 0.905 unit change in the Acquisition of Generation Y customers in Kenya. The variable was significant since $p\text{-value}=0.012 < 0.05$. The study further found that a unit change in promotional strategies changes would lead to a 0.888 unit change in the acquisition of generation Y customers in Kenya. The variable was significant since $p\text{-value}=0.002 < 0.05$.

Generally, pricing rationalization strategy had the greatest effect on the Acquisition of Generation Y customers in Kenya; followed by distribution strategies, then

product innovation strategy while promotional strategies had the least effect on the Acquisition of Generation Y customers in Kenya. All the variables were significant at 0.05.

4.8 Moderating Effect Regression Analysis

The study adopted an approach of testing the effect of the moderating variable by Baron and Kenny (1986). The process proposed that when testing for moderation one should first establish the effect of the independent variables at a time (various marketing strategies at a time eg promotion strategies) versus the dependent variable (acquisition of the generation Y), the next step is to establish the effect of the moderating variable (social media) on the dependent variable (acquisition of generation y customers), finally, the researcher need to establish the effect of the interaction term which is between the marketing strategy at hand and the moderating variable eg [Product Innovation Strategy (PI) * Social media (SM)] on the variable that is dependent (acquisition of generation Y customers), this process involves centering of the means of both the independent variables and moderating variables and then running a stepwise regression using SPSS, which derives the single indicator that is a product (multiplied) of the two variables ((PI*SM).

Moderation happens when the relationship between the dependent variable and the independent variables is dependent on a third variable (moderating variable). The effect that this variable has is termed interaction as it affects the direction or strength of the relationship between the dependent and independent variables. The study computed a stepwise regression analysis to examine the moderating effect of social media on the relationship between marketing strategies and the acquisition of generation Y customers among insurance companies in Kenya.

4.8.1 Product Innovation Strategy

A stepwise regression analysis was conducted to examine the moderating effect of social media on the relationship between product innovation strategy and the acquisition of generation Y customers among insurance companies in Kenya. The null hypothesis stated:

H05a: Social media has no significant moderating influence on the relationship between product innovation strategy and acquisition of generation Y customers among insurance companies in Kenya.

Table 4.45: Model Summary for Social media, Product Innovation Strategy, and Acquisition of Generation Y Customer

Model	R	R Square	Adjusted Square	Std. Error of the Estimate
1	0.876 ^a	0.767	0.766	2.299
2	0.894 ^b	0.799	0.790	.35247

a. Predictors: (Constant), Product Innovation Strategy

b. Predictors: (Constant), Product Innovation Strategy, Social media, Product Innovation Strategy * Social media

The R squared for the relationship between product innovation strategy and acquisition of generation Y customers was 0.767, which implied that 76.7% of the acquisition of generation Y customers among insurance companies in Kenya can be explained by product innovation strategy. However, in the second model, in Table 4.46, which constituted product innovation strategy, social media, and product innovation strategy*social media, the r-squared was 0.799. This implies that the introduction of social media in the second model led to an increase in R- squared by 0.024 (0.790-0.767), showing that social media moderated the relationship between product innovation strategy and acquisition of generation Y customers among insurance companies in Kenya. Therefore, the introduction of social media in product innovation strategy has more effect on the acquisition of customers Y than without social media because the R –square with the interaction term is higher than without.

Table 4.46: ANOVA for Social media, Product Innovation Strategy, and Acquisition of Generation Y Customer

Model	Sum of Squares	df	Mean Square		F	Sig.
1 Regression	3047.371	1	3047.371	576.626		0.000 ^b
Residual	766.325	145	5.285			
Total	3813.696	146				
2 Regression	2048.241	3	682.747	218.549		.000 ^c
Residual	446.732	143	3.124			
Total	2494.973	146				

a. Dependent Variable: Acquisition of Generation Y Customer

b. Predictors: (Constant), Product Innovation Strategy

c. Predictors: (Constant), b. Predictors: (Constant), Product Innovation Strategy, Social media, Product Innovation Strategy * Social media

From the findings, the F-calculated for the first model, as shown in Table 4.47, was 576.626 and for the second model was 218.549. Since the F-calculated for the two models were more than the F-critical, 3.8951 (first model) and 2.668 (second model), the two models were a good fit for the data and hence they could be used in predicting the moderating effect of social media on the influence of product innovation strategy on the acquisition of generation Y customers among insurance companies in Kenya.

Table 4.47: Coefficients for the Relationship between Social media, Product Innovation Strategy, and Acquisition of Generation Y Customer

Model	Unstandardized Coefficients			Standardized Coefficients	t	Sig.
	B	Std. Error	Beta			
1	(Constant)	24.515	2.233		10.976	0.000
	Product Innovation Strategy	0.895	0.300	0.876	2.983	0.003
2	(Constant)	22.466	1.269		17.704	0.000
	Product Innovation Strategy	.514	.149	0.578	3.450	0.000
	Social media	.662	.136	0.752	4.868	0.000
	Product Innovation Strategy * Social media	.912	.090	0.894	10.133	.000

a. Dependent Variable: Acquisition of Generation Y Customer

In the first model, as shown in Table 4.48, by substituting the beta values as well as the constant term, model 1 emanating from the first step in regression modeling would be as follows:

$$Y = 24.515 + 0.895 X_1$$

The findings show that product innovation strategy has a statistically significant effect on the acquisition of generation Y customers among insurance companies in Kenya as shown by a regression coefficient of 0.895 (p-value=0.000).

In the second regression model, by substituting the beta values as well as the constant term, model 2 emanating from the second step in regression modeling was as follows:

$$Y = 22.466 + .514X_1 + .662 M + 0.912 X_1 * M + \epsilon$$

The model indicated that product innovation strategy had a positive and statistically significant effect on the acquisition of generation Y customers as shown by a regression coefficient of .514 (p-value=0.000). Social media had a positive and significant effect on the acquisition of generation Y customers as shown by a regression coefficient of .662. The findings further show that product innovation strategy*social media had a positive and significant effect on the acquisition of generation Y customers among insurance companies in Kenya as shown by a regression coefficient of $\beta = 0.912$, p-value < 0.001. The study, therefore, accepted the hypothesis that social media has no significant moderating influence on the relationship between product innovation strategy and acquisition of generation Y customers among insurance companies in Kenya

4.8.2 Pricing Rationalization Strategy

A stepwise regression analysis was conducted to examine the moderating effect of social media on the relationship between pricing rationalization strategy and acquisition of generation Y customers among insurance companies in Kenya.

The null hypothesis stated:

H05b: Social media has no significant moderating influence on the relationship between pricing rationalization strategy and acquisition of generation Y customers among insurance companies in Kenya

Table 4.48: Model Summary for Social media, pricing rationalization strategy, and Acquisition of Generation Y Customer

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.920 ^a	0.846	0.846	2.300
2	0.934 ^b	0.872	0.863	.57842

a. Predictors: (Constant), pricing rationalization strategy

b. Predictors: (Constant), pricing rationalization strategy, Social media, pricing rationalization strategy * Social media

The R squared for the relationship between pricing rationalization strategy and acquisition of generation Y customers was 0.846, which implied that 84.6% of the acquisition of generation Y customers among insurance companies in Kenya can be explained by pricing rationalization strategy. However, in the second model, with the introduction of the moderating variable, pricing rationalization strategy * Social media (PRS*SM), the r- squared was 0.872. This implies that the introduction of social in the second model led to an increase in r-squared by 0.026, showing that social media moderates the relationship between pricing rationalization strategy and acquisition of generation Y customers among insurance companies in Kenya.

Table 4.49: ANOVA for Social media, pricing rationalization strategy, and Acquisition of Generation Y Customer

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5103.33	1	5103.330	964.570	0.000 ^b
	Residual	767.195	145	5.291		
	Total	5870.525	146			
2	Regression	7213.535	3	2404.512	518.549	.000 ^c
	Residual	663.091	143	4.637		
	Total	7876.626	146			

a. Dependent Variable: Acquisition of Generation Y Customer

b. Predictors: (Constant), pricing rationalization strategy

c. Predictors: (Constant), b. Predictors: (Constant), pricing rationalization strategy, Social media, pricing rationalization strategy* Social media

From the findings, the F-calculated for the first model, as shown in Table 4.50, was 964.570 and for the second model was 518.549. Since the F-calculated for the two models were more than the F-critical, 3.8951 (first model) and 2.668 (second model), the two models were a good fit for the data and hence they could be used in predicting the moderating effect of social media on the influence of pricing rationalization strategy on the acquisition of generation Y customers among insurance companies in Kenya.

Table 4.50: Coefficients for the Relationship between Social media, pricing rationalization strategy, and Acquisition of Generation Y Customer

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig
	B	Std. Error	Beta			
1	(Constant)	21.506	6.934		3.102	0.002
	Pricing rationalization Strategy	0.972	0.3	0.920	2.573	0.001
2	(Constant)	20.102	0.869		23.132	0.000
	Pricing rationalization Strategy	0.623	0.306	0.458	2.036	0.002
	Social media	0.712	0.214	0.625	3.327	0.000
	Pricing rationalization strategy * Social media	0.816	0.123	0.934	6.634	0.003

a. Dependent Variable: Acquisition of Generation Y Customer

In the first model, as shown in Table 4.51, the pricing rationalization strategy has a statistically significant effect on the acquisition of generation Y customers among insurance companies in Kenya as shown by a regression coefficient of $\beta = 0.972$, p-value = $0.001 < 0.05$).

The second regression model indicated that the interaction (int_) of PSR*SM had a significant effect on the acquisition of the customers as shown by a regression coefficient of $\beta = 0.816$, p-value = $0.003 < 0.05$).

The model indicated that the pricing rationalization strategy had a positive and

statistically significant effect on the acquisition of generation Y customers as shown by a regression coefficient of .623 (p-value=0.002). Social media had a positive and significant effect on the acquisition of generation Y customers as shown by a regression coefficient of 0.712 (p-value = 0.000). The findings further show that pricing rationalization strategy*social media had a positive and significant effect on the acquisition of generation Y customers among insurance companies in Kenya as shown by a regression coefficient of 0.816 (p-value=0.003). Therefore, we reject the hypothesis that Social media has no statistically significant moderating influence on the relationship between pricing rationalization strategy and acquisition of generation Y customers among insurance companies in Kenya. Therefore, model two is acceptable in the prediction of generation y customer acquisition in the Kenyan insurance industry.

Regression model before moderation was:

$$Y = 21.506 + 0.972 X_2 + \epsilon$$

Regression after moderation becomes:

$$Y = 20.102 + .623 X_2 + .712 M + 0.816 X_2 * M + \epsilon$$

4.8.3 Promotional Strategy

A stepwise regression analysis was conducted to examine the moderating effect of social media on the relationship between promotional strategy and acquisition of generation Y customers among insurance companies in Kenya.

The null hypothesis stated:

H_{05c}: Social media has no significant moderating influence on the relationship between promotional strategy and acquisition of generation Y customers among insurance companies in Kenya

Table 4.51: Model Summary for Social media, promotional strategy, and Acquisition of Generation Y Customer

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.867 ^a	0.751	0.749	2.260
2	0.894 ^b	0.799	0.785	.69874

a. Predictors: (Constant), promotional strategy

b. Predictors: (Constant), promotional strategy, Social media, promotional strategy*Social media

The R squared for the relationship between promotional strategy and acquisition of generation Y customers was 0.751, which implied that 75.1% of the acquisition of generation Y customers among insurance companies in Kenya can be explained by promotional strategy. However, in the second model, in Table 4.54, which constituted promotional strategy, social media, and product innovation strategy*social media, the r-squared was 0.785 which implied an increase in the R-square by 0.048. This implies that the introduction of the interaction of the moderating variable in the second model led to an increase in r-squared, showing that social media moderates the relationship between promotional strategy and acquisition of generation Y customers among insurance companies in Kenya. Therefore, using social media such as Facebook and Twitter in the promotion strategy increases the acquisition of generation Y in the insurance sector in Kenya.

Table 4.52: ANOVA for Social media, promotional strategy, and Acquisition of Generation Y Customer

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2695.166	1	2695.166	527.547	0.000 ^b
	Residual	740.805	145	5.109		
	Total	3435.971	146			
2	Regression	3720.549	3	1240.183	336.549	.000 ^c
	Residual	526.955	143	3.685		
	Total	4247.504	146			

a. Dependent Variable: Acquisition of Generation Y Customer

b. Predictors: (Constant), promotional strategy

c. Predictors: (Constant), b. Predictors: (Constant), promotional strategy, Social media, promotional strategy * Social media

From the findings, the F-calculated for the first model, as shown in Table 4.53, was

527.547 and for the second model was 336.549. Since the F-calculated for the two models were more than the F-critical, 3.8951 (first model) and 2.668 (second model), the two models were a good fit for the data and hence they could be used in predicting the moderating effect of social media on the influence of promotional strategy on the acquisition of generation Y customers among insurance companies in Kenya.

Table 4.53: Coefficients for the Relationship between Social media, promotional strategy, and Acquisition of Generation Y Customer

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1	(Constant)	27.634	10.895		2.536	0.012
	Promotional strategy	.888	.278	.867	3.194	0.002
2	(Constant)	19.568	0.869		22.518	0.000
	Promotional strategy	0.678	0.22	0.589	3.082	0.004
	Social media	0.689	0.198	0.554	3.480	0.005
	Promotional strategy * Social media	0.758	0.201	0.894	3.771	0.001

a. Dependent Variable: Acquisition of Generation Y Customer

The first model, as shown in Table 4.54, shows that promotional strategy has a statistically significant effect on the acquisition of generation Y customers among insurance companies in Kenya as shown by a regression coefficient of $\beta = 0.888$, $p\text{-value} = 0.002 < 0.05$).

In the second regression model, the interaction by the moderating variable PS* SM, emanating from the second step in regression modeling was a regression coefficient of $\beta = 0.758$, $p\text{-value} = 0.001 < 0.05$). Therefore, moderating effect of the promotion strategy is significant and acceptable in the prediction of acquisition of generation Y customers among Insurance customers in Kenya. We can, therefore, reject the hypothesis that social media has no significant moderating influence on the relationship between promotional strategy and acquisition of generation Y customers among insurance companies in Kenya.

Regression model before moderation

$$Y=27.634 + 0.888X_3 +\epsilon$$

Regression model after moderation

$$Y= 19.568 + .678 X_3 + .689 M + 0.758 X_3*M+\epsilon$$

4.8.4 Distribution Strategy

A stepwise regression analysis was conducted to examine the moderating effect of social media on the relationship between distribution strategy and acquisition of generation Y customers among insurance companies in Kenya.

The null hypothesis stated:

H_{05d}: Social media has no significant moderating influence on the relationship between distribution strategy and acquisition of generation Y customers among insurance companies in Kenya

Table 4.54: Model Summary for Social media, distribution strategy, and Acquisition of Generation Y Customer

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	0.871 ^a	0.758	0.757		2.260
2	0.902 ^b	0.814	0.811		.4578

a. Predictors: (Constant), distribution strategy

b. Predictors: (Constant), distribution strategy, Social media, distribution strategy *Social media

The R squared for the relationship between distribution strategy and acquisition of generation Y customers was 0.758, which implied that 75.8% of the acquisition of generation Y customers among insurance companies in Kenya can be explained by distribution strategy. However, in the second model, in Table 4.55, which constituted distribution strategy, social media, and distribution strategy *social media, the r-squared was 0.814 which indicated an increase in R-square by 0.056 (0.814-0.758). This implies that the introduction of social media in the second model led to an

increase in r-squared, showing that social media moderates the relationship between distribution strategy and acquisition of generation Y customers among insurance companies in Kenya. Therefore, using social media such as Facebook and Twitter in the distribution strategy increases the acquisition of generation Y in the insurance sector in Kenya.

Table 4.54: ANOVA for Social media, distribution strategy, and Acquisition of Generation Y Customer

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2800.538	1	2800.538	548.401	0.000 ^b
	Residual	893.679	145	5.107		
	Total	3694.217	146			
2	Regression	3048.436	3	1016.145	178.365	0.000 ^c
	Residual	814.671	143	5.697		
	Total	3863.107	146			

a. Dependent Variable: Acquisition of Generation Y Customer

b. Predictors: (Constant), distribution strategy

c. Predictors: (Constant), distribution strategy, Social media, distribution strategy * Social media

From the findings, the F-calculated for the first model, as shown in Table 4.56, was 548.401 and for the second model was 178.365. Since the F-calculated for the two models were more than the F-critical, 3.8951 (first model) and 2.668 (second model), the two models were a good fit for the data and hence they could be used in predicting the moderating effect of social media on the influence of distribution strategy on the acquisition of generation Y customers among insurance companies in Kenya.

Table 4.55: Coefficients for the Relationship between Social media, distribution strategy, and Acquisition of Generation Y Customer

Mo del	Unstandardized Coefficients		Standardized Coefficients		t	Sig
	B	Std. Error	Beta			
1	(Constant)	18.397	8.743		2.104	0.037
	Distribution strategy	0.905	0.357	0.871	2.535	0.012
2	(Constant)	21.358	2.869		7.444	0.001
	Distribution strategy	0.815	0.196	0.775	4.158	0.002
	Social media	0.725	0.21	0.693	3.452	0.005
	Distribution strategy *	0.889	0.187	0.902	4.754	0.001
	Social media					

a. Dependent Variable: Acquisition of Generation Y Customer

In the first model, as shown in Table 4.57, the findings show that distribution strategy has a statistically significant effect on the acquisition of generation Y customers among insurance companies in Kenya as shown by a regression coefficient of $\beta=0.905$, $p\text{-value}=0.012 < 0.05$).

In the second regression model, the regression coefficient for the interaction term, DS*SM showed a regression coefficient of 0.889, $p=0.001 < 0.05$, therefore social media as a moderator was acceptable and significant in the prediction of the acquisition of the customers' Y among insurance companies in Kenya. We can therefore reject the hypothesis that said: Social media has no significant moderating influence on the relationship between distribution strategy and acquisition of generation Y customers among insurance companies in Kenya.

Regression model before moderation

$$Y=18.397 + 0.905X_4 + \epsilon$$

Regression model after moderation

$$Y= 21.358 + .815 X_4 + .725 M + 0.889 X_4 * M + \epsilon$$

4.8.5 Marketing Strategies Overall

To get the moderating effect of the social media on the relationship between the dependent and independent variables, the researcher used a stepwise regression

model on the overall null hypothesis stated:

H₀₅. Social media does not moderate the relationship between marketing strategies and the acquisition of generation Y customers among insurance companies in Kenya.

Hierarchical regression analysis was conducted on the moderating effect of social media on the relationship between marketing mix strategies and the acquisition of generation Y customers. First, the four independent variables were controlled to test the independent relationship between the social media and the four variables controlled therefore generating two models i.e one without the control variable and the other with control (social media) which were regressed on the acquisition of generation Y (dependent variable) for both models. In the first model, the effect of the marketing strategies (product innovation strategy, pricing rationalization strategy, distribution strategies, and promotional strategies) on the acquisition of generation Y customers were tested. In the second model, Social Media was introduced to the model with the equation adopted:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_i X_i Z + \varepsilon$$

Y= Acquisition of generation y customers; β_0 =constant; X_1 = Product innovation strategy; X_2 = Pricing rationalization strategy; X_3 = Promotional strategies; X_4 = Distribution strategies; $X_i Z = M$ = Social Media; ε =error Term

The results for the regression models were as shown in Tables 4.58 and 4.59 and Table 4.60.

Table 4.56: Model Summary for Social Media, Marketing Strategies and Acquisition of Generation Y Customer

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. Change
1	.888 ^a	.788	.783	1.512	.788	159.960	4	172	.000
2	.912 ^b	.832	.827	1.500	.044	8.896	1	171	.000

Predictors: (Constant), Product Innovation Strategy, Promotional Strategies, Pricing Rationalization Strategy, Distribution Strategies

Predictors: (Constant), Product Innovation Strategy, Promotional Strategies, Pricing Rationalization Strategy, Distribution Strategies, Social Media

Table 4.58 show that the 1 fits the data coefficient of determination was 0.783 with a sig F change $p < 0.05$ of 0.044. Based on the model, 78.3% of the acquisition of generation Y customers among insurance companies in Kenya was accounted for by marketing strategies while the remaining 21.7% of the acquisition of generation Y customers among insurance companies in Kenya was attributed to other variables outside the study. This is in line with Ongong'a (2018) who argued that when aligned with traditional marketing methods, social media can be an effective tool for marketers if the obstacle of engaging Generation Y is overcome.

The change statistics in the model as shown in Table 4.58 show an increase in R^2 by 4.4% from 78.8% to 83.2%. The increase of 4.4% was brought about by the moderating variable introduced in the second model which is significant since the p-value of $0.001 < 0.05$. This implies that social media moderates the relationship between marketing strategies and acquisition of generation Y customers among insurance companies in Kenya, which is acceptable and can be used in the prediction of the acquisition of generation Y customers in the insurance companies in Kenya. Concerning the findings, Ciminillo (2019) stated that companies are relying more on digital media event marketing and product placements. Success in targeting them comes from using fewer traditional advertisements (Peterson, 2016). This generation is most likely to utilize texting as a regular mode of communication and less likely to use e-mail regularly (Pew Research Centre, 2017). They regularly use blogs, reviews, and social networks to openly express their interests and feelings (Hershatter &

Epstein, 2017).

Table 4.58: ANOVA for Social Media, Marketing Strategies and Acquisition of Generation Y Customer

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	268.352	4	67.088	122.332	0.000b
	Residual	77.816	142	0.548		
	Total	346.168	146			
2	Regression	112.008	9	12.445	109.170	.000 ^c
	Residual	15.618	137	0.114		
	Total	127.626	146			

- a. Dependent Variable: Acquisition of Generation Y Customer
- b. Predictors: (Constant), Product Innovation Strategy, Promotional Strategies, Pricing Rationalization Strategy, Distribution Strategies
- c. Predictors: (Constant), Product Innovation Strategy, Promotional Strategies, Pricing Rationalization Strategy, Distribution Strategies, Social Media

From the findings in Table 4.59, the F-calculated for the first model was 122.332 and for the second model was 109.170. Since the F-calculated for the two models were more than the F- critical, 2.2670 (first model) and 1.949 (second model), the two models were a good fit for the data and hence they could be used in predicting the moderating effect of social media on the influence of product innovation strategy, price rationalization strategy, distribution strategy and promotion strategy on the acquisition of generation Y customers among insurance companies in Kenya.

The coefficient of the moderating effect of social media on the relationship between marketing strategies and acquisition of generation Y customers among insurance companies in Kenya was shown in Table 4.60.

Table 4.59: Regression Coefficients to Test for Moderation

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	25.792	10.843		2.379	0.019
	Product Innovation Strategy	0.895	0.300	0.876	2.983	0.003
	Pricing Rationalization Strategy	0.972	0.300	0.920	2.573	0.001
	Distribution strategies	0.905	0.357	0.871	2.535	0.012
	Promotional strategies	0.888	0.278	0.867	3.194	0.002
	2	(Constant)	27.917	10.9		2.561
2	Product Innovation Strategy	0.904	0.324	0.879	2.790	0.006
	Pricing Rationalization Strategy	0.996	0.32	0.955	3.113	0.002
	Distribution strategies	0.972	0.453	0.878	2.146	0.033
	Promotional strategies	0.892	0.231	0.875	3.861	0.000
	Social media	0.678	0.22	0.589	3.082	0.004

a. Dependent Variable: Acquisition of Generation Y Customer among Insurance Companies

The findings show that Social Media significantly moderates the relationship between overall marketing strategies and acquisition of generation Y customers among insurance companies in Kenya because the p-values associated with all the variables in the model were less than 0.05. The beta coefficient (β) values for the independent variable before moderation and after moderation also have different strengths or reading, for instance, the product innovation coefficient was $\beta = 0.895$ whereas after moderation with social media it became $\beta=0.904$ which revealed an increase after moderation which is as a result of the interaction. Similar results of change are given by the other beta values for PRS, PS and DS where ($\beta= 0.972$, $\beta=0.905$, $\beta =0.888$) before were changed to ($\beta=0.996$, $\beta=0.972$, $\beta=0.892$) respectively after moderation. Therefore, the hypothesis that social media does not moderate the relationship between marketing strategies and acquisition of generation

Y customers among insurance companies in Kenya was rejected and concluded that social media moderates the relationship between marketing strategies and acquisition of generation Y customers among insurance companies in Kenya. Therefore, social media is important in the prediction of the acquisition of generation Y customers. This finding is in line with Nkonyo (2019) who stated that more than consumers of other generations; they are most likely to support a brand that they find is socially conscious when their social concerns align with the social concerns of that organization.

Main Multiple regression model before moderation

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

$$Y = 25.792 + 0.895 X_1 + 0.972 X_2 + 905 X_3 + 0.888 X_4 + \varepsilon$$

Main Multiple regression model after moderation

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_i X_i Z + \varepsilon$$

$$Y = 25.792 + 0.904 X_1 + 0.996 X_2 + 0.972 X_3 + 0.892 X_4 + 0.678 X_i Z + \varepsilon$$

4.9 Summary of the Inferential Statistics

As per the findings, most of the variables used in the analysis were found to have a positive and significant contribution to the acquisition of Generation Y customers among insurance companies in Kenya greatly. The first null hypothesis of this study was that there is no significant relationship between product innovation strategy and acquisition of generation Y customers among insurance companies in Kenya and was rejected since the *p*-value was 0.003. The second hypothesis stated that there is no significant relationship between Promotional strategies and the acquisition of generation Y customers among insurance companies in Kenya, which was also rejected since the *p*-value was 0.002. Similarly, the third null hypothesis that there is no significant relationship between pricing rationalization strategy and acquisition of generation Y customers among insurance companies in Kenya was also rejected since the *p*-value was 0.001. The fourth null hypothesis that stated there is no

significant relationship between distribution strategies and acquisition of generation Y customers among insurance companies in Kenya was rejected since the p-value was 0.012. Lastly, the null hypothesis that Social media does not moderate the relationship between marketing strategies and acquisition of generation Y customers among insurance companies in Kenya was rejected since the p-value was 0.003. Chapter four presented the findings and discussions of the study in both descriptive and inferential analysis. The study was also able to reveal the significance of social media in moderating the relationship between marketing strategies and the acquisition of generation Y customers among insurance companies in Kenya. The following chapter presented the conclusions of the study from the findings presented as well as recommendations of the study for policy reasons as well as indicating gaps left for future scholars.

CHAPTER FIVE

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of findings, a discussion of key findings, conclusions drawn from the findings, and recommendations.

5.2 Summary of Findings

This section presents a summary of the major findings of the study which was guided by four main objectives; to determine the effect of product innovation strategy, pricing rationalization strategy, distribution strategies, promotional strategies, and social media on the relationship between marketing strategies and acquisition of generation Y customers among insurance companies in Kenya.

5.2.1 Effect of Product Innovation Strategy on Acquisition of Generation Y Customers among Insurance Companies in Kenya

The study sought to determine the effect of product innovation strategy on the acquisition of generation Y customers among insurance companies in Kenya. The findings are presented for both descriptive as well as inferential analysis.

The findings further that reliability of the product affects customers' choice; product diversification is a key determinant for customers joining the company and efficiency improvements influence the choice of the customers' opinions greatly affected the acquisition of generation Y customers. While product development is grounded on collaboration between technical groups and customer's opinions and preferences, source vendors being used in understanding the customer's needs and the popularity of the company influencing customer purchase decisions are revealed to have a moderate effect on the acquisition of Generation Y customers among insurance companies in Kenya.

The study also found that the companies used smart contracts/parametric insurance

products, telematics, short-term insurance, smart speakers (and Virtual Assistants), online applications model internet to market, and re-inventing products and premiums as new business models. Further, the study found that production innovation strategies encouraged repeat purchases, increased referrals, and discouraged switching to another product or service.

The study found that product innovation strategy positively and significantly affected the acquisition of Generation y customers among insurance companies in Kenya, with a p-value of $0.003 < 0.05$. Besides, Social media significantly moderated the effect of product innovation on the acquisition of generation Y customers among insurance companies in Kenya, Product Innovation Strategy * Social Media (PI*SM) revealed a p-value of $0.001 < 0.05$.

5.2.2 Effect of Pricing Rationalization Strategy on Acquisition of Generation Y Customers among Insurance Companies in Kenya

The research determined the effect of pricing rationalization strategy on the acquisition of Generation Y customers among insurance companies in Kenya. According to the descriptive statistics, the organization is a leader in price offerings compared to its competitors and the price of a product is a reflection of its use affects the acquisition of Generation Y customers among insurance companies in Kenya to a very great extent. While the organization reviewing the prices of the product before deciding on which brand to purchase and associating higher prices with high-quality products greatly affects the acquisition of Generation Y customers among insurance companies in Kenya. The study also revealed that prices in the organization being determined by market surveys, offering prices that reflect the value of the product, and the insurance company's current pricing structure that included discounts, product options, and rebates moderately affected the acquisition of Generation Y customers among insurance companies in Kenya.

The study found that insurance companies adopted innovative and customized pricing strategies, offering discounts on their products, flexible payment models, use of dynamic pricing methods, clear and transparent pricing, and mergers & acquisitions. The study established that the pricing rationalization strategy resulted in

an increase in a positive attitude, an increase in the intention to continue using the product, and enabled customers to defend service providers.

The pricing standardization strategy was found to significantly influence the acquisition of generation Y customers among insurance companies in Kenya, with p-values of $0.001 < 0.05$. Besides, the introduction of social media as a moderating variable revealed through the interaction variable (PSR*SM), price standardization significantly predicted the acquisition of generation Y customers among insurance companies in Kenya when moderated by social media. In Kenya, $p\text{-value} = 0.003 < 0.05$, which is useful in the model.

5.2.3 Effect of Distribution Strategy on Acquisition of Generation Y Customers among Insurance Companies in Kenya

On the effect of distribution strategies on the acquisition of Generation Y customers among insurance companies in Kenya, the findings disclosed that conducting workshops and seminars attracted more customers, distributing insurance services by networking with other service providers and giving out clear offerings in the company's marketing had a very great effect on the acquisition of generation Y customers. Customers being linked direct to distribution conversion, having a direct sales channel allowing customers to contact other customers without any intermediaries through visits, the business being a pure-play distributor, the company distributing services by offering virtual service, the company distributing services by providing on-site work, the company operating a one-stop-shop and the business being involved in various partnership at revealed that all had great effect acquisition of generation Y customers. The study also found that distribution strategies included strategic alliances and partnerships, internal marketing through the common database for all branches, digital marketing, and analytics, establishing regional offices to enhance awareness, market development (opening new branches), participation in corporate social responsibility activities, and vertical integration (Mergers and Acquisition). Also, the study found that distribution strategies encouraged the customers to defend service providers, increase positive attitudes, and lowered the intention to continue using the product.

The study revealed that the distribution strategy positively and significantly affects the acquisition of generation Y customers among insurance companies in Kenya, $p\text{-value}=0.001 < 0.05$. Furthermore, the introduction of the interaction variable (DS*SM), significantly and positively affected the acquisition of generation Y customers among insurance companies in Kenya, $p\text{-value}=0.001 < 0.05$.

5.2.4 Effect of Promotional Strategy on Acquisition of Generation Y Customers among Insurance Companies in Kenya

The study sought to ascertain the effect of promotional strategy on the acquisition of Generation Y customers among insurance companies in Kenya. From the correlation analysis, the study found that there exists a strong and positive correlation between the Acquisition of Generation Y customers among insurance companies in Kenya and Promotional Strategy. The study concluded that public relations creation and maintaining corporate identity, image, and direct marketing were crucial elements in ensuring customer after-sale satisfaction were of great effect on the Acquisition of Generation Y Customers. While customers purchasing brands that their friends had recommended and exhibitions being used in the organization had a moderate effect on the Acquisition of Generation Y Customers in Kenya. The study found that promotion strategies adopted by the companies were bulk messaging, public address systems, billboards, face to face talk with clients, press releases, newspapers/magazines adverts, prospectus, posters, consultant networks, online advertisements, TV/radio adverts, commissions for staff, giving discounts and institutional website. The study further found that promotional strategies encourage customer repeat purchases and lower customer referrals. However, promotional strategies do not affect switching to another product or service.

The study revealed that promotion strategies positively and significantly affected the acquisition of generation Y customers among insurance companies in Kenya. Besides, the study revealed that the introduction of social media as a moderating variable significantly predicts the acquisition of generation y customers among insurance companies in Kenya, through the interaction variable (PM*SM), which revealed a $p\text{-value}$ of $0.001 < 0.05$.

5.4.5 Moderating Effect of Social Media on the Relationship between Marketing Strategies and Acquisition of Generation Y Customers among Insurance Companies in Kenya

The study also examined the social media strategies adopted by the company. The study revealed that the companies adopted Facebook, Google+, podcasts, YouTube, Twitter, website, and blogging.

The study found that Twitter allowed customers to upload, share, comment on and discuss their photographs; consumers had added value through collaboration and social interactions on the internet; Facebook offered advertising opportunities for businesses either directly or through advertising and affiliate networks; YouTube was used for promotions deals promotions and deals; blogging was set to explode as more people embrace the products; Google+ offered a chance based on analyses of users' profile information; the quality of the company's website enhanced perceived usefulness of the product to customers; podcasts were a valuable channel to reach the target market. However, the study established that social networks did not always monitor conversations about the insurance business. Further, the research found that social media increases market share enhances customer service quality, and increases profitability. Social media was found to significantly moderate the effect of marketing strategies on the acquisition of generation y customers among insurance companies in Kenya.

5.3 Conclusions

This section entails the study conclusions on the effect of marketing strategies on the acquisition of generation Y customers among Insurance Companies in Kenya.

5.3.1 Product Innovation Strategy

The study concluded that product innovation strategy had a strong and positive effect on the acquisition of generation Y customers among insurance companies in Kenya. The study, therefore, REJECTED the hypothesis that: There is no significant effect of product innovation strategy on the acquisition of generation Y customers among

insurance companies in Kenya.

5.3.2 Price Rationalization Strategy

The research concluded that the pricing rationalization strategy positively and strongly affected the acquisition of Generation Y customers among insurance companies in Kenya. Therefore, the study REJECTED the hypothesis that: there is no significant effect of pricing rationalization strategy on the acquisition of generation Y customers among insurance companies in Kenya. Therefore, the price of a product being a reflection of its usefulness is simply the degree that which consumers reflect on the amount that they would “give up” by paying the monetary price for a product depending on a variety of situations and conditions, such as type of product or service, or the perceived unfairness of the price, or if the buyer perceives a brand is superior to competing brands.

5.3.3 Distribution Strategy

The study concluded that distribution strategy had a strong and positive effect on the acquisition of Generation Y customers among insurance companies in Kenya. The study, therefore, REJECTED the hypothesis that: There is no significant effect of distribution strategy on the acquisition of generation Y customers among insurance companies in Kenya.

Therefore, distributing the services by networking with other service providers improves efficiency, bridges the gap between the assortment of goods and services generated by producers and those in demand from consumers and reduces the cost of distribution by making transactions routine hence influencing the acquisition of generation Y customers in Kenya.

5.3.4 Promotional Strategy

The study also concluded promotion strategy positively and significantly affected the acquisition of generation Y customers in Kenya. The study, therefore, REJECTED the hypothesis that: there is no significant effect of promotional strategy on the acquisition of generation Y customers among insurance companies in Kenya.

The study showed that public relations create and maintain corporate identity and image by determining the public's existing attitude and designing a public relations plan that is proactive, ensures stimulating sales, establishes company goodwill, creates an identity for employees, influences investors and financial institutions and promotes favorable relations with the community, government, and opinion leaders. Direct marketing is a crucial element in ensuring customer after-sale satisfaction is done by the customer service department. This is enhanced by providing a free customer helpline, answering frequently asked questions on the company's website, following up sales with a courtesy call, providing free products that will help customers look after or make the most of their purchases, and sending reminders when services or check-ups are due and offering preferential discounts to existing customers on further purchase. This greatly affected the acquisition of generation Y customers in Kenya.

5.3.5 Moderation Effect of Social Media

The study concluded that social media moderated the effect of product innovation strategy on the acquisition of generation Y customers and significantly predicted the acquisition of customer Y among insurance companies in Kenya.

The study also concluded that social media moderated the effect of pricing rationalization strategy on the acquisition of generation Y customers which significantly predicted the acquisition of generation Y customers among insurance companies in Kenya.

The study also concluded that social media moderated the effect of distribution strategy on the acquisition of generation Y customers which significantly predicted the acquisition of generation Y customers among insurance companies in Kenya.

Finally, the study revealed that social media moderated the effect of promotion strategy on the acquisition of generation Y customers which significantly predicts the acquisition of generation Y customers among insurance companies in Kenya.

The study, therefore, REJECTED the overall hypothesis which stated that: Social

media does not moderate the relationship between marketing strategies and acquisition of generation Y customers among insurance companies in Kenya. The implication is that the insurance companies have put up mechanisms to ensure that the various marketing mix strategies are aligned with the different social media including the use of Facebook Twitter or even YouTube to ensure that the insurance companies can reach the generation Y customers. Optimal social media has an overall positive benefit on the acquisition of generation Y customers.

5.4 Recommendations of the Study

This section entails the recommendations made from the findings of the study.

5.4.1 Managerial Recommendations

5.4.1.1 Product Innovation strategy

Based on the research findings, the study recommends that the insurance companies should adopt more product innovation strategies since the product is credited with the role of being the basic resource involved in the exchange process to enhance and improve the customers' preferences and likes. Insurance Companies can do this by identifying customers' environmental needs and developing products to address these needs; or by developing environmentally responsible products that have less impact than competitors. Simply improving product structure or even packaging, could make a customer prefer a product more and most probably even refer someone else to use it. They can similarly just improve their current product too by including new components, materials, or desirable functions.

5.4.1.2 Pricing Standardization

The study also suggests that these insurance firms should determine the price of a product depending on the value of the item on sale because a sound pricing strategy determines the success of a product whereas an inefficient strategy will bring a negative impact on the product and the organization in general. The insurance companies also should know how to manipulate their prices upwards or downwards since prices fluctuate and therefore they should learn how to make the right moves at

the right time to increase profits and gain their target customers.

5.4.1.3 Distribution Strategy

The study further proposes that companies should ensure that their distributors are concerned about the environment and ascertain that they establish a distribution strategy. This means that the Insurance companies should devise ways to make their product accessible to the target consumers. This can only be done by establishing production and distribution facilities. Intermediaries can be used in the distribution channels as they create efficiency in providing products to end-users as these intermediaries are more specialized expertise.

5.4.1.4 Promotion Strategies

The research recommends that the Insurance companies should identify appropriate channels of communication for their target consumers. They should induct Personal selling, sales promotion, advertising, and public relations strategies to gain more consumers and enhance development. They should also move from traditional to modern advertising since most of the millennials are digitized and hence would be interested in products they see in the media, newspapers, internet, product placements, and billboards. The Insurance companies should also introduce more consumer-oriented sales promotion because they concentrate on the end-user of the product and therefore includes free samples, premiums, couponing, and sweepstakes. This increases a product's publicity. The Insurance companies should also take keen notice of the content they want to share and where it is being shared since the content created should be relevant to the target audience.

The study also suggests that the Insurance companies should use Social Media more as a platform to gain more millennial customers since they access social media daily and have a direct effect on how marketers successfully engage consumers on social media. This can boost the Insurance Market by a larger margin since it will allow consumers to become co-creators, rather than passive recipients, of a brand's message and thus become part of a two-way marketing exchange. Assimilating Social Media would allow marketers to overcome obstacles not only in reaching their target

markets but also in capturing continuous engagement. The insurance companies should also employ authentic connections with their target audience by utilizing free or low-cost brand monitoring tools such as buffer reply to tweet deck to be able to respond to every single comment from customers. This is because monitoring and managing all company's social media sites is very tricky. Companies should be consistent in creating good content to attract their target audience. Also, educating users and other people more on their products can make them understand where they could access these products and services offered by Insurance companies in Kenya. Insurance companies should also employ Ecommerce to enable them to reach customers both locally and internationally hence promoting accessibility even more.

5.4.2 Policy Recommendations

The study has various contributions to different groups including the insurance industry and practitioners in the marketing field. The study was on the marketing strategies and the acquisition of generation Y customers among insurance companies in Kenya which imply that the study implies the marketers in the insurance industry. Besides the fact that the market strategies have an impact on the acquisition of the generation Y customers implies that the market practitioners are the ones who shape the marketing strategies to acquire more customers. The market practitioners need to do more in terms of coming up with marketing mix strategies including distribution, promotion, product innovation, and differentiation as well as a rationalization to attract new and also retain customers.

The study assists the owners and management of insurance companies in Kenya. The fact that social media moderated the effect of marketing strategies on the acquisition of generation Y customers implies that the management has a task of ensuring that the ICT department is strengthened with the latest innovations in digital technology to align the various marketing strategies with the acquisition of generation y customs which is a big stake in the insurance industry. The attraction of generation Y through social media where they are usually found implies more business to insurance companies for decades. YouTube and Facebook pages created would mean tapping in into generation Y consumers who have not been exploited yet.

This study is also beneficial to the insurance regulatory authority that governs the operation and issuance of compliance certificates for the insurance companies. The insurance regulators can now come up with guidelines that offer support to the efforts of insurance companies to market their services through social media without violating business ethics on insurance.

5.4.3 Theoretical Implications

This study was mainly premised on the research philosophy of positivism, which opines that scholars build up inferential analysis/hypothesis testing to improve the predictability of an explanation of a phenomenon through a theory. The resource-based view theory as given by Penrose (1959) suggests that performance is driven by the resource profile of the firm while the source of superior performance is embedded in the possession and deployment of distinctive resources that are difficult to imitate. One way of utilizing special ways by marketers is to use the latest technology and align it with their marketing strategies. The study was able to reveal that the utilization of social media in the marketing by insurance companies can boost the acquisition of generation Y customers who mainly rely on social media as a way of creating awareness or even knowledge. The study supports the theory of resource base view because social media moderated the effect of marketing strategies on the acquisition of generation y customers. As a way of contributing to the theory, the marketing managers should come up with a mechanism that aligns social media to the marketing strategies such as involving the ICT department to build a digital marketing team through Facebook pages, Twitter accounts, and the creation of YouTube accounts to enhance the utilization of these resources an capabilities in the acquisition of generation Y consumers.

Further, the theory benefits from the findings that social media has a stronger significant influence on the relationship between marketing strategies and acquisition of generation Y customers among insurance companies in Kenya, than the marketing strategies alone. The contextualization of this theory in insurance companies widens the scope of applicability and operationalization of the theory.

The theory of Planned Behavior has equally been supported by this study. The study

established that the frequent use of social media increases market share, customer service quality, and profitability. The theory's main proposition is that a person's behavior is determined by his/her intention to perform the behavior and that this intention is, in turn, a function of his/her attitude toward the behavior and his/her subjective norm. The study, therefore, shows a need for understanding customers' attitudes and behavior to make products and services that make them happy.

The Diffusion of Innovation Theory in this study is also supported by the hypothesis that marketing strategies have a significant effect on the acquisition of generation Y customers. The study results imply that product innovation strategy, pricing rationalization strategy, distribution strategies, promotional strategies, and social media affect the acquisition of generation Y customers among insurance companies in Kenya.

5.4.4 Contributions of the Study to Knowledge

The current study is an addition to the existing knowledge on marketing strategies, social media, and the acquisition of generation y customers. Specifically, the study's major contribution is that marketing strategies and social media jointly predict the acquisition of generation y customers. Other scholars have evaluated the relationship between the study variables, marketing strategies, social media, and the acquisition of generation y customers (Ashley & Tuten, 2019; Aswani, 2017; Baker, & Sinkula, 2017; Gajanayake, 2019; Kanyingi K. (2018; Magunga, 2017). However, these scholars used different attributes of the variables which might have resulted in inconclusive and contradictory findings.

The second contribution of the study is that the study used moderating variable to establish the relationship between marketing strategies and the acquisition of generation y customers. Previous scholars have only given a direct link between social media marketing and acquisition of generation y in insurance companies in Kenya (Erickson, 2018; Maecker, et al., 2016; Piff.-. Tingley, 2019; Wright, et al., 2017). These studies gave inconclusively as well as contradicting findings some showing positive, others insignificant while others presented a negative relationship between social marketing and the acquisition of customers. The current study has

gone a step further to analyze the that marketing strategies have on the acquisition of generation y customers while using social media as a moderating variable using Baron and Kenny approach to evaluate the relationship of the intervention by centering the moderating and the independent variable. The issue of inconclusive and contradictory findings may have been solved as a result of introducing a moderating variable in the analysis.

Finally, the study contributes to the body of knowledge on the existing knowledge about marketing strategies and the acquisition of generation y customers. Whereas the past scholars presented that there is a positive and significant relationship between marketing strategies and the acquisition of generation y customers (Baker, & Sinkula, 2017; Ashley & Tuten, 2019), others revealed a negative and significant relationship between the marketing strategies and the acquisition of generation y customers (Erickson, 2018; Maecker, et al., 2016), others scholars did not find any significant relationship (Akinyele, 2019; Appiah-Adu & Amoako, 2016; Kihagi, 2019); Mbatia, H. (2019). This study not only revealed that there is a positive and significant relationship between marketing strategies and the acquisition of the generation Y customers in the insurance companies in Kenya, but this study also noted that the effect of marketing strategies on the acquisition of customers Y can be understood even better through the introduction of social media as a moderating variable.

5.5 Areas for Future Research

A study should be in the future be conducted with an intervening variable such as market risk management to find out if the intervention through the relationship between marketing strategies and the acquisition of generation Y customers among insurance companies in Kenya.

A future study can also be conducted on the joint effect of marketing risk management as an intervening variable, whereas social media remains the moderating variable on the effect of marketing mix strategies on the acquisition of generation Y customers among insurance firms in Kenya.

The study focused only on social media as the only moderating variable in the study. The study, therefore, recommends further studies to be conducted focusing on other moderating variables affecting the relationship between marketing strategies and acquisition of generation Y customers among insurance companies in Kenya.

Additionally, the survey used in this study was quantitative. One main benefit of quantitative analysis is that hypotheses can be directly tested based on the data collected. However, a future study incorporating qualitative analysis could serve to further explore product innovation strategy, promotion strategy, pricing rationalization strategy and distribution strategies, and acquisition of generation Y customers among insurance companies in Kenya or abroad in greater depth than can be achieved through the use of a survey questionnaire. In-depth interviews utilizing open-ended questions could allow for deeper exploration of these measures as well as their association. Further research in other settings such as the banks and retail industry.

The research suggests that other studies should dwell on the other generations like the Silent Generation, Generation X, Baby Boomers, and the Centennials.

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APPENDICES

Appendix 1: Letter of Introduction

SARAH ACHSAH W. KAMAU
P O Box 630 - 00232
Nairobi.
Dear Respondent,

RE: REQUEST FOR RESEARCH DATA

I am a postgraduate student at Jomo Kenyatta University of Agriculture and Technology. In partial fulfillment for the award of the degree of doctor of philosophy in business administration, marketing option, I am carrying out a research study on marketing strategies and acquisition of generation y customers among insurance companies in Kenya.

You have been identified as one of the people that could be of assistance with the research and I thus request your participation in the research. Essentially, you will be required to complete a questionnaire. You will be treated anonymously and your responses will be treated with the utmost confidentiality. The information you provide will be used only for academic purposes.

Thank you in advance.

SARAH ACHSAH W.

TEL: 0723521024

Appendix II: Research Questionnaire

You are requested to fill out your personal information in the spaces below. Please tick only one response.

SECTION A: BACKGROUND INFORMATION

1) State your highest level of education

O^o Level []

Certificate/Diploma []

Degree []

Postgraduate []

2) How long have you worked in your organization?

Less than 5 years Between 5-10 years Between 10-15 years
 Between 15 - 20 years More than 20 years

SECTION B: MARKETING STRATEGIES AND ACQUISITION OF GENERATION Y CUSTOMERS AMONG INSURANCE COMPANIES IN KENYA

Product Innovation Strategy

What is your level of agreement with the following statements on how various aspects of product innovation strategy influence the Acquisition of Generation Y Customers? Where: 5- Strongly agree 4- Agree 3- Undecided 2- Disagree 1- Strongly disagree

S/N	Statement on Product innovation strategy	1	2	3	4	5
3	Product diversification is a key determinant for customer joining our company					

4	The popularity of our company influences customer purchase decision					
5	The reliability of product influence customers' choice					
6	Source vendors are used in the understanding the customer's needs					
7	Product development is grounded on collaboration between technical groups and customers' opinions and preference					
8	New business models have a greater chance of successfully meeting future customer requests					
9	Efficiency improvements influence the choice of the customers' opinions					

10. Is there product diversification in your organization? Yes/No. Tick which areas among the listed have the firm diversified/ventured.

Introduction of new products Offer discounts on premiums Online registration Online claim management

11. Are there new business models in your organization?

Use of the internet to market

Online applications model

Short-term insurance

Smart contracts / parametric insurance products

Telematics

The Use of Smart Speakers (and Virtual Assistants)

Re-inventing Products and premiums

12. In which ways does product innovation strategy influence the acquisition of Generation Y customers?

Increases referrals [] Encourages repeat purchase []

Discourages switching to another product or service []

Pricing Rationalization Strategy

What is your level of agreement with the following statements on how various aspects of the Pricing Rationalization strategy influence Acquisition of Generation Y Customers? Where: 5- Strongly agree 4- Agree 3- Undecided 2- Disagree 1- Strongly disagree

S/N		1	2	3	4	5
13	Prices in our organization are determined by market surveys					
14	Our current pricing structure includes discounts, product options, rebates					
15	Our organization is a leader in price offerings, compared to her competitors					
16	We offer prices that reflect the value of our product					
17	Organizations review the prices of the product before deciding on which brand to purchase					
18	We associate higher prices with a high-quality product					
19	The price of a product is a reflection of its usefulness					

20. Which of the following pricing rationalization strategies are adopted by your company?

Use of dynamic pricing method []

Innovative and customized pricing strategy []

- Offering discounts on their products
- Mergers & Acquisitions
- Clear and transparent pricing
- Flexible payment models

21. In which ways does pricing rationalization strategy influence the acquisition of generation Y Customers?

- Increases positive attitude
- Enables customer defense service providers
- Increases the intention to continue using the product.

Distribution Strategies

What is your level of agreement with the following statements on how various aspects of distribution strategies influence the Acquisition of Generation Y Customers?

Where: 5- Strongly agree 4- Agree 3- Undecided 2- Disagree 1- Strongly disagree

	Statement On Distribution Strategies	1	2	3	4	5
22	We have a direct sales channel that allows customers to contact your customers without any intermediaries through visits					
23	Our business is a pure-play distributor					
24	We distribute our services by having different agents all over the country and in the region					
25	Our company operates a one-stop-shop					
26	We distribute our services by offering virtual service					

27	In our marketing, we give out clear offerings					
28	Our business is involved in various partnership					
29	Our customers are linked to direct distribution conversion					
30	We conduct workshops and seminars to attract more customers					
31	We distribute our services by networking with another service providers					

32. Which of the following strategies are adopted by your company?

- Market development (opening new branches) []
- Use of strategic alliances and partnerships []
- Digital marketing and analytics []
- Vertical integration (Mergers and Acquisition) []
- Establishing regional offices to enhance awareness []
- Internal marketing through the common database for all branches []
- Participation in corporate social responsibility activities []

33. In which ways do distribution strategies influence the Acquisition of Generation Y Customers?

- Lowers positive attitude []
- Discourages customers to defend service providers []
- Lowers the intention to continue using the product []

Promotional Strategies

What is your level of agreement with the following statements on how various aspects of promotional strategies influence the acquisition of generation Y

Customers?

Where: 5- Strongly agree 4- Agree 3- Undecided 2- Disagree 1- Strongly disagree

S/N	Promotional Strategies	1	2	3	4	5
34	Advertisers create branding moments that resonate with the target markets					
35	Public relations create and maintain corporate identity and image					
36	Personal selling is a cornerstone that assists firms to build strong customer relationship					
37	Direct marketing is a crucial element in ensuring customer after-sale satisfaction					
38	Customers purchase brands that their friends have recommended					
39	Exhibitions are used in our organization					
40	Professional seminars are well integrated into our company					
41	Newspaper articles are weekly used to market our company					

41. Which promotion strategies are adopted by your company?

- | | | | |
|--------------------------------|--------------------------|-----------------------|--------------------------|
| Prospectus | <input type="checkbox"/> | Institutional website | <input type="checkbox"/> |
| Newspapers/Magazines Adverts | <input type="checkbox"/> | TV/Radio Adverts | <input type="checkbox"/> |
| Online advertisements | <input type="checkbox"/> | Consultant Network | <input type="checkbox"/> |
| Face to Face talk with Clients | <input type="checkbox"/> | Bulk Messaging | <input type="checkbox"/> |
| Public address system | <input type="checkbox"/> | Press releases | <input type="checkbox"/> |
| Giving discounts | <input type="checkbox"/> | Commissions for staff | <input type="checkbox"/> |
| Posters | <input type="checkbox"/> | Billboards | <input type="checkbox"/> |

42. In which ways do promotional strategies influence the Acquisition of Generation Y Customers? (If yes, justify)

Lowers customer referrals

Encourages customer repeat purchase

Does not affect switching to another product or service

Social Media

43. Which of the following social media are adopted by your company?

Twitter Facebook Google+

Blogging Youtube Podcasts Website

44. What is your level of agreement with the following statements on how various aspects of social media influence the Acquisition of Generation Y Customers?

Where: 5- Strongly agree 4- Agree 3- Undecided 2- Disagree 1- Strongly disagree

		1	2	3	4	5
45	Twitter allows customers to upload, share, comment on and discuss their photographs					
46	Facebook offers advertising opportunities for businesses either directly or through advertising and affiliate networks					
47	Google+ offers a chance based on analyses of users' profile information.					
48	Blogging is set to explode as more people embrace our products					
49	Youtube is used for promotions deals promotions and deals					
50	Podcasts can be a valuable channel to reach the target market					
51	Social networks monitor conversations about the insurance business					
52	The quality of our website enhances the perceived usefulness of our product to customers					
53	Consumers have added value through collaboration and social interaction on the internet					

54. In which ways do social media influence the Acquisition of Generation Y Customers?

Increases profitability []

Increases market share [] Enhances customer service quality []

Acquisition of Generation Y Customers

What is your level of agreement with the following statements on the acquisition of generation Y customers in your organization for the last 5 years?

Where: 5- Strongly agree 4- Agree 3- Undecided 2- Disagree 1- Strongly disagree

S/N	Statement on the acquisition of generation Y customers	1	2	3	4	5
55	The number of new customers has greatly increased					
56	The level of customers satisfaction is high					
56	The company has continually received customers who have been recommended by other customers					
57	Customers have repeatedly purchased our products/services					
58	We have retained customers who do not switch to another companies					
59	We have received a defense of our authenticity in service provision from our customers					

60. Kindly indicate the number of Generation Y customers in your organization for the following period.

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017
Customer Reviews (1-5stars)									
Sales volume									
Number of claims paid									

Thank you for participating

Appendix III: Secondary Data- Acquisition of Generation Y Customers

Kindly indicate the number of Generation Y customers in your organization for the following period.

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017
Customer reviews (1-5stars)	3.8	3.9	3.9	4	4.1	4.2	4.4	4.7	4.9
Sales volume (Ksh. Millions)	116.08	140.95	163.92	183.39	215.7	236.544	260.720	284.896	309.072
Claims paid	1.5419	98.218	124.50	11.117	20.58	2.00647	17.4521	103.718	34.1815
	86		6		6256	5	61	806	0832

Appendix IV: List of Participating Insurance Companies in Kenya

1. AAR Insurance Company Limited
2. Africa Merchant Assurance Company
Limited
3. AIG Kenya Insurance Company Limited
4. Allianz Insurance Company of Kenya
Limited
5. APA Insurance Limited
6. APA Life Assurance Company Limited
7. Barclays Life Assurance Kenya Limited
8. Britam General Insurance Company (K)
Limited
9. Britam Life Assurance Company (K)
Limited
10. Cannon Assurance Company Limited
11. Capex Life Assurance Company
Limited
12. CIC General Insurance Company
Limited
13. CIC Life Assurance Company Limited
14. Continental Reinsurance Limited
(Kenya)
15. Corporate Insurance Company Limited
16. Directline Assurance Company Limited
17. East Africa Reinsurance Company
Limited

18. Fidelity Shield Insurance Company

Limited

19. First Assurance Company Limited

20. GA Insurance Limited

21. GA Life Assurance Limited

22. Geminia Insurance Co. Limited

23. ICEA Lion General Insurance Company

Limited

24. ICEA LION Life Assurance Company

Limited

25. Intra Africa Assurance Company Limited

26. Invesco Assurance Company Limited

27. Kenindia Assurance Company Limited

28. Kenya Orient Insurance Limited

29. Kenya Orient Life Assurance Limited

30. Kenya Reinsurance Corporation Limited

31. Liberty Life Assurance Kenya Limited

32. Madison Insurance Company Kenya

Limited

33. Mayfair Insurance Company Limited

34. Metropolitan Cannon Life Assurance

Limited

35. Occidental Insurance Company Limited

36. Old Mutual Assurance Company Limited

37. Pacis Insurance Company Limited

38. Phoenix of East Africa Assurance Co.

Limited

39. Pioneer General Insurance Company
Limited
40. Pioneer Assurance Company Limited
41. Prudential Life Assurance Company
Limited
42. Resolution Insurance Company Limited
43. Saham Assurance Company Kenya
Limited
44. Sanlam General Insurance Company
Limited
45. Sanlam Life Assurance Company
Limited
46. Takaful Insurance of Africa Limited
47. Tausi Assurance Company Limited
48. The Heritage Insurance Company
Limited
49. The Jubilee Insurance Company of
Kenya Limited
50. The Kenyan Alliance Insurance
Company Limited
51. The Monarch Insurance Company
Limited
52. Trident Insurance Company Limited
53. UAP Insurance Company Limited
54. UAP Life Assurance Company Limited
55. Xplico Insurance Company Limited

Source: IRA, 21st December 2017

Appendix V: Research Permit from NACOSTI

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 680282	Date of Issue: 04/October/2019
RESEARCH LICENSE	
	
<p>This is to Certify that Ms. SARAH KAMAU of Jomo Kenyatta University of Agriculture and Technology, has been licensed to conduct research in Nairobi on the topic: EFFECTS OF MARKETING STRATEGIES ON ACQUISITIONS OF GENERATION Y CUSTOMERS AMONG INSURANCE COMPANIES IN KENYA for the period ending: 04/October/2020.</p>	
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Appendix VI: Factor analysis Tables Table on Communalities

	Initial	Extraction
Product diversification is a key determinant for customer joining our company	1.000	.977
The popularity of our company influences customer purchase Decision	1.000	.982
The reliability of product influence customers' choice	1.000	.965
Source vendors is used understanding of the customer's needs	1.000	.970
Product development is grounded on collaboration between technical groups and customers opinion and preference	1.000	.964
New business models have a greater chance of successfully meeting future customer requests	1.000	.971
Efficiency improvements influences choice of the customers' Opinions	1.000	.975
Prices in our organization are determined by market surveys	1.000	.704
Our current pricing structure include discounts, product options, Rebates	1.000	.971
Our organization is a leader in price offerings, compared to her Competitors	1.000	.885
We offer prices that reflect the value of our product	1.000	.976
Organization review the prices of the product before deciding on which brand to purchase	1.000	.799
We associate higher prices with high quality product	1.000	.697
The price of a product is a reflection of its usefulness	1.000	.927
We have direct sales channel allows customers to contact your customers without any intermediaries through visits	1.000	.761
Our business is a pure-play distributor	1.000	.973
WE distribute your services is by providing on-site work	1.000	.973
Our company operates a one stop shop	1.000	.974
We distribute our services by offering virtual service	1.000	.965
In our marketing, we give out clear offerings	1.000	.977
Our business in involved in various partnership	1.000	.567
Our customers are linked to direct to distribution conversion	1.000	.427
We conduct workshops and seminars to attract more customers	1.000	.546
We distribute our services by networking with other service Providers	1.000	.567

Advertisers create branding moment that resonate with target Markets	1.000	.970
Public relations create and maintains corporate identity and image	1.000	.967
Personal selling is a cornerstone that assists firms to build strong customer relationship	1.000	.952
Direct marketing is a crucial element in ensuring customer after-sale satisfaction	1.000	.951
Customers purchase brands that their friends have recommended	1.000	.962
Exhibitions are used in our organization	1.000	.611

Professional seminars are well integrated into our company	1.000	.979
Newspaper articles are weekly used to market our company	1.000	.971
Twitter allows customers to upload, share, comment on and discuss their photographs	1.000	.935
Facebook offers advertising opportunities for businesses either directly or through advertising and affiliate networks	1.000	.944
Google+ offers a chance based on analyses of users' profile information.	1.000	.492
Blogging is set to explode as more people embrace our products	1.000	.416
Youtube is used for promotions deals promotions and deals	1.000	.728
Podcasts can be a valuable channel to reach the target market	1.000	.735
Social networks monitor conversations about the insurance business	1.000	.647
The quality of our website enhances the perceived usefulness of our product to customers	1.000	.969
Consumers have added value through collaboration and social interactions on the internet.	1.000	.732

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	26.128	63.727	63.727	26.128	63.727	63.727
2	3.440	8.390	72.117	3.440	8.390	72.117
3	1.424	3.473	75.590	1.424	3.473	75.590
4	1.267	3.090	78.681	1.267	3.090	78.681
5	1.178	2.873	81.554	1.178	2.873	81.554
6	1.016	2.478	84.032	1.016	2.478	84.032

7	.936	2.283	86.315
8	.873	2.129	88.444
9	.768	1.873	90.317
10	.748	1.825	92.142
11	.715	1.743	93.884
12	.496	1.209	95.093
13	.367	.895	95.988
14	.328	.800	96.788
15	.271	.662	97.450
22	.046	.112	99.406
23	.037	.091	99.497
24	.033	.080	99.577
25	.029	.070	99.647
26	.021	.052	99.700
27	.018	.043	99.743
28	.017	.040	99.783
29	.014	.034	99.817
30	.011	.027	99.844

31	.010	.025	99.869
32	.009	.023	99.892
33	.009	.022	99.913
34	.007	.016	99.929
35	.006	.015	99.944
36	.006	.014	99.958
37	.005	.012	99.970
38	.004	.010	99.980
39	.004	.009	99.989
40	.003	.007	99.995
41	.002	.005	100.000

Extraction Method: Principal Component Analysis.

Component Matrix

	Component					
	1	2	3	4	5	6
Product diversification is a key determinant for customer joining our company	.986	.038	.043	.029	.017	.015
The popularity of our company influences customer purchase decision	.988	.073	.023	.003	.007	.013
The reliability of product influence customers' choice	.002	.077	.027	.979	.001	.020
Source vendors is used understanding of the customer's needs	.984	.025	.015	.012	.014	.011
Product development is grounded on collaboration between technical groups and customers opinion and preference	.178	.051	.041	.726	.054	.005
New business models have a greater chance of successfully meeting future customer requests	.980	.092	.036	.006	.017	.039

Efficiency improvements influences choice of the	.985	.043	.023	.037	.018	.011
customers' opinions						
Prices in our organization are determined by market	0.60	.006	.138	.051	.824	.009
surveys						
Our current pricing structure include discounts,	.985	.011	.016	.024	.005	.002
product options, rebates						
Our organization is a leader in price offerings,	.087	.892	.218	.105	.040	.147
compared to her competitors						
We offer prices that reflect the value of our product	.985	.058	.027	.003	.023	.033
Organization review the prices of the product before	.132	.805	.291	.082	.112	.173
deciding on which brand to purchase						
We associate higher prices with high quality product	.087	.091	.127	.312	.366	.658
The price of a product is a reflection of its usefulness	.098	.904	.254	.135	.038	.122
We have a direct sales channel that allows customers to	.808	.262	.120	.061	.136	.053
contact your customers without any intermediaries						
through visits						
Our business is a pure-play distributor	.984	.034	.055	.020	.015	.015
WE distribute your services is by providing on-site	.285	.038	.019	.018	.031	.807

work						
Our company operates a one-stop-shop	0.17	.094	.047	.980	.026	.042
We distribute our services by offering virtual service	.979	.068	.028	.016	.029	.030
In our marketing, we give out clear offerings	.985	.062	.016	.036	.027	.009
Our business in involved in various partnership	.089	.096	.006	.713	.023	.201
Our customers are linked to direct to distribution	.145	.092	.370	.242	.448	.032
conversion						
We conduct workshops and seminars to attract more	.059	.026	.460	.467	.181	.282
customers						
We distribute our services by networking with other	.050	.100	.413	.281	.539	.120
service providers						
Advertisers create branding moment that resonate	.983	.040	.006	.036	.002	.004
with target markets						
Public relations create and maintains corporate	0.53	.050	.980	.003	.032	.017
identity and image						
Personal selling is a cornerstone that assists firms to	.972	.029	.058	.010	.053	.004
build strong customer relationship						
Direct marketing is a crucial element in ensuring	.972	.040	.060	.026	.036	.015
customer after-sale satisfaction						
Customers purchase brands that their friends have	.026	.064	.978	.023	.019	.001
recommended						
Exhibitions are used in our organization	.066	.026	.350	.087	.651	.229
Professional seminars are well integrated in our	.986	.064	.015	.041	.013	.009
company						
Newspaper articles are weekly used to market our	.984	.030	.023	.034	.000	.010
company						
Twitter allows customers to upload, share, comment	.030	.066	.029	.964	.015	.011
on and discuss their photographs						
Facebook offer advertising opportunities for	.968	.051	.014	.002	.037	.052
businesses either directly or through advertising and affiliate networks						

Google+ offers a chance based on analyses of users' profile information.	.211	.342	.540	.187	.014	.061
Blogging is set to explode as more people embrace our products	.203	.444	.350	.161	.100	.135
Youtube is used for promotions deals promotions and deals	.702	.442	.075	.148	.006	.115
Podcasts can be a valuable channel to reach target market	.039	.439	.129	.718	.045	.080
Social network monitor conversations about insurance business	.269	.325	.151	.382	.167	.522
Quality of our website enhances perceived usefulness of our product to customers	.980	.069	.044	.029	.044	.002
Consumers have added value through collaboration and social interactions on the internet.	.218	.433	.695	.112	.020	.037
