



## Case: Beneficial General Insurance S.a.

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**Developing a Marketing Strategy for an Insurance company**  
**Case: Beneficial General Insurance s.a.**

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Both new and existing business ventures always require hard work in pursuit of potential and committed clients, although hard work alone will be in vain if not equipped with modern innovative ideas and developed strategies. Empowering the sales personnel (sales agents in the case of insurance companies), through education and training which is very important, will ensure success in the entire industry.

The general understanding of insurance offerings by consumers is changing compared to earlier time say ten years ago, when insurance products were mainly about covering risks and lives. Today, the insurance sector is all about acquiring wealth while disrespecting the basic objective that is risk management primarily used to hedge against the risk of a contingent loss, although Consumers are seeking variety and customizability in their investment portfolios.

Marketing in recent decade is also changing and has turn to be complicated due to the changing trend of taste and fashion. More still, in today's world, companies do not compete only with the quality because quality of the products starts to be equal only with minor differences.

Developing a marketing strategy for an insurance company is an attempt to break through the Cameroon insurance market, considering marketing models such as the four P's(Product, price, place and promotion). It is worth noting the discovery of additional three P's (People, Physical distribution and Process).

The research is base on the most recent ideas, on how to build the marketing sector of Beneficial General Insurance related to the modern marketing trend that exist. In an attempt to search long lasting strategy, which will enhance the modern society method of thinking and how to offer the best insurance services both in the short and long run.

Existing problems of this research is based on developmental ideas on marketing methods, redefine the essence of marketing Mix prior to the insurance sector.

**Key Words** Insurance products, Cameroon, sales strategies, etc

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## Introduction

Marketing strategy has changed a great deal over time. It is sophisticated nowadays. This is because as customer behaviour changes, marketing strategies need also to change. Information Technology is setting its own requirements, but at the same time it is offering more possibilities for marketing persons to utilize their valuable time correctly and efficiently. It can be said marketing is changing and needs more attention than ever before. Given that company's product qualities do not vary very much, there is a need for a quality marketing strategy in order to dominate the market. The marketing department plays a vital role in the success of a company. This means that, the new balance between selling and purchasing needs to be found.

In recent years, the high competition in the markets is urging enterprises to introduce innovative ideas which will enable them to be different and more appreciated by clients. Customer satisfaction can be possible via elaborative marketing strategies, both in the long and short-run period. The insurance marketing sector precisely will provide the purpose of this study. Due to the complicated nature of sales, marketing has changed during the past years resulting towards wider competitions.

Quality is not the only method through which companies admit the competition intensity which implies that the quality of the products varies from one company to another with little differences although some are equal. Customer satisfaction and how they want to be served should be the main objective of companies in this era. Product offering, which is a form of service applied through selling, can either be on a business-to-business (B-2-B) or business-to-consumer (B-2-C), which will enhance a better relationship as well as profitability. It is therefore important to find the balance between purchasing and selling.

Customer segmentation in the past appropriate was completed by size although it is not the case with recent expanding enterprises. Profitability and customer satisfaction are similar, although big enterprises are often profitable than small enterprises (Reckham and De Vincentis 1999, 3).

Understanding the meaning of choice( choosing between two or more alternatives), customers now have a great variety of products from different companies to choose from as a result, they now seek for the best services which satisfy all their needs. There is now an urgent need by companies to understand and know customer need better compared to the past. It becomes worth noting that products are not the only criteria any more, but other issues such as price, place and promotion are all of utmost importance to better penetrate in any form of market. How to proceed will depend strongly on the nature of the business and customers.

### 1.1 Scope of the study

In this thesis, the various product development techniques is examined, consumers behaviour towards new products and their prices are studied while an in-company study of potential staffs know-how is analysed. Consequently, the results is to be used understand the best marketing strategy which will enable a break-through in the future of the company, with the assistance of marketing theories, sales and selling management and customer segmentation hypothesis which are all to serve as guidelines towards the creation of the best marketing strategy for the case company.

### 1.2 Choice of the research context

Choosing is often a challenging task, but the choice of this research context resulted from the author's pursuit for new, creative and important ideas, which is important and topical. The further desire by the author to transform the third world general dependence on old and long-forgotten business marketing strategies by the developing nations to an era of innovation and modernisation.

Consumers are tired of depending on the undependable for the security of their hard earn assets, when the products offered by some insurance companies do not match their requirements while others do not keep to the terms of written agreements with potential clients. And in some cases, clients are not well informed of the terms of agreements being signed.

The case company Beneficial General, is one of the largest insurance companies in Cameroon, as such, the examples shown by these company will serve as a pivotal point for many other insurance companies to change the management system. It is also the best method of transforming theory in to practical which is another reason why the author choose this research context.

### 1.3 Purpose of the study

The research topic is developing a marketing strategy for an insurance company. This research is done at Beneficial General Insurance s.a. and it is based on the modern and future marketing strategy. The main initiative is to understand the present marketing system while implementing an innovative idea to suit the fast-changing marketing trend and customer satisfaction. This new tool will help to direct the company efforts towards customer relationship and also new ways of offering products to the market at the best tariff.

The principal objective of this research is to create an exceptional feedback result from insurance consumers and introduce new marketing methods, which together with the existing model will lead to smooth growth. The research will create a clear understanding of what consumers need and the ways through which the consumers can be convinced to consume the various products offered by the company. Although success comes with price in the case of some enterprises of the 21<sup>st</sup> century, there are ways to attain this success and some of the step forward comes either through direct marketing or through indirect marketing.

Additionally, this research is based on developing the modern and future marketing strategy of Beneficial General Insurance Ltd, the case company. The results will serve as an opportunity to better understand the marketing mix (product, price, promotion and place), insurance sector, products offered, channel of distribution, consumer behaviour and the importance of consumer feedback. A brief understanding of the SWOT analysis (Strength, Weakness, Opportunities and Threats) will be an additional value.

#### 1.4 Limitations of the study

This research work is quantitative, qualitative and descriptive in nature. The empirical section is done via interviews with personnel, marketing agents and customers. The various series of dialogue lasted for three hours, where there was a constant understanding of how the workers feel and how customers respond when initiated with the topic. Although so many employees were shy, others had the courage to express exactly what they think was wrong or not taken proper care of by the administrative staff. The interviews were formal to gain some more insight of the company.

The company is based in Cameroon hence limiting the amount of information strictly in the direction of Cameroonian insurance context although there is a significance aspect mention in the African context. Some organisations which govern this insurance sector are established elsewhere therefore giving grounds to briefly discuss the various roles they play in the insurance sector in Cameroon. Insurance comprises of life and non-life insurance property. The research focuses on the marketing strategy of non-life insurance policies, which is different from life insurance policies.

#### 1.5 Structure of the Study

The first section introduces the research topic and the reasons why the research is important. The theoretical section is presented like-wise the research problems outlined. The introduction also envelops the research problems, limitations as well as the literature review.



Section two concentrates on theoretical frame work based on the research topic which is modern and future marketing strategy. The basis of the work laid emphasis on marketing strategy, acknowledged by the theory of marketing mix based on the four P's literature, the SWOT analysis (strength, weaknesses, opportunities and threats), key account management as well as customer relationship management.

Section three, provides details of the empirical section of the work as well as introducing Beneficial General Insurance Company by discussing the history and the marketing strategy concepts used. Marketing strategies needs more detail analysis whereas clear facts are to be provided with proper examples although interviews and questionnaires are analysed in a more logical approach and results are published in this section.

The fourth section is the conclusion, which is based on analysing the marketing mix concepts compare with reality in the field. There is a further analysis of the customers point of view coupled with what is said by the sales agents. The Solution to problems is resolved in this section, as well as suggestions for future growth. How well customers can adapt to Beneficial General Insurance products are mentioned in this section.

#### 1.6 Case: Beneficial General Insurance S.A.

#### 1.7 Historical Background

Beneficial General Insurance S.A. is a branch company of International Group Beneficial, which is found in Cameroon, Togo and Ivory Coast. The company was created on 29/December/1999 and obtained its authorization from the Regional Commission for the Control of Insurance, to practise all branches of property and casualty insurance under article 328 of CIMA code. The Ministry of Finance also confirmed it on 13/12/1999 under the file number 00478/MINEFI/DCE/A2, which hence started operations at the start of the year 2000. With special links with the American International Group (AIG) and a founding mother of ALICO (one of the largest and most diversified international insurance companies in the world) which was later transformed to a company of National Right and then Beneficial Life Cameroon S.A., Beneficial General S.A was created in an attempt to create a distinction in the insurance market in Cameroon, where the insurance market is suffering from public confidence.

The objective of the company is to offer to clients, up-to-date insurance policies, similar to what is offered in developed countries by the best insurance companies. The initiative is to make a comparative difference in the insurance market and to also serve as an alternative to clients who are sceptical about local insurance companies prior to the various needs which

had led to the creation of CIMA( Conference Interafricaine des Marches D'Asurance translated in English as, Inter-African Conference on Insurance Markets).

Beneficial life Insurance S.A has products with characteristics such as;

- Some of the subscribers are not compulsorily the beneficiaries
- Individuals saving for retirement benefits and future schooling
- The premium paid serves as savings
- The events are known in case of life and death
- The document needed serve as terms of the contract.

## 2 Theoretical background

### 2.1 General theory context

The central concept of this research describes the marketing mix (4P's), building marketing tools that yields, building customer relationship. Beneficial General Insurance marketing concepts will ensure the use of marketing mix that will assist cutting across and building successful customer relationship.

Marketing mix model is the idle means of understanding the reasons how different products are classify, priced, localised and promoted, each of which represents price, place, promotion and product. Therefore, each product in a company must be analysed at their different stages of production, which includes various domain.

Customer relationship building forms the base of any business life (more specifically with the insurance business). It indicates the quality of relationship that should be part of Insurance companies. Customer relationship building provides two-way street-requirements of the clients and the seller need consideration. It also includes the service offering elements and is one part of the key customer relationship stages.

Building marketing tools that assist in setting up objectives and values within the company, which will enhance a teamwork spirit. The stages commence from the CEO of the enterprise observant of the various personnel to the agents. An organised environment with strict policies ensures order and respect in the company. The marketing tools begin from internal and expand to the external.

Beneficial General Insurance uses the old marketing method that is the try and error method. There are no written and effective marketing strategies at the time of the research study.

The general conception on marketing focuses on selling is a wrong understanding of the rightful direction.

### 2.1.1 Literature review

Marketing strategy has changed considerably during the past years and different authors including Philip Kotler, who is one of the principal writers on marketing and sales management, have written a much. Hutt and Speh (2004) have also written on business marketing and customer needs or relationships. Some other materials include key account management facts written by different authors including Jobber and Lancaster (2003), McDonald Et Al (2006), Rackham and DeVincentis (1999). The latter is identified as the best writers on key account management.

There are several articles written on marketing strategy and on Key Account management. Moreover, there are other articles on sales and selling techniques will provide more information prior to the marketing sector although marketing is not just about selling. Furthermore, journals and other related magazines have included some special reviews of marketing mix.

Other articles and related topics concerning marketing strategy comprise of themes on key account management written by Ojasolo, J (2004),

The general theory context is an extract from Philip Kotler on marketing mix (place, price, promotion and product) discussed in the book, *Principles of Marketing*. Marketing mix is a strong and tactical instrument use by companies to gain a strong positioning in target markets. The 4P's represent the seller's view of the marketing tools present and through which buyers are persuaded. This is different from consumer's view, which identifies the fact that each marketing tool must communicate a customer benefit. In that regard, one marketing expert suggests, companies should view the four P's as customer four C's.

## 2.2 Theoretical Research Frame work

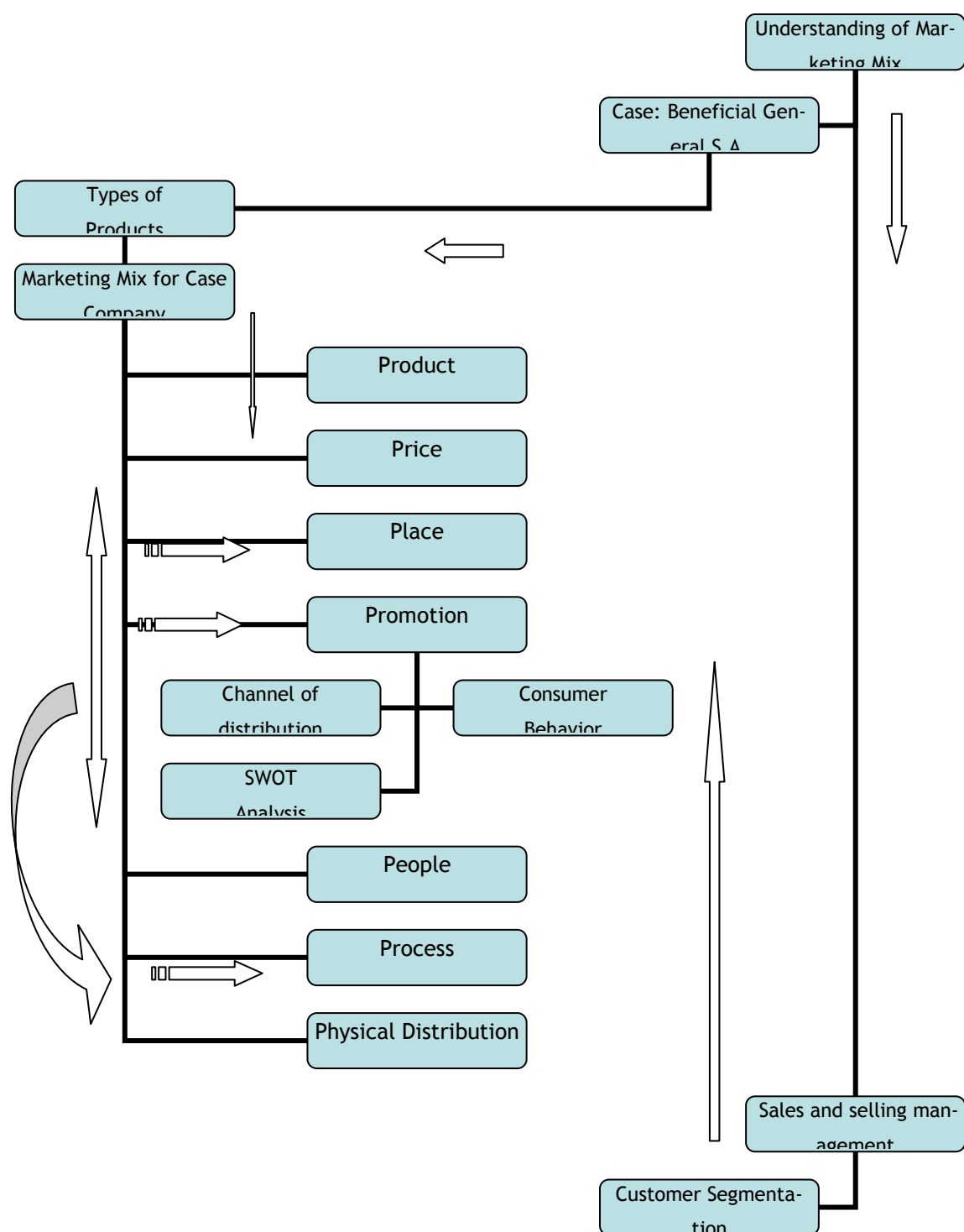


Figure 1: Theoretical framework.

The basics of the theoretical framework as can be seen in figure 1 above, seeks to support the empirical section that is focused on marketing mix and the insurance sector. Marketing has changed over the past years as a result; companies are forced to consider new techniques. While companies seek for a better solution and understanding in the present day business environment, questions on how to resolve problems such as; what the customer needs, how to

build a good relationship with clients, how the product can be presented to the clients, knowing what the customer wants and satisfying them profitably. In addition, understanding the major competitor's weaknesses, will building fast and lasting solutions hence inspire and change the general notion individuals have about insurance companies, offering affordable products and prices to consumers. Some theory of key account management will provide an added advantage in understanding how well any company can best serve employees and customers. The effect of key account management mentioned earlier is a possibility of dominating the market share hence leading the company with an excellent marketing strategy that will prevail over competitors.

### 2.3 Understanding of Marketing Mix

There are no complete discussion on marketing mix when the principal idea on modern marketing strategy is not defined. It is therefore sensible to understand what marketing means and some connotation of the word.

Marketing is define as a nodal and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others (Kotler 1999, 10). There are many different points of view patterning to marketing. Some think it is the act of making a sale (selling) but in the new sense of satisfying customers' needs. Others think of marketing as selling and advertising. Although both aspects are important, they are just two of many marketing functions.

The different marketing mix is the paramount rational milieu in modern marketing as will be seen in full with the case company. Marketing mix is defined as the set of controllable tactical marketing tools that an enterprise blend to produce the response required in a target market consisting of everything the organisation can do to influence the products demanded. (Kotler 1999, 109).

From another point of view, the marketing mix is the combination of marketing activities that an organization engages in to best attain the needs of its targeted market. The clarification of what marketing mix signifies is outlined in both definitions above. It therefore means that the four P's include variables known as Product, Price, Promotion and Place.

The four P's is a theory by P. Kotler. The insurance sector has sub-mixes of additional three P's and these include People, Process and Physical attraction. The inter-relationship existing between these mixes "As Table 1 shows" is an attempt to describe each of the marketing tools under each P.

Product	Promotion	Price	Place
Variety	Advertising	Discounts	Channels
Quality	Promotions	Allowances	Coverage
Features	Personal selling	List Price	Assortments
Design	Publicity	Payment period	Locations
Brand name	Trade fares	Credit terms	Inventories
Packaging	Flyers		Transport
Services	Billboards		
Warranties	Sales Agents		

Table 1: The Four P's Content (Kotler 1999, 110).

The definition of the four P's "As Figure 4 shows" is a realistic market situation.

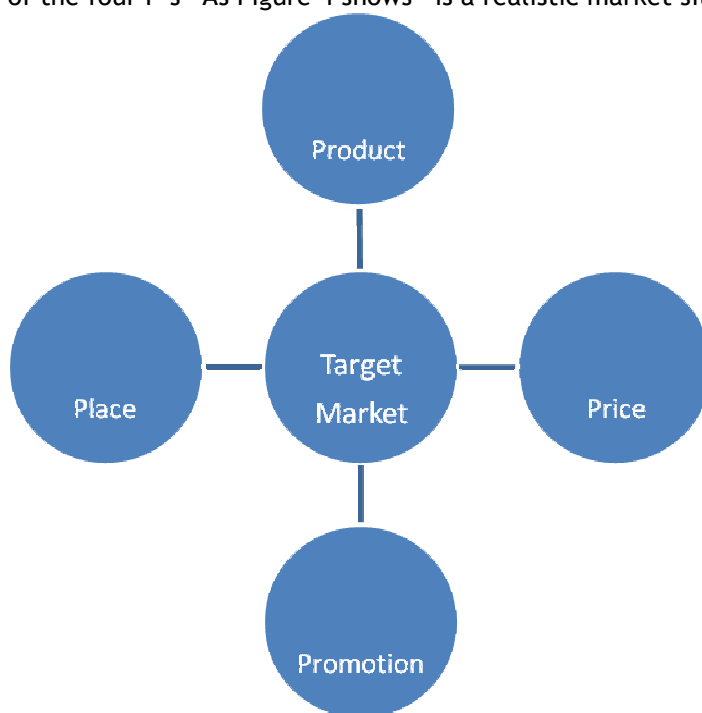


Figure 2: The Four P's distribution channel

### 2.3.1 Product

A product is anything tangible that can be offered in the market for attention, acquisition use or consumption that may satisfy a need or want. When goods are produce, it means they are tangible goods while if services are rendered, it means tangible services which includes physical objects, services to organizations, and persons. Special attention will be directed to the insurance sector in this research.

### 2.3.2 Price

Price is what is paid for the consumption of a product or service. In other words, price is the amount of money charged for a product or service or the amount of value that the consumers exchange for the benefits of having or using a product. A good example will be the case of an insurance company where premiums are paid by the insured to secure their business or what-ever has been insured.

### 2.3.3 Place

Place is known as the channel or means through which the companies products are made available to the consumers and to the final users of the product who pay for the product.

Place could also mean the location. How the different clients are served is a matter of interest, because it is through good distribution that other companies secure potential clients.

#### 2.3.4 Promotion

Promotion is defined as the activities, which convey the product to the consumers. In other words, it is known as the means through which the product or service is being communicated to target consumers while persuading them to buy. There are several methods through which communication is channelled to the public, some of which include advertising, sales, publicity and flyers.

#### 2.3.5 Sales and Selling Management

As the act of selling is changing so is the purchasing habit. The combination of sales and selling are affecting the ways companies have to rethink their marketing strategy. Change acting as a constant aspect in nature is coordinated by globalization, while globalization is building competition and offers better opportunities to consumers. Consumers know cost awareness while the creation of price pressure leads to the service requirement. The effect is, the decreasing number of business partners while increasing suppliers effort to stay in competition. Earlier there was one sales contact person while nowadays, sales is taken care of by groups of persons with lots of efforts and time on the selling. Sales-persons can be confused about this, as customer needs are not clear any more.

Customers are searching for values (Rackham and DeVincentis, 1999). The Success of selling is generated by the ability to perceive beyond the immediate behaviour of the buyer or the placer of the orders. If a sales-person can identify genuine buyer behind the selling action, She/he can boast of a successful selling session. (Allen and Wotten, 1988, 24-26).

An aspect affecting the change in business buying is the lifetime cost of ownership, supplier reduction and supplier segmentation. Lifetime of ownership means the duration or how long the product will last. Clients now think of the cost of a product and not present the total cost, which can be either an approval or a nuisance to the seller. As an approval, it means increasing ways to differentiate the products to the clients and nuisance signifies the supplier is not used to selling from total cost perspective. (Rackham and DeVincentis, 1999, 49-50).

The closer the customer relationship is, the less costly purchasing and selling can be achieved. It is also worth noting that customer relationship commitment is high and the willingness to improve actions is prolonged. Change factors do not eliminate the most important



aspects of successful selling which are personal chemistry and a good relationship. (Rackham and DeVincentis, 1999, 49)

Furthermore, better communication between seller and purchaser is needed to be able to maintain a competitive edge over rivals and to hold increased market shares, decrease inventory costs and reduce goods in production and to improve on market side elements affecting segmentation, service, competition and prices.

Building a good customer relationship is one of the most important aspects in several companies because loyal customers are profitable to keep than customers who are interested only in the prices. The connection between the customer and the seller is important at every stage or level of management. Borrowing the words of Hutt and Speh (2004), "implementation of customer relationship management help companies to direct their efforts correctly to customers and that is a cross functional process which helps to achieve a continuing dialogue with customers, personalise treatment of the most valuable customers and ensures customer retention and the effectiveness of marketing initiatives".

There is also a need for professional selling because the selling of products alone is insufficient. Customers are more interested in quality, the level of profitability and the return of stocks. Selling skills in recent years have changed due to the following reasons: increased technical proficiency, increased personal skills and the ability to identify product opportunities. The Sales force is a key factor in the increasingly competitive world. (Allen and Wotten. 1988, 41).

Operating a company at present changing business environment requires competitive selling industries to rethink their various working techniques. Understanding their customers is a priority while considering other demanding factors. There is a need to first experience categorization and understanding of the market structure via the four marketing mixes. This will enhance the understanding of what is expected in the market, how to enter the market, what to offer and at what price, how to channel the different offerings and how to target potential clients. In an attempt to answer challenging questions, patterning to marketing mix, which will enhance a company in creating a challenging marketing strategy that, will progress the company to the top. Before implementing any marketing strategy, it is important to know if it will yield brilliant results, keep the company distinct from its rivals and above all respond to the need of its customers.

The general theory of sales management in the insurance business also includes a constant monitoring alongside professional advice that will enhance the sales personnel to keep aloft the standard and type of transactions required of the insurance career. This entails the de-

termination by management of: The segments of the available market that can be reached most effectively by the company's agents, The nature of the product or policy that will be most appealing to the selected market segments and most profitable to the insurer, and finally how best to select, train and motivate producers or agents to sell to the selected market segments.( Kamara K., articles & Journals on sales management).

The selection of geographic, demographic and industrial segments of the market to target in the marketing of insurance products ensures effective market segmentation and effective use of resources. The demographic groupings may be further delineated by such characteristics as age, income, occupation and sex.

With the utilization of such a technique for example, diverse insurance policies covering health, accident, disability and workers compensation, could be customized and offered to such segments as civil servants, parliamentarians, teachers, college lecturers, healthcare providers and farmers throughout the country. The same could apply to the security segment including policies specifically designed to meet the needs of the military and police forces.

Moreover, through utilization of product differentiation techniques in its marketing mix, an insurance carrier can maintain and increase its market share. The Market share can be accomplished by changing the standard coverage provisions in the contract; charging a different price and by providing a different level of service than the competitors.

#### 2.3.6 Technologies

The change in insurance operations as observed with the gradual installation of up-to-date computers at some insurance offices in Sierra Leone, it is true to say that, new technologies are on the edge to play a major role in the coordination of marketing strategies, planning and studies including new products and services, consumer attitudes, market potentials and sales forecasting. The use of computers for not only accounting, statistical analysis and rate marking and issuance of policies and endorsements but also insurance marketing must be vigorously pursued by individual companies which will enable a constant understanding of the progress made and possible methods needed to improve existing products while developing new products to serve the clients.

#### 2.4 Customer Segmentation

An article by Rosella states, in credit and insurance industry; good customer segmentation can lead to minimum exposure to risk involved in credit and insurance. Similarly, in catalogue

sales, customers can be selectively targeted to reduce marketing cost. Customer segmentation can be utilized in various ways.

Segmentation is normally performed along with the following demographic, geographic, psychographic, and behavioural variables;

Demographic segmentation variables describe characteristics of customers and include age, gender, race, education, occupation, income, religion, marital status, family size, children, home ownership and socioeconomic status.

Geographic variables include various classifications of geographic areas, for example, zip code, state, country, region, climate, population, and other geographical census data. This information can be obtained from national census data.

Psychographic segmentation variables describe life style, personality, values, attitudes, and so on.

Behavioural segmentation variables include product usage rate and end, brand loyalty; benefit sought, decision making units and ready-to-buy stage, and so on. (source: Kotler. 2002. Marketing Management. Millennium Edition. Boston: Pearson Custom)

#### 2.4.1 Past business history

Customers' past business records can be useful for segmentation. This may include total amounts purchased, purchasing frequency, and (credit) default records, (insurance) claims, responsiveness for marketing campaigns, and others.

For several successful businesses, there is a need for customer segmentation. Segmentation is based on information; how well companies know their customers or their own businesses. There are many different ways how segmentation is executed, but the core of each system is still the same while only the classification name varies. The objective is to differentiate each customer according to behaviour, which implies some customer value full service, while others are eager on the prices only. A good tool that can help decision makers in any business is creating a business-portfolio.





The benefits of segmentation are deeper and unique with knowledge of the customer division. In addition to this, companies can and are able to focus on product development efforts, develop profitable pricing strategies and select appropriate channels of distribution. (Hutt and Speh, 2004, 177-178).

Identification of customer needs and interests is also very important to any given company because customer relationship classification influences several factors within the company such as decision lying on products, price, distribution, promotion and the sales organization structure, which is the method companies' use in serving customers. An article by (Cardozo, 1997), "implementing a new selling mix", states that, customers tend to buy are full-service package instead of separate parts and customers also have new demands such as; more complex sales tasks, changing distribution, increasing competition and attention from management can be achieved by providing desired customer service as efficiently as possible.

There are class of consumers with numerous needs, and some companies are in a better position to serve certain segments of the market. Consequently, each company must divide the total market, choose the best segments and design strategies for profitably serving chosen segments better than its competitors do. This process involves five stepladders: demand measurement and forecasting, market segmentation, market targeting, market positioning and competitive positioning. (Kotler, 1999, 106). There is no single way of segmenting a market. A marketer has to try different segmentation variables, alone and in combination.

#### 2.4.2 Channel of Distribution

The insurance market is undergoing a transformation that may eventually lead to significant changes in how consumers purchase insurance products. A variety of distribution channels are currently used in market places and some insurers utilize a combination of distribution channels. These include:

-  Internet-led channels
-  Company-led channels
-  Bank-led channels and
-  Agent-led channels

Of the above distribution channels, the most discussed and anticipated channel is the internet-led channel. The widespread diffusion of the internet has created a blast in the growth of electronic channels, including direct channels (that is, individual company web sites), electronic markets, or "electronic intermediaries over which multiple buyers and sellers do business". (Malone et al., 1987) and other cybermediaries (Sarker, 1995).

The internet has tremendously revolutionized the insurance market in many parts of the world. Just a little over a decade ago, most purchases of insurance products were not possible except by traditional methods involving direct or independent agent writers. (Randy E. Dumm & Robert E. Hoyt, 2002)

(Randy E. Dumm & Robert E. Hoyt, "Insurance Distribution Channels: Markets in Transition" paper delivered at the 38th Annual Seminar of the International Insurance Society:Singapore, July 2002.)

Even though insurance purchasers have far more options nowadays than they did a decade ago, there have nonetheless been findings indicating that consumers are still somewhat evenly divided between traditional methods and internet led-channels, thus it would be premature to anticipate the disappearance of traditional practices anytime soon. (Trembly, 2001, 1; cited from: E. Dumm & Robert E. Hoyt, 2002, 1 )

This finding is perhaps surprising not only because we are in a modern era in which technology has captivated every mind, but more so considering the general convenience and simple nature of the internet. One explanation has been giving that many consumers either view personal insurance products as commodity products or generally still perceive insurance services and products as somewhat very complex to handle by oneself. (Trembly, 2001, 1; cf: E. Dumm & Robert E. Hoyt, 2002, 2 ). In fact, there has been some noticeable growth in distribution channels through direct mails and call centres.

In Cameroon, the purchase of internet products and services is mostly through conventional traditional methods. Internet-led channels are at best still at infancy, and there are no indications of any revolution on this front anytime soon, considering the general low penetration of internet throughout the country. Even the traditional distribution channels are still far from perfection. There is hardly more than one post office in any town in the country. Worst of all, there is currently no home postage throughout the country. Post offices typically have pigeon boxes for their clients at the post offices. There is therefore very little opportunity for insurance companies to perform any distributions services by mailings. If Cameroon like any other developing intends to become an emerging economy, then it must modernize both its communication and postage infrastructures, as this would have a arithmetic progression effect on several sectors including the insurance domain.

With the growth of the internet, which by every indication is less costly and more efficient, there was once a strong prediction that the activities of insurance agents would become redundant. However, in both the developed and the developing countries, agents still constitute the main distribution channel for insurance products. There have nonetheless been avalanches of travel insurance sites foreshadowing internet-led channel as a veritable alternative, some of which includes SAS dot com, Eastbay dot com, SkyAuction dot com. (E. Dumm & Robert E. Hoyt, 2002, 2 ).

It is possible that even for the near future, these two channels (traditional versus internet-led channels) instead of operating as rivals would rather complement one another or serve as a support channel. As the internet becomes increasingly adaptable to all kinds of devices, we can but predict that insurance agents would rely on these services as complementary tools. For instance, by digitally linking up prospective clients, an agent can more readily promote his or her insurance brand, and minimise advertisement costs. A single web ad design can be posted to all of them at no cost in just a matter of seconds. In other words, the internet can be well adapted to serve as the main communication tool of agent led channels.

Any insurance company that seeks to offer its products must invest as much on security as it does on personnel. The first preoccupation of customers would always be how secured the services are. Once there is a mutual trust between the insurance agent and potential buyers, any credible publicity irrespective of whether it is coming through the web, mail or some other medium would certainly be given utmost importance. After all, the goal of insurance agents is to forge a marketing connection between the insurers and insurance premium buyers. It would obviously be a welcome development for an aspiring emerging economy like Cameroon to contemplate such an approach, as it would greatly improve the services currently offered by various insurers across the country.

Other distribution channels include:

- i) The independent agency system as noted by Posey and Yavas (1995) as shown from earlier studies and it has a higher cost than those employing a direct writer system. They also demonstrate that an equilibrium exists in which the independence agency and direct writer marketing systems can co-exist.
- ii) A direct underwriter system.
- iii) The bank-led distribution channel.
- iv) The Internet-led

Finally, it is worth noting that, the internet-led channel can be an alternative distribution channel, although more marketing research is yet to be carried out on how effective this channel will be of benefit.

## 2.5 Modern Marketing Strategy/Approach

Marketing strategies for insurance in the emerging scenario could be understood in terms of the following steps:

**R > STP > MM > I > C**

Here, R = Market Research

STP = Segmentation, targeting, positioning

MM = Marketing Mix

I = Implementation

C = Control

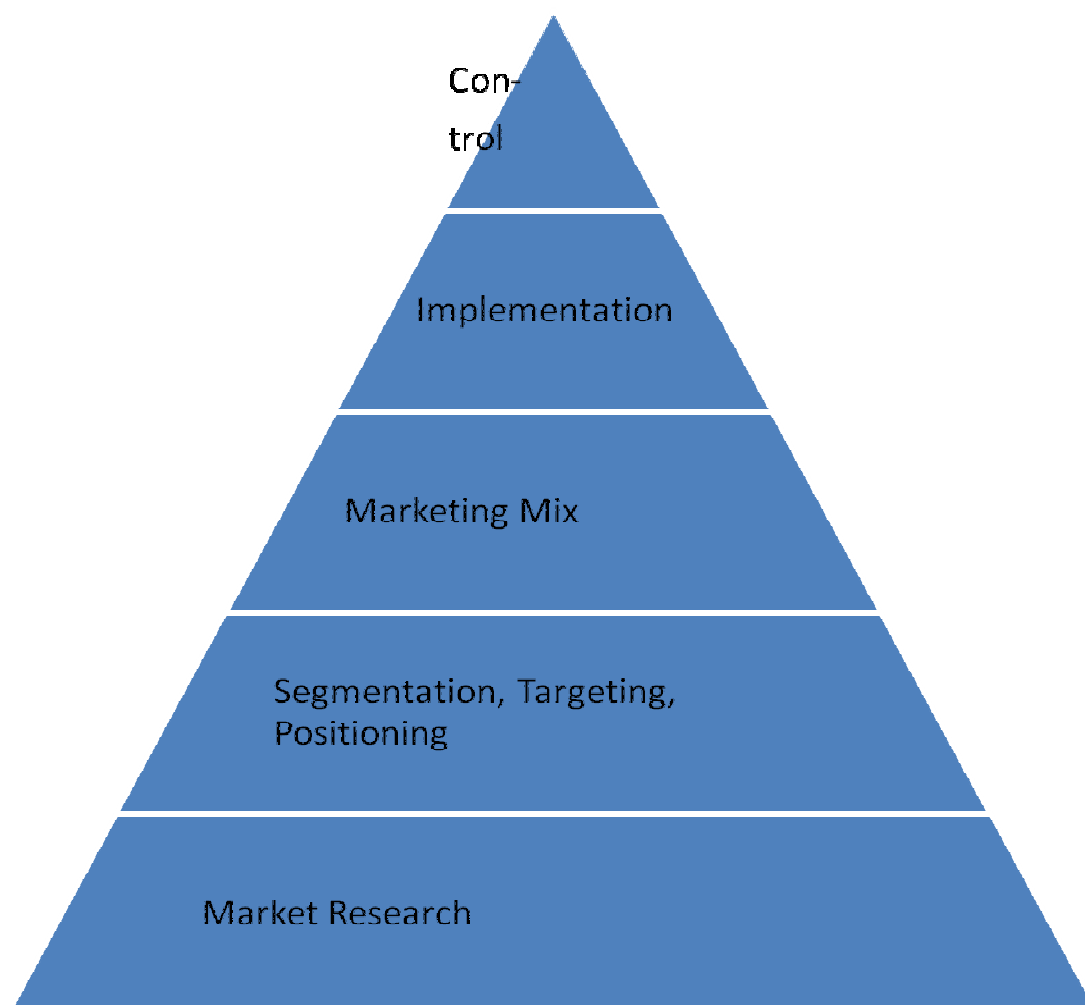


Figure 3: : Morden Marketing strategy

Having done market research and finalising on segmentation, targeting and positioning the strategy would focus on the marketing mix namely, Product, Price, Place and Promotion. While determining the implementation methodology, the four characteristics include Intangibility, Inseparability, Perishability and Variability gives rise to certain unique requirements that deserve careful attention while formulating the marketing strategy for insurance. After

implementation, the insurers should concentrate on the effective control that would enhance their business.

In Cameroon Insurance is sold and not bought. The agents / Advisors by using various strategies sell the product by convincing the customers. Moreover, they push Policies with the highest premium to pocket a higher commission. The consultative approach to selling is the modern approach, which helps customers and prospects to buy. A consultant makes calls and sells just like any other sales person. The difference is in their attitude, their approach and their commitment. Here, the customer is seen as a person to be served and not a person to be sold. It helps the purchaser to make an intelligent decision. The four-step process includes:

- ❖ Need discovery
- ❖ Selection of the product
- ❖ Need satisfaction presentation, and
- ❖ Serving the sale

This approach to selling their products requires understanding of concepts and principles borrowed from the fields of psychology, communications, and sociology and needs a lot of personal commitments and self - discipline from the seller.

The commitments referred are:

- Finding and understanding the needs of the customers.
- Collaborating with the customers.
- Helping the customers to achieve his business and other objectives by the purchase of the product or service.
- Believing that your products / services are a great fit with your customer's needs, and
- Believing in yourself and your ability to help the customers in solving their problems.

A consultant is willing to forego short-term gains to achieve greater long - term benefit to him and to the customers he serves. He builds relationships on a foundation of trust, respect and performance. Moreover, consultants do not sell - they are specialists who make recommendations to help the prospect to buy. They act as a professional and offer real-world solutions that make sense to the customer. Today, the insurers adopt this technique and thereby go on increasing their market share.

## 2.6 General Challenges.



The major challenges encountered by the insurance industry is the need for diversification of insurance products better tailored and suited to meet the needs and development of Cameroon. While the insurance industry can play a very significant and critical role in a nation's developmental process, the present difficulties is how the insurance professionals respond by creatively introducing insurance policies, instruments and marketing techniques to serve as a basis for the country's sustained economic development.

A good case example is in the United States where there are four distinguishable systems for marketing property and liability insurance. These include:

- The independent agency system.
- The exclusive agency system (also known as the captive agency system).
- The direct writing system.
- The direct mail system.

The system primarily in use in the Cameroon insurance market is the direct writing system, wherein individual carriers employ their paid agents and employees to exclusively market only their policies.

However, if the insurance market is to endure and grow, a new staff and products such as the national health insurance scheme and the national title insurance scheme are introduced into the marketplace, then the development of a new brand of producers, agents and marketing systems must be pursued to forestall the failures of recent new policy introductions. These must include and incorporate the direct mail, agency and technology systems.

To effectuate these new marketing objectives, a sale force must be recruited and trained into the details of the insurance business and policies being introduced and marketed with realistic production objectives, marketing policies and strategies and implementation of a commercial and promotion campaign.

## 2.7 Future Marketing Approach/Strategy

The future of survival insurance company is a combination of the present and possible studies introduced, which will enable a constant update of the market in an attempt to discover lasting solutions from the ever-emerging scenario of different problems. An advance in the insurance market is depicted from the thoughtful distribution of the company hooked on insurance management solutions. An understanding of the figure above can improve some insurance company in the future.

Considering the aspects of successful marketing strategy, there is a starting point that begins with a coherent plan. A future marketing strategy will surface successful if the following measures are taking in to consideration. The stages include:

#### Executive Summary

A high level of executive plan will give an image of the product and what is required. This will enhance the understanding of the general scope of the strategy and what it plans on executing. An executive summary briefly introduces the following;

##### 1. The Challenges.

A brief description of products to be marketed associated objective such as sales description, communication orientation and strategic focus. Understanding the challenges involved will analyse the products and the market properly as such, a perfect or almost perfect solutions to different challenges.

##### 1. Situation analysis.

The situation analysis enhance and understanding of company analysis which is a combination of the goals, focus, market share, strengths, weaknesses and culture inclusive.

##### 2. Customer Analysis

The customer analysis is one of the best means through which information can be obtained. It seeks to achieve answers to questions related to numbers, types, value drivers, decision process and the concentration of customers' base for particular products.

##### 3. Collaborators

Collaboration is an understanding of other organizations or companies working to promote growth in Beneficial General Insurance. They could act as subsidiaries, distributors and joint ventures etc.

##### 4. Climate

Climate will be analyzed on the level of macro-environmental factors using the PEST analysis.

PEST Analysis definition in full, which is:

P - Political and legal environment

E - Economic environment

S - Social and cultural environment

T - Technological environment.

### 3 Research Approach and Methodology

#### 3.1 Quantitative versus Qualitative Research approach.

In this study, understanding the various research methods used in this thesis, which comprises of quantitative, qualitative and descriptive approach, is aim at finding long lasting marketing strategies for collected facts analysing data. Borrowing the words from Ghauri and Gronhaug(2005.109), who describes quantitative research approach to be based on emphasis testing and verification, and it is studied from a critical and logical approach. It is also worth noting that, quantitative approach also needs or requires an environment for observation and measurement. On the other hand, qualitative research method emphasises on understanding and rational thinking which will require interpretation.

Based on the research purpose of the study, a quantitative approach was used for data collection. A quantitative approach is also explained by the fact that a large group of respondents was needed with structured and predetermined response options.

#### 3.2 Methods Used.

The theoretical background of the research was collected through various types of literature. Books, company publications, articles, meeting reports, and Internet databases were used as sources of information.

According to Samarhan (1994, 38), there are three main methods of collecting primary data: observation, experimentation and by survey, i.e. questioning people. Survey is considered an effective method of gathering information about consumer preferences and attitudes.

The research was conducted in three main branch of the company, with two of those branches belonging to the life insurance department. The departments were all located in the same city (Douala) although they all used the same postal codes directed to the head office. Instead of focusing on the company's achievements and success, the author decided to look for alternative marketing models that can redefine the objectives, values and norms of

the company prior other competitors. The author emphasizes on the importance of customer understanding through market segmentation and the 4P's. Company studies through SWOT analysis serves as a plus to achieve reliable results. The various branch managers granted all relevant permissions. Borrowing the words of Samarhan (1994, 38) which states that data collection via questionnaire can be administered through mail or by an interviewer in person or by telephone. The data for the empirical section was gathered and personally obtained by the author through questionnaires.

### 3.3 Questionnaire Design

The questionnaire was designed in such a way that it would be interesting, objective and easily understood by respondents. The questionnaire was constructed with the assistance of a contact person in the case company, as well other reliable agents. This enabled the questionnaire to gather only relevant information, and enhance its validity and reliability. The validity and correctness of the questionnaire was determined and tested, so that it would be easily understood by respondents, and correspond to the objectives of the study.

The questionnaire for this thesis was compiled according to a scaled structure, meaning that after each question there is a set of responses graded on a continuum as well as enough space for respondents to share their ideas prior to the areas concerned. The questionnaire was first written in English language and later translated to in to French language. The reason was the nature of the population and above all the bilingual nature of the country.

### 3.4 Sampling Technique

According to Adér, Mellenbergh & Hand (2008, 1), researchers rarely survey the entire population. The cost of doing so is too high, and the population is dynamic, meaning that the component of population could change over time. There are three main advantages of sampling: the cost is lower, data collection is faster, and it is possible to ensure homogeneity and to improve the accuracy and quality of the data.

The sample size of this study was determined to be 25, derived from the same geographical location although three branches. The sample size was sufficient for the study, since the response rate for on-location surveys is small, because consumers are often unwilling and uninterested in surveys of this nature. The questionnaire was administered to the various departmental heads, some assistance as well as majority of the agents present ensuring the variance and objectivity of the respondents.

According to Cochran (1977, 12), probability sampling is where every unit in the population has a probability (greater than zero) of being selected in the sample. This method, more specifically simple random sampling, was used by the author in the study, on the assumption that each consumer in the target population has a positive probability of being surveyed although the agents served that need because of the direct contacts they had with the public.

### 3.5 Analytical method

The data collected through the questionnaire was analysed and subsequently conclusions were drawn. The findings of the questionnaire are presented in the fifth section of the thesis. Analysis of the data was conducted with the help of Microsoft Excel to a limited extent because of the small amount of questionnaire answered.

### 3.6 Validity and Reliability

According to Saunders, Lewis & Thornhill (2007, 149), reliability refers to the extent to which data collection techniques or analysis procedures will yield consistent findings. Furthermore, reliable observations yield the same results on other occasions, and by other observers. It must also be apparent how the raw data was interpreted.

Reliability also refers to the quality of a measurement procedure that provides repeatability and accuracy. Unbiased and objective means that each measurement has been taken in an unbiased manner and without self-interest. (Kumar, 2005, 6)

The author of the study ensured reliable results by collecting data from various sources of theoretical knowledge as well as the implementation of the questionnaire.

According to Kumar (2005, 153), validity is the ability of an instrument to measure what it is designed to measure. Kumar also states that “validity refers to the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration”.

To ensure the validity of this study, the author has studied and examined various sources of information. Sources were used only if they offered relevant information regarding the research topic. The empirical research was based on the theoretical section of the study, further increasing validity. In addition, only generally accepted research methods were applied during this study.

### 3.7 Marketing Strategy Questionnaire Analytical Report

A marketing strategy questionnaire published on the 15.07.2009; aim at capturing the key information that is required to develop a thorough marketing strategy for Beneficial General Insurance S.A. The partition was in eight different sections, which were:

1. Background
2. The Market
3. Target Audience/Customers
4. Competition
5. Products
6. Messages
7. Sales and Buying Product
8. Pricing.

This questionnaire is considered an internal(company workers) view and an understanding of what is known, unknown, added and possible innovative ideas to be introduce in the long-run so as to dominate the market share within insurance companies in Cameroon. Twenty-five copies of these questionnaires were distributed to selected staff. Only ten copies were answered partially, while fifteen copies were left empty and no attempts made.

The details submitted did not relate professionalism but full of facts, which cannot be expressed in the form a written report. Company understanding of products and the future prospects is undefined. The results are below expectations although some of the future propositions are good and worth implementing. Majority of the questions were unanswered, as such rendering a null result.

## 4 Empirical Study

### 4.1 Beneficial General Insurance Marketing Mix Concept Description

The marketing mix is the combination of marketing activities that an organization engages in to best meet the needs of its targeted market. The insurance business focus in selling services and therefore due weight-age in the formation of marketing mix for the insurance business is needed. The marketing mix includes sub-mixes of the 7 P's of marketing, i.e. the product, its price, place, promotion, people, process and physical attraction. The above-mentioned 7 P's can be used for marketing of insurance products, in the following manner.

#### 4.1.1 Product

A product means what is produced. If companies produce goods, it means the goods are tangible product and when companies produce or generate services, it means the services are intangible service product. A product is both what a seller has to sell and a buyer has to buy. Thus, an Insurance company sells services and therefore services are company's product.

The product decisions should consider the product's advantages and how they will be leveraged. Product decisions should include:

- Brand name
- Quality
- Scope of Product line
- Warranty
- Packaging

When a person or an organization buys an insurance policy from the insurance company, he not only buys a policy, but along with it the assistance and advice of the agent, the prestige of the insurance company and the facilities of claims and compensation.

It is natural that users expect a reasonable return for their investment and the insurance companies want to maximize their profitability. Hence, while deciding the product portfolio or the product-mix, the services or the schemes should be motivational. The group insurance scheme has to be promoted, crop insurance is needs expansion and new schemes and policies for villagers or the rural population are to be included.

The Life Insurance Corporation has intensified efforts to promote urban savings, but as far as rural savings are concerned, it is not impressive. The introduction of large Rural Career Agents Scheme has been found instrumental in inducing rural prospects but the process is at an infant stage and requires excellence that is more professional. Policy makers have to activate the efforts. It would be prudent that the general and life insurance company is allowed to pursue a policy of direct investment for rural development.

Investment in government securities should be stopped and the investment should be channelled in a private sector for maximizing profits. In short, the formulation of a product-mix should be in phase of innovative product strategy. While initiating the innovative process, it is necessary to take into consideration the strategies adopted by private and foreign insurance companies.

#### 4.1.2 Pricing

In the insurance business, pricing decisions are concerned with:

- i) The premium charged against the policies,
- ii) Interest charged for defaulting in the payment of premium and credit facility, and
- iii) Commission charged for underwriting and consultancy activities.

With a view that influencing the target market or prospects the formulation of pricing strategy becomes significant. In a developing country such as Cameroon where the disposable income owned by prospects is low, the pricing decision also governs the transformation of potential policyholders into actual policyholders. The strategies may be high or low pricing, keeping in view the level or standard of customers or the policyholders.

The pricing in insurance is in the form of premium rates. The three main factors used for determining the premium rates under a life insurance plan are mortality, expense and interest while the rates for general insurance are the degree of casualties, size of the insured property, although there are some other pending factors not mentioned. The premium rates are revised if there are any significant changes in any of these factors.

**Mortality (deaths in a particular area):**

When deciding upon the pricing strategy the average rate of mortality is one of the main considerations. In a country such as South Africa, the threat to life is very important where the body is the main host of diseases.

**Expenses:**

The cost of processing, commission to agents, reinsurance companies as well as registration are all incorporated into the cost of instalments and premium sum and forms the integral part of the pricing strategy.

**Interest:**

The rate of interest is one of the major factors determining people's willingness to invest in insurance. People would not be willing to invest their funds in insurance business if the interest rate provided by the banks or other financial instruments is greater than the perceived returns from insurance premiums.

**Degree of Casualties:**

In case of an accident, insured car has to benefit from repairs if the client has taken the guarantee, which is charged on the insurance company. The payment can either be on a basis



of the type of insurance policy contract the individual in question has with the company. It could also apply with buildings and other assets, which have been insured.

#### 4.1.3 Place

This component of the marketing mix is related to two important facts -

- i) Managing the insurance personnel, and
- ii) Locating a branch.

The management of agents and insurance personnel is significant with the viewpoint of maintaining the norms for offering the services that is also to process the services to the end user in such a way that a slit between the services promised and services offered is bridged. In a majority of service-generating organizations, such a space is found existent, which has been instrumental in making worse the image problem.

The transformation of potential policyholders to actual policyholders is a difficult task that depends upon the professional excellence of the personnel. The agents and the rural career agents acting as a link, lack professionalism. The front-line staff and the branch managers also are incapable to assign due weight-age to the subordinate which is a normal process. The insurance personnel if not managed properly will make all efforts insensitive. Even if policy makers make a provision for the quality improvement, the promised services barely arrive at the end users.

It is also essential that the company agents have rural orientation and are well aware of the lifestyles of the prospects or users. They are required to be given adequate incentives to show their excellence. While recruiting agents, the branch managers need to prefer local persons and provide them training and conduct seminars. In addition to the agents, front-line staff also needs an intensive training programme to focus mainly on behavioural management.

Another important dimension to the place mix is related to the location of the insurance branches. While locating branches, the branch manager needs to consider a number of factors, such as smooth accessibility of workers or agents, availability of infrastructural facilities and the management of branch offices and premises. In addition, it is also significant to provide safety measures and factors such as office furnishing, civic amenities and facilities, parking facilities and interior office decoration should be given proper attention.

Thus, the place management of insurance branch offices needs a new vision, distinct approach and an innovative style. This is essential to make the work place conducive, attractive and proactive for the generation of efficiency among employees. The branch managers need professional excellence to make place decisions productive

Decision variables include:

- Distribution channels, such as direct, retail, distributors and intermediates
- Motivating the channel - for example, distributor margins
- Criteria for evaluating distributors
- Locations
- Logistics, including transportation, warehousing, and order fulfilment

#### 4.1.4 Promotion

Insurance services depend on effective promotional measures. In a country such as Cameroon, 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.

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

Here is a summary of what promotion entails:

Advertising, including how much and which media, public relations, promotion programs, budget; determine break-even point for any additional spending and projected results of the promotional programs.

#### 4.1.5 People

Understanding the customer better allows designing of appropriate products. Being a service industry, which involves a high level of people interaction, it is very important to use customer communication programmes efficiently in order to satisfy customers. Training, development and strong relationships with intermediaries are the key areas to be kept under consideration. Training the employees, use of information technology for efficiency, both at the staff and agent level, is one of the important areas to emphasis on.

#### 4.1.6 Process

The process should be customer friendly in the insurance industry. The speed and accuracy of payment is of great importance. The processing method should be easy and convenient to customers. Instalment schemes should be modernized and made available for the growing demands of customers. Information Technology (IT) Data Warehousing will facilitate the process flow.

IT will help in servicing a large number of customers efficiently and reduce overhead workers. Technology can either complement or supplement the channels of distribution cost effectively. It can also help to improve customer service levels. The use of data warehousing management and withdrawal will help to realize the profitability and potential of various customer product segments.

#### 4.1.7 Physical distribution

Distribution is a key determinant of success for all insurance companies. Nowadays, the nationalized insurers have a large reach and presence in Cameroon. Building a distribution network is very expensive and time consuming. If the insurers are willing to take advantage of Cameroon's growing population and reach a profitable group of customers, then new distribution opportunity and alliances will be necessary.

Originally, insurance was considered as a complex product with a high advice and service component. Buyers prefer a face-to-face interaction and they place a high premium on brand names and reliability. As awareness increases, the product becomes simpler and offering become off-the-shelf commodity products. Now, various intermediaries, not necessarily insurance companies, are selling insurance. For example, in the United Kingdom (UK), retailers such as Marks and Spencer sell insurance products.

Financial services industries have successfully used remote distribution channels such as telephone or internet to reach more customers, avoid intermediaries, reduce overheads and increase profitability. A good example is UK insurer Direct Line. It relied on telephone sales and low pricing. At present, it is one of the largest motor insurance operators

Technology will not replace a distribution network though it will offer advantages for example, better customer service. Finance companies and banks can emerge as an attractive distribution channel for insurance in Cameroon. In the Netherlands, financial service organisations provide an entire range of products including bank accounts, motor, home and life insurance and pensions. In France, half of life insurance sales are made through banks.

In Cameroon also, banks hope to maximize expensive existing networks by selling a range of products. It is anticipated that rather than formal ownership arrangements, a loose network of alliance between insurers and banks will emerge, popularly known as bank assurance.

Another innovative distribution channel that could be used is non-financial organizations. For example, insurance for consumer items like refrigerators and television can be offered at the point of sale. This increases the likelihood of insurance sales. Alliances with manufacturers or retailers of consumer goods will be possible and insurance can be one of the various incentives offered.

Figure 4: Company departmental division.



Most often, not all insurance companies are sub-divided in-to departments. Although some acquire the as shown in figure 4 above, the functions are still unlikely. In an attempt to understand the problems of insurance companies, there is a need to derive an insurance man-

agement solution. Each structure forms a part of the management team and the internal results lead to the creation of a future marketing strategy using the SWOT (Strength, Weaknesses, Opportunities and Threats) Analysis. Understanding the potentials of the company in an attempt to gain more insides of the market which will result to an advance in the market enabling several companies to emerge at the peak.

## 4.2 Consumer Behaviour

But increasingly people are buying insurance products from independent producers and institutional channels such as banks, broker-dealers, and warehouses. In a way, this is good news for insurance companies. The consumer is evolving and so are the needs. The way consumers judge insurance products nowadays are completely different from the way they did few years ago. Since the 1980s, insurance in many markets has increasingly become a wealth-management product. Consumers are seeking variety and customizability in their investment portfolios.

The demographics are also in favour of insurance companies. The average lifespan is increasing and so are standards of living. This is creating demand for products that not only offer protection but also double up as investments. Insurance companies have an opportunity to bring innovation into their product mix as could be seen from the market mix explained in earlier sections of this writing. They can gain a competitive advantage by quickly launching innovative products that are aligned with evolving consumer needs. To do this, insurance companies must be able to understand consumer needs better and have agile systems that enable them launch products quickly.






To capitalize on these opportunities, however, insurance companies must go nearer to the customer by expanding their distribution network. They have to incorporate new and alternative channels, support the sales forces with effective sales tools and position themselves as preferred partners with their channels.

In most markets, except Asia, insurance carriers generate more than 80% of their business through alternative distribution channels such as bank assurance, broker-dealers and warehouses. The key challenge for insurers is to attract and retain these distribution channels by:

1. Making it easy for channels to do business with them
2. Providing good and quick underwriting support
3. Delivering differentiated service to top performers
4. Providing proactive service
5. Launching incentive plans and contests

#### 6. Managing commissions in a more efficient manner.

In a marketplace where products are increasingly becoming commoditized, the big differentiator that insurers can offer their channels is ease of doing business. Insurance companies can position themselves as preferred providers by delivering on key areas such as:

-  New business and underwriting support
-  Marketing and sales support
-  Underwriting speed
-  Client services
-  Commission rate

It is important to understand the consumer's perception about insurance products. Although complicated but the idea is, consumers think insurance is a very complex product and complexity is one explanation why different distribution systems co-exist.

#### 4.3 The SWOT Analysis introduce at Beneficial General Insurance

The SWOT analysis considered in a business environment can be performed by organizing the environmental factors as internal and external, in an attempt to build a strong and profitable modern and future marketing strategy. The division is as follows:

- The internal attributes of a firm can be classified as strengths and weaknesses
- The external environment presents opportunities and threats.

Screening of the internal and external environment is an important part of the strategic planning process. Such environmental analysis as mentioned earlier is referred to as the SWOT Analysis.

The SWOT analysis provides information that is, instructions in matching an organisation resources and capabilities to the competitive environment in which it operates. As such, it is instrumental in strategy formulation and selection. The figure that follows portrays how the SWOT analysis is used in a company's environmental strategy formulation

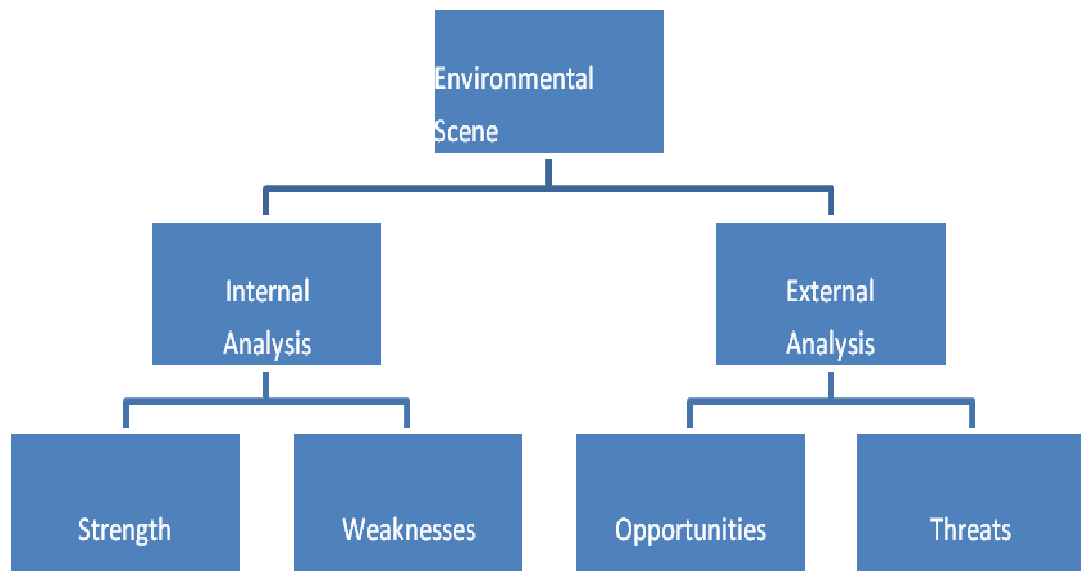


Figure 5: SWOT Analysis Frame work.

The various components outlines will be discussed in brief starting with the strengths in respect to insurance organisations.

#### 4.3.1 Strengths

Organisations strength is its resources and capabilities that can be used as a basis for developing a competitive advantage. There are various components that form the strength of any organisation and some of these characteristics include:

- Strong brand names
- Patent rights
- Favourable access to distributive networks
- Good reputation amongst most customers
- Proprietary know-how and cost advantages
- Exclusive access to high-grade natural resources
- Payments of certain damages on time
- Agents at the service of customers

All the above mentioned are meant to guide an organisation to know what is required to keep a growing organisation on the path of progress.

#### 4.3.2 Weaknesses

The absence of certain strengths may be viewed as a weakness in an organisation. For example, each of the following may be considered a weakness to an organisation.

- A weak brand name

- A poor reputation among certain customers (Derived from customers failures to understand the contracts being signed in the past).
- Lack of patent protection rights on some products
- Poor selling techniques
- Absence of a typical Beneficial General product (those offered by competitors such as CHANAS, SAAR etc).
- Lack of educative seminars, conferences for both customers and employees (Agents).
- No time respect on meeting sessions
- The absence of Memo, agenda and orderly presentation of weekly meeting sessions.
- No marketing research team to study and find lasting solutions to the competitive market.
- Double workload on the Agents reduces the productivity level and affects time.
- Little or no knowledge of what marketing is all about.
- High cost structure
- Lack of access to the best natural resources
- Lack of access to key distribution channels.

In some cases, a weakness may be a toss side of the strength, considering the case in which an organisation has a large amount of manufacturing capacity. Meanwhile this capacity may be considered a strength that competitors do not share and it may be considered a weakness if the large investment in manufacturing capacity prevents the organisation from reacting quickly to changes in the strategic environment. Often, situations like the above mentioned are practical example seen in some insurance organisations.

#### 4.3.3 Opportunities

This part of the external environmental analysis may reveal certain new opportunities for profit and growth although there might be some other related aspects. Some examples of such opportunities include:

- The arrival of some new and modern technologies such as internet web pages
- Flexibility in a company's rules and regulations(Proper division of labour)
- Removal of internal and international barriers by communicating with employees so as to know what is missing and what is good in order to adapt better strategies.
- An unfulfilled customer need can be attained via the introduction of a research team including degree students on internship. The students will serve as the most excellent research team and new ideas will always be a daily input to the company.
- The introduction of new and modern marketing techniques compared to the standard offered by developed countries and fast growing economy in the world.



#### 4.3.4 Threats

In Beneficial General Insurance, changes in the external environment may present a threat to the organisation. Threats in this approach is not defined as the casual thinking of the entire public, but rather the maximum challenges which may hinder the growth of the company both in the present and in the future. Some examples of such threats include:

- Shifts in consumer taste away from the company's product
- The creational emergence of substituted products
- The need for a new company regulation
- Increased trade barriers.

Beneficial General Insurance should not necessarily pursue the more lucrative opportunities. Rather, it may have a better likelihood at developing a competitive advantage by identifying a fit between the company's strengths and up-coming opportunities. In some cases, the organisation can overcome a weakness in order to prepare itself to pursue a compelling opportunity.

#### 4.4 An Alternative Analytical Model

Developing marketing strategies using the SWOT analysis profile, a matrix of these factors can be constructed. The SWOT matrix (also known as the **TOWS Matrix**), is shown below.

S-O strategies	W-O Strategies
S-T Strategies	W-T Strategies

Table 2: SWOT/ TOWS Matrix.

The above table is a matrix, which is intended to understand the various mixes that are analyzed in an attempt to create a new marketing strategy for Beneficial General Insurance S.A. It should be made clear that this is a guide towards the development of a new marketing strategy and not the model developed already. The full explanation of the matrix reads thus:

##### 4.4.1 S-O strategies

This implies the opportunities that are a good directives to the company's strength. This would portray the status of Beneficial General insurance compared to other companies and better plans to keep the company at the peak position so as to make an exceptional differ-

ence towards other insurance companies. It could also be multiple investments or the creation of an advanced resolution board of potential consultants to improve on the real field research work.

#### 4.4.2 W-O strategies

The W-O strategies indicates and explains the method used to overcome weaknesses to pursue opportunities which will serve as a back-up for the future objective.

#### 4.4.3 S-T strategies

These identifies various ways that the company can use its strengths to reduce its vulnerability to external threats such as with fast expanding insurance companies examples includes; Activa, SAAR etc.

#### 4.4.4 W-T strategies

The W-T strategy is mainly to establish a defensive plan to prevent the organizations weaknesses from making it highly susceptible to external threats.

## 5 Conclusions

### 5.1 Research Findings

Wherever there is uncertainty there is risk. There are no control over uncertainties which involves financial losses. The risks may be certain events like death, pension, retirement or uncertain events like theft, fire, accident, etc.

Beneficial General being a new company, production has never been an easy task. There are no prospective clients available before the production of a product as a result; new contacts do not easily agree on the feedback information approach, moreover, they do not fully trust in the expertise of the company that renders issues more complex and difficult. The first year therefore was an immense challenge.

On the other hand, Beneficial General Insurance requires a document use for the company creation, which is known as the general terms. The products attributed to non-life insurance are shortlisted below:

Damages	Risk Involve
All Risk	All Risk/ Erection All Risk/Machinery breakage.
Transport	Land Cargo, Air Cargo, Maritime Cargo.
Multicover	Home multicover, Fire, Professional Multicover
Theft:	Car Theft, Bank theft
Health	Health Insurance, Personal accidents
Motor.	Damages and Partial Theft
Liability	Professional Liability, Employers liability

Table 3: Insurance products list.

Despite their increasingly growing numbers, the insurance industry in Africa is still quite underdeveloped and plagued with bottlenecks compared with the rest of the world. Cameroon for instance has approximately seventeen officially recognised insurance companies, with most of them specialised under two main sectors to wit: Life Insurance and General Insurance. Nevertheless, like the rest of Sub-Saharan Africa, the operations of these companies leave much to be undesired. Some observers have pointed out that there is a general reluctance and unwillingness in many cases to honour policy contracts when insured losses occur. (for instance, Kamara, 2008)

(Suggested referencing: Kortor Kamara, “Insurance Marketing: Creating a Successful Marketing Strategy for the Insurance Industry in Sierra Leone” Available online:

< <http://www.masalawoods.ru/wp/article/insurance-marketing-creating-a-successful-marketing-strategy-for-the-insurance-industry-in-sierra-leone>>)

Even with a rightful claim, most of these companies still strive to “re-access” or re-interpret the insurance contract, all in an effort to reduce or even deny claim payments. (Kamara, 2008). These malpractices are prevalent because of a number of factors, prominent amongst which are: the red tape nature of these countries, weak and corrupt judicial systems, illiteracy, etc. The manipulations exercised by these companies have regrettably contributed to the low dissemination of quality insurance marketing services across the continent, Cameroon being no exception.

## 5.2 Interview Feedback

Considering the professional field of studies and general insurance specifically, there is little or no idea on the part of certain staff as regards company's expectation from them. It is evident from the questionnaire, which acts as clear evidence that education, and training is necessary in an attempt to improve the working conditions and reward. Many still do not understand how to sell company products in the market, not because they do not know the products, but because they have narrow understanding of the various products and the company starting from the background of the company, the market, target audience or clients, insurance market competition, messages to be channelled to clients and the public in general, sales and buying of products and pricing. The question of company staff competence is then introduced, thereby leading to the organisational credibility and potentiality in the long run. It is not possible for any insurance company in this era to regain trust from clients whose questions are not answered and much doubt on organisational offerings.

In an attempt to answer questions asked by many who know little or nothing about general insurance while using Beneficial General as a typical case example, below is a brief resume of a face-to-face interview with one of the staff, whose identity is not disclosed. Interviewing time lasted for about 3 hours after working time in the evening at a discrete location, to avoid any form of disturbance and the free will to be relaxed and express what exactly is the scene of the company with about ten years of company experience. Good insurance involve humans and various risk that includes socio-economic problems, religion, little attributes to politics and history.

In Cameroon, the differentiation between Life and General Insurance is typical with the case company, which operates businesses in both sectors, as explained by the interviewed staff. A further description leads to the definition of the two sectors of insurance as perceived by majority of the population within the economic city(Douala). According to the natives, Life Insurance is considered to be a door-to-door selling and life Insurance is purely the service in its marketing strategy. Moreover, life insurance makes use of persuasion that implies the sales-person must have a strong point of being very convincing. While General insurance identifies goods that are and must be present meaning, properties or assets management.

It is understood that the objective towards the creation of Beneficial General Insurance is the need to fortify the company's portfolio attached to Beneficial Life insurance and to offer more credibility to the market segment. The paragraphs below summarises statements from the interview, with some direct quotes from the interviewee inform of a historical resume to present day reality.

What is your understanding about the African insurance market today?

The logic behind African Insurance fragile nature originates from the independence period where by the colonial masters instead of offering an economy, the colonies were given illusions. "The economy is not out of the human life but rather within the human life which is not handed down by the colonial masters and which implies money has no value if human life is not conserved."

For example, humans are similar to a machine that produces goods. Unlike machines that require servicing humans need measures to keep them working in times of breakdown. Spare parts and that form part of life insurance. Life insurance is also known as financial or economy security. It is also worth noting how "people work to earn money and not money working to earn people". There are natural phenomena that are introduced which include illness, accidents, and theft which will obstruct the economy growth. However, with the presence or introduction of general insurance policies, the economy is offered a guaranteed future without much risk.

What is the general conception about insurance in Cameroon today?

Many individuals in Cameroon still have a poor conception about the insurance industry because claims are not being paid on time and in some cases there are no payments. Insurance proprietors rather use the money to enrich and satisfy their personal desire with the belief of more free benefits still in the making. In countries such as the USA, life Insurance is obligatory while in Cameroon, general insurance (for example car insurance or business insurance) is mandatory for the users and owners. It is important to appreciate the importance of both general insurance and life Insurance.

Thinking of the best interest of the company you work for, how will you appreciate a modern and future marketing strategy that will yield growth to Beneficial General insurance?

The modern and future marketing strategy that will yield growth in Beneficial General Insurance has to begin from the management of the company. As a Christian(the staff being interviewed) and a person who believes in hard work which is intended to educate future leaders and also identify qualified leaders in business fields which require investment in all levels for any company growth, it is important to have well qualified workers. If granted the powers to change situations in the marketing department of the company, the following are the most stressful issues that need change.

1. Limited investments on luxury cars and reduce cost on outstations by senior staff.

2. Eliminate luxurious celebrations when there is no major benefit or excellent results.
3. Introduce insurance training programmes such as :
  - a. The need to multiply the law of great numbers, which is attain from the field force. This implies that money is on the field and not in offices. It therefore means money should be invested on the field (meeting clients and building a trust worthy relationship while selling company products and services) rather than the offices.
  - b. Let the field force be self-motivated (money invested to win over clients should generate profits).
  - c. Educating managers the on need to resolve petit staff disputes. The growth of a company is limited when staff members seek for positions rather than input.
4. More should be invested in professionalism.

### 5.3 Suggestions or Proposals

There are insurance marketing strategies that can take any insurance company from mediocre to succeed when utilized correctly. Those selling insurance will wish to begin their careers with the best tools of the trade and those with already established businesses that are in need of a motivational push will gain benefits by researching and learning new insurance marketing information.

The key insurance marketing strategies will always include an in-depth review of the value of follow-up. All successful sales agents understand consumers need to be contacted repeatedly in order to build a vital connection. In addition, serious follow-up protocol enables the potential customer know that good, efficient customer service will be part of the over-all product package. Follow-ups inform a consumer their importance and that their business would be greatly appreciated. The consumers nowadays not only wants a product at a good price, but also want a personal relationship, especially when dealing financial system sales, such as various insurance. Letters and telephone calls are reminders that the salesperson intends to serve honestly. Once a sale is secured, a thank you telephone call is strongly advised.

Those in this industry will also want to keep constant contact with existing customers, as well. The competition is fierce today, and no one wants to lose a customer to the next person

or service that comes along. Clients that have had no contact for a period lose loyalty. Keep birthday and anniversary postcards going into the home on a regular basis. Keeping a name before a consumer will keep a name in their conscience. A small gift or token of appreciation is also a means for keeping customers loyal. Christmas goody packages or dinner out certificates will leave lasting impressions on consistent customers.

Consumers today value information. We live in the information age, and the savvy, faithful customer is one that has knowledge about the products and services offered. The next most valuable insurance marketing tips include the salesperson being the source of financial information for the client. Newsletters, email updates, and notifications will keep customers informed about issues surrounding insurance and other financial programs. There are creative ways to approach these insurance marketing strategies. Newsletters could include contests, special interest areas for kids, safety concerns, and economic updates. There could even be an area for customer spotlights, or encouraging testimonies of how the customers were helped through the office. Of course, all new products and services should be showcased in any informative hard copy or e-mail communication.

Community marketing is another great way to get advertising and name recognition. Successful networkers join local community agencies, such as the local Chamber of Commerce, and sign up to help in activities. This is a great way to get name and photographs listed in newspaper articles and other media avenues. In addition, charity work cannot only be greatly beneficial to the community and those served, but may also open doors to communicating with other volunteers, who could be potential clients. People enjoy using services extended by like-minded providers. Creating a sense of community is extremely important to insurance marketing strategies.

There are other insurance marketing tips and resources available and insurance agents may find investigating several options to be beneficial. Many marketing support companies offer email or publication updates, sharing information and techniques that are proven to bring in success. Agents may want to browse the Internet and find a few different insurance marketing tips programs to choose from. Not only will these resources help keep salespersons abreast of the latest strategies, but these support programs can also create a sense of community and an opportunity for agents to share their own struggles and challenges with others in the field.

Perhaps the most important insurance marketing tips are tips that speak of integrity and honest business dealings. There are so many frauds in various industries today; consumers are looking for products and services that they can trust. It is of utmost importance that Christian insurance agents conduct their businesses as unto the Lord, himself. God's Word is extremely

clear about how He feels when there is misconduct in business transactions. "Lying lips are an abomination to the Lord: but they that deal truly are his delight." (Proverbs 12:22) Building trust will be crucial to keeping a business growing in a stable direction.

In an attempt to know the market and understand consumer problems, more attention should be granted to the agents during and after meeting sessions. Strict company policies should be put in place such as sanctions on failure to respect time, the introduction of memo's and agenda to enable a better coordination of meetings and avoid repetition in on problems and solutions during meetings.

Moreover, motivation is an aspect, which keeps employees effective and efficient in any company. The introduction of contracts to productive agents' base on a stipulated minimum monthly income will improve the agents input to the firm. It is very important to have agent's controllers who will direct and compile reports to be analysed by the chief controller of the marketing department which will enhance smooth follow up as such lessen the burden and load of the marketing head who is presently over loaded with too many things to do but no time. Various departments should improve on services rendered to clients, which is to avoid current and future complaints received from clients who are tired of waiting for long hours before being served.

In addition, a company's web page will enable the company to be known worldwide and not just on a local level. On as many western insurance companies, the internet through web pages, enhance organisations better sell the different products and to improve the visibility of the institution worldwide. This will improve the credibility and enable potential clients (Such as students abroad) seeking to obtain home insurance to benefit without stressful processes.

#### 5.4 Summary

After the occurrence of the world recession, many companies experience losses while individuals left unemployed in an attempt for some of these firms to balance the company's financial situation. Unemployed persons also feel this downturn while others could not pay their monthly bills. A good example is the situation in the USA with major companies such as airlines, automobile industries, and major financial institutions. All of these institutions need the assistance of insurance and reinsurance organisations, understood to be responsible for any unforeseen risk.

The different sections above identify the various marketing strategies that can change the case insurance company (Beneficial General Insurance S.A) although the company is still at its



early stage of development although a part of Beneficial Life insurance. The four P's comprises of different tools if implemented properly will boost sales and increase profit margin in the market while the SWOT analysis serves as an internal study of the company in an attempt to understand competitors as well as knowing what is best and needed in the market.

Various organization that does not follow the trend of modern marketing strategy and avoiding to introduce innovation for a better future strategy, always have a short life span. This research is considered relevant, because the objective was to understand the modern and future marketing strategy which will enable Beneficial General Insurance to improve and become the future market leader in general insurance. The modern market is challenging and requires innovative ideas, which will create an understanding and solutions to the constant change in consumer behaviour and the emerging scenario.

Convincingly, it is interesting to note that major company growth begins from within and not from without. A supportive team makes a good working environment. The future of Beneficial General Insurance is promising if new ideas are welcome and common initiatives assist in growth rather than failure. Considering all the explanation mentioned in the various sections above, Beneficial General Insurances' growth is certain because innovation have changed long-existing firms. This strategy can be implemented by different organisations desiring growth and should be analysed depending on the type of company in question. Growths are a gradual process and only determine persons achieve what they truly strive for and become successful.

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## Appendix I

## Insurance Facts and Analysis of Cameroon.

Ten Economic Freedoms of *Cameroon*

37.2	<a href="#">Business Freedom</a>	Avg 64.6	35.0	<a href="#">Investment Freedom</a>	Avg 49.0
59.7	<a href="#">Trade Freedom</a>	Avg. 74.2	50.0	<a href="#">Financial Freedom</a>	Avg 48.5
71.8	<a href="#">Fiscal Freedom</a>	Avg. 75.4	30.0	<a href="#">Property Rights</a>	Avg 43.8
92.7	<a href="#">Government Spending</a>	Avg. 65.0	23.0	<a href="#">Fdm. from Corruption</a>	Avg 40.5
71.9	<a href="#">Monetary Freedom</a>	Avg. 70.6	52.2	<a href="#">Labor Freedom</a>	Avg 62.1

Source: <http://www.heritage.org/Index/Country/Cameroon>