

YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF COMMERCE
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COMPETITIVE STRATEGIES OF MYANMA INSURANCE

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EMBF 7 (5th BATCH)

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ABSTRACT

This study examines the insurance products and services provided by Myanmar Insurance. Study also explores the insurance market opportunities and challenges and then analyzes its competitive strategies adopted to enhance competitive advantages in insurance industry in Myanmar. The study employed a descriptive research design. Primary data are collected from 30 senior management level person from total 87 number who are working in different management levels at Myanmar Insurance in Yangon. Structured questionnaires are prepared and are distributed to these selected sample through the authorities of Myanmar Insurance. Theoretical based in this study is SWOT internal and external analysis and Porter Five Forces Analysis for industrial analysis. In the study of SWOT analysis, survey found that strong strengths and market opportunities for Myanmar insurance, and fair challenges threaten and less weaknesses for Myanmar Insurance. In the industry analysis made by Porter's Five forces analysis, Myanmar Insurance is found as highly competitive conditions of bargaining power of customers, high rivalry among existing competitors, and threats of new entrants of foreign insurance companies. However, there are less threats of substitutes products which threatens to Myanmar Insurance since insurance product and services themselves is having benefits for society. In the analysis on the strategy adopted by Myanmar Insurance are found as product/service differentiating strategy and focus to a niche market strategy because Myanmar Insurance can accept premium for ship vessel, airplanes, and manufacturing factories, which are difficult to compete by the private domestic insurance companies. For the long-term sustainability, it could be suggested that Myanmar Insurance should adopt information & communication technology, and some changes or reviewing the pricing strategy to extend to cost leadership position.

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CHAPTER 1

INTRODUCTION

Competition is a fact of business life. In fact, as a general rule, the higher the level of competition, the more demand there is for the product or service that has inspired that high level of competition. Over the last four decades, Congden (2005) observed that successful company executives lay emphasis on how competitive strategies of the organization can lead to attainment of competitive advantage and operational performance. According to Tumbo (2012), competitive strategy is critical to the attainment of competitive advantage in all companies. Companies function within an ever-changing environment whereby they have little or no control over. Lack of a comprehensive competitive strategy is a recipe for ultimate failure in the competitive market (Ogolla, 2005).

The higher the level of competition, the more demand there is for the product or service that has inspired that high level of competition. The composition of competitive strategy is the business approaches to sustain and getting customers with fulfilling their needs and expectations. Competitive strategy choice is depending firm performance and its development of an insurance firm. To hold competitive advantage, firms are trying to realize internal situations current capabilities.

Having competitive advantage in any industry, there must have benefit of the product or service provided by company, that the customers truly need and offered real value. Company must try to create the meet their need and try to make their life better. Company must have skills and knowledge to identify its real competitors. They are not just similar companies or products. They also include anything else similar customer could do to meet the need company can fulfill. To be successful, company needs to be able to articulate the benefit company provides to its target market that is better than the competition. That is company's competitive advantage.

Porter's Five Forces matrix is an instrument for analyzing competition of a business (wikipedia.org/wiki/Porter's_five_forces_analysis). The basic of five forces strategy come out from industrial organization (IO) finances to originate five forces that govern the competitive intensity and, therefore, the attractiveness of an industry measured in terms of

its profitability (<http://m.wikidaily.org/m.wikidaily.org>). Porter refers to these forces as the microenvironment, to contrast it with the more general term microenvironment. There are the forces nearby a company that affect its ability to serve its customers and make a profit. When one of forces changes, it normally needs a business unit to reposition the marketplace given the overall change in industry information ([wikipedia.org/wiki/ Porter's _five_forces_analysis](http://wikipedia.org/wiki/Porter's_five_forces_analysis)).

The whole industrial attractiveness may not be the same for that all firms in the industry to reward the same profitability. Firms who can be able to apply their core competencies, business model or network to achieve a profit above the industry average. After the SWOT analysis, Porter stated current five forces framework in reaction to that analysis.

Liberalizing of the insurance laws in Myanmar, there are increasing numbers of private insurance companies. Myanma Insurance is trying to change its strategies to compete in the open market economy. As a former member of the insurance industry, Myanma Insurance takes action to compensate those who have incurred economic losses in the past and social losses due to "...act of God and act of human beings" (<https://www.mopf.gov.mm/>)

1.1 Rationale of the Study

Not only firms, also individuals are purchasing insurance for an arrangement undertaken to provide a guarantee of compensation for specified loss, damage, illness, or death in return for payment of a specified premium. In today, there are increasing number of uncertainties which are arose from intense competitions, changing weather conditions, global environmental change and human mistakes. These environmental changes and human errors have affected things of people value. This fact alarms many related people to consider taking action now to protect the values of those who might be affected by global environmental change in years to come. For that uncertainty, all the businesses and individual need insurance because it helps covering the costs associated with property damage and liability claims. Without business insurance, business owners may have to pay out-of-pocket for costly damages and legal claims against their company (<https://m.es-es.prod.facebook.com/>)

In Myanmar, Myanma Insurance has monopolized for long decades. Current liberalization in insurance laws and increasing awareness of the people and business for the purchase of insurance premium, the increasing numbers of private insurance companies ([https://www.mopf.gov.mm/Myanmar Insurance](https://www.mopf.gov.mm/Myanmar%20Insurance)) IKBZ, GGI, are the famous private insurance companies in the recent years. With the increase in number of cars on the road, it is vital that individuals and business have their vehicles insured to safeguard against loss resulting from unforeseen incidents and accidents. To compete the local insurance companies, Myanma Insurance is trying to be successful and to sustain by reviewing its current strategies to have competitive advantage among the others. Thus, it is the major reason to study the competitive strategies adopted by Myanma Insurance to enhance competitive advantages in the open market economy.

1.2 Objectives of the Study

In this study, it includes three main objectives:

- (1) To examine the insurance products and services provided by Myanma Insurance
- (2) To determine the opportunities and challenges faced by Myanma Insurance
- (3) To analyze its competitive strategies adopted by Myanma Insurance which enhance competitive advantages in insurance industry

1.3 Scope and Method of the Study

This study focuses on competitive strategies adopted by Myanma Insurance to enhance competitive advantages. The major objective is to analysis current competitive strategies of Myanma Insurance and the challenges facing at its enterprise. The study employed a descriptive research design. The relevant data which will require for this research is aimed to gather from primary sources. Primary data are collected from 30 senior management level person from total 87 number who are working in different superior levels at Myanma Insurance in Yangon. As the survey instrument, structured questionnaires are prepared and are distributed to these selected sample through the authorities of Myanma Insurance. Sample employees are asked by using face-to-face interviewing method. Secondary data are obtained from school text books namely management, banking and insurance, relevant theses, journals, articles and internet websites. Theoretical based in this study is SWOT internal and external analysis and Porter Five Forces Analysis for industrial

analysis. The obtained data are analyzed by the use of frequency analysis in term of mean and percentage. Data collection was carried out during the month of November 2019.

1.4 Organization of the Study

There are totally five chapters in this study. Chapter 1 is the introduction of the paper. It includes the rationale of study; objective of the study; methods and scope of the study and organization of the study. Chapter 2 discusses theoretical background of competitive strategies and competitive advantages. It starts with firm's situational analysis on its environment by the use of general environmental analysis, Porter five forces and situation analysis by SWOT method. Chapter 3 states the Myanmar Insurance profile and current products and services provided. Chapter 4 is the analysis of the competitive strategies of Myanmar Insurance and its adopted strategies, at present. Chapter 5 concludes the study with finding and discussion, suggestions, and need for future research.

CHAPTER II

LITERATURE REVIEWS ON COMPETITIVE ADVANTAGES

In this chapter, it studies on literature reviews on competitive advantages together with defining external and internal environment analysis. Later the chapter is the relevant literatures which drawn for conceptual framework of the study.

2.1 External and Internal Environment

Organization is existed within environment namely, external environment and internal environment.

2.1.1 External Environment

The elements of the external organizational environment existing outside the boundary of the organization have the potential to affect the organization (Lawrence Gitman, Carl McDaniel, 2007). The situation of general environment is at the outer layer and widely dispersed and affects organization indirectly. It involves social, demographic, and economic factors that equally affect all organizations. Project environment: it is similar to the organization and includes the sectors that conduct regular transactions with the organization and directly affect the organization and efficiency of the organization.

2.1.2 Internal Environment

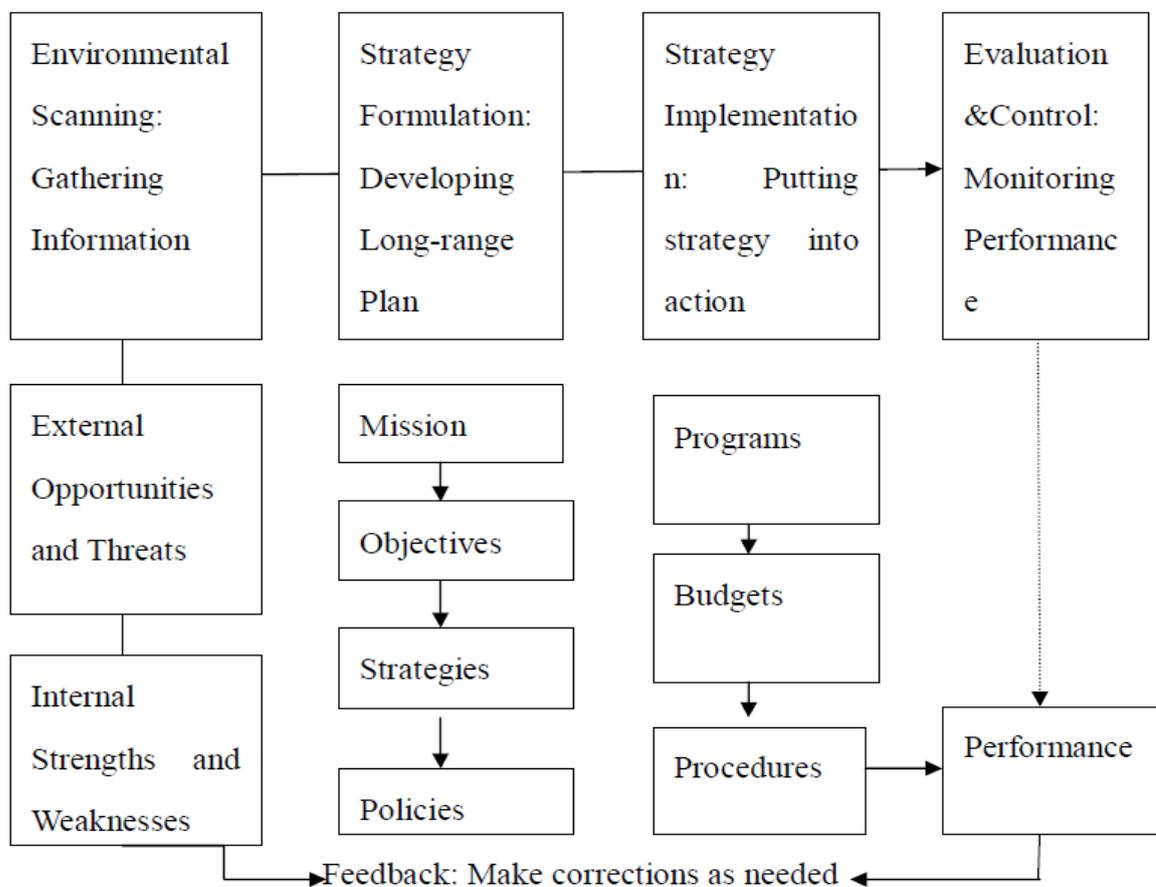
The elements of internal environment are within the organization's boundaries. The composition of internal environment are current employees, management, and especially corporate culture, i.e., employee behavior in the internal environment and how well the organization will adapt to the external environment

2.2 Strategic Management

Richard Daft, Dorothy Marcic – (2008) explained that strategic management as the set of decisions and actions used to formulate and implement strategies that will provide a competitively superior fit between the organization and its environment so as to achieve organizational goals (Daft., 2008). Corporation set their grand strategy which is the general plan o major action by which a firm intends to achieve its long-term goals.

- (a) Growth Strategy
- (b) Stability or Pause Strategy
- (c) Retrenchment Strategy

Figure (2.1) The Strategic Management Process



2.3 Organizational Environmental Analysis

In the identification and evaluation of the external factors affecting an organization, it involves critically analysis on major changes taking place in the external environment that will impact on an organization's business strategy. An industry is a group of companies offering products or services that are similar product and srevices for each other (<http://www.cengage.com/>). The first step is to identify the industry that the company is competing in and to determine the industry's boundaries which are the basic customer needs that are served. Charles W. L. Hill, Gareth R. Jones – (2008) explained the goals of industry analysis to find opportunities and threats facing by the firm and to use this understanding to identify strategies that will enable the company to outperform rivals.

Analysis of industry includes macro environment analysis, industry analysis or porter five forces analysis, and situation analysis or SWOT analysis, as follows.

2.3.1 Macro Environment or PESTEL

a) Political Stability

Doing business, political stability in the region or country is important. Although Myanmar has reformed national ruling by democracy, Kayin, Rahkine and Kachine states among total 14 states and region, are facing with instability of living people. The other parts are stable in political status and thus, there will have different development in knowledge of insurance around Myanmar, and thus, in the insurance industry, there are the political stability can be concluded as an important influencing factor.

b) Country Economic Condition

Country economic condition is highly influencing to the public transport industry. Because of limit in pay and benefits to the public servants, government intervention on the ticket prices would strongly effect to the profit of the transport companies as their break even limit is too long to recover the investments.

c) Social

Such variables analyze the market's social environment and determine determinants such as cultural trends, economics, population growth, etc. For example, purchasing

habits for Western countries such as the US where high demand is present during the holiday season can be an example.

d) Technology Aids

Regarding to the technology influencing, there will be micro insurance services through the use of mobile device. According to government counts, Myanmar had a mobile penetration rate of 89% in 2016, while internet penetration was at 71%, due to the prevalence of low-cost smartphones. Myanmar leapfrog to market development, bypassing established insurance company branches and local brokers to jump straight to technology channels (The Report: Myanmar 2018). Another area likely to benefit from technological advances and the generally low level of household income is micro-insurance (oxfordbusinessgroup.com). This would help address the predominantly rural nature of Myanmar society (The Report: Myanmar 2018).

e) Legal/Laws

Lastly, there is high influencing by the legal and regulation for doing insurance business. Government limits on foreign investment in insurance industry for whole owned to the company.

2.3.2 The Porter's Five Forces Affecting Industry Competition

a) Threat of New Entry

The Threat of New Entrants, or an industry analysis framework, refers to the threat that new competitors who come into current market leaders within an industry. It becomes an important force that shape the competitive landscape of an industry and helps determine the attractiveness of an industry (Porter, M. (1998)). The threat effects a distinct influence on the ability of current companies to generate a profit. For example, new competitors come into an industry similar offering or best services to substitute with the same products or services, a company's competitive position could not be sure future. When threat of new entrants is narrow, it makes an industry attractive (Porter, M. (1998)).

b) Competitive Rivalry in the Same Industry

As the same word as business rivalry, they behave usually takes the form of competing position using various tactics (for example, price competition, advertising

battles, product introductions). Because of the rivalry it forces to increase in intensity when companies either feel competitive pressure or see an opportunity to improve their position.

c) Bargaining power of buyers

Porter, M. (1998) had explained the intense power of buyers that determines the industry competition. Since powerful buyers reduce the profit potential in an industry. Powerful buyers forcing down prices and increasing competition within an industry. However, pressure of buyers pushes more quality or more services, and playing competitors against each other. The result is diminished industry profitability.

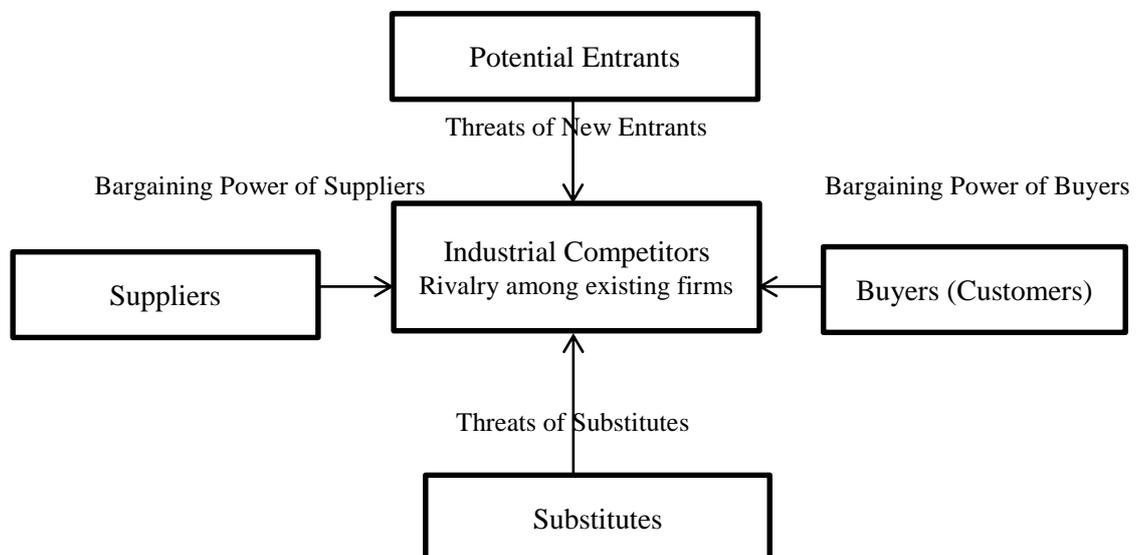
d) Bargaining power of suppliers

Porter, M. (1998) supported that pressure of little suppliers pushes competition within an industry to raise prices or reduce the quality of goods and services. Outcome is reducing in profitability in an industry where companies cannot recover cost increases in their own prices.

e) Threat of substitutes

Porter, M. (1998).explained the threat of substitutes occurrence when companies within one industry are forced to compete with industries producing substitute products or services. Demand for substitutes are harmful to reduce the demand for industry products and services. Intense competition by substitutes during normal economic times, and reduce potential profit increases during positive economics.

Figure (2.2) Porter’s Five Forces Affecting Industry Competition



1. Rivalry Among Existing Competitors
 - Innovation; First to enter the market
2. Substitute Products
 - Competitors with similar products
3. Powerful Suppliers
 - Forward Integration
4. Powerful Buyers
 - Backward Integration
5. Threat of Entry
 - Advanced Knowledge
 - Capital Requirement

2.3.3 Situation analysis (or) SWOT Analysis

Situation analysis refers to a collection of methods that managers use to analyze an organization's internal and external environment to understand the organization's capabilities, customers, and business environment. The situation analysis consists of several methods of analysis: The 5Cs Analysis, SWOT analysis and Porter five forces analysis (Thomas S., 2010). A Marketing Plan is created to guide businesses on how to communicate the benefits of their products to the needs of potential customer. The situation analysis is the second step in the marketing plan and is a critical step in establishing a longterm relationship with customers.

Figure (2.3) SWOT (TOWS) Matrix

	STRENGTH - S List Strengths	WEAKNESS - W List Weaknesses
OPPORTUNITIES List Opportunities	SO Use strengths to take advantage of opportunities	WO Overcome weaknesses by taking advantage of opportunities
THREATS- T List Threats	ST Use strengths to avoid threats	WT Minimize weaknesses and avoid threats

Source: Richard L. Daft. Management (2010)

- Strengths = Things the company does well.
- Weaknesses = Things the company does not do well.
- Opportunities = Conditions in the external environment that favor strengths.
- Threats = Conditions in the external environment that do not relate to existing strengths or favor areas of current weakness.

2.4 Theory of Competitive Advantages

Studying competitive advantages includes analysis on Porter's competitive strategies and advantages, as follows.

2.4.1 Porter's Competitive Strategies and Advantages

In 1985, Harvard Business School professor Michael Porter wrote "Competitive Advantage." It's the definitive business school textbook on the topic. Porter (1985) suggested companies for about competitive strategies for sustainable competitive advantage to companies. He further explained a company cannot be the market leader always, it mean the leader will not be forever. For that reason, every company must have clear goals, clear ways of thinking or strategies, procedure for operations to build sustainable competitive advantages. This is also needed to align with the corporate culture and values of the employees must be in alignment with those goals. It is difficult to do all those things well. It is so hard to do them year in and year out (Porter M. 1985). Michel Porter (1985) drew out three primary ways companies achieve a sustainable advantage. The first one is cost leadership, the second one is differentiation, and third is focus by product or services with low or high price. Michel Porter identified these strategies by doing many researches from hundreds of companies.

Figure (2.4) competitive advantage

Scope		Cost	Differentiation
	Broad	Cost leadership	Differentiation
	Narrow	Cost focus	Differentiation focus

Source: Michael Porter (1980)

Cost leadership means providing a reasonable value to customers at a lower price. By continuous improvement of operational efficiency, businesses do this. Usually that means paying less for their jobs. In providing intangible benefits such as stock options, insurance, or advertising opportunities, others compensate for lower wages. Many benefit from unqualified labor surpluses. As these companies grow, they are able to take advantage of economies of scale and buy in bulk. Good examples of cost leadership are Target and Costco. But sometimes they pay less than the cost of living for their jobs. Lower rules on minimum wage challenge their advantage.

Differentiation means that companies are doing better than anyone else. It is an attempt to distinguish the products or services of the company from those of others in the industry. Through offering a special or high-quality product, a business may achieve distinction. Another way is to deliver it more efficiently. A third is marketing in a way that can better reach customers. A third is marketing in a way that better reaches customers. A company with a strategy of differentiation can charge a premium price. That means the profit margin is usually higher.

Usually, businesses differentiate themselves from creativity, price, or customer service. Innovation means that in a new way they fulfill the same needs. A good example of this is Apple. The iPod was revolutionary as it allowed users to play in any order whatever music they desired. Quality means the best product or service is provided by the company. Tiffany's may charge more because it is far superior to other jewelry stores for patrons. Customer service means going out of the way for shoppers to enjoy.

Vision ensures that the members of the company better understand and represent their target market than anyone else. The company is actively focused on a specific regional market or community of buyers. To do that, they use either cost leadership or distinction. The focus strategy success is to choose a very particular focus market as main point. Often, it's a tiny market not filled by bigger firms. For example, in order to gain sustainable competitive advantage, community banks use a focus strategy. They are aimed at local small businesses or individuals with high net worth. Their target audience enjoys the personal touch they might not be able to give to big banks. Customers are able to pay for this service a little more in rates. Such banks are using a focus strategy differentiation method.

2.4.2 Resource Based View Theory

Barney (2001) defines firm resources as: "all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness (Barney, J.B. (2001). Achieving a sustainable competitive advantage lies at the heart of much of the literature in strategic management and strategic marketing (Fahy, 1999). The resource-based view offers strategists a means of evaluating potential factors that can be deployed to confer a competitive edge. A key insight arising from the resource-based view is that not all resources are of equal importance, nor do they possess the potential to become a source of sustainable competitive advantage. The sustainability of any competitive advantage depends on the extent to which resources can be imitated or substituted (Lowson, 2012). Barney and others point out that in practice it can be very difficult to understand the causal relationship between the origins of advantage and effective strategies (Barney, J.B. 2001). It is therefore important to spend a great deal of managerial energy in defining, recognizing and classifying core competencies. Management also needs to invest in organizational learning to create, cultivate and sustain. In addition, management must invest in organizational learning to develop, nurture and maintain key resources and competencies.

From a resource-based viewpoint, strategists choose the approach or competitive position that best takes advantage of internal resources and skills compared to external opportunities. Since strategic resources are a complex network of inter-related assets and capabilities, companies may take such competitive positions as possible. While scholars

are debating the precise categories of competitive positions that are used, there is general agreement in the literature that the resource-based view is much more flexible than Porter's prescriptive approach to formulating strategy. Major managerial duties are:

1. Identify the firm's potential key resources (source: Wikipedia).
2. Prahalad, C. K. and Hamel, G (1991) evaluate whether these resources fulfill the following criteria (also known as VRIN criteria (source: Wikipedia)).
 - Valuable - they enable a firm to implement strategies that improve its efficiency and effectiveness.
 - Rare - not available to other competitors.
 - Imperfectly imitable - not easily implemented by others.
 - Non-substitutable - not able to be replaced by some other non-rare resource.
3. Develop, nurture and protect resources that pass these evaluations (source: Wikipedia)..

2.4.3 How Countries use Competitive Advantage

There is also a country that can build competitive advantage. It's considered a competitive advantage globally or a comparative advantage. China, for example, uses leadership costs. At a fair level of quality, it produces low-cost goods. People can do this because their living standards are lower, so they can pay less for their jobs. It also sets the currency's value, the yuan, at a value below the dollar.

India starts as a cost leader, but steps towards differentiation. This provides a reasonable salary for professional, technical, English-speaking employees. Japan's competitive advantage has also changed. It was a market pioneer in the 1960s that stood out for cheap electronics. By the 1980s, in quality brands like Lexus, it had turned to distinction.

The comparative advantage for America is innovation. Companies in the U.S. market innovative products faster than other countries can. Therefore, Silicon Valley has become the technological benefit of America. America is so creative as it has a large and affluent domestic consumer base. Testing new ideas for the product and working out the bugs at home is simple. Once they have been good, they are sold through the world.

In "The Venturesome Economy: How Technology Sustains Prosperity in a More Connected World," Amar Bhidé makes a good point. Even though the United States is starting to fall behind other countries in producing engineers, it is still better to bring technologies to market.

2.4.4 How Individuals Use Competitive Advantage

Those in your profession will take advantage of competitive advantage. If you're an employee, work for yourself as if you're in company. Your client is your target market. The interest is how you increase the profits of the business. Those personnel and technology are your competition. Express in your presentation, curriculum vitae, and interview your competitive advantage. Once you have the position, you can continue to communicate your work performance advantage.

2.5 Literature Reviews on Competitive Strategies Practices at Insurance

For forty years ago, the observation of Congden (2005) stated on that of successful company practices by their executives who focused on how competitive strategies of the organization can lead to achievement of competitive advantage and operational performance. By the observation of Tumbo (2012), to the attainment of competitive advantage by competitive strategy is critical in all organizations. Companies function within an ever-changing environment whereby they have little or no control over. Absence of a meaningful competitive strategy is a way for finally lead to failure in the competitive market (Ogolla, 2005).

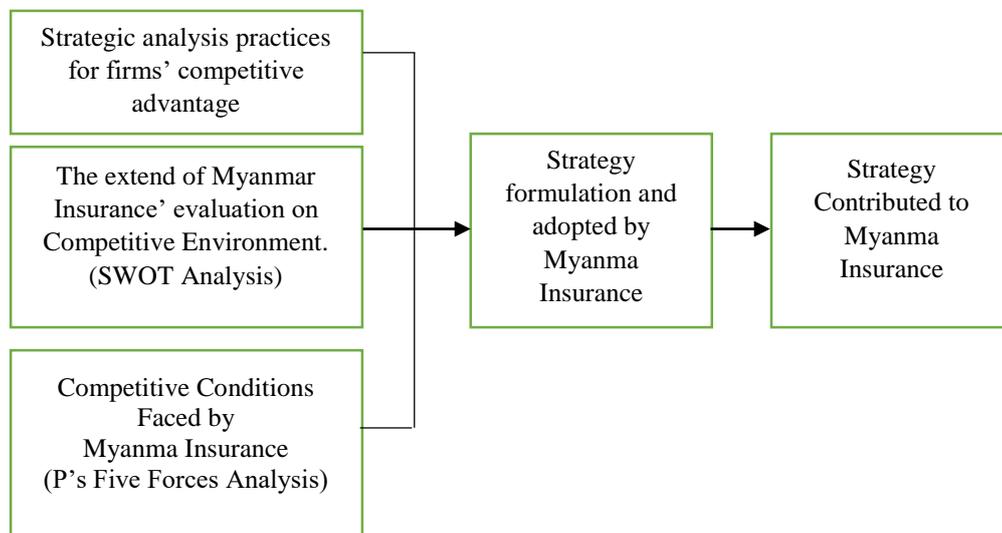
Hillary Zedekia Oteng' Otieno (2015) had a study on competitive strategies adopted by insurance brokers in Kenya to enhance competitive advantage and to find out and determine the challenges faced by Kenyan insurance brokers in adoption of the strategies based on two theories; resource-based theory and competency-based theory by descriptive research design. Sample involved the insurance brokers in Kenya. Data was collected from the insurance broker firms' top executives. By summarizing the set of observations drawn from the respondents, the study finds out competitive strategies used by insurance brokers in Kenya have contributed to the enhancement of its competitive advantage and is the main reason why the majority of the firms indicated that they develop competitive strategies. Study also concludes that insurance firms often formulated strategies and suggests to make constantly evaluate their competitive strategies with an aim of staying ahead of the competition.

Congden (2005) noted that successful business executives focused on how the organization's competitive strategies can lead to competitive advantage and operational performance. Competitive strategy is key to gaining competitive advantage in all industries, according to Tumbo (2012). Companies operate within a constantly changing world with little or no control over them. In the competitive market, lack of a systematic competitive strategy is a formula for ultimate failure (Ogolla, 2005).

2.6 Conceptual Framework of the Study

For easily understanding of the study, basic conceptual framework was developed. It is based on the previous relevant literatures; the suitable conceptual framework was constructed. Figure (2.4) shows the conceptual framework of the study on competitive strategies adopted by Myanmar Insurance, as follows.

Figure (2.5) Conceptual Framework of the Study



Source: Conceptual framework adopted from study of Hillary Zedekia Oteng' Otieno (2015)

According to the proposed conceptual framework, Strategic analysis practices for firms' competitive advantages analysis, the extend of Myanmar insurance Strategic analysis practices for firms' competitive advantage, and Competitive Conditions Faced by Myanmar Insurance, as independent variables, and Strategy formulation and adopted after analysis on these dependent variables, by Myanmar Insurance as shown in above.

CHAPTER III

PROFILE OF MYANMA INSURANCE

In this chapter, it describes the profile of Myanmar Insurance Enterprise. It starts with the development of insurance service in Myanmar. Later, it

3.1 The Development of Insurance in Myanmar

Myanmar was once very famous for its wealth especially, between 1897 and 1940 there were some 110 insurance companies registered in Myanmar however in 1952 a nationalization process began under the newly formed socialist regime (<https://www.mopf.gov.mm/>). From the year 1959 all life insurance companies were combined in the state Union Insurance Board and by 1964 all private insurers had been abolished (<https://www.mopf.gov.mm/>). The Insurance Business Law was passed in 1996, establishing a regulator, the Insurance Business Supervisory Board (IBSB). In late 2012 the IBSB launched its application process for private insurance companies and 12 were granted licenses.

In the given scenario, there also exist enough opportunities to develop new business models and increase revenue through new insurance policies, revised & competitive rates. Many untapped market segments, which remain untouched by industry, can provide high revenues. Above all, a close association with the general public, government agencies & private sector enterprise will help the insurance industry to protect itself from the dangers of climate change and provide sufficient opportunity to grow in size. Improving economic conditions will provide a larger market for insurers, which is still almost entirely untapped by players in the local or foreign private sector.

The population of is about 51.5m at its last census in 2014. In September 2017, Myanmar Insurance estimated that non-life penetration in Myanmar stood at 0.07% and around 0.01% for life, giving a market total of 0.08%.

Myanmar's neighbors, in comparing, Cambodia had 0.35% and 0%, Laos had 0.44% and 0.01%, and Vietnam had 0.74% and 0.82% for non-life and life, respectively.

Insurance industry in Myanmar was once very much alive and well. Indeed, between 1897 and 1940 there were some 110 insurance companies registered in what was then known as Burma. In the early years of the country's independence, private insurers continued conducting business, but in 1952 a nationalization process began under the newly formed socialist regime. In 1959 in the State Union Insurance Board all life insurance companies were merged and by 1964 all private insurers were abolished.

The Insurance Business Law was passed in 1996, setting up a regulator, the Insurance Business Supervisory Board (IBSB), which falls under MoF's remit. The board was tasked with taking care of license applications as well as setting capital limits and other insurers, underwriters and brokers criteria.

The IBSB released its application for private insurance companies at the end of 2012. Of the 20 companies that applied, 12 have been given licenses and are the center of today's non-state insurance industry. Five of these operations began in 2013, with the rest starting the following year. Of the twelve private providers, only three are life. At its last census in 2014, Myanmar had a population of about 51.5 m, with more recent estimates taking the number closer to 54 m. It generates a GDP per capita of around \$1232 for 2016, which is down somewhat on the s-curve of insurance. According to this predictive metric, a per capita income of approximately \$5000 generally indicates a point where the insurance market has an ample middle class to begin rapidly to grow. Until this point, the growth of the insurance sector continues to suit that of GDP, a sign of sustained momentum until Myanmar catches up.

It generates a GDP per capita of around \$1232 for 2016, which is down somewhat on the s-curve of insurance. According to this predictive measure, a per capita income of approximately \$5000 generally indicates a point where the insurance market has a sufficient middle class to begin rapidly to expand.

Until this point, growth in the insurance sector appears to match that of GDP, an indication that it will not be too much longer before Myanmar catches up, provided momentum is sustained. Per capita numbers, however, appear to mask differences in wealth, meaning that different segments of the population will be on the s-curve line at

different points. Urban centres include Yangon, Mandalay and Naypyida, the new capital – are home to relatively higher concentrations of wealthy individuals, making for more ready markets.

Meanwhile, despite the presence of numerous foreign and local players, penetration levels remain low. In 2015, non-life penetration in Myanmar stood at 0.07 percent and around 0.01 percent for life, giving a total market of 0.08 percent, according to Swiss Re Sigma. Comparing these rates to Myanmar's neighbors, Cambodia had 0.35% and 0%, Laos had 0.44% and 0.01%, and Vietnam had 0.74% and 0.82% for non-life and life, respectively. In September 2017 Myanma Insurance estimated that the sector accounts for 0.07% of the state's total revenues.

According to Myanmar's Central Bank, the total gross paid premium (GWP) in the first quarter of 2017 amounted to about MMK33.9bn (\$25.9 m), with the state insurer responsible for 45.4% of this. The overall private sector GWP for FY 2015/16 was MMK41.8bn (\$31.9 m) and FY 2016/17 MMK61.4bn (\$46.9 m). This corresponds to growth of 46.8 percent, but from a low base. There was also a substantial increase in GWP in the public sector, with the GWP of Myanma Insurance rising by around 40.3 percent from a total of MMK27.8bn (\$21.2 m) in 2015 to touch MMK39bn (\$29.8 m) in 2016.

3.2 Profile of Myanma Insurance

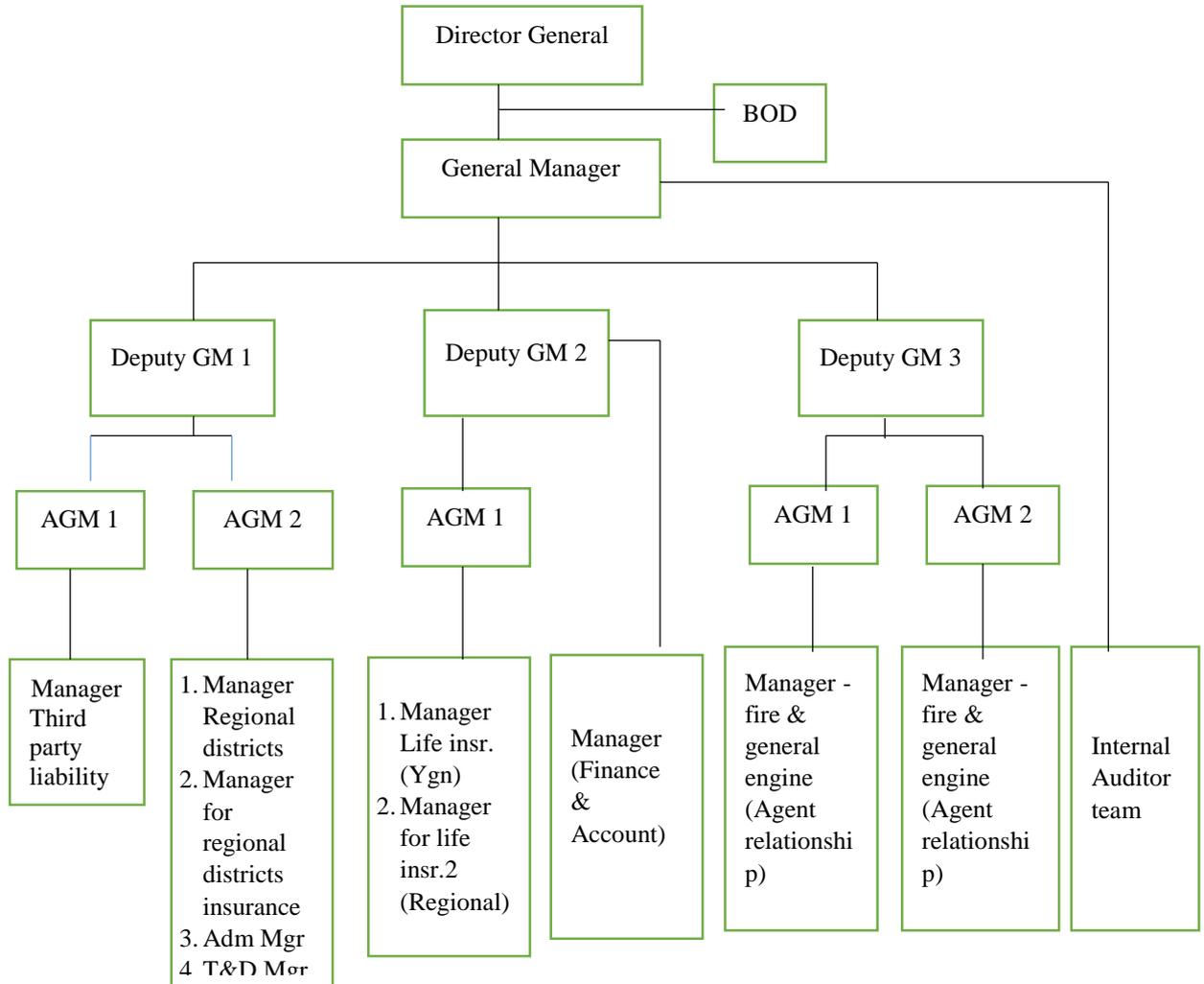
Head office address at 627/635, Merchant St., Yangon, Myanmar, Myanma Insurance has been in the insurance industry for nearly 50 years now. Myanma Insurance was founded in 1952 under state-owned insurance. At present, Myanma Insurance has introduced a life insurer but later it underwrites both life and non-life insurance. Currently it underwrites total 30 kinds of insurance products and services.

Vision: Myanma Insurance has set out its strong vision statement that long-term objectives are required to eliminate the losses of the country economically and socially due to God's acts and human actions (www.mminsurance.gov.mm).

Mission: In order to fulfill its dream, Myanma Insurance has set its goal as follows: "By using insurance in the name of risk management, Myanma Insurance actively undertakes

its mission to recover past losses for those who have incurred economic and social losses as a result of God's acts and human actions" (www.mminsurace. gov.mm)

Figure (3.1) Organizational Structure of Myanmar Insurance



Source: Myanmar Insurance, 2019

According to the Figure (3.1), organizational structure (management level) at Myanmar Insurance is composed of 1 Managing Director, 1 general manager, 3 deputy general manager, 5 assistant general manager, 18 managers, and 39 assistant managers, and they are listed in the Table (3.1), as follows.

Table (3.1) Position Level at Myanmar Insurance

Sr. No.	Position	Number
1	Managing director	1
2	GM	1
3	DGM	3
4	AGM	5
5	Manager	18
6	Assistant manager	59
	Total	87

Source: Myanmar Insurance, 2019

These departmental responsibilities are departmental management, maritime, air, travel insurance, fire, engineering & general insurance, third party liability (such as comprehensive motor insurance), life insurance, and internal audit team respectively. Deputy general manager oversees the internal auditor team directly.

Myanmar Insurance has large reserve funds (Life Fund Kyats 18064.23 MIO, General Fund Kyats 132558.88 MIO, General Reserve Fund Kyats 11368.22 MIO) and a comprehensive cover for reinsurance (<https://www.mopf.gov.mm/>). It has the Loss Reinsurance Marine Excess Treaty, the Loss Reinsurance Fire Excess Treaty, and the Motor Facultative Compulsory Treaty and the Energy Treaty.

These Treaties of Reinsurance are placed with top-notch reinsurers. In addition, the government supports Myanmar Insurance, which assumes all of its liabilities under Myanmar Insurance Law. Myanmar Insurance is therefore the insurer that is never going to be liquidated. Myanmar Insurance is also known as the insurer who will never run away from a legitimate claim and paid 7668.1 kyats in total.

Table (3.2) Insurance Revenue from the Financial Year 2013–2014 to 2017-2018

Financial Year	Revenue (Kyat in Million)	Expenses (K in Milo)	Gross Income % of Revenue (Rev-Exp)/Rev
2013-14	36,253.54	8,870.30	76%
2014-15	35,872.05	8,943.31	75%
2015-16	43,171.78	10,454.74	76%
2016-17	56,014.90	19,454.00	65%
2017-18	58,316.87	25,536.38	56%
Total	229,629.14	73,258.73	68%

Source: Myanmar Insurance, 2019

Table (3.1) states the statement of Myanmar Insurance revenues from the Financial Year 2013–2014 to 2017-2018. According to the table, revenue in the Financial Year 2013–2014 was 36,253.54 Kyat in Million and Financial Year 2017–2018 was 58,316.87 Kyat in Million. For these years, the revenue growth is found as 61% from the base year FY Year 2013–2014 to Financial Year 2017–2018. It was also found that there have distinct gross revenues 76% in the year 1, 75% in the year 2, 76% in the year 3, 65% in the year 4, and 56% in the year 5, respectively.

3.3 Myanmar Insurance Products and Services

The branches of these lenders are a central distribution channel for insurance products, considering that many private insurance companies are either owned by banks or are part of holding companies that also include banks. Through statute, all properties purchased with a mortgage must have fire insurance, which for bank-linked insurers is a major advantage. In the 2016/17 fiscal year, the premium for fire insurance was MMK26. The other major non-life business line was comprehensive engine coverage, representing MMK14.2bn (\$10.8 m), representing 23 percent of the private sector market. Meanwhile, life insurance was worth MMK15.6bn (\$11.9 m), which is 25.4%. In the fourth quarter of 2016, Myanmar Insurance also received a large portion of its premiums from fire at 28.6 percent of the total. However, third-party liability insurance is the state insurer's main

business, accounting for 57.7% of total premiums in that same period. This is largely due to third-party liability being compulsory in Myanmar, with Myanma Insurance the sole provider of this line.

While not compulsory, comprehensive motor insurance has gained popularity, with customers rising from 27,000 in November 2015 to 60,000 in November 2016, Myanma Insurance figures show. Given this rise, with about 600,000 cars in circulation in the same time, there is considerable room for growth.

Travel insurance is classified as Special Travel Insurance for Express Ways and does not cover travel abroad, but can be bought on Myanmar's roads to cover journeys of more than 100 km (Source: Shwe Thway.blog web page & <https://www.mopf.gov.mm/>). Life insurance is still not popular, although each year sees a virtual doubling in premiums (<https://shwethway2.blogspot.com/>). As shown in this web page, the amount collected by private insurers was MMK15.6bn (\$11.9m) in the financial year 2016~17, up from MMK7.8bn (\$6m) in financial year 2015~16. Foreign insurers' entry—either as joint ventures or independently—will also inject much-needed know-how and capital to enable the industry to meet the population's needs. (<https://shwethway2.blogspot.com/>).

There are **five types of life insurance** on offer: individual endowment, group term life, sportsman insurance, credit life and snake bite. The last is a well-known policy, although the premium set for it is often thought to be too low by private insurance companies, making it difficult to make a profit on this product. In terms of distribution channels, the market is developing, with a number of different models in play.

Homeowners Insurance

It is related to property coverage, perils insured against, and exclusions as section (1), and personal liability insurance, and medical payment to other as second part. This dwelling (Home) insurance is related with the home structure attached to the dwelling against direct physical loss to property. Materials for construction or repair of the dwelling and other structures. There is also other structures on the residence premises, that is, detached garage, tool shed, and horse stable. It is related to personal property owned or used by an insured.

Perils (Threats) Insured Against

The dwelling and other structures are insured against “direct physical loss to property.” This means that direct losses are covered except certain losses specially excluded

- settling, cracking, shrinking, bulging, or expansion of pavements, patios, foundations, walls, floors, roofs, or insects
- animals owned or kept by an insured
- birds, rodents, or ceilings
- nesting or infestation, or discharge or release of waste or secretions by animals

Collapse (Breakdown)

Freezing (plumbing, heating, air conditioning, or automatic fire protection sprinkler system, or household appliance)

- damage to fences, pavement, patio, and similar structures
- theft to a dwelling under construction
- damage from vandalism and malicious mischief
- losses due to mold, fungus or dry rot

Health Insurance

One of the most important insurance is health which is related with life. Being illness and medical hospitalization expenses is Basic health care coverage and policies that provide a buffer to a family’s loss of income in the case of a medical emergency are also likely to be popular, once the psychological and financial obstacles to market entry are overcome. Winning the trust of potential customers will be an essential first step to growing these product lines, with insurers having to demonstrate reliable, prompt services and payouts. Thus, building a safety net in the form of Health Insurance can provide you and your family with a piece of mind.

Third Party Liability (Comprehensive Motor Insurance)

Provide protection against vehicle losses caused by unforeseen accident. Comprehensive Motor Insurance policy covers losses by own damages and third party liability. With the increasing number of vehicles in the road, it is vital that you have your

vehicle insured to safeguard against loss resulting from unforeseen incidents and accidents. Comprehensive Motor Insurance package provides you with all the necessary coverage for you and your vehicle. There are different classes of vehicles. They are:

- Private Owned cars
- Passenger Taxi
- Commercial Vehicles (Express Bus, Public transport buses)
- Travelers
- Trucks

Fire Insurance

Myanma Insurance accepts fire insurance aiming to recover people' property from loss arisen from fire as well as lightning, it is important that we insure our properties. Fire Insurance protects businesses and property holder against unforeseen losses of real and personal property due to fire or lightning. Owner, Joint Owner, Spouse of Owner, Mortgagee and Mortgager of the property are allowed to obtaining this policy.

Currently it underwrites insurance products the portfolios namely:-Government Services Personnel Life Insurance), Army Personnel Life Insurance, Public Life Insurance, Group Life Insurance, Seaman Life Insurance, Life Insurance for Personnel with Shore Job, Sportsman Life Insurance, Snakebite Life Insurance, Health Insurance, Farmer Life Insurance, Fire & Allied Perils Insurance, Burglary Insurance, Fidelity Guarantee Insurance, Cash in Safe Insurance, Cash in Transit Insurance, Personal Accident & Disease Insurance, Workmen's Compensation Insurance, Liability Insurances (Miners' Liability Insurance & Third Party Liability Insurance/Public Liability Insurance/ Comprehensive General Liability Insurance), Contractor's & Machineries Insurance (Contractor's All Risks Insurance & Erection All Risks Insurance, Electronic Equipment Insurance, Machinery Insurance), Deposit Insurance, Marine Cargo Insurance, Marine Hull & Machinery Insurance, Aviation Hull Insurance, Aviation Liability Insurance (Crew Personal Accident Insurance, Aviation Hull Deductible Insurance & Aviation Hull War & Allied Perils Insurance), Travel Insurance, Ship Owner and Ship Operator's Liability Insurance, Tiger Fishing Barge Owner's Liability Insurance, Oil & Gas Insurance, Third Party Liability Insurance, Comprehensive Motor Insurance, all together 30 kinds.

CHAPTER IV

ANALYSIS ON THE FORCES OF MYANMA INSURANCE ENTERPRISE

In this section, it is an analysis on the opportunities and challenges faced by Myanmar Insurance Enterprise. It is started with the analysis on the demographic profile of key respondents from Myanmar Insurance Enterprise and the analysis on the current enterprise strengths and weakness.

4.1 Research Design

In this study, it examines the competitive strategies practices and strategy adopted at Myanmar Insurance. In this analysis, it is mainly focused on collection of primary data and these data are collected from total 30 respondents from total 87 who are working at key positions of supervisor and above positions. Before examining the current strategies adopted, study includes analysis on current competitive strategies of Myanmar Insurance and the challenges facing at its enterprise. Descriptive research is mainly used. As the survey instrument, structured questionnaires are prepared and are distributed to these selected sample through the authorities of Myanmar Insurance. Sample employees are asked by using face-to-face interviewing and theoretical framework is based on SWOT internal and external analysis and Porter Five Forces Analysis for industrial analysis. The obtained data are analyzed by the use of frequency analysis in term of mean and percentage. Survey analysis is stated as follows.

4.2 Demographic Profiles of Respondents

First analysis is made as usual on the respondents' gender, age, position, education level, and work experiences, shown in Table (4.1), as follows.

Table (4.1) Demographic Profiles of Respondents

Sr. No.	Particular	Frequency	Total Respondents	Percent
Gender of Respondents				
1	Male	12	30	40%
2	Female	18	30	60%
Age of Respondents				
1	Between 18 to 25 years old	0	30	0
2	Above 26 to 35 years old	1	30	3%
3	Above 36 to 45 years old	12	30	40%
4	Above 46 to 55 years old	15	30	50%
5	Above 55 years old	2	30	7%
Education Level of Respondents				
1	Under graduate	0	30	0%
2	Graduate	0	30	0%
3	Post graduate and master	30	30	100%
4	Doctorate level	0	30	0%
Position Level of Respondents				
1	Director and above level	0	30	0
2	GM	1	30	3%
3	DGM	2	30	7%
4	AGM	3	30	10%
5	Manager	10	30	33%
6	Assistant manager	14	30	47%
Working Experience of Respondents				
1	Less than 3 years	0	30	0%
2	Above 3 to 5 years	0	30	0%
3	Above 6 to 9 years	6	30	20%
4	Above 10 to 14 years	16	30	53%
5	Above 15 years	8	30	27%
Working Experience of Respondents in Myanma Insurance				
1	Less than 1 years	0	30	0%
2	Above 1_3 years	6	30	20%
3	Above 3_6 years	7	30	23%
4	Above 6_9 years	9	30	30%
5	10 years and above	8	30	27%

Source: Survey data, 2019

Some of the researches often considered gender as a predictive factor in levels of strategic decision making. By the Table (4.1), 40% are male and total 12 employees. 60% are female and total 18 sample employees. It seen that gender most of the employees are female.

Age status of respondents is classified into five groups: assistant supervisor, Between 18 to 25 years old, above 26 to 35 years old, above 36 to 45 years old, above 46 to 55 years old 15, above 55 years old, respectively. By the Table (4.1), it states that 3% of total respondents are age above 26 to 35 years old, 40% are age above 36 to 45 years old, 50% are age above 46 to 55 years old 15, and 7% are age above 55 years old. Among them, 97% of respondents are over 36 years.

Education level is analyzed by grouping into four: Under graduate, Graduate, Post graduate and master, and doctorate level. Table (4.1) shows that all the respondents are post graduate diploma since they all have attended at least insurance diploma provided by the department.

Education of respondents are analyzed by grouping into six: Director and above level, GM, DGM, AGM, Manager, and Assistant manager position. Table shows that 1 respondents is GM position, 2 are DGM position, 3 are AGM, 10 are Manager, and the rest 14 are assistant manager. In term of percent, 80% of respondents are assistant manager and manager position.

In the analysis of their years of working experiences, it is grouped into five: less than 3 years, above 3 to 5 years, above 6 to 9 years, above 10 to 14 years, and above 15 years. Table (4.1) shows that 6 respondents are working experience above 6 to 9 years, 16 are above 10 to 14 years, and 8 are above 15 years. No one who working experiences less than 5 years are involved in the study. In term of percent, 100% or all respondents have working experience at least 6 years.

In the analysis of their years of working experiences at present Myanmar Insurance, survey finds that 6 people are above 1_3 years, 7 people are above 3_6 years, 9 people are above 6_9 years, and 8 people are 10 years and above, respectively. In term of percent, no one respondents in the study is less than at least 1 year.

4.3 Understanding Competitive Strategies and Competitive Advantage.

In understanding competitive strategies and competitive advantage, it studies on the strategies orientation, strategies adopted, and how enterprise to achieve at strategic formulated by Myanmar Insurance. Respondents are asked to rate on the extent to which agreeable at understanding competitive strategies by using 5 Point-Likert scale, (1=never, 2- not sure, 3=moderate extent, 4= great extent, and 5=extreme extent), as follows.

4.3.1 Strengths of Myanmar Insurance

In understanding competitive strategies orientation, respondents' belief on their strategy is based on reactive to other firms' strategies, or proactive (makes own strategies before competition), or really develops competitive strategies. Table (4.2) shows the competitive strategies orientation of Myanmar Insurance, as follows.

Table (4.2) Competitive Strategies Orientation of Myanmar Insurance

Sr. No.	Statement	Total	Percent
1	Reactive to other firms' strategies	0	0%
2	Proactive (makes own strategies before competition)	9	30%
3	Really develops competitive strategies	21	70%
	Total	30	100%

Source: Survey data, 2019

Regarding to the competitive strategy's orientation, Myanmar Insurance does not practice reactive to other firms' strategies. Myanmar Insurance strategies deeply focuses on its own developing competitive strategies. Sometime, Myanmar insurance practices proactive strategies for initiating some insurance products that other private firms do not introduce yet.

4.3.2 Understanding Competitive Strategies Adopted

In understanding competitive strategies adopted, respondents' belief on their strategy is based on product/service differentiation, low cost strategies, or tailors Product/service to target markets strategies. Table (4.3) shows the competitive strategies orientation of Myanmar Insurance, as follows.

Table (4.3) Perceived Competitive Strategies Adopted of Myanmar Insurance

Sr. No.	Statement	Mean	St. Dev.
1	Product/service differentiation	23	77%
2	Low cost strategies	0	0%
3	Tailors Product/service to target markets	7	23%
	Total	30	100%

Source: Survey data, 2019

By the Table (4.3), it is found that most of the strategies adopted at Myanmar Insurance is product/service differentiation, sometime Myanmar Insurance uses Tailors Product/service to target markets. Since, having of the strong financial and Government background in Myanmar Insurance, it can service tailor product/services as well as factory, marine, and even at air insurance, at which, private insurance companies could not able to compete to Myanmar Insurance.

4.3.3 Achievement of Competitive Strategies Formulated

In understanding achievement of competitive strategies, respondents are asked to rate whether it is not sure, or never, or sometimes, or always. Table (4.4) shows the respondents' belief at reaching to competitive strategies of Myanmar Insurance, as follows.

Table (4.4) Reaching Competitive Strategies Formulated at Myanmar Insurance

Sr. No.	Statement	Mean	St. Dev.
1	Not Sure	0	0%
2	Never	0	0%
3	Sometimes	27	90%
4	Always	3	10%
	Total	30	100%

Source: Survey data, 2019

By the Table (4.4), it presents that Myanmar Insurance sometime achieve estimated to 90% to its formulated competitive strategies and always achieve its strategies with estimated to 10%.

4.4 Efficiency Assessment Practicing Analysis at Myanmar Insurance Competitive Environment.

The extent to which firm practicing competitive environment analysis is asked upon the following practices by using 5 Point-Likert scale, (1 = To a small extent. 2 = To some extent. 3 = To a moderate extent, 4= grate extent, 5= very great extent), as follows.

Table (4.5) Efficiency Assessment Practices at Competitive Environment

Sr. No.	Statement	Mean	St. Dev.
1	Evaluation of strengths and weaknesses	3.90	0.55
2	Evaluations of opportunities and threats	3.47	0.51
3	Formulation of goals and objectives	4.40	0.67
4	Formulation of long-range plans	3.67	0.48
5	Formulation of short-range plans	3.87	0.57
6	Formulation of planning process	3.90	0.55
7	Evaluation its Market competitive performance	4.03	0.67
	Overall mean	3.89	

Source: Survey data, 2019

By the Table (4.5), respondents reply the extent to which evaluation of strengths and weaknesses is practiced to a great extent (by mean value 3.9), evaluations of opportunities and threats (by mean value 3.47), formulation of goals and objectives with very great extent (mean value 4.40), formulation of long-range plans is practiced in the Myanmar Insurance with mean value 3.67 with great extent, formulation of short-range plans is practiced with mean value 3.87 with great extent, formulation of planning process is practiced in the Myanmar Insurance to a very great extent with mean value 3.90, evaluation its market competitive performance is practiced in the Myanmar Insurance with very great extent (mean value 4.03), respectively.

4.5 Understanding Myanmar Insurance Competitive Environment (SWOT-Analysis)

In understanding competitive environment analysis, it asks focusing the strengths of insurance firm, along with its weaknesses, opportunities in the insurance market, and threats frighten to the firm, are asked to respondents by using 5 Point-Likert scale, (1= Strongly Disagree, 2=Disagree, 3= Not sure, 4= Agree, 5=Strongly Agree), as follows.

4.5.1 Strengths of Myanma Insurance

Understanding the strengths of Myanmar Insurance that enhances Myanma Insurance to the competitive position, respondents are asked to rate on the extent to which of total 10 statements. The result from the analysis is shown in Table (4.6), as follows.

Table (4.6) Respondents' Rating on Strengths of Organization

Sr. No.	Statement	Mean	St. Dev.
1	Itself it is Government owned enterprise causes higher trust level among insures	3.97	0.49
2	Skills of Employees at insurance know-how	3.90	0.55
3	Financial resource at Myanma Insurance	4.03	0.41
4	Enough insurance Knowledge	3.93	0.58
5	Ability to do industry level insurance service	4.60	0.62
6	Technology transfer for insurance knowledge required to small and medium enterprises	4.50	0.63
7	Facility to operate nationwide	3.63	0.49
8	Abundant financial resources to be exploited for extending insurance service	4.20	0.55
9	Good Sympathy to do as government jobs	3.83	0.59
10	Increasingly work productivity	4.00	0.64
	Overall mean	4.06	

Source: Survey data, 2019

By the Table (4.6), the highest strength is organizational ability to do industry level insurance service and technology transfers for insurance knowledge required to small and medium enterprises with mean value 4.60 and 4.50. It is followed by abundant financial resources to be exploited for extending insurance service as the organizational strength with mean value 4.20. the lowest mean value is found as the facility to operate nationwide with mean value 3.63. The overall mean score 4.06, Therefore, respondents are strongly agree on that of the very high strengths at Myanma Insurance current position.

4.5.2 Weaknesses of Myanma Insurance

Understanding the weaknesses of Myanmar Insurance faced at Myanma Insurance to the competitive position, respondents are asked to rate on the extent to which of total 10 statements. The result from the analysis is shown in Table (4.7), as follows.

Table (4.7) Respondents' Rating on Weaknesses of Organization

Sr. No.	Statement	Mean	St. Dev.
1	Outdated insurance product and service	2.23	0.43
2	Customer response when applying for insurance cover'	3.07	0.78
3	Inadequate infrastructure,	2.80	0.61
4	Human capacity, Shortage of specialist	2.83	0.65
5	Financial capacity of enterprise	1.80	0.41
6	Absence of a strategic roadmap and master plan	1.67	0.48
7	Weakness in plan to encourage R&D	2.53	0.86
	Overall mean	2.42	

Source: Survey data, 2019

The highest weakness is found at customer response when applying for insurance cover with the mean value 3.07. The lowest level of weaknesses are found in financial capacity of enterprise and absence of a strategic roadmap and master plan, human capacity, weakness in plan to encourage R&D, shortage of specialist with all the mean values of 1.80, 1.67, 2.53, 2.83. The overall mean value of organization weakness is 2.42. Therefore, Myanma Insurance does not have many weaknesses.

4.5.3 Opportunities of Myanmar Insurance

Table (4.8) states the respondents' rating on current opportunities at Insurance Market as for Myanmar Insurance, as follows.

Table (4.8) Respondents' Rating on Opportunities at Insurance Market

Sr. No.	Statement	Mean	St. Dev.
1	Law liberalization is relationship to insurance industry development	4.07	0.45
2	Current competition level of Banks is decreasing now	3.93	0.58
3	Financial resource limitation at private owned insurance companies	3.73	0.64
4	High fire braking out (strong/ normal/ weak) relationship to insurance industry development	4.47	0.51
5	Climate change (strong/ normal/ weak) relationship to insurance industry development	4.00	0.74
6	High increase number at Motor Accident strong relationship to insurance industry development	4.73	0.58
	Overall mean	4.16	

Source: Survey data, 2019

The highest opportunity is found at the increasing in high increase number at Motor Accident strong relationship to insurance industry development with mean value 4.73 and followed by another opportunity of fire braking out strong relationship to insurance industry development with the mean value 4.47. The lowest level of opportunity is found in financial resource limitation at private owned insurance companies with mean value 3.73. The overall mean value of organization weakness is 4.16. Therefore, Myanmar Insurance has opportunities in current insurance industry.

4.5.4 Threats of Myanmar Insurance

To understand the threats threaten to Myanmar Insurance, respondents are asked with the question "What would you say are the main challenges threaten to Myanmar

Insurance in an effort to adopt and execute competitive strategies?’. Respondents’ reply is stated in Table (4.9), as follows

Table (4.9) Respondents’ Rating on Challenges Threaten to Myanmar Insurance

Sr. No.	Statement	Mean	St. Dev.
1	Technology	3.27	0.52
2	Social factors	3.30	0.70
3	Macroeconomic constraints	2.43	0.57
4	Being a government enterprise as red tape	2.60	0.56
5	Organization structure	3.53	0.63
6	Time constraint	3.73	0.69
7	Financial constraints	2.10	0.61
8	Growing competition between insurance organization	4.17	0.70
9	Lack of monitoring and evaluation on insurance frauds	2.53	0.57
	Overall mean	3.07	

Source: Survey data, 2019

By the Table (4.9), the highest threats which frighten to Myanmar Insurance is found at the increasing competition between insurance organization with mean value 4.17. The lowest threats is found as macroeconomic constraints with the mean value 2.43. The overall mean value is 3.07. Therefore, the threats which threatens to Myanmar Insurance is moderate extent effect and not very strong to the organization.

4.5.5 Compilation Analysis based on SWOT

After screening internal and external situational analysis, Table (4.10) reports on the summary and compiled report of SWOT analysis on Myanmar Insurance, as follows.

Table (4.10) Summary Compiled analysis based on SWOT Analysis

Sr. No.	Statement	Overall Mean
1	Strengths of Myanmar Insurance	4.06
2	Weaknesses of Myanmar Insurance	2.42
3	Opportunities of Myanmar Insurance	4.16
4	Challenges threaten to Myanmar Insurance	3.07

Source: Survey data, 2019

Table (4.10) is the summary report on that of SWOT Analysis. It shows that Myanmar insurance has strong strengths with mean value 4.06, having growing opportunities in insurance industry with mean value 4.16, lack of weaknesses with mean value 2.42, and moderate level challenges with mean value 3.07, respectively. For that, Myanmar Insurance should take other market opportunities while overcoming challenges by using its strengths and should have more endeavor to weaken its weaknesses, to compete growing private insurance companies.

4.6 Competitive Conditions Faced by Myanmar Insurance (Ps' 5 Forces Analysis)

In understanding Myanmar Insurance's competitive conditions faced by Myanmar Insurance is used Porter's Five Forces analysis of competitive conditions of bargaining power of customers, competitive conditions of rivalry among existing competitors in Myanmar insurance market, threats of substitutes services, and threats of new entrants to the insurance market, which are analyzed. Respondents are rating the extent to which degree of agreeable from 1= strongly disagreed, 2=disagreed, 3=could not tell, 4= agreed, 5=strongly agree by the use of Five-point Likert Scale measurement, as follows.

4.6.1 Competitive Conditions of Bargaining Power of Customers

Table (4.11) shows the industrial analysis on the bargaining powers of customers in Myanmar Insurance market, as follows.

Table (4.11) Bargaining Powers of Customers

Sr. No.	Statement	Mean	St. Dev.
1	There are large numbers of insurance clients	3.57	0.63
2	Number of insurance customers are increasing year by year.	4.03	0.61
3	There is an increase demand level for clients in the insurance industry	3.73	0.64
4	Insurance customers are easy to switch from one insurance company to another	4.10	0.66
5	Insurance customers are from different residential area	3.93	0.52
	Overall mean	3.87	

Source: Survey data, 2019

In this analysis, total 5 statements relating to bargaining powers of customers are analyzed. The highest bargaining power of customers is found at their behavior at that of they can easily switch from one insurance company to another with mean value 4.10. The lowest customer bargaining power is found as existing large numbers of insurance clients with mean value 3.57. The overall mean value is 3.87. Therefore, Myanmar insurance has high level of bargaining powers from the insurance customers.

4.6.2 Competitive Conditions of Rivalry among Existing Competitors

Table (4.12) shows the industrial analysis on rivalry among existing insurance market competitors, as follows.

Table (4.12) Rivalry among Existing Competitors

Sr. No.	Statement	Mean	St. Dev.
1	Qualities and services provided by existing insurance companies is differentiating from the others at present time.	4.07	0.64
2	There are intense competitions among current insurance industry in Myanmar	4.30	0.65
3	There are a large number of large sized insurance companies in the industry.	4.10	0.55
4	There is high exit barrier for a insurance company in the industry	3.93	0.58
	Overall mean	4.10	

Source: Survey data, 2019

The highest rivalry among existing insurance market competitors is found as intense competitions among current insurance industry in Myanmar with mean value 4.30. The lowest rivalry among existing insurance market competitors is high exit barrier for a insurance company in the industry with mean value 3.93. The overall mean value is 4.10. Therefore, Myanma insurance has high rivalry among existing insurance market competitors in the insurance market in Myanmar.

4.6.3 Competitive Conditions by the Threats of Substitutes Services

Table (4.13) shows the industrial analysis on threats frighten by substitute, as follows.

Table (4.13) Threats of Substitutes Services

Sr. No.	Statement	Mean	St. Dev.
1	There are many financial associations where people can easily substitute insurance covers from insurance companies	2.80	0.66
2	Many financial service providers provide a few insurance products and services	3.40	0.56
3	The interest rate of substitute product is beneficial than those of existing insurance products offered in the market.	2.63	0.67
4	Substitute insurance products can compete with existing insurance products function in the insurance industry	2.67	0.66
	Overall mean	2.88	

Source: Survey data, 2019

The highest threats frighten by substitute is found as many financial service providers provide a few insurance products and services with mean value 3.40. The lowest threats frighten by substitute is the interest rate of substitute product which is beneficial than those of existing insurance products offered in the market. with mean value 2.63. If insure does not buy insurance premium and may invest in bank for interest, it does not equal benefits as insurance cover (for example, if insure faces with property damage, insurance cover is more than interest on bank deposits). The overall mean value is 2.88. Therefore, Myanma insurance has lower threats frighten by substitute product/service among existing insurance market in Myanmar.

4.6.4 Competitive Conditions of Threats of New Entrants

Table (4.14) shows the threats of new entrants which will frighten to Myanma Insurance, as follows.

Table (4.14) Threats of New Entrants

Sr. No.	Statement	Mean	St. Dev.
1	There are potential new entrants who could enter the insurance industry, it challenges existing firm.	3.07	0.64
2	Capital requirements for those new entrants will be quite high to enter the insurance industry	4.03	0.49
3	New entrants can compete to the existing insurance companies in the insurance industry	3.77	0.57
4	New entrants can easily satisfy insurance customers with their new services	3.90	0.55
	Overall mean	3.69	

Source: Survey data, 2019

The highest threat of new entrants is found as the capital requirements for those new entrants will be quite high to enter the insurance industry with mean value 4.03. The lowest threats frighten by new entrants is There are potential new entrants who could enter the insurance industry, it challenges existing firm with mean value 3.07. The overall mean value is 3.69. Therefore, Myanmar insurance has high threats frighten by new entrants such as foreign insurance company to enter to existing insurance market in Myanmar.

4.7 Summarizing the Competitive Conditions Faced by Myanmar Insurance (Ps' 5 Forces Analysis)

In understanding of the detail forces, Table (4.15) is the summary report on that of industrial analysis. In this analysis, the bargaining power of suppliers does not study since Myanmar Insurance is one of the Government subsidized enterprises, and thus, the following is only focused on that of other four variables namely: Competitive Conditions of Bargaining Power of Customers, Competitive Conditions of Rivalry among Existing Competitors, Competitive Conditions of Threats of Substitutes Services, and the competitive conditions of threats of new entrants, which are stated as follows.

Table (4.15) Summary Analysis on Competitive Conditions Faced by Myanmar Insurance

Sr. No.	Statement	Mean
1	Competitive Conditions of Bargaining Power of Customers	3.87
2	Competitive Conditions of Rivalry among Existing Competitors	4.10
3	Competitive Conditions of Threats of Substitutes Services	2.88
4	Competitive Conditions of Threats of New Entrants	3.72

Source: Survey data, 2019

By the Table (4.15), the highest mean score is found as competitive conditions of rivalry among existing competitors with the mean value of 4.10. And thus, the insurance industry in Myanmar is found as very competitive conditions among its insurance companies. The higher mean value is also found as competitive conditions of the threats of new entrants with mean value 3.72. And thus, Myanmar Insurance accepts they have challenges by possible new insurance companies like from foreign entering to Myanmar by acquisition, or merger or Joint Venture, or such a way like that. The higher mean value is also found as competitive conditions of bargaining power of customers with the mean value 3.87. And thus, current insure would be easily to shift from one insurance company to another company. The lowest mean value 2.88 is found as the threats of substitute services. And thus, Myanmar Insurance believes the insurance market is not very easy to enter.

4.8 Competitive strategies adopted by Myanmar Insurance

After screening the competitive environment of Myanmar Insurance, further analysis is focusing on that of that what kind(s) of strategies adopted by Myanmar Insurance. In the last part, it further examines how current strategies contributed to Myanmar Insurance, and what extent the effect of competitive advantage to Myanmar Insurance, as follows.

4.8.1 Strategies adopted by Myanmar Insurance

Table (4.16) states the strategies adopted by Myanmar Insurance. In this analysis, respondents are asked to response the weather competitive strategy used at

Myanma Insurance Enterprise is cost leadership strategy or product/service differencing strategy or focus to a niche strategy. Respondents' answers are listed below.

Table (4.16) Strategies adopted by Myanma Insurance

Sr. No.	Statement	Mean	St. Dev.
1	The competitive strategy used at Myanma Insurance Enterprise is cost leadership strategy	3.13	0.57
2	The competitive strategy used at Myanma Insurance Enterprise is product/service differencing strategy	4.37	0.61
3	The competitive strategy used at Myanma Insurance Enterprise is focus to a niche strategy	4.43	0.57

Source: Survey data, 2019

After analyzing on that of situation analysis and industrial analysis on that of inside and surrounded by Myanma Insurance, all the respondents have strongly agree on that of their current market strategy is focus to a niche strategy with highest mean value 4.43. The second most high agreeable on the use of market penetration strategy is the differentiating at its product/service with higher mean value 4.37. The lowest mean value is found as the practice of low-cost strategy.

That is, the insurance premium would not cheaper than other insurance companies, whereas, there have industry insurance, marine insurance, air insurance, which all are very difficult to other private insurance companies to accept insurance cover for its financial capital constraints.

4.8.2 Strategies contributed to Myanma Insurance

To understand what extent has the following strategies contributed to Myanma Insurance's competitive advantage, respondents are asked to answer how other viable competitive strategies assist the firm gain competitive advantage. Their response are listed in Table (4.17), as follows.

Table (4.17) Strategies Contributed to Myanmar Insurance

Sr. No.	Statement	Mean	St. Dev.
1	Stricter insurance regulatory framework	3.27	0.64
2	Improved distribution networks	4.17	0.59
3	Mass consumer education or awareness	4.37	0.61
4	Service standards by all brokers in the industry	4.43	0.63
5	Improved Customer service	4.27	0.58
6	Review of products and services provided	4.23	0.57
7	Adoption of information & communication technology	3.27	0.52
8	Changes to the pricing strategy	3.40	0.56
9	Perception or image of the insurance industry	4.40	0.62
10	Improved corporate governance	3.57	0.50
11	Aggressive marketing strategies	4.20	0.55
12	Mergers and Acquisition	3.47	0.57
13	Expansion and Diversification of products & markets	3.93	0.58
	Overall mean	3.92	

Source: Survey data, 2019

The highest contributed strategy is found as service standards by all brokers in the industry with the highest mean 4.43. The lowest contributed strategies are found as adoption of information & communication technology as well as on the stricter insurance regulatory framework with mean value of 3.27. The overall mean value 3.92, is indicating that the agreeable of the majority of respondents that their rating the extent to which strategies have contributed to current Myanmar Insurance' competitive advantage.

Respondent agreed that improve distribution network, i.e., the open more Myanmar Insurance branches would contribute current competitive advantage strategies to great extent with mean value 4.17, Mass consumer education or awareness would contribute to great extent with mean value 4.37, improved customer service to great extent with mean value 4.27, review of products and services provided would contribute to great extent with mean value 4.23, Changes to the pricing strategy would contribute to some greater extent with mean value 3.40, Perception or image of the insurance industry would contribute to

great extent with mean value 4.40, improved corporate governance would contribute to some great extent with mean value 3.57, aggressive marketing strategies would contribute to great extent with mean value 4.20, mergers and acquisition would contribute to some great extent with mean value 3.47, and the expansion and diversification of products & markets would contribute to great extent with mean value 3.93, respectively.

4.8.3 Effect of competitive advantages to Myanmar Insurance

To conclude the study of the effect of competitive advantage to competitive strategies adopted at Myanmar Insurance, respondents are asked to rate on the extent to which adoption of current strategies has effect of competitive advantage. Their answers are listed in Table (4.12), as follows.

Table (4.18) Effect of Competitive Advantages

Sr. No.	Statement	Total respondents	Percent
1	Not at All	0	0%
2	Little Extent	0	0%
3	Moderately	11	37%
4	High Extent	12	40%
5	Very High Extent	7	23%

Source: Survey data, 2019

By the Table (4.18), 63% of all the respondents agreed on that of the great extent effect of competitive advantages resulting from these competitive strategies adopted at Myanmar Insurance.

CHAPTER V

CONCLUSION

This study is intended to examine the effect of the adopted strategies adopted by Myanmar Insurance. In this chapter, it concludes on that of the survey analyses with findings and discussion, suggestions and recommendations, need for further studies, which are stated as follows.

5.1 Findings and Discussion

The first analysis is made on that of the composition of demographic profiles of respondents. By the analysis on the demographic profiles of respondents in term of gender composition, female is more than male composition because the more number of women officers than man officer in the Myanmar Insurance. In the analysis on age composition, almost all respondents are over 35 years and thus, their maturity age would be assumed to reply more correct answers for survey questions. Education level analysis also finds that all have graduated and already finished insurance diploma from basic to advance level. In the Myanmar Insurance, there are 87 number of officers and 731 number of staff, however, for the strategic management, survey is only focused on the officers' level from above assistant manager position. Respondents working experiences also show that they have already at least 6 years above and their working services years at current Myanmar Insurance also found as for more that one year and most are over 3 years already. Their long working experiences also are showing that the obtained survey result would assume to be more reliable answers in this study.

By the efficiency assessment questions, respondents are asked to what extent their agreeable on that their organization adopted the practices in that of strategy formulation, evaluation of industrial analysis. In this analysis, survey finds that the evaluation of goals and objectives and market competitive performance, and formulation of planning process are being practices in Myanmar Insurance with very much great extent, and evaluation of strengths and weaknesses, and formulation of short-range plans are found as being practices in Myanmar Insurance with great extent. However, the evaluation of opportunities and threats and formulation of long-range plans are being practicing with moderate extent.

Regarding to the analysis on the organization practices at SWOT on that of internal strengths and weaknesses, and external opportunities and threats, survey finds out that having of Myanmar insurance for its strong strengths, having growing opportunities in insurance industry, little of weaknesses but moderate level challenges by the domestic insurance companies.

Survey also trying to understand Myanmar Insurance's competitive conditions faced by Myanmar Insurance (P's Five Forces). From the survey findings, the authorities are agreed on that of intense competitive conditions of rivalry among existing competitors with the great extent challenges. Myanmar Insurance also accepts having the threats of new entrants with the great extent, and becoming high bargaining power of customers because of they are easily swift to others, but lower agreeable to the threats of substitute services because the insurance market is not very easy to enter by a common firm. Myanmar Insurance accepts they have challenges by possible new insurance companies like from foreign entering to Myanmar by acquisition, or merger or Joint Venture, or such a way like that.

In the study at the competitive strategies adopted by Myanmar Insurance, it is analyzed focusing on that of that what kind(s) of strategies adopted by Myanmar Insurance. By the analysis, survey finds out that the strategies adopted by Myanmar Insurance is not focused on cost leadership strategy. It more focusing on product/service differencing strategy and focusing to a niche strategy. That is, the insurance premium would not cheaper than other insurance companies, whereas, there have industry insurance, marine insurance, air insurance, which all are very difficult to other private insurance companies to accept insurance cover for its financial capital constraints.

To understand what extent strategies contributed to Myanmar Insurance's competitive advantage, survey finds out that service standards by all brokers in the industry and. improving distribution network, i.e., the open more Myanmar Insurance branches would contribute current competitive advantage strategies at Myanmar Insurance organization. Mass consumer education or awareness, improved customer service, review of products and services provided, aggressive marketing strategies, with all are also great extent to contribute to existing Myanmar Insurance strategies to the competitive advantage with very much great extent.

Whereas, insurance companies are some what extent the importance of adoption of information & communication technology, Changes to the pricing strategy, increase perception or image of the insurance industry, improved corporate governance, acquisition strategy, as well as on the stricter insurance regulatory framework, that all would be contributed to current strategies to be competitive advantages with some great extent.

To conclude the study of the effect of competitive advantage to competitive strategies adopted at Myanmar Insurance, survey finds out that there will be the great extent effect of competitive advantages resulting from these competitive strategies adopted at Myanmar Insurance.

5.2 Suggestions and Recommendations

After studying the competitive strategies adopted by Myanmar Insurance together with its environmental analysis, situational analysis, the following suggestions and recommendations are made, as follows.

Regarding to the efficiency assessment questions regarding to what extent their organization adopted the practices in that of strategy formulation, evaluation of industrial analysis, it would be strongly recommended on that of current practicing on that of the evaluation on that of organization's strengths and weakness, formulation of long goals and objectives, also having short term plans and planning processes, also to evaluation its Market competitive performance. Whereas, it could be suggested firm should be more practicing at the formulation of long-term planning so as to the sustainable for Myanmar Insurance organization and which would be encourage to firm to have more competitive advantage in the insurance industry.

Regarding to the analysis on the organization practices at SWOT on that of internal strengths and weaknesses, and external opportunities and threats, it is strongly recommended that for its having of strong strengths, Myanmar Insurance should extend their market to grasp the growing market opportunities in insurance industry by means of fire breaking out and high rate of vehicle accidents, on the other hands, there has very little of weaknesses. For its strengths at Myanmar Insurance, it is strongly believing that Myanmar Insurance can sustain for long years while meeting challenges by the domestic insurance companies.

Regarding to the industrial analysis by means of Porter's five forces, survey also recommended to Myanmar Insurance the new formulated strategies from the analysis of SWOT would be competitive to the external competitors like GGI, FNI, AYA Myanmar Insurance, Aung Thit Sar Oo, and many others rivals with its strong competitive positions. Whatever Myanmar Insurance has strong financial background, it is still depending upon the re-insure to abroad to mitigate the risk from big insure of factories, air plane, and so on. Myanmar Insurance should be aware the higher bargaining power of customers and growing numbers of rivalry among existing industry. Myanmar Insurance should also look at threats by market entry by new entrants. But not necessary for substitute products as important because of insurance itself has very beneficial to people and business organizations for the remedy of the losses.

Among the major three strategies of marketing penetration, Myanmar Insurance has found as already focusing on focus to a niche market strategy and product/service differentiating strategy for its capabilities to afford to accept of insurance for manufacturing factories and ships. However, it would be suggested that Myanmar Insurance should review to some insurance/product so as to involve more insure to expanding the existing insurance market in Myanmar.

Regarding to the last analysis on that of the strategies to what extent contributed to Myanmar Insurance's competitive advantage, it is recommended that current strategies effective contribution by means of improved distribution networks, mass consumer education or awareness, Service standards by all brokers in the industry, improved customer service, review of products and services provided, Perception or image of the insurance industry, improved corporate governance, and aggressive marketing strategies, which all are contributing to very great extent contribution to the current Myanmar Insurance and it could be suggested that Myanmar Insurance should adopt information & communication technology, and some changes such as reviewing the pricing strategy, promoting firms image, improved corporate governance, acquisition strategy, that all would contribute more to current strategies to be more competitive advantages at with very high great extent.

In conclusion, it could be suggested that Myanmar Insurance should take some market opportunities while overcoming challenges by using its strengths and should have more endeavor to weaken its weaknesses, to compete growing private insurance companies.

5.3 Needs for Further Studies

This study is to examine the insurance products and services provided by Myanmar Insurance and determines the opportunities and challenges faced by Myanmar Insurance. After that it analyzes its competitive strategies adopted by Myanmar Insurance which enhance competitive advantages in insurance industry. So that, this study is only liable for strategic adopted by Myanmar Insurance and not relative to the other insurance firms. To understand the whole industrial strategies practicing, further studies are needed to extend to other insurance firms. For being Myanmar Insurance itself is Government owned enterprise and thus, this study does no include analysis on the general environmental analysis like PESTL. And the industrial analysis, this study does not focus on suppliers to the Myanmar Insurance. For that, further study like private insurance companies, should consider to conclude analyses on these external variables.

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Yangon University of Economics
Department of Commerce
Master of Banking and Finance Programme
Survey Questionnaire

A Study on Competitive Strategies of Myanmar Insurance

I am an MBF candidate from Yangon University of Economics. This study is the partial fulfillment of the requirements for the degree "Master of Banking and Finance". You are kindly requested to participate this survey. It will take about 5 to 10 minutes to complete answering the questions.

Your response will be completely anonymous and confidential, and sought exclusively for the completion of my MBF research paper. It is assured that the data will be combined and analyzed as a whole, and no individual data will be reported.

Thank you very much for your kind participation.

Hla Myo Thant

Roll No. 7

MBF 5th Batch

Yangon University of Economics

Section (A) General Information

1. Gender total
 - Male
 - Female
2. Age
 - Between 18 to 25 years old
 - Above 26 to 35 years old
 - Above 36 to 45 years old
 - Above 46 to 55 years old
 - Above 55 years old
3. Education
 - Under graduate
 - Graduate
 - Post graduate and master
 - Doctorate level
4. Respondent's position...
 - Director and above level
 - GM, Deputy GM, & Senior Management level
 - Manager, Assistant Manager
 - Non-manager position
5. Working Experience
 - Less than 3 years
 - Above 3 to 5 years
 - Above 6 to 9 years
 - Above 10 to 14 years
 - Above 15 years
6. Number of years of service with that Myanmar Insurance
 - Less than 1 years
 - Above 1_3 years
 - Above 3_6 years
 - Above 6_9 years
 - 10 years and above

Section (B): Competitive Strategies and Competitive Advantage

1. How would you describe the competitive strategies orientation of your firm?
 - Reactive to other firms' strategies
 - Proactive (makes own strategies before competition)
 - Really develops competitive strategies
2. Kindly indicate competitive strategies adopted by your firm in terms of-
 - Product/service differentiation
 - Low cost strategies
 - Tailors Product/service to target markets
3. **How often does your firm achieve at the strategies formulated?**
 - Not Sure
 - Never
 - Sometimes
 - Always

Section (C) Efficiency Assessment Questionnaire (EAQ)

7. **To what extent has your firm been practicing the following using 5 Point-Likert scale where:**

Never	Not sure	Moderate extent	great extent	extreme extent
1	2	3	4	5

Sr.	Particular	Never	Not sure	Moderate extend	great extent	extreme extent
1	Evaluation of strengths and weaknesses	1	2	3	4	5
2	Evaluations of opportunities and threats	1	2	3	4	5
3	Formulation of goals and objectives	1	2	3	4	5
4	Formulation of long-range plans	1	2	3	4	5
5	Formulation of short-range plans	1	2	3	4	5
6	Formulation of planning process	1	2	3	4	5
7	Evaluation its Market competitive performance	1	2	3	4	5

Section (D) Understanding Myanmar Insurance Competitive Environment.

(SWOT Analysis)

1. Strengths of Myanmar Insurance

1= Strongly Disagree, 2=Disagree, 3= Not sure, 4= Agree, 5=Strongly Agree

Sr. No.	Statement	Agreeable Level				
		1	2	3	4	5
1	Itself it is Government owned enterprise causes higher trust level among insures	1	2	3	4	5
2	Skills of Employees at insurance know-how	1	2	3	4	5
3	Financial resource at Myanma Insurance	1	2	3	4	5
4	Enough insurance Knowledge	1	2	3	4	5
5	Ability to do industry level insurance service	1	2	3	4	5
6	Technology transfer for insurance knowledge required to small and medium enterprises	1	2	3	4	5
7	Facility to operate nationwide	1	2	3	4	5
8	Abundant financial resources to be exploited for extending insurance service	1	2	3	4	5
9	Good Sympathy to do as government jobs	1	2	3	4	5
10	Increasingly work productivity	1	2	3	4	5

2. Weaknesses of Myanmar Insurance

Sr. No.	Statement	Agreeable Level				
		1	2	3	4	5
1	Outdated insurance product and service	1	2	3	4	5
2	Customer response when applying for insurance cover'	1	2	3	4	5
3	Inadequate infrastructure,	1	2	3	4	5
4	Human capacity, Shortage of specialist	1	2	3	4	5
5	Financial capacity of private enterprise	1	2	3	4	5
6	Absence of a strategic roadmap and master plan	1	2	3	4	5
7	Weakness in plan to encourage R&D	1	2	3	4	5

3. Opportunities of Myanmar Insurance

Sr. No.	Statement	Agreeable Level				
		1	2	3	4	5
1	Law liberalization is relationship to insurance industry development	1	2	3	4	5
2	Current competition level of Banks is decreasing now	1	2	3	4	5
3	There are large number of small, medium size of banks	1	2	3	4	5
4	Current competition level of Banks is decreasing now	1	2	3	4	5
5	Financial resource limitation at private owned insurance companies	1	2	3	4	5
6	High fire braking out (strong/ normal/ weak) relationship to insurance industry development	1	2	3	4	5
7	Climate change (strong/ normal/ weak) relationship to insurance industry development	1	2	3	4	5
8	High increase number at Motor Accident (strong/ normal/ weak) relationship to insurance industry development	1	2	3	4	5

4. What would you say are the main challenges threaten to Myanmar Insurance in an effort to adopt and execute competitive strategies?

Sr.	Particular	Yes	No	Percent
1	Technology			
2	Social factors			
3	Macroeconomic constraints			
4	Being a government enterprise as red tape			
5	Organization structure			
6	Time constraint			
7	Financial constraints			
8	Growing competition between insurance organization			
9	Lack of monitoring and evaluation on insurance frauds			

**Section (E) Understanding Myanmar Insurance's Competitive Conditions Faced by
Myanma Insurance**

1. Competitive Conditions of Bargaining Power of Customers

Sr. No.	Statement	Agreeable Level				
		1	2	3	4	5
1	There are large numbers of insurance clients	1	2	3	4	5
2	Number of insurance customers are increasing year by year.	1	2	3	4	5
3	There is an increase demand level for clients in the insurance industry	1	2	3	4	5
4	Insurance customers are easy to switch from one insurance company to another	1	2	3	4	5
5	Insurance customers are from different residential area	1	2	3	4	5

2. Competitive Conditions of Rivalry among Existing Competitors

Sr. No.	Statement	Agreeable Level				
		1	2	3	4	5
1	Qualities and services provided by existing insurance companies is differentiating from the others at present time.	1	2	3	4	5
2	There are intense competition among current insurance industry in Myanmar	1	2	3	4	5
3	There are a large number of large sized insurance companies in the industry.	1	2	3	4	5
4	There is high exit barrier for a insurance company in the industry	1	2	3	4	5

3. Competitive Conditions of Threats of Substitutes Services

Sr. No.	Statement	Agreeable Level				
		1	2	3	4	5
1	There are many financial associations where people can easily substitute insurance covers from insurance companies	1	2	3	4	5
2	Many financial service providers provide a few insurance products and services	1	2	3	4	5
3	The interest rate of substitute product is beneficial than those of existing insurance products offered in the market.	1	2	3	4	5
4	Substitute insurance products can compete with existing insurance products function in the insurance industry	1	2	3	4	5

4. Competitive Conditions of Threats of New Entrants

Sr. No.	Statement	Agreeable Level				
		1	2	3	4	5
1	There are potential new entrants who could enter the insurance industry	1	2	3	4	5
2	Capital requirements for those new entrants will be quite high to enter the insurance industry	1	2	3	4	5
3	New entrants can compete to the existing insurance companies in the insurance industry	1	2	3	4	5
4	New entrants can easily satisfy insurance customers with their new services	1	2	3	4	5

Section (D) Competitive strategies

1. Strategies adopted by Myanma Insurance

Sr. No.	Statement	Agreeable Level				
		1	2	3	4	5
1	The competitive strategy used at Myanma Insurance is cost leadership strategy	1	2	3	4	5
2	The competitive strategy used at Myanma Insurance is product/service differencing strategy	1	2	3	4	5
3	The competitive strategy used at Myanma Insurance is focus to a niche strategy	1	2	3	4	5

2. To what extent has the following strategies contributed to Myanma Insurance's competitive advantage: (Other viable competitive strategies assist the firm gain competitive advantage)

(The respondents were required to rate this extent on a scale 1 = not sure, 2 = never, 3 = moderate extent, 4 = great extent and 5 = extreme extent)

Sr.	Particular	1	2	3	4	5
1	Stricter insurance regulatory framework					
2	Improved distribution networks					
3	Mass consumer education or awareness					
4	Service standards by all brokers in the industry					
5	Improved Customer service					
6	Review of products and services provided					
7	Adoption of information & communication technology					
8	Changes to the pricing strategy					
9	Perception or image of the insurance industry					
10	Improved corporate governance					
11	Aggressive marketing strategies					
12	Mergers and Acquisition					
13	Expansion and Diversification of products & markets					

3. How would you rate on the extent to which adoption of current strategies has effect of competitive advantage?

Effect of competitive advantage

- Not at All
- Little Extent
- Moderately
- High Extent
- Very High Extent

Thank You for Your Time