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A study on effectiveness of advertisement in case of insurance industry

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Abstract

Indian insurance is a flourishing industry with several national and international players competing and growing at rapid rates. This is due to the various reforms and easing of policy regulations. Effective advertising is one of the most critical determinants of success in sales and marketing services especially insurance. Advertisement effectiveness is the degree to what extent advertisement creates a specific wanting impact. 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 insurance market.

Keywords: Advertisement effectiveness, insurance

Introduction

Advertising influences all the human activities such as scientific, cultural, economic, political, social, personal and collective activities. Advertising has been interwoven in the fabric of human life. Advertising is essential as it creates the necessary and logical communications. Advertising is a provision and presentation of ideas, goods or services of an advertising unit, individual or institution that requires payments. Advertising is an inseparable part of the today's economic and social systems. In today's complex societies, promotion has emerged as a critical and important communication system. Effectiveness of commercials in a given scientific pattern is determined according to the objectives and degree or extent to which consumer will achieve targeted goals. If all the stages complete correctly then the amount of advertising effectiveness will increase considerably. Accordingly, the present study was to evaluate and prioritize the effectiveness of the advertising methods used by property and liability insurance. Different methods of advertising are: radio advertising, TV commercial, online advertising, press advertising, direct sales and environmental advertising. 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.

Literature review

- Jain, A. K. (2004) ^[1] 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.
- Krishna Suryanarayana and Shrikant (2005) ^[2] 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.
- Ray and Bose (2006) ^[4] they generalized the fact that service marketing advertisements are more challenging than the advertising of tangible products.
- Nayar Raman (2006) ^[3] The challenges put forth by the changing environment has to be effectively tackled to identify the consumer's needs and providing valuable services through product innovations.

Objectives of the study

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

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Research Methodology

This study comprised of the data collected from primary source. The primary data collections have been done from 150 respondents to understand and evaluate the effectiveness of advertisement.

Findings

Table 1: Analysis of data collected from 150 respondents

Particulars	No. of respondents	Percentage
Gender		
Male	87	58
Female	63	42
Age		
Below 20 years	23	16
21-30 years	59	39
31-40 years	38	25
40 & Above	30	20
Qualification		
Under Graduate	44	29
Graduate	68	45
Post Graduate & Above	38	26
From which source did you get information about Insurance?		
Newspapers	26	17
T.V.	61	41
Agents	46	30
Friends & Relatives	13	09
Others	04	03
Have you viewed any advertisement of insurance?		
Yes	125	83
No	25	17
Did you like the advertisement of insurance?		
Yes	119	79
No	31	21
Are you able to recall the content of advertisement?		
Yes	89	59
No	61	41
Was the message understandable?		
Yes	95	63
No	55	37
Were the benefits told in the advertisement believable?		
Yes	92	61
No	58	39
Would you like to recommend insurance to others after seeing its advertisement?		
Yes	104	69
No	46	31

The above table reveals the following

- 58% of the respondents were males.
- 39% of the respondents belong to the age group of 21-30 years.
- 45% of the respondents were graduates.
- The main source of information for people about insurance is advertisements on televisions (41%).
- 83% of the respondents have viewed advertisement of insurance.
- 79% of the respondents liked the advertisement of insurance.
- 59% of the respondents were able to recall the content of advertisement.
- 63% of the respondents think that the message conveyed in the advertisement of insurance was understandable.

- 61% of the respondents are of the opinion that the benefits told in the advertisement of insurance are believable.
- 69% of the respondents would like to recommend insurance after seeing its advertisement

Conclusion

The result of this study reveals that television scores over the web on parameters such as catching viewer’s attention, increasing purchases and changing attitude towards the advertised products and also helps to change the image of the advertiser positively. Users consider advertising to be entertaining which stimulates emotions among them.

References

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