CATHOLIC UNIVERSITY COLLEGE OF GHANA

A CRITICAL ASSESSMENT OF MARKETING OF GENERAL INSURANCE PRODUCTS IN GHANA: A CASE STUDY OF SELECTED INSURANCE FIRMS IN THE SUNYANI MUNICIPALITY

ASANTE EMMANUEL

2020

CATHOLIC UNIVERSITY COLLEGE OF GHANA

A CRITICAL ASSESSMENT OF MARKETING OF GENERAL INSURANCE PRODUCTS IN GHANA: A CASE STUDY OF SELECTED INSURANCE FIRMS IN THE SUNYANI MUNICIPALITY

BY

ASANTE EMMANUEL

Dissertation submitted to the Faculty of Economics and Business Administration, Catholic University College of Ghana, in partial fulfilment of the requirements for the award of Master of Business Administration degree in Marketing

JUNE 2020

DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature:.…………...……….…….. Date:…….……….….……

Name: Asante Emmanuel

Supervisor's Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the Catholic University College of Ghana.

Supervisor's Signature:.…………...……….…… Date …….…………….…….

Name: George Kafui Agbozo

ABSTRACT

The study sought to critically assess the marketing of general insurance products in Ghana. The population of this study comprised of insurance companies in the Sunyani municipality. From the population of the study, a purposive sampling technique was used to select all the seventy-six (76) staff and management members of the selected insurance firms. The study adopted primary and secondary data. The study used both the descriptive and inferential data analysis for the study. The descriptive analysis made use of simple tables and figures to present findings of respondents and percentages, mean and standard deviation used to discuss results. For the effects of marketing strategy on profitability, regression and correlation analysis were employed. From the field survey, marketing strategies adopted by general insurance firms includes social media marketing, mass media marketing, promotions, public relations – press conferences, newsletters, press release, personal sales etc. The study concludes the marketing strategies adopted by the insurance firms have positive effect on the profitability of the firms. Increase in market share is regarded as having prominence as the resulting effect of an effective marketing strategy employed by the insurance firms. Increase in market share was positively related to financial performance measured by Return on asset, return on equity, return on investment and Total Expense Ratio. The study recommends that insurance firms should allocate sufficient resources to support and augment their marketing strategies and practices. Strategic marketing policies come with associated cost implications and for them to see light, they need adequate funding and resource allocation.

KEYWORDS

Financial Marketing

Marketing

Insurance

Profitability

ACKNOWLEDGEMENTS

My greatest thanks go to God Almighty for taking me this far in my educational career.

Special thanks to my supervisor, Mr. George Agbozo for his time, direction and guidance in the supervision of this project work. The next one goes to my entire family for all the assistance towards the successful completion of my educational pursuit.

DEDICATION

To my family.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF ACRONYMS

CFO – CHIEF FINANCIAL OFFICER

NIC – NATIONAL INSURANCE COMMISSION

PIMS - PROFIT IMPACT OF MARKET SHARE

ROA – RETURN ON ASSET

ROE – RETURN ON EQUITY

ROI – RETURN ON INVESTEMENT

CHAPTER ONE

INTRODUCTION

Background to the Study

The insurance sector throughout the world is going through a dynamic environment where efficiency and competitiveness hold the key to survival (Schaeck & Cihák, 2014). The insurance market is a powerful and lucrative industry, but one with a variety of challenges unique to selling financial products to consumers (Kidwell, Blackwell, Sias, & Whidbee, 2016). While the marketing tactics and outlets used will remain standard, such as social media, press releases, commercials and brochures, the manner in which you go about creating the advertisements, and specifically the copy, is highly specialized and specific (Moriarty et al., 2014). In marketing, a key goal is to set yourself apart from your competition. This is challenging in the insurance industry because the financial products from company to company are essentially the same. With the escalating challenges facing the system, it has become imperative for insurance companies to devise ways and means to dig deeper to find ways to separate themselves from competition and cutting deeper into the booming insurance market.

In the early 2000s when Ghana's insurance sub-sector was still at the discovery stage, a few companies competed for less than one percent of the country's population who bought insurance products for themselves and their properties (Ofori-Attah, 2012). As a result, competition in the sector was mild as the few life and non-life companies jostled for customers in an emerging industry that looked set to blossom in the next decade or so. About fifteen years down the line, however, the situation has changed, almost 360 degrees, for both the good and the bad reasons. Although the number of the insured public has barely expanded - rising from a little over one percent to three percent - the number of insurance companies has almost quadrupled; rising from less than 15 to some 42 companies in 2015.

According to Hardin and Tabari, (2017), insurance products are broadly divided into life and non-life categories. The range of products in the Ghanaian life insurance sector can be broadly grouped under group insurance products, and individual insurance products. The group insurance products consist of endowments, term insurance, annuities, and life insurance products. Individual insurance products consist of pension funds, and guaranteed life products. According to Akotey, Osei, and Gemegah, (2011), the following lines of business drive the General Insurance industry business in Ghana: Motor-Commercial, motor-private, fire-domestic, aviation, Fire- Industrial and Engineering, theft, workmen’s compensation, and Personal Accident, liability, marine, and miscellaneous. The Survey revealed that the General insurance business is facing two major challenges. The first challenge is to come up with a solution for companies whose viability is threatened by their inability to meet policy holder claims. The second major challenge is how to generate growth for an industry that has significant potential for growing as a percentage of GDP but has been stagnant.

Globally, the general insurance industry has enjoyed strong business conditions over the last few years but worsening economic outlook will likely pose considerable challenges in the years ahead. These challenges will be especially pronounced in the property and casualty segment, where growing pricing pressure as the market softens will drive a need for cost-cutting and greater efficiency (Deloitte, 2008). This study critically looks into marketing of general insurance products in Ghanaian perspective.

Statement of the Problem

Kwesi (2014), in a presentation on improving the Insurance Industry in Ghana said "there is no current information in the industry to help professionals to work to make good policies and address the needs of everybody. When you have good information, you will bring out good policies and formulate effective policies". Availability and easy access to accurate statistics on the Ghanaian insurance market remains a big challenge to the sector today. As at September 2010, only 2005 Annual Report on the insurance industry was available at the website of National Insurance Commission (NIC).

Vyas (2015) contends that marketing of general insurance service is critical and complex. Contemporarily, insurance agencies especially the general insurance services are facing problem of transiting from a perceived selling activity to a structured strategic marketing activity. General Insurance agencies are adopting all mean of marketing approaches to be in a position of making great sales of insurance services as they faced increased competition which are making them register low profits and even losses. The growth of insurance industry and penetration of insurance service in Ghana remain quite low (Alhassan & Fiador, 2014). Despite the appreciable penetration rate of the insurance sector into the local market, there is sizable room for improvement since majority of the country's population are currently not operating on any insurance product and as a matter of concern are not aware of the various operations of the insurance industry in Ghana. The management of insurance agents and insurance personnel is found significant with the viewpoint of marketing and maintaining the norms for offering the services. The transformation of potential policyholders to the actual insurance policyholders is a difficult task that depends upon the marketing professional excellence of the marketing personnel in convincing the customers to buy the insurance product and services. This has been attributed to inefficient marketing of the insurance service by the companies as well as insurance agencies.

Various local studies have focused on investigating marketing strategies adopted by companies in different industries with few or non-existent on the general insurance industry in Ghana (Acquaah, Adjei, & Mensa-Bonsu, 2008; Churchill, 2008). This study is an attempt to bridge the gap in literature in this field of study. This study therefore seeks to critically assess marketing of general insurance products in Ghana.

Research Objectives

The objective of the study is to critically assess the marketing of general insurance products in Ghana.

The study specifically seeks to;

1. Ascertain the marketing techniques adopted by general insurance agencies in the Sunyani Municipality.
2. Determine the effectiveness of marketing strategies adopted by general insurance agencies in the Sunyani Municipality
3. Examine the challenges general insurance agencies face in marketing of their insurance products.
4. Assess the relationship between marketing of general insurance products and performance of the industry

Research Questions

The study was guided by the following research questions

1. What marketing techniques are being used by general insurance agencies in the Sunyani Municipality?
2. How effective are the marketing strategies adopted by general insurance agencies in the Sunyani Municipality?
3. What are the challenges general insurance agencies face in marketing of their insurance products?
4. What relationship exist between marketing of general insurance products and performance of the industry?

Significance of the Study

The trajectory of effectively and efficiently managing the insurance subsector in developing economies such as Ghana has become imperative over the years. The insurance industry has identified itself as a major and vibrant predictor for economic growth and development. Nonetheless, achieving this has been a nebulous task for developing countries like Ghana due to the incongruity and apparently non-existence of literature on dominant marketing technique in the industry. This study seeks to equip policy makers and major players/stakeholders in the general insurance industry with the adequate and practical information needed in harnessing their energies and resources toward an effective and efficient marketing techniques in the industry.

The results of the study may be of benefit to the following: The study would create insight to all the existing general insurance agencies in the insurance industry in the Sunyani Municipality. The identification of the challenges would enable managers to devise marketing strategies to enhance marketing of general insurance services and improve on the agency's performance.

Government agencies and policy makers may use the results to formulated positive national policies on a framework that is relevant and sensitive to the market forces influencing the insurance industry in Ghana and the West African region.

Additionally, the study addresses several research needs and attempts to bridge the gap in literature existing in this field of study and also stimulates further research on the subject in other Metropolitan Areas and Municipalities in the country.

Delimitations

Marketing is a broad issue entirely and hardly can every aspect of it be explore in a single study. This study contextually focuses on marketing of general insurance products in Ghana. The content of this research should not be seen as being totally exhaustive of all possible marketing strategies practices available in the insurance industry in Ghana. Therefore, the scope of this research in terms of geography is limited to selected insurance firms in the Sunyani municipality in the Bono Region, Ghana.

Limitations

The study covers management, and employees at seven selected general insurance firms in the Sunyani Municipality. The seven selected general insurance firms' incudes – Enterprise Insurance Company Limited, Phoenix Insurance Company Limited, Vanguard Assurance Company Limited, SIC Insurance Ghana Limited, Donewell Insurance Ghana Limited, Regency NEM Insurance Ghana Limited, and Old Mutual Life Insurance Ghana Limited. The insurance firms were selected because of their proximity to the researcher and they also have some features which the researcher deemed appropriate for the study. Ideally, the study should have involved all the insurance firms in the municipality, but in view of the loaded academic schedule of the researcher and time available for the study, the research concentrated on the seven selected insurance firms.

Methodologically, the study was limited to the quantitative research design approach. Ideally, a mixed method approach would have presented the researcher the option of using both quantitative and qualitative or either of them where necessary. The use of both approaches could enable data triangulation. Nonetheless, with the use of the quantitative approach the researcher was able to adequately answer the objectives of the study.

Organization of the Study

The Study comprised five chapters. The background of the study, statement of the problem, objectives of the study, the Study's significance, scope and limitations, and the organization of the study were covered by the first chapter. The review of related literature on concepts, theories and other authors' work considered relevant to the study was the focus of the second chapter. This chapter also entailed the conceptual framework, theoretical framework and empirical evidence of the study. The third chapter emphasized the methodology adopted by the researcher to carry out this work. This chapter further described the research design, sampling procedures or techniques, data tools and procedures as well as the data analysis or presentation procedure. The fourth chapter gave attention to the analysis and presentation of the results.

Finally, the summary of the findings, conclusions and recommendations of the study were presented in the fifth chapter.

CHAPTER TWO

LITERATURE REVIEW

Introduction

This chapter puts the study into scholarly context by reviewing various literature conducted by other researchers on the subject under discussions. The chapter focuses on theoretical and conceptual framework and empirical evidence on the subject under review which is a critically assessment of marketing of insurance products in Ghana.

Theoretical Framework

This study was theoretically anchored on the Profit Impact of Market Share (PIMS). PIMS is a model to measure the impact of the marketing strategy over a company’s profits. The attempt to model the impact of marketing strategy on profits has been regarded as somewhat ambitious. Interest of academicians has increased in the study of PIMS from different points of view. PIMS was developed by Schoeffler (1960) as a project for General Electric in the North American market. After observing that different business units provided different levels of profitability, the author took on the challenge of determining which factors from the marketing strategy had a higher contribution over accounting profits. Lancaster, Stevenson & Jacob (1980) acknowledge that PIMS success is in part due to the fact that it tries to provide an answer to three basic questions: What is the typical earning index for each kind of business; Based on current marketing strategies in a business, which one of them seems to be the most appropriate for the future? And which marketing strategy has more probabilities of improving future profits scenarios?

By contrast to Penrose Model (Penrose, 1959), one of PIMS basic characteristics is that stakeholders are provided with a reference background which is closer to business practices because it collects strategic principles that have been practiced by those companies selected as best practices. Several studies have revealed that this is the differentiating characteristic for PIMS, that it will ensure objectivity as opposed to other strategic models (such as the SWOT analysis and Portfolio Models). Munuera (2007) suggests that PIMS expresses the dimensions of the market structure and competitive position of businesses while the other models are based only on “judgments” or recommendations based on a specific strategy. The academic community found an opportunity to detect and model strategic planning issues by using PIMS methodology. For instance, Will and Beasely (1982) were pioneers in recognizing the importance of PIMS, arguing that “… it is probably true that PIMS methodology has created, through its discoveries, a larger background to understand strategic planning…” (p. 435). From this step, scholars began to apply a more rigorous econometric analysis to detect empirical regularities related to the strategy, convinced that the results could be helpful for businesses in their strategic steering processes (Henderson, 1976; Buzzell, Gale, Bradley & Sultan, 1975; and Rumel and Wensley, 1980).

PIMS is established as an ambitious project to entail academic and businesses practices. Nevertheless, the most significant contribution towards PIMS methodology comes from Buzzell and Gale (1987), who centred on Lancaster et al. (1980) and PCB Model, but they propose a “definitive” survey that provides for a deeper and more systematic study on the subject, and their proposal has become an archetype for most of the studies in the same context.

The PCB Model (Phillips, Chang & Buzzell, 1983) had a large influence over the Buzzell and Gale (1987) study because it models the structure of strategic management tasks in a more complete manner. In summary, the most relevant conclusions of the PIMS studies constitute, at the same time, some of the most polemic aspects:

1. Businesses that create a higher added value by employee are more profitable than those who declare opposing characteristics,
2. Growth is positively related with profits and negatively with cash flow,
3. There is a strong relation between market share and profitability measured by the Return on Investment Ratio (ROI), and
4. Quality, measured by the consumers or by competitors, has a positive impact over growth and over the company's results, among others.

In this particular case, focus was be set on the corporate marketing strategy, which permited a diligent analysis of how market share influences corporate performance. This study is based on the concept that market share determines profitability which is supported by various studies (Anderson, Fornell, & Lehmann, 1994; Bourke, 1989; Grönroos, 1997; Hedman & Kalling, 2003; Mutshinyani, 2009). Studies investigating the causality between market share and profitability has generally found out market share is a valid predictor of profitability and not the reverse (Prescott, Kohli, & Venkatraman, 1986; Rust & Zahorik, 1993; Szymanski, Bharadwaj, & Varadarajan, 1993). Market share is an important determinant of profitability since large market share is a reward for providing better value (Xia, Singhal, & Peter Zhang, 2016).

Farris, Bendle, Pfeifer, and Reibstein (2017) contends that the relationship between market share and profitability continues to be a critical research issue in business strategic management in the world. There is growing pressure to make the right decisions quickly and one of the challenges facing managers is how to increase business profits in the competitive business world today. In order to do this, managers need to understand the factors that increase profitability. Several previous studies have linked market share with profitability Buzzel *et al.* (1975); Rumelt (1991) and McGahan and Porter (1997).

Woo (1981) stated that though the correlation between market share and profitability has been sustained over the years, it remains a generalization which has been over-extended and accepted without acknowledgement of all its attributes. The general question has always been whether establishing a high market share would ensure greater profits. Researchers who have investigated this question have not succeeded in resolving this dilemma and therefore the question remains. The close association between market share and profitability is strongly acknowledged by managers and management scholars as a basic premise of business strategy. Given the high cost and high risk associated with share building, it is necessary that managers have clearer evidences of the benefits and chances of success for such commitments and it is sufficiently vague to warrant caution against a market share strategy to enhance profitability.

O'Regan (2002) defines market share as a company's sales in relation to total industry sales for a certain period. Pearce and Robinson (2003) also use the same definition that market share is sales relative to those of other competitors in the market. Market share is usually used to express competitive position. It is also generally accepted that increased market share can be equated with success whereas decrease market share is a manifestation of unfavourable actions by firms and usually equated with failure.

The most common explanation as to why market share leads to higher profitability are higher economies of scale, experience and market power (Buzzel, 2004). Economies of Scale provide larger firms with cost advantages (Sharp *et al.*, 2002). However, most studies indicate that economies of scale dissipate at a small percentage of the market. According to the efficiency hypothesis, market share is the consequence of efficiency rather than its cause. Differences in profitability among firms are due to higher efficiency. Efficient firms obtain large market share and earn high profits to induce a causal association between size and profitability. Firms offering products that offer customers greater value enjoy gains in market share. Better managed firms that have a competitive advantage grow faster than rival firms. Firms with superior skill and foresight gain market share through lower prices or through better products. Some researchers suggest that the observed positive relationships between market share and profitability may be the result of the quality of management (Jacobson and Aaker, 1985). Superior management causes firms to operate at a higher level of effectiveness and efficiency than their competitors. Higher effectiveness and efficiency include the capability to design and execute better strategies and plans, better control of cost, maintain efficient operations, having innovative products and market strategies, meeting customer needs better than competitors as well as the ability to achieve higher productivity through training and motivation of employees. The positive relationship between market share and profitability may be a direct result of the stability in the economics and competitive environment (Mueller, 1986).

Buzzel et al. (1975) sees market share as determinant of return on investment and therefore an increase in market share will lead to an increase in profitability. Pearce and Robinson (2003) also see market share as sales relative to those of other competitors in the market. Market share is usually used to express competitive position. It is also generally accepted that increased market share can be equated with success, whereas decreased market share is a manifestation of unfavourable actions by firm and usually equated with failure. However, high market share has been associated with higher profits.

According to Weetman (2010) the profitability of a business depends on having a successful business strategy. He further argued that if the business strategy gives the firm its competitive edge, then the market share should reflect that strategy adopted by the firm clearly. This traditionally lays emphasis on profitability and market share. Norreklit and Mitchell (2007) argued that a satisfactory financial result may be obtained by first supplying a good product at low prices, making customers very satisfied and gaining a market share and an image, and then later reducing the level of satisfaction by raising prices. This strategy leads to increased market share by the creation of loyal customers. The achievement of profitability in the firm is a function of market share, market prospect, etc. That is, an increase in market share will lead to higher profits of organizations. Business strategy usually includes planning to achieve a better performance than competitors.

Profitability Measures

There are many profitability measures that can be used. Previous studies had widely used return on assets (ROA); return on equity (ROE) and return on invested capital (ROIC) also known as return on investment (ROI). While these measures of profitability are widely accepted as reliable and strong measures of profitability, they have certain shortfalls, most commonly that they are based on accounting information and thus account for neither time value of money nor the investment risks faced by the shareholders.

Return on Assets (ROA)

Rehman (2013) states that perhaps the most critical financial goal of manufacturing firms is ROA. Investors rate the management performance of Chief Executive Officers (CEOs) and Chief Financial Officers (CFOs) of manufacturing firms largely by their ability to wring profits from the assets under their control. As such, ROA is perhaps the premier metric of quarterly and annual results. However, virtually no company is able to measure and report on ROA at transactional level to allow managers to know how ROA impacts on their day-to-day, deal-by-deal choices. The implications of this is that ROA is nothing more than high level after the effect report card on CFOs and CEOs reveal that there is no link between the day to day operations and the key financial goals of manufacturing firms

Rothschild (2006) shows the ROA equation as follows

$$ROA = Margin * Profit$$

Where

$$Margin = Profit$$

and

$$Velocity = \frac{Sales\ Revenue}{Sales\ Assets}$$

The equation suggests that maximising a company's ROA requires managers to understand in great detail the trade-offs between margin and velocity product by product, order by order and customer by customer.

In agreement with Rothschild (2006) is Selling and Stickney (1989) who see ROA as a measure of a firm's success in using assets to generate profit without looking at how the assets were financed.

Selling and Stickney (1989) show the ROA equation as follows

$$ROA = Profit\ Margn * Asset\ turnover$$

where

$$Profit\ margin = \frac{Net\ Income + (1 - Tax\ rate)(interest\ expense)}{Revenues}$$

and

$$Asset\ Turnover = \frac{Revenues}{Average\ Total\ Assets}$$

Selling and Stickney (1989) state that the behaviour of ROA is affected by both operating leverage and product life-cycle phenomena and that firms with a high proportion of fixed cost usually experience greater variability in their ROAs than firms with lower levels of leverage. Selling and Stickney (1989) conclude that as products move through their life cycles, their ROA's should move in a north easterly direction.

The difference between firms' and industries' ROAs might be related to the economies and diseconomies of scale from operating leverage and to movement through product life cycles. Interestingly, Selling and Stickney found that firms highest ROA in their industries clearly followed a product differentiation or a cost leadership strategy.

Since product differentiation is a way of gaining market power and cost leadership strategy aims at becoming the lowest producer in order to charge lower prices and sell at a greater volume, it is expected that firms with high market share will also achieve high ROA.

Return on Equity (ROE)

ROE is the best accounting ratio to measure shareholder performance (Ward and Price, 2006). Ward and Price (2006) show the calculation as

$$ROE = \frac{Net\ Profit\ after\ tax}{Equity}$$

De Wet and du Toit et al (2006) comment that the fact that ROE represents the end results of structured financial ratios analysis, also known as Du Pont analysis, it contributes to its popularity among analysts, financial managers and shareholder.

In agreement with Ward (2006), de Wet and du Toit (2006) show that ROE calculation is comprised of the following components:

$$ROE = \frac{Earnings}{Sales} * \frac{Sales}{Assets} * \frac{Assets}{Equity}$$

The components are profitability, asset turnover and financial leverage. From the equation it is clear that ROE can therefore be improved by improving profitability and, by using assets more efficiently as well as by increasing financial leverage. Over time it has become clear that improving the ROE may not necessarily improve shareholder value.

According to de Wet (2006) some of the limitations of ROE include:

1. ROE does not consider the timing of cash flows and thus may overstate returns;
2. Asset turnover may be affected by inflation;

3. Earnings can be manipulated legally within the framework of Generally Accepted Accounting Practice (GAAP). Thus, earnings may not truly represent true earnings;
4. ROE is calculated after the cost of debt before taking into account the cost of own capital, which is not a free resource. This may lead to some companies reporting profits while not creating any value or even destroying value.

Return on Investment (ROI)

ROI stands for Return on Investment, and is a profitability or performance ratio that aims to measure the percentage return that investors in a company are earning from their invested capital. It can thus be classified as an indicator of operating performance. Stead (1995) comments that return on capital which is the return on the assets less the general credit received by the company, is the essential prerequisite for profitability. Unless this is a healthy rate of return, the return on the equity investment cannot really be satisfactory whatever degree of debt gearing the company has.

Jacobson in his study used the following equation:

$$ROI = \frac{Profit}{Investment}$$

While de Wet and du to it have used:

$$ROIC = \frac{Earnings\ before\ Interest\ and\ Tax * (1 - Corporate\ Tax\ Rate)}{Assets}$$

Jacobson (1985) observed that higher ROI is earned by companies that are able to charge higher prices (most likely because of successfully differentiating their products) and the firms that operate at cost advantage.

While this measure is widely accepted, there are a number of objections. These are mainly based on the following views:

1. Assets in the balance sheet might not be inclusive depending on the accounting policy of the specific company;
2. Fisher and Mc Gowan (1983) in Jacobson (1993) argued that ROI does not properly relate the stream of profits to the investment that produced it.
3. Stead (1995) argues that although calculating the rate of return of operating profit on the operating assets is fine, if the capital invested in brand names, goodwill and the like are not counted in, the operating assets the calculation return is unrealistic.

For the purpose of this study all of the profitability measures reviewed will be used. The decision was motivated by the fact that different measures were used in previous studies. The table below illustrates the different measures and measures used in previous studies

Table 1: Profitability Measures Selected for the Purpose of the Study

Profitability Measure	Equation	Previous Study
ROI	$ROI = \frac{Profit}{Total\ Capital}$	Buzzel , Gale and Sultan (1975)
ROE	$ROE = \frac{Net\ Profit\ after\ tax}{Equity}$	Not widely used
ROA	$ROE = \frac{Earnings}{Sales} * \frac{Sales}{Assets} * \frac{Assets}{Equity}$	Makino, Isobe and Chan (2004), Khanna and Rivkin (2001)

Source: Author's compilation (2020)

The Concept of Financial Marketing

Financial markets refer broadly to any marketplace where the trading of securities occurs, including the stock market, bond market, forex market, and derivatives market, among others. Financial markets are vital to the smooth operation of capitalist economies. Deregulation and internationalisation of the Ghanaian, as well as the international financial markets, has created a new, increasingly competitive business climate (Adjasi & Yartey, 2007). The financial markets are in a state of flux, where mergers between insurance companies and banks and cross selling of financial services are becoming increasingly common. This affects all financial players who have been accustomed to a regulated and stable market. In order to retain and strengthen relationships insurance firms are working to bind their existing customers more closely to them.

Keller, Parameswaran, and Jacob (2011) together with the increased competition companies have encountered difficulties in selling their goods or services, and thus also, in keeping their market share. As a result, a phrase that has been commonly used in recent times and is appropriate for all business activities is to keep the “customer in focus”. This represents a change in the way business leaders think about the company’s relationship with the market. It can be said to represent a change from a product oriented to a market-oriented way of thinking (Kapferer, 2012). The processes of deregulation and technological development have altered the traditional barriers between different institutional groups, and there has been a redefinition of the marketplace: we tend to speak of financial services as a whole rather than banking or insurance specifically. This represents a threat and, at the same time, an opportunity to financial providers, as it opens up the possibilities of offering customers a more integrated range of financial services. Many financial institutions have expanded into new, but still closely related, markets and the number and variety of competitors has increased. The search for competitive advantage has increasingly tended to focus on the process of service delivery rather than the service itself, which consequently has turned attention to the concept of "relationship marketing". (Ennew, Wright & Thwaites, 1993)

The worldwide flux in the financial markets has affected the conditions for operations in the Ghanaian market as well, and insurance firms have experienced a radical change during the last decade. The three traditional functions of the financial markets in any country are to facilitate reallocation of saving and consumption or investments, contribute to the reduction and allocation of risks of and between participants, and to develop and maintain well-functioning, efficient, and rational payment systems. Insurance companies have in a natural way inherited the role of contributing to the reduction and spread of risks. (Bergendahl, Hartman & Lindblom, 1990). Hence insurance companies constitute important actors in the financial markets along with other players, including banks, investment companies, building societies, custodians, and securities brokers. The task of the insurance companies is to manage and level out risks; something they do by aggregating a large number of policyholders into the same group. This group consists of both high and low risk customers. From the evaluated risk of the aggregated group as a whole, the premium of each member of the group is calculated in order to be able to offer the service of coverage by the insurance in question. The policyholder thus pays the insurance firm to bear his or her risk (Jaensson, 1997).

Banks, insurance companies, and most of the other financial companies and institutions have many things in common. Their products and production methods are similar, and they receive payments, keep and bear interest capital, and repay the received means according to contracts established. However, there are still substantial differences among different lines of business. A pertinent question these days is how to define a financial institution. Are there any longer banks that only provide traditional bank services or insurance companies that offer only traditional insurance services? A term encompassing both insurance firms and banks is Financial Services Organisations (FSOs) (Ennew, Wright & Thwaites, 1993), which might be more appropriate to use when the financial business offers a mix of services. However, for reasons of simplicity, this report conceptually maintains the division between insurance firms and banks.

The insurance business can be said to be divided into two completely separate lines of operation: property/casualty and life insurance. Reinsurance is a subgroup of property insurance, denoting the sharing of risks among two or more insurance companies, where each actor takes responsibility for a fixed part of any loss and receives premiums accordingly (Pillsbury, 1994). Insurance companies in the life insurance business must legally be reciprocal companies, which is to say that they are owned by the insurance subscribers. A property/casualty insurance company can, on the other hand, either be a reciprocal or a public limited company. In Ghana there is a principle of separation which says that an insurance company managing both property/casualty and life insurance must keep the two areas entirely separate.

The majority of the insurance companies' service products are found within the property/casualty business. The most important lines of insurance in this field are primarily commercial/industrial and property insurance, marine and transport insurance, professional driver and aviation insurance. During the last decade, there has been a development towards an expansion of mainly large-scale enterprises or corporate groups to form captives. These are insurance companies owned by a firm in order to, as far as possible, be able to level out and eliminate incurring risks on its own and thus lower its insurance costs. The captive firm is run like a subsidiary, and it insures either directly or indirectly via reinsurance companies, parts of the company's risks. The main difference between private and commercial insurance is that the latter is less standardised and much more complex in its nature. Corporate customers often want individually adapted solutions, countered by "insurance packages" by the insurers, including combinations of individual insurance. (Bergendahl, Hartman & Lindblom, 1990)

Overview of the Insurance Industry in Ghana

The Ghanaian insurance industry is a vibrant and growing industry with a huge potential to contribute to economic growth if developed and much attention paid to it (Boadu, Fokuo, Boakye, & Frimpong, 2014). The industry is regulated by the National Insurance Commission (NIC). The Insurance Industry is governed by Insurance Act 2006, ACT 724. This Act complies significantly with the International Association of Insurance Supervisors (IAIS) Core Principles and gives better regulatory powers to the National Insurance Commission. The Act among other things prohibits composite insurance companies. As at December 2018, the Ghanaian insurance industry had; 26 Non-Life companies, 19 Life companies, 2 Reinsurance companies, 63 Broking companies, 1 loss adjuster, 1 Reinsurance Broker, 1 Oil and Gas company, And 4537 insurance agents. The main classes of Non-Life business are fire burglary, and property damage, accident, marine and aviation, motor and general liability.

The main classes of Life products are universal life, funeral, whole life, endowment plan, term policy and group life.

Marketing Strategy in the Insurance Industry – A Process

The marketing strategy analysis, planning, implementation and management process is described below. The strategic situation analysis considers market and competitor analysis, market segmentation, and continuous learning about markets (Malcolm & Wilson, 2016). Designing marketing strategy examines customer targeting and positioning strategies, marketing relationship strategies and planning for new products (West, Ford, & Ibrahim, 2015). Marketing programme development consists of product, distribution, price, and promotion strategies designed and implemented to meet the value requirements of targeted buyers (Malcom, 2016). Strategy implementation and management consider organizational design and marketing strategy implementation and control"

Figure 1: Process of marketing strategy

Source: Adopted from Baker (2014)

Challenges Affecting Insurance Agency Marketing of Insurance Services

Many of the developments in services marketing are fairly recent. The factors affecting the developments within services marketing are organization size and structure, regulatory bodies, growth in service industries, characteristics of services, customer/employee interaction, and specific service sectors (Wong & Sohal, 2003). Services marketing are the process of researching and promoting to a market with non–physical goods known as services (Little & Marandi, 2003). Insurance marketing is basically just the marketing of insurance products. Insurance marketing emphasizes the importance of the customer preferences and priorities. Major objectives of insurance marketing are increasing customer awareness, successful distribution of insurance products, developing corporate image, improving customer service, improving customer base and its spread, and etc. Factors impeding the application of insurance marketing are insufficient experience of insurers while expanding insurance business, non-existence of long-term development strategies of insurance companies and the fact that insurers orient mostly to short term needs; and while trying to apply more actively insurance marketing means it is necessary to change the whole organizational management structure of an insurance company, the channels of insurance products sales, technologies of communication with clients (Faiz, 2007; Singh, Chakraborty, & Raju, 2011).

Ineffective Promotion

The promotional mix is a term used to describe the set of tools that a business can use to communicate effectively the benefits of its products or services to its customers. Market communication performs three basic roles in marketing to inform, to persuade, and to remind (Kotler & Armstrong, 2010). Traditional promotion employs a variety of methods including advertising, sales promotion, public relation, and personal selling to attract the attention of existing and potential customers, and to inform them of the products, services, and special offers made available by the firm (Andrews & Shimp, 2017). Each of the categories of promotion mix has now become familiar in many areas of services marketing. In case of life insurance services, promotion is done through a mix of advertising, personal selling, and sales promotion. Promotion communicates with the potential market so as to persuade the prospective customers to try a new insurance product (Thrassou & Vrontis, 2009).

The insurance services depend on effective promotional measures (Ansari & Riasi, 2016). In a country like India, the rate of illiteracy is very high and the rural economy has dominance in the national economy. It is essential to have both personal and impersonal promotion strategies. In promoting insurance business, the agents and the rural career agents play an important role. Due attention should be given in selecting the promotional tools for agents and rural career agents and even for the branch managers and front-line staff. They also have to be given proper training in order to create impulse buying (Ike, 2018).

Advertising and publicity, organisation of conferences and seminars, incentive to policyholders are impersonal communication. Arranging exhibitions, participation in fairs and festivals, rural wall paintings and publicity drive through the mobile publicity van units would be effective in creating the impulse buying and the rural prospects would be easily transformed into actual policyholders.

Choice of Marketing Channels

Distribution is a key determinant of marketing success of all insurance companies. In case of life insurance, it is combination of decisions regarding channels of distribution. Insurance agent market various insurance covers either directly or through various distribution channels individual insurance agents, corporate agents including bancassurance and Brokers (Coughlan, Anderson, Stern, & El-Ansary, 2006). These are generally called the traditional channels. In today's scenario agents continue as the prime channel for insurance distribution in India and almost all the players follow this model primarily. However, with new developments in consumer's behaviour, evaluation of technology and deregulation, new distribution channels have been developed successfully and rapidly in recent years.

According to Zeithaml, Bitner, and Gremler, (2003), to evaluate insurance services before its purchase and to assess their satisfaction with the service after it is bought; customers tend to rely on tangible cues, or physical evidence. The appearance of building, landscaping, interior furnishing, equipment, printed materials, and other visible cues all provide tangible evidence of a firm‘s service quality. This sort of physical evidence provides excellent opportunities for a service firm to send clear and consistent marketing messages regarding the firm's purpose the intended market segment, and the nature of the service (Lovelock & Patterson, 2015). In case of insurance business, apart from office environment, materials such as brochures, policy documents, and periodic statements are the tangibles, which will influence the customers. Insurance agencies need to manage all these physical evidences carefully as they can have a profound impact on the impression of the customers. Although all insurance agencies provide similar essential service, the differences that do exist are the physical evidence (Lovelock & Patterson, 2015).

Mistrust in Insurance Relationships

A unique feature of the distribution of insurance services is, the fact that a customer buys a service which actually notice until a loss is suffered (Kotler, 2015). Hence, the policy holder initially consumes a service in the shape of extremely intangible risk coverage and then after some time has elapsed, when something occurs which is covered by the insurance policy, he or she may have the opportunity of consuming the service in another shape, namely the claim settlement. In a recent case study made of ten corporate customers of one of the major Swedish insurance companies, this dual consumption involving two different insurance managers was concluded to be one of the causes of customer mistrust towards insurance firms (Lovelock & Patterson, 2015). According to this study there is a mutual mistrust between insurance companies and their customers. From the insurers' view it was based on the customers' propensity to try to gain from fraudulent behaviour, but was more categorically expressed by the customers towards the insurance firm (Kotler, 2015).

The claim settlement is but one of four areas where relationships often fail due to imperfectly managed interaction. At the claim settlement, customers almost always perceive themselves to have been encountered with suspicion by the agent, as there is a possibility of the customer wanting to gain from his own loss. The second area is in relation to the offers made to gain customers, often through drastically lowered premiums. How are these really to be interpreted? Third is the concept of complexity and difficulty in understanding the service provided, which was discussed earlier. The final area concerns the history of the strictly institutionalized and regulated insurance business, entailing badly delivered services (Gidhagen, 1998).

Distribution Channels

Distribution is a key determinant of success for all insurance companies. Today, the nationalized insurers have a large reach and presence in India. Building a distribution network is very expensive and time consuming. If the insurers are willing to take advantage of India's large population and reach a profitable mass of customers, then new distribution avenues and alliances will be necessary (Krishnamurthy et al., 2005). Initially insurance was looked upon as a complex product with a high advice and service component. Buyers prefer a face-to-face interaction (like consulting and sales innovation using multi touch table – MTT) and they place a high premium on brand names and reliability. As the awareness increases, the product becomes simpler and they become off-the-shelf commodity products (Kotler, 2009). Today, various intermediaries, not necessarily insurance companies, are selling insurance. For example, in UK, retailer like Marks & Spencer or in Germany the Deutsche Bank (using also the MTT for the Bank consulting), sells insurance products.

The financial services industries have successfully used remote distribution channels such as telephone or internet so as to reach more customers, avoid intermediaries, bring down overheads and increase profitability (Polasik & Piotr Wisniewski, 2009). A good example is UK insurer Direct Line. It relied on telephone sales and low pricing. Today, it is one of the largest motor insurance operators. Technology will not replace a distribution network though it will offer advantages like better customer service. Insurance brokerage firms are among the earliest users of information technology (Barrett, 1999). A number of researchers Almajali, Alamro, and Al-Soub, 2012; Malik, (2011) have studied a few factors that contribute to the revenue growth of firms in the insurance sector in relation to technology. Of particular importance is technology strategy, which represents the pattern of decisions, the position relative to competitors and the perspective from which management makes decisions regarding technological activities, equipment, materials and knowledge (Porter, 2008a). Bhatt and Grover (2005) note that the purpose of technology strategy is to identify, develop, and nurture those technologies that will be crucial for the firm's long run competitive position.

Competition

Marketing is becoming increasingly vital in the contemporary Nigerian insurance business environment (Nwankwo & Ajemunigbohun, 2013). Environmental variables and intense competition from other financial institutions have compelled Nigerian insurance companies to devise ways and means to survive and operate efficiently and effectively. Specifically, Nigerian insurance companies are showing some interest in the relevance of marketing techniques in their businesses. These interests have been manifested in form of myriads of products and prices, among other marketing activities. Nwankwo and Ajemunigbohun (2013) asserts that for the Nigerian insurance industry to survive the stiff competition and other environmental forces, it is necessary for practitioners in the insurance industry to adopt innovative marketing strategies(Kotler & Armstrong, 2010).

Non-availability of Trained Staff

Professionalism constitutes the main thrust of insurance practice. Hence, it is hypothesized to be positively related with increased consumption (Ebitu, 2012). The unique nature of insurance industry should serve as the foundation for a distinctive marketing system in the insurance market. The agent is very central in insurance marketing process. While this is true, the relationship between the agent and the company they represent can be is often varied. Because of the technical complications of the insurance products, it is particularly important that those selling insurance understand the contracts they are supposed to sell. Because a common problem associated with agency is the professional attitude of most insurance agencies. With little or no qualification, one can become an agent or broker (Rejda, 2011).

Understanding the customer better allows designing appropriate products. Being a service industry, which involves a high level of people interaction, it is important to use this resource efficiently in order to satisfy customers (Mendoza, Marius, Pérez, & Grimán, 2007). Training, development and strong relationships with intermediaries are the key areas to be kept under consideration. Training the employees, use of IT for efficiency, both at the staff and agent level, is one of the important areas in marketing of insurance services (Kasturi, 2006).

Zeithaml et al., (2003) indicate that the service-performance gap between what is expected and what is often delivered may be narrowed through increased and better employee training. In order for agents to be responsive to the pre-sale, during-sale, and after-sale service needs of their local clients, agencies must invest in training programs in which their agents are comfortable using the technological resources made readily available to them through their providers. The purchase of an insurance contract from insurance agencies is often based, for example, on such criteria as the reputation of the company, the perceived professionalism of the agent, and the price of the policy in relation to the coverage provided (Howden & Pressey, 2008). Nonetheless, since new forms of distribution have started to erode the perceived quality relationship that once required a trained agent as part of the traditional buying process, two additional criteria for evaluating service delivery quality may now be needed. The first includes the level of technology provided by the insurance firm, and the second relates to the added psychological cost involved in purchasing the policy without an agent present (Anagol, Cole, & Sarkar, 2017).

Pricing of Insurance Services

As might be expected, neither price nor the technology available during the delivery of the service constitutes the principle concern of the average customer (Porter, 2008b). According to an early survey by Brown and Finkelstein (2007), only about half of those who purchased insurance actually checked other companies for prices on the same or similar policies. In many cases the individual purchased insurance from an agent who was a friend, a relative, a neighbour, or a referral from some trusted source. Hence, insurance transactions are, more often than not, seen as an act of friendship rather than a strictly market-based decision (Skipper & others, 2008).

Cost of Insurance

The factor that determines the client's ability to purchase any insurance product is the issue of cost (Bauer, Burns, Esposito, Huber Jr, & O'malley, 2012). The other issue that is facing property insurance and liability today is the high cost of insurance for some segments of the insurance buying public and the response that this high cost has generated among those buyers and among certain other groups. This is against the backdrop that insurance agent must be made available to all who want and need it and that it must be affordable that will increase the revenue to the industry in particular to the growth of the insurance brokers (Geneva Association, 2014). The demand for availability and affordability of the supply of any product is the function of cost, which means that there is an inevitable conflict between these two goals. When the cost of losses for a given group is low, it is clear that insurance was available and affordable. Conversely when the cost of losses for a given group is high the premium must also be high (Doyle & Stern, 2006).

Review of Empirical Studies

Laverty (2001) carried out a study on market Share Profit and Strategies of listed companies in South Africa. He used the multiple regression technique to analyze the data for a period of five consecutive years from 1996 to 2000. The study revealed that there is a positive relationship between Market Share and Profitability. That Market share should be treated as an indicator of performance. He also states that the success of market share requires more fundamental focus.

Gill, Biger, and Mathur (2010) studied the association between Market Share and Profitability of quoted firms in United States. The researchers used the multiple regression technique to analyze the data, using a sample of 65 companies listed in United States observed for the period 1986 to 1990. The study revealed that there is a positive and significant relationship between market share and profitability. But the positive relationship between market share and profitability is not the same across different environmental contexts.

Brammer and Millington (2008) examined the relationship between Market Share and Profitability in New York. They used the ordinary least square method to analyse the data on a sample of 45 quoted firms for the period 1970 to 1975. The study revealed that there is a positive relationship between Market

Share and Profitability. They found that higher market shares lead to greater profits, because of market power and lower cost resulting to economies of scale effects.

Abor and Quartey (2010) carried out a study on assets efficiency and market share of listed companies in South Africa. The researcher analysed the data using the statistical linear regression method. He deduced that it is a long-standing view that Market Share and Profitability cannot be pursued in tandem. That is, an increase in market share mostly requires more investment which might diminish the profitability in the short term. He suggested that for a company to pursue market share, it will have to forgo some profits. This literature, therefore, suggests a negative relationship.

O'Regan (2002) carried out a study on the relationship between Market Share and Profitability in Europe. He used the Ordinary Least Square (OLS) method to analyse the data for the years 1997 to 2001 of 148 listed companies. The study revealed that Market Share and Profitability is negatively related.

Woo (1981) examined market share leadership in listed South African Companies. The researcher tested the hypothesis via Pearson correlation and simple linear regression method. The study revealed that there is a negative relationship between Market Share and Profitability. The researcher found out that market share does not always translate into profitability, as evidenced by a sizable 41 market leaders all earning a pre-tax return on investment of less than ten percent.

Hergert (1984) carried out a study on the relationship between Market Share and Profitability of listed companies in United States of America. The researcher used the Pearson correlation and linear regression to analyse the data of a sample of 65 listed companies for the year 1979 to 1983. The study revealed that there is nonlinear relationship between Market Share and Profitability. He concluded that the alleged association between Market Share and Profitability is not strong enough to warrant strategic marketing and management decisions to press for market leadership.

Affleck-Graves, Flach, and Jacobson (1988) examined the market share effect on profitability of listed South Africa Companies. The researcher used simple and multiple regressions to analyse data on a sample size of 95 listed companies for the period 1983 to 1987. The study revealed that there is no relationship between Market Share and Profitability. He argued that the dominant explanation of Market Share and Profitability relationship ignores factors such as management skills, company culture, access to scarce resources and luck. He also argued that strategic intentions, such as investing to expand market share cannot result in abnormal profits under equilibrium because companies will continue to invest until the return premium diminishes.

Conceptual Model for Meta-Analysis

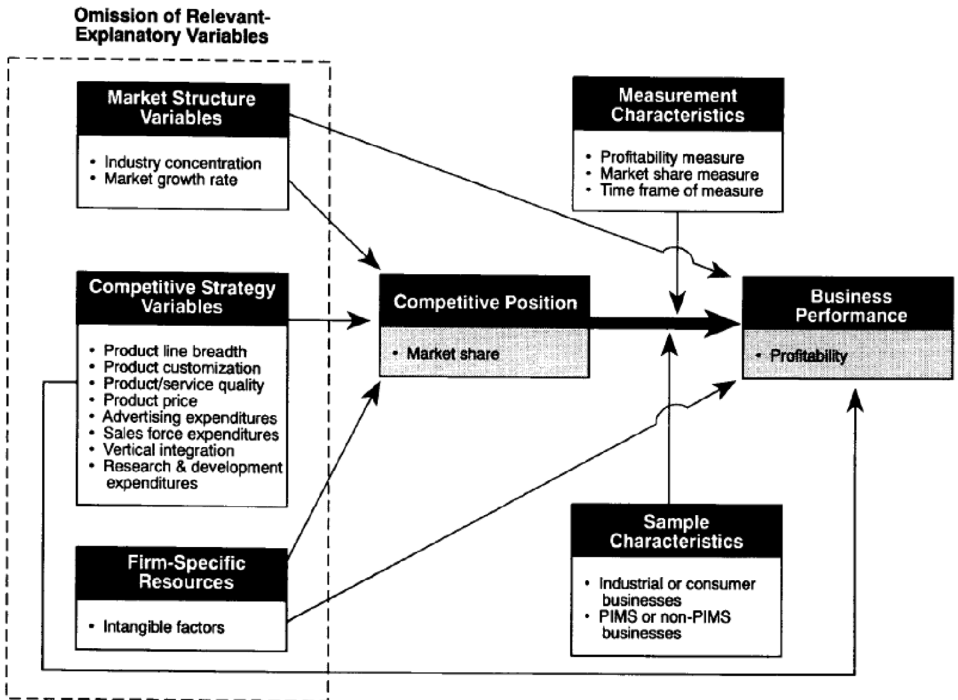

Figure 2: Conceptual framework for meta-analysis

Source: Adopted from Maydeu-Oluvares & Lado (2003)

Laverty (2001) has attributed these different views to the fact that each study has reviewed and tested different relationships and none of them has ever tried to replicate the finding of the other. The findings of the study were that there is a correlation between market share and profitability and that market share should be treated as an indicator of performance. He also states that the success of market share requires more fundamental focus. On the same note, Leverty (2001) states that the option to build market share is available for more than one company and that non-price competition is likely to reduce profits associated with market share.

Sadikoglu and Olcay (2014) suggests that other models can be used to explain this relationship, while he states that this relationship is over-simplistic of the situation and need to be enhanced by introducing several other subjective measures, such as quality of management and quality of market. However, he admits that it is difficult to quantify such subjective measures. The literature points to two viewpoints on market share profitability relationship the viewpoints are as follows: Direct effects viewpoint and spurious effects viewpoint. Direct effects viewpoint according to Buzzell, Gale, and Sultan (1975) argued that higher market share leads to greater profits, because of market power and lower cost resulting to economies of scale effects. O'Regan (2002) states that profitability stems from pursuing opportunities in growing markets rather than in competing in mature markets and thus firms should seek to align their product offering with market type. Profitability will thus be enhanced. In their study examining the nature of the relationship among strategic resource deployment, market share positioning and profitability across two time periods, Venkatraman and Prescott (1990) confirmed direct effects.

From the and spurious effects viewpoint Virgilio (2015) hypothesised that random "shock" for instance luck, will increase both market share and profit, and that change in market share is not a significant predictor of change in return. They conclude that market share is not in itself a valid strategic goal. It is a measure of success otherwise created, but business plans and strategies that have no entrepreneurial content other than share-gain tactics are empty.

CHAPTER THREE

RESEARCH METHODS

Introduction

This chapter deals with the methodology of the study. The research methodology process includes a number of activities to be performed. These are arranged in proper sequence of timing for conducting research. One activity after another is performed to complete the research work. Research methodology includes the type of research and the research design adopted, the research population, sample size and sampling technique, data collection, administration procedures for data collection and data analysis techniques.

Research Design

To achieve the research objectives and to address the research problem the researcher conducted quantitative research. A quantitative research generates quantifiable data. It is primarily concerned with observable and measurable phenomena involving people, events or things, and establishing the strength of the relationship between variables, usually by statistical tests (Gelo, Braakmann, & Benetka, 2008). A quantitative research lends itself to investigating phenomena that require precise measurement and quantification often involving a rigorous and controlled design (Nardi, 2018). A quantitative design tends to be fairly structured to enhance objectivity. A quantitative research primarily rests upon numbers aggregated into statistics, to enable the researcher to interpret obtained data and reach conclusions (Blaikie, 2003). The features of this research study are in accordance with the quantitative research paradigm. Its focus was concise and narrow. The researcher exercised control by enhancing the external validity of the study. He utilised a structured questionnaire, which enabled his to quantify the responses and to conduct statistical analysis. The researcher-maintained objectivity through structured data collection. Furthermore, an in-depth literature review, which served as a basis for the development of the data-collection instrument, was conducted. According to (Creswell & Creswell, 2017), objectivity in the conceptualisation of the problem is derived from a review of the literature and the development of a theoretical framework. A literature review enables the researcher in assessing the depth and breadth of available knowledge concerning the research problem. In this present study, the researcher considered the most suitable research design to be a non-experimental, univariate, and descriptive survey design. The term survey can be used to designate any research activity in which the investigator gathers data from a portion of a population for the purpose of examining the characteristics, opinions or intentions of that population. A descriptive design is selected because of its high degree of representativeness and the ease in which a researcher could obtain the participants' opinion. In this present study, the researcher obtains and describes the views of the respondents with regard to the nature of their exposure to marketing strategies of insurance firms, implications of marketing strategies on organizational operations and business performance.

When very little is known about a topic or to explore a research question, a descriptive design is applied. Within the context of this research, the views of staff and management on marketing of insurance products in Ghana. In descriptive research the research variable is examined, as it exists without investigator interference. Control over the research setting is limited. In this study there would be no manipulation of variables and the researcher would not attempt to control the research setting. However, the data collection conditions would be standardised to enhance data quality. Descriptive survey research design enables the researcher to generalize findings to a larger population (Creswell & Creswell, 2017). The descriptive design approach has been credited to the fact that it allows analysis the relations of variable. Furthermore, a descriptive survey research is suitable since it considers issues such as economy of the design, rapid turnaround in data collection and it is suitable for extensive research.

Population of the Study

The population of this study comprised of insurance companies in the Sunyani municipality. There were approximately seventeen (17) insurance companies in the municipality as at December, 2018. Out of the seventeen insurance companies, the study targeted seven (7) of them. The targeted population for the study is considered appropriate since it is more than 30 percent of the entire insurance firms' population in the municipality. According to Creswell and Creswell (2017) 30 percent or more of a population helps to adequately assess a research phenomenon.

The sample frame consisted of management – Area/Branch Managers, Marketing officers, underwriting officers and Operations Managers and agents of the selected insurance companies. Total number of management and employees of the seven selected insurance firms totals seventy-six (76). Again, the seven selected insurance firms have an approximate clients'/ policyholders' population of one thousand two hundred and five (1205).

Sample Size and Sampling Technique

A sample is taken from the target population being researched. If the sample is adequate it will have the same characteristics of the population and the results are usually used to make conclusions about the population. Moreover, sampling techniques are methods that are used to select a sample from the population by reducing it to a more manageable size. According to Hox, De Leeuw, & Klausch, (2017), these sampling techniques are used when inferences are made about the target population.

From the target population of the study, purposive sampling technique a method of which belongs to the non-probability sampling technique was used to select all the seventy-six (76) staff and management members of the selected insurance firms.

The non-probability sampling technique refers to objects that are selected based on the researcher and usually generalizations from this method are possible, although not by using statistical techniques. Denscombe (2014), defines purposive sampling as a type of sampling in which, ‘‘particular settings, persons, or events are deliberately selected for the important information they can provide that cannot be gotten as well from other choices’’. Purposive sampling was employed for the selection of the respondents because data gathering is crucial in research, as the data is meant to contribute to a better understanding of a theoretical framework. It then becomes imperious that selecting the manner of obtaining data and from whom the data will be acquired be done with sound judgment, especially since no amount of analysis can make up for improperly collected data. The purposive sampling technique, also called judgment sampling, is the deliberate choice of a participant due to the qualities the participant possesses. It is a non-random technique that does not need underlying theories or a set number of participants. Simply put, the researcher decides what needs to be known and sets out to find people who can and are willing to provide the information by virtue of knowledge or experience. It is typically used in qualitative research but also applicable in quantitative research to identify and select the information-rich cases for the most proper utilization of available resources. This involves identification and selection of individuals or groups of individuals that are proficient and well-informed with a phenomenon of interest.

Data Collection

Type of Data

The type of data sought for in this study is quantitative data. Quantitative data means data, or evidence, based on numbers (Suen & Ary, 2014). Quantitative data is basically based on the principle of the natural sciences and therefore relies on the assumptions of an objectivist view of the social world (Creswell & Creswell, 2017). Objective methods of measurements are therefore used in the measurement of constructs in quantitative research. In Tashakkori and Creswell, (2007), viewed quantitative research as being generally involves the collection and analysis of data using statistical procedures and analysis with the aim of determining the truth or otherwise of hypotheses or theory.

Source of Data Collection

For the study purpose both primary and secondary data are used. The primary data was collected from staff and management of the companies through structured data collection instruments. Secondary data was obtained from official documents of the institutions such as the institutional strategic plan policy document and financial statements. Secondary data refers to data that was collected by someone other than the user. The primary and secondary data have been collected to cover every aspect of the study. The primary data are related to behaviour and response of employees and management. Primary data are information collected by a researcher specifically for a research assignment. In other words, primary data are information that a company must gather because no one has compiled and published the information in a forum accessible to the public. Primary data are original in nature and directly related to the issue or problem and current data. Primary data are the data which the researcher collects through various methods like interviews, surveys, questionnaires etc. The primary data was collected because they are original and relevant to the topic of the research study so the degree of accuracy is very high and moreover, primary data is current and it can better give a realistic view to the researcher about the topic under consideration.

Instrument of Data Collection

For collection of data, questionnaire was used. Questionnaire is a set of questions that has been prepared to ask a number of questions and collect answers from respondents relating to the research topic. A number of questions usually in printed or electronic form are to be answered by the individuals. The forms often have blank spaces in which the answers can be written. Sets of such forms are distributed to groups and the answers are collected relating to research topic. A questionnaire is a series of questions asked to individuals to obtain statistically useful information about a given topic. When properly constructed and responsibly administered, questionnaires become a vital instrument by which statements can be made about specific groups or people or entire populations. Inappropriate questions, incorrect ordering of questions, incorrect scaling, or bad questionnaire format can make the survey valueless, as it may not accurately reflect the views and opinions of the participants. A useful method for checking a questionnaire and making sure it is accurately capturing the intended information is to protest among a smaller subset of target respondents. In a research or survey questions asked to respondents, and designed to extract specific information.

For this study purpose a set of questions has been prepared to collect information relating to the topic of the study. In this study a structured questionnaire has been used with different types of questions such as closed ended and open ended. Special case has been taken to select the scales for the questions for collection of responses very effectively.

Instrument Structure to Meet Research Objectives

Likert scale structure of a 5-point was employed in designing the questionnaire. Likert scales are a central method used for measuring perception of respondents and an in-depth inquiry into a phenomenon. Likert scale are used for measuring attitudes which require respondents to choose a statement from a number of statements that range from strongly agree to strongly disagree. The respondents usually choose a response from a set of five statements where each response is assigned a weight which allows the researcher to perform statistical analysis. The choice that the respondents make means that they agree with the statement they have chosen which allows them to express their feelings. Moreover, the questionnaire is organized in a way that places similar questions in the same category to make it easier for the respondent to follow. Again, the structure of the research instruments covered both personal (demographic characteristics) and the subject matter which dealt with the objectives of the study.

Procedure of Data Collection

In collecting primary data from the field, the researcher visited the insurance companies selected for the study. Once the respondents were identified, the researcher administered the questionnaire to them. The researcher assumed the role of facilitator by explaining the questions so that the respondents could follow through as they answer. Upon completion of the questionnaire, the researcher scanned the questionnaire in order to ascertain which respondents had difficulty writing and answering the questions. In the administration of the research instrument, an undergraduate was selected, trained and engaged as research assistant. The researcher held a day training for the research assistant before the start of work. The researcher with the research assistant administered the research questionnaire to the respondents of the study through hand delivery.

Method of Data Analysis

The study used both the descriptive and inferential data analysis for the study. The descriptive analysis made use of simple tables and figures to present findings of respondents and percentages, mean and standard deviation used to discuss results. For the effects of marketing strategy on profitability, regression and correlation analysis were employed. Data collected was organized into various categories; a relationship was then established from these categories. The results were tested to see the extent of relationship using the following linear regression equation model:

Research Design

To test the hypotheses, we use the following logit model:

Insolvency$_{i;t}$ ¼ b$_0$þb$_1$ Audit Committtee Presence$_{i;t1}$

þb$_2$ Audit Committee Independence$_{i;t1}$

þb$_3$ Audit Committee Expertise$_{i;t1}$

þb$_4$ Audit Committee Size $_{i;t1}$

þb$_5$ Audit Committee Meeting$_{i;t1}$

þb$_6$ Frequency of Board Meetings$_{i;t1}$

þb$_7$ Board Composition$_{i;t1}$

þb$_8$ Board Size$_{i;t1}$

þb$_9$ Liquidity$_{i;t1}$

þb$_{10}$ Leverage $_{i;t1}$

þb$_{11}$ Firm Size$_{i;t1}$þe$_{i;t1}$

We predict negative coefficients for AC′s presence, independence, expertise, size and frequency of audit meetings. We also predict negative coefficients for board composition, board size, firm size, liquidity and frequency of board meetings. We, however, predict positive coefficients for leverage and CEO duality (Table AI shows the meanings and expected signs of the measures of the study).

Results and Analysis

Correlation

Table I shows the Pearson and Spearman′s correlations for the variables employed in this study. The relationship between the presence of AC has a negative and significant (po0.01) correlation with insolvency, suggesting that solvent firms benefit from the mere presence of an AC. The size, independence, meetings and expertise of AC also have negative and significant relationships with corporate insolvency (po0.01), while financial leverage 305 and CEO duality display a positive and significant relationship with insolvency (po0.10). Firm size is positively and significantly associated with AC′s presence, size, independence, expertise, meetings, board size, frequency of board meetings and leverage but negatively related to CEO duality and insolvency. This indicates that large firms have larger board size with a greater proportion of independent NEDs to strengthen board AC, thereby reducing the probability of insolvency. The Pearson and Spearman correlation matrix suggest one issue of multicollinearity. The size and independence of AC record Pearson and Spearman correlation of 0.81. For this reason, we cannot capture the two variables in one model.

Descriptive statistics

Table II presents the descriptive statistics of the variables used in this study. The average insolvency is 0.27, with a minimum of 0.00 and a maximum of 1. We record an average of 0.94, 3.11, 2.73, 0.95 and 2.77 for AC′s presence, size, independence, expertise, and meeting, with a minimum (maximum) of 0.00(1.00), 0.00(8.00), 0.00(8.00), 0.00(3.00) and 0.00(11.00), respectively. This indicates that 94 per cent of UK-listed firms have formal presence of ACs with a membership of at least three independent NEDs, one financial expert and also meet at least three times a year.

Logit Results

Table III presents the random effects logit results for the effects of AC attributes on corporate insolvency.

Results on firm characteristics and board attributes. Concerning the control variables, our findings suggest that the firm size is negatively and significantly related to corporate insolvency (β¼−1.140, po0.001). This implies that large size enhances a firm′s ability to manage environmental turbulence (Aldrich, 1979), due in part to economies of scale, which in turn, reduce business failure rate (Hannan and Freeman, 1984; Sutton, 1997). This result confirms prior studies (i.e. Moulton and Thomas, 1993). Furthermore, liquidity displays a negative and significant (β¼−0.003, po0.001) association with corporate insolvency, suggesting that corporate insolvency can be viewed in terms of an exhaustion of the liquid asset reservoir. With respect to board composition, the results indicate that board composition has a negative and insignificant relationship with corporate insolvency (β¼−0.593, pW0.10). Board size is also positive and insignificant (β¼ 0.032, pW0.10) to corporate insolvency. Financial leverage exhibits a positive and insignificant results with corporate insolvency (β¼ 0.223, pW0.10). Contrary to expectations, the frequency of board meetings exhibits a positive and significant (β¼ 0.131, po0.001) association with corporate insolvency. This contradicts proposition from agency theory, which suggests that higher frequency of board meetings reduces the likelihood of corporate insolvency by enhancing board monitoring (Vafeas, 1999).

Results on AC attributes. The results show that the presence of AC exhibits a negative but insignificant association (β¼−0.562, pW0.10) with corporate insolvency in models 1 and 2 of the pure random sample. These results refute H1. The independence of AC is also negative and statistically significant (β¼−0.232, po0.01), which supports H2. Interestingly, the coefficient for the expertise of the AC is insignificantly positive (β¼ 0.138, pW0.10).

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where**;**

Y= independent variable – marketing strategy of the insurance of the firm

X_1 the return on asset

X_2 the return on equity

X_3 is the return on investment

X_4 is the total expense ratio

ε = Error term

The **β** coefficient from the equation represented the strength and direction of the relationship between the variables. To apply drawn conclusions to a more general population with the representative sample size as previously indicated, inferential statistical analysis was employed in addition. The quantitative data presentation method was used to measure relationship between the variables to make valid and objective inferences.

Ethical Consideration

Before the commencement of the study, an introductory letter was obtained from the School of Research and Graduate Studies, Catholic University College of Ghana, Fiapre and presented to the General Managers of the various insurance companies sampled for the study.

An informed consent form detailing the researcher background, contact information, purpose of the study, procedures, confidentiality, voluntary participation, and right to withdraw in the study was given to participants to read. Upon agreement to participate in study, research participants were asked to sign the forms. Research participants were also informed that they could choose not to answer questions they feel uncomfortable with. Participants were made to understand that participation in the study is voluntary and they can withdraw from the study at any time without attracting any consequence. The researcher ensured that participants' privacy was respected and ensured their anonymity. Data collected for study was kept confidential and used solely for the purpose indicated.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter reports the research findings and discussion of results. It presents the analysis and the discussions. The chapter is arranged as follows:

1. Response rate of respondents.
2. Ascertain the marketing techniques adopted by general insurance agencies in the Sunyani Municipality.
3. Determine the effectiveness of marketing strategies adopted by general insurance agencies in the Sunyani Municipality
4. Examine the challenges general insurance agencies face in marketing of their insurance products.
5. Assess the relationship between marketing of general insurance products and performance of the industry

Response Rate

A total of seventy-six (76) questionnaire were administered to respondents. The researcher was able to retrieve all the seventy-six (76) questionnaire sent out to the respondents, representing 100.0% response rate.

Marketing Techniques Adopted by General Insurance Agencies

This section sought to ascertain the marketing techniques adopted by General Insurance Companies in the Sunyani municipality. A summary on marketing techniques was done to establish the distribution of the responses provided on marketing techniques adopted by the surveyed general insurance firms. During the data entry the coding was changed to enable analysis, in this case the codes were as follows: 1= frequently, 2= fairly often, 3= sometimes, 4= once in a while and 5= Not at all. For all the questions, the minimum, maximum, mean, standard deviation and skewness level were computed.

Table 2: Descriptive Statistics on Marketing Techniques Adopted by the Insurance Firms

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	
Techniques		Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
Social Media Marketing	76	1.00	5.00	1.6053	.93920	2.066	.276
Mass Media Marketing	76	1.00	5.00	1.8158	1.05465	1.571	.276
Promotions	76	1.00	5.00	1.9079	1.02212	1.420	.276
Public Relations – Press Conferences, Newsletters, Press Release	76	1.00	5.00	1.8553	1.11599	1.535	.276
Personal Sales	76	1.00	5.00	1.7500	.92556	1.664	.276
Use Video Content to Make a More Personal Connection.	76	1.00	5.00	2.0658	1.21475	1.200	.276
Market intelligence	76	1.00	5.00	2.0263	1.17727	1.156	.276
Mass marketing	76	1.00	5.00	1.7237	.90331	1.808	.276
Niche marketing	76	1.00	5.00	1.8026	.90950	1.608	.276

Source: Field survey (2020)

By use of rule of thumb, where the mean is higher than 3 the researcher conclude that marketing technique is rarely being applied in the general insurance firms and where the mean is below 3 the researcher conclude that the marketing technique is frequently applied in the general insurance firms. From Table 2, it can be seen that generally the mean for all responses ranged between 1.6 and 2.06.

Interestingly, as revealed by staff/employee’s and management respondents of the study, it is clear that marketing techniques adopted by general insurance firms includes social media marketing, mass media marketing, promotions, public relations – press conferences, newsletters, press release, personal sales, use of video content to make a more and market intelligence. Other marketing techniques adopted by the general insurance firms includes mass marketing and niche marketing strategies.

Table 3: Descriptive Statistics on Promotional Tool Used by General Insurance Firms

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
Print media – Newspapers	76	1.00	5.00	2.0263	1.13106	1.196	.276
Written materials like brochures, magazines, Newsletter	76	1.00	5.00	2.0000	1.01980	1.472	.276
Sponsoring events	76	1.00	5.00	3.7368	1.24759	-.835	.276
Word of mouth by a staff/client	76	1.00	5.00	1.8553	1.10398	1.699	.276
Social media advertisement	76	1.00	5.00	1.7632	.92186	1.648	.276
Radio Advert	76	1.00	5.00	1.5526	.71916	2.020	.276
TV Advert	76	1.00	5.00	1.7500	.96782	1.705	.276
Banner, Posters	76	1.00	5.00	1.8947	1.05298	1.482	.276
Internet (website)	76	1.00	5.00	1.7237	.84220	1.667	.276

Source: Field survey (2020)

By use of rule of thumb, where the mean is higher than 3 the researcher conclude that marketing tool is rarely being applied in the marketing of general insurance products and where the mean is below 3 the researcher conclude that the marketing tool is frequently applied in the marketing of general insurance products. From Table 3, it can be seen that generally the mean for all responses ranged between 1.5526 and 2.0263.

From Table 3, print media (Newspapers) was noted to be a tool used for marketing general insurance products. This statement had a mean value of 2.0263. Again, written materials like brochures, magazines, newsletters were used as a tool for marketing general insurance products. This statement had a mean value of 2.0000. Nonetheless, it was revealed that sponsoring of events was not frequently employed as a tool for marketing of general insurance products. This statement had a mean value of 3.7368. Also, word by mouth by staff or clients was indicated as a tool used for marketing of general insurance products. This statement had a mean value of 1.8553. Other factors which were indicated as tools employed for marketing of insurance products includes social media advertisement, radio advert, TV advert, banner, posters and the internet (website) and these statements had mean values of 1.7632, 1.5526, 1.7500, 1.8947 and 1.7237 respectively.

Effectiveness of the Marketing Strategies Adopted by Insurance Firms

This section sought to determine the effectiveness of marketing strategies adopted by the general insurance firms. The effectiveness of a strategy is measured by the general perception of the beneficiaries towards that strategy, level of compliance with provisions of the strategy, attributes of the strategy and availability of resources to ensure successful implementation of the strategy, thus existing practices. It is also necessary to measure the counterfactual – that is, what would have happened to beneficiaries in the absence of the strategy. The statistical presentations are illustrated in Tables 4 to 8.

Relevance of Marketing Strategies Adopted by the General Insurance Firms

This section sought to examine whether the general insurance firms considers the marketing strategies relevant. Interestingly, 86.8% of the respondents were of the view that marketing strategies are considered as a relevant element in the general insurance industry. Thus, a greater majority of the respondents considered marketing strategies are very important in the general insurance industry as tabulated below.

Table 4: Consideration of Marketing Strategy as Relevant in the General Insurance Firms

Response	Frequency	Percent
Yes	66	86.8
No	8	10.5
I don’t know	2	2.6
Total	76	100.0

Source: Field survey (2020)

The Allocation of Appropriate Resources in Support of Marketing Strategies Management Policy and Practice by Banks

This section examined whether the insurance firms were able to allocate appropriate resources in support the marketing strategies used by the firms. For effective marketing strategies utilization, appropriate resource allocation is imperative especially in the near term, to achieve goals for the future. It involves but not exhaustively on allocating scare resources among the various projects or business units involved in marketing strategies. From the field survey, 88.1% of the respondents were of the view that the insurance firms allocate appropriate resources to support their marketing strategies. This is illustrated in Table 5 below.

Table 5: Allocation of Appropriate Resources in Support of Marketing Strategies Adopted by the General Insurance Firms

Response	Frequency	Percent
Strongly disagree	4	5.2
Uncertain	5	6.6
Agree	14	18.4
Strongly agree	53	69.7
Total	76	100.0

Source: Field survey (2020)

Development of Close Links between Insurance Firms' Strategic Objectives and Marketing Strategies Adopted by the Firms

This section sought to ascertain the extent to which the surveyed insurance firms have developed a close link between its strategic objectives and the marketing strategies adopted. In a context of heavy competition coupled with the current financial and economic turmoil, insurance firms are faced with an array of financial, strategic and marketing strategies. To better understand and face the repercussions on their activities, insurance firms run strategic marketing. Linking strategic goals to allocation of resources for the realization of corporate goals, they employ strategic marketing systems. This underscores the differences in marketing of insurance products.

From the field survey, majority of the respondents represented by 92.1% were of the view that the insurance firms have developed a close link between strategic objectives and marketing strategies. A strong relationship between strategic objectives and marketing strategies engenders the needed commitment and support from the Board and Senior Management for sound marketing activities. This sustains their efforts to reinforce a proactive role in marketing planning, SWOT analysis, marketing objectives, marketing audit, good governance and efficient management of the insurance firms marketing strategies. In support of the above is Table 6 below.

Table 6: Development of close links between Insurance firms' Strategic Objectives and Marketing Strategies Adopted by the Firms

Response	Frequency	Percent
Not at all	1	1.3
Not significant	3	3.9
Uncertain	2	2.6
Significantly	41	53.9
Very significantly	29	38.2
Total	76	100.0

Source: Field survey (2020)

Existence of internally developed marketing strategies for marketing of general Insurance Products

All the respondents of the study responded in the affirmative as indicated in Table 7 below that their insurance companies have internally developed marketing strategies management procedures or guidelines. The adopted framework for strategic marketing in the insurance firms was noted to be about setting out to achieve the marketing objectives. The strategies outline the target market and gives specifics of the marketing mix and how each element of the marketing mix can be used to develop strategies for the firm. The strategy also outlines how it responds to the items identified in SWOT analysis.

Table 7: Existence of Internally Developed Marketing Strategies for Marketing of General Insurance Products

Response	Frequency	Percent
Yes	76	100.0
No	-	-
Total	76	100.0

Source: Field survey (2020)

Challenges associated with Marketing Strategies adopted by General Insurance Firms

This section sought to examine the challenges facing marketing strategies adopted by general insurance firms. The statistical presentation is illustrated in table 8.

Table 8: Descriptive Statistics Challenges of Marketing Strategies Adopted by General Insurance Firms

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error
High competition in the market	76	1.00	5.00	2.0263	.95182	1.471	.276
Rigorous regulations	76	1.00	5.00	1.8158	1.04193	1.688	.276
Ineffective advertisement of insurance services	76	1.00	5.00	1.9079	1.10969	1.389	.276
Lack of customer awareness on insurance services	76	1.00	5.00	1.8026	1.00691	1.859	.276
Ineffective advertisement	76	1.00	5.00	1.7632	.92186	1.648	.276
Poor public relation	76	1.00	5.00	1.8289	1.07565	1.539	.276
Ineffective choice of promotion strategies	76	1.00	5.00	2.0395	1.12476	1.076	.276
High cost of promotion	76	1.00	4.00	1.8553	.85952	1.063	.276
Ineffective personal selling	76	1.00	3.00	1.8026	.71217	.307	.276
Mistrust in insurance relationships between insurance and the customers	76	1.00	5.00	1.8947	1.02735	1.125	.276
Failure to adopt information technology strategy	76	1.00	5.00	1.9211	1.17488	1.525	.276
Low trained and inexperience marketing staff	76	1.00	5.00	2.4211	1.34920	.657	.276
Lack of innovativeness in insurance product development	76	1.00	5.00	3.3158	1.56810	-.352	.276
Complex procedures in claims management	76	1.00	5.00	2.2500	1.21244	.700	.276
Choice of communication channel	76	1.00	5.00	2.5395	1.35096	.331	.276
Fraudulent claims	76	1.00	5.00	3.5921	1.35821	-.888	.276
Lack of brochures, policy documents, and periodic statements are the tangibles, which will influence the customers	76	1.00	5.00	3.6842	1.26713	-.751	.276
Poor appearance of building, poor landscaping and poor interior furnishing of insurance agency offices	76	1.00	5.00	3.3158	1.56810	-.352	.276

Source: Field survey (2020)

By use of rule of thumb, where the mean is higher than 3 the researcher conclude that marketing tool is rarely being applied in the marketing of general insurance products and where the mean is below 3 the researcher conclude that the marketing tool is frequently applied in the marketing of general insurance products. From Table 8, it can be seen that generally the mean for all responses ranged between 1.5526 and 2.0263.

From the field survey as indicated in Table 8, high competition in the market, rigorous regulations, and ineffective advertisement of insurance services were indicated as challenges facing marketing of general insurance products and these statements had mean values of 2.0263, 1.8158 and 1.9079 respectively. Again, lack of customer awareness on insurance services, ineffective advertisement and poor public relations were noted to hinder marketing of general insurance products and these statements had mean values of 1.8026, 1.7632 and 1.8289 respectively. Also, ineffective choice of promotion strategies and high cost of promotion were noted to hinder marketing of general insurance products and these statements had a mean value of 2.0395, 1.8553 and 1.8026 respectively. In addition, ineffective personal selling was noted to be a challenge facing marketing of general insurance products and this statement had a mean value of 1.8026. Furthermore, mistrust in insurance relationships between insurance and the customers and failure to adopt information technology strategy were indicated as challenges confronting marketing of insurance products and these statements had mean values of 1.8947and 1.9211 respectively. Moreover, low trained and inexperience marketing staff, complex procedures in claims management and choice of communication channel were indicated as challenges confronting marketing of insurance products and these statements had mean values of 2.4211, 2.2500 and 2.5395 respectively. However, it was indicated that lack of innovativeness in insurance product development, fraudulent claims, lack of brochures, policy documents, and periodic statements are the tangibles, which will influence the customers and poor appearance of building, poor landscaping and poor interior furnishing of insurance agency offices were noted not to hinder marketing of general insurance products and these statements had mean value of 3.3158, 3.5921, 3.6842, and 3.3158.

Effect of Marketing Strategies on the Performance of Insurance Firms

This section sought to ascertain the effect of marketing strategies on the performance of the insurance firms. To gauge the effect of marketing strategies on insurance firms performance, respondents were asked to indicate its important with respect to the following statements by using a rating from 1 to 5 where 5 = very important (VI), 4 = important (I), 3 = Uncertain (U), 2 = partially (to a lower extent) important (PI), 1 – not at all (NA). The statistical presentation of their responses is illustrated in table 9.

By use of rule of thumb, where the mean is higher than 3 the researcher conclude that marketing strategies adopted by the insurance firm has positive effect on firm's performance where the mean is below 3 the researcher conclude that the marketing strategies adopted by the insurance firm has negative effect on firm's performance. From Table 9, it can be seen that generally the mean for all responses ranged between 4.3607 and 4.5574.

According to table 4.8, 90.5% of the respondents were of the view that their marketing strategies was a source of higher performance as it leads to increase in market share of the firm. This statement had a mean of 4.5574.

Again, 90.2% of the respondents were also of the view that the insurance firms perceive good marketing strategies as a source of higher performance as it also leads to business process improvements. This statement also had a mean of 4.3607. Additionally, 95.1% of the respondents were of the view that marketing strategies were considered very important as source of higher performance since it leads productivity and business efficiency and improvement in asset holdings of the organization in the insurance firms. This statement had a mean of 4.4590.

Table 9: Perception on Sources of High Performance in the Banks

				Descriptive Statistics				
Variables	N	NA %	PI %	U %	I %	VI %	Mean	Std. Deviation
Increase market share	76	-	1.6	8.2	32.8	57.7	4.5574	0.7643
Business process improvements	76	-	1.6	8.2	29.5	60.7	4.3607	0.79651
Productivity and business efficiency and improvement in asset holdings of the organization	76		3.3	1.6	26.2	68.9	4.459	0.7205

Source: Field survey (2020)

Relationship between Marketing Technique and Employee Effectiveness within the Insurance Sector in the Sunyani Municipality

This section sought to examine how the marketing technique adopted impacts on the effectiveness of insurance institutions. The study was anchored on full range leadership approach. Pearson Correlation Analysis was used in this research. It determines the direction, strength, and significance of the bivariate relationships among all the variables in the research.

Table 10: Relationship between Marketing Technique and Employee Effectiveness within the Insurance Sector in the Sunyani Municipality

		Increase market share	Business process improvements	Productivity and business efficiency and improvement in asset holdings of the organization
Pearson Correlation	Marketing strategies	.161	.400	.634
Sig. (1-tailed)		.000	.000	.000
N		76	76	76

Source: Field survey (2020)

Dependent Variables: Marketing Strategies

Referring to Table 10, dependent variables such as increase market share (r=0.161, p=0.000), business process improvements (r=0.400, p=0.000) and productivity and business efficiency and improvement in asset holdings of the organization (r=0.634, p<0.000) have moderate relationships with the independent variable, which is marketing strategies adopted by the insurance firms.

Dependent variable, which is increase market share (r=0.161, p<0.000) has a very moderate relationship with the independent variable, marketing strategy adopted by the firms.

Similarly, the dependent variable, which is business process improvements (r=0.400, p<0.000) has a very moderate relationship with the independent variable, marketing strategy adopted by the firms.

Finally, the dependent variable, which is productivity and business efficiency and improvement in asset holdings of the organization (r=0.634, p<0.000) has a very moderate relationship with the independent variable, marketing strategy adopted by the firms.

According to rule of thumb, the Multicollinearity problem exists if the correlation coefficient value is more than 0.90 (Saunders, Saunders, Lewis, & Thornhill, 2011). Based on Table 10, problem of multicollinearity would not occur among the dependent variables as the correlation coefficient values were all in the range within 0.118 to 0.634 which were lower than 0.90.

Table 11: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	58.667	5	11.733	15.389	.000[b]
	Residual	53.372	70	.762		
	Total	112.039	75			

a. Dependent Variable: increase market share, business process improvements, productivity and business efficiency and improvement in asset holdings of the organization

b. Predictor: (Constant), marketing strategies adopted by the insurance firms

Source: Field survey (2020)

Table 12: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.724[a]	.524	.490	.87319

a. Predictor: (Constant), marketing strategies adopted by the insurance firms

Source: Field survey (2020)

Table 12 illustrates the R-square was 0.524, which represents that 52.4% of the changes in the independent variables were able to explain the changes in dependent variables - increase market share, business process improvements, productivity and business efficiency and improvement in asset holdings of the organization. In other words, 47.6% of the changes in dependent variables - increase market share, business process improvements, productivity and business can be explained in term of factors. The greater the R-square value, the stronger the connection between both independent and dependent variables.

Relationship between Market Share of General Insurance Firms and their Performance

This section sought to examine the relationship between market share of the general insurance firms and their performance. This study expanded the scope of marketing strategies beyond the traditional proxy, Gross Income (GI) to include other performance indicators such as return on asset, return on equity, return on investment and total expenses ratio which are good drivers of an insurance firms' financial performance according to the National Insurance Commission, Ghana and insurance industry survey 2017 by Price Waterhouse. A panel regression model with fixed effect was employed on a 5-year period where official insurance industry documents (NIC annual report) from the selected insurance firms were consulted for secondary data (see **Appendix II)**. The Appendix contains data from 2013 to 2017 and it was formatted for the panel regression.

The dependent variables are the financial performance of the insurance firms which were measured by return on asset, return on equity, return on investment and total expense ratio. The dependent variable is increase in market share. Increase in market share is regarded as having prominence as the resulting effect of an effective marketing strategy employed by the insurance firms. Table 13 below is the result of the regression analysis.

According to the model (Table 13) the increase in market share variable was positively related to financial performance measured by ROA. Its significance value was more than 0.05. Again, increase in market variable was positively related to financial performance measured by return on equity, return on investment and total expense ratio. It was noted that increase in market share was positive and it was significantly contributing to ROE, ROI and Total Expense ratio. From the model, taking all dependent factors (ROA, ROE, ROI and Total Expense ratio) constant at zero, financial performance had an autonomous value of 13.4210. The result also showed that taking the independent variable constant, a unit increase in market share will lead to a 17.36523 increase in Return on Asset. A unit increase in market share will lead to a 12.546325 increase in Return on equity. A unit increase in market share will lead to a 19.2548962 increase in return on investment. Again, a unit increase in market share will lead to a 16.0254124 increase in total expense ratio. The value of the F calculated from the regression table was 4.78 while the value of critical F was 0.0153. Since calculated F was greater than the critical F, the model was significant for the study. Therefore, it implies that the regression model fits adequately the data set utilized in this study. The R-square value shown in Table 13 indicates that the independents variable increase in market share of the insurance firms accounted for about 72.66% of the total variation in the dependent variables (return on equity, return on investment and total expense ratio).

Table 13: Stata Panel Regression Analysis with Fixed Effect

. xtset insuranceid year, yearly

panel variable: insuranceid (strongly balanced)

time variable: year, 2013 to 2017

delta: 1 year

Fixed-effects (within) regression				Number of obs = 20		
Group variable: insuranceid				Number of groups = 7		
R-sq: within = 0.7266				Obs per group: min = 5		
between = 0.4349				avg = 5.0		
overall = 0.4856				max = 5		
F(4,12) = 4.78						
corr(u_i, Xb) = -0.32503				Prob > F = 0.0153		
Increase in market share	Coef	Std. Err	t	P>|t|	[95% Conf. Interval]	
ROA	17.36523	5.142563	0.52	0.005	2.799325	5.665803
ROE	12.546325	2.452871	0.58	0.467	1.847855	4.870584
ROI	19.2548962	5.5423654	0.87	0.392	5.5489632	11.1548186
Total Expense Ratio	16.0254124	8.7458124	0.79	0.5961	3.365241	8.17602667
_cons	13.4210	3.658412	4.56	0.001	5.5489653	16.596528
sigma_u	1.3254789					
sigma_e	84574596					
rho	78304806 (fraction of variance due to u_i)					
F test that all						
u_i=0						
F(3, 12) = 4.27						
Prob > F = 0.0269						

Source: Field survey (2020)

Discussions of Findings

The study indicated that marketing techniques adopted by general insurance firms includes social media marketing, mass media marketing, promotions, public relations – press conferences, newsletters, press release, personal sales, use of video content to make a more and market intelligence. Other marketing techniques adopted by the general insurance firms includes mass marketing and niche marketing strategies. It was revealed that print media (Newspapers) was noted to be a tool used for marketing general insurance products. Also, written materials like brochures, magazines, newsletters were used as a tool for marketing general insurance products. Nonetheless, it was revealed that sponsoring of events was not frequently employed as a tool for marketing of general insurance products. In addition, word by mouth by staff or clients was indicated as a tool used for marketing of general insurance products. Other factors which were indicated as tools employed for promoting of insurance products includes social media advertisement, radio advert, TV advert, banner, posters and the internet (website). The findings of the study is in line with Andrews and Shimp (2017) who posits that traditional promotion in the insurance industry employs a variety of methods including advertising, sales promotion, public relation, and personal selling to attract the attention of existing and potential customers, and to inform them of the products, services, and special offers made available by the firm. Similarly, Thrassou and Vrontis (2009) contends that insurance firms employs promotion to communicate with the potential market so as to persuade the prospective customers to try a new insurance product.

From the field survey high competition in the market, rigorous regulations, and ineffective advertisement of insurance products, lack of customer awareness on insurance services, ineffective advertisement and poor public relations were noted to hinder marketing of general insurance products, ineffective choice of promotion strategies and high cost of promotion were noted to hinder marketing of general insurance products In addition, ineffective personal selling, incompetence and poor experiences of staff, mistrust in insurance relationships between insurance and the customers and failure to adopt information technology strategy were indicated as challenges confronting marketing of insurance products.

Moreover, low trained and inexperience marketing staff, complex procedures in claims management and choice of communication channel were indicated as challenges confronting marketing of insurance products. The findings are consistent with Kasturi (2006) who contends that training, development and strong relationships with intermediaries are the key areas to be kept under consideration. He further said that training the employees, use of IT for efficiency, both at the staff and agent level, is one of the important areas in marketing of insurance services hence the absence of such facility endangers the marketing strategy adopted by the firm. Similarly, Mendoza, Marius, Pérez, and Grimán, (2007) share the same opinion as he contends that understanding the customer better allows designing appropriate products. Being a service industry, which involves a high level of people interaction, it is important to use this resource efficiently in order to satisfy customers.

Again, Ebitu (2012) conform the findings of the study when he said professionalism constitutes the main thrust of insurance practice. Hence, it is hypothesized to be positively related with increased consumption. However, it was indicated that lack of innovativeness in insurance product development, fraudulent claims, lack of brochures, policy documents, and periodic statements are the tangibles, which will influence the customers and poor appearance of building, poor landscaping and poor interior furnishing of insurance agency offices were noted not to hinder marketing of general insurance products.

Finally, the dependent variables are the financial performance of the insurance firms which were measured by return on asset, return on equity, return on investment and total expense ratio. The independent variable is increase in market share. Increase in market share is regarded as having prominence as the resulting effect of an effective marketing strategy employed by the insurance firms. According to the model (Table 4.11) the increase in market share variable was positively related to financial performance measured by ROA, ROE, ROI and Total Expense Ratio.

The findings of the study conform with Laverty (2001) who carried out a similar study on market Share Profit and Strategies of listed companies in South Africa. He used the multiple regression technique to analyze the data for a period of five consecutive years from 1996 to 2000. The study revealed that there is a positive relationship between Market Share and Profitability. Again, the findings conforms with Gill, Biger, and Mathur (2010) who studied the association between Market Share and Profitability of quoted firms in United States. The researchers used the multiple regression technique to analyze the data, using a sample of 65 companies listed in United States observed for the period 1986 to 1990. The study revealed that there is a positive and significant relationship between market share and profitability. But the positive relationship between market share and profitability is not the same across different environmental contexts.

Nonetheless, the findings contradicts with O'Regan (2002) carried out a study on the relationship between Market Share and Profitability in Europe. He used the Ordinary Least Square (OLS) method to analyse the data for the years 1997 to 2001 of 148 listed companies. The study revealed that Market Share and Profitability is negatively related.

CHAPTER FIVE:

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter presents summary of findings, conclusions, recommendations, and suggestion for further study.

Summary of the Study

The study indicated that marketing techniques adopted by general insurance firms includes social media marketing, mass media marketing, promotions, public relations – press conferences, newsletters, press release, personal sales, use of video content to make a more and market intelligence. Other marketing techniques adopted by the general insurance firms includes mass marketing and niche marketing strategies. It was revealed that print media (Newspapers) was noted to be a tool used for marketing general insurance products. Also, written materials like brochures, magazines, newsletters were used as a tool for marketing general insurance products. Nonetheless, it was revealed that sponsoring of events was not frequently employed as a tool for marketing of general insurance products. In addition, word by mouth by staff or clients was indicated as a tool used for marketing of general insurance products. Other factors which were indicated as tools employed for marketing of insurance products includes social media advertisement, radio advert, TV advert, banner, posters and the internet (website).

From the field survey high competition in the market, rigorous regulations, and ineffective advertisement of insurance products, lack of customer awareness on insurance services, ineffective advertisement and poor public relations were noted to hinder marketing of general insurance products, ineffective choice of promotion strategies and high cost of promotion were noted to hinder marketing of general insurance products In addition, ineffective personal selling, incompetence and poor experiences of staff, mistrust in insurance relationships between insurance and the customers and failure to adopt information technology strategy were indicated as challenges confronting marketing of insurance products. Moreover, low trained and inexperience marketing staff, complex procedures in claims management and choice of communication channel were indicated as challenges confronting marketing of insurance products. However, it was indicated that lack of innovativeness in insurance product development, fraudulent claims, lack of brochures, policy documents, and periodic statements are the tangibles, which will influence the customers and poor appearance of building, poor landscaping and poor interior furnishing of insurance agency offices were noted not to hinder marketing of general insurance products.

Finally, the dependent variables are the financial performance of the insurance firms which were measured by return on asset, return on equity, return on investment and total expense ratio. The independent variable is increase in market share. Increase in market share is regarded as having prominence as the resulting effect of an effective marketing strategy employed by the insurance firms. According to the model (Table 4.11) the increase in market share variable was positively related to financial performance measured by ROA, ROE, ROI and Total Expense Ratio.

Conclusions

The insurance industry has become complex and very competitive in recent times and have become a very important part of world economy. To be successful at services marketing, today's marketer must understand how the very nature of services can control marketing strategy. Services marketing deliver processes and experiences that are intangible to customers at profitable gains to the firm.

To enhance the sustenance and survival of services marketing there should be a clear understanding of the strategies so as to overcome the challenges of the internal and the external business environment. From the study it was revealed that high competition in the market, rigorous regulations, and ineffective advertisement of insurance products, lack of customer awareness on insurance services, ineffective advertisement and poor public relations were noted to hinder marketing of general insurance products, ineffective choice of promotion strategies and high cost of promotion were noted to hinder marketing of general insurance products. It was noted that the challenges impede on the effectiveness of the marketing strategies adopted by the insurance firms.

Despite the challenges associated with the marketing strategies adopted by the insurance firms, the study concludes the marketing strategies adopted by the insurance firms have positive effect on the profitability of the firms. Thus, marketing strategies adopted by the firms were noted to increase market share of the firms and increase in market share was noted to have positive relationship with the firm's profitability.

Recommendations

From the findings and conclusions of the study, the following recommendations are given;

Insurance firms should allocate sufficient resources to support and augment their marketing strategies and practices. Strategic marketing policies come with associated cost implications and for them to see light, they need adequate funding and resource allocation.

Management of insurance firms should regularly review marketing strategies of the firm to ascertain loopholes, shortcomings, and potentials limitations that might accrue of the policy. Regular review would help adjust policies to meet current trends and also enable management to be flexible and dynamic in a macro and micro environment which is constantly changing and evolving.

Change is inevitable in organisations. Employees are always noted to resist change in organizations even when the change have positive implications on the wellbeing and performance. To make change management effective and create an environment where strategic marketing policies would be accepted by all employees and fully be committed to the achievements and goals of the marketing strategies, employees should be involved in the formulation of the marketing strategies. Employees develops sense of involvement when management seeks for their input in decision making.

Technology has evolved in the 21st century and creep its way into every precept of our lives. Marketing strategies of insurance firms should be also aligned with technology to make it more effective since technology is presenting more convenient ways of doing things in the corporate world of which the insurance industry is no exception.

Insurance firms should adopt professionals in formulating and implementing marketing strategies. Again, the insurance industry should be critical in selecting efficiency channels of marketing of insurance products.

Again, the insurance industry should employ skilful and professional marketers to manage marketing strategies adopted by the firms.

Suggestions for Further Studies

The study suggest that further studies should be conducted to comparatively assess the relationship between increase in market share and profitability in life and non-life insurance firms in Ghana.

REFERENCES

Abor, J., & Quartey, P. (2010). Issues in SME development in Ghana and South Africa. *International Research Journal of Finance and Economics*, *39*(6), 215–228.

Acquaah, M., Adjei, M. C., & Mensa-Bonsu, I. F. (2008). Competitive strategy, environmental characteristics and performance in African emerging economies: Lessons from firms in Ghana. *Journal of African Business*, *9*(1), 93–120.

Adjasi, C. K., & Yartey, C. A. (2007). *Stock market development in Sub-Saharan Africa: Critical issues and challenges*. Washington, DC: International Monetary Fund.

Affleck-Graves, J. F., Flach, T. P., & Jacobson, A. S. (1988). The effect of merger announcements on the share prices of the acquired and acquiring companies. *South African Journal of Business Management*, *19*(4), 147–154.

Akotey, O. J., Osei, K. A., & Gemegah, A. (2011). The demand for micro insurance in Ghana. *The Journal of Risk Finance*, *12*(3), 182–194.

Alhassan, A. L., & Fiador, V. (2014). Insurance-growth nexus in Ghana: An autoregressive distributed lag bounds cointegration approach. *Review of Development Finance*, *4*(2), 83–96.

Almajali, A. Y., Alamro, S. A., & Al-Soub, Y. Z. (2012). Factors affecting the financial performance of Jordanian insurance companies listed at Amman Stock Exchange. *Journal of Management Research*, *4*(2), 266-286.

Anagol, S., Cole, S., & Sarkar, S. (2017). Understanding the advice of commissions-motivated agents: Evidence from the Indian life insurance market. *Review of Economics and Statistics*, *99*(1), 1–15.

Anderson, E. W., Fornell, C., & Lehmann, D. R. (1994). Customer satisfaction, market share, and profitability: Findings from Sweden. *The Journal of Marketing*, 53–66.

Andrews, J. C., & Shimp, T. A. (2017). *Advertising, promotion, and other aspects of integrated marketing communications*. London: Nelson Education.

Ansari, A., & Riasi, A. (2016). An investigation of factors affecting brand advertising success and effectiveness. *International Business Research*, *9*(4), 20–30.

Baker, M. J. (2014). *Marketing strategy and management*. Palgrave Macmillan.

Barrett, M. I. (1999). Challenges of EDI adoption for electronic trading in the London Insurance Market. *European Journal of Information Systems*, *8*(1), 1–15.

Bauer, A. R., Burns, K. T., Esposito, M. V., Huber Jr, D. C., & O'malley, P. L. (2012). *Monitoring system for determining and communicating a cost of insurance*. Google Patents.

Bhatt, G. D., & Grover, V. (2005). Types of information technology capabilities and their role in competitive advantage: An empirical study. *Journal of Management Information Systems*, *22*(2), 253–277.

Blaikie, N. (2003). Analyzing quantitative data: From description to explanation. In *Research methods for Social Sciences* (p. 175). New Delhi: Sage.

Boadu, F., Fokuo, E. D., Boakye, J. K., & Frimpong, A. O. (2014). Assessing the life insurance industry in Ghana. *European Journal of Business and Management*, *6*(21), 1–2.

Bourke, P. (1989). Concentration and other determinants of bank profitability in Europe, North America and Australia. *Journal of Banking & Finance*, *13*(1), 65–79.

Brammer, S., & Millington, A. (2008). Does it pay to be different? An analysis of the relationship between corporate social and financial performance. *Strategic Management Journal*, *29*(12), 1325–1343.

Brown, J. R., & Finkelstein, A. (2007). Why is the market for long-term care insurance so small? *Journal of Public Economics*, *91*(10), 1967–1991.

Buzzell, R. D., Gale, B. T., & Sultan, R. G. M. (1975). Market share-a key to profitability. *Harvard Business Review*, *53*(1), 97–106.

Churchill, C. (2008). *Protecting the poor: a microinsurance compendium*. Academic Foundation.

Coughlan, A. T., Anderson, E., Stern, L. W., & El-Ansary, A. (2006). *Marketing channels*. Prentice-Hall,

Creswell, J. W., & Creswell, J. D. (2017). *Research design: Qualitative, quantitative, and mixed methods approaches*. Sage publications.

Denscombe, M. (2014). *The good research guide: for small-scale social research projects*. McGraw-Hill Education (UK).

Doyle, P., & Stern, P. (2006). *Marketing management and strategy*. New Jersey: Pearson Education.

Ebitu, E. E. T. (2012). Factors affecting insurance consumption in Akwa Ibom state, Nigeria. *Journal of Research in International Business and Management*, *2*(12), 323-328.

Faiz, A. (2007). *Issues and challenges of privatization of insurance sector*. Aligarh Muslim University.

Farris, P., Bendle, N., Pfeifer, P., & Reibstein, D. (2017). *Key marketing metrics: the 50+ metrics every manager needs to know*. Pearson UK.

Gelo, O., Braakmann, D., & Benetka, G. (2008). Quantitative and qualitative research: Beyond the debate. *Integrative Psychological and Behavioral Science*, *42*(3), 266–290.

Geneva Association. (2014). The insurance industry and climate change- Contribution to the global debate. *The Geneva Reports*, *2*(1), 1–152.

Gidhagen, M. (1998). *Insurance marketing: services and relationships*. Stockholm: Företagsekonomiska Institutionen.

Gill, A., Biger, N., & Mathur, N. (2010). The relationship between working capital management and profitability: Evidence from the United States. *Business and Economics Journal*, *10*(1), 1–9.

Grönroos, C. (1997). Keynote paper From marketing mix to relationship marketing-towards a paradigm shift in marketing. *Management Decision*, *35*(4), 322–339.

Hardin, P., & Tabari, S. (2017). *Modelling Non-life Insurance Policyholder Price Sensitivity: A Statistical Analysis Performed with Logistic Regression*. Retrieved from https://www.diva-portal.org/smash/get/diva2:1114349/fulltext01.pdf

Hedman, J., & Kalling, T. (2003). The business model concept: theoretical underpinnings and empirical illustrations. *European Journal of Information Systems*, *12*(1), 49–59.

Hergert, M. (1984). Market Share and Profitability: Is Bigger Really Better?

Business Economics, 45–48.

Howden, C., & Pressey, A. D. (2008). Customer value creation in professional service relationships: the case of credence goods. *The Service Industries Journal*, *28*(6), 789–812.

Hox, J., De Leeuw, E., & Klausch, T. (2017). Mixed mode research: Issues in design and analysis. *Total Survey Error in Practice: Improving Quality in the Era of Big Data*, 511–530.

Ike, L. (2018). *Marketing: Traditional, Digital and Integrated*. New Delhi: Xlibris Corporation.

Kapferer, J.-N. (2012). *The new strategic brand management: Advanced insights and strategic thinking*. London: Kogan page publishers.

Kasturi, R. (2006). Performance management in insurance corporation. *Journal of Business Administration Online*, *5*(1), 1-15.

Keller, K. L., Parameswaran, M. G., & Jacob, I. (2011). *Strategic brand management: Building, measuring, and managing brand equity*. New Delhi: Pearson Education India.

Kidwell, D. S., Blackwell, D. W., Sias, R. W., & Whidbee, D. A. (2016). *Financial institutions, markets, and money*. John Wiley & Sons.

Kotler, P. (2009). *Marketing management: A south Asian perspective*. New Delhi: Pearson Education India.

Kotler, P. (2015). *Framework for marketing management*. Pearson Education India.

Kotler, P., & Armstrong, G. (2010). *Principles of marketing*. Michigan: Pearson Education.

Krishnamurthy, S., Mony, S. V, Jhaveri, N., Bakhshi, S., Bhat, R., Dixit, M. R.,

… Bhat, R. (2005). Insurance industry in India: structure, performance, and future challenges. *Vikalpa*, *30*(3), 93–120.

Kwesi, A. E. (2014). *Assessing The Performance Of The Ghanaian Insurance Industry*. Faculty Of Business Administration, Department Of Accounting And Finance, Pentecost University College.

Laverty, K. J. (2001). Market share, profits and business strategy. *Management Decision*, *39*(8), 607–618.

Little, E., & Marandi, E. (2003). *Relationship marketing management*. New York: Cengage Learning EMEA.

Lovelock, C., & Patterson, P. (2015). *Services marketing*. Pearson Australia.

Malik, H. (2011). Determinants of insurance companies profitability: an analysis of insurance sector of Pakistan. *Academic Research International*, *1*(3), 315-321.

Maydeu-Olivares, A., & Lado, N. (2003). Market orientation and business economic performance: A mediated model. *International Journal of Service Industry Management*, *14*(3), 284–309.

McDonald, Malcolm, & Wilson, H. (2016). *Marketing Plans: How to prepare them, how to profit from them*. John Wiley & Sons.

McDonald, Malcom. (2016). Strategic marketing planning: theory and practice. In *The marketing book* (pp. 108–142). Routledge.

Mendoza, L. E., Marius, A., Pérez, M., & Grimán, A. C. (2007). Critical success factors for a customer relationship management strategy. *Information and Software Technology*, *49*(8), 913–945.

Moriarty, S., Mitchell, N. D., Wells, W. D., Crawford, R., Brennan, L., & Spence-Stone, R. (2014). *Advertising: Principles and practice*. Pearson

Australia.

Mutshinyani, M. (2009). A Study of the relationship between market share and profitability in listed South African retail companies. *Master of Business Administration, University of Pretoria*.

Nardi, P. M. (2018). *Doing survey research: A guide to quantitative methods*. Routledge.

Nwankwo, S. I., & Ajemunigbohun, S. S. (2013). Customer relationship management and customer retention: Empirical assessment from Nigeria’s Insurance Industry. *Business and Economics Journal*, *4*(2), 1-6

O’Regan, N. (2002). Market share: the conduit to future success? *European Business Review*, *14*(4), 287–293.

Ofori-Attah, H. E. B. (2012). *The effects of slow claims settlement on the sales and Marketing of insurance products; a case study of enterprise Insurance co. Ltd (eic)-takoradi branch*. Unpublished master's dissertation, Kwame Nkrumah University of Science & Technology, Kumasi, Ghana.

Polasik, M., & Piotr Wisniewski, T. (2009). Empirical analysis of internet banking adoption in Poland. *International Journal of Bank Marketing*, *27*(1), 32–52.

Porter, M. E. (2008a). *Competitive strategy: Techniques for analyzing industries and competitors*. London: Simon and Schuster.

Porter, M. E. (2008b). The five competitive forces that shape strategy. *Harvard Business Review*, *86*(1), 25–40.

Prescott, J. E., Kohli, A. K., & Venkatraman, N. (1986). The market share-profitability relationship: An empirical assessment of major assertions and contradictions. *Strategic Management Journal*, *7*(4), 377–394.

Rehman, S. S. F. U. (2013). Relationship between financial leverage and financial performance: Empirical evidence of listed sugar companies of Pakistan. *Global Journal of Management and Business Research*, *13*(8), 32-40.

Rejda, G. E. (2011). *Principles of risk management and insurance*. New Delhi: Pearson Education India.

Rothschild, M. (2006). Shareholders pay for ROA then why are we still living in a margin-only world? *Strategic Finance*, 27–32.

Rust, R. T., & Zahorik, A. J. (1993). Customer satisfaction, customer retention, and market share. *Journal of Retailing*, *69*(2), 193–215.

Sadikoglu, E., & Olcay, H. (2014). The effects of total quality management practices on performance and the reasons of and the barriers to TQM practices in Turkey. *Advances in Decision Sciences*, *2014*.

Saunders, M. N. K., Saunders, M., Lewis, P., & Thornhill, A. (2011). *Research methods for business students, 5/e*. Pearson Education India.

Schaeck, K., & Cihák, M. (2014). Competition, efficiency, and stability in banking. *Financial Management*, *43*(1), 215–241.

Singh, M. P., Chakraborty, A., & Raju, G. (2011). Contemporary issues in marketing of life insurance services in India. *International Journal of Multidisciplinary Research*, *1*(7), 47–61.

Skipper, H. D., & others. (2008). *Risk management and insurance: perspectives in a global economy*. John Wiley & Sons.

Suen, H. K., & Ary, D. (2014). *Analyzing quantitative behavioral observation* *data*. Psychology Press.

Szymanski, D. M., Bharadwaj, S. G., & Varadarajan, P. R. (1993). An analysis of the market share-profitability relationship. *The Journal of Marketing*, 1–18.

Tashakkori, A., & Creswell, J. W. (2007). *The new era of mixed methods*. Sage Publications.

Thrassou, A., & Vrontis, D. (2009). A new consumer relationship model: the marketing communications application. *Journal of Promotion Management*, *15*(4), 499–521.

Virgilio, G. (2015). High-frequency trading and the efficient market hypothesis. *The Business & Management Review*, *6*(3), 69.

Vyas, M. (2015). A Critical Study of Customer Satisfaction in Selected Private Life Insurance Companies in North Indialife insurance companies. *The International Journal of Business & Management*, *3*(8), 9.

West, D. C., Ford, J., & Ibrahim, E. (2015). *Strategic marketing: creating competitive advantage*. Oxford University Press, USA.

Wong, A., & Sohal, A. (2003). Service quality and customer loyalty perspectives on two levels of retail relationships. *Journal of Services Marketing*, *17*(5), 495–513.

Woo, C. Y. (1981). Market Share Leadership--Does It Always Pay Off? *Academy of Management Proceedings*, *1981*(1), 7–11. New York.

Xia, Y., Singhal, V. R., & Peter Zhang, G. (2016). Product design awards and the market value of the firm. *Production and Operations Management*, *25*(6), 1038–1055.

Zeithaml, V. A., Bitner, M. J., & Gremler, D. D. (2003). *Services marketing:*

integrating customer focus across the firm. McGraw-Hill New York.

APPENDIX A

Catholic University College, Ghana

School of Research and Graduate Studies

Master of Business Administration (MBA) – Marketing

Dear Respondent,

Survey on Marketing of General Insurance Products

I am Asante Emmanuel, MBA candidate at the Catholic University College, Fiapre. As part of the data collection process on the project titled "A critical assessment of marketing of general insurance products in Ghana: a case study of selected insurance firms in the Sunyani Municipality", I am writing kindly to request your participation in the survey by completing the questionnaire, which is purposely to sample views of both staff and management at your insurance company.

The findings of the study are expected to add knowledge to the existing academic literature, which would be used for academic purpose and would also be helpful in explaining marketing and business performance, which are also critical to the successful management of insurance firms in Africa and Ghana.

No individual information will be disclosed and all results will be presented as an aggregate summary data for academic purpose. It would take a participant approximately 15 30 minutes to fill out the questionnaire.

Thank you for your cooperation.

Yours Sincerely,

Asante Emmanuel

(Candidate) **(Supervisor)**

APPENDIX B

CONSENT FORM

I acknowledge that, I understand the research and that the study has fully been explained to me. I am also aware that, any information I offer to the researcher would be used in the research report. I further concede that the researcher has assured me the following:

- That my participation in this research is voluntary.
- That my personal details or information will remain anonymous throughout the research study as well as in the research thesis.
- That I can decline to answer any question about which I feel uncomfortable without any compulsion.

I hereby consent to being a participant for the research study titled: A critical assessment of marketing of general insurance products in Ghana: a case study of selected insurance firms in the Sunyani Municipality.

Signature ☐ **(Please Sign with an X)**

APPENDIX B

QUESTIONNAIRE

A critical assessment of marketing of general insurance products in Ghana: a case study of selected insurance firms in the Sunyani Municipality

Please answer the following questions by marking the appropriate answer(s) with an **X.** This questionnaire is strictly for research purpose only.

SECTION A: GENERAL INFORMATION

The section is asking for your background information. Please indicate your answer by ticking

(X) Or **(√)** on the appropriate box.

A1 Please indicate your gender

Male		Female	

A2 Please indicate your age category

18 - 30	
31 - 40	
41 - 50	
Above 50	

A3 Please indicate your highest educational level

MSLC/JHS	
SSSCE	
Diploma	
Degree	
Post Graduate	
Other (Specify)	

A4 Please indicate your department

Accounts	
Human Resource	
Marketing Officer	
Sales Personnel	
Administration	

A5 Please indicate your rank

Junior Staff	

Senior Staff	
Management (HODs)	

A6 for how long has the insurance agency been in operation

1-3 years	
4-6 years	
7--10 years	
Above 10 years	

SECTION B: MARKETING STRATEGIES

PART 1: MARKETING STRATEGIES

Kindly tick only one option for each type by marketing strategies adopted by the insurance firms? Use a scale of 1-5 where *[(1) = Strongly Agree, (2) = Agree, (3) = Neutral, (4) = Disagree, (5) = Strongly Disagree.*

No.	Statements	1	2	3	4	5
1.	Social Media Marketing					
2.	Mass Media Marketing					
3.	Promotions					
4.	Public Relations – Press Conferences, Newsletters, Press Release					
5.	Personal Sales					
6.	Use Video Content to Make a More Personal Connection.					

7. Which type of media has your agency used mostly in marketing insurance products and services? *Please tick where applicable*

   { } Televisions

   { } Radios

   { } Newspaper

   { } Bill Boards

8. Which of the following factors greatly influence marketing of insurance services in your agency?

   { } Nature of the Insurance products

{ } Consumer perception

{ } Availability of marketing channels

{ } Cost of marketing

Any other (Kindly specify) …………………………………………

9. To what extent has marketing strategies adopted by your agency in marketing insurance services been affecting marketing of the insurance services?

{ } To Very great extent

{ } To Great extent

{ } To Moderate extent

{ } To Less extent

{ } To No extent

10. Has customer relation management been effective in marketing of insurance service in your firm?

{ } Yes

{ } No

11. Give reasons for your answer in **question 10**

……………………………………………………………………………

……………………………………………………………………………

……………………………………………………………………………

……………………………………………

PART 2: EFFECTIVENESS OF THE MARKETING STRATEGIES ADOPTED BY INSURANCE FIRMS

12. Does the insurance firm consider marketing strategy adopted as relevant?

    [ ] Yes

    [ ] No

    [ ] I don't know

13. The insurance firm allocates appropriate resources in support of marketing strategies management policy and practice by insurance firms. (Please tick only one)

    [ ] strongly disagree

    [ ] disagree

    [ ] uncertain

    [ ] agree

    [ ] strongly agree

14. To what extent has your insurance firm developed a close link between its strategic objectives and marketing strategies adopted by the firm? (Please tick only one)

    [ ] not at all

    [ ] not significant

    [ ] uncertain

    [ ] significantly

    [ ] very significantly

15. Does your insurance firm have any internally developed marketing strategies for marketing of general insurance products?

    [ ] yes

[ ] no

[ ] I don't know

PART 3: CHALLENGES OF MARKETING INSURANCE PRODUCTS

Kindly indicated the extent to which the following has been hindering marketing of insurance services in your agencies? Use a scale of 1-5 where [*(1) = Strongly Agree, (2) = Agree, (3) = Neutral, (4) = Disagree, (5) = Strongly Disagree.*

No.	**Statement**	**1**	**2**	**3**	**4**	**5**
16.	High competition in the market					
17.	Rigorous regulations					
18.	Ineffective advertisement of insurance services					
19.	Lack of customer awareness on insurance services					
20.	Ineffective advertisement					
21.	Lack of sale promotion					
22.	Poor public relation					
23.	Ineffective choice of promotion strategies					
24.	High cost of promotion					
25.	Ineffective personal selling					
26.	Competence and experiences of staff in your agency					
27.	Mistrust in insurance relationships between insurance and the customers					
28.	Failure to adopt information technology strategy					
29.	Low trained and inexperience marketing staff					
30.	Pricing of the insurance policies					
31.	Cost of insurance services					
32.	Lack of innovativeness in insurance product development					
33.	Complex procedures in claims management					
34.	Choice of communication channel					
35.	High premium insurance brand					
36.	Lack of reliability					
37.	Fraudulent claims					
38.	Lack of brochures, policy documents, and periodic statements are the tangibles, which will influence the customers					
39.	Inaccessibility of the insurance policies					
40.	Poor appearance of building, poor landscaping and poor interior furnishing of insurance agency offices					

41. In your own opinion, indicate the how challenges faced by insurance agencies in marketing of insurance services can be overcomed

………………………………………………………………………………

………………………………………………………………………………

………………………………………………………………………………

………………………

SECTION C: MARKETING AND BUSINESS PERFORMANCE

Please indicate the effect of marketing of insurance products on performance in the following areas using a rating from 1 to 5 where 5 = very important (VI), 4 = important (I), 3 = Uncertain (U), 2 = partially (to a lower extent) important (PI), 1 – not at all (NA)

No.	**Variable**	1	2	3	4	5
42.	Increase market share					
43.	Business process improvements					
44.	Productivity and business efficiency and improvement in asset holdings of the organization					

45. Please, provide any comment on the above subject under review

……………………………………………………………………………

……..…………………………………………………………………………

…………..……………………………………………………………………

…………………………

APPENDIX C

Performance Indicators of the Selected General Insurance firms from 2013 to 2017

Performance Indicators for Enterprise Insurance Company Limited From 2013 To 2017				
Year	**Return on Assets (ROA)**	**Return on Investment (ROI)**	**Return on Equity (ROE)**	**Total Expense Ratio**
2013	20.0	26.0	40.0	56.0
2014	12.0	18.0	23.0	55.0
2015	7.0	20.0	20.0	50.0
2016	14.0	14.0	33.0	51.0
2017	8.0	12.0	18.0	59.0
Performance Indicators for Phoenix Insurance Company Limited From 2013 To 2017				
Year	**Return on Assets (ROA)**	**Return on Investment (ROI)**	**Return on Equity (ROE)**	**Total Expense Ratio**
2013	0.000	13.0	-1.0	0.0
2014	9.000	14.0	17.0	137.0
2015	3.000	14.0	7.0	117.0
2016	8.000	18.0	20.0	91.0
2017	9.000	16.0	21.0	90.0
Performance Indicators for Vanguard Assurance Insurance Company Limited From 2013 To 2017				
Year	**Return on Assets (ROA)**	**Return on Investment (ROI)**	**Return on Equity (ROE)**	**Total Expense Ratio**
2013	2.000	10.0	24.0	0.0
2014	2.000	12.0	5.0	0.0
2015	4.000	24.0	19.0	0.0

2016	1.000	11.0	21.0	0.0
2017	1.000	8.0	18.0	70.0

Performance Indicators for SIC Insurance Ghana Limited From 2013 To 2017				
Year	**Return on Assets (ROA)**	**Return on Investment (ROI)**	**Return on Equity (ROE)**	**Total Expense Ratio**
2013	0.000	10.0	1.0	132.0
2014	-5.000	11.0	-11.0	120.0
2015	5.000	17.0	12.0	91.0
2016	2.000	15.0	5.0	85.0
2017	5.000	10.0	10.0	88.0

Performance Indicators for Donewell Insurance Ghana Limited From 2013 To 2017				
Year	**Return on Assets (ROA)**	**Return on Investment (ROI)**	**Return on Equity (ROE)**	**Total Expense Ratio**
2013	1.800	12.0	20.0	74.0
2014	2.000	13.0	30.0	78.0
2015	1.500	9.0	21.0	72.0
2016	1.000	20.0	26.0	64.0
2017	0.700	14.0	15.0	59.0

Performance Indicators for Regency NEM Insurance Ghana Limited From 2013 To 2017				
Year	**Return on Assets (ROA)**	**Return on Investment (ROI)**	**Return on Equity (ROE)**	**Total Expense Ratio**
2013	9.000	11.0	22.0	100.0
2014	17.000	15.0	39.0	100.0
2015	3.000	17.0	9.0	87.0
2016	10.000	19.0	22.0	79.0
2017	4.000	17.0	8.0	73.0

Performance Indicators for Old Mutual Life Insurance Ghana Limited From 2013 To 2017				
Year	**Return on Assets (ROA)**	**Return on Investment (ROI)**	**Return on Equity (ROE)**	**Total Expense Ratio**
2013	34.000	15.0	105.0	68.0
2014	13.000	22.0	22.0	76.0
2015	11.000	17.0	15.0	92.0
2016	9.000	16.0	14.0	75.0
2017	7.000	16.0	11.0	72.0

Source: Data from Selected Annual Report of National Insurance Commission, 2017