

Use of marketing instruments by insurance companies in the implementation of modern insurance services

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Abstract: This study provides a comprehensive analysis of the theoretical and practical aspects of marketing in the activities of insurance companies. The essence, principles, and functions of insurance marketing, as well as its role under market economy conditions, are examined from a scientific perspective. In addition, the specific characteristics of insurance services, mechanisms for adapting to customer needs, factors ensuring competitiveness, and performance indicators are investigated. The findings substantiate that insurance marketing serves as an important strategic tool for enhancing company stability, profitability, and socio-economic significance.

Keywords: insurance marketing, insurance market, insurance company, competitiveness, customer needs, marketing strategy, insurance services, risk management, market conditions, performance indicators

During the years of independence in our country, with the formation of a market economy, the activities of insurance companies have also been widely established. Naturally, the insurance policy implemented during the transition period has been gradually transforming into a sector that ensures the uninterrupted functioning of production and provides social guarantees for the population's interests. The development of the insurance market is considered one of the priority directions in forming the infrastructure of a market economy.

Marketing, as a method of managing insurance company activities and studying the market for insurance services, emerged relatively recently. Insurance companies in Western countries began widely applying it in the early 1960s. An analysis of the activities of the largest foreign insurance companies shows that various types of marketing are widely used in their operations. These include orientation toward market conditions and the maximum adaptation of certain types of insurance products and policies to the interests of actual and potential policyholders.

Studies indicate that today a vast number of works have been written on marketing, and they contain numerous definitions explaining its essence. For example, the following classical approaches may be cited:

- marketing is a manifestation of market-oriented managerial thinking characterized by creative, systematic, and proactive approaches;
- marketing is a means of satisfying human needs through exchange.

Each of these definitions reflects a particular aspect of marketing and its role in the economy. Nevertheless, they do not fully reveal its specific nature, nor do they completely disclose the potential role of insurance marketing within the system of financial and economic relations between insurer and insured, as well as within the activities of a particular insurance company.

Therefore, in order to more fully reflect the essence of these phenomena, the following definition is proposed: insurance marketing is a system of concepts and practices aimed at ensuring the most effective methods for achieving mutual understanding and efficient interaction between insurer and insured, optimizing their financial and economic relations, and providing policyholders with high-quality, relatively affordable, and comprehensive insurance protection that enables them to obtain higher returns from insurance operations.

Insurance marketing represents a specific branch of marketing science. At the same time, insurance as a field demonstrates a number of distinctive characteristics that differentiate it from other areas. Currently, marketing in mass production industries is considered the most developed. However, insurance marketing differs significantly from marketing in the sphere of consumer goods sales. This is primarily due to the specific nature of financial and economic relations in the insurance sector, among which the following are key:

1. The extended life cycle of insurance products — the duration of relations between insurer and insured may be very long, depending on contract terms. For instance, a life insurance contract may last 50 years or more. In many types of risk insurance, claim settlement periods may be unlimited and may extend for years or decades after contract termination.

2. The inseparability of insurance services from the insurer over long periods, since the insurer undertakes to compensate losses over time. As a result, the quality of an insurance product may change over time due to subjective factors or, for example, deterioration in the company's financial condition. This reflects the subjectivity and uncertainty inherent in an important component of financial and economic relations in insurance.

3. In traditional production sectors, marketing does not usually involve detailed analysis of risks, whereas risk is a fundamental component of insurance products.

4. Strong state regulation of insurance activity, particularly strict requirements regarding insurance product characteristics, significantly limits the marketing freedom of insurers.

5. The impossibility of patenting insurance products, which automatically allows competitors to quickly replicate successful projects and insurance programs.

6. The insufficient understanding of the essence of insurance by many potential policyholders complicates relations between insurer and insured.

Insurance activity, as an integral part of economic infrastructure, ensures social protection and also safeguards the interests of economic entities by warning against various insurance risks through contractual obligations and tariff mechanisms. Insurance relations, regardless of their organizational form, represent the process of forming and using insurance funds. It should be emphasized that insurance relations constitute complex and wide-ranging financial-monetary economic relations whose emergence requires the presence of a set of interrelated conditions.

In our country, offering new forms of insurance types is gaining particular importance. As is well known, insurance activity has emerged and developed as a necessary means of protecting the interests of individuals and legal entities and compensating for losses that may arise as a result of risks, and insurance relations arise on the basis of specific insurable interests.

Table 1.3 below presents the dynamics of the insurance amount by years, which is one of the main economic indicators of the activity of the "Ishonch" insurance company. It can be seen that in 2019 the insurance amount increased by 129.3% compared to 2014. Voluntary insurance, in turn, consists of general insurance, compulsory insurance, and insurance of residents. Our analysis shows that the total volume of insurance in 2019 increased almost 2.5 times compared to 2015, while the amount of compulsory insurance decreased by 25.4% during this period.

It should be emphasized that company specialists pay particular attention to improving document processing procedures, resolving claims within shorter timeframes, and enhancing the overall quality of claim handling carried out by the company.

Conceptually, the business strategy of any insurer is always grounded in the principle of insurability. Within this framework, the policyholder recognizes the key to success as reaching an agreement with a given company and maintaining a long-term relationship with it in the future. Satisfying clients' insurance interests constitutes the economic and social foundation for the existence of an insurance company. Eliminating the consequences of unforeseen events serves as a mechanism through which insurance products, as market outputs, ensure the continuity of social production. Insurance companies also establish preventive reserves aimed at implementing measures designed to prevent insured events and reduce risks.

Table 1.1

Data on the Insurance Amount Indicator of the Activities of "Ishonch" Insurance Company (in UZS).

Indicator	2015	2016	2017	2018	2019	Growth Rate % (2019/2015)
Total	1,672,700.9	2,013,228.4	1,934,718.2	2,312,356.7	2,694,539.8	161.1
Voluntary insurance	702,371.2	930,298.4	638,686.2	1,402,633.3	994,840.5	141.6
including:						
1. General insurance sector, including:	702,371.2	930,298.4	638,686.2	1,402,633.3	994,840.5	141.6
Personal accident insurance	13,221.0	4,959.3	791.4	5,033.3	4,246.4	32.1
Health insurance	240.0	22.0	6.0	712.5	4,136.5	17×
Land transport insurance	81,826.7	90,388.4	76,095.3	168,046.9	96,097.0	117.4
Property insurance against fire and natural disasters	297,770.1	407,043.5	263,929.1	510,254.4	423,718.8	142.3
General liability insurance	5,905.5	5,063.3	643.9	10,953.7	14,192.3	2.4×
Credit insurance	4,774.0	15,276.0	22,589.3	194,906.7	443,706.9	92×
2. Compulsory insurance	970,329.7	1,082,930.0	1,296,032.0	909,723.4	1,699,699.3	175.2
Mandatory insurance of construction risks for projects financed by state funds and government-guaranteed loans	73,843.3	298,676.0	190,390.6	117,196.0	55,021.3	74.5
Mandatory third-party liability insurance of vehicle owners	468,656.6	336,494.4	199,786.0	140,556.0	954,000.0	2.0×
Mandatory employer liability insurance	259,020.0	226,399.0	621,653.1	444,208.7	459,406.3	177.4
Other types of compulsory insurance	168,809.8	116,529.7	129,875.7	150,694.7	160,299.6	95.0
Residents	693,420.8	929,062.8	637,401.9	1,402,633.3	994,840.5	143.5

Insurance marketing practice is based on several fundamental principles: a comprehensive study of market conditions, consumer demand, and needs in the insurance market; flexible responsiveness to policyholders' requests; influencing the formation of demand for insurance services; and the introduction of innovations. The implementation of these principles at the level of a specific enterprise or organization primarily requires achieving final practical results, namely maximizing profit from selling a certain volume and quality of services, ensuring long-term stable performance, and applying strategies and tactics that actively adapt to the needs of potential consumers.

The marketing objectives of an insurance company are closely aligned with its core principles. These include ensuring profitable operations under constantly changing conditions, respecting clients' interests, maintaining the company's public image, strengthening competitiveness, satisfying customer needs to the greatest possible extent in terms of volume, structure, and quality of services, and comprehensively addressing the commercial, organizational, and social challenges faced by the company's workforce.

In accordance with these objectives, insurance marketing is oriented toward achieving high quantitative, qualitative, and social performance indicators, such as the number of concluded contracts, profit volume, the insurer's share in the insurance

market, productivity per employee, the number of contracts per employee, and the degree of customer satisfaction. The volume, structure, and quality of services provided by an insurance company also depend on its ability to ensure the confidentiality and security of information. Among social indicators, particular importance is attached to improving employees' professional qualifications and resolving social issues within the organization.

From a marketing perspective related to the insurance market, the primary function involves implementing a set of measures aimed at attracting clients as potential policyholders of a given insurance company. This function is carried out through the wide use of methods and tools for influencing potential customers, including advertising, organizational measures for concluding insurance contracts, tariff differentiation for insurance services, and the integration of insurance services with various commercial and legal service offerings.

Conclusion: Overall, insurance marketing serves as a strategic management mechanism that ensures the alignment of insurance services with market demand, strengthens competitive positioning, and promotes sustainable development of insurance companies. By combining market analysis, client orientation, innovation, and organizational efficiency, it not only enhances profitability but also fulfills an important socio-economic function by protecting the interests of individuals and organizations against risks.

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