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Abstract

Marketing of service product requires a slightly different strategy owing to the idiosyncratic nature of service items. The present study explores the customer oriented marketing strategy of LIC International in the Kingdom of Bahrain. The approach of the study was exploratory and personal interview was conducted to contribute major input source to the research. The company has been following a different marketing strategy in the study area different from the conventional approach in the home country. The customer focused marketing strategy was reviewed in seven Ps frame work.

Key words: Service marketing, LIC international, insurance marketing, Seven Ps

JEL Classification: G22, M31

Introduction

Insurance can be defined as the act, system, or business of insuring property, life, etc., against loss or harm arising in specified contingencies, such as fire, accident, death, disablement, or the like, in consideration of a payment proportionate to the risk involved. To be clarified further, insurance is a protection against financial loss arising on the happening of an unexpected event. Insurance companies collect premiums to provide for this protection. A loss is paid out of the premiums collected from the insuring public and the insurance companies act as trustees to the amount collected. It is a system by which the losses suffered by a few are spread over many, exposed to similar risks.

In India Insurance is a federal subject that has a history dated back to 1818. Turning our eyes to the insurance sector in Bahrain we can see prospective future regarding the sales the Life Insurance Corporation (LIC) of India has started to sell polices to the non-Indians of the country. According to reports, the India-based insurance company LIC has incurred a growth of 46 percent in the first nine months of this year in Bahrain. The research study conducted by us is mainly concentrated on the major three products

marketed by the LIC (International) which are the endowment policy, the money back policy and the unit linked insurance policy.

Endowment Policy: Endowment insurance are policies that cover the risk for a specified period and at the end the sum assured is paid back to the policyholder along with all the bonus accumulated during the term of the policy. The endowment insurance policies work in two ways, one they provide life insurance cover and on the other hand as a vehicle for saving. They are more expensive than term policies and whole life policies. Normally the bonus is calculated on the sum insured but the only drawback is that the bonuses are not compounded. Endowment insurance plans are best for people who do not have a saving and an investing habit on a regular basis. Endowment insurance plans can be bought for a shorter duration period. The product benefits are death benefit, maturity benefit, and extra/supplementary benefit. These benefits are offered by LIC in the wake of increased competition, though not many benefits were offered before.

Money back Policy: Money back policies are quite similar to endowment insurance plans where the survival benefits are payable only at the end of the term period, plus the added benefit of money back policies is that they provide for periodic payments of partial survival benefits during the term of the policy so long as the policy holder is alive. An additional and important feature of money back policies is that in the event of death at any time during the term of the policy, the death claim comprises full sum assured without deducting any of the survival benefit amounts. The insurance premiums of money back policies are higher than term insurance policy because in term insurance there is no survival benefit after the expiry of the insurance period. Money back policies are good for people who want to insure their life and also want to some return from their investment's at a later date. The return from investments in money back policies would range between 5% to 8% p.a. depending on the interest rate movements.

Unit linked policy: It is a unit linked endowment plan where the premium payment term (PPT) is limited to single lump sum, or uniformly over 3, 4 or 5 years. We can choose the level of cover within the limits, which will depend on whether the policy is a single premium or limited premium contract, term chosen and on the level of premium we agree to pay. Four types of investment funds are offered. Premiums paid after allocation charge will purchase units of the fund type chosen. The unit fund is subject to various charges

and value of units may increase or decrease, depending on the net asset value (NAV). This is the most risky policy LIC's profit plus is a unit linked life Insurance products which is different from the traditional insurance products and are subject to the risk factors. The premium paid in unit linked life Insurance policies are subject to investment risks associated with capital markets and the NAVs of the units may go up or down based on the performance of fund and factors influencing the capital market and the insured is responsible for his/her decisions. Life Insurance Corporation of India is only the name of the Insurance Company and LIC's Profit Plus is only the name of the unit linked life insurance contract and does not in any way indicate the quality of the contract, its future prospects or returns. The various funds offered under this contract are the names of the funds and do not in any way indicate the quality of these plans, their future prospects and returns. All benefits under the policy are also subject to the tax laws and other financial enactments as they exist from time to time.

The LIC is the major player in life insurance market in India. It could establish a market niche in Bahrain due to the kingdom's demographic features; where in, a comfortable majority are Indian expatriates. Since the kingdom's banking and insurance policies and strategies are expected strictly to "Sharia'a compliance," a foreign financial company may not have much freedom to follow their market-driven business strategies. But the prima facie information shows that the company is doing well, not only among the expatriate Indians, but the others as well. In this regard, we are initiating a company focus study to understand the marketing strategies followed by the L.I.C (International) in the Kingdom, to explore the deviations in the same, if any, suitable to local situations and to comprehend other related matters with regard to its marketing strategy.

The aim of this study is to focus on the three products endorsed by the L.I.C (International) and how they are marketed profitably in the Kingdom of Bahrain.

- To understand the growth pattern of the three products which are under study.
- To understand the role of the 7 P's in framing the marketing strategy of the three products.
- To understand the relationship and difference of framing the 7 Ps between the Indian and Bahrain insurance environment.

- To explore possible changes in order to tap the expatriate market share in the kingdom of Bahrain.

LIC (International) at a glance

In India Insurance is a federal subject that has a history dated back to 1818. Turning our eyes to the insurance sector in Bahrain we can see prospective future regarding the sales the Life Insurance Corporation (LIC) of India has started to sell policies to the non-Indians of the country. According to reports, the India-based insurance company LIC has incurred a growth of 46 percent in the first nine months of this year in Bahrain. The research study conducted by us is mainly concentrated on the major three products marketed by the LIC (International) which are the endowment policy, the money back policy and the unit linked insurance policy. They aim to offer US\$ denominated policies to cater to the individual insurance needs. One of their main goals is to provide insurance service to the holders of Indian registered policies of LIC of India currently residing in Gulf. They also aim to develop their marketing strategies in an effective manner so that their products reach all the residents in the Kingdom of Bahrain. They provide a varied range of products such as children plans, endowment plans, money back plans, whole life plans etc. We had mainly concentrated on three LIC international products, Endowment policy, Money back Policy and ULIP.

Life Insurance Marketing

Key insurance marketing strategies will always include an in-depth review of the value of follow-up. All successful sales agents understand that consumers need to be contacted again and again in order to make a vital connection. Also, great follow-up protocol lets the potential customer know that good, solid customer service will be part of the over-all package of attracting and caring for its' customers. The consumer today not only wants a product at a great price, they also want a personal relationship, especially, when it comes to financial system sales such as various insurances. A very common way to promote a life insurance company through Life Insurance Marketing is to make the name of the company familiar to others by means of television commercials, handing out pamphlets, hanging banners in populated areas and by providing exciting offers.

Telephone marketing is another way of life insurance marketing. One can see the telephone companies send messages about various offers and they even make phone

calls. Web insurance marketing is another good strategy to promote insurance policies. The pop ups that one sees while using internet are actually a very effective way of sending messages across the potential insurance customers. One should listen to the existing life insurance policy holders as well as the potential life insurance policy holders and listen to what people who actually matters have to say. One common problem that the insured persons face is that the insurance companies do not inform its clients about the hike in the premium rates. These things should be kept in mind. Not only that, a client should be informed about everything related to his policy and the life insurance company should keep the transparency as much as possible.

Community life insurance marketing is another different way to get promotion and a high recognition for the life insurance company. Eminent workers join local community institutions such as Chamber of Commerce and by signing up there, one can help out various projects that take place. These kinds of activities and social works on behalf of the life insurance company helps the company to get free publicity as their names are published in news paper and in media also.

Doing charity works also help the life insurance companies to come across various people who act as volunteers and can act as their potential life insurance clients. People also like to deal with like minded people and companies and this is how many deals are made.

A Life Insurance Company should not charge different life insurance clients different charges for the same policy. This kind of policy gives the life insurance policy holders the feeling that they are being treated unfairly and also that the life insurance companies are only looking for profits and not the betterment of customer welfare. When a life insurance claim is filed, especially for a very big hefty amount, the life insurance company should help out the policy holder in processing out the paperwork. One should not let bureaucracy enter and make it so difficult for the one making the claim so that he gives his claim .This has always been a common tactic on the insurance company's part to avoid paying claims claimed by the policy holder. This though makes a short term profit for the company but it hurts in the long run as the reputation of the company is hampered severely.

People in this life insurance industry should always try to keep in constant contact with the existing customers as well. The competition in the insurance market is so fierce today that no company wants to lose out on a customer to another company. Clients who are not contacted for a longer period of time normally fail to remain loyal to the insurance company and look for a different life insurance company.

The company can keep the records of the client's birthday and days like anniversary and sent him or her small tokens of love or loyalty at a regular basis. If the company can afford a little more it can send dinner coupons to the life insurance policy holder. These things play a major role and can be considered as an effective life insurance marketing strategy. The most crucial thing in insurance marketing is, perhaps, to always speak about unity and honesty while dealing with a business.

A life insurance holder can find so many frauds in various life insurance companies today that life insurance customers are going for products and services which are trust worthy to them. Feeling safe is about insurances and other things are most important as far as the insurance holder is concerned. So, if a company remains loyal to its customers, it will itself do life insurance marketing for itself. So, only by remaining loyal to its customers the company can do a world of good to its reputation and this would in itself bring more potential life insurance holders to the company, because the customers prefer safety more than anything else these days.

Life Insurance Marketing is one of the most strenuous jobs for those who are involved in the insurance marketing sector. It is because of the ever-lasting conflict between the insurance companies which want to profit the most and the insured person who wants to get as much compensation as possible from the insurance company.

Commissions for the life insurance companies are very high and they seldom make profits out of the policies. Also the insurance policy needs to be transparent so that the potential customer understands it totally and should not feel that they have been treated unfairly by the insurance company. The life insurance companies were paid very little premiums by young children or healthy people and thus the scope for profit was very small and those who paid high rates technology of premium were the older people who died and the life insurance companies compensate for that. However, nowadays the life

insurance premium is almost the same for a young adult and an old person, who just had a major operation.

Research Methodology

The research methods mainly point towards descriptive study. So, detailed data processing and data collection methods are conformed to. The primary data is collected in the form of interviews. The interviewing process is concentrated on the officials concerned in the L.I.C International based in Bahrain. The interview has been recorded mechanically in order to prevent the loss of data. For this purpose, a set of semi-structured questions will be asked using certain mechanical and electronic devices. Then, we will have a look into the secondary data. For this purpose, the company's official documents, regarding the products' prospects will be collected and analyzed to understand the pattern of the growth of the company. The recorded data will then be transcribed logically to attain the objectives of the study.

The main purpose of using the research methods is to understand the various marketing strategies used in LIC (International) in the Kingdom of Bahrain and to know if there is any change in the marketing strategies due to local requirements. The success of any Insurance company depends on how well they are able to align with the objectives and needs of individual customers, and is able to provide proper solutions to them. To know how a company is performing and whether they have any cutting edge advantage over competitors, an intensive study of the market is absolutely necessary.

The recorded conversations were transcribed clearly, in order to serve the objectives of the study. The numerical data gathered from the LIC office Documents have been analyzed and presented in graphs and tables. The majority of the data presentation style is narrative. To substantiate the information, shared data and collected information will be analyzed and interpreted to reach a logical conclusion.

Review of Literature

Marketing is defined by the American Marketing Association (AMA) as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." *Marketing is the process by which companies determine what products or services may be of interest to customers, and the strategy to use in sales, communication and business development.*

It is an integrated process through which companies create value for customers and build strong customer relationships in order to capture value from customers in return. *The term marketing concept holds that achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfactions.* It proposes that in order to satisfy its organizational objectives, an organization should anticipate the needs and wants of consumers and satisfy these more effectively than competitors.

Kotler and Armstrong (2006) opine that a marketing strategy defines the company's overall mission and objectives. In a broader perspective, *a marketing strategy is defined as the marketing logic by which the company hopes to achieve a profitable relationship with the consumers.* Marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities, to increase sales and achieve a sustainable competitive advantage. *They exhort that a marketing strategy should be centered on the key concept that customer satisfaction is the main goal.* It is outlined in the text that marketing strategy combines product development, promotion, distribution, pricing, relationship management and other elements; identifying the firm's marketing goals and also explaining how they will be achieved, ideally within a stated timeframe.

As a key component of marketing strategy, market segmentation implies the process of dividing a market into distinct groups of buyers with different needs, characteristics or behavior, who might require a separate product or marketing program is called market segmentation. In a market segment, the authors comment that no company can serve all consumers in a given market- at least not all consumers in the same way. Thus, each company must divide up the total market, choose the best segment and design strategies for profitably serving chosen segments. They put forward three steps in the process of designing an effective marketing strategy.

It consists of consumers who respond in a similar way to a given set of marketing efforts. Target marketing involves evaluating each market segment's attractiveness and selecting one or more segments to enter. A company should target segments in which it can profitably generate the greatest customer value to sustain it overtime.

Market positioning is arranging for the product to occupy a clear, distinctive and desirable place, relative to competing products in the minds of target consumers. Thus,

marketers plan positions that distinguish their product from competing brands and give them the greatest strategic advantage in their target markets.

Due to the specific nature of service products, the marketing is slightly different from that of tangible goods. Kotler and Keller (2009) identify certain essential ingredients of service marketing strategy. They call it service marketing mix and it comprises of the seven P's such as **Place, Price, Product, Promotion, People, Process** and **Physical Evidence**. These seven P's are considered to be the main contributing factor for a successful life insurance product. Since our study will be focusing on Kotler-Keller (2009) notion of services marketing mix it would be better to have detailed look into these ingredients. They endorse that services marketing strategy should be centered on the key concept that customer satisfaction is the main goal. It is outlined in the text that services marketing strategy combines product development, promotion, distribution, pricing, relationship management and other elements, identifying the firm's marketing goals and also explaining how they will be achieved, ideally within a stated timeframe. Recruiting the right staff and training them appropriately in the delivery of their service is essential, if, the organization wants to obtain a form of competitive advantage. Consumers make judgments and deliver perceptions of the service based on the employees they interact with. The staff should have the appropriate interpersonal skills, aptitude and service knowledge to provide the service that consumers are paying for. An efficient process is also considered as an important element to the systems used to assist the organization in delivering the service.

Baskar and Lakshmikutty (2005) discuss in their research paper titled "Insurance distribution in India- a perspective", emphasizing on distribution as a key element of insurance industry or not, to study the changing scenario demanding the role transformation of intermediaries and lastly the focus on multiple distribution channels. The current state of insurance distribution in India is flux. On one hand, insurers are awaiting regulations to be approved for brokerage and bank assurance to be truly launched. On the other hand, there are corporate model of intermediaries in place of traditional model. There is no right or wrong in all this, the success of distribution depends upon understanding the social and cultural needs of target population.

Findings of the Study

For the conducting the research we used the primary data collection method mainly interview for this purpose a set of question were prepared which were duly asked to the general manager and the resident manager of LIC international in the Kingdom of Bahrain. The interview was conducted focusing on the three main products, that is, endowment, Money back and ULIP policies. The interviews were so structured to elicit required data keeping the 7 P's of service marketing mix (Kotler & Keller, 2009) under focus.

Product Element

A firm employing a product orientation is chiefly concerned with the quality of its own product. The particular firm would also assume that, as long as its product was of a high standard, people would buy and consume the product. Similarly, insurance is considered as a service product wherein, a particular intangible service is rendered to the customer.

The three most sought after products of LIC international are money back, endowment and ULIP. Product development has a direct relationship with the market factors and it changes with the market requirements over a period of time. The biggest weakness of the product as per customers is the inability to see the growth of investment, in spite of being insured. The distinction between the products was not clearly understood by the customers and they could not differentiate the usage. So the company unbundles the products to suit the purchasing power of the customer and better cater to their investment portfolio requirements. They comprise both insurance and investment elements for two reasons—the first was because of the technological changes that took place, which made the company redesign its marketing strategy. The second reason is due to the basic structure of life insurance products. The risks of the investments, hence, have to be logically passed on to the customers. So, the core requirement of the ULP was developed. In ULP, there is a clear way for the cost to cover the insurance and hence it was easier for the customers to differentiate. The buoyancy of the financial market governs the customer benefits. Buoyancy is the likeliness of the market to float or support its customers or the relationship it holds with its customers. A person gets money upon death, which is an emotionally acceptable factor. Earlier, people had to wait for lifetimes and age spans for getting back the money.

In Bahrain out of the three products, the individual requirements are taken into consideration for the selection of the most suitable insurance policy. In the Middle East, life insurance is not considered as a religiously accepted financial solution. Likewise, here, in the Middle East market, life insurance product is not marketed as a solution for death. It is marketed as a blessing for a long life. So, it takes into consideration pension provisions and financial help for children's education. Even accidental benefits are given in case of unexpected occurrences. The factors considered while customizing the product are capital liquidity and need analysis, since very rarely people have the full capacity to pay 100% capital liquidity. Presently, no product customization has been done for Bahrain. They have to go by the Sharia'a rules. In stark contrast, no Sharia'a supported products are launched in India.

The mechanisms used in India when compared to Bahrain, with regard to these three products are the standard systems in case of scheme collections, service changes or nominations or loans that have come to maturity. These are somewhat the set of standard procedures generally followed. But, some practices are similar in India and Bahrain.

The Central Bank of Bahrain (CBB) controls and gives guidelines. Apart from the Central Bank of Bahrain, which is reported for training purpose, the Bahrain Institute of Banking and Finance (BIBF) or the Bahrain Insurance Association (BIA) also keep a check on the regulatory policies in the insurance sector in Bahrain.

Marketing strategy with respect to product specificity

A marketing strategy usage is an essentiality to an organization's survival. An organization needs to be consistent in terms of marketing its products in the most appropriate manner. When seen from the point of view of LIC, the three products under consideration have consistent marketing strategies. The first consideration which forms the standpoint for substantiation of the entire framework is the ingredients of service of the marketing mix. The Process of identifying products is not a distinguished activity when it comes to the aspect of the identification of the product, what matters is but the marketing of it is important especially with respect to financial products. No changes are observed with respect product and place. The above strategy reveals the LIC's confidence in their 'trump cards' (as per the version of LIC official, who were contacted for the study), that is, the acceptability and popularity of their products and assertiveness of the marketing process.

The customization is another aspect when it comes to configuration of the product in the marketing mix. Customized products are available in India. In Bahrain, customers' varied profile is being studied so as to obtain an angle for the introduction of further customised products. The product is not made as per the needs of the situation or the company requirements rather the customization of the product implies a great amount of functionality with respect to its usage and implementation. When it comes to the aspect of special product development no special development work has been undertaken however when the prospective undertakings are seen from an overview standpoint there is a possibility of development of customized products as per the guidelines of the *Shariah* principles such as *Takaful*. Institutional mechanisms in the varied products are based on the country under consideration for instance the institutions governing ULIP issues in India are the Insurance Regulatory and Development Authority (IRDA) and Securities and Exchange Board of India (SEBI) while those governing the issuance of the same in Bahrain are CBB, BIBF and BIA. Similarly the governing bodies for endowment issues in India are IDRA while in Bahrain they are CBB, BIBF and BIA. Money Back policies are backed by IDRA in India and CBB, BIBF and BIA. The complete issuance process goes through a standardized mechanism that has an international reputation.

Price element

Pricing policies of three products such as ULIP, endowment and money-back pricing are done based on the administrative expenses and expected interstate based on the commissions that has been given to Indians the pricing is done. In India pricing details are given and pricing regulators are set which approves the factors and reports back. Normally over pricing cannot exist in the life insurance industry. One important thing about LIC international is that every product has been designed with the focus to give maximum benefits to the customer. To the extent that the intermediaries, that is, the agents get the leased LIC pays the least quantum commission to the agents. Around 120% of the premium is usually paid as benefits. No deviation from Indian and Bahrain same sources are the same as per pricing policy. With respect to percentage of flotation cost of each policy in India or Bahrain, there is something called new business expense issue. It is an amount of money spent for new business purpose it is around 20 to 28%. Bahrain interest factors are very low, the investment to the market outside, so the interest

precedes 2% less than what's happening in India. So the extended price increases for the returns.

Marketing Strategy with respect to pricing

The pricing of a product, in general, is the epicenter around which all other activities agitate or oscillate. The pricing policies of three products are based on the market forces of demand growth of the capital also the biggest aspect substantiating this is the possibility of changes in financial and fiscal policies of a country. And by far there have been no change in the policies that govern the sustenance, as the flotation costs remain the same. Any improvement would be welcome. Furthermore, a minimum rate should be defined as the flotation costs say 40% thereof. The percentage of flotation cost computation is based on a quantum sum of money that is spent for new business purpose it may be around 20 to 28% which is well below the international standards. The Variation of fixing an insurance premium is another consideration. In Bahrain interest rates are very low, so the interest precedes say 2% less than what can be seen in India. So the extended price increases the returns of the company, and thereby a positive net worth.

Promotion element

In Bahrain, there is a limitation for wide geographical coverage. Promotion methods preferred here are FM radio, TV, brochures and personal selling. The Bottom line is set with the customer. The number of sales that takes place in a day for an agent will depend upon the number of interfaces with the customer. Radio is the most popular and has the greatest coverage in the Middle East. In India TVs advertisements are the most popular. The customers respond to 30 % of the advertisements in Bahrain. The reason for the variation to the promotional strategy in Bahrain when compared to India is due to the presence of the Middle income group. The number of sales personnel involved in Bahrain is hundred. In Bahrain it is US dollar denominated policies and in India its rupee denominated policies. There are larger opportunities emerging in the current financial market in Bahrain, especially in the form of children education. In the Middle East the profit margin is more in Bahrain indirectly it could also be said that, the major revenue in the Middle East arises from Dubai and Bahrain.

Marketing strategy with respect to promotion

Promotion is the third coin which fills the money bank of the marketing mix. Promotional methods followed are varied. In case of the products offered by LIC, the common platforms for advertising are newspapers, FM Radio, sponsorships and magazine publications. The usually preferred mediums, however, fall into the area of television based advertisements and radio jingles. There are some variations in promotional methods and it helps to a certain extent with respect to diversifying.

People element

Those personnel, who have considerable experience in the field of marketing, are given priority. The success of insurance is mainly based on marketing. The insurance companies do not look for freshers in the market, as insurance is sold not brought (as the officials put it). It's not pure selling it is marketing, ritualistically identifying the needs and desires of the customers. The insurances companies employ agents who will be reliable and who have the quality of trust worthiness. The gents collect money from people and pay to LIC. The common norm is that unless and until the agent makes a sale, they don't get their pay. Communication skills are very important for an agent. In India, they have the agency regulations. So the agent can also work part time, whereas in Bahrain the concept does not stand good. Here employment is based on salary on part time in the field of insurance. With regard to the product specificity, more skill is required for effecting the sales of ULIP than that of others. The in-house employees control the administration of the company. The sales personnel are employed purely on commission.

People and Marketing strategy

The recruitment genre is another dimension to the LIC marketing schemes they go with the motto "***strive to believe in what we can achieve.***" The officials participated in the interview put it as follows: 'start at the company point of view and ensure maximum efficiency at base level working up to complexities so the employees with previous marketing experience are usually preferred for appointment and undergo strenuous selection processes to ensure high quality of work force employed to be able to cope with the needs of ever changing customer environments.'

Process element

LIC (intl) employ the process known as a 'claim recycle.' A claim recycle occurs, whenever the claim payments are done. It tries to recycle the payments out of the clients and talk to them about new product development. In addition to that, the company has recruited sales personnel, who do telemarketing, send e-mails, and brochures to the customers. And then at the high level, LIC (intl) makes the presence of the organization relevant to the community. So the potential customers know about the social presence of the organization and are aware of the company's insurance policies and products.

Marketing strategy with respect to process

The Process element forms yet another ingredient to the marketing mix of LIC. The Process term bases itself on the foundation of 3 pillars such as 'the usage of innovative technologies,' 'Identification of potential customers' and 'the introduction of new products,' by using various customer touch points. In the case of identification of potential customers, presently, it is only through cash counter and through agent's lifestyle and salary of customer. The competitive position of the product is differentiated as 70% in India and 50% approximately in Bahrain. Through the claim cycle process, the customers get to know about the redefined or revamped products at the interface of a customer touch points. Personal interaction and word of mouth promotion is another aspect where in the introduction of new products may take place.

Element of place

In India, customer segmentation is more intricate. There are around 6-7 basic segments. Higher net worth income and lower income for the labour class.

Marketing strategy with respect to Place

Place is just as much a part of the LIC marketing mix as it would be in any general marketing mix. In case of the ULIP product the key business areas are the middle income and high net worth clients and middle income groups. While endowment is less bundled or caught up in the aspect of the place mix in marketing. Those who don't have savings as well as middle income group and high net worth clients, with regard Money back the place factor plays a differential role people of all age groups are focused upon mainly the youngsters and high net worth clients in India while in Bahrain middle income groups

and high net worth clients. The difference in the placing of the products as in the case of ULIP issue in India is based on the Indian rupee denominated policies, while Bahrain follows the US dollar denomination being an internationally integrated economy. When we see the endowment policy issuances in India and Bahrain the issuance schemes remain consistent and inherit characteristics from the ULIP issuances. Finally the money back policies take into consideration the Indian rupee, for policies in India and Bahrain it is considered to be appropriate that the currency is pegged to the US Dollar to receive better returns. The prime marketing strategy with regard to ULIP in India is word of mouth and the usage of advertisements to propagate ideas and instill educative knowledge amongst people while in Bahrain advertisements on the television and radio mediums are used. The previously mentioned prime marketing strategies stand good not only for ULIP but follow suit even for the endowment policies as well as the money back schemes.

Element of physical evidence

When LIC in Bahrain commenced, they had conducted the market feasibility study for that branch. However, no feasibility study was done after that. It has been noticed, that studies would be conducted in future.

Marketing Strategy with respect to Physical Evidence

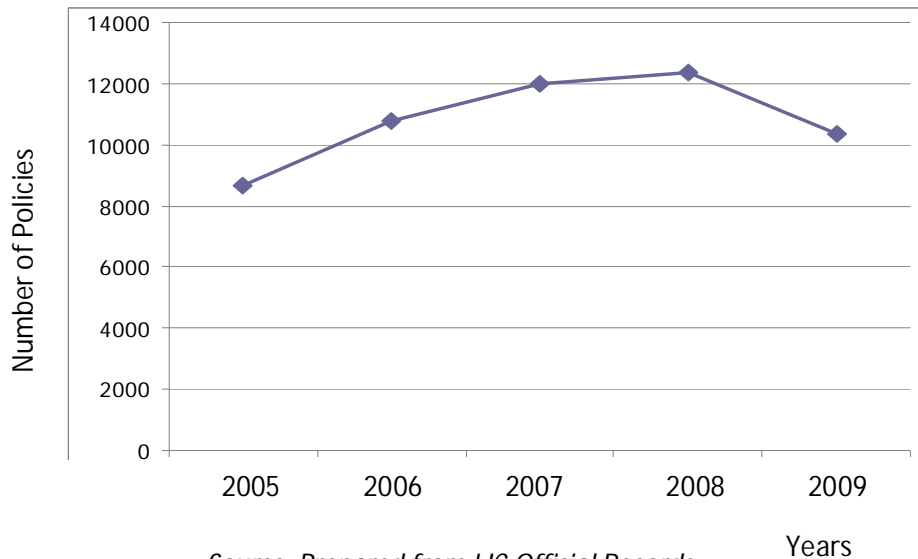
Physical evidence basically implies the persistent and ongoing presence of knowledge and the information database held that exhibits the knowledge of the company with respect to conduction of market feasibility. Customer satisfaction feedback forms are used and it is a mandatory requirement.

The Profile of the Products under Study

Similar to its Indian counterpart The LIC International in Bahrain offer a varied range of products such as children plans, endowment plans, money back plans, whole life plans etc. But as it has been aforementioned the present study focused on three products of LIC International: endowment policy, money back policy and ULIP. To substantiate the effectiveness of marketing strategy of LIC (Intl), Bahrain, presented in the previous chapter, we are going make a brief analysis on the business profile data for five years

(from 2005 to 2009) collected from the office of the LIC (Intl), Bahrain, which are presented in this section.

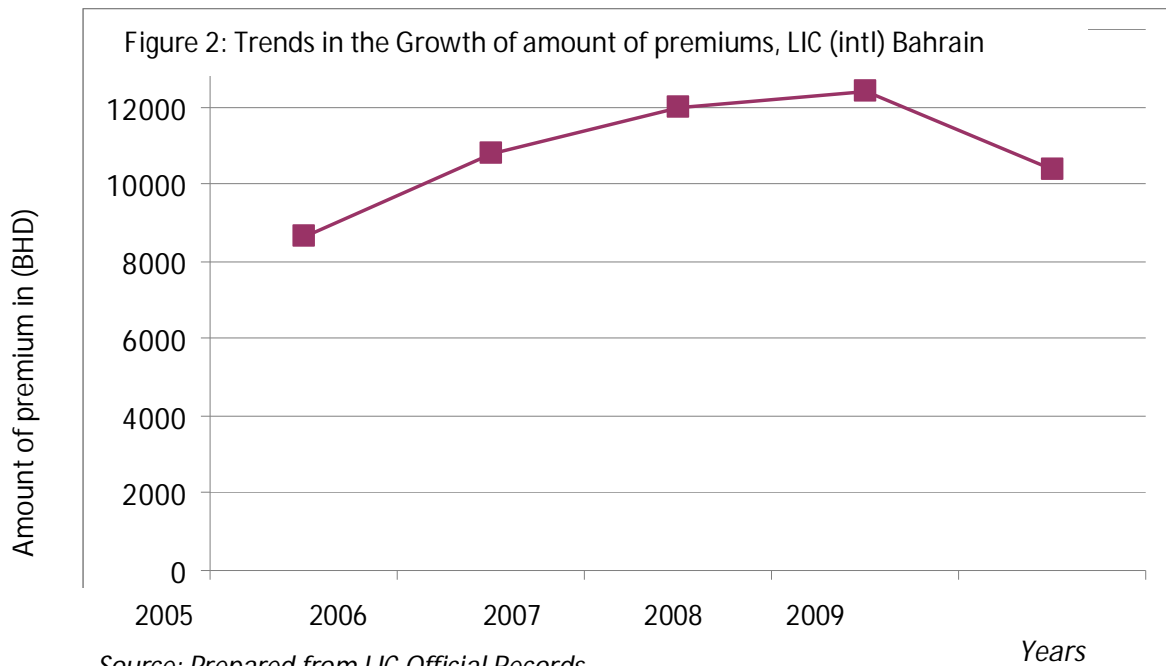
Figure 1: Trends in the Growth of Number of Policies, LIC (intl) Bahrain



It's evident from the graph that from 2005 to 2008 there was steady growth in the number of policies sold by LIC International Bahrain.

In the year 2008-2009 there was a steep fall in the number of policies served. This downward trend coincides with the economic turnaround which happened all over the world as an aftermath of great financial turmoil.

Along with the number of policies sold by LIC International we have also attempted to estimate and to analyze the trend in changes in the amount of premium collected by the company during the same period. This will help us to understand the fundamental business policy of the company. The result is presented in the figure below.



It is evident from the above figure that the policy premium has been showing somewhat similar trend in change as it was in the case of change in the number of policies for a detailed analysis. We have conducted a percentage analysis of these two variables and it results in the given table.

Table 1 : Trends in Business Profile, LIC (intl)

Year	Total Number of Policies	% Changes	Total Amount of Premium (BHD)	% Changes
2005	8663	0	13,165,113	0
2006	10761	24.22	10,842,785	-0.18
2007	12002	11.53	8,961,397	-0.17
2008	12372	3.08	21,684,078	141.97
2009	10362	--16.25	29,372,950	35.46

Source: estimated from LIC (Intl) Bahrain, official records

The close scrutiny of the table presented above disclose that even though the number of policies served increases every year, except in 2009 the percentage of annual growth rate of the number of policies has been continuously defined. The average growth of the number of policies per annum has been estimated at 5%.

On the analysis of the amount of premium collected during the first three years, the business was not doing well but from the fourth financial year onwards the business has been on the upward trend. It is also interesting to see from the table that, when the number of policies is growing at the rate of 3% during the year, the amount of premium collected experienced 142% of growth in the same year. In the next year also there was improvement in the same trend which can be observed. This shows that the LIC (International) is focusing more on quality business rather than quantity. It is also evident from the data that the company is able to target many more high-end customers. This type of business trend is a manifestation of the company's strategic marketing management by combining the elements of marketing mix effectively.

Hence we can come to the conclusion that LIC has been insulated from the global economic downturn over the year 2007-2009. From the above data we notice that, the changes found in the progressive years in the year of the recession period we can see the large of premiums are collected are more during this period than to the policies issued.

Conclusion

This research study aimed to bring into light the marketing strategy followed by LIC (Intl) in The Kingdom of Bahrain with respect to three main products, marketed by the company. They are the Endowment Policy, the Money Back Policy and the ULIP (Unit Linked Insurance Policy). The LIC has designed various marketing strategies, which are used to marketise these three products in India, as well as in Bahrain. The research study also conducted a brief comparative analysis about the differences that occur while marketing these three products, in relation to the seven Ps of services marketing. The seven Ps of services marketing are Product, Place, Price, Promotion, Process, People and Physical Evidence. With regarding to the endowment policy it is a classic product which is opinionative and for the ongoing individuals and it also has the facility of loans which has to partial liability; while for the money back policy the customer's financial needs are given prime importance. Strategy for ULIP requires two it needs a specially a trained

force to communicate with the customer. Secondly, an educational awareness campaign by the company about the product. In the home country, (India), there are various insurance products, which are customized to suit to the local requirements. There, the most prominent insurance regulatory bodies are the IRDA (Insurance Regulatory and Development Authority) and the SEBI (Securities Exchange Board of India). In Bahrain, the Central Bank of Bahrain takes the official role of the regulator in the insurance segment; basically the pricing policy of the insurance products is based on the market demand and the growth of the capital.

They use almost common strategies in both countries to market their insurance products. The various promotional methods which are commonly used are newspapers, radio jingles, magazines advertisements and TV shows. The most preferable mode of promotion in India is done through the TV shows, whereas, in Bahrain, the prime consideration is given to radio jingles. Place In terms of specific target segments in India, the LIC aim for all sets of income groups. That is, every individual with a capacity to earn is considered to be a potential customer of LIC (Intl). Whereas, in Bahrain, they target the middle income group. In terms of people the process of recruitment of the personnel takes place through rigorous exams, whereas, in Bahrain, experience in the insurance field is a must to go along with excellent communication skills as well. With regards to the employment policy, in Bahrain, it is compulsory to employ an individual on salary and not merely as a trainee. In regards process of new product development, the claim recycle process is used, wherein, the agents, while collecting the payments from the respective clients, try to give the customer an idea of their upcoming products. Nowadays, as part of the technological era, the LIC keeps in touch with their clients through e-mails and brochures. Physical Evidence The major point of difference occurs in terms of the market feasibility study. In India, the market feasibility study is considered to be a must, before launching a new product. Bahrain, they normally go for the tried and tested products, which were a success in India. Market feasibility study is totally absent in Bahrain. Another way to maintain qualitative interaction with the customers is through feedback forms, which are a mandatory requirement in both India and Bahrain. Moreover, the analysis conducted in the chapter five discloses that, the LIC (Intl) has been insulated from the recent global recession.

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