CHAPTER- 04

COMPARATIVE MARKETING STRATEGIES
INTRODUCTION:
The liberalization of the Indian economy has broadened the opportunities for consumers as well as the companies. The variety of goods and services which are available today at minimum effort of course for a price was not present for the people a decade ago. Increasingly, taking best advantage of available opportunities places heavy demands on the ability of customers to make sensible choices. The rising complexity affects nearly all market decisions - from choices about food, whether consumed at home or in restaurants; to choices about clothing, electronic equipment, transportation, and housing; to choices about career pathways; and to choices about savings and investing. Viewed in this light, the widening range of alternatives in the financial marketplace in general and the insurance market place in particular is part of the larger process operating in the economy as a whole.
The above made it mandatory to the companies to think over again on their strategy part and redesign them to meet the needs of today's insurance market.
But before going into the details it is essential to understand; what the strategies are and other significant issues related to it.

4.1 THE CONCEPT OF STRATEGY
Strategy is the long term plan of action designed to achieve a particular goal.
The concept of strategy is essentially borrowed from the military and adapted for use in business. In business, as in the military, strategy bridges the gap between policy and tactics. Together, strategy and tactics bridge the gap between ends and means.
Strategy is defined by the various prominent management thinkers as -
According to Henry Mintzberg in his book, The Rise and Fall of Strategic Planning he outlined 4 common ways of using the word strategy:
1. Strategy is like a plan, a "how", a means of getting from here to there.
2. Strategy represents a pattern in actions overtime; for example, a company regularly markets very expensive is using high end strategy.
3. Strategy represents position; it reflects decisions to offer particular products or services in particular markets.
4. Strategy represents perspective like vision and direction of the company.
According to Michael Porter; competitive strategy; is about being different. It means deliberately choosing a different set of activities to deliver a unique mix of value. It is the combination of ends (goals) for which the firm is striving and the means (policies) by which it is seeking to get there.

**Strategy according to B. H. Liddell Hart;**

"The art of distributing and applying military means to fulfill the ends of policy."

**Strategy According to Michel Robert;**

Michel Robert takes a similar view of strategy in *Strategy Pure & Simple*, where he argues that the real issues are "strategic management" and "thinking strategically." This made the management decisions pertaining to four factors:

1. Products and services
2. Market segments
3. Customers
4. Geographic areas

Robert claims that decisions about which products and services to offer, the customers to be served, the market segments in which to operate, and the geographic areas of operations should be made on the basis of a single "driving force." He claims that several possible driving forces exist but only one can be the basis for strategy. The 10 driving forces cited by Robert are:

- Product-service
- Natural resources
- Sales-marketing method
- Size/Growth
- User-customer
- Technology
- Distribution method
- Return/profit
- Market type
- Production capacity capability.
Strategy According to Kenneth Andrews;
Kenneth Andrews in his book, the concept of corporate strategy presented the definition as-
"Corporate strategy is the pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, as produces the principles policies and plans for achieving those goals, and defines the range of business the company is to pursue, the kind of economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities."
Thus the strategy is defined in many ways by the different but every definition is linked with one and other. To generalize it can be said that Strategy is an elaborated and systematic plan of action. It is perspective, position, plan and pattern. Strategy is the bridge between policy and high order goals o the one hand and tactics or concrete actions on the other hand. Strategy and tactics together bestride the gap between ends and means. Strategy is a planned, deliberate goal oriented procedure which can be achieved with a sequence of steps subject to monitoring and modifications. It is concerned with deciding what business and organization should be in, where its wants to be and how it is going to reach the position it has decided. The strategy is definitely based upon the values, mission and vision of the company; and besides a common corporate strategy each business unit in the organization may have separate corporate strategies as Strategic Business Units.

4.2 THE CONCEPT OF STRATEGIC MARKETING:
The market today is highly competitive and brutal and the life insurance business in India is not aloof of it. Today the organizations have only two choices; they can either react to the situations or they can become proactive, and take the initiative of planning and implementation of their plans and strategies for maintaining and enhancing their market share.
The strategic marketing is important because of the following reasons;

1. Firms have to select various strategic options Product, price, promotion and place; and for service the people, process and physical evidences also.
2. Timely decisions are become curtail because of complex business environment. Long term planning is become important.

3. Strategic analysis is needed to understand the real situation which includes external and internal scanning of the environment and the organization's own core competencies.

4. The allocation of organizational resources in a planned manner is become mandatory for cost cutting and gaining competitive advantage.

5. Importance of communication both internal as well as external.

6. Analysis of competitors and competition.

7. Changing structure of Indian insurance industry, entry of new and new global firms along with Indian major business companies.

(Adopted from Strategic Marketing Management: Text & Cases, Macmillan India Ltd, modified some part to suit the subject).

Thus strategic marketing is all about gaining competitive advantage on a continuous basis and finding out the strategies to be ahead in competition. Discovering what your customers want and making sure you meet their needs takes a lot of work. A typical strategic marketing structure is shown below in the figure presented on the next page by figure 4.1.
(Figure: 4.1- The Strategic Marketing Process)
4.3 STRATEGY DEVELOPMENT AND STRATEGIC MARKETING IN INDIAN LIFE INSURANCE INDUSTRY:

The privatization of LIFE INSURANCE in India has changed the whole scenario of Indian insurance sector and required them to change their marketing strategies. LIC which enjoyed the monopoly earlier is now facing stiff competition from the private players. The total number of private players has grown up to 20 and most of the major business empires are in this business like- Bajaj, ICICI, HDFC, Bharti, DLF, IDBI, Sahara, Reliance etc. This has worsened the situation of competition for the LIC. The impact was visible on the market share of the company which declined to 64% in 2007-08.

This necessitated for the companies to think about the strategic options so as to maintain their market share in this cut throat environment of LIFE INSURANCE BUSINESS in India. The analysis of the marketing strategies can be done on the basis of the following points-

- Development of vision, mission & values of the companies.
- Analysis of market
- SWOT Analysis.
- Analysis of marketing mix and marketing practices adopted.
  1. Product
  2. Price
  3. Place
  4. Promotion
  5. People
  6. Process
  7. Physical Evidences
- Strategies to deal with Intangibility, Inseparability, Inconsistency and Inventory which are the vital characteristics of services.

In lieu of the above points the comparison of the Life Insurance Corporation of India (LIC) and other Private Sector organizations can be done as-
4.3.1 Vision, Mission & Values of the companies:

Vision, mission and values of the companies are the indicators of their strategies whether it is marketing, finance or human resources. In practice vision, mission and values are the key indicators of the overall organization's policies. A glimpse of analysis of this can help to understand the values of life insurance companies operating in India.

This can be started from the largest company of India; i.e.; LIC and followed by other private companies.

- **Life Insurance Corporation of India:**
  
  **Mission:**
  
  "Explore and enhance the quality of life of people through financial security by providing products and services of aspired attributes with competitive returns, and by rendering resources for economic development."

  **Vision:**
  
  "A trans-nationally competitive financial conglomerate of significance to societies and Pride of India."

- **SBI Life Insurance Company:**
  
  **Mission:**
  
  "To emerge as the leading company offering a comprehensive range of life insurance and pension products at competitive prices, ensuring high standards of customer satisfaction and world class operating efficiency, and become a model life insurance company in India in the post liberalization period".

  **Values:**
  
  Trustworthiness, Ambition, Innovation, Dynamism & Excellence.
• HDFC Standard Life Insurance Company:
  
  Mission:
  To be the top new life insurance company in the market by customer service, value for the money, innovative products and technology.
  
  Values:
  Security, Trust & Innovation.

• ICICI Prudential Life Insurance Company:
  
  Mission:
  To be the dominant Life, Health and Pensions player built on trust by world-class people and service.
  
  Values:
  Integrity, Customer First, Boundary less, Ownership, and Passion.

• Birla Sun Life Insurance Company Ltd:
  
  Mission:
  To create long term value along with market leadership
  
  Vision:
  To help people mitigate risks of life, accident, health and money at all stages and under all circumstances, enhance the financial future of our customers, including enterprises.
  
  Values:
  Integrity, Commitment, Passion, Seamlessness & Speed.
• Max New York Life Insurance Company Ltd.
  
  **Vision:**
  To become the most admired life insurance company of India.

  **Mission:**
  o To become one of the top quartile life insurance company of India.
  o To be a national player
  o To be a brand of national choice.
  o To be an employer of first choice.
  o To become principle of choice for agents.

• Reliance Life Insurance Co. Ltd:

  **Vision**
  Empowering everyone live their dreams.

  **Mission**
  Create unmatched value for everyone through dependable, effective, transparent and profitable life insurance and pension plans.

  **Goal**
  o Emerge as transnational Life Insurer of global scale and standard
  o Create best value for Customers, Shareholders and all Stake holders
  o Achieve impeccable reputation and credentials through best business practices.

• Bharti AXA Life Insurance Co. Ltd:

  **Vision**
  To be a leader and the preferred company for financial protection and wealth management in India
Values

Professionalism, Innovation, Team Spirit, Pragmatism & Integrity.

Strategy

- To achieve a top 5 market position in India through a multi-distribution, multi-product platform.
- To adapt AXA’s best practice blueprints as a sound platform for profitable growth
- To leverage Bharti's local knowledge, infrastructure and customer base
- To deliver high levels of shareholder return
- To build long term value with our business partners by enhancing the proposition to their customers
- To be the employer of choice to attract and retain the best talent in India
- To be recognized as being close and qualified by our customers

Strategic differentiators

- Strong partner Bharti - provides access to customer base of more than 20 million
- Multi channel execution capability
- Current Asia product range which is a strong match to products sold to the mass and mass affluent
- Global scale providing cost effective and speedy re-use of systems, products and business capability
- Strong AXA and Bharti brands which can be leveraged to attract and retain a high quality management team

The analysis of mission vision thus implies the strategic choices of the companies.
LIC on the one hand focuses upon the social objects and long term development and on the other hand emphasizes upon the insurance benefits to the policy holder. Barring a few, most of the private sector companies quoted above are emphasizing profit as their prime objective.

This is what precisely makes LIC outstanding company who cares for the well being of the common man in a vast and highly populated country like India. When we look at leading insurance companies abroad it is very difficult to find a company who really cares for the well being of the nation and carries on its business with social welfare objective. Hence we can easily comment that it is a boon in disguise that the private players have come up in Indian market and LIC could further establish itself with a determined vision, mission and objectives for doing something good for the people. It is evident that LIC is here to stay and will surely fetch attractive returns for the common customers.

4.3.2 Analysis of the market:
Life insurance in India is the most popular financial product among Indians because of the tax benefits and income protection. Also it offers a financial security. After liberalization the life insurance market has grown by leaps and bounds. According to a report of McKinsey Co the life insurance premiums market could double from 40 billion dollars to 80 billion or even 100 billion dollars by 2012. The reason for this growth is increasing household earning, aging of the population and low penetration of the insurance coverage. According to a report by Swiss Re, the world life insurance market grew by 12.6% which translated to a real growth of 5.4% after adjusting for inflation. As against this the Indian insurance market has really grown at 14.2% in 2007-08 which is more than two-and-half times the world average. With the current size of $ 6 Billion and it is expected to grow to $ 20 billion by the year 2012.

The Indian Govt. has also made efforts to emphasize reforms in Life Insurance Sector. Starting from the 26 % equity partnership by any foreign firm with the Indian partner; it has now allowed the 49% limit and gradually divestment will be done to 100% foreign shareholding. This practice is also encouraging the foreign companies
to start venture in India; widening the life insurance market. However it is to be seen that how LIC of India matches this growth challenge and how much market share it can retain and obtain with such cut throat competition form the private players. / Following reasons can be attributed which have made the Indian market lucrative for the both Indian business groups and foreign companies-

• The potential in the India is its population of 1.1 billion people can be seen from the fact that the ratio of life insurance premiums to GDP is 4.1 per cent which is far lower than developed market levels of 6-9 per cent. If we talk the same in numbers than it comes to around 12 Crore people insured in India. This translates to the fact that at least 65 Crore insurable population is available for insurance business. This also means that if we take LIC’s present market share as 64 % the optimum chunk of this business can easily be grabbed by LIC. It is remarkable to observe here that other private players too have a big-big opportunity to be cracked in the near future.

• Accelerating household income and demographic profile which can be seen from the fact that it is rising by 5.3 per cent annually, which is higher than the 3.6 per cent annual growth over the past two decades. This promises a higher premium generation possibility for both LIC and private sector companies. That is why we now see so many new strategies adopted by both the sectors to milk this offering.

• The pension segment is growing as the working population in the country is aging; i. e. 113 million Indians are expected to be over 60 by 2016. At the outset when the Government has stopped the further pension schemes the pension plans offered by the life insurance companies are very promising alternative to the working executives. Since only 10 to 11 per cent of India’s working population is covered by formal old-age social security schemes; it further enhances the marketability of pension plans.

• Apart from the above many working youth plan for future expenditure which may occur as per their life cycle stage such as marriage, house, children education etc. and the periodical money back policy of LIC becomes
extremely useful for the same. This is also closely followed by the private sector companies.

The number of players in the life insurance business along with their foreign partner and year of entry presented blow clearly depicts the growing market of Life Insurance in India. For proper understanding the name of the companies are also highlighted along with their year of registration. In further figures top 10 life insurance companies along with their market shares and market share in terms of different units is also presented.

The top-10 life insurance companies along with their market share are presented as under-

Table: 4.1

<table>
<thead>
<tr>
<th>S. N.</th>
<th>Name of the Company</th>
<th>2007-08</th>
<th>2006-07</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In Percentage; %)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>LIC India</td>
<td>64</td>
<td>74</td>
</tr>
<tr>
<td>2</td>
<td>ICICI Prudential Life</td>
<td>8.93</td>
<td>6.97</td>
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<td>3</td>
<td>Bajaj Allianze Life</td>
<td>6.98</td>
<td>5.66</td>
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<td>4</td>
<td>SBI Life</td>
<td>5.15</td>
<td>3.14</td>
</tr>
<tr>
<td>5</td>
<td>Reliance Life</td>
<td>2.96</td>
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<td>6</td>
<td>HDFC Life</td>
<td>2.88</td>
<td>NA</td>
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<td>7</td>
<td>Birla Sun Life</td>
<td>2.11</td>
<td>1.22</td>
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<td>8</td>
<td>Max New York Life</td>
<td>1.71</td>
<td>1.17</td>
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<tr>
<td>9</td>
<td>Kotak Mahindra Old Mutual Life</td>
<td>1.19</td>
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<td>10</td>
<td>AVIVA Life</td>
<td>1.13</td>
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</table>

Source: Northbridge Capital thro ET
The market share of Public and Private Sector companies on various fronts is also presented as:

<table>
<thead>
<tr>
<th>Insurer</th>
<th>2005-06</th>
<th>2006-07</th>
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<tr>
<td></td>
<td>Regular Premium</td>
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<tr>
<td>LIC</td>
<td>64.59</td>
<td>65.89</td>
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<tr>
<td>Private Sector</td>
<td>35.41</td>
<td>34.11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00</strong></td>
<td><strong>100.00</strong></td>
</tr>
<tr>
<td></td>
<td>Single Premium</td>
<td></td>
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<tr>
<td>LIC</td>
<td>84.35</td>
<td>87.04</td>
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<tr>
<td>Private Sector</td>
<td>15.65</td>
<td>12.96</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00</strong></td>
<td><strong>100.00</strong></td>
</tr>
<tr>
<td></td>
<td>First Year Premium</td>
<td></td>
</tr>
<tr>
<td>LIC</td>
<td>73.52</td>
<td>74.35</td>
</tr>
<tr>
<td>Private Sector</td>
<td>26.48</td>
<td>25.65</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00</strong></td>
<td><strong>100.00</strong></td>
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<tr>
<td></td>
<td>Renewal Premium</td>
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<tr>
<td>LIC</td>
<td>92.82</td>
<td>89.03</td>
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<tr>
<td>Private Sector</td>
<td>7.18</td>
<td>10.97</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>100.00</strong></td>
<td><strong>100.00</strong></td>
</tr>
<tr>
<td></td>
<td>Total Premium</td>
<td></td>
</tr>
<tr>
<td>LIC</td>
<td>85.75</td>
<td>81.92</td>
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<tr>
<td>Private Sector</td>
<td>14.25</td>
<td>18.08</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00</strong></td>
<td><strong>100.00</strong></td>
</tr>
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Source: IRDA annual report 2006-07.
<table>
<thead>
<tr>
<th>S. N.</th>
<th>Date of commencement</th>
<th>Name of the Company</th>
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<tbody>
<tr>
<td>1</td>
<td>1st Sep. 1956</td>
<td>Life Insurance Corporation of India</td>
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<tr>
<td></td>
<td></td>
<td><strong>Private Sector</strong></td>
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<td>S. N.</td>
<td>Reg. No.</td>
<td>Date of Reg.</td>
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<td>111</td>
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<td>114</td>
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<td>133</td>
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<td>17</td>
<td>135</td>
<td>19.12.2007</td>
</tr>
<tr>
<td>18</td>
<td>136</td>
<td>08.05.2008</td>
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<td>19</td>
<td>138</td>
<td>27.06.2008</td>
</tr>
<tr>
<td>20</td>
<td>140</td>
<td>27.06.2008</td>
</tr>
</tbody>
</table>

Source: www. irdaindia.org
4.3.3 SWOT (Strength, Opportunities, Weakness and Threats Analysis):
SWOT is the primary indicator to know the 4 parameters mentioned above. This analysis helps the companies to analyse their present position and their competitive environment.
To analyze the marketing strategies in life insurance business this is an important tool to have a deep insight into the current practices prevailing in the life insurance business.
The comprehensive SWOT analysis of public and private sector life insurance companies is presented as below-

- **SWOT of LIC:**

1. **Strengths:**
   - Oldest organization in Life insurance segment in India.
   - Very strong customer loyalty and brand image.
   - Greater credibility in the minds of the customer.
   - Strong distribution network and wide presence even in the rural sector.
   - Also in social security schemes.
   - Wide range of products and policy servicing term.
   - Minimum policy settlement time.

2. **Weakness:**
   - Government structure.
   - Unable to capture & cash the huge market.
   - Not proactive.

3. **Opportunities:**
   - Being the oldest one no need for reorganization and hence can be easily recalled by the customers.
   - Innovative products can re-back its market share.
   - Huge distribution network can be used to generate more sales.

4. **Threats:**
   - Entry of foreign firms along with Indian collaboration.
• Aggressive marketing strategies of private companies.
• IRDA policies of increasing the privatization in LIFE Insurance as it reached to 49% limit of foreign holding in 2008; with any Indian partner.

❖ SWOT of Private Companies:

1. Strengths:
   • Generally supported by Big Business Tycoon of India.
   • Most of the private players have joint ventures with any foreign firms; the experience & expertise can be a great asset.
   • Higher spending on advertisement and brand building.
   • Distribution network of local player and business alliances.
   • Innovative and need based products.
   • Extensive customer care.
   • Minimum policy settlement time.
   • Result oriented.

2. Weakness:
   • Less perceived credibility.
   • Less
   • Private structure and second preference to LIC.

3. Opportunities:
   • Effective marketing strategies can eat up the LIC’s market share.
   • By launching of more customers focused products would able to make a position against LIC.
   • Extensive customer support could lead to more profits and mouth publicity.
   • Use of other forms of distribution apart from agent like; bancassurance, shopassurance, corporate agents, postal insurance could result into greater market presence.
4. Threats:
   - Raising competition.
   - Revert back strategies of LIC.

4.3.4 Analysis of Marketing Mix and Marketing Practices Adopted by The Life Insurance Companies:

Unlike product industry the service industry adopts an extended product mix which includes the basic 4 P’s namely; Product, Price, Promotion and Place plus 3 extended P’s namely; People, Process and Physical Evidences. The comparison of 7 P’s can be done as under;

- **Product based strategies;**
  Like other service industries life insurance business does not have any tangible product. It sold a promise which is related to future. Because of this intangible nature it is hard selling. The entry of foreign firms generated the importance of proper product planning strategies for all the players.

- **The product strategies of LIC are;**
  1. Introduction of new innovative products every year.
  2. Putting off non performing products.
  3. Introducing a particular scheme for a shorter duration generally at the time of Jan-March to take advantage of tax saving need of the public. Also creating and ambience of short term selling only to generate curiosity among the public and maximum conversion of queries to final sale.
  4. Keeping the view of national policy of reaching the benefits of life insurance to maximum of India’s population.
  5. Improving the product related service strategies.
  7. Policies to serve the rural population.
- The product based strategies of private companies:
  1. To achieve a position in the market private companies have also come up with improved products regularly. In reality private companies are more innovative than LIC.
  2. Private companies are the first to come up with UNIT LINKED products giving a new definition to the Indian insurance industry.
  3. Private companies have also realized the potential of untapped rural marked and launched a lot of products related to the rural segment.
  4. Understanding the needs of the customers the companies have come

Table: 4.4

<table>
<thead>
<tr>
<th>S.N.</th>
<th>Company Name</th>
<th>2008-09/No. of products</th>
<th>2007-08/No. of products</th>
<th>2006-07/No. of products</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>LIC</td>
<td>04</td>
<td>06</td>
<td>08</td>
</tr>
<tr>
<td>2</td>
<td>Bajaj Allianze</td>
<td>11</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>3</td>
<td>HDFC Life</td>
<td>10</td>
<td>03</td>
<td>07</td>
</tr>
<tr>
<td>4</td>
<td>Birla Sun Life</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>5</td>
<td>ICICI Prudential</td>
<td>06</td>
<td>10</td>
<td>24</td>
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<td>6</td>
<td>ING Vysya LIC</td>
<td>—</td>
<td>08</td>
<td>09</td>
</tr>
<tr>
<td>7</td>
<td>Max New York LIC</td>
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<td>14</td>
<td>06</td>
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<td>8</td>
<td>MetLife</td>
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<td>05</td>
<td>08</td>
</tr>
<tr>
<td>9</td>
<td>SBI Life</td>
<td>03</td>
<td>14</td>
<td>09</td>
</tr>
<tr>
<td>10</td>
<td>TATA AIG</td>
<td>05</td>
<td>10</td>
<td>08</td>
</tr>
<tr>
<td>11</td>
<td>Reliance LIC</td>
<td>10</td>
<td>05</td>
<td>09</td>
</tr>
<tr>
<td>12</td>
<td>Sahara India Life</td>
<td>01</td>
<td>02</td>
<td>05</td>
</tr>
<tr>
<td>13</td>
<td>Kotak Mahindra Old Mutual</td>
<td>08</td>
<td>07</td>
<td>15</td>
</tr>
<tr>
<td>14</td>
<td>AVIVA Life</td>
<td>08</td>
<td>17</td>
<td>23</td>
</tr>
<tr>
<td>15</td>
<td>Shriram Life.</td>
<td>01</td>
<td>06</td>
<td>08</td>
</tr>
<tr>
<td>16</td>
<td>Bharti AXA Life Insurance</td>
<td>03</td>
<td>05</td>
<td>08</td>
</tr>
<tr>
<td>17</td>
<td>Future Generali India</td>
<td>10</td>
<td>04</td>
<td>* Not started</td>
</tr>
<tr>
<td>18</td>
<td>IDBI Fortis LIC Ltd.</td>
<td>03</td>
<td>08</td>
<td>* Not started</td>
</tr>
<tr>
<td>19</td>
<td>Canara HSBC OBC LIC</td>
<td>05</td>
<td>* Not started business.</td>
<td>* Not started business.</td>
</tr>
<tr>
<td>20</td>
<td>AEGON RELIGARE LIC</td>
<td>11</td>
<td>* Not started business.</td>
<td>* Not started business.</td>
</tr>
<tr>
<td>21</td>
<td>DLF Pramerica LIC LTD.</td>
<td>02</td>
<td>* Not started business.</td>
<td>* Not started business.</td>
</tr>
</tbody>
</table>

Source: www.irdaindia.com
Pricing Based Strategies:

In the insurance business pricing decisions are concerned with the premium charged against the policies, interest charged for default in the payment of premiums and credit facilities, commission charged for underwriting and consultancy services. The formulation of pricing strategies becomes significant with the view point of influencing the target market or prospects. In the country like India where the disposable income in the hands of people is very low, the increasing inflation is also making things hard. This presents the requirement of motivational pricing strategy; which has a new vision for setting premium structure and paying the bonus and charging the interest. The example can be seen from the practices of public sector company (LIC) offering the pricing schemes for weaker sections; pricing strategies are rationalized to cater to the low premium payment capacity of Indian households.

The overall pricing decisions strategies can be summarized as:

- Making possible cost of effectiveness.
- Deciding the premium as per the segment for which policy is targeted.
- Premium restructuring.
- Rate of expenses by the companies to be charged from the customer at the time of issuance of the policy and afterwards.
- Investment which are profit generating.
- Rationalizing or optimizing the social costs.
- Paving avenues for channel sing the productive investments.
- Assigning due weight age to the policies meant for the socially and economically backward classes.
- Making the way for maximizing profitability.

(Service Marketing, S. M. Jha, Himalaya Publishing House, New Delhi.)

Few strategic options adopted by the Public and Private Sector companies are summarized in the table as-
<table>
<thead>
<tr>
<th>S. N.</th>
<th>Company</th>
<th>Product</th>
<th>Entry level premium</th>
<th>Premium options</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Public Sector</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Life Insurance Corporation of India.</td>
<td>Individual, Pension, Unit, Special &amp; Group.</td>
<td>Depends upon the sum assured</td>
<td>Single premium, quarterly, half yearly, yearly.</td>
<td></td>
</tr>
<tr>
<td><strong>Private Sector</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bajaj Allianze, ICICI Prudential, Birla Sun Life, Aviva, Tata AIG, HDFC SLC, Met Life, Reliance, Bharti AXA, SBI Life, IDBI Fortis, Sahara Life, ShriRam Life etc.</td>
<td>Individual, Women, Term, Traditional, Unit Linked, Children, Health, Group, Rural etc.</td>
<td>Depends upon the some assured.</td>
<td>Single premium, quarterly, half yearly, yearly.</td>
<td></td>
</tr>
</tbody>
</table>

The above table is indicating the truth of Indian life insurance market that most of the companies are using flexible premium payment options and sum assured is generally form Rs. 5000/- to any Limit. Lower sum assured denotes the lower premium which is the need of the hour for companies.
Distribution based Strategies:
The success of a product depends to a great extent on the efficacy of the distributor. Especially when the product is of an intangible nature, the distributor plays a key role in enhancing the product's visibility. Insurance, particularly in emerging markets, still needs to be pushed and in this regard, the distributor's role-play is very vital.
(Source: IRDA Journal, October 2008, U. Jawaharlal)
Distribution is the key for the success of any product. They are the intermediaries which transport any product or service form manufacturer to the final consumer. In life insurance business the distribution accounts for the largest element in insurers' costs and impact the profitability. Distribution capabilities strongly influence product design in insurance. They have a direct impact on the insurers' market image. Because of this the governing body IRDA is putting its efforts to integrate the various channels distribution like Agent, Bancassurance, Corporate etc. which are reshaping the insurance industry.
With the help of distribution channels the penetration levels can be raised significantly. All companies are now trying for employment of qualified agents and proper training and development to serve the increasingly discerning insurance buyers.
Emergence of new channels will have positive impact on rebating and such undesirable practices in the industry. Widening choice of distribution channels will eventually drive down the premium level. Need to encourage and nurture new channels such as Bancassurance to utilize the existing infrastructure to optimum extent. The emergence of new channels is in the interest of consumers and widening and strengthening the channels will help the insurance industry to become more competitive and healthy.
Most of the insurance companies are adopting the above mentioned policies. A list is being populated to show various distribution channels used by the companies after liberalization of life insurance business.
However increasing distribution cost is also a cause of worry to the companies including the giant LIC. Cutting cost and using distribution efficiently is the prime objective for the companies. Especially in rural areas where distribution cost is more than urban areas. In practice it cost around 15 lakhs to the company to maintain staff and agent workforce in rural areas (according to the TATA-AIG officials) also companies have to pay extra incentives after the regular premium to agents and other forms like bancassurance etc. but these are essential for growth of NEW BUSINESS PREMIUM. Taking all these; the important strategies use by the companies for distribution of insurance products in India are-

1. Reach- Reach- Reach is the mantra for success.
2. Management of insurance personal; primarily agents.
3. Targeting to the rural segments.
4. Location of branch.
5. Management of offices.

The share of various distribution channels for the year 2006-07 in generating company’s sales is shown below-
Some benefits of distribution channels for the customers and insurer can be listed:

**Table: 4.7**

<table>
<thead>
<tr>
<th>Benefits to the customer</th>
<th>Benefits to the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Despite felt need, customers do not appear to enjoy buying insurance - consumer needs considerable motivational push to buy.</td>
<td>Helps the insurer to attract good risks. There is always a knowledge asymmetry faced by the insurer with regard to an insured. Intermediaries can reduce these considerably.</td>
</tr>
<tr>
<td>Creating awareness of the products on offer and advising the methods to translate customer need into a best buy, lowers the search costs of the insured.</td>
<td>Following on the above, the pricing of risks become far more accurate and helps to retain low risk customers and price rightly higher risk customers.</td>
</tr>
<tr>
<td>Insurance products are couched in a complex contract, in a language that is difficult to understand, and which offer intangible benefits of a promissory nature. All this needs customer handholding and assurance, to reduce the uncertainty costs of the insured.</td>
<td>The services of the intermediary helps everyone in the insurance market as otherwise the frictional costs that can arise out of asymmetric information can thrust a premium load on all policyholders, leading to less demand and credibility of the service offered.</td>
</tr>
<tr>
<td>Intermediaries assist in crossing the many procedural hassles involved such as filling the proposal form, production of documents etc. and thus the intermediary reduces the complexity costs involved.</td>
<td>The intermediary can bring to the table the behavioral aspects of the insured's risk, which even a comprehensive risk survey cannot bring out.</td>
</tr>
<tr>
<td>There are needs for additional services such as endorsements to the policy, renewals, refunds etc. and this enhances the lifetime value of the coverage. In the unfortunate event of a claim, the insured needs even more handholding and liaisioning with the insurer to speed assessment and settlement.</td>
<td>Intermediaries can act as market makers, match buyer needs with insurer's products and service capability, give feedback on customer demand and aspirations.</td>
</tr>
<tr>
<td>In the unfortunate event of a claim, the insured needs even more handholding and liaisoning with the insurer to speed assessment and settlement</td>
<td>The intermediary carries to the market new products, and helps to gauge market reactions to new offerings proffered by insurers and help to discover and validate the price points at which sales can maximize.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>They help to evaluate customer needs and help to ensure that the full line of insurance protection based as per life cycle and occupational needs is offered to the consumer for consideration.</td>
<td>Intermediaries provide detailed information to assist the insurer in ensuring that risks are properly underwritten and that claims are considered fairly and settled fast.</td>
</tr>
<tr>
<td>They can make meaningful the security of the cover offered and the transparency and understandability of the products purchased. This enhances the feeling of security for the insured.</td>
<td>They can help to carry out research, test and develop new products, or new services.</td>
</tr>
<tr>
<td>The intermediary helps to shield customer against the actuarial mindset of the insurer who can callously treat an insured as one of the thousands of policy-holders they deal with daily.</td>
<td>They help insurer competitiveness by collection of risk specific or general information.</td>
</tr>
<tr>
<td>They help the customer to evolve with the changes that are taking place in the marketplace with regard to better products and prices.</td>
<td>They assist in policy renewal and claims documentation, and the lifelong retention of the customer through a double tier of relationships.</td>
</tr>
<tr>
<td>They thus give the necessary risk management, informational, relational and liaison services to the insured.</td>
<td>They can give feedback on the quality of service rendered by the insurer and the reputation of the insurer in the market and thus enhance insurer competitiveness.</td>
</tr>
</tbody>
</table>

The unique distribution strategies adopted by the companies can be understood as:

- **Distribution strategies of Life insurance corporation of India:**

Some of LIC's distribution strategies can be summarized as:

1. Strong network of agents; the company is having a strong network of more than 10 lakh active agent which are operating from Metros to the Remote Villages.

2. Infrastructural support; LIC is having an huge network of offices. It includes Zonal Offices, Divisional Offices and Branch Offices. Branch offices are present in almost all cites of India providing support to the agents in selling their policies. Also helping the customers in utilizing their benefits effectively.

   The numbers of different offices are shown as-

   **Table: 4.8**

<table>
<thead>
<tr>
<th>Zonal Offices</th>
<th>Divisional Offices</th>
<th>Branch Offices</th>
<th>Satellite Offices</th>
<th>Foreign Branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>101</td>
<td>2048</td>
<td>109</td>
<td>3</td>
</tr>
</tbody>
</table>
   (Source: LIC Annual Report; 2006-07)

3. Using successfully alternative channels of distribution apart from agents. The success can be measured by the sales done by these channels in previous years. The bancassurance partners of LIC includes; Andra Bank, Dena Bank, Indian Overseas Bank, Corporation Bank, Allahabad Bank, Vijya Bank and Central Bank of India. So apart from the strong agents and branch network; LIC is trying to reach to the customers by the banks.

4. Making use of Referrals by the companies to reach the needed person.

5. Use of corporate agents and shopassurance by the company.

6. Tie ups with other possible channel partners; like post offices etc.
Distribution strategies of private players:
The private players are not lacking behind rather they are using distribution strategies better than LIC. They channels discussed above are used by the private companies. However they are lacking in terms of agent strength but using other means.

Some of the strategies of these companies are:

1. As same as LIC proper infrastructural support is essential to help the team working on the ground. The total number of offices of private life insurance companies are shown in the table-

<table>
<thead>
<tr>
<th>Insurer</th>
<th>Metro</th>
<th>Urban</th>
<th>Semi Urban</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aviva</td>
<td>13</td>
<td>55</td>
<td>61</td>
<td>11</td>
<td>140</td>
</tr>
<tr>
<td>Bajaj Allianz</td>
<td>30</td>
<td>124</td>
<td>375</td>
<td>348</td>
<td>877</td>
</tr>
<tr>
<td>Bharti Axa</td>
<td>5</td>
<td>11</td>
<td>--</td>
<td>--</td>
<td>16</td>
</tr>
<tr>
<td>Birla Sunlife</td>
<td>27</td>
<td>60</td>
<td>60</td>
<td>1</td>
<td>148</td>
</tr>
<tr>
<td>HDFC Std</td>
<td>34</td>
<td>84</td>
<td>251</td>
<td>79</td>
<td>448</td>
</tr>
<tr>
<td>ICICI Pru</td>
<td>77</td>
<td>140</td>
<td>305</td>
<td>61</td>
<td>583</td>
</tr>
<tr>
<td>ING Vysya</td>
<td>14</td>
<td>63</td>
<td>91</td>
<td>15</td>
<td>183</td>
</tr>
<tr>
<td>Kotak Mahindra</td>
<td>18</td>
<td>36</td>
<td>19</td>
<td>2</td>
<td>75</td>
</tr>
<tr>
<td>Max NewYork</td>
<td>25</td>
<td>49</td>
<td>38</td>
<td>6</td>
<td>118</td>
</tr>
<tr>
<td>MetLife</td>
<td>14</td>
<td>25</td>
<td>13</td>
<td>1</td>
<td>53</td>
</tr>
<tr>
<td>Reliance Life</td>
<td>19</td>
<td>54</td>
<td>80</td>
<td>6</td>
<td>159</td>
</tr>
<tr>
<td>Sahara</td>
<td>4</td>
<td>24</td>
<td>5</td>
<td>--</td>
<td>33</td>
</tr>
<tr>
<td>SBI Life</td>
<td>14</td>
<td>68</td>
<td>43</td>
<td>13</td>
<td>138</td>
</tr>
<tr>
<td>Shriram</td>
<td>2</td>
<td>9</td>
<td>1</td>
<td>--</td>
<td>12</td>
</tr>
<tr>
<td>Tata AIG</td>
<td>20</td>
<td>46</td>
<td>20</td>
<td>3</td>
<td>89</td>
</tr>
<tr>
<td><strong>Private</strong></td>
<td><strong>316</strong></td>
<td><strong>848</strong></td>
<td><strong>1362</strong></td>
<td><strong>546</strong></td>
<td><strong>3072</strong></td>
</tr>
<tr>
<td><strong>LIC</strong></td>
<td>233</td>
<td>499</td>
<td>797</td>
<td>772</td>
<td>2301</td>
</tr>
<tr>
<td><strong>Industry Total</strong></td>
<td><strong>549</strong></td>
<td><strong>1347</strong></td>
<td><strong>2159</strong></td>
<td><strong>1318</strong></td>
<td><strong>5373</strong></td>
</tr>
</tbody>
</table>

(Source: IRDA Annual Report 2006-07)
The figures clearly indicate that private companies have to go for a long way to enhance their distribution effectiveness by increasing their number of offices in the country. This speaks for further growth opportunity available to the private sector while as this may sound as a threat to the LIC.

2. Use of associate’s networks is another strategy commonly adopted by the private life insurance companies. Some examples are-
   • Bharti Axa Life is using its sister concern’s telecom distribution network of 180,000 distribution centers of Airtel’s to reduce cost and achieve penetration.
   • Sahara Life using Sahara’s network.
   • Reliance Life using Reliance’s Network.

3. The market leader of private sector ICICI Prudential has tied up with post offices for the payment facility in cash and also trying to utilize this channel as a place to sell the company’s products.

4. Successful tie ups of the companies with banks to promote their business via bancassurance. Use of existing banking network by the companies like; HDFC Life, ICICI Prudential, Om Kodak Mahindra, Met Life etc.
   Private players successfully identified a unique sector for promotion of their business and tied up with various private banks; they are the pioneer in bancassurance and achieving higher growth through this channel.

5. Use of referrals, tie ups with shops and use of corporate agents are also common in private sector.
Promotion based strategies;

Promotion is becoming the key mantra for increasing the awareness and sales of a product or service. Life insurance industry is witnessing the changing pattern of promotional activities in India. Earlier when the promotion area regarding the life insurance products was treated dry; now it is the hot cake for advertising business. This happened after arrival of private companies into the sky of Indian insurance market.

What they did? Firstly they tried to build the awareness of their brands and products but the reaction of customers was different. LIC benefited by the acts of the private insurers. As the meaning of life insurance in India was LIC.

But the efforts started giving results to the companies as the private players were also gaining recognition in life insurance industry and their market share started increasing; cutting down the market share of LIC.

Some of the methods used by the companies including LIC and others for promotion are as under-

1) Television advertisement
2) Print; newspapers, magazines, journals, mailers etc.
3) Radio; including latest FM channels.
4) Outdoor; local trains & hoardings.
5) Sponsorship of television and other programs
6) Free seminars
7) Road shows
8) Sales promotion activities
9) Internet advertisement
10) Tele calling
11) SMS marketing
12) Grouping with other consumer durable products
13) Trade fairs
14) Short films and slides in movie halls.
15) Mobile video vans.
• **Promotion strategies of LIC India:**

   LIC due to its government status and monopolistic position enjoyed the status of market leader and regarded as the most respectable company. Even today it is the largest player with around 64% market share and enjoys the highest credibility in the market.

   Before the entry of private companies LIC was not as aggressive in the promotion of its products as there were no competitors in the market. But the liberalized regime has changed the way of working of LIC. Now it becomes essential for LIC also to adopt new, innovative promotional strategies.

   Some of the strategies adopted by the LIC are;

   1) LIC is informing customers aggressively about the products via advertising. The total budget of LIC for advertising is around 110 crores for this fiscal year and the new communications speak loudly and persuasively with the target customers.

   2) It is using the various media especially television and print to promote its new policies.

   3) Customers are encouraged to go for short term policies with quick gains assured over comparatively shorter terms of premium payments

   4) Sponsorship of sports telecasts and popular TV soaps;

• **Promotion strategies of private players:**

   In Indian life insurance industry private players have faced the problem of trust. The most common challenge for the private companies is to build trust among the Indian customers about the viability of private life insurance. The reason is - a majority of Indian customers being very conservative and averse to risk, trust was an extremely important factor in the insurance business. LIC’s status of government owned organization provides a psychological impact of safety and the element of security embedded in its services and products. This is the biggest hurdle for the new insurance companies because of skeptical nature of Indian insurance customers.
Due to the above in the initial years of private companies' existence their focus was on building an image of trustworthiness and reliability for themselves. The initial advertisements of the companies were focused on insurance as an investment option and not a mere tax saving tool, which accounted for a great success for these companies.

The private companies have also become successful in their objective. According to a study conducted by Max New York Life-NCAER on 'How India earns, spends and saves' said- "Awareness about insurance is quite high in India, yet less than three out of 10 households in the country have opted for some kind of life insurance cover." (Source: DNA Money, 10 Dec. 2008)

This establishes the fact that India is a very-very promising market for life insurance companies and definitely a challenge to both the LIC and the private sector players.

The private companies are extremely aggressive in all the fronts including the promotional strategies.

1) They engaged insurance agents from all walks of life and emphasized on highly personalized services to introduce their products to the target customers.

2) They offered very attractive commissions to the middlemen and this encouraged the agents to aggressively sell the products to their close relatives, friends, co-workers etc.

3) Apart from this they marketed their products through sales promotions campaigns in leading localities by putting canopies, stalls and propaganda vans.

4) They also advertised their service through almost all media being covered by LIC.

5) Private companies have been facing a do or die situation due to the counter attack by LIC and substantiated by the recent receessional trend following downfall of a leading financial giant from USA and subsequently the
retrenchment faced by a large number of private sector employees who are actually positive customers for them. It remains to be seen as to how and with what measures the private players come out of this sudden slowdown.

6) Private insurance companies have taken up a very unique approach of promoting the insurance business by offering professional training courses in insurance with guarantee of employment to the energetic youth on completion of such program. For launching this program ICICI has tied up with leading IT training institute namely NIIIT and IFBI.

♦ People based strategies;
People constitute the most important place in any organization; as they represent the organization to the outside world. In case of services people are involved at all the levels and hence their significance is enhanced in the proper delivery of service process and overall service experiences of the customers depends upon efficacy of the complete people mix.
Especially in the life insurance industry where more than 70% of insurance policies are sold by the agents; who are actually the facade of the organizations. The effectiveness of agents is crucial for the success of life insurance business. Also interaction with other personnel of the company during various stages of service transaction form the overall experience about the service received. To shape a positive perseverance companies need to invest a lot in developing the human resources in the organization.
In lieu of the above framework following are the strategies adopted by the companies to deal with most important and critical element; the people.

- People based strategies of LIC:
By virtue of its existence LIC is the largest organization of LIFE insurance business in India also the largest organization with highest number of employees (Total 13,710 employees as on 31/03/2007) and more than 10 lakhs agents). Some strategies of LIC to utilize this strength can be illustrated as;
1) Appointment of career agents and other agents; 14999 urban corporate agents and 21883 rural corporate agents and 10 lakh plus other agents working under the development officers to ensure effective delivery of service covering the wide spread geographical distances. Employment to various sections of the society and also empowering women participations.

2) Taking care of the social classes prevailing in India; due reservations to each class in employment.

3) To ensure proper delivery of the service, organizing training programs from time to time. LIC has excellent in-house training facilities at all zonal and divisional offices.

4) Periodic discussions with the employees and employee unions to maintain cordial human relations.

5) LIC has a unique employee welfare department which takes care of overall employee retention by way of providing various motivational schemes and programs.

6) Due to lucrative pension schemes after retirement the manpower turnover of LIC is the minimum and speaks volumes for its huge workforce staying for 35 + years of service.

- People based strategies of Private Companies:
Whatever holds true for LIC is also true for others. In fact LIC is the model organization to others for taking lead in the market. Private life insurance organizations are also very much concerned about the importance of people as service performers.

Some of the strategies of private companies are-

1) These organizations have also believed about the strength of manpower and appointed fairly high number of agents.

2) Women’s participation is welcomed, encouraged and practiced.

3) Proper training is given before sending the agents and employees to the fields.
4) Use of higher packages and incentives to generate more performance from the employees.

5) Training of organizational staff for proper customer care and after sales services.

6) High use of internet and websites for improving communication with employees and branch offices.

❖ Process based strategies;

By process we mean delivery of services to the customers. It is moment of truth which translates the service experience in positive or negative manner. The service process determines what a customer has to do to receive the service. The task of the service marketer is to make the service delivery process easier so that it can reach to the customer with minimum trouble to him.

It is so important because any improper service delivery may cause customer to switch from one company to another or if not switching than negative publicity about the company. All this results into loss of customers and in today competitive world no company can afford this.

In life insurance sector customer is generally associated with the company for longer duration because the benefits do not come immediately rather they come after a certain period as specified in the policy.

Till the policy matures or the money back payments become due are the service parameters which generally decide the satisfaction level.

Some strategies of different life insurance companies can be seen as;

❖ Process strategies of LIC India;

The organization is handling more than 2 crore policies in India. It claims to satisfy its customer and their families.

Some strategies of LIC are-

1) Early policy sending time with 15 days policy document reaches to the customers.
2) Easy settlement of claims on the maturity of the policies.
3) Less number of pending claims.
4) Timely delivery of cheques of money back or bonuses.
5) Strong branch network for any kind of support like; query, premium payment etc.
6) Using IT to enabling the customers to pay for the policies from any of branch of the company.
7) ECS (Electronic Clearance System), Payment through credit cards via internet to ensure hassle free payments.
8) Timely reminders so as customer will not forget to pay for the premiums.
9) Facility of premium payment on quarterly, six monthly or yearly basis.
10) Proper training to the staff, agents so as right information is passed to the customer form the company’s end.
11) Use of mobile and other communication for clarification of the process; i.e.; SMS marketing, telecalling etc.
12) Easy complaint handling by displaying the number of senior officers in case of improper delivery.

- **Process strategies of private companies;**

  Private companies are also joining hands with although in some aspects they are ahead of LIC. They are also adopted strategies like;
  
  1) Minimum possible policy processing time.
  2) Minimum claim settlement time.
  3) Training to employees, agents etc.
  4) Use of ECS, Branch attachment etc.
  5) IT enabled services.
  6) Using as many as tangibles to facilitate customers.
Physical evidences - strategies to tangibles:
The purchase decisions of every individual depend upon various variables by every individual and they vary from product to product, situation to situation and individual to individual. The intangible nature of service creates difficulties for the buyers as they can only feel it; no touch.
To increase the tangibility of services marketers use physical evidences so as customer feels the service more effectively. Also it help in recognition of services, making the customer associate with service and service provider and ultimately the effective promotion of services.
This brings the importance of physical evidence in light to the service marketers. In life insurance industry where benefits are future oriented and there is no immediate benefit the companies have to use physical evidences to make the delivery process easier and to generate the long term feeling of association with the organization.
Both LIC and private sector companies use physical evidences to add tangibility to their services. It is important to note that private organizations are far ahead in using tangible clues than LIC of India.

4.3.5 Strategies to Deal with Intangibility, Inseparability, Variability and Inventory:
The unique characteristics of services pose great marketing challenges in front of the service marketers. They have to formulate effective strategies to deal with these issues. Some strategies of both public and private sector companies to deal with these problems are elaborated as-

- Strategies of LIC and Private Companies to deal with the 4 I's:
  - Intangibility:
    1) Policy documents at the time of issuing the policy.
    2) Customer relationship marketing.
    3) Use of referrals and mouth publicly to generate sales.
    4) Other tangible clues like broachers, displays, calendars, diaries etc.
5) Use of mailers which speak about the policy status, intimations for premium due dates etc.

- **Inseparability:**
  1) Use of multiple branches to reach maximum number of customers. Although the branch network of LIC is stronger than the private companies.
  2) Promotion of insurance through internet, SMS marketing, telemarketing, mailers etc.
  3) Using of IT enabled services like electronic policy purchase, premium payments (ECS), online payment through credit/debit cards etc.

- **Variability:**
  1) Employees training through their various training centers at all levels and mostly on periodical basis.
  2) Training to agents so that all agents will communicate the same information to the prospective clients.
  3) Educating the agents to create customers for life.

- **Inventory:**
  1) Issuing the policy for shorter duration of time to generate more demand.
  2) Product innovation to generate more demand.
  3) Making the literature available throughout the existence of the concerned contact point/agents/branch office.

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