



MARKETING STRATEGIES ADOPTED BY SBI LIFE INSURANCE COMPANY'S

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ABSTRACT:

The study is designed to evaluate the marketing strategies in SBI life insurance service sector & how these strategies boost sales & marketability of a product which ultimately lead to customer satisfaction.

KEYWORDS: *marketing strategies, strategies boost sales, customer satisfaction.*

INTRODUCTION:

Drucker defined as marketing is not only much broader than selling, it is not a Specialized activity at all It encompasses the entire business. It is the whole business seen from the point of view of the final result that from the customer's point of view. Concern and responsibility for marketing must therefore permeate all areas of the Enterprise. The insurance scenario faces multiple challenges such as increased costs of operation, regulatory pressures, and inflexible technology infrastructure. Anil Chinook (2006) These pressures are compounded by low to moderate premium growth & the increasing burdens of regulatory compliance. Keeping all the above problems around the study would attempt to study all the factors that contributed to the effective marketing strategies. This paper presents different marketing strategies that are taken up in SBI life insurance services keeping in view external and internal environment of the firm.

Anil Chinook (2006) Marketing strategy is the basic approach that the business units will use to achieve its objectives, and it consists of broad decisions on target markets, market positioning and mix, and marketing expenditure levels. As the financial services sector has become more competitive, financial institutions need to consider, ways of developing relationships with their existing customers in order to defend their market share. Strategic dimension of marketing should focus on the direction that an organization would take in relation to specific market or set of markets in order to achieve a specified set of objectives. Anil Chinook (2006) Every insurer must recognize that its strategic posture depends partly on the competitive environment, partly on its allocation of marketing resources. An insurance firm strategy is a plan for action that determines how an insurer can best achieve its goals and objectives in the light of the existing pressures exerted by competition, on the one hand, and its limited resources on the other hand.

The following techniques are implemented to device the Marketing Strategy for the product/service:

- Segmentation
- Targeting
- Positioning

Market segmentation is the process in marketing of grouping a market (i.e. customers) into smaller subgroups. This is not something that is arbitrarily imposed on society: it is derived from the recognition that the total market is often made up of submarkets (called 'segments'). Anil Chinook (2006) These segments are homogeneous within (i.e. people in the segment are similar to each other in their attitudes about certain variables). Because of this intra-group similarity, they are likely to respond somewhat similarly to a given marketing strategy. That is, they are likely to have similar feeling and ideas about a marketing mix comprised of a given product or service, sold at a given price, distributed in a certain way, and promoted in a certain way.

Anil Chinook (2006) Market segmentation is widely defined as being a complex process consisting in two main phases: Identification of broad, large markets and Segmentation of these markets in order to select the most appropriate target markets and develop marketing mixes.

POSITIONING:

Positioning is important because you are competing with all the noise out there competing for your potential fans attention. If you can stand out with a unique benefit, you have a chance at getting their attention. It is important to understand your product from the customer's point of view relative to the competition.

TARGETING:

Targeting involves breaking a market into segments and then concentrating your marketing efforts on one or a few key segments. Target marketing can be the key to a small business's success. The beauty of target marketing is that it makes the promotion, pricing and distribution of your products and/or services easier and more cost-effective. Target marketing provides a focus to all of your marketing activities Bajaj B (2002).

PRODUCT

It must offer some incentive to a client however does not need to be substantial in the meantime. Fundamentally, it includes presenting new items or ad libbing the current items. An item implies what we produce. In the event that we produce merchandise, it implies unmistakable item and when we produce and create administrations, it implies impalpable administration item. An item is both what a dealer needs to offer and purchaser needs to purchase. Along these lines, insurance agencies sell administrations and administrations are their items. Bajaj B (2002) Apart from life coverage as item, client purchases item as well as administrations as help and guidance of specialist. It is characteristic that clients expect sensible returns for their speculations and insurance agencies need to augment their gainfulness. Subsequently while choosing the item blend administrations or plans ought to be inspirational Bajaj B (2002).

PRICE

Pricing must be competitive and must entail profit. The pricing strategy can comprise discounts, offers and the like. The pricing of insurance products not only affects the sales volume and profitability but also influences the perceived quality in the minds of the consumers. There are several different methods for pricing insurance, based on the insurance marketer's corporate objectives. They are the survival approach, the sales maximization approach, and the profit maximization approach. To determine the insurance premium, marketers consider various factors such as mortality rate, investment earnings, and expenses, in addition to the individual risk profile based on age, health, etc., and the time period/ frequency of payment Bajaj B (2002).

The pricing decisions may be high or low keeping in view the level or standard of customers or the policyholders. Mainly, pricing of insurance is in the form of premium rates. The three main factors used for determining the premium rates under a life insurance plan are mortality, expense & interest. The pricing of insurance is in form of premium rates. The three main factors for determining the premium rates under life insurance plan are:

Mortality: Average death rates in a particular area.

Expenses: The cost of processing, commission to agents, registration is all incorporated into the cost of instalments & premium sum & forms the integral part of pricing strategy.

Interest: The rate of interest is one of the major factors which determine people's willingness to invest in insurance. People would not be willing to put their funds to invest in insurance business if the interest rates provided by other financial instruments are higher than the perceived returns from the insurance premiums.

PLACE

It refers to the place where the customers can buy the product and how the product reaches out to that place. This is done through different channels, like Internet, wholesalers and retailers. This component of marketing mix is related to two important facets- managing the insurance personnel and locating a branch

The management of insurance personal should be done in such a way that gap between the services promises-services offered is bridged over. In a majority of service generating organizations, such a gap is found existent which has been instrumental in making down the image problem. The insurance personnel if not managed properly would make all efforts insensitive. They are required to be given adequate incentives to show their excellence. They should be provided intensive trainings to focus mainly on behavioural management.

Another critical measurement to the spot blend is identified with the area of protection branches. While finding branches, branch chief needs to think about the quantity of elements, for example, smooth openness, accessibility of infrastructural offices and the board of branch workplaces and premises. Consequently place the executives of protection premises needs another vision, unmistakable methodology and a creative style. The branch directors need proficient greatness to settle on spot choices profitable.

PROMOTION

It includes the various ways of communicating to the customers of what the company has to offer. It is about communicating about the benefits of using a particular product or service rather than just talking about its features. The insurance services depend on effective promotional measures, so as to create impulsive buying. Promotion comprises of advertising & other publicity tactics. The promotion is a fight not only for market share, but also for mind share. The insurance services depend on effective promotional measures, so as to create impulsive buying. Promotion comprises of advertising & other publicity tactics. Due attention should be given in selecting the promotional tools. Personnel should be given adequate training for creating impulsive buying.

PEOPLE

Andropov Tony Singh. (2004) People refer to the customers, employees, management and everybody else involved in it. It is essential for everyone to realize that the reputation of the brand that you are involved with is in the people's hands. Understanding the customer better allows designing appropriate products. Being a service industry which involves a high level of people interaction, it is very important to use this resource efficiently in order to satisfy customers. Training, development & strong relationships with intermediaries are the key areas to be kept under consideration.

PROCESS

Andropov Tony Singh. (2004) It suggests the methods and system of giving an organization and is in this way crucial to have a cautious learning on whether the organizations are valuable to the customers, in case they are given in time, if the customers are taught close by about the organizations and various such things. The methodology should be customer welcoming in insurance industry. The speed and precision of portion is of monstrous noteworthiness. The getting ready system should be basic to & favorable to the customers. Segment plans should be streamlined to consider the consistently creating solicitations of the customers. IT and Data warehousing will smoothen the system stream. IT will help in redesigning the generous no. of customers successfully and chop down overheads. Development can either enhance or upgrade the channels of scattering cost satisfactorily. It moreover improves customer organization levels and finds benefit and ability of various customers thing divides.

PHYSICAL (EVIDENCE)

It refers to the experience of using a product or service. When a service goes out to the customer, it is essential that you help him see what he is buying or not. For example- brochures, pamphlets etc serve this purpose. Evidence is a key element of success for all insurance companies. Physical evidence can be provided to insurance customers in the form of policy certificate and premium payment receipts. The office building, the ambience, the service personnel etc. of the insurance company and their logo and brand name in advertisements also add to the physical evidence. To reach a profitable mass of customers, then new distribution avenues & alliances will be necessary. Initially insurance was looked upon as a complex product with a high advice & service component. Buyers prefer a face to face interaction & they place a

LIFE INSURANCE COMPANIES IN INDIA

Andropov Tony Singh. (2004) Life insurance Corporation (LIC): LIC is the old and brand and government owned insurer in the market. Its market share is large compared to private insurance companies. However LIC is facing severe competition pressure. LIC is has been formulating new marketing strategies and plans from time to time. LIC is following the below steps to increase its market share and continue its NO.1 position in the insurance industry. Product development- LIC has introduced new plans to meet the needs and wants about protection against the risk, old age pension plans, and investment with risk cover. Every year by conducting market research it introduces new innovative plans and also withdraws those plans which have less response. LIC is has been changing its products because of changing behaviours of consumers and competitive pressure. Distribution channels- In distributing or selling the policies agents play a vital role. LIC has been introduced alternative channels to increase its volume.

ICICI Prudential Life Insurance: ICICI Promotional strategies consists of Advertising, Sales promotion, Personal Selling, Public Relations. And also it has adopted new strategies i.e. Push (sales force and trade promotions of company to create demand for company product) or Pull Strategy (spending high on advertising to pull consumers for their company brand), Promotion through Product Life Cycle (Introduction, Growth, Maturity and Decline), Internet Promotion.

SBI Life Insurance: Financially Sound with over 100 Years of Banking Experience, Affordability, Easy to Buy Trust and Reliability, Customer Satisfaction. After LIC SBI insurance has more market share.

BAJAJ ALLIANZ LIFE INSURANCE COMPANY:

Its marketing strategy is to have lesser number of banc assurance tie-ups but to have deeper relations with them. It will be a multi channel distribution company. Banc assurance contributes around 35% of our premiums. The channel partners are chosen on the basis of number of branches, the customer base and more importantly the seriousness of the top management to enter into insurance Booms, B.H. and Biter, M.J. (1981).

MARKETING STRATEGY

Andropov Tony Singh. (2004) Creating a marketing strategy is fundamental to your business success. Your business is individual and the marketing strategy created with you and uniquely aligned to your business strengths will identify specific methods for improved lead generation and sales. However, the most important commitment from Drinks Lab Solutions is to provide the practical support to put these strategies into action Booms, B.H. and Biter, M.J. (1981).



UNDERSTANDING CUSTOMERS

Building positive relationships with your customers requires you to have a good understanding of their needs and wants. By improving your understanding of your customers, including their purchasing motivations and habits, you can personalise the customer service you provide. Understanding your customers will help you to:

- decide on the best price to set your products and services
- build relationships and rapport with your customers
- increase your sales and profitability
- increase how much and how often your customers buy from you
- decrease the costs associated with attracting new customers.

SWOT ANALYSIS

- **Strengths:** characteristics of the business or project that give it an advantage over others.
- **Weaknesses:** characteristics of the business that place the business or project at a disadvantage relative to others.
- **Opportunities:** elements in the environment that the business or project could exploit to its advantage.
- **Threats:** elements in the environment that could cause trouble for the business or project.

MARKET COMPETITION

Andropov Tony Singh. (2004) A market competition is one in which a large numbers of producers compete with each other to satisfy the wants and needs of a large number of consumers. In a competitive market no single producer, or group of producers, and no single consumer, or group of consumers, can dictate how the market operates. Nor can they individually determine the price of goods and services, and how much will be exchanged. Competitive markets will form under certain conditions.

MARKETING NETWORK

Andropov Tony Singh. (2004) marketing network is a business model that depends upon a network of distributors for growth, such as in multilevel marketing. It is a direct selling method that features independent agents that make up a distribution network for goods and services. Some network marketing systems are based on tiers that denote how many levels deep a sales and distribution network goes. In two-tier or multi-tier examples, the people that make up the top tier of a distribution network are also encouraged to build and manage their own networks of salespeople. Each network creator (or "up line") then earns a commission on their sales revenue, as well as on the sales revenue of the network they have created, otherwise known as "down line." There are many examples of reputable network marketing operations, though some have been criticized of being pyramid schemes and have been banned in some countries as a conduit for consumer fraud.

PLANNING MARKETING MIX

Having developed a strategy, a company must then decide which tactics will be most effective in achieving strategy goals. Tactical marketing involves creating a marketing mix of four components—product, price, place, promotion—that fulfils the strategy for the targeted set of customer needs.

DESIGN EXECUTION

Design Execution is the last long mile of any User Centred Design project. Design Execution is a skill based activity where the designer collaborates with various skill disciplines like Graphic Design, Animation, Illustration, Packaging, Product Styling, Brand Identity etc. Irrespective of product or industry type, Design Execution forms an important integral part of the delivery process of User Centred Design. Design Execution spearheaded by User Centred Design experts add greater value in Product Aesthetics

REVIEW AND REVISE

To review something would be to review for a test or, I am going to review my essay before I turn it in. Revise would be making changes to that essay while you are in the process of reviewing, so correcting mistakes

CONCLUSION

SBI Life insurance industry requires new strategies in order to survive and survive successfully .To tap the insurance potential to maximum industry needs to frame such plans and strategies that will help to capture the market. 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 as well as growth of insurance coverage.

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