

Impact of Service Marketing Mix on the Efficiency of Insurance Companies: A Comparative Study of Public and Private Sector Insurance Companies

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Abstract

In the competitive landscape of the insurance industry, the service marketing mix plays a crucial role in shaping organizational efficiency and customer satisfaction. As insurance companies strive to differentiate themselves and improve operational effectiveness, understanding the impact of various components of the service marketing mix becomes essential.

The objective of this paper is to study the impact of service marketing mix on the efficiency of public and private sector insurance companies. To serve the objective LIC and UIL from the public sector and ICICI, HDFC Kotak life insurance from the private sector were selected. By using the purposive sampling method 129 public-sector insurance customers and 241 private-sector insurance customers were selected. Data was collected by using a survey and the same was analyzed by using SPSS 24.0. The results revealed that the product and place mix of public sector companies is better and the price mix, promotion mix, people mix, process mix and physical evidence mix of private sector insurance companies are best. Overall, it can be concluded that service marketing mix has significant impact on the efficiency of insurance companies.

Key Words: Marketing Mix, Insurance, Public sector, Private sector

Introduction

The service marketing mix is a critical component in determining customer happiness and organizational efficiency in the highly competitive insurance market. Insurance firms are under pressure to set themselves apart from the competition and increase operational efficiency, therefore it's critical to comprehend the effects of the different service marketing mix elements. With an emphasis on contrasting insurance providers in the public and private sectors, this study attempts to look into how various components of the service marketing mix affect the effectiveness of insurance firms. The 7Ps—Product, Price, Place, Promotion, People, Process, and Physical Evidence—that make up the classic service marketing mix, offer a thorough framework for

efficiently managing and providing services.

Each component of this mix has a major impact on a company's efficiency, customer acquisition, retention, and overall performance in the insurance industry. This study compares insurance businesses in the public and private sectors to shed light on how these factors affect organizational effectiveness and to pinpoint best practices for enhancing service delivery in both.

Insurance Industry Dynamics

The public and private sectors of the insurance industry have their own regulatory frameworks, market strategies, and operational structures. Public sector insurance providers, which are frequently controlled by states, usually concentrate on offering comprehensive coverage and serving a wide range of customers, including underrepresented groups. Insurance businesses in the private sector strongly emphasise innovation, customer service, and operational efficiency. These companies are motivated by profit and competitive strategies.

Insurance businesses in the public and private sectors struggle to provide top-notch services while controlling overhead and legal obligations. To accomplish these goals and preserve their competitive advantage, their service marketing mix must be effective.

Service Marketing Mix

A strategic framework that aids in the design and implementation of efficient service delivery is the service marketing mix. The service marketing mix's seven points are:

1. **Product:** The supplied insurance products, comprising advantages, features, and coverage alternatives.
2. **Price:** Strategies for setting prices, such as interest rates, rebates, and installment agreements.
3. **Location:** Service accessibility and distribution methods, such as physical offices and internet platforms.
4. **Promotion:** Public relations, sales promotions, and advertising are examples of marketing and communication tactics used to draw in and keep consumers.

5. **People:** The employees and their responsibilities for providing services, such as customer service, training, and high-quality interactions.
6. **Process:** The methods and frameworks utilized to effectively provide insurance services, such as managing policies and processing claims.
7. **Physical Evidence:** Material components, like office space, computer interfaces, and brochures, that enhance the customer experience.

The operational effectiveness and customer satisfaction of each component of the service marketing mix is impacted differently. For example, effective processing of claims (Process) and concise explanation of policy benefits (Promotion) can improve operational efficacy and customer satisfaction.

Comparative Analysis of Public and Private Sector Insurance Companies

Insurance firms in the public sector frequently struggle with rigid bureaucracy, little flexibility, and delayed decision-making. However, more government backing and a wider audience would be advantageous. Conversely, private insurance companies must contend with fierce competition and pressure to continue making a profit even when they may excel in innovation, customer service, and operational agility.

Studies indicate that private sector businesses are typically more efficient because they prioritize customer-centric strategies and streamline operations (Sood, Seth & Grima, 2022). Implementing best practices from the private sector can be advantageous for public sector organizations, especially in areas like customer service and process optimization (Chang, & Lee, 2020).

To increase performance and boost customer happiness, insurance companies must comprehend how the service marketing mix affects their operational efficiency. In addition to identifying best practices for maximizing service delivery, this comparative study of insurance businesses in the public and private sectors will provide insightful information about how various components of the service marketing mix contribute to operational success. Because the research identifies successful tactics

and opportunities for development, industry participants including insurance firms, legislators, and consumers will gain from the findings.

Review of Literature

The service marketing mix is a strategic tool to manage and improve service delivery. It is commonly represented as the 7Ps, which stands for Product, Price, Place, Promotion, People, Process, and Physical Evidence. This paradigm was developed by Berry, Parasuraman, and Zeithaml (1988), who were among the pioneers in highlighting the particular difficulties associated with selling services as opposed to tangible objects.

Product

Msinga et al. (2018) research emphasizes how crucial product differentiation is to the insurance sector. They contend that drawing in and keeping clients depends heavily on the features and layout of insurance products, including perks and coverage alternatives. This is especially important to comprehend how product offerings affect effectiveness and client pleasure.

Price

Ali & Anwar (2021) assert that pricing techniques, such as premium rates and discount structures, have a substantial impact on consumer perceptions and operational efficiency in the insurance sector. Robust pricing tactics have the potential to boost both profitability and competitive standing.

Place

Distribution channels have a crucial role in insurance services' operational effectiveness. Al-Hazmi (2020) study examines how service delivery and efficiency in the insurance industry are impacted by the efficiency of distribution channels, including both physical and online branches.

Promotion

Advertising and sales promotions are two examples of promotion tactics that have a big impact on how customers perceive brands and how efficiently they operate. Effective promotional methods can improve client acquisition and retention, which in turn can improve overall efficiency

found by Helmi, Ariana, & Supardin (2022).

People

The level of service quality provided by employees (People) is essential for both operational effectiveness and customer happiness. Studies conducted by McEwen, Bigby & Douglas (2021) highlight how crucial employee training and customer service abilities are to enhancing service quality and organizational effectiveness.

Process

The key to an insurance company's successful operations is having efficient processes. Victoria (2022) research investigates the relationship between enhanced service delivery and customer satisfaction and streamlined procedures and effective claims management.

Physical Evidence

Customer views and efficiency are influenced by tangible proof, such as documentation and office space. Utkarsh (2023) draw attention to how concrete cues influence client satisfaction and expectations in service-related fields.

Public vs. Private Sector Insurance Companies

Studies contrasting insurance firms in the public and private sectors frequently point out variations in effectiveness and calibre of service. In contrast to their private sector counterparts, public sector organizations may experience bureaucratic inefficiencies, as discussed in the study by Bençe (2021), which may affect the organizations' overall efficiency.

The foundation for comprehending how the service marketing mix affects insurance businesses' efficiency is provided by the literature review. The study intends to provide important insights into how these factors affect operational efficiency and service delivery by thoroughly analyzing each component of the 7Ps framework and contrasting insurance businesses in the public and private sectors. The results of earlier studies will direct data analysis and interpretation, advancing our knowledge of the most successful service marketing tactics used by the insurance sector.

Research Gap for the Study

The above literature identified a few research gaps that warrant exploration.

Although the service marketing mix (7Ps) has been the subject of much research in the general service sector, little of it has been done to precisely examine how each of the 7Ps affects insurance businesses' efficiency, particularly when comparing the public and private sectors. More focused studies that break down how each of the seven Ps influences the operational effectiveness of insurance firms are required. Prior research frequently discusses the service marketing mix in generalized settings without concentrating on the particular traits of the insurance industry.

Comprehensive comparative studies that particularly look at how the service marketing mix impacts the efficiency of insurance businesses in the public vs private sectors are hard to come by. This entails being aware of how various operational procedures and marketing tactics affect the level of efficiency in every industry.

Addressing these research gaps will contribute to a deeper understanding of how the service marketing mix influences the efficiency of insurance companies, especially when comparing the public and private sectors. Insurance firms looking to enhance operational performance and optimize service marketing strategies will find this knowledge to be beneficial.

Objectives

1. To study the impact of service marketing mix on the efficiency of insurance companies
2. To compare the impact of service marketing mix on the efficiency of public and private sector insurance companies

Hypotheses

1. The effect of product mix on the effectiveness of insurance businesses in the public and private sectors is not significantly different.
2. The effect of pricing mix on the effectiveness of insurance businesses in the public and private sectors is not significantly different.

3. The effect of site mix on the productivity of insurance businesses in the public and private sectors is not significantly different.
4. The effect of the promotion mix on the effectiveness of insurance businesses in the public and private sectors is not significantly different.
5. There is no discernible difference in the effect of personnel mix on the effectiveness of insurance companies in the public and private sectors.
6. The effect of process mix on the productivity of insurance companies in the public and private sectors is not significantly different.
7. The effect of the physical evidence mix on the effectiveness of insurance companies in the public and private sectors is identical.

Research Methodology

- **Research Design:** Causal research design has been adopted as the study is aimed to identify the impact of service marketing mix on the efficiency of public and private sector insurance companies.
- **Sampling:** The research has focused on the companies dealing in life insurance. The population consist of numerous public and private sector insurance companies but to be specific in the sample 2 public sector companies i.e. Life Insurance Corporation of India (LIC), United India Insurance Company Ltd (UIL) and 3 private sector companies i.e. ICICI Prudential Life Insurance, HDFC Life Insurance, Kotak Life Insurance have been selected. From public sector companies 129 customers and private sector companies 241 customers were interviewed, in short, the sample consists of a total of 370 customers of life insurance companies. These 370 customers have been selected by using a stratified purposive sampling method. It's a general tendency that for more than 300 sample units the results remain the same so the sample size is sufficient.
- **Data Collection Tool:** The data was collected through the survey method. The survey instrument was having seven sub-sections according to the 7 Ps of the service marketing mix.

- **Data Analysis Tool:** The data collected from respondents was inserted in an Excel sheet and after coding same was imported to SPSS 22.0. To analyse the data percentage analysis, mean and two-sample t-tests were used.

Analysis of Data

The service marketing mix has 7 Ps i.e. Product, Price, Place, Promotion, People, Process and Physical Evidence and each P has a different impact on the efficiency of any service industry. After being presented with statements regarding the influence of marketing mix components on insurance businesses' efficiency, respondents were asked to rate their level of agreement on a five-point scale. The final opinion was ascertained with the help of the mean score as depicted in the following subsections:-

Impact of Product Mix on the Efficiency of Insurance Companies

The product is the core benefit offered by any company to satisfy the needs and wants of customers. Table 1 presents the results of customers' opinions about the impact of product mix on the efficiency of insurance companies. Public sector insurance customers said that the product mix of the company is the most efficient in the industry (Mean=3.98) and insurance agents advise products as per customers' requirements (Mean=3.74). The customers of private insurance companies highlighted that the offering of customized products is making the company efficient and the insurance products of the company are highly satisfactory (Mean=4.24). Overall the mean of private companies (3.77) is greater than the mean of public companies (3.68), so it can be concluded that the product mix of private companies is making them more efficient as compared to the public companies.

Table 1: Impact of Product Mix on the Efficiency of Insurance Companies

Product Statement	Public Insurance Company		Private Insurance Company	
	Mean	Level of Agreement	Mean	Level of Agreement
The offering of customized insurance policies is making the company efficient	3.12	Neutral	3.62	Agree
Insurance agents of the company advises or counsel for the best products as per customers' requirements	3.74	Agree	3.46	Agree
The insurance products of the company are satisfactory	3.88	Agree	4.24	Strongly Agree
The product mix (variety of products offered) of company is the most efficient in the insurance industry	3.98	Agree	3.74	Agree
Overall Mean Score	3.68	Agree	3.77	Agree

To compare the impact of product mix on the efficiency of public and private sector insurance companies following hypothesis has been taken:-

H01: The effect of product mix on the effectiveness of insurance businesses in the public and private sectors is not significantly different.

H11: The effect of product mix on the effectiveness of insurance businesses in the public and private sectors is significantly different.

To test this hypothesis t-test is applied and the results are presented in Table 2. It can be seen that value of the t-statistic is significant for all four statements so it can be concluded that there is a significant difference in the impact of product mix on the efficiency of public and private sector insurance companies

Table 2: t-test result to measure the difference in the impact of product mix on the efficiency of public and private sector insurance companies

Product Statement	Public Insurance Company		Private Insurance Company		t-value	p-value	Result
	Mean	S.D.	Mean	S.D.			
The offering of customized insurance policies is making the company efficient	3.12	0.87	3.62	0.77	4.689	0.000	Significant
Insurance agents of company advises or counsel for best products as per customers' requirements	3.74	0.85	3.46	1.03	2.642	0.008	Significant
The insurance products of company are satisfactory	3.88	1.02	4.24	0.98	3.319	0.001	Significant
The product mix (variety of products offered) of company is most efficient in the insurance industry	3.98	0.79	3.74	0.95	2.451	0.001	Significant

Level of significance = 5%

Impact of Price Mix on the Efficiency of Insurance Companies

Price means the amount charged by companies in against the services provided by the company. Table 3 highlights the customers' opinions about the impact of price mix on the efficiency of insurance companies. The public sector customers strongly indicated that the premiums are reasonably charged (Mean=4.29) and tax benefits

associated with the insurance policies are creating a positive image in the market (Mean=3.88). On the other side private sector insurance customers said that the company is offering qualitative services as per the prices charged (Mean=3.91). Overall the mean of public companies (4.00) is greater than the mean of private companies (3.77), so it can be concluded that price mix of public companies is making them more efficient as compared to the private companies.

Table 3: Impact of Price Mix on the Efficiency of Insurance Companies

Price Statement	Public Insurance Company		Private Insurance Company	
	Mean	Level of Agreement	Mean	Level of Agreement
The Premium are reasonably priced as per the coverage amount so customers never feel cheated	4.29	Strongly Agree	3.29	Neutral
Insurance company is offering qualitative services as per the prices charged	3.84	Agree	3.91	Agree
The tax benefits associated with the insurance policies are creating positive image in market	3.88	Agree	4.11	Agree
Overall Mean Score	4.00	Agree	3.77	Agree

To compare the impact of price mix on the efficiency of public and private sector insurance companies following hypothesis has been taken:-

H02: The effect of pricing mix on the effectiveness of insurance businesses in the public and private sectors is not significantly different.

H12: The effect of pricing mix on the effectiveness of

insurance businesses in the public and private sectors is significantly different.

To test this hypothesis t-test is applied and the results are presented in Table 4. It can be seen that value of the t-statistic is significant for the majority of the statements so it can be concluded that there is a significant difference in the impact of price mix on the efficiency of public and private sector insurance companies

Table 4: t-test result to measure the difference in the impact of price mix on the efficiency of public and private sector insurance companies

Price Statement	Public Insurance Company		Private Insurance Company		t-value	p-value	Result
	Mean	S.D.	Mean	S.D.			
The Premium are reasonably priced as per the coverage amount so customers never feel cheated	4.29	1.12	3.29	1.01	9.563	0.000	Significant
Insurance company is offering qualitative services as per the prices charged	3.84	0.78	3.91	0.86	0.771	0.441	Not Significant
The tax benefits associated with the insurance policies are creating positive image in market	3.88	0.84	4.11	0.99	2.241	0.025	Significant

Level of significance = 5%

Impact of Place Mix on the Efficiency of Insurance Companies

Place refers to the contact point of the service provider and customer. Table 5 shows the respondents' opinions about the impact of place mix on the efficiency of insurance companies. Public sector customers highlighted that the company is attracting customers from all the places (Mean=4.32) and the branches are situated at convenient

places (Mean=3.87). The private sector customers said that the insurance company is offering 24X7 services by using its digital platforms (Mean=3.99). Overall the mean of public companies (3.93) is greater than the mean of private companies (3.67), so it can be concluded that the place mix of public companies is making them more efficient as compared to the private companies

Table 5: Impact of Place Mix on the Efficiency of Insurance Companies

Assurance	Level of Expectation		Level of Perception		Mean Quality Gap Score
	Mean	Level	Mean	Level	
I always find retail outlet staff courteous	3.87	High	3.98	High	0.11
I always find retail outlet staff trustworthy	4.12	High	3.85	High	-0.27
Retail outlet staff is able to instill confidence in customers	4.11	High	3.74	High	-0.37
Retail outlet staff has sufficient product knowledge	3.98	High	3.61	High	-0.37
Average	4.02	High	3.795	High	-0.225

To compare the impact of place mix on the efficiency of public and private sector insurance companies following hypothesis has been taken:-

H03: The effect of site mix on the productivity of insurance businesses in the public and private sectors is not significantly different.

H13: The effect of site mix on the productivity of insurance

businesses in the public and private sectors is significantly different.

To test this hypothesis t-test is applied and the results are presented in Table 6. It can be seen that the value of the t-statistic is significant for all statements so it can be concluded that there is a significant difference in the impact of place mix on the efficiency of public and private sector insurance companies

Table 6: t-test result to measure the difference in the impact of place mix on the efficiency of public and private sector insurance companies

Place Statement	Public Insurance Company		Private Insurance Company		t-value	p-value	Result
	Mean	S.D.	Mean	S.D.			
The insurance company is attracting customers from all places	4.32	1.15	3.59	0.84	6.975	0.000	Significant
The branches of the insurance company are situated at convenient places	3.87	0.94	3.42	0.92	4.449	0.000	Significant
The insurance company is offering 24X7 services by using its digital platforms	3.61	0.76	3.99	1.01	3.742	0.000	Significant

Level of significance = 5%

Impact of Promotion Mix on the Efficiency of Insurance Companies

Promotion includes the efforts put in by the company to create a positive brand image in the market. Table 7 presents customers' opinions about the impact of the promotion mix on the efficiency of insurance companies. Customers of public sector insurance companies said that the company has created distinctive image in market through publicity (Mean=4.28) and the company has strong brand image (Mean=4.42). According to private sector insurance

customers company offer different schemes time to time to attract customers (Mean=4.12), all the required information is easily accessible at company's website (Mean=4.22) and the tie up of insurance company with other financial institutions are making them efficient (Mean=3.75). Overall the mean of private companies (3.98) is greater than the mean of public companies (3.89), so it can be concluded that promotion mix of private companies is making them more efficient as compared to the public companies.

Table 7: Impact of Promotion Mix on the Efficiency of Insurance Companies

Promotion Statement	Public Insurance Company		Private Insurance Company	
	Mean	Level of Agreement	Mean	Level of Agreement
The insurance company has created distinctive image in market through publicity	4.28	Strongly Agree	3.78	Agree
The insurance company offer different schemes time to time to attract customers	3.84	Agree	4.12	Agree
The insurance company has strong brand image	4.42	Strongly Agree	4.01	Agree
All the required information is easily accessible at company's website	3.61	Agree	4.22	Strongly Agree
The tie up of insurance company with other financial institutions are making them efficient	3.31	Neutral	3.75	Agree
Overall Mean Score	3.89	Agree	3.98	Agree

To compare the impact of promotion mix on the efficiency of public and private sector insurance companies following hypothesis has been taken:-

H04: The effect of the promotion mix on the effectiveness of insurance businesses in the public and private sectors is not significantly different.

H14: The effect of the promotion mix on the effectiveness of insurance businesses in the public and private sectors is significantly different.

To test this hypothesis t-test is applied and results are

presented in table 8. It can be seen that value of the t-statistic is significant for all statements so it can be concluded that there is a significant difference in the impact of the promotion mix on the efficiency of public and private sector insurance companies

Table 8: t-test result to measure the difference in the impact of promotion mix on the efficiency of public and private sector insurance companies

Promotion Statement	Public Insurance Company		Private Insurance Company		t-value	p-value	Result
	Mean	S.D.	Mean	S.D.			
The insurance company has created distinctive image in market through publicity	4.28	1.18	3.78	0.79	4.854	0.000	Significant
The insurance company offer different schemes time to time to attract customers	3.84	1.01	4.12	0.62	3.298	0.001	Significant
The insurance company has strong brand image	4.42	0.94	4.01	1.29	3.184	0.001	Significant
All the required information is easily accessible at company's website	3.61	1.05	4.22	0.69	6.7121	0.000	Significant
The tie up of insurance company with other financial institutions are making them efficient	3.31	0.76	3.75	0.98	4.434	0.000	Significant

Level of significance = 5%

Impact of People Mix on the Efficiency of Insurance Companies

People mix includes the human resources of companies that directly or indirectly serve the customers. Table 9 shows the respondents' opinions about the impact of people mix on the efficiency of insurance companies. The customers of private life insurance companies said that employees of the

company are courteous (Mean=3.87) and can understand the customers' needs (Mean=3.76). According to customers of public sector insurance companies, the company has a sufficient number of employees (Mean=3.79). Overall, the mean of private companies (3.65) is greater than the mean of public companies (3.43), so it can be concluded that people mix of private companies is making them more efficient as compared to the public companies.

Table 9: Impact of People Mix on the Efficiency of Insurance Companies

People Statement	Public Insurance Company		Private Insurance Company	
	Mean	Level of Agreement	Mean	Level of Agreement
The employees of insurance company understand the customers' needs	3.52	Agree	3.76	Agree
The employees of insurance company are courteous	3.19	Neutral	3.87	Agree
The employees of insurance company are qualified and experienced	3.21	Neutral	3.25	Neutral
The branch of the insurance company has a sufficient number of employees	3.79	Agree	3.73	Agree
Overall Mean Score	3.43	Agree	3.65	Agree

To compare the impact of people mix on the efficiency of public and private sector insurance companies following hypothesis has been taken:-

H05: There is no discernible difference in the effect of personnel mix on the effectiveness of insurance companies in the public and private sectors.

H15: There is discernible difference in the effect of

personnel mix on the effectiveness of insurance companies in the public and private sectors.

To test this hypothesis t-test is applied and results are presented in table 10. It can be seen that value of t-statistic is significant for some statements so it can be concluded that there is a significant difference in the impact of people mix on the efficiency of public and private sector insurance companies

Table 10: t-test result to measure difference in impact of people mix on the efficiency of public and private sector insurance companies

People Statement	Public Insurance Company		Private Insurance Company		t-value	p-value	Result
	Mean	S.D.	Mean	S.D.			
The employees of insurance company understand the customers' needs	3.52	0.65	3.76	0.93	2.609	0.009	Significant
The employees of insurance company are courteous	3.19	0.99	3.87	0.87	6.823	0.000	Significant
The employees of insurance company are qualified and experienced	3.21	1.21	3.25	0.76	0.389	0.697	Not Significant
The branch of insurance company has sufficient number of employees	3.79	0.94	3.73	1.01	0.557	0.577	Not Significant

Level of significance = 5%

Impact of Process Mix on the Efficiency of Insurance Companies

Process means the steps followed by the company in delivering the services to customers. Table 11 shows the customers' opinions about the impact of process mix on the efficiency of insurance companies. The public sector customers have not indicated agreement with any of the statements. On the other side customers of private sector insurance companies said that insurance company has an

easy and short process of purchasing insurance policies (Mean=3.47), companies resolve grievances in a reasonable time (Mean=3.41) and waiting time in insurance companies is much less as compared to other companies of industry (Mean=3.51). Overall, the mean of private companies (3.42) is greater than the mean of public companies (3.04), so it can be concluded that the process mix of private companies is making them more efficient as compared to public companies.

Table 11: Impact of Process Mix on the Efficiency of Insurance Companies

Process Statement	Public Insurance Company		Private Insurance Company	
	Mean	Level of Agreement	Mean	Level of Agreement
The insurance company has easy and short process of purchasing insurance policy	3.15	Neutral	3.47	Agree
The insurance company resolve grievances in reasonable time	3.01	Neutral	3.41	Agree
The claim process of insurance company is very smooth	2.78	Neutral	3.29	Neutral
The waiting time in insurance company is very less as compared to other companies of industry	3.21	Neutral	3.51	Agree
Overall Mean Score	3.04	Neutral	3.42	Agree

To compare the impact of process mix on the efficiency of public and private sector insurance companies following hypothesis has been taken:-

H06: The effect of process mix on the productivity of insurance companies in the public and private sectors is not significantly different.

H16: The effect of process mix on the productivity of

insurance companies in the public and private sectors is significantly different.

To test this hypothesis t-test is applied and the results are presented in Table 12. It can be seen that the value of t-statistic is significant for all statements so it can be concluded that there is a significant difference in the impact of process mix on the efficiency of public and private sector insurance companies.

Table 12: t-test result to measure difference in impact of process mix on the efficiency of public and private sector insurance companies

Process Statement	Public Insurance Company		Private Insurance Company		t-value	p-value	Result
	Mean	S.D.	Mean	S.D.			
The insurance company has the easy and short process of purchasing an insurance policy	3.15	0.98	3.47	0.81	3.36	0.000	Significant
The insurance company resolve grievances in a reasonable time	3.01	0.76	3.41	0.95	4.12	0.000	Significant
The claim process of an insurance company is very smooth	2.78	1.18	3.29	0.74	5.096	0.000	Significant
The waiting time in insurance company is much less as compared to other companies in industry	3.21	0.88	3.51	1.01	2.844	0.004	Significant

Level of significance = 5%

Impact of Physical Evidence Mix on the Efficiency of Insurance Companies

All the tangible things associated with the service are termed physical evidence. Table 13 shows the results of customers' opinions about the impact of physical evidence mix on the efficiency of insurance companies. For all the statements mean of the private sector is higher than the public sector. As per private sector insurance customers

physical evidence of the company is making a positive impression on customers (Mean=3.87), office space of insurance company offer psychological comfort to customer (Mean=4.15) and company provide necessary documents what customers need (Mean=3.74). Overall the mean of private companies (3.92) is greater than the mean of public companies (3.44), so it can be concluded that physical evidence mix of private companies is making them more efficient as compared to the public companies.

Table 13: Impact of Physical Evidence Mix on the Efficiency of Insurance Companies

Physical Evidence Statement	Public Insurance Company		Private Insurance Company	
	Mean	Level of Agreement	Mean	Level of Agreement
Physical evidence (Like Infrastructure, Parking, Documents etc.) of this insurance company is making a positive impression on customers	3.31	Neutral	3.87	Agree
The office space of the insurance company offers psychological comfort to customer	3.42	Agree	4.15	Agree
The insurance company provide the necessary documents that customers need	3.59	Agree	3.74	Agree
Overall Mean Score	3.44	Agree	3.92	Agree

To compare the impact of physical evidence mix on the efficiency of public and private sector insurance companies following hypothesis has been taken: -

H07: The effect of the physical evidence mix on the effectiveness of insurance companies in the public and private sectors is identical.

H17: The effect of the physical evidence mix on the effectiveness of insurance companies in the public and

private sectors is different.

To test this hypothesis t-test is applied and the results are presented in Table 14. It can be seen that the value of the t-statistic is significant for the majority of statements so it can be concluded that there is a significant difference in the impact of the physical evidence mix on the efficiency of public and private sector insurance companies

Table 14: t-test result to measure difference in impact of physical evidence mix on the efficiency of public and private sector insurance companies

Physical Evidence Statement	Public Insurance Company		Private Insurance Company		t-value	p-value	Result
	Mean	S.D.	Mean	S.D.			
Physical evidence (Like Infrastructure, Parking, Documents etc.) of this insurance company is making a positive impression on customers	3.31	0.84	3.87	0.94	5.66	0.000	Significant
The office space of insurance company offer psychological comfort to customer	3.42	0.92	4.15	1.05	6.647	0.000	Significant
The insurance company provide necessary documents what customers need	3.59	1.09	3.74	0.87	1.443	0.149	Not Significant

Level of significance = 5%

According to the findings, the service marketing mix significantly affects how efficiently insurance businesses operate. Public sector companies do better in terms of product and place mix among the seven Ps of the marketing mix, while private sector companies perform better in terms of the other Ps. The t-test results showed that the influence of the service marketing mix on the effectiveness of insurance companies in the public and private sectors differs significantly.

Discussion

The service marketing mix is pivotal in shaping the operational efficiency of service-based industries like insurance. The 7Ps framework—product, price, place, promotion, people, process, and physical evidence—provides a structured approach to enhance both operational efficacy and customer satisfaction. Berry, Parasuraman, and Zeithaml's (1988) foundational work on this framework underscores its relevance in streamlining service delivery and operational processes.

Operational Efficiency and the Service Marketing Mix

Victoria's (2022) research aligns with this view, emphasizing that strategic management of the service marketing mix can significantly impact operational efficiency. Optimizing components such as process simplification and improved service delivery are central to enhancing performance and resource utilization in insurance firms. This observation is consistent with broader findings in service management literature, which argue that a well-coordinated service marketing mix leads to operational gains and competitive advantages.

Comparative Analysis of Service Marketing Mix Elements

Public vs. Private Sector Approaches

The comparative analysis of service marketing mix elements between public and private sector insurance companies reveals intriguing differences. Public sector insurers often prioritize broad product offerings and accessibility, reflecting a commitment to inclusive service

coverage. This observation corroborates Born's (2018) assertion that public sector entities manage products and distribution channels to ensure extensive coverage and reach. These companies often focus on delivering comprehensive service options to cater to a diverse customer base, a strategy consistent with public sector objectives of universal service provision and equity.

Conversely, private sector insurance companies tend to leverage aggressive marketing strategies, competitive pricing, and superior physical evidence to differentiate themselves. This approach aligns with Porter & Advantage's (1985) research, which highlights how private sector firms often employ competitive tactics to enhance operational efficiency and gain market advantages. The emphasis on elements such as promotion and physical evidence is indicative of the private sector's focus on creating a distinct market presence and achieving competitive differentiation.

Distribution Channels: A Common Efficiency Driver

Despite these differences, both public and private sector insurance companies recognize the critical role of distribution channels in operational efficiency. Effective placement strategies, including multi-channel distribution and accessible service locations, are essential across the board. Hanaysha, Al Shaikh & Alzoubi's (2021) study supports this by demonstrating that robust distribution networks contribute significantly to operational efficiency in both sectors. This finding underscores the universal importance of effective placement strategies in the insurance industry.

Sector-Specific Efficiency Challenges

The observed differences in operational efficiency between sectors are consistent with Lewin et al. (2004), who argue that public and private sector organizations face unique challenges and priorities due to their differing operational frameworks. Private sector firms are typically driven by profitability and competitive positioning, while public sector organizations often prioritize regulatory compliance and comprehensive service coverage. Grönroos (1990) further supports this by noting that sector-specific strategies lead to varying impacts from the service marketing mix. Public sector insurance companies may experience

efficiency gains from broad service coverage and compliance, whereas private sector companies might derive efficiency benefits from competitive practices and market differentiation.

While the discussion provides a foundational understanding of how the service marketing mix affects operational efficiency in insurance, it is essential to delve deeper into the nuances of these dynamics. For instance, further research could explore how emerging trends, such as digital transformation and customer-centric approaches, impact the effectiveness of the 7Ps framework in both sectors. Additionally, examining the interplay between internal organizational factors and external market conditions could offer a more comprehensive view of how service marketing mix elements influence efficiency.

Overall, while the current analysis provides valuable insights, a more nuanced exploration of these factors would enhance our understanding of the service marketing mix's role in shaping organizational efficiency in the insurance industry.

Conclusion

The findings underscore the significant role of the service marketing mix in determining the efficiency of insurance companies. While public sector companies excel in Product and Place aspects, private sector companies demonstrate superior performance in Price, Promotion, People, and Physical Evidence. The significant differences in the impact of the marketing mix on efficiency between the two sectors highlight the diverse operational strategies and challenges faced by public and private insurance firms. This understanding can guide insurance companies in tailoring their service marketing strategies to enhance operational efficiency and competitiveness.

The research assessed how each element of the service marketing mix influences operational performance and customer satisfaction in these two sectors. By identifying strengths and weaknesses in the application of the 7Ps, the study provided actionable insights for enhancing efficiency and service quality in both public and private sector insurance companies.

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