

THE IMPACT OF PROMOTIONAL TOOLSON THE SALE OF INSURANCEPRODUCTS IN NIGERIA

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ABSTRACT

*This study examines the impact of promotional tools on the sales of insurance product in Nigeria, a case study of Industrial General Insurance Company (IGI). This study makes use of survey research design that allows for the use of questionnaires to elicit data from the respondents. The actual population of this study is the entire staff of Industrial General Insurance Company (IGI) and considering the various constraints associated with the population, an appropriate sample of one hundred (100) respondents was randomly selected to represent the entire population. Of the entire 100 questionnaires distributed to the respondents, 90 representing 90.% were properly filled and returned. Only 10 questionnaire representing 10% were not returned. The result shows that there is a significant relationship between promotion and product awareness ($r = .627^{**}$, $N = 90$, $P < .05$); that promotional activities influence pricing of insurance product ($r = .226^{**}$, $N = 410^*$, $P < .05$) and that promotional tool [Sales promotion ($\beta = .882$, $P < .01$), Advertising ($\beta = .451$, $P < .05$), Public relation ($\beta = .230$, $P < .05$), Personal selling ($\beta = .345$, $P < .05$)], have a positive impact on sales volume of insurance companies. It is however recommended, among others, that promotion objectives of insurance companies should be well defined and staff should be well informed in order to achieve the stated objectives.*

Key Words: promotion, insurance, promotional tools, profit, sales of insurance products, promotional strategies

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INTRODUCTION

Promotional strategies are communication strategies through which a company passes across the benefits of its product and services to its target customers. No matter how successfully developed a product may be, it is worthless except its benefits are made clear and appreciated by the target customers. A company's promotional strategies comprise basically of message and media strategy, consisting of the appropriate use of branding, logo or slogan. The goal of every business organization is to maximize profit. In order to do this, an organization engages in the use of marketing mix. Marketing mix consists of four variables-the product, price, place and promotion. These marketing variables are also known as 4ps. For an organization to succeed, such organization marketing plan must integrate the four variables of the marketing mix into a single comprehensive program designed to achieve marketing objectives.

Although there is much controversy in the literature about how promotional activities affects the market competition, very few are about the effect of promotional activities (advertising, sale promotion, publicity and direct marketing) on the sales of insurance product. This research examines the relationship between promotional tools and the sales of insurance product and also to find how much sales of different products increases by these promotional tools. Some other factors that determine sales apart from promotional mix are placement, commitment of sales force, goodwill, activities of competition, nature and acceptability of the product, price of the product, knowledge of the people about the product etc. Bagavathi (2007). However, concentration will be placed on promotional tools as a major component that affects sales of an organization.

The insurance industry is characterized by competition in such a way that only the fittest can survive. The economic viability of any business oriented organization is largely dependent on the ratio of profit made to investment capital at any point in time. Generally defined, profit is the margin between all income accruing to a business and all expenses of the same business. Sales could be explained simply as the act of exchanging products for money. More so, sales provides the most suitable and realistic spruce of revenue which a firm uses to survive as well as expand. This parameter is so important that a firm keeps on devising means of maintaining a particular level of sales or increasing it, if it falls and vice-versa. Therefore, there is need for increase in the sales of the product of any business and the insurance business is not exceptional.

For this purpose they used different techniques of promotion. Marketing promotional corporate strategy is mainly used for temporary increase in sales as well as market share. A promotional support is also used as a strategy to undermine the competitiveness of the competitors by offering lower prices or other incentives. Advertisement can be in different forms to encourage consumers in order to purchase goods or services. Although effective sales promotion increases volume of sales in the short term and generally there is no long-term impact. Advertisement can be more effective promotional tool than any other technique to attract new buyers. To launch new products in competitive markets where there is a need to identify a group of consumers with a new product. In competitive markets where new brand considered gains in market share as bragging rights of their company or brand, advertisement helps to increase the market share and it is also an effective way to increase sales volume. It is from the foregoing that this study is set to examine the impact of promotional tools on the sales of insurance product in Nigeria, a case study of Industrial and General Insurance Company (IGI).

STATEMENT OF THE PROBLEM

Insurance business in Nigeria has been witnessing decrease in patronage as a result of various factors which had led to low sales of the company's product. Low sale brings about low profitability because the higher the sales the higher the profit making and vice-versa. Promotion, which is a vital aspect of product mix, is widely adopted by various industries in Nigeria. However, as Nigeria is witnessing a depressed economy, there has been low turnout of clients in the insurance companies. The importance of excessive promotion in a competitive market environment has generated a lot of interest in marketers and firms to develop numerous comprehensive promotional approaches. To what extent have the various sales promotional strategies affect the sales of insurance products and profitability of the Industrial and General Insurance Company (IGI)? Does the success of promotional programme really justify the promoter's efforts in terms of time, cost and benefits?

OBJECTIVE OF THE STUDY

The major objective of this study is to examine the impact of promotional tools on the sales of insurance product in Nigeria, a case study of Industrial and General Insurance Company (IGI).

The study is specifically set:

- i. to assess the impact of promotional tools on product awareness in Industrial General Insurance Company

- ii. to determine the degree at which the promotional mix used by Industrial General Insurance Company helps in achieving organisational objective.
- iii. to analyse the effect of the company's promotional activities on the pricing of insurance products.
- iv. to assess the effectiveness of promotion in increasing the patronage of Industrial General Insurance Company.

RESEARCH QUESTIONS

To construct an adequate investigation on the case study, the researcher has tailored the following research questions so as to achieve the research objectives. The research questions are as follows:

- i. to what extent does promotion strategy influence product awareness?
- ii. how has the promotional mix of Industrial General Insurance Company helped in achieving organisational objective?
- iii. what is the effect of the company's promotional activities on the pricing of insurance products?
- iv. how can Industrial General Insurance Company promotional strategy be improved upon to increase patronage?

RESEARCH HYPOTHESES

The following hypothesis will be tested in this study.

H₀1: There is a no significant relationship between promotion and product awareness.

H₀2: There is no significant impact of promotional mix on organisations objectives.

H₀3: There is no significant relationship between promotional activities and pricing of insurance product.

SIGNIFICANCE OF STUDY

This study would be significant in the promotion of products of Industrial General Insurance Company as it will be relevant to examine various factors that influence the product awareness so as to enable companies that are in the same competitive environment to tailor and adjust their strategies. The study will also inform researchers and organisations why consumers do not observe the whole process of promotion and the implication of such on product awareness.

LIMITATION OF THE STUDY

The major limitation of acquiring indept information in this research work is time constraint. Time constrain has an impact on the decision to use online survey strategy to administer questionnaire. However, the face to face administration would be used in order to get the result quickly from respondents. Another drawback of the use of online survey for the project is the fact that internet services in Nigeria are not widely spread. Managers that will be interviewed might not be willing to provide some vital information that would have enhanced the ability to produce good recommendation on how promotional activities could be used to enhance product awareness.

REVIEW OF LITERATURE

Promotional mix is one of the elements of marketing mix. From the view of Adebisi&Babatunde (2011), the aim of an organizational promotional strategy is to bring existing and potential customers to a state of relative awareness of the organization's products. They are of the view that organizations should strategize their promotional mix in order to effectively create awareness. Cole (1996) looked at promotional mix strategy as those means used in bringing customers from a state of unawareness to a state of actively adopting the products. It is a means of communicating with individuals, groups and organizations to directly or indirectly facilitate exchange of informing and persuading one or more audience to accept an organization's product. In line with this, Ross (2001) sees promotional mix as the total marketing communication program of a particular product. He viewed the promotional means strategy creating marketing communication programme about a product. Adebisi (2006) viewed promotional strategies as the marketing efforts whose function is to inform or persuade actual or potential customers about the merit a product possesses for the purpose of inducing a customer to either start buying or continue to purchase the firm's products. Without creating effective awareness of the organization and the products through communication, it will be difficult for an organization to achieve its stated objectives.

From Frances &Stephen (2006), Promotion mix is the direct way in which an organization attempts to communicate with various target audiences. It consists of five main elements: Advertising, sales promotion, personal selling, public relation and direct marketing. Kotler& Armstrong (2006) viewed promotion as activities that communicate the merits of the product and persuade target customers to buy it. Promotion mix can be seen as the specific blend of

advertising, sales promotion, public relation and direct marketing tools that the company uses to pursue its marketing objectives.

Promotional strategies include all means through which a company communicates the benefits and values of its products and persuades targeted customers to buy them (Kotler&Armstrong, 2004). Promotion is the company strategy to cater for the marketing communication process that requires interaction between two or more people or groups, encompassing senders, messages, media and receivers. Promotion represents all of the communications that a marketer may use in the market place. Promotion has four distinct elements: advertising, public relations, personal selling and sales promotion. A certain amount of crossover occurs when promotion uses the four principal elements together, which is common in film promotion. Advertising covers any communication that is paid for, from cinema commercials, radio and Internet adverts through print media and billboards. Public relations are where the communication is not directly paid for and includes press releases, sponsorship deals, exhibitions, conferences, seminars or trade fairs and events. Wikipedia(2010)

To Bamigboye (2001), promotion is any marketing effort whose function is to inform or persuade actual or potential customers about the merits of given product or service for the purpose of inducing a consumer either to start purchasing or to continue purchasing the firm's product or service. To communicate with individuals, groups and organizations, several types of promotional methods can be used. The specific combination of promotional methods used are advertising, personal selling, sales promotion and public relation.

Advertising: Advertising is the impersonal promotion to groups that is paid for by an identified sponsor. It focuses upon group of people rather than upon individual. It is a form of mass communication. This method allows the marketers to address large numbers of target consumers at a low cost per consumer contracted.

Sales Promotion: Sales promotion is an activity and/or material that act as a direct inducement, offering added value or incentive for the products to middlemen, sales person or consumers.

Public Relation: Marketers engage in public relations in order to develop a favourable image for their organizational products in the eyes of the public. They direct these activities to induce target consumers. From this, public relation can be seen as a broad set of communicational

efforts used to create and maintain favourable relationship between an organization and its public.

Personal Selling: According to OlukayodeAdeyanju (1997), Personal selling is an oral presentation of ideas about products or services with the aim of persuading potential buyers to buy such products or services from which they can derive maximum satisfaction

Figure 1: The Marketing Communications Mix



Source: Philip and Keller, (2009), *Marketing Management* (Upper Saddle River, NJ: Pearson Prentice Hall, 473.

OBJECTIVES OF PROMOTION

Basically, the objectives of promotion is based on communication, incentives and invitations and this also include the ability to communicate relevant information to consumers in ways that advertising or personal selling methods would find it difficult to replicate. Promotion can achieve several organisation and marketing objectives. This include the ability to gain customers and convert them to regular patronages ahead of advertising since it facilitate understanding by distribution of free product samples. People are better convinced by what they see than what they are told about, thereby making sales promotion a unique strategy as it commonly comes with the word “FREE” to lure products into the very mind of consumers.

With the offer of incentives or extra benefits, promotion can be used to widen the distribution of a product as well as control stock levels. When stock levels are too high, companies can decide to embark on sales promotion to add better value to their products. Since consumers will get additional or extra benefits on a product; the price sensitive customers will have no choice but to

buy. More so, promotion come out as an influential enticement to consumers, by making the products to become appealing as the main attraction to the consumer is either the possibility of winning a large price, buying at discount price, premium offer or free samples. However, in order to achieve an effective promotion, (Needham et al, 2003) suggest that the objectives of communication, incentive and invitation must be properly linked and clearly focused on solving specific problem. For example; a sales promotion can be targeted towards achieving repeat purchase, improving distribution or combating competition.

An effective promotion will be targeted using appropriate technique on segmented group of people or audience as suggested by (Brassington&Pettitt, 2006). This is because organisations must recognise and understand consumers buying behaviour since promotion as suggested by (Fill, 2009) is focused on persuading consumers to consider long term purchases. The aim is thus to speed up the consumer buying process which will be discussed in the next two segment.

PRODUCT AWARENESS

Awareness is a measurement of how well known a product, firm, or product is. Companies usually set a target for the degree of awareness they intend to achieve, and then plan a promotional campaign to reach that target. Product awareness is the extent to which a product is recognized by potential customers, and is correctly associated with a particular product. Expressed usually as a percentage of target market, product awareness is the primary goal of advertising in the early months or years of a product's introduction

Product awareness is the extent to which the consumer associates the product with the product that they wish to purchase. It is the product recall and the product recognition of the company to the consumers. Product recall is the ability of the consumer to recollect the product with reference to the product whereas product recognition is the potential of the consumer to retrieve the past knowledge of the product when enquired about the product or shown an image of the product logo. Product awareness is an essential part of product development which helps the product to stand out from the others in this monopolistically competitive market. A product name that is well known to the great majority of households is also called a household name.

Product awareness plays a major role in a consumer's buying decision process. The knowledge of an acquaintance or friend having used the product in the past or a high recognition of the product through constant advertisements and associations coaxes the person to make his decision in the favor of the product. The eventual goal of most businesses is to make profits and increase

sales. Businesses intend to increase their consumer pool and encourage repeat purchases. Apple is a brilliant example of how there is a very high recognition of the product logo and high anticipation of a new product being released by the company.

Since advertising weight for new products does not directly relate to trial levels achieved by those products, awareness is postulated to be a useful intervening variable between advertising weight and trial. Aided product awareness is found to be a superior measure to unaided product awareness in this application. At the same time, aided product awareness is subject to problems of "false" awareness and of bias due to question order, and is a generally unstable measurement. Therefore, care must be taken to avoid designing models whose output is highly sensitive to varying inputs of awareness.

Traditionally, an integral part of any research package measuring performance of a new product in a test market is the A-T-U (Awareness-Trial-Usage) study. Awareness of the new product is generally considered to be one relevant indicator of performance for a new product. And yet, the precise nature of these variables rarely seems to be fully understood by those using awareness to evaluate the new product's performance.

Types of Product Awareness

Unaided product awareness: This is the traditional measure of awareness for established products. Countless studies have shown this measurement to be sensitive to changes in advertising weight for on-going products and other studies have shown some relations between unaided awareness and purchase behavior (Axelrod 1968, & Gruber 1969). It is, therefore, reasonable to explore how well it relates to advertising spending for new products.

Aided Awareness: Aided product awareness to a large extent, overcomes the three problems of unaided awareness. It can be asked consistently, across product categories, and for products which have no relevant category; the magnitude of the numbers obtained are sufficiently large to provide a possibility for discrimination; and it is not unduly affected by events which occur after trial of the product. This last point is not strictly true, of course. Some people can and do become aware of a new product (as measured by aided awareness) only after trying the product, which violates the causal structure of the operational model. The magnitude of this effect, however, is usually small enough to be negligible. At the same time, it has other problems, to be discussed shortly. This type of awareness is generated in a consumer. When asked about a product

category, if the consumer is aided with a list of company names and he recognizes the company from the given set it is categorized as aided awareness.

Top of the mind Awareness: When the name of the company is automatically recollected because the consumer very promptly associates the product with the product category, it is called a top of the mind awareness of the product.

MISAPPLICATIONS OF AWARENESS

A whole genre of models designed to predict sales for new products prior to test market involve showing respondents a stimulus (usually a commercial or concept board for the new product) and then measuring, in various ways, trial of the new product. That measure of trial is then factored down for awareness. It is assumed that by showing the stimulus to all respondents, 100% awareness is generated, and that in the real world, 100% awareness will not be obtained for the new Product.

While it is clear that any measured trial obtained under these conditions must be factored down to correct for lower real-world awareness, there are some major theoretical problems with the ways this adjustment is typically made.

Most frequently, the adjustment is of the linear form

$$TA = T \times A \quad (2)$$

Where

TA is the adjusted trial estimate,

T is the measured trial,

A is some measure of expected awareness (usually aided product awareness).

There are two basic problems with the use of awareness within this adjustment procedure. First, as has been seen, every measurement of awareness has some significant limitations. Unaided awareness does not seem to be very predictable in terms of advertising weight, and aided awareness is a quite fragile and unstable measurement, subject to problems of "false" awareness and question order. It seems at best unwise to design a model whose prediction of sales varies linearly with variables as uncertain as these.

The second problem with this procedure is philosophical in nature. Which measure of awareness should be used in unaided or aided, product or advertising? Vastly different levels are obtained on each measure for any given product. Which one is proper? In most models of this nature, aided product awareness is chosen. On what grounds?

Theoretically, the answer is that one must estimate the percentage of the population which will be in a state of awareness equal to that state of awareness generated in the artificial forced-viewing laboratory situation. What might this measurement be?

It could be aided product awareness. Certainly there is 100% aided product awareness generated in the laboratory test. But it might also be aided advertising awareness, which is also 100% in such tests or perhaps unaided awareness, which might be 100% in such tests. Or even an awareness of "poorer quality" than aided product awareness, such as recognition of narrative elements in the commercial. The central question is why should one apply aided product awareness estimates to correct for 100% "awareness" If awareness is indeed a continuum, as suggested earlier, then any measurement designed to divide the world into those "aware" and those "not aware" is entirely arbitrary. No one measurement is "magical" in capturing the essence of awareness.

If one is going to use "awareness" in these pre-test models, the measurement of awareness used must meet the following criteria:

- 1) It must be estimable from the marketing plan, within a narrow error range;
- 2) It must have a definable relationship to trial in the real world;
- 3) It must be relatively stable, and not sensitive to variability due to noise.
- 4) It must not be highly correlated with those variables which one is trying to ultimately forecast.

The available data on unaided and aided awareness suggest that neither measurement fulfil the ultimate test of models which hang on this use of the concept of awareness is, of course, whether they work. On theoretical grounds, at least, their potential appears highly doubtful.

REVIEW OF EMPIRICAL STUDIES

The previous empirical results were mixed. Some researcher proof long run relationship among sales and promotional tool to be positive. On the other hand many support studies show either no long runs effect or the effect is in short run. There is no existing report about any study which is reporting about the negative relationship of the future demand and the promotional tools. However, as we come to know that the empirical work has been faced with so many challenges. The work which has done earlier had a limited access to the brand of aggregate category level which the researchers had searched for the relationship of the current promotional tool and its effects on sales. This effect is lagged because of different subsets of consumers, so this

relationship cannot be detected by the data because of the endogeneity factor (Lambin, 1976, Schmalensee, 1978). On the other hand in 2009 Florence et al examined the relationship between sales promotions with brand equity and sales. They examined that in short run sales promotion affect the sales but this effect is not in long run. They further argued that the strong sales promotion activity increase brand personality which leads toward sales growth and this effect is only for the short time period. Anderson and Simester, (2004) tried to find the frequency of the retail catalog correspondence, through direct-mail advertisement. 20,000 Customers receive a catalog by mail. On the basis of these customers, they found evidence that in short- run there is an increase in sales and in the long run with a decrease in advertisement there is a decrease in sales. Aduloju et al., (2009) examined the impact of advertisement on sales. They conducted their research on insurance product in Nigeria, for this purpose they used a sample size of 100 and found that the advertisement improves the image of the product which increases the sales volume. Stremersch&Rotterdam, (2009) argued about the role of a regulatory regime which help to understand the sales growth of the product. They found a positive effect of regulatory regime on sales. Kim &Lennon, (2008) measures causing effects of online advertising on sales by using a random study conducted in partnership between Yahoo and large retail stores. After identifying more than one million customers in the database corresponding to the dealer and Yahoo, they randomly assigned treatment to control groups. They analyzed the data at the individual level and they found statistically and economically significant impact of pre product announcement on sales.

Yancey et al., (2009) studied that advertising promotions in magazines, billboards, television, and radio have some impact on the customers purchase decisions of U.S. food and beverage users. (Kwong and Norton, 2007) found that the way to increase competition in the advertising market and product innovation. (Kwong and Norton, 2007) research showed that advertising can have a significant positive impact. However, the influence of advertising on new product innovation is still inconclusive.

POSITIVE IMPACT

Bowls et al (1995) reported that from 360 (49%) tests had significant impacts of promotion tools on sales growth. Norton, (2007) research shows that advertising can have a significant positive impact. However, the influence of advertising on new product innovation is still inconclusive. Riskey (1997) argued that more increase in sales when the advertisements are targeted to a

specific segment or group. Yancey et al., (2009) studied that advertising promotions in magazines, billboards, television, and radio have some impact of U.S. food and beverage preferences and purchase decisions. (Elliott, 2001) found there is a long run positive effect of sales promotion on sales.

(Seldon&Doroodian, 1989; Roberts, 1986) argued that selective role advertising is allowing the company to increase or seek shares from the companies which are competing with it without making an increase in the total demand of the industry.

NEGATIVE IMPACT

Anderson &Simester, (2004) found negative long run impact of promotion, as due to promotion, the cost of the product increase which affect the price and have negative influence for those customers who have lot of experience with the brand. Bagwell 2005 examined whether there is any long-term stable relationship between advertising and sales and found that there is no long run relation of advertising and the selling. Kihlstrom&Riordan, (2004) assert that advertising as a promotional tool is not performing a role in changing consumers wants, only help in increasing information of customer regarding to available product.

MIX IMPACT

When explaining the reason for the drop in advertising effectiveness due to competitive interference it is important to distinguish between the role of time and the role of interference by other learning. Time effects, such as advertising decay or wear out are often incorporated in advertising response models. However, the passing of time is not the only reason for a decrease in advertising response. Early experiments in psychology, that have controlled for time effects, suggest that much of the “forgetting” is due to additional learning, rather than time passing

METHODOLOGY

This study makes use of survey research design that allows for the use of questionnaires to elicit data from the products. Data relating to this study was gathered from primary and secondary sources. Questionnaire was also administered to respondents as a means of collecting data.

The actual population of this study is the entire staff of Industrial and General Insurance Company (IGI) and considering the various constraints associated with the population, an appropriate sample was randomly selected to represent the entire population. This study was carried out in Ibadan, Oyo State using Industrial and General Insurance Company (IGI) as a case study. A sample of one hundred (100) respondents was randomly selected. The actual population

of this study is the entire staff of Industrial General Insurance Company (IGI) Ibadan and considering the various constraints associated with the population, an appropriate sample was randomly selected to represent the entire population.

HYPOTHESIS ONE

H₀: There is a no significant relationship between promotion and product awareness.

H₁: There is significant relationship between promotion and product awareness.

Variable	Mean	Std. Dev.	N	R	P	Remark
Promotion	3.63611	.601568	90	.627*	.032	Sig
Product awareness	4.35417	.448644				

* Sig. at .05levels

It is shown in the above table that there is a significant relationship between promotion and product awareness (r = .627, N= 90, P < .05). The implication of this result is that a 1% shift in promotion will cause a 62.7% shift in the company’s, product awareness.Hence, it could be deduced that promotion influence product awareness in the study.

HYPOTHESIS TWO

H₀: There is no significant impact of promotional mix on sales volume of insurance company.

H₁: There is significant impact of promotional mix on sales volume insurance company.

Variables	F-Ratio	Sig of P	R	R ²	Adj R ²	B	t	P
Sales promotion	46.054	.000	.827	.684	.669	.822	7.559	.000
Advertising						.451	2.748	.034
Public relation						.230	3.324	.047
Personal selling						.345	1.344	.012

The table above showed that the *linear combination* of promotional mix and sales volume of insurance company was significant. F = 46.054; R = .827, R² = .684, Adj. R²= .669; P < . 01). The independent/predictor variables jointly accounted for a variation of about 68.4% in sales volume insurance company. The following shows the various *relative contributions* and levels of significance of the independent variables: Sales promotion (β = .882, P <.01), Advertising (β =

.451, $P < .05$), Public relation ($\beta = .230$, $P < .05$), C Personal selling ($\beta = .345$, $P < .05$), respectively. It can be concluded that all independent variables, (Sales promotion, Advertising, Public relation, Personal selling) have a positive impact on sales volume of insurance company

HYPOTHESIS THREE

H₀: There is no significant relationship between promotional activities and pricing of insurance product.

H₁: There is significant relationship between promotional activities and pricing of insurance product.

Variable	Mean	Std. Dev.	N	R	P	Remark
Promotional activities	3.63611	.601568	90	.410*	.047	Sig
Pricing	4.392222	.4635544				

* Sig. at .05level

It is shown in the above table that there is a significant relationship between promotional activities and pricing of insurance product ($r = .226^{**}$, $N = 410^*$, $P < .05$). The implication of this result is that a 1% shift in promotional activities will cause a 41.0% shift in the pricing of insurance product. Hence, it could be deduced that promotional activities influence pricing of insurance product in the study.

CONCLUSION: The study has been able to confirm that promotional activities perform the role of informing, reminding and influencing the purchase of certain products for human existence in general and in insurance company in particular. It is also confirmed from the research study that the insurance company uses promotional tool (sale promotion, advertising, public relations, and personal selling) to create awareness of its product to most potential clients. It is also discovered that promotional tool helps the company to generate more profit through increase in sales during the promotion and this has helped the company tremendously to increase its sales volume. Anderson & Simester, (2004) found negative long run impact of promotion, as due to promotion the cost of the product increase which affect the price and have negative influence for those customers who have lot of experience with the brand. (Seldon & Doroodian, 1989; Roberts, 1986) argued that selective role advertising is allowing the company to increase or seek shares from the companies which are competing with it without making an increase in the total demand of the industry. Aduloju et al., (2009) examined the impact of advertisement on sales. They conducted

their research on insurance product in Nigeria, for this purpose they used a sample size of 100 and found that the advertisement improves the image of the product which increases the sales volume. This study was able to conclude that promotion influence product awareness ($r = .627^{**}$, $N= 90$, $P < .05$); that promotional activities influence pricing of insurance product ($r = .226^{**}$, $N= 410^*$, $P < .05$) and that promotional tools [Sales promotion ($\beta = .882$, $P < .01$), Advertising ($\beta = .451$, $P < .05$), Public relation ($\beta = .230$, $P < .05$), Personal selling ($\beta = .345$, $P < .05$)], have a positive impact on sales volume of insurance companies.

RECOMMENDATIONS

Emanating from the above conclusion, it is recommended that:

Companies should pay more attention to their promotional activities as it serves as a tool for product awareness. Promotional objectives of insurance companies should be well defined and staff should be well informed in order to achieve the stated objectives. Insurance companies should consider sale promotion and advertising as effective promotional tools in the marketing of their products. Promotion exercise should be more of rewards in order to guarantee customer loyalty since anyone who wins in a particular promotion exercise would feel that he/she has gained from being a client of the company, thereby encourage continuous patronage. In addition, the insurance companies in order to maintain their present market share or possible further increase, they should not relent in their promotional activities. Effort should be made to incorporate all other promotional tools so as to bring about the desired synergic effect.

Regression

Model Summary^b

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Durbin-Watson
1	.827 ^a	.684	.669		.2133753	1.190

a. Predictors: (Constant), personal selling, advertising, public relation, sales promotion

b. Dependent Variable: sales volume

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.387	4	2.097	46.054	.000 ^b
	Residual	3.870	85	.046		
	Total	12.257	89			

- a. Dependent Variable: sales volume
- b. Predictors: (Constant), personal selling, advertising, public relation, sales promotion

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.434	.399		1.086	.020
	sales promotion	.831	.150	.822	7.559	.000
	advertising	.468	.096	.451	2.748	.034
	public relation	.212	.036	.230	3.324	.047
	personal selling	.318	.088	.345	1.344	.012

a. Dependent Variable: sales volume

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
promotion	90	2.250	5.000	3.63611	.601568
product awareness	90	3.250	5.000	4.35417	.448644
pricing	90	3.0000	5.000	4.392222	.4635544
Valid N (listwise)	90				

Correlations

		promotion	pricing	product awareness
promotion	Pearson Correlation	1	.517**	.627*
	Sig. (2-tailed)		.002	.032
pricing	N	90	90	90
	Pearson Correlation	.517**	1	.410*
product awareness	Sig. (2-tailed)	.002		.047
	N	90	90	90
product awareness	Pearson Correlation	.627*	.410*	1
	Sig. (2-tailed)	.032	.047	
	N	90	90	90

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

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