

# Explicating the Impact of Customer Retention on Organizational Resilience: An Empirical Study of Selected Insurance Companies in Kenya

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**Abstract:** This study was designed to investigate the effect of customer retention strategies and organizational resilience among insurance companies in Kenya. More specifically, the study focused on service quality strategy, customer satisfaction strategy, product mix strategy and perceived price fairness strategy in relation to organizational resilience among insurance companies in Kenya. The study was anchored on the dynamic capability theory, equity theory and the market-based view theory. A descriptive survey and cross-sectional design was adopted for this study. The study targeted marketing managers, underwriters and claim managers and their equivalent at CIC Insurance Company within Nairobi City County, Kenya. Questionnaires were utilized in collecting the Primary data. Descriptive statistics was used in describing the sample data which was analyzed using the Statistical Package for Social Sciences (SPSS) and presented through percentages, means, standard deviations and frequencies. Inferential statistics covering regression analysis was performed to come up with relevant inferences. The study findings indicated that service quality strategy, customer satisfaction strategy, product mix strategy and perceived price fairness strategy affected organizational resilience to a great extent. Customer retention strategy was found to have a higher impact on organizational market share, growth and profitability. Similarly, customer retention strategies were found to enhance an organization's market share whereby people generally feel as associates with the insurance companies, gain trust with the insurance company and definitely making them to continue seeking services with the organization. On the other hand, customer retention strategies of effectiveness in cost/pricing structure of brands in the organization were found to aid in attracting new customers who open various cost structured accounts designed by the organization. The study recommends that the insurance companies should provide quality services as it is the best way of retaining the existing customers in the firm and this in turn yields greater commitment and loyalty of the customers.

**Keywords:** Customer retention strategies, service quality strategy, customer satisfaction strategy, product mix strategy, perceived price fairness strategy, organizational resilience, insurance companies

## I. INTRODUCTION

Organizational resilience, which can be dynamic or statistical in nature (Börekcü, Rofcanin, Heras & Berber, 2018), enables businesses to function in a constantly changing

environment. As businesses regularly confront new dangers in their environment that jeopardize overall sustainability, there is increased awareness of the necessity for resilience in business. Organizational resilience therefore enables the business to anticipate, be ready for, respond to, and adapt to the continuously expanding changes brought by the highly dynamic environment.

Organizational resilience helps organizations to survive in the highly dynamic environment (Annarelli, Battistella & Nonino, 2020). The world has paid great attention to organizational resilience and customer retention. Most insurance companies in New Zealand have been compelled to review their client retention plans in an effort to reduce attrition by raising staff professionalism. The use of client retention techniques by insurance companies in the United States of America (USA) has made it possible for them to respond to environmental changes more quickly (Kim, 2020). Businesses prioritize keeping their current clientele while pursuing non-clients. Creating new accounts, applying for credit, and other costs associated with bringing on new clients are expensive for the business.

According to Yilmaz and Ferman (2017), most businesses in Turkey are using perceived price fairness, service quality, product mix, and customer happiness to keep their current and past customers. According to research conducted in Malaysia by Gengswari, Padmashantini, and Sharmeela-Banu (2013), client retention tactics help businesses succeed even when they experience unanticipated negative events. To keep their current customers in South Africa, the majority of insurance companies have been compelled to review their customer relationship management procedures. Ishumael, Nyagadza, Charles, and Munjeri (2019) report that businesses in Zimbabwe have used customer retention tactics to increase their market share, earnings, and sales turnover. Tinashe and Eustina (2016) also stated that resilience in the changing environment, insurance firms in Zimbabwe should keep an eye on the increasingly changing preferences and needs of the customers.

According to Gitahi and Misango (2020), the majority of Kenyan businesses have adopted customer retention strategies

by providing high-quality services, implementing incentives and loyalty programs, and enhancing their brand recognition. The insurance industry in Kenya is confronted with difficulties such as a rising level of competition brought on by commercial banks' incursion into insurance services through bancassurance, provision of services to increasingly discerning and educated clients, and strict regulations by the Insurance Regulatory Authority (IRA).

Customer retention strategies are essential for insurance firms to remain resilient in such operating conditions (Thenya, 2016). The study will concentrate on IRA-registered insurance companies. The insurance companies are divided into life/long-term and general categories (non-life firms). According to the IRA report from 2010, there were 47 insurance companies. However, the most recent data from IRA advertising in 2017 shows a total of 55 insurance companies. While life insurance companies seek to improve long-term savings, non-life insurance companies mitigate risks that could result in severe losses to property. AKI estimates that there are 55 licensed insurance companies as of 2016. Numerous issues that the insurance sector has been having can be linked to its approaches to customer retention.

For instance, the prevalence of insurance increased to 2.73 percent in 2016 from 2.88 percent in 2015 (AKI, 2016). Low purchasing power was cited as the cause of the drop in insurance penetration, suggesting that even the company's current clients were moving to commercial banks that had begun to offer insurance services, notably the Kenya Commercial Bank and Cooperative Bank (AKI, 2015). Some of the insurance companies in Kenya, like Sanlam, are less resilient now that the business is more competitive. Due to this, some of these companies were obliged to combine with and purchase Old Mutual and UAP for insurance. Insurance companies must therefore keep their current clients in order to remain competitive in this market, which is why this study is necessary.

### 1.1 Objectives of the Study

The study was guided by the following specific objectives:

- i. To determine the effect of service quality strategy on organizational resilience among insurance companies in Kenya
- ii. To analyze the effect of customer satisfaction strategy on organizational resilience among insurance companies in Kenya
- iii. To assess the effect of product mix strategy on organizational resilience among insurance companies in Kenya
- iv. To find out the effect of perceived price fairness strategy on organizational resilience among insurance companies in Kenya

## II. REVIEW OF LITERATURE

According to the variables of the study, this section gives a theoretical and empirical review of pertinent literature. First is a review of the theoretical literature, then the review of the empirical literature is offered.

### 2.1 Theoretical Literature Review

The study was guided by the dynamic capability theory, the equity theory and the market-based view.

#### 2.1.1 Dynamic Capability Theory

The degree to which the company is able to integrate, build, and reconfigure both internal and external competences in response to the changing environment is referred to as dynamic capability, (Teece & Pisano's 1994). The dynamic capability theory was born out of the resource-based view's (RBV) constraints. In essence, the RBV overlooked the important concerns relating to resources, such as their development, integration, and reconfiguration. Dynamic skills enable the company to adapt to environmental changes and so become resilient.

According to Pham, Tran, Thipwong, and Huang (2019), the theory emphasizes how the firm should develop and renew its internal and external resources in line with the changing environments. There exist differences between dynamic and operational capabilities of the firm. While operational capabilities relate to the current operations of the business, dynamic capabilities are reflected in the capacity of the firm to develop extent and modify the existing resources (Gupta & Gupta, 2019). This theory's central tenet is that companies can use their core capabilities to change their short-term competitive advantage, which can then help them develop a long-term competitive edge. Three competencies are necessary for the company to face operating environment challenges: learning capability, strategic assets, and reconfiguration of these strategic assets (Muithya & Muathe, 2020). To create strategic assets, the business and the existing workforce must be quick learners. The organization should incorporate the established strategic assets, such as capabilities and technologies as well as consumer input.

Furthermore, the strategic assets that are currently available need to be transformed and reconfigured (Zhao, Wei & Yang, 2019). This theory has been critiqued on several grounds. It has been argued that dynamic capability as a term and its nature lacks clarity. According to Muithya and Muathe (2020), a clear comprehension of the dynamic capabilities and their nature is a challenging task. The theory has further been critiqued for being so repetitive while failing to adequately provide answers with regard to dynamic capabilities and how they operate (Pham et al., 2019). Despite these criticisms, this was the main theory in the study and was used to inform organizational resilience which is the dependent variable. Being resilient requires firms to reconfigure and modify their

resources in response to the changes in the highly dynamic business environment.

### 2.1.2 Equity Theory

This theory was developed by Adams (1963) and it argues that distributive justice is achieved when rewards less costs divided by investments of a given party are similar to those of another party. This theory argues that price perceptions of the buyers is influenced by perceived input to output ratio compared to all the involved points of reference like previous purchases and other buyers. The theory provides an explanation of the processes that staff utilize in determining fairness in the price of the goods and products (Bauwens, 2019).

According to this theory, consumers evaluate price fairness based on how other people view the prices. As a result, consumers socially compare prices with those of other businesses in the sector to form opinions about current prices (Guoliang & Huichuan, 2018). Similarly, the theory advances that price disparities whether actual or perceived will have a negative impact on a company's ability to keep clients. Customers who believe they are paying unfair prices will be emotionally driven to achieve equity. In the event that unfair pricing practices continue, clients may switch to other businesses that charge reasonable costs. This could have a negative effect on the company's bottom line (Kilbourne & O'Leary-Kelly, 2020).

This theory therefore indicates that the perceptions of the customers with regard to fairness of the price play a key role in retention of the customers. Customers who perceive the price charged to be unfair may grow distrust in the firm. When marketing professionals decide to ignore this distrust, customer loyalty will be at risk (Gates & Reinsch, 2018). This theory is relevant to the present study that seeks to evaluate the role played by perceived price fairness in customer retention among insurance firms in Kenya.

### 2.1.3 The Market-Based View

This theory originated from Mason and Bain (1950) who sought to provide the structure of the firm with success of the firm. The theory argues that aside from internal features, the environment plays an important role in shaping the success of the firm. The theory places a lot of emphasis on market conditions and their essence in development of the strategies in the firm. This is contrast with the RBV, which place emphasis on capabilities and resources of the firm that inform development of the strategies in the firm (Kyengo, Muathe & Kinyua, 2019).

According to the theory, the success of the entity depends on variables specific to the sector and an external focus (Caves & Porter 1977). The theory argues that a firm's aggressive position, which results from the strategic positioning of its final products, serves as a source of value. Businesses need special combinations of activities to give them an edge over

rivals in the marketplace. Businesses assess their own competitiveness throughout the creation of their plans by scanning the external environment under the guidance of the five forces model (Porter 1979; 1985). These five forces are: the ability of suppliers to influence prices; barriers to entry for new competitors; threats from substitutes; the ability of buyers to influence prices; and competition between competing businesses in the market (Porter 1985). This theory will be used to underpin the variable of product mix and customer satisfaction strategies as they contribute towards customer retention.

## 2.2 Empirical Literature Review

### 2.2.1 Service Quality Strategy and Organizational Resilience

In 2019, Pakurár, Haddad, Nagy, Popp, and Oláh conducted a study on customer satisfaction and service quality of the Jordan's banking industry. In addition to tangibles, the study's measurements of customer service also take into account the staff's skills, the financial aspect, access, dependability, assurance, empathy, and responsiveness. 825 financial companies' consumers provided data for the study. It has been demonstrated that high service standards greatly increase client satisfaction. The study, nevertheless, was done in Jordan in the banking industry, not the insurance industry.

The relationship between service quality and sustained competitive positioning was explained by Psyapsan (2019) using a case study of small and medium-sized businesses in Indonesia. The investigation spanned the years 2010 through 2016, with quantitative analysis using structural equation modeling (SEM). It was highlighted that the firm's marketing mix techniques are related to service excellence. This suggests that offering high-quality services improves end users' happiness with the clients they serve. There is a gap because the study was conducted in Indonesia rather than Kenya.

A case study of Oman was used by Fida, Ahmed, Al-Balushi, and Singh (2020) to illustrate the connection between customer loyalty and service excellence. Four Islamic banks operating in Oman were the subject of the investigation, which used quantitative techniques. A convenient sample of 120 consumers from these banks was taken. Empathy, assurance, dependability, responsiveness, and tangibles are among the indicators of service quality. Only empathy and responsiveness were found to significantly increase customer satisfaction in the regression results. The current study will be carried out in Kenya given that the previous study was carried out in Oman.

There was a conceptual gap in this study since customer loyalty rather than resilience was assessed as the dependent variable. A study in Bangladesh by Rahaman, Ali, Kejing, Taru and Mamoon (2020) focused on service quality and satisfaction of the customers. The study placed emphasis on commercial banks. The inquiry covered 212 walking customers in the bank. It was noted that except employee competency, other indicators like access to services,

responsiveness, empathy, tangibles, assurance and reliability significantly contributed towards customer satisfaction. This study creates gap as it was done in Bangladesh and not in Kenya. The study also creates conceptual gap by focusing on customer satisfaction as the dependent variable and not resilience.

Sutrisno, Andajani and Widjaja (2019) examined service quality and satisfaction of the customers. The study conveniently sampled 150 respondents with data being gathered supported by the questionnaire. SEM technique helped in analysis of the findings. It was shown that service quality has a significant connection with satisfaction and loyalty of the customers. However, this study was done among logistic firms and not insurance entities thus creating gap. SEM was used as a methodology for analysis; the present study will utilize ordinary least square (OLS).

Nsiah and Mensah (2014) investigated the relationship between customer retention and service quality using a case study of Ghana's banking sector. Asokore Rural Bank Limited provided the data for this case study. The responsiveness, empathy, tangibility, assurance, and reliability are some of the service quality metrics that were employed in the study. Both bank staff and consumers are among the responders. Convenient sampling allowed for the inclusion of 100 respondents in the study. The results demonstrated that offering high-quality services is the greatest approach to keep current clients in the business, which results in stronger client commitment and loyalty. There is a gap since this case study was conducted in Ghana rather than Kenya. Customer retention was the dependent variable; resilience will be the dependent variable in the present study.

A study on service quality and its impact on customer satisfaction was undertaken by Mutinda (2020). Four- and five-star hotels in Nairobi were included in the study. The investigation used a cross-sectional survey that specifically targeted Nairobi hotel guests. Convenience sampling was used to choose the sample. It was discovered that the degree of customer satisfaction is significantly correlated with tangibility, dependability, responsiveness, and empathy. Since this survey was conducted among hotels rather than insurance companies, a gap exists. Convenience sampling was used in the study; the current study will use a census, creating a methodological gap.

Odeny (2016) examined the relationship between service quality and performance using the example of Kenya's Absa Bank. The investigation used a case study methodology, and content analysis assisted in processing participant opinions. It was discovered that the bank viewed responsiveness and dependability to be the most significant aspects of service quality, whilst tangibles were given the least weight. This case study used data from Kenya's Absa Bank as its source of support. The current investigation will be conducted among Kenyan insurance companies. In terms of methodology, this

was a case study, whereas the current study would concentrate on 55 insurance companies.

Wambugu (2018) analyzed service quality and customer satisfaction. The study used a case of Huduma centers by the government. The equity theory and service quality theory provided anchorage to the inquiry. The design embraced was descriptive survey and the participants were daily customers of the bank. The inquiry showed that service reliability, customer responsiveness, service accessibility and service efficiency significantly shape satisfaction of the customers. This study create gap since it focused on Huduma centers by the Kenyan government and not insurance firms. The methodological gap created by this study it was a case study while the present study will focus on 55 insurance firms in Kenya.

### *2.2.2 Customer Satisfaction Strategies and Organizational Resilience*

Solimun and Fernandes (2018) did a study on customer satisfaction, service quality, marketing mix and loyalty of the customers. This inquiry was conducted in Indonesia focusing on telecommunication firms. The respondents were the customers, where 200 of them were included. SEM helped during the analysis of the findings. The inquiry showed that customer satisfaction moderates the link between service quality, marketing mix and satisfaction of the customers. However, this study was done in Indonesia and not in Kenya; it used customer satisfaction as the moderating variable.

Maitho (2017) used a case of professional services firms to link customer satisfaction strategies and customer experience. The variables in the study include supplier management, staff management and service strategy. The adopted design was explanatory research design and four audit firms in Kenya were targeted. The inquiry targeted customers of these firms who were the listed firms at the NSE. Census was embraced and the findings showed that customer satisfaction strategies enhance experience of the customers. However, this study was done among professional firms and customer experience was the dependent variable and not organizational resilience.

Ibojo (2015) did a study in Nigeria linking customer satisfaction and customer retention. The design used was survey and information was gathered from first hand and auxiliary sources. It was noted that customer satisfaction significantly influences retention of the existing clients in the firm. Lim, Tuli and Grewal (2020) did an analysis of customer satisfaction and its link with the future selling costs. An analysis was done on data from 128 firms over two decades, where it was demonstrated that customer satisfaction is negatively linked with future cost of sales. The conceptual gap created by this study is that customer retention was used as the dependent variable and not organizational resilience

Tarigan and Hatane (2019) focused on Indonesia to analyze the link between customer satisfaction and financial performance. The study gathered information from listed

firms where 13 of them were covered covering 4 years. The inquiry showed that customer satisfaction has a direct link with loyalty of the customers. The study was done in Indonesia and not in Kenya thus creating a gap. Javed and Cheema (2017) focused on customer satisfaction and loyalty of the customers. The inquiry was done in the hotels operating in Pakistan. The study noted existence of significant link between customer satisfaction and loyalty of the customers. The study conducted by Otto, Szymanski and Varadarajan (2020) focused on satisfaction of customers and performance of the firm. A total of 251 correlations from 96 published inquiries were analyzed between the periods of 1991 all through to 2017. The inquiry showed that satisfaction of the customers is linked with performance. However, the study used performance as the dependent variable and not organizational resilience hence conceptual gap.

### 2.2.3 Product Mix Strategy and Organizational Resilience

Kumar and Patra (2017) were interested in bringing out whether promotion mix helped in enhancing the equity of the brand. This was an empirical inquiry that relied on review of relevant literature. From the information reviewed, it was noted that promotional mix enhances brand equity of the firm. This study used brand equity as the dependent variable unlike the present study that will use organizational resilience. Chaudhuri, Calantone, Voorhees and Cockrell (2018) conducted a study on promotional mix and new product sales. The inquiry focused on financing incentives and cash rebates in relation to sale of new products. The specific focus of the study was on automobile industry. The study noted that promotional mix has significant influence on sale of the new products. This study creates contextual gap since it was conducted in automobile firms unlike the present study that will focus on insurance firms.

Fikri and Lisdayanti (2020) studied promotional mix and repurchase intentions. The study was done in Indonesia where data was gathered from 115 participants. The study found that promotional mix strongly influences consumers' propensity to make another purchase. In 2016, Cant, Kallier, and Wiid conducted research on SMEs' choices about product mix. The study addressed companies operating in South Africa, where it was discovered that these companies do take into account product attributes, consumer behavior, and strategic considerations when making judgments about the product mix. There is a gap in this study because it was conducted in South Africa rather than Kenya. Additionally, the study's lack of a dependent variable and narrow focus on product mix decisions results in a conceptual gap.

A study was conducted in 2016 by Mayer, Melitz, and Ottaviano to show how the product mix affects how the firm reacts to competition. This study was carried out in France, where a multi-product firm theoretical model was created. To investigate the relationship between components of the product mix and consumer purchasing behavior, Azzam and Ali (2019) conducted a study. Product packaging, brand name,

product information, and product quality were among the study's covered variables, and it was discovered that each of these had a substantial impact on consumers' purchasing decisions. Organizational resilience was utilized as the dependent variable in the current study instead of buying behavior, which was employed in the previous one.

### 2.2.4 Perceived Price Fairness Strategy and Organizational Resilience

Ferguson and Ellen (2013) focused on transparency in the pricing and the link with perceived price fairness. This was an online experiment where adult consumers in USA were allowed to participate as respondents. It was shown that consumers perceive an increase in price as fair when this increase is disclosed by the firm itself as compared to when information of the increase is learnt from outside sources. This study was conducted in USA; the present study will be done in Kenya. Asadi, Pool and Jalilvand (2014) assessed perceived price fairness and loyalty as well as satisfaction of the customers. The focus of the study was on Islamic-Iranian art products. Price perception was one of the antecedents of price fairness covered by the study. It was shown that perceived price awareness and perceived vulnerability have a direct influence on perceived price fairness. In this study, perceived price fairness was taken as the dependent variable, unlike the present study that will use it as one of the independent variables hence conceptual gap.

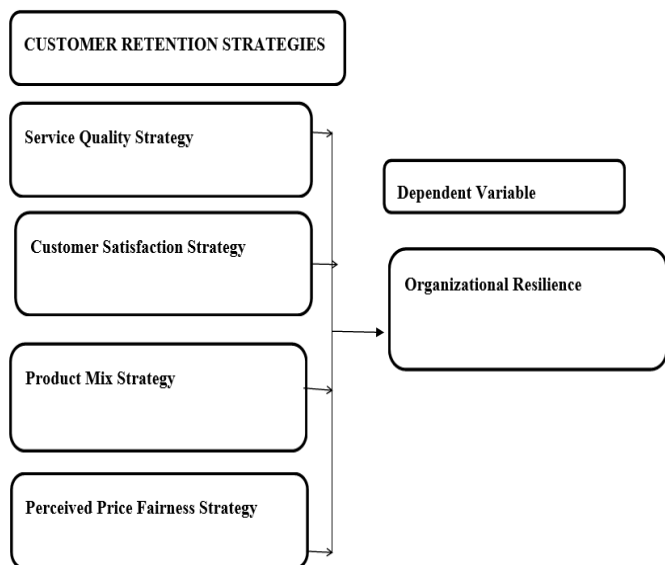
Friesen (2020) reviewed literature on the concept of consumer price fairness within the airline industry. The study noted that aside from current sales price, buyers are constantly looking for external reference's prices for instance the one that has been advertised. Respondents of the study were customers of airlines. It was shown that firms need to be careful regarding variation in prices and advertised prices. This study was conducted in airline firms, the present study will focus on insurance entities. Malc, Mumel and Pisman (2016) investigated on the perceptions regarding price fairness and consumer behavior. The adopted design was experimental, where a total of 288 participants were targeted. It was shown that price fairness has an influence on the intention of consumers to buy. The study used consumer behavior as the dependent variable, the present study will focus on organizational resilience thus conceptual gap.

Santos, Mayer and Marques (2020) studied dynamic pricing and its link with perceptions of price fairness. The study used a case of Uber app in travels. The essence of the inquiry was on how consumers judged the fairness of pricing of Uber App. Qualitative and exploratory approaches were adopted supported by focus group method. The study noted that perceptions of price are informed by evaluation of the benefits of the service and the context. In this study, perceptions of price fairness were regarded as a dependent variable, unlike the present study where it is used as independent variables.

Bassey (2014) did a study on perceived price fairness and the link with satisfaction and loyalty of the customers. The study

obtained information from customers of hotels operating in Nigeria. The results were that perceived price fairness have a direct link with behavioral and affective loyalty. However, this inquiry was done in Nigeria in the hotels and not in Kenya thus creating gap that the present study will seek to fill. Githiri (2018) used a case of Kenya’s star rated hotels to link perceived price fairness and satisfaction of the customers. The study covered Coast and Nairobi regions and it adopted cross sectional survey method. A total of 345 customers were selected through simple random sampling method. Perceived price fairness was found to influence satisfaction of the customers. However, this study was done among hotels and not insurance firms.

### 2.3 Proposed Conceptual Framework



## III. RESEARCH METHODOLOGY

### 3.1 Research Design

This study adopted a descriptive survey and cross-sectional design. Cross sectional design allows the inquiry to cover all the insurance firms during gathering of the data.

### 3.2 Target Population

The target population for this study included marketing managers, Underwriters & claim managers and their equivalent at CIC insurance company within Nairobi offices. The target population was 204 employees working with CIC insurance company.

### 3.3 Sampling Design

The sampling design for this study was purposive sampling design and sample 87 employees at CIC insurance company. The rationale of selecting the marketing, underwriters and claim officers was that they were deemed to have relevant information on service quality strategy, customer satisfaction strategy, product mix strategy and perceived price fairness as being sought by the study.

### 3.4 Research Instrument

The questionnaire was divided into sections to address the specific objectives of the study. A five-point Likert scale was used to guide development of the questionnaire where 1=strongly disagree and 5=strongly agree. The items on the questionnaire were open and close ended and were meant to complement each other.

#### 3.4.1 Pilot Testing

A pretest of study instruments was arranged at AIG Kenya Insurance Company Limited by the researcher where surveyed instruments already prepared for the research were issued to 9 (10%) of the respondents.

### 3.5 Data Collection Procedures

Questionnaires were utilized in collecting the Primary data. Before the actual data collection was done, the research proposal was submitted to Kenyatta University to seek permission to undertake the survey. The researcher also sought the consent from the National Commission for Science, Technology and Innovation to carry out the study.

### 3.6 Data Analysis and Presentation

The sample data was described using descriptive statistics in order to highlight the typical respondent and the overall pattern of responses. The Statistical Package for Social Sciences (SPSS) computer program was used to create these statistics. According to Yan, Wang, Zuo, and Zang (2016), SPSS has a wide range of statistical analysis algorithms that can examine small to very big data sets. Percentages, means, standard deviations, and frequencies were used to present the data. To draw conclusions that are pertinent, regression analysis-related inferential statistics were used. The following model guided the analysis:

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

Where Y= Organizational Resilience

B<sub>0</sub> = Constant

β<sub>1</sub>, β<sub>2</sub>, β<sub>3</sub> and β<sub>4</sub> are Coefficients

ε = error term

X<sub>1</sub>= service quality strategy

X<sub>2</sub>= customer satisfaction strategy

X<sub>3</sub>= product mix strategy

X<sub>4</sub>= perceived price fairness strategy

## IV. FINDINGS AND DISCUSSION

### 4.1 Service Quality Strategy

In this section, respondents were requested to indicate the effect of service quality strategy on organizational resilience among insurance companies in Kenya.

Table 4.1 Service Quality Strategy

	Mean	Std. Deviation
There are competent staff in this firm	4.09	0.903
Staff are regularly trained on service quality	3.54	1.687
Employees responds to the needs of customers in this firm	3.71	0.997
Appropriate feedback is provided to customers on time	3.02	0.892
Customers are assured of quality in this firm	4.01	0.832
The firm provides reliable services to customers	3.88	0.840
<b>Aggregate Scores</b>	<b>3.70</b>	<b>1.525</b>

Source: (Survey Data, 2022)

According to Table 4.1, respondents agreed with statements considered in service quality strategy to a great extent as shown by the aggregate mean of 3.70 in that; there were competent staff in this firm (mean=4.09), customers were assured of quality in the firm (mean=4.01), the firm provides reliable services to customers (mean=3.88), employees responded to the needs of customers in this firm (mean=3.71), staff were regularly trained on service quality (mean=3.54) and appropriate feedback was provided to customers on time to a moderate extent as shown by a mean score of 3.02. This agreed with Syapsan (2019) who argued that used a case of Small and medium enterprises in Indonesia to provide the link between service quality and sustainable competitive positioning. The inquiry covered the time frame from 2010 all through to 2016 with analysis being done quantitatively adopting structural equation modeling (SEM). It was noted that service quality is linked with the marketing mix strategies in the firm. This implies that providing quality services enhances the satisfaction of the customers who are the end users.

#### 4.2 Customer Satisfaction Strategy

In this section, respondents were requested to indicate the effect of customer satisfaction strategy on organizational resilience among insurance companies in Kenya.

Table 4.2: Customer Satisfaction Strategy

	Mean	Std. Deviation
This firm has relevant platforms of receiving customer complaints	4.06	.819
Relevant actions are taken to all complaints raised by customers in this firm	3.51	1.182
The firm determines all repeated purchases from customers	3.62	.776
The firm has referral programs for new customers	3.73	1.957
The firm has relevant strategies to retain all its customer referrals	3.66	.789
Customers are encouraged to rate their satisfaction with products on Google	3.90	.213
<b>Aggregate Scores</b>	<b>3.74</b>	<b>0.956</b>

Source: (Survey Data, 2022)

The findings of Table 4.2 reveal that majority of the respondents agreed with the following statements on customer satisfaction strategy to a great extent as shown by a composite mean of 3.74 in that; the firm had relevant platforms of receiving customer complaints (mean=4.06), customers were encouraged to rate their satisfaction with products on Google (mean=3.90), the firm had referral programs for new customers (mean=3.73), the firm had relevant strategies to retain all its customer referrals (mean=3.66), the firm determined all repeated purchases from customers (mean=3.62) and relevant actions were taken to all complaints raised by customers in this firm to a great extent as shown by a mean score of 3.51.

These findings were in tandem with Peyman et al. (2011) results which indicated that information sharing, customer involvement, long-term partnership, joint problem solving, technology-based has significant relationship with innovation capabilities. Specifically, it was found that people dimension of customer satisfaction strategies has positive significant effect on openness measure of organizational resilience. Secondly, the process dimensions of customer satisfaction have positive significant effect on probation indicators of organizational resilience; and lastly, technology-based dimension of customer satisfaction has positive significant effect on authenticity measure of organizational resilience in organizations.

#### 4.3 Product Mix Strategy

In this section, respondents were requested to find out the effect of product mix strategy on organizational resilience among insurance companies in Kenya.

Table 4.3: Product Mix Strategy

	Mean	Std. Deviation
The firm has a unique brand name	4.22	.193
Customers can differentiate the brand of this firm from other rivals	4.05	0.562
There are brochures capturing relevant product information to customers	4.03	0.328
The firm provide quality products to customers	3.99	.987
Customers are involved in design of the products in this firm	3.03	.321
New products are designed in response to customer needs in this firm	3.87	0.476
<b>Aggregate Scores</b>	<b>3.86</b>	<b>0.977</b>

Source: (Survey Data, 2022)

Results of Table 4.3 show the respondents' level of agreement on the following statements on product mix strategy. A composite mean of 3.86 shows that they agreed to a great extent in that; the firm had a unique brand name (mean=4.22), customers can differentiate the brand of this firm from other rivals (mean=4.05), there were brochures capturing relevant product information to customers (mean=4.03), the firm provided quality products to customers (mean=3.99), new products were designed in response to customer needs in this

firm (mean=3.87) and customers were involved in designing of the products in the firm to a moderate extent as shown by a mean score of 3.03.

The results agreed with Fikri and Lisdayanti (2020) who studied promotional mix and repurchase intentions. The study was done in Indonesia where data was gathered from 115 participants. The study noted that promotional mix significantly predicts repurchase intentions. The study covered firms operating in South Africa, where it was noted that these firms do consider characteristics of the product, behavior of the consumers and strategic issues when making decisions with regard to product mix decisions.

#### 4.4 Perceived Price Fairness Strategy

In this section, respondents were requested to indicate how perceived price fairness strategy affected organizational resilience among insurance companies in Kenya.

Table 4.1: Perceived Price Fairness Strategy

	Mean	Std. Deviation
Past prices inform the pricing strategy in this firm	3.71	.908
Information on past prices is readily available	3.95	1.654
The price of competitors informs pricing strategy of this firm	2.99	.357
All current prices are determined based on competitors	3.06	1.434
The current prices are informed by past prices	3.33	1.276
Changes in price of goods are communicated to customers	4.01	.980
<b>Aggregate Scores</b>	<b>3.50</b>	<b>1.101</b>

Source: (Survey Data, 2022)

According to Table 4.4, respondents agreed with statements on perceived price fairness strategy to a great extent as shown by a composite mean of 3.50 in that; changes in prices of goods was communicated to customers (mean=4.01), information on past prices was readily available (mean=3.95), past prices informed the pricing strategy in this firm (mean=3.71), the current prices were informed by past prices to a moderate extent as shown by a mean score of 3.33, all current prices were determined based on competitors to a moderate extent as shown by a mean score of 3.06 and the price of competitors informed pricing strategy of this firm to a moderate extent as shown by a mean score of 2.99.

These findings corresponded with Friesen (2020) who reviewed literature on the concept of consumer price fairness within the airline industry. The study noted that aside from current sales price, buyers are constantly looking for external reference's prices for instance the one that has been advertised. Respondents of the study were customers of airlines. It was shown that firms need to be careful regarding variation in prices and advertised prices. This study was conducted in airline firms, the present study will focus on

insurance entities. It was shown that price fairness has an influence on the intention of consumers to buy.

#### 4.5 Organizational Resilience

Table 4.5 shows that respondents agreed with statements on performance of projects to a great extent as shown by a composite mean of 3.86 in that;

Table 4.2 Organizational Resilience

	Mean	Std. Deviation
The firms have the capability to anticipate unforeseen circumstances	3.89	1.762
The firm has been able to cope with changes in the environment	4.02	.876
The firm can adapt its strategies to changes in the environment	4.01	.543
The firm modifies its goals in response to changes in the environment	3.91	1.894
Employees can learn quickly in the fast-paced environment	3.70	1.098
New knowledge can readily be developed for the firm to rebound back after unforeseen calamity	3.66	.332
<b>Aggregate Scores</b>	<b>3.86</b>	<b>1.084</b>

Source: (Survey Data, 2022)

The firm had been able to cope with changes in the environment (mean=4.02), the firm could adapt its strategies to changes in the environment (mean=4.01), the firm modified its goals in response to changes in the environment (mean=3.91), the firms had the capability to anticipate unforeseen circumstances (mean=3.89), employees could learn quickly in the fast-paced environment (mean=3.70) and new knowledge could readily be developed for the firm to rebound back after unforeseen calamity to a great extent as shown by a mean score of 3.66.

The results agreed with Haryanto (2018) who shared that anticipation capability allows the firm to stay prepared of any future eventuality while constantly scanning the environment to gather relevant information regarding new threats. These views are corroborated by Antunes and Pinheiro (2020) who shared that new insight and opportunities that help the firm to rebound back after unforeseen event can be well established when there is an organizational learning environment. A firm must have relevant coping mechanisms in order to withstand any unforeseen event in the environment. Adaptability is reflected in the ability of the firm to quickly modify the existing strategies to fit the changing business landscape.

#### 4.6 Model Summary

The table below provides the model summary of the relationship between the predictor variables and organizational resilience among insurance companies in Kenya. The findings are as shown in Table 4.6



Table 4.6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	P-value
1	0.89	.792	.742	.312	31.341	.001

- Predictors: (Constant), service quality strategy, customer satisfaction strategy, product mix strategy, and perceived price fairness strategy.
- Dependent Variable: organizational resilience among insurance companies in Kenya

#### 4.6.1 Coefficient of Determination

The table below provides the coefficient of determination on the relationship between the predictor variables and the organizational resilience among insurance companies in Kenya. The findings are as shown in table 4.7

Table 4.7: Coefficient of Determination

	Unstandardized		Standardized		T	Sig.
	Coefficients		Coefficients			
	B	Std. Error	Beta			
Model 1(Constant)	0.289	0.116		2.491	0.005	
Service Quality Strategy	0.319	0.122	0.514	2.61	0.001	
Customer Satisfaction Strategy	0.287	0.117	0.452	2.45	0.002	
Product Mix Strategy	0.245	0.106	0.413	2.31	0.001	
Perceived Price Fairness Strategy	0.229	0.098	0.398	2.34	0.001	
a. Dependent Variable: Organizational Resilience among Insurance Companies in Kenya						

Simple regression analysis was conducted as to determine the organizational resilience among insurance companies in Kenya. As per the SPSS generated table below, regression equation

$$(Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon)$$

Becomes:

$$(Y = 0.289 + 0.319X_1 + 0.287X_2 + 0.245X_3 + 0.229X_4 + \epsilon)$$

From the regression taking the independent variable at constant (service quality strategy, customer satisfaction strategy, product mix strategy, and perceived price fairness strategy) constant at zero, organizational resilience among insurance companies in Kenya was 0.289. The data findings analyzed also showed that taking all other independent variables at zero, a unit increase in service quality strategy will lead to a 0.319 increase in organizational resilience among insurance companies in Kenya, a unit increase in customer satisfaction strategy will lead to a 0.287 increase in organizational resilience among insurance companies in Kenya, a unit increase in product mix strategy will lead to a 0.245 increase in organizational resilience among insurance

companies in Kenya, and a unit increase in perceived price fairness strategy will lead to a 0.229 increase in organizational resilience among insurance companies in Kenya. This infers that service quality strategy contribute the most to organizational resilience among insurance companies in Kenya, followed by customer satisfaction strategy. At 5% level of significance and 95% level of confidence, service quality strategy, customer satisfaction strategy, product mix strategy, and perceived price fairness strategy were all significant on organizational resilience among insurance companies in Kenya.

Service quality strategy was the most significant variables as it respondents agreed with statements considered in service quality strategy to a great extent. There were competent staff in this firm, customers were assured of quality in the firm, the firm provides reliable services to customers, employees responded to the needs of customers in this firm, staff were regularly trained on service quality and appropriate feedback was provided to customers on time to a moderate extent. These findings were in support of research conclusion by Pakurár, Haddad, Nagy, Popp and Oláh (2019) on service quality and satisfaction of the customers. The study focused on the banking sector in Jordan. The measures of customer service adopted in the study include competencies of the staff, financial dimension, access, reliability, assurance, empathy and responsiveness besides tangibles. The study gathered information from 825 customers of the banking entities. It was shown that service quality significantly enhances customer satisfaction.

## V. CONCLUSION AND POLICY RECOMMENDATION

### 5.1 Conclusion of the Study

Customer retention contributes highest to bank market share, growth and profitability. Additionally, the study implicates that insurance companies in Kenya must work on their customer relation strategies as a way of enhancing their business level to be viable and specific to review policies that attract and retain customer and win over them. This study concludes that incorporation of customer retention strategies into the insurance companies opt the whole rations helps in creating customer loyalty, satisfaction, trust, interaction, customer value which eventually lead to better performance.

Customer retention strategies enhances the organizations market share whereby people generally feel as associates with the insurance companies, gain trust with the insurance company views it as caring for the community welfare and making them to continue seeking services with the organization. The study established that this has led to the geographical diversification of CIC insurance company in the country since the customers' existing are proudly associated with the bank that is having products and services that have a positive impact on the community attracting more customers who are likely to continue seeking services with the organization (CIC insurance company products and services).

Customer retention strategies of effectiveness in cost/pricing structure of brands in the organization attract new customers who open various cost structured accounts designed by the organization. The enhancement of brands competitiveness where customer retention strategies acts as advertisement platform provides an opportunity for the available products and services which when sold to the community are seen as more than not just products of staff and services but as products and services that are out to populace and serve their equal purpose more than those of the competitors.

### 5.2 Policy Implications

The study recommends that the insurance companies should provide quality services as it is the best way of retaining the existing customers in the firm and this in turn yields greater commitment and loyalty of the customers. There is greater need for insurance companies to elevate their products and services to accomplish individual's inner desires. Currently, insurance companies' services and products performance are less than what the customers are expecting hence customer dissatisfaction. This can be done thorough a need identification survey of the customers to clearly identify their needs and how it can be fulfilled. Insurance company's products strategy is currently poorly positioned which in turn affects customers. There is need for an evaluation to be conducted on products and services offered by the organizations, the quality, to whom is it designed, how is it packed, delivered and evaluated. This will help the insurance companies to repackage its products and services for the benefit of customer satisfaction.

### 5.3 Limitations and Recommendations for future Research

The marketing managers in the organization did not sufficiently cooperate in providing the requested information in the questionnaire. They delegated the same to employees in lower-levels who had low information hence leading to insufficient or incorrect responses. Some respondents also shunned the interview altogether. However, the challenge was minimized by asking the respondents not to indicate their names on the research instrument as well as assuring them that the research was only for academic purpose.

The main aim of the study was to determine customer retention strategies and organizational resilience among insurance companies in Kenya. More studies need to be done on customer satisfaction, and customer relationship management and whether there exists an impact on the performance of insurance companies. Although some variables exhibited weak associations, further research is essential for the examination of how customer retention and its determinants associate.

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