

Exploring Innovative Promotional Strategies in Life Insurance Companies (Case study of Iran)

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Abstract: Today, almost all the insurance companies should rely on promotional strategies as essential and vital tools to provide competitive advantage in this competitive world, hence these arises a need to study the promotional strategies in life insurance companies in Iran. Here the researchers aim to probe into the reason of implementing right promotional strategies. At present, research activities in the area of promotional strategies on consumer and insurance companies in Iran are very limited. Researchers discovered that the insurance companies take the benefit of AIDA model of communication, when they launch the product first time to grab more attention. The first goal of insurance companies is to grab the attention of customer or prospects, the hold the interested through promoting feature placed in second stage .the third stage is to make the product desirable to customer by demonstrating or explaining it. When the customer purchased the life insurance product, the last stage which is known as Action is completed. To put it in nutshell, Innovative promotional mix could change the growth rate of life insurance industry in Iran.

Key words: Innovative, Promotion, Strategy, Life Insurance, Marketing Mix

1. Statement of Problems:

Today, almost all the life insurance companies should rely on promotional strategies as essential and vital tools to provide competitive advantage in this competitive world, hence these arises a need to study the promotional strategies in life insurance companies in Iran. Here the researchers aim to probe into the reason of implementing right promotional strategies.

1.1. Review of Literature:

At present, research activities in the area of promotional strategies on consumer and insurance companies in Iran are very limited.

2. The Objectives of Research:

- To understand various promotional mix strategies undertaken by life insurance companies in Iran
- There is integration effort of market research and survey with flurry of media to get more prospective customer or buyer for life insurance companies.

2.1. The scope of Research:

The scope of research is circumscribed within the Tehran Province. The time framework of study is six months (July 2009-December2009) to gain insight view

2.2. Limitation of the study:

- The study is based on a sample of 200 respondents only.

- The inferences are based on the assumption that the data provided by respondent is true and correct.

3. Research Methodology:

3.1. Sample Design:

.it is an appropriate approach to get a list of potential respondents who participated Therefore researchers carried out the study in a more accurate and fastest way and convenience sampling method was used.

There was only ten Life insurance companies in Iran, therefore researcher selected all of them to conduct the survey and they also have given the accurate responds to the questionnaire.

The list of ten life Insurance companies visited by researcher is given below:

Table1: List of Life Insurance Companies

S NO	Name of Life insurance Company
1	Bimeh Iran
2	Asia life insurance
3	Dana life insurance
4	Alborz life insurance
5	Karafarin insurance
6	Parsian life insurance
7	Saman insurance company
8	Pasargud insurance company
9	Omid insurance company
10	Mellat insurance company

3.2. SAMPLE SIZE:

Researcher decided to distribute the 200 questionnaires for consumer of life insurance companies in Iran to achieve objective of research. Therefore researchers have collected 200 questionnaires from consumers of life insurance in Iran. Researcher distributed one questionnaire for each life insurance company to obtain its response in Iran. The total number of questionnaires received from insurance companies in Iran was 210.

Table2: Sample Size

Questionnaire	Iran
Consumer of life insurance	200=(20*10)
Total	210

3.3. Pilot Testing:

After designing the two sets of questionnaires for consumer and Life Insurance Company, Researchers decided to conduct the pilot testing for questionnaires.

Researchers carried out the pilot testing study to see whether the questionnaires can obtain the results which researchers required to meet their objectives.

Researchers did several methods to conduct pilot testing:

- Researchers requested the professional executives in the field of life insurance and professor to review the questionnaires and if there are any ambiguities which researchers haven't noticed.
- Researchers sent out a number of questionnaires to the types of consumers and life insurance companies who will be taking part in the main survey.
- Since the researchers found the relevant data, it wasn't necessary to pilot the questionnaires again.

3.4. Validity and Reliability:

Content validity test has been conducted to ensure that the measure include sufficient coverage of the investigated questions, meanwhile the face validity have been done to validate the items of research questionnaire and to ensure that the items are more consistent .

Cronbache’s alpha coefficient was .912; therefore all reliability results obtained for the stated research measure are consistent.

Table3: Reliability analysis

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.912	.914	36

4. Data Analysis and Interpretation:

4.1. Objective 1: to understand various promotional mix strategies undertaken by life insurance companies in Iran.

Researchers extracted the following results after applying SPSS software.

Researchers discovered the different frequencies for each element of promotional mix strategies adopted by life insurance companies in Iran.

The summary of frequencies for ten life insurance companies in Iran is shown as below:

Table 4: Promotional Mix strategies

Promotional mix strategies adopted by life insurance companies in IRAN	Highest score	Rank	percentage
Advertising in electronic and print media	6	4	60%
Advertising campaign	6	4	60%
PR and Publicity	7	4	70%
Personal selling	5	4	50%
Sales promotion	7	4	70%
Direct marketing	4	4,5	40%
Telemarketing	6	4	60%
Word of Mouth	5	5	50%
Combination of all strategies	6	4	60%

Researcher also discovered that above promotional strategies captured the following percentage as follows:

Table5: Promotional Mix Strategies (Percentage) Captured

Promotional Strategies in Iran	percentage
PR and publicity	12%
Sales promotion	12%
Advertising in electronic and print media	12%
Advertising Campaign	12%
Telemarketing	12%

Inference:

Researchers discovered that respondents have emphasized on Public Relations and Publicity, Sales Promotion as promotional tools to induce consumers in Iran. Researchers noticed the life insurance companies in Iran have emphasized more on Telemarketing, Advertising in electronic and print media and, advertising campaign as additional promotional mix strategies.

4.2. Objective 2: There Is Integration Effort of Market Research And Survey With Flurry of Media To Get More Prospective Customer Or Buyer For Life Insurance Companies.

Test statistic:

As the variable of interest, that is market research and flurry of media where categorical variables chi square test was applied.

Table 6: Market Research And Flurry of Media Pearson Chi Square Test.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.111(a)	2	.047

Observation:

The test is significant with chi square value of 6.111 and p value of .047 at 5 % level of significance. The insurance companies must emphasize more on market research as one of the major tools to give them clue about the combination of media which is best among the consumer to induce prospective customer to buy or strength the brand loyalty among them.

Table 7: Market Research and Flurry of Media

		Making use of flurry of media		Total
		Yes	Not selected	
Rank prospective buyers through market research/survey	3	2	0	2
	4	4	0	4
	5	4		4
Total		10	0	10

5. Conclusion:

Research proved that there is an association between the market research and survey with flurry of media.

The life insurance companies believed that market researcher and survey help advertising manager of insurance companies to choose best combination of media to absorb more prospective customer.

The life insurance companies in Iran has given score 2 for rank 3 and score 4 for rank 4 and score 4 for rank 5. (Table 7)

5.1. Recommendation:

- As there is an association between the market research and survey with flurry of media, it is suggested that efforts need to be diverted by the insurance companies to establish market research department in insurance companies. Market research provide the precise information for insurance companies and enable them to choose a right mix of promotional strategies to inform and pursued the end users of insurance products in Iran.
- Researchers recommended that brand communication should be cautiously done by the insurance companies to project the right kind of image in the mind of customer .researcher has already proved that there is different expectations exist in the mind of customers of life insurance product in Iran. Since the customer expectations form a key element of the brand strategy based on which a suitable brand positioning is evolved.

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