

Investing in Business Model Innovation and adaptation during crisis period: Evidence from the Moroccan Insurance sector in Covid-19

Auteur 1 : BENSLIMANE Leila,

Auteur 2 : KARTOBI Salah Eddine

Auteur 3 : EJJIAR Abdessamad

BENSLIMANE Leila, (PhD student)

Cadi Ayyad university / Faculty of law, economic and social sciences.
Marrakech, Morocco

Pr. KARTOBI Salah Eddine, (University Professor)

Cadi Ayyad university / Faculty of law, economic and social sciences.
Marrakech, Morocco

EJJIAR Abdessamad, (PhD student)

Cadi Ayyad university / Faculty of law, economic and social sciences.
Marrakech, Morocco

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Abstract

This article aims to examine the impact of the COVID-19 pandemic on business model innovation and adaptation within Morocco's insurance industry. Employing a multiple case study approach involving six insurance firms, the study assesses the crisis's influence on firm performance during the initial pandemic year. Data was collected through comprehensive online surveys and semi-structured interviews, investigating the implementation of innovative and adaptive business models. The findings demonstrate that the crisis significantly drove business model innovation and adaptation for the firms. Moreover, firms that successfully incorporated more adaptive elements demonstrated improved performance. This research underscores the importance of business model innovation and adaptation in navigating crises and enhancing resilience. It contributes to the limited literature on the COVID-19 impact on the insurance sector, shedding light on strategies that foster enduring success amid challenging circumstances.

Keywords

Business model innovation, Business model adaptation, Covid-19, Crisis, Insurance.

1. Introduction

The COVID-19 pandemic caused significant disruptions in the business environment (Clark, 2020), forcing companies to make necessary adjustments to adapt to emerging challenges. According to Schumpeter (1939), crises can stimulate innovation and creative destruction as businesses strive to adjust to changing market conditions and create new value for customers. Another relevant theory for business model innovation and crisis management is the concept of opportunity cost, for during a period of crisis, businesses face difficult and complex decisions regarding resource allocation and the choice of alternatives to pursue and product innovation (Jensen, 2001). However, product innovation alone is not enough, as businesses must also innovate and adapt their business model to the current situation, and is seen as a robust response to challenges and issues posed by the pandemic (Kraus et al., 2020). Establishing a sustainable business model enables companies to generate value for all stakeholders while addressing social and environmental challenges, even in times of crisis (Bocken et al., 2014). According to the concept of dynamic capabilities (Teece et al., 1997) companies that are able to quickly adapt to changes are more likely to succeed in long-term crisis management. In the Moroccan context, a survey was conducted by the World Bank (2020) prior to the COVID-19 outbreak in December 2019, involving 1,096 firms to gather information about the business environment in Morocco. Follow-up surveys were conducted in July and August 2020 to gather additional information on the impact of COVID-19. The findings from the follow-up survey indicate that the crisis has had severe and long-lasting consequences on some firms while others still survived and thrived during the pandemic. This led to an important question of why some firms were able to generate profits during the pandemic while other firms struggled to survive.

During the Covid-19 crisis, insurance companies were forced to quickly adapt to the crisis and changes, taking into account the capabilities and needs of customers. Insurance companies have to face a major challenge to the impact of COVID-19 on health and business climate, in terms of life and health insurance with the rise of mortality, and also the large amount of businesses losses within the business sector. But despite the important role of the industry sector during the COVID-19 crisis, researches regarding the impact of Covid 19 on the insurance field during the crisis is limited and for a need of more research papers (Goodell, 2020; Puławska, 2021).

This paper presents an exploratory analysis that delves into the different elements of business model innovation and adaptation during the first year of the Covid crisis and its impact on firm performance, specifically focusing on the insurance industry during the initial year of the pandemic. Through this study, we aim to shed light on the critical role of business model

innovation and adaptation as strategies for resilience and success in times of crisis. Our objective is twofold: (1) To comprehensively investigate how insurance firms adapted their business models during the COVID-19 crisis, and (2) To analyze the influence of these adaptations on firm performance. To achieve these objectives, we conducted a multiple case study involving six insurance firms. Data collection methods included a combination of online surveys and semi-structured interviews. The paper was then organized as follows: Section 2 provides a review of relevant literature on business model innovation and adaptation, Section 3 outlines our research framework, Section 4 presents the results and analysis, Section 5 offers a discussion of our findings, and finally, Section 6 and 7 provides conclusions and recommendations.

2. Theoretical framework

1.1 Business model innovation and crisis management

A business model is a description of how a company functions to generate and capture value, involving the creation of an innovative and distinct business model that brings new value and disrupts the traditional approach, impacting the entire organization rather than being an incremental modification (Teece, 2010) (Nunes & Steinbruch, 2019). Business model innovation presents a complex challenge (Compas et al., 2001; Sosna et al., 2010) as it encompasses the creation of value, value proposition, and capture configurations (T. A. Clauss Michael A. ;. Tangpong, Chanchai; Hock, Marianne, 2019; Foss & Saebi, 2017) that deviate from existing business models and organizational practice. Previous research suggests that business model innovation offers greater benefits compared to product or process innovation as companies are encouraged to reconfigure their business models in response to competition, reevaluate their value proposition, and adapt to the changing external environment (Chesbrough, 2010; Massa & Tucci, 2014). To promote business model innovation (BMI), it is crucial for organizations to explore and acquire ideas from external sources beyond their own confines (Micheli, 2020).

The insurance sector has gained a reputation for its difficulties and traditional approach towards embracing innovation (Nam, 2018). Nevertheless, the outbreak of COVID-19 served as a driving force for introducing innovation within the insurance industry, just as it did in other service-related fields (Lanfranchi, 2021). In a study by (Lanfranchi and Grasi 2021), they found that insurance firms possess the potential and capacity to engage in innovation, often utilizing technological advancements to address both new and existing risks, and that fundamental core

functions like product development, sales, and claims management heavily influence business success and competitiveness through innovative use of new or established technologies.

A big example for the new innovative digital innovation in the insurance field is the rise of Insurtechs (Bittini et al., 2022), this innovation was conceptualized by (Stoeckli et al., 2018) as involving the introduction of new ideas by one or more traditional or non-traditional market participants who leverage information technology to provide solutions tailored to the distinctive needs of the insurance sector. In terms of business model innovation, as stated in a study by (Zakharchenko & Yavir, 2021), the insurance sector has undergone changes in its business approaches due to the impact of the COVID-19 pandemic. These changes have been fueled by the adoption of digitalization, innovation, and a heightened emphasis on insurance culture. (Polinkevych, 2020) further revealed that insurance companies have shifted towards digital-centric business models, incorporating various technological features such as omnichannel communications, mobile and bank ID integration, utilization of big data, and online access to registers. These advancements reflect the industry's response to the evolving needs and preferences of customers, as well as the growing importance of technology in insurance operations.

2.1 Business model adaptation and crisis management

Business model adaptation, as described by (Foss & Saebi, 2017) involves making changes to the entire business model and its architecture. This includes modifying the way the various components of the business model are interconnected. These adaptations are made in response to shifts in the surrounding external circumstances, as emphasized by (Teece, 2010). Temporary adaptations of the business model are a potential mechanism for companies to respond to radical changes. Preliminary data provided by (Kraus et al., 2020) indicate that European companies have made temporary adjustments to their business models in direct response to the Covid-19 crisis and identified those recognizing these transient changes as plausible remedies for crisis recovery. Moreover, (Ritter & Pedersen, 2020) suggest that, in light of the crisis, companies should contemplate alterations in specific fundamental aspects of their business model. In a similar vein (Gutierrez et al., 2020) have advocated for swift and conscientious innovation as a viable strategy to sustainably counter the challenges posed by the Covid-19 pandemic.

Insurers play a central role in the society by providing protection, a better risk understanding, reducing public anxiety and contribute to the progression and development by offering new products (McAlea, 2014; Śliwiński et al., 2017). Therefore, to remain and maintain their central positions, insurance firms must be adaptable to meet the evolving needs of the market. This

involves innovating their products and processes in two significant ways: firstly, by addressing existing market demand and customers' risks, and secondly, by proactively tackling emerging risks (Lanfranchi and Grassi, 2021). Scholars have specifically examined how insurance companies adjust to crises before the Covid crisis taking by example the climate change¹ crisis taking instance (Mills, 2003) who categorized adaptation measures into three types, encompassing economic, technical, and political approaches.

On the other hand, (A. Dlugolecki, 2008) classification comprised four distinct categories, namely risk reduction and transfer, damage control and product price adaptation. According to research by (Makkawi & Aridah, 2023), insurance firms that successfully adapted their risk management model during the Covid crisis by implementing technology and reduced profits through tech-programs programs provided more liquidity and maintained their operations. In contrast other insurance firms, specifically smaller insurers, that did not adapt their risk management within the Covid crisis faced heightened risks. Flexibility, innovation, and responsiveness to changing conditions can enable companies to overcome challenges, seize opportunities, and ensure long-term viability.

3. Research framework :

3.1 Choice of Methodological Approach and Hypotheses

Our research is situated within a positivist epistemological stance and a deductive research framework, which aligns with our goal of empirically verifying hypotheses derived from an extensive literature review:

Hypothesis 1: Business model innovation positively influences firm performance during a crisis.

Hypothesis 2: Business model adaptation positively influences firm performance during a crisis.

We have selected a mixed-methods approach to systematically examine and validate these two hypotheses. This research approach emphasizes the importance of starting with established theories and hypotheses and then testing or verifying them through empirical data.

¹(Dlugolecki, 2000; Mills, 2003; Ward, 2007; Herweijer, 2009; Stechemesser, 2015)

3.2 Method

Following a multiple case study approach (Breier, 2020; Kraus et al., 2020; Yin, 2017), we investigated how insurance companies in Morocco adapted and innovated their business models in response to the COVID-19 crisis in order to identify the factors that impacted their performance through the first year of the pandemic. The use of multiple case studies is widely recognized as an effective method for theoretical development and enhancing the strength and reliability of our findings (Breier, 2020; T. Clauss et al., 2022; Eisenhardt, 2007; Yin, 2017). This approach allowed us to examine and analyze a diverse set of insurance companies, enabling a comprehensive understanding of the strategies and adaptations they have undertaken in the face of the pandemic. By examining multiple cases, we aim to capture a broader range of experiences and insights, thereby enriching our understanding of the challenges and opportunities faced by the insurance industry during this unprecedented time.

3.3 Data

In the initial stages of our research project, we commenced data collection by conducting a comprehensive online survey. This choice was motivated by several compelling reasons. First and foremost, surveys are a highly effective method for gathering quantitative data, which aligns perfectly with the objectives of our study. Our research aimed to quantify the impact of rapid response strategies and business model innovations on the performance of insurance firms during the COVID-19 crisis. Surveys offer structured and standardized data collection, making them an ideal choice for systematically gathering information from a diverse group of insurance firms. The structured nature of surveys ensures consistency in data collection procedures. This consistency allowed us to capture specific details related to rapid response strategies, adaptations in business models, and various performance metrics across a wide range of firms. Furthermore, the structured data collected through surveys lent itself well to quantitative analysis. This statistical approach enabled us to rigorously examine the relationships between different variables and test the hypotheses underpinning our research.

To initiate our data collection process, we administered the online survey to a sample of 10 insurance firms. These surveys were designed to investigate the influence of rapid response strategies on the successful incorporation of innovative and adaptable business models, as well as their effects on firm performance. From the 10 survey responses, we carefully selected 6 that closely aligned with our analysis criteria. To gain deeper insights, we enriched the dataset by conducting semi-structured interviews with key decision-makers from the sixth selected firms. In this subsequent phase, our focus was on identifying data related to diverse innovations and

adaptations within the components of business models (Breier, 2020; T. Clauss et al., 2022). We cross-referenced the data using publicly accessible information (Breier, 2020; Yin, 2017). This process facilitated the creation of intricate case studies, designed to reveal noteworthy structural changes that exerted the most significant influence on firm performance. Table 1 provide a profile description of the investigated cases.

Table 1 . Profile analysis of investigated cases

Case	Type	Products	Costumer segments	Interviewees
Case 1	Insurance/Banking	Auto, home, travel, health, disability, life, retirement, savings	Individuals, professionals, companies	Branch director
Case B	Insurance	Auto, home, travel, health, disability, life, retirement, savings	Individuals, professionals, companies	Senior unit supervisor
Case C	Insurance	Auto, health, disabilities	Individuals	Senior supervisor
Case D	Insurance	Auto, home, travel, health, disability, life, retirement, savings	Individuals, professionals, companies	Development Unit Supervisor
Case E	insurance	Auto, home, travel, health, disability, life, retirement, savings	Individuals, professionals, companies	Manager
Case F	insurance	Auto, home, travel, health, disability, life, retirement, savings	Individuals, professionals, companies	Unit supervisor

Source : Author's survey, 2023

4. Results

4.1 Within-case analysis :

In the subsequent section, we present an overview of the principal changes to the business models implemented by each of our featured case companies. Table 1 offers a concise overview of the cases, including revenue trends, business model changes, and the adoption of work-from-home measures. Table 2 presents an overview of the innovations and adaptations in key

elements of the business model across various cases, summarizing each case's distinct adaptations.

Table 2 . Case analysis overview

Cases	Revenue trend 2019-2020	Business model innovation/adaptation	Full remote working implementation	First remote working implementation
Case A	4,88%	8 processes	1st quarter of pandemic	Before full lockdown
Case B	-5,41%	3 processes	1st quarter of pandemic	After full lockdown
Case C	6,24%	6 processes	2 nd quarter of pandemic	After full lockdown
Case D	-5,47%	4 processes	1st quarter of the pandemic	Before full lockdown
Case E	0,88%	5 processes	1st quarter of pandemic	Before full lockdown
Case F	2%	5 processes	1st quarter of pandemic	After full lockdown

Source : Author's survey, 2023

Table 3 . Overview of Innovations and Adaptations in Key Business Model Elements

Case	Business model adaptation	Description
Case A	Key activities Value propositions Costumer relationship Key partners Cost structures Operational model Revenue model Human resources management	Financial and loan services. New adapted products and innovative processes. Virtual assistance for inquiries. Partnered with authorities and other health organizations. Cost structures and liquidity improvement. Remote working. Pricing and contracting terms. Human resources training and communication enhancement
Case B	Value proposition Costumer relationship Operational model	New adapted products. Virtual assistance for inquiries. Remote working strategy.
Case C	Value proposition Costumer relationship Operational model Human resources management Key partners Risk Management Financial Structure	New adapted products and innovative processes. Virtual assistance for inquiries and digitalized processes. Remote working strategy Remote training for agents. Partnership with authorities' programs and other health organizations Incorporation of advanced techniques and tools for fraud protection. Funding mechanism to address working capital requirements
Case D	Value proposition Costumer relationship Operational model	New adapted products and innovative processes. Virtual assistance for inquiries and digitalized processes. Remote working strategy
Case E	Value proposition Costumer relationship Operational model Human resources management	New adapted products and innovative processes. Virtual assistance for inquiries and digitalized processes. Remote working strategy Effective intern information and communication conveyance.
Case F	Value proposition Costumer relationship Key partners Operational model Risk Management and financial resilience Human resources management	New adapted products and innovative processes. Virtual assistance for inquiries and digitalized platform. Strategic merger with another insurance company Remote working strategy. Adaptation of mitigation strategies to address the liquidity risk and increase in claims related to Covid-19. Innovative virtual training, communicative top management sessions, transparent integration communication for strategic planning and changes.

Source : Author's survey, 2023

Case A:

The company promptly adapted to the evolving landscape, initiating remote working even before the imposition of lockdown measures. This adaptive approach was underpinned by a robust business model innovation strategy. Key activities included the introduction of innovative financial services. These offerings, such as credits and lifestyle protection, aimed to provide customers with a safety net against unforeseen life events, effectively assisting them in managing loan payments, bills, and financial challenges. Simultaneously, the company restructured its customer segments through adjusted pricing methods, contract terms, and the introduction of Flexible Premium Collection Conditions. Moreover, they extended warranty periods, bolstering flexibility, and reduced premiums for Adjustable Premium Contracts. A central facet of their value proposition was the development of new products and process innovations, aligning with the pandemic's unique circumstances. This encompassed insurance coverage for pandemic-related risks faced by businesses and professionals, risks associated with remote work, and even an insurance policy tailored for online purchases. The company redefined its customer relationships through the establishment of an online platform. This platform facilitated product purchases, virtual assistance, inquiries, and even digital processing for insurance requests, reimbursements, and claims. Notably, the introduction of virtual medical consultations highlighted their proactive engagement with customers. Collaboration emerged as a cornerstone in their strategy, as the company partnered with governmental programs and health organizations to extend support during the height of the COVID-19 crisis. Simultaneously, the company revamped its cost structures, prioritizing liquidity and adaptability to ever-changing circumstances. Operationally, the transition to a comprehensive work-from-home strategy for all agents began even before the lockdown was enforced. This strategic foresight allowed agents to be well-prepared, having undergone training in handling sensitive data and signing remote working contracts with new clauses tailored to this new paradigm. Human resources management was optimized by cross-training agents for multiple projects. This approach ensured agility in adapting to market shifts, simultaneously curtailing costs associated with training new agents. This dynamic method also circumvented the need to lay off experienced agents during fluctuations in project demands.

Case B:

The company introduced its initial remote working initiative after the announcement of lockdown measures, indicating a responsive approach to the prevailing situation. This adaptation was intrinsically tied to a dynamic business model innovation strategy. An

instrumental aspect of this innovation was witnessed in the realm of customer relationships. The creation of an online and digital platform specifically designed for claims payments resulted in heightened customer engagement and increased overall satisfaction. This customer-centric approach emphasized the company's commitment to enhancing the user experience. The customer value proposition underwent transformation through strategic initiatives. By extending contract periods, reducing premiums, and offering complimentary insurance contracts, the company effectively augmented the value delivered to its customers. This not only bolstered the attractiveness of its offerings but also contributed to fostering customer loyalty in a time of uncertainty. Operationally, the implementation of a remote working strategy for agents emerged as a crucial element of the company's adaptability during the pandemic. This strategic move ensured seamless business continuity while reflecting the company's flexibility in navigating challenging circumstances. In summation, this multifaceted approach to business model innovation, customer engagement, value proposition, and operational strategy showcases the company's agility and commitment to weathering the storm. By tailoring its strategies to the evolving landscape, the company aims to maintain its competitive edge and resilience in the face of unprecedented challenges.

Case C :

The proactive response to impending challenges saws the initiation of remote working before the lockdown announcement, reflecting their swift adaptability. Central to their strategy was a dynamic business model innovation. Customer relationship enhancement took shape through the implementation of digitalized programs, including the Customer Care Center for comprehensive omnichannel support. Furthermore, they revolutionized the automobile claims process by enabling reporting through platforms like WhatsApp and Online Forms. Additionally, a dedicated mobile app was introduced for health insurance payments and claims, while remote communication channels were established to facilitate seamless interactions. An electronic document exchange system was adopted to streamline processes and enhance operational efficiency. A robust risk management approach was evident through the integration of advanced tools to fortify fraud protection. Simultaneously, a mechanism was put in place to address their working capital needs, demonstrating a proactive stance towards financial stability. The operational model was strategically redefined through a combination of remote working and a rotational system, ensuring the continuity of critical functions while safeguarding employee well-being. Human resources management underwent innovation as remote training modules were developed to impart technical and commercial knowledge, along with well-being

tips. In line with evolving needs, the company refined their value propositions. This was evidenced by the introduction of insurance products designed to cover the spectrum of risks associated with remote work, Covid-19 treatments, and related health concerns. The extension of coverage to life insurance and travel insurance specifically addressing Covid-19-related risks further illustrated their adaptability to the changing landscape. In conclusion, this multifaceted approach underpins the company's commitment to resilience and innovation. By seamlessly integrating technological advancements, operational strategies, and value proposition adaptations, the company navigates challenges while prioritizing customer satisfaction and holistic risk management.

Case D :

The company's response to the challenges was characterized by a business model that embraced innovation and adaptation. Notably, the initial implementation of remote working was undertaken after the announcement of the lockdown, indicating a measured approach to change. A pivotal aspect of their strategy was evident in the operational model. The company swiftly implemented a remote working strategy, reflecting their agility in responding to the evolving circumstances. This adaptive approach emphasized the importance of maintaining operations while ensuring the safety of employees. Value propositions were refined to align with the changing landscape. The introduction of insurance products tailored to cover risks associated with remote work showcased the company's responsiveness to emerging needs. Additionally, the adaptation of deadlines for submitting medical claims during the lockdown period demonstrated their commitment to customer-centric solutions. Enhancing customer relationships took form through the facilitation of online claims for insurance payments. This approach not only streamlined the claims process but also highlighted the company's commitment to offering seamless and convenient interactions for its customers. In summary, the company's strategy underscores a balanced blend of operational agility, customer-focused adaptations, and value proposition refinements. By actively embracing change and aligning their offerings with the evolving needs of customers, the company strives to navigate challenges while maintaining its commitment to excellence.

Case E :

The company's response to prevailing challenges was characterized by strategic business model innovation and adaptation. Notably, the initial implementation of remote working commenced subsequent to the announcement of the lockdown, signifying a deliberate and responsive approach. Within the domain of customer relationships, the company undertook the

digitalization of auto insurance claims and health insurance claims through email channels. Moreover, a comprehensive digital transformation encompassed all procedures pertaining to services for intermediaries and policyholders, ranging from production to management and claims processing tools. This digitalization initiative aimed to enhance efficiency and accessibility for stakeholders. The value propositions of the company evolved to address the changing landscape. Notably, the extension of the initial health claims submission deadline underscored the company's empathy towards customer circumstances during challenging times. Additionally, the coverage extension to include accidents related to remote working signaled the company's commitment to comprehensive coverage. Operationally, the company embraced an extensive remote work model, reserving on-site work at the headquarters exclusively for essential functions. This strategic approach ensured both business continuity and the safety of employees. Human resources management was marked by concerted efforts to foster effective communication and information dissemination within the organization. This approach aimed to maintain cohesion and clarity in a remote working environment. In summary, the company's strategy exemplifies a harmonious integration of operational adjustments, customer-centric enhancements, and value proposition adaptations. By proactively embracing change and aligning their offerings with emerging needs, the company strives to navigate challenges while fortifying their commitment to their stakeholders.

Case F :

The company's approach to prevailing challenges was marked by strategic business model innovation and adaptation. An essential facet of corporate development unfolded as Case F strategically merged with another insurance company. This move was aimed at fostering enhanced capabilities, synergies, and overall competitiveness within the business model, showcasing the company's commitment to growth and strategic evolution. Within the realm of customer relationships, the company leveraged technology to its advantage. The creation of an online and digital platform for insurance payments and claims payments resonated well with customers, enhancing their engagement and overall satisfaction. This customer-centric approach emphasized the importance of convenience and seamless interactions. The operational model was also aligned with the changing landscape, as the company successfully implemented a remote working strategy. This agile move ensured business continuity while safeguarding the well-being of employees. Adapting value propositions was a strategic endeavor, with the introduction of insurance products designed to cover risks associated with remote work. Additionally, the company extended its coverage to include health insurance treatments related

to Covid-19 and life insurance coverage for the same. This comprehensive approach showcased the company's dedication to addressing evolving needs. Efforts in risk management and financial resilience were evident through the adaptation of mitigation strategies. These strategies targeted liquidity risk and the surge in claims associated with Covid-19, reflecting the company's proactive stance in managing potential challenges. Human resources management was marked by innovative virtual training sessions for agents and managers. These sessions were thoughtfully designed to cover five different programs, contributing to the development and adaptability of the company's workforce. Additionally, virtual session allowed agents to communicate directly with top management, fostering a culture of open dialogue and idea exchange. Transparent and comprehensive communication played a pivotal role in human resources management, ensuring that employees were well-informed about changes and strategic initiatives undertaken by the company. This approach underscored the company's commitment to keeping its workforce engaged and well-informed.

4.2 Case cross analysis :

In the upcoming section, we focus on synthesizing cross-case findings. By analyzing patterns and connections across cases, we aimed to reveal broader trends and insights that aren't apparent when studying cases individually. Table 4 offers a comprehensive cross-case factor overview, highlighting interconnections and variations. Additionally, Table 5 provides insights into key element occurrence frequencies in factor construction, underscoring their significance and prevalence. The cross-case analysis reveals significant parallels among cases that experienced positive revenue trends, shedding light on shared strategic behaviors and the integral role of business model (BM) innovation and adaptation in addressing the challenges stemming from the COVID-19 pandemic.

1.4.2. Cases exhibiting positive revenues trends :

Early Remote Working Implementation: Several cases, including A, C, and F, demonstrated a proactive response by initiating remote working strategies even before the formal lockdown announcement. This forward-thinking approach enabled these companies to ensure operational continuity and effectively engage their workforce amidst the crisis.

Customer-Centric Digital Engagement: Notable commonalities emerged in the emphasis placed on digital engagement with customers. Cases such as B, C, and F strategically leveraged

online platforms for claims, payments, and interactions, enhancing customer satisfaction, loyalty, and overall experience.

Adapted Value Propositions: Companies across different cases, including B, C, E, and F, recognized the importance of adjusting their value propositions to address evolving customer needs. This strategic maneuvering allowed them to offer solutions that covered pandemic-related risks, remote work challenges, and health concerns

1.4.2. Shared strategic behaviors

Agility and Responsiveness : The examined cases collectively demonstrated a commitment to agility and responsiveness. Swift adoption of remote working, proactive adjustments to value propositions, and the swift deployment of digital customer engagement strategies showcased their capacity to adapt quickly in dynamic environments.

Proactive Stakeholder Engagement: Successful companies proactively engaged stakeholders, reflecting their commitment to addressing immediate needs. Collaborations with health organizations, the establishment of digitalized customer care centers, and the introduction of virtual medical consultations underscored their foresight in responding to the crisis.

Strategic Corporate Development: Case F illustrated the power of strategic corporate development through its merger with another insurance company. This move aimed to enhance capabilities, synergies, and competitiveness, signifying the role of growth-oriented strategies in navigating turbulent times.

1.4.2. The role of business model innovation and adaptation

The identified commonalities among cases experiencing positive revenue trends underscore the significance of proactive strategies, customer-centered approaches, and flexible responses to external disruptions. This highlights the pivotal role played by business model innovation and adaptation in shaping these strategic behaviors and fortifying the long-term viability of businesses amidst unparalleled circumstances. The adoption of remote work, digital customer engagement, and adjusted value propositions underscore the critical importance of business model innovation in aligning offerings with the newly induced realities of the pandemic. Additionally, the strategies of business model innovation and adaptation further enhanced the agility and resilience of these companies. Swift adjustments to operations, offerings, and customer interactions showcased their adept navigation of challenges. Moreover, business model innovation played a crucial role in facilitating the creation and retention of value for customers. By carefully refining value propositions and services, these companies ensured an

enduring relevance and heightened customer satisfaction. This strategic approach ultimately contributed to the evident positive revenue trends observed across some of those cases.

Table 4 . Factor's cross-case overview.

Factors	Business model innovation and adaptation	Case A	Case B	Case C	Case D	Case E	Case F
Value delivery	Key partners	x	-	x	-	-	x
	Market segments Customer	x	-	-	-	-	-
	Customer relationship	x	x	x	x	x	x
Value capturing	Revenue Model	-	-	-	-	-	x
Value Creation	Cost structures	x	-	x	-	-	-
	Key activities	x	-	-	-	-	-
	Value propositions	x	x	x	x	x	x
	Risk management	-	-	x	-	-	x
General management	Human resources management	x	-	x	-	x	x
	Operational model	After FL. A. ²	After FL. A	Before FL. A	After FL. A.	After FL. A.	Before FL. A.

Source : Author's survey, 2023

² FL. A. : Refers to Full Lockdown announcement.

Table 5 . Key Elements and Frequency of Occurrence in Constructing Factors

Component		Number of nominations	Cases
Key	partners	3	A, C, F
Key	activities	1	A
Value	proposition	6	A, B, C, D, E, F
Costumer	relationship	6	A, B, C, D, E, F
Costumer	segments	1	A
Revenue	model	1	F
Cost	structure	2	A, C
Operational	model	6	A, B, C, D, E, F
Risk	Management	2	C, F
Human resources management		4	A, C, E, F

Source : Author's survey 2023

5. Discussion

5.1 Enhancer and inhibitors

5.1.1 Enhancers

Organizational Flexibility: Companies that exhibited a higher degree of organizational flexibility, were better positioned to adapt swiftly. Their adaptable structures enabled them to implement remote working strategies, adjust value propositions, and launch digital engagement initiatives promptly.

Technological Readiness: Companies with existing technological infrastructure could seamlessly transition to digital customer engagement and remote working. Their technological readiness accelerated the adoption of new processes and enhanced customer experiences.

Customer-Centric Mindset: Businesses that prioritized customer needs, found it easier to realign their value propositions and introduce new products that directly addressed pandemic-induced challenges. This customer-centric approach enhanced brand loyalty and customer engagement.

5.1.2 Inhibitors

Legacy Systems and Processes: Organizations with legacy systems and traditional processes faced challenges in swiftly adopting remote working and digitized solutions. This hindered their ability to provide seamless customer experiences.

Resource Constraints: Limited resources, both financial and technological, proved to be a significant inhibitor for some cases. These constraints slowed down the implementation of innovative strategies and hindered their ability to adapt quickly.

Resistance to Change: Some companies faced internal resistance to change, particularly when introducing remote working, digital customer interactions, and adjusted value propositions. This resistance could stem from cultural factors, lack of familiarity with new technologies, or concerns over disrupted routines.

From this section, the enhancers and inhibitors in business model innovation and adaptation were closely tied to organizational factors, technological readiness, customer-centric approaches, resource availability, and external regulatory constraints. Companies that effectively harnessed enhancers and mitigated inhibitors demonstrated their resilience and capacity to innovate amidst challenging circumstances, ultimately contributing to their positive revenue trends.

5.2 Key findings

The findings obtained from our study provide essential insights into the pivotal role of innovative and adaptable business models during periods of crisis as highlighted by (Kraus et al., 2020). Firms that introduced more innovative and adapted elements into their business models were found to have better performance regarding their revenue within the first year of the pandemic. We have highlighted key elements concerning innovative responses by firms in terms of their business models and the significance of adaptive changes. Companies that proactively embraced changes such as remote work and digital customer engagement prior to the announcement of lockdowns were notably better positioned to navigate the challenges imposed by the pandemic. This underscores the importance of foresight and preparedness in times of uncertainty and the impact of rapid response to the crisis which falls within the work of (Gutierrez et al., 2020). Notably, a customer-centric approach emerged as a cornerstone within business model innovation. Prioritizing customer needs, adjusting value propositions, and introducing new products aligned with emerging challenges yielded positive outcomes for firms' performance. This underscores the significance of aligning strategic decisions with the evolving demands of customers and the role of temporary adaptation of business model (Ritter

& Pedersen, 2020). The role of technological innovation also had a profound impact on firms' performance throughout the pandemic (Polinkevych, 2020). Companies with pre-existing technological infrastructure showcased agility in implementing novel strategies. Harnessing technology for remote work, digital customer interactions, and streamlined processes facilitated a seamless adaptation to the ever-changing landscape. Furthermore, operational flexibility, evident in measures such as remote work and rotational on-site presence, played a pivotal role in maintaining business continuity while safeguarding employee well-being. This operational adaptability highlights its critical role during times of crisis.

6. Conclusion

In conclusion, our study provides valuable insights into the strategic behaviors that contributed to enhanced firm performance for insurance companies in Morocco during the COVID-19 crisis. By focusing on proactive adaptation, customer-centric innovation, and technological agility, our findings underscore the pivotal role of business model innovation and adaptation in bolstering business resilience. Collaborative engagement, operational flexibility, and the alignment of strategies with evolving realities emerge as key contributors to sustained success in these unprecedented circumstances.

7. Limitations and recommendations :

This study, however, is not without its limitations. The relatively sample size highlights the challenge of generalizing the findings to the broader insurance industry. Furthermore, the study's timeframe is confined to the initial year of the pandemic, leaving the long-term effects and sustainability of the adopted strategies for potential future investigation. To address these limitations, future research endeavors could encompass a more extensive and diverse sample of insurance companies. Expanding the analysis over multiple years would offer insights into the evolution of strategies and their lasting impact on firm performance. Moreover, investigating the influence of external environmental factors beyond the pandemic could provide a more holistic understanding of the intricate dynamics that shape business model innovation and adaptation.

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