

MARKETING CONCEPT AS A TOOL FOR REALIZING PROFITABILITY IN THE INSURANCE INDUSTRY

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Abstract

The purpose of this study was to examine marketing concept as a tool for realizing profitability in the Insurance industry, with special focus on Alfa Insurance Brokers Plc, Enugu. The survey research design was used for the study. The study was conducted in Enugu state. In the study sixty copies of questionnaire were distributed to the respondents, out of which only fifty five (55) copies were retrieved. Two hypothesis were stated for the study and for proper analysis, the chi-square analysis statistical tool was used to test the hypothesis. The findings revealed that the application of marketing concept has enhanced the marketing of insurance in Alfa Insurance Brokers. Moreover, marketing concept has increased sales volume of Insurance products in Enugu. Based on the findings the following recommendations were made: Alfa Insurance Brokers should extend the scope of their market research so as to cover a wider segment of the society, identify consumers needs, and emphasize more on innovative activities and product development.

Keywords; marketing concept, Insurance brokers, profitability and Product

Introduction

Insurance is a pool of risk, also is a risk transfer from one person to another. According to Fagan J.I (1989), insurance is defined as a social derive of explosive units to make their individual losses collectively. Insurance allows the individual insured to substitute a small cost (i.e. premium) for so large but uncertain loss (not to exceed the amount of insurance) under an arrangement whereby the fortunate many who escape loss will help to compensate the unfortunate few who suffer loss. The aim of insurance contract is to provide indemnity, that is compensation for injuring or loss sustained. Insurance has two broad classes which include life and non-life insurance. Life insurance comprise of whole life assurance, term assurance, endowment assurance and annuity while non-life insurance consist of fire insurance, marine insurance, motor vehicle insurance, contractors “all risk” and engineering risk insurance occupy a strategic position in an economy because it is the only business which exists for the survival of other business. Moreover, for these insurance product and service which is available to consumers to reach target market (that is desired people), adequate sensitization and awareness should be created in order to reach out to all the consumers. One of these is the adoption of selling concept.

The marketing concept is a philosophy in the business which states that the customer wants satisfaction is the economic and social justification of their wants at a profitable volume in an integrated business operation. The marketing concept can also be said to be the philosophy that recognizes that the consumers is at the

center of everything we do in business. Its concept believes that without consumers there will be no marketing and based on this it should be aimed at satisfying the need of the consumer.

The marketing concept is based on three fundamental beliefs:

1. **Marketing orientation:** The insurance company should try to research and find out how best to create awareness or orientate the customers.
2. **Profitable sale volume:** Target customers should be examined by the company to find out whether their product, customers, sales men and territories are profitable.
3. **Co-ordination of marketing activities:** This measure is used to determine the extent of the implementation of the marketing concept. Here, the organizational status of the chief marketing executives and the extent of integration of marketing functions under the chief marketing functions is the main concern.

Therefore, the major problems facing the marketing concepts in Nigeria is implementation that is why strategies are being mapped out by most companies to meet the demand of the customers by applying marketing concept to its business. Finally, marketing concept enlarges the network of satisfied customers of the insurance product.

Statement of the problem

1. In spite of the growing number of insurance companies in Nigeria, its growth is still being hindered by a low level of confidence in the insuring public.
2. It also has low level of consumer patronage to the insurance service company.
3. As well as non-implementation of marketing concept on insurance activities due to inconsistency among the company executives.
4. There are also the inability of the management of Alfa Insurance Brokers to engage the services of a qualified and skilled marketers.
5. A delay in the settlement of genuine claims of the insured.
6. A delay in remittance of premium by the intermediaries of Alfa Insurance Brokers Plc.

All these militate against insurance company to a large extent resulting to inability of the company to embrace the marketing concept in its business operations.

1.3 Objectives of the study

The aim of this study is to examine the extent and scope of the application of marketing concept to insurance industry. The specific objectives of the study are:

1. To examine the relevance of the marketing concept in the marketing of insurance services in Alfa Insurance Brokers.
2. To examine the problem encountered in the adoption of marketing concept in Alfa Insurance Brokers.
3. To examine the extent to which marketing concept has enhanced the marketing of Alfa Insurance Brokers.
4. To make recommendation based on the findings of the study of Alfa Insurance Brokers.

Research questions

The questions stated below were postulated for verification of this study:

1. To what extent is marketing concept relevant to insurance services in Alfa Insurance Brokers?
2. To what extent do problems encountered in the adoption of marketing concept in insurance industry been successful?
3. To what extent does marketing concept enhance marketing of insurance in Alfa Insurance Brokers?
4. To what degree of success to the problems in the application of marketing concept in Alfa Insurance Brokers been realized?

1.5 Statement of the hypothesis

The following hypothesis were formulated in order to carry out a detailed research on the topic; they include:

Hypothesis 1

H0: The application of marketing concept has not enhanced the marketing of insurance in Alfa Insurance Brokers.

H1: The application of marketing concept has enhanced the marketing of insurance in Alfa Insurance Brokers.

Hypothesis II

H0: The marketing concept has not increased sales volumes of insurance products in Alfa Insurance Brokers.

H1: The marketing concept has increased sales volumes of Insurance products in Alfa Insurance Brokers.

Review of the related literature

This chapter will dwell extensively on insurance as a marketable commodity. It will also explain the philosophy of the marketing concept in an attempt to provide background knowledge of the study. Insurance is a way of handing the risk of economic loss resulting from the happening of a future possible but uncertain event. The British introduced it into Nigeria in the early 20th century. Hence, the practice has closely followed the British pattern till date, the marketing process not being an exception. Insurance apathy described is mainly concerned with the provision of financial security or protection, for the industries, institution and individual against their economic losses and also it exist in order to ensure the survival of other businesses thereby enhancing economic development and growth all over the world. Insurance is actively involved in the protection of investment by providing cover against risks which may disrupt project.

According to Dins Dale (1951), insurance is concerned with the spreading of risk. It provides a fund or contribution (called premium) by many, out of which the unfortunate few who suffer loss are compensated. This premium is being paid by the policy holder whereby the insurer through assessment of the risk ensure that each policy holder is charged a premium rate reflect the risk burden which he introduces into the insurance fund. The insurer thereby pays the legitimate claims of policy holders who suffer loss out of the fund.

The major sources of fund for insurance industry are premiums paid for life and non-life business. However, according to Meur and Commack (1976), an adequate explanation of insurance must include either the building up of a fund or the transference of risk but not necessarily both. In addition it must include a combination of a lay number of separate independent exposure units into no later related group. They went further to define insurance as a social device for reducing risk. Thus, from the individual point of view “insured”, insurance is a device that makes it possible for him to substitute a small definite cost for a large but uncertain loss (up to the amount of the insurance) under an arrangement whereby the fortunate many who escape loss will compensate few who suffer loss. The purpose of insurance contract is to provide indemnity the compensation for damage/injuries sustained.

Williams and Them (2nd edition) simply define insurance as “protection against financial loss provided by an insurer”. These looking at insurance is a device by economic point of view, they went further to state that “insurance as a device is a means which the risk of two or more persons or firm are combined through actual or claimants are paid”. This confirms what J.I Flagon postulated about:

- A. Uncertainty being reduced
- B. Losses being shared, which are very important ingredients of insurance

The main classes of insurance business

According to the 1997 Insurance Decree No. 2 provides the following classifications of insurance as stipulated in the constitution for the purpose of this device, insurance businesses shall be divided into:

- a. Life insurance business
- b. General insurance business

Life insurance business is subdivided into the following categories:

- a. Individual or ordinary life insurance business
- b. Group life/insured pension insurance business

The non-life (i.e general) insurance business is divided into the following categories

- a. Fire insurance business
- b. Accident insurance business
- c. Motor insurance business
- d. Workmen compensation insurance business
- e. Goods-in-transit insurance by road, water, air
- f. Marine and aviation insurance business
- g. Oil and gas insurance business
- h. Contractors all risks and engineering risk insurance business
- i. Miscellaneous insurance business

Life assurance business:

This provides cover on human life. Its coned to take two broad forms:

- a. Ordinary life and
- b. Pension scheme

Ordinary life insurance

This can be treated under three sub-divisions namely,

- a. Whole life insurance
- b. Term life insurance
- c. Endowment life insurance

i. Whole life insurance

these plans of insurance provides for the payment of the sum assured only on the death of the life assured no matter how soon this may occur. The assurance can be arranged or sub-divided into two:

- a. With profits
- b. Without profits

a. **With profits:** Here the sum insured will be the addition of house. Premium may be paid throughout life or for age limited period. It entails payment of light premium. It is arranged to cease at the age of 65 years. This policy maybe attached to endowment insurance without further medical evidence and this plan is designed to provide protection for the dependent’s date of the life assured.

b. **Without profits:** This policy is a contract to play a fixed sum of money to the policy-holder or this dependents without any addition of profit or bounds.

ii. **Term life insurance:** This refers to short term insurance contract usually for a year of 5 years, taken out to over a particular contingent under this policy, the sum insured is payable in the event of death occurring on this period, the sum insured is paid but if he survives the term, then nothing is payable to him.

b. **Convertible term assurance:** This is a term assurance plan which grants the assured an option to convert the policy, at a later date into an endowment assurance within specified number of years otherwise it lapse. If the policy is converted, the premium will be altered to that appropriate to the new contract. However, the option is available whatever he state of the insurance’s health at the time he wished to exercise the option.

c. **Straight term insurance:** As the name implies it is so straight that no additional premium is charged. Also, the payment is upon death not him a stated term or period of insurance. It is also called a level term assurance.

iii. Endowment life assurance

an endowment life assurance provides for the payment of the sum assured either in the event of death of the life assured prior to a specified date survival of the life assured to the specified date. It is effective in a combination of two types of insurance. The term assurance, which pays only on survival to a fixed date. Endowment assurance policies build up case values, which grow gradually to the amount at the end of the term of the policy. It therefore actuary’s case surrounds value like the whole life policy. It can be issued either with profit policy or without profit policy. There are two types of policies that can be issued on endowment policy:

a. Children’s educational endowment:

This is a policy on the life of a parent or guardian. As the name implies, it is an endowment assurance policy for a term which take note on a higher institution. The policy provides that a fixed amount be paid to the beneficiary at agreed intervals quarterly or half yearly as the case may be, during the first year as from the maturely date of the policy whether the life assured alive or not. In the case of prior death of beneficiary, some offices will allow election or the premium paid except that of the first policy year is returned. This policy is usually issued without profits.

b. Anticipated endowment assurance:

This is one of the brand names possible for the face value of the policy to be paid out three or four times within the endowment term. A particular brand pays out 25% of the sum insured 1st and 2nd payments and the remaining 5% is paid out on the 3rd final payment. In such a case endowment term is a multiple of 3 for example 5 payments are made after 5 years, 10 years and at the end of 15 years. Some offices call the policy 3 document plan.

Pension scheme:

This provides benefit for employees who cease to be employed usually through retirement, but also on dragging jobs or at death. It is designed monthly for the retired workers.

The non-life or general insurance business can be categorized as follows:

- a. **Fire insurance:** This deals with the materials loss of damage by fire, special peoples and consequential loss arising from such material loss. Unfortunately fire is one of the formidable enemies of man. This is because every year fire destroys or damage property valued as well as over N2 billion.

The standard fire policy is to evidence all contract of fire insurance which covers damage to property caused by fire, which is fortuitous in nature, it covered fire, lightening an explosion of domestic gas for domestic purposes.

- b. **Accident insurance:** This is a term used to life assurance policies. The aim is to provide financial compensation in the event if death or bodily injury as a result of accident, capital sum is paid in the event of death, permanent or total disability. The term accident embraces other classes of cover.
- c. **Motor insurance:** The growth of this type of insurance has been so phenomenal since the world war II. This is because of the increase in automobile. The motor policy provides cover against damages, theft or fire on the vehicle insured. It also extends to cover third party property damage and injuries caused by the use of motor vehicles. The various cover granted are “Act only policy”, third party only policy third party, fire and theft policy and comprehensive policy. The purpose of these types of cover is for property damages. They are part of accident insurance.

The problems associated with insurance service

Delayed settlement of genuine claims; low level of regulatory compliance, absence of new products; delayed remittance of premium by intermediaries; inroad of banks into the industry; moral hazards and sharp practices; government’s policy inconsistency; weak regulatory measures; illegal commissions and rebates; and poor image of the company. This last problem has made for shallowness of the market for insurance.

Considering that so much have changed between the socio-economic environment of these days in insurance business and now – the average Nigerian is considering the pressing needs of food and shelter, before giving any thought to insurance (**Man never chop to keep money for insurance**). Without even taking cognizance of prevalent general insufficiency of income among Nigerians to patronize insurance, what about the well-known conception that a typical Nigerian insurance company is never ready to pay in any event of sad occurrence? When compulsory, many Nigerians now prefer cheaper premium to fulfill all righteousness”. Some are of the view that even with the government (the biggest consumer of insurance in the land), incidents of debts remain very high. It is alleged that government officials often prefer to divert funds meant for insurance to other uses. In a nutshell, there is high apathy towards insurance in Nigeria.

While researching for this piece, an insurance expert summarized the following as other problems of insurance in Nigeria:

- i. The industries which feed the short term insurance underwriting business are affected by adverse market situation (e.g manufactures).
- ii. Long term insurance contracts, which are more rewarding are not really there. The industry is merely making do with short term insurance market (e.g property insurance, compulsory life insurance; individual and other life insurance). These come at a time when even many marginally insured refrain from paying premium.
- iii. Those long term business which typical insurance companies should rely upon (e.g group life insurance, annuity insurance, investment related insurance) are farfetched. Who does not know that the rates of returns on short term insurance (often affected by commercial rate inflation index) are not quite profitable?

Need and importance of insurance in an economy

Insurance has always been a useful financial tool at every stage of the nation's development. It is sometimes equated to a fund, which is accumulated to meet uncertain losses. It provides security for the massive resources of the public corporation, thus enabling the parastatals to contribute towards the development of the nation.

It provides security for the huge capital investment in buildings, plant and machinery, motor vehicles cash-in-transit and other assets (including the labor force skilled and unskilled) of companies thus enabling the private sector of the economy to contribute its own quote towards the development of the nation.

Moreover, sine insurance is necessary involves the accumulation of funds and since funds are necessarily invested in the economy, insurance is necessarily involves the accumulation of funds and since funds are necessarily invested in the economy, insurance help to improve the investment of a nation for the benefit and encourages individuals within the community to isolate in themselves the habit the community to of savings. It is of immense benefit to the small-scale industries because it protects heir capital, which invariably is made of savings and borrowings. The important of insurance as a mobilize of funds become more significant during the era of scarcity of foreign capital occasioned by the strength. Foreign capital exchange control that prevailed before the introduction of the Structural Adjustment Programme (SAP) under that regime, it was mandatory on all and surd rig in Nigeria to embark on plans for the mobilization were specifically called upon to ensure that the objectives was achieved.

Marketing concept

Marketing concept is essentially the idea of philosophy that is based as follows:

- a. The presence of a consumer (a person with need to satisfy).
- b. An organization who, through its resources and efforts can satisfy the needs and wants of the consumer.
- c. A product (goods and services etc) that satisfies the consumer identified needs and wants.
- d. Profit marketing through the exchange process (Daza et al. 1977; 77).

Marketing concept: The crux of this philosophy is that the consumer is seen as the center of all marketing activities. In fact, it is believed that success is determined by the extent consumer satisfaction is achieved. Consumer is the king. The evolution of marketing ,management philosophies through production, product, and selling concept vindicated this assertion. The reality of this concept is also obvious that the whole business philosophy is to become consumer oriented. The modern marketing as practiced today is a national consequence of development in this marketing concept.

Peter Drunker once said and quote "marketing is so basic that it cannot be considered a separate function. Kotler (1976), defines this management orientation is to determine the need, wants and values of the target market an to adopt the organization to delivering the desired satisfactions more effectively and efficiently than its completions.

Marketing concept can be practically defined as the philosophy that recognize that the consumer is at the center of everything we do in marketing. It believes that without the consumer there can no marketing or business. This is aimed at the satisfaction of the needs and wants of the consumers. The marketing concept advocates consumer sovereignty. It holds or supports the tenet that "the consumer is the king" or that "the

consumer is the real boss” or that “he is always right”. There are ways of imposing the supremacy of the consumer in marketing. Marketers consume their focus point in marketing activities.

Marketing is a management system with a focus on the market or customer’s needs. It is a dynamic business process a total and integrated processes rather than a fragmented assortment of instillations and functions. A marketing product ideas and does not end until the customers want are completely satisfied which may be sometime after the sale is made. Practically, it involves getting the people to believe in what you believed in, and they believe in what you believe in, and they believed in it. The marketing concepts involves the following:

- a. Customer orientations (consumerism)
- b. Organizational integration (marketing culture)
- c. Planned profitability

The application of marketing concept refers to a total process involving the following:

- i. finding out what customers want through market research.
- ii. planning and development of a product or services that will satisfy those wants through an effective balancing of the marketing mix.
- iii. Ensure a mutually profitable relationship between the organization and the customer needs.

In a nutshell, the marketing concept demands that an organization starts production effects from the needs of its customers and roll not united these need are completely satisfied profitably.

Marketing versus selling concept

From the above concept, the following difference can be identified in the usage and applications:

- i. Selling concept focuses attention on the needs of the supplier to sell his products and convert them into cash and considers the satisfaction of the customer to be secondary while the marketing concept focus primary attention on the needs and wants of customers and channels the efforts of the supplier towards satisfying these needs and wants.
- ii. Selling concept concerns itself with the promotion of existing products to stimulate a high volume of the sales while marketing concept identifies the needs of the market and achieves sales by developing new products to satisfy these needs.
- iii. Selling concept results in profits through a high volume of sales while marketing concept devolves profits by creating and maintaining customer satisfaction.
- iv. The selling concept focuses on the product an how to sell it, as a means of furthering the suppliers business while the marketing concept focuses on customer needs and how to satisfy them as masters of ensuring continued prosperity to both sides the customer and the supplier of insurance.
- v. The selling concept assumes that customer is not naturally inclined to by. Hence, it requires a strong and energetic sales push whole marketing concept assumes that customers are nature inclined to by. They therefore only need to be pulled. That is, motivated to buy.
- vi. The selling concept make use of the traditional marketing mix. Requiring the use of the 4ps while the marketing concept is more extensive and water in application, it adopts 7 p’s of modern marketing mix: (production, price promotion, people, physical evidence and process).

Relevance of marketing concept in an insurance industry

The adoption of marketing concept has help a lot in the sell insurance services most companies and they are as follows:

- a. It enable the company to capture more market share and make for profit optimization and growth
- b. It helps to prevent the practice of dishonest or unethical marketing activities on the company.
- c. It leads to better satisfaction of the consumers
- d. It gives the insurance managers on insight on how to cope with us wthin the companies so that predetermined marketing goals or objectives can be achieved at minimum costs.
- e. To allow for good marketing decisions because of pool information and careful analysis involved in strategic marketing.

- f. To allow for effective control of marketing resources in order to achieve the marketing objectives of the industry.

Strategies for the marketing of insurance services

This is the managerial process of developing and maintaining a standard between the organization marketing objectives resources and its environmental marketing opportunities. These insurance marketing strategies enforce the following:

- a) Identifying the market target and use needs e.g the segmentation by customers occupation, risks and hazards social class and the geographical position.
- b) Planning on the marketing objectives and the marketing mix to appeal to this target group with due regard to internal circumstance. The marketing objectives involves the satisfaction of customer's needs, the sales revenue, profit, risk spreading and department performance while the marketing mix includes the following:

- i. **Product** - Types of standards of services and the variety of products offered.
- ii. **Place** – The direct channels of distribution, indirect channel and sales person
- iii. **Promotion** – Advertising in appropriate media, promotion literature and insurance company image.
- iv. **Price** – The package deals, special discounts, group discounts etc.

Retention to external forces: This involves the non-controllable force by the individual insurance company e.g economic, political, social forces and competitive marketing strategies.

a. Growth strategies: This requires information and decision making in question as:

- i. From what sources does the insurance company expect to acquire the additional volume growth?
- ii. What is the anticipated rate growth?
- iii. What changes is to the sales?
- iv. What role will automation play the future relating to policy issues, rate making, claims settlement and
- v. What influence will automation have on future costs and profitability?

There are also various examples of these categories.

- b. Market penetration:** This aim attracting new customers from existing markets by planning their marketing mix in the best possible way.
- c. New market strategy:** This seeks to widen us appeal to attract customers from segments of the market which the insurance company in the past has not concentrated upon. It may either attempt to secure new types of customers in addition to us traditional ones or it may resolved to replace us fast mark segment appeal by the promotion and product variables.
- d. Strategy for cutting costs:** The question that should be bore in mind is “how can cost efficient operations be obtained so that profitability can be increased? Obviously it can be improve by leverage and substitution of capital for labour is the classic method of obtaining leverage for both products and service oriented business.

b. Competitive marketing strategies:

there are four competitive marketing strategies and they are as follows:

- a. Marketing-leader strategies:** It can be very large, dominant insurance companies and they have an influential role in the industry by the write of the size which put them as guardians.
- b. Market challenge strategy:** This is being characterize by the aggressiveness of the marketing tactics and any insurance industries that tend to follow the strategy are ambitiously trying to grow as fast as they can and they tend to be innovative and identify opportunity in their marketing approach and are sensitive to changes and development in the market and on the trade.
- c. Market riches strategy:** This aim to take advantages of the riches that exist in the market. This is being done relatively small and they tend to go beyond the smaller insurance company, there are profitable, marketing strategy should be adopted and it should lack these results.
 - a. No focus, no sense of direction, no vision and above all no mission.
 - b. Over concentration internal efficiency or tactical details.
 - c. Inability to cope with marketing crisis as they cross assumptions and home negative results.

- d. Actions which are most often based on owing assumptions.

Research Methodology

Out of sixty questionnaires administered to the staff and agents of the insurance company, fifty five questionnaires were correctly filled and returned, while the remaining five were not returned.

All the responses to questions in the questionnaires will be presented in a tabular form and analyzed while hypothesis will be tested with relevant ones.

Hypothesis testing presupposes the formulation of null and alternative hypothesis.

Table .1 Questionnaire distribution and collection

Option	N0. Distributed	N0. Returned	N0. Not Returned	Percentage
	60	55	5	91.7%

Sources: Field Survey 2020

The above table shows that of the sixty copies of questionnaires distributed to respondents only fifty five representing 91.7% was completely returned while five were not.

The high rate of return was possible because the researcher administered the questionnaire himself.

Data presentation analysis

Table 1: Age and sex distribution of respondents

Age	Male	Female	% of total respondents
Below 25	0	3	5
26-30	16	13	53
31-50	12	5	31
50 +	6	0	11
Total	34	21	100

Source: Field Survey 2020

The aim of this table is to show how the age and sex of the respondents are distributed. Male and female below 25 have the response rate of 5% while those in the age bracket (26-30) had the highest response rate of 53%. Also the age bracket of (31-50) have 31% and those who are in the age bracket of (50 and above) are 11%.

Table 2: Marital status

Options	Respondents	Percentage
Single	24	44
Married	31	56
Divorced	-	-
Widow(er)	-	-
Total	55	100

Source: Field Survey 2020

Table 2 shows that 24 or 44% of the respondents are single, 31 or 56% of the respondents are married. That is to say that greater number of respondents are married. The divorced and widow(er) did not respond.

Table 3: What is your monthly earnings

Options	Respondents	Percentage
Less than 100,000	6	11
N10,0000 – N20,000	18	33
20,000-30,000	24	44

30,000 +	7	12
Total	55	100

Source: Field Survey 2020

Table 3 shows that 6 or 11% of the respondents are earning less than 100,000. Also 18 or 33% are earning between N10,000 – N20,000, 24 or 44% of the respondents are earning N20,000 – N30,000, while 7 or 12% of the respondents are earning above N30,000.

Table 4: Educational qualifications

Options	Respondents	Percentage
WASSCE	12	22
OND/DIPLOMA	14	25
B.SC/HND	21	38
M.SC & OTHERS	6	15
Total	55	100

Source: Field Survey 2020

Table 4 shows that 12 or 22% of the respondents has obtained WASSCE, 14 or 25% of the respondents has obtained OND/Diploma, 21 or 38% of the respondents has their first degree while the remaining obtained 6 or 15% has masters degree and other qualification.

Table 5: Working experience

Options	Respondents	Percentage
5 to 10 years	31	55
Less than 5	12	22
Over 10 years	12	22
Total	55	100

Source: Field Survey 2020

Table 5 shows that 31 or 56% of the respondents have working experiences of 5 to 10 years, 12 or 22% have working experiences of 10 years. While the remaining 12 or 22% has working experience of over 10 years. This indicates that greater percentage of the respondents have worked in the insurance industry for a good number of years and information given by them concerning the application of marketing concept are accurate.

Table 6: Where in the category falls your profession?

Options	Respondents	Percentage
General management	15	27
Production	10	18
Policy owners	18	33
Professional salesmen	12	22
Total	55	100

Source: Field Survey 2020

Table 6 shows that 15 or 27% of the respondents are general management, 10 or 18% are production, 18 or 33% policy owners while 12 or 22% are professional salesmen.

Table 7: if you are a professional salesman why do you prefer selling insurance product to others products?

Options	Respondents	Percentage
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The insurance company is international	-	-
US product has a high demand	34	62
It has a solid financial base	21	38
Total	55	100

Source: Field Survey 2020

Table 7 shows that 34 or 62% of the respondents were of the opinion that what makes them to adopt to the selling of company’s product is because it has high demand on market for those that recognizes it. 21 or 38% were of the opinion that the company has a solid financial base.

Table 8: How do people in the field react to insurance products?

Options	Respondents	Percentage
With lukewarm attitude	-	-
Customers are enthusiastic	48	87
Customers are indifferent	7	13
Total	55	100

Source: Field Survey 2020

From the table above, it can be seen that 48 or 87% of the respondents are of the opinion that the potential policy owners are very enthusiastic about insurance product while 7 or 13% of the respondents were of the opinion that potential policy owners are indifferent.

Table 9: who do you think is responsible for this type of attitude (on the part of the prospective insured)

Options	Respondents	Percentage
The type of product market	30	55.5
The company’s good will	14	24.5
The company’s draw payment trade record	11	20
Total	55	100

Source: Field Survey 2020

Table 9 shows that 30 or 55.5% of the respondents attribute to the type of products the company markets 14 or 24.5% were of the opinion that the company’s good will was the result of the attitude. 11 or 20% said that it is because of the companies down payment track record.

Table 10: Do you think that the application of marketing concept has enhanced the marketing of insurance in Nigeria?

Options	Respondents	Percentage
Yes	45	82
No	10	18
Total	55	100

Source: Field Survey 2020

The response from the table shows that 45 or 82% of the respondents agreed to the fact that marketing concept can be successfully applied to the insurance industry while 10 or 15% of the respondents disagreed, from the above responses, we can deduce that the marketing concept can be successful applied to the insurance industry.

Table 11: Has the marketing concept applied by Alfa Insurance company any impact on their sales volume?

Options	Respondents	Percentage
Yes	42	76

No	13	24
Total	55	100

Source: Field Survey 2020

Table 11 shows that 42 or 76% of respondents were of the opinion that the marketing concept applied by most insurance industries has impact on their sales volume, while the remaining 13 or 24% respondents were of the view that it on had not made any impact on the sales volume.

Table 12: Do you think that it is absolutely necessary to incorporate the marketing concept into Alfa Insurance Brokers Plc Enugu?

Options	Respondents	Percentage
Yes	46	84
No	9	16
Total	55	100

Source: Field Survey 2020

The table shows that 46 or 84% of the respondents were of the view that it is absolutely necessary to incorporate the marketing concept into the insurance company, while the remaining 9 or 16% said that it is not necessary to incorporate the marketing concept in the insurance company.

Table 13: Generally, application of marketing concept has increased sales through its incorporation in insurance industry.

Options	Respondents	Percentage
Yes	50	91
No	5	9
Total	55	100

Source: Field Survey 2020

The table shows that 50 or 91% of the respondents agreed that the sales volume increased through the incorporation as marketing concept in the company while 5 or 9% of the respondents said that the sales volume did not increase through the incorporation of marketing concept in the company.

4.2 Test of hypothesis 1

H_I: The application of marketing concept has enhanced the marketing of Insurance in Alfa Insurance Brokers.

H₀: The application of marketing concept has not enhanced the marketing of insurance in Alfa Insurance Brokers.

Using table .10 question 11

Do you think that the application of marketing concept has enhanced the marketing of insurance in Enugu?

Options	Respondents	Percentage
Yes	45	82
No	10	18
Total	55	100

Source: Field Survey 2020

To determine the hypothesis the

$$X^2 = \frac{(O_i - E_i)^2}{E_i}$$

Where O_i = Observed frequency
 E_i = Expected frequency
 X^2 = Chi – square

Responses	O_i	E_i	$(O_i - E_i)^2$	$(O_i - E_i)^2$	$\frac{(O_i - E_i)^2}{E_i}$
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Yes	45	27.5	17.5	206.25	11.1
No	10	27.5	17.5	306.25	11.1
Total	55				22.2

Therefore the expected frequency = $\frac{EO_i}{N}$

i.e. the chi-square calculated = 22.2

Degree of freedom = $n-1 = 2-1 = 1$

Level of significance = 0.05 or 5%

With the level of significance at 0.05, the degree of freedom at 1, X^2 tabulated = 3.841

Therefore X^2 calculated = 22.2

X^2 tabulated = 3.481

Decision Rule

Since the calculated X^2 (22.2) is greater than the tabulated X^2 (3.481), based on the decision rule, we reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1) showing that the application of marketing concept has enhanced the marketing of insurance in Alfa Insurance Brokers.

Test of Hypothesis II

H₁: Marketing concept has increased sales volume of Insurance products in Enugu

H₀: Marketing concept has not increased sales volume of insurance products in Enugu.

Using table .11 question 13

Has the marketing concept applied by ALFA Insurance Company any impact on their sales volume?

Options	Respondents	Percentage
Yes	42	76
No	13	24
Total	55	100

Source: Field Survey 2020

To determine the hypothesis the

$$X^2 = \frac{(O_i - E_i)^2}{E_i}$$

Responses	O _i	E _i	(O _i -E _i) ²	(O _i -E _i) ²	$\frac{(O_i - E_i)^2}{E_i}$
Yes	42	27.5	14.5	210.25	7.6
No	13	27.5	14.5	210.25	7.6
Total	55				15.2

Therefore the expected frequency = $\frac{EO_i}{n}$

$$= \frac{55}{2} \times 27.5$$

i.e. The Chi-square calculated = 15.2

Degree of freedom = $n-1 = 2-1 = 1$

Level of significance = 0.05 or 5%

With the level of significance at 0.05, the degree of freedom at 1, X^2 tabulated = 3.841

Therefore X^2 calculated = 15.2

X^2 tabulated = 3.481

Decision Rule

Since the calculated X^2 (15.2) is greater than the tabulated X^2 (3.481), based on the decision rule, we reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1) showing that marketing concept has increased the sales volume of insurance products of Alfa Insurance Brokers.

Conclusion: Marketing concept has been of utmost relevant to the insurance industry as has been proven by the above analysis and test.

However, there is need for marketing of insurance product in Enugu. Also adoption of marketing concept has increased both the sales volume and profit level of companies that adopted it, hence there is need for every insurance company to apply marketing concept in their marketing activities.

Conclusion

This study has proved conclusively that the marketing concept can be successfully applied to the insurance industry. Based on this, we can conclude that:

1. Marketing concept is relevant in the marketing of insurance services in Nigeria. As insurance company can effectively and efficiently apply it by first, finding out what her customers wants through market research and then design, this helps in retaining their old customers and getting more new customers.
2. The application of the marketing concept as a sales philosophy has enable many insurance companies to reap tremendous benefits in terms of profitable sales, volume, retention of the services of experienced salesmen and a cheerful work force.
3. Finally, customers shows great enthusiasm to the products of any compay that presents products that satisfy their individual needs. Customers are readily interested to continue the purchase of products that satisfy their needs and this has a positive impact on most insurance industry.

Recommendations

It is evident from this study that not all the companies operating under the Nigeria insurance industry know what marketing concept is all about. It is against this background that the researcher made the following recommendations which s believed will solidify the position of others if the marketing concept is adopted.

1. Insurance companies should extend the scope of their, market research, so that it will cover a wider segment of the society, especially people, living and working in the rural area. The problem of low level of insurance awareness could be sold to an extent if insurance companies should extend the area of coverage to remote areas where considerable percentage of the nation's population is residing.
2. Insurance operations should emphasize more on innovation activities and product development. As has been revealed by the study that people show a great desire for products that satisfy their individual needs. Insurance practitioners should endeavour to conduct market research that will help them to ascertain the needs of consumers more so, they will take into consideration the individual needs of the consumers.
3. There is the need for insurance companies to have policy owner service department which will take care of after sales services of the company. This department if well managed and equipped will enhance the re-purchase action of the consumers' thereby increasing sales volume of insurance companies.
4. There is the need for adequate training of insurance operators, insurance practitioners, sales personnel's marketing agents and brokers including field salesmen so that their marketing efforts will be noticed in the industry. This is because working with skilled and competent staff has a positive relationship with level of performance on the industry.

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