Measuring Influential Factors for Successful Marketing of Life Insurance  
(Case Study: Mashhad Branches, Iran)  

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ABSTRACT  
In this survey we have identified the influential factors on life insurance supply in order to identify the affecting factors for success of Mashhad Insurers (as an influential example). Also the emphasis is on the experiences of other countries. So to achieve this goal, at the first step we examine the theoretical fundamental of life insurance, the marketing concept (in general) and the sale of insurance services (in particular), and at the next step we considered to examine some of the insurance companies performance indexes, such as ALBORZ, IRAN and ASIA insurance companies to demonstrate the success of the insurers during the period 2001 to 2004. This study confirmed the success of IRAN, ASIA and to some extent ALBORZ insurance companies, especially from 2002 to end of 2004, and make us to identify success factors by interview and questionnaire tools. The results included three main factors: Individual characteristics of insurers (Va), knowledge (Vb) and retail skills (Vc), and introduced the study of consumer behavior. So at the end of this paper, we presented a three-stage applied model in order to sailing insurance services regarding the experiences of other countries and the results of survey analysis (with an emphasis on life insurance), so that any insurance company in any state can use this model in order to localization of these factors to increase sales of insurance services.  

KEYWORDS: Life insurance, marketing, consumer’s behavior, insurance vendors, the three-stage model of life insurance marketing.  

JEL Classification: E32, R11, L52  

INTRODUCTION  
Since the beginning of human life, security is noted in various aspects of economic, cultural, social, political and military. But today this problem is almost gone with the advent of insurance industry, so today types of insurance services have great importance for the security of the human from different perspectives. Insurance industry in different countries can be completely removed people’s worry about the loss of life (death, injury, disability, etc.) and financial risks (floods, earthquakes, hurricanes, etc.) by offering insurance services especially life insurance. If this is true then insurers will success to attract customers (consumers of insurance services or purchasers of policies) by using different methods of marketing. Indeed they can convince insurers that purchasing of policies (e.g. life policy) can be the best way to create security. This is a main factor for some insurers that distinguish them from others. Therefore this is the main aims of the paper that forms the main object of researcher. And finally makes the applied model to sale of these insurance valuable services.  

Therefore according to the small percentage of life insurance sales compared with the non-life insurance and unwilling trend in society, performing this research on a scientific and practical model of life insurance marketing has an important role in life insurance marketing due to the successful operation of the insurers.  

LITERATURE REVIEW  
Life Insurance in its modern form has emerged after marine and fire insurances; however it has a very ancient root. Two centuries before Christ, Ulpein, the Romans legal counsel, set mortality tables and rules for devotion that the large part of them was used in legal procedures of Europe in the nineteenth century. (Kardgar, 1997)  
The first life insurance policy related to the “William Gibbons” at the time of Elizabeth I queen (1583 AD) at the rate of 8%. In the sixteenth century slaves have trade value and when they had been shipped from the port to another port, immediately they were insured as goods. This process was escalated for the formation of the modern scientific view of the life insurance after Lorenzo Tonti (Italian Banker) plan and scientifically with the innovative scientists such as Bernoulli, Deparsue and Euler that called “Actoriale Science” (the combination of probability science and financial calculations), and then life insurance was based on a firm scientific basis rather than Tonti win-lose bet form. The expertise called this technique: “Actoer”. The first insurance company

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established in England in 1762, and the first scientific research about this matter published in 1812, and then there are a lot of enterprise and corporation advent in the European and American countries. The life insurance in Iran began by a foreign insurance company agency named Victoria in 1314. The first life policy was medley that issued by this company. Since then, another insurance companies began issuing life policy in Iran, such; as ARYA, NATIONAL, ASIA, ALBORZ, OMID, BUILDING & WORK, HAFEZ, TEHRAN, KNOWLEDGEABLE & CAPABLE insurance companies (from 1935 to 1974). Generally life insurance contracts have been divided into four general categories as follows:

A) Time life insurance (death or the condition of simple death time)
B) Full life insurance
C) Saving insurances
D) Pensions

The above classification is a generic classification, so we can express a comprehensive classification from Mohammad Johariyan’s book, “life insurance”. It is presented in figure 1(Joharyan, 1994).

Daria Nesterova has investigated the determinants of the demand for life insurance. He believed that Life insurance market of transition economies had experienced a rapid growth during the last decade. He tries to investigate the impact of the determinants of life insurance demand in Ukraine and several other countries of the region, both CEE and CIS. By using Panel data approach for 14 countries over the period 1996-2006, he found that countries with higher life expectancy at birth, income level, old dependency ratio and countries-members of the European Union have higher levels of life insurance consumption, while financial development indicator, inflation and real interest rate reduce the demand for life insurance across countries. (Daria Nesterova, 2008)

Dorothea Diers studied measuring market-consistent embedded value in non-life insurance. He calculated the market-consistent embedded value (MCEV) based on empirical data and set up an economic balance sheet. After explaining MCEV, the authors derive differences between life and non-life insurance and develop a MCEV model for non-life business. His analysis provided new and relevant information to the stakeholders of an insurance company. He reveals significant valuation difference between MCEV and other factors and argues that
there is a need for a consistent MCEV approach at the insurance-group level. The paper presents a technique for non-life insurance that is easy to use, simple to interpret, and directly comparable to life (Dorothea Diers, 2012).

Ho Taek Yi has surveyed determinants of telemarker misselling in life insurance services. They try to present and test a model regarding important factors that may help reduce unethical behavior (i.e., misselling) of salespeople in the financial services industry. To test the hypotheses, telemarketers from the life insurance industry in South Korea were surveyed. The results indicate that: ethics training is positively related to salesperson ethical attitude; ethical climate is positively related to salesperson ethical attitude; selling pressure is unrelated to ethical attitude; competitive intensity is positively related to salesperson ethical attitude; competitive intensity is unrelated to misselling; and misselling is inversely related to salesperson ethical attitude, positively associated with product complexity, and positively related to product variety. The potential for financial services industry salespeople to behave unethically, however, can be reduced through training and development (Ho Taek Yi, et al., 2012).

His research help to bring into focus the strong challenges by both the upcoming regulatory Solvency II and the impact of modernization on the life insurance industry. His Findings showed that some participants have started to consider the run-off option for selected carriers; he found that this option may represent an appropriate consequence not only for foreign insurers ceasing their business in Germany but also for domestic insurance groups. His research help to bring into focus the strong challenges by both the upcoming regulatory Solvency II and the impact of modernization on the life insurance industry. His Findings showed that some participants have started to consider the run-off option for selected carriers; he found that this option may represent an appropriate consequence not only for foreign insurers ceasing their business in Germany but also for domestic insurance groups.

In this regard, it is important to note that marketing is a process. Actually consists of several stages, which associated with together and interact with each other as members of a system. Another point in the above definition is that marketing being bound for individuals and organizations. Similarly, in this definition, the quality and quantity determination of transactions is the basis of marketing activities, which lead to marketing. Therefore, marketing efforts must show its result in change of quality and quantity in trade. Another issue lies in the definition is that marketing activities focus on identifying and meeting the needs of our customers. This is a concept that forms the core of marketing efforts. Finally note that any person or organization will follow specific target through marketing efforts. Sometimes more sales for profit and positive mentality of consumers can be specific behavioral in terms of audiences or any interaction between them. But it is important that the marketing process should pass through as a scientific process to achieve the goal. The following steps describe the process of marketing:

1. **The first step:** development of marketing objectives. This step is to determine the goals that the organization wishes to achieve and the target market it wishes to serve.
2. **The second step:** market segmentation and selecting target markets. This step involves dividing the market into segments and selecting the target market.
3. **The third step:** determining the composition of the marketing mix. This step involves developing strategies for product, price, promotion, and place.
4. **The fourth step:** management of marketing efforts. This step involves monitoring and controlling the marketing mix.

Additionally, the paper presents a technique for non-life insurance that is easy to use, simple to interpret, and directly comparable to life (Dorothea Diers, 2012).
2) Collecting marketing information from outside the company including; information contained in newspapers, magazines, statistical reports and other sources of information outside the organization.

3) Marketing research: major issues that marketing research is carried out to meet them is the problems associated with the company’s customer or consumer behavior. The theoretical background is needed for a proper understanding of the necessary factors influencing on consumers’ behavior (insurers in this study) that marketing research or sales and distribution networks are the other reasons for the following two steps of target markets and market segmentation. Customer’s behavioral factors can be classified based on their buying. The discussion of market segmentation discussed to achieve optimal choice of target markets. But markets should be having the following characteristic (Shamir & Dacin, 1998) it means that we can determine the size of various sectors of the market.

2. They can be available, i.e. we can do a lot of activity in the market and they influence on them.

3. They can be remarkable, i.e. there is enough demand. However, the choice of target markets should be based on criteria such as, demand size and market future growth, the attractiveness of the market, the ability to compete in the market, the competition in the market, and the potential for increasing market share.

The third step is the determination of marketing mix elements. These elements are the same across the world. They are consist of:

1) Product
2) Price (cash or installment)
3) Place of distribution or distribution networks (branches or insurance companies)
4) Promotion or elements of communication (advertising, salesmanship, public relations and sales promotions) that have a major impact on consumers’ minds (insured). (Rostami, 2002)

These are common tools which are used in both goods and services marketing (including insurance and non services). Sale item is as an element of marketing communication and also it is a part of the third step. However, the general impression in public is that most insurers consider marketing as synonymous with vendors. But "vendor of insurance services is a person who has a good relationship with other persons and organizations and always tries to convince them for purchasing insurance services." In other words, "the vendor of insurance services try to transfer idea of buying insurance services to some one else". So he must be considered the four steps of marketing to achieve his goals. According to the above definition, we can say: “Salesmanship is the art of convincing others.” The seller is someone that tries to convince others accepting an idea or a product.

The fourth step, is managing the marketing effort. In the fourth step, programs and strategies are highlighted for the company's marketing activities. Determinations of competitive strategies and the long and short term programs in this step are the most important activities. Because without an appropriate competitive strategy, can not survive in a competitive market for a long time. There is also only one strategy does not guarantee success of institution or insurance company. It's required that a good long term program set for implementing this strategy. This is in order to determine the type of marketing activity, i.e. when and how to advertise? How do we sell? How to determine the price? What sales channels to use?

Researching about the experience of some Asian countries and Iran's recent performance in life insurance sales:

Japan along with other countries mentioned in table (1), comprise more than 55 percent of the world population. This country possesses 23% of the world's real GDP (in 1997) and 57% of real GDP in Asia and also in trading life and non-life insurance 83 and 74 percent in Asia, respectively. Also in 1997, these 12 countries indicate 29 percent of the world's premiums totally. The life and non-life insurance indicate 15 and 38 percent of the world's premiums, respectively.

The four Asian tigers (Hong Kong, South Korea, Taiwan and Singapore) constitute about 16 percent of the total non-life premiums and 13 percent of life premiums in Asia. However, South Korea ranked first among these four countries and has second ranking in Asia and its share in life and non-life insurance market is 9 and 10 percent, respectively. China and India have not had any share in Asia's insurance market as the most populous countries.

Overall premiums of these countries even lower than the Swiss insurance premiums. However, India has recently taken serious steps to a great extent and offset this income gap. Emerging economies of South East Asia (Malaysia, Indonesia, Thailand and the Philippines, and Vietnam) are allocated lower percentage of total premium revenue in Asia (4 percent non-life insurance and 1 percent life insurance). These influences and contributions of premium in Asian countries in 1997. According to the table, it is observed that the Japanese insurance market has been in the first place, but China, India and Vietnam are passing their primary period. Of course India has good performance by the gradual privatization of the insurance industry. (Central Insurance of Iran Publications, Tehran, 2002.)
Table 1. Life and non-life insurance in selected Asian countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Influence of insurance (income, percent)</th>
<th>Gross direct premiums (million dollars U.S.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>0.64 0.82</td>
<td>5872 7557</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>1.12 2.43</td>
<td>1945 4202</td>
</tr>
<tr>
<td>India</td>
<td>0.56 8.39</td>
<td>2.74 5161</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0.65 0.58</td>
<td>1384 1348</td>
</tr>
<tr>
<td>Japan</td>
<td>2.45 9.42</td>
<td>101277 389350</td>
</tr>
<tr>
<td>Malaysia</td>
<td>2.19 2.18</td>
<td>2162 2.46</td>
</tr>
<tr>
<td>Philippines</td>
<td>0.8 0.71</td>
<td>670 475.7</td>
</tr>
<tr>
<td>Singapore</td>
<td>1.31 3.83</td>
<td>1265 588</td>
</tr>
<tr>
<td>South Korea</td>
<td>3.79 11.63</td>
<td>13935 3699</td>
</tr>
<tr>
<td>Taiwan</td>
<td>1.69 4.40</td>
<td>4790 42738</td>
</tr>
<tr>
<td>Thailand</td>
<td>1.22 1.22</td>
<td>1592 12468</td>
</tr>
<tr>
<td>Vietnam</td>
<td>0.46 0</td>
<td>116 1582</td>
</tr>
</tbody>
</table>

Resource: sigma

As a general comment it can be said that the life insurance market has more concentration than non-life insurance sector. Almost in all Asian countries, these five life insurer can be allocated a share of more than 60%. Even in Hong Kong, where 55 percent of life insurer provides those services, 5 honor insurer of this country cover life insurance market a bit more than 50 percent (50.6). This shows that in Indonesia and Philippines, small mediators allocated high proportion of market relatively.

Table 2. Combining life insurers in 1997

<table>
<thead>
<tr>
<th>Country</th>
<th>Share of market in 10 largest companies (percent)</th>
<th>Medium-sized based on premium income (U.S. $ million)</th>
<th>Number of life insurers</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>100</td>
<td>100</td>
<td>1</td>
</tr>
<tr>
<td>Vietnam</td>
<td>100</td>
<td>99.2</td>
<td>8</td>
</tr>
<tr>
<td>Singapore</td>
<td>89.9</td>
<td>92</td>
<td>14</td>
</tr>
<tr>
<td>Thailand</td>
<td>99</td>
<td>91.4</td>
<td>13</td>
</tr>
<tr>
<td>Taiwan</td>
<td>93.3</td>
<td>82.8</td>
<td>31</td>
</tr>
<tr>
<td>Philippines</td>
<td>92</td>
<td>79.6</td>
<td>36</td>
</tr>
<tr>
<td>Malaysia</td>
<td>93.4</td>
<td>73.6</td>
<td>18</td>
</tr>
<tr>
<td>South Korea</td>
<td>93.4</td>
<td>73.5</td>
<td>23</td>
</tr>
<tr>
<td>Indonesia</td>
<td>80.3</td>
<td>67.7</td>
<td>60</td>
</tr>
<tr>
<td>Japan</td>
<td>82.2</td>
<td>60.1</td>
<td>44</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>68</td>
<td>50.6</td>
<td>55</td>
</tr>
</tbody>
</table>

Resource: sigma

In Hong Kong, Singapore, Thailand, Philippines and Indonesia, foreign insurers have been active more than anywhere else. In general, foreign insurers in the life insurance are most active than non-life insurance. Performance of insurance industry in the Malaysian (with emphasis on life insurance) indicates that despite the economic downturn, the Malaysian insurance industry continued two-digit growth in premium income. Premium in life and non-life insurance sectors increase 144.4 percent this year. The important point is that more than half of the income is life insurance premium. The share of premium income in nominal GNP increases to 75 percent in 1997, while the equivalent figure was 4.1 percent in 1996. In terms of net premiums increased 11.1 percent, to 1581.4 million ringgits, while the new number of policies and insured assets increased 21.9% and 18.2% respectively (they were, -12.2% and 0.5%, respectively in 1996) and was grew to 1,106,764 policies and 899193.3 million ringgits.( Table 4.) However, other studies indicate that the Malaysian life insurance industry's total revenues experience a growth (7.8 percent) and have reached to 8272.2 million ringgits in 1998. Due to the lower growth of new insurance activities, the insurance proceeds received was reached to 652.4 million ringgits during the end year. Malaysia has grown in 1.0 2 percent to 1998. Insurance (life insurance) had lower mortality rates than the general public (no insurance), which have been a factor in order to reduce the damages payable.

RESEARCH BACKGROUND

Evaluating the performance of Mashhad Insurers as an influential example:


According to data from survey studies, increasing investment of life insurance has been proved from June 2003 to end of this year. The price of received premium from the sale of life insurance
growth in 2001. But gradually show positive growth from 2002 until the first 6 months in 2004. The first of this year due to market conditions, usually sales of insurance services to somewhat stagnant, and second quarter of each year, usually the sale process will increase. Generally the total amount of life larger than ASIA and ALBORZ insurance companies. Of course the expansion and the number of agencies and their reputation are among the factors that have brought superior. But whether these effective? In this study we have tried to answer it.

Table 4. Distribution of premium in life insurance activities in Malaysia

<table>
<thead>
<tr>
<th>Years</th>
<th>Life insurance</th>
<th>Medley life insurance savings</th>
<th>temporarily life insurance (time)</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million ringgits</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1993</td>
<td>388.8</td>
<td>223.6</td>
<td>190.1</td>
<td>142.8</td>
<td>945.3</td>
</tr>
<tr>
<td>1994</td>
<td>373.5</td>
<td>297.3</td>
<td>229.6</td>
<td>191.6</td>
<td>1262</td>
</tr>
<tr>
<td>1995</td>
<td>521.7</td>
<td>407.1</td>
<td>224.4</td>
<td>257.3</td>
<td>1510.5</td>
</tr>
<tr>
<td>1996</td>
<td>447.8</td>
<td>355.8</td>
<td>384.5</td>
<td>234.7</td>
<td>1422.8</td>
</tr>
<tr>
<td>1997</td>
<td>504.7</td>
<td>378</td>
<td>378</td>
<td>305.2</td>
<td>1581.4</td>
</tr>
<tr>
<td>Change percentage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1993</td>
<td>33.6</td>
<td>10.8</td>
<td>-15.4</td>
<td>35.2</td>
<td>14.8</td>
</tr>
<tr>
<td>1994</td>
<td>21.8</td>
<td>33</td>
<td>57.6</td>
<td>34.2</td>
<td>33.5</td>
</tr>
<tr>
<td>1995</td>
<td>10.2</td>
<td>36.9</td>
<td>8.3</td>
<td>34.3</td>
<td>19.7</td>
</tr>
<tr>
<td>1996</td>
<td>-14.2</td>
<td>-12.6</td>
<td>18.5</td>
<td>-8.8</td>
<td>-5.8</td>
</tr>
<tr>
<td>1997</td>
<td>12.7</td>
<td>10.6</td>
<td>-1.7</td>
<td>30</td>
<td>11.1</td>
</tr>
<tr>
<td>Share per year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1993</td>
<td>41.1</td>
<td>23.7</td>
<td>20.1</td>
<td>15.1</td>
<td>100</td>
</tr>
<tr>
<td>1994</td>
<td>37.5</td>
<td>23.6</td>
<td>23.7</td>
<td>15.2</td>
<td>100</td>
</tr>
<tr>
<td>1995</td>
<td>34.5</td>
<td>27</td>
<td>21.5</td>
<td>17</td>
<td>100</td>
</tr>
<tr>
<td>1996</td>
<td>31.5</td>
<td>25</td>
<td>27</td>
<td>16.5</td>
<td>100</td>
</tr>
<tr>
<td>1997</td>
<td>31.9</td>
<td>24.9</td>
<td>23.9</td>
<td>19.3</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: sigma

Table 5. List of life insurance issued contracts

<table>
<thead>
<tr>
<th>Period</th>
<th>Premium funds (rials)</th>
<th>Total issued policies (rials)</th>
<th>Accident insurance funds (supplemental life insurance)</th>
<th>Policy funds (rials) (life insurance)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001/1/1 – 2001/3/31</td>
<td>150,263,400</td>
<td>1620</td>
<td>41,320,000,000</td>
<td>41,960,000,000</td>
</tr>
<tr>
<td>2001/4/1 – 2001/6/30</td>
<td>210,511,200</td>
<td>1829</td>
<td>49,730,000,000</td>
<td>51,280,000,000</td>
</tr>
<tr>
<td>2001/7/1 – 2001/9/30</td>
<td>197,682,500</td>
<td>1772</td>
<td>49,902,000,000</td>
<td>51,102,000,000</td>
</tr>
<tr>
<td>2001/10/1 – 2011/12/31</td>
<td>178,998,300</td>
<td>1573</td>
<td>45,890,000,000</td>
<td>46,390,000,000</td>
</tr>
<tr>
<td>2002/1/1 – 2002/3/31</td>
<td>160,814,700</td>
<td>1277</td>
<td>38,730,000,000</td>
<td>39,160,000,000</td>
</tr>
<tr>
<td>2002/4/1 – 2002/6/30</td>
<td>13,410,520</td>
<td>890</td>
<td>29,510,000,000</td>
<td>29,875,000,000</td>
</tr>
<tr>
<td>2002/7/1 – 2002/9/30</td>
<td>86,011,000</td>
<td>617</td>
<td>21,000,000,000</td>
<td>21,225,000,000</td>
</tr>
<tr>
<td>2002/10/1 – 2002/12/31</td>
<td>10,417,900</td>
<td>868</td>
<td>20,275,000,000</td>
<td>20,465,000,000</td>
</tr>
<tr>
<td>2003/1/1 – 2003/3/31</td>
<td>102,488,100</td>
<td>682</td>
<td>23,695,000,000</td>
<td>24,675,000,000</td>
</tr>
<tr>
<td>2003/4/1 – 2003/6/30</td>
<td>148,705,600</td>
<td>812</td>
<td>29,550,000,000</td>
<td>30,140,000,000</td>
</tr>
<tr>
<td>2003/7/1 – 2003/9/30</td>
<td>169,803,300</td>
<td>900</td>
<td>34,363,000,000</td>
<td>34,483,000,000</td>
</tr>
<tr>
<td>2003/10/1 – 2003/12/31</td>
<td>365,701,700</td>
<td>1022</td>
<td>36,905,000,000</td>
<td>37,165,000,000</td>
</tr>
<tr>
<td>2004/1/1 – 2004/3/31</td>
<td>149,873,000</td>
<td>492</td>
<td>23,882,000,000</td>
<td>24,157,000,000</td>
</tr>
<tr>
<td>2004/4/1 – 2004/6/30</td>
<td>175,713,800</td>
<td>714</td>
<td>38,730,000,000</td>
<td>40,389,000,000</td>
</tr>
<tr>
<td>Total</td>
<td>2,120,395,020</td>
<td>14808</td>
<td>479,622,000,000</td>
<td>488,262,000,000</td>
</tr>
</tbody>
</table>

Source: Data from field studies of plan survey in IRAN Insurance Company (Mashhad)

2) Evaluating the performance of ASIA Insurance Company:

According to statistical studies obtained during 1998 – 2003, table 6 shows that the number of issued policies for the Mashhad city has been declining in this period. But the investment of insured have increased 1999 against to 1998, and then decreased until the end of 2002. It is interesting that the capital of insured person and annual premiums had an increasing trend in 2003 (against to 2002). In other words, the insured capital and premiums amount increased 7% and 14% respectively in 2003 against to 2002. Study also shows that the production of group time life insurance has an increasing process and then has a 35% reduction and was 620,683,295 rials in 2003. But at the end of the first six months of 2004 represents the number 73,687,037 rials and the premium amount in the second quarter of 2004 grew 68 percent compared with the second quarter of 2003.
Table 6. Production of group time life insurance, ASIA insurance company (Rails)

<table>
<thead>
<tr>
<th>Year</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>38310643</td>
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<tr>
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<td>51732404</td>
<td>21599138</td>
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</tr>
<tr>
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<td>515409028</td>
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</tr>
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<td>211504453</td>
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<tr>
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<tr>
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<td>1420112474</td>
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<tr>
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<td>322997929</td>
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<td>953626089</td>
<td>960281555</td>
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<td>0</td>
</tr>
</tbody>
</table>

Table 7 also shows that the number of book time life policies (individual) has increased from 2001 to 2003. The total amount received premium has increased from 2001 until the end of 2003 and for the first 6 months of 2004 was more than the first 6 months of 2001 and 2002 but it was reduced about 3% at the first six months of 2003.

Table 7. Production of book time life insurance (individual), ASIA insurance company (Rails)

<table>
<thead>
<tr>
<th>Year</th>
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<th>2004</th>
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<tbody>
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<td></td>
<td>Sum</td>
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<td>500</td>
<td>31716000</td>
<td>32076000</td>
<td>73687037</td>
</tr>
</tbody>
</table>

Field studies data from ASIA insurance companies, (2005)

Table 8 shows the decreasing process in the number of life policies and savings from 2001 to 2003. These statistics show that the number of issued life policies and savings has increased in the first 6 months of 2004 compared with the same month of 2002 and 2003. The received premium amount has increased in the first 6 months of 2004 compared with 2001, 2002 and 2003.

Table 8. Production of life insurance and savings, ASIA insurance company (Rails)

<table>
<thead>
<tr>
<th>Year</th>
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<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
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<td>1678191150</td>
<td>1942417350</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>9645</td>
<td>6255</td>
<td>5551</td>
<td>3565</td>
<td>Number</td>
</tr>
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<td>8853115950</td>
<td>6365523125</td>
<td>7336080803</td>
<td>5672343560</td>
<td></td>
</tr>
</tbody>
</table>

Field studies data from ASIA insurance companies, (2005)

Table 9 shows that the number of issued policies has increasing process between 2001 and 2003. This case has been increased about 13% in the first 6 months of 2004 compared with the first 6 months of 2003. Overall received premium shows a decrease process in 2002 against to 2001 and an increase process in 2003 against to 2002. These studies also represent about 18% growth for the first 6 months of 2004 compared with the first 6 months of 2002. Also the life insurance sales for the whole province show the number of 30,939,085,051 from 2001 until the last 6 months of 2004.

However, table 9 shows that the number of issued policies has increasing process between 2001 and 2003. This case has been increased about 13% in the first 6 months of 2004 (with 3862 issued policies) than the first 6 months of 2003. Overall received premium shows a decrease process in 2002 against to 2001 and an increase process in 2003 against to 2002. These studies also represent about 18% growth for the first 6 months of 2004 compared with the first 6 months of 2002. Also the life insurance sales for the whole province show the number of 30,939,085,051 from 2001 until the last 6 months of 2004.
3) Evaluating the performance of ALBORZ Insurance Company

The company offers a variety of life insurance. Unfortunately due to legal restrictions on research data, the researcher has not been analyzed the information. Therefore with an optimistic assumption we extend the relative success of ASIA and IRAN insurance corporations to ALBORZ insurance company. In the next step we will analyze the success of the insurers.

**RESEARCH METHODOLOGY**

1) The identification and rank the affecting factors in life insurance marketing:

In the next step, researcher used some interviews and questionnaires to identify the affecting factors for success of Mashhad insurers in life insurance sales (with the manager of the IRAN insurance company). The results of the interviews indicate that the following factors shall be identified as success factors:

- History of insurance in Mashhad (about 50 years)
- Primary measures in IRAN insurance company for Culture
- Prospective prudence citizens in Mashhad
- Good selling channels
- Effective management
- Need for the future or insecurity about the future
- Ads factors

The above factors were measured result of the experience of other countries in a 30-item questionnaire based on Likert rating scale values. It should be noted that the questionnaire consisted of 30 questions that the first 11 items was determined the operating characteristics of the successful vendor Va (Variables Q1 to Q11). And another questions (12–21) related to the insurers knowledge and skills (Vb). And finally the main factor (Vc) were measured by consumer behavior according to other questions. After pilot testing, alpha coefficient (reliability scale) and the desired sample size of 155 patients achieved from target population (the experts of IRAN, ASIA and ALBORZ insurance corporations in Mashhad) the questionnaire distributed and its descriptive statistics were analyzed (distributional indexes). The rank correlation coefficient (Spearman) were computed and analyzed between subsidiary variables that measured main variables (Vc, Vb, Va). The results of these studies imply endorsement of the influential identified factors. So both the main and subsidiary variables were identified as the most important factors in success of research, also statistical analysis with 5 and 1 percent of standard errors (95% and 99% certainty) have confirmed the effects of these factors in success of life insurance sales by the insurers in Mashhad.

2) The analysis of rank correlation coefficient between sub (qi) and affective variables (Va, Vb and Vc) in success of insurers marketing management in Mashhad:

The Results of this study by testing the main hypothesis indicate that their is a significant relationship between "identified variables affecting on sales Insurance services (life insurance emphatically) and the variables associated with them (Va, Vb and Vc). Generally rank correlation coefficient showed a strong positive correlation between subsidiary and main course variables and proved that Vb, Va and Vc are the most important factors in selling life insurance in Mashhad. For example, the following calculations is the output analysis of SPSS software for a rank correlation coefficient test of the first variable’s questions (q1) with Va, indicating the 78% rank correlation coefficient between q1 (the good and positive outlook on life insurance Sale ) with Va (the main variable and measured characteristics of successful salespeople). This coefficient is significant with a probability of almost 100% during the two-sided test.
of the most important communication elements alongside other elements such as advertising, public relations and sale promotions. In general, the performance of the insurance industry indicates that insurance companies about life insurance in Iran have produced the amount of 56.4% higher premiums in 2002. Meanwhile, the IRAN insurance company with 76.1% in issued premium increased its share from 55.2% to 62.2% and other insurance companies in Iran have produced the amount of 56.4%

### CONCLUSION AND RECOMMENDATION

1) Conclusion

According to the research finding we conclude that selling insurance services has a direct and significant relationship with marketing process which involves several steps. It seems more important that the result and the ultimate efforts of marketers related to convincing customers (insured). So buying the product or services can be their final decision. We showed that providing insurance services is one of the most important communication elements alongside other elements such as advertising, public relations and sale promotions. In the current study, the Mlider and evaluation method is used in the ranking that shows the results of insurers' familiarity with the market situation and competition, using female marketers, and insurers' knowledge with techniques for sale.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Variables Description Vc</th>
<th>Variables Description Vb</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Advertising factor for culture</td>
<td>Training courses by insurance company and recognize insurance vendors of services</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Demand factor of middle age in Mashhad</td>
<td>Insurers' knowledge with techniques for Sale</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Prospective prudence citizens and their income in Mashhad (economic factors)</td>
<td>The insurers' familiarity with computers in company</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Demand of women in purchasing of life insurance</td>
<td>Insurers' familiarity with the market situation and competition</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Demand of middle age for life insurance</td>
<td>Self management</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>Recommendations from family and communication factors</td>
<td>Having sufficient knowledge in the field of marketing for Insurers</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>Popular culture in Mashhad for using insurance services</td>
<td>Participative and advisory management in the company</td>
<td>7</td>
</tr>
<tr>
<td>8</td>
<td>Relative validity of insurance company compared with rivals</td>
<td>Insurers' familiarity with interview techniques</td>
<td>8</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>Motivation of insurers in working</td>
<td>9</td>
</tr>
<tr>
<td>10</td>
<td></td>
<td>Insurer’s desire to succeed</td>
<td>10</td>
</tr>
</tbody>
</table>

### Table 10. Prioritization the effective factors on life insurance providers (qi) in Mashhad

<table>
<thead>
<tr>
<th>Rank</th>
<th>Variables Description Vc</th>
<th>Variables Description Vb</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Advertising factor for culture</td>
<td>Training courses by insurance company and recognize insurance vendors of services</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Demand factor of middle age in Mashhad</td>
<td>Insurers' knowledge with techniques for Sale</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Prospective prudence citizens and their income in Mashhad (economic factors)</td>
<td>The insurers' familiarity with computers in company</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Demand of women in purchasing of life insurance</td>
<td>Insurers' familiarity with the market situation and competition</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Demand of middle age for life insurance</td>
<td>Self management</td>
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<tr>
<td>6</td>
<td>Recommendations from family and communication factors</td>
<td>Having sufficient knowledge in the field of marketing for Insurers</td>
<td>6</td>
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<tr>
<td>7</td>
<td>Popular culture in Mashhad for using insurance services</td>
<td>Participative and advisory management in the company</td>
<td>7</td>
</tr>
<tr>
<td>8</td>
<td>Relative validity of insurance company compared with rivals</td>
<td>Insurers' familiarity with interview techniques</td>
<td>8</td>
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<tr>
<td>9</td>
<td></td>
<td>Motivation of insurers in working</td>
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<tr>
<td>10</td>
<td></td>
<td>Insurer’s desire to succeed</td>
<td>10</td>
</tr>
</tbody>
</table>
subsidiary variable (qi). Analysis showed a high and even very high impact on the success of selling insurance insurers in the city of Mashhad.

Data analysis about the life insurance in IRAN, ASIA and ALBORZ Insurance companies (in Mashhad) indicate that both IRAN and ASIA Insurance companies during the 2003 and 2004 experience more successful than 2001 and 2002 in the sale of life insurance and creating its premium. Also the results of the rank correlation coefficient between qi with Va, Vb and Vc indicate that these variables have a positive and significant impact on the success of life insurance insurers.

According to the results of table 10, and the ratio of total assets to the total number of variables, these affective variables (Va, Vb, Vc) can be prioritized by table 11 on research considered success.

Table 11. Prioritizing the variables

<table>
<thead>
<tr>
<th>Rank</th>
<th>Description of variables</th>
<th>Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Insurance vendors characteristics</td>
<td>Va</td>
</tr>
<tr>
<td>2</td>
<td>The knowledge and skills of insurance vendors</td>
<td>Vb</td>
</tr>
<tr>
<td>1</td>
<td>Consumer’s behavior</td>
<td>Vc</td>
</tr>
</tbody>
</table>

2) Recommendations

Generally according to the results of this study, the researcher offered a 3 stage model for increasing the success of life insurance sales. Of course the main and subsidiary variables (qi) have been classified by total achieved scores, so it can’t lessen the importance of other variables. This model can be localized in other states (in accordance with social, cultural and economic) and can be used in order to increase insurance services sale (including life insurance). Also according to the opinions of other insurance experts, author suggests that insurance researchers in the field of providing Iranian life insurance table (instead of French table) should exclude obstacle rules in order to flexible contracts of life insurance. It is obvious that reducing the above problems beside identified factors in this plan can increase sales of insurance services (in general) and life insurance (in particular and according to the present study).
Practical model for using effective main and subsidiary variables for insurer’s success in life insurance sale

First step

- Attention to the V_a (Consumer behavior) and its relevant q_i
  - Advertising factor for culture (q_28)
  - Demand factor of middle age in Mashhad (q_20)
  - People’s income (Economic factors) (q_21)
  - Prospective prudence of citizens (q_23) and their income in Mashhad (economic factors) (q_24)
  - Demand of women in purchasing of life insurance (q_27)
  - Demand of middle age for life insurance (q_25)
  - Recommendations from family friends and communication factors (q_26)
  - Popular culture in Mashhad for using insurance services (q_22)
  - Relative validity of insurance company compared with rivals (q_30)

Second step

- Attention to the V_b (The knowledge and individual skills of insurance vendors) and its relevant q_i
  - Training courses by insurance company (q_13) and recognize insurance vendors of services (q_17)
  - Insurers’ knowledge with techniques for sale (q_19)
  - The insurers’ familiarity with computers in company (q_15)
  - Insurers’ familiarity with the market situation and competition (q_16)
  - Self management (q_14)
  - Having sufficient knowledge in the field of marketing for Insurers (q_12)
  - Particulative and advisory management in the company (q_20)
  - Insurers’ familiarity with interview techniques (q_18)
  - Considering psychological factor by insurers dealing with customer (q_21)

Third step

- Attention to the V_c (Characteristics of the insurance vendors) and its relevant q_i
  - Accurately identify customer’s needs
  - Morphological characteristics of insurers and marketers (q_7) and the responsibility of insurers in their insurance companies (q_11)
  - Using female marketers (q_9)
  - Using male marketers (q_10)
  - Marketers’ hard working and following-up (q_1)
  - A good attitude about life insurance Sale (q_1)
  - Using customer-oriented methods (q_3)
  - Marketers’ gender (q_8)
  - Motivation of insurers in working (q_4)
  - Insurer’s desire to succeed (q_4)
REFERENCES


5. Field studies data from ASIA insurance companies, Mashhad Branch, 2005.


7. Interviews from managers and experts of the IRAN insurance company, with Mr. Hamyan, 2004.


