

Marketing strategy



In the contemporary times of dynamic business environment, effective marketing strategy in the service sector, especially insurance is vital to the success of the companies. Insurance facilitates people to cope with the risks involved in the various areas of the people. The insurance products provide people with the safety net against various types of risks. The intangibility of insurance products makes the marketing highly challenging. Hence, the marketing approach for the insurance firms becomes highly crucial factor for its success primarily because of the intangibility of its products and the fact that financial risk is significantly reduced with the expanding market and the increasing database of customers.

The intangibility of the insurance products and the volumes of premiums have significant impact on the performance outcome of insurance companies. They are major issues that require innovative ideas and creative inputs to promote strategies that would be able to attract and retain customers. Indeed, the scholars assert that the financial services are characterized by intangibility; heterogeneity; inseparability; perishability; and high labor intensity (Zeithaml and Bitner 2000). The marketing of insurance products therefore becomes dependent on the way the new idea is projected to the people and information is disseminated amongst the prospects.

Insurance products are mainly sold through agents. They also heavily rely on the external factors like trust in the protection provided and the goodwill of the agents through which the insurance products are sold. The intangibility of the products makes it difficult to judge its quality until it can be experienced and therefore, the marketing strategies need to rely on factors like credibility of the company, price, promotion, segmentation etc. The

perishability of service makes it difficult to make forecast. Indeed, the fact that the quality and delivery of the services are closely linked to the human aspects makes it much harder for the insurance firms to convince their targets. Hence the creativity of ideas and dissemination tools become major facilitators of effective market strategy. The leading insurance companies Lloyds, Norwich Union etc. increasingly deploy new strategies like competitive premium, innovative products and differentiation in the product so new customers can be attracted.

While a sales process primarily involves five major steps to commence sales, it is imperative they must be accompanied by clear understanding of behavioural pattern of their customers so that the various sales steps, easily accomplish their intended goals. The first and foremost stage is creating awareness of the goods and services among the customers so that one can build interest by exploiting the customers' socio-psychological needs and requirements. Understanding of cross cultural values and human behaviour makes it easy for the sales person to promote and inculcate a deeper desire for the goods. Once the customer develops this interest and desire, salesman can easily convince and thereby close the sales deed by selling the product or services.

It can thus be concluded that people need to discuss their requirements and future plans so that the insurance agents are able to provide them with appropriate insurance products that would best suit their future plans. Indeed, good insurance agent is able to exploit the momentary response of his prospect to his advantage. Through effective communication that emphasizes the suitability of the insurance product with the interests and future requirements of the prospects, the agents are able to convert their

prospects into committed clientele.

(555)

Reference

Zeithaml, Valarie A, and Bitner Mary Jo. (2000). *Services Marketing: Integrating Customer Focus Across the Firm*. 2nd Edition, Irwin McGraw-Hill.