

**EFFECT OF BANCASSURANCE ATTRIBUTES ON CUSTOMERS' INTENTION TO  
PURCHASE INSURANCE PRODUCTS IN NAIROBI, KENYA**

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**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL  
FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF A DEGREE OF  
MASTER OF BUSINESS ADMINISTRATION AT STRATHMORE UNIVERSITY**

**APRIL, 2025**

## DECLARATION

I declare that this is my original dissertation that has not been presented for the award of any degree in this or any other institution.

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### Approval

This dissertation/thesis has been presented for examination with my approval as the University Supervisor.

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## ABSTRACT

At only a 2.14% level of penetration, the uptake of insurance products in Kenya is negligible. The effects of low insurance uptake can be significant – individuals are more exposed to financial shocks from unexpected events, which, depending on the number of uninsured individuals, can lead to greater economic instability since people are less able to recover from financial setbacks, reducing overall economic resilience. Bancassurance has been presented as a solution to enhance financial uptake. However, being an emerging construct, there is limited empirical evidence on its adoption and effect on customers. Therefore, the objective of this study was to examine bancassurance and its effect on customers' purchase intention for insurance products. Specifically, the study examined the effect of the attributes of bancassurance intermediaries, including brand image, responsiveness, and reliability, on purchase intentions. The selected theories that informed this research were the Theory of Planned Behaviour and the theory of financial intermediation. The guiding philosophy adopted for the research was positivism. The research made use of the descriptive cross-sectional research design. The population consisted of customers who held insurance policies through the bancassurance channels in Nairobi, Kenya. A sample of 297 respondents from 24 bancassurance channels participated in the study. The data collection instrument that was used in the study was the structured questionnaire, and descriptive and inferential statistics were adopted for data analysis. The results of the study suggest that the perceptions of brand image of bancassurance intermediaries are generally positive; however, inferential analysis indicates that brand image does not significantly drive purchase intention. Instead, the responsiveness of bancassurance agents emerges as the most crucial factor, exhibiting a strong positive and significant influence on customers' inclination to buy insurance products. Reliability also plays a significant positive role, but to a lesser extent than responsiveness. Therefore, this research highlights the need for sectoral policies and organizational strategies aimed at enhancing the responsiveness and reliability of bancassurance providers to effectively convert positive perceptions into actual insurance sales, subsequently driving insurance penetration. However, while this study makes remarkable contributions by highlighting the interactions between bancassurance attributes and purchase intention in the context of a developing nation, further research is needed, especially on other attributes not covered in this research.

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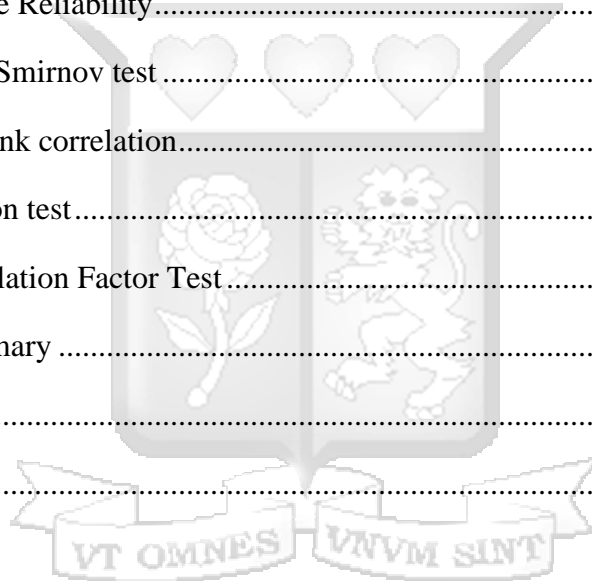
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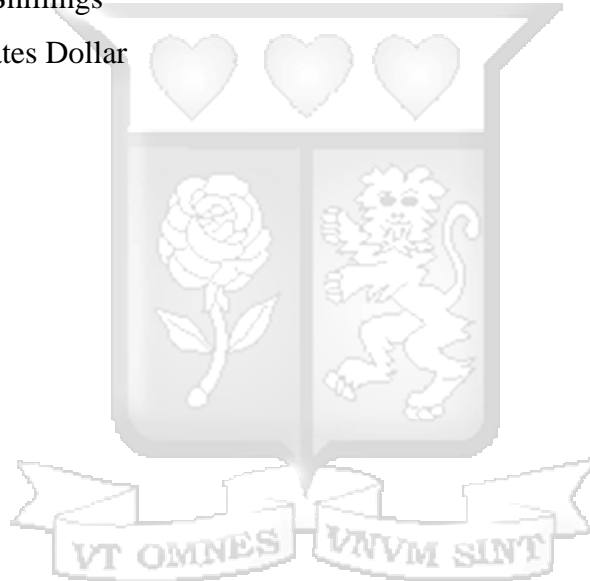
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## ABBREVIATIONS AND ACRONYMS

BAK	Bancassurance Association of Kenya
CAGR	Compounded Annual Growth Rate
GWP	Gross Written Premiums
IRA	Insurance Regulatory Authority
KCB	Kenya Commercial Bank
NACOSTI	National Commission for Science, Technology, and Innovation
SEM	Structural equation modelling
TPB	Theory of Planned Behaviour
UGX	Ugandan Shillings
USD	United States Dollar



## DEFINITION OF KEY TERMS

### **Bancassurance**

The strategic partnership or collaboration between insurance providers and banks, allowing the former to sell their products and services to banks' customers.

### **Brand Image**

Bancassurance intermediary's image will be defined as consumers' perception of the brand and associated products and services, especially with respect to whether or not they trust insurance products delivered through bancassurance models (Hien et al., 2020).

### **Purchase Intention**

Purchase intention has also been described as the degree to which a customer is willing to purchase a product or service (Dibb et al., 2019).

### **Reliability**

Reliability of bancassurance intermediary is defined as the extent to which customers believe that the insurance product delivered via a bancassurance model works as expected in terms of payouts when needed (Trivedi & Soni, 2023).

### **Responsiveness**

Responsiveness is defined as the willingness of bancassurance intermediary to support and address customers' requests and needs (Sharma et al., 2022)

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

The partnership between banks and insurance companies, which is broadly known as bancassurance, through which the insurer can sell its products to banks' customers is a growing phenomenon. This model of insurance distribution offers significant benefits for the parties involved – customers, banks, and insurance companies. For instance, according to Ganapathy (2021), bancassurance serves as a one-stop-shop for all financial needs. The model allows customers to get an amalgamation of other financial services under one roof. Other benefits to customers include convenience, improved application and policy processing, easy access to claims, expert advice, and improved customer experience (Dua et al., 2019; Ganapathy, 2021; Marzai, 2018). According to Matović (2019) and Sadana and Kaur (2023), banks benefit from a diversified customer portfolio and increased customer lifetime value, with insurance providers enjoying increased market penetration, enhanced operational efficiency, and improved turnaround time.

The tremendous benefits of the bancassurance have seen the model become successful, particularly in Europe, parts of Asia, and Latin America (Raushan, 2023). For instance, the European bancassurance market is currently valued at USD 656 billion and projected to hit USD 819 billion by 2029 at a compounded growth rate (CAGR) of 4.56%. The model is particularly predominant in the life insurance sector, accounting for 50% of all insurance sales in some countries (Rauch, 2020). However, there is rising growth in the demand for the non-life insurance sector. Besides the benefits associated with the model, as Sadana and Kaur (2023) suggest, its growing popularity has also been attributed to the rise in customer demand for digital integration, compelling banks to increasingly leverage their virtual platforms to boost life and non-life insurance products.

While promising, the full potential of bancassurance is yet to be realized, especially in the developing markets. From a developing markets perspective, Gonulal et al. (2012) explain that developing economies often experience evolving and sometimes unclear regulatory frameworks for bancassurance, creating uncertainty that hinders the development of bank-insurance

partnerships. Other factors may include a lack of infrastructure to support the model, cultural barriers (i.e., attitudes towards banks and insurance, causing resistance), and consumer awareness and trust (Bansal & Kanwal, 2018; Popli & Popli, 2015; Relan, 2020). In particular, several bank-specific factors such as customer trust, service quality, technological integration, marketing and promotion, customer relationship management, bank image and reputation, expertise, and regulatory compliance have been singled out by Tarik et al. (2021), Teunissen (2008), Choudhury and Singh (2021), and Preethi et al. (2024). These factors influence customers' intention to purchase insurance products through the bancassurance model.

Purchase intention is one of the important metrics in marketing. It describes the probability of a customer making a purchase (Hien et al., 2020). Understanding customers' purchase intentions is key to formulating an effective marketing strategy (Dibb et al., 2019). With regards to the marketing funnel, knowledge of the stage at which the customers are in and whether or not they are ready to purchase or require more nurturing is crucial for successful marketing. Four types of purchase intention exist: informational, investigative, navigational, and transactional intent. Informational intent entails seeking information about a product/service. Investigative intent involves exploring diverse options through additional research (Deepak & Jeyakumar, 2019). Navigational intent means that a customer is seeking information on a specific product/service. Transactional intent is the actual purchase intent, which means that the customer is interested in buying a product/service (Deepak & Jeyakumar, 2019). The type of purchase intent examined in this study is transactional, which is one of the important aims of marketing.

Empirical studies have been conducted to attempt to unravel factors influencing the intention to purchase insurance products and services. From an international perspective, for instance, in Australia, Tam et al. (2021) reported that trust in insurers and perceived value significantly predicted the purchase intention for health insurance. According to the researchers, high levels of trust and perceived value instil confidence and assurance, making customers more likely to proceed with the purchase. The perception of behaviour control, subjective norms, and trust in bank employees have also been shown to influence "the intention to purchase life insurance through the bancassurance channel in Vietnam" (Thuy et al., 2023). In this case, according to the researchers, "perceived behavioural control is understood as customers' awareness of life insurance products sold through bancassurance channels."

In Malaysia, Guan et al. (2020) reported that the marketing mix elements of promotion, place, price, and product significantly influence the purchase intention for insurance products. Marketing mix elements influence purchase intentions in two key ways—either directly or through customer attitude as a mediator. Out of these elements, according to Guan et al. (2020), price mix had the strongest effect. This is because customers showed a willingness to purchase insurance at the lowest price. As Trivedi and Soni (2023) suggest, customer satisfaction, reliability, brand image, tangibility, and empathy are significant predictors of purchase intention for insurance policies in India. Contrary to Trivedi and Soni's (2023) view, Tsabitah and Anggraeni (2021) produced empirical evidence suggesting that brand image has no significant effect on purchase intention.

Regionally, the determinants of purchase intention have also been examined. In South Africa, where, according to Fourie et al. (2023), bancassurance remains the dominant distribution channel, with 19% of bank customers owning a life or health insurance product, Maanda et al. (2020) reported that brand image and awareness had a positive effect on purchase intentions. In Nigeria, Nwora (2018) is of the opinion that “customer loyalty and perceived service quality are the leading factors in moderating the bancassurance referral model influence on customers’ patronage of insurance products.” In Uganda, as reported by Business Focus (2022), “the insurance industry generated gross written premiums (GWP) of UGX 1.4 trillion, with the bancassurance segment contributing UGX 143 billion from 19 banks licensed as bancassurance agents.” Still, according to Mpaata et al. (2020), several challenges are faced in adopting the bancassurance model, chief among them being bank culture, knowledge about products, top management support, insufficient competent staff, and customer base.

Locally, the unprecedented growth of bancassurance in the country has since drawn empirical attention. Researchers, academicians, and practitioners have shown interest in determining the key drivers and challenges of bancassurance adoption. According to Muthoni and Otieno (2014), customer satisfaction predicts purchase intention in the banking sector significantly. However, as Hussein et al. (2020) suggest, banks’ profitability, credit risk, product diversification, and insurance contract costs are the leading determinants of bancassurance adoption among Tier 1 commercial banks in the country. However, according to Wachira (2012), insurance product characteristics, insurance market dynamics, and marketing communication influence the uptake of insurance products through the bancassurance channels. However, it is worth noting that Muthoni

and Otieno's (2014) research lacks bancassurance as context, while Hussein et al. (2020) study was limited to Tier 1 banks.

### **1.1.1 Bancassurance Attributes**

Bancassurance refers to the strategic partnership or collaboration between insurance providers and banks, allowing the former to sell their products and services to bank customers (Genetay & Molyneux, 2016). It is an insurance distribution model whereby insurance companies leverage banks' extensive customer base and distribution network to offer their products, thereby ensuring a convenient one-stop-shop for financial services (Genetay & Molyneux, 2016). In this arrangement, bank employees, who insurance companies often train, act as the point of sale and contact for customers, enabling the purchase of insurance products alongside traditional banking services (Alavudeen & Rosa, 2015). The model is part of the growing trend that involves the distribution of insurance products through third-party financial institutions.

The distribution of insurance products through banks includes client understanding, product diversity, scalability and being a low-cost distribution channel. Bancassurance agents interact with clients regularly; hence, they are better suited to enhance their clients' understanding of insurance products (Nicoletti, 2020). Additionally, they can provide insurers with the opportunity to scale their operations (Merry et al., 2014). However, despite these tremendous benefits, distributing insurance through bancassurance carries some risks, such as a lack of priority for insurance products and partnership risks. Bancassurance agents might feel that insurance products distract them from their core products; as a result, they might not prioritize the delivery of these products to their client base (Merry et al., 2014). Partnership risk is another issue since bancassurance agents are conversant with their financial services and usually have adequate capital to operate an insurance business on their own (Nicoletti, 2020). Essentially, there is the possibility of insurance products being sidelined by bancassurance agents.

Considering the benefits and drawbacks associated with bancassurance, insurance companies need to evaluate the characteristics of the model and how it affects the purchase intention of their products (Nicoletti, 2020). Various factors have been reported to influence the customer purchase intention for insurance delivered through banks, which include trust, subjective norms regarding

insurance products bought via banks, level of consumer awareness relating to the availability of insurance products in banks, and consumer satisfaction when using this channel (Nursiana et al., 2021). Consumers' beliefs associated with the difficulties of claim settlement, bancassurance agents' reliability, amount of premium charged by bancassurance agents, and processing time have also been reported to influence the purchase intention for insurance products.

For the case of the distribution of insurance products through bancassurance channels, customers' purchase intention is influenced by a myriad of factors, most of which are bank specific as so far established. Examples include customer trust, service quality, technological integration, marketing and promotion, customer relationship management, bank image and reputation, expertise, banks' profitability, credit risk, product diversification, insurance contract costs, customer satisfaction, reliability, tangibility, empathy, behavioural control, subjective norms, and perceived value (Hussein et al., 2020; Tarik et al., 2021; Choudhury & Singh, 2021; Preethi et al., 2024; Muthoni & Otieno, 2014; Trivedi & Soni, 2023; Thuy et al., 2023). For this study, the three attributes of bancassurance selected for further investigation were brand image, responsiveness, and reliability.

The rationale for these three factors is that they are attributes of commercial that insurance companies can evaluate when choosing a distribution partner for their bancassurance strategy. In this study, bancassurance agents' image will be defined as consumers' perception of the brand and their associated products and services, especially with respect to whether or not they trust insurance products delivered through bancassurance agents (Hien et al., 2020). Responsiveness is defined as the willingness of bancassurance intermediaries to support and address customers' requests and needs (Sharma et al., 2021). According to Trivedi and Soni (2023), the reliability of bancassurance intermediaries is defined as the extent to which customers believe that the insurance product delivered via bancassurance works as expected in terms of payouts when needed.

### **1.1.2 Purchase Intention for Insurance Products**

Purchase intention has also been described as the degree to which a customer is willing to purchase a product or service (Dibb et al., 2019). Purchase intention is determined by several factors. Generally, for instance, "in online retail, purchase intention is influenced by security, price, convenience and availability of information about a product/service, including price, quality,

product variety, perceived need, financial capability, and trust in the insurance provider” (Filieri et al., 2018). Consumers often consider insurance as a means of financial protection against unforeseen events, such as health issues, accidents, or property damage. The perceived value of insurance, which includes the benefits and coverage offered, plays a crucial role in shaping purchase intentions. Additionally, the financial capability of individuals or households determines their ability to afford insurance premiums. Trust in the insurance provider, built through positive past experiences, recommendations, and the provider's reputation, also significantly impacts the decision to purchase insurance. However, in the context of bancassurance, purchase intention for insurance products can be influenced by factors specific to the bancassurance agent, including the image and trust in a banking institution. This study sought to determine the effects of the brand image, responsiveness, and reliability of bancassurance intermediaries on customers’ purchase intention for insurance products.

### **1.1.3 Insurance Industry in Kenya**

Financial inclusion is one of the important goals under Kenya’s Vision 2030. Insurance is a key factor in financial inclusion, holding the potential to improve Kenya’s socio-economic status significantly. However, the insurance penetration level in Kenya is significantly lower than the global average, which currently stands at 7.23% (African Insurance Organization, 2021). The insurance penetration rate in Kenya is 2.14%, indicating a significant portion of the population remains uninsured. Comparative statistical data shows that Kenya ranks among the countries with the lowest insurance penetration rates in the Sub-Saharan Africa (SSA) region (Warren & Dixon, 2024). Interestingly, Kenya's insurance penetration rate of 2.14% is well below Africa’s average of 2.73%, further suggesting that the country’s insurance sector is among the worst-performing in Africa and the world as a whole.

The low rate of insurance penetration in Kenya is linked to the public perception that insurance products are “easy to discard/nice to have” rather than being viewed as essential. The insurance sector in Kenya has 58 reinsurers and insurers (Mwangi & Netshitandani, 2021). The market leaders are APA Insurance, ICEA Lion, Britam, Jubilee, and CIC. The Insurance Regulatory Authority (IRA) is the regulatory body that oversees Kenya's insurance sector.

A notable trend occurring in the Kenyan insurance sector is the adoption of digital channels for delivering insurance products. Until recently, the majority of insurance companies in Kenya depended on face-to-face distribution channels and operated legacy systems that did not meet the evolving consumer needs (Mwangi & Netshitandani, 2021). Consumers are rapidly increasing their digital presence, which presents an opportunity for insurers to leverage digital customer engagement using software applications. Insurers in Kenya are providing self-service options using smartphones (Mwangi & Netshitandani, 2021). Besides digitization, insurance companies are also broadening their distribution channels to include other financial institutions apart from banks (Kathanga et al., 2016). Insurance companies are using cooperatives, credit unions, and MFIs to distribute their products.

A key challenge that faces the insurance industry in Kenya is corruption and fraud. Estimates show that about 25 percent of claims costs incurred by insurers are due to fraudulent activities (Kathanga et al., 2016). Additionally, there is a widespread public perception that insurance companies are less likely to honour their commitment to pay out when needed, which has resulted in a low trust in insurance. Moreover, insurance policies are viewed as expensive by the majority (Mwangi & Netshitandani, 2021). A low level of awareness of insurance products has also been attributed to the low uptake in the country.

Bancassurance is a growing trend in the country and is poised to become a solution to the challenges the industry faces in promoting insurance uptake. In a 2023 report by the IRA, as of 2022, the insurance industry in Kenya has a GWP of KES 235 billion, with bancassurance contributing a notable portion of this figure. This unparalleled growth has been attributed to the increased collaboration between banks and insurance companies, as well as the IRA, which has created a supportive regulatory framework to facilitate this collaboration. According to Midega et al. (2022), bancassurance has been gaining widespread acceptance whereby, as Kombo and Otieno (2019) explain, several banks are actively involved in the bancassurance market, including KCB, Equity Bank, and Cooperative Bank are the major players.

According to Alushula (2023), increased compliance with regulatory reforms has tripled the number of insurance products offered. Already, the Association of Kenya Insurers' (AKI) 2024 report reveals that there are 24 licensed bancassurance intermediaries. These bancassurance firms

leverage their extensive and nationwide brand networks to reach a wider customer base, enhancing the accessibility of insurance products. As Alushula's (2023) report further suggests, 34 others are waiting for IRA clearance to become bancassurance agents.

## **1.2 Problem Statement**

The insurance penetration rate in Kenya is 2.14%, which is below Africa's and global averages, showing a large uninsured population (Warren & Dixon, 2024). The effects of this low insurance uptake can be significant. For instance, at the individual level, the uninsured are more exposed to financial shocks from unexpected events such as accidents, medical emergencies, and natural disasters. At the economic level, high levels of uninsured individuals can lead to greater economic instability since people are less able to recover from financial setbacks, reducing overall economic resilience (Woolhandler & Himmelstein, 2017). The low insurance penetration rate is linked to multiple factors, such as the lack of trust in insurance companies, cumbersome procedures for claim settlement, low-income levels, lack of awareness of existing insurance policies, and the perceived low rate of returns for life insurance policies (Kathanga et al., 2016). As a result, there is a need to increase insurance penetration in Kenya (Kiptoo et al., 2021). As Mwangi and Netshitandani (2021) suggest, insurers have been challenged to adopt innovative distribution channels, such as bancassurance models, to encourage the uptake of policies and drive insurance penetration.

While the bancassurance model is presented as a solution to improving insurance uptake, empirical evidence is essential in informing the strategic partnership between insurers and banks for this model to succeed. However, after analysing the current body of scholarly literature, certain unresolved problems exist. In other words, scope, contextual, conceptual, and methodological gaps have been identified in the current literature. There is scarce research on customers' purchase intention through bancassurance channels in Kenya, indicating a geographical scope gap since most studies available were conducted outside Kenya (Tam et al., 2021; Thuy et al., 2023; Guan et al., 2020; Trivedi & Soni, 2023; Maanda et al., 2020; Mpaata et al., 2020; Tsabitah & Anggraeni, 2021). Findings and conclusions from studies conducted outside Kenya cannot be generalized to Kenya due to the unique characteristics of the bancassurance landscape in the country. It is worth noting that differences in the regulatory environment, market dynamics, consumer behaviour, and

financial literacy levels vary between countries and contribute to bancassurance. As such, a study focusing on bancassurance in Kenya is essential.

A contextual gap in research occurs when there is a lack of research on a specific topic within a particular context. A portion of existing empirical literature lacks bancassurance as the context (Tam et al., 2021; Maanda et al., 2020; Trivedi & Soni, 2023; Guan et al., 2020; Muthoni & Otieno, 2014). As far as these studies are concerned, there is a void in understanding how the topic applies to bancassurance attributes and how they influence customers' purchase intentions. Conceptual gaps are also apparent in the existing body of empirical literature, whereby the specific concepts covered are outside the framework of the proposed study. For instance, Mpaata et al. (2020) examined the determinants of bancassurance adoption instead of customers' purchase intention. Not only that, but contradictory evidence has also been identified. There are mixed findings regarding the effects of brand image, responsiveness, and reliability on purchase intentions—for example, Tsabitha and Anggraeni (2021) produced empirical evidence suggesting that brand image has no significant effect on purchase intention.

Therefore, the current research aimed to address these gaps by seeking to examine the impact of insurance distribution through bancassurance channels on the purchase intention for insurance products. The study focused on the effects of bancassurance agents' brand image, responsiveness, and reliability.

### **1.3 Research Objectives**

The study was guided by one main objective and three specific objectives, as outlined below.

#### **1.3.1 General Objective**

The general objective of this study was to investigate the effect of bancassurance attributes on customers' purchase intention for insurance products in Nairobi, Kenya.

#### **1.3.2 Specific Objectives**

The study sought to achieve the following specific objectives:

1. To examine the effect of bancassurance intermediaries' brand image on purchase intention for insurance products in Nairobi, Kenya.
2. To examine the effect of bancassurance intermediaries' responsiveness on the purchase intention for insurance products in Nairobi, Kenya.
3. To examine the effect of bancassurance intermediaries' reliability on the purchase intention for insurance products in Nairobi, Kenya.

#### **1.4 Research Questions**

The study sought to answer the following research questions.

1. What is the effect of bancassurance intermediaries' brand image on the purchase intention for insurance products in Nairobi, Kenya?
2. What is the effect of bancassurance intermediaries' responsiveness on the purchase intention for insurance products in Nairobi, Kenya?
3. What is the impact of bancassurance intermediaries' reliability on the purchase intention for insurance products in Nairobi, Kenya?

#### **1.5 Scope of the Study**

The study aimed to examine bancassurance and its effect on customers' intention to purchase insurance products in Nairobi, Kenya. The conceptual scope comprised bancassurance agents' brand image, responsiveness, and reliability as the independent variables and customers' purchase intention as the dependent variable. The geographical scope of the study was limited to Nairobi City County, Kenya, with the contextual scope being the bancassurance sector. Therefore, the target population of the study consisted of customers who purchased insurance products distributed through bancassurance channels in Nairobi, Kenya. Lastly, as a methodological scope, the study employed a quantitative research design. The planned completion period for the study was the first two weeks of March 2025, during which data were collected after securing ethical approval and obtaining a research license.

## 1.6 Significance of Study

The findings of this study have immense benefits to policymakers, practitioners, and scholars. Regulatory bodies, like the IRA and CBK, alongside sectoral associations such as BAK and AKI, stand to benefit from the findings, conclusions, and recommendations of this research. The study provides valuable insights supported by scientific evidence that can be used to inform the development of guidelines, standards, and regulations to help increase the uptake of insurance policies in Kenya. The study can be instrumental in developing evidence-based policies to strengthen the characteristics of bancassurance channels with a key focus on their responsiveness and reliability. Such policies will enhance the intention to purchase insurance, which in turn can boost the penetration of insurance.

Practitioners, such as managers of bancassurance intermediaries and insurance companies, can use the findings of this research to formulate effective marketing strategies to enhance the uptake of insurance products. This study reveals the importance of the responsiveness and reliability of bancassurance intermediaries in enhancing purchase intentions for insurance products. Therefore, with such information, bancassurance intermediaries can address weaknesses in these areas to drive purchase intention for insurance products. The results can also help insurers in choosing appropriate bancassurance intermediaries to partner with to distribute their products. Both these scenarios can lead to significant insurance uptake or broader insurance penetration through bancassurance models.

Lastly, the findings obtained from this study play a critical role in advancing the empirical knowledge on purchase intention, especially for insurance products delivered using bancassurance channels. The study underscores the significance of the characteristics of bancassurance intermediaries in influencing the intention to purchase insurance products in the context of Kenya's bancassurance sector. In so doing, the study adds to the body of empirical knowledge on purchase intention within this unique and emerging sector. The findings of this research form the basis for further research on the topic of customers' purchase intentions.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter discusses theoretical and empirical literature on purchase intention. The research gaps and conceptual framework are also presented in this chapter.

#### **2.2 Theoretical Foundation**

This part discusses the theories that informed the study. The selected theories are the Theory of Planned Behaviour (TPB) and the theory of financial intermediation.

##### **2.2.1 Theory of Planned Behaviour**

The theory of planned behaviour (TPB) is a “psychological theory developed by Icek Ajzen in 1985, whereby he proposed that behavioural intentions are influenced by three main components: attitudes, subjective norms, and perceived behavioural control” (Sharma & Foropon, 2019). Behavioural intention, in this theory, is defined as a person’s readiness to engage in particular behaviour, which is assumed to predict the actual behaviour (Ajzen, 1991). Subjective norms refer to people’s perceptions regarding given behaviour, which depends on how significant others, such as teachers, friends, spouses, and parents, judge the same behaviour. Behavioural control refers to the perceived difficulty or ease of performing a given behaviour (Sharma & Foropon, 2019). The TPB is applied to explain the behaviours that people can control.

The theory has “extensive application in the field of household financial behaviour research” (Sniehotta et al., 2014). It helps “predict how various financial decisions and behaviours, including the purchase of insurance policies”. However, despite its influence, the theory has faced several criticisms. Critics argue that it assumes individuals act rationally, it fails to account for the role of affective factors such as emotions and addictions, and though it can predict intentions, its ability to predict actual behaviour is less robust (Ajzen, 2011; Sniehotta et al., 2014). Nonetheless, the theory is relevant to the current study.

For the current study, TPB formed the basis for the dependent variable of purchase intention, which is associated with behavioural intention. TPB is applied in numerous studies investigating purchase intentions, for example, Giampietri et al. (2018) used TPB to explain that consumer trust influences purchase intentions in short food supply chains. This theory was also validated in another study by Sharma and Foropon (2019) on the purchase intentions for green products. These studies used TPB to conceptualize purchase intention as their dependent variable – a similar approach was adopted in this research. In particular, the theory provided a framework for examining how bancassurance intermediaries' brand image, responsiveness, and reliability influence customers' intention to purchase insurance.

### **2.2.2 The Theory of Financial Intermediation**

The theory of financial intermediation has its origin in the early 20<sup>th</sup> century when economists began exploring the role of banks and other financial institutions in the economy. It has since evolved significantly from the literary works of John Maynard Keynes in 1936 to Douglas Diamond and Philip Dybvig in 1983 (Allen & Santomero, 1997; Scholtens & Van Wensveen, 2003). The theory views banks, insurance companies, and other financial institutions as financial intermediaries facilitating the flow of funds between savers and borrowers. Standing between savers who want to invest their money and borrowers who need funding, financial intermediaries perform several functions, including asset transformation (conversion of short-term liabilities into assets), reducing transaction costs and information asymmetries, risk management, and providing liquidity (Molnár, 2018; Scholtens & Van Wensveen, 2003). Effective financial mediation is crucial for economic growth; it ensures that resources are allocated efficiently and supports investment and consumption.

The theory is relevant to bancassurance, a business model where banks and insurance companies collaborate to offer insurance products. As established earlier in the paper, by leveraging banks' distribution channels, bancassurance provides a one-stop shop for all financial services. Therefore, as Husein (2021) explains, in essence, bancassurance is an application of the principles of the theory of financial intermediation; it demonstrates how financial intermediaries can expand their services to meet diverse customer needs more effectively. However, the theory is not without its limitations – it struggles to explain the increasing complexity and variety of modern financial

activities and fails to adequately account for the dynamic nature of financial markets (Allen & Santomero, 1997; Scholtens & Van Wensveen, 2000). Nevertheless, with respect to the study, the theory served as a supporting framework, providing a model for understanding how bancassurance intermediaries' brand image, responsiveness, and reliability influence the purchase intention for insurance products.

## **2.3 Empirical Literature**

This section provides a comprehensive review of previous empirical literature on the research topic. The section is structured according to the specific objectives of the study.

### **2.3.1 Effect of bancassurance brand image on Purchase Intention**

Studies show the positive influence of brand image on purchase intention. Hien et al. (2020) conducted a study “to assess the relationships between brand image, purchase intention, and brand evaluation”. The context of this research was the electrical appliances industry in Vietnam. Using structural equation modelling (SEM), Hien et al. (2020) showed that brand evaluation and brand image had a positive impact on purchase intention, which they operationally defined in terms of purchase of the brand immediately and in the near future, as well as recommending the product to friends.

The positive effect of brand image on purchase intention was also demonstrated by Agmeka et al. (2019), who examined “the impact of brand image and reputation on purchase intention.” The context of their study was the e-commerce sector in Indonesia. Agmeka et al. (2019) defined brand image in terms of differentiation, the degree to which the brand is well established, and having a clean image. They defined purchase intention in terms of intent to purchase from the brand and recommend it to friends. Analysis using SEM indicated the significant positive effect of brand image on purchase intention.

In another study, Benhardy et al. (2020) evaluated the determinants of purchase intention for online higher learning institutions. The factors that they investigated were brand trust, brand image, and price perception. In this study, brand image was defined as the impression that customers have of a brand. Brand trust was conceptualized with the intent to believe that a brand will act in

accordance with the wants and needs of its consumers. They conceptualized purchase intention in terms of future purchases. The results of their study showed that “a positive relationship exists between brand image and purchase intention and that this relationship is mediated by brand trust”.

Evidence supporting the positive effect of brand image on purchase intention was also provided by Mao et al. (2020), who studied the relationships between brand-related constructs and purchase intention. After collecting data from smartphone users in China and employing SEM, their study showed that brand identity, brand personality, brand communication, and brand image had a significant positive effect on purchase intention for smartphones. Across industries, these studies indicate the positive effect of brand image.

### **2.3.2 Effect of bancassurance responsiveness on Purchase Intention**

Responsiveness is one of the dimensions of product/service quality, which has been studied extensively in customer behaviour research. Most studies show the positive effect of responsiveness on customer intention. In the Korean and the United States e-shopping sectors, Nam et al. (2021) investigated “the effect of responsiveness on purchase intention.” The findings showed that irrespective of cultural differences between Korea and the United States, responsiveness positively predicted purchase intention. Nam et al. (2021) conceptualized responsiveness as customers' perceptions regarding the dependability and promptness of service support in e-shopping, while intention was conceptualized as planning to purchase in the future and recommending the service to others.

The positive impact of responsiveness was also supported in a study conducted by Khatoon et al. (2020), who studied “the associations between purchase intentions and the dimensions of e-banking service quality.” The context of the study was Qatar, where data was collected from customers and bank employees. Analysis of the findings by regression showed that responsiveness had a significant positive effect on purchase intention. Other service quality dimensions, including privacy, security, communication, efficiency, and reliability, positively predicted purchase intention for e-banking in Qatar.

Another study by Sharma et al. (2021) conducted with Indian fashion customers provided evidence of the positive effect of responsiveness on customer behaviours such as referral behaviour, revisit

intention, cross-buying behaviour, and customer satisfaction. Responsiveness in this study was defined in terms of addressing customer requests and needs promptly. The results showed that responsive retailing had a positive impact on the post-purchase behaviour of customers in terms of referral behaviour, repeat purchase (revisit intention), and cross-buying.

Panigrahi et al. (2018) examined the impact of service quality dimensions on purchase intention for life insurance policies in Malaysia. The dimensions studied were problem-solving and helpfulness, empathy, assurance, responsiveness, reliability, and tangibility. Purchase intention was defined as the plan to purchase life insurance in the future. Responsiveness was conceptualized as informing customers when the service will be delivered, providing prompt service, and the willingness of employees to help and respond to customers' requests. Data analysis using SEM indicated the positive impact of responsiveness on purchase intention for life insurance products.

### **2.3.3 Effect of bancassurance reliability on Purchase Intention**

Numerous studies have reported the significant influence of reliability on purchase intention across various sectors and countries. A study by Meesala and Paul (2018) examined "the impact of service quality elements on purchase intention in Indian hospitals." Reliability was conceptualized in terms of providing service on time, reassuring and sympathetic employees, and accuracy in billing. Purchase intention was defined as the preference of the hospital to others. The findings of Meesala and Paul (2018) indicated that reliability had a positive impact on purchase intention.

The study by Panigrahi et al. (2018) also examined the effect of reliability on purchase intention for life insurance in Malaysia. In this study, reliability was measured in terms of keeping their promises on time, solving problems with sincere interests, providing the service right the first time, providing services at an appropriate time as promised, and providing error-free services to customers. Panigrahi et al. (2018) showed the positive effect of reliability on purchase intentions for life insurance.

Another research conducted by Li and Liu (2019) examined the impact of reliability on purchase intention in the airline industry. Reliability in this study was defined in terms of prompt service to employees, willingness to help employees, and response to customers. Purchase intention was

measured by confidence in the airline and willingness to use the airline. The findings from this study confirmed the positive effect of service reliability on purchase intention in the airline sector.

## **2.4 Summary of Literature and Research Gap**

From the literature review, it is evident that there is decent research on the determinants of purchase intention, including brand image, responsiveness, and reliability. These studies mostly show a positive effect on brand image, responsiveness, and reliability. However, they were not without scope, contextual, and conceptual limitations. Table 2.1 offers a summary of the literature reviewed, the gaps identified, and how this study addressed these gaps.



**Table 2. 1: Summary of Literature and Research Gaps**

<b>Researcher(s)</b>	<b>Topic</b>	<b>Methodology</b>	<b>Findings</b>	<b>Gaps</b>	<b>Focus of the Study</b>
Hien et al. (2020)	“The effect of country-of-origin image on purchase intention: The mediating role of brand image and brand evaluation”	Quantitative: questionnaires and Structural Equation Modelling (SEM)	“The country-of-origin image had a positive effect on brand image, brand evaluation and purchase intention. Brand image and brand evaluation also had a positive effect on purchase intentions. Both brand image and brand evaluation mediated the relationships between country-of-origin image and purchase intention.”	Scope: the study was based in Vietnam. Context: the study lacked clear context.	This study focused on bancassurance firms as context and was based in Nairobi, Kenya.
Agmeka et al. (2019)	“The influence of discount framing towards brand reputation and brand image on purchase intention and actual behaviour in e-commerce”	Quantitative: questionnaires and SEM	Discount framing, brand reputation, and brand image all had significant positive effects on purchase intention, which, in turn, significantly predicted actual buying behaviour.	Scope: the study was based in Indonesia. Context: the content of the study of e-commerce firms.	This study focused on bancassurance firms as context and was based in Nairobi, Kenya.
Benhardy et al. (2020)	“Brand image and price perceptions impact on purchase intentions: mediating brand trust”	Quantitative: questionnaires and SEM	“Positive relationship between brand image and price perception towards purchase intention, brand trust is also proven to	Scope: the study was based in Indonesia. Context: the content of the	This study focused on bancassurance firms as context and was based in Nairobi, Kenya.

			mediate the relationship between these variables.”	study online universities.	
Mao et al. (2020)	"Apple or Huawei: Understanding flow, brand image, brand identity, brand personality and purchase intention of smartphone."	Quantitative: questionnaires and SEM	“Flow experience, brand image, communication, brand personality, and brand identity all directly or indirectly explain purchase intention. Flow experience mediates the path from brand communication, brand personality, and brand identity to purchase intention.”	Scope: the study was based in China. Context: the content of the study smartphone users.	This study focused on bancassurance firms as context and was based in Nairobi, Kenya.
Nam et al. (2021)	"Cross-cultural examination of apparel online purchase intention: SOR paradigm."	Quantitative: questionnaires and multi-group SEM	“Trust is a key mediator in interconnecting the relationship between website design and responsiveness and online purchase intention in the two countries.”	Scope: the study was based in Korea and the USA. Context: the content of the study was e-commerce. Conceptual: measured website responsiveness	This study focused on bancassurance firms as context and was based in Nairobi, Kenya. The study measured the effect of organizational responsiveness.

				instead of organization.	
Khatoun et al. (2020)	"The Mediating Effect of customer satisfaction on the relationship between Electronic banking service quality and customer Purchase intention: Evidence from the Qatar banking sector."	Quantitative: Questionnaire correlation analysis and regression analysis	"Reliability, efficiency, responsiveness, communication, security, and privacy have a significant positive effect on purchasing intentions. Purchasing intentions are significantly increased when the customers are satisfied. The mediating role of satisfaction was established."	Scope: the study was based in Qatar. Context: the content of the study was the banking sector.	This study focused on bancassurance firms as context and was based in Nairobi, Kenya.
Sharma et al. (2021)	"Green product attributes and green purchase behaviour: A theory of planned behaviour perspective with implications for circular economy."	Quantitative: questionnaires and standardized regression	"Product attributes are important in the decision-making process of green purchasers."	Scope: the study was based in India. Context: the content of the study was green products.	This study focused on bancassurance firms as context and was based in Nairobi, Kenya.
Meesala and Paul (2018)	"Service quality, consumer satisfaction and loyalty in hospitals: Thinking for the future."	Quantitative: SERVEQUAL scale	"Tangibility, reliability, responsiveness, assurance, and empathy all have a significant positive effect on patient satisfaction, which in	Scope: the study was based in India. Context: the content of the	This study focused on bancassurance firms as context and was based in Nairobi, Kenya. Purchase intention was

			turn influences patient loyalty.”	study was the healthcare sector.	measured as the outcome variable.	
				Conceptual: patient satisfaction was the outcome variable.		
Panigrahi et al. (2018)	et	"Investigating the empirical relationship between service quality, trust, satisfaction, and intention of customers purchasing life insurance products."	Quantitative: questionnaires and SEM	“Tangibility, reliability, and responsiveness all have significant positive effects on the purchase of life insurance products. The effect of assurance and empathy is not significant.”	Scope: the study was based in Malaysia. Context: the content of the study was life insurance.	This study focused on bancassurance firms as context and was based in Nairobi, Kenya.
Li and Liu (2019)	Liu	"Understanding service quality and reputation effects on purchase behaviour through image: the moderating roles of service reliability."	Quantitative: questionnaires and SEM regression method	“Service quality and corporate reputation influence the evaluation of brand image, which affects purchase intention. Perceived value may influence repurchase intention through word of mouth. The concepts of mediation–moderation was introduced.”	Scope: the study was based in China. Context: the content of the study was tourism and hospitality. Conceptual: responsiveness	This study focused on bancassurance firms as context and was based in Nairobi, Kenya. The study tested the effect of organizational responsiveness as an IV.

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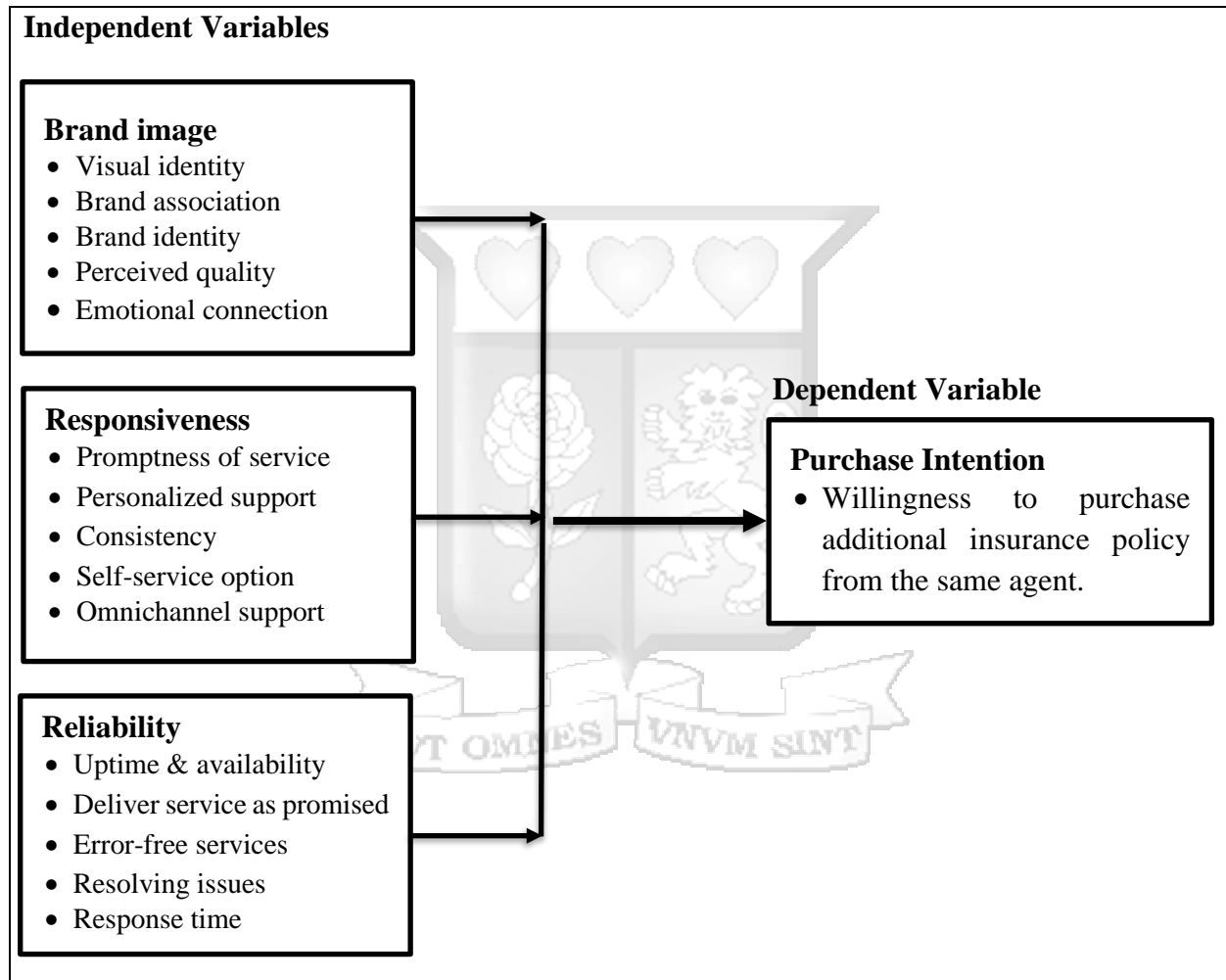
was tested as a  
mediating  
variable.

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## 2.5 Conceptual Framework

The study aimed to determine the effect of bancassurance on customers' purchase intention for insurance products. Therefore, bancassurance firms' brand image, responsiveness, and reliability constituted the independent variable, and purchase intention was the dependent variable. The conceptual framework for the study is as follows:



**Figure 2. 1: Conceptual Framework**

## 2.6 Operationalization of Variables

While the conceptual framework showcases the expected relationships between the variables, it is crucial to define how the variables were measured, hence the operationalization of variables. Table 2.2 describes how the variables above were measured.

**Table 2. 2: Operationalization of Variables**

<b>Variable</b>	<b>Indicators</b>	<b>Measurement</b>	<b>Source</b>
<b>Dependent</b>			
Purchase intention	<ul style="list-style-type: none"> <li>• Willingness to purchase an additional insurance policy from the same agent.</li> </ul>	Five-point Likert scale	(Dangi et al., 2021; Hien et al., 2020; Khatoon et al., 2020)
<b>Independent variables</b>			
Brand image	<ul style="list-style-type: none"> <li>• Visual identity</li> <li>• Brand association</li> <li>• Brand identity</li> <li>• Perceived quality</li> <li>• Emotional connection</li> </ul>	Five-point Likert scale	(Isoraite, 2018; Plumeyer et al., 2019)
Responsiveness	<ul style="list-style-type: none"> <li>• Promptness of service</li> <li>• Personalized support</li> <li>• Consistency across channels</li> <li>• Self-service option</li> <li>• Omnichannel support</li> </ul>	Five-point Likert scale	(Cook, 2017; Haming et al., 2019)
Reliability	<ul style="list-style-type: none"> <li>• Uptime and availability</li> <li>• Consistency</li> <li>• Error-free services</li> <li>• Resolving customer issues</li> <li>• Response time</li> </ul>	Five-point Likert scale	(Cook, 2017; Panigrahi et al., 2018)

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter describes the research methodology that was executed. The elements discussed in this chapter are the research philosophy, design, population and sampling strategy, sample size, data collection procedures, data analysis, steps taken to enhance the quality of findings, and ethical considerations.

#### **3.2 Research Philosophy**

The research philosophy, the assumptions and beliefs concerning the development of valid knowledge, is an important aspect that influences methodological choices, including design, data collection, and analysis (Easterby-Smith et al., 2021). There are four different types of research philosophies – interpretivism, realism, pragmatism, and positivism. Interpretivism aims to explore phenomena from a subjective lens, making it inappropriate for explanatory study; realism looks at causation, albeit from a historical perspective; pragmatism is concerned with developing practical solutions for problems by conducting case study research. Therefore, these philosophies were not appropriate for this research.

The guiding philosophy that was adopted for present research was positivism, which holds that valid knowledge has been derived from objective methods using the scientific approach after studying measurable and observable phenomena. Research guided by positivism should focus on predicting phenomena as well as examining causal explanations (Raju & Prabhu, 2019). The decision to choose positivism as the guiding philosophy was based on the nature and purpose of the research, which adopted a quantitative approach. In this regard, the research focused on objective measurement and statistical quantifications of bancassurance intermediaries' brand image, responsiveness, and reliability on the purchase intentions for insurance services in Kenya.

### **3.3 Research Design**

Research design is the overall strategy for conducting a research study, outlining how to collect, measure, and analyse data. The common “types of research designs include correlational, experimental, longitudinal, quasi-experimental, case study, and descriptive research” (Raju & Prabhu, 2019). The research made use of descriptive cross-sectional, which is a type of quantitative design used to describe a phenomenon at a particular point in time. The research design is purely observational in that data is collected from participants without experiments (Raju & Prabhu, 2019). The choice of the design was informed by similar previous studies and also aligned with the objectives of this study, which examined the relationships between purchase intention as the dependent variable and brand image, responsiveness, and reliability of bancassurance agents as the independent variables.

### **3.4 Population and Sampling**

The study’s target population and sampling methods are described in this section.

#### **3.4.1 Target Population**

The study population consisted of customers who purchased or held insurance policies via bancassurance channels in Nairobi, Kenya. According to AKI (2024), 24 commercial and microfinance banks are licensed as bancassurance intermediaries in Kenya. The study specifically targeted the insurance customers of these 24 bancassurance intermediaries.

#### **3.4.2 Sampling**

Sampling was essential since it would have been impractical and infeasible to target all policyholders of the identified bancassurance firms. Therefore, the study used sampling to make the findings representative of the target population. A sufficient sample size was essential to achieve the above. It is worth noting that the exact number of insurance customers of the 24 bancassurance agents remains unknown. As such, Cochran’s formula, which is recommended for a vast and unknown population size, was applied to determine an appropriate sample size (Yu & Ganju, 2022). The formula works as follows:

$$n_0 = \frac{Z^2 \times p \times (1 - p)}{e^2}$$

Where  $n_0$ =sample size,  $Z$ =z-value (the number of standard deviations from the mean, typically 1.96 for a 95% confidence level),  $p$ = estimated proportion of the population (if unknown, use 0.5 for maximum variability),  $e$ = margin of error (desired level of precision, 5%).

Therefore, the sample size for the study was 385 insurance customers.

The study employed a stratified random sampling method. This is a probability sampling technique that involves partitioning the target population into subpopulations. It is necessitated when the subpopulations within a larger target population vary (Berndt, 2020). In this case, 24 strata were created, and each stratum represented a microfinance intermediary. Sixteen respondents were then picked randomly from each stratum.

### **3.5 Data Collection**

The data collection instrument that was used in the study was the structured questionnaire, which consisted of closed-ended questions. Multiple reasons informed the choice of structured questionnaires. First, questionnaires are useful for obtaining data from large samples (Zikmund et al., 2013). Secondly, questionnaires can be administered anonymously, which in turn increases the likelihood of getting honest and accurate responses (Saunders et al., 2015). Moreover, the standardized nature of questionnaires is an added advantage when it comes to coding and analysing data. Some drawbacks of questionnaires have to be considered and mitigated. The first drawback is that respondents might misunderstand or misinterpret the questions, which can be mitigated by using a language that is understood by the majority of the population and providing adequate instructions (Saunders et al., 2015). Respondent fatigue is also an issue when collecting data using questionnaires – this issue can be mitigated by keeping the questionnaire brief and using closed-ended questions (Zikmund et al., 2013).

The study's questionnaire contained five sections: demographics, brand image, responsiveness, reliability, and purchase intention. The questionnaire had closed-ended questions in all the sections to lessen the cognitive load for respondents. The brand image was measured using five items on a

five-point Likert scale. Reliability was measured using five items on a five-point Likert scale. Responsiveness was captured using five items on a five-point scale. Purchase intention was assessed using one item on a five-point scale.

The questionnaires were distributed to policyholders of the targeted bancassurance intermediaries. The goal was to obtain sixteen respondents from each of the 24 bancassurance intermediaries to make the sample 385 bancassurance customers. The recruitment of multiple respondents from each of the targeted bancassurance channels was intended to leverage the diversity of perspectives and opinions, thereby enriching the data collected and providing a more comprehensive understanding of the research problem.

A survey approach was used to administer the questionnaires. In this respect, policyholders visiting the financial services were considered prospective respondents. They were approached, invited to, and requested to take part in the survey by the research assistants. The questionnaires were accompanied by a copy of an information sheet detailing the purpose of the study and a consent form to ensure voluntariness and to guarantee their confidentiality. Participating in the survey implied that informed consent was provided.

### 3.6 Data Analysis

Data analysis was performed using the Statistical Package for Social Sciences (SPSS) software. Descriptive and inferential statistics were used. Percentages, means, frequencies and standard deviations were used to develop descriptive summaries of the variables. Multiple linear regression was performed using the equation below to analyse the relationship between the dependent (purchase intention) and independent variables (brand image, responsiveness, and reliability).

$$\text{PURCHINTN} = \beta_0 + \beta_1 \text{BRNDMG} + \beta_2 \text{RSPNSVSS} + \beta_3 \text{RLBLTY} + \epsilon$$

Where; PURCHINTN=purchase intention,  $\beta_0$ =constant/intercept,  $\beta_{1-3}$ =beta coefficients, BRNDMG=brand image, RSPNSVSS=responsiveness, RLBLTY=Reliability,  $\epsilon$ =error term.

Prior to regression analysis, diagnostic tests were performed to check for and validate the integrity of the regression model, ensuring its findings are robust and reliable. The tests that were performed

include tests for normality, heteroscedasticity, autocorrelation, and multicollinearity to ascertain the underlying assumptions of the regression model and to identify model fit issues.

### **3.7 Research Quality**

This section describes the measures that were taken to enhance the quality of the study and its findings.

#### **3.7.1 Validity**

Validity is defined as the accuracy of the findings of a study. Accurate findings truly capture the phenomenon being studied. The first step that was taken to increase validity was through a pilot survey with 40 respondents (10% of the sample) (Zikmund et al., 2013). The pilot study aimed to assess the clarity and understandability of the questionnaire. Additionally, an expert review was performed. Five marketing experts were allowed to review the questionnaires to determine if they were capturing the concepts being investigated. The feedback provided by the experts was used to refine the questionnaire to make it clear.

#### **3.7.2 Reliability**

Reliability is defined as the consistency of the findings. Reliability was improved by using clear and simple questions to reduce the chances of the questions being misinterpreted. Moreover, reliability was statistically calculated and analysed using Cronbach's alpha – a coefficient of 0.7 and above is deemed satisfactory (Zikmund et al., 2013). Items that reduced the reliability of the questionnaire were eliminated in the final analysis.

### **3.8 Ethical Considerations**

The first ethical consideration for this study was to obtain all the required approvals from Strathmore University's Ethical Review Committee and the National Commission for Science, Technology, and Innovation (NACOSTI). Data was only collected after approvals had been obtained. Secondly, participation in this research was voluntary – this means that respondents provided informed consent. The questionnaire contained a brief description of the researcher, the objectives of the study, guaranteeing the confidentiality and privacy of respondents, outlining their

rights, and describing what their participation entails. To safeguard respondents' confidentiality, personal data, including names and contact information, were not collected since they could be used to deduce the identity of respondents.



## CHAPTER FOUR

### PRESENTATION OF FINDINGS

#### 4.1 Introduction

This chapter details the results of the study, which aimed to evaluate the influence of bancassurance attributes on consumer intention to purchase insurance products in Nairobi. Following the foundational work of the preceding chapter, this section presents the study's response rate, a description of the respondents' demographic profile, descriptive statistical summaries, and the outcomes of the inferential statistical analysis.

#### 4.2 Response Rate

A total of 385 questionnaires were distributed to insurance customers in Nairobi County. During the data collection phase, 43 respondents withdrew from the study. Subsequent data cleaning resulted in the exclusion of 45 completed questionnaires due to errors or missing responses. As such, 297 questionnaires were deemed usable for analysis. This yielded a final response rate of 77.14%, as shown in Table 4.1.

**Table 4. 1: Response Rate**

	Frequency	Percentage
Respondents (response rate)	297	77.14%
Non-response	88	22.86%
<b>Total</b>	<b>385</b>	<b>100.00%</b>

As Fincham (2008) suggests, a response rate of 50% or higher is acceptable for academic research, with at least 60% considered more desirable. Therefore, based on this standard, a response rate of 77.14% is considered sufficient, and it indicates that the risks of non-response bias were addressed. Additionally, a higher response rate indicates that responses are more representative of the entire target population.

### 4.3 Demographic Information

In order to contextualize the analysis and facilitate interpretation, the study gathered demographic information from the respondent sample. This included age, gender, insurance policy tenure, and familiarity with the bancassurance model. The descriptive statistics of these variables are presented in Table 4.2.

**Table 4. 2: Demographic Information**

Category	Distribution	Frequency	Percentage
Gender	Male	140	47.1%
	Female	157	52.9%
Age	Under 30 years	68	22.9%
	30-40 years	138	46.5%
	41-50 years	70	23.6%
	Over 50 years	21	7.1%
Education level	No formal education	9	3.0%
	Primary school	14	4.7%
	Secondary school	24	8.1%
	Tertiary or higher	250	84.2%
Insurance policy tenure	Less than 1 year	77	25.9%
	1-5 years	122	41.1%
	6-10 years	46	15.5%
	More than 10 years	52	17.5%
Familiarity with bancassurance model	Not familiar at all	22	7.4%
	Slightly familiar	50	16.8%
	Somewhat familiar	58	19.5%
	Very familiar	167	56.2%

Table 4.2 breaks down the demographic profile of the respondent sample. The sample was relatively balanced in terms of gender, with a slight majority of females (52.9%) compared to males (47.1%). This suggests that the findings are likely to be representative of both male and female insurance customers in Nairobi.

The largest age group was 30-40 years (46.5%), followed by 41-50 years (23.6%) and under 30 years (22.9%). The over-50 age group was significantly smaller (7.1%). This observation indicates a predominantly middle-aged sample, which is often a key demographic for insurance products.

A significant majority of respondents (84.2%) had a tertiary or higher education. This high level of education suggests that the sample was likely to be well-informed and capable of understanding complex financial products like bancassurance. This notion is further substantiated by the proportion of respondents (56.2%) who were "very familiar" with the bancassurance model. However, the rest or 44.8%, were not very conversant with this insurance distribution model. This indicates that while bancassurance has gained traction, there is still a need for greater awareness and understanding.

Lastly, the most common policy tenure was 1-5 years (41.1%), followed by less than 1 year (25.9%). A substantial proportion of respondents had held policies for longer periods (6-10 years and more than 10 years), indicating a mix of new and experienced insurance customers. Generally, the demographic profile reveals a well-educated, predominantly middle-aged respondent sample with varying levels of insurance experience and bancassurance familiarity.

#### 4.4 Descriptive Statistics

The descriptive statistical analysis presented in this section summarizes the respondents' attitudes and perceptions towards the attributes of bancassurance and their corresponding purchase intentions for insurance products.

##### 4.4.1 Purchase Intention

Respondents were asked to indicate how likely they would purchase an additional insurance policy from their bancassurance intermediary on a five-point Likert scale where 1=very unlikely, 2=unlikely, 3=neutral, 4=likely, and 5=very likely. Responses are summarized in Table 4.3.

**Table 4. 3: Purchase Intention**

	N	Mean	SD
Given your current insurance coverage, how likely are you to buy another insurance policy from your bank's insurance partner?	297	3.5892	1.2573

The overall mean for the purchase intention for the insurance variable was 3.5892 at a 1.2573 standard deviation. Considering purchase intention was measured on a 5-point scale whereby 1 represented very low intention, and 5 represented very high intention, a mean of 3.5892 indicates

that, on average, respondents had a moderately high intention to purchase additional insurance from the same bancassurance intermediary. This is because the value is closer to 4 on the scale, suggesting a general positive inclination towards purchasing insurance products. A standard deviation of 1.2573 indicates a moderate spread of responses, implying that while the average intention was moderately high, there was considerable variation in individual responses. Some respondents had a much stronger purchase intention, while others had a weaker intention. In other words, there was a wide range of opinions on the purchase intention for insurance products.

#### 4.4.2 Bancassurance Brand Image

Respondents were asked to rate the brand image of their bancassurance intermediaries on a five-point Likert scale where 1=strongly disagree and 5=strongly agree. A summary of the responses is provided in Table 4.4.

**Table 4. 4: Bancassurance Brand Image**

	<b>N</b>	<b>Mean</b>	<b>SD</b>
My current bank is easy to recognize through its visual elements (logo, design, theme, etc.).	297	4.0943	1.1673
I perceive my current bank to have an excellent reputation.	297	4.0168	1.0477
I find my current bank to have a distinctive brand identity.	297	4.0067	1.2136
I perceive insurance services offered by my current bank to be of high quality.	297	3.7845	1.1123
My current bank fosters a strong emotional connection with its customers.	297	3.5488	1.2102
<b>Overall Mean</b>	<b>297</b>	<b>3.8902</b>	<b>1.1502</b>

The overall mean of 3.8902 indicates a generally positive perception of the brand image of the surveyed bancassurance intermediaries among the respondents. This suggests that customers tended to view their banks favourably in the context of bancassurance. The highest mean recorded, 4.0943, was for the statement, "My current bank is easy to recognize through its visual elements (logo, design, theme, etc.)." This indicates that respondents strongly agreed that their banks had recognizable visual identities, a good sign for brand recognition. They felt the same about the reputation of their banks (M=4.0168, SD=1.0477) and the distinctiveness of brand identity

(M=4.0067, SD=1.2136). Both these results suggest that respondents saw their banks as having excellent reputations as well as unique and identifiable brands, respectively.

However, the mean scores for perceived quality of insurance services (M=3.7845, SD=1.1123) and emotional connection (M=3.5488, SD=1.2102), though positive, suggest that banks could focus more on enhancing the quality of insurance products and building stronger emotional connections with their customers to enhance brand loyalty and trust. Also, the standard deviations range from 1.0477 to 1.2136, indicating moderate variability in responses. This implies that while there was a general positive trend, individual perceptions varied. This can be attributed to the diverse respondent sample in terms of demographics, as described earlier.

#### 4.4.3 Bancassurance Responsiveness

Respondents were asked to rate the responsiveness of their bancassurance intermediaries on a five-point Likert scale where 1=strongly disagree and 5=strongly agree. A summary of the responses is provided in Table 4.5.

**Table 4. 5: Bancassurance Responsiveness**

	<b>N</b>	<b>Mean</b>	<b>SD</b>
In my experience, my current bank is highly responsive to my issues.	297	3.5690	1.1373
I can say that I receive personalized support from my current bank.	297	3.5926	1.1936
My current bank provides reliable customer service at all times.	297	3.7037	1.0331
I find my current bank's self-service option helpful in resolving my issues.	297	3.4444	1.1200
My bank offers integrated support across all their contact methods: in-person, phone, online, etc.	297	3.5926	1.1851
<b>Overall Mean</b>	<b>297</b>	<b>3.5805</b>	<b>1.1338</b>

The overall mean of 3.5805 at a 1.1338 standard deviation suggests that respondents perceived their banks as moderately responsive. While not exceptionally high as brand image as an attribute, it indicates a generally positive sentiment. The sentiment was the same for most of the sub-variables: promptness of service (M=3.5690, SD=1.1373), personalized support (M=3.5926, SD=1.1936), self-service option (M=3.4444, SD=1.1200), and omnichannel support (M=3.5926, SD=1.1851). The statement, “My current bank provides reliable customer service at all times,”

had the highest mean score ( $M=3.7037$ ,  $SD=1.0331$ ), suggesting that respondents generally trusted the reliability of their bank's customer service. Overall, the results suggest that respondents generally perceived their banks as moderately responsive, with reliable customer service being a key strength.

#### 4.4.4 Bancassurance Reliability

Respondents were asked to rate the reliability of their bancassurance intermediaries on a five-point Likert scale where 1=strongly disagree and 5=strongly agree. A summary of the responses is provided in Table 4.6.

**Table 4. 6: Bancassurance Reliability**

	<b>N</b>	<b>Mean</b>	<b>SD</b>
I find my current bank's services to be reliable in terms of uptime and availability.	297	3.6263	1.1293
My current bank consistently delivers service as promised.	297	3.5623	1.0480
The services my current bank provides are free from errors and mistakes.	297	3.5219	1.0528
I can confirm that my current bank resolves customer issues effectively.	297	3.5791	1.1396
I think that the response time in service delivery is prompt and satisfactory.	297	3.5556	1.0156
<b>Overall Mean</b>	<b>297</b>	<b>3.5690</b>	<b>1.0771</b>

The overall mean for the reliability variable was 3.5690 at a 1.0771 standard deviation. This mean value indicates that, on the five-point scale, respondents perceived the bancassurance agents and services as moderately reliable. This suggests a generally positive but not an overwhelmingly strong perception of reliability. For individual indicators of reliability, respondents felt that the services were accessible when needed ( $M=3.6263$ ,  $SD=1.1293$ ), banks were somewhat consistent in the delivery of services ( $M=3.5623$ ,  $SD=1.0480$ ), there was room for improvement as far as the delivery of error-free services was concerned ( $M=3.5219$ ,  $SD=1.0528$ ), banks resolved their issues somewhat effectively ( $M=3.5791$ ,  $SD=1.1396$ ), and response times from their banks were acceptable, but not necessarily outstanding ( $M=3.5556$ ,  $SD=1.0156$ ). The standard deviation

values, which ranged from 1.0156 to 1.1396, signify that while there were variations in individual perceptions, these variations were not extremely wide.

## 4.5 Inferential Statistics

Having understood the demographic characteristics of the respondent sample and their responses using demographic statistics, the study then applied inferential statistical methods, including correlational and regression analyses, to draw population-level inferences based on the sample data.

### 4.5.1 Correlational Analysis

Prior to conducting correlation analysis, the study assessed the normality of the variables to determine the appropriateness of parametric or non-parametric correlation methods. According to Sedgwick (2015), the normality test guides the selection between these two approaches. Because of the size of the respondent sample, the study performed Kolmogorov-Smirnov test. The results of the test are shown in Table 4.7.

**Table 4. 7: Kolmogorov-Smirnov test**

	N	Mean	Std. Deviation	Skewness	Kurtosis	K-S	Asymp. Sig.
BRNDMG	297	3.890236	1.0171198	-1.225	.878	.182	.000
RSPNSVSS	297	3.580471	1.0095603	-.736	-.286	.185	.000
RLBLTY	297	3.569024	.9450351	-.841	.217	.169	.000
PURCHINTN	297	3.589226	1.2572567	-.686	-.479	.231	.000

In the table above, the Kolmogorov-Smirnov test revealed statistically significant deviations from normality for all variables ( $p < .05$ ). This was further supported by the observed negative skewness and kurtosis for all the constructs. Therefore, based on these findings, Spearman's rank correlation, a non-parametric test, was deemed appropriate for the subsequent analysis.

Spearman's rank correlation analysis was performed to evaluate the direction, magnitude, and statistical significance of monotonic relationships among the study variables. The results are presented in Table 4.8.

**Table 4. 8: Spearman's rank correlation**

			<b>PURCHINTN</b>	<b>BRNDMG</b>	<b>RSPNSVSS</b>	<b>RLBLTY</b>
Spearman's rho	PURCHINTN	Coefficient	1.000			
	BRNDMG	Coefficient	.623**	1.000		
	RSPNSVSS	Coefficient	.943**	.660**	1.000	
	RLBLTY	Coefficient	.888**	.680**	.889**	1.000

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

As shown in the table, all study variables demonstrate statistically significant positive correlations. However, the strength of the association with purchase intention differs across bancassurance attributes. Responsiveness displays a very strong positive correlation ( $\rho=.943, p<.01$ ), reliability shows a strong positive correlation ( $\rho=.888, p<.01$ ), and brand image exhibits a moderately strong positive correlation ( $\rho=.623, p<.01$ ). These findings indicate that in Kenya, while all the above bancassurance attributes matter, the purchase intention for insurance products from bancassurance intermediaries is more closely associated with their responsiveness and reliability than with their brand image.

Furthermore, brand image, responsiveness, and reliability are all significantly positively correlated with each other. Since they represent key brand attributes of bancassurance intermediaries, the significant, positive correlations imply that these brand attributes are not independent but rather interconnected. In other words, if a bancassurance intermediary improves one aspect of the attributes, say, its brand responsiveness, it is likely also to see improvements in its brand reliability and brand image. Put simply, this observation suggests that brand image, responsiveness, and reliability are not isolated factors but rather interconnected dimensions of a brand.

Notably, all reported correlations are positive and statistically significant at the .01 level (2-tailed), which means they are highly unlikely to have occurred by chance.

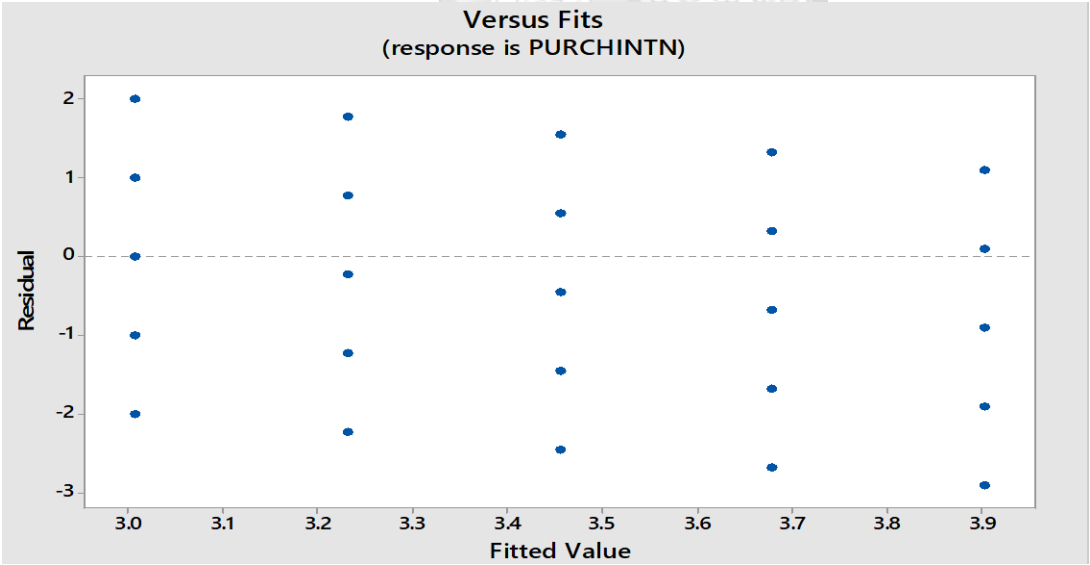
#### **4.5.2 Diagnostic Tests**

After establishing the monotonic associations among the variables, multiple regression analysis was conducted to determine the predictive influence of the independent variables on the dependent variable. However, prior to the analysis, several diagnostic tests were conducted to validate the

regression model. These tests were performed to verify that the fundamental assumptions of multiple regression were met, specifically homoscedasticity of residuals, normality of error terms, independence of error terms (absence of autocorrelation), and absence of multicollinearity among the predictor variables. According to Fox (2019), these diagnostics are crucial for ensuring the robustness and generalizability of the regression results.

### 4.5.2.1 Test for Heteroscedasticity

The first assumption of multiple linear regression requires homoscedasticity, meaning the variance of the residuals (error terms) should be constant across all levels of the independent variables. Heteroscedasticity, the presence of non-constant residual variance, can lead to unreliable standard errors and, as a result, inaccurate significance for the regression coefficients. Therefore, assessing homoscedasticity was crucial. To evaluate this assumption, a scatterplot of residuals against fitted values was generated. Results are shown in Figure 4.1.

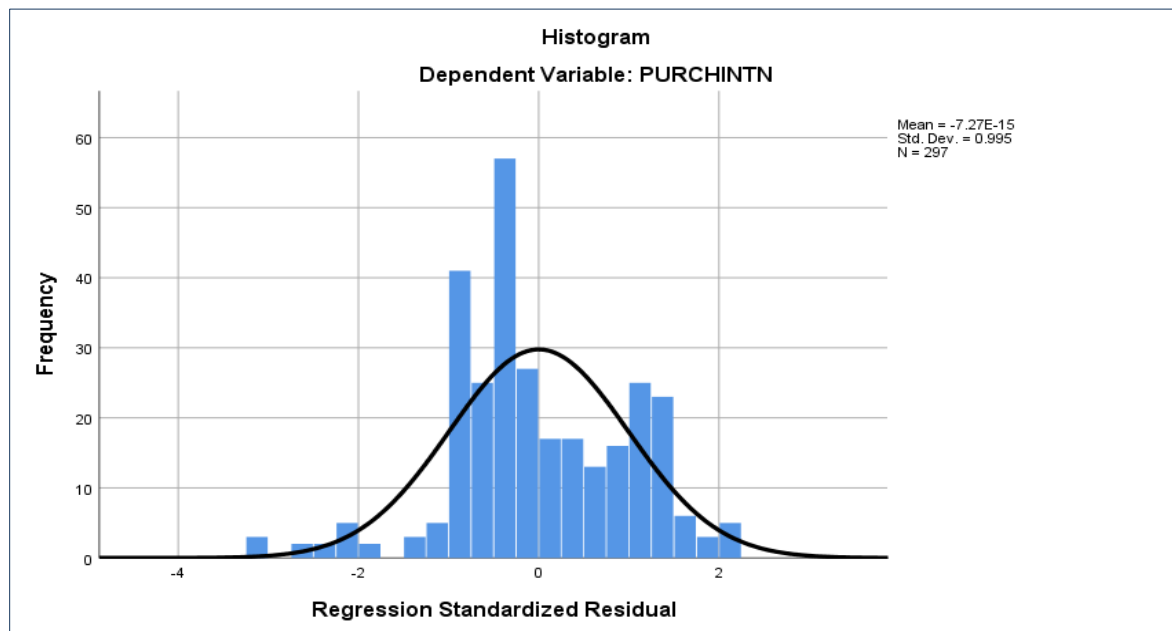


**Figure 4. 1: Test for Heteroscedasticity**

From the diagram above, the residuals are scattered more randomly around the horizontal line at zero with no clear systematic pattern or trend visible; the vertical spread (the range of the residuals above and below zero) appears to be relatively consistent across the range of fitted values; and there are no distinct curves, clusters, or bands that would indicate a non-constant variance. Therefore, the assumption of homoscedasticity is satisfied.

#### 4.5.2.2 Test for Normality of Residuals

The normality of residuals refers to the assumption that the errors (residuals) of the model are normally distributed. A histogram was generated for visual inspection to determine whether this assumption was satisfied. Results are shown in Figure 4.2.



**Figure 4. 2: Test for Normality of Residuals**

The histogram above shows a distribution that generally resembles a bell curve, which is characteristic of a normal distribution, with the normal curve also aligning with the shape of the histogram. Additionally, the mean of the residuals was 0.000, as expected for well-behaved residuals, with the distribution appearing to be almost symmetrical around the mean. Therefore, as Fox (2019) suggests, despite the minor deviations and considering the relatively large sample size, the normality of the residual assumption was considered to be reasonably fulfilled.

#### 4.5.2.3 Test for Autocorrelation

The third assumption of multiple linear regression requires independence of error terms, implying that the residuals in the regression model should not exhibit serial autocorrelation. To check if this condition was satisfied, the Durbin-Watson (D-W) statistic test was performed, and the results are presented in Table 4.9.

**Table 4. 9: Durbin-Watson test**

Statistic	Value	Conclusion (at $\alpha=.05$ )
Durbin-Watson statistic	1.976	No significant autocorrelation

The provided table presents the results of a D-W test for first-order autocorrelation in the residuals of a regression model. For the context, the D-W statistic ranges from 0 to 4, whereby a value close to 0 suggests strong positive first-order autocorrelation, a value close to 4 suggests strong negative first-order autocorrelation and a value close to 2 suggests there is no first-order autocorrelation (Kalina, 2015). In this case, the calculated D-W statistic value of 1.976 is very close to 2, indicating little to no evidence of first-order autocorrelation in the residuals.

#### 4.5.2.4 Test for Multicollinearity

The fourth assumption of multiple linear regression requires the absence of multicollinearity of the predictor variables, which means that two or more of the independent variables should not be highly correlated. Multicollinearity in regression is a significant concern because it undermines the reliability and interpretability of the regression model (Akinwande et al., 2015). Therefore, the variance inflation factor (VIF) was applied to check if multicollinearity was a significant concern. Results are shown in Table 4.10.

**Table 4. 10: Variance Inflation Factor Test**

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
BRNDMG	.372	2.686
RSPNSVSS	.204	4.914
RLBLTY	.160	6.261

a. Dependent Variable: PURCHINTN

Akinwande et al. (2015) point out that a VIF value of 1 indicates no multicollinearity, with a value above 1 suggesting an element of multicollinearity. However, the scholar further points out that a VIF value less than 10 indicates a case of the predictor variables not being highly autocorrelated. In this case, the results presented in Table 4.10 suggest that multicollinearity was not a concern in this regression model.

### 4.5.3 Multiple Regression Analysis

Having validated the regression model using the aforementioned diagnostic tests, the study proceeded to conduct multiple regression analysis to determine the predictive relationship between the dependent and the independent variables.

As the initial step of the multiple regression analysis, a Model Summary was generated to provide insights into the variability in the dependent variable that is attributed to the independent variables as a group. Or, as Uyanık and Güler (2013) simplify, the Model Summary serves as a crucial first look at the overall explanatory power of the multiple regression model. Findings are shown in Table 4.11.

**Table 4. 11: Model Summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.956 <sup>a</sup>	.913	.912	.3719174

a. Predictors: (Constant), BRNDMG, RSPNSVSS, RLBLTY

b. Dependent Variable: PURCHINTN

From the table above, the multiple correlation coefficient ( $R=.956$ ) indicates a very strong positive linear relationship between the observed values of purchase intention for insurance products and the values predicted by the linear combination of Bancassurances' brand image, responsiveness, and reliability. The coefficient of determination (R Square) represents the proportion of the variance in the outcome variable that is explained by the predictor variables. Therefore, an R Square value of .913 means that 91.3% of the variance in purchase intention of insurance from bancassurance agents is accounted for by the three predictors: brand image, responsiveness, and reliability.

Notably, the R Square value indicates a strong predictive power of the regression model. The Adjusted R Square is R Square modified to the number of predictors within a model. As such, the Adjusted R Square value of .912 implies that even after accounting for the number of predictors, 91.2% of the variance in bancassurance insurance purchase intention is explained by the predictor variables. Since the Adjusted R Square is very close to the R Squared value, the model is a good

fit. Lastly, the Std. Error of the Estimate represents the standard deviation of the residuals. In this case, a value of .3719174 suggests that the predicted values are closer to the observed values, further confirming a better fit for the model.

With the above explanatory power of the model in mind, an analysis of variance (ANOVA) was conducted to assess whether the overall regression model was statistically significant. This analysis was aimed at examining if the three variables, as a group, exhibited any statistical significance in predicting the dependent variable. Results are shown in Table 4.12.

**Table 4. 12: ANOVA**

<b>Model</b>		<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
1	Regression	427.357	3	142.452	1029.856	.000 <sup>b</sup>
	Residual	40.528	293	.138		
	Total	467.886	296			

a. Dependent Variable: PURCHINTN

b. Predictors: (Constant), BRNDMG, RSPNSVSS, RLBLTY

As shown in the table above, a Sum of Squares (SS) value of 467.886 represents the total variation in purchase intention, which is the sum of the amount of variation explained by the regression model (Regression SS=427.357) and the amount of variation explained by the regression model (Residual SS=40.528). The Degree of Freedom (df) represents the number of independent pieces of information used to calculate a statistic. In this case, a Regression df value of 3 corresponds to the number of independent variables in the model, whereas a Residual df value of 293 is determined by subtracting the number of parameters estimated in the model (number of predictors [3] + constant [1]) from the total number of observations (297). df total (296) is the sum of Regression df and residual df.

The Mean Square (MS) is obtained by dividing SS by its corresponding df. It represents the variance explained by the model and the unexplained variance as per df. The F-statistics, which is calculated by dividing Regression MS by Residual MS, is used to test the overall significance of the regression model. In this case, the F-statistic value of 1029.856 is very large, implying that the independent variables (the three bancassurance attributes), as a whole, significantly predict purchase intention. The significance level (Sig.) is associated with the F-statistic; it also assesses the overall significance of the model. Therefore, a .000 significance level (or  $p < .05$ ) indicates that

the overall model is highly statistically significant. Therefore, the three bancassurance attributes—brand image, responsiveness, and reliability—are reliable predictors of insurance purchase intention in Kenya.

The results of the ANOVA represent the overall significance of the predictor variables as a group, as described above. Therefore, with insights needed on how each independent variable contributes to the overall regression model, regression coefficients for all the predictors were generated. The findings are shown in Table 4.13.

**Table 4. 13: Coefficients**

Model		Unstandardized Coefficients			Sig.
		B	Std. Error	t	
1	(Constant)	.899039	.089714	10.021114	.00000
	BRNDMG	.030129	.034835	.864905	.38780
	RSPNSVSS	.806127	.047465	16.983707	.00000
	RLBLTY	.416007	.057236	7.268300	.00000

According to the results presented in the table above, the Unstandardized Coefficients (B) refers to the change in the outcome variable for a unit change in the predictor variable when all other predictor variables are held constant; Std. Error represents the standard deviation of the coefficient estimates; the t-statistic tests the null hypothesis that the constant is equal to zero; and Sig. indicates the probability of obtaining the observed results if there is no relationship between the dependent and independent variables.

Therefore, among the three predictors, responsiveness has the strongest positive and statistically significant effect on purchase intention (B=.8061,  $p < .05$ ), reliability also registered a positive and statistically significant effect on purchase intention (B=.4160,  $p < .05$ ), but the brand image does not have a statistically significant effect on purchase intention (B=.0301,  $p > .05$ ). This means that the perception towards the responsiveness and reliability of bancassurance intermediaries are critical factors in influencing the willingness of individuals to purchase insurance products in Kenya. In other words, higher responsiveness and reliability lead to higher purchase intention, whereas brand image does not have a meaningful influence on purchase intention.

Therefore, the final regression model for the study is as follows:

$$\text{PURCHINTN} = .899039 + .0301\text{BRNDMG} + .8061\text{RSPNSVSS} + .4160\text{RLBLTY} + \epsilon$$

Whereby PURCHINTN=purchase intention for insurance products, BRNDMG=brand image, RSPNSVSS=responsiveness, RLBLTY=reliability, and  $\epsilon$  =error term

Based on the regression model above, if all independent variables were zero (that is, if the brand image, responsiveness, and reliability of a bancassurance intermediary were all non-existent), the predicted value for the purchase intention for insurance products would only be .8990.



## **CHAPTER FIVE**

### **SUMMARY, DISCUSSION, CONCLUSION, AND RECOMMENDATIONS**

#### **5.1 Introduction**

Building upon the findings presented in the foregoing chapter, this section provides a comprehensive discussion of their significance and implications. It also examines how these results align with the study's theoretical framework and reviewed literature. The chapter is structured to include a summary of the study, a detailed discussion of the findings, the study's overall conclusion, recommendations, and suggestions for future research.

#### **5.2 Summary of the Study**

The study aimed to determine the effect of bancassurance attributes on the intention to purchase insurance products in Kenya. The study focused on the following attributes: brand image, reliability, and responsiveness. The theory of planned behaviour underpinned the study as the anchoring theoretical framework and the theory of financial intermediation, which provided a supporting framework. The philosophy of positivism was applied, and descriptive cross-sectional design was adopted as the research design. Primary data was collected from insurance customers using structured questionnaires, and findings were analysed using both descriptive and inferential statistics.

A sufficient response rate was achieved in this study, enhancing its reliability, validity, and generalizability. Findings of descriptive statistical analysis reveal that, on average, respondents demonstrated moderately high intention to purchase insurance. They felt reasonably positive about their bancassurance agent's brand image, whereas the perception towards their responsiveness and reliability was not exceptionally high. Additionally, while most of them cited being familiar with bancassurance model, a considerable portion of them were not very familiar with this insurance distribution approach, and the majority of them having held a bancassurance insurance policy for less than five years.

Inferential statistical analysis shows that the purchase intention exhibited positive and statistically significant correlations with bancassurance attributes as proven by responsiveness, reliability, and

brand image. The independent variables were also highly correlated, suggesting that these bancassurance attributes are not isolated but rather coexist. Findings of regression analysis revealed that, among the predictors, responsiveness had the strongest positive and statistically significant effect on purchase intention, reliability also registered a positive and statistically significant effect, but the brand image did not have a statistically significant effect on purchase intention. These findings are discussed below.

### **5.3 Discussion of Findings**

In this section, a comprehensive discussion of the findings is provided. The discussion is organized according to the specific objectives of the study.

#### **5.3.1 Bancassurance Intermediaries' Brand Image and Purchase Intention**

The first objective of the study was to determine if the perceived brand image of bancassurance intermediaries in Kenya influences the intention to purchase insurance products. Descriptive statistical analysis revealed that respondents generally perceived their bancassurance agents as having an excellent brand image. Since bancassurance involves distributing insurance products through banks, this finding aligns with the Central Bank of Kenya's (CBK) 2024 market perception survey and KPMG's 2024 banking industry report, both of which indicate a generally positive perception of financial institutions in Kenya, recognizing their progressiveness and innovation. In essence, respondents suggest that bancassurance intermediaries in Kenya have well-established and reputable brand identities of their parent banks, resonating strongly with their target audience.

However, despite the positive perceptions towards bancassurance agents, the results of inferential statistical analysis suggest brand image does not have a significant effect on the intention to purchase insurance products. This observation implies that while a strong brand provides is invaluable, it is not a significant determinant of consumer behaviour in this context. In other words, it does not have a meaningful influence on consumers' willingness to purchase insurance products. Therefore, this finding does not align with the TPB as the study's theoretical framework. This is because the finding contradicts the suppositions of the theory that positive attitudes (linked to excellent brand image) should lead to stronger purchase intentions.

The finding that positive perceptions of brand image do not significantly influence the intention to purchase is backed by multiple empirical studies (Irawan & Suprapti, 2020; Kaitong, 2023; Salem, 2023) but also in contrast to several others (Agmeka et al., 2019; Hien et al., 2020; Mao et al., 2020). This shows the relationship between brand image and purchase intention remains largely debatable. Nevertheless, possible reasons for the brand image's observed lack of significant effect have been cited (Irawan & Suprapti, 2020; Kaitong, 2023; Salem, 2023). For instance, brand image might be a necessary but not sufficient condition for purchase. Therefore, while customers may view a brand favourably, this positive image alone might not be enough to trigger an actual purchase decision as other and potentially more critical factors could be involved. In this case, while brand image matters, the influences of brand responsiveness and reliability had stronger effects.

### **5.3.2 Bancassurance Intermediaries' Responsiveness and Purchase Intention**

The study's second objective was to determine if the perceived responsiveness of bancassurance agents in Kenya influences the intention to purchase insurance products. As the results of the descriptive statistics suggest, overall, respondents felt positive about the responsiveness of their bancassurance intermediaries but not overwhelmingly so. Wanting (2025) cites that bancassurance is expected to be a game-changer in the rising insurance penetration in the country. This is because the model has enhanced responsiveness by bundling insurance products with banking services, such as loans and savings accounts, offering tailored solutions for diverse customer needs. Also, according to AKI's (2024) report, bancassurance agencies' customer-centric approach has been a contributing factor to the rapid rise of the bancassurance model in Kenya.

The results of the inferential statistics further substantiate the importance of responsiveness in bancassurance. The study observed that the responsiveness of bancassurance agents is a strong predictor of the intention to purchase insurance products. This observation highlights the pivotal role of bancassurance agents' responsiveness in shaping customers' intention to purchase insurance products. Therefore, the result is highly in support of the principles of the theory of planned behaviour and the theory of financial mediation. Under TPB, the intention to perform a behaviour, such as purchasing insurance, is influenced by attitudes, subjective norms, and perceived behavioural control (Bhati et al., 2022). Bancassurance agents' responsiveness aligns with these

principles by fostering positive attitudes through exceptional service, reinforcing subjective norms by meeting client expectations, and enhancing perceived control by addressing customer needs promptly.

Similarly, the theory of financial intermediation emphasizes the role of intermediaries, like bancassurance agents, in bridging gaps between financial service providers and customers (Molnár, 2018). By being responsive, these agents improve the flow of information, build trust, and reduce perceived risks, ultimately driving customer intentions to engage in financial transactions such as purchasing insurance products. Thus, their responsiveness validates key aspects of this theory by highlighting the critical role of intermediaries in shaping behaviour and decision-making in financial contexts.

Furthermore, the observed effect of responsiveness on purchase intention is consistent with several previous empirical evidence (Khatoun et al., 2020; Nam et al., 2021; Panigrahi et al., 2018; Sharma et al., 2021). According to these studies, responsiveness, often characterized by a firm's ability to promptly address client queries, provide tailored solutions, and communicate effectively, creates a sense of trust in their brand. Therefore, in this context, customers are more likely to engage with bancassurance agents who demonstrate attentiveness and adapt to their specific needs, enhancing the perceived value of the insurance products. This finding underscores the importance of building customer-centric relationships within the bancassurance framework, as responsive agents not only foster positive customer experiences but also drive purchase decisions through their proactive and supportive approach.

### **5.3.3 Bancassurance Intermediaries' Reliability and Purchase Intention**

The third objective of the study was to explore whether the perceived reliability of bancassurance agents influences the intention to purchase insurance products in Kenya. The perception towards the reliability of bancassurance intermediaries is somewhat similar to that of their responsiveness, as described above. This means that these agencies are reasonably reliable from customers' perspectives, but there is great room for improvement. This observation aligns with AKI's (2024) report, which suggests that bancassurance agents in Kenya have demonstrated a high level of reliability, as evidenced by their compliance with regulatory standards and their role in enhancing

insurance uptake. The report suggests that the regulatory compliance rate among bancassurance agencies exceeds 90%, highlighting their commitment to corporate governance and transparency.

Furthermore, inferential statistics show that the reliability of bancassurance agencies has a positive and significant effect on the intention to purchase insurance products. This finding means that when bancassurance agencies are perceived as reliable, customers are more likely to express an intention to purchase insurance from them. Therefore, the observed effect of reliability on purchase intention supports the tenets of both TPB and the theory of financial intermediation. From the perspective of TPB, reliability directly influences the attitude that when bancassurance agents are reliable, customers are more likely to view the product and the intermediaries positively, thereby boosting their intention to purchase insurance policies from them (Khan et al., 2023; Yeğin & Ikram, 2022). From the perspective theory of financial intermediation, the reliability of bancassurance agents fosters trust and reduces information asymmetry, thereby facilitating customers' financial decisions.

The observed effect of reliability on purchase intention agrees with previous empirical findings (Li & Liu, 2019; Meesala & Paul, 2018; Panigrahi et al., 2018). As elaborated in these studies, the positive and significant effect of reliability on customers' willingness to make a purchase can be attributed to the trust and confidence that customers place in reliable brands. In the context of this study, when bancassurance agencies are perceived as dependable, customers are more likely to feel assured about the products being offered. This trust reduces perceived risks and uncertainty, making customers more inclined to engage in financial transactions. Reliable agencies are also seen as competent intermediaries who provide clear, accurate information, thereby fostering a positive attitude towards purchasing insurance policies. Fundamentally, this reliability strengthens the customer's intention to purchase insurance, as they feel more confident in both the insurance services and the bancassurance intermediary.

#### **5.4 Conclusion of the Study**

The study on the effect of bancassurance intermediaries' attributes on the purchase intention of insurance products in Kenya reveals valuable insights into customer perceptions and behaviours. The findings indicate that while the familiarity of the bancassurance model among insurance

customers is moderately high, there still is considerable room for improvement in customer awareness. Additionally, while there is a moderately high purchase intention for insurance products from bancassurance intermediaries, it falls short of expectations, suggesting a need for stronger customer engagement strategies within the bancassurance sector. Notably, perceptions of brand image are generally positive, yet inferential analysis indicates that it does not significantly drive purchase intention.

Instead, the responsiveness of bancassurance agents emerges as the most crucial factor, exhibiting a strong positive and significant influence on customers' inclination to buy insurance products. Reliability also plays a significant positive role but to a lesser extent than responsiveness. These findings highlight that while a positive brand image is beneficial, the tangible aspects of service delivery, particularly the promptness and effectiveness of agent interaction (responsiveness) and the consistency and dependability of services (reliability), are the key drivers of purchase intention in the Kenyan bancassurance market. Therefore, bancassurance providers should prioritize enhancing the responsiveness and reliability of their intermediaries to effectively convert positive perceptions into actual insurance sales, as brand image alone appears insignificant in this context.

## **5.5 Implications of the Study**

This section presents the policy, practical, and theoretical implications of the study based on the findings and conclusions outlined above.

### **5.5.1 Policy Implications**

The outcome of the study underscores the importance of policy interventions aimed at enhancing the responsiveness and reliability of bancassurance intermediaries to promote insurance uptake. This study recommends that regulatory bodies such as the IRA and CBK, in collaboration with influential organizations such as AKI and BAK, should develop frameworks that incentivize financial institutions to prioritize customer service excellence. Policies could include mandatory training programs for bancassurance agents to improve their responsiveness, as well as the implementation of standardized benchmarks for reliability across bancassurance services. Furthermore, awareness campaigns promoting the bancassurance model could bridge gaps in customer knowledge, thereby fostering a more informed and engaged consumer base.

### **5.5.2 Practical Implications**

From a practical perspective, the findings highlight the need for financial institutions to refine their customer service strategies to boost purchase intentions for insurance products. Therefore, bancassurance intermediaries should focus on improving their responsiveness by investing in real-time communication tools, personalized customer interactions, and prompt resolution of client issues. Additionally, ensuring consistency and dependability in service delivery can build stronger customer trust and loyalty. Financial institutions could also leverage digital platforms to enhance responsiveness and reliability, aligning their services with the convenience and efficiency sought by modern consumers.

### **5.5.3 Theoretical Implications**

From a theoretical standpoint, this study contributes to the body of knowledge on consumer behaviour in financial services, particularly within the theoretical premises of TPB and the theory of financial intermediation. The finding that brand image, while positively perceived, does not significantly predict purchase intention suggests that in certain service contexts, particularly where direct interaction is involved, functional attributes like responsiveness and reliability may outweigh the influence of overall brand perception. In that regard, while the observed predictive effects of responsiveness and warranty on purchase intention align with both TPB and the theory of financial intermediation, the results of brand image and purchase intention does not. This indicates that the results of the study do not fully support these theoretical frameworks. This highlights the need for a more nuanced understanding of the factors driving purchase intention in hybrid financial service models like bancassurance.

### **5.6 Limitations of the Study and Areas for Further Research**

This section presents the limitations of the study and suggestions for further research based on these limitations.

### **5.6.1 Limitations of the Study**

While this study provides valuable insights into the effect of bancassurance intermediaries' attributes on the purchase intention of insurance products in Kenya, it has a few limitations. First, the study's geographic scope was confined to Nairobi, meaning that the findings may not be fully representative of the entire Kenyan population. Consumer behaviour and perceptions may vary in other regions due to cultural, economic, or demographic differences, limiting the generalizability of these results. Additionally, the study focused exclusively on the bancassurance market, meaning that the conclusions drawn may not be applicable to other sectors of the insurance industry. Conceptually, the study was limited to only three attributes—brand image, responsiveness, and reliability. Furthermore, the study utilized a purely quantitative approach, which, while offering valuable statistical insights, may have overlooked more nuanced qualitative factors that could enrich understanding.

### **5.6.2 Areas for Further Research**

Future research could address the limitations above by expanding the geographic scope to include other parts of Kenya or the country as a whole to provide a more comprehensive understanding of the phenomenon. Future studies could also explore other key attributes of bancassurance, which were not covered in this study but could have a significant impact on consumer decisions. A mixed-methods approach, combining both quantitative and qualitative techniques, would be beneficial in capturing a more holistic view of the factors that shape customer behaviour. Qualitative data could provide deeper insights into customer perceptions and experiences, offering a more nuanced understanding of the dynamics within the bancassurance market and enriching the findings with contextual factors that a quantitative study alone may not reveal.

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## APPENDICES

### Appendix 1: Questionnaire

This is a 10-minute survey seeking to gather information on *The Effect of Bancassurance Attributes on Customers' Purchase Intention for Insurance Products*. It is being conducted as part of the fulfilment of the degree of Masters of Business Administration (MBA) at Strathmore University. Therefore, it is intended for educational purposes only. Your participation is voluntary; no personally identifiable information will be collected, and the data you choose to provide cannot be connected back to you.

Please read each question carefully and answer as honestly as possible.

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#### SECTION A: DEMOGRAPHIC DATA

1. Please indicate your gender

Male

Female

2. Please indicate your age bracket

Under 30 years

30-40 years

41-50 years

Over 50 years

3. What is your highest level of education?

No formal education

Primary school

Secondary school

Tertiary or higher

4. How long have you held an insurance policy with your bank?

Less than 1 year

1-5 years

6-10 years

More than 10 years

**SECTION B: PURCHASE INTENTION**

This section relates to the intention to purchase insurance products from your bancassurance intermediary. Please indicate how likely you would purchase an additional insurance policy from your bank by choosing an option that best matches your response.

*Note that: VU=very unlikely, U=unlikely, N=neutral, L=likely, VL=very likely*

	VU	U	N	L	VL
Given your current insurance coverage, how likely are you to buy another insurance policy from your bank's insurance partner?					

**SECTION C: BRAND IMAGE**

This section relates to the brand image of your bancassurance intermediary. Please indicate the extent to which you agree with the following statements by choosing an option that best matches your response.

*Note that: SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree.*

	SD	D	N	A	SA
My current bank is easy to recognize through its visual elements (logo, design, theme, etc.).					
I perceive my current bank to have an excellent reputation.					
I find my current bank to have a distinctive brand identity.					
I perceive insurance services offered by my current bank to be of high quality.					
My current bank fosters a strong emotional connection with its customers.					

**SECTION D: RESPONSIVENESS**

This section relates to the responsiveness of your bancassurance intermediary. Please indicate the extent to which you agree with the following statements by choosing an option that best matches your response.

*Note that: SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree.*

	SD	D	N	A	SA
In my experience, my current bank is highly responsive to my issues.					
I can say that I receive personalized support from my current bank.					
My current bank provides reliable customer service at all times.					
I find my current bank's self-service option helpful in resolving my issues.					
My bank offers integrated support across all their contact methods: in-person, phone, online, etc.					

**SECTION E: RELIABILITY**

This section relates to the reliability of your bancassurance intermediary. Please indicate the extent to which you agree with the following statements by choosing an option that best matches your response.

*Note that: SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree.*

	SD	D	N	A	SA
I find my current bank's services to be reliable in terms of uptime and availability.					
My current bank consistently delivers service as promised.					

The services my current bank provides are free from errors and mistakes.					
I can confirm that my current bank resolves customer issues effectively.					
I think that the response time in service delivery is prompt and satisfactory.					

**- Thank you for your time –**



## Appendix 2: Ethical clearance



14<sup>th</sup> March 2025

Ms. Nita Gichure,  
nita.gichure@strathmore.edu

Dear Ms Gichure,

**RE: Effect of Bancassurance attributes on customers' intention to purchase insurance products in Nairobi, Kenya.**

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** proposal. Your application reference number is **SU-ISERC2650/25**. The approval period is from **14<sup>th</sup> March 2025 to 13<sup>th</sup> March 2026**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used.
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.
- iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours.
- v. Clearance for the export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.


Yours sincerely,

Mr Ambrose Rachier,  
Chairperson; SU-ISERC

**Appendix 3: Research Permit**

REPUBLIC OF KENYA  
**190660**  
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION  
Date of Issue: 27/March/2025

**RESEARCH LICENSE**




**This is to Certify that Ms. Nita Wairimu Gichure of Strathmore University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: Effect of Bancassurance Attributes on Customers' Intention to Purchase Insurance Products in Nairobi, Kenya for the period ending : 27/March/2026.**

License No: NACOSTI/P/25/417352

**190660**  
Applicant Identification Number

Director General  
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Verification QR Code



**NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.**

**See overleaf for conditions**

#### Appendix 4: List of Bancassurance Agents in Kenya

1. ABSA Bancassurance Intermediary
2. Caritas Bancassurance Insurance Limited
3. Co-op Bancassurance Intermediary
4. Credit Bancassurance Intermediary
5. Diamond Trust Bank Bancassurance Intermediary
6. Eco Insurance Bancassurance Intermediary Limited
7. Equity Bancassurance Intermediary
8. Family Bank Bancassurance Intermediary
9. Faulu Bancassurance Intermediary
10. HF Bancassurance Intermediary
11. I&M Bancassurance Intermediary
12. KCB Bancassurance Intermediary
13. Kingdom Bancassurance Intermediary
14. KWFT Bancassurance Intermediary
15. NBK Bancassurance Intermediary
16. NCBA Bancassurance Intermediary
17. Paramount Bancassurance Intermediary Limited
18. Prime Bank Bancassurance Intermediary Limited
19. Rafiki Microfinance Bancassurance Intermediary Limited
20. Sidian Bancassurance Intermediary
21. Stanbic Bancassurance Intermediary
22. Standard Chartered Bancassurance Intermediary
23. Sumac Microfinance Bancassurance Intermediary
24. U & I Bancassurance Intermediary Limited

Source: [IRA](#) and [BAK](#)

