Analysis of Strategies to Enhance the Competitiveness of Financial Insurance Companies

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Abstract: China's social productivity is on the rise, and people have higher demands for quality of life, which brings new opportunities for the financial insurance industry. However, it also exposes numerous problems, leading financial insurance companies into a predicament. Therefore, it is necessary to enhance their competitiveness in a timely manner and steadily move forward in this favorable situation. Financial insurance enterprises need to discern the future development trends, examine past work patterns, identify shortcomings, and make targeted improvements to find the key to enhancing competitiveness. This article scientifically and reasonably analyzes the current situation and formulates targeted competitive strategies, enabling enterprises to establish a firm foothold in an increasingly fierce market.

Insurance is a virtual product without a tangible form, but it has a certain connection with consumption and affects production to varying degrees. Therefore, insurance companies need to consider from the perspective of consumers and recognize that the current competition has shifted to talent competition. It is necessary to achieve practical and effective innovation in products through the recruitment of professional talents. Additionally, in combination with the actual situation of the enterprise, the ability to expand in the market should be enhanced, and the insurance industry chain should be broadened through digital technology to overcome the current competitive predicament and improve overall operational efficiency.

1. Key Factors for Enhancing Competitiveness of Financial Insurance Companies

The financial insurance industry covers multiple fields and has a strong breadth, already integrating into various industries. Although it lacks physical form, it requires commitment for performance, thus presenting varying degrees of risk and complexity. Asymmetry of valuable information often occurs in transactions. Meanwhile, the diversified demands of consumers require financial insurance companies to have high talent requirements. Meeting the consumer psychology through innovative approaches is the key to enhancing overall competitiveness. Furthermore, emerging financial institutions are intensifying the competition for talent. The expansion of the financial insurance industry chain requires innovative talents capable of diverse positioning, aligning with the needs of enterprise advancement, and enhancing overall competitiveness.[1]
2. Current Competitive Status of Financial Insurance Companies

Firstly, some financial insurance companies have established their own brand image and accumulated a fixed customer base through practical experience. However, foreign-funded enterprises attract numerous customers with their brand advantages, placing pressure and challenges on domestic financial insurance companies. It is necessary to construct multidimensional brand development and enhance user stickiness. Secondly, China's financial insurance companies, driven by foreign-funded enterprises, exhibit similarities without distinctive features. Traditional products dominate, while innovation in new products is insufficient, leading to stagnation in the development process. Thirdly, investment channels are relatively narrow, and the profitability of most companies relies on underwriting, indicating a need to improve the operational efficiency of capital management. Finally, financial insurance companies lack the network system required for development in the new era. Their marketing strategies lack specificity in practice, and small-scale enterprises struggle to stand out in an international environment, resulting in a disadvantaged competitive position and insufficient market expansion capability.

Currently, the domestic insurance industry in China has shifted from price competition, product competition, and individual competition to value competition, service competition, and network competition. Although Chinese insurance companies have made innovations in individual marketing systems, bank-insurance cooperation, dividend products, liability insurance products, and other areas, their overall innovation capabilities are still relatively weak. Many times, consumers do not purchase insurance because there are simply no suitable insurance products available in the market. There is a need for continuous innovation in systems and mechanisms, organizational systems and development models, products and services, business management and sales methods, as well as insurance regulation and control methods. It is important to fully leverage the role and vitality of insurance companies in innovation, and continue to explore the establishment of intellectual property protection systems for insurance products, as well as improve innovation incentive mechanisms. It is necessary to properly balance the promotion of innovation and strengthened regulation. This involves providing better support and guidance for insurance innovation while effectively preventing potential risks that may arise from innovation.

3. Enhancing the Competitiveness of Financial Insurance Companies.

3.1 Encourage innovation to meet market demands

In the new era, financial insurance companies need to firmly establish themselves in the current environment by innovating their products. They should develop products that align with consumers' psychology and meet the diverse needs of the market. Firstly, before embarking on innovation, it is important to conduct research on existing products, understand their actual situation, and utilize digital technology for scientific integration and analysis. This will facilitate the development of targeted strategies that cater to consumers' needs. Secondly, when innovating new insurance products, companies should predict their potential and long-term prospects effectively using advanced concepts and big data. They should also eliminate factors that may disrupt new products and develop versatile insurance policies that ensure reasonability and long-term effectiveness. Lastly, after the development of new products, extensive promotion is crucial. Through standardized operations and orderly dissemination, companies can showcase the effectiveness and unique value of the new products, thereby meeting market demand. Financial insurance companies should also recruit specialized talents, enhance their business capabilities through competitive recruitment practices, and align individual achievements with the company's performance to achieve mutual progress and enhance overall competitiveness. [2]
3.2 Align with reality and strengthen expansion capabilities

With advancing information technology, financial insurance companies should seize the pulse of the times in the current new opportunities and align them effectively with their actual conditions. They should employ diverse methods to enhance market expansion capabilities. Companies need to understand the current environment and expand the market scope with a sense of urgency. This can be achieved by establishing models such as telephone insurance and direct sales through media and telephone, or by introducing internet insurance for product promotion. This will create a comprehensive sales model that offers convenience to consumers, meets their real needs, and leads to a networked insurance industry. Companies should explore and utilize the advantages of information technology, conduct meticulous analysis of the market and consumer psychology, identify potential users, and effectively expand their service coverage to meet the needs of different consumer groups. By recruiting professional talents and developing markets accordingly, financial insurance companies can adhere to professional ethics and basic principles, enhance their credibility, and emerge from the current competitive dilemma.[3]

3.3 Optimize structure and improve operational efficiency

In the new era, the capital structure of financial insurance companies reveals deficiencies and lagging behind. Therefore, it is necessary to optimize the overall capital structure and keep operational plans and methods up-to-date with the characteristics of the times. Firstly, targeted transformations should be implemented for existing shareholding systems to avoid blind changes. Companies can try to attract funds from multiple sources, expand the shareholding proportion, and enhance their competitiveness. Secondly, by leveraging their strengths, companies can strengthen communication with large enterprises in the market, form strong alliances in the new era, or acquire smaller insurance companies based on their actual situations. These measures will consolidate the company's capital strength and support the improvement of competitiveness. Thirdly, to effectively reduce industry self-protection, companies can seek assistance from large corporations through comprehensive investigations, relying on conglomerates to enhance their competitiveness. Financial insurance companies should continuously optimize their capital structure in practice, bridge the gap in operations, and improve operational efficiency.

3.4 Broaden distribution channels and introduce diverse insurance products

With the advancement of society, connections between industries are gradually strengthening, and information is being widely shared. In response, financial insurance companies should broaden their distribution channels, appropriately introduce new insurance products, dare to try new approaches, and showcase their own style and unique advantages, attracting consumers from different segments and enhancing long-term customer loyalty. For example, with the emphasis on the automotive industry in the new era, financial insurance companies can integrate insurance with various aspects of automobile production. Firstly, it can reduce the costs associated with subsequent automobile transactions. Secondly, it can reduce operational risks in auto insurance and have the capacity to innovate or explore potentially profitable insurance products, achieving "depth" in product development to meet diverse customer needs and enhance business performance. Lastly, it can expand the sales channels for insurance products, achieving "breadth." Simultaneously, financial insurance companies actively negotiate with automobile sales companies to form future collaborative solutions, aligning with market demand and creating a complete and robust new industry chain. Under collaborative cooperation, insurance companies can achieve favorable returns, and automobile sales will increase, resulting in a win-win situation and the promotion of
competition within multiple industry chains.

### 3.5 Creating a Brand and Building a New Image

Building a strong brand and establishing a unique corporate culture are essential for financial insurance companies to showcase their strength and differentiate themselves in the market. It is crucial for companies to leverage the power of their brand and demonstrate their advantages, enabling them to stand out and gain more market share in the new era. Creating an independent brand and unleashing its potential will greatly enhance competitive strength. Financial insurance companies should embrace an enterprising spirit, face the challenges of the new era with a positive mindset, prioritize people-oriented approaches, and allocate human resources scientifically to align employees' basic rights with the needs of the company. By fostering employee enthusiasm, improving themselves, and creating an atmosphere of "surpassing," overall cohesion will be strengthened. Additionally, innovation in insurance types based on consumers' evolving needs at different stages is essential. Companies should establish distinctive insurance products that reflect their brand's effectiveness, enabling them to steadily progress in the increasingly fierce market competition. Lastly, financial insurance companies should no longer rely on price wars to attract consumers' attention but focus on enhancing their overall image and brand development. Simultaneously, investing in employee development through various training programs will uplift their mindset, regulate their behavior, strengthen their information skills, and effectively communicate the company's philosophy and culture. Establishing a company website, utilizing platforms such as WeChat and QQ for multi-faceted and wide-ranging promotion, and creating a brand effect will elevate the overall competitiveness.

### 3.6 Risk Prevention and Overcoming Competitive Challenges

Companies need to have a comprehensive understanding of the current competitive landscape, examine the flow of funds, and maintain control over underwriting and other processes. They should make targeted adjustments and establish a robust control system, ensuring standardization through strict regulations. Financial insurance companies should also learn from successful operational strategies of foreign companies and implement multi-faceted risk prevention measures to safeguard their progress and break through existing challenges. Additionally, they should develop specialized systems that align with their own needs through practical experience, addressing previous bottlenecks and catering to consumer preferences. This will enhance overall competitiveness to a certain extent. When mitigating risks, companies should selectively learn from the experiences of established insurance companies in the market but not blindly imitate them.

### 3.7 Innovation Focus Areas for Insurance Companies

Various signs indicate that, based on improving corporate governance structure and enhancing innovation, Chinese insurance companies should focus on three key areas: extending insurance services, transforming growth patterns, and advancing comprehensive operation pilot programs. Market analysts suggest that the development experience of Western countries, such as Europe and the United States, indicates that "some leading insurance companies not only have advantages in product development and pricing but also enhance their competitiveness by increasing the added value of their insurance products through extending services."

Regarding the current situation of Chinese insurance companies, the analyst believes that the first step is to create a favorable external environment for the development of insurance extension services. The government should provide policy support to ensure the safe and effective
implementation of insurance extension services, while regulatory authorities should strengthen supervision and management to ensure orderly implementation. Secondly, internal insurance extension service systems should be established within insurance companies, emphasizing personnel training to enhance the quality of insurance extension services. Additionally, increased technological investment should be made to elevate the technological content of insurance extension services, expand service offerings, and demonstrate differentiation and humanization in insurance extension services.

4. Conclusion

In the new era, financial insurance companies, armed with advanced concepts, need to conduct effective analysis of their current challenges. They should recognize that their competitiveness holds significant potential for propelling their progress in the competitive environment. It is crucial to utilize various means to maximize and enhance this virtual resource. In practice, financial insurance companies should take a long-term view of their shortcomings, mitigate potential risks, overcome bottlenecks, optimize capital structure, attract diverse sources of funding, and improve operational efficiency to consolidate their capital. By leveraging innovative thinking, they can develop new products, enhance overall competitiveness, and keep pace with the trends of the times.

References