

A Study on Advertisement Effectiveness in Life Insurance Industry

Shilpa Agarwal¹, A. K. Mishra²

¹Research Scholar, ²Professor, Dept. Of Commerce IEHE, Bhopal

Abstract

Advertising effectiveness is the extent to which advertising generates a certain desired effect and measuring the effect of advertising is necessary to know the amount of investment needed for advertising. Though it is not possible to obtain a global measure of the advertising effectiveness and that too in case of intangible product like insurance it becomes more difficult. But this paper is an effort to study and measure the impact of advertising in the life insurance market.

Key Words: Insurance, Advertising effectiveness.

I. INTRODUCTION

In financial services, people are highly concerned about the security of their funds and default risks. According to Bhattacharya, Anbil. (2005), it was revealed that the financial service providers are not perceived highly trusted, so that they might face many difficulties in selling risk based products. The effort to promote the insurance business is a distinguished affair. At present, it has become very tricky due to changing trends of industry, increasing competition, efficiency of regulatory environment and financial system.

“Enhancement of competition increases innovativeness”, the truth behind this statement is visible in the strategies used by different life insurance companies. In marketing of any product whether tangible or intangible in nature or service, the contents of advertisement and promotional tools, helps the customer to make a valuable and right decision.

II. REVIEW OF LITERATURE

The studies which have been done in this field are given below:

1. Jain, A. K. (2004)- In marketing of any product or service, customer satisfaction has been given the prime important. The most irritating aspect of insurance marketing is lack of management support, lack of inter-departmental cooperation, crisis management, government intrusion and advertising and media problems.
2. Ananda and Murugaih (2003)- Promotional packages are very important for financial

service industry. Thus, the orientation of insurance should be much wider focused in relation to consumers and market needs and the consequent marketing strategies.

3. Krishna Suryanarayana and Shrikant (2005)- They suggested that the designing the promotional strategies should be according to the nature of the service to be promoted. So, the advertiser should seek a narrative approach to communicate the service experience rather than a logical, or argumentative approach.
4. Ray and Bose (2006)- They generalized the fact that service marketing advertisements are more challenging than the advertising of tangible products.
5. Nayar Raman (2006)- The challenges put forth by the changing environment have to be effectively tackled to identified the consumers needs and providing valuable services through product innovations.

III. OBJECTIVE OF THE STUDY:

The main objective of this study is to understand and measure the impact of advertising the life insurance market.

IV. RESEARCH METHODOLOGY:

This study comprised of the information, collected from primary and secondary data sources. The primary data collection has been done from hundred respondents to know, understand, capture, access and evaluates the effectiveness of advertisement. The secondary data has been collected from books, periodicals, journals and internet.

A. Limitations

1. The results are confining to certain part of Bhopal city.
2. Some respondents are reluctant to give personnel information which can affect the validity of all responses.
3. The findings can differ with the rapid change in media technologies.

The effects of advertising are varied and not always translatable into quantitative terms

Table1. Analysis Of The Data Collected Through Questionnaire From The 100 Respondents

SR. NO.	BASIS	YES (in%)	NO(in %)	NO REPLY
1.	Viewed any insurance adv.	94	6	-
2.	Liking of Advertisement	\Found Attractive 70	25	5
3.	Recall Content	58	42	-
4.	Sharing of Advertisement	48	52	-
5.	Message Understandable	72	25	3
6.	Benefits told believable	60	35	5
7.	Influential to Buy/ Recommend	59	38	3
8.	Brand Loyalty	70	30	-

V. FINDINGS

Following are the findings of the above study:

1. If we talk about the consumer preference regarding life insurance companies, LIC of India is still the most trusted and reliable brand.
2. People are more inclined towards Television for entertainment and information gathering, followed by internet and newspaper. With the advancement of mobile technology and satellite radio, Radios have again gained some momentum in urban areas.
3. People Like to watch advertisement on Television but 58% viewers recall the content and lesser than it share with others.
4. Liking the Advertisement doesn't mean that public would like to buy the product.
5. The Advertising effectiveness for an intangible product or service like life insurance always make people emotional and they believe on the benefits told through it. But still it is not in the priority of near about 40% of people.
6. It is also found that insurance companies like to give their advertisement in news or business channel.

VI. CONCLUSION

The result of this study reveals that in spite of so many other medium for providing information and advertisement about the insurance products Television scores over the web on parameters such as catching viewers attention, increasing purchase possibility and in changing and maintaining attitude towards the advertised products or services and towards the image of the advertiser. Users consider that advertising to be entertaining which should also stimulates emotions among them.

BIBLIOGRAPHY

- [1] Bhattacharya, Anbil. (2005). Challenges before Life Insurance Industry, Life Insurance Today, 1 (8), 3-6.
- [2] Jain, A. K. (2004). Journal of Insurance Institute, India, 30-53.
- [3] Mishra, M.N. (2008). Insurance Principles and Practice, S. Chand Publishers.
- [4] Nayar Raman (2006). The Journal of Insurance Institute of India, Vol. XXII, Jan.-June. Pp. 10.

- [5] Ananda and Murugaih (2003). Marketing Strategies of Financial Service Industry, Vol. XII, 25-29.
- [6] Ray and Bose (2006). Promotional Challenges in Service Sector, 36-42.
- [7] Kotler, P. and Keller, K. (2009). Principles of Marketing, 13th edn., New Delhi, Prentice Hall of India.
- [8] Yogekshema- Monthly Journal of LIC- Issues related to the topic.
- [9] Krishna Suryanarayana and Shrikant (2005) "Innovation in Product Design and Pricing by the LIC", Vol. 11, No. 6, May, pp 25-26.
- [10] Ready Reckoner- LIC's Book- January 1998, Anand Publication, Himmat Nagar.
- [11] www.licindia.com
- [12] www.knowledgedigest.com