EFFECT OF POSITIONING STRATEGIES ON COMPETITIVENESS OF HEALTH INSURANCE PROVIDERS IN KENYA

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DECLARATION

I declare that this proposal is my original work and has not been presented for examination in any other institution

Signed: Date : **20/09/2022**

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D61/19722/2019

The student should sign before the supervisor.

This research project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

Dedicated to my parents

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I am Grateful to God Almighty for giving me good health and the intellectual capacity to see me through this project. I thank my supervisor, Dr. Victor Ndambuki for his untiring input by way of corrections and guidance. To all others who in a way or another were of assistance I appreciate you.

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ABSTRACT

The purpose of this research was determining how positioning strategy affect the competitiveness of Kenyan health insurance companies. The study's foundations were the resources-based approach and Porter's (1980) theory of competitive advantage (RBV). A cross-sectional descriptive survey was used in this investigation. Since information was only gathered at one location, a cross-sectional design was adopted. There are 22 registered health/medical insurance companies in Kenya, according to the Association of Kenya Insurers (AKI), 2021. These people made up the study's sample, 22 in number. Tables, percentages, and proportions were used to show the data. Means, the standard deviation, and the coefficient of variation were used in descriptive statistics (COV). Simple regression analysis was used for inferential statistics. The results indicate that 37.8% of the variation in competitiveness of the firms was as a result of positioning strategies, while 62.2 % is attributed to other factors. Further, ANOVA analysis indicated that the effect of positioning strategies on competitiveness is not statistically significant, which means that in the context of these firms' other factors were significantly involved in their competitiveness. In the final analysis, the model resulting from the analysis of coefficients show that a unit change in competitiveness is attributed to 0.422 units of positioning strategies. The author makes recommendations to policy and practice based on the findings. Top management of these companies can alter their policies to improve the strategic fit and competitiveness of the companies they lead. If companies in the sector want to achieve a high level of turnover in their books, they must devote greater resources to strategic positioning.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Globalization has enhanced competitional pressures in any sector and environment of commercial activities, consumer strategies need quite innovative approach to ensure survival and growth of a firm. According to Oliver (2011), understanding of business environment where business operates is very critical to any business firm. Firm take advantage of these uncertainties and create competitive incentive packages to attract clients retain them and attract new client base. Sidorowlez (2007) explains that competitiveness refers to an organization's, sector's, or industry's capacity to thrive in a certain environment while generating at least the opportunity cost of returns. In order to be competitive, businesses must cope with a changing environment and develop tactics that exceed those of their competitors.

According to Thompson (1997), it is harder to foresee the contemporary, complex, and dynamic corporate environment because of the inherent uncertainties that might lead to chaos. Globalization and in particular rapid changes in consumer behavior impact heavily on way organization strategize and handout their business. Allan and Gale (2004) conclude that various economics change and fluctuate; these changes are paint of economic cycles of long waves of capitalist development. Firms needs to adopt innovative strategies which involves new tools procedures, devises, as well as knowledge and technologies that mediate between inputs and outputs, product service / innovations are viewed as more to do with the output that are introduced for the benefit of customers (Miller & Chen, 1994).

The two ideas, Porter's (1980) theory of competitive advantage and the resources-based approach, serve as the study's foundation (RBV). In essence, competitive advantage proposes that firms position themselves in order to maximize on their competitive advantage. The resource-based view postulates that firms are a collection of tangible and intangible resources that can be exploited to create incremental rent. The positioning strategies employed by a firm could be interpreted as a resource for that firm.

Insurance companies provide peace of mind to individuals and institutions so that they can pursue growth. The insurance sector in Kenya comprises the regulators, the direct underwriters, brokers, agents, loss adjusters and the reinsurers. The Kenyan economy is served by 54 insurance companies. This number is relatively high for an economy the size of Kenya's. Insurance companies have therefore to jostle to position themselves in the most rewarding manner possible. This has been achieved by pursuit of a number of strategies.

1.1.1 Positioning Strategy

Drummond and Ensor (2001) indicate that once firms have selected target market to serve, then the next decision is how to compete on these fronts through effective positioning strategy. Position entails receptive approach towards companies' products and services, through use of various qualities of the product, which will influence positive perceptions in the mind of the consumer and the market at large. Kotler (1996) identifies various attributes adopted the position a brand, service, these include product attributes products. Services benefits, usage, occasions, users, activities, personality, organ, competition, product class, symbol(s); Jobber (1995) identifies four critical factors important for successful positioning, these include credence, which reflects the credibility of the services or products to the customers, competitiveness, which signifies benefit, consistency relative to market changes, trends and tastes, and clarity which involves clear statement about the offer in the target market context.

According to Ries and Trout (1981), there are a number of options available when considering positioning: building on the current position to develop a differentiating characteristic of the brand based on the consumers understanding; identifying the traits that are most significant to the consumer; and repositioning the brand to address changes in market changes and uncertainties. Caution on position need to be taken to avoid positioning mistakes of under positioning, over positioning and confusion. Strategies should be careful in every positioning move and unsure firm success in the market (Drummond & Ensor, 2001).

1.1.2 Firm Competitiveness

The capacity of a company to carry out its two fundamental mandates—meeting customer demands while making a profit—is known as firm competitiveness (Chikan, 2008). Porter (1985) ascribes the meaning of competitiveness to a firm's capacity to thrive in a particular business environment. According to Lall (2001), competitiveness as attributes akin to determining the capacity possessed by an organization to outperform others, in terms of profitability, sales, or market share. In a similar vein, Buckley, Pass, and Prescott (1988) see a firm's capacity to pay workers well and provide above-average profits for shareholders as being identical with its competitiveness.

A matrix framework is suggested by Depperu and Cerrato (2016) to characterize competitiveness in terms of two aspects: An outcome variable or as a driver of business success; A dissimilarity between static and dynamic competitiveness assessments. The definition of competitiveness as an outcome variable will be established based on this framework. Good financial performance often indicates that the company is doing better in terms of competitiveness since lucrative opportunities lead to more production and sales. Financial metrics have the benefit of having agreed-upon definitions and being simple to calculate, however evidence from studies suggests combining financial and non-financial indicators. The company must continuously adjust to environmental dynamics in order to maintain competitiveness.

1.1.3 Health Insurance Providers in Kenya

A health insurance policy is designed to provide the insured individual financial security in the case of unanticipated and unexpected accidents or illnesses that need hospitalization. In Kenya, health insurance has long been recognized as a useful tool for individuals to use to pay for their medical requirements. Health insurance has become a requirement for every Kenyan. It will be pricey if there is no insurance. Any family may live comfortably without worrying about medical expenditures if they have insurance coverage, according to Swathi and Anuradha's research from 2017.

Kenya has a poor level of health insurance. Otieno et al. (2018) used a sample of 300 families to perform research in the Viwandani slums of Nairobi to ascertain the prevalence of health insurance in the area. Only 43% of families, according to the authors, have insurance. Nguhiu, Barasa, and Chuma (2017) found that people are not receiving enough health care from the current cover when doing research to assess coverage for maternal and child in the nation.

According to the IRA, Kenya's 32 private insurers and 4 reinsurers supply the majority of the country's health insurance (2018). However, the government-run National Health Insurance Fund aims to offer healthcare to everyone in the nation (NHIF). The fund membership and salary-based payments are required of all public personnel. However, the fund is poorly run, making it difficult for Kenyans to access licensed facilities. Additionally, the contributions are insufficient, thus individuals must seek out extra coverage from the nation's private insurers in order to get complete medical coverage.

1.2 Research Problem

Positioning strategy has been found to influence a firm’s competitiveness (McAvoy, 2011). The manner in which the top management positions the firm in the market has a bearing on the various performance outcomes. Establishing a productive and long-lasting presence against the factors that influence industry rivalry is the goal of competitive strategy (Garrat, 2002). The creation of competitive strategies that ensure performance has become necessary due to the intense rivalry among businesses and the arrival of new competitors into the local market. The core of strategic management, which is essential for the long-term sustainability of any corporation, is the development of plans that help businesses deal with competition.

As a result, robust health insurance programme is key to economic growth, development and success. The prime goal of insurance is to provide financial stability with society and its business organizations. Insurance services to business as well as education provision. Developing nations experience low insurance penetration, currently the penetration rate is below 4% four percent, however the government is undertaking efforts to beef up insurance firms’ financial strength and enable them to serve and reach to more un-insured citizens. The number of health insurance service providers is high compared to the population (Otieno et al. (2018). The resultant effect is that the intensity of competition among the existing health insurers is quite high. Quite a number of them are pursuing different strategies for survival among them positioning. Some health insurance providers position themselves as the lowest in terms of cost, the best in terms of service effectiveness and others on the basis of stability. The N.H.I.F. has implemented changes such as the public employees' plan, step-by-step quality improvement mechanism, health insurance premium for the poor, modification of monthly deposit amount, and benefit package extension. In the same light, an increase in provider compensation is also possible.

Findings on previous studies in this area provide varied results. Slovakian small- and medium-sized businesses were the subject of a study by Populova et al. (2006) on competitive strategies and competitive advantages. The findings showed that companies created competitive advantage by developing and implementing aggressive performance-enhancing measures. In their analysis of the US airline sector, Miller and Chan (1994) concentrated on the causes and effects of competitive inertia. The results showed that restrictions on activity, such bureaucratic rigidity, insularity, and institutional networks, might lead to stagnation. The study was limited to an aspect of firm characteristics in the us airline industry. Chiu and Kwok (2009) researched on culture and its effects an insurance consumption and reported that culture had an effect an insurance consumption. Lemaitre Chua (2010) researched on challenges of insurance penetration is Arab states; findings indicated that Islamic religion contributed to Lower insurance product acceptance.

Locally several studies have been undertaken in the field of insurance in Kenya. Masese (2013) conducted their study on the variables affecting the use of insurance services in Kenya, particularly life insurance, and found that factors including income, way of life, education, and societal concerns all had a role in uptake. Kiragu (2014) looked at the difficulties insurance companies in Kenya face in gaining a competitive edge., the findings indicated that the competitive environment, income and education levels and living standards contributed positively. Karum (2010) investigated the factors that influenced corporate linage and identity among insurance companies, a case study of C.I.C. Insurance. Given that most studies appear to be on the challenges facing insurance companies generally and health insurance service providers explicitly. This study focuses on understanding how positioning influences competitiveness.

1.3 Research Objective

The purpose of this research is to determine how positioning strategies affect health insurance organizations' competitiveness ability in Kenya.

1.4 Value of the Study

The industry participants will benefit immensely by understanding the factors that contribute to their competitiveness and success in the competitive business environment. Managers in health insurance firm will be able to determine the direction in terms of positioning that other firms are taking. Managers will also be able to interrogate their positioning strategies and benchmark them against national standards. Firms in the health insurance sector will also benefit in terms positioning strategy formulation and execution.

To the academic the study will contribute to the knowledge in insurance specifically and enrich understanding of theory generally. The critique in literature review is one way of enhancing knowledge in a particular area. The study is grounded on the competitive advantage theory and the resource-based view. The researcher by testing the hypothesized relationship will have contributed to theory.

Policy makers in insurance such as the IRA and AKI will find the findings useful because they provide new approaches to competition to health insurance companies. It is important that the regulators also appreciate the various positioning approaches so that they can determine early enough which aspects of positioning strategies may require regulation.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This part of the project involves presentation of the theoretical underpinnings that guides this study comprising of the Competitive advantage theory and the resource-based view. It additionally presents an empirical review of literature to establish the state of research in this area and point out existing gaps in knowledge.

2.2 The Underpinning Theories to Study

The Porter's (1980) competitive advantage theory and the resource-based view are the underpinning theories used. The theories are found applicable because their propositions predict the relationships between the variables.

2.2.1 The Theory of Competitive Advantage

Porter (1985) put out the competitive advantage idea. According to the competitive advantage argument, firms and governments should pursue policies that result in the production of high-quality items that can be sold on the market for a high price. An organization gains a competitive advantage when it creates or obtains a collection of qualities that enable it to outperform its rivals (Wang, 2014) In other words, a company has a competitive advantage when its operations are more lucrative than those of its market rivals or when it excels them in terms of other important outcomes of operations (Huff et al., 2009), such as market share, product quality, or technical development. Many businesses are inherently incapable of exceeding these requirements (Huff et al., 2009) Ascribing characteristics of exceptionality and uniqueness to competitive advantages is what this is. They may thus be seen as a need for success, i.e., the attainment of defined strategic goals (Flint, 2000). Grant's succinct remark, "If the business is to flourish within the industry it must build a competitive edge over its competitors," effectively communicates a widely accepted approach to the problem (Grant, 2010).

According to Ambrosini and Bowman (2009), a firm's competitive advantage is likely to be preserved if managers and rivals do not fully understand the factors that contributed to it since these factors are tacit, hard to describe, and hard to codify. This is because controlled imitation cannot occur. However, causal ambiguity also prohibits a business from drawing lessons from its own mistakes and enhancing its performance over time (McEvily et al., 2000). On the other hand, a firm's performance advantage may diminish if causal ambiguity is addressed (McEvily et al., 2000) The problem mentioned is one that comes up in business practice rather often.

Theoretically, market leaders' specialized solutions or even whole company strategies are more vulnerable to imitation by rivals. However, since there is often a causal ambiguity between the sources of competitive advantages and the outcomes of activities, such activities are seldom productive. Typically, it is not quite obvious to whom the success of a company should be ascribed. This research makes use of the notion of competitive advantage since a company's positioning strategy may be the reason for its better performance in the market. This shows that the theory's predictions support the link that has been postulated.

2.2.2 Resource Based View

According to Pearce and Michael (2006), Wernerfelt (1984) and Penrose (1985), a firm's competitive advantage lies in the kind of resources it possesses. Teece (2007) indicates that a firm must have unique capabilities to cope up with dynamism of the environment and succeed in its operations. To ensure survival and prosperity, only those firms which create strategic fit between their operations and the environment can succeed in the current business scenario (Grant 2010). Fundamentally, the RBV asserts that a company's resources or bundles of resources are what allow it to gain a competitive edge (Wernerfelt 1984). Since its inception, the RBV has grown to be one of the most well-liked theoretical viewpoints in the area of strategic management as a framework for describing the circumstances in which a company may achieve a long-term competitive advantage (Armstrong and Shimizu 2007).

The attractiveness of the industry in which a company is based and the building of a competitive edge over competitors are two elements that determine a firm's capacity to create profit beyond its cost of capital. Industrial organisation economics places a strong emphasis on industry attractiveness as the fundamental driver of superior profitability, with the implication that strategic management should focus on finding favourable industry environments, identifying strategic groups and attractive segments within industries, and reducing competitive pressures by modifying industry structure and competitor behaviour.

2.3 Positioning Strategies

One of the most significant ideas in strategy today is positioning. Positioning, according to Kotler (2000), is the process of identifying a company's product in a way that stays in customers' minds. Furthermore, positioning is not what occurs to the product but rather to the prospect's thoughts, according to Ries and Trout (1986). Strategic positioning, according to Odhiambo & Wanjira (2019), represents how customers see an organization's performance in relation to rivals on certain qualities. It may also be created by setting the product apart from rivals. Prior to creating a positioning strategy, it is crucial to recognise and carefully examine the characteristics and reputation of potential competitors.

Boyd, Walker, and Larreche (1998) identified seven different product positioning methods. A marketing tactic for a market with only one distinct segment is called mono-segment positioning. Customers from many separate segments should use a multi-segment positioning approach. Making the transition from multi-segment to mono-segment placement simple is the goal of the standby positioning technique. When a company uses an imitative positioning approach, it positions its goods similarly to an already-successful product (Strydom, 1999).

The anticipatory positioning approach puts new items in advance of changes in the demands of the target market group. A company uses the adaptive positioning approach to place its goods on a cyclical basis while tracking the progression of the segment's demands (Ozcan & Sheinin, 2009). In the defensive positioning strategy, a company introduces a new product or service in a comparable position for the same market category to protect itself from the impact of rivals (Strydom, 1999).

Price and product positioning are the most often used basis for positioning, while Lovelock (2007) highlighted a number of other bases that might be employed. The most typical is attribute placement. A physical feature that rivals products have decided to disregard may be used to position a product. However, positioning may also be done based on several product qualities, even though this is often challenging and complicated (Walker, Mullins, & Boyd, 2008).

Positioning based on the advantages that are directly connected to the product is known as benefit positioning. The positioning is built on special features that distinguish the product from those of rivals' offerings. Application positioning is based on a product's distinctive usage or application. For instance, marketing wine as suitable for all situations and events at any time of the day or year may appeal to everyone, including teetotalers. However, presenting spirits in the same manner might hurt the product's market. User placement is determined by the product's customers. When a company places its goods to profit from marketing opportunities, it engages in competitor positioning. Competitive positioning may not be the optimal strategy for all items, particularly if the rival's goods are better. Positioning based on quality or price is known as "quality or price positioning" (Kotler & Keller, 2006).

2.4 The Empirical Literature Review and Knowledge Gaps

According to a study by Kimotho (2012) on the influence of competitive strategies on the financial performance of CFC Stanbic Bank Ltd., the bank had a competitive advantage due to its success in introducing new goods and services to the market. Through the use of this novel strategy, the company was able to enhance its financial performance relative to rival tactics. Superior talents and supervisor resources were the two divergent sources examined by Day and Wesley in their 2008 analysis of competitive strategy.

A study on competitive strategies among businesses in emerging economies was conducted by Johnsonn & Devonish (2009), who found that those businesses with well-planned competitive strategies experience high organizational performance, satisfied customers, and increased competitiveness against rivals. These conclusions provide guidance on how competing tactics and performance results relate to one another. There was no discussion of a particular competitive strategy in the research.

Arasa and Githinji (2010) conducted study on the association between organizational performance and competitive strategies among Kenyan mobile telecommunications companies. Their results suggest that the sector was more competitive and that methods like product differentiation and low-cost leadership were used. The results are in line with Porter's (1985) identification of distinctiveness and low cost as sustainable competitive advantages (SCA) tactics, as well as Day and Wesley's (1988) identification of superior talents and superior resources as possible sources of sustained competitive advantage. The investigation was conducted in a different setting.

Ndungu (2006) examined how British Airways World Cargo Kenya maintained a competitive edge in the airline business. The study's conclusions showed that British Groups' cargo-Kenya activities take place in a chaotic setting with external pressures influencing both internal and external operations. Over time, BAWC clunk the core competencies and distinctive resources of the businesses to several sorts of tactics. This enabled the organization to pick up survival and leadership skills from its surroundings. The idea was different since sustained competitive advantage was the focus.

Werner Felts' (1984) resource-based theory of achieving sustainable competitive advantages is the foundation for Barney's (1991) analysis. This strategy aids in achieving SCA by ongoing development of already existing resources and capabilities as well as the production of new ones in response to constantly shifting market circumstances. These resources include skills, networks, and economic and intellectual assets, which together provide the highest value. The ability of an organization to maintain its competitive edge depends on both its unique and replicable talents as well as the special mix it develops to achieve synergy.

Benchmarking, according to Kumar and Chandra (2001), is all about setting organisational goals utilizing best-in-class techniques and tools for performance management. Effective communication of the goals is a prerequisite, and the bench marking system's execution depends on the employee's performance with an eye toward achieving the objectives. Effective benchmarking may provide businesses a significant competitive edge.

According to research by Brah et al. (1999), benchmarking success is determined by how well practitioners have met their goals, justified expenditures with the advantages they have obtained through benchmarking, and had a positive overall impression of the process. They came to the conclusion that the benchmarking metrics defined during the planning stage may also assist assess the size of the performance gaps and choose what should be benchmarked. Benchmarking against the competition is one of the positioning strategies that was the subject of this investigation.

Lestor (2009) draws the conclusion that companies that use efficiency strategies are successful in using the least amount of resources and operational expenses necessary to generate the desired level of sales, hence enhancing their performance. The cost leadership strategy optimizes the use of available capacity and keeps an eye on scale-related economics. Other businesses work with their agency for an extended period of time and employ suppliers to offset the exploitation of expenses.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The methods used to carry out the research are presented in this chapter. In particular, the chapter covers the demographic of the study, data gathering techniques, and suggested data analysis technique as well.

3.2 The Design of the Research

This establishes the overarching guidelines that will guide the conduct of the study. This study will adopt a cross-sectional descriptive survey. A cross-sectional design was used because data was collected at only one point. The survey method is considered the most suitable method since it involves getting of the views on the positioning strategies espoused by the providers of Kenyan health care insurance premiums, and how they influence competitiveness.

3.3 The Studied Population

This outlines subjects that will form the focus of the study. The population in this study comprised of all firms registered as insurance health providers in Kenya. According to the Association of Kenya Insurers (AKI), 2021, there are 22 registered operational Kenyan health/medical insurer firms. These formed the population of this study. Because the number is not large, the study was a census study. The sample in this study was 22 in number of which the respondents were the management level staff due to the fact that strategic activities are normally handled at that level.

3.4 Collection of Data

Through the use of questionnaires, which were distributed to the respondents, primary data was collected. The questionnaire comprised of three parts: Part A is on the demographic information of the respondent institutions: Part B is on the positioning strategies of health insurance providers while Part C is on competitiveness. The target respondents were either business development managers or marketing managers. The reason why these were the target respondents was that the positions they occupy in the business would ordinarily make them best placed to respond to questions on positioning strategy. Administration of the questionnaires was by emails which were followed by phone calls to enhance the response rate.

3.5 Analysis of the Data

To allow coding and tabulations before conducting the final analysis, the obtained data were modified for correctness, consistency, and completeness.. Data was presented by use of percentages, proportions and tabulations. Descriptive statistics were done by way of means, standard deviation and coefficient of variation (COV). Inferential statistics were by way of simple regression analysis.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

The influence of positioning strategies on the competitiveness of insurance corporations and health insurance providers in Kenya was examined by the researcher. Structured questionnaires with both open-ended and closed-ended questions were used to collect the study's data. The data were examined using the Statistical Package for Social Sciences (SPSS). The study results were presented using percentages and tables.

4.2 Response Rate

The respondents to this study responded at a rate of 90.91 percent, which is sufficient to draw conclusions. According to Mugenda & Mugenda (1999), a minimum of not less than fifty percentage of the sampled respondents is reasonable for proceeding with data. The response rate of 90.91 is therefore sufficient for this study.

4.3 Background Information

This section includes a presentation of background information on the number of branches, years in operation and the level of turnover.

4.3.1 Number of branches

Table 4.1 Number of branches

Categories	Frequency	Percent (%)	Cumulative Percent
4 and below	6	30.0	30.0
5-9	5	25.0	55.0
10-14	3	15.0	70.0
15-19	4	20.0	90.0
Above 20	2	10.0	100.0
Total	20	100.0	

Table 4.1 indicates the number of branches that the Health Insurance Providers have, according to the respondents. The findings show that 6 health Insurance Providers accounting for 30% are in the 4 and below category. The statistics for other categories are as follows: five firms accounting for 25% are in the 5-9 branches category; 3 firms accounting for 15% in the 10-14 branches category, 4 firms accounting for 20% are in the 15-19 category; and 2 firms accounting for 10% in the above 20 branches category

4.3.2 Years in Operation

Table 4.2. Years in Operation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	4 and below	3	15.0	15.0	15.0
	5-9	4	20.0	20.0	35.0
	10-14	3	15.0	15.0	50.0
	15-19	7	35.0	35.0	85.0
	Above 20	3	15.0	15.0	100.0
	Total	20	100.0	100.0	

Table 4.2 indicates the number of years that a firm has been in operation. The findings show that majority of the health Insurance Providers (7) accounting for 35% are in the 15-19 category. The statistics for other categories are as follows: 3 firms accounting for 15% are in the 4 and below number of branches category; 3 firms accounting for 15% in the 10-14 branches category, 4 firms accounting for 20% are in the 5-9 category; and 3 firms accounting for 15% in the above 20 branches category

4.3.3 Turnover

Table 4.3. Turnover

Category	Frequency	Percent	Valid Percent	Cumulative Percent
less than 100million	7	35.0	35.0	35.0
100-249million	4	20.0	20.0	55.0
250-499milion	5	25.0	25.0	80.0
500-749milion	3	15.0	15.0	95.0
more than 750 million	1	5.0	5.0	100.0
Total	20	100.0	100.0	

Table 4.1 indicates the turnover of the Health Insurance Providers, according to the respondents. The findings show that majority of the health Insurance Providers, 7 in number, accounting for 35% are in the less than 100 million turnover category. The statistics for other categories are as follows: 4 firms accounting for 20% are in the 100-249 million turnover category; 5 firms accounting for 25% in the 250-499 million turnover category, 3 firms accounting for 15% are in the 500-749 million; and only one firm accounting for 5% is in the above more than 750 million category.

4.4 Descriptive Statistics

This section presents the descriptive statistics of the positioning strategies construct and competitiveness.

4.4.1 Positioning Strategies

The measurements of positioning strategies construct are on a scale of 1-5 (1 Strongly agree, 5 for Strongly disgree).

Table 4.4. Positioning Strategies

Statements	Mean	Mode	Std. Deviation
We have deliberately positioned our company	3.10	4	1.165
We use pricing to position our services	3.70	4	1.129
We use our service strategy for positioning as the most efficient	3.65	4	1.137
We use communication extensively for positioning	3.35	4	1.348
We benchmark against our competitors for purposes of positioning	2.45	2	1.356
We derive positioning strategy using our own staff	2.70	2	1.218
We hire external consultants to help us in positioning	2.95	2	1.504
We consider the risks involved before embarking on a positioning strategy	2.75	2	1.209
Developments in the external environment are factored into positioning strategy	2.55	2	1.191
We position ourselves as leaders in innovation in terms of health insurance	2.75	2	1.333
Average Scores	**2.99**	**2.8**	**1.259**

Table 4.4 indicates the descriptive statistics of positioning strategies. The data analyzed show that the respondents returned an average mean, mode and standard deviation scores of 2.99, 2.8 and .259 respectively. This suggests that on average the respondents moderately agree with the statements concerning positioning strategies construct.

4.4.2 Firm Competitiveness

The measurement of firm competitiveness construct is on a scale of 1-5 (1 for strongly Agree, 5 for Strongly Disgree).

Table 4.5. Firm Competitiveness

	Mean	**Mode**	**Std. Deviation**
The firm’s efficiency has gone up significantly due to positioning	2.55	2	1.191
The uptake of the policies of the firm has gone up due to price-based positioning	2.95	2	1.099
Our costs of marketing have declined significantly	2.53	1	1.429
We do not spend significant resources warding off competition as a result of adopting positioning strategy	2.05	2	.945
Our marketing team has become more focused with the presence of a clear positioning strategy	1.95	1	1.050
Average Scores	**2.406**	**1.6**	**1.143**

Table 4.5 indicates the statistics for firm competitiveness. The data analyzed shows that the average mean, mode and standard deviation for firm competitiveness are 2.406, 1.6 and 1.143 respectively. This means that on average, respondents agree with the statements concerning firm competitiveness.

4.5 Findings of the Regression Model

Table 4.6.Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.378[a]	.143	.095	.65912	.143	2.996	1	18	.101

a. Predictors: (Constant), Positioning Strategies

b. Dependent Variable: Firm Competitiveness

Table 4.6 indicates the model summary from the regression analysis of the survey data for position strategies and firm competitiveness. The analysis shows that 37.8% of the variaion in the dependent variable, firm competitivenss, is accounted for by the predictor, positioning strategies, the independent variable.

Table 4.7. ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.301	1	1.301	2.996	.101[b]
	Residual	7.820	18	.434		
	Total	9.121	19			

a. Dependent Variable: Firm Competitiveness

b. Predictors: (Constant), Positioning Strategies

Table 4.7 indicates the ANOVA regression analysis of survey data for firm competitiveness, the dependent variable and positioning strategies, the independent variable. The analysis Shows that the influence of positioning strategies on firm competitiveness is not statistically significant, as evident from the $p > 0.05$.

Further analysis of the data shows that values of the regression coefficients of positioning strategies as the independent variable and firm competitivenss as the dependent variable gives a model fit of the following type: Y = 1.129 + 0.422X

Where, Y represents the dependent variable, firm performance and X represents the independent variable, positioning strategies. This means that any change in firm competitiveness is explained by 0.422 units of positioning strategies.

Table 4.8. Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	1.129	.745		1.515	.147
	Positioning Strategies	.422	.244	.378	1.731	.101

a. Dependent Variable: Firm Competitiveness

4.6 Discussions

The aim of this chapter was to analyze data collected from the respondents as a result of the survey undertaken. The study was able to achieve a significantly high response rate, which validated continuation of the analysis. The analysis was undertaken in three parts. The first part covered demographic data, and included data on the number of branches, number of years of operation and turnover of the firms. The second part covered the descriptive statistics, while the third part covered analysis of variance and model generation with regard to effects of positioning strategies competitiveness of the firms.

The findings indicated that majority of the firms had 4 or less than 4 branches. Looking at the number of years that majority of the firms had been in operation, 15 to 19 years, it is informative on the low number of branches by majority of the firms. This is also supported by the fact that majority of the firms had a turnover of less than 100 million.

The descriptive statistics focused on determination of the mean, mode and standard deviation of the position strategies construct and competitiveness data. The findings suggest that most of the respondents agree with predictors of positioning strategies and this was similarly the case with competitiveness of the firms. This is an indication that the measures provided a fairly valid prediction of positioning strategies and competitiveness.

Further analysis was undertaken to determine the effect of positioning strategies on competitiveness. The findings indicate that 37.8% of the variation in competitiveness of the firms was as a result of positioning strategies, while 62.2 % is attributed to other factors. Further, ANOVA analysis indicated that the effect of positioning strategies on competitiveness is not statistically significant, which means that in the context of these firms' other factors were significantly involved in their competitiveness. In the final analysis, the model resulting from the analysis of coefficients show that a unit change in competitiveness is attributed to 0.422 units of positioning strategies.

These findings indicate that the competitiveness of the firms is inconsistent with the views held by Porter (1985) and Wang (2014) who posit that competitive advantage is obtained when an organization develops or acquires a set of attributes that allow it to outperform its competitors.

This seems not to be the approaches adopted by the firms, as reflected in the significance levels of the firms' positioning strategies. The resource-based view, according to Penrose (1985), Wernerrfelt (1984), highlights the importance of strategic fit, but the findings of the study indicate dismal regard for one of the key elements for this to happen, positioning strategies of the firm.

CHAPTER FIVE

THE SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

In this chapter, the main data results, inferences formed from the findings, and suggestions are summarized. The study goals of identifying the positioning tactics used by Health Insurance Providers in Kenya and establishing the effect it has on the businesses' competitiveness were addressed in the results and suggestions.

5.2 Summary of Findings

The findings indicated that Health Insurance Providers in Kenya have low level of branch networks, which is a reflection of the time that majority of firms have been operational, which is also low. This state of affairs is also indicative of the low turnover that characterizes most of the firms. The findings suggested that most of the firms have a moderate understanding of factors that can help them position strategically in the highly competitive environment that they operate in. This seems to be the case with competitiveness as well.

The findings reveal that 37.8% of the variation in competitiveness of the Health Insurance Providers in Kenya was attributed to positioning strategies, however, it was informative that 62.2 %, a significantly high percentage, was attributed to other unknown factors. It was, nonetheless affirmed that the effects of positioning strategies on competitiveness was not statistically significance, as indicated by the p value which returned a value that was more than the 0.05 standard of measure. On further analysis of the data, it was found that positioning strategies influence competitiveness of the Kenyan healthcare providers, which can be fitted on a model equation, in which a unit change in competitiveness of these firms result from 0.422 units of positioning strategies.

5.3 Conclusion

The purpose of this research was to ascertain how positioning techniques affected Kenyan health insurance providers' ability to compete. The results show that the businesses' competitiveness is at odds with the theories put out by Porter (1985) and Wang (2014), who contend that a company has a competitive edge when it develops or acquires a set of qualities that enable it to outperform its rivals. This seems not to be the approaches adopted by the Health Insurance Providers in Kenya. As a result, it significantly impacts their competitiveness. Furthermore, the resource-based view, the proposition by Penrose (1985) and Wernerrfelt (1984), highlights the importance of strategic fit for firms that seek to gain competitive advantage over competitors, but the results indicate that Kenyan healthcare insurance providers have little appreciation of the value positioning strategies can bring to their competitiveness, despite the fact that a number of previous studies, as reflected in the literature review, have indicated its significance on competitive advantage. It is therefore imperative that Health Insurance Providers in Kenya seeking to improve their turnover should focus more on developing effective positioning strategies to enhance their competitiveness.

5.4 Limitations to the Study

During gathering process, of the data, some target respondents failed to provide the necessary information. As a result, a response rate of 100% was not obtained. However, by describing the research's purpose and guaranteeing respondents of secrecy, the researcher was able to gain the trust of many respondents. There were also constraints in terms of time and money. One of the study's key flaws is that it was constrained in terms of population and sample size. This means that the findings can't be applied too broadly. A key limitation is in the findings because the number of respondents was less than 30. The researcher notes that this weakens the predictive capability of the model.

5.5 Recommendations

The study's objective was to provide suggestions that will further our understanding of positioning strategies, competitiveness, management practice, and policy.

5.5.1 Recommendation for Practice and Policy

Through an empirical determination of the relationship between positioning strategies and company competitiveness in Kenya's Health Insurance Providers industry, the study added to previous theories. The study will serve researchers as a source of literature and gap analysis for health insurance providers in Kenya, as well as positioning strategies and competitiveness linkages. Top management of these companies can alter their policies to improve the strategic fit and competitiveness of the companies they lead. If companies in the sector want to achieve a high level of turnover in their books, they must devote greater resources to strategic positioning.

5.5.2 Recommendations for Further Studies

More research should be done using various research designs and sampling methodologies to investigate the role of positioning strategies in constructing firm competitiveness. According to this study, more research should be done to determine the function and influence of present industry with regard to other variables that may interact with positioning strategies and Kenyan health insurance providers competitiveness.

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Appendix I: Questionnaire

PART A: BACKGROUND INFORMATION

1) Name of Health Insurance Provider…………………………..(optional
2) Number of Branches…………………………………………………………….
3) Number of years in Operation…………………………………………………………
4) Approximation of Turnover……………………………………………………………

SECTION B: POSITIONING STRATEGIES

To what extent do you agree with the following statements on positioning strategies on a scale of 1-5 (1 for Strongly agree, 5 for Strongly disgree)

STATEMENT ON POSITIONING STRATEGY	1	2	3	4	5
We have deliberately positioned our company					
We use pricing to position our services					
We use our service strategy for positioning as the most efficient					
We use communication extensively for positioning					
We benchmark against our competitors for purposes of positioning					
We derive positioning strategy using our own staff					
We hire external consultants to help us in positioning					
We consider the risks involved before embarking on a positioning strategy					
Developments in the external environment are factored into positioning strategy					
We position ourselves as leaders in innovation in terms of health insurance					

PART C: FIRM COMPETITIVENESS

STATEMENT ON COMPETITIVENESS	**1**	**2**	**3**	**4**	**5**
The firm's efficiency has gone up significantly due to positioning					
The uptake of the policies of the firm has gone up due to price-based positioning					
Our costs of marketing have declined significantly					
We do not spend significant resources warding off competition as a result of adopting positioning strategy					
Our marketing team has become more focused with the presence of a clear positioning strategy					