

The Effectiveness of Sale Methods in Liability Insurance for Physicians and Paramedics: Case Study of Asia Insurance Company in Sabzevar

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Abstract

So far, the issue of security was especially interested by human being from various economic, cultural, social, political and military aspects. Insurance is increasingly developing (expanding) due to the growing of social culture, increased conflicts of interests with the interests of the public and people. Liability insurance policy among various policies is placed at a superior position and is largely influenced by customer selection. The main objective of this research is to identify sale methods and effectiveness evaluation indicators and to study sale methods' effectiveness and finally, to rank them. Research statistical population included some vendors of Asia insurance company in Sabzevar city. Research sample included 160 individuals that were selected using Cochran formula. Data were collected through using a questionnaire. This is a descriptive survey; research hypotheses are provided to achieve the aforementioned objectives. The results were examined by one-sample t-test. According to the results of the main hypothesis, physicians and paramedic sale methods of liability insurance are effective and validated. The first sub-hypothesis of effective consulting marketing of physicians and paramedics' insurance liability is maintained. The second hypothesis of relationship sale influencing physicians and paramedics' insurance liability is maintained. The third hypothesis of effectiveness of the adaptive marketing in the physicians and paramedics' insurance liability is also maintained. According to Friedman

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ranking test conducted in this study, consulting method places the first and the adoptive and relational methods are ranked second and third, respectively.

Keywords: Insurance liability, consulting marketing, affiliate marketing, adaptive marketing

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Introduction

In the present world, different insurance (life and non-life) services are critically important as they are directly related to the security of life and property. All organizations and companies look for the proper markets for goods and service delivering. Insurance liability is of the insurance fields directly influences adjusting public social relations, recognition of mutual rights and responsibilities, as well as professionally securing occupations and activities.

Liability insurance policy of various policies is assigned a privileged position. Sale also plays a supplementary, valuable role in marketing and developing new services of organizations. Sale as one of the main sources of market intelligence not only formulates strategic plans, but also seriously contributes in implementation. Knowledge of different sale methods as well as the ability of identifying and applying the proper methods respecting to condition and customer are of vendors' critical skills followed by sale success. The vendor plays an undeniable role in different stages of selling liability insurance. Fiotrel believes that sale position is much more multidimensional than other organizational roles indicating that the vendors may require multiple skills (Aghazade et al, 2012).

Giving responsibility to the physicians and paramedics, the issue of physicians' professional liability insurance is defined as 'compensation for the physical damages sustained by the patient result from the physician responsibility due to mistake, neglect or failure to deliver professional services'. Physicians' professional liability insurance policy is provided and regulated according to civil liability law and national medical system regulations. Extending the area of medical and paramedical liabilities led to a special position for the physician and paramedic insurance liability (Daryabari; 2002). To enhance the market share of this field, it may be effective to study the information and promotional aspect, determine the causes of inefficiencies and to offer useful solutions.

Though, physicians' professional civil liability insurance significantly contribute in compensating medical injuries; unfortunately, this field is piled of abundant unknown potential capacities that need to be developed through identifying development barriers by insurance companies. However, our country lacks any tendency to physician liability insurance contracts despite that the risk theory is already applied (Daryabari, 2002). Therefore, the objective of the present study is to identify the sale effectiveness factors and methods in the physician insurance market.

Generalizing the culture of the physicians' liability insurance among medical community; public need regarding to the incidence of various unknown diseases, pollution and epidemic viruses in medicine as well as supporting people in case of threatening of medical risks and mistakes; examining sale methods of better medical insurance and convincing of this class to welcome this insurance field are all the significant issues justifying the present research.

Research background and literature review

- Liability insurance

Liability insurance is of insurance courses that directly influences public social relationships, people knowledge of law and mutual liabilities, and professional occupational security.

- Physician and paramedic liability insurance

It compensates for the liability of financial loss of action and omission of policyholder who is liable by virtue of law. In other word, insurance security includes physical injury, repayment of financial loss of lack of care, giving up the treatment, any service delivery error, and wrong prescription, etc.

- Consulting marketing

The professional process of providing information to aid customers in making intelligent decision and to achieve the commercial goals of both parties; it entails active communication between the vendor and customer in order to simplify identification and solving problems.

- Affiliate marketing

An approach largely studied in term of effectiveness. In affiliate marketing, the vendor is reliable for creating and developing strong, satisfactory, mutual and long-term relationships between the customer and seller.

- Adaptive selling

It means versatility and changing of seller behavior along interactions based on information gathered from sale condition.

Karimi (2001), in an article focused on insurance marketing and its steps, expresses that insufficiency and underdevelopment of visitor marketing network in Iran insurance market is of causes of the difficulties insurance industry deals with.

Mehrara (2005), in a study entitled "life insurance demand in Iran and other oil exporting countries", declares that life insurance is now considered as a significant widely used economic means.

Daryabari (2002) comparatively studied principles of medical liability insurance in Iran law and jurisprudence and France. Generally, regarding research findings, it may be inferred that the researcher presented new comments and alternatives to the Islamic legislator so that current rules of physician liability and physician civil liability insurance contracts are amended.

Shabahang (2002) investigated inadequacies of physicians' professional civil liability in Iran. The paper tried to provide some guidelines to improve insurance industry through identifying the barriers in Iran and recognizing development effective factors and inadequacies.

Asghari (2010) conducted a study entitling "necessity of stated medical error and its contrast to the medical professional civil liability insurance". This research suggests and discusses about removing paragraph five of article seven of general terms of physicians' professional civil liability insurance regulations as well as facilitating the compensation.

Salehi et al (2013) comparatively studied nursing civil liability in Iran and France law and concluded that the nature of nursing liabilities in Iranian and French law is viewed as *obligations of means* ("*obligation de moyens*"). However, though, there are sporadic and sometimes conflicting views respecting to nursing liability foundations, the theory of mores citation enjoys more legitimacy and is apparently compatible to innovative social life and its requirements; further, in spite of novelty, it enhances the ties between ethics and law, too.

Jafarzade (2002), in a study, showed that on average, only about 23% of the physicians adopted medical professional liability insurance within 1999-2001. He claims that cultural factors, lack of marketing and adequate market recognition, difficulties related to compensation settlement in this field, physician exemption of liability, as well as absence of proper knowledge of physicians from general requirements are considered as the barriers to properly develop this insurance field.

Chonco, Enis and Etanner (1992) assert that identifying multiple sales methods, knowing the effectiveness, and finally adopting the best style regarding to market situation and the nature of the delivered services are followed by success of sales operation.

Futrell (2000) states that sale position, comparing other organizational roles, is much more multidimensional implying the need for vendors to acquire multiple skills.

Porter, Wiener, and Frannwick (2003) declare that ignoring the significance of characteristics and special environmental features as well as sales conditions are of the causes of controversial results.

Conzalez, Hafman, and Ingram (2005), in a study express that in an affiliate marketing, the vendor is liable to creating and developing a strong, satisfactory, mutual and long-term relationship between the seller and the buyer.

Jordan (1994), in "insurance ethics", believes that liability insurance was initially founded to compensate for the heavy losses caused by industrial development and

vocational expansion. Finally, liability insurance contract was officially recognized at the beginning of January 1845 by Paris court of appeal, provided that intentional damages are not covered.

Bou (1981) claims moral damage excluding from the policy coverage as the second rule of insurance liabilities.

Brom et al (1998) assert that adaptive marketing s refers to changing the vendor behavior along interactions based on the gathered data of sales condition. Adaptive method is largely interested by many researchers and the results indicate the positive effect of adaptive marketing s method on vendors' performance.

Research objectives

Objectives of the present research are indeed the current issues most insurance companies and organizations, whether private or public, seek for as follows:

1. Measure effectiveness of recognized sales methods
2. Study effectiveness of sales methods and finally method ranking

Research hypotheses

Once research objectives are determined, the following hypotheses are provided:

Research main hypothesis

H1: *Physicians' and paramedic insurance liability show effective sales methods.*

Research sub-hypotheses

H1a: *Consulting marketing is effective in sales of physicians' and paramedic insurance liability.*

H1b: *Affiliate marketing is effective in sales of physicians' and paramedic insurance liability.*

H1c: *Adaptive marketing is effective in sales of physicians' and paramedic insurance liability.*

Figure 1. shows the conceptual framework of the research.

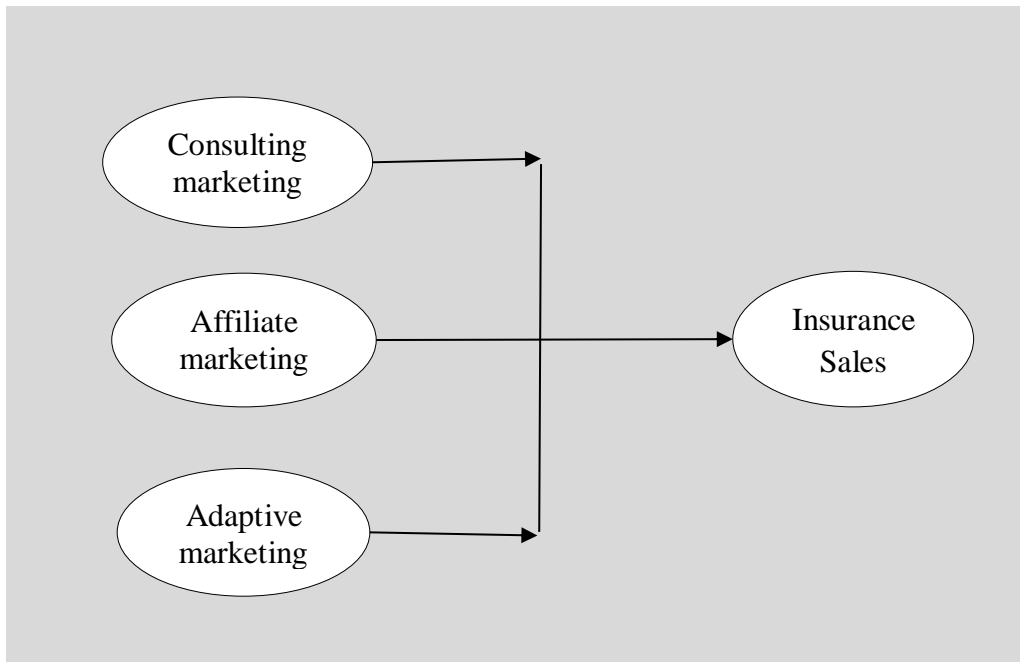


Figure 1 Conceptual framework

Research methodology

This is a descriptive survey in term of nature and an applied study in term of objectives as it investigates the relationship between research variables in real time conditions. Findings of an applied research are utilized for removing social problems. Data of literature were collected by library research method, online sources as well as field study through distributing researcher-made reliable and valid questionnaires. Indeed, this is a field study in term of data collection. Thus, the present field study is an applied, descriptive survey.

The present study tries to examine the effectiveness of methods in Liability Insurance for Physicians and Paramedics in Asia insurance company in city of Sabzevar. Research statistical population included 200 vendors of Asia insurance company in this city. Research sample obtained 151 individuals by Cochran formula for which 160 ones considered for more certainty. The research applied simple random sampling method. In simple random sampling method, all elements of the considered population enjoy the equal chance of being selected. In this method, the required individuals or objects are randomly selected from an already prepared and numbered list of statistical population. According to law of probability, the selected individuals must be homogenous to the population they were chosen from (Azar and Momeni, 1998).

Research sample is obtained by Cochran formula (1963), which is one of the most widely used methods measuring statistical sample volume.

Cochran formula for sample volume

$$n = \frac{\frac{z^2 pq}{d^2}}{1 + \frac{1}{N} \left(\frac{z^2 pq}{d^2} - 1 \right)}$$

Where,

N= statistical population volume

n= sample volume

Z= Standard normal variable that is 1.96 at confidence level of 95%

P= ratio of population characteristic. It is assumed 0.5 if not exists; hence, the variance is the maximum.

Q= ratio of the individuals (in population) lacking that characteristics (q=1-p)

e= estimation accuracy or limit maximum error, which is 0.05 in this study.

As a result, research sample volume is:

$$n = \frac{\frac{(\frac{1}{96})^2 \cdot \frac{1}{2} \cdot \frac{1}{2}}{(.5)^2}}{1 + \frac{1}{250} \left(\frac{(\frac{1}{96})^2 \cdot \frac{1}{2} \cdot \frac{1}{2}}{(.5)^2} - 1 \right)} = 151$$

The minimum sample obtained 151 through Cochran formula. 160 of the 200 distributed questionnaires were properly completed and returned; hence, final research sample volume was 160.

Data were collected by closed multiple-choice questionnaire including two major sections of general and specific items. A questionnaire is a means of directly surveying the customer; indeed, it is considered as survey instrumentations. Questionnaires, in general, are divided into three classes of open questionnaires, closed, two-choice questionnaires and closed, multiple choice questionnaires.

The general structure of the questionnaire is as follows:

Table 1: Research questionnaire structure

Rows	Items
Consulting marketing	1,2,3,4,5
Adaptive marketing	6,7,8,9,10,11,12,13,14
Affiliate marketing	15,16,17,18,19,20,21,22
Liability insurance marketing	23,24,25,26,27

Data analysis

Kolmogorov-Smirnov test

Table 2 Kolmogorov-Smirnov test

Variable	Number	Test statistics	Significance level
Consulting marketing	160	0.963	0.00
Adaptive marketing	160	0.973	0.012
Affiliate marketing	160	0.983	0.051
Insurance liability marketing	160	0.975	0.006

In Kolmogorov-Smirnov test, understudied hypotheses are defined as follows:

H_0 : Observations follow normal distribution.

H_1 : Observations do not follow normal distribution.

Regarding variables' significance level is normally distributed at error 5%; so, the hypothesis of variables' normality is maintained.

Testing research hypotheses

Research hypotheses examine the effect of components on liability insurance marketing by one-sample t-test.

Hypothesis 1: Consulting marketing is effective in physicians' and paramedic liability insurance marketing.

This test compares the variable mean to a constant. Understudied assumptions are as follows:

$H_0: \mu \leq 3$

$H_1: \mu > 3$

Table 3: Test of mean comparison to a constant

Variable	Mean	Degree of freedom	t-test statistics	Significance level	Confidence interval (95%)		Variable status
					Lower bound	Upper bound	
Consulting marketing	3.42	159	5.696	0.000	3.286	3.552	Effective

As table 3 shows, regarding the significance level of 0.001, which is smaller than 0.05; thus, the null hypothesis is rejected at 0.05 i.e. the variable mean is not 3; rather, it is significantly different. On the other hand, since sample mean is 3.42; hence, the interval of upper and lower boundaries, at

confidence level of 95%, is positive for the mean difference of 3. Therefore, it is concluded that the variable mean is not 3 in the community; rather, it is significantly larger than 3. According to the variable definition, it may be inferred that consulting marketing component positively and significantly influences liability insurance marketing; hence, research first hypothesis of consulting marketing effectiveness at confidence level 95% in liability insurance marketing would be maintained.

Hypothesis 2: Affiliate marketing is effective in physicians’ and paramedic liability insurance marketing.

This test is designed to compare a variable mean to a constant. Understudied assumptions are as follows:

$$H_0: \mu \leq 3$$

$$H_1: \mu > 3$$

Table 4: Test of mean comparison to a constant

Variable	Mean	Degree of freedom	t-test statistics	Significance level	Confidence interval (95%)		Variable status
					Lower bound	Upper bound	
Affiliate marketing	3.32	159	51.383	0.000	19.3	3.45	Effective

Regarding the significance level of 0.000 that is less than 0.05; therefore, the null hypothesis is rejected at 0.05, meaning that the variable mean is significantly different from 3. On the other side, according to sample mean of 3.32, the interval between upper and lower bounds for the mean difference of 3 is positive at confidence level 95%. As a result, regarding the variable definition, it is figured out that affiliate marketing positively and significantly influences liability insurance marketing. Thus, the hypothesis of effective affiliate marketing in liability insurance marketing is maintained at the confidence level of 95%.

Hypothesis 3: Adaptive marketing is effective in physicians’ and paramedic liability insurance marketing.

This test is designed to compare a variable mean to a constant. Understudied assumptions are as follows:

$$H_0: \mu \leq 3$$

$$H_1: \mu > 3$$

Table 5: Test of mean comparison to a constant

Variable	Mean	Degree of freedom	t-test statistics	Significance level	Confidence interval (95%)		Variable status
					Lower bound	Upper bound	
Adaptive marketing	3.42	159	52.793	0.001	3.36	3.45	Effective

Considering the significance level 0.000 that is smaller than 0.05; therefore, the null hypothesis is rejected at 0.05, meaning that the variable mean is significantly different from 3. On the other side, according to sample mean of 3.42, the interval between upper and lower bounds for the mean difference of 3 is positive at confidence level 95%. Thus, it is concluded that the variable mean is significantly larger than 3. Hence, according to the definition of the variable, it is deduced that adaptive marketing shows a positive, significant effect on liability insurance marketing. In this regard, the hypothesis of effective adaptive marketing in liability insurance marketing at 95% is maintained.

Main hypothesis: Physicians' and paramedic liability insurance marketing are effective.

Earlier hypotheses individually investigated the effectiveness of liability insurance marketing methods; thus, it is concluded that all three marketing methods are effective; further, in the following, the methods are ranked through Friedman test. In fact, research fourth hypothesis was an overview of the first, second, and third hypotheses that positively replied to the research main question of "whether physicians' and paramedic liability insurance marketing methods are effective".

Friedman test of ranking variables

Table 6: Test summary

Number	Chi-square statistic	Degree of freedom	Significance level
160	1.206	2	0.045

Regarding the significance level of smaller than 0.05, variables are unequally prioritized and ranked in order as follows:

Table 7: Ranking

Row of variables	Mean ratings	Priority
Consulting marketing	2.06	First prioritized
Adaptive marketing	2	Second prioritized
Affiliate marketing	1.94	Third prioritized

According to the mean ratings, consulting marketing ranked the first in term of effectiveness and adaptive and affiliate marketing approaches attained the second and third place of effect on the liability insurance marketing, respectively.

At this section, the final result and discussion are provided considering research background and literature review in chapter 2 and respecting to survey findings obtained through data analysis. The present research tried to identify understudied issue, acquire theoretical knowledge and basics, and to design and distribute a researcher-made questionnaire among Asia insurance agencies in Sabzevar. The results are as follows:

Overall, regarding research conceptual model, one main and three sub-hypotheses were analyzed such that all were maintained. The results of hypotheses are individually provided as follows:

160 insured (policyholders) of Asia insurance company were investigated within 2014-2015. Most research participants were married, bachelor male within the age range of less than 18-24.

Results of correlation test revealed that

1. The hypothesis of effectiveness of physicians' and paramedic liability insurance marketing approaches at confidence level 95% is maintained, indicating that improving liability insurance marketing requires enhanced marketing approaches so that finally the liability insurance marketing is developed. In case of reduction or failure of physicians' and paramedic liability insurance marketing, other approaches must be adopted. Thus, the methods are changed both at success and failure phases of liability insurance marketing.
2. Consulting marketing is effective in the physicians' and paramedic liability insurance marketing. Research first sub-hypothesis is maintained meaning that consulting marketing is used for improving liability insurance marketing. In case of any failure in liability insurance marketing, consulting marketing may be altered. In other word, consulting marketing may change whether at progress or at failure in liability insurance marketing.
3. Affiliate marketing is effective in the physicians' and paramedic liability insurance marketing. This hypothesis is maintained at the confidence level of 95%. It means that affiliate marketing is used for improving liability insurance marketing such that it finally leads to developed liability insurance. In case of any failure or decline in the physicians' and paramedic liability insurance marketing, affiliate marketing needs to be modified (both at success and failure).
4. Adaptive marketing is effective in the physicians' and paramedic liability insurance marketing. This hypothesis is maintained at the confidence level of 95%. It indicates that adaptive marketing is used to improve liability insurance marketing; further, adaptive marketing is enhanced that finally it develops liability insurance marketing. In case of any failure or decline in the physicians' and paramedic liability insurance, adaptive marketing must undergo modification; as a result, it is necessary to revise this variable both at success and failure.

However, the variables are prioritized based on their significance and prominence in effecting liability insurance and are modified in term of the significance and contribution in liability insurance marketing.

Friedman test of variables' rating demonstrated that:

Regarding the significance level of smaller than 0.05, the variables are unequally rated; in other word, consulting marketing that assists customers in making intelligent decisions and achieving commercial, business goals and requires an active interaction of the customer and vendor is rated first; adaptive marketing is ranked second; and finally, affiliate marketing is the third prioritization that creates and develops a strong, satisfactory relationship between the seller and buyer.

According to research results, affiliate marketing is effective; this finding is consistent with the results of Cruzbi and Iwanso (1990). Research findings indicate that adaptive marketing is effective in marketing and vendors' marketing performance, which is consistent with Broom et al (1998).

As earlier mentioned, the present research individually investigated marketing approaches similar to Paporadamiz and Guanze (2009) studied adaptive marketing efficacy, Cruzbi and Iwanso (1990) that examined affiliate marketing and finally, Pelham (2002) that investigated consulting marketing approach.

Research limitations

The research limitations that share common features with the limitations of many studies are as follows:

- Research data were collected in a short period of time; therefore, more accurate assessment requires data collection in a longer period.
- Some testees' low interest in completing the questionnaire was of other research limitations.
- Time limits respecting to the type of study, large population, and sparse statistical sample and data collection instruments all supplied spending more time.
- Difficult access to up-to-date, online sources; online, free sources were unavailable; further, the relevance of the online source was not ensured if it was paid.
- Lack of new valid sources at the university.
- Lack of cooperation of some universities and research centers on library sources.
- Using questionnaire instead of other surveying methods such as interview, observation, etc. that would validate research findings.

- Financial limitations for research implementation and lack of financial support by the considered organization's research department.

Implications

As earlier mentioned, the results of statistical analysis confirm all research hypotheses and all were maintained. Findings of this research may be utilized for studying the effectiveness of physicians' and paramedic liability insurance marketing in insurance marketing level. According to research results, consulting marketing, adaptive and affiliate marketing approaches are prioritized in order from first to the third.

As obtained, insurance vendors may consider the following variables in order to attain better marketing:

1. Simply changing the marketing approach, whenever, it is sensed useless.
2. Try to match marketing approaches respecting to customers' different demands.
3. Competent in identifying and marketing insurance service to major customers.
4. Benefiting experienced marketers in the physicians' insurance marketing
5. The ration for the affiliate marketing is to create a mutual trust; therefore, it is suggested that vendors try enhancing the interactions with customers through sending green cards, gifts, and face-to-face meetings, if needed.
6. Absence of the necessary promotions about the merits of the physicians' professional civil liability insurance is of the causes of this insurance field underdevelopment. Thus, it is suggested that academic journals as well as medical schools publish the advantages of physicians' professional civil liability insurance.
7. It is advised that the vendors are trained before recruitment; then, any increase in sales is measured through controlling proper behaviors in proper occasions. Then, in case of mismatch between the acquired skills and the organization's requirements, the skills are improved through in-service training and the vendor is already informed of the necessity of these skills.

Further studies recommendation

According to research finding and regarding the limited researches conducted in this area, it is recommended to study:

1. Economic factors of physicians' liability insurance purchase level
2. The effect of vendors' performance on encouraging the physicians to insure themselves
3. The effect of applied marketing methods on increasing physicians' and paramedic liability insurance marketing.

4. The insurance interest and how it is extended to the medical insurance policies
5. How to increase the patient support versus medicine intentional damages.

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