MARKETING BY INSURANCE COMPANIES: THE UNREVEALED ASPECT

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ABSTRACT

Insurance is one of the sectors which play a very important role in the entire financial system of India and also work as a socio economical category function which is very important. It covers the interior areas of country's economy. Undoubtedly it is one of the fastest developing and moving areas of the financial sector of India. It is continuously facilitating the overall development of economy with a broad objective to build up an effective as well as an efficient business of insurance in India. It also provides a strong base to cater the needs of economy as well as social economical objectives of the country. It has been found that it is organising a long term Savings for supporting the overall growth of economy and making of facilitating the coverage of insurance towards a larger segment of public at large. On the other hand the non life insurance and various firms doing reinsurance in India are found to be the core providers of financing of the risk for managing the natural risks as well as various man-made disasters. This era is of liberalised economy where it is not possible for any country to avoid the guidelines or conditions of world trade organisation. The very common feature of such guidelines is the law of survival in which the fittest competitor will be taking of the market. The today's corporate world the need of making appropriate and effective utilisation of tricks of marketing is supposed to be the most priority of an organisation because an organisation has to make production with the cost consciousness. The major problem or objective of this study is exploring the marketing strategies of insurance companies in India in form of a competitive study with the major focus on Life Insurance Company.

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Keywords: *Corporate, Customer, Policy, Economy, Liberalised, Insurance, Development.*

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Introduction

As insurance industry is a service industry the service given or the product is also completely intangible. It is always in form of standardised and comparable to tangible goods. In Indian insurance market there is a strange competition among the insurers not only from Indian insurers but also from the foreign insurers. In order to meet the requirements of policy holders, insurance companies are fighting to expand their customers scale and putting all possible marketing strategies for attracting the potential customers. Hence in this study an attempt has been made to discuss the advertisement and promotion strategies and its impact on the total market portion of life insurance players as well as the behaviour and attitude of possible customers. Since India is a developing country, hence the most priority is given to the economic growth and stability with the motive of social development and wealth. Most of Indian families fall in the category of middle class and their economic future is always in risk zone. As we know that insurance is a kind of facility which bears the risk and helps such middle class families to protect for any unknown and uncertain circumstance and that is why there is a lot of scope for insurance companies to expand their business. In today's environment insurance is one of the most important contributors to the

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service industry. But it needs to be made marketable with the help of the proper marketing strategies and techniques. Without the help of such methods or strategies or techniques it is not possible to cover up the market proportion as there exits a lot of competition. This research is focusing mainly on marketing aspect of such life insurance companies with their potential impact on the growth.

Review of Literature

Azam and Eldra Mahi 2010 They investigated the impact of various interactive Internet technologies on making the marketing of services. Their findings have shown that there exist a very strong relationship in using interactive Internet technologies and the working style of the people working. They have observed that there is existing of very weak relationship in using the interactive Internet technology and the process they are using traditionally, however simultaneously the result of study shows that they are found a very close relationship in using interactive technology and marketing mix components.

Bhattacharya (2005) he made an investigation of quality management in the existing market of Insurance which is aimed basically for customer satisfaction as the major duty. The new customers are attracted towards the company only when the quality services are provided to the existing customers especially when the market is open for all the players. Because of not providing the good level of services by the public insurance companies they lost their monopoly in the market and that is why the each insurer must learn from this. In the today's cut throat competition, retention of the customer is the most important aspect along with adding the new customer to their existing customer base. This all is possible only when the quality is provided in the services, hence the customers must develop a better level of satisfaction to their customers.

Chimote and Srivastava (2012) they evaluated that the retention of the customer is based on the four different levels which includes the social bond, the structural bond, the customization bond and the financial bond. With some additional variables they used a chi square test which is revealed that the strategy is adopted for attention of the customers. It is totally independent to the demographic variables of the customers accept education. The factors analysis made by them has revealed that there are 17 variables which have to be grouped in the three factors named as the value added service, the business development and the convenience. The result of their research shows that the factors which have been extracted for the purpose of the analysis of factor are quite significant in making the determination of effective policies of customer satisfaction strategies.

Gargand Verma (2010) in their paper they made a design to analyse the marketing mix in the life insurance sector of India. They measured the different dimensions of the marketing mix of the insurance industry and their analysis was dependent on the five demographic factors which are their name, their age, their qualification, their gender, the organisation and the level of hierarchy at which they work. As per their analysis they have made a suggestion that insurance companies shall focus on the best product and marketing mix and accordingly they shall implement their concept. The insurance companies shall made a quantification of their expenditures for making the ingredients of better marketing and make an analysis of elasticity of sales, so that better market capture can be made. The insurer's shall carry out a detailed and careful analysis for finding out effective and economical product mix and the insurers shall also made an analysis their marketing mix so to so as it can be implemented in the sales.

Jagdish, Parvatiyar and Shainesh (2001) he explored that the basic and fundamental foundation of customer relationship management. They have shown that keeping customer happy and retaining the lot of customer is possible only with the new better products, better credibility in the market and with increased profitability. In the study they concluded that the insurance companies must have a focus on those policies which is customer oriented and which are capable to satisfy the customer's diversified need in the insurance market.

Khan 2012 he explained that customer satisfaction is very important but retention of the customer has least impact on the loyalty of the customer. The result of their study has shown that with the better improvement of customer satisfaction the firm will be having more loyal customers. Over and above to all, by making a reference of such loyal customers, the insurance companies can attract more customers in their organisation. They concluded that company managers put more efforts to make satisfaction of their customers and to manage their relationships with customer better with best quality service and the products as a part of comparative policy in the market.

Mukherjee 2007 he made an explanation that the new coming companies in the market believes in increasing the customer base with the help of new technology, trained staff and creating the new market instead of entering into the existing market. The results of their study has shown that the new players are least interested in biting the existing market rather they believe to develop new product range for those customers who did not purchase the policies till the date. In the last decade various new types of the insurance policies has came into existence which the existing companies never thought to be a kind of product of insurance market. They also suggested some of the proposals including improvement in technology to make a strength in the market for retaining the customer.

Hypothesis for Study

H_01:	**Null Hypothesis**	They are found no difference in level of satisfaction of customers and selected life insurance companies.
H_02:	**Null Hypothesis**	There is no difference in different initiatives for CRM in selected life insurance company.

Scope of the Study

- The study is conducted for finding out the scope for the strategies for marketing to be followed by insurance companies,
- The study covers various life insurance companies Involving insurance services for welfare society,
- The study will help in implementing the key role of life insurance companies in India,
- The study also expanded towards awareness of various policyholders in different life insurance companies.

Research Methodology

For the purpose of our study we have used some purposes sampling method for designing the sample. In this sampling method theory of non probability sampling is used and the researcher selects the sample population on the basis of his experience and the relationship of data within the organisation as well as the knowledge and expertise. For the purpose of our study our sample population has got an exceptional nature of relationship with this topic of research, Active involvement in the life insurance industry and recognised knowledge about the whole background of life insurance sector.

The required data has been collected from annual reports of selected life insurance with the help of personal interviews from the officials of insurance companies. The information which has been collected in this process have been rectified with the help of supportive evidences which has been obtained from the different journals and magazines published in the area of life insurance. The data so collected has been properly and suitably tabulised and interpretations has been obtained with help of statistical methods. As we said the primary data has been collected with the help of interviews of officials of insurance companies and their consumers or sample size consist of 300 respondents from whom we get filled researcher questionnaire.

Both descriptive as well as analytical research formats have been used for the developing hypothesis and making the testing the primary focus on comparison both government and private life insurance companies.

Results and Analysis

Chi-square against Customer's Satisfaction about Services Provided by Insurance Company

Chi-Square Test			
	Value	**Df**	**Asymp. Sig. (2-Sided)**
Pearson Chi-Square	0.253[a]	4	0.003
Likelihood Ratio	0.251	4	0.002
Liner-by-Linear Association	0.023	1	0.003
N of Valid Cases	300		

Inference

From the above results of Chi-square test on the Customer's Satisfaction about Services Provided by Insurance Company, the Pearson Chi-square significant value is found to be 0.000 at 4 degree of Freedom.

Hence it can be concluded that the null hypothesis has been rejected, and it is observed that there exist significant difference as far as the satisfaction of the customer is connected based on Customer's Satisfaction about Services Provided by Insurance Company, and their satisfaction level in selected Life Insurance companies.

Table 1: Communalities

	Initial	Extraction
Customer Association with the company	1.000	.542
Customer opinion on imposition of Hidden Charges by company	1.000	.820
Customer opinion on treating the customer with utmost care and making best services	1.000	.657
Customer opinion on providing training for acquisition of customer and maintaining the customer relationship	1.000	.677
Customer opinion on resolution of customer's complaint within time	1.000	.641
Customer opinion on availability of Technical Team and Technical Support for utilizing the Technology	1.000	.638
Customer opinion on availability of organisation of customer awareness programme	1.000	.544
Customer opinion on Ethical and fairness in operations	1.000	.565

Extraction Method: Principal Component Analysis

Inference

In the table above, the variable of insurance company's well equipped with latest infrastructure facilitating good service to customers has extracted highest communality with 0.851, followed by recorded telephonic conversations are used for training purpose by the insurance company, companies promotional activities compliments the selling of insurance policies and so on so forth with the communalities of 0.708, 0.705 respectively. Lowest communality is extracted by by relationship managers are appointed by the insurance company to manage customers with a communality of 0.482.

Conclusion

Indian Life Insurance market is a unique one where there are new domestic and international players encountering an established public sector undertaking with a huge investment in infrastructure and manpower. Both the private and public sector service providers are competing to gain an advantage over the other by looking beyond the product innovation and operational effectiveness. The prevailing regulation of the life insurance sector in India has created a market environment where there are no options for the insurers to evolve their own marketing strategies to differentiate product or price packages. Hence, the Life insurance industry in India is a real competitive situation with relatively homogeneous services controlled by IRDA. In the present market situation, every insurer has been trying to offer a range of new services with a variety of investment options. They are trying to enhance quality of the service by improving the customer relationships. In spite of all these there is no certainty of retaining the customer with any brand for a substantial period. Therefore it has become inevitable for the insurer to think beyond the product and price where they have no option to differentiate any longer on account of IRDA regulations. The need is to evolve strategies beyond the product innovation and operational efficiency in pursuit of long lasting relationship. It requires concentrating on all aspects of acquiring, keeping and growing customers for the business. Today, most of the leading insurance companies are practicing a fully fledged marketing strategy to acquire new customers and retain them.

Suggestions/Recommendations

- On the above basis of survey and the finding these are some of the suggestions for making betterment in the life insurance companies in India

- Insurance companies should first focus on satisfying customers by making available those better and transparent services.

- The employees must have clear relationships and solutions should be provided to the customers whenever they need any help or they have any issues

- Policies and plans must be made simplified and should not be very complicated.

- Agents should not make available any false information to any of the customers for achieving their targets.

- Proper plans should also be developed for lower income group.
- Periodical or regular updates should also be given to the customers for their policies and plans
- Proper facility for online payment should also be given to the customers.

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