



THE ROLE OF PUBLIC RELATIONS ON SALES INCREASE OF LIFE INSURANCE

Shahrzad Shahriari* Mohammadreza Shahriari*

*University College of Commerce & Business Management Osmania University, Hyderabad, India.

Email: sh.shahriari@hotmail.com, mohammadreza.shahriari@hotmail.com

Abstract

Life insurance is a topic most of us don't want to think about, but the reality is that life is unpredictable, with many twists and turns. When you work so hard to create a lifestyle for you and your loved ones, it's important you do everything you can to protect it, for your sake and for theirs. They are, after all, the most precious thing in your world.

The Importance of discussion about public relations and its role as a managerial duty, which identifies useful and bilateral relations between organization and different groups depends on the failure and success of organization. The aim of this paper is to evaluate the effect of the elements and role of Public Relations, including printing and publication, research and planning, celebrity on the sales increase of life insurance.

The data were collected using a questionnaire, and data analyze was done using SPSS software. A questionnaire survey was conducted with the sample consisting 143 people, which had experience in life insurance. In this study, for data analysis the Kolmogorov-Smirnov test and the Spearman correlation test was used. Moreover, Freidman test was utilized to classify the research hypotheses.

Keywords: Public Relations, Life Insurance, Sales.

Introduction

Life insurance has long been a major tool in basic estate planning. Life insurance can provide an income tax-free death benefit far in excess of the premiums paid. One need hardly be reminded that a consumer who makes plans for the future must, in one way or another, take account of the fact that he does not know how long he will live.

Public relations consists of a series of practical skills and strategies designed to enhance the good reputation of an organization, to help to improve relations with the main audiences and to achieve the ability to strongly deal with crises (White and Park, 2010). Term insurance is usually the least expensive form of insurance coverage and is very affordable to purchase when you're young. As you get older, your risk of dying increases, so the cost of term insurance increases exponentially. As with most other insurance coverage, you pay premiums annually, semiannually, or quarterly for the term. For this premium, you receive a predetermined amount of life insurance protection. Term insurance is very inexpensive and is generally used for a temporary insurance need. However, it only provides for death protection and there is no cash value built up from paid premiums. Statistics show that the majority of term policies lapse without collection of death benefits.

Literature Review

Public relations are the practice of managing the spread of information between an individual or an organization and the public. Public relations may include an organization or individual gaining exposure to their audiences using topics of public interest and news items that do not require direct payment. Public relations consists of a series of practical skills and strategies designed to enhance the good reputation of an organization, to help to improve relations with the main audiences and to achieve the ability to strongly deal with crises (White and Park, 2010).

Public relations are the practice of managing the spread of information between an individual or an organization and the public. Public relations help an organization and its public's adapt mutually to each other. Public Relations broadly apply to organizations as a collective group, not just a business; and publics encompass the variety of different stakeholders.

Life insurance is one of considerably important branches of people insurances. Public relations may include an organization or individual gaining exposure to their audiences using topics of public interest and news items that do not require direct payment. Public relations consists of a series of practical skills and strategies designed to enhance the good reputation of an organization, to help to improve relations with the main audiences and to achieve the ability to strongly deal with crises (White and Park, 2010).

Publication and printing in public relations

Publishing is the industry concerned with the production of literature or information the activity of making information available for public view. In some cases, authors may be their own publishers. Publishing includes the development, marketing, production, and distribution of newspapers, magazines, books, literary works, musical works, software, and other works dealing with information.

Public relation is a social institution which is dependent on a basic organization and the objectives of such an organization. This basic organization can be a public or private company and the ministry and institutes dependent on it, university, educational and research institution, city hall or every other social institution. A successful public relation is one that can define and arrange the relationship between the organization and its audiences in such a way that both the organization and the audiences are satisfied. The accurate recognition of audiences and their needs and reflecting such needs to different divisions in the organization is among the duties of public relations. Publication is also important as a legal concept; (1) as the process of giving formal notice to the world of a significant intention, for example, to marry or enter bankruptcy, and; (2) as the essential precondition of being able to claim defamation; that is, the alleged libel must have been published.

Research and planning organization

Planning is the management function that involves setting goals and deciding how to best achieve them. Setting goals and developing plans helps the organization to move in a focused direction while operating in an efficient and effective manner. Long-range planning essentially is the same as strategic planning. Strategies or plans are then developed for moving the organization closer to its goals. Long-range plans usually pertain to goals that are expected to be met five or more years in the future. In studying the patterns related to public relations, as we move from publishing-advertising patterns toward superior patterns, a clearly obvious increase can be seen in the amount of research especially in field of thoughts-assessment. The most important reason for this is the orientation toward audience in public relations' superior pattern and the necessity to find awareness about the viewpoints and evaluations of existing and potential audiences. The most important priority of public relations is to rely on research and to promote the amount of studies and research concerning public relations' activities. This way the addresses of organization find the ability to participate in the planning of public relations.

Research Methodology

Based on the literature review, the model focused on effect of the elements and role of Public Relations to increase sales of life insurance which consists of including printing and publication, communications and thoughts measurement, research and planning, celebrity and good reputation, and crisis management, on the sales increase of life insurance. The model is summarized in Figure 1.

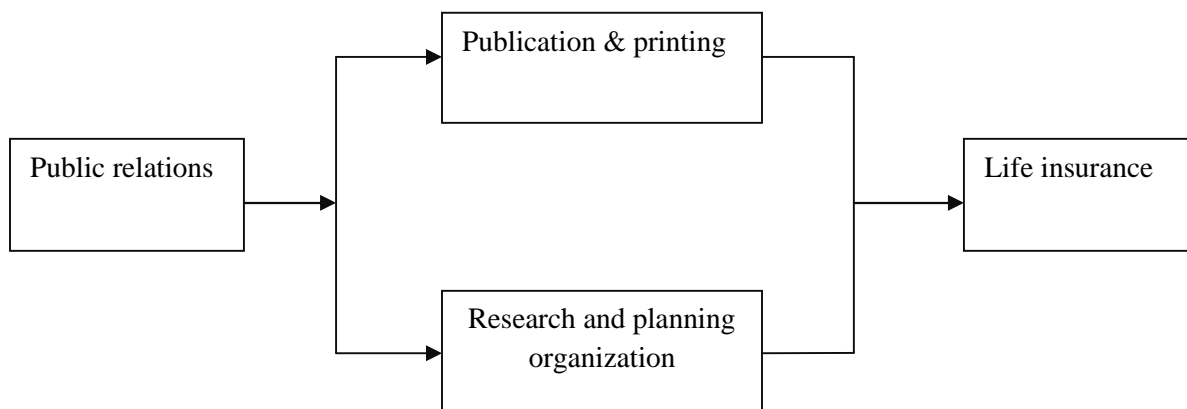


Figure1. The conceptual Model of the Research

Research Hypotheses

Research hypotheses based on the research model include:

H1. There is a significant relationship between publication and printing and the amount of sales of the services of life insurance.

H2. There is a significant relationship between the element of research and planning and the amount of sales of the services of life insurance.

In this study, we collected data through questionnaires with a sample size of 143 respondents. Overall, from the total of 189 questionnaires distributed during a two month data collection period, there were only 143 valid questionnaires received that could be used for further analysis.

Data Analysis and Finding

This Tables and bar chart indicates the presents descriptive profiles of the sample (N=143), including major items demographic profiles such as gender, age group, education level, occupation, income level.

Age(Years)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-30	80	55.9	55.9	55.9
	31-40	50	35.0	35.0	90.9
	upper the 41	13	9.1	9.1	100.0
	Total	143	100.0	100.0	

MALE OR FEMALE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	F	63	44.1	44.1	44.1
	M	80	55.9	55.9	100.0
	Total	143	100.0	100.0	

Occupation Position

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Student	30	21.0	21.0	21.0
government employee	73	51.0	51.0	72.0
private employee	40	28.0	28.0	100.0
Total	143	100.0	100.0	

Educational Level

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid diploma	13	9.1	9.1	9.1
bachelor	60	42.0	42.0	51.0
master	70	49.0	49.0	100.0
Total	143	100.0	100.0	

Income(Revenue)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid under the 499\$	68	47.6	47.6	47.6
upper the 500\$	75	52.4	52.4	100.0
Total	143	100.0	100.0	

In this research hypothesis, Spearman correlation test is being used. First, to examine the condition of normal distribution of data, Kolmogorov-Smirnov test used and the results are shown in Table1.

Table1: One-Sample Kolmogorov-Smirnov Test

		Publication	planning	Sales Increase
N		143	143	143
Normal	Mean	10.1888	16.7972	14.4406
Paramete ^{ab}	Std. De	3.21079	4.58497	4.27014
Most	Absolute	.175	.166	.159
Extreme	Positive	.128	.166	.159
Differencs	Negative	-.175	-.127	-.117
Kolmogorov-Smirnov Z		2.095	1.982	1.895
Asymp. Sig. (2-tailed)		.000	.001	.002

By the overall looking at this table above, we can see the significant in all of the variables are lower than $\alpha=0.05$, as a result, it is indicated the data distribution isn't normal. Therefore, it must used of nonparametric tests. So, here Spearman correlation test is being used.

Testing the first Hypothesis

There is a significant relation between publication and printing and the amount of sales of the services of life insurance.

H0: There is a significant relationship between publication and printing and the amount of sales of the services of life insurance.

H1: There is no significant relationship between publication and printing and the amount of sales of the services of life insurance.

Table 1: Correlation between publication and printing and Sales Increase

		Publication	Sales Increase
Spearman's rho	Publication	Correlation	1.000
		Sig. (2-tailed)	.
		N	143
	Sales Increase	Correlation	.527**
		Sig. (2-tailed)	.000
		N	143

As a can be seen in the correlation table 1, we can see the significance is 0.000 and is lower than $\alpha=0.05$, H0 is rejected. It can be said that at 0.01 level, There is a significant relation between there is a significant relationship between publication and printing and the amount of sales of the services of life insurance with a correlation equal to 0.527.

Testing the Second Hypothesis

There is a significant relationship between the element of research and planning and the amount of sales of the services of life insurance.

H0: There is a significant relationship between the element of research and planning and the amount of sales of the services of life insurance.

H1: There is no significant relationship between the element of research and planning and the amount of sales of the services of life insurance.

Table 2: Correlation between research and planning and Sales Increase

		planning	Sales Increase
Spearman's rho	Planning	Correlation	1.000
		Sig. (2-tailed)	.
		N	143
	Sales Increase	Correlation	.747**
		Sig. (2-tailed)	.000
		N	143

As a can be seen in the correlation table 2, we can see the significance is 0.000 and is lower than $\alpha=0.05$, H0 is rejected. It can be said that at 0.01 level, There is a significant relation between there is a significant relationship between the element of research and planning and the amount of sales of the services of life insurance with a correlation equal to 0.747.

Friedman Testing

The ratings for the four variables above are presented in Table 7 by performing the Friedman's test. So as to rank the importance of the five variables, Friedman test was used. The mean rank of variables is shown in table 7.

Table 7: Results of the Friedman test

Ranks		Test Statistics	
	Mean Rank	N	143
Publication & printing	1.42	Chi-Square	253.932
Research & planning	4.21	df	4
		Asymp. Sig.	.000

a. Friedman Test

According to the above table, we conclude that research and planning factor has the most effect with mean rank 4.21 and publication and printing factor has the least effect with 1.42. The significance is 0.000 and is lower than $\alpha = 0.05$, then %95 ranking variables are significant.

Conclusion

Effective performance of the duties and roles of management requires efficient public relations. On the other hand, the capability, merit, and skills of public relations are intermingled with management. The reason why some managers are successful is their ability to concurrently accept any kind of change and development.

According to the results, all of the variables have a significant relation with sales increase in life insurance. Friedman test was utilized to classify the research hypotheses. Based on the classification done by Friedman test, the first hypothesis, which was about research and planning organization, took the first rank. These elements are very important in public relation. Life insurance is a significant component of human life which most important role is welfare of households in the future. Therefore should be detailed and explicit information on people and pay attention to their needs and desires.

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