

# A Study On The Impact Of Marketing Strategies On Consumer Perception Of Life Insurance In Tenkasi District

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Marketing strategies play a vital role in shaping consumer perceptions in the life insurance sector. Understanding their effectiveness helps insurers improve their approach, ensuring better consumer engagement and trust. The primary objective of this study is to analyze consumer perceptions of life insurance marketing strategies, identify key gaps, and suggest improvements to enhance their effectiveness. This study collects data from consumers through a structured questionnaire. The Gap Score analysis measures the difference between expected and perceived marketing strategies using the 7Ps marketing mix. The study concludes that a consumer-centric marketing approach, integrating digital accessibility and clear communication, is essential for improving trust and policy adoption in the life insurance sector.

**Keywords:** Marketing Mix, Marketing Strategy, Consumer, Policy, Insurance.

## Introduction

In today's digital world, companies face significant challenges in selling their products, and the insurance industry, in particular, struggles to attract customers. Despite an interest in investment opportunities, many people hesitate to opt for insurance due to several factors, such as high and unaffordable premiums, long-term commitments, and a lack of knowledge about plans and coverage. As a result, insurance companies must prioritize marketing efforts to address these concerns and educate potential customers. The intense competition in the industry is driving significant changes in marketing strategies. To stand out in this competitive landscape, insurance companies must adopt innovative and effective marketing approaches.

A marketing strategy is a business's overall plan to promote its products or services to the right audience, attract customers, and achieve its goals. It involves identifying target customers, understanding their needs, and using the right channels and techniques to reach them effectively. A good marketing strategy helps businesses stand out from competitors, build brand awareness, and drive sales while optimizing resources for long-term success. Without a solid marketing strategy, even the best products may struggle to gain recognition and attract

customers. In the insurance sector, the 7Ps of marketing Product, Price, Place, Promotion, People, Process, and Physical Evidence play a crucial role in shaping effective marketing strategies. Hence, This study examines how these marketing strategies impact consumer attitudes and choices regarding life insurance in Tenkasi District by analyzing the effectiveness of different marketing approaches.

### **Statement of the problem**

The life insurance sector has undergone significant transformations with globalization, particularly in the variety of products and services offered by insurance firms. With limited differentiation among life insurance products, companies have shifted from a product-centric approach to one that prioritizes customer needs and preferences. Changing consumer perceptions and expectations continue to challenge service providers in measuring and managing their offerings effectively. To stay competitive, insurance companies are increasingly adopting innovative marketing strategies focused on customer engagement, personalized services, and digital marketing to attract and retain policyholders.

The integration of technology and data analytics has further revolutionized marketing in the insurance industry. Digital platforms, social media, and AI-driven customer insights enable insurers to design targeted marketing campaigns that cater to specific consumer segments. Despite these advancements, many consumers remain hesitant to invest in life insurance due to a lack of awareness, perceived policy complexity, and trust issues. Therefore, understanding how marketing strategies influence consumer perception and decision-making is essential for insurance providers to enhance their market presence and increase policy adoption. This study aims to explore these factors in-depth, focusing on the impact of marketing strategies on consumer perception of life insurance in Tenkasi District.

### **Objectives**

- ❖ To examine the impact of different marketing strategies on consumer buying behavior regarding life insurance.
- ❖ To evaluate consumer perception of the 7Ps of the marketing strategy.
- ❖ To analyze consumer expectations regarding the marketing strategy of LIC.
- ❖ To offer valuable suggestions for enhancing the effectiveness of marketing strategies.

### **Research methodology**

This study adopts a descriptive and empirical research design to explore the impact of marketing strategies on consumer perception of life insurance in Tenkasi District. A judgment sampling method was employed, with a sample size of 180 respondents determined based on the researcher's convenience. Data for the study were collected from respondents residing in the eight taluks of Tenkasi District. The study primarily relied on primary data obtained through personal interviews and surveys using a pre-tested, structured questionnaire. Furthermore, data analysis was conducted using SPSS.

### **Impact of marketing strategy**

**Table No.1****Impact of marketing strategy**

Particulars	Total score	Average value	Rank
<b>Positive impact</b>			
Increased Awareness	756	4.2	<b>I</b>
Enhanced Trust & Credibility	683	3.7	<b>V</b>
Better Decision-Making	733	4.1	<b>II</b>
Higher Policy Adoption	648	3.6	<b>VI</b>
Ease of Access	684	3.8	<b>IV</b>
Customization Options	700	3.9	<b>III</b>
<b>Negative impact</b>			
Misinformation & Confusion	689	3.8	<b>I</b>
Lack of Transparency	642	3.5	<b>IV</b>
Limited Product Differentiation	612	3.4	<b>V</b>
Delayed Claims Processing	648	3.6	<b>III</b>
Poor Digital Experience	677	3.7	<b>II</b>

**Source: Computed Data**

The above table shows that, the weighted arithmetic mean scores and the average scores of each particular. The average scores are ranked according to their values. The first rank is given to Increased Awareness (4.2) in positive impact, Misinformation & Confusion (3.8) in negative impact; the second rank goes to Better Decision-Making (4.1) in positive impact, Poor Digital Experience (3.7) in negative impact; Customization Options (3.9) in positive impact, Delayed Claims Processing (3.6) in negative impact got third rank; fourth rank occupies Ease of Access (3.8) in positive impact, Lack of Transparency (3.5) in negative impact; fifth rank is given to Enhanced Trust & Credibility (3.7) in positive impact, Limited Product Differentiation (3.4) in negative impact; sixth rank goes to Higher Policy Adoption (3.6) in positive impact.

**Consumer perception & Expectation of the 7Ps of the marketing strategy****Table No.2 Consumer perception & Expectation of the 7Ps of the marketing strategy**

7Ps of marketing strategy		Mean score		Gap score
		Perceived	Expected	
<b>Product Strategy</b>	Offer customized life insurance plans	1.03	1.56	-0.53
	Include add-on benefits (riders) like accidental coverage, health coverage, and waiver of premium options.	1.25	2.01	-0.76
	Ensure transparency to build consumer trust	1.76	1.54	0.22
	Provide flexible policy terms to suit different customer segments.	1.13	1.11	0.02
<b>Price Strategy</b>	Use competitive pricing to attract price-sensitive consumers	2.01	2.45	-0.44
	Offer discounts for long-term commitments	1.79	1.37	0.42
	Provide flexible premium payment options	2.31	2.02	0.29
	Introduce family plans	1.67	1.86	-0.19
	Implement loyalty benefits for long-term policyholders.	4.55	4.58	-0.03
<b>Place Strategy</b>	Expand digital presence through mobile apps and websites	3.81	3.72	0.09
	Strengthen agent and branch networks in urban and rural areas	3.33	3.98	-0.65
	Partner with banks and financial institutions	4.44	2.73	1.71
	Provide doorstep service for senior citizens or remote customers.	3.95	4.34	-0.39
	Ensure an omni channel presence (online, offline, mobile) for accessibility.	4.02	3.78	0.24

<b>Promotion Strategy</b>	Use digital marketing (SEO, social media ads, influencer marketing) to target young consumers.	4.28	3.22	1.06
	Run awareness campaigns to educate people about life insurance benefits.	4.07	4.66	-0.59
	Offer referral rewards to existing customers for bringing in new policyholders.	2.50	4.53	-2.03
	Conduct financial literacy programs in schools, colleges, and corporate offices.	2.95	4.11	-1.16
	Personalize email & SMS marketing to engage potential customers.	4.93	4.68	0.25
<b>People Strategy</b>	Use chatbots & AI-driven customer support for quick query resolution.	4.10	3.54	0.56
	Promote customer testimonials & success stories to establish credibility.	2.93	3.62	-0.69
	Ensure customer service teams provide quick responses and support.	4.99	1.93	3.06
	Build trustworthy relationships with policyholders through regular follow-ups	4.44	2.74	1.7
<b>Process Strategy</b>	Simplify the policy purchase & claim process	4.42	1.98	2.44
	Implement digital KYC & e-signatures to speed up policy approval.	4.99	3.33	1.66
	Ensure a user-friendly website & mobile app for policy tracking and renewals.	3.68	3.04	0.64
	Provide a well-designed policy document with clear terms & conditions.	3.62	4.31	-0.69

<b>Physical Evidence Strategy</b>	Use customer reviews & ratings to boost credibility.	2.89	3.69	-0.8
	Improve the visual appeal of the website & mobile app to enhance user experience.	2.11	1.99	0.12
	Highlight claim settlement success stories to assure potential customers.	3.62	4.24	-0.62

**Source: Computed Data**

The table above presents the Gap Score analysis, which compares the perceived and expected effectiveness of marketing strategies in the life insurance sector. The marketing strategy of life insurance was assessed using the 7Ps of marketing mix, with each strategy classified into seven key factors. The gap scores for each factor are as follows:

It concluded that the Ensure transparency to build consumer trust(0.22) in Product Strategy; Offer discounts for long-term commitments (0.42) in Price Strategy; Partner with banks and financial institutions (1.71) in Place Strategy; Use digital marketing (SEO, social media ads, influencer marketing) to target young consumers (1.06) in Promotion Strategy; Ensure customer service teams provide quick responses and support. (3.06) in People Strategy; Simplify the policy purchase & claim process (2.44) in Process Strategy; Improve the visual appeal of the website & mobile app to enhance user experience (0.12) in Physical Evidence Strategy.

### **Suggestions for enhancing the effectiveness of marketing strategies**

**Table No.3 Suggestions for enhancing the effectiveness of marketing strategies**

<b>Suggestions</b>	<b>Friedman Test</b>			
	<b>Std.deviation</b>	<b>Mean Rank</b>	<b>Chi square value</b>	<b>P value</b>
Train insurance agents with modern selling techniques to improve service quality.	.96054	6.00		
Introduce one-click policy renewal and instant claim settlements	.90490	6.70		
Enhance customer support with 24/7 assistance via helplines and online chat.	.96656	6.86		

Offer insurance through e-commerce platforms and fintech apps.	1.00743	6.76	<b>98.042</b>	<b>.000</b>
Provide educational content (blogs, videos, webinars) to increase awareness.	1.18139	6.91		
Encourage existing customers to refer friends and family with incentives or discounts.	1.07506	6.87		

**Source: Computed Data**

Based on the mean rank analysis, consumers highly recommend providing educational content (such as blogs, videos, and webinars) to increase awareness (mean rank: 6.91) as the most effective strategy for enhancing marketing effectiveness. This is followed by encouraging existing customers to refer friends and family through incentives or discounts (6.87), enhancing customer support with 24/7 assistance via helplines and online chat (6.86), offering insurance through e-commerce platforms and fintech apps (6.76), introducing one-click policy renewal and instant claim settlements (6.70), and training insurance agents in modern selling techniques to improve service quality (6.00).

The statistical analysis shows that the p-value is less than 0.01 ( $0.000 < 0.01$ ), indicating that there is no significant difference between the mean ranks of these suggested strategies. This means that all these recommendations are considered valuable and should be prioritized to improve marketing effectiveness.

## Findings

The study highlights key insights into the effectiveness of marketing strategies in the life insurance sector, focusing on consumer perceptions, impact analysis, and areas for improvement. Consumers prioritize increased awareness as the most significant positive impact (4.2), while misinformation and confusion are the most concerning negative impact (3.8). Gap Score analysis reveals discrepancies between expected and perceived marketing strategy of Life Insurance, particularly in customer support (3.06), policy processes (2.44), and digital marketing strategies (1.06). To bridge these gaps, marketing efforts should emphasize transparency, digital accessibility, and streamlined service processes. Mean rank analysis further underscores the importance of educational content (6.91), referral incentives (6.87), and 24/7 customer support (6.86) as top recommendations for enhancing marketing effectiveness.

## Suggestions

The insurance sector should develop engaging educational content, such as blogs, videos, and webinars, to improve awareness and understanding of life insurance policies, reducing misinformation and confusion. They should implement referral programs that reward existing customers for bringing in new policyholders, fostering trust and increasing policy adoption.

Additionally, insurers should clearly communicate policy details, terms, and conditions while partnering with financial institutions to enhance credibility and consumer confidence in life insurance products. Consumers, on the other hand, should compare different insurance providers, coverage options, and pricing before purchasing a plan to make informed decisions.

## **Conclusion**

Marketing strategies play a crucial role in shaping consumer perceptions in the insurance sector. Effective strategies not only create awareness but also influence trust, purchasing decisions, and overall satisfaction. By utilizing digital marketing, educational content, and customer engagement initiatives, insurers can enhance consumer confidence and policy adoption. A well-structured marketing approach ensures transparency, simplifies processes, and addresses key concerns, ultimately improving the overall consumer experience.

This study highlights the significant gaps between expected and perceived marketing strategies in the life insurance sector. Consumers prioritize increased awareness as the most impactful strategy, while issues like misinformation, poor customer support, and complicated claim processes remain major concerns. The findings emphasize the need for enhanced customer education, improved digital platforms, transparent communication, and referral incentives to bridge these gaps and strengthen consumer trust. In conclusion, the study suggests that a consumer-centric marketing strategy is essential for the success of life insurance providers. By focusing on awareness-building, digital accessibility, efficient customer service, and transparent policy communication, insurers can improve consumer satisfaction and policy adoption rates. Implementing these recommendations will help the insurance sector build stronger relationships with customers and enhance the effectiveness of their marketing efforts.

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