



IMPACT OF PROMOTION MIX STRATEGIES ON CONSUMER PURCHASE INTENTION TOWARDS LIFE INSURANCE

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Abstract

Life insurance companies adopting innovative promotional strategy to gain attention of the customer for their product. The objective of this paper is to have comparative analysis of effectiveness of various the promotion mix strategies in life insurance companies and to know its influencing on consumer purchase intentions. With this paper researchers aim to probe into the reasons of implementing right promotional strategies with innovative ideas as life insurance awareness and need is unsought. This study is based on sample of 413 respondents who are directly involved in purchasing decision Finding of the paper reveals that in Life insurance sector it is crucial to arouse the need and attention effective promotion. Promotion helps in creating favourable selling environment for unsought product like life insurance.

Keyword: promotion mix, life insurance, consumer buying behaviour



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Introduction:

Life insurance is always been a unsought product for consumers and required push sales strategies by life insurance companies. To attract towards life insurance purchase all companies use promotional tools as their marketing strategies but are they effectively influence the consumer decision making is the major research problem here. Since life insurance purchase decision is extended decision making which require high involvement the promotional strategies used by life insurance companies are playing vital role in this. Consumer attitude towards existing policy and new purchase both form by their experience and exposure toward companies promotional strategies whether it's in the form of advertising or sales promotion or personal selling. Life insurance reform bring new private players in the industry which make competition more fierce even though aggressive marketing strategies by many of private and public companies dint increase life insurance penetration to the global

standards. There are still low awareness about actually benefits and need for life insurance among people. Promotion is the important components of marketing mix. The promotion aware the potential customer about that the right product is available at the right place and at the right price. Communication is the effective element of promotion. It must carry the message of product to the potential customer. Promotion mix is analysed under advertising, sales promotion, personal selling, direct marketing and public relations. Right and effective promotion which aimed at not only informing consumers as well as educate them about life insurance is required to fill this gap. This research work aimed to find out prevalent promotional strategies in public and private life insurer and their effect on consumer buying behaviour for life insurance.

Review of literature

(D. K Dey et al. 2015) explored advertising strategies' effect on consumer purchase intention for mutual funds and also effect possible role of gender role and financial literacy in influencing advertising strategies. Their finding reveals that transformation advertisements not prefer by females and investor with higher financial literacy are having more purchase intention in influence to transformational advertisement. Thus companies should bring more informational advertising to increase awareness. (Crittenden et al. 2004) research advocates adopting technological methods in personal selling for successful direct selling in order to create competitive edge in financial industry. They suggest establishing and maintaining a highly integrative, customer-oriented sales culture with trust building relationship management in financial service industry. (Potluri, 2008) in his research article evaluates the effectiveness of advertising and personal selling practices of Ethiopian Service Sector in communicating with its customers with the aim of finding solutions to improve the existing communication and customer satisfaction. Ethiopian Service Sector's advertising and personal selling indicated moderately effective in providing information, creating awareness, and changing attitude and ineffective in building company image and enforcing brand loyalty. The research also identified lack of integration between advertising and personal selling. (Mishra, 2009) in his paper 'Indian perspective about advertising appeal' analyse 200 respondents in the age group of 18-25 years. Findings of the study revealed that persuasiveness, distinctness, perfectness, fascinating, sensational, energetic, aesthetic, elegance and captivating were the factors that emerged for the advertising appeal and dimensions were energetic, sensational, persuasiveness, distinctness and captivating. Factor

and dimensions were compared on the basis of gender. It was found that persuasiveness, perfectness, sensational factors and energetic, sensational and persuasiveness dimensions do not vary on the basis of gender as males and females both felt that these factors and dimensions were important but females perceived that distinctness factor and dimension and aesthetic factor is more important than males but for males fascinating factor was more important than the females. **(Miremadi, Raee, & Ramezani, 2011)** Researchers describe the reason of implementing right promotional strategies in Iran. Researchers supported the use of AIDA model as the insurance companies launch product to grab attention and promote policies features to hold interest and then make desirable. **(Saaty & Ansari, 2011)** studied critical factors for developing suitable marketing strategy and also investigates problems faced by users of insurance in Saudi insurance industry. Their finding reveals that social and regulatory factors influence the purchasing decision in life insurance and marketers should focus on promotional activities. **(Joshi 2012)** studied impact of e advertising on consumer purchase decision. E advertising include Banner ads, website, skyscrapers, pop up mini sites, interactive format. They studied factors like awareness, services, discounts, experiences, physical appearance, preference, guiding purchase, promotion, online shopping affect purchase decision. Among these factors awareness is most important and physical appearance has less effect in purchase decision. **Onn & Mercer (1997)** Medium and creativity in advertisement had a effect on probability of buying insurance. **(Gera, 2011)** research studied favourable and unfavourable behaviour intensions in life insurance their result suggested that agent service quality attributes like product knowledge, empathy, reliability and trust were important for favourable behavioural outcomes like future buying and recommendations. **(Chang, Rizal, & Amin, 2013)** Their study tested empirically theoretical link between email advertising values, perceived intrusiveness, and the attitudinal-behavioural dispositions towards email advertising. Permission-based email is more effective as compared to spam email advertising. **Rajesh.J et al. (2005)** have discussed the sales promotional activities undertaken by the Life Insurance Corporation to face competition. According to the authors the Life Insurance Corporation undertakes the sales promotional activities in three forms namely: Customer-oriented promotion that is tax benefits, payment of bonus, provision of accidental benefits and higher non-medical item, trade promotion such as salary saving scheme and Sales force promotion given in the form of commission, gifts, advances for the purchase of cars, club membership etc.

Objectives:

- To know effect of promotion mix on consumer buying behavior towards the life insurance

Hypothesis:

H2: There significant difference in effect of life insurance promotion mix on consumer behaviour

H3: there is relationship between promotion mix and purchase intentions for life insurance

Research Methodology

Research was conducted to know the effectiveness of life insurance promotion strategies adopted by life insurance companies and their effect on consumer behaviour. Different promotional tools were assessed on six criteria's awareness creation, positive brand building, and need generation, buying influences, brand recall and sales. Descriptive research design was applied and primary data was collected from 413 consumers Data is collected through purposive convenience sampling technique from consumers of of Punjab and Chandigarh.. Prior to the analysis of the results, the research instrument was tested for its reliability. The internal consistency of the grouping of the items was estimated using the reliability coefficient called Cronbach's alpha. With this coefficient, an alpha value of 0.60 or above is considered to the criterion for demonstrating internal consistency of new scales and established scales respectively.

Result and Discussion

The collected data was analysed in SPSS and various statistical test like Friedman ranking and co relation test were applied on data. Table 2 represents the frequency distribution of the respondents with respect to the research area. From the total number of 501 respondents, 22.8% of the respondents are from Majha, 23% of the respondents are from Doaba, 22.8% of the respondents are from Malwa, 12.6% of the respondents are from Mohali and 19% of the respondents are from Chandigarh.

Table 2: frequency distribution of respondents according to their area

Respondent profile area-wise		
Area	Frequency	Percent
Majha	114	22.8
Doaba	115	23.0
Malwa	114	22.8

Mohali	63	12.6
Chandigarh	95	19.0
Total	501	100.0

Source: surveyed data

Effectiveness of Promotion Mix in Life insurance

Various promotion Mix were assessed on the basis of six criteria's to find out if its able to create awareness or not, helps in positive brand building , able to create need generate for life insurance among consumers , influencing in buying decision and helps in brand recalls or finally helps to have sales of the life insurance. Table 5 represents the results of the Friedman test, to find out that ranking of various variables. Results show that respondent gave highest rating to most popular promotion mix i.e. TV advertising for awareness creation, need creation and brand recalls. Whereas print advertisement also got good rating in these aspect and highest in positive brand building as being more trusted promotion tool. Personal selling is also important part of promotion mix and that plays important role in buying influence and sales. For these aspects Agents selling techniques got higher rating above all. Company online ads/ pop up ads/emails have got lowest mean ranks for most of the aspects that shows people don't entertain this type of push marketing for life insurance. Other tools got average mean ranking in all aspects. So we can say that we reject our hypothesis that there is no significant difference in effect of various promotional tools on consumer buying decision for life insurance.

Tables 2 , 3 described effect of TV and Print advertisement on consumer behaviour on various aspects like awareness creation, positive brand building, need generation, buying influence, brand recall and sales. It was found that maximum consumer given high rating to advertisement for awareness creation and positive brand building. Table 5, 6 depict effect of personal selling that shows it has effect on buying influence. Other promotional tools like sponsorship, sales promotion, workshops, and web aggregators all have effective tools in generating awareness and build positive brand in mind of customers.

Table 2 : TV Advertisement

Effects on consumers	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
					Lower Bound	Upper Bound
Awareness creation	413	4.71	1.565	0.077	4.56	4.86
Positive brand building	413	4.24	1.419	0.07	4.1	4.38
Need generation	413	3.82	1.423	0.07	3.68	3.96
Buying influence	413	3.67	1.512	0.074	3.52	3.81
Brand recall	413	4.05	1.416	0.07	3.91	4.18
Sales	413	3.55	1.694	0.083	3.39	3.72
Total	2478	4.01	1.556	0.031	3.95	4.07

Source: survey data

Table 3: News paper Advertisements

Effects on consumers	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
					Lower Bound	Upper Bound
Awareness creation	413	4.34	1.501	0.074	4.19	4.48
Positive brand building	413	4.3	1.197	0.059	4.18	4.41
Need generation	413	3.52	1.234	0.061	3.4	3.64
Buying influence	413	3.22	1.363	0.067	3.09	3.35
Brand recall	413	3.45	1.496	0.074	3.3	3.59
Sales	413	2.89	1.557	0.077	2.74	3.04
Total	2478	3.62	1.495	0.03	3.56	3.68

Table 4: Workshops and Seminars

Effects on consumers	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
					Lower Bound	Upper Bound
Awareness creation	413	4.16	1.436	.071	4.02	4.30
Positive brand building	413	4.01	1.390	.068	3.88	4.15
Need generation	413	3.27	1.400	.069	3.14	3.41
Buying influence	413	3.66	1.224	.060	3.54	3.77
Brand recall	413	3.46	1.554	.076	3.31	3.61
Sales	413	3.78	1.470	.072	3.64	3.92
Total	2478	3.72	1.447	.029	3.67	3.78

Source: survey data

Table 5: Personal Selling by Agent

Effects on consumers	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
					Lower Bound	Upper Bound
Awareness creation	413	4.23	1.344	.066	4.10	4.36
Positive brand building	413	4.06	1.290	.063	3.93	4.18
Need generation	413	3.84	1.277	.063	3.71	3.96
Buying influence	413	3.93	1.352	.067	3.80	4.07
Brand recall	413	3.88	1.378	.068	3.74	4.01
Sales	413	4.03	1.435	.071	3.89	4.17
Total	2478	3.99	1.352	.027	3.94	4.05

Source: survey data

Table 6: Personal selling by bank managers

Effects on consumers	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
					Lower Bound	Upper Bound
Awareness creation	413	4.07	1.414	.070	3.93	4.20
Positive brand building	413	3.66	1.278	.063	3.53	3.78
Need generation	413	3.29	1.308	.064	3.16	3.42
Buying influence	413	3.64	1.211	.060	3.53	3.76
Brand recall	413	3.43	1.280	.063	3.30	3.55
Sales	413	3.59	1.346	.066	3.46	3.72
Total	2478	3.61	1.328	.027	3.56	3.66

Source: survey data

Table 9: Sponsorship

Effects on consumers	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
					Lower Bound	Upper Bound
Awareness creation	413	3.62	1.656	.081	3.45	3.78
Positive brand building	413	3.84	1.258	.062	3.72	3.96
Need generation	413	3.27	1.279	.063	3.15	3.40
Buying influence	413	3.18	1.320	.065	3.05	3.31
Brand recall	413	3.17	1.439	.071	3.03	3.31
Sales	413	3.17	1.565	.077	3.02	3.32
Total	2478	3.38	1.449	.029	3.32	3.43

Source: survey data

Table 10: Web aggregators

Effects on consumers	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
					Lower Bound	Upper Bound
Awareness creation	413	3.45	1.468	.072	3.31	3.59
Positive brand building	413	3.34	1.166	.057	3.22	3.45
Need generation	413	3.15	1.334	.066	3.02	3.28
Buying influence	413	2.88	1.451	.071	2.74	3.02
Brand recall	413	3.03	1.436	.071	2.90	3.17
Sales	413	3.01	1.409	.069	2.87	3.15

Table 10: Web aggregators

Effects on consumers	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
					Lower Bound	Upper Bound
Awareness creation	413	3.45	1.468	.072	3.31	3.59
Positive brand building	413	3.34	1.166	.057	3.22	3.45
Need generation	413	3.15	1.334	.066	3.02	3.28
Buying influence	413	2.88	1.451	.071	2.74	3.02
Brand recall	413	3.03	1.436	.071	2.90	3.17
Sales	413	3.01	1.409	.069	2.87	3.15
Total	2478	3.14	1.394	.028	3.09	3.20

Source: survey data

Relationship between Promotion and Consumer buying decisions

Table 6 represents the correlation between different variables. Correlation table shows the linear relationship between the variables. It varies from -1 to +1. -1 signifies the perfect negative correlation and +1 signifies the perfect positive correlation. Reasons for buying life insurance has positive and significant correlation with promotional mix influence for decision with correlation coefficient values (r) 0.393,

Table 6: Correlations' between promotion and consumer buying decision

Correlations		Purchase Intentions	Promotion Mix
Purchase Intentions	Pearson Correlation	1	.393**
	Sig. (2-tailed)		.000
	N	413	413
Promotion Mix	Pearson Correlation	.393**	1
	Sig. (2-tailed)	.000	
	N	413	413

** . Correlation is significant at the 0.01 level (2-tailed).

Source: survey data

Conclusion and Recommendations

From the analysis it can be conclude that various promotion mixes has different effects on consumer behavior. Promotion mix broadly comprise of Advertisements, personal selling, sales promotion, publicity, public relation and direct marketing. Since life insurance is unsought offering with service attributes like intangibility it's always sold rather purchased. TV advertisements and print ads were found effective in building awareness and positive branding but most of the time personal selling is being ranked highly effective in buying

influence and sale of life insurance. Life insurance comparing sites which are called web aggregators are new style of promotional tool which is used by life insurance companies is also being liked by consumers in survey but on the other hand companies online pop up ads and unsolicited emails are found to be annoying thus received lowest ranking in all the criteria. There was found significant positive co-relation between promotional strategies and buying decision like source of information, reasons of purchasing like insurance and features of life plans.

The Indian consumers are now more educated and knowledgeable that creates need of understanding effect of promotional mix adopted by life insurance companies in India. The companies are designing various marketing strategies with help of promotional tools and try to create awareness for life insurance products. There is a need to select right mix of promotional activities to suit customer needs from life insurance companies at particular time and to use it correctly to achieve result. The life insurance companies are developing and implementing brand image and trying to stimulate their target audience to buy their products or services. Due to various measures taken by life insurance sector, the customer is largely affected. It is important to find out the impact on customer and his reaction due to such measures. Companies instead of focusing only on improving the variety of products needs to focus on targeting new segments and implement innovative strategies in order to achieve sustained growth and ensure profitability of business.

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