EFFECT OF WEBSITE MARKETING ON THE SALES PERFORMANCE OF INSURANCE FIRMS IN KENYA

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Abstract: The Insurance sector in Kenya has a huge potential but remains untapped as indicated by insurance penetration, which is less than 3 percent lower than the global average penetration of 7.3 percent as per the 2021 Statista report. The purpose of the study was to determine the effect of website marketing on the sales performance of insurance firms in Kenya. The study was guided by a descriptive survey design. The study population was 56 registered insurance firms in Kenya. Structured questionnaires were used to obtain information. Data collected using questionnaires was analysed using SPSS Version 23.0 where both descriptive and inferential statistics was used to analyse the collected data. The analysed data was presented in the form of tables and figures. Inferential statistics entailed the multiple linear regression model to determine the effect of website marketing on the performance of insurance firms in Kenya. The findings of the study showed that website marketing (β=0.132, p-value=0.004) has a positive and significant influence on the performance of insurance firms in Kenya. The study concluded that there is a positive effect of website marketing on the sales performance of the insurance companies. The study recommends that companies need to carry out a sensitization process to demystify the perception that websites are meant for rich people only. Also, future researchers ought to focus on all aspects of digital marketing, not limiting themselves to only four as discussed in this study.

<u>*Keywords*</u>: *Website Marketing, Digital Marketing, Sales Performance, Insurance*

1.0 INTRODUCTION

1.1 Background to the Study

According to Insurance Information Institute (2022), the insurance sector contributed 3.1% to the global gross domestic product in 2020 up from 2.8% in 2019 and slightly down to 2.9% in 2021. The insurance sector in Kenya has a huge potential but remains untapped as indicated by insurance penetration that is less than 3% lower than the global average penetration of 7.3% (Statista, 2021) and lower than peer economies in Africa like South Africa (13.7%) and Namibia (7.3%) (CBK, Financial Stability report, 2020).

Africa's total insurance premium volume increased from USD 65.2 billion in 2017 to USD 68.15 billion in 2019 (Signe, 2020). However, South Africa alone accounted for USD 47.09 billion of total insurance premiums in the same period. In Egypt, the insurance market value as of 2017 was USD 1.244 billion. The insurance

density was USD 20.055 in 2016 and the insurance penetration rate of 0.56% in the same period. During the period 2016-2017, the insurance sales turnover was highest in the motor industry (16.5%) followed by health (9.2%) (Atlas Magazine, 2019). The low sales performance in the sector in comparison to the size of the insurance market has compelled insurance companies in Egypt to hugely invest in advertising campaigns and digital marketing of insurance products (Global Data, 2021) to increase product awareness and tap the general population in the market.

Kenya has a relatively developed insurance sector in the East African Region. The insurance sector in Kenya has a huge potential but remains untapped as indicated by insurance penetration which is less than 3% (Statista, 2021). The insurance penetration in the country has been lower than the global average penetration of 7.3% (Statista, 2021) and lower than peer economies in Africa like South Africa (13.7%) and Namibia (7.3%) (CBK, Financial Stability report, 2020). In Kenya, insurance sales revenue turnover in 2019 was USD2.4 billion, an increase from USD 2.1 billion in 2018 (Atlas magazine report (2019). In 2020, the insurance sales revenue turnover dropped to 2.04 IRA (2021). In 2020, the Kenyan insurance industry recorded a total premium of KES 235.31 Billion compared to KES 231.30 billion in 2019 (AKI, 2020).

1.2 Research Objective

To evaluate the effect of website marketing on the sales performance of insurance firms in Kenya.

2.0 LITERATURE REVIEW

2.2 Empirical Review

Kalei (2020) studied digital marketing strategies and the marketing performance of the top 100 small and medium enterprises (SMEs) in Kenya. The study established that website blogs had a significance on the market performance. Website marketing increased market share, enabled access to new markets and customers, and increased the number of unique visitors to social media pages. The study recommended that website marketing should be enhanced through the clicks on adverts, improved brand recognition, and increased customer satisfaction. The study focused on performance as the dependent variable while the current study focused on sales and thus resulted to methodological gap.

Heiens and Narayanaswamy (2021) studied the impact of digital social legitimization on website visits and web sales. The study established that digital social legitimization does in fact, positively impact website visits. In turn, these visits are associated with higher e-commerce sales. Thus, the use of social media helps legitimize the e-commerce brand and drive website traffic. A website is perceived to be endorsed by a certain class of people which limits other users. High traffic on the website has fostered web sales.

Islami and Tiara (2020) studied the effect of digital marketing on organizational performance through intellectual capital and perceived quality in micro, small, and medium enterprises. The employed descriptive research design and purposive sampling in selecting the population of interest. The finding of the study established that there are weaknesses of SMEs in perceived quality, so it is needed in training especially related to digital marketing which involves intellectual capital and perceived quality to improve organizational performance. The use of website marketing encourages businesses to develop improvements in their efficiency and cost-effectiveness and to offer high-quality products and services to their clients. Besides, website marketing also triggers the entrepreneur to make innovations in business products, processes, services, and

business models. The study recommended the adoption of website marketing by small entrepreneurs in East Africa to compete, even with limited capital in competitive competition, by increasing the performance of their organizations.

3.0 RESEARCH METHODOLOGY

The study adopted a descriptive survey design. A descriptive survey design helps a researcher to respond to questions sought. The study population was 56 registered insurance firms in Kenya (IRA, 2021). The unit of analysis was section managers in charge of digital marketing in each of the insurance firms in Kenya. The study adopted a census where all the 56 section managers in charge of digital marketing were targeted. Census was adopted because the population is not large hence it is manageable. Also, because the census method is more accurate and reliable. This is in tandem with Singh and Masuku (2014) who indicated that a population of less than 200 items should be included in the study in entirety. Structured questionnaires were used to obtain information from the respondents. The pretesting of the questionnaire study was ascertained in Machakos Town. Data collected using questionnaires was analysed using SPSS Version 23.0 where both descriptive and inferential statistics analysis techniques were employed to analyse the collected data and the findings presented.

4.0 DATA ANALYSIS AND PRESENTATION

The study targeted 56 marketing managers of insurance companies. The questionnaires were distributed to the respective offices. The mode of distributing questionnaires was drop and pick. It was established that 52 of the questionnaires were returned dully filled, 2 were not properly filled and 4 were not returned. Thus, 50 questionnaires were properly filled, representing an 89.3 percent response rate.

4.1 Reliability Test

Reliability refers to the extent to which the measurement of a test remains consistent over repeated tests of the same subject under identical conditions (Cohen et al., 2017). The reliability of the research instrument in this study was tested using Cronbach's alpha coefficient (α). According to Cronbach (1951), the instrument (questionnaire) is reliable if the study variables attract Cronbach's Alpha coefficients of 0.7 and above. Taherdoost (2016) provided the following rules of thumb: >0.9 – Excellent, >0.8 – Good, >0.7 – Acceptable, >0.6 – Questionable, >0.5 – Poor, and <0.5 – Unacceptable. In this study, the Cronbach Alpha coefficient of 0.7 was adopted as proposed by Cronbach (1951). The reliability test results are as shown in Table 1 below.

Table 1: Cronbach Coefficient Alpha Test Results

Variable	N	Number of Items	Cronbach's Alpha (α)	Conclusion
Website marketing	5	5	.781	Reliable
Sales performance	5	10	.735	Reliable

The reliability test results in Table 1 above shows that all the variables were above the acceptability level of 0.7 alpha (Cronbach, 1951). The Cronbach alpha coefficient for website marketing, and sales performance was greater than 0.7 hence reliable for the final data collection exercise. Thus, the questionnaires were reliable and

adequate for subjecting to actual fieldwork data collection. This is within the acceptable cut-off of 0.7 and above, as proposed by Cronbach (1951), while according to Taherdoost (2016), the Cronbach alpha coefficient for the variables was excellent.

4.2 Effect of Website Marketing on Sales Performance

The study sought opinions from respondents on the adoption of website marketing and the findings are presented in Table 2.

Table 2: Website Marketing Finding

Statement	Mean	Standard Deviation
The use of a customized website interface to reach more clients has enhanced company sales	3.80	1.29
Total website visits by customers have risen due to website marketing	4.00	1.26
Customer revisits into the company website have gone up	4.08	1.10
Customer traffic channels checking on the company's products and services have significantly increased	3.94	1.30
The responsive and reliable website has enhanced customer-to-company interactive conversation	3.68	1.39
Average	**3.9**	**1.268**

The study examined how a website is used to reach clients and the findings of the study established that the majority of the respondents concurred that the use of a customized website interface to reach more clients had enhanced company sales as depicted by a mean of 3.8 and a standard deviation of 1.29. This was evident by the total website visits by customers that had increased due to website marketing as shown by a mean of 4.00 and a standard deviation of 1.26. This was evident as many of the respondents believed that customer revisits into the website had gone up as depicted by a mean of 4.08 and a standard deviation of 1.10. In addition, it was noted that many of the respondents agreed that customer traffic channels checking on the company's products and services had significantly increased as depicted by a mean of 3.94 and a standard deviation of 1.30. This was evident as many of the respondents concurred that responsive and reliable websites had enhanced customer-to-company interactive conversations as signified by a mean of 3.68 and a standard deviation of 1.39. The average mean is 3.9 and the standard deviation is 1.268. This implied that many of the respondents were in consensus that website marketing is essential in fostering sales performance. The standard deviation indicated there was slight variation of views of respondents regarding the adoption of email marketing in enhancing insurance penetration and hence improving sales performance. Creating an appropriate website, as a tool of internet marketing is aimed at the effectiveness of the virtual company, increasing the number of consumers of its products and improving its brand. A website is a tool by which the virtual company realizes the goal of its marketing strategy and all activities that are part of it. The art of designing an appropriate website is so profoundly enhanced that there are appropriate website standards for every industry.

With the help of the quick feedback deduced from the findings of the study, it can be inferred that website marketing is an anchor of all digital marketing platforms. The use of a customized website interface is important in reaching more clients. The website offers interactive sessions where customers can raise and obtain adequate information. It also acts as an infrastructure for digital marketing platforms where all digital

marketing channels use it as a route to connect with customers and any other form of interaction. The results concurred with an investigation by Obednikovska, Sotiroski and Mateska (2019) that noted that creating an appropriate website, as a tool of internet marketing is aimed at the effectiveness of the virtual company, increasing the number of consumers for its products and improving its brand. A website is a tool by which the virtual company realizes the goal of its marketing strategy and all the activities that are part of it. The art of designing an appropriate website is so profoundly enhanced that there are appropriate website standards for every industry.

4.2.1 Correlation Analysis

The study conducted correlation analysis to establish the nature and strength of association between the independent variable and the dependent variable. Correlation is measured by (r) which ranges from -1.0 to 1.0. When r is close to zero there is no correlation between the variables and when (r) is negative and close to -1 it means that the movement in one variable would cause a reduction in the other. The correlation analysis results are shown in Table 3 below.

Table 3: Correlation Analysis Results

Correlations						
		Sales performance	Social media marketing	Search engine optimization	E-mail marketing	Website marketing
Sales performance	Pearson Correlation	1	.464**	.543**	.549**	.513**
	Sig. (2-tailed)		0.001	0.000	0.000	0.000
Website marketing	Pearson Correlation	.513**	0.227	.345*	.355*	1
	Sig. (2-tailed)	0.000	0.114	0.014	0.011	

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

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

Based on the results indicated above, website marketing has a positive and significant influence on the sales performance of listed insurance companies in Kenya (r=0.513, p=0.000<0.05). Frequent usage of the website, markets company products especially to online users thus fostering the sales volume of insurance companies.

4.2.2 Regression Analysis

The study carried out the linear regression estimation and the finding of the study is presented in Table 4, Table 5 and Table 6. The model summary findings is presented in Table 3.

Table 4: Summary Model Results of website marketing and sales performance

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.513a	0.263	0.248	0.33564
a Predictors: (Constant), Website marketing				

Source Author, 2024

The study conducted a coefficient correlation(R) and coefficient of determination (R^2). Coefficient determination (R^2) was (26.3%) and adjusted (R) square of (24.8%). This means that website marketing explains the 24.8% of the variation in sales performance of listed insurance companies in Kenya. The study further, conducted an analysis of variance to establish the significance of the model, and the findings are presented in Table 5.

Table 5: ANOVA results of website marketing and sales performance

Model		Sum of Squares	df	Mean Square	F	Sig
1	Regression	1.933	1	1.933	17.156	.000[b]
	Residual	5.407	48	0.113		
	Total	7.34	49			
a Dependent Variable: Sales performance of insurance firms						
b Predictors: (Constant), Website marketing						

The finding in Table 5 depicts the F-critical finding which was estimated to be 17.156 and a p-value of $0.000 < 0.05$. This depicts that the overall model is statistically significant. This indicates that the model was significant in predicting independent and dependent variables. The regression model was sufficient in studying the effect of website marketing on the sales performance of listed insurance companies in Kenya. Moreover, specific regression coefficient findings are examined in Table 6.

Table 6: Regression Coefficient Results of website marketing and sales performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.579	0.289		8.92	0.000
	Website marketing	0.305	0.074	0.513	4.142	0.000
a Dependent Variable: Sales performance of insurance firms						

Coefficient determination explains the extent to which changes in the dependent variable can be explained by changes in the independent variable or the percentage variation in the dependent variable (website marketing) which is explained by website marketing. Linear regression analysis was conducted to establish the relationship between Website Marketing and the sales performance of listed insurance companies in Kenya. As per the SPSS-generated regression coefficient model, the equation of

$$S = \beta o + \beta_4 X_4 + \varepsilon$$

produced the regression coefficients of;

$$S = 2.579 + 0.513 X_4 + \varepsilon$$

According to the regression analysis, it was established that taking all factors constant (website marketing) sales performance was 2.579. This model assisted in testing the relationship between the variables. The analysed data shows that holding other variables constant, a unit increase in website Marketing will increase sales performance by 0.513.

5.0 SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Findings

The objective of the study was to assess the influence of website marketing on the sales volume of listed insurance companies in Kenya. Website marketing was found to positively and significantly influence the sales volume of listed insurance companies in Kenya. The study findings established that website marketing has a critical role in increasing sales volume for insurance firms. Websites create a virtual company that individuals across the globe can access. Thus, firms can market using website platforms to reach customers in various parts of the world. Most of these websites have been created to be user-friendly so that customers can interact freely. If a website is created in a consumer-friendly manner and is easier to navigate, there will be a possibility for direct communication with the users who already need products and services offered by a certain company.

5.2 Conclusion

The study concluded that there was a positive effect of website marketing on the sales performance of the insurance companies. The website offers interactive sessions where customers can raise and obtain adequate information. This is because website marketing is convenient for interconnecting clients and thus can reach more people in different locations. The website marketing empirical studies have produced mixed findings with this study concurring with investigations that have predicted that website marketing has positive and significant influence on sales performance. On the other hand, other studies have predicted that website marketing has insignificant influence and others have projected a negative influence on the sales performance.

5.3 Recommendations

The study recommends that companies should develop a robust website that accommodates as many people as possible. Website anchors other digital marketing platforms and failure to address this concern may inhibit the functionality of website marketing. It also offers an infrastructure that other digital marketing platforms use. There is a need for companies to also carry out a sensitization process to demystify the perception that websites are only meant for the rich people. This negativity can hinder the sales performance of insurance products and services since it can create disharmony that can easily disintegrate the coexistence of people in the society.

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