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Service Delivery in Selected Insurance Firms in Kenya: What is the Value of Channel Distribution?

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Abstract: *The current level of service delivery coupled with market penetration is a clear illustration that there exist innumerable market opportunities available for insurance service providers; thus, necessitating the need for identifying avenues of increasing profitability and service delivery for insurance firms. To remain competitive and meet the growing demands of clients, insurance firms are bombarded with the need to foster good service delivery, yet this has not happened. Further, it's also emerging that most of the insurance service providers have not yet embraced channel distribution to improve their service delivery and performance. The study's general objective was investigating relationship between channel distribution and service delivery in Jubilee Insurance Limited in Nairobi City County, Kenya. Michael Porter's Competitive Forces and Service Quality Model were the theories in which the study was based on. The descriptive design was adopted. Study's target population comprised of the employees of Jubilee Insurance Limited, APA Insurance Company and GA Insurance Company. The total unit of population was 338, whereby stratified sampling design was used to arrive at a sample size of 100 respondents. The collection of research data was done using structured questionnaire. Quantitative data were analyzed using statistical software for social science to get inferential and descriptive statistics. The presentation of the results was done through figures, tables and graphs. Findings established that channel differentiation has a positive influence on service delivery (r = 0.818, p = 0.000). The study concluded that channel distribution significantly affected service delivery among selected insurance firms in Nairobi City County, Kenya. Given the positive correlation between channel and service delivery, the study recommended that more should be done to keep up with the ever changing trends in distribution like the use of digital platforms to ensure clients get connected with the services offered by the insurance companies. Companies should also try and shorten the distribution channel. Other than that, efforts should be made to keep track of the distribution process.*

Keywords: *Channel Distribution, Organization Performance, Service Delivery, Insurance Firms.*

1. INTRODUCTION

1.1. Background to the Study

Service delivery level varies worldwide from country to county. Across the globe, the insurance industry is being eaten by a growing cut-throat competition day after day while clients are increasingly demanding efficient service delivery (Gupta & Loulou, 2018). The issue of effective service delivery by insurance firms have taken centre stage all across the globe. In United Kingdom, the insurance sector makes a vital contribution to the UK economy, employing over 300,000 people across the country, attracting global capital, serving the needs of consumers, and generating UK exports. The government and Insurance service providers have in the last two decades ensured service delivery is at par making the UK one of the most effective places in the world for insurance (Khaled Mohammad, 2017).Health care costs in the United States, which have risen rapidly in real terms in the last few decades, have strained state and federal budgets (Lodorfos, 2015). Future growth in health care costs is projected to threaten the fiscal position of state and federal governments unless major policy changes occur. Additionally, for many Americans, the lack of health insurance coverage complicates access to health care. According to the U.S. Census Bureau, 46.3 million or 15.4% of the people in the United States lack health insurance coverage. Furthermore, even families with health insurance may become vulnerable to the financial burdens of a serious health condition or illness either because of the narrowness of plan benefits or poor service delivery by insurance firms (Lodorfos, 2015).

Insurance sector in the African context is among the fastest growing sectors. Insurance sector ranks highest and is synonymous known amongst leading contributors in the service sectors for actively playing a huge role in enhancement of financial intermediation, creation of liquidity and mobilization of savings in the African continent (Adesoga& Adeniran, 2019). Following higher levels of increased awareness, majority of African clients demand better standards of services. Most clients know innumerable alternatives offering standard of services (Alabar*etal*, 2014), and in return, the continue demanding better quality services. In Guinea, Liberia and Sierra Leone, gaps in Insurance service delivery and the accompanying collapse of public trust in health systems presented enormous challenges to response and recovery efforts during the Ebola outbreak. For instance, assessments of the Sierra Leonean health system revealed a low density of human resource for health, low capacity for disease surveillance in the community, infrastructural deficits in health facilities, and weak supply chains for essential medicines (Mohd Suki, Norazah, 2013). In Rwanda insurance firms, has been experiencing unhinged risk which are equivalently high due to their small size and scope of operation. This leads insurance actors as well as the market establishing a high competition for the shrinking and small market in Rwanda (Ong'ong'a, 2014).

In the Kenyan context, insurance service delivery received a rating of 3% in 2009 which is higher as compared to the 2.5% in the previous years. Elsewhere, the case of South Africa recorded a higher margin of service delivery of 12.8% in a study done on 45 million people (Insurance Institute of Kenya, 2018). In accordance with the survey done by Association of Kenya Insurers (2017), out of the Kenyan population, it is only 6.8% that buy insurance actively, while a paltry 90% of the population have never considered buying any insurance cover. Based on the weight of the above concept, insurance companies are compelled to devise differentiation strategies such as product, image, channel and people differentiation to allow them attain proper and desirable service delivery. The presence of these strategies is bound to trigger a chain of change in the insurance firms to enable them realize the much desirable service quality and delivery.

The current level of service delivery coupled with market penetration is a clear manifestation of the innumerable market opportunities a for insurance companies; thus, pointing out the need for identifying avenues of permeating the market as a road to increasing profitability and service delivery for insurance firms. One of the best avenues, according to the argument by Kamau (2013), is for increasing differentiation of key products offered by insurance (such as medical cover, education policies, etc.) together with improving the peoples' lives by properly giving them a cushion from the direct impact of certain risks in the current dynamic world of business. Various publications and literatures have been done on differentiation strategies in organizations. For instance, Farshid and Amir (2014) study posit that when one wants to develop a good differentiation strategy, they ought to find out key factor that will be unique than rival's strategies. In that regard, factors such as marketing approach, delivery system, product, engagement in client organizations, graphical reach, image, firm size, quality of work and market sector have been suggested and praised to differentiate an organization. In their publication, Hunger and Wheelen (2015) provides some of the practical examples of approaches to differentiation which include factors such as engineering design, different tastes, perceived status and prestige, technological leadership, rapid product innovations, responsive customer service, unusual features and performance. A comprehensive research done by Shafiwu and Mohammed (2013) showed that idiosyncratic marketing competencies encompass the skills which service providers do adopt to develop and form the foundation upon which a business can use to thrive and deal with competitive advantages. This implies that differentiation strategy bears the likelihood to form a competitive upper hand to a particular firm, leading to service delivery.

1.2. Statement of the Problem

Service delivery in Kenyan insurance firms has been championed by various researchers who have conducted their studies on some of the firms, and established the lack of service delivery. Since service delivery is approached from various dimensions such as customer service, quality of service, turnaround times, among others, the research done on each of these has revealed a discrepancy on each of them. The findings from the AKI Report (2017) shed light on the dilapidating status of most of the insurance service providers in Kenyan counties. While the Nairobi City County insurance firms battle to stand out among the top competitors. Nairobi City County insurance firms have been listed on record together with others, as "not performing expectedly, contrary to the huge fees charged on consumers who take various insurance policies" (AKI Report, 2017). Given the competitive state in Kenya's insurance industry, insurance companies have to develop unique and innovative ways that make them have an upper hand against their rivals to stay relevant in the market (Insurance Institute of Kenya, 2018). The firms need to put in place measures for retaining existing customers while attracting new ones. Insurance firms, especially those in Nairobi are faced with challenges in their quest for offering quality service.

With the service gap evidenced in the above statement, it is emerging that most of the insurance service providers have not yet embraced differentiation strategies to improve their service delivery and performance. Some researchers have studied on strategies adopted by these insurance firms, and found varying results ranging from strategies such as growth strategies, diversification strategies, market orientation strategies and customer retention strategies, but neglected differentiation strategies (Bishnoi & Bishnoi, 2013).Some researchers have undertaken to carry out a few empirical studies carried out so far to assess relationship between channel strategy and service delivery. Some of these studies include Shahin *etal* (2019) which were carried out in the developing nations. However, past studies done by Atikiya*etal*(2015) and Banker, Mashruwala and Tripathy (2014) have attempted to investigate the impact that differentiation strategy had on performance of an organization, results differ from industries and countries in which the research was conducted. Findings reveal profitability as well as viability of cost leadership, differentiation as well as a combination of other singular strategies. Local Kenyan studies done so far include: Kamau (2013) who did a study on factors contributing to low insurance penetration in Kenya; Kiragu (2014) who examined some of the challenges faced by the insurance firms as they continue developing their competitive advantage in Kenya; Odemba (2013) assessed the various factors contributing to uptake of life insurance in Kenya; and Ong'ong'a (2014) study which unearthed the influence marketing strategies had on insurance service providers acquiring market shares in Kenya.

Having explored the above studies, there is an evident gap since most of the studies captured have not shown the relationship between channel distribution and service delivery in firms. In addition, some of the studies that have attempted to establish the challenges in the insurance industry have left out channel distribution as a gap that needs to be filled. Therefore, the study's investigated on the relationship between channel distribution and service delivery of Jubilee Insurance Limited in Nairobi City County, Kenya.

1.3. Specific Objectives

To examine the effect of channel distribution on service delivery among Insurance Firms in Nairobi City County, Kenya.

1.4. Research Questions

To what extent does channel distribution affect service delivery among Selected Insurance Firms in Nairobi City County, Kenya.?

2. Literature Review

2.1. Theoretical Review

2.1.1. Michael Porter's Competitive Forces

Michael Porter developed the model in 1979. The main five forces captured in the theory include buyers' purchasing power, suppliers' bargaining power, threat to substitutes offered by suppliers, threat to entry into the market, and fierce rivalry between competitors. Porter holds that the basis for proper development of a strategy lies in the understanding of the forces that shape the competition of a sector. According to Porter, generic strategies can be correlated effectively to a firm's service delivery by employing various alternative strategic practices. Porter contends that in situations where forces are extreme, none of the firms will be able to earn desirable returns on investment (Ukiri, 2013).

The relationship between Porter's five forces and channel distribution is that the latter aims at the wider market that incorporates creating a unique product or service that would stand out in the entire industry (Gupta & Loulou, 2018). Firms in the industry may opt to differentiate in a variety of methods including network clientele service, dealers, design, brand image, new technology and other combined features. With the differentiation strategies in place, Porter's five forces will enable a firm to deal with increasing price rises in product and service, frequent changes in clientele tastes and preferences and competitor threats owing to additional costs that are involved in addition of unique product features meant to achieve desirable differentiation (Farshid& Amir, 2014).

Through Porter's Model, an organization's relative position held within its industry assists in determining whether profitability is either below or above the industry's average (Choudhuri, 2014). The fundamentality of attaining the above average profitability in the long range is to enable the involved firms attain competitive advantage. In as much as an organization may have a series of weaknesses and strengths, as compared to its rivals, Porter's Model suggests that there are two primary modes of competitive advantage that an organization can possess: differentiation or low cost. Combining scope activities to the listed main modes of competitive advantage enable organization to accomplish focus strategy, differentiation strategy and cost leadership strategy. These strategies enable a firm to accomplish a desirable above-average performance in a particular industry. Porter postulates that competitive strategies shape the strengths of a firm relative to that of its rivals in the most efficient manner, thereby molding decisions and actions of both the management and employees in a more synchronized plan (Ayimey, 2013).

2.1.2. SERVQUAL (RATER) Model

The RATER framework evolved from the SERVQUAL study designed by psychologists A. Parasuraman, Valarie Zeithaml, and Leonard L. Berry in 1988. As a measurement tool of service quality, the model of SERVQUAL is embedded on the five core service factors that include responsiveness, empathy, assurance, tangibility and reliability. The SERVQUAL model was proposed Berry, Parasuraman and Zeithaml. He initial design of the SERVQUAL model was to be applied in the service providers and benefit the retailers involved in provision of services (Ukiri, 2013). SERVQUAL's perspective goes beyond offering service to clients. assumes a huge perspective of service that is far beyond simple clientele service. The SERVQUAL model development offers service organizations and associated retailers a good structured approach to facilitate their understating of factors affecting client's perception (Ong'ong'a, 2014).From a clientele perspective, clientele service received should be similar and equivalent to the desirable features of the product. the clientele gap should be the difference between clientele anticipations and clientele perceptions. According to Atikiya, Elegwa and Waiganjo (2015), clientele expectation forms what the client anticipates in accordance with the available resources; which is ultimately predisposed by factors like advertising, demographics, personality attributes, family lifestyle, cultural background, availability of online information and presence of similar products. The SERVQUAL model supports the dependent variable, service delivery which relies on SERVQUAL model to illustrate the essence of having good customer delivery in the insurance service providers under study.

2.2. Channel Distribution and Service Delivery

Christesten (2017) analysed market channel performance of Colorado fruit and vegetable producers. Moreover, aggregated data was used to establish performance benchmarks by market channel and region for producers to use for comparisons to peers. In addition, a two-dimensional fixed effect model quantified the impact of farm level attributes on market channel profitability. Results indicate channel profitability is positively impacted by the share of harvest labour involved in marketing and number of market channels, while negatively impacted by the share of labour facilitating and the number of crops grown. This study assessed channel distribution but in the agricultural sector. Further secondary data was used while the current study used primary data.

Hung (2015) assessed the channel differentiation strategies that entrepreneurs in small service firms in Norway apply, under the impact of customer interaction. The study was a qualitative case study on Norwegian small service firms where the interviews were conducted with open-ended questions in a semi-structured format. The study revealed that all entrepreneurs paid strong attention to customer interaction, they invited customers join from the first stages of service development to make sure that they could control the outcomes. The study also revealed that many Norwegian entrepreneurs did not pursue a low cost strategy. Instead, they focused on service values and quality for increasing customer satisfaction. However, the empirical data did not show clearly the ability of entrepreneurs to exploit contingencies since none of the companies studied appear to take this action.

Juan (2013) investigated whether there are different effects of loss aversion on direct and indirect channels, in the context of a high-involvement non-frequently purchased hedonic product in Malaysia. The study incorporates the reference-dependent model into a Multinomial Logit Model with Random Parameters, which controls for heterogeneity and allows representation of different correlation patterns between non-independent alternatives. The study revealed that loss aversion is detected with a differentiated effect: consumers buying high involvement non-frequently purchased hedonic products are less loss averse when using an intermediary than when dealing with each provider separately and booking their services independently. This result can be taken as identifying the consumer-based added value provided by the intermediaries. This study was carried in more developed economy and in a different sector with a different methodology as used in this study. This therefore leaves a conceptual and a methodological gap.

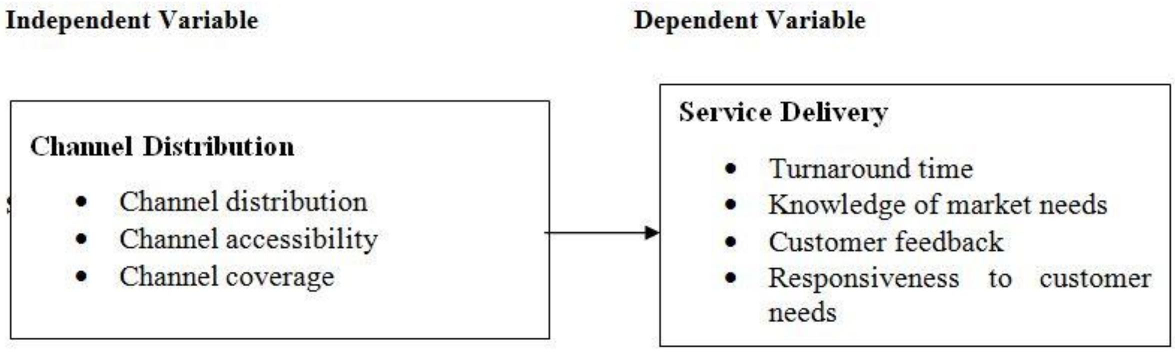
Channel differentiation aims at enhancement of the efficiency and effectiveness of marketing activities. A recent study done by Adesoga and Adeniran (2019) adopted a survey research design with a target population being staff working marketing and sales department of the FMCG companies based in Lagos State, Nigeria with aim of exploring channel strategies used by them. Questionnaire was used to gather data which was then analyzed. The study findings prove that channel strategy posed significant effects on firm's the marketing performance. To support the above study by Adesoga and Adeniran (2019), another similar study done by attempted to address gaps in the existing literature regarding to the channel strategy influence on marketing performance of FMCG industry.

A study by Makanyeza, Kwandayi and Ikobe (2013) investigated the relationship between the causes of poor service delivery potential strategies for boosting by local authorities. Questionnaires were prepared to be filled by 20 employees working at Kajiado Local Authority and 250 service consumers to capture due perspectives of both groups. Both quantitative and qualitative data were analysed. Findings established main causes for poor service delivery are poor monitoring and evaluation, poor planning, lack of employee capacity, failure to manage change, poor human resource policy, inadequate citizen participation, and lack of accountability and transparency. The limitation of the study is that it is based in the public sector, and not a particular firm like the present study.

Adimo and Osodo (2017) investigated the relationship between differentiation strategy and performance of Sameer Africa Ltd located in Nairobi, Kenya. The study employed a correlational research design. The study targeted 112 employees of Sameer Africa (K) Limited comprising of senior management, HODs and junior staff and 90 dealers based in Nairobi. From the findings of the study, majority of the respondents believed that Sameer Africa (K) Ltd could achieve competitive advantage through channel differentiation. This suggest that an increase in channel differentiation strategy such as use of market trends to determine most appropriate channel strategy, use of different channels with the aim of minimizing cost of distribution, selling some of the products and services through intermediary and complementary firms and applying different distribution channels so as to satisfy unique customer needs would result in an increase in performance through market share, revenue, sales and customer satisfaction. The findings offered extra contributions to existing knowledge both empirically and conceptually.

Amara (2012) sought to establish the effect of marketing distribution channel strategies on a firm's performance among commercial banks in Kenya. The study adopted a descriptive survey research design. The population of the study was all the forty-three commercial banks operating in Kenya. The study used both primary and secondary data to be collected through questionnaires. The study found that the branch network, electronic banking and multiple distributions were used by the banks. Marketing strategies being employed by the banks were aggressive marketing, mass marketing and value marketing. The marketing features employed by the banks was close relationships with customers, product specialization, extensive market research, selective distribution, segmentation of market, high quality innovative products and controlled relationship with customers while increased relational norm with channel partners, intensive distribution to a mass market and low behavioral control on consumers were employed by the banks to a moderate extent. The marketing distribution strategies results to increased sales, market share and profits, the bank being able to market changes more effectively and enhanced ability of the bank to generate, disseminate, and respond to market changes. This study was carried in commercial banks and the findings might not be fully application to the insurance firms.

2.3. Conceptual Framework



Source: *Author (2020)*

3. Research Methodology

3.1. Research Design

The study used descriptive research design. The rationale for selecting descriptive research design is because it results in rich data that is collected in large amounts. The basis of descriptive research is to discover where, what and how phenomenon of interest came to be (Creswell, 2014). Descriptive research design has been successfully used in past similar studies (Gabow & Kinyua, 2018; Moki, Ndung'u & Kinyua, 2019; Kiprotich, Kahuthia & Kinyua, 2019; Kung'u, Kahuthia & Kinyua, 2020; Oketch, Kilika & Kinyua, 2020; Njoroge & Kinyua, 2020)

3.2. Target Population

The study's target population consisted of 338 employees drawn from middle level management, functional level managers and, functional level staff from the selected insurance firms in Nairobi City County, Kenya. The distribution of the population ranged between 103 for functional level staff and 117 for middle level managers. The rest of subjects at 118 employees comprised of functional level managers.

3.3. Sampling Design

The study adopted simple stratified sampling design where the entire population will be stratified into different strata (classes) according to the cadres in which the employees in each firm fall. The different cadres included: Middle level Management, Functional Level Management and Functional Level staff. From each cadre or strata, the study drew 30% to form the sample size, according to Mugenda and Mugenda (2013) rule, which states that when a population is larger, a researcher should consider taking 10-30% to form a representative sample. The final sample size of 100, as captioned in Table 1 represents the sampling design.

Table1. *Sampling Distribution*

	Insurance Firm	Population Size (N)	Proportion	Sample (n)
1.	Jubilee Insurance	117	0.3	35
2.	APA Insurance	118	0.3	35
3.	GA Insurance	103	0.3	30
Total				**100**

Source: *Author (2021)*

3.4. Data Analysis and Presentation

Collected data was then filtered, edited coded then analyzed with the help of SPSS software. Descriptive statistics was generated in order to understand the characteristics of the sample. Descriptive statistics comprised of frequencies, percentages, mean and standard deviation. Inferential analysis focused on product moment correlation as well as simple linear regression analysis, to demonstrate the relationship between the study variables. Conclusions for inferential analysis were made at 95 percent level of confidence as has been used in various empirical research in the purview of social sciences (Kinyua, Muathe&Kilika, 2015; Thangaru& Kinyua, 2017; Mugambi& Kinyua, 2020; King'oo, Kimencu, & Kinyua, 2020;Oketch, Kilika & Kinyua, 2020; Ocharo & Kinyua, 2021; Kialyulo & Kinyua, 2021)

4. Research Findings

4.1. Channel Distribution

The study respondents provided their agreement/ disagreement on channel differentiation, and their responses are enumerated in Table 2.

Table2. *Channel Distribution*

Statements	Mean	SD
Our firm has established many channels of distributing its products to all targeted clients	3.94	0.826
All customers receive the same level of service in all the branches of our firm	3.85	0.78
All the distribution channels of our firm are accessible to each and every client and portray the same level of standards and expertise	3.77	0.777
The company's logo and symbol communicate a lot about what our firm does.	3.81	0.834
Our company has established speed of delivery channel for all its products	3.97	0.801
Our firm covers a wide channel coverage.	3.81	0.865
Our company has made attempts to reach out to all potential markets.	3.69	0.794
Valid N (Listwise)		
Average	3.74	0.719

Source: *Field Data (2021)*

As presented in Table 2, respondents were neutral on the statement that their firm had established many channels of distributing its products to all targeted clients, supported by mean=3.94 and S. D=0.826. At the same time, the respondents were also neutral on all customers receive the same level of service in all their branches, this statement had mean of 3.85 and 0.780 standard deviation, which indicate the responses did not vary much relative to the mean. With mean 3.77 and standard deviation 0.777, large proportion of respondents were neutral on statement stating all the distribution channels of the insurance firms were accessible to each and every client and portrayed the same level of standards and expertise. Additionally, the respondents were neutral on the statement stating that the company logo and symbol communicate a lot about what the insurance company did, a mean of 3.81, standard deviation 0.834 reinforced the findings. When it came to the insurance companies establishing speed of delivery channel for all its products, big portion of the respondents were neutral. Furthermore, with mean 3.81, standard deviation 0.865 shows that most respondents were also neutral when it came to deciding whether the insurance company covered a wide channel coverage. Lastly, most respondents neither agreed nor disagreed with the statement that their insurance company had made attempts to reach out to all potential markets, this was established with a mean of 3.69 and standard deviation 0.794. The overall mean of channel distribution variable was 3.74 and standard deviation 0.719. The overall results indicate that the responses had less variation relative to the mean. It also shows that the insurance firms have channel distribution strategy but not to a great extent. The findings agree with those of Adesoga and Adeniran (2019) proved that channel strategy posed significant effects on firm's the marketing performance.

4.2. Correlation Analysis

This section gives the details of the correlation analysis among study variables. To get the degree of correlation exhibited by the study constructs, Pearson correlation analysis was run. To test the level to which predictor variables influenced the dependent variable, linear regression analysis was conducted. Results are as depicted in Table 3.

Table3. *Study Variables Correlation Analysis*

		S.D	C.D
	Pearson Correlation	1	.818**
Service Delivery (S.D)	Sig. (2-tailed)		.000
	N	100	100
	Pearson Correlation	.818**	1
Channel Distribution (C.D)	Sig. (2-tailed)	.000	
	N	100	100

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

With r = 0.818, p = 0.000, and α = 0.01, channel distribution had positive and significant correlation with service delivery of insurance companies in Nairobi City County. This therefore explains that an improved channel distribution results to a corresponding improvement on service delivery by the insurance companies. They correspond with outcomes by Gupta and Loulou (2018) who analyzed the influence of intra-channel contracts on the profitability of two manufacturers and two retailers the researchers noted that channel distribution can be the breaking point in deciding if a company performs well or fails and managers should be keen when deciding on the channel of distribution.

4.3. Regression Analysis

Linear regression analysis consisted of predictor variables and a single dependent variable. Results of simple regression analysis consisted of Analysis of Variances, model summary and regression coefficients.

Table4. *Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.879[a]	.773	.763	.31329

Predictors: Constant), Channel distribution.

Source: *Survey Data (2021)*

Outcome for the correlation coefficient (R) analysis is as shown above, between the dependent variable service delivery and the independent variable channel distribution. As per the results presented in the table, it is seen that 0.879 was the correlation coefficient of the dependent and independent variable, this gives a strong positive relationship between the dependent and independent variable. Furthermore, the results on the table show that R^2 = 0.773 this means that 77.3% of service delivery of the insurance firms in Nairobi City County can be influenced by the predictor variables (channel distribution). However, 22.7% of service delivery of the insurance companies can be explained by other factors other than the variables tested.

Table5. *ANOVA Analysis*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.699	1	7.925	8.742	.000[b]
	Residual	9.324	98	.098		
	Total	6.023	99			

Source: *Survey Data (2021)*

The outcome displayed above confirm the significance level was 0.000 which is lower than α = 0.05, the significance of the ANOVA model was 0.000, with its F value being 8.742. The results therefore mean that statistically, channel distribution has an effect on service delivery of insurance firms in Nairobi City County.

Table6. *Regression Coefficients*

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.324	.310		4.270	.033
	Channel Distribution	.452	.070	.541	6.470	.000

Source: *Survey Data (2021)*

Service Delivery = 1.324+ 0.452Channel Distribution.

Channel distribution was represented by β_3 = 0.452, t = 6.470, p = 0.000 and α = 0.05. with a positive $\beta_{3,}$ it implies that the effect of channel distribution on service delivery was positive and statistically significant. Hence, when management increased channel distribution by a single unit, service delivery then changes by 0.452 units in the same direction. Gupta and Loulou (2018) outcome are similar to these findings, which noted that channel structure decision significantly affected profitability of manufacturing and retailing firms. Ngari (2017) study findings on influence of channel differentiation on clientele satisfaction in KCB banks concluded that channel distributed affected the performance, and the managers should enhance their marketing team's capacity in handling diverse market niche.

The marketing orientation theory supports this variable and its findings as it directs that for companies to become relevant they should consider modern marketing and ways of ensuring their product/service reach their clients.

5. CONCLUSION AND RECOMMENDATIONS

5.1. Conclusion

From the findings of the study, channel distribution portrayed significant effect on service delivery of insurance firms in Nairobi City County, Kenya. The strong positive correlation between Channel distribution and service delivery of the insurance companies showed that channel coverage, expertise and performance were crucial factors in aiding service delivery. Hence, if channel distribution was positively improved, service delivery improved in the same direction as well. At the end, it was concluded that channel distribution had a significant effect on service delivery.

5.2. Recommendations

Based on the positive and significant correlation among channel distribution and service delivery, it was recommended that management of the insurance companies should make plans to ensure proper channel distribution which will improve the coverage of the services. More should be done to keep up with the ever changing trends in distribution like the use of digital platforms to ensure clients get connected with the services offered by the insurance companies. Companies should also try and shorten the distribution channel. Other than that, efforts should be made to keep track of the distribution process.

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