

# Impacts of Blue Ocean Strategy on Creativity in the Insurance Industry

Amir Bayat

Master of Business Administration, Payame Noor University of Western Tehran Branch, Tehran, Iran

**Abstract:** This study seeks to assess the impacts of the Blue Ocean Strategy (BOC) on creativity in the Iranian insurance industry. Insurance companies have engaged in a bloody race in Iran without considering the specific, crucial components of the service industry, leading to a red ocean in the insurance industry. Hence, it is essential to adopt innovation strategies and eliminate unnecessary activities in order to focus on the real demand of customers as the core of the business and lay the ground to implement the blue ocean of the industry through value innovation. This study assessed the BOS dimensions, i.e., eliminate-reduce-raise-create (ERRC). A descriptive survey approach was adopted to investigate the hypotheses and answer the questions of the study. Dana Insurance Company was selected as the case study. Questionnaires were handed out to the employees and agencies of Dana Insurance in order to analyze the BOS dimensions. The importance of the ERRC dimensions was found to be in the *raise>create>eliminate>reduce* order.

**Keywords:** Strategy, Blue ocean strategy, Creativity, Innovation

## Introduction

A large fraction of Iranian businesses are possibly on the verge of bankruptcy. This is due to the expansion of the global recession and its impacts on most countries, including Iran, probable membership of Iran in the World Trade Organization (WTO), gaps between Iranian and international businesses, and the absence of creative, effective solutions from these businesses. In such a heavily competitive space, the increasing number of competitors reduces the market share, profits, and growth. In today's business world, organizations need to successfully swim in red oceans by obtaining advantages over their competitors. Red oceans are solid facts in all businesses; however, since supply is higher than demand in most industries, competing for a certain share of the market is necessary, although it would not ensure excellent organizational performance over a long period. In such critical circumstances, old-fashioned managerial solutions, or even good solutions that have not been adopted in Iranian businesses, could no longer be effective enough to save declining businesses. Governmental grants, foreign currencies, affordable energy, and economic rents are becoming useless. Instead, competition with not only domestic but also international competitors is becoming more serious. Thus, in the current so-called knowledge-based economy era, organizations need to think beyond competing [1, 2]. Organizations should create blue oceans to capture growth opportunities and new profits [3]. Given the importance of the Iranian insurance industry, this study sought to identify factors in which Iranian insurance companies invest and compete to offer them effectively so as to attract more customers.

In contrast to the well-known market space, referred to as the red ocean, with its well-established game rules and intense competition, there exists the uncharted blue ocean beyond the companies' limited boundaries and bloody competition [4, 5]. The idea behind the Blue Ocean Strategy (BOS) is to avoid competition and create untouched markets that yield profits without competitors [6]. BOS is an integrated model of strategic thinking and supports the creation of new markets and industries where demand, rather than fighting, is created, and it does not concern competition rules [3].

Innovation and creativity are crucial for organizations to have success and obtain competitive advantages; the insurance industry is no exception. An insurance company should create a culture of innovation and creativity and adopt strategies to become an innovative and creative organization. As a major requirement, organizations should understand activities that are necessary for implementing the model of innovation determinants. Given the ever-increasing advances in technology, extensive data flows, increased competition at the international level, and

globalization challenges, today's economy requires organizations that can cope with challenges with a creative and innovative approach [7]. Insurance companies face strong marketing challenges due to the near-identical nature of their services and the intensity of their competition. To gain a market share and ensure their survival, such companies need to find novel marketing techniques and exploit competitive strategies, e.g., differentiation, cost reduction, and focus strategies. However, BOS helps insurance companies create new spaces in their businesses and acquire new customers, thus withdrawing the competitive space.

### **Theoretical Foundations**

#### **Blue Ocean**

Blue oceans are industries that do not exist at the moment. This is known as the unknown market space. Blue oceans are featured by unlimited market space, demand creation, and highly profitable growth opportunities. Competition is not the case with blue oceans, as no rules have been defined [3].

#### **Creativity**

Creativity is the most critical capability of humans and the most fundamental factor in creating value. It plays a vital role in all aspects of life. Creativity refers to producing original and valuable items that stem from humans' conscious and subconscious processes.

#### **Innovation**

Innovation is the use of novel ideas arising from creativity. In fact, the implementation of an idea developed by creativity in the form of a new product/service is known as innovation.

#### **Insurance**

In layman's terms, insurance is a technique to transfer risk. Article 1 of the Insurance Law of Iran defines insurance as a contract upon which one party (the insurer) is obligated to pay the other party (the insured) compensation for the loss imposed by an accident or pay a predefined amount.

In the management literature, some theories arise from the need to change the system and find novel solutions/strategies for development, such as the Neoclassical Theory of Management and Bureaucracy Theory. These theories proposed changes and improved businesses. However, some theories were merely based on reviews of human or trade organizational systems. For example, Maslow's hierarchy of needs or organizational behavior theories assessed humans' individual and social behaviors, which would indeed contribute to understanding strategic benefits. BOS falls in the second group of management theories and represents a systematic strategy to find businesses where competition does not carry the concept that it has in traditional markets, i.e., making the competition irrelevant by locating a new business space. Companies that suffer from marketing myopia and cannot exploit growth opportunities in uncontested markets are subject to threats, delayed growth, and even withdrawal from the market. Other organizations that have broad policies to find undiscovered markets and attempt to capture markets that have not been captured by their competitors exploit their strategies for such uncontested markets. BOS is a modern and competitive marketing strategy that enables growth and profitability in organizations by creating new demands and opening new undisputed market spaces. Unlike conventional strategies that are explicitly or implicitly based on stability rather than change, BOS is a successful example of change as an important source of high business growth [8].

#### **Definition of Strategy**

Traditional definitions of strategy stem from military models where the competition space is known as the Red Ocean. The term *strategy* has its roots in the Greek word *strageos*, which means military general. Latin sources suggest that *strategy* originated from *stratum*, meaning path. The Amid Persian Dictionary holds that *strategy* means the knowledge of managing an operation and marching in battles. In fact, strategy refers to war, knowledge, the art of beauty, and military deployment. To better understand the term strategy, it would be helpful to review a number of scholars' definitions of strategy. Quinn defined strategy as a model that combines an organization's goals, policies, and operation chains into an integrated whole. Andrews described strategy as the target and tasks

to realize institutional objectives. Ansoff argued that a strategy is a comprehensive perception of specific movements of the institution with the environment such that it defines its position to determine organizational success. Tilles described strategy to be an institution's complete set of policies and particular goals. Beaufre held that strategies are the basis of guidance, philosophy, and practical and empirical thinking. Hafer and Schendel defined strategy as activities that provide coordination between an institution's internal resources and capabilities and external opportunities and threats. Based on such definitions, it can be said that strategies are an auxiliary instrument to help institutions transform environmental changes into a constructive design that could be expressed as nothing but everything in the end.

### Blue Ocean versus Red Ocean

The terms "Blue Ocean" and "Red Ocean" refer to global markets. The Red Ocean refers to industries that currently exist. In the Red Ocean Strategy (ROS) model, the market space is known, and the rules of the game are defined, with companies trying to outperform their competitors and obtain a more significant share of the market. The predicted profitability and growth decrease as competition intensifies. On the other hand, the Blue Ocean is defined as an unlimited market space with demand creation, no competition, and profit growth opportunities; i.e., there are no rules. To successfully swim in the Red Ocean, it is necessary to outperform the competitors. Red oceans are important and are a fact in the business world. However, when supply is higher than demand in most industries, competing over a share of the contracting markets would be necessary but not enough to maintain high performance. Hence, Iranian companies need an idea beyond competition in order to obtain new income and growth opportunities. Most strategic activities have been based on ROS strategies in recent years, and the Blue Ocean remains yet to be realized. Although the term Blue Ocean is new, its existence is not. In fact, industries never stop and continuously emerge and evolve, markets develop, processes change, and various industries that currently do not exist will emerge in the future. Iran has a large capacity to recreate the current industries and create new industries that have been drastically underestimated. Although ROS is the dominant strategy today, capturing a larger share of the market is a game with a zero sum in which obtaining a company is equivalent to losing another. The Red Ocean and competition-based ROS assume that the structure of an industry is well-known, and companies are to compete within its boundaries. This assumption is Structuralist. On the other hand, BOS does not assume market boundaries and industrial structures; thus, industries can be recreated through the measures and beliefs of its actors. This is a Reconstructionist model. In the Red Ocean, differentiation has costs since companies compete under a similar rule. In such conditions, the strategic choice of companies is limited to either differentiation or low cost. In the Reconstructionist model, however, the strategic goal is to make new rules to detect the best form in which the Blue Ocean is created by breaking the trade-off between value and cost.

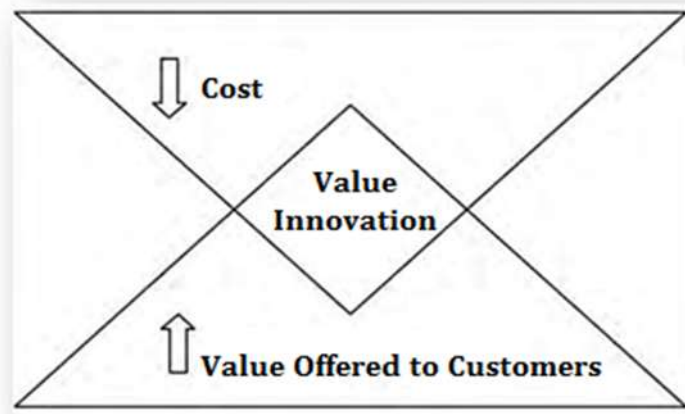
**Table 1.** Differences between ROS and BOS

ROS	BOS
Competition in the existing market space	Creating an undisputed market space
Fighting in competition	No competition
Using the existing demand	Creating and capturing new demands
Value-cost trade-off	Breaking the value-cost trade-off
Aligning the activity system of the company with strategic choices for differentiation or low cost	Aligning the activity system of the company to attain differentiation and low cost

### Value Innovation: Cornerstone of BOS

Value innovation equally emphasizes value and innovation. Value without innovation is to focus on value creation at a large scale; it improves value but is not enough for survival in the market. Innovation without value tends to be technology-driven, market-pioneering, or futuristic, often beyond the expectations of buyers. Here, it is required to differentiate between value innovation as opposed to technology innovation and market-pioneering.

Value innovation occurs only when companies align innovation with productivity, price, and cost. Value innovation is a new method of thinking in the development and execution of strategies, leading to the creation of the Blue Ocean and withdrawal from competition. It is the cornerstone of BOS. It is known as value innovation since companies focus on the negligence of competition rather than competitive fighting by creating value for buyers and the company and opening new uncompetitive space in the market [9].



**Figure 1.** Simultaneous pursuit of differentiation and low cost

**BOS characteristics**

Table 2 lists the key characteristics of BOS in different aspects.

**Table 2.** Important characteristics of BOS [10]

No.	Aspect	Characteristic
1	Teamwork	Teamwork
2	Executive approach	Process-based prescriptive approach; creativity-based descriptive approach Attention to non-customers and the creation of a new market
3	Thinking	Divergent; strategic
4	Application	All fields (e.g., service and industrial)
5	Goal	Value innovation
6	Methodology	Systematic
7	Conditions	Necessity of creating and maintaining competitive advantages; need for change and evolution
8	Prominent characteristic	Futuristic, holistic, and integrated decisions; creating change and evolution; redesign of market boundaries
9	Philosophy of existence and goal	Creating an uncontested market; coping with the complexities of environmental circumstances; creating competitive advantages; effectiveness of decisions
10	Nature of methodology	Dynamic and rolling (active and reactive)
11	Ease of use	Simple instruments and difficult execution

No.	Aspect	Characteristic
12	Drivers (critical success factors)	Managerial commitment, participation, and support Skills and expertise in strategies Accurate identification of competition factors in the existing industry Creative, strategic thinking
13	Decision-making	Individual/group decisions
14	Important techniques and tools	Six principles – strategy canvas (value curve) Four Actions Framework Eliminate-Reduce-Raise-Create (ERRC) Matrix
15	Execution process	Systematic – based on a sequence of BOS principles
16	Moto	If we do not make the future, it will be made for us. So, let's be the architects of the future, not the defenders of deterioration.
17	Heroes	Managers and strategists
18	Focus on	Both alternatives and successors
19	Industrial structure attitude	Reconstructionist
20	Strategy type	Simultaneous pursuit of differentiation and low cost
21	Assumptions	Fully open system with interdependencies between internal and external factors
22	Execution time	Continuous/steps over the lifespan
23	Balance between	Customer and market, product and service, processes
24	Application level	National, industrial/sector, company/organization, strategic departments, tasks and groups

### Fundamental Principles of BOS

BOS has six fundamental principles. The first four principles are used to develop strategies, while the last two are employed to execute the strategies. They include:

1. Reconstruct the market boundaries
2. Focus on the big picture, not the numbers
3. Reach beyond the existing demand
4. Get the strategic sequence right
5. Overcome organizational hurdles
6. Build execution into strategy

While developing a strategy, one must consider its execution in order to carry it out successfully. Many efficiently developed strategies may fail in execution. Thus, all of the above principles should be considered simultaneously [10].

### Analysis tools and frameworks

Managers cannot be expected to take action in response to the need for withdrawal of the existing competition without strategic analyses. BOS is to decrease the risk rather than take the risk [3]. The most important analysis tools of BOS include (1) strategy canvas, (2) four actions framework, and (3) ERRC matrix. These three tools are described below.

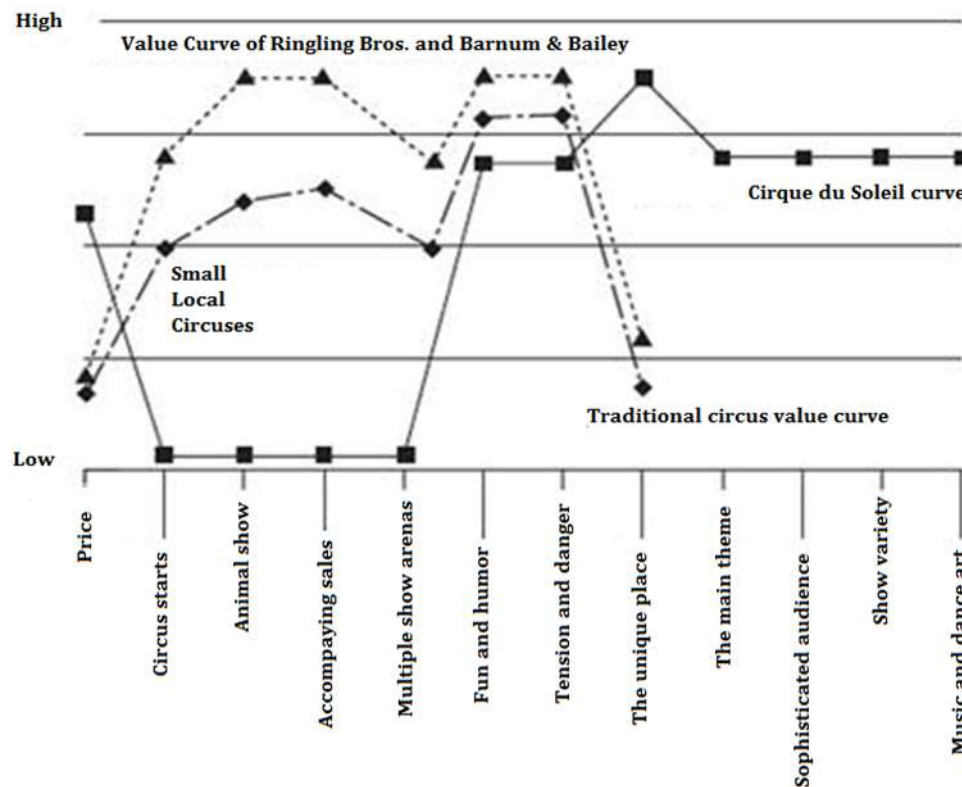


Figure 2. Cirque du Soleil Strategy Canvas

The Strategy Canvas of *Cirque du Soleil* allows for graphically comparing its strategic profile to those of major competitors. This strategy canvas shows the difference between *Cirque du Soleil* and the traditional circus logic. As can be seen, the value curve of *Ringling Bros. and Barnum & Bailey* had the same basic shape as smaller local circuses.

#### Four Actions Framework

Figure 3 depicts how the Four Actions Framework is used to overcome the trade-off between differentiation and low cost in order to reconstruct the buyer-side value elements and generate a new value curve. Finding answers to the *eliminate* and *reduce* questions would show how the cost structure of the company can be reduced relative to the competitors, and *raise* and *create* provide an understanding on how to enhance value for buyers and create new demand [11].

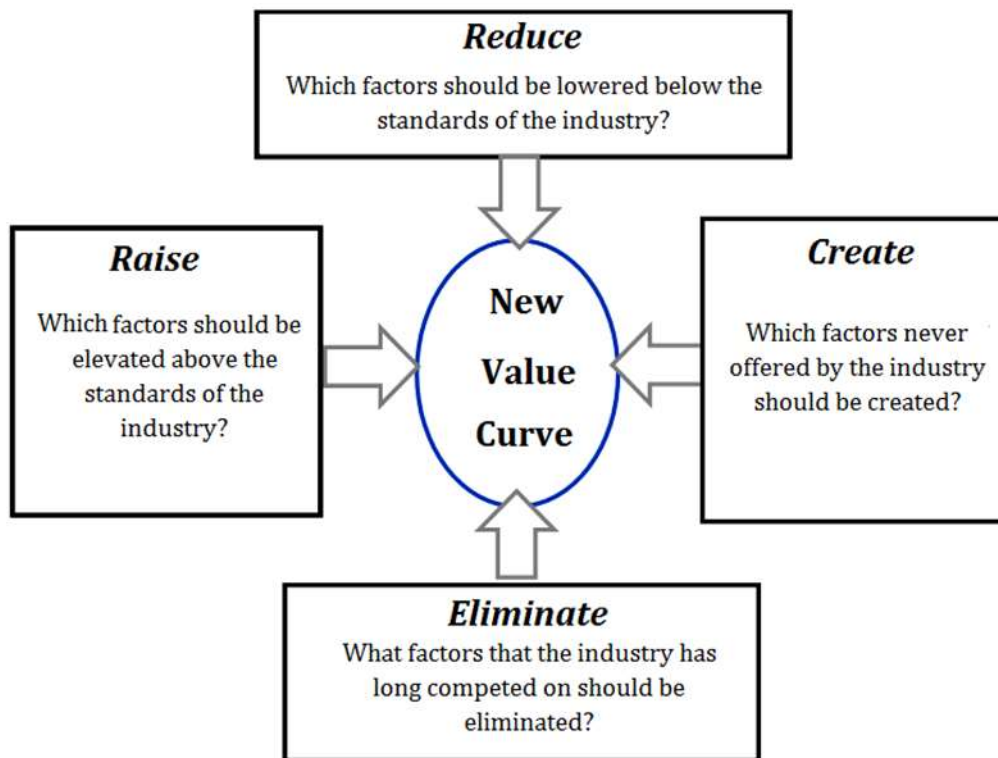


Figure 3. Four Actions Framework

### ERRC MATRIX

The ERRC matrix is the third tool playing a key role in creating the Blue Ocean and is an auxiliary analysis tool for the Four Actions Framework, as shown in Table 3. The ERRC matrix makes companies not only ask all four questions in the Four Actions Framework but also implement them to obtain a new value curve.

Table 3. ERRC matrix: *Cirque de Soleil*

<p><b>Raise</b></p> <p>Price</p> <p>Unique venue</p>	<p><b>Eliminate</b></p> <p>Show stars, animal shows, aisle concession sales, multiple show areas</p>
<p><b>Create</b></p> <p>Theme, refinement environment, multiple productions, artistic music and dance</p>	<p><b>Reduce</b></p> <p>Fun and humor, thrill and danger</p>

### Three Characteristics of a Good Strategy

When expressed using a value curve, an effective BOS has three complementary qualities: focus, divergence, and a compelling tagline. The strategy would be undifferentiated and muddled and cannot be easily understood, leading to a high-cost structure without these three qualities. The four actions required to create a new value curve should be directed toward a strategic perspective with such characteristics. These three characteristics can be considered a primary driver of the commercial credibility of Blue Ocean ideas.

### Reconstruction of Market Boundaries (Principle 1 of BOS)

The first principle of BOS is to reconstruct the market boundaries to move beyond the competition circle and create blue oceans. This principle is about the search risk faced by many companies. The challenge is to



successfully identify the appealing blue ocean trade opportunities in the hay barn. This challenge is key since managers cannot gamble on their strategies based on intuition or random maps [3].

### Drawing the Strategic Status Map

The drawing of the strategic status map is based on six paths of creating blue oceans and has four steps, with numerous visual simulations in each step.

Step 1: Visual Awakening

Step 2: Visual Exploration

Step 3: Visual Strategy Fair

Step 4: Visual Communication

**Table 4.** Four steps of BOS methodology

Visual Awakening	Visual Exploration	Visual Strategy Fair	Visual Communication
Compare the business to competitors and draw the existing strategy status canvas.	Explore the six paths to create the Blue Ocean.	Draw the desired strategy canvas based on understandings and perceptions of field observations.	Print and distribute the new and old strategic profiles.
Find points at which the strategy needs evolution.	Observe the distinct advantages of the alternative products and services.	Get feedback from customers and competitors' customers on the existing strategy canvas.	Support only operational projects and moves that enable the company to fill the gaps toward achieving the new strategy.
	Find factors that should be eliminated, created, or changed.	Exploit feedback to develop the best future strategy.	

### Visual Exploration

This step includes sending a team to the game field and getting managers to directly face the issue of which they need to get a reasonable understanding. For example, why do people use their products or services, or why they do not?

### Visual Strategy Fair

Once completed, the strategy status map is presented in a meeting known as the visual strategy fair. The meeting attendants include CEOs, the representatives of electorates outside the company, and individuals whom managers met during the trip, such as the customers of competitors, non-customers, and regular customers.

### Overcoming Limitations of Strategic Planning

Managers' limitations or dissatisfaction with strategic planning:

1. It should be a result of collective wisdom rather than a top-down or bottom-up plan.
2. It should be conversational rather than documented.
3. It should provide a broad vision rather than a huge quantity of data with numbers.
4. It should be creative rather than fully based on the analysis of environmental factors.

### How to Overcome Limitations



Designing a strategic plan process around a picture relieves managers' dissatisfaction with the current strategic planning trend and leads to far superior results. As Aristotle said, "*The soul never thinks without a picture.*"

### Reaching beyond the Existing Demand (Principle 3 of BOS)

This principle is a key factor in achieving the cornerstone of BOS, i.e., value innovation. To obtain demand above the existing sources, companies should challenge two conventional strategy trends: focusing on the current customers and comprehensively attempting to segment the market, i.e., customer classification based on demands and buying habits into groups. Companies often attempt to retain and extend customers to raise their share of the market. This leads to market segmentation and the adaptation of products and services to customer expectations to better meet customers' priorities. To maximize the extension of blue oceans, companies need to move in the opposite direction of the common trend. They should focus on non-customers (undisclosed customers) rather than customers. They should also share common characteristics valuable to all customers rather than focusing on the differences between customers, e.g., different requirements and buying habits. This enables companies to reach beyond the existing demand and capture a new group of customers that did not exist previously.

### Non-customers: Major Opportunities to Create Blue Oceans

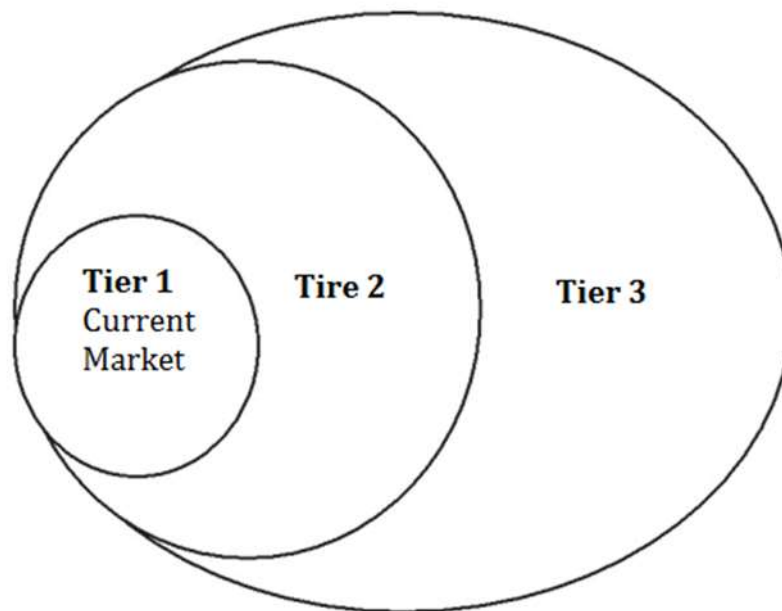


Figure 4. Non-customer tiers

### Getting the Strategic Sequence Right (Principle 4 of BOS)

In order to establish a business model, the right strategic sequence should be implemented to ensure the idea of blue oceans leads to growing profitability.

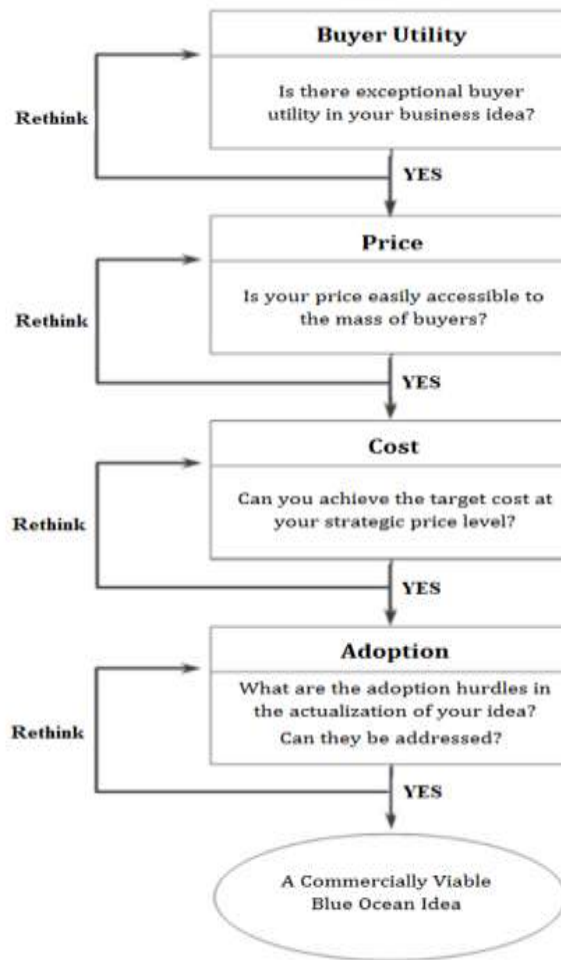


Figure 5. BOS sequence

**Test for Exceptional Utility**

Many companies fail to offer exceptional utility to their customers. This failure arises from the fact that companies heavily focus on the novelty of their products/services, particularly that a new technology is to play a role in a part of the product. The buyer utility map helps managers adopt an efficient perspective of the difference between value innovation and technology innovation. It allows managers to identify a complete domain of vacant utility spaces that can be filled by a product or service.

Table 4. Buyer utility map

	Purchase	Delivery	Use	Supplements	Maintenance	Disposal
Productivity						
Simplicity						
Convenience						
Risk reduction						
Fun & image						
Environmental-friendliness						

### **Six Stages of Buyer Experience Cycle**

Buyer experience can often be divided into a cycle of six stages, ranging from purchasing a product to its disposal; each stage has a wide variety of certain experiences.

### **Overcoming Key Organizational Hurdles (Principle 5 of BOS)**

As with individuals, companies encounter difficulties when actualizing ideas, whether they are in red oceans or in blue oceans. However, BOS represents a marked departure from the norm relative to ROS. BOS is centered on shifting policies from convergence to divergence in value curves while maintaining lower cost levels, which can in turn bring execution hurdles [3].

#### **Managers Encounter Four Hurdles:**

1. Cognitive hurdle: Awakening the workforce toward the necessity of a strategic shift
2. Limited resources: A greater strategy appears to need more resources for execution.
3. Motivation hurdle: Motivation of the main actors for a break from the existing status to a desirable status
4. Political hurdle: Organizational policies are an undeniable fact of companies' lives. History suggests that even the best have frequently been buried alive by politics and conspiracies.

### **Overcoming Cognitive Hurdles**

1. Having employees confront the worst operational challenges
2. Receiving feedback from the most dissatisfied customers and encouraging managers to observe operational difficulties actively

### **Overcoming Limited Resource Hurdles**

1. Redistribution of resources to hotspots (few input resources, high potential performance gains)
2. Stopping the supply of resources to cold spots (high resources input, low-performance impact)
3. Trading: engaging in a trade-off (trading the excess resources of one unit for that of another to fill the remaining resource gaps)

### **Overcoming Motivation Hurdles**

1. Focusing on kingpins
2. Placing kingpins in a fishbowl (fishbowl management)
3. Analysis of challenges and preparation of the organization for the change

### **Overcoming Political Hurdles**

1. Creating a new position in the top management team (adding a counselor to the team)
2. Silencing the devils (opponents), leveraging the angles (proponents)

Who will oppose the new strategy? Who will lose the most from the execution of BOS? Who will unconsciously and naturally be aligned with the transition? Who will gain the most from the strategic change?

### **Building Execution into Strategy (Principle 6 of BOS)**

To effectively execute a strategy, a company needs to seek help from employees' attitudes and behaviors (the most fundamental factor) deep in the organization. Chaos is higher when the number of top employees who engage in the strategy-making process is smaller than that of employees who refuse to follow.

### **Three Principles of Fair Process**

#### **1. Engagement**

Engagement is the involvement of individuals in strategy decisions that impact them. It implies a sense of respect from top management for employees and their ideas.

## 2. Explanation

Explanation refers to letting all the individuals know the reasons for making ultimate strategic decisions.

## 3. Explanation clarity

Explanation clarity requires that a manager clearly explain the rules and expectations after a strategy has been made.

## Conclusion

Ziaei (2016) developed a BOS model for the insurance industry in a case study of Iran Insurance Company. She evaluated the performance of the company in terms of aspects such as size, convenience, online services, interaction and communication quality, service quality, brand, physical evidence, price, and creativity. The results demonstrated that size, online services, physical evidence, and creativity were at poor levels. Zabihi et al. (2014) studied BOS innovations in the modern world [9]. They described the conventional ROS and discussed the advantages and application of BOS in the Iranian banking system. They also evaluated the roles of creativity and innovation in the BOS value chain. It was argued that value innovation is the most important component of BOS and that the creation of blue oceans is a dynamic process. Imitators appear once a company creates blue oceans, whereby the superior performance outcomes are revealed.

Sorayaei et al. (2014) investigated the BOS status in the trade environment in a case study of Kalleh Dairy Company, Iran. They showed that BOS implementation was above the medium level (satisfactory) at Kalleh Dairy Company. In addition, all BOS components were satisfactory. They argued that the first imitators appear once a company develops its current blue ocean, even though the imitation of BOS would be difficult, and imitators copy almost all the ideas of BOS at the company. When the product offerings are profitable, the company should not move toward value innovation and focus on maximizing the economics of scale, covering the market through performance improvements and geographical expansions, and deepening its current blue ocean. Taheri and Mohseni (2015) investigated innovation and profitability through BOS and evaluated steps toward innovation and more profitability in the economic institutions of Bu Ali Industrial Town, Iran [12]. They collected the views of managers and supervisors in the economic institutions and measured the effectiveness of BOS and its steps for innovation and profit. It was reported that BOS and its six paths had significant, positive impacts on the profitability enhancement of economic institutions in the Bu Ali Industrial Town, with “consideration of complementary products and services” having the highest importance among the variables of BOS.

Dashtlaali (2014) reported an article entitled “Blue Ocean Strategy: Uncontested Market Space,” arguing that BOS sought innovation in value [13]. This scenario requires companies to simultaneously pursue differentiation and low cost as goals; once done, winners are distinguished from losers. Thus, it is currently necessary for Iranian companies to create blue oceans since rapid technological advantages have enabled producers to offer products and services, leading to supply exceeding demand. Indeed, BOS provides value innovation for buyers and companies and arranges and reconstructs market boundaries and realities, creating new demand and representing an effective instrument for Iranian companies to cope with internal and external challenges. Hence, managers can implement evolution in their markets by adopting an effective systematic analysis approach in the development and execution of BOS with a prospect of abundant resources.

Aghazadeh et al. (2014) studied innovation strategies in the Iranian insurance industry with a blue ocean approach. They reported that the Iranian insurance industry had poor performance in dimensions such as online services, physical evidence, and creativity; however, discounts (price dimension) and free consultation (in service dimension) had medium levels. A comparison of private and public insurance companies demonstrated that privatization in the Iranian insurance industry had not contributed to the growth of this industry, and changes appeared only in the “physical evidence” dimension for the “interior design” and “exterior façade” factors. It should be noted that further analysis of insurance companies revealed that the change in the “physical evidence” dimension of private companies was not the case with the top three private insurance companies. Indeed, these

companies even slightly contributed to the performance equality of the public and private communities. More specifically, such changes occurred only in recently founded companies.

Noorani et al. (2017) evaluated hurdles in entering uncontested markets with an emphasis on BOS. They reviewed motivation, cognitive, political, and limited resource hurdles in the Iranian insurance industry. They argued that the cognitive hurdle, which refers to the awakening of employees to understand the need for a strategic shift, had the highest importance in BOS execution. Therefore, it is important to consider methods to overcome the cognitive hurdle. Meknatjoo and Haghshenas (2016) investigated factors impacting the execution of BOS in the insurance industry with Asia Insurance Company as their case study [14]. They reported that cognitive factors exerted very high impacts on BOS implementation. Moreover, they ranked the factors using Shannon's entropy, with cognitive factors having the first rank. Political factors had insignificant impacts on BOS implementation. Motivation factors had significant effects on the implementation of BOS. Based on Shannon's entropy, motivation factors had the second rank. Lastly, limited resources had insignificant impacts on BOS implementation.

Yinghan (2017) studied the business model of RC Group (Garment Company) from a BOS perspective. They stated that value innovation is the cornerstone of BOS. To create blue oceans, companies should not consider their competitors as a criterion; they should focus on innovation. The creation of blue oceans breaks the trade-off between price and low cost. Jayani and Hoi (2017) investigated the relationships between innovation capability, innovation type, and corporate performance. They argued that the insurance company had encountered many challenges in the past ten years. These challenges were economic, political, legal, social, and technological. Changes in demographic practices, financial modifications, emerging markets, information and communications technology (ICT) advances, and customer behavior change had significant impacts on the industry's efficiency, productivity, and structure. This threat induces many competitors and rewrites the entire insurance market. An insurer should accurately change coping with business evaluations into cost reduction, operational productivity improvement, and value enhancement. Some researchers suggest that the insurance industry is not known for innovative thinking. Innovation is challenging the insurance industry. The potential insurance markets in developing countries strongly demand an insurance product spectrum of health and life. Insurers are well aware of the challenges. Due to such challenges and pressure, the insurance industry is experiencing increased competition, lack of growth, and excess capital. Innovation is widely known as a success factor in the highly competitive global economy. An innovation perspective gives a clear representation of future opportunities. The lack of skills and capabilities is a major hurdle for innovation in the insurance industry, particularly in small and medium enterprises. Insurers should obtain new sources of innovation and access new ideas from their employees, customers, investors, and partners; this, in turn, requires advanced leadership at the top of the organization.

Last, but not least, Lotandr et al. assessed BOS-based independent production and suggested that modern business and production environments are chaotic and continuous. Basically speaking, flexibility, dynamism, and speed are required for a successful business. Indeed, BOS factors can improve the competitiveness of a company. The main challenge of BOS is how the production concept can be exploited to handle the current challenges of production industries.

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