5.1 Findings

The findings of this research have been already stated in different chapters of the thesis at appropriate places. These findings have been summarized and presented here in an integrated form as follows:

1) Historical Finding: The concept of insurance has evolved since last 300 years. The practice of insurance was prevalent in ancient India in a different form but the underlying objective was the same. The concept of “Yogkshemed” (the well being, prosperity, security of the society) originated from the ancient Indian religious book, i.e. text of Rig-Veda. The Indus valley civilization has developed practices of insurance. The modern concept of insurance came to India with the arrival of Europeans in India in 1818 as “oriental life insurance company by Europeans” for the welfare of widows of Europeans. Iran has a long history of insurance since the days of “Achemenion Monarch” who insured his people and made it official by registering the insuring process in governmental notary offices. On November 6th, 1935 the first ever Iranian insurance enterprise was established, the name of this company was “Bimeh Iran”. It introduced various insurance policies in all branches of life and non life business.

Bimeh Iran insurance company has underwritten the due risks involved in the majority number of Iran’s infrastructural projects such as oil, natural gas, petro chemical, aviation industries, dams and power planet. This company naturally secures the required reinsurance coverage from the international markets for the part of the risks it initially underwrites, as its own discretion.

2) Business Principles:

The whole insurance business is observed to be based on the following principles:
3) types of insurance:

Type of insurance can be classified into two broad categories:

a) Life insurance
b) General insurance

Further it is observed that general insurance includes:

- Motor insurance
- Marine insurance
- Fire insurance
- Fidelity insurance
- Credit insurance

4) Life insurance Principles: It is observed the life insurance business is based on the following four principles:

- Insurable interest
- Indemnity
- Subrogation
- Average clause

5) Life insurance products: It is observed that, the life insurance products are broadly classified on the basis of duration, pension and additional benefits as follows:
➢ Term assurance
➢ Endowment
➢ Whole life
➢ Annuity
➢ Pension
➢ Terms and critical illness
➢ Multiple cover

6) Business Growth and Scope: It is observed that insurance business is growing at the rate of 15-20 percent annually in India and Iran. It is further observed that together with banking services, it adds 7 percent to country’s GDP. Nearly about 80 percent of Indian population is still not insured.

7) Reforms: Reforms in the field of insurance took place after the regulations introduced by the ‘Malhotra committee’ (in the year 1993), which permitted participations of overseas insurance companies with 26 % capital. in the tear 2000 IRDA started issuing licenses to private insurance. ICICI prudential and HDFC standard life insurance were the first private life insurance players to see a policy.

8) Market share: LIC market share has decreased from 95 % (2002-3) to 81 % (2004-5) after the re-entry of private players.(Table 2.2)

9) Ideas of Bankassurance: It is observed that, so as compete with huge established business of LIC, the private players have taken a support of ‘Bankassurance’. today there are eleven insurance companies in India having tie up with various banks.

10) Neglected unorganized sector: It is observed that, despite arrival of many private players in the field of insurance in India the unorganized sector has
remained unnerved. The private players in the future would have to turn their attention to working in the unorganized and under served markets.

11) Market share of private player: It is observed that as far as premium collection and number of policies is concerned only LIC of India is leading and all other private players have occupied just negligible share. (Table 2.4).

12) LIC is a topper: It is also observed that, in case of new policies insured the share of private sector has remained only 5.79% and 8.25% respectively in 2003-04 and 2004-05 whereas the share of LIC has remained 94.21% and 91.48% respectively in 2003-04 and 2004-05. These figures also indicate a future trend of progress of private sector which may prove to be an alarm to the LIC, to increase its efficiently and the consumer base.

The increase in the renewal premium is a good criterion of the quality of the business underwritten by the insurers. It reflects the increase in their persistently ratio and enables insurers to reduce overall cost of the business. In the year 2004-05 few insurers have shown a healthy growth. (Table 2.7)

13) Popularity and Acceptance to group Products:

It is quite obvious that the LIC’s decision to drive its premiums growth on the strength of unit link products (ULP). The group business has also witnessed some churning as the market has become more competitive. It is observed that this has been time for the term business. Today group products are offered all the life insurers. (Table 2.7)

It is observed that none of the new insurers have been able to generate surplus on their revenue account. On the contrary the cumulative losses of the private insurers have increased considerably.
It is observed that the LIC of India continued to earn profits from operations, with a small decline in the volume of profit, which is a result of re-entry of the private players.

14) Historical: Historical background of insurance in Iran goes back to 80 years ago when two Russian companies ventured to open their branches offices in various cities of if Iran. in 1970 many new insurance companies were established and at the same time the law establishing ‘Bimeh Markazi Iran’ (central insurance in Iran Like LIC in India) was passed in the parlmanet.after the Islamic revolution in 1979, the work permission of foreign insurance agencies in Iran has been withdrawn .there are nine private life insurance companies plays and competes with Bimeh Iran company as Public insurance company. Sales network in Iran insurance market clearly shown growth each year, still it is observed that many people in Iran are still uninsured.(Table 2.11)

15) Advertising: It is observed that the public sector organizations have not been assigning due weightage to the quality upgradation and therefore whatever they advertise do not receive positive effects to desire extend.

16) Publicity: It is observed that the advertisements may be insensititive, but insurance companies find publicity comparatively more effective since the messages view, onions facts figures are publicized by the media or the vocal leaders. it is a device to promote business without making any payment and therefore insurance companies also call it as an unpaid form of persuasive communication bearing high rate of sensitivity.

17) Public Relations: It is observed that the public relation officers in insurance companies bear the responsibility of projecting a positive image of the organisation, but efforts are not diverted in this direction by senior executives. The foreign
insurance companies have quality public relation officers but in public sector
insurance origination public relation activities of the world class are not observed
which make their task of publishing insensitive.

18) Sales promotion: Almost all the organization operating in the field of insurance
are observed using the tool of sales promotion in different way. It is quite clear that if
the insurance companies keep on activating the process of innovation in this respond,
the foreign insurance companies will find it difficult to compete with the public sector
insurance organizations.

19) Government Support public Sector: The task of public sector insurance
organization would be much more difficult if the governmental support to the public
sector insurance organization, especially in the form of income tax exemption is
withdrawn.

20) Incentives to end users: Incentives to the end users for taking a policy definitely
play an incremental role in promoting for insurance business.

21) Personal selling: It is observed that out of all the components of promotional
mixes, the personal selling occupies a place of significance as the insurance business
is substantially influenced by the instrumentality of agents and rural career agents.

22) Word of Mouth: it is observed that the private insurance companies are promoting
their business with support of hidden sales forces, the public sector insurance
organization do not assign due weightage to this component of promotional mix.

23) Telemarketing: It is observed that the foreign banking and insurance companies
are assigning due weightage to the component of telemarketing promotion mix and
have receive a positive response where as the public sector insurance organizations
have not assigned due weightage to it. Unfortunately, it is observed that in a majority
of the small branches of the public sector insurance organization, even the telephonic service is not available.

24) it is observed that so as to satisfy customers expectations the insurance companies came up with many attractive insurance plans such as pension products, unit link policies, providing certain top-up facility ,riders tailored products, bundled products, mutual funds, mutual funds with life insurance policies.

25) It is observed in India and Iran that the agents are plying vital role to equip the customers with the knowledge of many insurance products, credibility of insurance company, financial solvency of the company and also occupying good insurance businesses, on the basis of the training and education imported by the insurance companies to them from time to time.

26) It is further observed that many agents’ fails to maintain relationship with the customers and to provide after sell services to them, which is utmost required for the purpose of customers satisfaction and also to fetch further business from them.

27) Distribution Network: the conventional channels of distribution in the insurance industry are broadly classified into three categories; Direct, Indirect and partners. The insurance companies are also finding innovative distribution schemes such as bankassurance, use of postal network.

28) Bancassurance: it is observed that with evolution of international financial services, banks are converting themselves into ‘one stop financial supermarkets’. This has promoted two broad classes of financial institutions: Bank and insurance companies, to combine and deliver an innovative product “Bankassurance” .this provides bank huge network of their own branches to sell the various insurance products.
29) Niche Markets: it is observed that in case of niche markets, direct marketing is not used in the form of emails to the desired extent.

30) Rural Markets: it is observed that in India all insurance companies could not generate big proportion of their business from rural areas.

31) Insurance in Iran: it is observed that, in recent years, despite the fact that the authorities of the country have insisted on more utilization and application of insurance services among people in the society, but for various reasons insurance did not prove to be efficient under the authority of government.

32) It is observed in Iran that people do not have much faith in insurance due to improper action of insurance and delay in payment of claims.

33) Negative feedback against Life insurance:

it is observed that, people have an negative feedback against ‘life insurance’ due to the reasons that the term of insurance is synonymous with therapeutic service, since people required the companies of life insurance equal to these types of services, where as they differ essentially.

33) Failure to win people trust: despite of the efforts made by governmental, management of life insurance companies, it could not win trust of people and use the existing potentials in possibilities of the market.

34) Compulsion of insurance: it is also observed that, compulsion in many fields of life insurance in Iran has slowed down the movement of the life insurance companies.

35) Lack of competition: it is observed that due to governmental compulsion and supervision of government on insurance companies, there is no completion and due to lack of competition there is absence of dynamicity in the market.

36) Lack of Selling: it is observed that the skill of life insurance is almost unknown in Iran. Insurance companies in the past and present lacked effective and efficient
formation of sale of this field of insurance and it is a major reason for stagnation of this insurance.

37) Agency system: it is observed that the method of ‘Agency’ has been used in life insurance companies in Iran for more than a hundred years. The companies which did not use the method of agency have been confronted with negligible insurance business and they have been compelled to review their approach and accept agency system for themselves.

38) Lack of knowledge about insurance: it is observed that people in Iran do not have sufficient knowledge of the concept of life insurance; hence, such ignorance affects the insurance business adversely.

39) Personal selling: it is observed that presently, most of the insurance companies including ‘Iran insurance company’ have put efforts for selling insurance policies through their employees and have paid maximum attention to personal selling.

40) Lack of understanding body language: it is observed that there is a big weakness in direct selling. Most of the agents in Iran Life Insurance Companies are not able to interpret ‘language science of body organs’ and this science still is not known.

41) Use of communication means: it is observed that presently many agents in Iran contact their prospects by telephone and postal communication on means. They contact their clients on telephone and also send them letters to give necessary information about the life insurance products or new policies.

42) Promotional mix strategies: it is observed that as far as promotional mix strategies adopted by life insurance companies in India are concerned about eight means were adopted,
- Advertising in electronic and print media
- Advertising campaign
- Public Relation and Publicity
- Personal selling
- Sales promotion
- Direct marketing
- Telemarketing
- Word of mouth

43) It is observed that out of above eight promotional mix strategies (mentioned in finding No 42) ‘sales promotion’ and ‘word of mouth’ ranked number one with highest score which is followed by ‘Public Relation’ and ‘Direct Marketing’ ranked second and remaining all other strategies ranked third by scoring equal. (Table 4.19)

44) It is clear from table 4.19 that still business of insurance companies in the India depends upon the traditional promotional mix and they have neglected the use of innovative promotional mix such as telemarketing, electronic media.

45) It is observed that though use of cell phone has increased considerably in India, the insurance companies have not used this particular media for the purpose of advertisement to the desire extent.

46) It is also observed that the promotional strategies adopted by the insurance companies in India captured more percentage (i.e. 16 %) in the case of sales promotion and word of mouth and comparatively low percentage (i.e. 14 %) in the case of Public Relation and Publicity and direct marketing.

47) It is observed that in Iran also promotional strategies adopted by life insurance companies are same in number and type. these strategies are eight such as:
Advertising in electronic and print media.

Advertising campaign

Public Relation and publicity

Personal selling

Sales promotion

Direct marketing

Telemarketing

Word of mouth

48) it is observed that out of above eight promotional mix strategies (mentioned in finding No 47) ‘sales promotion’ and ‘word of mouth’ ranked number one with highest score which is followed by ‘Public Relation’ and ‘Direct Marketing ‘ ranked second and remaining all other strategies ranked third by scoring equal.(Table 4.21)

49) It is clear from table 4.21 that still business of insurance companies in the India depends upon the traditional promotional mix and they have neglected the use of innovative promotional mix such as telemarketing, electronic media.

50) It is observed that though use of cell phone has increased considerably in India, the insurance companies have not used this particular media for the purpose of advertisement to the desire extent.

51) It is also observed that the promotional mix strategies applied in iran from Public relation and publicity to Telemarketing captured only 12 % market.(Table 4.22).

52) It is observed that, there are similarities and differences between
Promotional mix strategies in India and Iran, both countries have emphasized on PR and Publicity, Sales Promotion as promotional tools for induce consumer. Researcher noticed the life insurance companies in India also take into consideration the word of mouth, direct marketing where as the life insurance companies in Iran have
emphasized in Telemarketing, Advertising in electronic and print media an, advertising campaign as additional promotional mix strategies. (Graph 4.5)

53) It is observed that there is an association between gender of the respondent and advertisement recall. (Table 4.23-4.24)

54) It is observed that there is an association between brand image of the life insurance product with protection for the family and pension provision. (Table 4.25)

55) It is observed that as compared to all other investment criterion, Indian clients of life insurance have given preference to three criterions such as following:
   a) Family protection
   b) Long term saving
   c) Tax saving

56) It is observed that ‘family protection’ benefit is ranked highest by the respondents from India. It clearly means that Indian clients of life insurance companies gives utmost importance to ‘family protection’ then long term saving and tax saving.

57) It is observed that as compared to all other investment criterion, Iranian clients of life insurance have given preference to four criterion such as following:
   a) Long term saving
   b) Risk coverage
   c) Family protection
   d) Tax saving

58) It is observed that ‘long term saving’ benefit is ranked highest by the respondents from Iran. it clearly means that like Indian clints of insurance, the clients of life insurance in Iran do not give utmost importance to family protection. on the other hand, they are more concerned of ‘long term saving’. (Table 4.47)
59) It is also observed that, there are similarities in utilities like long term saving, family protection, tax saving in Iran and India where as the respondents from Iran expected two more utilities of insurance such as:

- Risk coverage
- Pension benefit

60) It is observed that there is an association between the market research and survey with flurry of media. (Table 4.48-4.49)

61) It is observed that 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.

62) It is also observed that life insurance companies have given positive response in relationship between market research and survey with flurry of media.

63) It is also observed that there is an association between the efforts of the company to develop brand building and positive customer response. (Table 4.50-4.51)

64) It is further observed that overall 75 % of life insurance companies have agreed whereas 25 % of life insurance companies have not agreed between efforts of company to develop a brand building plan to create positive customer response. (Graph 4.10)
5.2 Recommendations:

- The countries of origins have tremendous scope to increase insurance business as most of the people from these nations are uninsured.
- The insurance business growth rate is observed at 15 to 20 percent at annum which is increased by adding banking services with it, hence, it is suggested that along with banking, postal services department may be utilized for further growth.
- As near about 80% of the populations is still not insured, efforts need to be diverted to attract more people under insurance coverage by applying innovative promotional mix strategies by the insurance companies.
- More attention need to be paid for the insurance policies (i.e. product), which will provide many benefits at the time to the insured, so as to absorb them.
- Prior to the re entry of private players in the field of life insurance, LIC was dictating the market, but after re entry of private players the market share of LIC has decreased rapidly and considerably. This need to be treated as serious threat to the prevailing business of LIC. Efforts need to be diverted by the LIC for motivating and capturing more prospects by applying right mix of promotional strategies.
- Even after of arrival of private players, unorganized sector of the society has remained neglected and uninsured, hence, efforts need to be diverted by all the insurance companies to capture this particular sector of the society.
- So as to cover unorganized sector by providing insurance coverage, it is required suggested that ease in insurance process, payments of premiums, ease in availability of information of insurance need to be provided to the prospects through on line marketing.
More attention need to be paid by the insurance companies to audio-visual advertisement, which is considered as one of the key elements of promotional mix, to captured the people of unorganized sector.

The insurances companies in both countries (Iran and India) have to assign due weightage to the quality and content of the advertisement so as to obtain positive effect and desired results. It is further suggested that, an important dimension of the promotional mix requires due attention of senior executives, so that, whatever the lapses generally observed in the advertisement planning are sorted out.

The foreign insurance companies have high quality public relation department but in public sector of insurance companies in Iran and India, public relation activities of world class are not observed, which makes their task of publishing insensitive. In this context it is suggested that overriding priority need to be given to this dimension of promotion.

It is suggested that, incentives to the end user for taking a policy need to be given. Such incentives would help to increase the insurance business. Implementation of innovative idea in sales promotion will help the insurance companies to establish the growth of the business of insurance companies in both countries (Iran and India).

The insurance companies should take into consideration the importance of rural career agents who are moving the process of informing and persuading the prospects policy holders.

The insurance organizations like banking organization need to assign due weightage to the quality of service made available to the users so that the
satisfied group of customers can advertise for best quality through word of mouth technique.

- The insurance companies in both countries (India and Iran) should think in favor of ‘Telemarketing’, to promote business. It is mandatory for insurance companies to have strong telemarketing system to communicate with customers.

- The insurance companies need to recruit efficient personnel who can discharge their functional responsibility in right fashion. Even sophisticated technology should be used by insurance companies on priority basis.

- As the people are interested more in pension plan and security, which research has already proved, it is suggested that the insurance companies should come up with excellent plans which will delight their customers and satisfy their above expectations.

- The insurance companies in India and Iran are suggested to conduct training programs for the agents and field employees, with an intention to equip them with recent knowledge of new insurance product, recent trend in promotional strategies techniques to deliver the correct information to the end users.

- Agents and field employees may also be imparted knowledge to maintain long term relations with their customers and even prospects.

- Apart from conventional channel of distribution such as direct, indirect and partners, insurance companies have also tried innovative distribution networks such as bancassurance, use of postal network. It is still suggested that further innovative distribution channels need to be tested to expand their business. Insurance companies may try corporate sector and may get their employees insured by paying some incentives to the respective companies.
➢ Use of Emails, mobile phones need to be increased as one of the most new promotional strategies techniques in insurance companies in both countries to expand the market share.

➢ It is required to invite foreign and private players in Iran so as to increase competition in the field of insurance.

➢ The insurance companies in Iran need to develop their business by adopting “Modern agency system:” with innovative techniques and methods.

➢ The insurance companies in Iran have to take the benefit of various promotional methods such as television, mobile, internet advertising to develop the knowledge and importance of life insurance among the people.

➢ Education and training need to be imparted to the employees of insurance companies in both countries (India and Iran), with an intention to enable them with the knowledge of ‘Body language’ as one of the most practical technique.

➢ It is suggested that considering an association between gender of the respondent and advertisement recall, effort need to be directed to apply innovative promotional mix so as grab more insurance business by right mix of promotional mix.

➢ As Indian customer of insurance prefers family protection, long term saving and tax saving m, the insurance companies are suggested to mold their promotional strategies on the basis of above priorities.

➢ As Iranian customers of insurance prefers long term saving, risk coverage, family protection and then tax saving , the insurance companies are suggested to mold their promotional strategies on the basis of above preferences and priorities, so as to grab more business by catering exact scenario required by their prospects and customers.
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 both countries.

Researcher recomended that the insurance companies take into consideration the e-promotional strategies in both countries (Iran and India).most of the insurance companies have some form of WebPages used for placing banner advertisement on the webpage. Insurance companies have to come up with new approach to e-promotion strategies which is known as Web Public Relation (WPR).Web public relation enables insurance companies to inform and persuade customers about recent trends and changes in insurance companies through sending articles which help them to review site once a month.

Researcher advised that insurance companies should replace new form of direct email for communicating with clients or prospects. Direct email is a popular and common form of e-promotional strategies, although slowly becoming the most hated promotional strategies techniques with many clients and prospects. Direct emails are known as “SPAM” which is stands for Sending Persistent Annoying Mail. Insurance companies can send e-leaflets to hundreds and thousands of respondents, hoping small percentage will reply.

Researcher 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 and India. Since the customer expectations form a key element of the brand strategy based on which a suitable brand positioning is evolved.

- Researcher suggested that the insurance companies should more concentrate on television and print advertising. The benefit associated with insurance advertising can be summarized as follows:
  a) Reaching a wide range of population.
  b) Delivering clear and lucid message to untapped segment of market especially rural market which is considered as uninsured segment in both countries (Iran and India).
  c) Communicating new product launches.
  d) Enhance the brand image of insurer and their products.

- The life insurance companies in both countries should more concentrate on push and pull strategies to absorb more customers and gradually increase the market share. Researcher suggested that the life insurance companies should use push strategy when they develop a strong sales force system and trade promotion activities to create demand for a life insurance product to increase market share. Researcher believed that the life insurance companies can take an advantage of pull strategy when they are going to capture untapped market especially in rural segment. Life insurance companies requires strong brand image, advertising with respect to genders and promotion activities to inform and persuade customer or prospects to buy or try their life insurance products.

- Researcher discovered that the insurance companies take the benefit of AIDA model of communication, when they launch the product first time to grab more attention. AIDA is an acronym for the Attention, Interest, Desire, and
Action. 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. Researcher recommended that the life insurance companies have to rely on the marketing research report every month. The marketing research enables them to know about the status of their product in the product life cycle (PLC). If marketing manager of life insurance companies knows about the stage of product in the product life cycle, it enable marketing manager to decide mix of promotional strategies which can be applied at these stage. Marketing manager has to take into consideration the rule and regulation of Life Insurance Company when he/she decides about the combination promotional mix. Marketing department of life insurance companies noticed that as products move through the four stages of product life cycle, different promotional strategies should be employed at these stages to ensure healthy success and life of the life insurance products.

5.3 Future Research Opportunities:

Researcher has studies the promotional strategies in India and Iran. Such research can be conducted as comparative study. Some can be studied between any two countries. Innovative promotional mix can be change the growth rate of insurance industry; hence, the researcher of next generation may conduct studies in the field of marketing to provide innovative mixes so as to have better growth rate in the business in corporate world in the same way. It also provides utmost satisfaction to the customer.
and other whole for better and happy life of human race by implementing the right mix of promotional strategies in each country through getting precise information from market research department and establishment the right brand strategy which can transfer the best and precise idea and opinion to the final customers.