

Using the 7Ps as a Generic Marketing Mix: An Exploratory Survey of Insurance Industry in Sri Lanka

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The marketing mix is the combination of marketing activities that an organization engages in best meeting the needs of its clients. The due weightage in the formation of marketing mix, therefore, is needed for the insurance business too. In 2014, the total insurance penetration (as a percentage of GDP) in Sri Lanka was 1.02% indicating a very low level of penetration for both life and non-life businesses. This study therefore sought to explore the use 7 Ps mix in insurance industry in Sri Lanka. A set of attitudinal statements explaining the underlying phenomenon were formulated and was included in a structured questionnaire; was administered with a sample of life assurance agent (n=216), during January – March 2015. The Binary Logistic regression analysis was used to predict the probability that an insurance agent to be a better performer based on his or her socio demographic, hygiene and motivation factor values, using the SPSS Software (Version 17). Views of the respondents were recorded on five-point likert scale ranging from Strongly Disagree (1) to Strongly Agree (5). The results suggest that the 7Ps framework has already achieved a high degree of acceptance as a generic marketing mix in insurance industry in the Sri Lanka ($x = 3.79$; $SD=0.4132$). Overall, the results of this study provides a strong support for the view that Booms and Bitner's 7Ps framework should replace McCarthy's 4Ps framework. Also indicate that, among the 7Ps, People, Process, Price, Place and Product are highly influential on the purchasing decision in the insurance industry. Based on the findings, this study recommends that insurance companies should focus more on 7Ps in designing its generic marketing strategies.

Keywords: 7Ps; Generic Marketing mix; Insurance Industry; Sri Lanka