EFFECT OF GENERIC STRATEGY ON THE PERFORMANCE OF INSURANCE COMPANIES IN KENYA

BY

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DECLARATION

Declaration by Candidate

This research project is my original work and has not been presented to any other examination body. No part of this research should be reproduced without my consent or that of Moi University

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DEDICATION

This study is dedicated to almighty God; the source of knowledge and wisdom. This study is also dedicated to my beloved husband Stanley, my beloved daughter Faith and my beloved son Israel for their support both directly and indirectly.

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ABSTRACT

Generic strategies are employed by companies to pursue competitive advantage across the market scope of choice. Generic strategy can be in the form of cost leadership, product differentiation, and focus- the scope can be broad (industry-wide) or narrow (market segment). Generic strategies are vital in ensuring the competitive advantage and hence the performance of insurance firms in Kenya. Insurance firms are currently facing major challenges in the current highly vibrant industry, simply because there are increased levels of competition. The main objective of the study was to determine the effects of generic strategy on the performance of insurance companies in Kenya. The specific objectives were; to determine the effects of cost leadership strategy on firm's performance, to establish the effect of differentiation strategy on firm's performance and to find out the effects of focus strategy on the firms performance. The generic strategy theory was used as the theoretical foundation of the study, however it was backed by other theories that is; competitive advantage theory, resource based theory and balance score card theory. The study adopted an explanatory research design and was guided by the generic strategy theory. The study targeted a population of 239 employees of insurance companies in Kenya and Sloven's formula was deployed to arrive at a sample size of 150 senior and middle level managers. Both stratified and simple random sampling methods were deployed. Primary data was collected using structured questionnaires. Reliability and validity was tested to ensure the research instrument measures what its intended to measure. The study used descriptive and inferential statistics. The data collected was analysed using SPSS which generated descriptive and inferential statistics. Correlation results indicated that cost leadership strategy ($r=-.110, p=.220$) had a negative and insignificant correlation with performance while differentiation strategy ($r=.358, p=.000$) and market focus strategy ($r.395, p=.000$) both had positive significant correlation with performance. Multiple regression results indicated that cost leadership strategy ($\beta=-.107, p=.024$) had a negative significant effect on performance. Differentiation strategy ($\beta=.187, p=.000$) and market focus strategy ($\beta=.282, p=.000$) had a positive significant effect on firm performance. The study concluded Cost Leadership strategy, differentiation strategy and focus strategy had a significant effect on performance of insurance companies. The study recommends that firms should invest in cost leadership strategy, differentiation strategy and focus strategy in order to increase performance of insurance companies.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ACRONYMS

AKI	Authority of Kenya insurance
GDP	Gross domestic product.
HNX	Henoi stock exchange
IRA	Insurance regulatory authority
R& D	Research and development
ROI	Return on investment
SPSS	Statistical package of social sciences
TPS	Total Performance Systems
UNDP	United nation development program
USD	United State Dollars

OPERATIONAL DEFINATIONS OF TERMS

Cost leadership strategy	It incorporates integrated set of action designed to produce or rather deliver goods or service a lowest cost; relative to competitors. This is an attempt to become the lowest cost producer in an industry (Lynch, 2018).
Differentiation strategy	It is a way for a business to distinguish itself from a competition. This is the creation of product or service that is unique from your competitors (Thomas & Walters, 2017).
Focus strategy	In adopting a narrow focus, the company ideally focuses on a few target markets (also called a segmentation strategy or niche strategy (Thomas & Walters, 2017).
Organizational performance	Measure how a manager utilizes the resources of the organization efficiently and effectively to accomplish the goals of the organization as well as satisfying all the stakeholders. Expressed in profits, shareholder value, market share and number of customers (Jones & George, 2009).
Strategy	The art and science of planning and marshalling resources for their most efficient and effective use. It is a plan, a ploy, pattern, position and a perspective (Mintzberg, 1994).

CHAPTER ONE

INTRODUCTION

1.0 Overview

This chapter covered the background of the review, worldwide outline of insurance, provincial outline of insurance, the assertion of the issue, the goals of the review, research speculations and the meaning of the review and the extent of the review.

1.1 Background of the study

Organizational Performance measures how a director uses the assets of the association proficiently and viably to achieve the objectives of the association just as fulfilling every one of the partners. This is expressed in profits, shareholder value, market share, number of customers (Jones & George, 2009). Authoritative execution involves the genuine yield or aftereffects of an association as estimated against its expected yields (or objectives and goals). As per Richard et al. (2009) authoritative execution envelops three explicit spaces of firm results: (a) monetary execution (benefits, return on resources, return on assets, on speculation), (b) item market execution (deals, portion of the overall industry), and (c) investor return (all out investor return, monetary worth added).Specialists in many fields are worried about authoritative execution including vital organizers, activities, finance, legitimate, and hierarchical turn of events. Lately, numerous associations have endeavored to oversee authoritative execution utilizing the decent scorecard philosophy where execution is followed and estimated in different aspects, for example, monetary execution (for example investor return), client assistance, social obligation (for example corporate citizenship, local area outreach), worker stewardship.

Corporate performance involves three essential results examined: monetary execution, market execution and investor esteem execution (sometimes, creation limit execution might be dissected). Organizational performance management is the process of making sure that your company resources are being properly used in pursuit of company goals. The concept of performance management is commonly applied to employee development. The managerial and executive staffs also need to develop a monitoring system that charts the progress of the company and determine when changes in policy or procedure need to be made.

Performance management for employees, for example, setting goals, monitoring an employee's achievement of those goals, sharing feedback with the employee, evaluating the employee's performance and then rewarding the employee's performance. For those who did not effectively achieve their goals, the supervisor would work with the employee to increase performance or ultimately to fire the employee. That foundational performance management sequence applies to teams, internal recurring activities and organizations, as well.

OPM involves the recurring activities to establish organizational goals, monitor progress toward the goals and make adjustments to achieve those goals more effectively and efficiently. From a systems perspective, the overall goal of performance management is to ensure that the organization and all of its subsystems (recurring processes, teams, departments and employees) are all integrated and aligned together in an optimum fashion to achieve the overall results desired by the organization. Here are two more definitions: "The term ‘Execution Management and Measurement' alludes to any coordinated, orderly way to deal with working on hierarchical execution to accomplish vital points and advance an association's central goal and qualities. Hierarchical execution the executives is the process of making sure that your company resources are being properly used in pursuit of company goals. Those recurring activities are much of what leaders and managers inherently do in their organizations -- some of them do it far better than others. The process is closely aligned with strategic management -- the process of effectively implementing as well-designed strategic plan. Organization-level tools and analysis.

Organization-level analysis involves looking at both the external variables and internal strategies and structures that impact organizational performance. One of the original BSA tools is Brethower's (1972) total performance system (TPS). It should be noted that the TPS can be used at any level of performance, but is typically described as an organization-level tool (Sigurdsson & McGee, 2015). The TPS consists of seven components: mission/goal, products/services, customers/ stakeholders, external feedback (customer measures), processing system, inputs, and internal feedback (processing system measures). Rummler & Brache (1995) introduced another organization-level tool, the **S**uper-System, which added two additional external elements to the TPS: external variables (e.g., government regulations, economy) and competition (for inputs and customers).

Organizational performance of organizational structure depends upon how far the structure fits the contingencies, such as uncertainty, strategy, and size. Organizations facing low uncertainty are fitted by specialized and centralized hierarchical structures, whereas organizations facing high uncertainty are fitted by lower specialization and decentralization (i.e., decisions being taken at lower levels of the hierarchy). Undiversified strategy is fitted by a functional structure, whereas diversified strategy is fitted by a multidivisional structure. Larger size is fitted by more specialized and decentralized structure. Various changes over time in focus are identified, such as from differentiation to interdependence.

Enhancing the performance of firms in their external environment is a key factor in the definition of the strategic management field, but the link between strategic management and organizational performance, however, remains somewhat murky (Nag et al., 2007). Williamson (1994) observes that business strategy encompasses both strategizing (related to market power) and economizing (related to efficiency) and proposes that while performance can be a function of both strategizing and economizing, economizing – efficiency analysis, including governance costs as well as production costs, and comparative economic organization – is the most important factor in determining performance because all firms need economizing to survive and only relatively few firms have enough market power to do strategizing. The different between strategizing and economizing, it may be more fruitful to view these two aspects of business strategy as inherently complementary. This can be readily seen if strategizing is cast in terms of creating ‘perceived value’ (PV) on the part of target customers and economizing.

Unlike for-profit companies, who usually rely on profit and share prices to evaluate how well a company is performing, non-profit organizations have to develop creative, yet reliable, approaches to help them assess how well their community organization is delivering its services. It is often tempting to let things roll along year after year, thinking that since the organization is busy providing services, and it must be meeting its goals. That kind of approach takes no account of the effectiveness of services and often leads to organizations serving themselves rather than clients (Lynch, 2018).

Greilling, (2010) notes that organizational performance has continually become an important field of management study. It was developed as a strategic orientation to overcome the external adaptation problems faced by firms, which have been looking for sustainable competitive advantage in global competition in the last thirty years.

Researchers and practitioners have been interested in the concept since the early of 1980s because of its profitable effect on firms' performance. The French and the Canadians were the first to use the Balance Score Cardin a different form. The French began using a measure called "the tableau de board", or the dashboard of measure, which included both monetary and non-monetary measures. Authoritative execution is characterized as the capacity of an association to have legitimate administration and have chiefs who are level headed in accomplishing the objectives of the association and being persistent in achieving the mission and vision of the organization (Richard, 2013). Organization performance is measured in the goals or objectives that have been set out by the management of any company. The performance is estimated by the association's monetary exhibition, market execution and the shareholders performance (Jones & Charles, 2010). In the United States of America, performance of organizations is done by the top management to ensure that the non-financial measures are looked into to steer the organization to success. The top level management ensures that they are setting up their employees for success by having personal development plans. Kwada (2010) describes how growth of the organization gives rise to an analysis of an organization's performance since the organization compares the non-financial factors with the financial aspects. In Ghana, there was a study done by William Phanuel & Kobi Darbi (2011) to determine how high-performing organizations managed their performance and the findings were that organizations with an open-door policy one that had the employees tie in the mission and vision statement tied to their personal goals and career growth were found to perform better than those that had a mission statement that was their staff would relate to. In Kenya, Wadongo, Odhuno, Kambona & Othuon (2010) and other authors discussed in depth how organizational performance has in the past relied solely on financial measures.

Hierarchical execution has for the most part been conceptualized based on monetary measures, but a few researchers have asked for a more extensive exhibition build that fuse parts of non-monetary measures, for example, adequacy, effectiveness, quality, and friends picture, (Waiganjo, Mukulu and Kahiri, 2012). As indicated by Richard (2009), hierarchical execution implies accomplishment of authoritative objectives and goals. Association execution ought to be estimated not just as far as portion of the overall industry, profit from venture and monetary productivity, however ought to incorporate both subjective and quantitative boundaries of estimation. This methodology is orders association execution markers as far as; adequacy, capacity of an association to offer the best support or item inside the best design; proficiency, how much an association moves towards fulfillment of its central goal and acknowledgment of its objectives; pertinence, endurance of an association and monetary practicality, an association's capacity to have more monetary assets than its spending (Pearce and Robinson, (2013). .The idea of execution is associated with the thoughts of adequacy and effectiveness. Execution is named as the association exercises which guarantee that the objectives are reliably being met in a successful and effective way. The appraisal of execution is significant in deciding the overall situation of the organization and its ability in dealing with the current tasks as well as anticipating what's to come. This empowers assurance of both the present moment and long haul accomplishments (Chache, 2016).

Organizational effectiveness is the degree to which a firm accomplishes its prompt targets or creates its ideal results that is, mission satisfaction (UNDP, 2010). According to Scott (2003) authoritative viability is a proportion of execution against a characterized standard. Scott further contends that pointers to be utilized in assessing authoritative viability must be looked over among a few potential sorts. Measures dependent on results, processes, and primary elements of associations may whenever considered in disconnection produce conflicting ends. Albeit a few portrayals for separating among these ideas have been proposed, Scott recommends that the three ideal models of authoritative viewpoints, the sane, regular and open frameworks point of view, which represent a significant part of the changes in proportions of adequacy. Financial performance is one of many different measures to evaluate how well a firm is using its resources to generate income. Financial performance includes operating income, earnings before interest and taxes, and net asset value (Ngui, 2010). Business executives use financial statements to draft a comprehensive financial plan that will maximize shareholders wealth and minimize possible risks that may preexist. Financial statements evaluate the financial position and performance of a firm. These statements are prepared and produced for external stakeholders for example: shareholders, government agencies and lenders (Ramadhan, 2010).

Several studies have been led on the Kenyan protection industry. Mwangi (2013) tried to build up the variables; and the degree to which they impact monetary execution of insurance agencies. He utilized productivity as a monetary presentation marker. He noticed that loan fee vacillations, liquidity, and rivalry are the key factors that impact monetary execution of Kenyan insurance agencies, yet he didn't express their relationship. Wabita (2013) tried to set up the determinants of monetary execution of insurance agencies in Kenya. He set up that; development of the protection business emphatically influences monetary execution, influence of the protection business adversely influences monetary execution, and the measure of substantial resources held by the business decidedly influences monetary execution. Mutugi (2012) looked to set up factors that impact monetary execution of life affirmation organizations in Kenya. His discoveries were that capital construction, development and possession structure are determinants of monetary execution. Writing from past investigations uncovers that the discoveries from most specialists have not arrived at a typical resolution. In particular, their discoveries didn't indicate the connection between the different elements which they found to decide monetary execution of general insurance agencies of Kenya. Moreover, the discoveries by Wabita (2013), Mwangi (2013), and Mutugi (2012) were uncertain. Concentrates somewhere else uncover that the variables that impact hierarchical execution are explicit and diverse in various business sectors. This concentrate along these lines meant to set up the determinants of monetary execution of general insurance agencies in Kenya.

Insurance companies in Kenya endured another difficult year after profits plunged by a staggering 61.5 per cent in 2018. In a trend that has become familiar in recent years, the industry saw cumulative profit after tax nosedive to $33.7 million from $87.7 million posted in 2017.Non-life business posted the biggest loss of 26.6 million compared with $9.5 million recorded in 2017 with the motor sector leading the pack in losses at $25.7 million. Industry insiders attributed the massive decline in profitability to the capping of interest rates introduced in 2016 which continues to have a ripple effect on business because lending to insurable investment projects and assets remains constrained. Besides, dwindling disposable income due to hard economic times has resulted in a decline in the uptake of insurance products, which has not only impacted insurance companies adversely but also led to a drop in penetration to 2.43 per cent from 2.71 in 2017."Hard economic times have led to the income sensitive population lowering the uptake of insurance due to reduced disposable income," states the Association of Insurer (AKI) Annual Report 2018.

1.1.1 Overview of Global Insurance Performance

In 2017, the total direct premiums written in the global insurance industry rose by 1.5% in real terms compared to 2.2% registered in 2016. The premiums in nominal USD terms increased by 4.0% to USD 4,892 billion, up from USD 4,703 billion recorded in 2016.The recent weak performance in the insurance sectors is to a large extent as a result of the weak global economic environment. The global life premiums increased by 0.5% to roughly USD 2.7 trillion, while global non-life premiums rose by 2.8% to approximately USD 2.2 trillion (2016: 3.3%). The global life premiums growth slowed compared to a growth of 1.4% experienced in 2016 mainly attributed to a 2.7% fall in life premiums in advanced markets. However, non-life premium growth in advanced markets remained roughly the same in 2017, at a growth of 1.9%. In emerging markets, the expansion was two to three percentage points lower at 14% and 6.1% in life and non-life respectively. China remains the main contributor to emerging market insurance growth with an insurance market development strongly supported by government policies (IRA, 2018).

1.1.2 Regional Insurance Outlook

The economic environment in Africa improved with real Gross Domestic Product growth increasing to 3.8% in 2017 up from 1.7% in 2016 due to recovery in commodity prices. Africa's insurance industry premium grew by 0.5% in real terms to USD 66.7 billion in 2017, representing 1.4% of World's insurance market share. The marginal increase in premiums growth was due to weak growth in South Africa, while other countries in the region registered mixed growth (IRA, 2018).

Africa's life insurance premiums grew marginally by 0.3% to USD 44.9 billion in 2017. The stagnation in Life business is mainly due to weak economic environment and high unemployment experienced in South Africa which controls 85% of Africa's life business. Despite the stagnation, life market continues to dominate Africa's insurance industry by 67.2% of total premiums registered in the region. The non- life premiums in Africa grew by 1% to USD 21.9 billion in 2017. The countries that registered highest growth in Non-life business were: Egypt (9.9%), Uganda (7.3%), Zimbabwe (7.5%), Ghana (5.0%) and Morocco (3.0%). South Africa, which is Africa's largest non-life market (44%), grew marginally by 1.3%. (IRA, 2018)

Over the years, our insurance industry has proved resilient. Despite the prolonged electioneering period experienced in 2017, the industry recorded a growth in insurance premium of 6.3% from KES 196.64 billion in 2016 to KES 209.0 billion in 2017. The industry net profit grew by a similar margin to KES 13.64 billion (2016: KES 12.83 billion). This reflects resilience of the industry in the face of adversity. Marine Cargo insurance business was localized in the year under review which resulted to a 37% growth in marine insurance premium (IRA, 2018).

1.2 Statement of the Problem

The insurance industry plays a crucial role in achieving sustainable growth of an economy by facilitating financial security, capital formation and funding development initiatives as well as promoting trade and commerce. In this regard, a vibrant performing insurance sector is a crucial contributor to national economy. In the previous decade, the quantity of players in the protection area has expanded altogether with at present 54 insurance agencies offering administrations across the country. Notwithstanding, this has changed the elements of activities in this area as the organizations are confronted with a much harder errand in achieving upper hand, consequently influencing their general presentation. There has been different insurance agencies that were not gathering the partner's assumptions or encountering immense misfortunes looking for different choices to drive execution. The expanded intensity and vulnerabilities achieved by headway in innovation and globalization calls for associations to be in steady check of their exhibition (Omwoyo, 2018). Especially, those organizations which are continually failing to meet expectations while having lessened returns are probably going to be wiped out and may wind up imploding. This requires the administrations in the association to painstakingly assess the determinants of execution in their individual associations and how well to accomplish upper hand. Nonetheless, this actually ends up being an achievement as regardless of various systems being defined, most organizations are yet to meet their ideal targets (Odemba 2013). In any case, with the right techniques set up, this can be accomplished.

In the previous decade, the quantity of players of insurance has increased; creating stiff competition to a notably stagnant market. Almajali, Alamro & Al-Soub (2012) discovered that the primary variables influencing firm execution in Jordan are liquidity, influence and the size of the organization. Mazviona, Dube and Sakahuhwa, (2017) uncovered that cost proportion, claims proportion and the size of an organization fundamentally influence insurance agencies' presentation contrarily while influence and liquidity influence execution decidedly. Also, Phuong and Manh (2017) discovered that Research and Development spending, profit payout proportion and firm size are emphatically and altogether affected by ROA. Locally, Odemba (2013) did a review on disaster protection items which uncovered that protection items acknowledgment in Kenya was impacted by helpless client assistance and convoluted nature of the life coverage items. Through the studies are very important in the industry, very little has been studied effect of generic strategy on organizational performance. Kimani & Njuguna (2016) found out administrative costs and agency costs hinder insurance penetration. The choice of a suitable strategy is not an easy decision as it involves a lot of complex consideration. The organization needs to identify the Best strategy as it will mobilize the company to where to play and how to win in a chosen industry thus improving firm performance. The strategies an organization chooses and implements are considered as the backbone of how an organization performs. Companies that choose the best strategies are seen to perform better than those organizations that don't (Achua & Lussiers, 2008). Poor and or lack of strategic choice have been the reason behind poor performance of most firms (Karanja & Guyo, 2015). Kuada (2015) shows that there is need to study organizational performance in East Africa since the only research available is for large multinational corporations. Thus, need for this review on the effect of generic strategy on performance of insurance companies in Kenya.

1.3 Objectives of the Study

1.3.1 General Objective of the study

The general objective of the study was to determine the effect of generic strategy on the performance of insurance companies in Kenya.

1.3.2 Specific Objective of the Study

i) To establish the effect of cost leadership strategy on the performance of insurance companies in Kenya.

ii) To investigate the effect of differentiation strategy on the performance of insurance companies in Kenya.

iii) To find out the effect of focus strategy on the performance of insurance companies in Kenya.

1.4 Research Hypothesis

This review was directed by the following null hypothesis;

Ho$_1$: Cost leadership strategy has no significant effect on the performance of insurance companies in Kenya?

Ho$_2$: Differentiation strategy has no significant effect on the performance of insurance companies in Kenya?

Ho$_3$: Focus strategy has no significant effect on the performance of insurance companies

1.5 Significance of the Study

This review is critical to different partners in the insurance business; Directors get to come up with the right strategies which will guide the organization to be successful thus improving on its performance. Employees: this research will helps the employees in firms to understand the benefits of effective generic strategy and its effect on firm performance. Shareholders: will invest capital in the business and expect to earn a certain rate of return on that capital; they will be concerned the performance so as to know a return on invested capital if it’s greater than its weighted average cost of capital. Customer will be able to know how the organization is performing and make proper decision when choosing insurance services and products. Government the study will help the government to know how the organization is performing so as to know revenue generated. Scholars and researchers: This will expand their knowledge on their area of study, they will also be able to come up with other relevant areas of study within the study; moreover, this study is very helpful as a source of secondary data for reviewing the literature

1.6 Scope of the Study

This study was carried at insurance companies with operations in Mombasa County on November 2019, to examine the effects of generic strategy on the performance of insurance companies in Kenya. The objective populace was 239 center level and high level management of insurance companies with operation in Mombasa County.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter consists of literature review. It focused on the theoretical framework, conceptual framework, effect of generic strategy on firm performance, empirical review, and critique of existing literature, research gaps and summary.

2.1 The Concept of Firm Performance

Organizational performance involves analyzing a company's performance against its objectives and goals. In other words, organizational performance comprises real results or outputs compared with intended outputs. The analysis focuses on three main outcomes, first, shareholder value performance; second, financial performance; and third, market performance. Performance is a proportion of how a supervisor uses the assets of the association productively and viably to achieve the objectives of the association just as fulfilling every one of the partners. It is expressed in profits, shareholder value, market share and number of customers (Jones & George, 2009).

A key measure of firm performance is financial performance. In the financial sector, it also known as financial stability or financial health. There are different financial measures that can be used in order to evaluate the performance of a company. According to (Arasa & K'Obonyo 2012). Some of the common financial measures are: revenue, return on equity, return on assets, profit margin, sales growth, capital adequacy, liquidity ratio, and stock prices, among others. For companies in the consulting business, return on assets and inventory turnover may not be meaningful given the fact that it is not an asset intensive industry. Another factor to consider when evaluating the performance of a company is the relative value of the financial measures of the company in relation to competitors within the same specific industry, because each industry is unique and making comparison across industries may provide bias interpretation about the performance of a company (Harzing & Giroud, 2013). Unlike for-profit companies, who usually rely on profit and share prices to evaluate how well a company is performing, non-profit organizations have to develop creative, yet reliable, approaches to help them assess how well their community organization is delivering its services. It is often tempting to let things roll along year after year, thinking that since the organization is busy providing services, it must be meeting its goals. That kind of approach takes no account of the effectiveness of services and often leads to organizations serving themselves rather than clients in conclusion to this performance will be measure using profitability, revenue, ROA and ROI (Folan & Browne, 2005).

2.2 Concept of Generic Strategy

Generic strategies as the name suggests are generic in nature and is a way for a company to pursue its competitive advantage across the market scope of choice. Porter, (1980) developed three generic strategies, a company could use to acquire upper hand, back in 1980. These three are: cost initiative, separation and focus. While the benefit can be as minimal expense or item separation the degree can be wide (Industry-wide) or restricted (Market Segment). Maintaining as a top priority these benefits and extension three conventional procedures can be made: Cost Leadership, Differentiation Strategy and Focus Strategy (Low Cost or Differentiated Creating and Sustaining Superior Performance (Porter, 1980) Cost Leadership methodology: expanding benefits by diminishing expenses, while charging industry-normal costs, and expanding piece of the pie by charging lower costs, while as yet creating a sensible gain on every deal since you've decreased expenses (Johnson et.al.2008). Organizations that are effective in accomplishing Cost Leadership normally have: Access to the capital expected to put resources into innovation that will cut expenses down, extremely proficient coordination, a minimal expense base (work, materials, offices), and a method of reasonably reducing expenses underneath those of different contenders.

Differentiation Strategy includes making your items or administrations not quite the same as and more alluring than those of your rivals (Hill and Jones 2012). This relies upon the specific idea of your industry and of the items and administrations themselves, however will regularly include highlights, usefulness, toughness, support, and furthermore brand picture that your clients esteem. To make an accomplishment of a Differentiation procedure, associations need: Good exploration, improvement and advancement, the capacity to convey top notch items or administrations, Effective deals and promoting, so the market comprehends the advantages presented by the separated contributions (Wheelen and Hunger, 2012). Huge associations seeking after a separation technique need to remain light-footed with their new item improvement processes. In any case, they hazard assault on a few fronts by contenders seeking after Focus Differentiation procedures in various market sections. The Focus Strategy organizations that utilization Focus techniques focus on specific specialty markets and, by understanding the elements of that market and the one of a kind requirements of clients inside it, grow exceptionally low cost or all around indicated items for the market. Since they serve clients in their market remarkably well, they will generally assemble solid brand faithfulness among their client. This makes their specific market portion less alluring to contenders. Decision of which conventional technique to seek after supports each and every other key choice you make, so it merits investing energy to take care of business.

2.3 Theoretical Review

This study covered the generic theory, resource based theory, competitive advantage and balance score card theory.

2.3.1 Generic Strategy Theory

This theory consists of cost leadership strategy, differentiation strategy and focus strategy. In cost leadership strategy firms to foster approaches pointed toward becoming and staying the least expense maker and/or distributor in the industry. A cost leadership firm can set prices at par with competitors thus enjoy big margins or set prices lower than competitors and experience high sales hence high margins. Cost leadership concentrates on development of effective scale offices, tight expense and overhead control, minimization of operating expenses, reduction of input costs, tight control of labor costs, and lower distribution costs (Johnson *et. al.,* 2008). Differentiation strategy requires firms to create something about its product that is perceived as unique within its market. Whether the features are real, or just in the mind of the customer, customers must perceive the product as having desirable features not commonly found in competing products. The customers also must be relatively price-insensitive. Firms using a focus strategy simply apply a cost-leader or differentiation strategy to a segment of the larger market. Firms may thus be able to differentiate themselves based on meeting customer needs through differentiation or through low costs and competitive pricing for specialty goods (Obonyo, 2018).

2.3.2 Resource Based Theory

Firms have bundles of resources which include all inputs that allow the firm to work and to choose its strategies so as to improve its performance, During the 1990s, the asset based view (otherwise called the asset advantage hypothesis) of the firm turned into the predominant worldview in essential preparation. RBV can be viewed as a response against the situating school and it’s to some degree prescriptive methodology which concentrated on outer contemplations, eminently industry structure. The alleged situating school had ruled the discipline all through the 1980s. Conversely, the asset based view contended that feasible upper hand gets from creating unrivaled abilities and assets. Jay Barney's 1991 article, "Firm Resources and Sustained Competitive Advantage," is seen as pivotal in the emergence of the resource-based view.

Firm resources can be tangible or intangible and they may have been developed inside the firm or acquired in the market (Makadok, 2001). Resources can be summarized as: input factors (generic resources that can be acquired in the market), assets (stocks of available factors that are owned or controlled by the firm, and capabilities (are complex bundles of individual skills, assets and accumulated knowledge exercised through organizational processes, that enable firms to co-ordinate activities and make use of their resources (Barney, 2001). Resource-based perspective emphasizes the strategic plans and choices an organization may decide to follow. Understanding sources of upper hand has turned into a significant space of study in essential administration (Flint and Van Fleet, 2005; King, 2007). The asset based hypothesis specifies that in essential administration, the key sources and drivers to association's upper hand and unrivaled execution are predominantly connected with the properties of their assets and capacities (Yabs, 2010). The asset based view, planners select the technique or serious position that best endeavors the inward assets and abilities comparative with outer freedoms. Considering that essential assets address an intricate organization of between related resources and capacities, associations can embrace numerous conceivable cutthroat positions. Despite the fact that researchers banter the exact classes of cutthroat places that are utilized, there is general arrangement, inside the writing, that the asset based view is significantly more adaptable than Porter's prescriptive way to deal with procedure formulation. The more association's assets are seen to be reciprocal, adding upper hand to an association's contribution, the more prominent the motivator to determine vital upper hand to the firm. The center reason of the asset - based view is that assets and abilities can fluctuate fundamentally across firms. If assets and capacities of a firm are blended and conveyed appropriately, then, at that point, they can make a competiveness benefit of a firm (Barney, 2001). In essential administration, the top leader needs to avail the best resource for the best action to fit into strategic decisions already made so as to achieve the desired firm performance.

2.3.3 Competitive Advantage Theory

Upper hand happens when an association obtains or fosters a trait or blend of properties that permits it to beat its rivals. These credits can incorporate admittance to normal assets, like high grade minerals or reasonable power, or admittance to exceptionally prepared and talented faculty and human resources. The term upper hand is the capacity acquired through properties and assets to perform at a more elevated level than others in a similar industry or market (Porter, 2004). A firm is said to enjoy a cutthroat benefit when it is executing a worth making system not all the while being carried out by any current or expected player. (Hill & Jones, 2012). Competitive advantage refers to factors that allow a company to produce goods or services better or more cheaply than its rivals. These factors allow the productive entity to generate more sales or superior margins compared to its market rivals. Competitive advantages are attributed to a variety of factors including cost structure, branding the quality of product offerings, the distribution network, intellectual property, and customer service.

Effectively executed techniques will lift a firm to predominant execution by working with the firm with upper hand to outflank current or possible players (Porter, 2008). To acquire upper hand the firm controls the different assets and capacities over which it has direct control and these assets can produce upper hand. Prevalent execution results and predominance underway assets reflects competitive advantage (Pearce & Robbinson, 2013). Porter (1985), notes that, for a firm to sustain competitive advantage, it must concentrate on what it is more efficient for it to produce, leaving that which it is not efficient to produce to other firms that produce it efficiently (Harzing & Giroud, 2013).

2.3.4 Balance Score Card Theory

A decent scorecard is an essential arranging structure that organizations use to relegate need to their items, tasks, and administrations; convey about their objectives or objectives; and plan their standard exercises. The scorecard empowers organizations to screen and quantify the accomplishment of their methodologies to decide how well they have performed. The adjusted scorecard goes about as an organized report that actions the presentation of organization the board. The supervisory group can be thought about in contrast to Key Performance Indicators (KPIs) to show their commitments to the procedure and achievement of the objectives put forward. Achievement is estimated against the predefined objectives or focuses to decide the rate at which the business is developing and how it analyzes to its rivals. Other faculty in the authoritative pecking order can rely upon the decent scorecard to show their commitment to the development of the business, or their appropriateness for work advancements and pay surveys. The critical elements of a fair scorecard remember a concentration for an essential point applicable to the association, and the utilization of both monetary and non-monetary information to make procedures.

The balanced scorecard concept arose out of a recognized need to measure success on more than just financial statements. Focusing strictly on financial results doesn't provide an organization with the information that it needs to prosper in today's environment. Financial results provide an indication of past performance, but don't provide you with insight into your current status or where you'll likely be in the future. In addition, the balanced scorecard provides a framework and language that enables you to describe your strategy in a consistent, reliable manner. The ultimate goal behind balanced scorecard theory is to measure the factors that create value for an organization and directly influence its ability to prosper. To do that, you must determine the answer to these questions: Where is the organization going, what is our strategy, what do we need to do well to achieve our strategy (Porter, 1980). Monetary point of view, the objective of an organization is to guarantee that it acquires a profit from the ventures made and oversees key dangers implied in maintaining the business. The objectives can be accomplished by fulfilling the requirements of all players engaged with the business, like the investors, clients, and providers. The investors are a fundamental piece of the business since they are the suppliers of capital; they ought to be content when the organization makes monetary progress. They need to be certain that the organization is ceaselessly creating incomes and that the association meets objectives, for example, further developing benefit and growing new income sources. Steps taken to accomplish such objectives might incorporate presenting new items and administrations, working on the organization's value proposition, furthermore, reducing down on the expenses of working together.

Under customer perspective, the client viewpoint screens how the element is offering some benefit to its clients and decides the degree of consumer loyalty with the organization's items or administrations. Consumer loyalty is a sign of the organization's prosperity. What well an organization treats its clients can clearly mean for its productivity. The reasonable scorecard considers the organization's standing versus its rivals. How do clients see your organization versus your rivals? It empowers the association to get out of its usual range of familiarity to see itself according to the client's perspective rather than just according to an interior viewpoint. A portion of the methodologies that an organization can zero in on to work on its standing among clients incorporate further developing item quality, improving the client shopping experience, and changing the costs of its primary items and administrations (Sababu, 2007).

Under internal business processes perspective, a business' inner cycles decide how well the element runs. A reasonable scorecard places into point of view the actions and goals that can help the business run all the more successfully. Likewise, the scorecard assesses the organization's items or benefits and decide if they adjust to the guidelines that clients want. A vital piece of this point of view is intending to address the inquiry, "What are we acceptable at?" The response to that question can assist the organization with figuring advertising systems and seek after developments that lead to the production of better than ever methods of addressing the necessities of clients.

Hierarchical limit point of view Organizational limit is significant in advancing objectives and targets with positive outcomes. The faculty in the association's specialties are needed to show superior execution as far as initiative, the substance's way of life, utilization of information, and expertise sets. Proper framework is needed for the association to convey as indicated by the assumptions for the board. For instance, the association should utilize the furthest down the line innovation to mechanize exercises and guarantee a smooth progression of exercises. This can also be explained as goals in the financial perspective should serve as the focus for the goals in all the other perspectives. They indicate the ultimate financial performance to expect for a given balanced scorecard. Some examples are return on investment, profitability, sales growth, revenue, and cash flow (Wheelen & Hunger, 2012).

Financial goals typically differ depending on the maturity of the organization, because younger organizations are usually focused on growth while mature ones are more likely to be interested in maintaining existing market share and increasing it over time. In the customer perspective, you identify the customer and market segments within which the organization chooses to compete. Typical measurements within this perspective focus on market share, customer retention, customer acquisition, customer satisfaction, and customer profitability. This perspective focuses on the processes within the organization that are most critical for attaining customer and shareholder goals. In most cases, the objectives and measures of this perspective are developed after the financial and customer perspectives are defined. Typical measurements within this perspective focus on innovation, operations, and post-sale service. This perspective focuses on developing objectives and measures to drive learning within an organization. Typically, this perspective considers employee capabilities, information systems, motivation, empowerment, and alignment. The objectives in this perspective drive the success of those in the first three perspectives. The Scorecard application provides you with the tools that you need to translate your strategy into a scorecard, communicate it throughout your organization, measure progress towards achieving defined goals (Pearce & Robinson, 2013).

2.4 Empirical Literature Review

2.4.1 Cost Leadership Strategy and Firm Performance

This procedure includes the firm winning piece of the pie by speaking to cost-cognizant or value delicate clients. As per (Muia, 2017) this is accomplished by having the most reduced costs in the objective market fragment, or if nothing else the least cost to esteem proportion (value contrasted with what clients get). To prevail at offering the least cost while as yet accomplishing productivity and an exceptional yield on venture, the firm should have the option to work at a lower cost than its opponents. There are three primary ways of accomplishing this. The primary methodology is accomplishing high resource use. In help enterprises, this might mean for instance a café that turns tables around rapidly, or a carrier that pivots flights extremely quick. In assembling, it will include creation of high volumes of yield. These methodologies mean fixed expenses are spread over a bigger number of units of the item or administration, bringing about a lower unit cost, for example the firm desires to exploit economies of scale and experience bend impacts. For modern firms, large scale manufacturing becomes both a methodology and an end in itself. More significant levels of yield both require and result in high piece of the pie, and make a passage obstruction to possible contenders, who might not be able to accomplish the scale important to coordinate with the organizations low expenses and costs (Baroto & Abdullah, 2018). The subsequent aspect is accomplishing low immediate and circuitous working expenses. This is accomplished by offering high volumes of normalized items, offering fundamental no nonsense items and restricting customization and personalization of administration. Creation costs are kept low by utilizing less parts, utilizing standard parts, and restricting the quantity of models delivered to guarantee bigger creation runs. Overheads are kept low by paying low wages, finding premises in low lease regions, building up an expense cognizant culture, and so forth keeping up with this system requires a constant quest for cost decreases in all parts of the business. This will incorporate rethinking, controlling creation costs, expanding resource limit use, and limiting different expenses including circulation, R&D and promoting (Porter, 1985). The related circulation technique is to get the broadest conveyance conceivable. Limited time system frequently includes attempting to make a temperance out of minimal expense item includes. The third aspect is command over the worth chain including every single practical gathering (finance, supply/acquisition, and showcasing, and stock, data innovation) to guarantee low expenses. For supply/obtainment chain this could be accomplished by mass purchasing to appreciate amount limits, crushing providers on cost, organizing serious offering for contracts, working with sellers to keep inventories low utilizing strategies, for example, Just-in-Time buying or Vendor-Managed Inventory. Wal-Mart is renowned for crushing its providers to guarantee low costs for its products.

Other acquirement benefits could emerge out of special admittance to natural substances, or in reverse reconciliation. Remember that in case you are in charge of all utilitarian gatherings this is reasonable for cost initiative; in case you are just in charge of one useful gathering this is separation. For instance, Dell Computer at first accomplished piece of the pie by keeping inventories low and just structure PCs to arrange through applying Differentiation methodologies in supply/obtainment chain. This will be explained in different segments. Cost administration methodologies are just reasonable for huge firms with the chance to appreciate economies of scale and enormous creation volumes and huge piece of the pie. A standing as an expense chief may likewise bring about a standing for bad quality (Hill & Jones, 2008).

2.4.2 Differentiation Strategy and Firm Performance

Differentiation strategy a firm looks to be novel in its industry along certain aspects that are generally esteemed by purchasers. It chooses at least one credits that numerous purchasers in an industry see as significant, and extraordinarily positions itself to address those issues. It is compensated for its uniqueness with an exceptional value

(Kivunja & Ndemo, 2017) .Differentiate the items/benefits somehow or another to contend effectively. Instances of the effective utilization of a separation procedure are Hero, Asian Paints, HUL, Nike athletic shoes (picture and brand mark), BMW Group Automobiles, Perstorp Bio Products, Apple Computer (item's plan), Mercedes-Benz vehicles. A separation methodology is suitable where the objective client fragment isn't value delicate, the market is serious or immersed, clients have unmistakable requirements which are perhaps under-served, and the firm has novel assets and capacities which empower it to fulfill these necessities in manners that are hard to duplicate. These could incorporate licenses or other Intellectual Property (IP), interesting specialized ability (for example Apple's plan abilities or Pixar's movement ability), skilled faculty (for example a games group's headliners or a business company's star brokers), or imaginative cycles (Baroto & Abdullahi, 2018).

Fruitful differentiation is shown when an organization achieves either a top notch cost for the item or administration, expanded income per unit, or the shoppers' reliability to buy the organization's item or administration (brand devotion). Separation drives productivity when the additional cost of the item offsets the additional cost to secure the item or administration however is inadequate when its uniqueness is effectively imitated by its rivals. Effective brand the executives likewise brings about apparent uniqueness in any event, when the actual item is as old as. Along these lines, brand bananas, Starbucks could mark espresso, and Nike could mark tennis shoes. Design brands depend vigorously on this type of picture separation. Separation system might be reasonable for little organizations. It is more suitable for huge organizations. To apply separation with credits all through transcendent power in any one or a few of the practical gatherings (finance, buy, showcasing, stock and so on) this point is basic. For instance, GE utilizes finance capacity to have an effect. You might do as such in detachment of different techniques or related to concentrate systems (requires more beginning speculation). It gives extraordinary benefit to utilize separation methodology (for large organizations) related to concentrate cost methodologies or center separation systems. Case for Coca-Cola and Royal Crown refreshments is acceptable example for this. The limitless assets model uses an enormous base of assets that permits an association to outlive contenders by rehearsing a separation procedure. An association with more noteworthy assets can oversee chance and support benefits more effectively than one with less assets. This gives a transient benefit in particular. If a firm does not have the limit with regards to ceaseless advancement, it won't support its serious situation over the long run (Arasa & K'Obonyo 2012).

Differentiation stems from creating unique value to the customer through advanced technology, high-quality ingredients or components, product features and superior delivery time Companies can differentiate their products by emphasizing products' unique features, by coming out with frequent and useful innovations or product upgrades, and by providing impeccable customer service for example, the construction equipment manufacturer Caterpillar has excelled for years on the durability of its tractors; its worldwide parts availability, which results in quick repairs (Porter, 1980).

2.4.3 Focus Strategy and Firm Performance

Focus strategy is choosing market niche where buyers have distinctive preference on their requirements (Muia, 2017). This aspect is definitely not a different methodology for large organizations because of little economic situations. Enormous organizations which picked applying separation techniques may likewise decide to apply related to concentrate methodologies (either cost or separation). Then again, this is certainly a suitable system for little organizations particularly for those needing to stay away from rivalry with large one. In taking on a limited concentration, the organization in a perfect world spotlights on a couple of target markets (additionally called a division system or specialty technique). These ought to be unmistakable gatherings with specific requirements (Arasa & K'obonyo, 2012). The decision of offering low costs or separated items/administrations ought to rely upon the requirements of the chose fragment and the assets and capacities of the firm. It is trusted that by zeroing in your advertising endeavors on a couple of restricted market sections and fitting your promoting blend to these particular business sectors, you can more readily address the issues of that target market. The firm normally hopes to acquire an upper hand through item development or potentially brand showcasing rather than proficiency. An engaged procedure should target market sections that are less defenseless against substitutes or where a contest is most fragile to acquire better than expected profit from speculation. Instances of firm utilizing a center system incorporate Southwest Airlines, which gives short-pull highlight direct trips conversely, toward the center point and-talked model of standard transporters, United, and American Airlines. The conventional technique of spotlight lays on the decision of a restricted cutthroat extension inside an industry. The focuser chooses a portion or gathering of fragments in the business and designers its methodology to serving them to the prohibition of others. The center technique has two variations. In cost center a firm looks for an expense advantage in its objective section, while in separation center a firm looks for separation in its objective portion. The two variations of the emphasis system lay on contrasts between a focuser's objective section and different portions in the business. The objective sections should either have purchasers with strange requirements or, more than likely the creation and conveyance framework that best serves the objective portion should contrast from that of other industry fragments. Cost center endeavors contrasts in cost conduct in certain fragments, while separation center adventures the unique requirements of purchasers in specific sections (Lynch, 2018).

2.5 Research Gaps

Many have researchers have studied strategic management mainly focusing on strategy, implementation, strategy planning, and strategy evaluation. A couple of different studies have been done in regard of protection and its entrance. Mazviona, Dube & Sakahuhwa (2017) did an examination of variables influencing the presentation of insurance agencies in Zimbabwe. Ochieng (2013) assessed banc-affirmation as a methodology for entrance in Kenya. Odemba (2013) surveyed the elements that impact the take-up of disaster protection while zeroing in on the extra security organizations. Karanja & guyo (2015) studied the factors influencing strategic choices adopted by non governmental organizations, while Kimani & Njuguna, (2016) did an evaluation of monetary elements influencing protection entrance in Nakuru town, Kenya. Muia, (2017) concentrated on the impact of cutthroat techniques on the Performance of Insurance Companies in Kenya. These investigations, however exceptionally fundamental in the business, missed the mark concerning the impact of conventional technique on execution of insurance agencies in Kenya.

2.6 Critique of Existing Literature

Several commentators have questioned the use of generic strategies claiming they lack specificity, lack flexibility, and are limiting. Porter stressed the idea that only one strategy should be adopted by a firm and failure to do so will result in “stuck in the middle” scenario. He discussed the idea that practicing more than one strategy will lose the entire focus of the organization hence clear direction of the future trajectory could not be established. The argument is based on the fundamental that differentiation will incur costs to the firm which clearly contradicts with the basis of low cost strategy and on the other hand relatively standardized products with features acceptable to many customers will not carry any differentiation hence, cost leadership and differentiation strategy will be mutually exclusive. Two focal objectives of low cost leadership and differentiation clash with each other resulting in no proper direction for a firm. Any companies, for example, have entered a market as a niche player and gradually expanded. The most successful companies are the ones that can resolve what they call "the dilemma of opposites". Furthermore, Reeves & Routledge's (2013) noted that the study of entrepreneurial spirit demonstrated this is a key factor in organization success; differentiation and cost leadership were the least important factors.

However, contrarily to the rationalization of Porter, contemporary research has shown evidence of successful firms practicing such a “hybrid strategy”. Prajogo (2007), state that firms employing the hybrid business strategy (Low cost and differentiation strategy) outperform the ones adopting one generic strategy. Sharing the same view point, Hill, & Jones, (2008) challenged Porter’s concept regarding mutual exclusivity of low cost and differentiation strategy and further argued that successful combination of those two strategies will result in sustainable competitive advantage. In any case, multiple business strategies are required to respond effectively to any environment condition. In the mid to late 1980s where the environments were relatively stable there was no requirement for flexibility in business strategies but survival in the rapidly changing, highly unpredictable present market contexts will require flexibility to face any contingency. After eleven years Porter revised his thinking and accepted the fact that hybrid business strategy could exist.

Though Porter had a fundamental rationalization in his concept about the invalidity of hybrid business strategy, the highly volatile and turbulent market conditions will not permit survival of rigid business strategies since long-term establishment will depend on the agility and the quick analysis done separately for cost leadership strategy and differentiation strategy identifies elementary value in both strategies in creating and sustaining a competitive advantage. Consistent and superior performance than competition could be reached with stronger foundations in the event “hybrid strategy” is adopted. Depending on the market and competitive conditions hybrid strategy should be adjusted regarding the extent which each generic strategy (cost leadership or differentiation) should be given priority in practice (Baroto & Abdullahi, 2018).

2.7 Summary

This chapter focused on literature review; the theoretical framework which covers generic strategy theory, resource based theory, competitive advantage theory, and balanced core card theory. It also covered the conceptual frame work, literature review on cost leadership strategy, Differentiation strategy, and focus strategy, critique of existing literature, research gaps and a summary.

2.8 Conceptual Framework

The conceptual framework was derived from theoretical review of this study. The generic strategy theory, Competitive advantage theory, resource based theory, and balance scorecard theory will be used to support this study. The depended variable is firm performance the relationship between independent and depended will be established using the conceptual frame work as shown below.

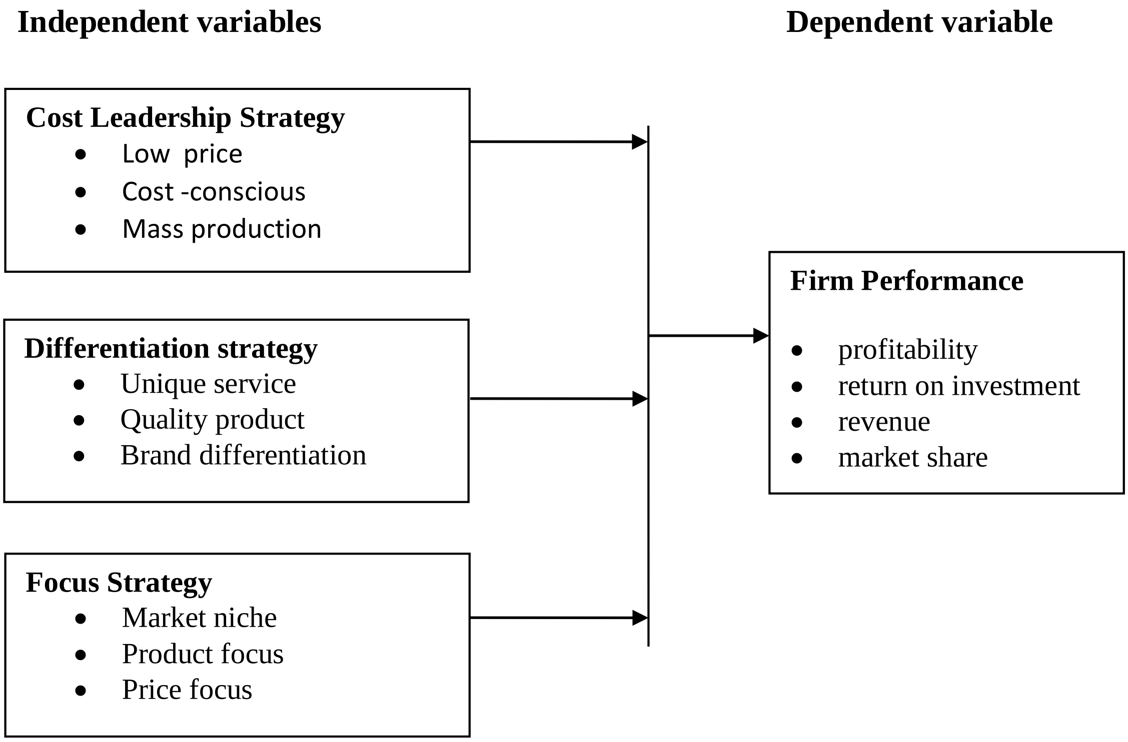

Fig 2.1 Conceptual Framework

Source: Porter, (1980)

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The chapter consists of research design, target population, sampling frame and sampling techniques, sample size, research instruments, pilot study, data collection, data processing, analysis and data

3.1 Research Design

The research design refers to the overall strategy that you choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring you will effectively address the research problem; it constitutes the blueprint for the collection, measurement, and analysis. This study adopted exploratory research design. Explanatory research design is conducted to investigate a problem which is not clearly defined (Coopers &Schindler 2013). It is done to have a better understanding of the existing problem. The researcher found it fit for the review.

3.2 Study Area

This review was completed in Mombasa County and it covered the effect of generic strategies on the performance of insurance Kenya. Mombasa County is the second biggest region in Kenya and a high level of insurance agencies in Kenya have operations here. As a result, the study can be generalized in the whole country.

3.3 Target Population

Garson (2012), describes targets population as a sampling units, target population as a complete set of individual cases and objects with some common characteristics to which researchers want to sum up the consequences of the review. The objective populace of this review was. The target population of this study was top level and middle level management in insurance companies with operations in Mombasa County who are 239 managers.

3.4 Sampling Frame, Sampling Techniques and Sample Size

3.4.1 Sampling Frame

Sampling frame is the actual set of units from which a sample has been drawn: in the case of a simple random sample, all units from the sampling frame have an equal chance to be drawn and to occur in the sample. In the ideal case, the sampling frame should coincide with the population of interest (Creswell, 2014). The sampling frame for this study consisted of the management levels in the insurance firms; that is top level management and middle level management.

3.4.2 Sampling Techniques

Sampling is a process that helps researchers to scientifically identify a small part of the target population (sample size). A sample in a research context is a subset of elements drawn from a larger population (target population) defined irregular testing and straightforward arbitrary examining techniques. Defined irregular testing strategy was utilized to separate the objective populace into two unmistakable layers; the top and center level administration. Creswell (2014) calls attention to that delineated testing strategy separates the populace into unmistakable, free layers for simplicity of information assortment. Further, basic irregular testing method was utilized to choose the respondents. Kothari, (2014) says that samples drawn randomly are unbiased and each member of the population has an equal chance of being selected.

3.4.3 Sample Size

A sample in a research context is a subset of elements drawn from a larger population (target population). It as a collection of units chosen from the universe to represent the target population. The sample size was chosen through utilization of Slovens' Formula. The Sloven's recipe was applied as displayed underneath;

$$n = \frac{N}{1 + N(0.05)^2}$$

Where, n=sample size, N= Population size

0.05= level of significance for this study

N=239

0.05=level of significance

$$n = \frac{239}{1 + 239(0.05)^2} = 150\, respondents$$

n= the sample size of this study is 150 respondents

Table 3.1 Sample Size

Levels of Mgt	Target Population	Sample Size	% of Target Population
Top Level	55	35	23%
Medium Level	184	115	77%
Totals	**239**	**150**	**100%**

3.4.4 Unit of Analysis and Unit of Observation

The unit of analysis for this study was the insurance companies with operations in Mombasa County while the unit of observation was the top level and medium level managers in those insurance companies.

3.5 Data Sources, Data Collection Instruments and Procedure

This study collected primary data. Data was collected by use of structured questionnaires.

3.5.1 Data Sources

This study employed primary data sources only. Primary data sources means first-hand information collected by an investigator. It is collected for the first time therefore it is original and more reliable. It is an original data source, that is, one in which the data are collected first hand by the researcher for a specific research purpose or project. Primary data can be collected in a number of ways including; questionnaires, self-administered surveys, interviews, field observation, and experiments. Primary data collection is quite expensive and time consuming compared to secondary data collection. However, it best suited for exploratory research designs. In this study, primary data was collected using a structured questionnaire.

3.5.2 Data Collection Instruments

Primary data was collected by use of a structured questionnaires which had two sections the initial segment comprised of the general information of the respondents while the second part comprised questions on the study variables. The structured questionnaire comprised of a five point -Likert scale that was administered to each of the sampled middle level and top level managers. The lowest rating of 1 (No Extent) while the highest score was 5 (Greatest Extent). Structured questionnaires were chosen because they rate the opinion of the respondents' perception about the variables in the study. Moreover, structured questionnaires give the researcher the ability to provide further any clarifications sought, as they are given the freedom to express their views, opinions and observations. More importantly, they are more appropriate for their ability to be easily administered, completed and analyzed (Cresswell,2013).

3.5.3 Data Collection Procedures

Data collection procedure started by acquiring an introduction letter from Moi University. The letter was attached to the questionnaires and submitted to the respondents. The respondents were briefed before they started filling the questionnaire. Where the questionnaires were not filled instantly, they were left with the respondents and were picked within the week or an agreed time with the respondents. Follow-ups were in form of phone calls and personal visits.

3.6 Pilot Study

A pilot study is a mock study done before the main study purposely to test the data instruments. A pilot study increases the success of the main study as it helps identify and shortcomings of the research tool and fix them in time (Creswell, 2013). The questionnaires were pre-tested on 15 employees of insurance companies in Malindi town which is a sub county in Kilifi County. Pilot study assisted the researcher to find out any deficiencies in the questionnaire and rectified them before the main study was carried out. This, greatly, increased the success of the main study. Validity and reliability were tested.

3.6.2 Validity Test

Validity is how much information investigation results really addresses the peculiarity under study. It indicates how accurate data obtained in the study represent variable of the study. Validity its important because it determines type of tests to be used and the question researcher wants to answer (Sekaran & Bougie 2010), it also makes sure researchers are using methods which are not only ethical but cost effective (Cooper & Schindler, 2013). Construct validity was tested using factor analysis. Principal Varimax rotation was deployed.

3.6.3 Reliability Test

Reliability is a scale to test and the extent to which a scale provides consistent results for repeated measurement this is done by determining the association in between scores obtained from different administration of the scale, if the association to high the yields becomes reliable. Reliability will be tested using Cronbach alpha score. The recommended reliability coefficient for this study was 0.7 (Creswell, 2014). All the four constructs had an alpha score greater than 0.7 (cost leadership .718, differentiation .731, focus .770, performance .750) thus were deemed reliable.

3.7 Data Processing, Analysis and Presentation

3.7.1 Data Processing

Data processing is generally the manipulation of items of data to produce meaningful information. It is the method of collecting raw data and translating it into usable information. It is usually performed in a step-by-step process where the raw data is collected, filtered, sorted, and tabulated. The collected questionnaires were cleaned, edited, cleaned, coded and tabulated before being entered into Statistical Package for Social Sciences (SPSS) version 24 to create a data sheet for analysis and presentation of findings.

3.7.2 Data Analysis

Data analysis is the process of modeling data to discover useful information for business decision making. The main purpose to extract useful information from the data and taking decisions based on the analysis. In this study, Correlation analysis, multiple regression analysis, ANOVA and model summary (r^2) were generated as inferential statistics to establish relationship between the study variables. Clear measurements like mean and standard deviation, were utilized to depict the investigated information. Information was introduced in tables and figures.

3.7.3 Correlation Analysis

Relationship coefficients are signs of the strength of the linear relationship between two different variables, x and y. The correlation coefficient (ρ) is a measure that determines the degree to which the movement of two different variables is associated. The most common correlation coefficient, generated by the Pearson product-moment correlation, is used to measure the linear relationship between two variables. The possible range of values for the correlation coefficient is -1.0 to 1.0. In other words, the values cannot exceed 1.0 or be less than -1.0. A correlation of -1.0 indicates a perfect negative correlation, and a correlation of 1.0 indicates a perfect positive correlation. If the correlation coefficient is greater than zero, it is a positive relationship. Conversely, if the esteem is less than 0, it is a negative relationship. A worth of zero demonstrates that there is no connection between the two variables. In this study, correlation analysis was conducted to test the relationship between generic business strategies (independent variables) and performance (dependent variables) of insurance companies in Mombasa County.

3.7.4 Multiple Regression Analysis

Multiple linear regression (MLR) is a statistical technique that uses several explanatory variables to predict the outcome of a response variable. The goal of multiple linear regression is to model the linear relationship between the explanatory (independent) variables and response (dependent) variables. In essence, multiple regression is the extension of ordinary least-squares (OLS) regression because it involves more than one explanatory variable. In this study, multiple linear relapse was utilized to test the connection between conventional systems (autonomous factors) and execution (subordinate factors) of protection in Mombasa County. Examination of fluctuation (ANOVA) was utilized to test the meaning of the model. R2 was used in this research to measure the extent of goodness of fit of the regression model. The regression model is as shown below:

$$\mathbf{Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon}$$

Y= Performance of insurance companies in Kenya.

X_{1}= Cost leadership strategy.

$\mathbf{X_2}$ = Differentiation strategy.

X_3 = Focus strategy

Ɛ: Error term.

α: Intercept.

βi: coefficient of the independent variable *i* which measures the responsiveness of ***Y*** to changes in *i*.

3.7.5 Assumption of Regression Model

The assumption of the model was assumed to have; normality of the error distribution, linearity of the relationship between dependent and independent variable, homoscedasticity (constant variance) of the errors and independence of the errors that is (no serial correlation). They were tested as follows;

Normality test holds that the distribution of the test is bell-shaped with 0 (zero) mean, with 1 (one) standard deviation and a symmetric bell shaped curve (Saunders *et al.*, 2015). Normality test was done using Kolmogorov-Smirnov test and are significant if $p<0.05$. The data was found to be normally distributed.

Linearity was tested by creating a scatter plot using SPSS Statistics where the researcher did plot the dependent variable against the independent variable and then visually inspected the scatter plot to check for linearity. From the scatter diagram, the residuals distributed evenly around the zero line (the regression line). The data was found to be linearly distributed.

Multicollinearity was tested statistically by use of the VIF (Variance Inflation Factor). Multicollinearity was tested by an examination of tolerance and Variance Inflation Factor (VIF) with the thresholds of more than 0.1 and VIF of 10 (Hairr et al., 2013). All constructs had a VIF factor of greater than 0.1 and less than 10. Multicollinearity was not a problem.

Table 3.2 Hypotheses Testing

Objective	Null Hypothesis	Type of Analysis	Interpretation
To examine the effect of cost leadership on the performance of insurance companies in Mombasa county.	**$H0_1$**: Cost leadership strategy has no significant effect on the performance of insurance companies in Mombasa County.	**Pearson Correlation** **Regression Analysis**	If p-value < 0.05, Reject the null hypothesis.
To examine the effect of differentiation strategy on the performance of insurance companies in Mombasa county.	**$H0_2$**: Differentiation Strategy has no significant effect on the performance of insurance companies in Mombasa county.	**Pearson Correlation** **Regression Analysis**	If p-value < 0.05, Reject the null hypothesis.
To examine the effect of focus strategy on the performance of insurance companies in Mombasa County.	**$H0_3$**: Focus strategy has no significant effect on the performance of insurance companies in Mombasa County.	**Pearson Correlation Regression Analysis**	If p-value < 0.05, Reject the null hypothesis.

Table 3.3 Summary of Measurement Instruments

Variables	Indictors	Measures
Firm performance	Profitability Revenue Return on investment High volume sales	**Five-Likert Scale**
Cost leadership strategy	Low premium price Cost –conscious Mass production Better asset utilization	**Five-Likert Scale**
Differentiation strategy	Unique service Quality product Brand differentiation High price leads Increased innovation Value of product	**Five-Likert Scale**
Focus strategy	Focus diversification Market niche Low price product Focusing on innovation	**Five-Likert Scale**

3.8 Ethical Considerations

The study was conducted after acquiring an introduction letter from Moi University. The information gathered from the respondents was kept confidential, and was only used for this study. Respondents who were unwilling to participate were be given same treatment as those who participated, some respondent thought the information collected may be used for personal purpose and undermine their operation within the company, this was overcome by explaining to them clearly to them that the study was purely for academic purposes.

CHAPTER FOUR

DATE PRESENTATION, INTERPRETATION AND ANALYSIS

4.1 Introduction

This chapter presents and also discuss the data analysis and findings from the objectives and hypothesis from chapter one, 126 questionnaires completed by top level and middle level managers of the insurance companies with activity in Mombasa County. The purpose of this study was explore the effect of generic strategy on the performance of insurance companies in Kenya. Summarized on the response rate, biographic data, reliability, descriptive statistics, correlation and regression.

4.2 Response Rate

Out of 150 questionnaires distributed to the insurance firms with operations in Mombasa county .the researcher got back 126 questionnaires translating to 84% response rate which is considered high in social science research. According to Creswell, (2013) this is considered appropriate to provide adequate information regarding the study.

4.3 Reliability and Validity

The reliability and validity of the final questionnaire was run in order to estimate the consistence level the instrument. According to Sekaran (2010)

4.3.1 Reliability Results

Table 4.1 Reliability Statistics

Scale Variable	Number of items	Cronbach's alpha
Cost leadership strategy	5	.787
Differentiation strategy	6	.883
Focus strategy	5	.826
Performance	4	.769

Source: Research Data, 2021

The Coefficient for cost leadership construct scale from the five items is 0.787 meaning that they five items used to measure focus construct were consistently measuring it. Six questions were employed to measure differentiation construct which is one of the dimensions of generic strategies insurance firms with operation in Mombasa County may use to gain superior performance. From the findings, the scale had a high level of internal consistency, as determined by a Cronbach's alpha of 0.883 (n=6) meaning that the items were consistently measuring the differentiation construct. Similarly the results shows that the instrument had adequate internal consistency in measuring the constructs focus strategy (Cronbach's = 0.826, n=5) and performance construct (Cronbach's =.769, n=4). On the basis of these findings, the research concluded that the instrument demonstrated acceptable (Cooper & Schendler, 2013).

4.3.2 Validity

KMOS measures of sampling adequacy and Bartlett's test of simplicity were deployed to test whether the relationship among variables was significance or not. KMO ranges from 0 to +1 and generally acceptable score is 0.5. Bartlett's test shows the validity and sustainability Creswell, 2013) if the significant results are at 0.05 confirms study is valid.

4.4 Factor Analysis and Validity

Since Cronbach's alpha only provides the overall reliability, in request to survey the unidimensional and legitimacy of the exploration instrument, factor analysis was run to explore the underlying theoretical structure of the generic strategies and performance of insurance companies with operation in Mombasa County. Factor analysis is a statistical method used to describe variability among observed, correlated variables in terms of a potentially lower number of unobserved variables called factors.

The Kaiser-Meyer-Olkin Measure of Sampling Adequacy indicates the proportion of variance in the variables that are caused by underlying factors. High values (close to 1.0) generally indicate that a factor analysis is useful with the data. The KMO obtained for this study is 0.869 which is high enough to conclude that the sample was adequate to account for significant variance. Bartlett's trial of sphericity tests the theory that the factors are disconnected and hence unacceptable for structure identification. Little qualities (under 0.05) of the importance level show that an element investigation is helpful for this review, the Bartlett's Test of Sphericity measurements is huge (.000) implying that factor examination is valuable with the information. As per Creswell, (2013) if the review results were above 0.05 implying that study was legitimate.

Table 4.2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**.869**
	Approx. Chi-Square	**6419.101**
Bartlett's Test of Sphericity	Df	21
	Sig.	.000

Source: Research Data, 2021

The results show that the sample size was adequate to obtain valid factor analysis statistics to assess unidimensional of the research variables.

A Varimax rotated was used to make clear the group in which an item belongs. The rotation assumes that the components of generic strategies are uncorrelated. The double loading items were removed in a series of factor analysis because they are not unidimensional.

The result shows that component 1 has five items which relate to the cost leadership strategy so they were named as cost. Component 2 has also four items relating to differentiation. Four items loaded strongly to component 3. The highest loading was

.928 and least is 684. All these items relate to performance construct and therefore were named as measure of performance in insurance companies with operation in Mombasa County. Three items 4, with highest loading of .907 to a lowest of .645 loaded to component 4 and they all relate to focus strategy. They were named as focus to represent focus strategy. The final factor analysis result shows that each factor loaded to one only one construct thus demonstrating that the variables has construct validity. That is the instrument is unidimensional meaning that it actually measured each of the three generic strategies of insurance companies with operation in Mombasa County.

Table 4.3 Rotated Component Matrix

Item	Component			
	Cost	Differentiation	Performance	Focus
Mass production	.905			
Low premium	.793			
Cost conscious	.763			
Asset Utilization	.738			
High-priced	.671			
Quality		.911		
Unique		.818		
Value		.805		
Innovation		.570		
RoI			.928	
Profitability			.810	
High.Sales			.684	
Niche				.907
Diverse				.864
Product innovation				.645

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
Source: Research Data, 2021

At this stage, the results from reliability test and factor analysis tests established that the instrument is reliable and unidimensional. The unidimensional ensured that the items (and the subsequent scale computed) measured what they were actually intended to measure. The research concluded that the research instrument demonstrated reliability and validity the researcher therefore then constructed the cost scale, differentiation scale, focus scale and performance scale for further analysis.

Table 4.4: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.772	23.861	23.861	4.772	23.861	23.861	4.205	21.024	21.024
2	3.718	18.590	42.452	3.718	18.590	42.452	3.741	18.704	39.727
3	3.388	16.938	59.390	3.388	16.938	59.390	3.634	18.170	57.898
4	2.814	14.072	73.462	2.814	14.072	73.462	3.113	15.564	73.462
5	1.840	9.200	82.662						
6	1.474	7.368	90.030						
7	.780	3.899	93.928						
8	.530	2.649	96.577						
9	.356	1.779	98.356						
10	.246	1.231	99.587						
11	.041	.206	99.793						
12	.028	.140	99.933						
13	.013	.067	100.000						
14	2.189E-015	1.095E-014	100.000						
15	1.050E-015	5.248E-015	100.000						
16	3.431E-016	1.715E-015	100.000						
17	-4.159E-018	-2.079E-017	100.000						
18	-6.464E-016	-3.232E-015	100.000						
19	-1.689E-015	-8.443E-015	100.000						
20	-2.425E-015	-1.213E-014	100.000						

Extraction Method: Principal Component Analysis.
Source: Research Data, 2021

4.5 Demographic Data Analysis

In social sciences research personnel characteristics of respondents have very significant role to play in expressing and giving the responses about the problem at hand, keeping this in mind, the study investigated the education level of the top level management and middle level management of insurance companies with operation in Mombasa County.

4.5.1 Education Level

This study investigated the educational level of top and middle level management. This guided the researcher, to understand that response of an individual is likely to be determined by his educational status and therefore it becomes imperative to note the educational background of the respondents.

Table 4.5 Demographic Data Results

		Education			
		Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	Certificate	27	21	21	21
	Diploma	63	50	50	71
	Degree	36	29	29	100.0
	Total	**126**	**100.0**	**100.0**	

Source: Research Data, (2021)

The result shows that 21% (n=27) have certificate education, majority, 50% (n=63) diploma holders, 29% (n=36) are degree holders. The results show that most of the respondents have diploma education. This implies that since majority are diploma holders, which is so important in today to create a knowledge in order to achieve organization performance.

4.5.2 Years of Service

The number of year an individual has served service is an important in providing more accurate data based on their experiences in the sector.

Table 4.6 results of Years of Service

		Years			
		Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Valid	0-5 Years	39	31.0	31.0	31.0
	5-10 years	58	46.0	46.0	77.0
	>15 Years	29	23.0	23.0	100.0
	Total	126	100.0	100.0	

The result shows that majority of the insurance managers had 5 to 10 years of experience at 46% (58) and 31% (n=39) have under 5 years' experience. A decent 23% of the chiefs have moderately higher experience of over 15 years which is a critical human factor to create a superior organization performance in the modern competitive environment especially the insurance industry. The high retention rate is an indicator that the managers are contented with their work thus focusing on improving the insurance sector. This section examined the demographic characteristics of the respondents. Based on the human capital and resource based theories, the results of the two demographic characteristics of education and experience, have shown that the insurance companies in Mombasa County have by and large acquired and retained a pool of educated individuals resulting to required human capital necessary to propel their companies in the modern competitive insurance industry (Lynch, 2018).

4.6 Descriptive Statistics of Variables

This part analysed the descriptive statistics of both the independent and dependent variables.

4.6.1 Cost Leadership Strategy

This section provides the mean and standard deviation of the response data from 126 both top level and middle level managers. In social sciences, the mean is widely used statistics to interpret the overall opinion of many Likert scale responses regarding phenomena and for that reason it motivated its use in this study. At this stage, it should be noted by that the responses on cost leadership strategy variable and actually all other main variables, were from 5-point Likert scale in which 5 represent Strongly Agree (SA) and 1-Strongly Disagree (SD). In this regard, a mean score value of less than 3 is interpreted as disagreeing that the statement on a particular variable is not true. On the other hand, a mean above 3 means that the respondents 'agreed' that the statement is true.

Table 4.7 Results Cost Leadership Strategy Statements.

Cost leadership	N	Mean	Std. Deviation
Asset Utilization	126	4.36	1.236
Variety of product	126	3.46	.806
Cost-conscious	126	3.19	.777
Low-price premium	126	2.39	.955

The study findings show that asset utilization in insurance companies in Mombasa has the highest mean of 4.36 (SD=1.236) meaning that asset utilization is the most widely used strategy to provide insurance services to clients at the lowest cost in insurance companies with operation in Mombasa county.

Variety of product and services is the second highest utilized method of cost reduction strategy with a mean of 3.46 (SD=.806). In the context of insurance companies, variety of product is the provision of standardized services and products with careful control of quality standards, and division of labour necessary to achieve low costs. Regarding if the insurance firms in Mombasa are cost-conscious, the mean value of the responses is 3.19 (SD=.777) which interpreted to mean that the firms are not highly cost conscious as indicated by the mean value 3.19 which is close to neutral (3) meaning that the cost is not an out-and-out strategy in insurance companies with operation in Mombasa county.

And on Low Pricing premium of the insurance products and services, the mean is 2.39 (SD=955) meaning that the respondents disagreed that the firms adopt low pricing premium of their insurance services.

4.6.2 Descriptive Statistics Differentiation Strategy

Differentiation strategy construct among insurance firms operating in Mombasa County was investigated using five indicators (Innovation, Value, Uniqueness, High-priced and Quality). The mean and standard deviation statistics from the data collected from the 126 managers of the Insurance firms.

Table 4.8 Results of Differentiation Strategy

Differentiation statements	N	Mean	Std. Deviation
Innovation	126	3.35	.614
Value	126	3.24	.698
Unique	126	3.12	.744
High-priced	126	3.05	.549
Quality	126	3.03	.799

The innovation strategy is a plan to grow market share or profits through product and service innovation. The results on whether the firms adopt innovation strategy shows that the mean=3.35 (SD=.614) meaning that most top and middle level manager respondents generally agreed that their firms packages their services and products innovatively so as to differentiate them from the competitors different in value from those offered by competitors, the result shows that the mean of the responses on value is 3.24,(SD=.698) ,meaning that slightly more manager respondents agreed that they actually have services and products that are different in value from those offered by competitors.

The respondents were also asked on pricing of their services as a form of differentiation. (m=3.05, SD=549) meaning that some firms use them and almost similar number does not use them. To gain differentiation through pricing, insurance a firm can charge the lowest price for its products or gain superiority by charging maximum prices. To have an edge over the competitors, a company can offer innovative products to its customers that best fulfils their requirements. This may involve a huge cost in research and development, production and marketing. Nevertheless, the return on investment is more than the cost involved, as the firm becomes the market leader in offering that product. Regarding the use of Quality as differentiation strategy among insurance firms, the mean is 3.03 (SD=.799) indicating that the respondents agreed regarding superior quality therefore implying that most firms do consider quality that their quality of service is different from quality of the competitors' products.

4.6.3 Descriptive Statistics Results Focus Strategy.

Focus strategy is one of three generic strategies in which a company concentrates its resources on entering or expanding in a narrow market or industry segment. This study investigated the effect the effect of focus strategies on the performance of insurance firms use generic strategy using four indicators of focus (Niche, diverse, product innovation and pricing).

Table 4.9 Descriptive Statistics Results Focus

Focus strategy	N	Mean	Std. Deviation
Product Innovation focus	126	3.65	.741
Diversification focus	126	3.53	.653
Focus Summary	126	3.43	.671
Niche marketing focus	126	3.38	.736
Low Product Price focus	126	3.17	.646

Regarding if the insurance companies focus on product innovation, the mean is 3.65 (SD=.741) meaning that most of the respondents agreed to that they focus on product innovation so as to gain high performance. This results shows that most insurance firms that tend to focus on narrow segments, do so through innovative products and services targeting a section of larger clientele. the mean of the information with respect to enhancement among protection firms is 3.53(SD=.653) implying that the majority of the directors of the protection supported that protection firms centre around differentiating their items to acquire upper hand in the protection business.

Then again, the mean of the Niche Marketing focus efforts in among the insurance firms is 3.38(=.736) also indicating that most of the respondents agreed that the firms focus on particular segments of their clients and have therefore established a recognisable niche. Establishing a niche market is beneficial to the insurance firms as it gives them the opportunity to provide products and services to a group that other businesses have overlooked. In this regard the firms have a narrowly defined group of potential customers that have specific needs, and if well served sustainably, are sources of customer loyalty, and source of firm’s Performance advantage. And regarding if firms focus particular section and provide low priced services for that market, the mean (m=3.17, SD=.646) is close to meaning that majority of firms used cost focus strategy as indicated by mean score of slightly above 3 (neutral. However since the mean scores are all less than 4 (agree) the study was obliged to evidently infer that focus strategy is moderate applied.

4.6.4 Descriptive Results of Performance

The study investigated the Performance of the insurance from the organizational perspective using three indicators, that is, profitability, revenue, sales and return on assets. Data from the 126 top and middle level management managers on these indicators was analysed and using the mean and standard deviation.

Table 4.10 Descriptive Results of Performance

Descriptive Statistics			
	N	**Mean**	**Std. Deviation**
Revenue	126	3.55	.665
RoI	126	3.37	.483
Profitability	126	3.16	.709
Sales	126	2.66	.635
Valid N (listwise)	126		

The result shows that revenue mean is 3.55 (SD=.665) meaning that the most of the managers of the insurance firms based in Mombasa agreed that the firms have adequate revenue. They also concurred that there is profit from speculations, ROI, at mean of 3.37 and standard deviation of .483. Productivity isn't stunningly great as shown by a mean of 3.16. The sales volumes are low at mean level of 2.66 (SD=.635). These descriptive results show that, performance among the insurance business based in Mombasa is generally low and thus a challenge for these firms to have future prospects if the situation is not rectified.

4.7 Regression Assumptions and Diagnostics

This part tested the normality and linearity

4.7.1 Normality Test

The normality assumption states that the residuals are normally distributed and this assumption was tested using the histogram of residuals. The figure indicate that the residuals displays a normal distributed therefore the normality assumption was met.

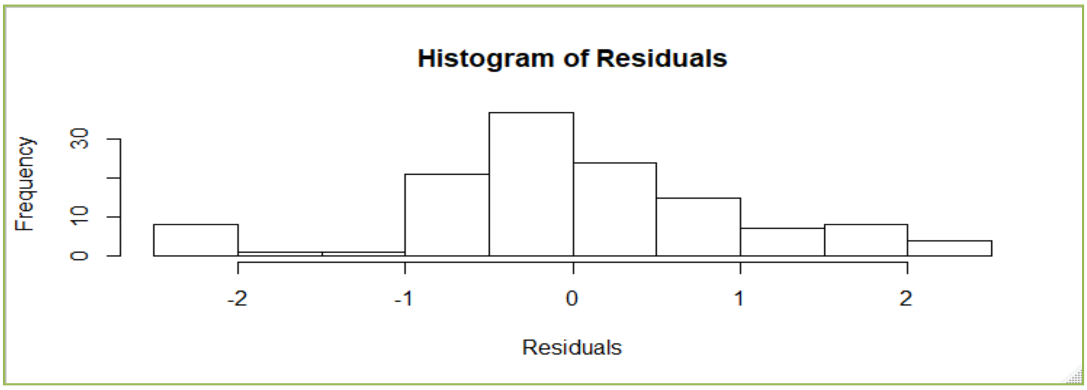

Fig. 4.1 Normality Test

4.7.2 Linearity Test

The linearity assumption states that the independent variables are linearly related to the dependent variable and this assumption was tested using the Q - Q plots visualization. A linear relation said to exist if the diagonal line on the Q – Q plot is approximately 45 degree and most of the points are symmetrically distributed around a diagonal line.

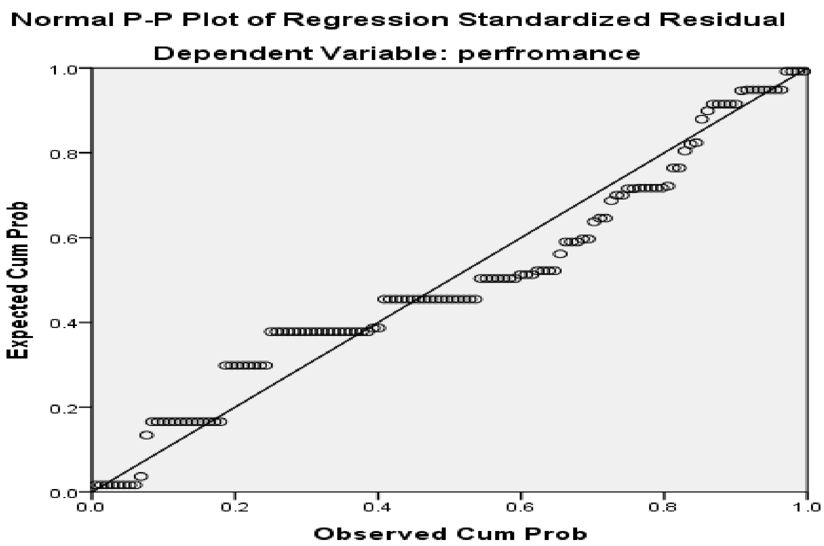

Fig 4.2 PP Plot

4.7.3 Multicollinearity Test

The Multicollinearity assumption state that independent variables are not highly correlated such that no set of variables that can be expressed as a function of the other independent variable or variables. The presence of two or more independent variables in the model are highly correlated, they inflate the regression coefficient estimates than usual. In this study, multi co linearity was assessed using the Variance Inflation Factor (VIF) measurements. VIF shows by how much the relapse assessed is expanded and by basic guideline, a VIF worth of less than 5 is tolerable to conclude that no multicollinearity (Hair, et.al. 2003).

Table 4.11 Collinearity Statistics

Model		**Collinearity Statistics**	
		Tolerance	**VIF**
	Cost Leadership strategy	.865	1.156
1	Differentiation strategy	.951	1.052
	Focus Strategy	.895	1.117

Source: Research Data, (2021)

The VIF values of each autonomous variable (Cost authority technique, Differentiation procedure and Focus methodology) are all less than 5 indicating that there are no multicollinearity issues in the data set meaning that the regression estimates are not inflated. The study has established that normality, linearity, constant variance (heteroscedasticity) and multicollinearity assumptions are not significantly violated to cause a worry meaning that the option this study took to run a multiple linear regression is justified and therefore regression and correlation tests can be run.

4.8 Correlation Analysis

Prior to conducting correlation analysis, four scales were first computed using the identified during the factor analysis. The four scales are cost, differentiation, focus and performance scales.

Table 4.12 Correlation Results

Variable		Correlations performance	cost	Differentiation	Focus
Performance	Pearson Correlation	1			
	Sig. (2-tailed)				
Cost	Pearson Correlation	-.110	1		
	Sig. (2-tailed)	.220			
Differentiation	Pearson Correlation	.358**	-.190*	1	
	Sig. (2-tailed)	.000	.034		
Focus	Pearson Correlation	.395**	.304**	.051	1
	Sig. (2-tailed)	.000	.001	.567	

****. Significant relationship at the 0.01 level (2-tailed).**
***. Significant relationship at the 0.05 level (2-tailed).**
c. Listwise N=126

Source: Research Data, (2021)

The result shows that cost leadership strategy is negatively related to performance but not significant (r= -.110, p=.220) an indication that the as the firms improve their cost efficiency, their profitability, revenue sales and ROI does not necessary improve meaning that cost leadership may not be the appropriate strategy to enhance competitive edge over other insurance firms. These correlation results are in agreement with the descriptive results discussed earlier in which it was noted that cost leadership strategy is moderately utilized in insurance companies with operation in Mombasa County. Regarding the correlation between differentiation strategies and performance, the result shows that the correlation is positive and significant (r =.383, p<.001) meaning that the more the customer perceive that a particular product is unique and tailored to their specific need, the better that insurance firm perform.

Also the correlation between focus strategy and performance is positive and significant ($r = .395$, $p<.001$) which is a signal that these insurance firms perform better if they become more and more focused on a particular niche market and over products at low cost or focus on offering differentiated products for a particular segment instead of being at the middle-of-the-road type.

4.9 Regression Analysis

Regression analysis is a statistical technique of modelling relationship between a set of predictor and response variable. The researcher ran a liner regression analysis procedure using the SPSS program in which the performance scale was the response variable and the three competitive strategy scales were the predictor variables so as to study the effect of each strategy on performance and therefore find answers to the research questions in chapter one.

There are three usual SPSS regression output table results; the regression summary, the ANOVA and then the regression coefficients. In running the regression, the four main multiple linear regression assumptions were all inspected using the inbuilt SPSS commands. This inspection procedure was important because it ensured that the estimates are accurate and not biased or inflated so that the research has a credible basis to make credibility conclusions and recommendation to enable the insurance firms find a sustainable solution to reverse the current negative performance trend .

Table 4.13 Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.548[a]	.300	.283	.547	2.602

a. Predictors: (Constant), Focus, different, cost
b. Dependent Variable: performance
Source: Research Data, (2021)

The adjusted R square in the model summary is .283 meaning that the three generic strategies accounts for about 29% of variance in performance of Mombasa based insurance companies and the rest (71%) is accounted for by other factors outside the model.

4.10 ANOVA

Table 4.14 Results of ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.667	3	5.222	17.459	.000[b]
	Residual	36.492	122	.299		
	Total	52.159	125			

a. Dependent Variable: performance

b. Predictors: (Constant), Focus, different, cost

Source: Research Data, (2021)

The ANOVA results tests the overall fitness of the model and the statistics of interest in ANOVA output table for decision making on the fitness of the model is the F value. The value specially tests the null hypothesis that the coefficients of the predictors are not significantly different from zero. In this study an F value of 17.459 with 3 and 122 degrees of freedom respectively was obtained meaning that the probability of getting an F statistics as large as 17.459 if indeed the null hypothesis is true is < .001. The researcher therefore rejected the null hypothesis in favour of its alternative based on this low probability and it was thus concluded that that it is a good model in overall and therefore can be used for prediction of performance of insurance firm with firms in operation in Mombasa County.

Finally, the coefficient results provide the regression coefficient of each individual predictor and their corresponding t and p value statistics to determine the significance of the predictor on the response variable. In this study it provided the regression coefficient for cost strategy, differentiation and focus as the predictors of performance of Mombasa based insurance firms in operation in Mombasa County.

Table 4.15 Regression Coefficient Results

Coefficients[a]

Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**	**Collinearity Statistics**	
		B	**Std. Error**	**Beta**			**Tolerance**	**VIF**
1	(Con')	2.192	.272		8.054	.000		
	Cost	-.107	.047	-.186	-2.279	.024	.865	1.156
	Differen	.187	.048	.301	3.872	.000	.951	1.052
	Focus	.282	.052	.436	5.447	.000	.895	1.117

a. Dependent Variable: performance

Source: Research Data, (2021)

From analysis of the data, a regression constant of 2.192 was obtained with a significant p value ($p<.001$). And the regression coefficient for cost leadership strategies is -.107 with a p worth of .024 which is huge implying that cost technique affects execution of protection firms situated in Mombasa. The outcome infers that the protection firms based in Mombasa. The result implies that the insurance firms should not rely on cost leadership for their profitability or revenue generation and should instead minimize cost leadership strategy unless it was meant to achieve other goals like social goals in society instead of performance in profitability and revenue growth**.** But the result shows that regression coefficient of differentiation is positive (.187) but also significant (p<.001) meaning that insurance firms in Mombasa that have highly differentiated products also have high profitability and revenues than those which have less differentiated products.

From the regression coefficient results, the multiple linear models derived from the study result is of the form;

$$\boldsymbol{Performance = 2.192 - .107COST + .187DIFF + .282FOCUS}$$

Regarding the strategy with greatest influence, the model result shows that focus strategy has the greatest influence on performance followed by differentiation strategy and least is cost leadership. In particular, a 100% increase in cost leadership, the performance decrease by about 10.7% if other factors are kept constant. However if differentiation strategy among insurance firms becomes more effective by 100%, the performance will increase by 18.7%. On the other hand, a 100% increase in focus strategy efficiency, the performance increase by a higher percentage of 28.2 and the study therefore advises that Mombasa based insurance firms utilize firm resources on priority basis such that it is first allocated on focus strategy, then differentiation they can performs even better. This advice is based on the view that organizational resources are limited and there endless competing needs for those resources.

Tale 4.16 Summary of Hypotheses Test

Hypotheses	**β Value**	**Sig**	**Decision**
Cost Leadership vs Performance	-.107	.024	Reject Ho1
Differentiation Strategy vs Performance	.187	.000	Reject Ho2
Cost Leadership vs Performance	.282	.000	Reject Ho3

Source: Research Data, (2021)

4.11 Discussion of Key Findings

This section discusses the key research finding presented in the previous sections based on objective of the review. The overall goal of the review was to find out the effect of generic strategy on the performance of insurance companies in Kenya. The specific objectives where cost leadership, differentiation strategy and focus strategy.

4.11.1 Effect of Cost Leadership Strategy on Performance

The study went out to establish the effect of cost leadership strategy on the performance of insurance companies in Mombasa County. The study found out that cost leadership strategy was moderately adopted it was negatively correlated and had a significant relationship with performance. This indicates that an increase in costs for example, will lead to decrease in the performance. Porter, (1980) supported this by noting that being a cost leader increases firm performance.

4.11.2 Effect of Differentiation Strategy on Performance

The study went out to investigate the effect of differentiation strategy on the performance of insurance companies in Mombasa County. The study found out that differentiation strategy was moderately adopted, it was positively correlated and had significant relationship with performance. Wheelen & Hunger, (2012) noted that differentiation strategy when well implemented improves firm performance.

4.11.3 Effect of Focus Strategy on Performance

The study went to find out the effect of focus strategy on the performance of insurance companies in Mombasa County. The finding uncovered that focus strategy was moderately adopted it was positively correlated and had a significant relationship with performance. This means that an increase in focus strategy will lead to increase in performance. Muia, (2017) noted that choosing a market niche where buyers have a distinctive preference on their requirements increases performance.

CHAPTER FIVE

SUMMARY CONCLUSION AND RECOMMEDATION

5.1 Introduction

This chapter provides the summary of the finding from chapter four and it also gives conclusion, recommendation and areas of further study based on objective of the study.

5.2 Summary of Findings

Performance indicators among insurance firms have been on declining trend going by the recent statistics. Given that generic strategies can create a superior performance, the researcher investigated the effects of generic strategies on performance of insurance firms with operation in Mombasa County.

5.2.1 Effect of cost leadership strategy on organization performance

Study investigated the effect of adoption of cost leadership strategy on the performance of insurance companies with operation in Mombasa County. The descriptive results show that the strategy is moderately adopted while the correlation results shows that the strategy is negatively and significantly correlated with performance. The regression analysis revealed that the cost strategy has a significant adverse effect on performance. The results suggested that companies that adopt cost leadership strategy have relatively low performance than those who do not adopt this strategy. This result means that insurance firms with operation in Mombasa are not effective in producing services at lowest cost so as to enable them create a superior performance successful strategy will lift organizational to superior performance. To succeed in offering low cost and still achieve high profits, return in investment organization must operate at lower cost than its rivals.

5.2.2 Effect of differentiation strategy on organization performance.

The study investigated the effect of differentiation strategy on performance of insurance companies in Mombasa County. The descriptive results indicate a moderate level of adoption of differentiation among insurance firms based in Mombasa. Innovation and value addition was the most used aspect of differentiating services among the insurance firms. The study also found that differentiation strategies are used in insurance firms are positively related to their performance meaning that firms that have highly differentiated product have superior performance than those with less differentiated products. Regression results shows that differentiation strategies have significant influence on performance. The result suggests that firm's profitability and revenue base can be achieved by increasing efficiency in differentiation of services and products.

5.2.3 Effect of Focus Strategy on Organizational Performance

The study investigated the effect of focus strategy on performance of insurance companies with operation in Mombasa County. The research established that the strategy is adopted in moderate terms with most of the firms using Product Innovation and diversification as the main aspects of Focus Strategy. The relational analysis results showed Focus Strategy in insurance companies with operation in Mombasa County has a significant relation to performance. On the basis of this result, the research established that firms that highly focus are also better performers than firms that less focus. The regression analysis shows that the focus strategies firms use significantly influence performance such that profitability and revenue base is high for firms that strongly focus and it is less for firms that less focus (uses a mix of strategies). Like the differentiation strategy results obtained in the earlier section, these results reveal that the firms can also improve their profitability by effectively focusing on a particular market.

5.3 Conclusion of the Study

The conclusions were based on the objectives of the study that generic strategy had significant effects on performance of insurance firms in Mombasa County. The results established that generic strategy was found to significantly and positively affect insurance performance. It was concluded that insurance companies needed to fully embrace generic strategy in order to achieve sustainable performance. Specifically;

1. Cost Leadership strategy has a moderate effect on the performance of insurance companies operating in Mombasa County.

2. Differentiation of products leads to increase in organizational performance. This can be achieved through innovation, value, unique pricing and providing superior quality through innovation.

3. Lastly this study concluded that focus strategy had significant effect on performance of insurance in Mombasa County

5.4 Recommendations

In light of the ends, this review suggests that;

5.4.1 Managerial Recommendation

The review suggests that;

1. Insurance firms should deploy cost leadership strategy and ensure that they are cost leaders in the industry so as to achieve increased performance.
2. Insurance firms should deploy differentiation strategy so as to improve on their performance. The management should prudently invest in R & D, create a culture of innovation order to create unique products that leads to increased revenue and profitability.

3. Insurance firms should deploy focus strategy to ensure its focus on market niche and price focus in the industry so as to achieve increased performance.

5.4.1 Policy recommendation

The development partners like the government should work with the insurance firms to create a conducive business environment .The government and private entities have to come up with policies that promote performance of insurance companies. Good government policies ensure good guidelines and policies unique products and services, profitability and increased revenue base to attain superior performance.

5.5 Areas for Further Research

The main objective of this study was the effect of generic strategy on the performance of insurance firms in Kenya. The study suggests that other research to be done on the effect of generic strategies in other small and medium sized enterprise and manufacturing industry.

1. Insurance agencies ought to deploy cost leadership strategy and ensure that they are cost leaders in the business to accomplish expanded execution.
2. Insurance firms ought to convey separation system to enhance their performance. The management should prudently invest in R & D, create a culture of innovation order to create unique products that leads to increased revenue and profitability.
3. Insurance firms should deploy focus strategy to ensure its focus on market niche and price focus in the industry so as to achieve increased performance.

5.5.1 Policy recommendation

The development partners like the government should work with the insurance firms to create a conducive business environment .The government and private entities have to

come up with policies that promote execution of insurance agencies. Great government arrangements guarantee great rules and strategies exceptional items and administrations, benefit and expanded income base to achieve prevalent execution.

5.5.2 Areas for further research

The fundamental target of this review was the impact of conventional system on authoritative execution of protection firms in Kenya. The review recommends that other exploration to be done on the impact of generic strategies in other small and medium sized enterprise and manufacturing industry.

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APPENDICES

Appendix I: Introduction Letter

MBITI RUTH MWIKALI
MOI UNIVERSITY
P.O BOX 3735 -80100
MOMBASA
5th Sep ,2019

Dear Respondent
RE: PERMISSION TO COLLECT RESEARCH DATA
I am a student at Moi university, Mombasa campus Pursuing an postgraduate degree course in masters of business administration, option strategic management, in partial fulfillment of the requirement for the above mentioned degree, am required to carry out and Analyze research data on the effect of generic strategy on performance of insurance companies in Kenya.
Thank you,

Yours faithfully,

MBITI RUTH MWIKALI

Appendix II: Questionnaire

This questionnaire is designed to collect data about the effect of business level strategy on performance of insurance companies.

SECTION A: RESPONDENTS (PERSONAL DETAILS).

A2. Level of education. { }Certificate { }Diploma { }Degree { }Masters

A3. Years in Service { }0-5yrs { }5-10Years { }10-15 Years { }>15Years

A4. Level of management Position held in the organization

{ }Top level { }Middle level

A5. For how long have held that position?

{ }0-5yrs { }5-10Years { }10-15 Years { }>15Years

SECTION B: COST LEADERSHIP STRATEGY

Please indicate with a tick the extent to which use of cost leadership strategy affects performance of insurance companies in Kenya?

Key (1.no extent, 2.small extent, 3.moderate extent, 4.great extent, 5.greatest extent)

The extent to which cost leadership strategy affects performance of insurance companies.	Greatest Extent (5)	Great Extent (4)	Moderate Extent (3)	Small Extent (2)	No Extent(1)
C1. Variety production leads to increased performance of insurance company.					
i) C2. Low priced premium leads to performance of insurance company.					
ii) C3. Being cost conscious leads to performance of insurance company.					
iii) C4. Better asset utilization leads to performance of insurance company.					

C5. How do you rate cost leadership strategy on performance of insurance company in Kenya?

{ }Very effective { }Effective { }Moderate effective { } Less effective { }Not effective

SECTION C. DIFFERENTIATION STRATEGY

Please indicate with a tick the extent to which use of differentiation strategy affect performance of insurance company in Kenya?

Key (1.no extent, 2.small extent, 3.moderate extent, 4.great extent, 5.greatest extent)

The extent to which differentiation strategy affect performance of insurance companies in Kenya?	Greatest Extent (5)	Great Extent (4)	Moderate Extent (3)	Small Extent (2)	No Extent(1)
D1.Quality product leads to performance of insurance companies					
D2 Unique product lead to performance of insurance companies					
D3. High price leads to performance of insurance companies					
D4. Value of product leads to performance of insurance companies					
D5 increased innovation leads to performance of insurance companies					

D6. How do you rate differentiation strategy on performance of insurance companies in Kenya?

{ }Very effective { }Effective { }Moderate effective { } Less effective { }Not effective

SECTION D: FOCUS STRATEGY

Please indicate with a tick the extent to which use focus strategy affect performance of insurance companies in Kenya?

(1.no extent, 2.small extent, 3.moderate extent, 4.great extent, 5.greatest extent)

The extent to which focus strategy affect the performance of insurance company in Kenya?	Greatest Extent (5)	Great Extent (4)	Moderate Extent (3)	Small Extent (2)	No Extent(1)
D1. Serving a market niche leads to performance of insurance companies					
D2. Focusing diversification leads to performance of insurance companies					

D3. Low Product price focus leads to performance of insurance companies					
D4. Focusing on product Innovation leads to performance of insurance companies					

D6. How do you rate focus strategy on performance of insurance companies in Kenya?

{ }Very effective { }Effective { }Moderate effective { } Less effective { }Not effective

SECTION F: PERFOMANCE OF INSURANCE COMPANIES IN KENYA .

Please indicate with a tick the extent to which generic strategy affect performance of insurance companies in Kenya?

Key (1.no extent, 2.small extent, 3.moderate extent, 4.great extent, 5.greatest extent)

The extent of performance of insurance companies. Through:	Greatest Extent (5)	Great Extent (4)	Moderate Extent (3)	Small Extent (2)	No Extent(1)
F1. Profitability					
F2. Return on investment					
F3. Revenue					
F4. High sales volumes					

Thank you for your cooperation

Appendix III: List of Insurance Companies In Kenya

1. **AAR Insurance Company Limited**
   Head Office: Real Tower, Upperhill, Nairobi, Kenya
   Phone: +254 703 063000 ,+254 730 633000 +254 20 2895000
   Email: info@aar.co.ke
2. **Africa Merchant Assurance Company Limited**
   Head Office: NEXTGEN MALL, 4th flr, Mombasa Road, Nairobi, KENYA.
   Phone: 020-2204000 (Pilot line)
   Cell: 0738-312121 / 0726-312121
3. **AIG Kenya Insurance Company Limited**
   Head Office: AIG Kenya Eden Square Complex Chiromo Road
   Address: P.O. Box 49460 Nairobi 00100 Kenya
   Email: aigkenya@aig.com
4. **Allianz Insurance Company of Kenya Limited**
   Head Office: Allianz Plaza, 96 Riverside Drive
   P.O. Box 66257-00800 Nairobi
   customerservice@online.allianz.co.ke
   Sales: +254 792 284 946
   General Enquiries: +254 709 566 000
5. **APA Insurance Limited**
   Apollo Centre, Ring road Parklands, Westlands
   +254 (0) 20 364 1000 /
6. **APA Life Assurance Company Limited**
   Apollo Centre, ring road Parklands, Westlands
   Telephone number: +254 (0) 20 364 1000
   Email address: info@apainsurance.org
7. **Barclays Life Assurance Kenya Limited**
   3rd Floor, Acacia Building
   Westlands Office Park, Off Waiyaki Way Westlands
   P.O. Box 1140 – 00100, Nairobi, Kenya
   Tel +254 (20) 4209000
8. **Britam General Insurance Company (K) Limited**
   Britam General Insurance
   Elgon Road, Upper Hill.
   Nairobi.
   Phone: (254)733500200,
   Email: general@britam.com
9. **Britam Life Assurance Company (K) Limited**
   Britam Head Office
   Mara/Ragati Road Junction, Upperhill
   Nairobi,Nairobi
   Phone: (254)703094000,
   0202833000
   Email: info@britam.com
10. **Metropolitan Cannon General Insurance Company Limited**
    Metropolitan Cannon General Insurance Ltd & Metropolitan Cannon Life Insurance Ltd
    Gateway Business Park, Block D
    Mombasa Road

P.O. Box 46783 – 00100 Nairobi
Tel: +254 20 3966000,
Safaricom: +254 723 342150
Airtel: +254 735 342150
Email: info@metcannon.co.ke

11. **Capex Life Assurance Company Limited**
Galana Plaza, Kilimani, Nairobi
Email Address: info@capexlifeassurance.co.ke
Tel:+254 20-2712384 / 0715-140 074
12. **CIC General Insurance Company Limited**
CIC Plaza, Mara Road, Upperhill Nairobi, Kenya
+254) 703 099 120 (020) 282 3000
13. **CIC Life Assurance Company Limited**
CIC Plaza, Mara Road, Upperhill Nairobi, Kenya
Tel: +254) 703 099 120 (020) 282 3000
14. **Corporate Insurance Company Limited**
International Life House 13th floor, Mama Ngina Street,
P. O. Box 34172, 00100 – Nairobi, Kenya
Tel: 2717617, 7658000, 0728 700093
Email: info@cickenya.com
website: corporate-insurance.co.ke
15. **Directline Assurance Company Limited**
Hazina Towers, 17th Floor, Monrovia Street
P.O. Box 40863 Nairobi, GPO 00100 Kenya
Tel: 020 3250000 / 0711 030000 / 0730 130000
E-mail: info(at)directline.co.ke
16. **Fidelity Shield Insurance Company Limited**
Equatorial Fidelity Centre, 5th Floor, Waridi Lane, Off Waiyaki Way, Westlands.
P.O.Box 47435, 00100 Nairobi, GPO Kenya.
Telephone (Main): +254 (0) 20 4225 000;(0)709 988 000
E-mail:info@fidelityshield.com
17. **First Assurance Company Limited**
First Assurance House,
Clyde Gardens,
Gitanga Road, Lavington
Tel:+254722-444117 / +254733-605480 / +254-20-2900000
hoinfo@firstassurance.co.ke
customercare@firstassurance.co.ke
complaints@firstassurance.co.ke
18. **GA Insurance Limited**
GA Insurance Ltd. 4th Fl. GA Insurance House,
Ralph Bunche Road,
P.O.Box 42166 – 00100,Nairobi
Tel: 0709 626 000
www.gakenya.com
19. **GA Life Assurance Limited**
GA Insurance Ltd. 4th Fl. GA Insurance House,
Ralph Bunche Road,
P.O.Box 42166 – 00100,Nairobi

Tel: 0709 626 000
www.gakenya.com

20. **Geminia Insurance Company Limited**
Le'Mac, 5th Floor
Church Road, Off Waiyaki Way
P.O. Box 61316-00200 Nairobi
Tel: +254 20 278 2000
info@geminia.co.ke | life@geminia.co.ke
21. **ICEA LION General Insurance Company Limited**
ICEA LION Centre
Riverside Park, Chiromo Road, Westlands
P.O. Box 46143 – 00100 or 30190 – 00100 Nairobi
Tel: +254 (0) 20 2750000
Mobile: +254 719 071000 / 730 151000
Email: info@icealion.com
22. **ICEA LION Life Assurance Company Limited**
ICEA LION Centre
Riverside Park, Chiromo Road, Westlands
P.O. Box 46143 – 00100 or 30190 – 00100 Nairobi
Tel: +254 (0) 20 2750000
Mobile: +254 719 071000 / 730 151000
Email: info@icealion.com
23. **Intra Africa Assurance Company Limited**
3rd Floor, Williamson House,
4th Ngong Avenue,
P.O. Box 43241-00100,
Nairobi.
Tel: 020-2712607/11
Email: info@intraafrica.co.ke
24. **Invesco Assurance Company Limited**
Bishop Magua Center, 3rd Floor
Opp. Uchumi Hyper, Off Ngong Road
P.O Box 52964-00200 NAIROBI, Kenya
Office line: 0715 316830
Email address:invesco@invescoassurance.co.ke
25. **Kenindia Assurance Company Limited**
Address: Kenindia House, Loita Street, Nairobi.
Phone: +254 (020) 3316099 / 2214439
Mobile: 0722-205923/4, 0733-333002/3
P.O. Box: 44372 – 00100 G.P.O. Nairobi
Email: kenindia@kenindia.com
26. **Kenya Orient Insurance Limited**
2nd Floor Capitol Hill Tower, Cathedral Road, Nairobi Kenya
P.O. Box 34530, Nairobi
Tel: +2540202962000, Mobile: +2540706833649
Email: info@orientlife.co.ke
www.korient.co.ke
27. **Kenya Orient Life Assurance Limited**
2nd Floor Capitol Hill Tower, Cathedral Road, Nairobi Kenya
P.O. Box 34530, Nairobi

Tel: +2540202962000, Mobile: +2540706833649
Email: info@orientlife.co.ke
www.korient.co.ke

28. **KUSCCO Mutual Assurance Limited**
    Kilimanjaro Avenue, Off Mara Road
    KUSCCO Centre, Upper Hill
    28403 – 00200, Nairobi
    Upper Hill, Nairobi
    Phone: (020) 2730191, 2722927
    0722 206 331, 0734 699 974
    http://www.kuscco.com
29. **Liberty Life Assurance Kenya Limited**
    Liberty House, Processional Way
    P. O. Box 30364 – 00100 Nairobi, Kenya
    Phone: (+254) 20 286 6000 / 0711 028 000
    Email: csc@libertylife.co.ke
    www.liberty.co.ke
30. **Madison Insurance Company Kenya Limited**
    Madison House
    Upper Hill Close,
    P.O. Box 47382 – 00100, Nairobi
    Tel: 0709 922 000,
    Email: madison@madison.co.ke
31. **Madison General Insurance Kenya Limited**
    Head Office: Madison House,Upper Hill Close,
    Tel: 0709 922 000,
    Email: madison@madison.co.ke
32. **Mayfair Insurance Company Limited**
    Head Office: 8th floor Mayfair Centre, Ralph Bunche road
    Phone: +254 724 256925 / 733 256925 / +254 20 2999000
    Email: info@mayfair.co.ke
33. **Metropolitan Cannon Life Assurance Limited**
    Head Office: Gateway Business Park, Block D, Mombasa Road
    Tel: +254 20 3966000, +254 723 342150, +254 735 342150
    Email: info@metcannon.co.ke
34. **Occidental Insurance Company Limited**
    Head Office: Crescent Business Centre 7th & 5th Floor,Parklands Road – Parklands
    Tel: 0709 896 000
    Email: enquiries@occidental-ins.com
35. **Old Mutual Assurance Company Limited**
    UAP Old Mutual Tower, Upper Hill Road,
    P.O. Box 43013 – 00100, Nairobi, Kenya.
    Tel: +254 20 2850 000 Mobile: +254 711 065 000
    Call Centre: +254 711065100 / +254 711010100
    E-mail: uapinsurance@uap-group.com
36. **Pacis Insurance Company Limited**
    Head Office: Centenary House, 2nd Floor,Off Ring Road, Westlands
    Tel: +254 720-113122, 733-777717, 0730-677000
    Email: info@paciskenya.com

37. **MUA Insurance (Kenya) Limited**
    Head Office: The Mirage,Tower 1 – 7th Floor, Chiromo Road,
    Phone: +254 732 178 000
    Email: infoke@mua.co.ke
38. **Pioneer General Insurance Company Limited**
    Pioneer House 7th Floor,
    Moi Avenue
    Tel:020 7220000
    P.O BOX 20333-00200
    Nairobi
    www.pioneerassurance.co.ke
39. **Pioneer Assurance Company Limited**
    Pioneer House 7th Floor,
    Moi Avenue
    Tel:020 7220000
    P.O BOX 20333-00200
    Nairobi
    www.pioneerassurance.co.ke
40. **Prudential Life Assurance Company Limited**
    Prudential House,
    Wabera Street, Opp. City Hall
    1st Floor, Wing A
    Nairobi
    Tel: 020 2712591
    www.prudentiallife.co.ke
41. **Resolution Insurance Company Limited**
    Head Office: Parkfield Place, Muthangari Drive, Off Waiyaki
    Phone: +254 709 990 000, +254 730 199 000
    Email: info@resolution.co.ke
42. **Saham Assurance Company Kenya Limited**
    Sanlam General Insurance Company Limited
    3rd Floor, Pan Africa Life House
    Kenyatta Avenue, Nairobi
    P.O. Box 7848-00100,Nairobi, Kenya
    Tel: +254 20 222 0559
    Fax: +254 20 224 2463
    www.sanlam.com
43. **Sanlam Life Insurance Company Limited**
    3rd Floor, Pan Africa Life House
    Kenyatta Avenue, Nairobi
    P.O. Box 7848-00100,Nairobi, Kenya
    Tel: +254 20 222 0559
    Fax: +254 20 224 2463
    www.sanlam.com
44. **Takaful Insurance of Africa Limited**
    Head Office: CIC Plaza, Mara Road, Upper Hill
    Phone: +254 (20) 2725134
    Email: info@takafulafrica.co.ke
45. **Tausi Assurance Company Limited**
    Head Office: Tausi Road, Off Muthithi Road,Westlands,

Tel: 020 2312681/85/93/0709914000 / 0735145020 / 0729145888
Email: clients@tausiassurance.com

46. **The Heritage Insurance Company Limited**
Head Office: CFC House, Mamlaka Road,
Tel: 020 278 3000 / 0711 039 000 / 0734 101 000
Email: info@heritage.co.ke
47. **The Jubilee Insurance Company of Kenya Limited**
Head Office: Jubilee Insurance House, Wabera Street
Phone: +254 (0) 20 328 1000
Email: info@jubileekenya.com
48. **The Kenyan Alliance Insurance Company Limited**
Head Office: Chester House, Koinange Street
Phone: 020-2215632 / 254 20 2284000 +254 709 334 000
Email : info@kenyanalliance.co.ke
49. **The Monarch Insurance Company Limited**
Head Office: Third Floor, Fourth Floor, Prudential Assurance Building,
Phone: 020 310032
Email :info@monarchinsurance.co.ke
50. **Trident Insurance Company Limited**
Head Office: Capital Hill Towers P.O. Box 55651, Nairobi 00200
Phone: 020-2721710
Email: marketing.dept@trident.co.ke
51. **UAP Insurance Company Limited**
Head Office: UAP Old Mutual Tower, Upper Hill Road
Phone: +254 20 2850 000 / +254 711 065 000
E-mail: uapinsurance@uap-group.com
52. **UAP Life Assurance Limited**
P.O. Box 43013 – 00100, Nairobi, Kenya
Tel: +254 20 2850 000
Mobile: +254 711 065 000
E-mail: life@uap-group.com
53. **Xplico Insurance Company Limited**
Head Office: Parkplace, 2nd Parklands Avenue
Phone: 0700 111 999
Email: care@xplicoinsurance.co.ke

Source: Insurance Regulatory Authority (IRA)