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Effect of Strategic Planning on Competitive Advantage of the Insurance Industry in Kenya

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ABSTRACT

Purpose: This study sought to examine the effect of strategic planning on the competitive advantage of insurance companies in Kenya, focusing on market analysis, resource allocation, and risk assessment as key dimensions.

Methodology: Guided by a descriptive research design, the study targeted 168 senior managers drawn from 56 insurance firms licensed by the Insurance Regulatory Authority (IRA), including strategic managers, marketing directors, and financial managers. Using stratified random sampling, a representative sample of 117 respondents was selected. Data collection was collected through structured questionnaires. The data was analyzed using SPSS version 28, employing both descriptive statistics (percentages, means, and standard deviations) and inferential analyses (correlation and regression).

Findings: Regression analysis indicated that market analysis accounted for 25.2% of the variance in competitive advantage ($R^2 = 0.252$), while ANOVA results ($F = 31.255$, $p < 0.05$) confirmed the model's validity. The regression coefficient ($\beta = 0.453$, $t = 5.591$, $p < 0.05$) further highlighted the positive role of market analysis in enhancing adaptability to industry trends, customer needs, and competitor strategies. The second objective focused on resource allocation. Regression results revealed that resource allocation explained 21.7% of the variance in competitive advantage ($R^2 = 0.217$), with ANOVA confirming statistical significance ($F = 25.763$, $p < 0.05$). The regression coefficient ($\beta = 0.484$, $t = 5.076$, $p < 0.05$) indicated that optimal allocation of financial, human, and technological resources enhances operational efficiency and sustains long-term competitiveness in the insurance sector. The third objective assessed the effect of risk assessment. Regression analysis showed that risk assessment accounted for 18.8% of the variation in competitive advantage ($R^2 = 0.188$), supported by ANOVA significance ($F = 21.583$, $p < 0.05$). The regression coefficient ($\beta = 0.550$, $t = 4.646$, $p < 0.05$) demonstrated that comprehensive risk management frameworks play a critical role in enabling firms to anticipate uncertainties, mitigate potential disruptions, and safeguard their competitive edge.

Unique Contribution to Theory, Practice and Policy: It recommends that insurance companies institutionalize environmental scanning, adopt modern analytical tools, align resource distribution with strategic priorities, and reinforce integrated risk management systems. By embedding these practices within strategic planning, insurance companies can achieve sustainable competitive advantage in an increasingly dynamic market.

Key Words: *Market Analysis, Resource Allocation, Risk Assessment, Competitive Advantage*

Background of the Study

The insurance industry operates in a dynamic and competitive environment shaped by evolving customer expectations, technological advancements, regulatory changes, and economic uncertainties. These factors necessitate structured strategic planning to help insurers anticipate market trends, manage risks, and maintain competitiveness. Strategic planning enables insurance companies to set clear objectives, allocate resources effectively, and design innovative products that meet changing customer needs, thereby enhancing retention, profitability, and long-term sustainability (Hill & Jones, 2021). This study examines the effect of strategic planning on the competitive advantage of insurance companies in Kenya, focusing on three key dimensions: market analysis, resource allocation, and risk assessment. Market analysis provides insurers with insights into customer preferences, industry trends, and competitor strategies, enabling them to tailor products, refine pricing, optimize distribution, and adjust to regulatory or economic shifts (Ivanov & Petrenko, 2022). Resource allocation ensures financial, human, and technological assets are deployed to support strategic goals, improve efficiency, and strengthen customer relationships, with investments in digital infrastructure, automation, and talent development offering a competitive edge (Volkov & Mykhailenko, 2023). Risk assessment enhances insurers' resilience by identifying uncertainties, mitigating potential threats, and employing predictive analytics and scenario planning to reduce financial losses while improving underwriting accuracy and customer confidence (Kovalenko & Fedorov, 2024). Competitive advantage in the insurance industry derives from the ability to deliver superior value through differentiation, pricing, service quality, and reliability. Firms that integrate strategic planning into core operations are better positioned to respond to disruptions, strengthen brand reputation, and sustain profitability. By aligning strategic planning dimensions with market realities, insurers in Kenya can enhance resilience, operational efficiency, and customer trust—factors that ultimately secure long-term competitive advantage (Rossi & Lombardi, 2024).

Statement of the Problem

Kenya's insurance sector continues to grapple with a significantly low insurance penetration rate, which poses a threat to its long-term growth and sustainability. According to the Association of Kenya Insurers (AKI, 2024), only 6.8% of the Kenyan population holds any form of insurance, leaving a staggering 93.2% uninsured. This is indicative of a severe gap in the accessibility, awareness, and appeal of insurance products. The country's penetration rate of 2.4%, way below the global penetration rate of 6.8% and also falls below the continental average of 3.65% (AKI, 2024). Such dismal performance metrics underscore the urgent need for strategic interventions that can enable insurance companies in Kenya to enhance their competitive advantage in a highly fragmented and underperforming market. Despite the growing importance of strategic planning as a key pillar in fostering competitive advantage, insurance companies in Kenya have struggled to fully leverage its potential to gain market differentiation. Existing studies on insurance firms in the country tend to address broader strategic or operational concerns without offering a detailed

focus on how specific strategic planning dimensions influence competitive edge. For instance, Mwangi and Njuguna (2022) examined the influence of strategic management practices on organizational performance among general insurance firms in Nairobi but did not isolate the distinct contribution of market analysis, resource allocation, or risk assessment. Similarly, Njoroge (2023) assessed how corporate strategy affects service delivery in life insurance companies in Kenya, offering valuable insight into general planning approaches but not linking them to measurable competitive advantage outcomes. A study by Otieno and Ochieng (2023) explored the relationship between enterprise risk management and firm sustainability among insurance companies, with only a peripheral mention of strategic planning and no direct investigation into how planning influences competitiveness. These studies reveal a contextual gap, while strategic planning is recognized as essential to enhancing performance and sustainability, its specific elements, particularly market analysis, resource allocation, and risk assessment remain underexplored in relation to competitive advantage. In addition, most existing research in the Kenyan insurance context conflates strategic planning with overall strategic management or performance, making it difficult to identify how planning practices contribute uniquely to positioning and competitiveness in the market. This study, therefore, sought to address these gaps by examining the effect of strategic planning specifically market analysis, resource allocation, and risk assessment on the competitive advantage of insurance companies in Kenya.

Objectives of the Study

i To establish the effect of market analysis on competitive advantage of insurance companies in Kenya
ii To determine the effect of resource allocation on the competitive advantage of insurance companies in Kenya
iii To examine the effect of risk assessment on competitive advantage of insurance companies in Kenya

Literature Review

Market Analysis and Competitive Advantage

Industry trends analysis involves systematically examining market patterns, regulatory changes, technological advancements, and economic factors that shape the insurance sector (Saito, 2023). Structured analysis helps firms anticipate shifts in consumer preferences, assess risks, and identify growth opportunities. Saito (2023) found that companies consistently monitoring industry trends develop proactive strategies that enhance sustainability and competitiveness. Aligning services with evolving industry dynamics allows insurers to introduce innovative products, optimize operations, and improve customer satisfaction. Abbas and Rahman (2022) emphasized that firms integrating industry trend analysis into strategic planning gain a competitive edge by responding to market fluctuations, embracing digital transformation, and meeting changing policyholder expectations. The ability to track and interpret industry trends provides insurers with the flexibility

to adjust to regulatory policies, adopt new technologies, and refine product development strategies (Dimitrov & Petrovic, 2021). Digital tools enhance trend forecasting, supporting informed decision-making and market agility. Dimitrov and Petrovic (2021) noted that firms leveraging trend analysis improve risk management, strategic decisions, and responsiveness to consumer and economic shifts. Staying updated on industry developments strengthens differentiation, fosters innovation, and sustains market presence. Novak and Conti (2024) highlighted that insurers prioritizing industry trend analysis improve service delivery, enhance operational excellence, and maintain leadership in a rapidly evolving landscape.

Customer segmentation is the strategic process of dividing a target market into distinct groups based on demographics, behavior, risk profiles, and purchasing habits (Gomes, 2022). Structured segmentation helps firms develop tailored products, refine marketing strategies, and improve engagement by addressing specific consumer needs. Gomes (2022) found that effective segmentation enhances personalized policy offerings, boosts customer retention, and increases sales efficiency, strengthening market presence. Identifying high-value clients, optimizing pricing, and executing data-driven outreach further differentiate insurance firms. Jovanovic and Petrovic (2022) emphasized that integrating segmentation techniques improves targeted marketing, enhances customer loyalty, and supports business growth. A deep understanding of segmentation allows insurers to create bespoke solutions that build trust and long-term brand loyalty (Liu, 2023). Advanced technologies, such as AI-driven analytics and CRM platforms, refine segmentation accuracy and help insurers anticipate evolving customer expectations. Zagira (2023) found that firms using segmentation frameworks achieve higher policy renewal rates, improved satisfaction scores, and stable financial performance. Continuous improvements ensure adaptability to market demand shifts, regulatory changes, and technological advancements. Al-Farsi and Mansoori (2024) highlighted that firms refining segmentation strategies maintain a competitive edge by delivering innovative, customer-centric solutions tailored to both existing and prospective policyholders.

Competitor benchmarking is a structured approach to evaluating business strategies, product portfolios, pricing, and performance metrics of rival firms to identify strengths, inefficiencies, and strategic opportunities (Russo, 2023). Firms using benchmarking enhance market positioning, refine service delivery, and capitalize on market gaps. Conti (2023) noted that continuous benchmarking enables firms to adopt best practices, optimize processes, and create distinctive value propositions. Insights from competitor analysis support data-driven decisions that improve customer experience, efficiency, and financial stability. Abbas and Rahman (2022) emphasized that integrating benchmarking insights strengthens risk management, service offerings, and overall business resilience. Assessing competitor performance helps insurers streamline operations, enhance service efficiency, and introduce innovative products (Dikunto). Data analytics platforms and market intelligence tools enable firms to track trends, analyze pricing, and refine strategies. Petrovic (2021) found that firms engaging in structured benchmarking demonstrate superior

adaptability, improved risk mitigation, and enhanced service quality. Continuous monitoring of competitors allows insurers to anticipate industry shifts, develop competitive pricing, and maintain a strong market presence. Saito and Kim (2021) stressed that ongoing benchmarking keeps firms at the forefront of industry advancements, strengthens differentiation, and supports long-term growth in a competitive environment.

Resource Allocation and Competitive Advantage

Financial resource allocation involves the strategic distribution of an insurance company's assets across key areas such as investment portfolios, claims management, marketing, and technological advancements to ensure financial stability and growth (Fernandez & Oliveira, 2023). Efficient allocation optimizes fund utilization, strengthens liquidity, and supports sustainable long-term development. Fernandez and Oliveira (2023) found that firms with structured financial resource allocation experience increased profitability, enhanced policyholder confidence, and improved risk management. Investments in product innovation, customer service, and digital transformation provide a competitive edge by differentiating service offerings and improving operational efficiencies. Hassan (2022) emphasized that insurers strategically allocating funds to these areas are better positioned for growth, customer satisfaction, and long-term financial stability. A well-planned financial allocation approach ensures solvency, regulatory compliance, and responsiveness to market changes (Gonzalez & Moretti, 2022). Prioritizing budget allocations for risk mitigation, expansion, and customer-centric innovations enhances financial resilience and competitiveness. Gonzalez and Moretti (2022) noted that firms investing in data-driven decision-making and customer experience initiatives achieve higher retention rates and sustained growth. Aligning financial resources with corporate objectives refines cost structures, improves service delivery, and ensures long-term viability. Iliev and Stojanovic (2024) stressed that continuously refining financial allocation strategies optimizes cost efficiency, enhances service standards, and strengthens competitive advantage in a dynamic insurance market.

Human Capital Management (HCM) involves recruiting, training, developing, and retaining a skilled workforce to drive operational efficiency, superior service quality, and innovation in insurance firms (Petrescu, 2022). Effective HCM strategies enhance customer engagement, improve underwriting accuracy, and strengthen risk assessment, ensuring a competitive edge. Rodriguez (2021) found that firms investing in employee training, leadership development, and performance management build a highly skilled, motivated workforce that drives business success. Well-executed HCM reduces employee turnover, boosts productivity, and enhances service quality, positioning insurers as market leaders. Daoud and Mansouri (2024) argued that firms prioritizing human capital development navigate industry challenges more effectively, retain top talent, and sustain long-term business growth. A structured HCM strategy attracts top professionals, increases job satisfaction, and fosters organizational growth (Lazic & Dimitrova, 2021). Providing continuous learning opportunities, promoting innovation, and aligning employee performance with corporate goals enhance workforce productivity and efficiency. Lazic and

Dimitrova (2021) noted that firms emphasizing employee engagement and career development build agile teams capable of adapting to market changes. Robust HCM practices improve decision-making, enhance resilience, and establish a sustainable competitive advantage. Rahimi and Dimitrova (2022) concluded that firms refining their HCM strategies and investing in workforce development ensure operational stability, employee satisfaction, and long-term business success in the evolving insurance industry.

Technology utilization involves the strategic adoption of digital tools, automation systems, and data-driven technologies to enhance efficiency, streamline operations, and improve customer experience (Popescu, 2023). Advanced technology optimizes underwriting, accelerates claims processing, strengthens fraud detection, and enables seamless customer interactions. Silva (2022) found that insurers leveraging technology gain a competitive edge by improving claims settlements, refining risk assessments, and offering personalized policy solutions. Digital transformation also enhances regulatory compliance, customer satisfaction, and market positioning. Kaya and Tan (2023) argued that firms integrating innovative technologies achieve superior service efficiency, customer engagement, and market growth. Effective digital adoption optimizes business processes, strengthens decision-making, and enables innovative service solutions aligned with evolving consumer preferences (Kovacs, 2022). The use of digital platforms, mobile applications, and AI-driven insights helps insurers maintain a strong market presence and adapt swiftly to technological advancements. Mendoza and Moretti (2023) found that firms embracing digital transformation see higher customer retention, increased operational agility, and improved fraud prevention. They noted that sustained investment in technology enhances cost efficiency, scalability, and resilience to industry disruptions. Kovacs (2022) emphasized that insurers continuously refining their technological infrastructure and embracing emerging innovations gain a strategic advantage by improving service delivery, minimizing risks, and maintaining leadership in a competitive insurance market.

Risk Assessment and Competitive Advantage

Market risk evaluation is the structured assessment of external factors such as economic fluctuations, interest rate volatility, and industry-specific trends that impact an insurance company's financial stability and market positioning (Alonso & Oliveira, 2023). A comprehensive approach to market risk evaluation enables insurers to anticipate financial threats, refine pricing strategies, and implement proactive risk mitigation measures to ensure long-term stability. Alonso and Oliveira (2023) found that insurers conducting continuous market risk assessments gain a strategic advantage by optimizing investment portfolios and improving resilience against economic downturns. They emphasized that integrating advanced market intelligence tools and predictive analytics enhances insurers' ability to forecast disruptions and make informed financial decisions. Perisic and Hadan (2022) argued that leveraging big data analytics and predictive modeling in market risk evaluation enhances competitive positioning by enabling insurers to adapt swiftly to changes in consumer preferences, regulatory requirements, and macroeconomic

conditions. Systematic market risk analysis is essential for insurers aiming to maintain a strong market presence in a volatile business environment (Dimatrova, 2024). Real-time risk assessment tools and economic forecasting models improve pricing accuracy, profitability, and financial loss mitigation. Moretti (2022) noted that insurers using advanced market risk assessment methodologies achieve better financial performance by anticipating and responding to economic disruptions, competitor strategies, and regulatory shifts. Aligning risk management with evolving customer needs and industry trends enhances brand reputation, attracts new clients, and sustains financial stability. Rahimi and Salim (2023) emphasized that, firms continuously refining their market risk frameworks improve operational efficiency, strengthen investor confidence, and ensure long-term business sustainability.

Financial risk analysis involves evaluating uncertainties such as liquidity risks, credit risks, and revenue fluctuations that affect an insurance company's profitability, solvency, and long-term sustainability (Rodriguez & Petrova, 2022). Conducting comprehensive financial risk assessments helps insurers safeguard financial health, optimize capital allocation, and maintain investor confidence while ensuring regulatory compliance. Rodriguez and Petrova (2022) highlighted that insurers systematically assessing financial risks enhance risk-adjusted returns through strategic capital management and asset allocation optimization. Identifying, measuring, and mitigating financial risks improves resilience against economic uncertainties and enhances financial stability. Idris (2023) argued that insurers with robust financial risk analysis frameworks are better positioned to manage claim liabilities, minimize debt exposure, and maintain consistent profitability across economic cycles. A strong financial risk management strategy protects corporate assets, strengthens financial performance, and sustains competitive advantage (Lazic, 2024). The integration of advanced financial management tools, including stress testing, scenario analysis, and predictive financial modeling, empowers insurers to anticipate market fluctuations and adjust business strategies proactively. Lazic (2024) found that firms adopting dynamic financial risk assessment techniques demonstrate greater stability, operational efficiency, and adaptability to evolving market conditions. Aligning financial risk strategies with corporate growth objectives and investment planning enhances sustainable shareholder value while mitigating financial distress. Kaya and Tan (2023) emphasized that organizations integrating strategic financial risk management into decision-making improve resource allocation efficiency, withstand economic volatility, and strengthen competitive positioning.

Operational risk management involves identifying, assessing, and mitigating risks related to internal business operations, human errors, technological failures, and regulatory compliance challenges in the insurance industry (Mendoza & Moretti, 2023). A structured approach to operational risk management enhances service reliability, reduces financial losses, and improves business continuity by minimizing disruptions. Mendoza and Moretti (2023) highlighted that insurers implementing comprehensive operational risk controls reduce fraud incidents, improve claims processing efficiency, and foster greater trust among policyholders. They further

emphasized that integrating technology-driven operational risk management solutions enhances insurers' ability to mitigate disruptions, streamline compliance processes, and ensure seamless service delivery. Kovacs and Petrescu (2022) argued that insurers investing in automation, artificial intelligence, and digital risk monitoring systems experience fewer operational inefficiencies and stronger regulatory adherence, improving overall business resilience. A well-established operational risk framework enhances organizational adaptability, service quality, and industry reputation (Iliev, 2024). By incorporating automation, real-time risk monitoring, and targeted employee training programs, insurers can reduce operational inefficiencies and financial liabilities. Tan (2023) noted that insurers refining operational risk management frameworks achieve higher cost efficiency, operational sustainability, and business scalability. Additionally, fostering a culture of risk awareness and management ensures adaptability to regulatory changes and evolving customer expectations. Rahimi and Dimitrova (2023) emphasized that firms embedding a strong risk management culture across all levels optimize resource utilization, improve workflow efficiencies, and gain a sustainable competitive advantage in the evolving insurance market.

This study adopted a descriptive research design. The target population was composed of a total of 168 senior managers drawn from 56 insurance companies, all of which had been formally licensed and authorized by the Insurance Regulatory Authority (IRA) to operate within the Kenyan market. The study's respondents specifically included individuals holding key strategic roles, namely strategic managers, marketing directors, and financial managers. This study implemented stratified random sampling to identify and select study participants. Yamane formula was utilized to calculate the optimal sample size of 117 respondents. Data was collected using structured questionnaires. The primary data gathered was subjected to a detailed quantitative analysis, employing the Statistical Package for the Social Sciences (SPSS) software, version 28. Descriptive analysis is used to summarize, present, and interpret the key characteristics of the study variables. Inferential analysis was undertaken in this study to investigate and interpret the relationships that existed among the study variables, employing both correlation and regression analytical techniques.

The multiple regression equation to be used is of the following form:

$$\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e}$$

Where, **Y**= Competitive Advantage, $\boldsymbol{\beta_0}$ = the constant, $\boldsymbol{\beta_1\ \beta_2\ \beta_3}$ is the coefficient of independent variables, $\mathbf{X_1}$= Market Analysis, $\mathbf{X_2}$= Resource Allocation, $\mathbf{X_3}$= Risk Assessment and e = is the error term.

Market Analysis and Competitive Advantage

Descriptive Statistics for Market Analysis

The results presented in Table 1 offer insight into respondents' perceptions regarding the role of market analysis in shaping competitive advantage. A notable portion of respondents (34.7%) indicated that their organization's ability to identify emerging customer needs through market analysis significantly enhances its competitive edge. This finding suggests that businesses that continuously monitor changing customer preferences are better positioned to tailor their products and services to meet evolving demands. Similarly, 38.9% of respondents expressed that their firm's capacity to anticipate industry trends through market analysis greatly contributes to securing a competitive advantage. This implies that forward-looking firms are likely to stay ahead of the curve by proactively adapting to shifts in the industry landscape. On product development, 43.2% of respondents stated that the development of superior insurance products through market analysis moderately improves competitive advantage. This demonstrates that while product innovation driven by market analysis is beneficial, it may be complemented by other strategic factors.

The responses also highlighted the significance of informed decision-making in driving competitive strength. A total of 47.4% of participants reported that strategic decisions informed by market analysis have a substantial positive effect on their company's competitiveness. This points to the role of data-driven insights in enhancing the quality of business decisions. Concerning customer segmentation and targeting, 41.1% of respondents perceived that market analysis moderately strengthens their company's competitive position. This reveals that identifying and targeting specific customer groups may contribute to competitive differentiation but may require integration with other strategic efforts. In terms of identifying new market opportunities, 38.9% of respondents noted that market analysis greatly boosts competitive advantage. This underscores the value of proactive market exploration in expanding a company's reach and growth potential.

The findings also emphasized the impact of market analysis on pricing strategies, competitive monitoring, and customer satisfaction. A significant share of respondents (45.3%) stated that pricing strategies informed by market analysis moderately enhance their company's competitiveness. This shows that market-based pricing contributes to competitiveness but may be more impactful when combined with value-added strategies. On the aspect of competitor monitoring, 47.4% of the participants acknowledged that it greatly improves competitive advantage. This indicates that ongoing surveillance of competitors' activities allows firms to remain agile and responsive. About 44.2% of respondents felt that product and service innovation driven by market analysis moderately contributes to competitiveness, while an equal 47.4% believed that market analysis in enhancing customer satisfaction and retention greatly supports competitive advantage. These findings suggest that sustained innovation and customer-focused strategies anchored in market intelligence are key drivers of success.

Table 1: Descriptive Statistics for Market Analysis

Statements	VL %	L %	M %	G %	VG %	Mean± SD
To what extent does your company's identification of emerging customer needs through market analysis enhance its competitive advantage?	5.3	10.5	24.2	34.7	25.3	3.64±1.129
To what extent does your company's ability to anticipate industry trends through market analysis contribute to its competitive advantage?	2.1	13.7	29.5	38.9	15.8	3.53±0.988
To what extent does your company's development of superior insurance products through market analysis improve its competitive advantage?	1.1	7.4	43.2	33.7	14.7	3.54±0.873
To what extent do your company's strategic decisions informed by market analysis support its competitive advantage?	0	8.4	32.6	47.4	11.6	3.62±0.801
To what extent does your company's customer segmentation and targeting through market analysis strengthen its competitive advantage?	0	10.5	41.1	31.6	16.8	3.55±0.896
To what extent does your company's identification of new market opportunities through market analysis boost its competitive advantage?	2.1	9.5	32.6	38.9	16.8	3.59±0.951
To what extent do your company's pricing strategies guided by market analysis enhance its competitive advantage?	1.1	7.4	45.3	32.6	13.7	3.51±0.861
To what extent does your company's monitoring of competitors through market analysis improve its competitive advantage?	2.1	6.3	31.6	47.4	12.6	3.62±0.865
To what extent does your company's innovation in products and services driven by market analysis contribute to its competitive advantage?	1.1	5.3	44.2	28.4	21.1	3.63±0.912
To what extent do your company's efforts to improve customer satisfaction and retention through market analysis support its competitive advantage?	0	7.4	34.7	47.4	10.5	3.61±0.776

Correlation Analysis between Market Analysis and Competitive Advantage

A correlation analysis was carried out to examine both the direction and the magnitude of the relationship between market analysis and competitive advantage. This statistical approach aimed to establish whether shifts in market analysis practices correspond with measurable changes in the competitive advantage of insurance companies. As outlined in Table 2, the findings demonstrated a strong, positive, and statistically significant association between the two variables, with a

Pearson correlation coefficient of r(95) = 0.502 and a significance value of p < .05. This indicates that improvements in market analysis are likely to be accompanied by enhanced competitive advantage. The strength of this relationship suggests that market analysis plays an important role in shaping the strategic positioning of insurance firms. The significance of the correlation further supports the inclusion of market analysis as a key variable in efforts aimed at boosting competitive performance.

Table 2: Market Analysis and Competitive Advantage

	Market Analysis	Competitive Advantage
Market Analysis	1	
Competitive Advantage	.502**	1
Sig.	.000	
N	95	95

** Correlation is Significant at the 0.01 Level (2-Tailed)

Regression Analysis between Market Analysis and Competitive Advantage

Model Summary for Market Analysis

Table 3 provides a summary of the regression model used to analyze the relationship between market analysis and competitive advantage. The results indicate that market analysis accounts for approximately 25.2% of the variation observed in competitive advantage among insurance firms, as reflected by the coefficient of determination ($R^2 = 0.252$). This suggests that market analysis alone has a moderate explanatory power in predicting the competitive positioning of insurance companies.

Table 3: Model Summary for Market Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.502[a]	.252	.243	.3261

a. Predictors: (Constant), Market Analysis

ANOVA for Market Analysis

In order to establish whether the relationship between market analysis and competitive advantage held statistical significance, an Analysis of Variance (ANOVA) test was undertaken. The outcomes, as presented in Table 4, revealed the presence of a statistically significant linear association between the two variables, with the ANOVA results showing F(1, 93) = 31.255 and a p-value of less than .05. This means that market analysis is a significant predictor of competitive advantage, and the observed association is unlikely to have occurred by chance.

Table 4: ANOVA for Market Analysis

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.325	1	3.325	31.255	.000[b]
	Residual	9.893	93	.106		
	Total	13.217	94			

a. Predictors: (Constant), Market Analysis
b. Dependent Variable: Competitive Advantage

Regression Coefficients for Market analysis

The regression coefficients presented in Table 5 provide further insight into the nature and strength of the relationship between market analysis and competitive advantage. The results indicate that market analysis exerts a statistically significant and positive effect on competitive advantage, as evidenced by a regression coefficient of $\beta = 0.453$, a t-value of 5.591 with 95 degrees of freedom, and a p-value less than .05. This indicates that for every unit increase in market analysis, there is an expected increase of 0.453 units in competitive advantage, assuming other factors are held constant. The regression equation derived from this analysis is:

Y = 1.945+ 0.453X

Where **Y** represents competitive advantage and **X** represents market analysis. These results confirm that market analysis is not only positively related to but also significantly predicts competitive advantage, reinforcing its strategic importance within the insurance sector.

Table 5: **Regression Coefficients for Market Analysis**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.945	.289		6.732	.000
	Market Analysis	.453	.081	.502	5.591	.000

a. Dependent Variable: Competitive Advantage

Resource Allocation and Competitive Advantage

Descriptive Statistics for Resource Allocation

The data summarized in Table 6 reflects the respondents' views on how resource allocation influences competitive advantage within their companies. A substantial proportion of respondents (40.0%) reported that allocating financial resources plays a significant role in supporting competitive advantage. This indicates that well-channelled financial inputs help drive strategic initiatives and operational efficiency. In the area of human resources, 46.3% of participants stated that assigning personnel appropriately enhances competitive strength. This suggests that companies that prioritize the strategic deployment of skilled employees are likely to outperform

their competitors. Regarding technological resources, 37.9% of the respondents believed that such allocations significantly contribute to improving competitiveness. This highlights the importance of investing in up-to-date technologies to streamline operations and enhance service delivery.

Participants also emphasized the importance of aligning resources with company priorities. A considerable number (45.3%) stated that aligning resources with strategic objectives greatly strengthens competitive advantage. This finding suggests that when resources are directed toward high-impact areas, firms are more likely to achieve sustained success. A total of 41.1% of respondents reported that timely allocation of resources contributes moderately to their firm's competitive position. This implies that although timely action is beneficial, its effectiveness may depend on other contextual or supporting factors. In terms of resource utilization, 43.2% of participants noted that efficient use of resources significantly promotes competitive advantage. This demonstrates the value of minimizing waste and maximizing productivity. On the aspect of resource flexibility, 37.9% of respondents indicated that being able to reallocate resources as needed has a moderate impact on competitiveness. This suggests that adaptability in resource management plays a role in maintaining agility in dynamic market environments.

The analysis also highlighted how companies leverage resource allocation for future growth and innovation. Around 40.0% of respondents believed that investment in employee training and development as a resource strongly enhances competitive advantage. This underscores the idea that upskilling the workforce directly contributes to organizational success. On innovation, 46.3% of participants agreed that dedicating resources to innovation significantly improves their company's competitive standing. This points to the critical role of innovation-focused investments in sustaining relevance in a changing business landscape. Around 40.0% of the respondents felt that their firm's approach to resource allocation effectively ensures the long-term sustainability of its competitive edge. This emphasizes the importance of strategic planning and foresight in maintaining a favorable market position over time.

Table 6: Descriptive Statistics for Resource Allocation

Statements	VL %	L %	M %	G %	VG %	Mean± SD
To what extent does your company's allocation of financial resources support its competitive advantage?	0	11.6	24.2	40.0	24.2	3.77±0.950
To what extent does your company's allocation of human resources enhance its competitive advantage?	2.1	11.6	33.7	46.3	6.3	3.43±0.859
To what extent does your company's allocation of technological resources improve its competitive advantage?	2.1	12.6	34.7	37.9	12.6	3.46±0.943
To what extent does your company's alignment of resources with strategic priorities strengthen its competitive advantage?	0	8.4	31.6	45.3	14.7	3.66±0.833
To what extent does your company's timely allocation of resources contribute to its competitive advantage?	3.2	9.5	41.1	33.7	12.6	3.43±0.941
To what extent does your company's efficient utilization of resources promote its competitive advantage?	2.1	10.5	34.7	43.2	9.5	3.47±0.885
To what extent does your company's flexibility in reallocating resources support its competitive advantage?	2.1	11.6	37.9	33.7	14.7	3.47±0.955
To what extent does your company's investment in employee training and development as a resource enhance its competitive advantage?	0	8.4	37.9	40.0	13.7	3.59±0.831
To what extent does your company's allocation of resources towards innovation improve its competitive advantage?	2.1	5.3	33.7	46.3	12.6	3.62±0.853
To what extent does your company's resource allocation process ensure long-term sustainability of its competitive advantage?	1.1	11.6	34.7	40.0	12.6	3.52±0.898

Correlation Analysis between Resource Allocation and Competitive Advantage

To statistically assess the nature and degree of association between resource allocation and competitive advantage, a correlation analysis was performed. This analysis aimed to determine whether the way resources are allocated within insurance companies has any measurable effect on their ability to maintain or enhance a competitive edge in the market. As presented in Table 7, the analysis demonstrated a moderate, positive, and statistically significant relationship between resource allocation and competitive advantage, reflected by a Pearson correlation coefficient of $r(95) = 0.466$ and a p-value of less than .05. These findings suggest that more strategic and efficient allocation of resources is moderately associated with an increase in competitive advantage. The significance of this relationship implies that resource allocation is an important factor that contributes to the strategic performance of insurance firms. Consequently, enhancing how resources are distributed across key areas may positively influence the competitive positioning of these companies in the industry.

Table 7: Resource Allocation and Competitive Advantage

	Resource Allocation	Competitive Advantage
Resource Allocation	1	
Competitive Advantage	.466**	1
Sig.	.000	
N	95	95

** Correlation is Significant at the 0.01 Level (2-Tailed)

Regression Analysis between Resource Allocation and Competitive Advantage

Model Summary for Resource Allocation

Table 8 presents the summary of the regression model evaluating the relationship between resource allocation and competitive advantage. The results show that resource allocation accounts for approximately 21.7% of the total variation in competitive advantage, as indicated by the R Square ($R^2 = 0.217$) value. This means that just over one-fifth of the changes observed in the competitive advantage of insurance companies can be statistically explained by how effectively resources are allocated within the organization. This level of explanatory power suggests that resource allocation is a noteworthy factor in shaping competitive performance in the insurance sector.

Table 8: Model Summary for Resource Allocation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.466[a]	.217	.209	.3336

a. Predictors: (Constant), Resource Allocation

ANOVA for Resource Allocation

An Analysis of Variance test was carried out with the aim of establishing whether the identified relationship between resource allocation and competitive advantage was statistically significant. As indicated in Table 9, the regression model produced an F-statistic of 25.763 with a p-value less than 0.05, confirming that the relationship between the two variables is statistically significant. This means that the influence of resource allocation on competitive advantage is not due to random chance and reflects a true association between the variables in the population studied.

Table 9: ANOVA for Resource Allocation

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.867	1	2.867	25.763	.000[b]
	Residual	10.350	93	.111		
	Total	13.217	94			

a. Predictors: (Constant), Resource Allocation
b. Dependent Variable: Competitive Advantage

Regression Coefficients for Resource Allocation

The regression coefficients presented in Table 10 provide insight into the direction and magnitude of the relationship between resource allocation and competitive advantage. The unstandardized coefficient for resource allocation was found to be $\beta = 0.484$, with a t-value of 5.076 and a p-value $< .05$, indicating that the relationship is both positive and statistically significant. This implies that, holding all other factors constant, an increase of one unit in resource allocation corresponds to an estimated 0.484-unit improvement in competitive advantage. Based on this relationship, the resulting regression equation can be expressed as:

$$\mathbf{Y} = 1.838 + 0.484\mathbf{X}$$

Where **Y** represents competitive advantage and **X** represents resource allocation. These findings confirm that effective resource allocation significantly contributes to enhancing competitive advantage, reinforcing its strategic importance in the management of insurance companies.

Table 10: **Regression Coefficients for Resource Allocation**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.838	.339		5.429	.000
	Resource Allocation	.484	.095	.466	5.076	.000

a. Dependent Variable: Competitive Advantage

Risk Assessment and Competitive Advantage

Descriptive Statistics for Risk Assessment

Table 11 presents a detailed overview of participants' responses regarding the influence of risk assessment on competitive advantage. A notable proportion of respondents (37.9%) indicated that identifying potential risks plays a significant role in supporting their company's competitive advantage. This finding suggests that proactively recognizing risks enables organizations to prepare and adapt, which in turn reinforces their strategic position. In terms of operational risks, 42.1% of respondents believed that evaluating these risks enhances their firm's competitiveness. This indicates that addressing internal processes and potential disruptions contributes to smoother operations and stronger market performance. Regarding financial risks, 46.3% of participants reported that the effect of financial risk assessment on competitive advantage is moderate. This implies that while financial risks are crucial, their assessment alone may not yield immediate or significant competitive gains unless integrated with broader financial strategies.

Respondents also expressed their views on the analysis of external risks. A total of 41.1% acknowledged that analyzing market-related risks contributes significantly to competitive advantage. This highlights the importance of understanding changing market conditions and customer preferences in shaping strategic decisions. When it comes to compliance and regulatory risks, 38.9% believed that

addressing these areas strengthens competitive positioning. This points to the benefit of ensuring legal and policy alignment as a safeguard against penalties and reputational damage. On integrating risk assessment into strategic planning, 40.0% of participants stated that doing so greatly promotes competitive advantage. This underscores the strategic value of embedding risk considerations into long-term organizational goals. In contrast, 37.9% indicated that the use of data-driven risk assessment has a moderate impact on competitive advantage. This suggests that while data-informed decisions are valuable, their effectiveness may depend on the quality of data and the analytical capabilities of the organization.

Participants also recognized the role of risk management in broader organizational areas. A significant share of respondents (42.1%) reported that their company's ability to assess reputational risks greatly enhances its competitive advantage. This implies that maintaining a positive public image and managing potential crises is integral to sustained success. Regarding external threats such as political and economic factors, 36.8% of respondents felt that assessing these risks moderately improves competitiveness. This suggests that while these external elements are influential, their impact may be more variable or context-specific. About 43.2% of participants stated that continuously reviewing and updating risk assessments plays a key role in contributing to competitive advantage. This highlights the importance of maintaining an up-to-date understanding of the risk landscape in order to remain agile and responsive in a dynamic business environment.

Table 11: Descriptive Statistics for Risk Assessment

Statements	VL %	L %	M %	G %	VG %	Mean± SD
To what extent does your company's identification of potential risks support its competitive advantage?	5.3	10.5	28.4	37.9	17.9	3.53±1.070
To what extent does your company's evaluation of operational risks enhance its competitive advantage?	3.2	13.7	29.5	42.1	11.6	3.45±0.976
To what extent does your company's assessment of financial risks improve its competitive advantage?	1.1	11.6	46.3	30.5	10.5	3.38±0.865
To what extent does your company's analysis of market-related risks contribute to its competitive advantage?	0	12.6	30.5	41.1	15.8	3.60±0.904
To what extent does your company's assessment of compliance and regulatory risks strengthen its competitive advantage?	2.1	11.6	33.7	38.9	13.7	3.51±0.944
To what extent does your company's integration of risk assessment in strategic planning promote its competitive advantage?	3.2	13.7	32.6	40.0	10.5	3.41±0.962
To what extent does your company's use of data-driven risk assessment support its competitive advantage?	2.1	12.6	37.9	33.7	13.7	3.44±0.953
To what extent does your company's ability to assess reputational risks enhance its competitive advantage?	0	13.7	30.5	42.1	13.7	3.56±0.896
To what extent does your company's assessment of external threats (e.g., political, economic) improve its competitive advantage?	3.2	11.6	36.8	33.7	14.7	3.45±0.987
To what extent does your company's continuous review and updating of risk assessments contribute to its competitive advantage?	0	10.5	31.6	43.2	14.7	3.62±0.865

Correlation Analysis between Risk Assessment and Competitive Advantage

A correlation analysis was carried out to statistically evaluate the association between risk assessment practices and the competitive advantage of insurance companies. The objective of this analysis was to establish whether the systematic identification, evaluation, and management of risks play a role in enhancing an organization's standing in the market. The findings, presented in Table 12, indicated a moderate positive and statistically significant relationship between risk assessment and competitive advantage, with a Pearson correlation coefficient of $r(95) = 0.434$ and a significance level of $p < .05$. These findings suggest that effective risk assessment practices are moderately associated with an increase in competitive advantage. The significance of the correlation implies that companies which actively identify, analyze, and address potential risks are more likely to enhance their strategic resilience and market competitiveness. This underscores the importance of embedding comprehensive risk assessment frameworks within insurance firms to support long-term performance and sustainability.

Table 12: Risk assessment and Competitive Advantage

	Risk Assessment	Competitive Advantage
Risk Assessment	1	
Competitive Advantage	.434**	1
Sig.	.000	
N	95	95

** Correlation is Significant at the 0.01 Level (2-Tailed)

Regression Analysis between Risk Assessment and Competitive Advantage

Model Summary for Risk Assessment

As outlined in Table 13, the model summary reveals that risk assessment contributes to explaining the variability in competitive advantage among insurance companies. Specifically, the R Square (R^2) value is 0.188, which indicates that approximately 18.8% of the variation in competitive advantage can be attributed to the effectiveness of risk assessment strategies within the firms. This result demonstrates that while other factors also play a role in influencing competitive advantage, the contribution of risk assessment alone is notably substantial. This highlights the strategic importance of continuously assessing and managing risk in maintaining or enhancing a firm's market position.

Table 13: Model Summary for Risk Assessment

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.434[a]	.188	.180	.3396

a. Predictors: (Constant), Risk Assessment

ANOVA for Risk Assessment

To test the statistical significance of the relationship between risk assessment and competitive advantage, an ANOVA was conducted. The results, as shown in Table 14, produced an F-statistic of 21.583 with a p-value less than 0.05, thereby confirming that the relationship between the two variables is statistically significant. This implies that the regression model provides a good fit for the data and that risk assessment meaningfully contributes to the prediction of competitive advantage. The significance of this outcome supports the argument that organizations investing in systematic risk evaluation processes are more likely to achieve a stronger and more sustainable competitive edge.

Table 14: ANOVA for Risk Assessment

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.490	1	2.490	21.583	.000[b]
	Residual	10.728	93	.115		
	Total	13.217	94			

a. Predictors: (Constant), Risk Assessment
b. Dependent Variable: Competitive Advantage

Regression Coefficients for Risk Assessment

Table 15 displays the regression coefficients that explain the specific influence of risk assessment on competitive advantage. The findings indicate that risk assessment has a positive and statistically significant effect, as reflected by an unstandardized beta coefficient (β) of 0.550, a t-value of 4.646, and a p-value less than 0.05. These results confirm that enhancements in risk assessment practices are associated with corresponding improvements in competitive advantage. Put differently, when insurance companies invest in more comprehensive and proactive risk assessment strategies, they are likely to see measurable gains in their ability to remain competitive in the industry. The linear regression equation that represents this relationship is expressed as:

Y = 1.656+ 0.550X

Where **Y** stands for competitive advantage and **X** represents the risk assessment variable. These findings underscore the importance of implementing structured risk assessment mechanisms as part of a firm's strategic planning process, especially in environments where uncertainty and competition are high.

Table 15: **Regression Coefficients for Risk Assessment**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.656	.409		4.051	.000
	Risk Assessment	.550	.118	.434	4.646	.000

a. Dependent Variable: Competitive Advantage

Multivariate Regression Analysis

To comprehensively assess the joint influence of the three independent variables market analysis, resource allocation, and risk assessment on the dependent variable, which is competitive advantage, a multivariate regression analysis was undertaken. This statistical approach was aimed at evaluating how well the combination of the selected predictors explains the variation observed in the competitive advantage among the firms under study. As reflected in the regression model summary presented in Table 16, the analysis yielded an R-square value of 0.435. This indicates that approximately 43.5% of the variability in competitive advantage can be explained by the combined effect of market analysis, resource allocation, and risk assessment. Conversely, the remaining 56.5% of the variation is attributable to other external or internal factors that were beyond the scope and parameters of this particular study.

Table 16: Multivariate Regression Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.659[a]	.435	.416	.2865

Further analysis was conducted through the use of ANOVA to statistically determine the overall significance of the model. The results, as illustrated in Table 17, revealed that the regression model was statistically significant at the conventional 5% level of significance. Specifically, the model yielded an F-statistic of 23.347 with a corresponding p-value of 0.000. Since this p-value is substantially less than 0.05, the outcome suggests that the combined effects of market analysis, resource allocation, and risk assessment have a significant and meaningful contribution to predicting competitive advantage within the firms studied.

Table 17: ANOVA for Multivariate Regression Model

	Model	Sum of Squares	Degrees of freedom	Mean Square	F	Sig.
1	**Regression**	5.749	3	1.916	23.347	.000[b]
	Residual	7.469	91	.082		
	Total	13.217	94			

The regression coefficients of each independent variable were further examined to establish their individual contribution to the dependent variable. The outcomes of the analysis are presented in Table 18. The findings revealed that all three predictor variables were statistically significant, as each had a p-value below the conventional significance threshold of 0.05. Furthermore, the Variance Inflation Factor (VIF) values for the three independent variables were all found to be well below the benchmark value of 10, thereby confirming that multicollinearity did not pose a concern in the regression model used for this study. This confirms that the model met the assumptions of regression analysis, and that each variable made a unique contribution to the explanation of the variance in competitive advantage. Based on the unstandardized coefficients

derived from the regression analysis, the resulting multivariate regression equation is expressed as:

$$\mathbf{Y}=0.186 + 0.325\mathbf{X_1} + 0.252\mathbf{X_2} + 0.414\mathbf{X_3}$$

Where:**Y** represents Competitive Advantage, $\mathbf{X_1}$ represents Market Analysis, $\mathbf{X_2}$ represents Resource Allocation, and $\mathbf{X_3}$ represents Risk Assessment.

Table 18: Coefficients of Multivariate Regression Model

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	VIF
	B	Std. Error	Beta			
(Constant)	.186	.427		.201	.009	
Market Analysis	.325	.078	.360	4.181	.000	1.194
Resource Allocation	.252	.091	.242	2.753	.007	1.245
Risk Assessment	.414	.103	.326	4.013	.000	1.065

Competitive Advantage of Insurance Companies

Table 19 outlines the participants' perceptions regarding the competitive advantage of their respective insurance companies. A substantial portion of respondents (36.8%) indicated that their company's pricing strategy significantly contributes to its competitive advantage. This suggests that competitive pricing may be an important tool for attracting and retaining clients in a highly competitive insurance market. In terms of customer service, 43.2% of respondents noted that the quality of their company's customer service plays a major role in enhancing its competitive edge. This implies that positive client experiences and responsive support can build customer loyalty and differentiate one insurer from another. When asked about product innovation, 44.2% of participants stated that its contribution to competitive advantage is moderate. This reflects a view that while new or improved insurance products can attract attention, their success may depend on market demand and timing.

Respondents also provided insights on brand reputation and technological capabilities. A majority of 46.3% acknowledged that their company's brand reputation greatly strengthens its competitive standing. This points to the value of trust, public perception, and brand legacy in influencing customer choices. With respect to the use of technology, 41.1% believed it has a moderate effect on their company's competitive advantage. This may suggest that while digital tools and platforms are useful, their impact is contingent upon how effectively they are deployed within operational and customer service processes. When it came to customer retention, 44.2% of the participants felt that their company's ability to retain clients significantly contributes to its advantage over rivals. This indicates that maintaining long-term customer relationships may be as important as acquiring new ones in sustaining market leadership. In the area of claims processing, 37.9% noted that the

speed of processing claims plays a crucial role in establishing a competitive advantage. This highlights the importance of efficiency and responsiveness in service delivery.

Financial strength, market share, and strategic alliances were also examined in relation to competitive positioning. A total of 38.9% of respondents believed that their company's financial stability plays a major role in sustaining a competitive advantage. This finding implies that financially secure companies are better equipped to manage risks, invest in growth, and win customer trust. Regarding market share, 40.0% of participants agreed that their company's share in the market enhances its competitiveness. This suggests that larger market presence may create economies of scale and greater brand visibility. On the issue of partnerships, 42.1% of respondents affirmed that strategic collaborations and alliances positively impact their competitive advantage. This reveals that forming alliances with other institutions or service providers can expand capabilities, improve service offerings, and strengthen market position.

Table 20: Competitive Advantage of Insurance Companies

Statements	VL	L	M	G	VG	Mean±
	%	%	%	%	%	SD
To what extent does your company's pricing strategy provide a competitive advantage over its competitors?	4.2	14.7	23.2	36.8	21.1	3.56±0.908
To what extent does your company's customer service quality contribute to its competitive advantage compared to its competitors?	2.1	12.6	29.5	43.2	12.6	3.52±0.944
To what extent does your company's product innovation enhance its competitive advantage in comparison to competitors?	1.1	10.5	44.2	32.6	11.6	3.43±0.871
To what extent does your company's brand reputation strengthen its competitive advantage over other insurance companies?	0	11.6	30.5	46.3	11.6	3.58±0.845
To what extent does your company's use of technology improve its competitive advantage relative to its competitors?	1.1	11.6	41.1	33.7	12.6	3.45±0.896
To what extent does your company's ability to retain customers provide a competitive advantage over its competitors?	2.1	10.5	31.6	44.2	11.6	3.53±0.909
To what extent does your company's speed in claims processing offer a competitive advantage over other insurance companies?	5.3	11.6	30.5	37.9	14.7	3.45±1.050
To what extent does your company's financial stability give it a competitive advantage compared to its competitors?	0	10.5	32.6	38.9	17.9	3.64±0.898
To what extent does your company's market share enhance its competitive advantage relative to its competitors?	0	11.6	33.7	40.0	14.7	3.58±0.882
To what extent does your company's strategic partnerships and alliances improve its competitive advantage over its competitors?	0	12.6	32.6	42.1	12.6	3.55±0.872

Conclusion

The study concluded that market analysis has a positive and statistically significant effect on competitive advantage among insurance companies in Kenya. Additionally, it was concluded that resource allocation has a moderately positive and statistically significant influence on the competitive advantage of insurance companies in Kenya. Risk assessment has a moderately positive and statistically significant influence on the competitive advantage of insurance companies in Kenya. The findings underscore the vital role of proactive risk management in securing and sustaining a favorable position in a competitive market environment.

Recommendations

The study recommends that insurance companies should strengthen their market analysis capabilities by adopting modern analytical tools and practices that enhance real-time understanding of customer needs, industry trends, and competitive behavior. The study further recommends that insurance company leaders should adopt structured resource allocation frameworks that align with organizational goals and strategic priorities. Lastly, it recommends that insurance company management should enhance their risk assessment capabilities to strengthen competitive advantage.

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