Relationship between Price Focus Positioning and Market Performance of Insurance Firms in Kenya

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ABSTRACT

In the increasingly competitive insurance industry, firms are under pressure to adopt pricing strategies that enhance customer appeal and improve market outcomes. In Kenya, insurance companies face stiff competition from international providers and banc-assurance products offered by commercial banks, which has contributed to shrinking market share, declining penetration rates, and weakened overall performance. This study examined the relationship between price focus positioning and market performance among insurance firms in Kenya. Guided by Market-Based View theory, the study applied a mixed-method approach, incorporating both correlational and cross-sectional designs. The target population included 220 senior managers across 55 insurance firms registered with the Insurance Regulatory Authority (IRA). A census method was employed, and data were collected through structured questionnaires. The instrument underwent validation through expert reviews to ensure face, content, and construct validity, and a pilot test produced a Cronbach's Alpha of 0.795, confirming its reliability. Descriptive statistics such as means and standard deviations were used to summarize the data, while simple linear regression tested the hypothesized relationship. The findings indicated that price focus positioning had a significant positive influence on market performance ($\beta = 0.689$, $p < 0.001$). The study concludes that price-based positioning is a key driver of competitive advantage, enabling insurance firms to meet customer expectations and improve their market standing. It recommends that insurance providers develop adaptive pricing strategies aligned with customer segments and market dynamics to enhance product uptake and organizational performance in a saturated market. These findings contribute to strategic marketing literature by highlighting the importance of pricing as a positioning tool in the insurance sector.

Keywords: Price Focus Positioning, Market Performance, Correlational and Cross-Sectional Design, Insurance Firms, Kenya.

INTRODUCTION

In the 21st century, customer behaviour has shifted significantly toward value-oriented consumption, where affordability and brand reputation greatly influence purchasing decisions (Stankevich, 2017). As global competition intensifies, organizations across sectors have embraced price positioning strategies to differentiate their products, enhance visibility, and gain sustainable competitive advantage (Maarit & Keränen, 2014). Positioning strategies which including brand, customer, and price-based focus have proven effective in capturing consumer attention and improving firm performance (Mukeshimana, Nkechi, & Ogoi, 2019). In the U.S., Noone, Canina, and Enz (2013) demonstrated that strategic price positioning is integral to driving revenue performance, while Goodie-Okio (2012) emphasized how customer price sensitivity and perception significantly enhance marketing effectiveness.

Regionally, African businesses are increasingly utilizing price positioning to respond to changing market dynamics. In Rwanda, Mukeshimana et al. (2019) revealed that price, perceived quality, and differentiation strategies significantly influenced the performance of power providers. Similarly, in Kenya, Kawira (2021) identified pricing as a critical determinant of customer decisions and firm performance, especially for small and medium-sized enterprises. Despite this, limited research has examined the direct influence of price positioning on performance in the insurance sector.

Market performance, typically measured using sales, customer base, service quality, and market share, provides insights into an organization's competitiveness and customer satisfaction (Maaz & Ahmad, 2022; Khalayleh & Al-Hawary, 2022). However, empirical studies on how specific positioning strategies—especially price focus—impact market performance in Kenya's insurance sector remain scarce. The local industry, though growing, is challenged by low penetration, stiff competition from banc- assurance and global insurers, and declining profitability (AKI, 2014; IRA, 2022; Kenya Financial Stability Report, 2021).

Kenya's insurance penetration has declined from 2.7% in 2015 to 2.2% in 2021, alongside a drop in return on assets and equity (Kenya Financial Stability Report, 2021). This poor performance is attributed to aggressive competition and possibly ineffective pricing positioning strategies. Despite the presence of major players like Old Mutual, Britam, and CIC (Ajowi & Reuben, 2019; Mwongela, 2023), many insurers struggle with customer dissatisfaction, product defaulting, and low market retention. Poorly executed price positioning whether through overpricing, under-pricing, or unclear value communication may create a mismatch between customer expectations and perceived product worth.

While studies like those of Blankson et al. (2022) and Okoth (2015) link positioning strategies to firm performance, they often aggregate positioning into general constructs without isolating the role of price. This study addresses this gap by examining how price focus positioning specifically influences market performance in Kenyan insurance firms. In doing so, it offers practical insights into how insurers can align pricing strategies with consumer expectations to enhance competitiveness and growth.

LITERATURE REVIEW

Theoretical Literature Review

This study was grounded in the Market-Based View (MBV) theory, which emphasizes the role of external market forces in shaping firm strategy and performance. The MBV was first introduced by Bain (1968), who argued that industry characteristics—such as competitive intensity, customer preferences, and entry barriers—are primary determinants of firm performance. Porter (1985) expanded on this by proposing that firms must position themselves strategically in response to external pressures, particularly through competitive strategies like cost leadership, differentiation, and market focus.

According to Grant (1991), the MBV posits that the alignment between a firm's strategic orientation and its external environment is key to sustainable performance. The theory assumes that strategically valuable resources are equally distributed across firms and that these resources are highly mobile (Barney, 1995), meaning competitive advantage must be created through market positioning rather than internal capabilities alone.

Peteraf and Bergen (2003) further asserted that firms gain long-term growth and superior performance by exploiting market imperfections and choosing strategic positions that allow them to either lower costs or offer unique value to consumers. In this regard, MBV emphasizes outperforming rivals through superior market positioning—either by offering the lowest prices, differentiating product offerings, or focusing on niche markets.

This theory is highly relevant to the current study as it highlights the strategic importance of price focus positioning in competitive industries such as insurance. Given the high competition in the Kenyan insurance sector, firms must position themselves effectively to appeal to price-sensitive consumers. Price-focused positioning aligns with the MBV framework by enabling firms to compete on cost efficiency while enhancing customer value perception. Therefore, this study adopts the MBV to examine how price positioning as a strategic response to external market conditions influences market performance measured through sales, market share, customer base, and service quality among insurance firms in Kenya.

Empirical Review

Kawira (2021) investigated how pricing strategy affected the performance of micro, small, and medium enterprises in Kenya. The study evaluated how pricing strategy affected Kenya's micro, small, and medium-sized enterprises' (MSMEs') performance. The research philosophy of positivism served as the study's guide. The chosen survey design was descriptive. In Tharaka-Nithi County, where 368 MSMEs were chosen as the study's sample size, there were 8,526 licensed MSMEs. The results of the simple linear regression indicated that the pricing strategy was responsible for 39.3% of the variation in performance of MSMEs in Kenya. Further findings indicated that MSMEs in Kenya perform significantly better when they have an efficient pricing plan in place.

Pricing strategy and MSMEs' success have a very positive association. In light of this, the study confirmed the alternative hypotheses that pricing strategies significantly improve the performance of MSMEs in Kenya. Effective pricing methods lead to improved performance, according to the study's findings. The pricing strategies were the main focus whereas the current study examined the relationship between price focus positioning and market performance.

Goodie-Okio (2022) looked into the pricing tactics and marketing effectiveness of Port Harcourt-based telecom companies. This descriptive study analyzes the pricing practices and marketing effectiveness of Port Harcourt-based telecommunications companies. The secondary source of data used in this study was a survey of pertinent literature that focused on both variables. According to the study, an effective pricing strategy that takes into account both organizational objectives and target customers' perceptions and sensitivities improved an organization's marketing effectiveness. The findings showed that value-based pricing and marketing effectiveness are positively correlated. The study also shows a link between cost-based pricing and effective marketing. Therefore, the study concluded that pricing strategies and marketing effectiveness correlate positively. The current study focused on price focus positioning strategy rather than pricing strategies on marketing performance.

Noone, Canina, and Enz (2013) looked at strategic pricing positioning in relation to revenue management. In addition to revenue management, the study also looked at the impact of prices on business performance. In this study, relative pricing positioning and relative price fluctuation, two crucial elements of strategic price positioning, are compared to the revenue performance of 6998 US hotels over an 11-year period. It concludes that hotels with higher prices than their rivals and stable relative prices over time perform best in terms of revenue. Practitioners in revenue management should consider the implications.

The study did strategic pricing positioning on revenue management; however, the current study addressed price focus positioning on market performance where revenue is one of the indicators. The study also examined insurance industry, which is different from hotel industry.

Wambugu, Maina, and Ndung'u, (2020) carried out a study with a focus on Kenya's general insurance companies. The main goal was to evaluate the elements that affect how successfully general insurance companies penetrate the Kenyan market. Establishing the primary strategic marketing techniques employed by general insurance businesses and how they impact market penetration were the particular objectives of the study. The sample size was 30 people, including the managers and directors of these firms. The target population was 120 officials from general insurance companies in Kenya. The study used a survey strategy for its research, and structured interviews and questionnaires were used to collect data. The SPSS version 24.0 was used to analyze the data, and descriptive statistics like frequencies, percentages, medians, means, and standard deviations were utilized to show the results. The study's conclusions showed that general insurance companies in Kenya employ a variety of strategic marketing techniques that have an impact on market penetration, including customer relationship management, automation/innovation, customer segmentation, digital marketing, and others. The study's conclusion was that strategic marketing strategies are essential for the development and prosperity of general insurance firms in Kenya. The current study focused on price positioning strategies and market performance of insurance firms in Kenya.

Korubo and Onuoha (2020) examined the strategic pricing methods and their impact on the marketing effectiveness of breweries in the south-south area of Nigeria. The Tafida-Mensen, Royal Noah, Dorto Breweries, Xtra-Man, and Golden beer companies in Warri, Delta State, made up the target demographic for the research. Eight hundred and fifty (850) consumers from Warri, Delta State, were chosen as the study's total sample size. To gather data for the study, the researchers used a quantitative research strategy in addition to survey questions and interviews. Descriptive statistics, Pearson product moment correlation, and multiple linear regressions were used to examine the data. The study found a connection between effective marketing techniques and clever

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pricing strategies. Breweries need to use smart pricing practices to flourish in Nigeria's south-south area, according to the experts.

The main goal of the study by Wang, Zhao and Ji, (2022) was to discover if resale or agency selling is more advantageous by evaluating the strategic function of live streaming commerce for distribution contract selection. The bulk of business-to-consumer live streaming firms made up the study's target demographic. The study employed a sample size of 465 business-to-consumer enterprises overall. A quantitative survey was used as the study's research strategy. 3 in-depth interviews for 3 instances and an online survey with 462 respondents were used to obtain the study's data. Data analysis and presentation methods included frequency analysis and structural equation modeling. According to the study's conclusions, resale rather than agency selling was more appropriate for business-to-consumer live streaming operations. According to the study's findings, reselling appears to be more profitable for business-to-consumer companies when they engage in live streaming commerce. For this reason, the authors advise such companies to choose the reselling distribution contract in the situation.

A research by Michael and Horland (2021) look into the impact of economic pricing strategy on the success of Kenyan insurance companies. Finding out how economy pricing affected Kenya's insurance companies' profitability was the study's main goal. Assessing the effects of price leadership, pricing strategy, pricing mechanism, and pricing multiplier on the profitability of Kenya's insurance enterprises was one of the study's particular goals. Kenya's insurance industry served as the study's population, with 51 companies participating from 2011 to 2017. Secondary data was gathered from the sample size using a descriptive approach. Data collection and analysis were carried out using ETL data extraction and descriptive statistical analysis, respectively. The data results were analyzed using the SPSS and STATA software. The findings showed that the profitability of Kenya's insurance companies was highly influenced by price leadership, pricing strategy, pricing method, and pricing multiplier. Additionally, the study came to the conclusion that in order to increase their profitability, insurance companies in Kenya should use economy pricing when creating their pricing strategy.

Frees and Huang (2023) conducted a research on the discriminating (pricing) actuary in North America. Examining the pricing strategies used by actuaries in the US was the study's main goal. Investigating the frequency of actuarial pricing procedures, examining pricing results in terms of their impacts on risk-taking behavior, and determining the level of regulatory compliance were some of the particular goals of the study. 200 actuaries from the American Academy of Actuaries made up the research sample. Semi-structured and standardized web-based questionnaires were used in the research's quantitative design to gather data. Following that, the data was examined and displayed using descriptive statistical methods including frequency and cross-tabulation. The study's findings showed that, with a few exceptions, most of the actuaries' investigated pricing procedures complied with the laws that applied to them. The research's findings generally indicated that actuaries exhibited a modest level of risk-taking behavior. According to the study's findings, regulatory agencies must keep an eye on actuaries' pricing methods to guarantee fairness and compliance.

Identification of Knowledge Gap

The research on price focus positioning conducted by Kawira (2021) examined pricing strategy on performance showing contextual gap. The intention of the current study was to address the problem of market performance of insurance firms in Kenya. Price tactics and strategies were examined by Goodie-Okio (2022) on marketing effectiveness, which indicate conceptual gap. The current study focused mainly on price focus positioning in relation with market performance. Noone, Canina, and Enz (2013) did a study on strategic pricing positioning and revenue management showing conceptual gap whereas the current study examined the price focus positioning strategy in relation with market performance of the insurance industry.

RESEARCH METHODOLOGY

The study was guided by the positivist research philosophy, which emphasizes objective, observable, and quantifiable evidence to explain phenomena. This philosophical orientation supports the use of statistical tools to examine the relationship between variables. A cross-sectional and correlational research design was adopted to assess the relationship between price focus positioning and market performance at a single point in time across different firms. The target population comprised 220 managerial-level respondents drawn from 55 insurance companies registered and licensed by the Insurance Regulatory Authority (IRA) in Kenya. These respondents were selected based on their strategic roles in implementing marketing and pricing decisions within their respective firms. A census approach was employed, where all 220 individuals were included in the sample to ensure comprehensive and representative data collection. A random customer survey was also used to triangulate with management response.

Primary data were collected through structured questionnaires designed to capture key aspects of price positioning strategies and market performance indicators. Face and content validity of the questionnaire were established through reviews by marketing experts and academic supervisors. Construct validity was ensured by aligning questionnaire items with the conceptual and theoretical constructs of the study. A pilot study was conducted to refine the instrument, and a Cronbach's alpha coefficient of 0.798 confirmed the reliability and internal consistency of the measurement scales. For data analysis, descriptive statistics such as means and standard deviations were used to summarize respondent perceptions. To test the hypothesized relationship between price positioning and market performance, inferential statistics including simple and multiple linear regression models were employed. Statistical significance was evaluated at a 5% confidence level ($\alpha = 0.05$), providing a basis for drawing conclusions regarding the influence of price-focused positioning on the market performance of insurance firms.

RESULTS AND DISCUSSIONS

Price Focus Positioning

The descriptive results on price focus positioning were analysed using mean and standard deviation to assess the extent to which insurance firms adopted pricing strategies as part of their market positioning efforts. Additionally, frequency and percentage frequency were derived from the raw data to provide deeper insights into how price-related strategies were implemented across different firms. he findings were systematically summarized and presented in Table 1, allowing for a clear and objective interpretation of price focus positioning trends among insurance firms. This analysis helped in understanding how pricing influenced customer choices, competitive advantage, and overall market performance within the insurance sector.

Table 1: Price Focus Positioning

	SD	D	N	A	SA	Mean	Std. Deviation
The insurance firm has developed our prices so that its competitive in the market.	6 (3.1%)	15 (7.7%)	37 (19.0%)	51 (26.2%)	86 (44.1%)	4.0051	1.10527
The insurance firm utilize prices penetrate strategy for new products in the market.	0 (0.0%)	8 (4.1%)	7 (3.6%)	109 (55.9%)	71 (36.4%)	4.2462	.71141
Our insurance company considers the price line based on the competitor pricing strategies.	0 (0.0%)	15 (7.7%)	16 (8.2%)	83 (42.6%)	81 (41.5%)	4.1795	.88142
The insurance firm has used price focus positioning as a means of selling our product to our customers.	0 (0.0%)	4 (2.1%)	9 (4.6%)	100 (51.3%)	82 (42.1%)	4.3333	.66322
The insurance firm ensure our products are affordable to our customers to reduce default rate of premiums payments.	2 (1.0%)	10 (5.1%)	13 (6.7%)	45 (23.1%)	125 (64.1%)	4.4410	.90266
Aggregate						4.2410	.53685

The findings on price focus positioning strategies among insurance firms revealed that pricing strategies played a crucial role in enhancing market competitiveness, attracting new customers, and ensuring customer retention. The results showed that 86 respondents (44.1%) strongly agreed that their insurance firms developed competitive pricing strategies to remain relevant in the market. The mean value of 4.0051 and a standard deviation of 1.10527 indicated that price differentiation was widely adopted across insurance firms to cater to diverse customer segments and preferences.

Additionally, 109 respondents (55.9%) agreed that their insurance firms employed price penetration strategies for introducing new products into the market. With a mean of 4.2462 and a standard deviation of 0.71141, it was evident that insurance firms strategically used lower pricing to penetrate the market and boost sales for new products.

Furthermore, 93 respondents (42.6%) agreed that insurance firms determined price lines based on competitor pricing strategies, ensuring market alignment. This was reflected in a mean of 4.1795 and a standard deviation of 0.88142, indicating that price benchmarking was a key pricing technique among insurance firms. Moreover, 100 respondents (51.3%) agreed that their insurance firms used price focus positioning as a means of selling their products to customers. The mean of 4.3333 and a standard deviation of 0.66322 provided strong evidence that pricing was a fundamental aspect of product marketing in the insurance industry.

Additionally, a majority of 125 respondents (64.1%) strongly agreed that their insurance firms ensured products were affordable to customers to minimize premium payment defaults. The mean of 4.4410 and a standard deviation of 0.90266 suggested that affordable pricing played a crucial role in maintaining customer loyalty, reducing default rates, and enhancing customer satisfaction.

To further validate these findings, a customer satisfaction item was included: “I am satisfied with the fairness and transparency of the pricing of my insurance products.” A significant 47.2% of customers agreed and 41.8% strongly agreed with this statement. The item recorded a high mean score of 4.3103 and a low standard deviation of 0.71560, indicating a high and consistent level of customer satisfaction with pricing policies. This confirms that price focus strategies are not only well implemented from an internal perspective but are also positively perceived by customers.

The aggregate mean of 4.2410 and standard deviation of 0.53685 indicated that price focus positioning strategies were actively and consistently implemented by insurance firms to improve competitiveness, facilitate market penetration, and enhance customer retention. These findings conclude that effective pricing strategies including competitive pricing, price penetration, price benchmarking, and affordability considerations play a vital role in driving sales, improving customer satisfaction, and sustaining overall market performance within Kenya’s insurance sector.

Market Performance

The findings presented in Table 2 provide meaningful insights into the market performance of insurance companies, assessed using frequencies, percentage distributions, mean scores, and standard deviations. The evaluation focused on key indicators such as sales volume, quality of service delivery, market share, and the extent of customer base penetration within the insurance sector.

Table 2: Market Performance

	SD	D	N	A	SA	Mean	Std. Deviation
The company has improved on the sales volume.	9 (4.6%)	9 (4.6%)	23 (11.8%)	75 (38.5%)	79 (40.5%)	4.0564	1.06097
The insurance firm increased number of	0 (0.0%)	10 (5.1%)	9 (4.6%)	86 (44.1%)	90 (46.2%)	4.3128	.78621

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customers over the past one year.							
Our employees have received quality service from the firm.	0 (0.0%)	4 (2.1%)	23 (11.8%)	90 (46.2%)	78 (40.0%)	4.2410	.73804
Our firm have improved in market share where we have developed new products for new market segments.	5 (2.6%)	4 (2.1%)	9 (4.6%)	110 (56.4%)	67 (34.4%)	4.1795	.82086
The insurance firm has expanded to other markets in other regions within and outside Kenya.	11 (5.6%)	2 (1.0%)	2 (1.0%)	93 (47.7%)	87 (44.6%)	4.2462	.97437
Aggregate						4.2072	.60492

The analysis of market performance revealed encouraging trends among insurance firms in Kenya across several key performance metrics. These include enhanced sales revenue, increased customer acquisition, improved staff morale, broader market presence, regional expansion, and customer satisfaction with insurance services. As detailed in Table 2, the findings were analysed using descriptive statistics such as frequencies, percentages, means, and standard deviations.

A notable proportion of respondents reported growth in sales performance, with 38.5% indicating agreement and 40.5% expressing strong agreement that their firms had realized increased sales volumes. This yielded a mean of 4.0564 and a standard deviation of 1.06097, reflecting a favourable yet moderately varied perception of sales growth across institutions. Similarly, the majority of respondents 44.1% agreeing and 46.2% strongly agreeing—observed a rise in the number of customers served over the past year. A mean score of 4.3128 and a standard deviation of 0.78621 reinforced the positive customer growth trajectory within the sector.

Staff-related outcomes were also evaluated, with findings showing that 46.2% of participants agreed and 40.0% strongly agreed that their organizations offered supportive and responsive environments for employees. The calculated mean of 4.2410 and standard deviation of 0.73804 suggest overall satisfaction among employees, which may translate into enhanced service quality and firm performance.

Strategic market development efforts were evident, with 56.4% of respondents agreeing and 34.4% strongly agreeing that their firms had expanded their market footprint by introducing new offerings aimed at emerging segments. A mean of 4.1795 and a standard deviation of 0.82086 affirm this trend. Further, 47.7% agreed and 44.6% strongly agreed that their companies had extended operations into new geographical territories, with a corresponding mean of 4.2462 and a standard deviation of 0.97437.

To assess insurance performance from the consumer's perspective, the survey included a customer satisfaction item: *"I am satisfied with the quality and reliability of the insurance services offered by my company."* Results indicated that 42.1% of respondents agreed and 45.6% strongly agreed with this statement. The item registered a high mean of 4.2810 and a relatively low standard deviation of 0.71149, suggesting consistently high satisfaction among clients—an important indicator of service effectiveness and brand loyalty in the insurance sector.

Overall, the combined mean of 4.2072 and standard deviation of 0.60492 point to a high level of market performance across the board. These results underscore the importance of proactive strategies particularly pricing, customer service, innovation, and customer-centered delivery in enhancing the competitiveness and resilience of insurance firms operating in Kenya.

Test of Hypothesis

H_0: There is no statistically significant relationship between price focus positioning and the market performance of insurance firms in Kenya.

The third hypothesis was examined using hierarchical regression model that examined the direct effect of price focus positioning and market performance.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.611[a]	.373	.370	.48005	.373	115.056	1	193	.000
a. Predictors: (Constant), PP									

The results in Table 3 show the incremental contributions of Price Focus Positioning Strategy (CP), in predicting market performance (MP). Price positioning demonstrates a strong and significant relationship with market performance (R=0.611, R^2=0.373, p<0.005), explaining 37.3% of the variance in Market performance.

Table 4: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	26.514	1	26.514	115.056	.000[b]
	Residual	44.476	193	.230		
	Total	70.990	194			
a. Dependent Variable: MP						
b. Predictors: (Constant), PP						

The ANOVA results further confirm the significance of the models. The finding demonstrates that Price Focus Positioning Strategy (CP) significantly predicts market performance (MP) ($F_{(1,193)}$=115.056, p<0.005). These findings reinforce that price positioning is the primary driver of market positioning.

Table 4: Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.287	.274		4.685	.000
	PP	.689	.064	.611	10.726	.000
a. Dependent Variable: MP						

The coefficients table provides insight into the individual contributions of Price Focus Positioning Strategy (CP). Price Positioning has a strong positive and significant effect on market performance (MP) (B=0.689, t=10.726, p<0.005), indicating that higher price positioning is associated with better market performance. The findings revealed that price positioning has a significant and direct positive relationship with market performance. This leads to rejection of null hypothesis and adoption of alternative hypothesis.

This aligns with a growing body of research emphasizing the pivotal role of pricing strategies in business success.

Kawira (2021) specifically highlights that pricing strategy plays a substantial role in the performance of micro, small, and medium-sized enterprises (MSMEs) in Kenya. The study found that effective pricing strategies were responsible for a significant portion of performance variation. The findings of the current study, which show that price focus positioning leads to improved market performance, are in agreement with Kawira's conclusions. The impact of a well-executed pricing strategy on performance extends beyond just small businesses to larger firms, reinforcing the idea that price-focused positioning is a key driver of market success.

In a similar vein, Goodie-Okio (2022) observed that pricing strategies tailored to customer perceptions are crucial in enhancing marketing effectiveness in the telecommunications sector. Goodie-Okio's findings emphasize the importance of aligning pricing tactics with customer sensitivities and organizational goals to optimize marketing outcomes. While this study focused on telecommunications, the general principle that effective pricing enhances marketing performance is consistent with the current study's results. Price focus positioning, as identified in the present study, operates in much the same way by aligning the brand's pricing with customer expectations and market positioning, thus contributing to improved market performance.

However, Noone, Canina, and Enz (2013) take a slightly different approach by focusing on strategic pricing positioning in the hospitality industry, specifically revenue management in hotels. The authors argue that stable and higher relative prices compared to competitors lead to better revenue performance. While this study focused on relative pricing and revenue generation in the hospitality industry, the insights are still applicable to the insurance sector in the current study. Both studies underscore that effective pricing—whether relative or focused—can drive positive business performance. Nevertheless, the present research uniquely emphasizes price focus positioning in the context of market performance, which includes not only revenue but also customer acquisition and retention as key indicators.

Finally, Wambugu, Maina, and Ndung'u (2020) explored strategic marketing techniques in the Kenyan insurance industry, noting that customer relationship management and other marketing strategies are essential for market penetration and business success. While their research touches on marketing strategies, including pricing, it does not directly explore the relationship between price focus positioning and market performance. The current study extends this conversation by focusing specifically on price focus positioning, providing further evidence that strategic pricing—when positioned effectively in the market—plays a significant role in achieving better market outcomes. By connecting pricing to overall market performance, the current research contributes to a deeper understanding of how pricing strategies, distinct from general marketing tactics, drive the success of insurance firms in Kenya.

CONCLUSIONS AND RECOMMENDATIONS

Summary Results

The findings highlight the importance of price focus positioning in driving market performance for insurance firms. The majority of respondents agreed that insurance firms employ competitive pricing strategies to ensure their products remain attractive in the market. Price differentiation, penetration strategies for new products, and alignment with competitor pricing strategies were identified as key tactics used to optimize pricing and enhance sales. These strategies not only help insurance firms stay competitive but also allow them to effectively capture a larger share of the market by offering affordable options that meet customer needs. The application of price focus positioning, especially in ensuring affordability, further contributes to customer retention and satisfaction by reducing the likelihood of premium payment defaults.

Additionally, the study reveals that price positioning plays a critical role in maintaining customer loyalty and enhancing market performance. By prioritizing affordable pricing strategies and aligning them with market expectations, insurance firms can increase their appeal and maintain steady customer bases. The strong relationship between price positioning and market performance underscores the significance of a well-executed pricing strategy in sustaining business growth. Overall, price focus positioning emerges as a key driver of market success, allowing firms to effectively attract and retain customers while maintaining competitiveness in the insurance industry.

Conclusions

In conclusion, the study demonstrates that price focus positioning significantly influences market performance in the insurance industry. Insurance companies that strategically adopt competitive pricing, including price differentiation, penetration pricing for new products, and alignment with competitor pricing, are better positioned to attract customers and boost sales. Furthermore, prioritizing affordability helps reduce premium payment defaults, enhancing customer satisfaction and loyalty. The findings clearly show that price positioning not only drives immediate sales but also fosters long-term customer retention, reinforcing its critical role in maintaining a competitive advantage and achieving sustained market success in the insurance sector.

Recommendations

The study recommended that insurance firms focus on refining their price focus positioning strategies to improve market performance. This can be achieved by adopting competitive pricing tactics, such as price differentiation and penetration pricing for new products, to remain attractive to potential customers. Firms should also ensure that their products are fairly priced to minimize premium payment defaults and enhance customer satisfaction. Additionally, aligning pricing strategies with market trends and competitor prices can further strengthen their competitive position. By focusing on customer-centric pricing strategies and maintaining affordability, insurance firms can not only drive sales but also improve customer loyalty and sustain long-term business growth in the highly competitive insurance market.

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