ISSN: 0975-833X

Available online at http://www.journalcra.com

International Journal of Current Research
Vol. 11, Issue, 01, pp.892-901, January, 2019

DOI: https://doi.org/10.24941/ijcr.33863.01.2019

INTERNATIONAL JOURNAL OF CURRENT RESEARCH

RESEARCH ARTICLE

MARKETING STRATEGIES AND THE GROWTH OF THE INSURANCE SECTOR: A CASE STUDY OF JUBILEE INSURANCE COMPANY LIMITED IN UGANDA

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ARTICLE INFO

Article History:
Received 10th October, 2018
Received in revised form
08th November, 2018
Accepted 19th December, 2018
Published online 31st January, 2019

Key Words:
Marketing strategies, brand positioning, Market segmentation, product Differentiation, Insurance sector.

ABSTRACT

The study investigated the relationship between marketing strategies and the growth of the insurance sector using a case study of Jubilee Insurance Company, Uganda. The research was guided by the following objectives: to establish the relationship between market segmentation and growth of the insurance sector; to find out the relationship between product differentiation and growth of the insurance sector and to find out the relationship between positioning strategy and growth of the insurance sector in Uganda. The study adopted a correlational research design. The study employed a mixed method research approach comprising of both qualitative and quantitative methods. Data was collected from 78 respondents through questionnaires, interviews and documentary analysis. Descriptive and inferential analysis was used in the analysis of quantitative data while content analysis was used in the analysis of qualitative data. The study findings revealed the existence of a strong, positive and significant relationship between: market segmentation and growth of insurance ($r = 0.812$); product differentiation and growth of insurance ($r = 0.897$) and brand positioning strategy and growth of the insurance sector ($r = 0.960$). The independent variables were found to significantly predict the growth of the insurance sector with an $R2 = .925$. It was concluded that the key factor for the growth of the insurance sector is brand positioning strategy (Beta = 0.290). The study recommends that insurance companies: reach out to the uninsured section of the population; open up to innovation; invest in training insurance agents and design utility based marketing strategies.

Citation: ***Joseph Mukubira, Martin Senyange and James Kizza*, 2019.** "Marketing strategies and the growth of the insurance sector: A case study of jubilee insurance company limited in Uganda", *International Journal of Current Research*, 11, (01), 892-901.

INTRODUCTION

Many insurance companies are concerned with the low market growth in the insurance sector in Uganda. Growth depends on a number of factors key among which are the marketing strategies employed by the different insurance firms. This study sought to establish the relationship between marketing strategies and the growth of the insurance sector using a case study of Jubilee Insurance Company Uganda. Marketing is probably as old as human civilization itself (Jones and Shaw, 2002). Marketing has gone through a long history from the production era to the present relationship management era. Kotler Armstrong, (2006) report that in the production era, businesses were concerned with production, manufacturing and efficiency issues. The underlying assumption was that if a product is made, someone will buy it. Therefore having marketing strategies at this time was not essential. The production era was followed by the sales era where businesses focused on the need to dispose of the products they produced and thus emphasizing selling.

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The sales era was closed by the birth of the marketing era where the customer was put at the centre of a company's business. The purpose of any business was identified as satisfying the customers' needs and wants. Consequently, a wide range of marketing strategies had to be developed to satisfy customers' needs. The practice of insurance was not so much pronounced until the 20th Century. A gradual global change took place in the 20th Century when governments guided by the pressures created following the two world wars and the emergence of socialist ideas, found it necessary on grounds of public policy to get involved in the administration of insurance companies (Chandok, 2006). Over the years insurance companies have adopted a number of strategies to enhance their growth including marketing strategies. In Uganda, the insurance industry is still a young and growing industry. Kiwanuka (2016), explains that prior to Uganda's independence and the years following, insurance was mainly considered a preserve of the Europeans and the Asians. This is because of the small number of Africans who were in business, very few of whom understood the value and principles of insurance. At the time the first local Ugandan Insurance Company-Statewide Insurance Company (SWICO) opened operations, there were only four companies in Uganda.

These companies were: National Insurance Corporation, East Africa General Insurance, Uganda American Insurance Company and United Assurance. Currently there are over 30 insurance companies operating in the insurance industry in Uganda and the products and services in the insurance industry are evolving from simple to complex. With increasing competition in the industry, the insurance companies are not free to offer virtually the same products as they once did (Sserumaga, 2016). This trend calls for renewed marketing strategies among the different insurance companies so as to enable growth of the sector. This study was guided by the Marketing Mix Theory which traces its origin from Borden in the late 1950's and later popularised by (McCarthy 1964). The theory proposes four P's for a successful marketing by any firm, that is, product, price, place and promotion. Since its development, the Marketing Mix Theory has been used by companies to achieve the desired profitability and market share objectives through manipulation of each or a combination of the four key marketing mix components (Boarden, 2011). To create the right marketing mix, businesses have to ensure that: the product has the right features, the price is affordable, goods are in the right place at the right time and the target group needs to be made aware of the existence and availability of the product through promotion (Boarden, 2011). Magrath (1986), expanded the original marketing mix theory by differentiating its application between services and the normal product elements. Using examples drawn from a number of service sector companies, Magrath maintains that in considering the marketing of services, three more P's must be added to the existing mix. These P's are personnel, physical facilities and process management. Marketing managers must develop a marketing mix that precisely matches the needs of the people in the target market.

If this is to be achieved a clear market segmentation must be done. This is followed by well defined product differentiation and positioning efforts. Perreault (2009), explains that the four p's in the marketing mix theory help to act as pillars for building an effective marketing strategy. This theory was selected to underpin the study because it explains the basis for the development of a marketing strategy aimed at enhancing the growth of the insurance sector. According to Pearce and Robison (2011), strategy is an organizations game plan for winning. Marketing strategy is the basic approach that the business units use to achieve their objectives, and it consists of broad decisions on target markets, market positioning and mix, and marketing expenditure levels (Kotler, 2008). Goi (2005), defines marketing strategy as the set of the marketing tools that firms use to pursue their marketing objectives in the target market. This study adopted the definition of Marketing Strategy by Goi (2005). This study measures marketing strategy in terms of: market segmentation, product differentiation and product positioning. Market segmentation involves the grouping of customers with similar needs and buying behaviour into segments, each of which can be reached by a distinct marketing programme (Epitimehinand Ayo, 2014). The study considered aspects of segmentation patterns, segmentation procedure and the bases for segmentation as the key empirical referents for the variable of market segmentation in this study. Product differentiation is the source of competitive advantage that depends on producing some item that is regarded to have unique and valuable characteristics (Campbell, 2012). Operational excellence, customer intimacy and product leadership were considered key dimensions in measuring the variable of product differentiation in this study. Positioning is how your target market defines you in relation to your competitors (Shameemand Gupta, 2012). Product positioning is a marketing technique intended to present products in the best possible light to different target audiences (Nunes, and Johnson, 2004). Market growth may be defined as an increase in the demand for a particular product or service over time. According to Plesko, (2006), market growth can be divided into three focus possibilities for the company namely. existing market segments, new market segments as well as both existing and new market segments. Growth of the insurance sector was operationally defined by the following indicators: premium volumes, insurance density, insurance penetration, market share and profitability levels. According to Sharma and Guruprasad (2013), insurance penetration is the ratio of premium underwritten in a given year to the gross domestic product. Market share refers to the total sales of a company divided by the total sales of other firms for a specified product –market and may be calculated on the basis of actual sales or forecast sales. Jubilee insurance company Uganda is one of the oldest and the largest insurance companies in Uganda by both premium volumes and customer base. Having been found and run by the Aga Khan family which is generally and highly esteemed for high quality provision of financial services at both local and international level, Jubilee insurance company Uganda is struggling to grow its market share in Uganda. The Jubilee Insurance Company of Uganda Limited, commonly referred to as Jubilee Insurance is a multinational insurance holding company, which maintains its headquarters in Nairobi, the capital of Kenya, with subsidiaries in Uganda, Pakistan and several African countries. Jubilee insurance company offers general, health as well as life and pensions insurance products. The insurance firm offers a wide range of products which include: Motor fleet insurance, fire and burglary, ass*et al*l risk, business interruption insurance, employers liability, public liability, fidelity guarantee, directors and officers liability, professional indemnity, marine (hull and cargo), contractors/Erection all risk, contractors plant and machinery, and specialized cover available upon request (www.jubileeinsurance.com). A report by the Uganda Insurance Commission UIC, (2009) reveals that the insurance business in Uganda has a high potential for growth though experiencing relatively low penetration. As a country, Uganda continues to be one of the lowest ranking countries in the African Insurance Market. Ekudu (2016) reports that as an industry, the penetration rate stands at 1% which represents over 98% untapped market viability. Through a well designed 10-year market growth plan by the Uganda Insurers Association, there is a drive to grow the insurance industry to about a 3% penetration.

Statement of the problem: Shameem and Gupta (2012), highlight the value of marketing strategies in enhancing the growth of the insurance sector. They maintain that such strategies are important and inevitable phenomenon to tap the huge untapped potential in the insurance sector. In an attempt to enhance growth in the insurance sector, the government of Uganda has put in place and updated insurance regulations several times with the aim of making them more consistent with the emerging trends and changing market dynamics. A number of insurance companies, insurance brokers, loss accessors and agents have opened business in Uganda and are offering a wide range of products (Insurance Regulatory Report, 2017). However, the Ugandan insurance industry still remains small and underpenetrated. According to a 2017 report on the insurance industry in Uganda, insurance penetration nationally dropped from 0.76 in 2015 to 0.73 in 2016 (UIA Report, 2017). Similarly, the insurance density also dropped from 5.4 to 5.1 in the same period. Most of the insurance companies experienced negative growth in gross written premiums between the periods 2015-2016 with Jubilee Insurance the biggest market shareholder experiencing only 6.52% growth (Insurance Regulatory Authority Report, 2017). The average growth of gross written premiums in this period was – 3.07% indicating a relapse in the overall sector growth. This state of affairs raises the question of how the different products and services offered by these insurance companies are being marketed to the un-penetrated market in Uganda. The study sought to examine the relationship between marketing strategies and the growth of the insurance sector in Uganda.

Purpose of the study: The purpose of the study was to investigate the relationship between marketing strategies and growth of the Insurance sector in Uganda using a case study of Jubilee Insurance Company Uganda Limited. The specific study objectives were: 1) to establish the relationship between market segmentation and growth of the insurance sector in Uganda 2) to establish the relationship between product differentiation and growth of the insurance sector in Uganda and 3) to establish the relationship between positioning strategy and growth of the insurance sector in Uganda.

Research Hypotheses

The following hypotheses guided the study

- There is no relationship between market segmentation and growth of the insurance sector
- There is no relationship between product differentiation and growth of the insurance sector
- The is no relationship between positioning strategy and growth of the insurance sector

Scope of the study: The study was conducted at Jubilee Insurance Company head offices and among the agents based within Kampala Capital City. In Uganda, Jubilee Insurance Company has its headquarters on plot 14, Parliament Avenue in the heart of Kampala city. Kampala, is the capital and largest city in Uganda. With the greatest number of Insurance consumers beingurban dwellers, Kampala City was selected as a prototype of an urban setting to highlight the insurance consumption trend. The study was limited in scope to two variables: “marketing strategies” and the “growth of the insurance sector”. Under growth of the insurance sector the study examined indicators like: premium volumes, insurance density, insurance penetration, market share and profitability levels. Under marketing strategies, the study was limited to three key marketing strategies namely; market segmentation, product differentiation and product positioning strategies. The study considered a time frame of 5 years ranging from 2013 to 2017. This time frame was considered sufficient for evaluating the effectiveness of the different marketing strategies employed by a company to enhance its growth.

Literature review

Market segmentation and growth of the insurance sector: A number of companies across the globe use market segmentation as a powerful tool to connect deeply with their customers (Razdan, 2015). Insurance is one of such sectors where companies have learnt the value of market segmentation. Razdan (2015) argues that market segmentation enables companies to communicate with clients in their own language through demonstrating competence in the targeted market. Perreault, Cannon, and McCathy, (2009) hold the view that market segmentation is a two-step process involving the naming of broad product market and segmenting these broad markets in order to select target markets and develop suitable marketing mixes. With the first step, marketers must disaggregate all possible needs into some generic markets and broad-markets in which the firm may be able to operate profitably. This approach is said to have set a number of insurance firms on the right trajectory to win clients thus growing their market share. Kotler (2008), argues that companies wanting to win l*et al*one survive need to design a new philosophy focusing on a customer through targeting marketing. Target marketing is premised on the understanding that markets consist of buyers and these buyers differ in one or more respects, such as, their wants, purchasing power, geographical locations, buying attitudes and buying practices which can act as a basis for market segmentation. The market segments need to be periodically reviewed as customers demographics and psychographics change (Kotler and Armstrong, 2006; Perreault *et al*., 2009). Kotler (2008) advises that to be maximally useful, market segments must exhibit five characteristics. That is, they should be: measurable, substantial, accessible, differentiable and actionable. Chernatony and McDonald (2003), stress the need to attend to customer specific needs while segmenting markets.

They argue that not all customers are equally attractive, implying the need for different strategies to be employed even for the same brand across the target segments.

Product differentiation and growth of the insurance sector: Kotler (2008) notes that even though service companies have developed clear market segmentation and a well-conceived positioning strategy for their services, the brand can still fail because of insufficient attention put on the service differentiation strategy. This strategy must be geared at positively enhancing the perception consumers have of the service quality through their reliability, responsiveness, assurance, empathy and appearance. Treacy and Wierserma (2003), highlighted three strategies that lead to successful differentiation and market leadership. These are operational excellence, customer intimacy and product leadership. Operational excellence involves providing customers with reliable products and services at competitive prices and easy availability. Customer intimacy is about knowing customers intimately and being able to respond quickly to their specific and special needs. Product leadership involves offering customers innovative products and services that enhance the customers' utility and outperform competitors' products. The increased competition in the insurance services sector has made many companies to realize the need for a strong differentiated service brand as an essential part of their growth strategy and competitive advantage (Ahmad and Rehman, 2015). Chernatony and McDonald (2003), maintain that financial services companies and all service providers need to realize that brands are even more important for services than for goods since consumers have no tangible attributes to assess the brand. They stress the inseparability of the services from the service providers in the marketing of services. Their observation is echoed by Leigh (2017), who maintains the inseparability of the services from the service providers and the need to train staff and agents to ensure a greater likelihood of consistent delivery of the service to the clients. Shahi (2013), holds the view that training of agents is key for insurance firms to increase their business volume and retain market share. The need to train agents to improve service provision is also echoed by Kotler, (2008); and Chernatony and McDonald (2003).

Positioning strategy and growth of the insurance sector: Shameem and Gupta (2012) conducted a study to evaluate the marketing strategies in life insurance service sector and how these strategies boost sales and marketability of a product which ultimately leads to customer satisfaction. They defined marketing strategy as the basic approach that the business units will use to achieve its objectives and it consists of broad decisions on target markets, market positioning and mix and marketing expenditure levels. They suggest that every insurer must recognize that its "strategic posture" depends partly on the competitive environment and partly on its allocation of marketing resources. Given the nature of competition, firms must increasingly position themselves in the minds of the consumers. The value of an effective positioning strategy lies in the ability of the firm to stand out of the competition with a unique benefit to the clients. Perreault *et al*. (2009), argue that a positioning strategy helps companies to understand how customers see their market. It is a visual aid to understanding the market of the product/service. A study by Sharmaand Guruprasad, (2013) examined the growth of the insurance sector in India and the different strategies adopted to enhance the industry. The study specifically set out to evaluate the growth of the insurance industry, the level of development of life insurance in terms of insurance penetration and to assess how the business volume of the insurance sector has been enhanced by the newly adopted marketing strategies. Insurance penetration and increased business volume were considered key indicators of the growth of the insurance sector. The study concluded that in many countries, the insurance sector possesses a large size of untapped market. Insurance firms need to position themselves strategically to the potential buyers of insurance products through focusing on the perceptions of the customers. The marketing mix is essentially the working out of the tactical details of a positioning strategy. Perreault *et al*. (2009), view is that market positioning issues are quite important when competitors in a market offer very similar products. This is true given that positioning tends to be associated with how customers think about proposed or present brands in a market. Kotler (2008), discusses seven least seven positioning strategies that a company can use in the process of searching for a positioning strategy. These include: attribute, benefit, application/use, user, competitor, product category and quality positioning strategies. Kotler, (2008) Hemaintains that a company must not only develop a clear positioning strategy, but it must equally communicate this strategy effectively. Quality is communicated by choosing those physical signs and cues that people normally judge. The quality of the service is also affected by the packaging, distribution, advertising and promotion. Research indicates that market positioning strategies are widely used in the Insurance Industry by companies to distinguish their offers from those of the competitors.

MATERIALS AND METHODS

This study adopted a correlational research design as the study aimed to establish the relationship between the study variables: 'marketing strategies and growth of the insurance sector'. A mixed method approach comprising of both qualitative and quantitative research approaches was adopted. The quantitative approach involved the collection of numerical data in order to establish the relationship between the study variables while the qualitative approach was used to get direct views, opinions, ideas and suggestions essential for supporting the quantitative data. The study population were all the agents, staff and management of Jubilee Insurance Company working at the headquarters and branches of the insurance company within Kampala Capital City Authority. The target population was 130 respondents. From this target population, 97 respondents were included in the study including 7 respondents from top management purposively selected, 30 staff members conveniently selected and 60 agents selected using systematic random sampling. The employees and agents of the company were included in the population because they were directly involved in marketing the different insurance products of the company through the different marketing strategies. The top managers were considered to be the direct designers of these marketing strategies. Research data was collected using a questionnaire survey with the targeted staff and agents of Jubilee Insurance Company. In-depth interviews were used to probe and capture the experiences and stories of key informants especially of the members of the branch management team in the selected branches of the insurance Company. Secondary data was collected from reviewing annual performance reports from the Insurance Regulatory Authority (IRA) and downloaded reports from the official websites of IRA and Jubilee Insurance Company for the years 2013-2017.

Data management and quality control: In order to measure the content validity of the instruments, the researcher constructed the instruments and gave them to 2 experts in the field and the supervisor. The research instrument was found to be valid with a CVI of 0.89 which is considered satisfactory according to Sarantakos (2005). The questionnaires and interview guides were pre-tested using a total of 25 staff members and agents of Prudential Assurance to ensure their conformity to the research objectives. The Cronbach's Alpha Coefficient test was run and the results are summarized in Table 1.

RESULTS

Table 1 shows the Cronbach's Alpha values for all the four scales to be above 0.70 indicating that the items measured by these scales had a high level of internal consistence as recommended by Field (2005). In this study, both qualitative and quantitative data analysis techniques were employed. Quantitative data was analyzed with the aid of the Statistical Package for Social Sciences (SPSS) software version 20. Descriptive statistical analysis took the form of frequencies, percentages, means and standard deviations.

Table 1. Reliability Test Results

Scale	Number of Items	Cronbach's Alpha
Market Segmentation	08	0.796
Product Differentiation	08	0.925
Positioning Strategy	08	0.930
Growth of the Insurance Company	08	0.976

Source: Primary Data, 2018

Table 2. Multiple Regression Analysis Results

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	.085	.227		.375	.034
	Market Segmentation	.211	.094	.131	2.258	.027
	Product differentiation	.193	.119	.165	1.624	.019
	Positioning Strategy	.984	.092	.290	10.674	.000
	Dependent Variable: Growth of the Insurance Sector					
	R	R Square	Adjusted R Square	Sig.	Df	F
					3	316.184
	.963[a]	.923	.925	.000[b]	74 77	

a. Dependent Variable: Growth of the Insurance Sector

b. Predictors: (Constant), Market segmentation, Product differentiation, Positioning Strategy Source: Primary Data, 2018

In order to establish the existence, nature and strength of the relationship between marketing strategies and the growth of the insurance sector, Pearson's correlation tests were run. A multiple regression analysis was conducted to establish the combined effect of the independent variables: market segmentation, product differentiation and positioning strategy on the growth of the insurance sector. Data from the interviews was analyzed using content analysis where study responses were summarized and direct responses reported for the purpose of emphasizing the respondents' views.

Study findings

Demographic characteristics: A total of 90 questionnaires were distributed to the targeted sample out of which 78 were returned representing a response rate of 86.7%. The majority of the respondents were females 57.7% while the male respondents accounted for 42.3% implying that the workforce is more female dominated given the fact that the company employs more females in the marketing and sales departments. The majority of the respondents 72 (92.3%) were 40 years or below implying that Jubilee Insurance Company has a young and energetic staff which could be explained by the nature of marketing that requires a young work force that is more energetic. Only 6 (7.7%) of the respondents were 46 years and above. More than three quarters of the respondents 63 (80.8%) possessed a bachelor's degree while 15 (19.2%) possessed a masters' degree. There were no certificate/diploma holders among the respondents. The majority of the respondents 36 (46.2%) had worked with Jubilee Insurance Company for a period of 4 to 6 years, followed by 24 (30.8%) who had worked with the company for less than a year while only 9 (11.5%) had worked with the Insurance Company for more than 7 years. The fact that few of the study participants have worked for seven years or more may be explained by the fact that most of the staff are employed on the agent basis and move on easily when they find better permanent employment offers with other companies.

Market Segmentation and Growth of Insurance: The first objective of the study was to establish the relationship between market segmentation and the growth of the insurance sector in Uganda. The findings revealed that more than three quarters of the respondents (69.2%) were in agreement that the company clusters customers with similar needs into market segments as opposed to 30.8% of the respondents who disagreed. This implies that market segmentation is one of the key marketing strategies adopted by Jubilee Insurance Company. One of the key informants during the interviews explained:

At Jubilee Insurance we offer our customers a broad range of long term and short term products ranging from life insurance, pension, medical and general insurance. Through the help of brokers, agents and direct channels, we have been able as a company to reach out, segment and offer customized products to our clients

Another informant reported that

Although our general insurance products fall in the categories of individual insurance and corporate insurance, all the products are designed with the specific consideration of our different market segments in mind. In fact I can say that we have as many products as our market segments. These products include but not limited to: medical product, travel policy, personal accident, machinery breakdown, public liability and medical products.

Responses from the field further point to the fact that the company is able to communicate to its clients in their own language. This is revealed by a combined agreement percentage of 69.2 in contrast to 30.8% neutral. The mean of 4.12 almost tending to 5 indicates strong levels of agreement and a standard deviation of 0.853. This means that the company is able to reach out individually to members of the different market in a language that they understand best. More than half of the respondents (57.7%) agreed that the company designs suitable marketing mixes according to the selected target markets.

One informant disclosed to the researcher

Understanding the value of reaching out to the customers, Jubilee Insurance has a strong marketing philosophy and we have hired competent personnel to help us effectively reach out to all our clientele. Consider for example the use of technology to reach out to our segment of clients that are digitally literate. Through our website these clients are able to access information relating to insurance laws and regulations, policy and proposal forms among others.

Jubilee Insurance company identifies and concentrates on specific marketing opportunities (Mean = 4.00; SD= 0.279). The higher mean value (tending to 5) and lower standard deviation figures indicate more uniform views on market segmentation at Jubilee Insurance company. This implies that the company is able to put significant efforts to high impact marketing opportunities without spreading its resources to all the customer needs. It was also revealed that the procedure for market segmentation is periodically reviewed (Mean = 4.23, SD = 0.424). Emphasizing the value of reviewing market segmentation procedure, one informant said:

As a company we consider it important to constantly understand our customers. The reality is that our customers are always changing and therefore we must be prepared to move with our clients in our target of offering them the best. Whether it is the income levels, or age or consumer preferences, the company understands that these bases for segmenting our consumers are always changing. Through market research we are able to understand these changes and consequently revise our procedure for segmentation.

While another informant said

As an insurance company we go to the people. We are currently having the largest branch network in the country in areas such as Arua, Mbale, Jinja, Masaka and others with a very big sales agency across the country. We have the urban market segments and upcountry market segments.

In relation to market segments, two major aspects are revealed: 1) the acknowledgment that the customers of jubilee Insurance company are different in many regards (Mean = 4.28; StdDev = 0.490) and 2) the general agreement that the company focuses on the individual consumers even within a given market segment (Mean = 4.00, StdDev = 0.837). Focusing on the individual consumers enables the company to offer individualized attention to clients which is responsible for building and maintaining long term consumer-company relationships. The market segments at Jubilee Insurance Company were described as accessible (100%); large and profitable enough (69.2%); different from one another (80.8%) and respond differently to the marketing mix elements (84.6%). This means that the market segments at this insurance company are independent marketing units that have to be specifically targeted with unique product offerings.

Hypothesis Testing: Market Segmentation and Growth of the Insurance Sector

The study hypothesis stated that "there is no significant relationship between market segmentation and the growth of the insurance sector in Uganda". In order to test this hypothesis, Pearson's Product Moment Correlation (PPMC) test was employed. From the descriptive statistics, all the results on the items measuring market segmentation were aggregated into one index and correlated with the variable of growth of the insurance sector. The test was conducted at alpha value of $\alpha = 0.05$ and the results revealed Pearson's correlation coefficient for market segmentation and growth of the insurance sector to be significant ($r = 0.812^{**}, p < 0.05$). This implies that market segmentation is significantly positively correlated with the growth of the insurance company at the 5% percent level of significance. This implies that the more the company uses market segmentation as a marketing strategy, the more it will improve in terms of the basic insurance growth indicators. The null hypothesis was rejected and the alternative hypothesis upheld.

Product Differentiation and Growth of the Insurance Sector

The findings revealed a general agreement that the company has deliberate efforts to positively enhance the consumers' perception of their products and services (Mean = 4.04, Std Dev = 0.194). The low standard deviation value explains the uniformity of the responses. This could be attributed to the value that the company attaches to how the consumers perceive its product offering in the market. Commenting on product differentiation strategy, one informant said:

Although many people think that the products/services offered by insurance sector are similar, Jubilee Insurance Company cares so much to differentiate its products. In the insurance sector, the intention and spirit of most product/service offerings may be the same, Jubilee's strength lies in the details of implementing its policies

There are efforts to enhance customer value at Jubilee Insurance Company by offering reliable products and services (Mean = 3.92, StdDev = 0.734); with competitive pricing of products/services (Mean = 3.69, StdDev = 0.542) that are easily accessible/available to the clients (Mean = 3.42, StdDev = 0.974). This implies that the product/service differentiation strategy of the company offers reliable, affordable and accessible products/services to the customers. These views echoed by the managers in the course of the interviews. One of the interviewees said:

Jubilee insurance is aware of the extensive competition in the sector. Yet the market growth is not as rapid as the competition. Therefore we seek to build our competitive advantage based on the value that we offer to our clients in terms of price, accessibility and convenience. Such simple measures as the use of brokers, agents and direct channels have seen the company reach out to a number of clients.

The findings revealed that the company strives to understand its customers (Mean = 3.65, StdDev = 0.621) and provide them with products and services that enhance customer utility (Mean = 3.88, StdDev = 0.702). This quantitative data underscores the value of knowing one's clients/customers in relationship marketing especially for such service based sectors like insurance. Commenting on the reasons for the growth of Jubilee Insurance Company, one informant explained:

In the recent past, our average premium has increased to about two hundred thousand shillings. This means that we are able to write more premiums from even the same people. This is due to the fact that we have as a company built lasting trust with our clients.

In order to differentiate its product/service offerings, two specific considerations are undertaken by Jubilee Insurance Company. The first consideration is continuous innovation and the second one is training of the service/product providers. Although there was general agreement with the view that the company encourages continuous product/service innovation as revealed by a mean value of 3.54, the higher standard deviation (StdDev = 1.192) indicates a variation of opinions among the respondents. This could suggest that although innovation is encouraged by the company, not all the staff are involved in the product innovations. Commenting on the importance of product innovation in the insurance sector, the interviewed managers argued that the future of the insurance sector is strongly dependent on the ability of the insurance players to innovate. One informant argued that:

Given the technological advancements and the need for strategic partnerships, a number of insurance firms are *adopting new measures to sell their products. We now have the innovative idea of banc assurance that has significant benefits for the banks, insurers and consumers. We are aware that partnership between the banks, and insurance companies can increase access to insurance services in the country. In banc assurance banks in collaboration with us insurance companies are able to offer insurance products/services. Banks are becoming agents.*

Yet another informant stated that:

At Jubilee Insurance Company we provide a one-stop shop insurance services experience at both personal and corporate level and we also constantly come up with innovative products that respond to market needs. Consider as an example the recently introduced package cover for traders and shopkeepers which is a pioneer product in the country.

In view of the training of the agents, there were as many respondents who took a neutral stand (30.8%) as those who agreed (30.8%) with the view that the company has invested in training of agents so as to deliver professional services. Majority of the respondents (38.5%) were in strong agreement and with a mean of 4.08 and standard deviation of 0.834, there was general agreement on the company's training of its agents. One of the informants explained that:

As a company we boost of our experience. Jubilee Insurance Company has been around for a long time. Additionally, the company has invested in recruiting, training and retaining the best talented and educated staff.

This means that the company acknowledges the value of having an experienced and well trained workforce in enabling the delivery of professional services.

Hypothesis Testing: Product Differentiation and Growth of the Insurance Sector

The hypothesis tested was "there is no significant relationship between product differentiation and growth of the insurance sector in Uganda". To test this hypothesis, the aggregated measure of product differentiation was correlated with the variable of growth of the insurance sector using Pearson Product Moment Correlation (PPMC) test. The test was conducted at alpha level of $\alpha = 0.05$ and the results revealed Pearson Correlation coefficient between product differentiation and growth of Jubilee Insurance Company to be statistically significant ($r = 0.897$, $p < 0.05$). This means that the more differentiated the products/services of the company are, the faster will be the growth of the insurance company. The null hypothesis was rejected and the alternative hypothesis upheld.

Positioning Strategy and Growth of the Insurance Sector. The findings revealed that more than two thirds of the respondents (69.2%) agreed that the customers have a positive regard of the products/services offered by Jubilee Insurance Company while 30.8% of the respondents thought otherwise. The findings further revealed that the company believes that its products and services occupy a valued place in the minds of the customers (Mean = 3.62, Std Dev = 0.564) implying that consumers think favorably about the product/service offerings at Jubilee Insurance. This may be attributed to the fact that the marketing of the products/services promotes the value of the brand to the customers (Mean = 3.54, StdDev = 0.989). The specific marketing strategies aimed at promoting value of the brand to the customers are all significant product positioning strategies employed by Jubilee Insurance Company. Emphasizing this value, one of the informants stated that:

Whereas the other insurance products did not grow as expected, life insurance as a product grew by over 6%. This is because insurance is now resonating with the people since the innovation has made life insurance relevant not only when one dies but even when you are alive.

When asked about customer referrals, majority of the respondents (69.2%) agreed, 19.2% strongly agreed while 11.5% took a neutral stand on whether the company's customers always refer their friends to consume the products/services of the company. A customer referring other persons to the company implies a general satisfaction with the products/services offered by the company. It is a sign of an effective brand positioning strategy. One informant commenting of the brand positioning of Jubilee Insurance Company reported that:

We are proud that our clients are actively involved in referring their friends, relatives and workmates to our products. This for us as a company is indicative of the value and strong attachment that the customers have to our products/services. Many of our clients attest to the fact that Jubilee Insurance Company is the preferred Insurance provider that offers "peace of mind".

The respondents expressed divided opinions when asked to compare their brand to that of the competitors. Whereas majority of the respondents (65.4% agreed and 3.8% strongly agreed) with the view that the products/services of Jubilee Insurance are not very similar to the ones of the competitors, 30.8% disagreed. The general agreement (Mean = 3.42, StdDev = 0.974) implies that slight differences exist between the product/service offerings of Jubilee Insurance and the other insurance companies in the country. The differences could be explained by the company's outward packaging of its products/services which aims at communicating value and quality to its clients (Mean 3.42, StdDev = 0.974). The fact that the insurance sector in the country is still growing, requires such robust market positioning strategies as helping the potential clients to understand the value of the insurance packages on offer. When asked about the performance of the company in relation to the competitors, the respondents expressed variations of opinions as indicated by a standard deviation of 1.045. The respondents however agreed that the company's products/services have been able to outperform those of the competitors (57.6% agreement). This means that there are more consumers to whom the products/services of Jubilee Insurance occupy a special part of their minds and thus consume the services of this company alone. The interviewed managers underscored the progress made by Jubilee Insurance Company as one interviewee expressed:

Jubilee Insurance Company continues to enjoy a big market share in the insurance sector in Uganda. In fact some sector players have described it as the "market's tiger" in the non-life insurance with a market share of approximately 26% according to the IRA report (2016).

While another informant said

> *This insurance company is the overall leader in the area of market share and at about position number three in life insurance. Looking at the published accounts we have not had losses. Being a market leader we have enhanced our revenues through writing more premiums.*

The view expressed by one of the informants above was supported by the IRA Annual Performance Report (2016) in which it was reported that Jubilee Insurance Company's life Insurance portfolio grew by 6.52% between 2015 and 2016 with a percentage market share of 25.51%.

Hypothesis Testing: Positioning Strategy and Growth of the Insurance Sector

The null hypothesis tested stated that "there is no significant relationship between positioning strategy and the growth of the insurance sector in Uganda". In order to test this hypothesis, Pearson's Product Moment Correlation (PPMC) test was employed and the results tested at alpha level $\alpha = 0.05$. The results revealed the Pearson's correlation coefficient for positioning strategy and the growth of Jubilee Insurance Company to be statistically significant ($r = 0.960^{**}$, $p < 0.05$). This implies that the more effective the insurance company is at positioning its products/services, the faster it will grow in terms of the basic insurance growth indicators. The null hypothesis was rejected and the alternative hypothesis upheld

Multiple Regression Analysis

The multiple regression analysis was conducted to determine the extent to which the independent variables studied could be used to explain the dependent variable and the results are presented in Table 2. The independent variables were found to significantly predict the growth of the insurance sector [$F(3, 74) = 316.184$, $p < .05$] with an $R^2 = .925$. The three variables combined could explain 92.5% of the variability in the growth of the insurance sector. This implies that the three variables of the study are excellent predictors of the insurance sector growth. Of the three factors, the most significant predictor of growth of the insurance sector was found to be product/service positioning strategy (Beta = 0.290) followed by product differentiation (Beta = 0.165) and market segmentation at a Beta value of 0.131.

DISCUSSION

Market Segmentation and Growth of the Insurance Sector. The Pearson's correlation test findings revealed the existence of a strong, positive significant relationship between market segmentation and the growth of the insurance sector. This is in agreement with Razdan (2015) who maintains that market segmentation is an efficient technique that should be adopted by insurance firms to connect better with customers. In the long run, the ability of the insurance firm to reach out to its clients easily translates into its own growth in terms of premium volumes, client base, revenue growth and enhanced market share. Market segmentation is essential for Jubilee Insurance Company to attend to the different specific needs of both its current and potential customers as echoed by (Kotler and Armstrong, 2006; Perreault *et al*., 2009; Chernatony and McDonald, 2003). The study found out that Jubilee Insurance Company clusters its customers with similar needs into market segments.

This finding resonates with the observation by Kotler (2008) in support of market segmentation where customers are many, spread and varied in their buying requirements. The study findings indicated that there is continuous periodic reviewing of the market segmentation procedure by the company which is in line with the recommendation by Kotler and Armstrong (2006) that market segmentation procedure be reviewed periodically to address the constant changes in the market segments.

Product Differentiation and Growth of the Insurance Sector

The findings of the study revealed the existence of a positive and significant relationship between product differentiation strategy and growth of the insurance sector in Uganda. This implies that the more the company differentiates its product offering, the more likely it will experience growth in the areas of premium volumes, market share, and profitability levels. This finding is supported by scholars like Shahi (2013), who reported that product differentiation as a marketing strategy is positively related to increasing business volume of insurance firms in India. Through this strategy, the customers are able to receive reliable and accessible products/services at very competitive prices. This is in line with the view of Treacy and Wierserma (2003) basic strategies for a winning product differentiation plan that focuses on: operational excellence, customer intimacy and product leadership. The study also found out that Jubilee Insurance Company encourages continuous product/service innovation to enhance customer utility. This is in agreement with researchers that emphasize product innovation for companies to achieve a competitive edge (Treacy and Wiersema, (2003) and Shahi (2013). Shahi (2013) maintains that insurance companies must introduce many new and innovative products in order to keep up with the competition that is posed by the growing number of insurance service providers. The results revealed that Jubilee Insurance Company has deliberate efforts to positively enhance the consumers' perception of their products/services. These efforts included among others striving to know the customers and investing in training of agents by the company. The need to train staff and agents as a means to improve the positive perception of the company's products by the customers is supported by Shahi, (2013); Chernatony and McDonald (2003); Leigh (2017). The argument in favour of training is premised on the understanding that the service provided is inseparable from its provider and hence the need to train staff and agents to improve service provision.

Positioning Strategy and Growth of the Insurance Sector

The study found out that positioning strategy is positively and significantly related to the growth of insurance firms ($r = 0.960^{**}$, $p < 0.05$). This implies that a superior positioning strategy translates to enhanced growth of the insurance firms. Out of the three marketing strategies considered in this study, brand positioning strategy was found to be the greatest predictor of growth of the insurance sector. This is supported by Shameem and Gupta (2012) in their study on marketing strategies in life insurance where they concluded that an effective positioning strategy is key in facilitating the company to stand out of the competition while offering a unique benefit to the clients. The same view is echoed by Janiszewaka and Insch (2012). Who add that positioning should be credible, significant to the audience, differentiating from the competitors and allowing for the organization's growth. Findings from the study indicated that the product/service positioning strategy has been effective in creating a positive regard of the product among the customers, encouraging growth of insurance clientele through customer referrals and giving a company's products/services a competitive edge over those of the competitors. These results resonate with the basic idea of brand positioning as the way a company wants customers to perceive, think and feel about its brand in relation to the competition (Janiszewaka and Insch, 2012; Perreault *et al*., 2009).

Conclusions and policy implications

Through market segmentation, insurance companies are able to reach customers and offer them customized products. This in the long run will lead to the growth of the insurance sector since the available resources will be more effectively deployed to the different market segments. The growth of the insurance companies and the entire insurance sector in Uganda is closely linked to the companies' ability to offer unique value to the customers through a well coordinated product differentiation strategy. By offering greater customer value, customization features and convenience options, insurance firms are able to influence the uninsured population to take up insurance services thus growing the sector. An effective product/service positioning strategy has the benefit of maximizing customer utility and brand competitiveness which are very critical for the growth of companies in the Insurance sector in Uganda. Through the positioning strategy insurance companies are able occupy a special place in the minds of the consumers which may easily translate into extensive consumption of their products/services.

Policy implications

The following policy implications are drawn from the study:
Market Segmentation: More than just segmenting the market, the insurance firms should reach out to the uninsured population by understanding the reasons why so many people have not taken up insurance. This may be done by all insurance firms under the umbrella association of the Uganda Insurers Association. Specifically, insurance companies need to design innovative products and services aimed at expanding coverage across the different market segments. Product Differentiation: Insurance firms like Jubilee Insurance Company should design and implement product differentiation plans that effectively communicate the uniqueness of the products to the target customers. This may necessitate the training of both staff and agents.

Brand Positioning

The marketing of the insurance products/services by the marketers should be based on the utility derived by the customer. The employees and agents who interface regularly with the clients should be greatly involved in designing the appropriate marketing strategies for the insurance companies. Such strategies as the brand positioning strategy of the insurance firms should be explained to all the employees of the firm. It is recommended that research to explore the new business product of banc assurance that has been adopted in Uganda be conducted to establish its potential to boost the insurance sector in the country.

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