Marketing Practices Measurement Scale: A Study of Current Practices of General Insurance Companies

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Abstract

The purpose of the study is to examine the reliability and validity of the marketing practices measurement scale. The scale is developed by author on the basis of review of literature and consultation with marketing experts and senior academicians. The study involves 32 respondents, who were the top level regional/divisional managers of the general insurance companies. The respondents were required to respond on a five point likert scale composed of an escalating scale from strongly disagree to strongly agree. The collected data was analyzed using the SPSS 16.0 and AMOS 18.0 software packages. Firstly, cronbach's alpha values and standardized regression weights are calculated to test the reliability and validity of data. After that mean rating values are determined to find the most important marketing practices in general insurance companies. The finding shows the acceptable constructs reliability and validity values.

Key Words: Standardized regression weights, validity, reliability, marketing practices measurement scale, mean rating values.

INTRODUCTION

Today, customers are very intelligent and smart. They make a deep inquiry before selecting any company for purchase of goods and services. As, they are equipped with all modern gadgets like iphone, smart cards, mobiles, internet etc. so, they can get any information just on a click. Also, they can compare all the products and services in few seconds. Moreover, because of their changing lifestyle, their expectations from the companies have aroused. This inquisitive mind challenging consumer behavior has created a challenge for companies. A marketer need to provide right product with prompt services. They need to make customer's experience more easy, relevant and right. Today, companies need to devise good marketing practices focusing on the needs and satisfaction of the customers.

Marketing practices include the activities of the company to satisfy customers by providing the right

product with excellent services. Generally, The best marketing practices consist of two things i.e. creation of customers and satisfying their demand by sales in a planned way. It's a great pleasure for general insurance provider that they need not to create market (customers) as they are blessed with already existing market (Auto insurance is mandatory in India). The only need is to satisfying their demand by sales in a planned way. Well devised marketing practices will enable the marketer to attract and satisfy a large pool of customers. In the present research, Marketing practices measurement scale includes a number of items that facilitates general insurance companies to measure their marketing practices related to external environment and seven P's of marketing such as product, price, place (distribution), promotion people, process and physical evidence.

Marketing practices in general insurance companies have changed over the span of time. As per the IRDA guidelines, private players may have alliances with foreign insurance companies. General insurance companies with foreign alliances have more innovative

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and new products as the foreign partners come out with new experiences in foreign markets. Detariffication of insurance business has fired the price competition among insurers, leaving very small profit margin to the company. Insurers are required to design their marketing practices to justify the price they are charging for the product and also they have to highlight and elaborate the customer perceived value to differentiate their product from the competitors'. In the present study top level regional/divisional managers' views have been taken to know current marketing practices of general insurance companies. The marketing practices measurement scale consists of six constructs named marketing mix, product policy, pricing policy, distribution policy, promotional policy and other P's of marketing (people, process and physical evidence)(Figure-1).

(REFER FIGURE 1 HERE)

Each of these constructs includes a number of statements/items. These statements are chosen on the basis of review of literature, observation and consultation with experts and senior academicians. A brief description of six constructs along with their items are given below:

Marketing Mix

Marketing mix construct consists of nine statements related to mission, focus of strategies and operation, understanding of marketing mix concept, competitors' marketing mix, understanding of marketing mix concept by other departments, marketing research, scanning of environment and databank about competitors and customers.

Product Policy

In order to get the information about the product policy of the general insurance companies seven statements have been developed related to consistency of product policy with the firm's objectives, exploration of new product ideas, response to identified needs, survey of market before new launch, continuous monitoring and improvement in policy, tailor-make of policy and response to competitors new launch.

Pricing Policy

To get the information about the pricing policy of the companies five statements are developed related to pricing policy as an integral part of firm's objectives, consideration to consumers' need and demand, regular feedback from market, review of pricing policy and attention to various segments of the market.

Promotional Policy

Promotional policy of the general insurance company has been investigated with the help of four statements related to its value and importance, effectiveness of different promotional tools, no-claim bonus policy and contest within the company.

Distribution Policy

Distribution policy is measured with the help of seven statements related to its integrity with firm's objectives, monitoring competitors' distribution strategies, short terms meetings, track records of channel, territory/quota assignment, importance of agents and feedback from agents.

Other P's of Marketing (People, Process and Physical Evidence)

Other p's of the marketing has been measured with the help of nine statements related to employees as an asset, updates with IRDA guidelines, certification program in the company, seminar/conferences, simplified process, different options of lodging claim, turn around time (TAT) for settlement of claim, broacher/ pamphlets and policy bond of the company.

REVIEW OF LITERATURE

Marketing practices of general insurance companies have changed over the span of time. The milestones of detariffication, nationalization and liberalization in general insurance industry etc have enforced the companies to change their practices accordingly to attract and satisfy a large group of customers. Some selected reviews of researches are given below:

Meidan (1982) in his study titled 'Marketing Strategies, Organization and Performance Control in Insurance'

explored that good marketing strategies affect the performance of the business. He suggested that a marketing strategy should be based on internal conditions of the company and the external forces in the environment. Crosby and Stephens (1987) studied the effect of relationship marketing on customer satisfaction in life insurance industry and suggested that although relationship marketing adds value to the services but it is not a substitute for core services. Ahmed and Rafiq (1995) studied the role of internal marketing in the implementation of marketing strategies and develop a conceptual model showing the linkage of strategic dimensions with internal marketing mix. They revealed that the marketing strategies used by internal employees would be more effective in implementation of change program. The American customer satisfaction index given by Fornell, et al. (1996) revealed that customer satisfaction is a quality driven phenomenon than a value or price driven phenomenon. Today's customers look for better quality whatever price they have to pay for that. In a study titled 'Determinants of Service Quality and Satisfaction in Auto Casualty Claim Process' by Stafford & Wells (1998) it has been revealed that a customer looks for number of factors such as claim process, claim amount, time taken unsesttlement of claim etc. when the claim arouse in the company . Services at that time leads to satisfaction and dissatisfaction of the customers in a general insurance company. Tam and Wong (2001) in their study titled 'Insurance Selling: A Dynamic Framework for Service' revealed that customer satisfaction and the salesperson's relation orientation significantly influences the future business opportunities and as the salespersons enhance their relationships with the clients, clients become more satisfied and are more willing to trust, and thus secure the long-term demand for the services. Verhoef and Donkers (2001) predicted the customer potential value in insurance industry and revealed that insurance marketing is a dialogue to provide long term solution to the customers. Prediction of customers' potential value will help the managers in devising more customer specific strategies. Laury and McInnes (2002) analyzed that decision making rule varies according to the one's observation of insurance price for the various insurance options. A study done by Anand (2004) revealed that Indian insurance companies witnessing a plethora of changes. Customers are given

more option to choose with better transparency, improved technologies and processes, and better service standard. Vargo and Lusch (2004) in their study titled 'The Four Service Marketing Myths: Remnants of a Goods-Based Manufacturing Model' explored that strategies developed for goods are inappropriate for service industry. This is because of the particularities of the services such as intangibility, inseparability, ownership and perishability.

Burke (2005) in his research study on insurance industry revealed that the companies have to maximize the potential value of their clients in order to be competitive in the business environment. The researcher found that it will be a professional add-on for the insurance intermediaries to periodically contact their clients in order to understand their economic needs and to satisfy them. Sinha (2007) made comparison between public and private sector general insurance companies in respect of technical efficiency using stochastic production frontier approach, it is found that public sector insurers exhibits higher mean efficiency then the observed private sector counterpart. Sekar, (2006) depicted that a sound proprietary knowledge about the product is essential for an insurer to provide right insurance solution to customer. Moreover there is a need to educate the customer time to time about the product/policy to reduce the knowledge gap. Athma and Kumari (2007) studied the influence of product and non product factors on customer while making the purchase decision and find that in rural area customer look non product attributes(agents, image of the company etc.) while selecting policy and in urban area large number of customers look product attributes (features, claim period, tax benefit etc.) while selecting policy.Lalitha (2008) analyzed the marketing strategies of non life insurance before and after detariffication and find that price is no more the single factor that the customer looks but the value proposition offered by insurer to a customer is also very important to a customer. Quick claim payment, risk avoidance and minimization, method of dispute resolution etc. are some factors that attracts and retain customers. He suggested that marketer should design separate market strategies for their target portfolio.

Mankongvanichkul (2010), confirmed that satisfaction or dissatisfaction is a measure to evaluate the services ability to meet a customer's need or expectations. Stock (2011) proposed that there is inverted S shaped relationship between innovativeness of services and customer satisfaction while inverted U shaped relationship between product innovativeness and customer satisfaction. Yuanqiong (2011) found in their study that service climate has an impact on customer satisfaction. The various elements of service climate such as customer orientation, managerial support and better work environment have their separate and important influence on customer satisfaction but the first, customer orientation programme of the company, directly influence and enhance the customer satisfaction. Farm and McCarthy (2011) examined that customer satisfaction can be improved, during adverse economic and regulatory conditions, through more customer friendly program. Regular meeting with customers, electronic communication and sharing financial information that values to the customers can help to reduce the negative impact of adverse economic and regulatory conditions.

Lodha and Jain (2012) determined that quality service in a general insurance industry includes latest IT infrastructure, transparency in transactions and convenience to customer. They are the most influencing factors to policyholders' satisfaction in general insurance industry.

PURPOSE OF THE STUDY

The study aims to determine the reliability and convergent validity of the marketing practices measurement scale. The study will also identify the most important practices adopted by general insurance companies.

RESEARCH METHODOLOGY

Sample size and Sample Design

Eight general insurance companies (four public and four private) have been taken for the study. As there are only four public general insurance company, parallelly four private general insurance companies are choosen for the study to make data more reliable and consistant. To select four private sector companies out of total 23

private sector general insurance companies firstly, they are sorted on the basis of number of years of existence and then on the basis of equity share capital. The companies which were in existence for more than five years and had the largest equity capital in 2006 have been taken as sample. The list of the selected companies is given in the table I.

(REFER TABLE 1 HERE)

Using Convenient Random Sampling data is collected from the area of Delhi and Haryana. Total 32 top level regional/divisional managers (4 from each company) are contacted to collect data. Although, one manager from each company is enough to know the marketing practices of company, but, four managers from each company are contacted to get more reliable and consistent results.

Data Collection

Both Primary and Secondary data is used. Primary data is collected through a well design schedule titled 'Marketing Practices Measurement Scale' (Annexure-1). Since, marketing practices of any service industry is basically concerned with its external environment and seven p's of marketing (product price, place(distribution), promotion, people, process and physical evidence), therefore, schedule is formed with six constructs named external environment, product policy, pricing policy, distribution policy and promotional policy and other P's of marketing (people, process and physical evidence). As we all know that construct is a latent variable and can not be measured directly, so, various statements are developed to measure these constructs. These statements are developed with the help of literature review, consultation with senior academicians and meetings with senior marketing people.

Tabulation and Codification of Data

A five point Likert rating scale is used. The respondents (managers) have to assign score to each statement where score 1 is assigned for strongly disagree, 2 for somewhat disagree, 3 for neutral, 4 for somewhat agree and 5 for strongly agree. Responses are posted on a MS Excel sheet for further analysis (Annexure-III).

Tools and Techniques

Firstly, the reliability and Validity analysis is done by calculating Cronbach alpha values and standardized regression weights. After that mean rating values are calculated to identify the most important practices adopted by general insurance companies.

ANALYSIS AND RESULTS

Marketing practices measurement scale is divided into six constructs named external environment, product policy, pricing policy, promotional policy, distribution policy and other p's of marketing (people, process, physical distribution). These constructs are measured with the help of some items/statements. The detailed analysis of these constructs is given below:

Reliability analysis

Reliability of different constructs of marketing practices measurement scale is tested using cronbach's alpha. Cronbach's alpha is used to measure the internal consistency between the items of marketing practices measurement scale. The alpha value varies from zero to one. The acceptable value for cronbach's alpha is 0.7. All the constructs, except promotional policy, in table-II have reliability co-efficient more than 0.7, which indicates the good reliability of the data. The promotional policy construct has a co-efficient of 0.584 which indicate that the items in this constructs can be improved. Overall, this marketing practices measurement scale is reliable and can be used for further analysis.

(REFER TABLE 2 HERE)

Validity Analysis

AMOS is used to calculate Standardized regression weights and squared multiple correlations (ANNEXURE-II). Standardized regression weights (SRW) are calculated to test the convergent validity of data and the correlation between construct and statements (measured variables) while the squared multiple correlation coefficient (R²) explains the amount of variance the construct accounts for measured variables.. SRW of greater than 0.5 proves the

convergent validity of the data. Table-3 shows, out of total 41 items in six constructs, 35 items have a SRW of greater than 0.5. It means convergent validity exists in data. Items having SRW of less than 0.5 were dropped for the final analysis. The items named PPI, PM3, PM4, DP3, DP5 and OP8 are dropped from the table-III.

(REFER TABLE 3 HERE)

Mean Rating Values

To find out the most important marketing practices in general insurance companies mean rating values are calculated for all the items having standardised regression weights of greater than 0.5.. As the rating escalates from strongly disagree to strongly agree the item with highest overall mean rating value is considered as the most important marketing practice.

In external environment construct, the overall mean rating value is highest for the item 'Mission of company is customer oriented(4.53)' and in product policy construct, overall mean rating value is highest for the item 'company continuously monitors and improves its product policy (4.32)' (Table-IV).

(REFER TABLE 4 HERE)

Pricing policy is considered as an integral part of firm's overall marketing mix(4.41) as indicated by the overall mean rating value in table-4. Regular feedback from market about the pricing policy is also very important practice for some companies mainly for private companies. Promotional mix is considered essential and valuable communication with customers (4.34) as depicted in the overall mean results in the table for promotional policy construct.

Agents are considered important way to reach end customers (4.44) and the general insurance companies use agents as the most important channel of distribution. Seminars and conferences arranged by company plays an important role in development of employees (4.56) as it carry the highest overall mean rating value in other P's of marketing construct. Beside this, the item 'company treats its employees as an asset' also very important marketing practice related to other p's of marketing especially in case of public companies.

DISCUSSION AND SUGGESTIONS

Marketing practices measurement scale has a good reliability as the cronbach's alpha values of constructs are greater than 0.7 except for promotional mix construct. The study also reveals that six constructs of marketing practices measurement scale significantly explains the variance in their measured items and the convergent validity exists in data. Out of total 41 items 35 items were well loaded into the six constructs as all these 35 items have SRW of more than 0.5.

Although, items in their respective constructs are well loaded on them, but, the most important items are identified on the basis of the rating assigned by the respondents. These most important items indicate the most important marketing practices opted by the general insurance companies. The overall mean rating values indicate that managers give due attention to the mission of company to be customer oriented. While, the results of individual companies shows that United India limited (Pub 2) focuses that marketing mix concept is understood and used by all departments. ICICI Lombard (Pvt 4) focuses on analysis of competitors marketing mix and scanning of environment.

As the lifestyle and preferences on the customers are changing very rapidly, general insurance companies are continuously monitoring its product policy and responding to the changes taking place in the environment. They conduct market survey and provides tailor make policy to attract customers and meet their expectations. Along with this, it is suggested to the companies that they should establish a 'Claim Related Issues' counter to provide more convenience to the customers. This counter will be responsible for handling all claim related queries as and when they arise.

During collection of information through schedule, the managers of general insurance companies told that pricing is an integral part of their marketing mix strategy. They keep a bird's eye view while deciding the price (premium) of the insurance policies. It is suggested to the companies that they can charge a minimum base premium amount and can accelerate it based on the riders (benefits) chosen by the customers. It is obvious that a company with customized/ differential premium

rate will be able to satisfy a large group of customers. Managers also shared that company reviews its pricing policy based on the feedback taken from market. A regular feedback on pricing policy from the customers and sales force will help the company to identify the areas for improvements.

Companies understand the essentiality and value of using promotional mix while marketing their general insurance policies. They change their promotional mix time to time to target large pool of customers. Moreover, companies measure the effectiveness of different promotional tools. Any action or effort is of no use until its effectiveness is not measured against some standards. Practically, a very few advertisements are shown by general insurance companies. The frequency of advertisement on public media needs to be increased to get a large reach and impact.

Although a number of modern distribution channels have been introduced, yet, agents are the most important and effective distribution channel for general insurance policies. This has been proved from the results of the present research study also. Some modern channel of distribution such as online distribution, bancassurance, corporate tie-ups can also be explored to get a large reach and efficiency. Managers highlighted that companies treat its employees as an asset of the organization and organize seminars and conference for their development. To heighten their motivation level, companies can launch various reward and recognition programmes (R & R) such as foreign tour, holiday packages for family, dinner with seniors etc.

It is concluded from the study that marketing practices measurement scale is reliable and valid. The analysis shows that items included in marketing practices measurement scale can be useful for any general insurance company to measure their marketing practices.

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Figure-1: Constructs of Marketing Practices Measurement Scale

Table I: List of Selected General Insurance Companies

Category	Name of company
Public Sector General Insurance Companies	Oriental Insurance Company Limited United India Insurance Company Limited New India Assurance Company Limited National Insurance Company Limited
Private Sector General Insurance Companies	IFFCO-Tokio general Insurance Company Cholamandalam General Insurance Company Limited TataAIG General Insurance Company Limited ICICI Lombard General Insurance Company Limited

Table-II: Reliability Co-efficient for Marketing Practices Measurement Scale

Constructs	No. of items	Reliability Co-efficient
EE-External Environment	9	0.906
PP-Product Policy	7	0.832
PR- Pricing Policy	5	0.853
PM- Promotional Policy	4	0.584
DP- Distribution Policy	7	0.747
OP- Other P's of Marketing	9	0.853

Table-III: Standardized Regression Weights of marketing Practices constructs

	Constructs	Std. Reg. Weight	Squared Multiple Corr.
EE	External Environment		
EE1	Mission of company is marketing/customer oriented	0.656	0.431
EE 2	Company focuses its strategies and operation on meeting the needs of the chosen market	0.572	0.327
EE 3	Marketing mix concept is understood and used	0.644	0.415
EE 4	Marketing department reviews its marketing mix	0.72	0.519
EE 5	Competitors' marketing mix is also analyzed	0.685	0.469
EE 6	Other departments understand the marketing mix concept and participate in its implementation	0.778	0.605
EE 7	Marketing department undertakes marketing research	0.89	0.792
EE 8	Company scans the environment	0.785	0.617
EE 9	Maintains databank about its competitors and customers	0.689	0.475
PP	Product Policy		
PP1	Company ensures that its product policy is always consistent with the firm's objective	0.393	0.154
PP2	Company explores new product ideas regularly	0.91	0.829
PP3	Company develops policy in response to identified needs of the market	0.767	0.588
PP4	Market survey is done before launching product	0.627	0.393
PP5	Company continuously monitors and improves policy	0.521	0.271
PP6	Company tailor makes marketing mix to the life cycle stages of its products	0.758	0.574
PP7	Spontaneous response to competitor's new launch	0.585	0.342
PR	Pricing Policy		
PR1	Pricing is an integral part of the firm's overall marketing mix	0.563	0.317
PR2	Company considers customers' need/demand while fixing the premium	0.699	0.489
PR3	Company takes regular feedback from the market about its pricing policy	0.652	0.69
PR4	Company reviews its pricing policy based on the feed back	0.83	0.425
PR5	Company pays attention to the various segments in the market while fixing premium/price	0.974	0.948
PM	Promotional Policy		
PM1	Promotional mix is viewed as an essential and valuable communication/dialogue with customers	0.517	0.267
PM2	Company evaluates the relative effectiveness of different promotional tools before selecting	1.279	1.635
PM3	Company's no claim bonus (NCB) policy helps to acquire and retain customers	0.265	0.07
PM4	Contest with in company works as an important promotional tool	0.065	0.004

DP	Distribution Policy		
DP1	Distribution is an integral part of the firm's overall marketing mix	0.782	0.611
DP2	Company monitors the competitor's distribution strategy regularly	0.701	0.491
DP3	Short term meetings play important role in distribution strategy	0.354	0.125
DP4	Company checks the track record of channel(bank/ financial institution) before tie-up with it	0.686	0.471
DP5	Company's assigned quota/territory helps the agents in selling insurance	0.489	0.239
DP6	Company's agents are considered important way to reach end customers	0.867	0.752
DP7	Company takes regular feedback from agents to know the customers demand	0.684	0.468
OP	Other P's of Marketing (People, Process, Physical Evidence)		
OP1	Company treats its employees as an asset	0.749	0.561
OP2	Company updates its employees regularly	0.835	0.698
OP3	Certification programme run by company helps in development of employees	0.884	0.781
OP4	Seminars/conferences arranged by company plays an important role in development of employees	0.902	0.813
OP5	Company follows simplified process of taking policy to give satisfaction to the customers	0.816	0.666
OP6	Different options of lodging claim like as e-mail, toll free number, sms etc are useful for the company	0.762	0.581
OP7	The company's turn around time (TAT) for settlement of claim is shorter	0.726	0.527
OP8	Company provides brochures/pamphlets containing all important information	0.487	0.237
OP9	Policy bond is written in simple and understandable language to make customer convenient	0.761	0.579

Source: AMOS Graphs (ANNEXURE-II)

Note: Std. = Standardized, Reg. = Regression, Corr. = Correlation,
Unstd. = Unstandardized, SE = Standard Error, CR = Critical Ratio

Table-IV: Mean Rating Values of Constructs of marketing Practices Measurement Scale

Constructs	Public Companies						Private Companies					Overall Mean Rating Values
	Pub 1	Pub 2	Pub 3	Pub 4	Pub Mean		Pvt 1	Pvt 2	Pvt 3	Pvt 4	Pvt Mean	
MM Marketing mix												
MM1 Mission of company is marketing/customer oriented	5	4.25	4	4.75	4.5		5	4.5	4.75	4	4.56	4.53
MM2 Company focuses its strategies and operation on meeting the needs of the chosen market	4.5	3.5	3.75	4.5	4.06		4.75	3.75	4.25	4	4.19	4.13
MM3 Marketing mix concept is understood and used	5	4.5	4	4.5	4.5		4.75	4.25	4.25	3.5	4.19	4.34
MM4 Marketing department reviews its marketing mix	5	3.5	3.5	4	4		4.5	4	3.5	3.5	3.88	3.94
MM5 Competitors' marketing mix is also analyzed	4.5	3.75	3.25	4.5	4		3.75	4.5	4.25	4.5	4.25	4.13
MM6 Other departments understand the marketing mix concept and participate in its implementation	4.5	3.5	3.5	4	3.88		4	4	4.25	3	3.81	3.84
MM7 Marketing department undertakes marketing research	4.75	3.75	3.25	4.5	4.06		4.5	4.75	4.5	3.75	4.38	4.22
MM8 Company scans the environment	4.5	3.5	3.75	4.5	4.06		4	4	4.5	4.5	4.25	4.16
MM9 Maintains databank about its competitors and customers	4.25	4.5	3.75	4.5	4.25		3.75	3.75	4.25	3.75	3.88	4.06
PP Product Policy												
PP2 Company explores new product ideas regularly	4.5	4	3.5	4	4		4.75	4.25	4.25	3.75	4.25	4.13
PP3 Company develops policy in response to identified needs of the market	4.5	4	4.33	4	4.21		4.5	4.5	3.75	3.75	4.13	4.16
PP4 Market survey is done before launching product	4.75	3.25	4	4.25	4.06		4.25	4.25	4	4	4.13	4.09
PP5 Company continuously monitors and improves policy	4.5	4.25	4.33	4.25	4.33		4.25	4.5	4.75	3.75	4.31	4.32
PP6 Company tailor makes marketing mix to the life cycle stages of its products	4.25	4.25	4	4.25	4.19		4.25	4.33	4	4.25	4.21	4.19
PP7 Spontaneous response to competitor's new launch	3.75	3.75	4.67	3.5	3.92		4	4.25	3.75	4.25	4.06	3.97
PR Pricing Policy												
PR1 Pricing is an integral part of the firm's overall marketing mix	4.25	4.75	4	4.75	4.44		4.5	4.25	4.25	4.5	4.38	4.41
PR2 Company considers customers' need/demand while fixing the premium	5	4.25	3.75	4.25	4.31		4.5	3.5	4.25	4	4.06	4.19
PR3 Company takes regular feedback from the market about its pricing policy	4.75	3.5	4	3.25	3.88		5	4.25	4.5	4.25	4.5	4.19
PR4 Company reviews its pricing policy based on the feed back	4.5	4	3.75	4	4.06		5	4.25	4	3.5	4.19	4.13
PR5 Company pays attention to the various segments in the market while fixing premium/price	4.75	4.5	3.75	4.25	4.31		4.75	4.25	4	3.75	4.19	4.25
PM Promotional Policy												
PM1 Promotional mix is viewed as an essential and valuable communication/dialogue with customers	4.5	4.75	4	4	4.31		4.5	4.75	3.75	4.5	4.38	4.34
PM2 Company evaluates the relative effectiveness of different promotional tools before selecting	4.25	4.25	3.5	4	4		4.25	4.75	4.25	4.25	4.38	4.19
DP Distribution Policy												
DP1 Distribution is an integral part of the firm's overall marketing mix	4.75	4.75	4	4	4.38		4.5	4.75	4.5	3.75	4.38	4.38

DP2	Company monitors the competitor's distribution strategy regularly	4.25	4	3.5	4.25	4	4.25	4.5	3.75	4.25	4.13
DP4	Company checks the track record of channel(bank/financial institution) before tie-up with it	5	4	4	4.25	4.31	4.75	4	4.25	4.75	4.38
DP6	Company's agents are considered important way to reach end customers	5	4.5	3.75	4.25	4.38	4.75	4.5	4.75	4	4.44
DP7	Company takes regular feedback from agents to know the customers demand	5	3.75	3.25	4.5	4.13	4.75	3.75	5	3.5	4.19
OP	Other P's of Marketing(People, Process, Physical Evidence)										
OP1	Company treats its employees as an asset	5	4.75	3.75	4.75	4.56	4.75	4.5	5	3.75	4.53
OP2	Company updates its employees regularly	5	4.5	3.75	4.5	4.44	4	4.25	5	4.5	4.44
OP3	Certification programme run by company helps in development of employees	5	4.25	3.75	4.5	4.38	4.25	4.25	4.5	4.5	4.38
OP4	Seminars/conferences arranged by company plays an important role in development of employees	5	4.5	3.75	4.5	4.44	4.75	4.75	4.5	4.75	4.56
OP5	Company follows simplified process of taking policy to give satisfaction to the customers	4.75	4	4.5	4.25	4.38	4.5	4	4.67	4.25	4.36
OP6	Different options of lodging claim like as e-mail, toll free number, sms etc are useful for the company	4.75	3.5	4	4.5	4.19	5	4.5	5	4.5	4.47
OP7	The company's turn around time (TAT) for settlement of claim is shorter	4	3.75	3	3.5	3.56	5	4.5	4.25	4	4.03
OP9	Policy bond is written in simple and understandable language to make customer convenient	4.5	3	3	4	3.63	4.75	4.25	4.5	4.75	4.09

Source: Field Survey

Note: * mean difference is significant at five percent level

Pub 1 = Oriental; Pub 2 = United; Pub 3 = New India; Pub 4 = National

Pvt 1 = IFFCO Tokio ; Pvt 2 = Cholamandalam; Pvt 3 = Tata AIG; Pvt 4 = ICICI Lombard

ANNEXURE-I

Schedule MARKETING PRACTICES MEASUREMENT SCALE

Please tick (✓) the following statements upto the extent to which you are agree with them									
1. Strongly disagree		2. Somewhat disagree		3. Neutral		4. Somewhat agree		5. Strongly agree	
MM Marketing Mix									
Mm1	The mission of your company is marketing/customer oriented	1	2	3	4	5			
MM2	Company focuses its strategies and operation on meeting the needs of the chosen market	1	2	3	4	5			
MM3	Marketing mix concept is understood and used by marketing personnel	1	2	3	4	5			
MM4	Marketing department reviews its marketing mix regularly	1	2	3	4	5			
MM5	Competitors' marketing mix is also analysed in the dynamic business environment	1	2	3	4	5			
MM6	Other departments understand the marketing mix concept and participate in its implementation	1	2	3	4	5			
MM7	Marketing department undertakes marketing research activities before launching new product/ policy	1	2	3	4	5			
MM8	Company scans the environment for relevant information about the market	1	2	3	4	5			
MM9	Company maintains a databank about its competitors and customers	1	2	3	4	5			
PP Product Policy									
Pp1	Company ensures that its product policy is always consistent with the firm's objective	1	2	3	4	5			
PP2	Company explores new product ideas on a regular basis	1	2	3	4	5			
PP3	Company develops policy in response to identified needs of the market	1	2	3	4	5			
PP4	Company surveys the market before launching the product	1	2	3	4	5			
PP5	Company continuously monitors and improves policy	1	2	3	4	5			
PP6	Company tailor makes marketing mix to the life cycle stages of its products	1	2	3	4	5			
PP7	Company spontaneously responds to the competitor's new launch	1	2	3	4	5			
PR Pricing Policy									
PR1	Pricing is an integral part of the firm's overall marketing mix	1	2	3	4	5			
PR2	Company considers customers' need/demand while fixing the premium	1	2	3	4	5			
PR3	Company takes regular feedback from the market about its pricing policy	1	2	3	4	5			
PR4	Company reviews its pricing policy based on the feed back	1	2	3	4	5			
PR5	Company pays attention to the various segments in the market while fixing premium/price	1	2	3	4	5			
PO Promotional Policy									
Po1	Promotional mix is viewed as an essential and valuable communication/dialogue with customers	1	2	3	4	5			
PO2	Company evaluates the relative effectiveness of different promotional tools before selecting	1	2	3	4	5			
PO3	Company's no claim bonus (NCB) policy helps to acquire and retain customers	1	2	3	4	5			
PO4	Contest with in company works as an important promotional tool	1	2	3	4	5			
DP Distribution Policy									
DP1	Distribution is an integral part of the firm's overall marketing mix	1	2	3	4	5			
DP2	Company monitors the competitor's distribution strategy regularly	1	2	3	4	5			
DP3	Short term meetings play important role in distribution strategy								

DP4	Company checks the track record of channel(bank/ financial institution) before tie-up with it	1	2	3	4	5
DP5	Company's assigned quota/territory helps the agents in selling insurance	1	2	3	4	5
DP6	Company's agents are considered important way to reach end customers	1	2	3	4	5
DP7	Company takes regular feedback from agents to know the customers demand	1	2	3	4	5
OP Other P's of Marketing (People, Process, Physical Evidence)						
OP1	Company treats its employees as an asset of the company	1	2	3	4	5
OP2	Company updates its employees regularly with the guidelines of IRDA	1	2	3	4	5
OP3	Certification programme run by company helps in development of employees	1	2	3	4	5
OP4	Seminars/conferences arranged by company plays an important role in development of employees	1	2	3	4	5
	Company follows simplified process of taking policy to give satisfaction to the customers					
OP5	Different options of lodging claim like as e-mail, toll free number, sms etc are useful for the company	1	2	3	4	5
OP6	The company's turn around time (TAT) for settlement of claim is shorter than the TAT guidelines prescribed by the IRDA	1	2	3	4	5
OP7	Company provides brochures/pamphlets containing all important information related to the policy to update customers	1	2	3	4	5
OP8	Policy bond is written in simple and understandable language to make customer convenient	1	2	3	4	5

ANNEXURE-II

Figure-1: Path Diagram for Marketing Mix Construct

Figure-2: Path Diagram for Product Policy Construct

Figure-3: Path Diagram for Pricing Policy Construct

Figure-4: Path Diagram for Promotional Policy

Figure-5: Path Diagram for Distribution Policy Construct

Figure-6: Path Diagram for Other P's of Marketing Construct

ANNEXURE-III

[illegible]