"Competitive positioning and market share of selected insurance companies: case of Nigeria"

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NUMBER OF REFERENCES

60

NUMBER OF FIGURES

0

NUMBER OF TABLES

9

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COMPETITIVE POSITIONING AND MARKET SHARE OF SELECTED INSURANCE COMPANIES: CASE OF NIGERIA

Abstract

The insurance industry contributes to the smooth running of the economy. Unfortunately, not every country develops insurance at a high level; that is, the level of insurance penetration is low. This is happening in Nigeria. Therefore, this study aims to establish the effect of competitive positioning on the market share of selected insurance companies in Lagos State, Nigeria. The study adopts a survey research design. A structured instrument was used for data collection using the modified six-point Likert-type scale. The questionnaire was divided into three sections (about respondents' demographic factors, competitive positioning, and market share). The population was 2,183 management-level employees from the 20 selected insurance companies. The sample size of 507 was determined using stratified random sampling and proportionate method. Test-retest method was used to validate the instrument, while the reliability was determined through internal consistency method. The Cronbach Alpha coefficients ranged from 0.71 to 0.88. Response rate of 86.7% was achieved. Descriptive and inferential statistics were used for analysis. Findings reveal that competitive positioning components have a significant effect on market share (Adj.R2 = 0.194, F(5. 434) = 22.097, p < 0.05). The results demonstrate that if all the competitive positioning components were set to zero, the market share of selected insurance companies in Lagos State would be 6.537, which is a positive value. Thus, competitive positioning components significantly affect market share. As a result, this study found that insurers would benefit from increasing their focus on developing the strategic asset and research and development aspects of competitive positioning to expand their market share.

Keywords	dynamic capability, insurance, strategic asset, strategic leadership, research and development, product differentiation, market size, market potential
JEL Classification	M21, G22, G52, D22

INTRODUCTION

The importance of the insurance sector in the reduction of risk both for individuals and businesses cannot be overemphasized. The sector assisted businesses in reducing risk and protecting employees. It further assisted in smooth running of the world economy through the payment of insurance claims.

The insurance sector across the globe is confronted with challenges that affect both insurance companies and policyholders. These difficulties range from increasing insurance expenses, inadequate coverage of risk, disasters linked to climate change, and intricate regulations among others have been seen to affect insurance market share. In 2022, the UK general insurance market generated a gross written premium of £98.8 billion. Even though insurance premiums have been increasing in various sectors, the average comprehensive motor insurance premium in the UK stood at £485, marking a 4% increase compared to the previous year (Fong, 2023). The rising insurance pre-

miums in the United Kingdom have made it difficult for insurance companies to offer competitive pricing, potentially leading to low customer satisfaction and resulting in customer attrition, which leads to loss of market share (Fong, 2023).

Similarly, in Africa, with reference to Ghana and Nigeria, the market share of the insurance sector is suggestible to be low due to low insurance penetration. Many remain unfamiliar with insurance concepts, leading to low demand for insurance products. The low insurance penetration and limited awareness have resulted in a smaller customer base and reduced demand for insurance products, leading to decreased premium income. Moreover, the prevalence of underinsurance and the informal economy have increased the likelihood of higher claims relative to premiums collected, impacting the industry's loss ratio. Additionally, the lack of trust in insurance companies has hindered customer retention and acquisition efforts, further limiting growth in market share (Addey et al., 2021).

Nigeria has low insurance penetration, which is because of limited product diversity to meet the needs of different customers and the inability to differentiate themselves and create unique value makes difficult to attract and retain customers thereby impeding the growth (Alawode & Adewole, 2021). In addition, fraudulent activities and non-remittance of premiums have eroded customers' trust and loss of reputation in the industry making it difficult for insurers to expand their market base.

Undoubtedly from the foregoing, the insurance market is low in penetration, and this is suggestive of the inadequate embrace of competitive positioning by insurance firms. Scholarly attention to the interplay between competitive positioning components and market share in the Nigerian insurance sector remains limited, underscoring the need for rigorous investigation. Though existing research explores market share dynamics and competitive strategies in diverse organizational contexts (Bao et al., 2021; Huskić et al., 2022; Schembri, 2021; Thanitbenjasith et al., 2020), a comprehensive understanding specific to the Nigerian insurance landscape is lacking...

1. LITERATURE REVIEW

Global competition has forced financial firms to improve their competitive advantages, particularly in the insurance sector (Siagian et al., 2024). Khraim (2024) claims that dynamic marketing capabilities provide businesses with the platform and market knowledge that entitle them to achieve their goals and survive in the competitive environment.

Competitive positioning is a key marketing strategy for distinguishing an insurer from its competitors, aiming to enhance brand value, customer retention, and sales (Klinger et al., 2020; Korokoshko, 2020). It is crucial for companies to secure a favorable market posture, highlighting the need for ongoing adaptation and innovation (Tessarolo et al., 2022). It offers advantages such as improved brand image and sustained growth (Bayer et al., 2020; Horta & Camanho, 2014). Despite its benefits, competitive positioning presents challenges, including heightened competition and vulnerability to emerging competitors (Talbot & Ordonez-Ponce, 2022; Rabbani, 2020).

Competitive positioning in the insurance market is measured using continuous improvement, strategic leadership, strategic assets, product differentiation, and research and development. Market positioning is strategic orientation enhancing firm performance in the insurance sector (Mandagie et al., 2024).

Primarily, this continuous improvement, a cornerstone of organizational management inside the insurance company, entails ongoing efforts to enhance product or process quality through regular testing and evaluation (Van Assen, 2021). It emphasizes refining processes for greater efficiency in information handling and delivery (Beraldin et al., 2022), and striving for continual enhancements while avoiding past pitfalls (Tibeihaho et al., 2021). Strategic leadership also plays an important role in the process of positioning for in-

surers. It involves identifying the unifying purpose of a firm, setting clear goals, and using risk management to mitigate contingencies (Bergh et al., 2016; Thomas et al., 2004). Strategic leadership promotes organizational stability, growth, and development, facilitating unity and teamwork among staff of insurance firms while shaping organizational values and culture (Pasaribu et al., 2021; Adobor et al., 2021). Concerning strategic assets, they are defined as heterogeneous resource bundles that are valuable, rare, inimitable, and organizationally focused, play a crucial role in enhancing a firm's competitive advantage and value (Campbell, 2020; Cardinale et al., 2021; Rohner & Uhl, 2022). These assets encompass various types, including physical, financial, human, and social capital assets, and are often intangible, creating value through sustainable competitive advantage of insurers (Cavaglia et al., 2022; Gottesman & Morey, 2021). Product differentiation is a crucial strategy utilized by businesses in the insurance sector to emphasize the distinctive features and benefits of their products or services, thereby setting them apart from competitors (Bittmann et al., 2020; Kostovetsky & Warner, 2020). This strategy involves various forms, including vertical differentiation, horizontal differentiation, and mixed differentiation, each focusing on enhancing product performance through different means (Cheng, 2021; Ruiz-Moreno et al., 2021). Research and development (R&D) encompass the creation of new knowledge or the innovative application of existing knowledge to generate novel concepts, methodologies, and insights within an organization or insurance industry (Liu & Keller, 2021). It includes activities such as launching new products, improving processes, and establishing industry standards (Yee et al., 2020).

The market share of the insurer is defined as the proportion of sales within a market that a particular company commands at a given time (Carbó-Valverde et al., 2021); it serves as a pivotal metric for assessing a company's competitive standing in relation to its rivals (Al Arif, 2017). It reflects the percentage of overall market sales attributable to an insurance firm and is integral for gauging long-term business success and devising growth strategies (Choi & Kim, 2018; Wilbur & Farris, 2014). By analyzing market share, insurance firms can discern profitable products, assess market competi-

tiveness, and fine-tune their strategic approaches (Rego et al., 2013; Nazareth & Choi, 2021). While insurers' market share offers valuable insights into market dynamics, its pursuit demands careful consideration of its broader implications for industry structure and competitive behavior.

Market share, according to Abbasi and Mohammadi (2016), can be classified into three, which are penetration share, share of customers, and usage index. All these can help an organization to market growth opportunities (Kanaya et al., 2015). Penetration share provides an estimate of the brand's current market share (Wang et al., 2022). Share of customers refers to the percentage of all households that have purchased the insurance product in question during a specified time frame, regardless of whether they have purchased it more than once (Bartilol et al., 2019). The share of customers is an indication of how large the insurer's customer base is. In the insurance sphere, the usage index is a measure of how frequently a product is used by its insured (Arora & Batra, 2019). Usage index can be reported for individual products or groups. The usage index can be measured as total usage per month, average usage per month, or average usage per customer per month, depending on the nature and scope of usage questions that can be asked and answered (Alwan, 2020). The usage index provides information about how often the insured uses an insurance product of the analyzed company relative to products by other insurers in that category. Market share is important because it is an indicator of competitiveness that helps management determine the total market growth and helps in identifying trends in clients' behavior (Liu et al., 2020).

Various researchers have explored the impact of competitive positioning on market share in the insurance sector. Flak and Glod (2020) and Odhiambo and Wanjira (2019) both reported a positive association between competitive positioning and market share, indicating that businesses with effective competitive positioning strategies tend to achieve higher market shares. Similarly, Wang and Lyu (2020) found evidence of a significant impact of competitive positioning on market share, suggesting that insurance firms that strategically position themselves in the market experience greater success in capturing market share. Abd-Elrahman

et al. (2020) further supported these findings by highlighting that successful competitive positioning may spur sustainable company development and long-term success, in addition to gaining market share. Furthermore, a study by Neri et al. (2021) observed that competitive positioning significantly influenced customer satisfaction. Ejiogu et al. (2024) also reported a positive impact of competitive positioning on customer satisfaction.

¹In contrast, Adebisi and Bakare (2019) found no significant effect of competitive positioning on market share when considering it as a dimension of service quality. This aligns with the study by John et al. (2019), which presented evidence of a negative impact of competitive positioning on market share, implying that poorly executed or ineffective positioning strategies can result in a decline in market share insurers. Similarly, Adegbile et al. (2017) reported no substantial effect of competitive positioning on market share, suggesting that some companies may not experience significant changes in market share because of their positioning efforts. Anaza et al. (2018) revealed a negative effect of the competitive positioning dimension on both insurer's market share and service quality, indicating that improper positioning strategies can have adverse effects on both aspects. While some studies consistently demonstrate a positive correlation between competitive positioning and market share, others suggest a more distinct relationship.

This study aims to establish the effect of competitive positioning on the market share of selected insurance companies using the example of Nigeria.

Considering the inconsistent results of various studies, the null hypothesis is formulated to test the effect of competitive positioning on market share.

H_{01}:   *Competitive positioning has no significant effect on the market share of insurance companies in Lagos State, Nigeria.*

2. METHODS

The study utilized quantitative research methods to investigate the effect of competitive positioning on the market share of selected insurance companies in Lagos State, Nigeria. The sampling unit included top, middle, and low-level management staff to provide a comprehensive understanding of strategic decision-making within the insurance companies. A survey research design was employed to collect data. This was adopted because the perceptions of the sample elements were sourced on the sample variables at a point in time. The population of the study was 2,183 management level employees of selected 20 registered insurance companies operating across composite, general, and life insurance sectors in Lagos State, Nigeria.

The sample size of 390 was determined using the Raosoft sample size calculator. However, 30% of the sample was added to cater for attrition and wrongly filled questionnaires. The sample size was proportionately distributed among the 20 companies. The sample for each company was stratified according to the management levels, while simple random sampling was used to select the respondents.

A structured instrument was used for data collection. The questionnaire was divided into three sections. Section A contained information about the demographic factors of respondents, sections B consisted of information on competitive positioning, while section C contained information on market share. The instrument was structured using the modified six-point Likert-type scale ranging from very low (VL) = 1, low (L) = 2, moderately low (ML) = 3, moderately high (MH) = 4, high (H) = 5, very high (VH). The evaluation of the mean responses was presented as follows: 5.50-6.0 = VH, 4.50-5.49 = H, 3,50-4.49 = MH, 2.50-3.49 = ML, 1.50-2.49 = LOW, 1.00-1.49 = VL. The evaluation of the standard deviation > 1 = divergence from the mean, < 1 = convergence towards the mean. Furthermore, a pilot study was conducted to pretest the questionnaire for reliability and validity. The validity was carried out using the content and construct method, while the reliability of the instrument was established using the internal consistency method. To analyze construct validity, the Bartlett sphericity test and Average variance were used (Table 1). The decision rule for all variables is valid. The reliability test was done with the Cronbach Alpha (Table 2). In this case, the decision rule for all variables is reliable.

Table 1. KMO and Bartlett's test for each variable in the research instrument

Variables	Number of Items	KMO	Bartlett's Sphericity Test	Average Variance Extracted
Continuous Improvement	5	0.577	0.003	0.775
Strategic Leadership	5	0.869	0.000	0.637
Strategic Assets	5	0.710	0.020	0.605
Product Differentiation	5	0.900	0.016	0.628
Research and Development	5	0.763	0.042	0.508
Market share	5	0.800	0.003	0.677
Competitive positioning	–	1	–	–

Table 2. Reliability coefficients

Variables	Number of Items Before	Number of Items After	Cronbach's Alpha	Composite Reliability
Continuous Improvement	5	5	0.710	0.912
Strategic Leadership	5	5	0.843	0.933
Strategic Assets	5	5	0.881	0.884
Product Differentiation	5	5	0.831	0.771
Research and Development	5	5	0.721	0.470
Market share	5	5	0.813	0.620

The response rate was 86.7%. The data treatment process included diagnostic tests, such as normality, linearity, multicollinearity, and heteroscedasticity tests, to ensure the data met the necessary assumptions for regression analysis. Inferential statistics, specifically multiple linear regression, were used. The hypothesis was tested at the 0.05 significance level.

The specified model was given as:

$$MS = \beta_0 + \beta_1 CI + \beta_2 SL + \beta_3 PD \\ + \beta_4 SA + \beta_5 R\&D + \varepsilon_i. \tag{1}$$

MS = Market Share; CI = Continuous Improvement; SL = Strategic Leadership; PD = Product Differentiation; SA = Strategic Asset; RD = Research and Development; β_0 = the constant of the equation; $\beta 1$-$\beta 5$ = Coefficient of the independent variables, ε_i = error term.

Finally, ethical considerations were paramount throughout the study, ensuring adherence to professional practices, confidentiality of information gathered, respect for privacy, and approval from an institutional ethics committee at Babcock University.

3. RESULTS AND DISCUSSION

Continuous improvement and strategic leadership are important components for insurance companies to achieve positive market results. To investigate these components, five variables were selected in each direction.

Table 3 presents the descriptive statistics on the responses on continuous improvement. Five items were used to get the opinions of the respondents. Averagely, the respondents indicated that formulating improvement plans in their insurance companies is high with a mean of 5.24 and the standard deviation of 0.905, which indicates consensus around the mean. With regards to implementing improvement plans, the responses indicated a high mean of 5.15 and standard deviation of 0.897. Further, on evaluating an improvement plan, the mean was 5.09 and standard deviation was 0.956, showing consensus around the mean. Furthermore, the respondents indicated that continuous data monitoring is high with a mean of 4.74 and standard deviation of 0.92, implying consensus around the mean. Lastly, the results also indicated that pursuing perfection is high with a mean of 4.71 and a standard deviation of 0.937, depicting convergence on the mean. The average mean of 4.99 showed that most of the respondents rated the implementation of continuous improvement on a high scale in their companies, while the standard deviation of 0.923 shows the level of convergence around the mean.

Table 4 shows the descriptive analysis on strategic leadership. To address this variable, five items were used to get the opinions of the respondents. On

Table 3. Descriptive statistics analysis for continuous improvement

Items	Very High	High	Moderately High	Moderately Low	Low	Very Low	Missing	Mean	Standard Deviation
Formulate an Improvement Plan	44.5%	40.5%	12.0%	2.0%	0.0%	0.0%	0.9%	5.24	0.905
Implement an Improvement Plan	38.0%	46.4%	11.1%	3.6%	0.2%	0.0%	0.7%	5.15	0.897
Evaluate an Improvement Plan	36.6%	44.1%	14.8%	3.0%	0.7%	0.0%	0.9%	5.09	0.956
Continuous Data Monitoring	15.7%	50.9%	28.9%	3.2%	0.0%	0.0%	1.4%	4.74	0.92
Pursuing Perfection	17.0%	46.1%	31.4%	3.2%	1.4%	0.0%	0.9%	4.71	0.937
Average	–	–	–	–	–	–	–	4.99	0.923

average, the respondents indicated that empowerment capabilities in their insurance company are high with a mean of 5.18 and standard deviation of 0.819, which shows consensus around the mean. The respondents also indicated that a strategic orientation capability is high with a mean of 5.09 and standard deviation of 0.80, indicating consensus around the mean. Further, regarding articulation of organizational visions, the respondents' response is high with a mean of 5.03 and a standard deviation of 0.838. In addition, the respondents indicated that ethical practices have a high mean score of 4.81 and a standard deviation of 0.849, showing convergence around the mean. Lastly the respondents indicated that organizational control is high with a mean of 4.71 and standard deviation of 0.912, indicating convergence around the mean. The average mean of 4.96 showed that the majority of the respondents rated strategic leadership practices on a high level in their companies, while the average standard deviation of 0.844 shows the level of convergence around the mean.

Table 5 displayed the descriptive analysis of the strategic asset. On average, the respondents indicated that product quality is high with a mean of 5.21 and standard deviation of 0.856, showing

a convergence around the mean. The table also shows that employee commitment is high with a mean of 5.13 and a standard deviation of 0.782, showing a convergence around the mean. The results also indicated that technology capability is high with a mean of 4.79 and standard deviation of 0.913. In conclusion, the respondents indicated that management skills in their insurance companies are high with a mean of 4.82 and a standard deviation of 0.85, which indicates consensus around the mean. The average mean of 5.03 indicated that the majority of the respondent rated strategic assets on a high scale level in their companies, while the standard deviation of 0.858 shows the level of convergence around the mean.

Table 6 showed the descriptive analysis on product differentiation. To address this variable, five items were used to get the opinions of the respondents. On average, the respondents indicated that product pricing is high with a mean of 5.15 and standard deviation of 0.849, showing consensus around the mean. The results also indicated that product branding is high with a mean of 5.17 and standard deviation of 0.899, revealing a consensus around the mean. Furthermore, the respondents indicated that product packaging is high with a

Table 4. Descriptive statistics analysis for strategic leadership

Items	Very High	High	Moderately High	Moderately Low	Low	Very Low	Missing	Mean	Standard Deviation
Empowerment Capabilities	38.4%	45.5%	12.5%	3.4%	0.0%	0.0%	0.2%	5.18	0.819
Strategic Orientation Capabilities	30.5%	52.5%	13.0%	3.9%	0.0%	0.0%	0.2%	5.09	0.8
Articulation of Organizational Visions	27.3%	54.3%	14.5%	2.7%	0.7%	0.0%	0.5%	5.03	0.838
Ethical Practices	19.8%	47.7%	27.0%	4.8%	0.5%	0.0%	0.2%	4.81	0.849
Organizational Control	17.0%	45.5%	31.8%	3.9%	1.1%	0.0%	0.7%	4.71	0.912
Average	–	–	–	–	–	–	–	4.96	0.844

Table 5. Descriptive statistics analysis for the strategic asset

Items	Very High	High	Moderately High	Moderately Low	Low	Very Low	Missing	Mean	Standard Deviation
Product Quality	39.5%	46.8%	11.8%	0.9%	0.0%	0.0%	0.9%	5.21	0.856
Employee Commitment	32.7%	51.4%	13.2%	2.3%	0.2%	0.0%	0.2%	5.13	0.782
Brand Reputation	40.7%	42.5%	14.8%	0.5%	0.9%	0.0%	0.7%	5.19	0.89
Technology Capability	21.8%	42.7%	30.9%	3.4%	0.5%	0.0%	0.7%	4.79	0.913
Management Skills	20.7%	44.1%	33.6%	0.9%	0.0%	0.0%	0.7%	4.82	0.85
Average	–	–	–	–	–	–	–	5.03	0.858

mean of 5.16 and standard deviation of 0.872, depicting a convergence around the mean. In addition, the respondents indicated that product unique experience is high with a mean of 4.90 and the standard deviation of 0.908. Lastly, the results indicated that product design is high with a mean of 4.82 and standard deviation of 0.906, which indicates a consensus around the mean. The average mean for product differentiation was 5.04, which showed that majority of the respondents rated product differentiation implementation on high scale in their insurance companies, while the standard deviation of 0.887 shows the level of convergence around the mean.

Table 7 analyzed the descriptive analysis on research and development using five items to get the opinions of the respondents. The average result showed that an innovative activity in their insurance companies is high with a mean of 5.15 and standard deviation of 0.791, indicating a consensus around the mean. The results also indicated that on the average, applied research is high with a mean of 5.0 and standard deviation of 0.955. In addition, transfer of workforce is high with a mean of 4.91 and standard deviation of 0.979, implying

a consensus around the mean. The respondents also indicated that human capital training is high with a mean of 4.81 and standard deviation of 0.941. In conclusion, the results also indicated that process investigation is high with a mean of 4.72 and a standard deviation of 0.958, which indicates convergence around the mean. The average mean for research and development of 4.92 showed that most of the respondents rated research and development on high scale in their companies, while the standard deviation of 0.925 shows the level of convergence around the mean. This implies that innovative activities, applied research, transfer of workforce, human capital training, and process investigation were highly implemented across the sample insurance companies in Lagos State.

Table 8 showed the descriptive analysis of market share of selected insurance companies. Five items were used to get the opinions of the respondents. The table revealed that market share between 2017–2018 is high with a mean of 5.03 and standard deviation of 1.192, which shows a variation around the mean. Furthermore, regarding the increase in market share between 2018–2019, the respondents indicated that the increase in market

Table 6. Descriptive statistics analysis for product differentiation

Items	Very High	High	Moderately High	Moderately Low	Low	Very Low	Missing	Mean	Standard Deviation
Product Pricing	37.7%	43.9%	15.9%	1.8%	0.2%	0.0%	0.5%	5.15	0.849
Product Branding	41.4%	39.1%	16.4%	2.0%	0.7%	0.0%	0.5%	5.17	0.899
Product Packaging	40.5%	40.0%	16.1%	2.5%	0.7%	0.0%	0.2%	5.16	0.872
Product Unique Experience	27.7%	40.2%	28.2%	3.0%	0.5%	0.0%	0.5%	4.9	0.908
Product Design	24.1%	39.3%	32.7%	2.7%	0.7%	0.0%	0.5%	4.82	0.906
Average	–	–	–	–	–	–	–	5.04	0.887

Table 7. Descriptive statistics analysis for research & development

Items	Very High	High	Moderately High	Moderately Low	Low	Very Low	Missing	Mean	Standard Deviation
Innovative Activities	36.1%	45.7%	14.8%	3.4%	0.0%	0.0%	0.0%	5.15	0.791
Applied Research	30.2%	48.0%	16.8%	3.9%	0.0%	0.0%	1.1%	5	0.955
Transfer Of Workforce	26.1%	50.5%	15.0%	6.6%	0.9%	0.2%	0.7%	4.91	0.979
Human Capital Training	24.5%	40.9%	28.4%	4.3%	1.4%	0.2%	0.2%	4.81	0.941
Process Investigation	20.5%	41.4%	31.6%	3.9%	2.3%	0.0%	0.5%	4.72	0.958
Average	–	–	–	–	–	–	–	4.92	0.925

is high with a mean of 4.94 and standard deviation of 1.146, which shows that the responses are dispersed from the mean. It was further revealed that the market share increase between 2019–2020 is moderately high with a mean of 3.75 and a standard deviation of 1.464, showing the extent of variation around the mean. Finally, the results also indicated that the market share increase between 2020–2021 is moderately high with a mean of 4.26 and a standard deviation of 1.18, indicating disparity around the mean. The average mean for market share of 4.61 showed that the majority of the respondents rated their market share high compared to the industry participants, while the standard deviation of 1.227 shows the extent of dispersion around the mean.

The summary of the descriptive statistics results in Tables 3 to 8 showed a similar pattern of high responses by the respondents to the various items as indicated by the mean scores. The findings revealed that competitive positioning components demonstrate a high level of influence on the market share.

Table 9 shows the results of the multiple linear regression analysis for the effect of competitive positioning components on market share. The results revealed that strategic assets ($\beta = 0.332$, $t = 4.200$, $p < 0.05$) and research and development ($\beta = 0.314$, $t = 3.604$, $p < 0.05$) had positive and significant effects on market share, while continuous improvement ($\beta = 0.036$, $t = 0.562$, p > 0.05) and product differentiation ($\beta = 0.069$, $t = 0.842$, $p > 0.05$) had a positive but insignificant effect on market share. The results further showed that strategic leadership ($\beta = -0.087$, $t = -0.976$, $p > 0.05$) had a negative and insignificant effect on market share. This implies that strategic assets and research and development are statistically significant determinants of the market share of selected insurance companies in Lagos State. Continuous improvement and strategic leadership are positive, but their influence was not too significant. The regression *R-value* of 0.450 indicated that competitive positioning components had a moderate positive relationship with market share. This also implies that an increase in the competitive positioning components would result in increased market share. The coefficient of multiple determination *Adj R²* was 0.194, revealing that about 19.4% of variations that occurred in the market share of selected insurance companies in Lagos State could be accounted for by the components of competitive positioning, while the re-

Table 8. Descriptive statistics analysis for market share

Items	Very High	High	Moderately High	Moderately Low	Low	Very Low	Missing	Mean	Standard Deviation
Increase between 2016–2017	41.4%	41.4%	9.1%	5.5%	0.5%	0.0%	2.3%	5.09	1.152
Increase between 2017–2018	39.3%	41.4%	11.4%	3.0%	2.7%	0.2%	2.0%	5.03	1.192
Increase between 2018–2019	33.0%	43.4%	15.0%	6.1%	0.2%	0.0%	2.3%	4.94	1.146
Increase between 2019–2020	8.6%	33.9%	11.6%	21.4%	20.7%	2.0%	1.8%	3.75	1.464
Increase between 2020–2021	16.1%	26.8%	30.2%	24.3%	0.7%	0.2%	1.6%	4.26	1.18
Average	–	–	–	–	–	–	–	4.61	1.227

maining 80.6% changes are accounted for by other variables not captured in the model. The predictive and prescriptive multiple regression models are thus expressed:

Predictive Model

$$MS = 6.537 + 0.03CI - 0.087SL \\ + 0.332SA + 0.069PD + 0.314RD + U_i, \quad (2)$$

Prescriptive Model

$$MS = 6.537 + 0.332SA + 0.314RD + U_i, \quad (3)$$

where MS = Market Share; CI = Continuous Improvement; SL = Strategic Leadership; SA = Strategic Asset; PD = Product Differentiation; RD = Research and Development.

The regression models (2 and 3) demonstrate that if all the competitive positioning components were set to zero, the market share of selected insurance companies in Lagos State would be 6.537, which is a positive value, demonstrating that other factors besides competitive positioning components contribute to the market share of the selected insurance companies. In the predictive model, it was seen that out of all the competitive positioning components, strategic assets and research and development were statistically significant, so the management of the selected insurance companies can emphasize these components to increase market share. For this reason, these components were included in the prescriptive model. From the prescriptive model, strategic assets and research and development are improved by one unit, market share would also increase by 0.332 and 0.314, respectively, and vice versa. This implies that an

increase in strategic assets and research and development would lead to a further increase in the market share of the selected insurance companies in Lagos State, Nigeria. Furthermore, the F-statistics (df = 5, 434) = 22.097 at p = 0.000 (p < 0.05) indicate that the overall model is significant in predicting the effect of competitive positioning components on market share, which implies that competitive positioning components (strategic asset and research and development) are important determinants of the market share of the selected insurance companies in Lagos State, Nigeria. The findings of this study indicated that insurance companies would benefit from increasing their focus on developing the strategic asset and research and development aspects of competitive positioning to expand their market share. Based on the overall value of F statistics and P value, H_0, which stated that competitive positioning have no significant effect on market share, was rejected.

The regression analysis conducted in this study demonstrates the significant impact of competitive positioning components, particularly strategic assets and research and development (R&D), on the market share of selected insurance companies in Lagos State, Nigeria. These findings align with previous research by Flak and Glod (2020), Odhiambo and Wanjira (2019), Wang and Lyu (2020), indicating a positive association between competitive positioning and market share. Moreover, the study corroborates the importance of R&D investment in enhancing organizational performance, as supported by Al-Shaikh and Hagen (2020), Ferraris et al. (2021), and other researchers, highlighting the role of innovation and knowledge management in driving improved outcomes. Conversely, Adebisi and Bakare (2019),

Table 9. Summary of multiple regression analysis for the effect of competitive positioning components on market share of selected insurance companies in Lagos State, Nigeria

N	Model	B	T	Sig	ANOVA (Sig.)	R	Adjusted R²	F (5,434)
440	(Constant)	6.537	3.728	.000	0.000	0.450	0.194	22.097
	Continuous Improvement	.036	.562	.575				
	Strategic Leadership	−.087	−.976	.330				
	Strategic Asset	.332	4.200	.000				
	Product Differentiation	.069	.842	.400				
	Research and Development	.314	3.604	.000				
	Predictors: (Constant), Research and Development, Continuous Improvement, Strategic Asset, Strategic Leadership, Product Differentiation							

Note: Dependent Variable: Market Share.

John et al. (2019), Adegbile et al. (2017), and Anaza et al. (2018) present contrasting perspectives, suggesting that the effect of competitive positioning on market share may not always be straightforward. While some studies indicate no substantial effect or even negative impacts of competitive positioning on market share, others suggest that external factors and improper positioning strategies can influence this relationship. These discrepancies underscore the complexity of competitive dynamics and the need for nuanced approaches tailored to specific business contexts, sectors, and market conditions, as elucidated by Lungu (2018), and Olu-Egbuniwe and Maeyouf (2019). Overall, the findings underscore the multifaceted nature of competitive positioning and its varied implications for organizational performance across different contexts.

CONCLUSION

The purpose of this study was to establish the effect of competitive positioning on the market share of selected insurance companies using the example of Nigeria. The study concludes that competitive positioning is important for insurance companies to achieve higher share in the marketplace, especially through the instrumentality of strategic asset and research and development. The study recommends that management of the insurance companies should endeavor to prioritizing strategic assets, research and development, fostering strategic leadership, and product differentiation in developing organizational frameworks to facilitate effective market share. Strategic asset and research & development should be given greater attention in the drive for market share. The insurance management should refocus the effectiveness of continuous improvement and product differentiation in optimizing market share. The element of strategic leadership should be made dynamic to contribute significantly to corporate realization of the market goal. In addition, insurance practitioners should continuously assess and adopt tested positioning strategies to remain competitive in the dynamic market landscape. In terms of suggestion for future study, future research can be conducted empirically in another developing country to test for geographical scope and cultural influence. Future studies could also examine conceptual and methodological gaps to bring out the succinct influence of competitive positioning influence on market share. In addition, future research could examine the influence of a moderator and other externalities on the relationship between the two main variables, while other studies could also employ a mixed research method of quantitative and qualitative analysis, along with a questionnaire and oral interview as a research instrument for data gathering to provoke deeper insights that will enrich this field of study.

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ACKNOWLEDGMENTS

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