



# Insurance Awareness Survey

## Research Report

March 2017

# Background

- ▶ Several past studies show that insurance awareness levels are low
- ▶ To remedy this AKI 2016-2020 Strategy aims to grow insurance awareness by 30%
- ▶ The problem however, is that the current awareness level has not been established
- ▶ In view of this, AKI commissioned SBO Research to undertake an awareness survey at household level, among persons aged 18 and above as part of its national Omnibus Survey

# Objectives & Approach

- ▶ The key objective of the study was to determine the general public's awareness and understanding of insurance, measuring the awareness, knowledge and sources of new information on all products/ services and source of information on insurance.

## The specific objectives of the study were to:

Know the level of awareness of insurance among the Kenyan adult population

Know the insurance awareness levels of different demographics i.e. age, educational level; regions; income levels; marital status; urban/rural etc.

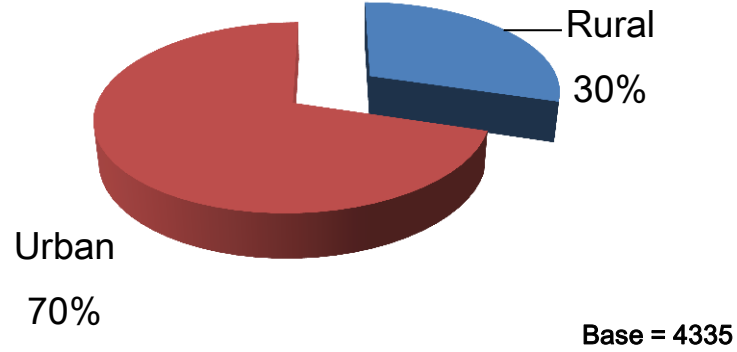
Evaluate the knowledge level. I.e. what is insurance?

Propose strategies to increase awareness levels

- ▶ The study targeted Kenyan residents and potential consumers of various insurance products and services
- ▶ Primary research was used to collect data using quantitative method. The survey targeted 4500 respondents aged 18 years and above spread in all the counties

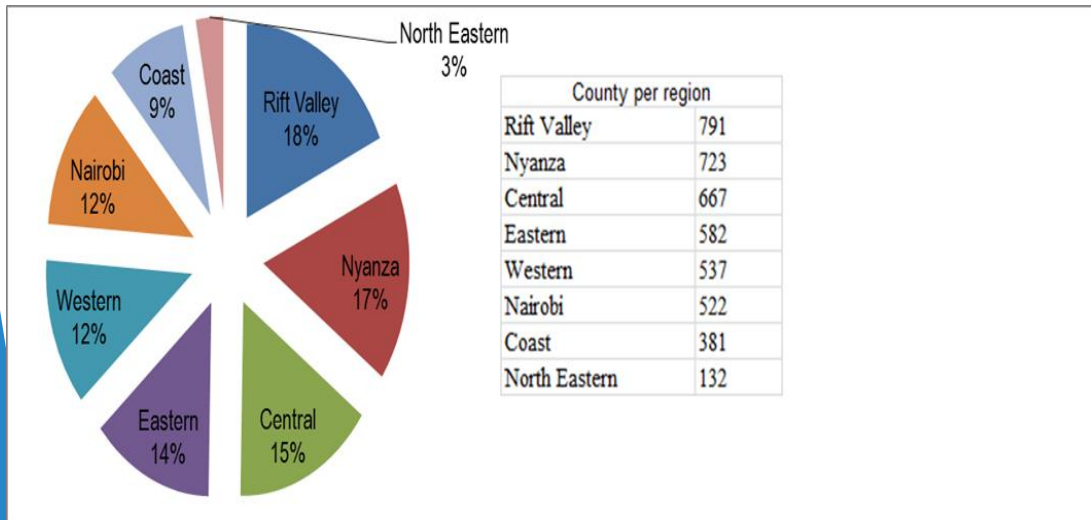
# Respondents profile

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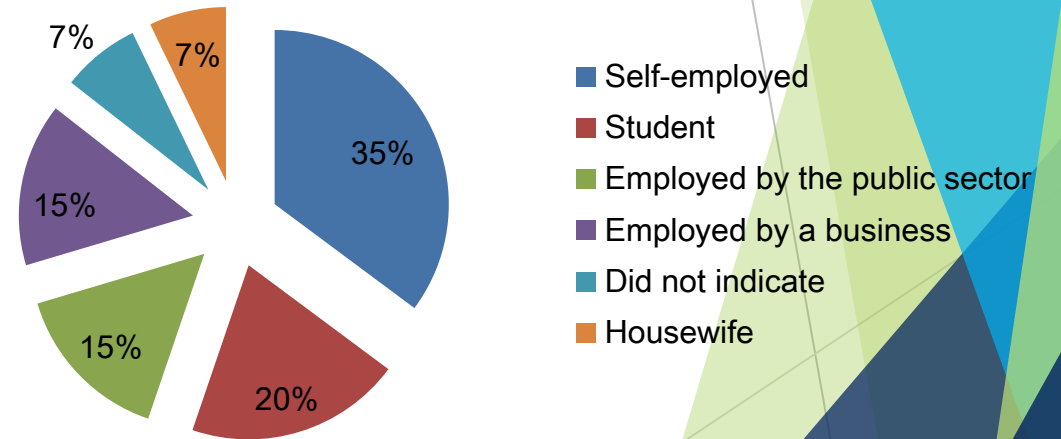


- Urban and rural residents was split in the ratio of 70:30 respectively. (urban-rural population split in Kenya is Appx 26:74, BUT research shows that perceptions and usage are mostly swayed by the urban population)

## Regional split of respondents

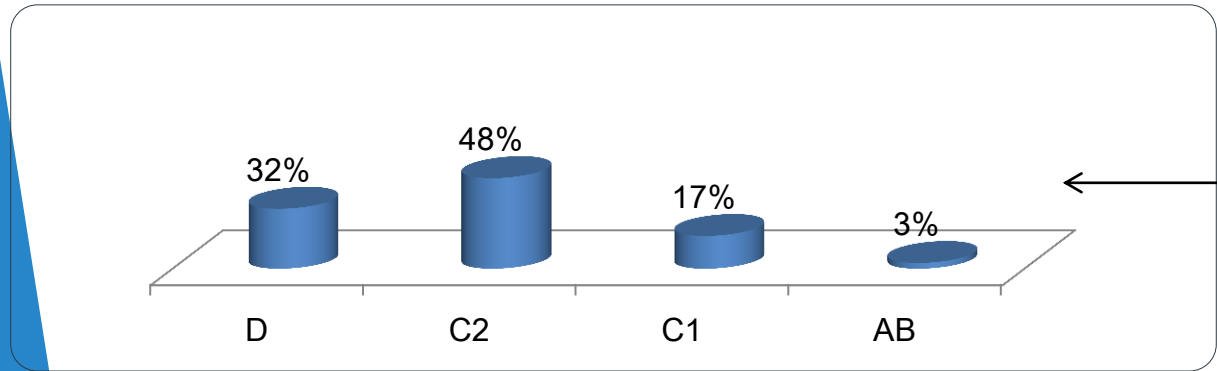
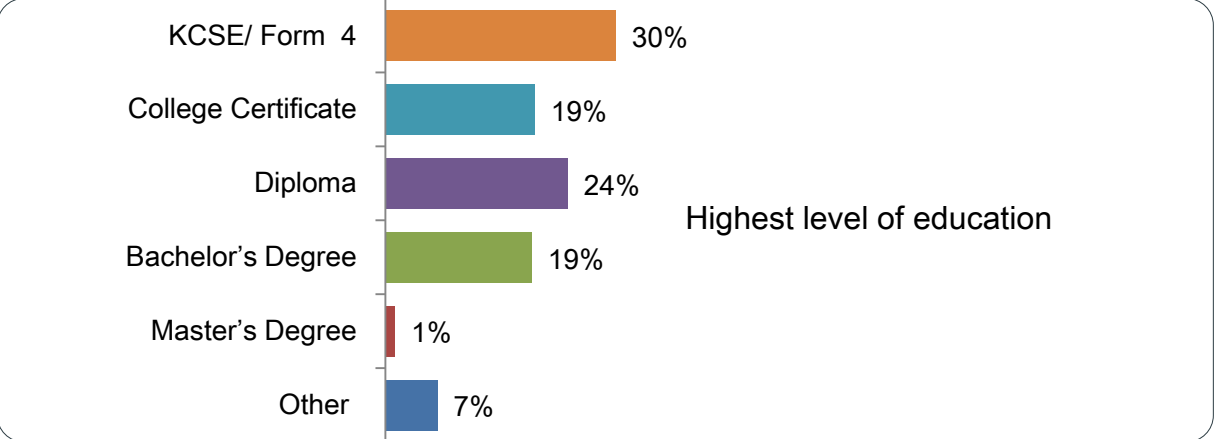
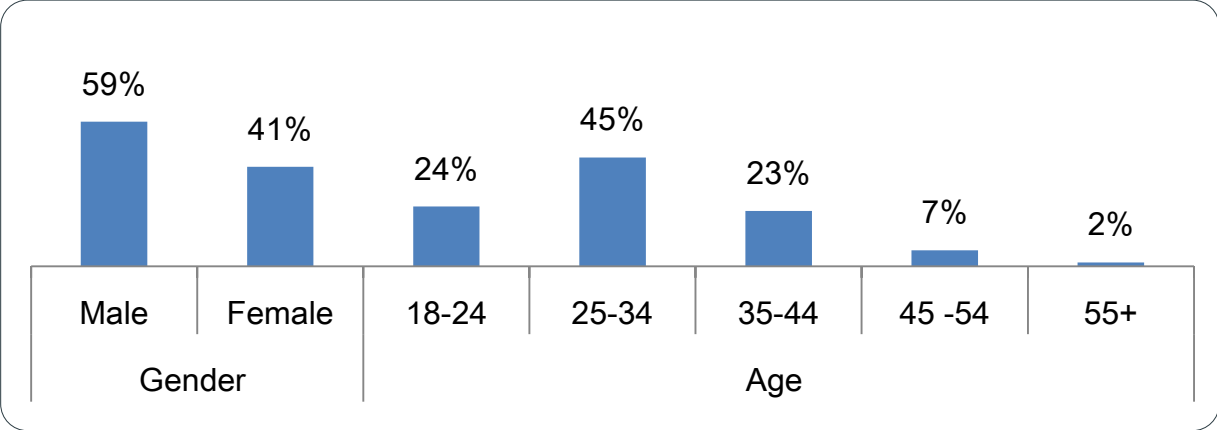


## Employment status



- The survey was conducted in all 47 counties

# Respondents profile

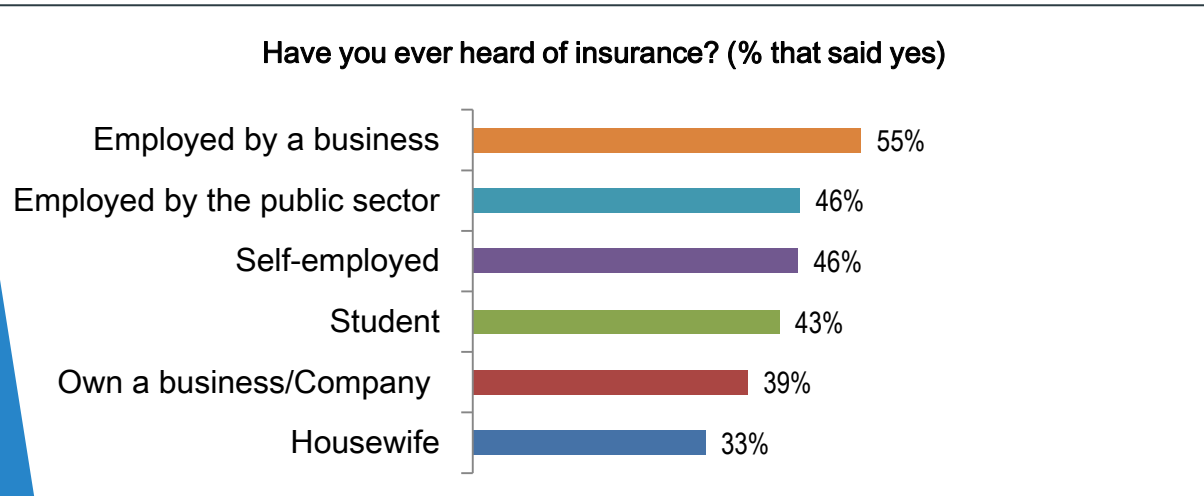
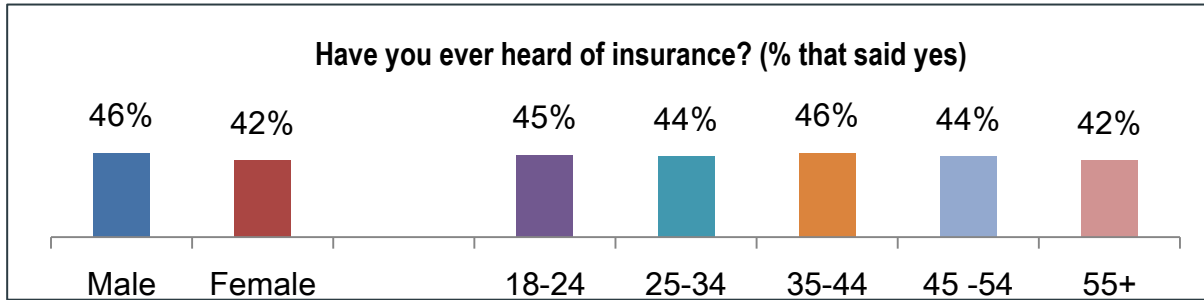
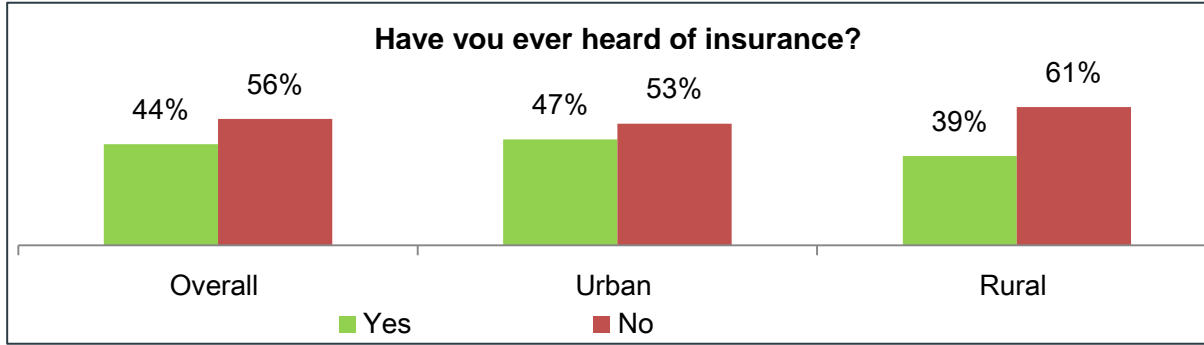


- Male and female respondents aged 18 years and above participated in this survey.

- Majority of the respondents had attained some level of formal education

- AB: high income earners
- C1C2: middle income earners
- D low income earners

# Findings \_ Awareness levels

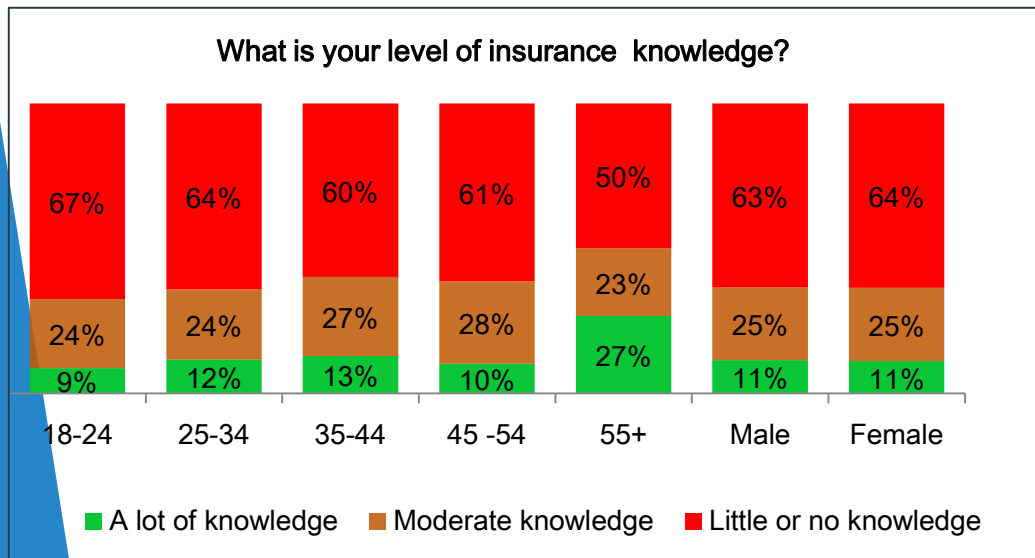
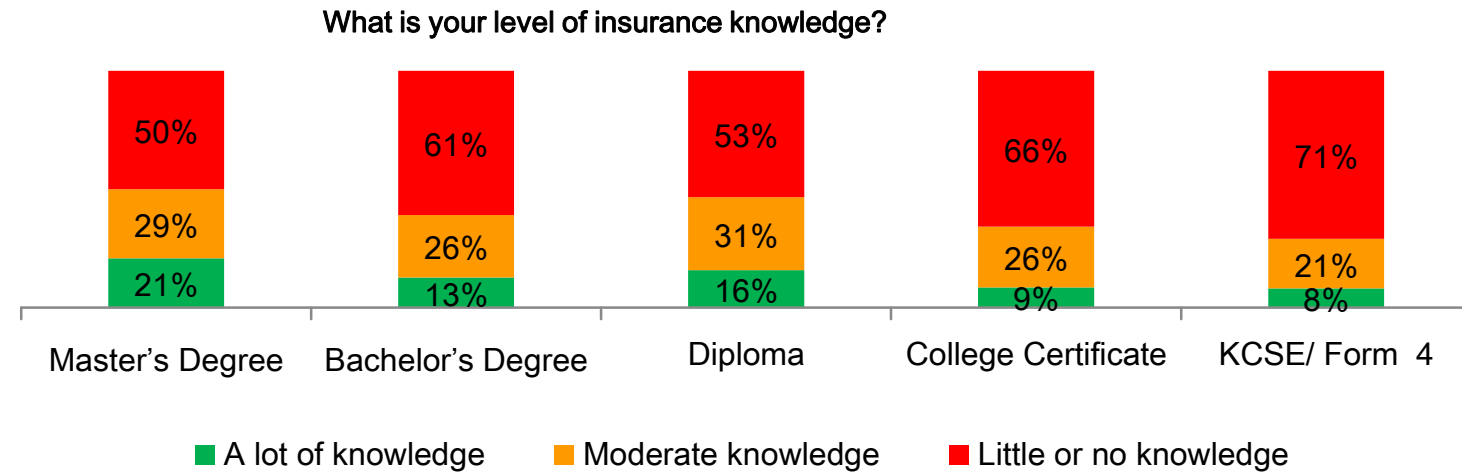
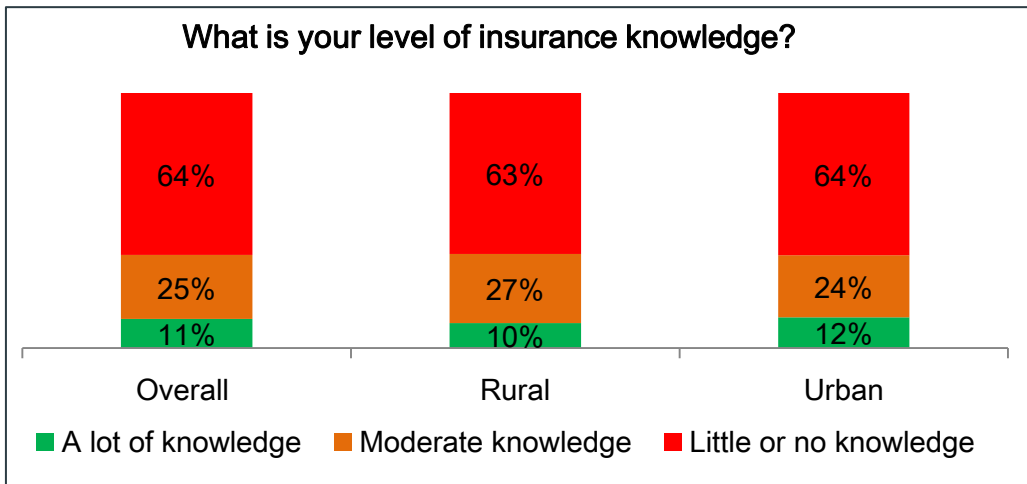


- Level of insurance awareness stands at 44%. Urban residents have higher awareness levels compared to their rural counterparts.
- Awareness of insurance does not differ among respondents of different age sets. A higher proportion of males compared to females claimed to be aware of insurance.
- People in formal employment have wider exposure to the insurance concept. This could be due to the fact that insurance agents tend to focus on selling insurance to the people in formal employment

Insurance in  
 Kenya - 3%, SA  
 13% and Nigeria  
 0.3%  
 Pc Y  
 KENYA-1,370  
 Sa- 5,700  
 Nigeria -2,540

# Level of understanding of insurance

- Level of understanding of insurance is quite low with majority of the respondents having little or complete lack of understanding about insurance. Persons with a better education exhibit a better understanding of insurance. Majority of the respondent's associate insurance with protection against future occurrences

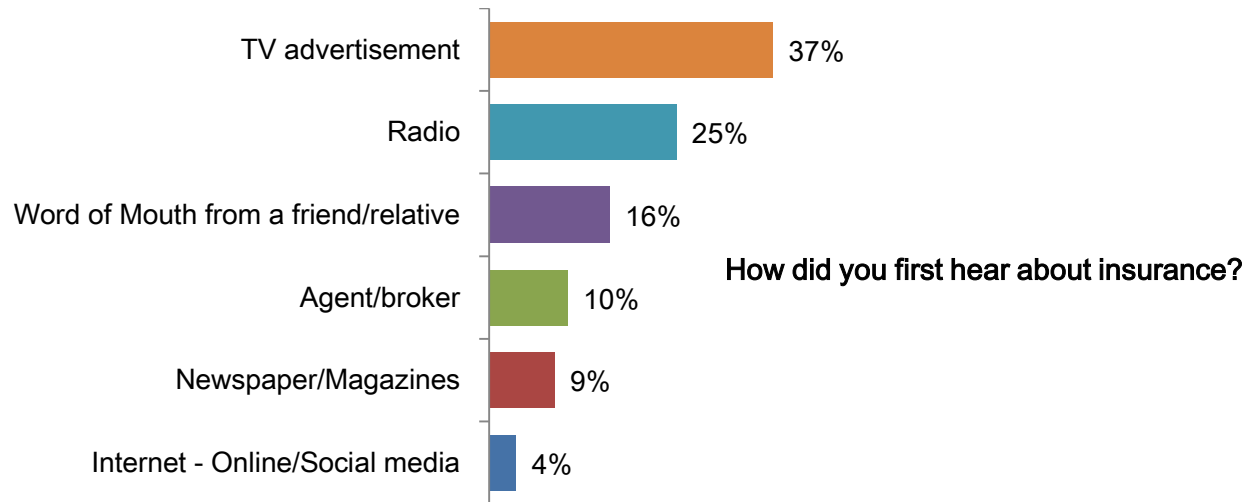


**What does insurance mean to you?**

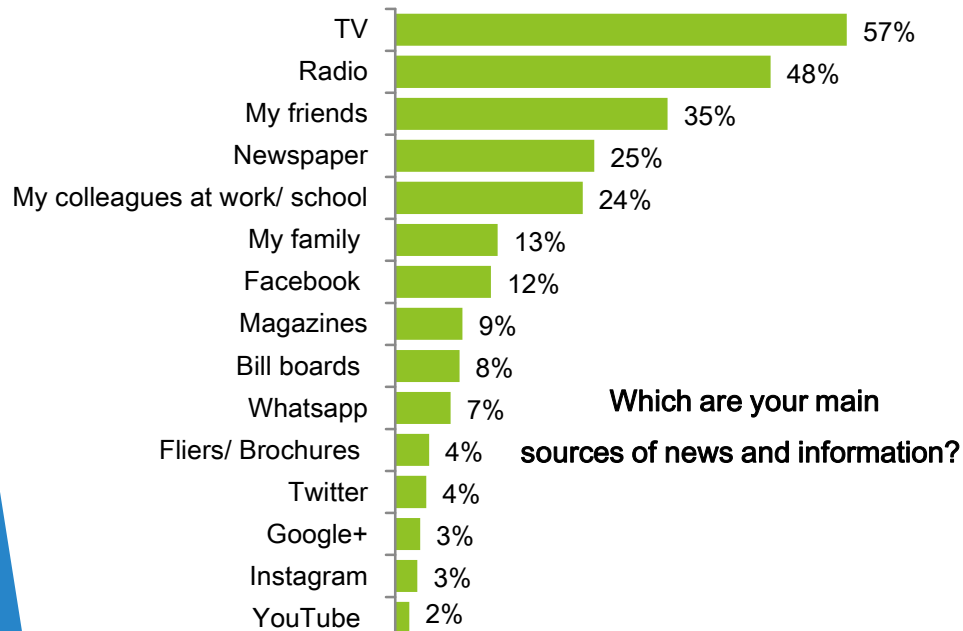
	Overall	Rural	Urban	Male	Female	18-24	25-34	35-44	45-54	55+
Protection against occurrence of future events	90%	93%	89%	88%	92%	90%	90%	88%	91%	100%
A saving plan company	6%	3%	7%	6%	5%	5%	4%	9%	5%	
Insurance policies	3%	3%	3%	4%	2%	2%	5%	2%	4%	
NHIF	1%		1%	1%	1%		1%	2%		
Agreement between insurer and insured		1%		1%		1%				



# Awareness sources of insurance



- TV and Radio emerged as the key awareness source for information on insurance. Word of mouth also emerged as an important source of information especially from friends, relatives and colleagues



- Word of mouth is a crucial communication channel as many people rely on their friends colleagues and family for information.
- The power of WOM basically lies in the social connections among people. Social media channels, if several channels are employed, are also well ranked an information source as can be seen on the reliance on Facebook, Whatsapp, Twitter, Google+, Instagram and YouTube

# Is Disposable income the Answer to Insurance Uptake ?

	South Africa	Nigeria	Kenya	Ghana
Insurance penetration	14.3%	0.3%	3%	2%
GDP( \$ Billions)	314.5	568	63.4	47
Per Capita Income (\$)	5700	2540	1570	1696
Literacy levels	86%	68%	85%	58%

# Protect the image of the industry



- ▶ Protecting the image of the insurance sector – sustaining a positive and credible image
- ▶ Instilling professionalism
- ▶ Engaging in CSR activities
- ▶ Engaging the customers
  - ▶ Regular service calls
  - ▶ Points of contact
  - ▶ Open-day
  - ▶ Bulletins

Consumers need constant re-assurance their investments are safe, and that they made the right decision

# Taking the customer to class



Demystify the offering and break-down the mental barriers that exist in consumers minds and tackle the negative perceptions of the insurance sector

- ▶ Move awareness of insurance beyond the basic levels
- ▶ Educate and sensitize customers through varied channels, and reduce over-reliance on sales agents
- ▶ Schools are the main source of awareness among young potential customers – early education and engagement can build the right mindset over time
- ▶ There is over-reliance on agents to educate the public which conflicts with their personal objectives to maximize sales

# Tapping into consumers' psyche

## Main

- Peace
- Comfort
- Family

## What is valued

## Others

- Money
- Friends
- Happiness
- Employment

- Death
- Failure
- HIV

## Fears in life

- Sickesses
- Carjacking
- War

- Succeed in life
- Fulfill dreams
- Become rich
- Leave a good legacy

## Aspirations

- Responsible person in life
- Role model in the society
- Bring change in the society

Products need to make a connection with aspirations and values – we tend to over emphasize 'the fears'



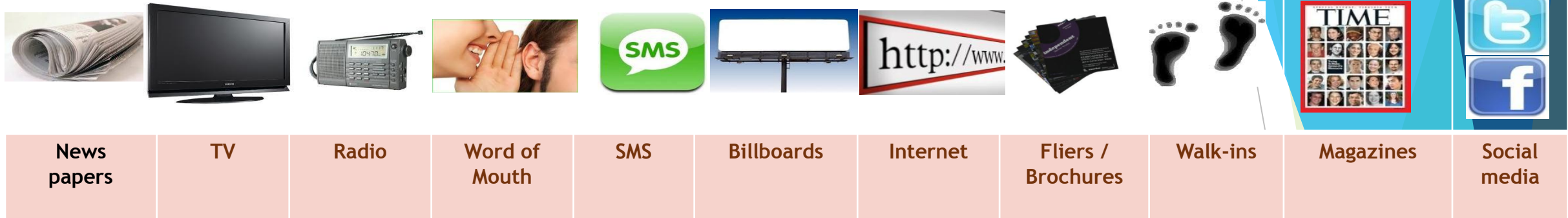
# Taking a rightful position in the share of wallet

- ▶ Insurance is perceived to be expensive and a luxury
- ▶ Insurance is unlikely to be given a priority in the shopping basket
- ▶ It is likely to be dropped from the shopping basket incase of reduced income...due to the likely ambivalent relationship with customers
- ▶ How do we overcome this scenario?



- Aim to move the customer beyond the functional aspects to the more emotional aspects
- Get customers to understand the value of the insurance concept
- Diversify our portfolios to cater for different categories

# Messages will need to stand-out and emerge from the clutter



▶ There is information clutter hitting consumers through a myriad of channels

▶ There is competition for share of voice extending beyond the industry category

- Reach your customers through multiple forms of media... advertising works because it's memorable and repetitive...the same tactic should be employed when reaching insurance customers
- Of course in doing so, businesses must make the right connection and messages must be well targeted
- Sometimes a carefully worded letter in the mail can provide language that is simultaneously suited to each of the stakeholders involved
- Other times, you may need to employ different types of communication pieces to reach every stakeholder. If the decision-maker is a workaholic, you may not get to talk with her.
- The ability to represent your company and services professionally, across many forms of media, proves important if you are limited to email or even voice mail messages

**End  
Thank You**