Research Topic:

The future of the insurance broking industry in a digitalised economy: A case of the Zimbabwe Short Term Insurance Industry

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Submitted in fulfilment of the requirements of the Insurance Institute of Zimbabwe Fellowship Qualification

APPROVAL FORM

The undersigned certify that they have read and recommended to the Insurance Institute of Zimbabwe research entitled "[title of the research/study]"

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DECLARATION

I, Joseph Shumba hereby declare this research on; **THE FUTURE OF THE INSURANCE BROKING INDUSTRY IN A DIGITALISED ECONOMY: A CASE OF THE ZIMBABWE SHORT TERM INSURANCE INDUSTRY** is my own work. I wish to state that to the best of my knowledge it contains no material published by another person or material which has been accepted for the award of other The Insurance Institute of Zimbabwe fellowship qualification of any other The Insurance Institute of Zimbabwe fellowship qualification of the Insurance Institute of Zimbabwe, except where due acknowledgement has been made in the text.

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RELEASE FORM

NAME OF STUDENT : JOSEPH SHUMBA

DISSERTATION TITLE : THE FUTURE OF THE INSURANCE BROKING INDUSTRY IN A DIGITALISED ECONOMY: A CASE OF THE ZIMBABWE SHORT TERM INSURANCE INDUSTRY

YEAR OF ATTAINMENT : 2021

SIGNED

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ABSTRACT

This research was sought to anaylse the impact of digitisation on the performance as well as survival of short-term insurance brokers within the Zimbabwean context. Explored literature revealed empirical evidence which pointed towards the fact that there was a significantly positive relationship between digitisation and the survival of insurance organisations. The major problem that induced the research was that; in comparison to what is evident in other countries such as the neighbouring South Africa, Zimbabwean insurance brokers are arguably adapting to change at a slower pace especially with specific reference to technological change. Nonetheless, a literature gap was noted as most studies were not consucted within the exact same context of this particular research.The objectives of the research were; assessment of the impact of digitalisation and technological advancement on the financial performance and survival of short term insurance brokers, exploration of the various ways in which the Zimbabwean short term insurance industry players have adapted to technology in the Zimbabwean short term insurance sector and to depict the key challenges thereof, exploration of the options that short term insurance brokers encounter in the context of a digitalising environment, determination of the role of insurance broking in the digitalisation value chain. This study followed an exploratory research design to attain the aforementioned objectives through the addressing of matching research questions. Out of a sample frame of 585, a sample size of 176 was shaped through the use of stratified sampling, wherein three strata were considered and the multiplier factor for sampling was 0.3. Out of a population frame of 585 Bulawayo as well as Harare based insurers' employees, a sample of 176 was chosen based on the percentage method, representing 30% of the population. The study's hypothesis was as follows; H0: Digitisation and technological advancement have no significant impact on the performance of short term insurance service providers. H1: Digitisation and technological advancement have a significant impact on the performance of short term insurance service providers. The criteria for rejection/ acceptance were as follows; Accept H0 when: $-1 \geq$ 'r'< 0 & Reject when $0 <$ 'r' $\leq +1$, Accept H1 when: $0 <$ 'r' $\leq +1$& Reject when $-1 \geq$ 'r' ≤ 0. Since the calculated 'r' is 0.173, H1 was accepted while H0 was rejected. H1 denotes that there is a significantly positive relationship between digitisation and the performance and survival of short-term insurance brokers in Zimbabwe. Thus, according to this study, as digitisation rises, the more likely will short-term insurance brokers perform better and hence exist for a prolonged period. The future of short-term insurance brokers is bright even in the face a highly digitising economy. Key recommendations that were made are; investing in infrastructure for information communication technology, infrastructure sharing especially amongst small players within the Zimbabwean insurance industry, training and development of employees to gain the skills and knowledge required to fully embrace digital technologies as well as holding of symposiums and exhibitions that focus on digitisation matters.

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CHAPTER 1.
GENERAL INTRODUCTION

1.1. Introduction

In this opening chapter, the researcher introduces the study. The chapter presents a comprehensive discussion and explanation of the background of the problem under discussion which gives a clear and basic understanding of the research. This is followed by the problem statement which is the main path under which the research follows. Research objectives as well as research questions are also presented in this introductory chapter. The researcher also presented a discussion of the delimitations, limitations encountered during the research, assumptions as well as justifications for carrying out this research. Additionally, the researcher also spelled the research's roadmap which is the organisation of the work.

1.2. Background to the problem

Digitalisation has a strong influence on the insurance value chain (Eling & Lehmann, 2018; Stoeckli, Dremel & Uebernickel, 2018). A major source of inefficiency in the Zimbabwean insurance market is the lack of digitisation across the value chain. Many insurers across the country still have traditional business models and rely heavily on brokers and agents for distribution (Thom, Hougaard, Gray, Msulwa, Rinehart-Smit, de Waal, 2019). Claims processing and policy management also largely remain reliant on in-person engagement in most parts. COVID-19 and particularly the social distancing mechanisms employed by governments have emphasised the need for insurers to be able to operate digitally. More than 60% of Sub Saharan Africa, including Zimbabwe, have implemented quarantine measures and lockdowns, have restricted travel and have cancelled public gatherings (IMF, 2020). Digital engagement is therefore a priority for insurance brokers, insurers and regulators in the short term insurance industry. This may also be an opportunity to enable innovation and more efficient operations in the long term (Jeremy and Lucia, 2020). It might as well present a challenge and thereby inhibiting the future of insurance brokers.

The Zimbabwean insurance sector, similar to the global industry, is in a continual state of transition, influenced by, inter alia, changing economic factors, privacy laws, customer rights, and access to information requirements (ZSE, 2018). As the needs of consumers evolve and mature, insurance brokers face a continuing challenge to maintain relevance with policyholders (Least Suppliers (Pvt) Ltd v T.I.B. Insurance Brokers & Another) , 2015). However, in a digitally transforming sector, traditional insurers have to contend with insurtech start-ups that are using emerging technologies (including internet of things (IoT) technologies), analytics, and other digital transformation capabilities to disrupt traditional insurers' value propositions (IBM, 2011; Pillay, 2019).

In an environment of digitalisation or industry 4.0 as it is called in some markets, we see a new level of connectivity between companies. Machines and robots will communicate to each other. It will be important for the insurance industry to find solutions to participate in this development. The connection to this new mode of communication will be an important component of future success.

There is a greater incentive now to digitise various aspects of the insurance value chain. One of the key opportunities for insurers emerging from COVID-19 is around digital sales for instance call-centres or end-to-end mobile sales. In Zimbabwe, for example, Hollard, a privately owned insurance group headquartered in Johannesburg South Africa, has been able to sell 3 million policies with their technology partner Econet Wireless, a Zimbabwean telecoms company, using only a digital interaction. Insurers can also engage with customers through mobile applications, calls, social media and Unstructured Supplementary Service Data (USSD) when it comes to policy servicing, and they can use drones, satellites and artificial intelligence to assess risks. The use of such technology, and regulatory changes such as acceptance of e-signatures, will help with the selling and processing of insurance policies digitally and will improve the accuracy and efficiency of underwriting, risk assessment and claims processing.

In other parts of the world, especially in the Americas and in Europe, insurers have already established direct links between clients' customer relationship systems and their own systems (Andrew, 2019).

In order to better understand the customer experience, some insurers such as ZIMNAT Insurance as a case in point have invested in data analytics. The long-term ambition will be for insurers to be able to utilise Big Data and Artificial Intelligence in order to move from protecting customers from risk with financial products to actually preventing risk in the first instance. Nonetheless, a few insurers seem to be moving fast in this direction.

1.3. Statement of the problem

In comparison to what is evident in other countries such as the neighbouring South Africa, Zimbabwean insurance brokers are arguably adapting to change at a slower pace especially with specific reference to technological change. Ironically, the clientele of this particular industry is getting younger and more technology minded. Owing to a myriad of challenges within the Zimbabwean economic setup lasting more than 20 years, insurance penetration in Zimbabwe has been stuck at around 1.5 % (Dale, 2018). In the 1990's insurance penetration painted a different picture, reaching as high as 6%. This raises questions as to whether the insurance industry, especially the short-term industry band, has a bright future given the continuously digitalising environment. Will players in this industry catch-up with the pace? Will they be better off in future? These are some of the issues that objectively arise from this analysis. More-so, insurance brokers are significantly losing business as a result of technology related reasons. Due to technology, industries, such as the telecommunication industry and the banking sector, which never used to offer insurance related products are beginning to offer solutions that eliminate the need for traditional insurance broking. Risk itself has largely been addressed by a myriad of technological solutions such as trackers, cameras and alarms to mention but a few. Also, in the face of COVID-19, the need for technological advancement has been fast tracked. There is a real need to fast-track digital adoption amid the restrictions brought about by COVID-19. However, transitioning to digital engagement with customers remains a challenge due to two major constraints that are; firstly, customers remain accustomed to face-to-face engagements and in-person interaction. It remains difficult to build sufficient trust with most consumers through digital interaction and secondly, a number of laws in Zimbabwe prohibits e-signatures and electronic contracting. In the future, convenience and flexibility are likely to become more important, raising the need for insurers to develop

telematics and on-demand products so as to become responsive to customers' needs. The study explored whether players in the Zimbabwean short term insurance industry have a place in this foreseen future, particularly the insurance broker.

1.4. Purpose of the Study and Research objectives

In the following sections, the writer reveals the purpose of the study as well as research objectives of the study.

1.4.1. Purpose of the Study

Overall, the researcher aims to achieve considerable insight into the digitalisation trends in the Zimbabwean context and more particularly as it relates to the short term insurance sector, motivate the insurance broking firms in Zimbabwe to start objectively looking at the future and putting in place strategies to remain relevant in the face of the challenges being brought about by digitalisation as well as add to the body of knowledge in academia.

1.4.2. Primary objective of the study

1. To assess the impact of digitalisation and technological advancement on the financial performance and survival of short term insurance brokers.

1.4.3. Secondary objectives of the study

2. To explore the various ways in which the Zimbabwean short term insurance industry players have adapted to technology in the Zimbabwean short term insurance sector and to depict the key challenges thereof.
3. To explore the options that short term insurance brokers encounter in the context of a digitalising environment.
4. To determine the role of insurance broking in the digitalisation value chain.
5. To offer survival strategies that can be embraced by short term insurers in the face of technological advancements.

1.5. Research questions

In a bid to facilitate the attainment of the aforementioned objectives, the following questions were addressed.

1.5.1. Primary Research Question

1. What is the impact of digitalisation on performance and relevance of short term insurance service providers?

1.5.2. Secondary Research Questions

2. What is the extent of digitalisation and adaptation to technology in the Zimbabwean short term insurance sector and to depict the key challenges thereof?
3. What are the key options and potential opportunities open to short term insurance brokers in the context of a highly digitalising environment?
4. What is the role of insurance broking in the digitalisation value chain?
5. What survival strategies can be embraced by short term insurers in the face of a dynamic short term insurance market?

1.6. Significance of the study

The study is expected to bear significance to a number of stakeholders. These include; the researcher, academia, insurance industry players as well as the Zimbabwean Government amongst numerous other stakeholders. The sub-sections that follow give an exhibit on this significance on a stakeholder-by-stakeholder basis.

1.6.1. Significance to the Student

First and foremost it is a partial requirement for the attainment of the Insurance Institute of Zimbabwe Fellowship Qualification. The research is also expected to amplify the student's research skills. The researcher looks forward to obtaining knowledge about digitalisation, short term insurance and other related business undertakings hence heightening the researcher's managerial and administration knowledge base.

1.6.2. Insurance Industry

Arguably, more than the rest of the stakeholders, short-term insurance brokers are expected to greatly benefit from the findings and recommendations of the research. It is so because the findings and recommendations of the research will aid decision makers within the industry in performing their duty of coming up with strategies and action plans that will enable insurers to remain relevant and in business despite the volatility and turbulence of the environment.

1.6.3. Academia

The study is expected to be an essential substance for academic discourse in management science relating to managing operations and change in insurance circles. It will complement the available sources of secondary data to other researchers at various academic institutions especially to those that are in the field of insurance as well as add to the body of knowledge.

1.7. Assumptions

To reduce ambiguity, the researcher makes certain key assumptions. The researcher assumed that all responses were free of prejudice thus the data that was obtained can be relied on. The researcher also assumed that throughout the whole period of conducting the research, no significant changes transpired. Thus, key determinants of the main issues of the research reasonably remained constant. The researcher also assumed that all respondents to the questionnaire retained sufficient background information on the issue of digitalisation and were up-to-date with recent developments on the subject.

1.8. Limitations

In pursuit of conducting this research, the researcher foresaw a number of challenges but nevertheless crafted counter strategies to ensure its successful completion. One challenge that was anticipated is that of confidentiality. The researcher foresaw that during answering of questionnaires some managers may not want to disclose information that might be crucial for the purposes of this study due to their different philosophies. However, to counter this threatening factor, research tools were designed in a manner that was as objective as possible thus making respondents more open through noting the neutrality rationale behind the research.

The study population under survey for the purposes of this research was very large to work with given time constraints and financial constraints too. This is another limitation that was faced. Nevertheless, only a pool of the population is examined through stratified sampling. Lastly, due to financial and time constraints, the possibility of visiting all areas within the scope of the study was very slim. However, use of desk research, telephone calls, video conferencing and other interventions were established to compliment the physical visits.

Despite the presence of the aforementioned limitations to the study, the researcher holds confidence in the real application of the findings, recommendations and conclusions given herein. This confidence stems from the evidence of limitations mitigation given.

1.9. Organisation of the Work

The researcher has organised this work in a manner that renders or makes any stakeholder who may decide to go through it, find it fairly easy to comprehend its flow. This research consists of five main chapters. The first chapter deals with the introduction, which covers the background of the study, problem statement, research objectives, research questions, significance of the study, brief research methodology, scope of the study and organisation of the study. Chapter two of the study constitutes the review of literature on the subject of digitalisation within the insurance sector, and theoretical perspective. Chapter three focused on research methodology and organisational profile, followed by data presentation, analysis and discussion of findings in chapter four. The final chapter, that is Chapter Five, concludes the study by summarising the main findings and their broad theoretical and policy ramifications for development

1.10. Chapter summary

This first chapter of the work has set out the background to the study, the statement of the problem, the research objectives, research questions, scope of the study, hypothesis as well as the dissertation roadmap or the organisation of the work. Broadly put, this chapter serves as the introductory chapter of the study. The following chapter (Chapter 2) shall focus on exploring relevant literature.

CHAPTER 2.

LITERATURE REVIEW

The future of the insurance broking industry in a digitalised economy: A case of the Zimbabwe Short Term Insurance Industry

2.1. Chapter Introduction

The previous chapter gave an introduction to the study. In this chapter, the researcher focused on the theoretical scope of the study. Deliberations were made on the contributions that have been brought up by numerous scholars around the concepts of digitalisation and short-term insurance. The chapter provides a critical insight into the subject under investigation through a review of key concepts, models and theories related to the themes of digitalisation and short-term insurance. In this literature review section of the study, the researcher also analysed previous findings on the subject matter as a way of putting the findings of this study in perspective. A conceptual framework that prescribes a pathway for the study was also conceived in this chapter.

2.2. Insurance and Insurance broking

Insurance has been defined as a form of risk management in which the protected exchanges the expense of potential misfortune known as the premium to another entity in return for money related remuneration (Andrew, 2019). Its origins can be found in trade usages that existed in Rome to provide risks that were attached to sea transport. In Zimbabwe, an insurance contract might legally hold the insurer liable for the losses and risks that the insured may happen to suffer in return for the payment of premium, and upon the happening of an insured event to pay the insured or a third beneficiary party an insurance indemnity or an amount in cash (Mukayami, 2016).

Thus, insurance offers financial protection from known risks occurring or exposed within a stated period. Insurance is an exceptional product in that a definitive expense is normally obscure until long after the scope time frame. Insurance is therefore a risk-sharing arrangement. Within the legal context, an insurance contract is a reciprocal contract between an insurer and insured wherein the insurer undertakes to pay the insured an amount of money or its equivalent, in exchange of payment of a monetary premium should the risk

borne by the insurer on behalf of the insured materialises by the happening of an event in which the insured has an interest (Manning, et al., 1985).

All the afore-given definitions subscribe to the fact that insurance is an agreement entered into by both the insurer and the insured that in the event of the later having suffered a loss, the former will indemnify the insured in return for a price that is premium. It can therefore be concluded that insurance is a risk transfer mechanism with the misfortunes of a few borne by many in return for a price. Therefore, an insurance broker sells, solicits, or negotiates insurance for compensation. In Zimbabwe, there are numerous insurance brokers especially within the short term insurance band. Like all other industries, they face a number of challenges as well as threats.

2.3. Short-Term Insurance

This branch of insurance specialises in insurance for objects and other tangible properties other than human life such as property, motor, buildings and liabilities that may arise as a result of the use of such. Insurance contracts in nonlife insurance normally run for the time of a year however it can be workable for cover to surpass a year (Geiss and Geiss, 2015). Nisism (2010) takes this type of insurance as an agreement that provides protection against harm to or loss of property caused by various perils, such as fire, damage or theft, legal liability resulting from injuries to other persons or damage to their property, losses resulting from various sources of business interruption, and or losses due to accident or illness. Ohlsson and Johansson cited in Gitau (2015) denote short term insurance as a contract that provides financial protection against harm to people, loss or damage to property and other assets. Short-term insurance is insurance that can be purchased for a short period of time usually up to a year; it is meant to meet the temporary insurance needs of those who purchase it. The main difference between short-term and long-term insurance is simply how long a contract will last. Short term insurance refers to insurance for the possessions that an individual owns, and is usually taken out for your home, the contents in your home, and car.

There are many players in the Zimbabwean insurance industry like in any other country and these include reinsurers, insurers, reinsurance brokers, insurance brokers, loss assessors as well as agents who all play an important role in the provision of insurance to

the general public. Zimbabwe's insurance industry is similar to that of Kenya where there are insurance companies, reinsurance companies, intermediaries such as insurance brokers and insurance agents, risk managers or loss adjusters and other service providers (IRA, 2010). Non-life insurance products include medical, fire, property, theft, liability, agricultural, aviation and marine insurance, among others (AKI cited in Gitau, 2015). According to the IPEC (2015), the following classes of business are underwritten in the insurance industry of Zimbabwe: motor, marine, fire, health, farming, aviation, liability, accident, miscellaneous accident, hail, bonds and guarantee, engineering and hire purchase.

2.4. Digitalisation

Digitalisation is the use of digital technologies to change a business model and provide new revenue and value-producing opportunities; it is the process of moving to a digital business (Manning, et al., 1985). Digitisation is of crucial importance to data processing, storage and transmission, because it "allows information of all kinds in all formats to be carried with the same efficiency and also intermingled (Terry, 2008). Though analogue data is typically more stable, digital data can more easily be shared and accessed and can, in theory, be propagated indefinitely, without generation loss, provided it is migrated to new, stable formats as needed. This is why it is a favoured way of preserving information for many organisations around the world.

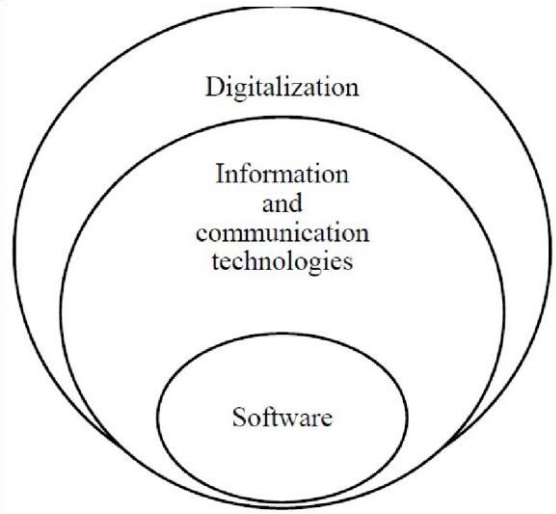


Figure 2-1: Levels of Digitalisation

Source: (Manning, *et al.*, 1985)

Ingleton *et al.* (2014) describe digitalisation in a narrow way and in technical terms such as the availability of digital data: every detail of life is stored in interconnected databases, resulting in a real-time exchange of information. With a broader focus on the business consequences, Tischhauser *et al* (2011) characterise digitalisation as the use of new technologies to industrialise and automise processes, to change the communication between customer and insurer, and to generate and evaluate new data. Hiendlmeier and Catlin (2010) describe digitalisation as a combination of different components. Whereas Hiendlmeier and Hertting (2017) determine analytics, processes, business impact, technology, mobility and data as the six components of digitalisation, Muller et al (2011) also consider a digital customer experience and customer centricity in their definition. Back *et al* (1999) offer the broadest definition, comprising strategic and cultural elements: the digital transformation is characterised by the changes in corporate strategy, business model, processes and corporate culture caused by technologies with the aim of enhancing competitiveness (Radwan, 2016).

The writer opts for a middle way between the broad and narrow definitions and defines digitalisation for the purpose of this paper as; the integration of the analogue and digital worlds with new technologies that enhance customer interaction, data availability and business processes. This definition and the discussions in this paper focus on the economic consequences of digitalisation, but digitalisation goes beyond economics; for instance, the societal consequences such as the change in human behaviour or the ethical frontiers of digital monitoring must be considered.

2.4.1. Categories of Digitalisation

In the table 2.1, we can identify three broad categories of change in the insurance industry: (1) new technologies change the way insurers and customers interact (for example, social media, chatbots and robo-advisor); (2) new technologies can be used to automatise, standardise and improve the effectiveness and efficiency of business processes (for example, online sales, digital claims settlement); and (3) new technologies create opportunities to modify existing products (for example, telematics insurance) and to develop new ones (for example, cyber insurance).

Table 2-1: List of digital technologies

Technology	Explanation
Panel A: Technology for data acquisition and analysis	
Artificial intelligence	• Science and engineering of making intelligent machines • AI covers the process of analysing (big) data (e.g. with machine learning methods) and automated decision making based on that data
Big data	• Large (partly unstructured) data, which are, for example, generated by telematics devices, social networks, or other internet sources • Different data types (e.g. text, audio, video) from many data sources
Internet of things	• Connected world; every element sends and receives information through sensors • Sub-topics: telematics devices, smart home, smart factory
Panel B: Technology for data storage	
Blockchain	• Decentralised database of all digital transactions among participants • Contracts could be stored and automatically executed (smart contracts)
Cloud computing	• Files stored online and therefore accessible anywhere at any time
Panel C: Technology for communication and sales	
Mobile devices with apps	• Smartphones/tablets with their applications replace desktop computers • People are always online as a result of mobile internet access
Chatbots	• Software that uses artificial intelligence to advise or support customers • Communication usually via webpage or apps with built-in chat programs
Robo-advisors	• Automated asset management • Customers determine the riskiness of their assets, and an algorithm trades automatically
Social network (Facebook)/ messenger(WhatsApp)/internet forum	• Platforms for private persons and organisations to share information (statements, pictures, videos) • Messenger services have replaced text messages and are starting to get more attention than social networks

	• Internet forums provide an easy way to get help for frequently asked topics
Video calls (Skype, Facetime)	• Visual phone call, where you can see and interact with others and present sales material
Video platforms (YouTube, Vimeo)	• Videos with a wide variety of topics (instruction manuals, entertainment, product testing, sports, etc.) shared on a platform in the internet
Website	• Insurers present various information on the company, the products, etc. • Insurers offer policies via websites

Source: Lehmann (2018)

2.4.2. Dynamics of digitalisation within the insurance industry

While digitalisation, the integration of the analogue and digital worlds with new technologies, has already substantially transformed many other industries, industry commentators believe that the transformation of the insurance industry has come rather late and that it has yet to exploit the full potential of digital technologies. Still, most market participants believe that digitalization will fundamentally change the value creation of this industry, with manifold new ways of customer interaction, new business processes, new risks, and new products (Masiyiwa, 2014).

Insurers' operating and business models are evolving, driven by trends such as a disaggregation of the insurance value chain, new product opportunities emerging from the sharing economy, and the trend of insurers providing value-added services as a means to differentiate their companies in a competitive market. Also digital tools that are creating greater market transparency and competition, and growth of direct channels in the small business market. The stream of new technologies finding applications in the insurance industry is also increasing every day. Blockchain, internet of things (IoT), Process Automation (RPA) are some of the key areas that have significant potential to streamline insurers' operations while enhancing customer experience. Likewise, augmented reality is being explored for applications beyond marketing in insurance.

The digital economy will make usage-based, on-demand and 'all-in-one' insurance lifestyle products more relevant. Customers will prefer personalised insurance covers instead of the one-size-fits-all products currently available. Flexible coverage options, micro insurance

and peer-to-peer insurance will become viable options in the long run. Reinsurers will provide risk capital directly to digital brands, and regulatory frameworks will accommodate shorter value chains. InsurTech firms have been showing significant growth in the areas of auto, home ownership and cyber insurance. Such strong growth will stimulate traditional insurers to either acquire technology capabilities or partner with InsurTech companies. With an increasing demand for innovative products and services from millennials, such collaboration will become a critical imperative.

Technological changes and the need for advanced technology are also buffeting the back office. Mobile and web-based customer interactions increase the potential for companies to use data analytics to customise and price products, yet integrating sales, operations and claims departments can prove difficult. Insurance has been slow in using technology to break down organisational silos and improve efficiency. In many insurance companies in developing countries, there is a lot of paperwork resulting in inefficiencies. Most companies have not digitised their filing processes making work slow and cumbersome. In Zimbabwe for instance, the increased growth in banking is largely due to automation. Lack of proper infrastructure often militates against the effective operation of insurance companies in Africa. Communication is often difficult due to bad roads and poor telecommunications (Nduna, 2013). This means high costs of doing business and limit the products being offered, and some of them becoming expensive. Therefore, the lack of technology in the insurance market has led to a lot of mistakes and hence a decrease in consumer confidence leading to a reduction in the uptake of insurance.

Over the past two decades, the global financial services industry has radically transformed, and technology has become the key driver. As the global industry continues this evolution, Zimbabwe has been playing catch up. But with over 15mn mobile customers and around six million internet users in 2018 alone, now is the time for Zimbabwe to fully embrace the technology conversation and leading companies will play a key role in this shifting landscape.

In this digital age, it is no longer good enough to satisfy the customer. A company has to go above and beyond to exceed the customer expectation and ensure that it is providing the greatest customer experience possible. In the insurance space, the customer journey begins

from the very moment they lodge a claim. From that moment, to the time insurers actually pay the claim, there are a series of touchpoints along the way. This digital journey is all about understanding and improving that customer experience. Companies that create exceptional customer experiences can really set themselves apart from their competitors and that's what insurers are striving for.

The challenge that comes with data capture, particularly as an insurer with millions of clients and customers, is turning that data into a real and quantifiable value. To this end, large insurers have implemented a number of dashboards that are readily accessible to all internal staff and advisors. Through these dashboards, insurers can dig deep into customer data to create a rounded picture of the customers and their behaviour in order to provide them with relevant services and solutions. Through data analytics insurers can really personalise their service offering for customers because not all customers will want the same insurance cover. The major challenge that Zimbabwean insurers have faced is getting everyone in the leadership team and all stakeholders to fully appreciate that this digital transformation is real and that we have to embrace this technology. This extends to the customers as well.

2.4.3. Digitalisation Technologies and Insurer's Value Chain

The first obvious impact on the value chain is the way insurance companies interact with their customers (for example, sales, customer service) and how they adapt to their behaviours. Whereas customers traditionally needed personal interaction (agent, broker, bank, etc.) for product information, today they get most information online and directly compare products and prices via aggregator platforms. Some products can be purchased online without any personal interaction. Also in later stages of the value chain, digital technologies such as apps offer assistance and support claim reporting (Radwan, 2016).

The second obvious change concerns the digitalisation of all processes along the value chain, leading to the automatisation of business processes (for example, automated processing of contracts, automated reporting of claims) and decisions (for instance, automated underwriting, claim settlement, product offerings). While transaction-intensive industries like health insurance are already widely using background processing, the use of Blockchain will trigger a further automatisation wave in the insurance industry.

Table 2-2: Impact of digitalisation on the insurer's value chain

Value chain process	Tasks Impact on the value chain	Tasks Impact on the value chain
Marketing	• Market and customer research: researching ideas for product development • Analysing target groups • Development of pricing strategy for product sales • Designing of advertisement and communication strategies	**Big data:** More data resources for better customer segmentation Better calculation of the customer lifetime value and cross-selling potential **Video platforms:** Use of videos for product explanations to (future) customers, company news, topics of asset management, regulations, etc. **Website, social networks, and messenger:** • Product information/advertisement, reputation management
Product development	• ''Manufacturing'' the products • Product pricing (actuarial methods) • Check legal requirements	**Blockchain:** • Smart contracts, e.g. Fizzy by AXA • More and better data allow the insurer to reorganize the risk pools and apply more risk-appropriate pricing **Internet of things:** • New products focusing on prevention or situational insurance, e.g. travel insurance at hotel check-in **Internet of things:** • New products focusing on prevention or situational insurance, e.g. travel insurance at hotel check-in
Sales	Customer acquisition, consultation Product sale After-sales	**Blockchain:** The CRM system can automatically be enriched with data from other data sources such as websites, etc. **Cloud computing:** Contract information stored digitally **artificial intelligence:** • Product sale can be automatically conducted via chatbot; for the customer,

		it is the same experience as chatting with a real human **Social networks and messenger (add Value):** • New acquisition channels: messenger, social media Video calls and mobile devices: • Sales location-independent through use of tablet, video calls, etc. **Website and apps:** • New information and sales channels, partly/fully automated • Some process steps done by the customer (e.g. data input)
Underwriting	• Application handling • Risk assessment • Assessment of the final contract details, if necessary ask for more information	**Artificial intelligence:** • New possibilities for risk assessment, e.g. through image or language processing **Blockchain:** • All information stored for automated underwriting **Cloud computing:** • Contract information stored digitally • More data for risk assessment (reduction of information asymmetry, ex post and ex-ante) **Internet of things:** • Telematics devices are used to get customers' data for risk and pricing calculation
Claims management	• Investigation of fraud • Claim settlement	**Artificial intelligence add value :** • Prevention of fraud through data analytics • Automated calculation and payout of the amount of damage **Blockchain:**

		• Storage of the information for the automated payout • Mobile devices with apps: • Customers file their claims via smartphone
Asset management	• Asset allocation • Asset liability management	**Blockchain:** • As a result of using one central database, transaction costs could decrease
Risk management	Analysis and management of all risks	**Artificial intelligence and big data:** • Automated decision-making, e.g. for risk transfer or automated reporting
IT	• IT procurement (hard-/software) and installation • IT service • IT support • IT development • Coordination of IT processes	**Internet of things:** • IT systems automatically report trouble and provide support to fix the problem IT development: • Processes have to be more flexible and the ‘‘time to market’’ has to be shorter
Controlling	Data capture and analysis Reporting Business-KPI measurement	**Blockchain:** • Digitized data makes it easy to generate automated reports • Technology will enable interactive reporting (selection of reporting data), dynamic reporting and real-time planning
Public relations	Press/investor management	• Shift from offline to online • New communication channels: social media, messenger, etc

Source: (Radwan, 2016)

Insurance companies need a workforce and tools to analyse large, often unstructured datasets which are generated by telematics devices, social networks, or other internet sources (for example, customer feedback, pictures, videos) (McKinsey & Company, 2018). Second, the use of big data raises legal and ethical questions. It is now discussing whether insurers should be allowed to use all of the generated data for decision making, how long they may store the data, and which actions insurers must take to protect the data (for example, against cybercrime). A third obvious impact is that digitalisation changes existing

products (for example, telematics insurance) and allows new product offerings (for instance, cyber risk insurance). Telematics devices are used in life/health and motor insurance to build smaller and more accurate risk pools and offer cheaper prices to good risks.

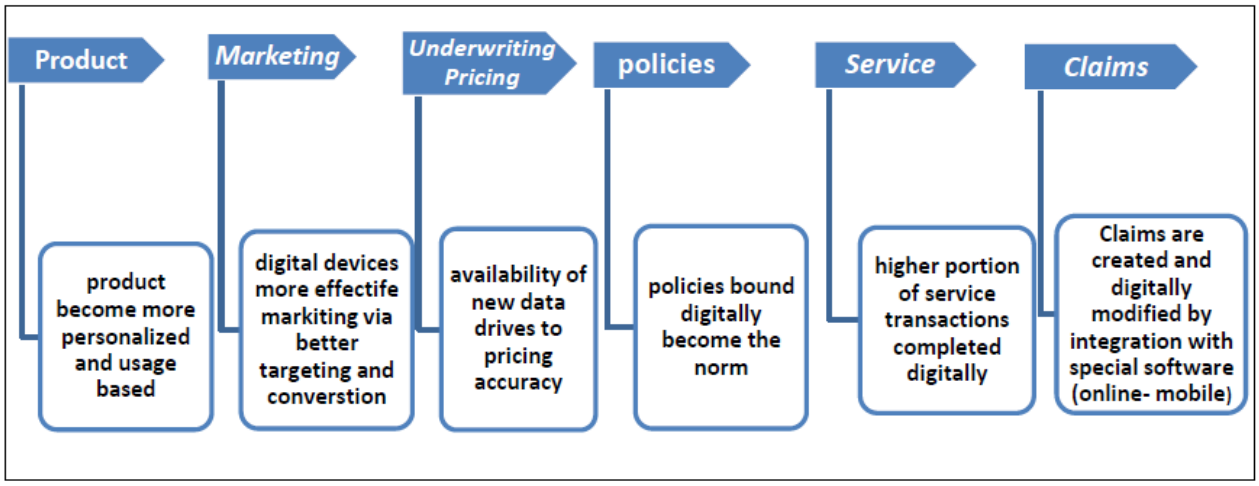


Figure 2-2: Transformation in many level on insurance industry

Source: Lehmann (2018)

The technological progress to date also makes it possible to underwrite risk which could not have been insured up to now. Furthermore, smart contracts, i.e. programs that automatically execute the claim payment under predefined conditions stored in the blockchain, have the potential to be fully digital and fully automatic products (Lehmann, 2018).

2.4.4. Options for insurers in response to digitalisation

If we consider all of the above discussions from a customer point of view, it seems that digitalisation has great potential to increase customer value by offering better products at lower prices. Furthermore, with better risk calculation and data, insurance companies could consult their customers regarding prevention measures, for example, warning a car driver in dangerous situations and thus reducing the number of claims. However, as long as the pooling of risks and the realisation of diversification in that pooling is not seriously affected by the digital transformation, the traditional insurance idea is not in question. The relevant question is more how to optimally organise this risk pooling. Should they do this as

integrated service companies that do the major part of the value creation by themselves, or in another, maybe less centralised way? At the time, the risk of losing major parts of the value chain to other industries seems rather low. But this could change quickly with new technologies (Manning, et al., 1985; Lehmann, 2018).

2.5. Empirical Studies on the relationship between digitisation and performance of insurers

Despite the fact that not very many researchers have touched on the subject matter of this study, it ought to be noted that this study is not the first of its kind. In this section, the researcher reveals and makes analysis of previous researches that are sufficiently similar to the current one. This is for the purposes of revealing the gap that is going to be covered by this study as far as digitalisation within the short-term insurance industry is concerned.

2.5.1. Digital Transformation in South Africa's Short-Term Insurance Sector: Traditional Insurers' Responses to the Internet of Things (IoT) and Insurtech (Andrew, 2019).

This article explores the impact of the internet of things (IoT) and insurtech on South Africa's short-term insurance industry. The research found, based on interviews with high-level players in or connected to the South African industry, that while IoT and insurtech are significant potential drivers, the country's incumbent insurers have to date been slow to adopt these digital transformation elements in their business models. This article outlines the drivers of IoT and insurtech, the factors influencing the slow adoption of these elements by traditional South African insurers, and recommendations for the adoption of these elements by South African insurers (Andrew, 2019). This study is of relevance to the research as it touches on how digital transformation, which in essence is digitalisation, affects the performance and consequently the future of short-term insurers. Nonetheless, the study will differ with this one mainly in relation to geographical delamination.

2.5.2. The Impact of Digitalisation on the Insurance Value Chain and the Insurability of Risk (Anon., 2017).

Secondly, is another research titled; The Impact of Digitalisation on the Insurance Value Chain and the Insurability of Risk (Anon., 2017). Based on a dataset of 84 papers and industry studies, the researchers analysed the impact of digital transformation. Since this research, in particular, was a desk-research based one, it offered vast literature to the

current research. Nonetheless, the research was not solely dependent on desk research. Thus, primary data collection will still be exercised.

2.5.3. The impact of digital transformation on insurance sales (Francois, 2014)

In the above-mentioned research, it was concluded that digitalisation can increase sales by as much as 10 to 15%. The research identified a number of areas in which digital technologies can increase sales. The most important drivers that were identified were cross-channel conversion rates and cross or up-selling from those traditional channels that represent most of the sales volume. Increases of this magnitude were found to be made possible by the beneficial compound effect of three associated initiatives to increase customer focus; leveraging technology to allow the insurer to be present at the 'moment of truth' when a customer experiences need, optimising the dynamic sales process, particularly by using call centres to convert digital sales leads and optimising sales by using new analytics-based, multi-variable testing technologies to create, among other things, a seamless multi-channel experience and to sell new digital services (Francois, 2014).

The overall conclusion was that; by combining all the drivers, digital transformation can increase sales by 10 percent and even more. The significance of the aforementioned study to the research is that if indeed its findings are true, it is also highly likely that the current study will establish that the emergency of digitalisation within the Zimbabwean insurance fraternity presents a bright future for short-term insurance brokers.

2.5.4. Digitalisation in Insurance Companies (Krzysztof, 2019)

Another research that will be considered is one titled; **Digitalisation in Insurance Companies**. The main idea of the article was to characterise the process of digitalisation in insurance companies through the implementation of information and communication technologies (ICT). This research examined the relationship between the expenses for information technologies of selected insurance companies and the results of their activity (Krzysztof, 2019). In a great way, this research is relevant to the current research.

2.5.5. The Impact of Digitalisation on the Insurance Value Chain and the Insurability of Risks (Lehmann, 2018)

In this empirical study, it was established that digitalisation changes the way insurers and customers interact (for instance, sales, customer service). Digitalisation and automatisation

influence all business processes (for example, automated processing of contracts) and the decision-making process, including the risk assessment (for example, automated underwriting with artificial intelligence and big data). Digitalisation changes existing products (for example, telematics insurance) and allows new product offerings (for example, cyber risk insurance). New information impacts information asymmetry (depending on who has access to the customer data) and risk pools, which will become smaller and more homogeneous. New technologies change loss frequency and severity (production and administration costs could decrease, but insured values could increase due to costlier built-in technology); new technologies could also increase dependencies through connectivity (cyber risks). Manifold legal and ethical questions arise (Which information should be used? Who is liable?). This study is significant to the current one specifically because it notes the actual ways and manners in which the insurance industry is affected by trends in technology and digitalisation.

2.5.6. The Impact of digital Technologies on Insurance Industry in light of digital transformation (Radwan, 2016)

This paper was concerned with the impact digital technologies have on insurance, and reflects on the contribution that insurance makes to the development of a digitized economy. The research was anchored on the basis that technology and new data sources are fundamentally changing the Egyptian economy and society, and promise to transform the insurance industry as well. It was established that digitalisation is widening the role of insurers from one primarily concerned with loss indemnification to a broader advisory service for insured's on how to prevent, mitigate and manage risks. That is to say, new technologies allow insurance to evolve from pure risk protection towards risk prediction and prevention. Underwriting, pricing, claims handling—all these processes could become more efficient thanks to digital technologies. But digital technologies also give rise to new challenges.

It was also established in this research that; the digital revolution has transformed the way companies interact with customers, creating an environment where marketing, information and technology must work together. As mobile and social networks increase in popularity, consumers are relying on smartphones and tablets to research, compare prices and buy products online – anytime, anywhere. Yet, customers expect the same intuitive and

streamlined experience from their insurance carriers as they do from their favourite app, search engine or online retailer. Insurance companies must adjust their business models and strategies to remain competitive and take advantage of potential wallet share.

The limitations of this study are stated due to the choice of methodology and focus of the problem researched. The study was focused geographically on Arabic countries; differences in purchasing behaviour mean that further studies are required in order to validate the conclusions in other countries.

2.6. Research Gap

From all the aforementioned empirical researches, a gap was released despite their relative similarities to the current study. None of the empirical studies was done in relation to the geographical delimitations of the current study. This raises the need to conduct a situational analysis to assess whether what was concluded in thee empirical studies also matches the situation in Zimbabwe's short-term insurance industry. Another gap is that all these empirical studies do not attempt to predict the future of insurers in light of digitalisation. The current study seeks to assess the current dynamics and, unlike all the previous studies explored, predict the fate of Zimbabwean insurers.

2.7. Future Research

Further study should be conducted to establish, in real value monetary terms, how much digital transformation, in monetary value, contributes to the insurance industry's overall performance. Likewise, further research should be conducted to look into the extent to which digitalisation and short-term insurance brokers' performance can be linked to the overall performance of the economy. Further research may also explore other offshoots of digitalisation apart from the ones explored herein.

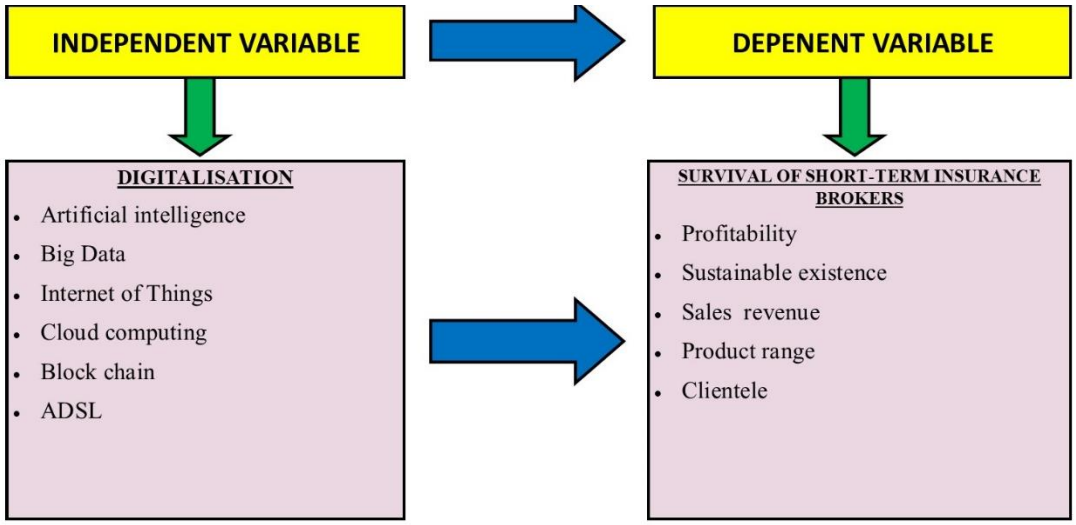
So far there has been little academic research on digitalization in the insurance segment. This seems surprising, given that digitalization and big data offer enormous potential for empirical research. One example is the increasing use of telematics devices in motor insurance. How does telematics insurance affect driving behaviour? If a risk reduction can be observed empirically, is it a result of less moral hazard or of adverse selection? How can we separate the two? To our knowledge, the few academic studies that exist have not

analysed empirically the impact of telematics insurance on both moral hazard and adverse selection

2.8. Conceptual Framework

The research was meant to test the relationship that exists between digitalisation and short-term insurance brokers' performance and survival. To allow for the attainment of this prime objective, the researcher considered a conceptual framework, which the research followed and endeavoured to prove. The conceptual framework shown in Figure 2.5 reveals that digitalisation as composed of its elements namely likely enhances the survival chances of insurers. This assumed proposition is what the researcher looked into to test how far it is factual.

Figure 2-3: Conceptual Framework



Adapted from Andrew (2019)

2.9. Chapter Summary

The chapter discussed issues relating to digitalisation and the performance of the short-term insurance industry. The researcher managed, in the chapter, to point out some previous related studies which were which found to bear relevance to the current study. Key definitions, concepts and philosophies surrounding the notions of short-term insurance and digitalisation were explored. This chapter shaped the basis for the formulation of a methodological compass of the study. Accordingly, next chapter covers study methodology.

CHAPTER 3.

RESEARCH METHODOLOGY

The future of the insurance broking industry in a digitalised economy: A case of the Zimbabwe Short Term Insurance Industry

3.1. Introduction

In the previous chapter, the researcher explored different literature relevant to the study. In this chapter, the research methodology of the study was explored. According to Oni (2010), research methodology is used to describe all the methods involved in the collection of all information required for a study. Thus, this chapter essentially covered methods that were used in conducting this study. The chapter presented the research design, sampling methods and procedures, and data collection methods.

3.2. Research Design

Research design can be referred to as the overall strategy that one chooses to integrate the different components of the study in a coherent and logical way, thereby ensuring that the research problem and questions are addressed effectively; it constitutes the blueprint for the collection, measurement, and analysis of data (William, 2006). Research design is the structuring of investigation aimed at identifying variables and their relationship to one another (Gorard, 2013; Keen & Peter, 2014). This is used for the purpose of obtaining data to enable the researcher test hypothesis or answer research questions. It is an outline or scheme that serves as a guide to the researcher in his effort to generate data for his study.

This study followed an exploratory research design which, according to Creswell (2012), seeks to generate hypotheses by examining a data-set and looking for potential relations between variables of a particular subject. The research was based on both quantitative and qualitative approaches. Quantitative research refers to the systematic empirical investigation of social phenomena and involves secondary data analysis via statistical, mathematical, or computational techniques whereas qualitative research is a method of inquiry employed in many different academic disciplines (Taylor and Bogdan, 1984).

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This study followed an exploratory research design which, according to Creswell (2012), seeks to generate hypotheses by examining a data-set and looking for potential relations between variables of a particular subject. The research was based on both quantitative and qualitative approaches approach (Cooper & Schindler, 2013). Quantitative research refers to the systematic empirical investigation of social phenomena and involves secondary data analysis via statistical, mathematical, or computational techniques whereas qualitative research is a method of inquiry employed in many different academic disciplines (Taylor & Bogdam, 1984).

3.4. Population and Sampling

In this section of the research, the research's target population as well as the sample frame and sampling tools are presented.

3.4.1. Target Population

Target population in this study is restricted to staff members of insurance broking organisations in Harare and Bulawayo, Zimbabwe. Taking practicality into consideration, a population frame of five hundred and eighty-five was methodically established wherefrom a feasible sample was drawn.

3.5. Sampling

Stratified random sampling was used in selecting the sample. Stratified sampling allowed for representativeness and the understanding of each strata and its unique characteristics. Stratified sampling also allows for comparison of different strata (Maxines & Trudy, 2008;

Saunders & Lewis, 2007). Thus, stratified sampling was found to be ideal as it ensured that sub-populations were represented in the sample, in this case, young and old, male and female respondents. Furthermore, non-probability sampling was also practised spontaneously to take advantage of participants available. In this regard, the researcher used purposive sampling in some cases.

3.3.1 Sample size

According to Amedeho (2002), a sample size between 5-30% is ideal to represent the entire population hence the sample size of 43 was found to be adequate for this research.

Table 3.1: Research Sample

Strata	Sub-Strata	Population Frequency N	Multiplier Factor	Sample Size n	Percentage
Top Level Employees	Male	69	0.3	21	12%
	Female	61	0.3	18	10%
Middle Level Employees	Male	135	0.3	41	23%
	Female	120	0.3	36	20%
Lower Level Employees	Male	106	0.3	32	18%
	Female	94	0.3	28	16%
Total		**585**	**0.3**	**176**	**100%**

Source: Researcher's own derivative. (202)

Table 3.1 displays that out of a sample frame of 585, a sample size of 176 was shaped through the use of stratified sampling, wherein three strata were considered and the multiplier factor for sampling was 0.3. Out of a population frame of 585 Bulawayo as well as Harare based insurers' employees, a sample of 176 was chosen based on the percentage method, representing 30% of the population.

3.6. Data Collection Techniques

Data collection is the process of gathering and measuring information on targeted variables in an established systematic fashion, which then enables one to answer relevant questions and evaluate outcomes. The data collection component of research is common to all fields

of study including physical and social sciences, humanities and business (Taylor & Bogdam, 1984; Semeni, 2000). While methods vary by discipline, the emphasis on ensuring accurate and honest collection remains the same. The goal for all data collection is to capture quality evidence that then translates to rich data analysis and allows the building of a convincing and credible answer to questions that have been posed.

This study made use of both secondary and primary data as defined earlier in the research design. The following subsections sub-sections explain the data gathering techniques in the context of the particular type of data to which the technique relates, these are secondary and primary data. Initially, the data type is explained and consequently the relative gathering techniques.

3.6.1. Secondary Data

Secondary data refers to data that was collected by someone other than the user and for a different purpose from the current (Cooper & Schindler, 2013; Bryman, 2008). Secondary data is generally gathered from existing sources or documents. As such, secondary data in the study was in respect of annual financial statements and disclosed information by the selected institutions.

3.6.2. Primary Data

Data is said to be primary if it has not been subjected to processing or any other manipulation before (Zikmund & Babin, 2013; Gorard, 2013; Schummer & Robertson, 2009). Thus, primary data in this case refers to the data that was collected from specific individuals on their opinions in respect of questions to assess the future of the Zimbabwean short term insurance industry in the context of digitisation. These questions were asked through the administering of questionnaires. The following portion explains everything about these questionnaires.

3.6.2.1. Questionnaires

One of the key research tools that was used in this research is the questionnaire. A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents (Gault; 1907). In agreement with the above notion, Foddy (1994) postulated that a questionnaire is a formulated

schedule used to obtain and record specified and relevant information with tolerable accuracy and completeness.

In this research, the use of questionnaires allowed for the collection of large amounts of information from a number of people in a short period of time and in a relatively cost effective way. More so, the results of the questionnaires were quickly and easily quantified by the researcher. The advantage sought was that questionnaires can be analysed more 'scientifically' and objectively than other forms of research.

However, questionnaires have their own shortcomings. It was noted that open-ended questions can generate large amounts of data that can take a long time to process and analyse. To counter this, the researcher minimised the answering space that was available to respondents to render their responses in brief. This was attained by the use of closed questions which only require a yes or no, and ticking in a box which represents the respondent’s answer to an asked question.

Also, respondents may answer superficially if the questionnaire takes long to complete. Bearing this in mind, the questionnaire for this study was made short and only questions which would help in fulfilling the objectives of the study were asked through a few demographic related questions will be also included. In a bid to enhance accuracy of the data collected, given these shortcomings of questionnaires especially the fact that some respondents might even answer inaccurately attempting to keep certain information confidential, secondary data was used to strengthen the authenticity of the results.

3.7. Data presentation and analysis tools

Analysis of data is the process of inspecting, cleaning, transforming, and modelling data with the goal of discovering useful information, suggesting conclusions, and supporting decision-making (Black, 2010). Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names, in different business, science, and social science domains.

3.7.1. Tables, Bar Graphs and Pie Charts

The researcher used tables, graphs and pie charts to analyse and present the data that was collected. Tables effectively order and summarise the quantitative data. They are used to

arrange facts and figures in columns and rows (Ojo, 2011). These facts and figures can be systematically examined. A pie chart is a circular statistical graphic, which is divided into slices to illustrate numerical proportion. A bar chart or bar graph is a chart that presents grouped data with rectangular bars with lengths proportional to the values that they represent.

3.7.2. Percentages

Percentages were used in translating frequency counts into percentages. These percentages were used to show the distribution of respondents according to their responses (Black, 2010). Data gathered through questionnaires was captured into the SPSS software for analysis. Basically, in respect of this data, percentages of respondents with concurring responses was computed and the significance of a particular response was thus analysed to draw inferences on what impact digitalisation has on the likely performance of short-term insurance brokers.

3.8. Ethical considerations

The researcher recognised that the research could not be effectually conducted without making any ethical considerations. Ethical Considerations are one of the most vital fragments of the research. According to Bryman and Bell (2012) the following ten principles of ethical considerations have been compiled as a result of analysing the ethical guidelines of nine professional social sciences research associations and these are duly observed:

- Research participants should not be subjected to harm in any ways whatsoever;
- Respect for the dignity of research participants should be prioritised;
- Full consent should be obtained from the participants prior to the study;
- Protection of the privacy of research participants has to be ensured;
- Adequate level of confidentiality of the research data should be ensured;
- Anonymity of individuals and organisations participating in the research has to be ensured;
- Any deception or exaggeration about the aims and objectives of the research must be avoided;

- Affiliations in any forms, sources of funding, as well as any possible conflicts of interests have to be declared;
- Any type of communication in relation to the research should be done with honesty and transparency;
- Any type of misleading information, as well as representation of primary data findings in a biased way must be avoided.

In pursuit of addressing these ethical considerations in an effective manner, there was voluntary participation of those who aided in the research. The use of offensive, discriminatory, or other unacceptable language needs was avoided in dealing with stakeholders. Also, acknowledgement of works of other authors was used in this dissertation with the use of Harvard referencing system. There was constant maintenance of the highest level of objectivity throughout the research; objectivity in consistency with the ethical considerations listed above.

3.9. Chapter Summary

This chapter gave details regarding the methodology that was employed in this study. The population, sample, data collection techniques, data analysis procedures, data presentation techniques as well as ethical considerations were put across. The following chapter (Chapter 4) dealt with the presentation and analysis of collected data.

CHAPTER 4.

DATA PRESENTATION AND ANALYSIS

The future of the insurance broking industry in a digitised economy: A case of the Zimbabwe Short Term Insurance Industry

4.1. Introduction

In the previous chapter, stress was exerted on issues relating to the design of the study and the research methodology that was used plus the data collection techniques that were utilised. The main objective of this study was to establish the relationship between digitisation and the general performance of short-term insurance brokers. Thus, this chapter reported on the findings from the correlation tests that were carried out. Precisely, this chapter presented data that was collected as well as the research findings based on the performed two types of analysis which are qualitative and quantitative analysis.

4.2. Data Presentation and Analysis

Under this subsection of the chapter, the writer gave a detailed analyses and presentation of the research outcome starting off with the response rate.

4.2.1. Response Rate

Response rate (also known as completion rate or return rate) in survey research refers to the number of people who answered the survey divided by the number of people in the sample (Creswell, 2012). This implies that the response rate gives an insight on the turn-out and compliance of respondents during a research. The response rate to research instruments that were used in this research is revealed hereunder.

Table 4-1: Response Rate

Strata	Questionnaires Distributed	Questionnaires Responded to and Returned	Response Rate%
Top Level Employees	39	39	100%
Middle Level Employees	77	77	100%

Lower Level Employees	60	60	100%
Total	**176**	**176**	

Source: Primary Data ((2021)

The response rate (100%) is an estimably high feedback rate; it gives greater confidence in the research findings. Recommendations of this study are in this regard reliable as they were sourced from a well-responded to research instrument. According to Robertson (2009) any response rate from 50% is acceptable as it fundamentally gives a picture of the reality that would be discovered if response rate is one hundred percent.

In this following sub-section(s), the researcher presents and analysis, comprehensively, the responses to various questions that were responded to by respondents. Responses are presented in sections as per the structure of the questionnaire.

4.2.2. Section A: Socio-Demographic Profile of Respondents

The first section of the questionnaire focused on the socio-demographic profiles of the respondents. This section's aim was to acquire an understanding of nature of distribution across such demographic dimensions as age, sex amongst others.

4.1.1.1. Respondents Age Distribution

Another socio-demographic aspect that was incorporated in the first section of the questionnaire was age. In this regard, six classes were considered, namely; the 'below 18' class, the '18-25' class, the '26-35' class, the '36-45' class, the '46-55' class as well as the '55 and above' class.

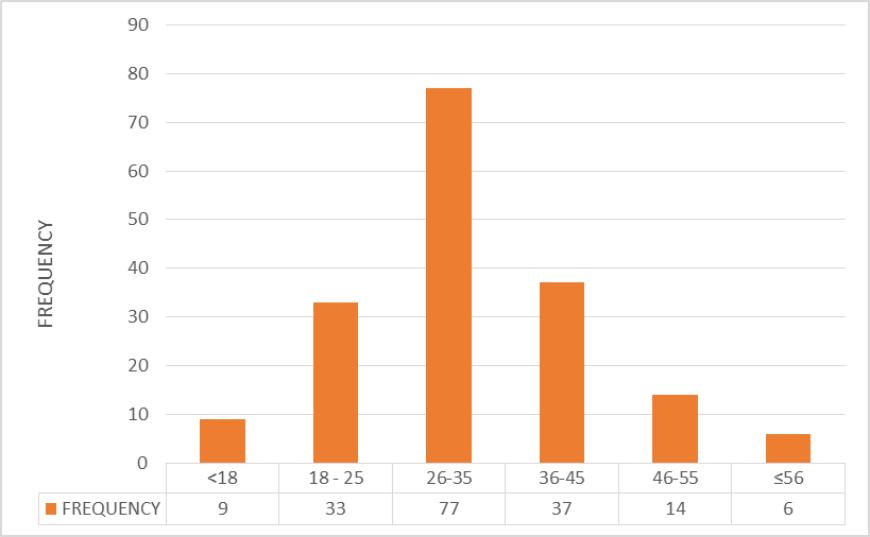

Figure 4-1: Age Distribution of Respondents

Source: Primary Data (2021)

Figure 4.1 exhibits that 9, 33, 77, 37, 14 and 6 amongst the respondents belonged to the 'below 18' class, the '18-25' class, the '26-35' class, the '36-45' class, the '46-55' class as well as the '55 and above' class in respect of age, respectively. It was noted that significantly way more than half of short-term insurance companies' employees who participated in the research belonged to the '26-35' and the '36-45' age brackets. This distribution reveals a normal distribution thus the respondents of the research are not skewed towards a certain age group but balanced. This places better confidence in the results of the study.

4.2.2.1. Respondents' Gender Distribution

In order to get more information on the socio-demographics of the respondents, question number three of the questionnaire required them to reveal their gender.

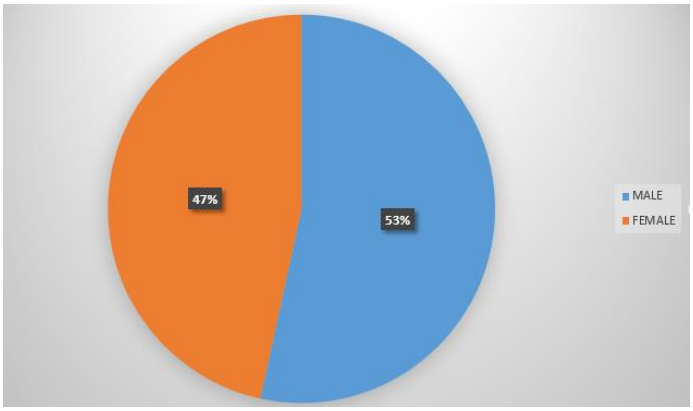

Figure 4-2: Respondents' Gender Distribution

Source: Primary Data (2021)

Figure 4.2 reveals that 94 (53%) and 82 (47%) of the total 176 respondents were males and females, respectively. This is arguably a well-balanced gender distribution.

4.2.2.2. Respondents Educational Levels

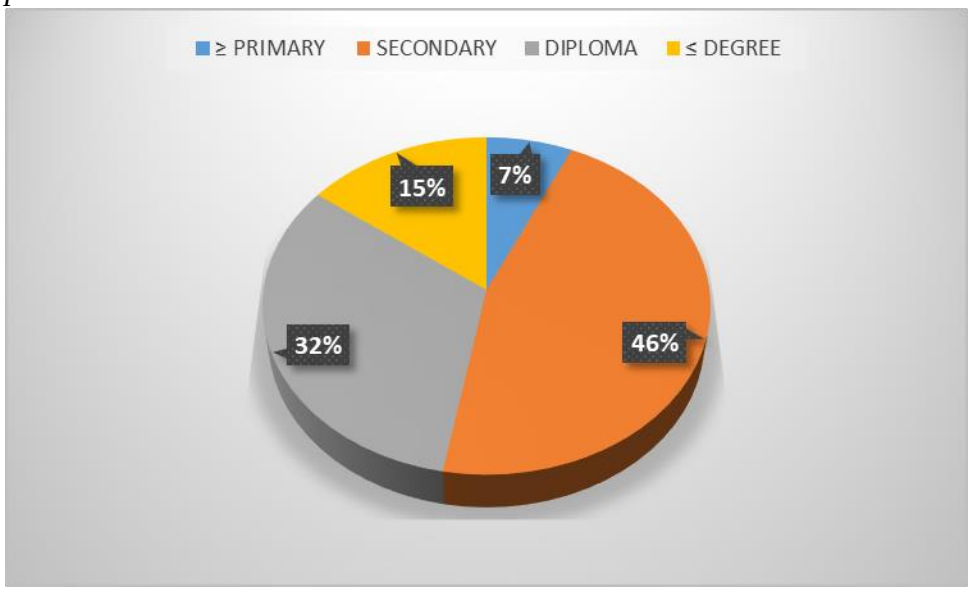

Figure 4-3: Educational Levels of Respondents

Source: Data Analysis (2021)

Figure 4:3 reveals that; of the 176 respondents that participated in the research, 7% had primary education as their highest level of education, 46% had managed to go up to secondary school, 32% had reached the tertiary diploma stage and lastly, 15% had at least a college degree. The researcher deduced that respondents of the research were arguably

literate enough to understand the research questions. Thus, the research's results can be relied upon on this basis.

4.2.3. Section B: Dynamics of Digitisation in the Context of the Zimbabwean Short-Term Insurance Broking Industry

Section B of the research's questionnaire that was administered focused on the dynamics of digitisation in the context of the Zimbabwean short-term insurance broking industry. Questions under this section were sought to address the research's first sub-question and first sub-objective as outlined in the first chapter. The study's first research question had to do with the extent of digitalisation and adaptation to technology in the Zimbabwean short term insurance sector and the key challenges thereof.

4.2.3.1. Responses to question 5

Under section B, the Question 5 called for the respondents to rate the performance of short-term insurance brokers within the Zimbabwean in terms of their levels of embracing digitisation.

Table 4-2: Responses to question 5

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Poor	3	1.7	1.7	1.7
	Below average	26	14.8	14.8	16.5
	Good	81	46.0	46.0	62.5
	Very Good	50	28.4	28.4	90.9
	Outstanding	16	9.1	9.1	100.0
	Total	176	100.0	100.0	

	N	Minimum	Maximum	Mean	Std. Deviation
Digitisation	176	1	5	3.28	.887
Valid N (listwise)	176				

Source: Primary Data (2021)

Table 4.2 reveals statistics that 3 (1.7%) gave a ***poor*** rating, 26 (14.8%) gave a ***below average*** rating, 81(46%) gave a ***good*** rating, 50 (28.4%) gave a ***very good*** rating and 16 (9. 1%) gave an **outstanding** rating on performance of Zimbabwean short-term insurance brokers' performance on embracing digitisation. The mode response is '***good***'. The mean

response, as shown in the table, was **3.28** which is slightly better than the response; '***good***' but not at the level of the response; '***very good*****'**. This could entail that Zimbabwean short-term insurers have, in one way or the other, fairly embraced digitalisation but no to so great an extent. Nonetheless, to further assess the levels to which Zimbabwean short-term insurance brokers have embraced digitisation, the researcher went on to further breakdown the facets of digitisation and required respondents to rate their own organisations on each aspect of digitisation.

4.2.3.2. Responses to question 6

Respondents were given a set of three (3) key facets of digitisation and asked the question; how frequent does your insurance organisation, in particular, embrace the following digital technologies? This was meant to look in to the extent to which each individual organisation explored embraced the digitisation concepts of;

a) **Technology for data acquisition and analysis:** Artificial intelligence, Big data, Internet of things,
b) **Technology for data storage:** Block-chain, Cloud computing and
c) **Technology for communication and sales:** Mobile devices with apps, Chat-bots, Robo-advisors, Social network, Video calls, Video platforms, Website

The responses, which were rated in terms of regularity of usage, ranged from ***never*** to ***always***. Where ***always*** represents the highest level of embracing a given facet of digitisation.

Table 4-3: Responses to Question 6(a): Levels of embracing Data Acquisition Technologies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never	22	12.5	12.5	12.5
	Rarely	74	42.0	42.0	54.5
	Sometimes	61	34.7	34.7	89.2
	Often	15	8.5	8.5	97.7
	Always	4	2.3	2.3	100.0
	Total	176	100.0	100.0	

Source: Primary Data **(2021)**

Table 4.3 reveals the different levels to which each of the respondents' organisation embraced data aqcuisition technologies which are a facet of digitisation. The table reveals that a cumulative percentage of 89.2% ranged between the usage of 'never' to sometimes'. This clearly suggests that most short-term insurance brokers within the Zimbabwean context embrace data acquisition technologies to a lesser extent. 8.5% and 2.5% represented the respondents whose companies ranged between 'often' and 'always' in terms of their usage of data acquisition technologies such as artificial intelligence ig data as well as the internet of things. It is evident that there is still a long way to go in terms of embracing this key facet of digitisation on the part of Zimbabwean short-term insurance brokers.

Table 4-4: Responses to Question 6(b): Levels of embracing technologies for data storage

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never	8	4.5	4.5	4.5
	Rarely	38	21.6	21.6	26.1
	Sometimes	78	44.3	44.3	70.5
	Often	38	21.6	21.6	92.0
	Always	14	8.0	8.0	100.0
	Total	176	100.0	100.0	

Source: Primary Data **(2021)**

Unlike in the case of data acquisition technologies, Zimbabwean short term insurers seem to be doing better in terms of their usage of technologies for data storage. 44.3%, 21% and 14% of the respondents at least indicated an average usage or better of technologies for data storage. Nonetheless, a significant portion of the respondents, totaling to a cumulative percentage of 26.1% also indicated poor levels of embracing data storage technologies which most under this category mentioning rare usage of this digitisation facet. Later in this topic, this embracing of a digitilisation, or lack thereof, facet was examined to assess the extent to which it influences the future of short-term insurance brokers in terms of their survival.

Table 4-5: Descriptives to questions 6(a) up to 6 (c).

		Data acquisition technology	Data storage	Communication and Sales
N	Valid	176	176	176
	Missing	0	0	0
Mean		2.46	3.07	3.95
Median		2.00	3.00	4.00
Mode		2	3	4
Percentiles	25	2.00	2.00	3.00
	50	2.00	3.00	4.00
	75	3.00	4.00	5.00

Source: Primary Data **(2021)**

Figure 4.5 reveals a summary of the descriptive statistics of the respondents' responses to questions 6(a) up to 6(c). As exhibited, the mean(s) indicating insurance brokers' level of embracing data acquisition technologies, technologies for data storage as well as technologies for communication and sales are 2.46, 3.07 and 3.95 respectively. Thus, Zimbabwean short-term insurance brokers often use technologies for communication and sales, sometimes use data storage technologies and rarely use data acquisition technologies. These combined reveal the general level to which the embrace digitisation can be analysed by getting the average of the three levels which results to 3.16. According to the likert scale that was provided in the questionnaire that was administered, this entails that Zimbabwean short-term insurers '*sometimes*' use digital technologies. Thus, their usage of digital technologies is average.

4.2.3.3. Responses to question 7

The last question on section B of the questionnaire that was distributed was; what challenges are faced by Zimbabwean short-term insurers in pursuit of digitisation? Respondents were required to indicate the extent to which they agreed with the fact that each of the given phenomena presented challenge to short-term insurance brokers in their quest of embracing digitisation.

Table 4-6: Reponses to Question 7: challenges are faced by Zimbabwean short-term insurers in pursuit of digitisation

			Connectivity Infrastructural Underdevelopment	A Large Rural Population	Cybercrimes	Government Policies And The Political Landscape
N		Valid	176	176	176	176
		Missing	0	0	0	0
	Mean		4.16	4.23	2.1	3.21
	Median		4.00	4.00	2.00	3.00
	Mode		2	3	2	3

Source: Primary Data (2021)

Table 4.6 showing results of the research reveals that; a significant proportion of the respondents were in agreement with the notion that connectivity and infrastructural underdevelopment presented a challenge in digitising insurance services in Zimbabwe. Same applies to the idea that; a large rural population presents a challenge in digitising insurance services in Zimbabwe. In relation to whether cybercrimes presented a challenge in digitising insurance services in Zimbabwe, respondents disagreed. This was exhibited by a mean response of 2.1 which according to the likert scale provided represents disagreement. Respondents' were undecided on whether government policies and the Zimbabwean political landscape presented a challenge in digitising insurance services in Zimbabwe. This was indicated by a mean response of 3.21 and further exhibited by a mode of 111 marking on 'undecided'.

4.2.4. Section C: Role of Digitisation in the Insurance Broking Value Chain

The following section reveals the role that is played by digitisation in the insurance value chain as given by the respondents' responses to the various parts of question 8.

4.2.4.1. Responses to question 8

To allow for the aforementioned assessment, respondents were asked to indicate the extents to which the aggreed to statetements to do with how digitisation affects or impact the following insurance value chain facets; product development, marketing, underwriting pricing, policies, service and claims.

Table 4-7: Responses to Question 8(a) Digitisation effects on Product Development

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	10	5.5	5.7	5.7
	Undicided	30	16.4	17.0	22.7
	Agree	52	28.4	29.5	52.3
	Strongly Agree	84	45.9	47.7	100.0
	Total	176	96.2	100.0	
Total		176	100.0		

Source: Primary Data (2021)

In respect to the value chain, the first assertion that respondents' were asked to affirm their level of agreement was that; as a result of digitisation, product becomes more personalized and usage based. Table 4.7 exhibits that most (73%) of the respondents at least agreed with the notion.

Table 4-8: Responses to Question 8(b): Digitisation effects on Marketing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	1.1	1.1	1.1
	Disagree	7	3.8	4.0	5.1
	Undicided	57	31.1	32.4	37.5
	Agree	41	22.4	23.3	60.8
	Strongly Agree	69	37.7	39.2	100.0
	Total	176	96.2	100.0	
Missing	System	7	3.8		
Total		183	100.0		

Source: Primary Data (2021)

The second value chain aspect that was explored is marketing. The statement that respondents were required to state their level of agreement on was that; digitisation leads to better targeting and conversation. Table 4.8 shows that a cumulative percentage of a mere 37.5% were undecided or worse. Thus the remaining overwhelming percentage agreed with the statement that digitisation leads to better targeting and conversation in terms of marketing.

Table 4-9: Responses to Question 8(c) Digitisation impact on underwriting pricing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	2.2	2.3	2.3
	Disagree	8	4.4	4.5	6.8
	Undicided	65	35.5	36.9	43.8
	Agree	36	19.7	20.5	64.2
	Strongly Agree	63	34.4	35.8	100.0
	Total	176	96.2	100.0	
Missing	System	7	3.8		
Total		183	100.0		

Source: Primary Data (2021)

Table 4.9 shows that 55% of the respondents agreed or better with the idea that digitisation directly led to availability of new data drives to pricing accuracy. Thus, digitisation proved to has a positve impact on underwriting and pricing within the insurance industry.

Other statements that the respondents strongly agrreed to with overwhelming percentages included; policies bound digitally become the norm, as a result of digitisation, a higher portion of service transactions completed digitally and that when digitisation is embraced, claims are created and digitally modified by integration with special software.

4.2.5. Section D: The Future of Short Term Insurers In The Face of a Dynamic Insurance Market

The last section of the questionnaire focused on predicting the future of short-term insurers in the face of a self-digitising business environment.

4.2.5.1. Responses to question 9

Question 9 of the research instrument under section D required respondednts to assert their level of aggreement to the statement; I foresee my organisation existing and surviving in the next five years even in the face of a highly digitising business environment. This statement was seen as a good reflector of the current performance of the respondents organisations and hence a good predictor of survival chances as well. Due to this, results from responses to question 9 were used for correlational purposes together with responses to question 6(a) up to 6(c) to present the impact of digitalisation to the survival and purformance. Later in this section, results to this regard were presented.

4.1.1.1. Responses to question 10: Strategies for Zimbabwean Insurance Brokers

The last and final question of the questionnaire that was administered required respondents to suggest strategies that could be employed to sustainably improve the overall business performance in your insurance organisation particularly in the face of a highly digitalising business environment. Notable strategies that were identified from the responses include, investing in infrastructure for information communication technology, infrastructure sharing especially amongst small players within the Zimbabwean insurance industry, training and development of employees to gain the skills and knowledge required to fully embrace digital technologies as well as holding of symposiums and exhibitions that focus on digitisation matters. Whilst these are not exhaustive, the writer acknowledges that these will go a long way in allowing Zimbabwean short-term insurance brokers to guarantee their survival within a highly self-digitising business environment.

4.3. Correlation Analysis

The primary objective of the research as set out in the first chapter was to assess the impact of digitisation and technological advancement on the survival of Zimbabwean short term insurance brokers. To allow for this, the researcher makes use of the Pearson Correlation model wherein digitisation is the independent variable and survival of short-term insurance brokers is the dependent variable. Nonetheless, digitisation is, in this research, decomposed into three technologies namely; technology for data acquisition and analysis, technology for data storage and technology for communication and sales. Cognisant of this, the researcher makes correlation of question 6a, 6b and 6c responses against question 9 responses which is on survival of insurers. The following subsections reveals thereof;

4.3.1. Data Acquisition Technology and the Survival of Short-term Insurers

The first aspect that was assessed is the impact of data acquisition technology on the survival of short-term insurers in Zimbabwe.

Table 4-10: Impact of data acquisition technology on the survival of insurers

		Survival of Insurers	Data acquisition technology
Survival of Insurers	Pearson Correlation	1	.111
	Sig. (2-tailed)		.144
	N	176	176
Data acquisition technology	Pearson Correlation	.111	1
	Sig. (2-tailed)	.144	
	N	176	176

Source: Primary data (2021)

Table 4.5 reveals that the calculated **'r'** or the correlation coefficient between the aforementioned variables is 0.111. This is a positive correlation and it denotes a positive relationship between the embracing of data acquisition technology and the survival of Zimbabwean insurance brokers. The implication of this is that the more a company embraces and invests in technology for data acquisition such as artificial intelligence, big data and the internet of things; the company will likely survive in the long-run. This positive relationship is also revealed by the following diagrammatic illustration.

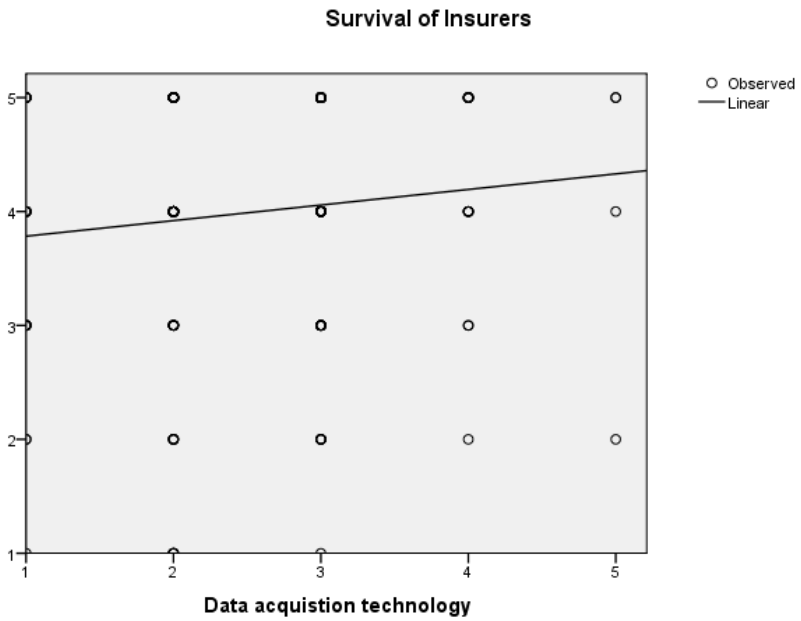

Figure 4-4: Technology for data acquisition and survival of insurers curve estimation

Source: Primary data 2021

Figure 4.4 exhibits an upward sloping curve with a positive gradient. This is a further confirmation of the positive relationship that exist between the two given variables.

4.3.2. Technology for data storage and the Survival of Short-term Insurers

The second facet of digitisation that was assessed is the impact of data storage technology on the survival of short-term insurers in Zimbabwe.

Table 4-11: Correlation analysis on the impact of data storage technology on survival of insurers

		Survival of Insurers	Data storage
Survival of Insurers	Pearson Correlation	1	.214**
	Sig. (2-tailed)		.004
	N	176	176
Data storage	Pearson Correlation	.214**	1
	Sig. (2-tailed)	.004	
	N	176	176

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

Source: Primary Data (2021)

Table 4.5 reveals that the calculated **'r'** or the correlation coefficient between the aforementioned variables is 0.214. This is a positive correlation and it denotes a positive relationship between the embracing of data storage technology and the survival of Zimbabwean insurance brokers.

This entails of this is that the more a company embraces and invests in technology for data storage such Blockchain and cloud computing**.** The connotation thereof is that companies that invest more in technology on data storage will likely survive for a prolonged period. The correlation coefficient of 0.214 shows that data storage technology is more important in determining and influencing short-term insurance companies' enhanced performance as well as survival.

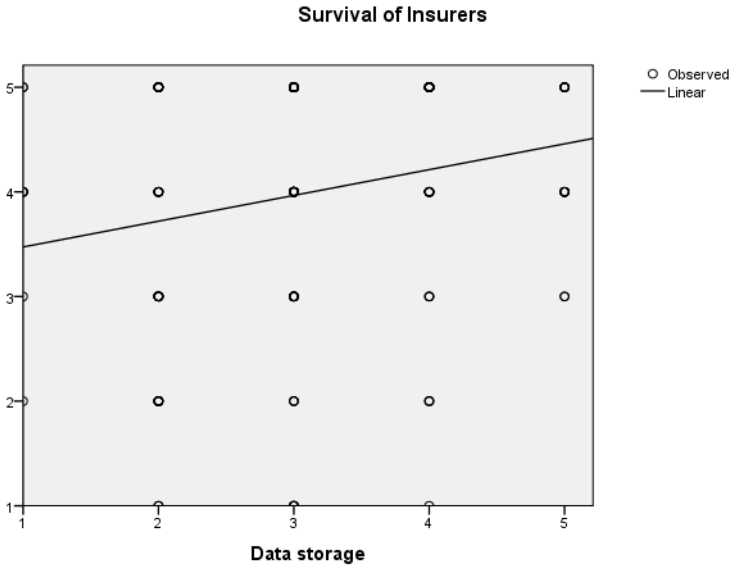

Figure 4-5: Curve estimation for correlation between data storage technologies and the survival of insurance brokers

Figure 4.5 exhibits an upward sloping curve with a positive gradient. This is a further confirmation of the positive relationship that exist between the two given variables. Nonetheless, the gradient's steepness is low, representing a low level of corelation though it is positive.

4.3.3. Technology for communication and sales and the Survival of Short-term Insurers

The last facet of digitisation whose impact on the survival of short-term insurers was explored is technology for communication and sales. Mobile devices with apps, chat-bots, robo-advisors, social network, video calls, video platforms, and website are examples of this type of business technology.

Table 4-12: Correlation analysis: Impact of communication and sales technology on survival of short-term insures

		Survival of Insurers	Communication and Sales
Survival of Insurers	Pearson Correlation	1	.195**
	Sig. (2-tailed)		.009
	N	176	176
Communication and Sales	Pearson Correlation	.195**	1
	Sig. (2-tailed)	.009	
	N	176	176

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

Table 4.12 reveals Pearson correlation analysis for the two variables that were put under study wherein short-term insurer's survival and performance is the dependent variable and technology for communication and sales (a facet of digitisation) is the independent variable. Two tailed correlation analysis (using SPSS V16) reveals that the calculated 'r' is **0.195**, a figure which lies within the range **0 < 'r' ≤ +1**. This according to PMCC decision criteria implies that the embracing of technology for communication and sales has a positive impact on short-term insurers'. Thus when investment in these technologies increases, chances of survival amplifies too and vice-versa.

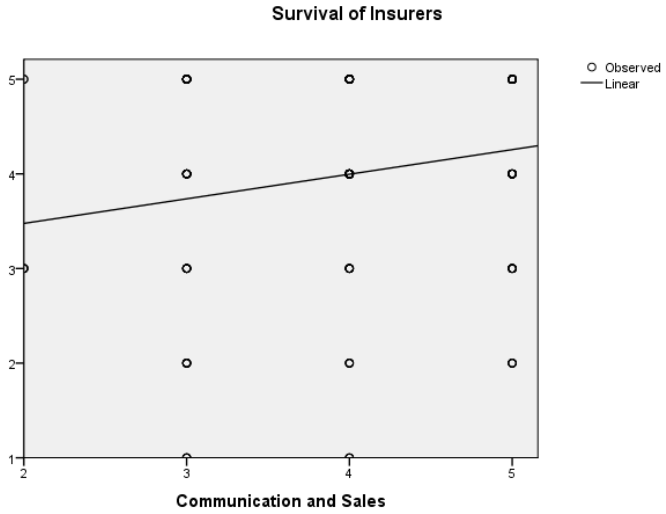

Figure 4-6: Correlation curve estimation for communication technology and survival

Source: Primary data (2021)

Table 4-13: Overall Relationship Matrix

Relationship Variables		**Correlation Coefficient**
Independent (Components of Digitisation)	**Dependent**	
• **Technology for data acquisition and analysis**	Survival of Insurance Brokers	0.111
• **Technology for data storage**	Survival of Insurance Brokers	0.214
• **Technology for communication and sales**	Survival of Insurance Brokers	0.195

Overall 'r' *(Mean coefficient)*	**0.173**

Source: Primary Data (2021)

4.4. Restatement of hypothesis

H0: Digitisation and technological advancement have no significant impact on the performance of short term insurance service providers

H1: Digitisation and technological advancement have a significant impact on the performance of short term insurance service providers

In the introductory chapter (Chapter I), hypothesis of the study was stated. The hypothesis is restated, this time, for the reason of testing both options in order to conclude on acceptance and rejection. The criteria for rejection/ acceptance were as follows;

Accept H0 when: -1 ≥ 'r'< 0 & Reject when 0 < 'r' ≤ +1

Accept H1 when: 0 < 'r' ≤ +1& Reject when -1 ≥ 'r' ≤ 0

Therefore, since the calculated **'r'** is 0.173, H1 was accepted while H0 was rejected. H1 denotes that there is a significantly positive relationship between digitisation and the performance and survival of short-term insurance brokers in Zimbabwe. Thus, according to this study, as digitisation rises, the more likely will short-term insurance brokers perform better and hence exist for a prolonged period. The future of short-term insurance brokers is bright even in the face a highly digitising economy. This is in tandem with the assertions and findings of Andrew (201 (Anon, 2017)9), Anon, 2017 as well as Francois, whose findings and assertions are discussed in the second chapter of this research.

4.5. Chapter Summary

In the just ended fourth chapter of this research project, the writer managed to make extensive quantitative and qualitative analysis of the data that was gathered mainly through primary sources. Presentation of descriptive statistics as well as correlation analysis of variables was made in this chapter. The researcher managed to make decisions on the research's hypothesis thereby presenting the outcome and results of the research. The results obtained underlay basis for the summary of findings, recommendations and conclusion which shall be put across in the next chapter.

CHAPTER 5.
CONCLUSIONS AND RECOMMENDATIONS

The future of the insurance broking industry in a digitised economy: A case of the Zimbabwe Short Term Insurance Industry

5.1. Introduction

While the previous chapter had its thrust anchored on data presentation and analysis, the current chapter presented the general findings of the research in the context of the central ideas underpinning the objectives of this research. The perspective of this chapter was not only to recommend solutions but also to present the findings in relation to digitisation in the Zimbabwean short-term insurance industry. The key components of the chapter included the summary of findings, recommendations as well as a conclusion. In summation, this chapter discusses the extent to which the main objectives of the study were attained coupled with recommendations and conclusions.

5.2. Conclusions

Through primary research, secondary research and the use of correlation analysis tools, the researcher managed to investigate the impact of digitisation on the survival and performance of Zimbabwean short-term insurance brokers. The researcher managed to attain all the objectives that were sought to be achieved in this study. Following is an exploration on the extent to which the research objectives were achieved;

5.2.1. Exploration of the various ways in which the Zimbabwean short term insurance industry players have adapted to technology

The first sub-objective of the research was anchored on the exploration of the extent of digitisation in the Zimbabwean short-term insurance sector. It was established in the research that Zimbabwean short-term insurers have, in one way or the other, fairly embraced digitisation but not to so great an extent. It was evident that there is still a long way to go in terms of embracing data acquisition technology as a facet of digitisation on the part of Zimbabwean short-term insurance brokers. Unlike in the case of data acquisition technologies, Zimbabwean short term insurers were found to be doing better in terms of

their usage of technologies for data storage. Zimbabwean short-term insurance brokers often use technologies for communication and sales, sometimes use data storage technologies and rarely use data acquisition technologies. Overall, Zimbabwean insurers were found to be average users of digital technologies in carrying out their operations.

5.2.2. Exploration of the challenges that short term insurance brokers encounter in the context of a digitalising environment.

Identification of the major challenges that the insurance industry players face in their quest to embrace digitisation was the second sub-objective of the research. In terms of the identification of the challenges faced by insurers in their bid to embrace digital technologies, a number of challenges were identified. The identified challenges included; lack of proper infrastructure, the risk of cybercrime as well as the existence of a large rural population. Some of the challenges that the research posed emanating from literature review such as government policies and political instability were not found to be significant challenges at the time of conducting the research. It is in this regard that it can be noted that this particular sub-objective of the research was attained and fulfilled.

5.2.3. Determination of the role of digitalisation in the insurance broking value chain.

The fourth sub-objective of the research as was outlined in the first chapter of the research was to determine the role of digitisation in the insurance broking value chain. This objective was mainly aimed at revealing whether digitisation is a force to reckon in the first place. The researcher identified key value chain activities that are specific to the insurance industry and, through the questionnaire, the researcher managed to get insights from respondents on the extent to which each identified area was susceptible to being affected by digitisation. It was established through research that; digitisation adds value positively to insurance value chain activities including product development, marketing, underwriting pricing, policies, service as well as claims. Therefore, it can be deduced that the aforementioned research objective was fully attained.

5.2.4. Assessment the impact of digitalisation and technological advancement on the financial performance and survival of short term insurance brokers

The primary objective of the study was to examine the relationship that exists between digitisation and the survival of short-term insurance brokers. The Pearson Product Moment

Correlation Coefficient (PMCC) was used to test the relationship that exists between the two variables; survival (dependent variable) and digitisation (independent variable). To this end, prior to research execution, the following hypotheses were formulated **H0:** There is no significant relationship between digitisation and the continued existence and relevance of short-term insurers in Zimbabwe, **H1:** There is a significant relationship between digitisation and the continued existence and relevance of short-term insurers in Zimbabwe. Pearson Product Moment Correlation Coefficient analysis revealed the calculated mean **'r'** was found to be **0.173** significant at the 0.01 level. Using the following criteria Accept H0 when: $-1 \geq$ 'r'< 0 & Reject when $0 <$ 'r' $\leq +1$, Accept H1 when: $0 <$ 'r' $\leq +1$& Reject when $-1 \geq$ 'r' ≤ 0, the researcher managed to conclude that a significantly positive relationship exists between digitisation and short-term insurer's performance and hence continued survival. Thus, the last objective of the research objectives, which called for the assessment of the impact of digitisation on performance of insurers, was fully attained. The researcher concluded that digitisation has a positive impact on the continued survival of the organisations though it comes with its drawbacks. The more insurers embrace digitisation, the more they are likely going to survive in the current turbulent, volatile complex and self-digitising business environment. This implies that Zimbabwean short-term insurance brokers who, in their operations, embrace and invest in digital technologies ranging from data acquisition technologies, technologies for data storage as well as technologies for marketing and sales, will likely perform better and have a greater chance for survival as opposed to those that chose to operate the 'analogue' way. On the other hand, digitisation also creates new risks. Insurance policies are a reflection of our society. As the world becomes more complex, new and more complex insurance products will be created.

5.3. Recommendations

Discrepancies which account for the gap between actual and ideal levels of digitisation and the performance of Zimbabwean short-term insurance brokers can be dealt with through various ways. From the findings and conclusions drawn from the study, the following recommendations were made. They looked into how best digitisation as well as

organisational performance within the Zimbabwean short-term insurance sector, especially with regard to the organisations which were put under study, could be enhanced.

5.3.1. Infrastructure sharing

Since connectivity infrastructural underdevelopment was identified to be a challenge to insurance companies in their quest for fully digitising their operations, the researcher recommends infrastructure sharing as a way forward. Infrastructure sharing enables operators to focus on the competition in the service layer regardless of the extent of the sharing. Operators can share whole or strategically unimportant parts of its infrastructure to share infrastructure costs while providing acceptable performance. Infrastructure sharing will assist a number of Zimbabwean small to medium sized insurance brokers as it will ease the costs associated with the acquisition of digital infrastructure.

5.3.2. Shifting from antique methods of providing insurance services to embracing digitisation

The main outcome of the research was the establishment of the fact that digitisation has a positive impact on the performance and organisational survival. It is in this light that the researcher recommends that Zimbabwean short-term brokers should invest in digitising their operations. There is a greater incentive now to digitise various aspects of the insurance value chain. One of the key opportunities for insurance brokers emerging from COVID-19 is around digital sales, for example call-centres or end-to-end mobile sales. Brokers can also engage with customers through mobile applications, calls, social media and USSD when it comes to policy servicing, and they can use drones, satellites and artificial intelligence to assess risks. The use of such technology, and regulatory changes such as acceptance of e-signatures, will help with the selling and processing of insurance policies digitally and will improve the accuracy and efficiency of underwriting, risk assessment and claims processing. There is a real need to fast-track digital adoption amid the restrictions brought about by COVID-19

5.3.3. Increasing online-presence

Digitisation calls for the need to ensure online presence on the part of Zimbabwean insurers. This includes social media presence on platforms such as twitter, face-book amongst others. It is important to ensure presence on these platforms because millions of customers as well as potential customers. Websites are also important in insurance

organisations as a number of services can be provided online. A successful website boasts an attractive design, does not contain too much text, is intuitive to use and can be navigated through quickly, none of which are characteristics associated with the traditional life insurance application processes. Simply transferring the old processes online does not give customers what they want and need.

5.3.4. Regulation of digital technologies

Digitisation is susceptible to abuse through ill-activities such as cybercrime. Due to the digital revolution, data in today's society is increasingly inter-twined. However, this means we are becoming increasingly vulnerable to a wide range of cyber criminality. Nonetheless, to mitigate against this challenge, there is need for the Zimbabwean government to, through the relevant ministries and departments, regulate the digital activities that are or may be embarked on by insurance brokers.

5.3.5. Training and Development

Embracing digital technologies calls for the need to transfer skills to employees to allow them to have adequate knowledge relating to digitisation. This will allow employees to acquire knowledge, derive desire to digitise and most important they will commit themselves towards ensuring that the migration to digitisation works for the enhancement of the organisation.

5.3.6. Awareness Creation

Customers remain accustomed to face-to-face engagements and in-person interaction. It remains difficult to build sufficient trust with most consumers through digital interaction. To knock over this challenge, there is need for awareness creation. This entails embarking on a myriad of programmes aimed at conscientising people on why it is necessary to digitise insurance service provision. Taking into consideration that the Zimbabwean population is largely rural based, awareness creation on the usage of digital technologies is seemingly a mammoth task but it has to be embarked on.

5.4. Suggestions for Further Study

Further studies should be conducted to establish, in real value monetary terms, how much digitisation contributes to the performance of insurance organisations. Likewise, further

research should be conducted to look into the extent to which digitisation enhances not only the insurance industry but the overall economic activity within the country. Further research may also explore other offshoots of digitisation, apart from the mere survival of short-term insurance brokers, such as profitability, customer satisfaction, and competitiveness.

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APPENDICES

Appendix 1 Questionnaire

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

QUESTIONNAIRE

My name is Joseph Shumba, a student at National University of Science and Technology, in the Faculty of Commerce, Department of Risk and Insurance. As part of my studies I am conducting a research titled; **'*the future of the insurance broking industry in a digitised economy: A case of the Zimbabwe Short Term Insurance Industry'*.** Kindly complete the questionnaire, it is meant to collect and document information for academic purposes. All information will be treated with strict confidentiality. Do not put any name or identification on this questionnaire. ***Answer all questions as indicated by either filling in the blank or ticking the option that applies*.**

SECTION A

SOCIO-DEMOGRAPHIC INFORMATION

Answer all questions by ticking in […]

1. **What is your Age Category?**

(a) Below 18	[ ]	**(b)** 18-25	[ ]
(c) 26-35	[ ]	**(d)** 36-45	[ ]
(e) 46-55	[ ]	**(f)** 55and above	[ ]

2. **What is your sex?**

a) Male **b)** Female

3. **What Educational background do you have?**

a) Primary school		**b)** Secondary School	[ ]
c) Diploma or less		**d)** Bachelor Degree and better	[ ]

4. **For how long have you been part of the insurance industry?**

a) <1 year	[ ]	**b)** 15 years	[ ]
c) 5-10 years	[ ]	**d)** 10years and above	[ ]

SECTION B

DYNAMICS OF DIGITIZATION IN THE CONTEXT OF THE ZIMBABWEAN SHORT-TERM INSURANCE BROKING INDUSTRY

5. Largely, to what extent do you agree with the notion that the average short-term insurance broker within the Zimbabwean context has largely embraced digitisation? ***SA****- Strongly Agree; Agree-* ***A****; **U**- Undecided; **D**- Disagree; **SD**- Strongly Disagree.*

SA 5	A 4	U 3	D 2	SD 1

6. To what extent does your insurance organisation, in particular, embrace the following digital technologies? *To indicate the extent to which your organisation embraces each of the digital technologies,* t*ick adjacent to the appropriate answer. **1** represents a poor extent whereas **5** represents a high degree of embracing the listed digital technologies.*

	5	**4**	**3**	**2**	**1**
(a) Technology for data acquisition and analysis • Artificial intelligence, Big data, Internet of things					
(b) Technology for data storage • Blockchain, Cloud computing					
(c) Technology for communication and sales • (Mobile devices with apps, Chat-bots, Robo-advisors, Social network, Video calls, Video platforms, Website					

7. What challenges are faced by Zimbabwean short-term insurers in pursuit of digitisation? Indicate the extent to which you agree with the fact that each of the following presents challenge to short-term insurance brokers in their quest of embracing digitisation. ***SA****- Strongly Agree; Agree-* ***A****; **U**- Undecided; **D**- Disagree; **SD**- Strongly Disagree.*

	SA 5	**A 4**	**U 3**	**D 2**	**SD 1**
(a) Connectivity infrastructural underdevelopment presents a challenge in digitising insurance services in Zimbabwe					
(b) A large rural population presents a challenge in digitising insurance services in Zimbabwe					
(c) Cybercrimes present a challenge in digitising insurance services in Zimbabwe					

(d) Government policies and the political landscape present a challenge in digitising insurance services in Zimbabwe						

SECTION C

ROLE OF INSURANCE BROKING IN THE DIGITALISATION VALUE CHAIN

8. To what extent do you agree with the following statements in relation to how digitisation impacts the given value chain sections of insurance broking?

Value Chain level	Statement	SA 5	A 4	U 3	D 2	SD 1
(a) Product Development	Product becomes more personalized and usage based					
(b) Marketing	Better targeting and conversation					
(c) Underwriting Pricing	Availability of new data drives to pricing accuracy					
(d) Policies	Policies bound digitally become the norm					
(e) Service	Higher portion of service transactions completed digitally					
(f) Claims	Claims are created and digitally modified by integration with special software					

SECTION D

THE FUTURE OF SHORT TERM INSURERS IN THE FACE OF A DYNAMIC INSURANCE MARKET

9. To what extent do you agree with the following statement? I foresee my organisation existing and surviving in the next five years even in the face of a highly digitising business environment.

SA 5	A 4	U 3	D 2	SD 1

10. What strategies can be employed to sustainably improve the overall business performance in your insurance organisation particularly in the face of a highly digitalising business environment?