An Integrated Approach To Marketing Strategy Formulation and Implementation

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Abstract

The overall aim of the thesis was to address the issues involved in marketing strategy formulation, implementation and company performance by developing a framework for the marketing of insurance services in Jordan. In order to achieve this aim the research developed a comprehensive framework involving three parts; marketing strategy formulation components, marketing strategy implementation, and company performance. The research population included all the insurance companies that were operating in the Jordanian market. The research design was mainly quantitative with some qualitative data included to support and expand upon the research findings. The research methodology included designing a comprehensive self-completion questionnaire, as well as, conducting a number of in-depth interviews with managers in the insurance companies in Jordan.

The most important finding to come out of the research was that marketing strategy formulation and implementation ***are not*** separate parts, but rather they should be incorporated in one process for a company to achieve success in the marketplace. The classic framework of marketing strategy, which is concerned with the traditional elements of the marketing mix framework, is inadequate for the marketing of insurance services. The marketing strategy components for the marketing of insurance services were eight, these are the seven Ps of the services marketing mix framework, and service quality. These elements were found to have a positive and significant effect on the insurance companies' performance measured by financial and non-financial (marketplace and customer) criteria. The effect of the marketing strategy components was found to have varied according to the insurance companies' performance criteria measured by financial and, non-financial (marketplace and customer based) criteria.

The marketing strategy implementation variables were found to have affected the relationships between the marketing strategy components and the insurance companies' performance measured by financial and non-financial (marketplace and customer based) criteria. Generally speaking, the effect of marketing strategy implementation variables on the relationships between the marketing strategy components and the insurance companies performance measured by customer based measures was found to be greater than their effect on the relationships between the marketing strategy components and the insurance companies performance measured by financial and marketplace performance criteria.

Company marketing assets and capabilities, and company marketing experience were found to be the master variables of marketing strategy implementation that moderated the relationships between the marketing strategy components and the insurance companies performance, measured by financial and non-financial (marketplace and customer based) criteria. This is evidenced when these two variables have systematically changed all the relationships between the marketing strategy components and the insurance companies' performance. Marketing strategy consensus, marketing strategy resource commitment, marketing strategy cross-functional integration, marketing strategy communication activities quality were found to have a higher effect on the relationships between the marketing strategy components and the insurance companies performance measured by customer based criteria, rather than the relationships between the marketing strategy components and the insurance companies performance measured by financial and marketplace performance criteria. The research found that the marketing strategy implementation variables hold strategic implications for the insurance companies' performance because they affect their performance especially those criteria that deal with the customers e.g., customer satisfaction. The rationale is that the marketing strategy implementation variables are concerned with activities that are dealing with the customer on a daily basis.

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Dedication

I Would Like to Dedicate this Research to

The Spirit of My Grandfather Who Passed Away while I was doing this Piece of Work

My Father and Mother for their Enormous Support, Patience and Encouragement

My Brothers and Sisters for their Continuous Love and Encouragement

Table of Contents

Abstract	II
Acknowledgement	III
Dedication	IV
List of Contents	V
List of Tables	IX
List of Figures	X
List of Appendices	XI

Chapter One: Introduction

	Page Number
1.1. Introduction	1
1.2. Background	1
1.3. The Research Problem	3
1.4. The Insurance Industry in Jordan	5
1.5. Characteristics of Financial Services and Implications	6
1.6. The Research Aim and Objectives	7
1.7. The Research Hypotheses	8
1.?. Format of Thesis	9

Chapter Two: The Marketing Mix Strategies: An Evolutionary Literature Review

2.1. Introduction	12
2.2. The Evolution of the Original Marketing Mix	14
2.3. The Marketing Mix Definition	20
2.4. The Marketing Mix strategies in the Services	22
2.4.1. The Service Offering Strategy	22
2.4.2. Service Quality	37
2.4.3. Pricing Strategies	48
2.4.4. Promotion Strategy	55
2.4.5. Distribution and Cyberspace Strategy	61

2.4.6. People Strategy 68
2.4.7. Service Delivery Process Strategy 78
2.4.8. Physical Evidence Strategy 85
2.5. Summary 90

Chapter Three: Marketing Strategy Implementation and company Performance: A Comprehensive Approach

3.1. Introduction 95
3.2. The Marketing Strategy Formulation-Implementation Dichotomy 95
3.3. Marketing Assets and Capabilities 111
3.4. Marketing Strategy Resource Commitment 120
3.5. Marketing Strategy Consensus 121
3.6. Marketing Strategy Cross-Functional Integration 123
3.7. Marketing Strategy Communications Activities 125
3.8. Company Marketing Experience 125
3.9. Company Performance Measurement 128
3.10. Summary 137

Chapter Four: Building the Research Framework and Hypotheses

4.1. Introduction 141
4.2. Building the Research Framework 141
4.2.1. The Rationale for Building the Overall Research Framework 143
4.2.2. Synthesising Marketing Strategy Formulation and Implementation 146
4.2.3. The Marketing Strategy Implementation Variables as Moderators 153
4.3. Operational Definition of the Research Variables 157
4.3.1. Operationalising the Marketing Strategy Formulation Variables 158
4.3.2. Operationalising the Marketing Strategy Implementation Variables 171
4.3.3. Operationalising the Performance Measurement 174

Chapter Five: Research Methodology

5.1. Introduction 177

5.2. The Research Objectives 179

5.3. The Research Design 179

5.4. Type of the Research 185

5.5. Research Methodology 185

5.5.1. The Research Population 186

5.5.2. The Research Methods of Data Collection 188
Secondary Data Collection Methods
Primary Data Collection Methods

5.5.3. Developing and Designing the Research Questionnaire 191
Sources of the Research Questionnaire Questions
The Research Questionnaire Development and Design
Phase One: Planning What To Measure
Phase Two: Formatting the Questions: Types of Questions Used
Phase Three: Questions Wording
Phase Four: Sequencing and Layout Decisions
Phase Five: Pre-testing and Correcting Problems

5.5.4. The Scales Used in the Research Questionnaire 199

5.5.5. The Translation of the Research Questionnaire 201

5.5.6. The Final Structure of the Questionnaire: Sections and Variables 203

5.5.7. Administering the Questionnaire 207

5.5.8. Pilot Studies 209

5.5.9. Administering the Research Fieldwork 210
Administering the Research Questionnaire
Administering the Research Interviews

5.5.10. Efforts Made To Increase the Response Rate 213

5.6. Research Data Analysis 214

5.6.1. Unit of the Analysis 214

5.6.2. Research Data Preparation Procedures 214

5.6.3. Validity and Reliability 216

5.6.4. Statistical Methods 223

5.6.5. Research Hypotheses Testing 227

5.7. The Research Limitations 231

Chapter Six: Research Analysis and Discussion

6.1. Introduction 233

6.2. Research Objectives 233

6.3. General Characteristics of the Respondents 233

6.4. To Establish and Define the Components of Marketing Strategy of the Insurance Companies in Jordan 234

6.5. To Establish the Performance Measures Appropriate to the Insurance Sector in Jordan 257

6.6. Research Hypotheses Testing 262

6.7. To Determine the Effects of the Marketing Strategy Components on the Performance of Insurance Companies in Jordan 262

6.8. Strategic Issues In Marketing of Insurance Services 281

6.9. To Determine the Effects of the Marketing Strategy Components on the Performance by Different Moderating Variables in the Insurance Companies in Jordan 283

- 6.9.1. Discussion 306
- 6.9.2. Marketing Strategy Implementation Variables 309

6.10. Digest 317

Chapter Seven: Conclusions

7.1. Introduction 318

7.2. The Research Objectives 318

7.3. Research Conclusions 319

- 7.3.1. Marketing Strategy Formulation Components-Objective One 319
- 7.3.2. Company Performance Measurements-Objective Two 325
- 7.3.3. The Relationship between Marketing Strategy Components and Company Performance-Objective Three 327
- 7.3.4. Marketing Strategy Formulation and Implementation and Company Performance-Objective Four 330

7.4. The Modified Research Framework 333
7.5. Contribution to Marketing Knowledge 337
7.6. Further Research 339

List of Tables

Table 2.1. Comparison of Price and Non-price Competition 54
Table 5.1. Contrasting Implications of Positivism and Social Constructionism 183
Table 5.2. Reliability Coefficients for Marketing Strategy Formulation Components 219
Table 5.3. Reliability Coefficients for the Marketing Strategy Implementation Variables 219
Table 5.4. Reliability Coefficients for the Company Performance Measurement 220
Table 6.1 General Characteristics of the Respondents 234
Table 6.2. An Insurance Service Offering Strategy Descriptive Statistics 235
Table 6.3. Insurance Service Quality Descriptive Statistics 240
Table 6.4. Insurance Pricing Strategy Descriptive Statistics 245
Table 6.5. Insurance Promotion Strategy Descriptive Statistics 247
Table 6.6. Insurance Distribution and Cyberspace strategy Descriptive Statistics 250
Table 6.7. People Strategy-Customer Orientation Descriptive Statistics 252
Table 6.8. People Strategy-Internal Marketing Descriptive Statistics 254
Table 6.9. Insurance Delivery Process Strategy Descriptive Statistics 255
Table 6.10. Insurance Physical Evidence Descriptive Statistics 256
Table 6.11. Financial and Non-Financial performance criteria Descriptive Statistics 258
Table 6.12. Marketing Strategy Components and Financial Performance 263
Table 6.13. Marketing Strategy Components and Marketplace Performance 267
Table 6.14. Marketing Strategy Components and Customer Performance Criteria 268
Table 6.15. Marketing Strategy Components and Individual Financial Performance Criteria 276
Table 6.16. Marketing Strategy Components and Individual Marketplace Performance Criteria 276
Table 6.17. Marketing Strategy Components and Individual Customer Criteria 276
Table 6.18. Strategic Issues In Practising the Insurance Business in Jordan 282
Table 6.19. Insurance Service Offering and Financial Performance Criteria 284
Table 6.20. Insurance Service Offering and Marketplace Performance Criteria 285
Table 6.21. Insurance Offering Strategy and Customer Based Performance Criteria 286
Table 6.22. Insurance Service Quality and Financial Performance Criteria 287

Table 6.23. Insurance Service Quality and Marketplace Performance Criteria 288
Table 6.24. Insurance Service Quality and Customer Based Performance Criteria 288
Table 6.25. Insurance Pricing Strategy and Financial Performance Criteria 290
Table 6.26. Insurance Pricing Strategy and Marketplace Performance Criteria 290
Table 6.27. Insurance Pricing Strategy and Customer Based Performance Criteria 291
Table 6.28. Insurance Promotion and Financial Performance Criteria 292
Table 6.29. Insurance Promotion Strategy and Marketplace Performance Criteria 293
Table 6.30. Insurance Promotion Strategy and Customer Based Performance Criteria 293
Table 6.31. Insurance Distribution Strategy and Financial Performance Criteria 294
Table 6.32. Insurance Distribution Strategy and Marketplace Performance Criteria 296
Table 6.33. Insurance Distribution Strategy and Customer Performance Criteria 296
Table 6.34. Customer Orientation and Financial Performance Criteria 297
Table 6.35. Customer Orientation and Marketplace Performance Criteria 298
Table 6.36. Customer Orientation and Customer Based Performance Criteria 298
Table 6.37. Internal Marketing and Financial Performance Criteria 300
Table 6.38. Internal Marketing and Marketplace Performance Criteria 300
Table 6.39. Internal Marketing and Customer Based Performance Criteria 301
Table 6.40. Insurance Delivery Strategy and Financial Performance Criteria 302
Table 6.41. Insurance Delivery Strategy and Marketplace Performance Criteria 303
Table 6.42. Insurance Delivery Strategy and Customer Based Performance Criteria 303
Table 6.43. Insurance Physical Evidence and Financial Performance Criteria 305
Table 6.44. Insurance Physical Evidence Strategy and Marketplace Performance Criteria 305
Table 6.45. Insurance Physical Evidence Strategy and Customer Based Performance Criteria 306
Table 6.46 Investments in Marketing Strategy Components for Building Marketing Assets and Capabilities 310

List of Figures

Figure 1.1. The Organisation of the Thesis 11
Figure 2.1. The General Outline of the Literature Review in Chapter Two 14
Figure 2.2. The Gronroos' Service Quality Model 38
Figure 2.3. The SERVQUAL Service Quality Model 40
Figure 2.4. Understanding the Nature of the Service Act? 80
Figure 2.5. Simple Flowchart for Delivery of Health Insurance Service Products 84

Figure 3.1. Integrating Marketing Strategy Formulation and Implementation Processes 102

Figure 3.2. The Marketing Strategy Implementation Process 110

Figure 4.1. The Overall Research Framework 142

Figure 4.2. Insurance Service Offering Strategy Dimensions and Measurements 158

Figure 4.3. Insurance Service Quality Dimensions and Measurements 161

Figure 4.4. Insurance Pricing Strategy Dimensions and Measurements 163

Figure 4.5. Insurance Promotion Strategy Dimensions and Measurements 164

Figure 4.6. Insurance Distribution and Cyberspace Strategy Dimensions and Measurements 165

Figure 4.7. People Strategy Dimensions and Measurements 166

Figure 4.8. Insurance Service Delivery Strategy Dimensions and Measurements 168

Figure 4.9. Insurance Physical Evidence Strategy Dimensions and Measurements 170

Figure 5.1. Research Methodology Diagram 177

Figure 5.2. The Process of Questionnaire Design 194

Figure 7.1. The First Modified Research Framework, Financial and Non-Financial Performance 334

Figure 7.2. The Second Modified Research Framework, Customer Criteria 335

Figure 7.3. The Third Modified Research Framework, Marketplace and Customer Criteria 336

Appendices Page Number

Appendix A: Tables of The Services Marketing Mix Strategies Relevant Literature Review 372

Appendix B: Detailed Research Methodology Diagram 388

Appendix C: The Research Questionnaire 393

Appendix D: The Interviews Questions 408

Appendix E: Correlations between Marketing Strategy Formulation Components, and Correlations between Marketing Strategy Implementation Variables 410

Appendix F: Research Statistical Methods Employed in Analysing the Data 418

Appendix G: Form of Pricing Policy in An Insurance Company in Jordan 427

Appendix H: Two Customer Satisfaction Forms for Two Insurance Companies in Jordan. 429

Chapter One

Introduction

1.1. Introduction

Chapter one is concerned with providing a general background concerning the entire research. This chapter is divided into eight sections. Section 1.2 provides a brief background. Section 1.3 provides a comprehensive discussion about the research problem. Section 1.4 presents a brief background about the insurance industry in Jordan. Section 1.5 discusses the unique characteristics of financial services and their implications. Section 1.6 presents the research aim and objectives. Section 1.7 presents the research hypotheses. Section 1.8 presents the format of the thesis.

1.2. Background

Recently, the business world has been witnessing a huge revolution in all aspects of business. There are many forces that have emerged as critical challenges facing today's companies. Marketing is considered as a key element for any successful business, irrespective of its size, sector, the nature of its work and even its aims and objectives. Today's companies operate in a very dynamic business environment. The role of marketing as a philosophy and approach to doing business has emerged as essential in the financial services sector, especially related to the unique characteristics of the services. This sector has witnessed major developments and tremendous growth in recent decades. Financial services have changed radically to respond to the dynamic environmental changes in domestic and international markets. There are crucial factors that have significantly contributed to changing and developing the financial services industry. These factors are increasing competition, entrance of new competitors, globalisation pressures, increasing customer needs and wants, and the edge of information technology (Diacon 1990; Saunder and Watters 1993; Johne 1993; Ennew et al 1998; Drucker 1999; Kotler 2000; Lovelock 2001).

A developing country, Jordan, has been witnessing a critical economic crisis that has affected all its industry sectors. One of the main reasons for this crisis is that the Jordanian companies do not adopt long-term strategies, which cover their business activities. All indicators that have emerged from formal and informal interviews with marketing and non-marketing managers in the insurance industry in Jordan, the Jordan Insurance Federation and the Director of the Insurance Regularity Commission Committee have indicated that marketing is one of the most significant problems that have contributed to the low performance of the insurance industry in Jordan. The position of the insurance industry in Jordan is very questionable in terms of its contribution to the Jordanian economy, low volume of insurance premiums and the performance of companies' in the sector is unsatisfactory.

There is no "magic solution" for solving the problems of the insurance industry in Jordan. However, the most critical theme upon which managers in the insurance industry, the Jordan Insurance Federation, and the Insurance Regularity Commission Committee have agreed is that adopting marketing is one of the most fundamental keys that can increase the insurance premiums volume and improve the insurance companies performance. The insurance companies have not, so far, adopted marketing as a philosophy and approach to doing business to perform and improve their performance. This has delayed the discovery of promising marketing opportunities for the insurance market in Jordan.

The strongest emphasis to support this argument has emerged from initial discussions and contacts with managers in the insurance industry in Jordan. For instance, the Assistant General Manager of a small insurance company commented:

"The promotion in the marketing of insurance services is relatively weak because of the small size of the Jordanian insurance market, which is 110 million Jordanian Dinars. I would argue that doing marketing, promotion and introducing new insurance programmes would increase the total volume of insurance premiums up to 500 million Jordanian Dinars within a short period of time".

The Life and Health Insurance and Re-insurance Manager in a medium size insurance company commented:

"I would argue that the premiums of the insurance market in Jordan can be increased up to four or five times more than the current insurance premiums volume if we do correct marketing. Marketing is one of the first and the strongest reasons for the low volume of insurance premiums

in Jordan. I have no doubt whatsoever that marketing is the main reason. Marketing is there but it is not active in the correct way, as it should be. Doing correct marketing and I am saying this again and I am assuring you that the insurance premiums volume can go up to four or five times within a short period of time which I would expect not more than one year or two years maximum if we do correct and professional marketing in Jordan".

The Marketing and Media Manager in a big insurance company commented:

"I would argue that in formulating a marketing strategy everyone in the company must understand the marketing philosophy and strategies before going to the external market otherwise you will never succeed. Marketing must start from the tea boy and finish in the chairman's office. The problem of marketing in Jordan is the investors themselves who are not totally convinced about it and they do not want to make investments in this critical business function".

Based upon the above discussion and arguments, it is argued that there is a critical need to develop a comprehensive framework for the marketing of insurance services in Jordan. There is a critical need to conduct an empirical investigation concerning this framework, which would enable the insurance companies to practice professional marketing in order to improve their performance.

1.3. The Research Problem

The research problem is concerned with investigating the marketing of insurance services. Discussions, formal and informal interviews with marketing and non-marketing managers in the insurance companies in Jordan have indicated that marketing is one of the most critical problems that has contributed to the low performance of the insurance companies in Jordan. Moreover, the position of the insurance industry in Jordan is questionable in terms of its contribution to the Jordanian economy, which is very low. According to the Director of Insurance Regularity Commission Committee in Jordan the contribution of the insurance industry to the Jordanian economy is around 2%, while, its contribution in the developed countries ranges between 8% and 10%.

One of the critical insights in relation to the questionable position of the insurance industry in Jordan has come from a study, which was carried out by the United States

Agency for International Development (Dowsley et al 1995). This study has diagnosed the marketing area in the insurance industry in Jordan as underdeveloped and under researched. Furthermore, there are a number of factors that makes this research problem an invaluable area to investigate. These factors are the large number of insurance companies in Jordan, changing customers needs and wants, and globalisation. Jordan has recently joined the World Trade Organisation and signed the Free Trade Agreement with the United States of America. As Jordan has joined these global bodies, there is an urgent need to develop all the Jordanian economy sectors that should be able to deal with the philosophy of the free market economy.

One of the most critical sources for the severe competition between the insurance companies took place in 1995, which witnessed the issuing of a new law for the insurance industry in Jordan. According to the new law, the establishment of new insurance companies was allowed (Directorate of insurance control 1998). As a direct consequence of this new law, which changed the structure of the insurance industry in Jordan, nine new insurance companies were established in 1996 and another was established in 1997. The establishment of these new companies has made marketing an essential requirement when doing insurance business.

A study that has been conducted in the Islamic banking sector has strongly recommended researching all the financial services sectors in Jordan with a special focus on researching the marketing of insurance services (Jaber 1989). Moreover, a critical examination that was carried out in relation to the literature review of the marketing of insurance services in Jordan, if any, has revealed that there is only one study that examined the marketing policies of insurance services in Jordan. A critical investigation of this study (Ghanam 1995) revealed that there are three shortcomings in this study. First, the study applied components of the traditional 4Ps marketing mix model, which have been used in the marketing of goods, on the insurance industry. This explicitly indicated that this study did not take into consideration the unique characteristics of insurance services, which have crucial implications on the marketing strategies of these services. Second, the examination indicated that there were insufficient operational definitions of the study's variables and, even the number of variables which were used within the traditional marketing mix elements were insufficient. Third, the study did not take into consideration the crucial impact of marketing strategy implementation on companies operations especially on their performance.

The literature review in the fields of both marketing strategy formulation and implementation research has indicated that there are a number of theoretical gaps that require more investigation in the services marketing area (chapter four). Furthermore, this research has responded to important calls that have been put forward by researchers in the marketing strategy field, (Deshpande` 1999; Day and Montgomery 1999; Varadarajan and Jayachandran 1999) which have strongly encouraged conducting marketing research projects in the developing countries. Their argument is that one of the challenges facing the academic marketing research (Deshpande` 1999 and Day and Montgomery 1999; Varadarajan and Jayachandran 1999) is that the generalisability of the marketing models, theories and concepts, which have been developed in the U.S. and Western environments, need to be validated within other business cultures and countries (cross-cultural). Moreover, the extent to which strategy-performance relationships, observed in the context of U.S. businesses, are generalisable in the larger international context, and/or in other market contexts remains under researched.

1.4. The Insurance Industry in Jordan

The insurance industry in Jordan is relatively new that was started after the Second World War when a number of British companies such as Provincial, Eagle Star and Northern established some agencies in the Jordanian market (Axco 1997, Abu Jaber 1998). The real starting point for the insurance industry in Jordan was in 1951 when the first national insurance company, Jordan Insurance Company, was established (Insurance Newsletter 1991; Ghanam 1995; Axco, 1997; Abu Jaber 1998). The structure of the insurance industry in Jordan includes five parties that are the insurance companies, brokers and agencies and actuaries, the Insurance Regularity Commission Committee, Jordan insurance federation, and motor third party liability office. The government is involved in regulating the insurance industry in Jordan through the Insurance Regularity Commission Committee, which controls all aspects of insurance business.

The insurance industry in Jordan is relatively small in size compared with the regional and international insurance markets (Abu Jaber 1998). Its contribution to the GDP is still small, at 1.92% in 1998. Meanwhile, the average of its contribution to GDP in the advanced countries is 8.8% and in emerging countries is 3.0% (Swiss Re 1999). Consequently, the contribution of the insurance industry to the GDP is still below international rates. The market size can be measured by knowing the aggregate premiums every year, which are written in the insurance market. The aggregate premiums in 2001 is 120,436,687 Jordanian Dinars and the aggregate claims is 79,811,200 Jordanian Dinars for all the insurance branches (Jordan Insurance Federation 2002).

1.5. Characteristics of Financial Services and Implications

Financial services have a number of unique characteristics that distinguish them from services and physical goods. The unique characteristics of the financial services can be derived from the characteristics of services marketing in general. The characteristics of services are intangibility, heterogeneity, inseparability, perishability, and high Labour Intensive (Regan 1963; Rathmell 1966; Shostack 1977a,b; Berry 1980; Levitt 1981; Cowell 1984; Zeithaml et al 1985; Watkins and Wright 1986; Berry 1987; Fahy 1993; Kasper et al 1999; Zeithaml and Bitner 2000).

These unique characteristics have crucial implications on services marketing strategy. Since services are intangible, it is difficult to assess the quality (Booms and Bitner 1981; Zeithaml and Bitner 2000), special challenges in pricing and promotion strategies exist (Thomas 1978). Services are easy to copy by competitors especially new services, services are perishable; they cannot be inventoried this creates difficulties in managing demand fluctuations (Rathmell 1966; Zeithaml et al 1985) and makes demand forecasting is relatively difficult. The heterogeneity of services causes variability in service quality outcomes because it depends on many factors e.g., customers, services providers. The involvement of the human aspect creates difficulties in the quality control and the consistency of the service delivery process (Zeithaml et al 1985; Kotler 1994; Lovelock et al 1996; Zeithaml and Bitner 2000).

Inseparability of services creates difficulties with quality and customer satisfaction because they depend on the interactions between employees and customers, and the customer involvement process itself affects customer satisfaction. Mass production is very difficult; standards cannot be set precisely (Rathmell 1966; Zeithaml and Bitner 2000). Inseparability creates problems in distribution strategy because it requires decentralisation in some services; insurance products require using intermediaries, this creates problems in both distribution and consistency of quality while service is being introduced (Rathmell 1966; Donnelly 1976; Berry 1980; Zeithaml and Bitner 2000).

These are some problems that are being created by the unique characteristics of the financial services and services in general, a number of marketing scholars have agreed that services create special problems and challenges, which need special marketing strategies to deal with them (Levitt 1972; George and Barksdale 1974; Donnelly 1976; George 1977; Shostack 1977a,b; Thomas 1978; Berry 1980; Levitt 1981; Booms and Bitner 1981; Cowell 1984; Parasuraman et al 1985; Zeithaml et al 1985; Kotler 1994; Lovelock 1996; Ennew and Watkins 1992; Ennew et al 1998; Ennew and Watkins 1998; Kasper et al 1999; Zeithaml and Bitner 2000). For example, Ennew and Watkins (1992) argued that it would be a mistake to assume that products and services are polar extremes; they are not. However, these characteristics are typically dominant in services and affect the development of marketing strategies and mixes (Ennew and Watkins 1992).

1.6. The Research Aim and Objectives

Based on the above determination of the marketing problems in the insurance industry in Jordan, the broad aim of this research is:

"To determine the performance of Insurance Companies in Jordan by studying the effect of the marketing strategy components on their performance through a number of moderating variables that will affect the performance".

To achieve this broad aim, it has been broken down and translated into four objectives, which can assist the investigation of the research problem.

Objectives of the Research

The research is aimed at achieving four objectives:

1. ***To establish and define the components of marketing strategy of the insurance companies in Jordan.***
2. ***To establish the performance measures appropriate to the Insurance Sector in Jordan.***
3. ***To determine the effects of the marketing strategy components on the performance of the insurance companies in Jordan.***
4. ***To determine the effects of the marketing strategy components on the performance by different moderating variables in the insurance companies in Jordan.***

1.7. The Research hypotheses

Based on the marketing strategy formulation components, marketing strategy implementation, and company performance measurement literature review (chapters two, three and four) the research has formulated a number of hypotheses to assist in investigating the research problem and fulfilling its aim and objectives.

The First Group of Hypotheses

The first group of hypotheses includes two subgroups to examine the effect of the marketing strategy components on the insurance companies' performance according to the employed performance measurement criteria; financial and non-financial (marketplace and customer criteria). Based on the marketing strategy components literature review, two general hypotheses can be hypothesised for the first group:

H1: Marketing strategy components have a positive and significant effect on the performance of insurance companies measured by financial criteria.

H2: Marketing strategy components have a positive and significant effect on the performance of insurance companies measured by non-financial criteria (marketplace and customer criteria).

The Second Group of Hypotheses

Based on the marketing strategy formulation components and marketing strategy implementation (chapter four) literature review, the research has formulated nine hypotheses which are designed to examine the moderation effect of the marketing strategy implementation variables on the relationships between the marketing strategy components and the insurance companies performance measured by financial and non-financial criteria (marketplace and customer criteria). The general hypothesis of the second group is:

The relationships between the marketing strategy formulation components and the companies' performance measured by either financial criteria or non-financial (marketplace and customer) criteria is affected by the successful implementation of marketing strategy.

1.8. Format of Thesis

This thesis is divided into seven chapters each addressing a particular aspect of the issues involved in marketing strategy formulation and implementation and company performance. The overall view of the thesis, its background, research problem, a brief view about the insurance industry in Jordan, the characteristics of financial services and implications, research aim and objectives, research hypotheses and thesis format are discussed in chapter one.

Chapter two is concerned with the relevant literature review related to the 7Ps of the services marketing mix framework and service quality, which are the major components in formulating a marketing strategy. The aim was to build up a comprehensive framework for the first part of the research framework; the 7Ps and service quality components. The chapter begins with an overview of the evolution of the original marketing mix framework and, a discussion of the marketing mix definitions. Relevant literature on the services and financial services marketing mix strategies is extensively discussed.

Chapter three is concerned with conducting literature review for the second and third parts of the research framework, which are marketing strategy implementation and, companies' performance measurement. The chapter discussed the marketing strategy formulation and implementation dichotomy. The chapter developed a comprehensive framework concerning marketing strategy implementation through suggesting six variables that may affect the successful implementation of marketing strategy, and companies' performance. These variables are company marketing assets and capabilities, marketing strategy resource commitment, marketing strategy consensus, marketing strategy cross-functional integration, marketing strategy communications quality activities and company marketing experience. The last section of the chapter is concerned with companies' performance measurement.

Chapter four is concerned with building the research framework and hypotheses. The sources upon which the research framework and hypotheses are built are findings from both marketing strategy formulation and implementation literature. Arguments are forwarded for building the overall research framework. More importantly, the chapter forwards arguments for synthesising marketing strategy formulation and implementation. The last section of the chapter provides discussion for developing operational definitions of the research variables and the rationale for each operational definition.

Chapter five is concerned with the detailed explanation of the research design and methodology that are specifically developed and employed to fulfil the research aim and objectives. This chapter discusses the research population and respondents, research methods of data collection, developing and designing the research questionnaire, and the scales used in the questionnaire. Furthermore, the chapter discusses the translation procedures of the questionnaire, the final structure of the questionnaire, conducting two pilot studies, the approach used for administering the questionnaire, administering the research fieldwork, efforts made to increase the response rate, the research data analysis strategy and techniques, and research limitations.

Chapter six is concerned with the research analysis and discussion. This chapter analyses and discusses the research analysis and findings in relation to the research objectives and hypotheses testing. The chapter also discusses the extent to which the research objectives are fulfilled. The last two sections of the chapter are concerned with providing a general discussion for the marketing strategy implementation, and a detailed discussion concerning each variable of it.

Chapter seven is concerned with the research conclusions. This chapter discusses the research conclusions according to each objective of the research objectives. The chapter presents the modified research framework that has emerged after conducting the research data analysis, discussion, and conclusions. The research contribution to marketing knowledge is also discussed. Further recommended research agenda and potential areas of further future research are discussed as well. Figure 1.1 presents the organisation of the entire thesis.

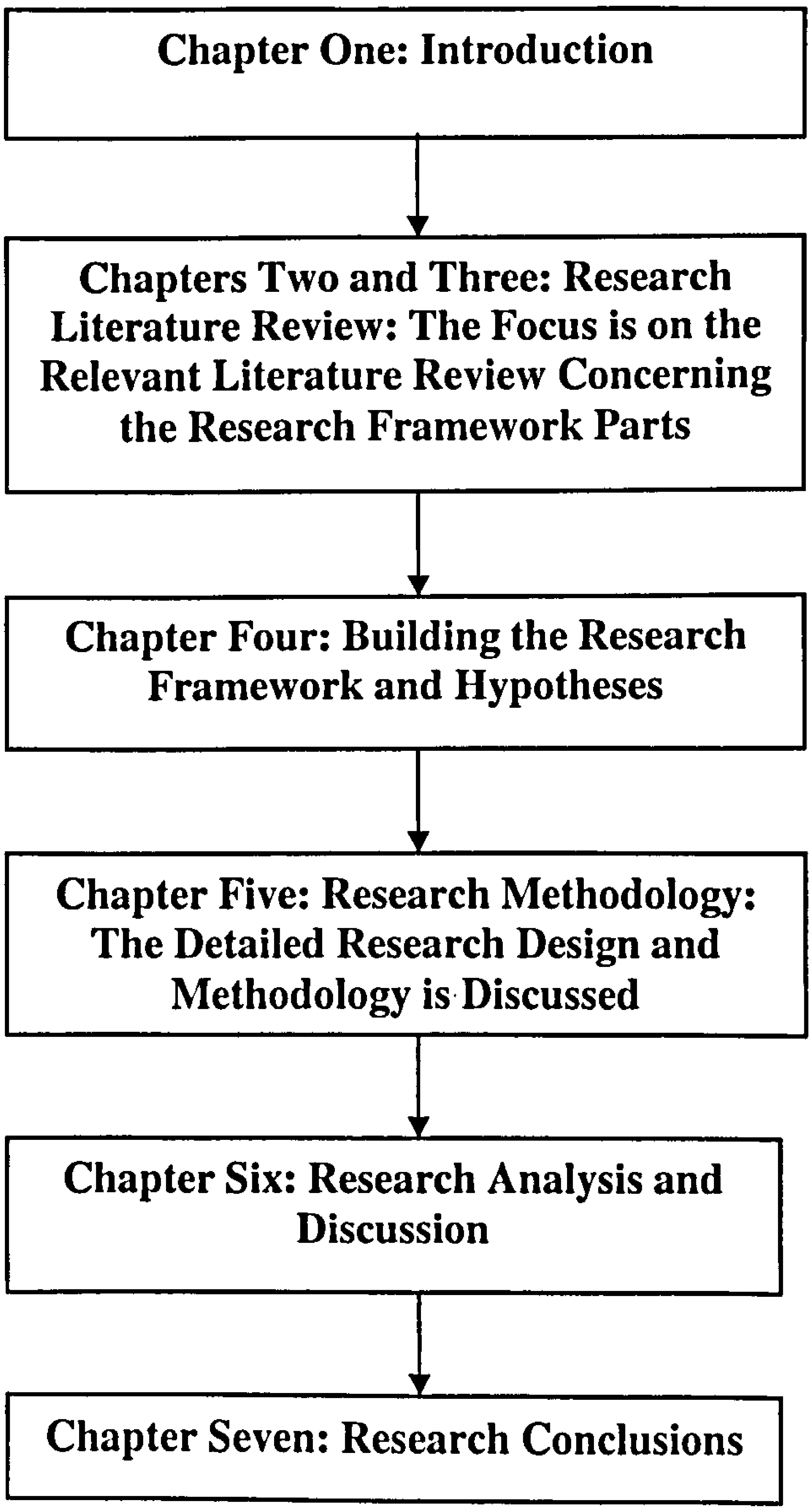


Figure 1.1 The Organisation of the Thesis

Chapter Two

The Marketing Mix Strategies: An Evolutionary Literature Review

2.1. Introduction

A significant amount of literature (Booms and Bitner 1981; Magrath 1986; Marr 1987; Judd 1987; Bruner 1989; Gummesson 1991; Smith and Saker 1992; Gronroos 1994; Low and Tan 1995; Rafiq and Ahmed 1995; Gronroos 1996; Harvey et al 1996; Balmer 1998; Webster 1998; O`Malley and Patterson 1998; Kotler 1999; Day and Montgomery 1999; Schultz 1999; Zeithaml and Bitner 2000; Schultz 2001) has indicated that the traditional 4Ps of the marketing mix model are inadequate for either the marketing of goods or for services marketing. The literature review on services marketing has indicated that the marketing strategies in service businesses are different from those that are being used in goods marketing. The literature indicates that the unique characteristic of services creates special marketing problems and challenges, which need special marketing strategies to deal with them. Consequently, the marketing strategy in the services should include the 7Ps of the services marketing mix framework and service quality, which may have a crucial effect on companies' performance. The 7Ps of the services marketing mix framework has been advocated the service marketing literature as a generic framework for services marketing management and, the 7Ps components are the major components to formulate a marketing strategy in service businesses (e.g., Booms and Bitner 1981; Cowell 1984; Collier 1991; Lovelock 2001).

It is of crucial importance to emphasis that this research has recognised that marketing strategy includes market segmentation, positioning and, fully-integrated marketing mix strategies (Wind and Roberston 1983; Greenely 1989; Webster 1992; Hooley et al 1998; Doyle 1999; Cravens 2000; Baker 2000; Kotler 2000). Fully-integrated marketing mix strategies outline the major components of the marketing strategy in the service companies. As a consequence, mentioning the "marketing strategy" phrase means fully-integrated and coherent "marketing mix strategies" in this research (Buzzell and Wiersmea 1981; Wind and Roberston 1983; Cook 1983; Jain and Punj 1987; Greenley 1989; Webster 1992; Ennew and Watkins 1992; Hooley et al 1998, Doyle 1999; Menon et al 1999; Cravens 2000; Baker 2000; Kotler 2000; McDonald 2002).

The main objective of this chapter is building up a comprehensive framework for the services marketing mix strategies (components) included in the research, which represent the first part of the research framework. This objective was achieved through reviewing relevant literature in an evolutionary manner. This manner was achieved through reviewing relevant literature on both services and financial services contexts for the research purposes.

It is important to emphasis at the outset that there has been a considerable published body of literature relating to the traditional 4Ps of the marketing mix elements, especially within the marketing of goods context, which has dominated the marketing literature during the last three decades. Consequently, it is of crucial importance to declare that the literature review concerning this chapter is built based on the following:

A. The research is concerned with developing a comprehensive framework about the marketing of insurance services, which is represented by fully-integrated marketing mix strategies that may have an effect on companies' performance.
B. The comprehensive framework includes the 7Ps of services marketing mix framework and service quality.
C. The major focus is on the services marketing mix strategies; however, the tactical role of the marketing mix elements is not the focus of this research.
D. The major focus is on the most relevant body of literature within both service and financial services marketing. In addition, relevant literature in the marketing theory, which is related to the research framework, is also investigated.
E. The approach used in this chapter to review relevant literature on the services marketing mix strategies is to provide a table for some variables, which presents relevant literature and most important results (the tables are provided in appendix A). This is followed by discussion and evaluation of the main ideas and thoughts of the

literature included in each table. The rationale for using this approach is that there is a substantial body of literature on some elements in services marketing literatures but not on the marketing of insurance services. If more details are required in relation to any element they can be found in sources provided in each table.

This chapter is divided into five sections. Section 2.2 is concerned with the evolution of the marketing mix concept. Section 2.3 is concerned with definitions of the marketing mix concept. Section 2.4 discusses the marketing mix strategies in the services and financial services sectors. Section 2.5 presents a brief summary. Figure 2.1 shows the general outline for this chapter.

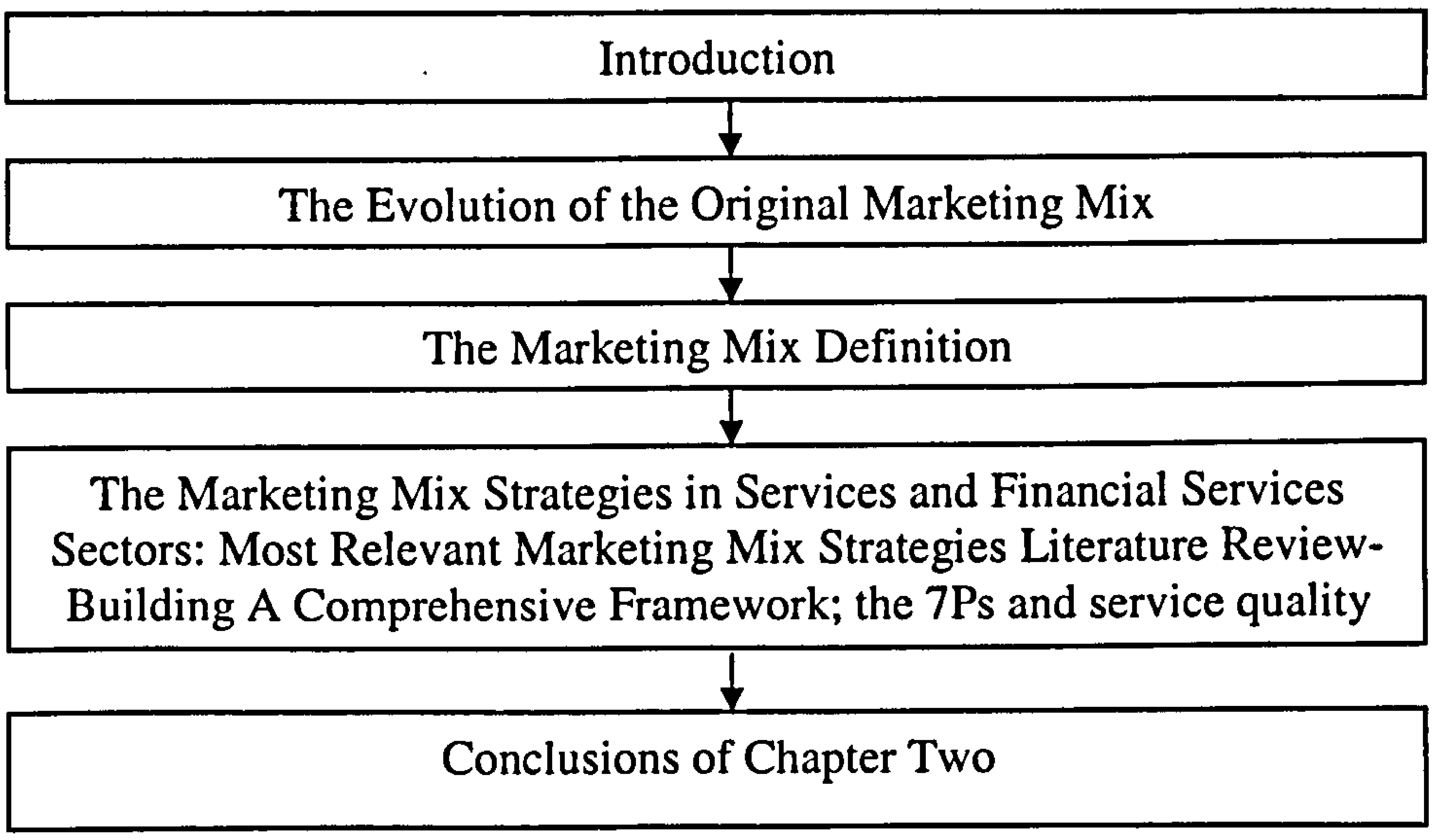


Figure 2.1. The General Outline of The Literature Review in Chapter Two

2.2. The Evolution of the Original Marketing Mix

The marketing mix is considered one of the core concepts of marketing (Gronroos 1989; Rafiq and Ahmed 1995; Van Waterschoot 1999; Ziethaml and Bitner 2000). The 4Ps of the marketing mix model have been changing since they were introduced in the early of 1960s. Frey (1961) suggested that the marketing mix components could be divided up into two categories. The first category, the product offering includes product, package, brand, price, and service. The second category, methods and tools includes distribution channels, personal selling, advertising, sales promotion, and publicity (Frey 1961).

However, Borden (1964) used the term the "marketing mix" for the first time in the mid of 1960s. Borden described the marketing mix concept through describing a marketing manager as a "mixer of ingredients" when this manager is interested in formulating a mix of marketing policies and procedures in order to produce a profitable organisation. Borden argued that the elements of the marketing mix within the manufacturing industry included twelve elements. These elements are product planning, pricing, branding, channels of distribution, personal selling, advertising, promotions, packaging, display, servicing, physical handling and fact finding and analysis. On the other hand, McCarthy (1964) reduced the Borden list to the 4Ps; product, price, promotion and place of the marketing mix model. McCarthy argued that the marketing mix is a combination of these four marketing variables that are seen under the marketer's control. Each marketing variable is concerned with covering a number of activities. A marketing manager should think of all of the 4Ps variables not just one of them, and blending them together to achieve the required results (McCarthy 1964).

Lazer et al (1973) argued that the main components of the marketing mix could be formulated in three submixes, which were the product and service mix, the distribution mix, and the communications mix. On the other hand, Nickels and Jolson (1976) argued that packaging should be added to the 4Ps of the marketing mix elements as a fifth "P". In addition, it should be treated as a separate element in the marketing mix because of its importance for giving the buyer symbolic cues to differentiate a company's products from its competitors (Nickels and Jolson 1976).

The strongest modification and extension of the traditional marketing mix had been formulated by Booms and Bitner (1981) who modified and expanded the traditional 4Ps of the marketing mix elements to be the 7Ps of the services marketing mix. They expanded the classic model by adding another three Ps, which are people (participants), processes and physical evidence (Booms and Bitner 1981). Furthermore, the new marketing mix model was supported by Cowell (1984).

Magrath (1986) supported the new three Ps when argued that they must be included in the marketing mix as separate strategic elements. In addition, the new services marketing mix model was seen as a powerful service management paradigm by which a service company can achieve success (Magrath 1986). Furthermore, Judd (1987) argued that the people element should be included as a separate strategic element in the marketing mix model. The rationale is that people who often derive and implement different marketing mix strategies affect a company's customer's attitudes, behaviour and indeed satisfaction (Judd 1987). This is totally supported by Lane (1988) who considered people as a separate element in the marketing mix model. Collier (1991) strongly argued that the 7Ps of the services marketing mix should formulate major components in services marketing strategy. He argued that the 3Ps are seen as powerful strategic elements to gain a competitive advantage (Collier 1991). This is supported by Smith and Saker (1992) who pointed out the crucial effect of the new three Ps on the perceived quality of service (Smith and Saker 1992).

Harvey et al (1996) argue that the traditional 4Ps of the marketing mix can be expanded by adding an additional 5Ps, which are politics, probability, planning, performance and publics (Harvey et al 1996). On the other hand, within the financial services marketing context, Ennew and Watkins (1998) have emphasised the pivotal role of the extended three Ps of the services marketing mix. They have pointed out that these three Ps can be considered as special themes in developing the marketing mix in the financial services context. In addition, they should be considered carefully and can be used as inputs to the traditional 4Ps of the marketing mix (Ennew and Watkins 1998). Kotler (1999) has suggested another two Ps to the 4Ps of the marketing mix elements, these are politics and public opinion (Kotler 1999). More recently, Lovelock (2001) has added both productivity and quality as an eighth P to the services marketing mix framework. These two elements are seen as strategic elements in the services management paradigm (Lovelock 2001).

The marketing mix has had a considerable support in the marketing literature either as its elements together or individually. The marketing mix elements have been used as the main components of marketing strategy in the marketing literature. This is supported by a number of studies that have been conducted in different markets. These studies are exclusive rather than inclusive (Buzzell and Wiersmea 1981; Leonard and Sasser 1982; Phillips et al 1983; Wind and Robertson 1983; Jain and Punj 1987; Wind 1987; Akaah and Riordan 1988; Doyle 1989; Webster 1992; Cooper 1996; Appiah-Adu 1998; Shoham and Kropp 1998; Bowen 1998; Appiah-Adu 1999; Doyle 1999; Baker 2000).

However, a critical examination on the marketing mix literature review has revealed that there has been much criticism forwarded to the marketing mix model (Booms and Bitner 1981; Magrath 1986; Judd 1987; Marr 1987; Gummesson 1991; Smith and Saker 1992; Gronroos 1996; Harvey et al 1996; Webster 1998; Balmer 1998; O'Malley and Patterson 1998; Kotler 1999; Day and Montgomery 1999; Zeithaml and Bitner 2000; McDonald 2002). The criticism of the traditional marketing mix model can be classified into three groups. First, criticism forwarded by marketing authors who have come primarily from the goods marketing area. They have argued that the traditional marketing mix model is inadequate for goods marketing and this model should be expanded to cope with the changing business environment and customers needs and wants (Nickels and Jolson 1976; Kent 1986; Marr 1987; Bruner 1989; Harvey et al 1996; Kotler 1999; Schultz 1999; 2001). Those authors have added some elements into this model to be treated separately e.g., customer service and people.

Second, criticism forwarded by marketing authors who have come primarily from the services marketing area. They have argued that the traditional marketing mix model should be modified and expanded for services business. Therefore, Booms and Bitner (1981) modified and expanded the 4Ps of traditional marketing mix model to be the 7Ps of the services marketing mix model. The new expanded elements are people, process, and physical evidence. The expanded services marketing mix framework has had a significant support in the services marketing literature. The services marketing authors (Donnelly 1976; Magrath 1986; Judd 1987; Booms and Bitner 1981; Cowell 1984; Lane

1988; Beaven and Scotti 1990; Collier 1991; Smith and Saker 1992; Rafiq and Ahmed 1995; Lovelock 2001; McDonald 2002) advocate that the new three elements are crucial to the services businesses due to the unique characteristics of services. Further, the marketing function is not the sole responsibility of the department of marketing it is should spread throughout the organisation. Third, criticism forwarded by authors who have come primarily from the relationship marketing area. They have suggested a new paradigm for marketing, which is the relationship marketing paradigm Gummesson 1987; Gronroos 1989; Gummesson 1991; Gronroos 1994; 1996; Webster 1992; Doyle 1999). The most critical point in this paradigm is to establish, strengthen and develop customer relationships where they can be commercialised at a profit and where individual and organisational objectives are met. Further, those authors have criticised the exchange concept of marketing that leads to adopt the traditional marketing mix framework, the 4Ps. The 4Ps marketing mix model is described as it is restrictive and its elements constitute a production-oriented approach for marketing rather than a market-oriented or a customer-oriented approach.

Baker (2000) has argued that despite much criticism of the marketing mix concept, it is intended to be a useful generalisation for academic purposes and to help managers to think about marketing rather than a "theory" of marketing. Therefore, this concept does not hold the notion that it is a marketing theory, and if there is any failure in the marketing theory this concept cannot be blamed for this failure (Van Waterschoot 1999; Baker 2000). Moreover, Borden in his original model, when he conceptualised the twelve marketing mix variables, did not claim that it was either a comprehensive or exhaustive list. Furthermore, McCarthy when he had reduced the original Borden model to four variables, was more concerned with memorability rather than completeness (Baker 2000).

Deshpande (1999) while discussing the contribution of marketing to the organisational performance has focussed on the customer as a central point for marketing and the core element of the organisation. Deshpande` has suggested an agenda for increasing marketing knowledge use. He suggested four basic research agenda that are customercentric focus, cross-functional focus, cross-cultural focus, and cross-disciplinary focus. He called these research agenda the "4Cs". Related to the traditional 4Ps of the marketing mix model, Deshpande argues that the 4Ps are not the top research problems that are facing the marketing discipline but what he calls the "4Cs" problems, which are customercentric focus, cross-functional focus, cross-cultural focus, and cross-disciplinary focus. Deshpande considers the customercentric is the foundation of the marketing concept. He argues that the 4Ps may facilitate the way to sort out these problems.

Cross-cultural focus, Deshpande argues that most of the marketing problems are not local marketing problems but they are global. Marketing needs to be understood among different cultures and contexts. He argues that there is a crucial importance for conducting research projects within other countries and cultures in order to test different marketing theories, models and concepts, which have been developed within the U.S and Western contexts. Deshpande argues that the generalisability of marketing concepts, models, and theories has been little or limited among the non-U.S/ Western contexts, even though such concepts and models might be theoretically inappropriate for emerging markets and transactional economies. This is totally supported by Day and Montgomery (1999). Cross-functional focus means that there has been an increasing interest in developing cross-functional processes between the marketing area and the other functions in the organisation. Business problems do not come from just the marketing function but from other functional areas in the organisation. Therefore, cross-functionality between these areas is necessary in order to achieve co-ordination and co-operation between them (Deshpande 1999).

Day and Montgomery (1999) have commented that the traditional 4Ps marketing mix model has lacked recognition of marketing as an innovative and adaptive process, and even more the traditional 4Ps elements are seen merely as a handy framework. In addition, they have considered that the 4Ps of the marketing mix model facilitate a way to the Desphpande's (1999) "4Cs" problems, which are of interest to the marketing practitioners.

It is clear that the discussion or debate concerning the traditional 4Ps is still going on, this is evidenced when Baker (2000) comments that while the debate on the application of the marketing mix is to be welcomed one should be careful not to discard it prematurely because of perceived weaknesses. He points out that marketing can be defined as `mutually satisfying exchange relationships`, then, careful attention must be paid not to tip the balance too much in the favour of the buyer. Indeed, Baker (2000) views the traditional 4Ps marketing model as a useful simplifying tool that enables marketing managers to impose some structure and direction on the tasks which they must perform (Baker 2000).

The above discussion indicates that there is no agreement between the marketing scholars regarding one unified marketing mix model either in the marketing of goods or the marketing of services. In addition, there is no agreement relating to what are the main components that can formulate a marketing strategy. However, what is generally agreed is that the co-ordination and integration among the marketing mix elements together is considered crucial in developing and designing marketing mix strategies to achieve companies` objectives.

2.3. The Marketing Mix Definition

There are definitions that have been forwarded by marketing scholars to define the marketing mix.

Cowell (1984, p. 71) defines the marketing mix as "The convenient means of organising all the variables controlled by the marketer that influence transactions in the marketplace".

McDonald (1989, p. 330) defines the marketing mix as "The "tools" or means available to an organisation to improve the match between benefits sought by customers and those offered by the organisation so as to obtain a differential advantage".

Van Waterschoot and Van den Bulte (1992, p. 88) define the marketing mix as "The controllable demand-impinging instruments that are combined into a marketing program used by the firm to achieve a certain level and type of response from its target market".

Perreault and McCarthy (1996, p. 48) define the marketing mix as "The controllable variables the company puts together to satisfy this target group".

Dibb et al (1997, p. 18) define the marketing mix as "The tactical "tool kit" of product, distribution, promotion, price and people that an organisation can control in order to facilitate satisfying exchange".

Zeithaml and Bitner (2000, p. 18) define the marketing mix as "The elements an organisation controls that can be used to satisfy or communicate with customers".

Baker (2000, p. 317) defines the marketing mix as "The apportionment of effort, the combination, the designing, and the integration of the elements of marketing into a programme or `mix` which, on the basis of an appraisal of the market forces, will best achieve the objectives of an enterprise at a given time".

Kotler (2000, p. 15) defines the marketing mix as "Marketing mix is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market".

Palmer (2001, p. 10) defines the marketing mix as "The marketing mix is the set of tools available to an organisation to shape the nature of its offer to customers".

It is clear from these definitions that there is no one unified definition that has been accepted by the marketing scholars. However, these definitions have crucial themes:

- The most important theme is that the marketing mix variables are seen as "controllable variables" that are viewed under the marketer's control.

- These variables are considered as tools or means that can be used in order to influence the customers' demand and to achieve companies' objectives or achieving a differential advantage.
- These variables are used to communicate and satisfy customer needs and wants in one or different market segments.
- The marketing mix variables should be co-ordinated and integrated in a way, which enables a company to achieve its predetermined objectives through satisfying customers' needs.

2.4. The Marketing Mix strategies in the Services and Financial Services

2.4.1. The Service Offering Strategy

The service concept is the core element of a service offering, and it must be derived from the needs or wants of a specified target group of customers (Gronroos 1982; 1990b). The service product is the central component of any marketing mix strategy (Cowell 1984; Ennew and Watkins 1992; Ennew 1998). Kotler (2000, p. 394) defines a product as "anything that can be offered to a market to satisfy a want or need". A product can include physical goods, services, experiences, persons or ideas. Products can be tangible and intangible (Levitt 1983; Kotler 2000). The financial service products are complex because of their unique characteristics. Therefore, distinguishing them may be difficult and a complicated issue where most of them take the long-term aspect and their benefits are not clearly defined (Ennew 1998). The service product is purchased by consumers not for the service itself but for the benefits and values that meet their needs and wants (Levitt 1983; Cowell 1984; Gronroos 1990b; Ennew 1998; de Chernatony and McDonald 1998; Kotler 2000; McDonald et al 2001; Lovelock 2001).

A service product usually is viewed on different levels, Gronroos (1982; 1990b) distinguishes between two levels of the service product that are the basic service package and augmented service offering. The first level is the general service concept, which a company wants to offer. It is the reason for being on the market. It has auxiliary services, which can be added to the core service concept in order to use them as a means of competition to differentiate a service company. These auxiliaries services are seen as an integral part of the service offering in the customers' mind. The augmented service offering includes the service delivery process and the interactions between the organisation and its customers (Gronroos 1982; 1990b). Levitt (1983) argues that there are four types of product levels, which are generic product, expected product, augmented product, and potential product. Ennew (1998) distinguishes between three levels of the service product that are generic product, expected product, and augmented product. Lovelock (2001) discusses the core service product, the core service delivery process and supplementary services, which enhance and facilitate the use of the core service. Supplementary services add value to the core service. For example, the core services is purchasing a homeowners insurance policy, the supplementary service is a helpful booklet from an insurance company with suggestions on how to protect their home.

Kotler (2000) provides five levels of product that are core product benefits, basic product, expected product, augmented product, and potential product. These levels are explained for their importance for the service offering strategy as follows:

1. Core benefits, Levitt (1983) argues that it is the rudimentary substantive thing without which there is no chance to enter into the marketplace. It is the fundamental service benefit that the customers are buying to satisfy basic needs (Gronroos 1900b; Ennew 1998; Kotler 2000; Lovelock 2001).
2. Basic product, it is the basic attributes that should be available with the product or service (Kotler 2000).
3. Expected product. It is the product attributes and features that the buyer expects to find when he purchases the product (Levitt 1983; Kotler 2000). It gives a specific shape by adding features to the core or generic product (Gronroos 1990b; Ennew 1998) in order to differentiate one organisation from another (Levitt 1983).
4. Augmented product, it differentiates a company by offering the customer more than what he thinks he needs or wants (Levitt 1983; Gronroos 1990b; Lovelock 2001). It is about exceeding the customer's expectations (Gronroos 1990b; Kotler 2000) through

incorporating additional features in the service, which go beyond how the service is expected by the customer (Ennew 1998).

5. Potential product, it is all augmentations that may possibly go with a product or service in the future. It is about creating new ways to satisfy customers and distinguishing these offerings and exceeding customer expectations (Kotler 2000). Augmented product means everything that has been done, meanwhile the potential product refers to what it is possible to do.

However, the unique characteristics of services that determine what constitutes components of the service product is generally a difficult task (Cowell 1984). Ennew (1998) argues that the key aspect of the service product strategy in financial service organisations is to meet the problems, which are created by these characteristics. Therefore, when organisations move through these levels they are trying to differentiate themselves (Levitt 1983; Gronroos 1990b; Lovelock 2001). This can be achieved by having a range of products or services, high quality of service, means of branding, new service development, after sales service, and customer service (Levitt 1983; Ennew and Watkins 1992; Ennew 1998; Kotler 2000; Baker 2000; McDonald 2002).

The Services Product Range

Financial service companies usually offer a range of service products to a variety of customer groups in order to meet a variety of customers needs and wants. For instance, customer groups of financial services can be divided into personal customers and corporate customers (Watkins and Wright 1986). Companies usually modify, delete, extend, and develop new services in order to cope with and manage the service offering strategy to maintain and improve their competitive situation (Ennew 1998). A financial service company service range includes two dimensions; the width of the product ranges and the product line length. The width of the product range refers to the different broad product types or lines (saving, insurance). Each product line consists of related products and the number of such products determines the length of the product line (Ennew 1998). Johne and Storey (1998) argue that financial service companies are becoming more interested in providing a more complete range of financial services for existing and new customers as customers move to other financial companies to satisfy more needs.

Services Branding

Branding is a major issue in product strategy (Kotler 2000). A company brand name is of utmost importance for many service companies (Gronroos 1990b). Branding is a vital issue for services, and financial service companies in particular where the traditional boundaries between them are blurred in today's business environment (Saunders and Watters 1993; Ennew 1998; McDonald et al 2001). Relevant literature review on service branding is presented in appendix A, which is listed chronologically.

Saunders and Watters (1993) have suggested six branding strategies for branding financial services:

a. Corporate branding. It works well whenever a company has closely related service products. Lloyds Bank has generated a powerful image with the Black Horse brand and developed an advertising strategy that allowed this bank to promote its services.
b. Division branding. Companies may choose a divisional branding for two reasons; differences in market segments that they serve or differences in the associations of the brands involved. For instance, Midland group (HSBC) uses their name in the banking industry; meanwhile, Forward Trust and First Direct are independent brand subsidiaries with specific tasks.
c. Mixed brands. Companies use this branding strategy when they want to gain the benefits of corporate brand identity and the strength of individual brands. Such as Midland Montague and Lloyds Abbey Life. The problem is that the names become longer and less memorable, but companies have used abbreviations, which should have no more than three or less letters such as Visacard and Mastercard.
d. Endorsed brands. The brand dominates and corporate and divisional identity is an insignificant sub-brand. Such as First Direct, little was mentioned about the Midland Bank name. For endorsed brands, names are not divisional or corporate but mixed and matched to make the best use of them.

e. Branded products. Companies use this strategy when they may not be able to compete against large corporate advertisers or to target a service or to promote parts of their organisation. They can be very profitable such as Midland bank with its Vector product. However, there are some difficulties to target different market segments if the point of sale is the same for all brands.
f. Furtive branding. Occurs when companies make an effort to hide their corporate relationships. Hong Kong and Shanghai Bank is a powerful brand but used this strategy with its Midland group.

Denby-Jones (1995) argues that branding can build up enduring relationships with customers. Research suggests that branding can provide increased market share, greater profitability, and a significant boost to company asset value. To customers branding means a guaranteed service quality and a means of reducing risk (Denby-Jones 1995).

Balmer (1998) argues that the corporate branding communications mix is more complex than the product brand and corporate branding needs to consider the effect of the communications over time. In addition, the marketing mix and the communications mix as applied to organisations are inadequate and need to be radically reassessed (Balmer 1998). Doyle (1999) argues that strong brands have higher market shares and higher profitability since they create personality for companies and ensure future earnings. Moreover, advertising does not create brands, Marks & Spencer, seen as the strongest of Britain's brands, has done little or no advertising at all. Advertising accelerates the communication process for building strong brands. Creating strong brands can be achieved by using the following dimensions; (a) quality is number one, (b) building superior service (Singapore Airlines, Federal Express), (c) get there first through using different ways such as technology (Microsoft), new distribution channels (First Direct), new market segments (Dell) and (d) differentiation (Doyle 1999).

Tilley (1999) argues that leading brands, Marks & Spencer, are characterised as servicing their traditional markets well, innovative (e.g. Ikea organisation), and leading the change in the marketplace (Tilley 1999). There is a crucial role for brands in the customers' minds because they simplify the customers' decision making process (Doyle 1999; Baker 2000). Many companies have developed customer statements for their brands. For instance, "Its you we answer to"(British Telecom) (Baker 2000). De Chernatony and Dall'Olmo Riley (1999) found that in services in general and in financial services in particular, the "company as brand" and internal training are especially important means of communicating to both consumers and employees what the brand stands for; thus insuring that the service delivery consistently exceeds customer expectations. The experts identified that the gap between goods and services is in the implementation of branding strategy (De Chernatony and Dall'Olmo Riley 1999).

Berry (2000) strongly argues that service branding is viewed as a cornerstone of services marketing for today and the twenty-first century. Branding has a special role to play in services companies because strong brands encourage customers' trust in the invisible purchase. A strong service brand is the promise of future satisfaction (Berry 2000). Berry suggests strategies to build strong brands such as strategy differentiation (be different) and using strong internal marketing strategies (Berry 2000). Berry's point of view strongly agreed with Doyle (1989; 1999) concerning the strategies for building strong brands.

In the financial services sector, corporate brands tend to predominate branding (Denby-Jones 1995; McDonald et al 2001). Companies such as Nat West believe that they can offer all of their services through brands they built based on their corporate image. This strategy enables the company to avoid confusing their consumers through using the same staff and the same physical evidence for delivering named offerings. An advantage of using this strategy is that using all aspects of communications can be gained from the economies of scale. This strategy may inhibit a company from successfully expanding into new market segments or products that do not fit with its existing customer base.

However, while corporate branding allows the company to promote benefits that are associated with the corporate names, there is a danger of not adequately promoting the benefits of individual brands that may confuse the customers. At the individual brand level, the use of the product-specific brands enables the organisation to enter new market segments. Furthermore, the existing brands are not negatively affected by a different image. This strategy is good for launching new services, such as, First Direct, when the parent company HSBC used its Black and White logo with minimum use of corporate brand of the HSBC bank in order to emphasis the innovative nature of the new service. An advantage of using individual brands is that if the new line has failed the company would experience less damage in its image than if the new brand had been tied to the corporation. Another advantage is that it allows the marketer to formulate strategy and position the service to appeal to different market segments, and facilitate greater flexibility (Denby-Jones 1995; de Chernatony and McDonald 1998; McDonald et al 2001).

McDonald et al (2001) focussed on corporate service brands. A strong brand in the financial services is seen as a part of competitive advantage (McDonald et al 2001). Customers' perceptions of the brand depend heavily on the individual interactions with the company and particular emphasis should focus on the delivery process of the service (Lovelock 2001). Harris and de Chernatony (2001) argue that the employees have a pivotal role to play in corporate branding as they have been described as brand "ambassadors" (McDonald et al 2001; Harris and de Chernatony 2001). Harris and de Chernatony (2001) differentiate between a brand image and a brand identity on the basis of the former focusing on consumers` perceptions of brands and differentiation, whereas the latter is more concerned with how managers and employees make a brand unique (Harris and de Chernatony 2001). In the same vein, Lovelock (2001) argues that there are many financial service companies have created different brands to identify and differentiate themselves. The aim is to translate their service offering and services into a consistent and recognisable service experience (Lovelock 2001).

Strong service brands have a number of characteristics, which make them distinguished. These characteristics are (Berry et al 1988; De Chernatony and McDonald 1998; Doyle 1989; 1999; Berry 2000):

- Distinctiveness, the brand name should immediately identify the service provider and distinguish it from competitors.
- Relevance, the brand should convey the nature of the service, its benefits, and the company position in the customers mind such as Visa in the financial services sector that implies international access.
- Memorability, the brand name is easy understood, recalled with ease, and easy to pronounce.
- Flexibility, the brand name should be flexible in a way that enables the company to expand its business in the future e.g., avoid geographical brand names.

Brands are not just names or logos or the technical expressions of services but they are expressing the way in which companies do their business. It is about the company's cultures, values and behaviour, which needs to link brand strategy to corporate strategy and objectives and should embody the corporate vision and value (Stewart 1991; Balmer and Wilkinson 1991; Dibb and Simkin 1993; Saunders and Watters 1993; Denby-Jones 1995; de Chernatony and McDonald 1998; De Chernatony and Dall'Olmo Riley 1999; Baker 2000; Kotler 2000; McDonald et al 2001; Lovelock 2001).

In financial services, building a strong brand requires using strong internal marketing strategies and extensive training programmes by which a company increases its staff skills and abilities and to create a cohesive and consistent organisational culture (Berry 1980; Lewis 1989; Gronroos 1990b; Dendy-Jones 1995; De Chernatony and Dall'Olmo Riley 1999; McDonald et al 2001; Lovelock 2001).

Brands promise values for customers, emotional and functional values (Aaker 1996; Balmer 1998; de Chernatony and McDonald 1998), delivering these values extensively depends on very qualified people; well managed and designed service delivery system, and it is the remit of the whole organisation to deliver the promised values in a cohesive and consistent manner. Staff embody the service brand in the customers eyes (Gronroos 1990b; Aaker 1996; de Chernatony and McDonald 1998; Tilley 1999; De Chernatony and Dall'Olmo Riley 1999; Doyle 1999; Kotler 2000; Baker 2000; McDonald et al 2001).

These values can be given using all the marketing mix elements in order to develop a distinctive position in the customers' mental map of the market (de Chernatony and McDonald 1998).

Building and enhancing a brand depend on having a coherent marketing approach which uses all elements of the marketing mix. Branding is not just one element of the marketing mix but it is also a powerful marketing concept that represents a carefully conceived arrangement of activities across the whole spectrum of the marketing mix which are directed towards making the buyer recognise relevant added values that are unique when compared with other competing services (Balmer and Wilkinson 1991; Balmer 1998; de Chernatony and McDonald 1998).

There has been a general direction in the service businesses literature towards the corporate branding rather than product branding. This can be explained on the basis that customers receive the service company as a "whole" and it is the brand from the customers' point of view. Moreover, the customer interactions with the service provider have a pivotal role on how customers perceive the service company brand in terms of delivering the promised values (Thomas 1978; Howcroft and Lavis 1986; Berry et al 1988; Oknvisit and Shaw 1989; Dobree and Page 1990; Balmer and Wilkinson 1991; Saunders and Watters 1993; Boyd et al 1994; Turley and Moore 1995; Aaker 1996; Balmer 1998; De Chernatony and Dall'Olmo Riley 1999; Berry 2000; Cravens et al 2000; Baker 2000; McDonald et al 2001; Harris and de Chernatony 2001).

New Service Development

Services have a number of unique characteristics that distinguish them from physical goods. These characteristics have crucial implications for marketing strategy and on new service development NSD. The development of new services is considered one of the important aspects of the service offering strategy (Ennew 1998). There is a risk in developing new services (de Brentani 1993; Cooper et al 1994; Kelly and Storey 2000) and it is high even in the best managed new services programmes (Easingwood 1986; de

Brentani 1993; Edgett 1993; Storey and Easingwood 1993; Lovelock 2001). Relevant literature review on new service development is presented in appendix A, which is listed chronologically.

Based on the literature review, services are easy to develop, modify, extend and copy in most service businesses. The direct consequence is that services have an advantage which is that they can be relatively quickly developed and easy to make a service proliferation. At the same time, it is a disadvantage for services, which is that service proliferation may increase confusion for both the customers and staff; essentially marketing and operating staff. Moreover, they are easily copied by competitors (Shostack 1977a; Easingwood 1986; Bowers 1986; de Brentani 1989; de Brentani 1991; Edgett and Jones 1991; Cooper and de Brentani 1991; de Brentani and Cooper 1992; de Brentani 1993; Edgett 1993; Cooper et al 1994; Johne and Storey 1998; Kelly and Storey 2000).

Edvardsson et al (1995) argue that the NSD process needs to be well analysed, planned and controlled from the idea generation phase to the evaluation phase (Edvardsson et al 1995). However, Edvardsson and Olsson (1996) viewed the development of new service as a comprehensive process and as one of the major tasks of NSD is to build the process right from the start (Edvardsson and Olsson 1996). Johne and Storey (1998) carried the most comprehensive literature review relating to the NSD. They argued that companies that have succeeded in their NSD projects over time tend to have a clear and formalised NSD strategy that have aims which are beyond short-term financial measurements. They argued that managers should pay attention to the whole service offer rather than the traditional service core attributes performance in developing new services. NSD may include the service augmentation to achieve differentiation of the service offering in the customer eyes. This is due to the fact that basic services characteristics are difficult to differentiate.

Service augmentation may include improvements in the nature of the service delivery system process which customers may find more convenient. For instance, when Midland (HSBC) bank established its subsidiary insurance company; First Direct; it had been described as a very successful new product development. It introduces customer services over 24 hours by telephone contact. It was not a development of the core product; it was an innovative distributive support. Therefore, offer development can include amending core product attributes and product augmentation development (amending the interaction with the customer) (Johne and Storey 1998).

Johne and Storey (1998) argue that there are six themes that are crucial for a successful NSD.

1. The corporate environment; there should be a clear strategic vision; top management commitment for offering different resources.
2. The NSD process itself; having a systematic, organised, sophisticated, and well planned process critically affects the success of the NSD process.
3. People are crucial in NSD. There are three groups of people that must be managed in an effective NSD program; development staff, the customer-contact staff and, the customers.
4. Analysis of the opportunities; it is about having a good system that enables the organisation to exploit market opportunities in the marketplace.
5. The development issue itself; it can be comprehensive to include the core service concept, system development, and services process itself (Edvardsson and Olsson 1996) or anything else to satisfy the customer and differentiate the company.
6. The implementation stage; it is the most critical stage of the successful NSD process. It requires a communications strategy, marketing introduction, and market testing and marketing training.

Consequently, the types of new service development may include new-to-the-world service (major innovation), service modification, extension and addition to the service line (Bowers 1986; Cowell 1988; de Brentani 1991; 1993; Cooper et al 1994; Edgett 1996; Johne and Pavlidis 1996; Johne and Storey 1998; Ennew 1998; Lovelock 2001).

The new service development literature review has presented some contradictory results regarding vital issues of developing new services. These vital issues are having a strategy for developing new service, well-planned and executed process of developing new service, structured and formalised procedures, and using an adhoc approach for developing new services. Based on the literature review, there are two contradictory research streams, which have been carried out in developing new services.

The first stream of research has argued that new service development has been carried out using a formal strategy, well planned and executed, structured and formalised procedures, and having a plan for developing new services (Donnelly et al 1985; Reidenbach and Moak 1986; Bowers 1986; de Brentani 1989; 1991; Cooper and de Brentani 1991; Edgett and Jones 1991; de Brentani 1993; Edgett 1994; Edvardsson et al 1995; Edvardsson and Olsson 1996; Johne and Storey 1998; Oldenboom and Abratt 2000). The second stream of research has argued that new service development has been carried out using an informal strategy, unstructured and informalised procedures, and by using an adhoc approach for developing new services (Easingwood 1986; Scheuing and Johnson 1989; Martin and Horne 1993; Edgett 1993; Edgett and Parkinson 1994; Edgett 1996; Kelly and Storey 2000; Storey and Kelly 2001). However, the most important common thread between these two streams of research is that developing and introducing new services have a vital role to play in services and financial service companies' performance.

The recent literature review has shown that developing a new service based upon developing the core service attributes is inadequate to achieve the new service success and a competitive advantage. It means that the new service development should be considered as a comprehensive process, which may include developing a service augmentation, the service delivery system, and the service process or distribution strategies (Bowers 1986; Cowell 1988; de Brentani 1991; 1993; Cooper et al 1994; Edvardsson et al 1995; Edvardsson and Olsson 1996; Edgett 1996; Johne and Pavlidis 1996; Johne and Storey 1998; Ennew 1998; Lovelock 2001).

New Service Development Process

New service development procedures may be highly formal and sophisticated or informal and simple procedures. However, there have been some models for the NSD process that have been presented by services marketing scholars Cowell (1984; 1988), Donnelly et al (1985), Bowers (1986), Scheuing and Johnson (1989), Edgett and Jones (1991), and Ennew (1998) in order to carry out the NSD process systematically. It seems to be that there has not been one NSD process model that has been accepted or agreed between services marketing scholars. In general, what is agreed is that there is a need to develop new services through an organised and planned NSD process in order to minimise risks and increase success chances. Cowell (1988) argues that service industries are varied according to their nature, processes classification and delivery systems. Moreover, Ennew (1998) argues that in spite of the different NSD process models the basic components or assumptions of any NSD process are relatively similar. Based on the literature review of the NSD, the process of developing new services may include the following phases; namely, formulation of the NSD strategy, idea generation, idea screening, concept development and testing, comprehensive business analysis, new service design (development) and testing, process and system design and testing, marketing programme design and testing and new service launches assessment.

Customer Service

As the core service product is the same in most service sectors, new financial services can be easily copied by competitors (Wong and Perry 1991), and building up distinguished brands in service industries is a difficult task for service company. Therefore, having a distinguished customer service (CS) programme may differentiate one service company from another; particularly in the financial service sector. As a consequence, it is argued that CS is an important element in the marketing mix (Marr 1987; 1990), which should be a main part of any financial service offering strategy (McDonald 2002).

Relevant literature review on customer service is presented in appendix A, which is carried out chronologically. Smith and Lewis (1989) found the benefits that could be obtained from adopting CS programme were, retaining existing customers, word-of-mouth communications, improvement of staff moral (e.g. increasing job satisfaction and commitment to the firm), improving the corporate image, increasing sales and profits, and cross-selling (Smith and Lewis 1989). Quinlan (1991) focussed on the importance of employees and advanced technology for supporting customer service (Qulinlan 1991).

Farber and Wycoff (1991) referred to a survey that was carried out by The Customer Service Institute's Warren Blanding, which has shown that every unhappy customer tells their story to 10 or 11 other people, meanwhile, the happy customer who has experienced a good service only tells 3 people. However, setting up a CS strategy requires six fundamental building blocks. These are, customer segmentation, guarantees, feedback, customisation, company-wide commitment, and measurement. Moreover, it is three to five times cheaper keeping and retaining a customer than it is to acquire a new one. A well-planned and executed CS strategy can create a good environment that makes it easier for sales people; through customer satisfaction. Successful service companies try to create what they call "low entry/ high exit" barriers. The master key for a successful CS strategy has been empowering and authorising frontline people (Wong and Perry 1991) to do "whatever it takes" to make this corporate philosophy work (Farber and Wycoff 1991).

Wong and Perry (1991) suggested a framework for improving CS, which offered an integrated marketing-based approach. This includes (a) establishing commitment to key components of CS at all levels in the company. (b) Identifying relative importance of CS components to customers. (c) Identifying market segments by service requirements to find a sustainable competitive advantage. (d) Designing customer service policies.

Quinn and Humble (1993) provided a model of CS called "PROMPT"; it can assist companies to achieve a service advantage.

- P refers to prioritising customer needs.
- R refers to reliability being critical.
- O refers to organising for customers.
- M refers to measuring customer satisfaction. A survey among Irish companies revealed that 81% of respondents felt that improving both quality and CS to customers is the key to competitive success. Management can use "zero customer defection strategy" to satisfy customers which can be very profitable.

- P refers to personnel selling.
- T refers to technology focussing.

Furthermore, Marr (1980; 1984; 1987; 1988; 1990; 1994) argues that effective CS is customer-orientated by which a company can provide a value to its product offering if CS meets the customer wants and needs. CS represents a non-price strategy where companies can no longer compete on price or product features. CS activities are a viable means of improving marketing performance. The company should determine what are the most important factors that have a crucial role on satisfying customers as well as on knowing the relative importance of these factors and their ability to satisfy customer needs. These enable the company to determine the CS mix or components, which can achieve determined objectives. These are achieving the best levels of customer satisfaction, best value activity, and best use of the company's scarce resources.

Based on the literature review, it is argued that customer service is a crucial part of the marketing mix elements as well as an integral part of the marketing strategy in order to achieve success (Smith and Lewis 1989; Marr 1987; 1988; 1990; 1994; Lambert and Harrington 1989; Wong and Perry 1991; Christopher 1999; Baker 2000). Customer service is of central importance for the financial service offering which may differentiate one company from another (Smith and Lewis 1989; Schlesinger and Haskett 1991).

To have a successful customer service programme or strategy it should be tailored towards satisfying customer needs and wants and its orientation should be directed to both internal and external customers (Marr (1980; 1984; 1987; 1988; 1990; 1994; Smith and Lewis 1989; Quinn and Humble 1993; Christopher 1999; Kotler 2000; Lovelock 2001; McDonald 2002).

Based on the service offering strategy literature review, which has included the service product range, services branding, new service development, and customer service literatures, it can be hypothesised that:

Sub-hypothesis 1

An integrated insurance service offering strategy has a positive and significant effect on the performance of insurance companies measured by financial criteria.

Sub-hypothesis 2

An integrated insurance service offering strategy has a positive and significant effect on the performance of insurance companies measured by non-financial criteria; (marketplace and customer criteria).

2.4.2. Service Quality

Service quality has been viewed as a potential source of achieving a competitive advantage and improving business performance (Lewis 1993; Ennew and Binks 1996; Chang and Chen 1998; Rapert and Wren 1998; Newman 2001). Service quality is a complicated issue (Gronroos 1990b). There is still no consensus on a definition for service quality (Newman 2001). It cannot be easily evaluated by the customers (Gronroos 1982, 1984; 1988; 1990b; Parasuraman et al 1985; LeBlanc and Nguyen 1988). Its dimensions vary among services sectors. Gronroos (1980, 1990b) emphasised the importance of managing the buyer/seller interactions; moments of truth during a service consumption process that should be market oriented. These interactions have a pivotal role on the customer perception of service quality. Moments of truth refer to the time and place when and where the service provider has the opportunity to demonstrate the quality of services to the customers (Gronroos 1990b). Gronroos (1982; 1984; 1990b) suggested a model of service quality, which is one of the crucial models that have contributed to the service quality literature. Figure 2.2 explains this model and its major components.

In the lower side of the model, service quality is a function of three dimensions that influence the consumer perceived quality.

- Technical quality (What). It is the outcome of the service production process that is concerned with the technical aspect of service quality which should be accepted by the customer. It is what the customer is actually receiving from the service as a result of interactions with the service company. These interactions are important to him and to his evaluation of service quality. It involves what is provided, e.g. the use of a safe deposit box in a bank.

- Functional quality (How). It is concerned with how the technical quality is transferred to the customer. It is the way in which a service quality is delivered to the customer. It is what is happening during the service consumption process. The functional quality is affected by the service firm's internal and external design, the interactions between the customer and the service provider and other marketing activities e.g., process activities.
- Corporate image. It is concerned with having a good corporate image in order to create some tangible issues with a service because of the unique characteristics of services. Corporate image serves well when minor problems happen because of the functional or technical quality.

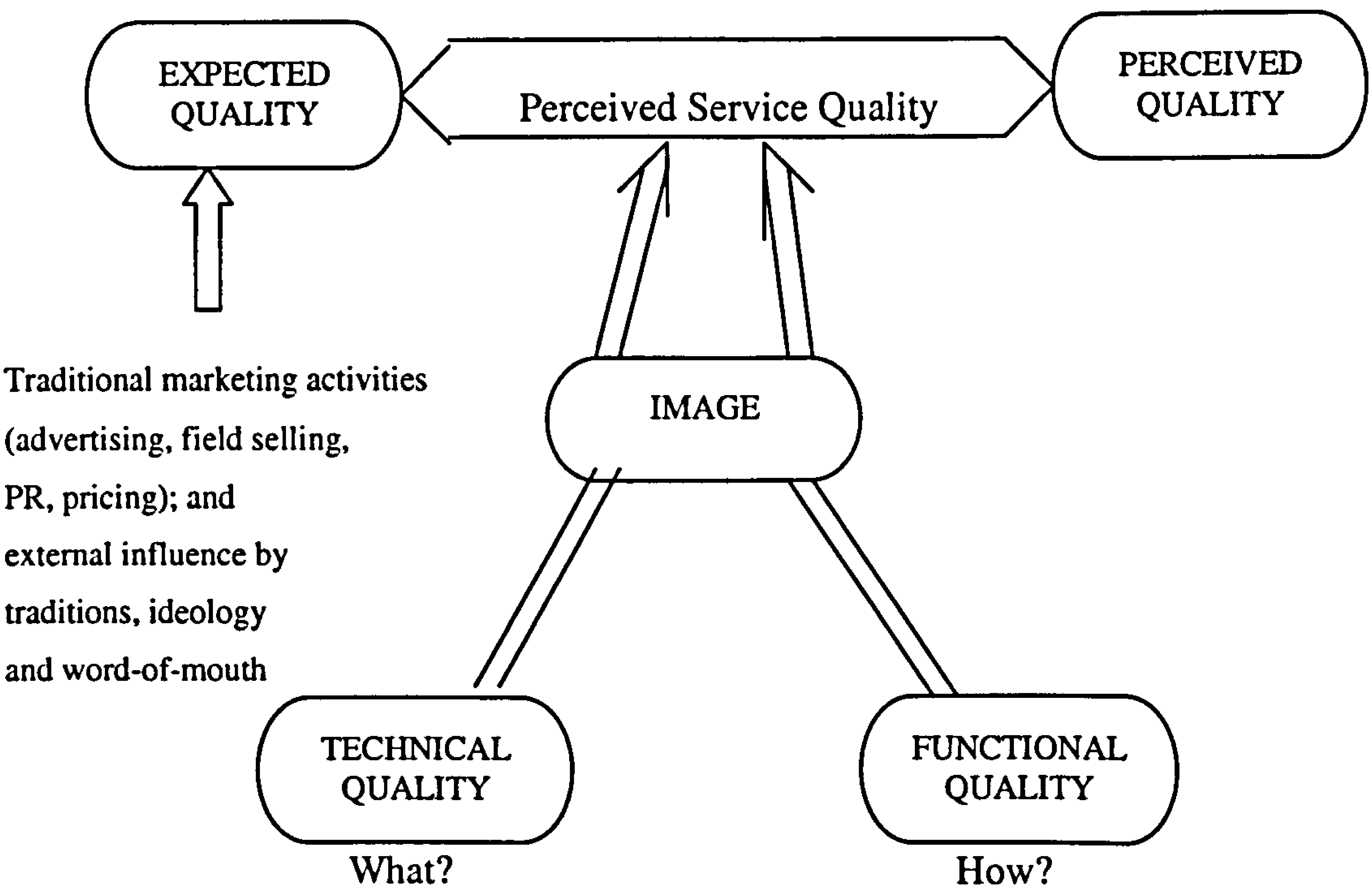


Figure 2.2. The Gronroos' Service Quality Model
Source: Gronroos (1984), p. 40

Gronroos argued that functional quality is more important than technical quality because technical quality is very similar in the marketplace, and it is difficult to differentiate between. Meanwhile, the functional quality may differentiate one service company from another. It requires improving the buyer and seller interactions that may add substantial value to customers and then create the necessary competitive edge (Gronroos 1990b). The upper side of the service quality model contains the perceived service quality, which is affected by both expected and perceived service quality. The perceived quality of a service is the outcome of an evaluation process where the customer compares his expectations with the service he perceives he has received, e.g. the customer compares the perceived service against the expected service. There are a number of resources, activities and variables that affect the consumer perceived quality. Some of them are under the marketer's control and others are outside the immediate control of the service company e.g., the external environment. The traditional marketing activities and consumer's previous experiences do have an effect on consumers' expectations (Gronroos 1982; 1984; 1990b).

Gronroos investigated this model among 219 executives and marketing managers in a wide range of service industries in Sweden. The study revealed that the buyer and seller interactions, in the functional process, were considered a more important part of marketing rather than traditional marketing activities. The functional quality was seen as more important than the technical quality, and the higher level of functional quality might compensate for some problems with the technical quality (Gronroos 1984). The quality of service is less controllable and it is created during a service delivery process. This process is affected by customer participation (Gronroos 1982; 1984; Parasuraman et al 1985; 1988; Zeithaml et al 1988; LeBlanc and Nguyen 1988).

However, one of the crucial studies on service quality was an exploratory study conducted by Parasuraman et al (1985) that developed a model of service quality. Figure 2.3 illustrates this model.

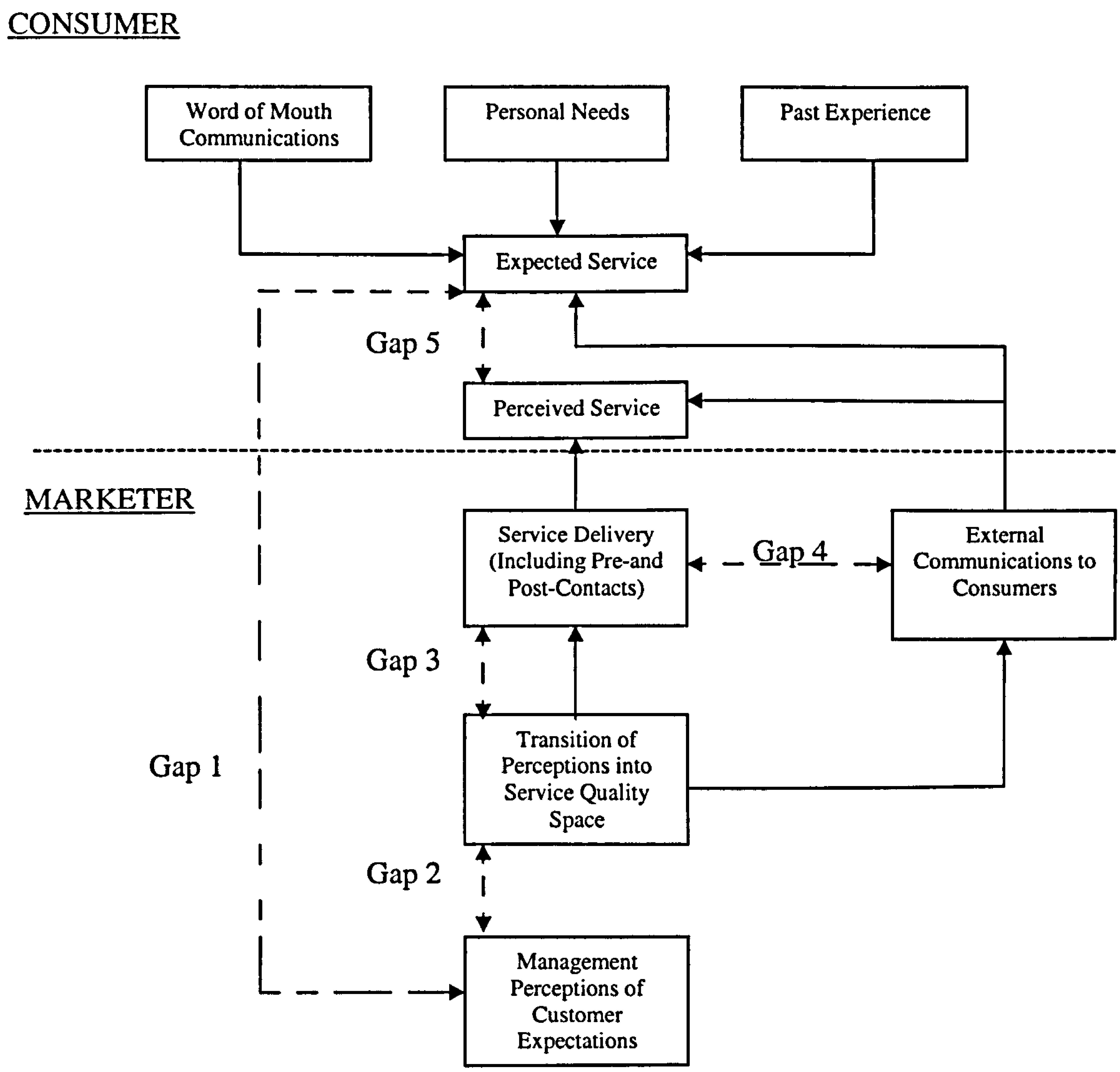


Figure 2.3. SERVQUAL Service Quality Model
Source: Parasuraman et al (1985), p 44.

The above model explains that service quality has five gaps. The lower side of the model represents the marketer's side gaps. The upper side of the model represents the customer's side gap. The marketer's gaps have a crucial effect on the customer's side gap. The larger the marketer gaps the larger the customer gap and the less the marketer's gaps the less the customer's gap.

a. Gap one, customer expectation-management perception. It exists when discrepancies are found between executives' perception and consumers' perception. Executives do not always recognise what the service quality features are or what levels of performance of those features are needed to deliver high service quality to meet customers' needs.

b. Gap two, management perception-service quality specifications. This gap exists where there are difficulties to match or exceed consumer expectations. The study recognised some constraints that were seen, as prohibitions of delivering or meeting consumer expectations e.g., demand fluctuations, market constraints, resources constraints, and the absence of top management commitment to service quality.

c. Gap three, service quality specifications-service delivery process. It is the discrepancy between the specifications of the service and the actual delivery of it. It can be referred as the service performance gap, which is the extent to which service providers do not perform at the level expected by management. This is because employees' performance and their personnel contacts with customers cannot be standardised or fully controlled in order to deliver a high service quality. This occurs because the performance, attitudes and behaviour of employees are variable from time to time and from one employee to another.

d. Gap four, service delivery-external communications. A service company marketing communications system does have an important effect on consumers' expectations and their perceptions of service quality. This gap exists when the company promises its consumers more than it can deliver in reality. Then, consumers formulate high expectations and high perceptions about the service quality, and when the service company cannot deliver what it has promised through its communications system this gap occurs. As a consequence, the discrepancies exist between service delivery process and consumers expectations when the company exaggerates its promises and/or provided insufficient information about the service delivery process. This agreed with Gronroos' (1984) point of view for not promising the customer more than the service company can deliver in reality.

e. Gap five, expected service-perceived service. It is in the customer side of the SERVQUAL model. This gap exists where the perceived service quality does not meet or exceed the customer's expectations (Parasuraman et al 1985).

One of the crucial contributions for service quality literature is a study conducted by Parasuraman et al (1988). They developed a multiple-item scale, called SERVQUAL, for assessing and measuring service quality. SERVQUAL is concerned with assessing customer perceptions of service quality among services and retailing companies. They argued that the SERVQUAL scale with good reliability and validity would help retailers to understand customers' expectations and perceptions in order to improve service quality. The study identified the relative importance of the service quality dimensions, reliability was seen the most important dimension, assurance was second, while, empathy was rated the least important dimension (Parasuraman et al 1988).

The five dimensions can be reworded and/or adjusted or augmented to make them more suitable to the context in which the scale is to be used (Parasuraman et al 1988; 1991). The study revealed that there are five main dimensions of service quality:

a. Tangibles include physical facilities, equipment, and appearance of personnel.
b. Reliability, the ability to perform the promised service dependably and accurately.
c. Responsiveness, is willingness to help customers and provide prompt service.
d. Assurance, is knowledge and courtesy of employees and their ability to inspire trust and confidence.
e. Empathy, includes the caring, individual attention the company provides it's customers. The last two dimensions represent the seven original dimensions, in the original model Parasuraman et al (1985). These are communications, credibility, security, competence, courtesy, and understanding/knowing (Parasuraman et al 1988).

However, delivering a high service quality is seen as a prerequisite for the success and survival of the service businesses in the long-term. Service quality is an abstract and elusive construct that is difficult to define, conceptualise and measure because of the unique characteristics of services (Rathmell 1966; Garvin 1984, Gronroos 1984; Parasuraman et al 1985; 1988; LeBlanc and Nguyen 1988; Parasuraman et al 1991; Carman 1990; Cronin and Taylor 1992). Therefore, in the absence of objective measures, an appropriate approach for assessing the quality of a company's service is to measure customer perceptions of quality (Parasuraman et al 1985; 1988).

Relevant literature review on service quality is presented in appendix A, which is carried out chronologically. Based on the literature reviewed, the main drivers of service quality literature are two models that have dominated it. These models are the Gronroos (1980; 1984; 1982; 1988; 1990b) and Parasuraman et al (1985; 1988; 1991; 1993; 1994a) models of service quality. The debate in service quality literature revolves around three main aspects. First, debate in relation to the dimensions of service quality e.g., functional and technical. Second, debate concerning whether or not there are five dimensions of the SERVQUAL model. Third, debate about developing new models of service quality such as the SERVPERF model, which was created to overcome believed deficiencies in the SERVQUAL model.

However, regardless of the importance of the Parasuraman et al (1988) SERVQUAL model, it has been criticised in terms of the conceptualisation and usefulness of the instrument (Cronin and Taylor 1992). The number of factors and dimensions has been varied from one service industry to another (Carman 1990, Cronin and Taylor 1992; Mels et al 1997). The SERVQUAL model has been criticised by some services marketing scholars on the basis that this model measures the attributes of service quality process and it ignores service quality outcomes. It lacks a technical-oriented dimension (Carman 1990; Cronin and Taylor 1992; Teas 1993; Hemmasi and Strong 1994; Weekes et al 1996; Robinson 1999; Lasser et al 2000; Caruana et al 2000; Bahia and Nantel 2000; Newman 2001). To measure the outcomes of service quality is too difficult because of its intangibility and the customer is somewhat subjective rather than objective (Gronroos 1982; 1988; Parasuraman et al 1985; 1988; LeBlanc and Nguyen 1998; Lethinen and Lethinen 1991; Weekes et at 1996).

The above literature indicates that there is no one unified service quality definition, model, scale, operational definition or one conceptual framework that has been accepted or agreed between different marketing scholars. Moreover, there has been much disagreement between services marketing scholars concerning service quality dimensions (Gronroos 1982; 1984; 1988; 1990b; Parasuraman et al 1985, 1988, 1991; LeBlanc and Nguyen 1988; Gummesson 1988; Carman 1990; Cronin and Taylor 1992; Teas 1993;

Lethinen and Lethinen 1991; Ennew and Binks 1996; Morgan and Piercy 1996; Weekes et al 1996; Mels et al 1997; Robinson 1999; McDougall and Levesque 2000; Lasser et al 2000; Lee et al 2000; Caruana et al 2000; Bahia and Nantel 2000; Newman 2001).

Carman (1990) found that the wording and subject of the individual SERVQUAL items needed to be customised and cultivated to be suitable to each service offering. Some concerns emerged related to using some negative statements, in the SERVQUAL instrument, which were not much favoured by respondents. He found that some of the items did not load on the same components when compared across different service industries as proposed by the original model. Carman found the assurance dimension as a single factor while Parasuraman et al (1988) combined the dimensions of credibility, security, and competence in the assurance factor (Carman 1990). Parasuraman et al (1991) reassessed and refined some of their original instrument wording (negative words were removed), statements, and added some new statements. The refined SERVQUAL model proved its cohesiveness in all of its dimensions.

Cronin and Taylor (1992) suggested an alternative model of service quality, which was called SERVPERF. It deals with performance-based measurements of service quality. They argued that it is important for practitioners to measure determinants of overall satisfaction/perceived quality by having customers simply assess the performance of the service quality. In addition, the importance of service quality dimensions in the scale should be considered from the customers' points of view to what extent they are important for their purchasing decisions. Cronin and Taylor (1992) model is concerned with the actual performance of service quality among customer groups. The study revealed that (1) The SERVQUAL model was not confirmed by any of the research sample. (2) Service quality was seen as an antecedent of customer satisfaction. (3) Service quality had a significant effect on customer satisfaction in the entire research sample. (4) The SERVPERF scale explained more of the variations in service quality than the SERVQUAL did (Cornin and Taylor 1992).

Parasuraman et al (1994a) in their response to some criticisms that have been mentioned argue that the SERVQUAL model is designed only to measure perceived service quality at the attitudinal level at a certain time. Furthermore, the dimensions of service quality are distinct, but also the factors that represent these dimensions are intercorrelated. The relationship between customer satisfaction and service quality is complex. Parasuraman et al have conceded that there may be some overlap among the items measuring responsiveness, assurance and empathy (Parasuraman et al 1994a).

Lewis (1993) found that the ability of a service company to deliver a high service quality depends on the performance of all employees who must be willing and able to deliver the desired levels of service. An integrated approach is necessary to integrate marketing, human resource management and financial managers in order to achieve a successful service quality. Systems, procedures and activities should be flexible, responsive and reliable. Top management has to be committed to service quality to satisfy and keep customers (Lewis 1993).

Anderson et al (1994) found that companies that achieve high customer satisfaction enjoy superior economic terms (Anderson et al 1994). Weekes et al (1996) added two dimensions to service quality, which were fees (value for money), professionalism and exceptions for professional companies. The study revealed that the responding clients perceived the subject company to be lacking in three dimensions, namely; the assurance, fees and tangibles.

Ennew and Binks (1996) found that technical quality, functional quality and general product characteristics are of crucial importance for customer retention and building up customer relationships (Ennew and Binks 1996). On the other hand, Morgan and Piercy (1996) view the linkage between quality and business performance as limited. Service quality cannot be easily defined because of the different aspects of service quality definitions and measurements that have been introduced by economics, marketing and operations management which all give different perspectives (Morgan and Piercy 1996). Robinson (1999) concluded that the debate over how best to measure service quality is far from complete. Robinson argued that a few researchers have investigated service quality and customer satisfaction together (Robinson 1999). Moreover, the association between service quality and customer satisfaction has emerged as an issue of significant and strategic consideration (Cronin and Taylor 1992; Zeithaml et al 1996; Ennew and Binks 1996; Lasser et al 2000; Zeithaml 2000).

Lasser et al (2000) found that the correlations between the SERVQUAL and SERVPERF models and the overall customer satisfaction were both reasonable and significant. Both were able to predict customer satisfaction. However, the technical/functional model was not seen superior to the SERVQUAL model. This was because these models are distinct for measuring service quality. Each model has its unique strengths for measurements of different aspects of service quality (Lasser et al 2000).

Lee et al (2000) conducted a study to examine if the influence of two dimensions, tangibles and responsiveness, on service quality vary with industry type. They found that service quality was considered as an antecedent to customer satisfaction and there was a causal relationship between them. These results totally supported the study of Cronin and Taylor (1992). McDougall and Levesque (2000) argue that the main challenge is identifying the critical factors that determine customer satisfaction. They argue that there are three determinants or factors that affect customer satisfaction. These factors are the core service quality (the basic service or the promised service that is concerned with what is delivered), relational service quality (the way in which the service is delivered or how it is delivered), and perceived value which is concerned with the difference between benefits perceived relative to costs (value for money).

Zeithaml (2000) argues that the relationship between service quality and profitability is neither simple nor direct. Investments in service quality do not relate directly to profits for some reasons; (1) service quality benefits are experienced and are accumulated in the long-term rather than the short-term. (2) Many marketing variables such as pricing, distribution, advertising, and competition have a vital influence on company profits. This makes knowing the service quality contribution to profits too difficult (Zeithaml 2000).

In the same vein, Newman (2001) argues that the service quality and profit chain has a very limited empirical validation. Investments in quality are seen as a source to competitive success and it is significant in financial services. Commitment to service quality and customer service is of crucial importance to the customer satisfaction. This commitment depends heavily on recruiting the right employees and rewarding a good service (Newman 2001).

Anderson et al (1994); Zeithaml et al (1996); and Zeithaml (2000) recommended more research on the relationship between service quality and service business performance. The rationale of their recommendation came after a recent study among American and British companies that had adopted quality programmes did not have a major impact on the majority of their business performance (The Economist 1992).

Furthermore, the relationship between service quality and business performance has been viewed as a controversial issue, and it requires more empirical evidence to investigate it. Some marketing scholars have suggested investigating this relationship among different service industries, cultures, countries and specific situations (Anderson et al 1994; Zeithaml et al 1996; Morgan and Piercy 1996; Rapert and Wren 1998; Robinson 1999; Zeithaml 2000; McDougall and Levesque 2000; Lasser et al 2000; Lee et al 2000; Newman 2001). Service quality is a cornerstone in the services marketing mix paradigm (Lovelock 2001).

Based on the service quality literature review, it can be hypothesised that:

Sub-hypothesis 1
Insurance service quality has a positive and significant effect on the performance of insurance companies measured by financial criteria.

Sub-hypothesis 2
Insurance service quality strategy has a positive and significant effect on the performance of insurance companies measured by non-financial criteria (marketplace and customer criteria).

2.4.3 Pricing Strategies

Pricing decisions are of major significance in services marketing strategy. The price of a service should achieve a number of marketing and organisational objectives and should be appropriate for the service company's marketing programme. The price element should be integrated and consistent with the other elements of the services marketing mix elements during both marketing strategy formulation and implementation to achieve the company objectives (Cowell 1984; Palmer 2001). Price is one of the central elements of the services marketing mix (Sclissel and Chasin 1991; Lovelock 2001; Palmer 2001). It is a very complicated issue (Kasper et al 1999) in which many variables have a significant role to play in a service price setting (Thomas 1978; Yelkur and Herbig 1997).

There are many variables (Tung et al 1997; Carson et al 1998) that have important effects on service price setting which many of them are not seen under a service business control (Tung et al 1997). These variables, which are exclusive rather than inclusive, are the unique characteristics of services (Levitt 1981; Berry and Yadav 1996; Kasper et al 1999; Zeithaml and Bitner 2000), the supply and demand patterns in the marketplace (Marn and Rosiello 1992), understanding the costs structure in the company (Howcroft and Lavis 1989), the ability of the company to have some elements (e.g. superior customer service) that differentiate itself from its rivals, competitors pricing strategies (Arnold et al 1989; Ziethaml and Bitner 2000), and different environmental forces in the service business environment in which it operates (Cannon and Morgan 1990; Mitra and Capella 1997).

The degree of complexity of pricing strategies among service businesses is relatively high due to the high degree of homogeneity between most service groups and shared service delivery and operating systems (Thomas 1978; Howcroft and Lavis 1989; Yelkur and Herbig 1997; Finch et al 1998; Kasper et al 1999; Harrison 2000). However, the major concern in this research is investigating the managers' perceptions of different pricing strategies that are being used when they formulate their pricing strategies in the insurance companies in Jordan. As a consequence, it is decided that the service pricing mathematical techniques and the supply and demand patterns are not discussed in this research, but they are discussed in other well-known sources (Guiltinan 1987; Cannon and Morgan 1990; Arnold et al 1989; Yelkur and Herbig 1997; Mitra and Capella 1997; Tung et al 1997; Finch et al 1998).

The rationale for this decision is twofold. First, this research can be described as an exploratory research in many of its variables including the pricing variable; within the Jordanian market context. Therefore, it is reasonable at this stage to explore the pricing strategies that are being used by the insurance companies in Jordan in general. Second, the pricing issue is very "sensitive" among the insurance companies in the Jordanian market. This is due to the high degree of competition between these companies and high degree of confidentiality relating to the pricing issue. Therefore, it is difficult to get the necessary access and co-operation to any "numeric data" or any "mathematical techniques" that are being used by the insurance companies in Jordan. Relevant literature review on services pricing strategies is presented in appendix A, which is carried out chronologically.

The service pricing literature has shown that most of service companies have been using unsophisticated approaches in the pricing of services (Zeithaml et al 1985; Zeithaml and Bitner 2000). This implies that service companies need to develop more proactive and structured pricing approaches. Pricing approaches for services are preferred to be simple, straightforward, and have no hidden charges in them. This may help customers to understand the company prices policies and become easy to deal with them (Berry and Yadav 1996).

Guiltinan (1987) discussed the price bundling of services. He argues that the rationale for price bundling is twofold. First, the cost structure of most service businesses is characterised by a high ratio of fixed costs to variable costs and a high degree of cost sharing. Second, the services offered by most service businesses are interdependent in terms of demand e.g., the financial services (Guiltinan 1987). There are two approaches to price bundling of services which are pure bundling and mix bundling. Pure price bundling, the services are available only in a bundled form; they cannot be produced separately (such as some medical tests). Mixed price bundling, the consumer can purchase one or more of the services individually, or can purchase the bundle as a whole (Guiltinan 1987). Kasper et al (1999) view that price bundling as a service pricing strategy which can be used as a means for a service company to differentiate itself from its competitors in mature markets. In mature markets, having a bundled service package or adding more services can achieve a success and a means to implement the company's market orientation. Using this pricing strategy is aimed at establishing and strengthening company relationships and/or preventing its customers from switching; the relationship pricing approach (Kasper et al 1999).

Arnold et al (1989) defended and developed the differentiation premium pricing approach, which comes from combining the evaluation of a set of differentiation factors. These factors may exert upward or downward pressure on the price a service provider can charge. This approach does not eliminate subjectivity rather it adds some objectivity. Arnold et al (1989) suggested four factors upon which a service business can differentiate itself from its competitors. These four factors are availability, testability, commitment, and price sensitivity. Commitment incentives are concerned with following up a pricing strategy that can reward clients who are loyal and committed to the service organisation. Price sensitivity is the customer's sensitivity to changes in price and depends on the number of alternatives about which the customer is aware. These four factors are subjectively evaluated and scored by the management relating to the potential pricing differential relative to competitors` prices. Based upon these factors and scoring them the company is able to evaluate its current pricing strategy (Arnold et al 1989).

Howcroft and Lavis (1989) advocated the relationship pricing approach. To implement this approach, it requires the use of differentiation pricing techniques among different market segments. The relationship pricing approach has some advantages such as increasing customer loyalty and retention (Howcraft and Lavis 1989). Zeithaml (1988) discussed the concept of perceived value. Exploratory research has shown that respondents who have discussed the concept of perceived value have used the value concept in different ways. In general, the research has shown that customers have defined the perceived value as:

a. Value is low price. Some respondents equated value with low price, indicating that what they had to give up was most salient in their perceptions of value. Such as value is price, value means low price.
b. Value is whatever I want in a product. It is the benefits that are received from the product as the most important components of value; e.g. value to me is what is convenient, or what is good for you. This definition of value is very close to the economist's definition of utility, that is, a subjective measure of the usefulness or want satisfaction that results from consumption.
c. Value is the quality I get for the price I pay. It is the trade-off between one "give" component, price, and one "get" component, quality; e.g. value is price first and quality second, value is the lowest price for a quality brand.
d. Value is what I get for what I give. It is all relevant "get" components as well as all relevant "give" components when describing value. Such as whatever makes the most for the least cost, value is what you are paying for what you are getting.

As value is very critical for the customers, service companies needs to undertake an ongoing market research (Lovelock 2001) in order to investigate the values that customers want, and, then formulate different pricing strategies according to them. Therefore, understanding the value is the cornerstone of setting a price for a service, from the buyer's perspective (Kotler 2000).

Tung et al (1997) have tried to develop a service pricing approach by which the service price setting can be more-closely related to the realities of business complexity factors such as market competitors, cost structure, price/demand sensitivity and the unique characteristics of services. Their approach is related to synthesising different pricing approaches together to price a service. This approach is very complex as it includes different pricing approaches together (Tung et al 1997). Meiden and Chin (1995) argued that pricing became an important marketing weapon to regain market share and to enhance the profitability of individual building societies (Meiden and Chin 1995).

Berry and Yadav (1996) discussed service pricing strategies that should communicate and capture value. Pricing of services effectively should take into account the long-term perspective rather than the short-term (practical) perspective. They argue that the unique characteristics of services create challenges for the pricing of services. Whatever the customer purchases from a service company, a bank service, indeed their "market basket" is empty. Consequently, purchasers of goods buy ownership and use but purchasers of services buy only use (Berry and Yadav 1996).

Services tend to have a higher degree of experience and credence attributes. In some services, such as legal services or marketing research, lacking first hand experience, customers often use price as a surrogate indicator of quality. Consequently, customers evaluate the quality and value when they have some experience or may not be able to evaluate these services forever. Berry and Yadav (1996) have discussed the pricing of services from a different angle that is value-based strategies. The key is to relate the price that customers pay to the value that they receive. A service cost includes two forms; monetary price (the economic price) and non-monetary costs (time, physical or mental effort).

Berry and Yadav (1996) have suggested three related pricing strategies for capturing and communicating the value of a service. These strategies are:

A. Satisfaction-based pricing. The main goal of this approach is to minimise uncertainty in buying services. Service marketers usually use different pricing strategies to implement this strategy; service guarantees e.g. a reduced price or refund for a service and benefit-driven based. Benefit-driven strategy is based on how a service is used and how it creates value.
B. Relationship pricing. Services marketers can develop creative pricing strategies by which they contribute to sustainable relationships. These strategies present an incentive for customers to consolidate more of their purchasing with a service company and resist other offers from competitors. Some of the used relationships pricing strategies are long-term contracts and price bundling. Relationship pricing aims to encourage the development of profitable, long-term customer relationships.

C. Efficiency pricing which is primarily concerned with understanding, managing, and reducing costs that are associated with providing a service. Some or all the cost savings are passed on to customers in the form of lower prices (Berry and Yadav 1996).

Mitra and Capella (1997) defended the price differentiation approach. They argue that price discrimination is affected by two broad categories; service intrinsic factors and service extrinsic factors. Intrinsic factors are the criticality, customisation of service, demand fluctuations, services characteristics. Extrinsic/environmental factors refer to the nature of the served market and degree of competition. The nature of the served market refers to the elasticity of demand and prices charged in a market segment that is being served by the company. Pitt et al (1997) view that companies in different industries are forced to manage their pricing approaches in proactive ways, based on value. Banks and financial institutions are developing more complex price structures in their attempts to build and sustain relationship with their individual and corporate customers. Increasing the complexity and pressures of the external service businesses environment factors, managers are forced to become more strategic in their behaviour in order to grow and survive (Pitt et al 1997).

Carson et al (1998) carried out a study that attempted to understand pricing practices and how small/medium enterprise owner-managers do pricing. The study found that when these companies developed pricing strategies they were based upon:

a. The overriding perception was that marketing was not an isolated issue and discrete activity; but an all-pervasive way of doing business. The pricing issue was of primary importance among the marketing mix variables.
b. A cost-plus based approach was widely used for price setting in these organisations.
c. Differentiated-based pricing approach.
d. Profits margin based approach; it is an extension of the cost-plus method.
e. Market considerations approach; looking at what the market was prepared to pay.
f. Competitive pricing approach; setting prices relative to competitors' prices.

Harrison (2000) argues that price is the only element of the marketing mix elements that produces and generates revenues and profits. All the other elements of the marketing mix represent an expense or cost to the company. Moreover, price is the most flexible variable among the marketing mix variables, which provides the company with the ability to respond quickly to the changing market conditions; lowering or raising the price. Meanwhile, the other elements of the marketing mix are more complex and time-consuming to know their effect in the marketplace.

Harrison (2000) discusses pricing strategies in the financial services sector through two broad categories, price-competition and non-price competition strategies. Table 2.1 shows these strategies. It is clear that each pricing strategy has it advantages and disadvantages (Harrison 2000).

	Price Competition	Non-price Competition
• What is it?	• An emphasis on price as a competitive tool	• An emphasis not on price but on some other distinctive features
• When is it appropriate?	• If the firm is a low-cost producer • If firms offer standard or commodity-type products	• If the firm can distinguish its products or brands from competitors' and obtain a unique image which is of value to the customer
• How does it work?	• The firm attempts to match or beat competitors' price	• The firm charges a price which represents the value customers place on the product
• What effect does it have on behaviour?	• It can encourage customers to become price-sensitive, leading to switching behaviour	• It enables the firm to build customer loyalty

Table 2.1 Comparison of price and non-price competition
Source: Harrison (2000), p. 180.

Lovelock (2001) argues that establishing pricing strategy for services has some challenging problems. There are three main pricing strategies that may be used by service businesses, which he calls the pricing Tripod. This Tripod includes cost-based pricing, competition-based pricing and value-based pricing strategy. However, the literature that has been reviewed relating to different pricing strategies among service businesses has revealed that there are pricing strategies that can be used by financial services institutions. The most popular pricing strategies for service companies and their advantages and disadvantages are summarised in appendix A.

Based on the service pricing literature review, it can be hypothesised that:

Sub-hypothesis 1

Insurance pricing strategy has a positive and significant effect on the performance of insurance companies measured by financial criteria.

Sub-hypothesis 2

Insurance pricing strategy has a positive and significant effect on the performance of insurance companies measured by non-financial criteria (marketplace and customer criteria).

2.4.4. Promotion Strategy

Promotion and customer education strategy (Lovelock 2001) is another fundamental element in the services marketing mix by which a financial service company can communicate its products and services to customers (Harrison 2000). Promotion is the avenue by which financial service businesses provide information about services, prices, and different delivery channels to a wide range of audiences. Promotion can provide an opportunity to companies to differentiate themselves at corporate and brand levels (Thwaites 1998).

It is important to note that there has been a considerable body of literature related to the promotion of physical goods which has been discussed by goods marketing authors and even service marketing authors (e.g. Cowell 1984; Kasper et al 1999; Kotler 2000; Cravens 2000; Baker 2000; Palmer 2001). The main focus in this research is investigating the major components of promotion strategy that are being considered by the insurance companies in Jordan.

However, it is generally accepted that there are common threads between the promotion strategy components in physical goods and their counterparts in services, but the unique characteristics of services do have crucial implications on formulating a promotion strategy in a service business (George and Berry 1981; Lovelock and Quelch 1983; Thwaites 1998; Mortimer and Mathews 1998; Harrison 2000). A service promotion strategy has a number of components that are known as the "promotional mix" (Ennew and Watkins 1992; Harrison 2000). There is no one promotional tool that is able to achieve promotion strategy objectives which, in turn, means that most service companies use more than one promotional tool (Kirk 1994) in order to avoid the disadvantages of each tool. This implies that each promotional tool has different advantages and disadvantages so most service companies try to use more than one promotional tool in order to maximise the advantages and minimise the disadvantages of each tool (Harrison 2000).

Harrison (2000) has presented six major promotional tools that can be utilised by financial services companies to enable them to communicate with different audiences. These promotional tools are advertising, personal selling, publicity and public relations, sales promotion, direct marketing, and sponsorship. Appendix A shows these tools and their characteristics, uses, examples, advantages and disadvantages in general. From Appendix A it can be seen that financial services companies need to have an integrated promotion strategy or an integrated marketing communications strategy (Lovelock 2001) by which a financial service company can avoid the tool's disadvantages and maximise its advantages in order to achieve company objectives. Relevant literature review on services promotion is presented in appendix A, which is carried out chronologically.

George and Berry (1981) presented six guidelines for the advertising of services based on the unique characteristics of services. These guidelines are (a) advertising to employees to motivate them to perform well. (b) Capitalising on word-of-mouth communications. (c) Providing tangible clues. (d) Making the service understood e.g., explaining technical details of an insurance service. (e) Advertising continuity to build and reinforce the desired image. (f) Promising what is possible. Hill and Gandhi (1992) implicitly supported these guidelines. However, Hill and Gandhi developed more comprehensive guidelines for services advertising according to proposed classifications of services for services business.

File and Prine (1992) found that the main sources of positive word-of-mouth communications were friends, relatives, and salespeople. Other factors were seen as important, namely; product features, convenience, image, price, confidentiality, and safety (File and Prine 1992). Peattie and Peattie (1993a,b; 1995) and Peattie et al (1997) have argued that despite huge investments and costs of sales promotion competitions, they have received little attention from marketing academics compared to the other promotion tools. Peattie and Peattie (1994) argued that sales promotions are overlooked in the financial services literature. Sales promotions can provide added value by offering customers "something extra" in the form of a free gift or entry a competition. This implies that the price and core service offering are being untouched (Peattie and Peattie 1994). The aim of using competitions in services markets is to encourage purchase retiming and brand switching (Peattie and Peattie 1995).

Moreover, Peattie et al (1997) have argued that sales promotion is continued to suffer from relative negligence compared to the other heavily researched elements of promotional mix particularly advertising. The general perception is that sales promotions may mean price cutting, meanwhile, sales promotions can be used for adding value (Peattie and Peattie 1993b). However, in adding value, Peattie and Peattie (1995) argue that price cutting is very different in many ways from sales promotional tools such as premiums and competitions (Peattie et al 1997). In the same vein, Harrison (2000) argues that much of sales promotional tools, which are being employed by most financial institutions is predominantly used to encourage trial and generate switching customers. However, sales promotion should be supported by the other promotional tools (Harrison 2000).

Kirk (1994) discussed both promotion and advertising of financial services. Advertising is viewed as an important marketing communication whose final aim is to increase sales. Kirk argues that the majority of financial services institutions lack a clear identity and positioning in the customers' eyes. Any advertising message should be compatible with the overall brand strategy and being able to position the company in the desired positioning manner in the marketplace (Kirk 1994). Generating immediate sales from an advertising campaign is likely to come from those customers who are interested in purchasing a financial service and there is a real need for it at the time when an advertising campaign goes on. For the advertising effects on the long-term, advertising may generate sales in the long-term through increasing customers' interest, awareness, and memory of advertising (Kirk 1994).

Direct marketing is defined as "an interactive marketing system of marketing which uses one or more media, such as mail, fax, email, World Wide Web and other non-personal contact tools to communicate directly with or solicit a direct response from specific customers and prospects" (Harrison 2000, p.89). Betts and Yorke (1994), quoted in Harrison (2000), have outlined a number of benefits of direct marketing; (a) it offers targeting precision. (b) It enables testing of markets, products, and services. (c) It is measurable and accountable. (d) It provides a new distribution channel and support for existing channels. (e) It allows control over timing. (f) It provides advertising cost-effectiveness. (g) It offers more precise segmentation. (i) It is invisible to competitors.

The major issue in direct marketing is that a successful direct marketing campaign aims to provide the right offer to the right person, at the right time in the way, which transforms attention into interest, desire, conviction and action. Direct marketing can provide the communications media by which financial service companies can develop long-term customer relationships. Moreover, direct marketing has a strategic potential rather than a tactical marketing tool (Thwaites and Lee 1994; Thwaites 1998). Thwaites and Lee (1994) found that financial service companies in the UK have made considerable use of direct marketing in their promotion programmes.

Mortimer and Mathews (1998) argued that advertising of services has not received much attention in the services marketing literature. They presented guidelines for services advertising which may improve their advertising. These guidelines are (a) encouraging word-of-mouth communication. (b) Providing tangible cues. (c) Providing concrete language (using tangible cues such as symbols and logos). (d) Showing the service provider/service encounter in the advertisement. (e) Continuity and image development.

(e) Documentation in advertising (e.g. documentation of staff qualifications or service guarantees).

Recently, Ennew et al (2000) argue that word-of-mouth communications is a powerful marketing tool particularly when it comes from someone (friends, relatives) who is known and trusted by the customer. It is expected to be a powerful marketing tool among financial services, which have a predominance of experience and credence qualities, and where the perceived risk in purchasing the service is high. The value of word-of-mouth increases through its impact on actual and potential buyers and its ability to create benefits to customers through reducing risks or increasing profitability (decreasing of purchase failing) of purchasing financial services (Ennew et al 2000).

Low (2000) discussed the integrated marketing communications issue. Duncan and Everett (1993) (Quoted in Low 2000, p.28), define integrated marketing communications as "the strategic coordination of all messages and media used by an organisation to influence its perceived brand value". Low found that small business companies were more likely to practice integrated marketing communications than larger companies, because they were more likely to use simple, less diverse marketing communications programmes. Moreover, companies that focussed on services more than products were more likely to practice integrated marketing communications. A crucial result was that the respondents` years of career experience were positively related to integrated marketing communications (Low 2000, p. p31).

Aims et al (1999) argue that sponsorships agreements particularly with sports should be treated as a strategic resource which can be developed into an area of distinctive competence which assists the company to a position of sustainable competitive advantage. The most two important intangible resources are the company image and reputation which are considered important reasons for entering a sponsorship agreement. The strategic value of sponsorship, sports, may come from the fact that sponsorship may contribute to enhancing the company image and reputation and then securing a sustainable competitive advantage (Aims et al 1999).

People in service businesses have a central role to play in promoting services. As a consequence, careful attention should be given to personal selling staff due to the services characteristics, the services providers are seen a part of the service, and people have a crucial role to interact with customers (Cowell 1984, Kasper et al 1999; Harrison 2000; Lovelock 20001; Palmer 2001). Ennew and Watkins (1992) argue that that personnel selling is an integral component of any marketing mix, and is of critical importance in financial services because the essence of the delivery system is based in people when providing financial services. In the same context, Thwaites (1998) views personal selling as an important element in the promotion of financial services which can contribute to a range of objectives such as gaining acceptance of new products by existing customers, attracting new customers for existing products, maintaining customers loyalty, gathering market information, and facilitating future sales by provision of advice to prospects or influencers (Thwaites 1998). Furthermore, any employee in the financial service company, either external e.g., intermediaries or internal e.g., employees, in contact with the customer is potentially in a personal selling role (Harrison 2000).

Harrison (2000) describes publicity as the activities undertaken by the organisation to build and maintain good relations with its public. It is becoming more sophisticated and using of variety tools, such as annual reports, seminars and speeches, in-house magazines, and press releases in order to create image about the company. Financial institutions should manage public relations activities very carefully through thorough deliberation and planning (Harrison 2000). Public relations is concerned with efforts to stimulate positive interest in a service organisation and its products and services by sending out new releases, holding press conferences, starting special events, and sponsoring activities (Lovelock 2001).

Zeithaml and Bitner (2000) focus on what the service company promises in its marketing communications. Customers' expectations are shaped by uncontrollable and company controlled factors. Uncontrollable factors are those variables that cannot be controlled by the service company which can influence customer expectations about the company's services e.g., word-of-mouth communications and customers' experiences. Controllable variables are advertising, personal selling, and promises made by service personnel. Uncontrollable and controllable variables play a crucial role in shaping customers expectations and perceptions about the service company and its services (Zeithaml and Bitner 2000).

There is a critical need for any service company to have an integrated marketing communications strategy in order to achieve its objectives (Thwaites 1998; Harrison 2000; Low 2000; Zeithaml and Bitner 2000; Lovelock 2001). An integrated marketing communications strategy is needed due to the unique characteristics of services and each communication tool has its strengths and weaknesses. Consequently, to have a successful promotion strategy companies need to send unified messages through different communications channels and deliver the service company promises as they have been communicated.

Based on the service promotion literature review, it can be hypothesised that:

Sub-hypothesis 1

Insurance promotion strategy has a positive and significant effect on the performance of insurance companies measured by financial criteria.

Sub-hypothesis 2

Insurance promotion strategy has a positive and significant effect on the performance of insurance companies measured by non-financial criteria (marketplace and customer criteria).

2.4.5. Distribution Strategy and Cyberspace

Distribution is another fundamental element in the financial services marketing mix (Harrison 2000) by which financial service companies can cover target markets and gain access and deliver services to customers (Devlin 1995; Easingwood and Storey 1996; Shumrak 1996). The distribution element has a profound role on financial service company operations, which may enable the company to differentiate itself from rivals and achieve a competitive advantage in the marketplace (Friars et al 1985; Devlin 1995; Shumrak 1996). Relevant literature review on services distribution and cyberspace is presented in appendix A, which is carried out chronologically.

Friars et al (1985) argued that when financial services companies formulate their distribution strategies they should choose distribution alternatives that are market-focussed and profit-based. Carter et al (1989) found that the importance of distribution channels varied depending on both between and within the different types of institutions. Some life insurance companies relied heavily on sales force while others relied exclusively on brokers and other independent intermediaries. The general trend was that there was a decline in the usage of sales force towards increasing usage of direct response to advertising and direct mail. For insurance companies, the distribution methods which were ranked very important were; insurance companies branches, broker branches, sales force based on commission/salary sales, sales force based on commission sales only, direct mail, and direct response to advertising (Carter et al 1989).

Howcroft (1991, 1993) supported the importance of increasing market orientation over branch networks for banks. Having a market oriented branch network requires careful considerations of the internal design of the branch itself, which has become important in creating a branch atmosphere that is more conducive towards selling financial products (Howcroft 1991). This is supported by Bitner (1992) and Greenland (1995).

Financial services companies need to develop successful sales force teams which have the necessary skills, knowledge, motivation, and full knowledge related to the financial services attributes (e.g. technical details). Commitment to sales people training is another vital issue where sales programmes should be customer oriented to get closer to clients. This policy has been used by life insurance companies to get involved in their customers major life situations such as marriage, birth of children, and retirement (Stephenson and Kiely 1991).

Howcroft (1993) argued that financial services companies should consider four broad considerations in formulating the optimum mix of distribution channels (Howcroft 1993, p. 27); (a) Maintaining a strong market position through attracting and retaining a large, profitable customer base. (b) Introducing new distribution channels to counteract the cost-benefit characteristics of the branch network. (c) Building a distribution channel mix that can respond flexibly to changes in competition and the marketplace. (d) Exploiting fully the benefits inherent in the existing infrastructure. Laing (1994) found that the key issue in developing a multi-channel distribution strategy for the Scottish life companies was the development of direct sales force (Laing 1994). Empirical evidence suggests that much of sales process is directed towards relationship management (Donnelly et al 1985; Shultz and Prine 1994; Laing 1994).

Devlin (1995) argues that superior distribution strategies can provide financial institutions with competitive advantage in the marketplace. Distribution provides the basis of differentiation rather than the core service itself. Devlin argues that with increasing competitive pressures in a financial service environment, the issue of distribution will remain an important competitive variable that should focus on customer orientation (Devlin 1995).

Shelton (1995) argued that the distribution strategies in both life insurance and pension companies have been, and still are, led by strong product orientation of providers. He argued that the key success factors for distribution strategies are (Shelton 1995, p. 43); (a) Control over the sales teams in terms of time management and customer targeting. (b) Turnover, recruitment and retention. (c) Customer relations that imply development of long-term customer relationships based on trust as opposed to short-term relationships based on single product sale. (d) Improved productivity.

Greenland (1995) argues that the distribution of financial services is an extremely dynamic area that has been completely revolutionised over the past ten years. He argues that although new distribution channels such as telephone banking have some advantages represented by improved access, improved convenience, and lower overhead costs, many consumers still prefer branch banking as branches have distinct advantages over the impersonal telephone service. Branch banking has some benefits over telephone banking which can be viewed in terms of opportunities with customers to develop personal relationships through face-to-face interactions, and promote the bank image and stimulate cross selling of financial services. The focal point is to use branch and non-branch channels in the way that each one complements the other.

The new challenge is to manage this more complex distribution system. The main advantage of creating such a distribution system is the potential for increased market coverage. Using multiple channels provide access to multiple market segments (Easingwood and Storey 1996). Easingwood and Storey (1996) found that there were four clear-cut and very different distribution strategies:

- Intermediary strategy (14 per cent of products). It is using a single channel strategy with occasional support from direct response advertising.
- Balanced strategy (44 per cent of products). It is the most widely used strategy drawing on all the distribution methods. It is the only strategy that made significant use of the direct selling root.
- Arm's length strategy (12 per cent of products). The emphasis of this strategy is on using three main methods which are direct response advertising, direct mail, and intermediaries without using any direct personal contact between the firm and its customers.
- Network strategy (29 per cent of products). It is the second most widely used employed strategy by making a heavy use of networks, either the company network or a network of intermediaries.

According to Howcroft and Beckett (1996) the number of bank branches operating in the UK has declined. They argued that companies can increase branches effectiveness through delivering a wide range of relatively complicated financial services such as life insurance and pension products. The high degree of intangibility, high credence products and a high perceived risk by customers requires company to address these issues through branch networks.

Shumrak (1996) argues that insurance companies are facing two major problems that are declining the appeal of their core products and unproductive distribution systems. He argues for a new approach for the distribution of financial services which is based on a market-driven, customer-oriented and, capital-focused strategy that is required in order to develop a sustainable competitive advantage. The new approach is concerned with matching the most appropriate distribution channels to sales for each targeted customer segment (Shumrak 1996).

Shumrak (1996) argues that to successfully develop a sustainable competitive advantage, insurance organisations must focus on three key elements:

a. Specific marketing expertise in both marketplace and distribution channels.
b. Information management technology, using customers' information and customer databases to target the current and potential customers.
c. The appropriate performance measurements, using financial and non-financial measures of performance.

Daniel and Storey (1997) discussed different types of electronic banking such as using World Web Wide strategy to inform and promote the company, and to distribute its products. Using web pages and, other electronic tools should be integrated with the existing promotional tools and other distribution channels which should all deliver the same message (Daniel and Storey 1997).

Empirical evidence suggests there are some strategic issues which explain the rationale why organisations should launch or try electronic banking, that contain offensive and defensive issues, which are (Daniel and Storey 1997); (a) to protect or enhance reputation. (b) Adding value for customers, electronic banking offers additional value to the customer via added functionality and accessibility. (c) A means of attracting new customers. (d) Increasing demand from current customers. (e) Competitors are launching services. (f) Cost savings. (g) Enabling mass customisation.

Arnold et al (1999) argue that there has been an increasing use of direct response marketing channels which include telemarketing, direct mail, and the Internet based marketing. It is expected that these methods will be the most important methods in the near future. Telemarketing includes two types, namely; "inbound" telemarketing that implies the prospective customer contacts the insurance company and "outbound" telemarketing that implies the insurance company contacts the prospective customer. The UK market is a successful example where direct marketers have captured more than 25 per cent of the personal auto market and 45 per cent personal auto sales that are sold by other channels are now completed over the telephone. The Internet is an important direct marketing tool which can afford an electronic services 24 hours a day 7 days a week and 365 days a year and it is an effective way to market information to different market segments of insurance products consumers (Arnold et al 1999).

A successful multiple channel distribution strategy must have a customer orientation philosophy which puts the customer needs as the focal point that any financial service company should aim to satisfy to achieve its objectives (Chandler et al 1984; Friars et al 1985; Carter et al 1989; Ennew et al 1989; Stephenson and Kiely 1991; Howcroft 1991, 1992; 1993; Morgan 1993; Devlin 1995; Shelton 1995; Easingwood and Storey 1996, 1997; Shumrak 1996; Thornton and White 2001).

There has been strong empirical evidence that shows that market segmentation is one of the fundamental factors that has a crucial effect on any distribution strategy. This suggests that the mass marketing approach that implies all financial services being for all people in one distribution channel is no longer valid for financial service companies. Therefore, companies need to practice a thorough market segmentation process with extensive focus on customers in order to develop multiple channel distribution strategy by which they can target different customer groups (Chandler et al 1984; Laing 1994; Devlin 1995; Easingwood and Storey 1996, 1997; Thornton and White 2001).

There has been much empirical evidence to suggest that there is a considerable shift among companies from using company branches and intermediaries in distributing financial services towards using direct marketing distribution strategies aiming to reach the customers directly. This shift has happened in response to recent developments in financial service environment, namely; the huge technological developments (Friars et al 1985; Howcroft 1991; 1992; 1993) especially new electronic channels (Devlin 1995), competitive pressures, deregulation of financial services (Carter et al 1989; Laing 1994; Devlin 1995), response to customers requirements (Daniel and Storey 1997), and companies need to be more cost effective (Howcroft 1991, 1993; Howcroft and Beckett 1996).

There is considerable empirical evidence which supports the growing importance of using the emerging new electronic delivery systems, in particular using the Internet technology, in delivering insurance services to different target markets. These new delivery electronic systems especially the Internet and telemarketing are most likely to be more effective and competitive alongside the other distribution channels to cope with the increased customer requirements, and may achieve competitive advantage in the marketplace (Friars et al 1985; Howcroft 1991; 1993; Devlin 1995; Daniel and Storey 1997; Birch and Young 1997; Anonymous2 1998; Eyler 1998; Baranoff 1998; Maciag 1998; Shea 1999; Dimartino 1999; Arnold et al 1999; Mols 2000; Dixon 2000; Cato 2000; Trembly 2001; Thornton and White 2001).

Based on the distribution and cyberspace literature review, it can be hypothesised that:

Sub-hypothesis 1

Insurance distribution strategy has a positive and significant effect on the performance of insurance companies measured by financial criteria.

Sub-hypothesis 2

Insurance distribution strategy has a positive and significant effect on the performance of insurance companies measured by non-financial criteria (marketplace and customer criteria).

2.4.6. People Strategy

People have a central role to play in service businesses especially during the service delivery process when people have interactions with customers. Customers' view people (employees) as a key part of the service or even the service itself in service companies (Berry 1980; Booms and Bitner 1981; Shostack 1977a,b; 1984; Cowell 1984; Magrath 1986; Judd 1987; Lane 1988; Collier 1991; Smith and Saker 1992; Low and Tan 1995; Balmer 1998; Ennew and Watkins 1998; Doyle 1999; Kasper et al 1999; Baker 2000; Zeithaml and Bitner 2000; Lovelock 2001). It is argued that people are seen as a distinctive dimension in the financial services marketing mix and must be an integral part of any marketing strategy, by which the company can gain a competitive advantage and distinguish itself (Booms and Bitner 1981; Judd 1987; Lane 1988; Collier 1991; Doyle 1999; Baker 2000).

The "people" phrase has been widely used and emphasised in the services marketing literature either to express their crucial role in performing the service or to express their crucial role in the services marketing mix (e.g. Booms and Bitner 1981; Berry 1980; Cowell 1984; Donnelly et al 1985; Judd 1987; Kasper et al 1999; Zeithaml and Bitner 2000; Lovelock 2001). Examining the literature revealed that there has not been a specific determination of what the people dimension means or includes. Cowell (1984) recognised the people dimension in service companies in terms of service personnel as those who provide an organisation's services for customers. Donnelly et al (1985) viewed people in financial service company as "internal customers", the employees. Judd (1987) viewed people in terms of their role and involvement in the traditional marketing mix, their role in contacting customers, and their role in both formulation and implementation of an organisation's marketing strategy. Gummesson (1991) viewed people in terms of their contact personal with customers in service companies, which he called "part-time marketers". Furthermore, Ennew and Watkins (1998) recognised people in terms of the crucial role played by individuals in the provision of financial services.

Kasper et al (1999) view people in terms of all employees in the service company who affect it internally and externally. Zeithaml and Bitner (2000) recognise people as all people who play a part in service delivery and influence the buyer's perceptions, namely; the company's personnel, the customer, and other customers in the service environment. Lovelock (2001) takes a comprehensive overview by focussing on human resources management (including recruitment, selection, training, and retention of employees), operations management, leadership styles, internal marketing, and the employees role in the service delivery process.

Based on the above point of views, there is no one direction that has been agreed between services marketing scholars for the role of the people dimension either their role in the services marketing mix model or in the service company in general. Consequently, it is argued that there is a need to determine what are the dimensions that need to be considered concerning the people dimension in the financial services marketing mix. Having said that, the major focus is on people who are involved directly or indirectly in the performing of the marketing mix activities, are involved in formulation and implementation of marketing strategy, are involved directly and indirectly with the customer (Judd 1987). People who are involved in the service delivery process (Ennew and Watkins 1998; Zeithaml and Binter 2000) and people who have personnel contact with customers (employees in frontlines) (Lovelock 2001). Lovelock (2001) highlights the central importance of customer-contact personnel who must recognise both operational and marketing goals. Lovelock has called customer-contact personnel as "boundary spanning" in services companies. They play a role of operations specialists (performing the service activities), marketing role, and part of the service product itself (Lovelock 2001).

Earlier, Sasser and Arbeit (1976) argued that the successful service company must first sell the job to employees before it can sell its services to customers (Sasser and Arbeit 1976). Berry (1981) argued that one of the principal opportunities for a bank to distinguish itself, to be different and better than its competitors, lies in the quality of people (Berry 1981). Cowell (1984) recognised that people have a central role to play in the marketing function because people are a crucial element of any service marketing strategy and are a crucial element in the services marketing mix (Cowell 1984).

In any company, people are involved with creation and implementation of the marketing mix elements. Each employee who is involved in creating or implementing the marketing mix has the opportunity to reinforce or change the beliefs, attitudes, and perceptions of the target market members relative to the marketing mix and/or the organisation-whether the employees have direct contact or not. On the other hand, employees who are not directly involved with creating or implementing the marketing mix activities do have opportunities for customer contact and for changing beliefs, attitudes and perceptions of the target market members (Judd 1987).

Based on the literature review, it can be argued that there are two main interrelated research streams, which can be integrated together concerning the people dimension. The first research stream is practising "marketing orientation" known as customer orientation. The second research stream is practising "internal marketing" in terms of the attention being paid to the company's "internal customers" by management. The application of internal marketing activities is consistent with the marketing concept. This is totally supported by Kotler (2000) who argues that one of the essential requirements of the marketing concept is to practice integrated marketing, which is concerned with external marketing and external marketing.

Marketing Orientation

At the outset, it is worth noting that this research has acknowledged that there has been a considerable body of empirical work and literature on the "market orientation" concept (e.g., Narver and Slater 1990; Kohli and Jaworski 1990; Kohli et al 1993; Jaworski and Kohli 1993; Slater and Narver 1994, 1996; Chang and Chen 1998; Han et al 1998; Gray et al 1998), which is different from the "marketing orientation" concept. Market orientation is a broad area that is concerned with the overall organisation, its market, competitors and overall external environment. However, the major concern in this research is to investigate customer orientation among the insurance companies in Jordan. Consequently, market orientation is not of concern in this research and it is discussed in the aforementioned sources.

Parasuraman et al (1983) found that the average marketing orientation across service companies was 3.7 on the scale of 1 to 5. Moreover, variations did exist in the extent of marketing orientation across different service industries. Financial and recreational service companies were well below the average in terms of their marketing orientation scores (Parasuraman et al 1983). Zeithaml et al (1985) found that the average score of customer orientation was 3.64 on a 1 to 5 scale.

Doyle (1987) found that only 50% of British CEOs considered their companies marketing oriented. 42% of the CEOs considered doing better marketing and sales was the highest factor and one of the key success factors for the future. An important result was that companies with CEOs who had marketing experience were more likely to be more marketing oriented, and more geared to strategic planning and marketing innovation (Doyle 1987). Kelly (1990) argued that in order to satisfy more completely the needs of their customers, financial service companies must develop customer orientated corporate culture which involves the satisfaction of customers needs through individual relations existing between customer contact personnel and customers. Kelly found that the customer orientation was significantly related to job satisfaction, motivation, and the role clarity (Kelly 1990).

Deshpande` et al (1993) argue that customer orientation is related to the corporate culture. They recognised customer orientation and market orientation as being synonymous. Deshpande` et al (1993) defined customer orientation as *"the set of beliefs that puts the customer's interest first, while not excluding those of all other stakeholders such as owners, managers, and employees, in order to develop a long-term profitable enterprise" (p. 27, originally emphasised).* This definition explicitly highlights customer orientation as a part of overall, but much more fundamental, the company corporate culture. Moreover, the definition focuses on a set of values and beliefs in the organisation that are likely to consistently reinforce and pervade the customer focus across the organisation (Deshpande` et al 1993). Deshpande` et al (1993) found that the marketers` customer orientation as reported by customers was related to business performance; relative profitability, relative size, relative growth rate, and relative market share in comparison with those of the largest competitor for a business. There was low correlation and no significant relationship between customer orientation (marketers' perceptions) and business performance (Deshpande` et al 1993).

Based on the services marketing literature review, there has been much empirical evidence, which shows that the customer should be the focal point of marketing activities. Service companies need to adopt the new marketing concept as a business philosophy to doing business. The focal point of practising the new marketing concept is customer orientation (marketing orientation) which puts the customer needs at the centre of performing and practising all marketing activities in the whole company. Consequently, service companies need to have a customer oriented corporate culture to practice customer orientation. This argument has been supported by many marketing researchers (Drucker 1968; Barksdale and Darden 1971; McNamara 1972; Levitt 1975; Parasuraman et al 1983; Majaro 1984; Zeithaml et al 1985; Dicnkinson et al 1986; Trustrum 1986; Watkins and Wright 1986; Judd 1987; Doyle 1987; Webster 1988; Kelly 1990; Narver and Slater 1990; Hooley et al 1990; Deshpande` et al 1993; Kotler 1994; Webster 1994a,b; Slater and Narver 1994; Hunt and Morgan 1995; Slater and Narver 1996; Chang and Chen 1998; Doyle 1999; Baker 2000; Kotler 2000).

Based on the customer orientation literature review, it can be hypothesised that:

Sub-hypothesis 1

Customer orientation has a positive and significant effect on the performance of insurance companies measured by financial criteria.

Sub-hypothesis 2

Customer orientation has a positive and significant effect on the performance of insurance companies measured by non-financial criteria (marketplace and customer criteria).

Internal Marketing

Internal marketing (IM) is considered one of the important areas in services marketing (Fisk et al 1993). However, the concept of IM has been examined in marketing and services marketing literatures, but no single unified definition exists (Rafiq and Ahmed 1993; Varey 1995; Rafiq and Ahmed 2000). IM simply means applying the philosophy of marketing to people who serve the external customer (Berry 1980). There are several forms of IM. They all share a common thread that is the "customer" inside the company (Berry 1981). Researchers believe that IM should target the "internal customer" by which they mean marketing to employees in the company. Practising IM when employees are seen as internal customers of the company is a widely accepted paradigm for IM (Berry 1980, 1981; Donnelly et al 1985; Piercy and Morgan 1991; Gummesson 1991; Fisk et al 1993; Greene et al 1994; Varey 1995; Foreman and Money 1995; Hooley et al 1998; Barnes et al 1999; Kasper et al 1999).

Practising IM implies that the best possible people can be employed and retained, and people will do the best possible work (Berry 1980). The focal issue of using IM is that financial service companies, by satisfying the needs of their internal customers, upgrade their capabilities for satisfying the needs of their external customers (Berry 1980; 1981; Donnelly et al 1985; Fisk et al 1993; Foreman and Money 1995).

Berry (1987) argued that marketing managers can facilitate marketing throughout the company in three ways. First, managers can take formal steps to educate the company employees about the marketing concept, purposes, and the applications of marketing. Second, conducting effective sales training programmes and sales aids. Third, marketing managers can push marketing responsibility downward into the company in order to get closer to the customers (Berry 1987). Doyle (1987) found that British CEOs revealed that over 80% of them see education and marketing training as very important or extremely important. Marketing and sales training received the most training interest.

Having systematic, formal, internal and external marketing training programmes has crucial effects on marketing staff performance and companies' performance. The development process of the skills and competencies of the marketing staff is considered very important, it increases the staff skills and responsiveness to the customer needs and requirements (Hooley and Mann 1988; Nicoulaud 1989; Rushton and Carson 1989; Hooley et al 1990; Pheng and Ming 1997). Lewis (1989) approached the IM concept in the context of service quality and customer care (Lewis 1989).

Gronroos (1990b) argues that IM is a prerequisite for successful external marketing performance. IM is a management strategy. He views IM as a holistic management process to integrate multiple functions of the company. Gronroos argues that there is no exclusive list of activities that should belong to an IM programme; however, a number of IM activities can be practised, namely (Gronroos 1990b); (a) External and internal training programmes. (b) Top management support. (c) Internal communications. (d) Recruiting and hiring-human resource management. (e) Market segmentation. (f) Market research.

Piercy and Morgan (1991) argued that companies need to carry out internal marketing programmes for the internal marketplace. They used the concept of internal marketing in the context of marketing strategy implementation as a crucial element to facilitate its implementation. IM programmes, by which they mean having an Internal Marketing Mix Programme; product, price, communications, and distribution elements, should be matched with the external marketing programme by which they mean the 4Ps of the marketing mix and matching them with mission, objectives, strategic audit, and marketing tactics (Piercy and Morgan 1991).

Rafiq and Ahmed (1993) criticised the previous work on IM e.g. Sasser and Arbeit (1976) on the basis that the previous work recognised the employee as customer. Another criticism was the use of the external marketing techniques towards those customers. One of the main problems is that the "products" that employees are being sold may be unwanted by them (new methods of working). Rafiq and Ahmed (1993) argue that in normal marketing situations customers do not have to buy products that they do not wish to buy. This is not the case for internal employees who must accept "product" or can be "forced" to do things under threats of disciplinary action. Moreover, employees do not have as broad a range of products to choose from as external customers have.

Based upon these criticisms and discussion of previous work Rafiq and Ahmed (1993) argue that the scope of IM marketing is wider than the motivation of employees towards customer consciousness (Rafiq and Ahmed 1993). They defined IM as "a planned effort to overcome organisational resistance to change and to align, motivate and integrate employees towards the effective implementation of corporate and functional strategies" (Rafiq and Ahmed 1993, p.222). From the definition, they focussed on the notion that any strategy is likely to require an IM effort to overcome organisational inertia and to motivate employees to perform their role. The broad definition did not only focus on the concept of employees as customers but also focussed on the tasks that need to be done for effective implementation of marketing and other programmes to achieve customer satisfaction with the recognition of the central role of employees.

However, Rafiq and Ahmed's (1993) point of view has supported Piercy and Morgan (1991) point of view which focussed on change and effective implementation of corporate and functional strategies specifically marketing strategy. However, Rafiq and Ahmed concluded that the major interest in the previous work on IM is in employees' motivation. It is argued that the previous work did not just focus on employees motivation, rather it focussed on broader issues in practising IM especially in service organisations. Sasser and Arbeit (1976) focussed on work forces as the most critical productive resource, Berry (1981) focussed on applying the marketing philosophy to employees and on the quality of people in financial services organisations. Furthermore, Berry (1980, 1981; 1987) focussed on the importance of market segmentation, internal jobs design, and advertising to internal customers. Berry et al (1991) had strongly supported carrying out a full internal marketing audit for IM strategies and techniques as a part of the marketing audit during the strategic marketing planning process. Further, it is argued that the previous work discussed wider issues than the motivation of employees.

The previous work did not discuss the change and the role of IM for marketing strategy implementation. However, it is important to mention that this research is concerned with IM within people strategy in the financial services marketing mix context. However, investigating IM in the organisational context can be discussed elsewhere (e.g. Piercy and Morgan 1991; Rafiq and Ahmed 1993; Hooley et al 1998; Barnes et al 1999; Rafiq and Ahmed 2000).

Using the case study approach in a bank, Barnes et al (1999) have concluded that by adopting IM techniques; market research and market segmentation and the internal marketing mix, the bank did have a chance to improve its internal customer adoption and retention rates for its training courses and programmes (the study used the training programme as an internal product and the internal customer as the bank's employees).

Foreman and Money (1995) argue that IM is a useful and effective metaphor for seeing the customer in every individual in the company. They found that there are three major components for IM, namely; employees development, employees reward, and the firm vision (giving employees something to believe in) (Foreman and Money 1995). Sargeant and Asif (1998) found that there was no evidence that IM as a concept is fully understood by managers, either at junior or senior levels in the banks. The strategic aspects of IM which were studied were; managing internal change, internal change and external customer, impact of internal relationships on delivered service, matching the right people to the right jobs, employee involvement in developing and implementing policy, and empowering management and staff (for details see Sargeant and Asif 1998).

Hooley et al (1998) discuss the IM concept through its crucial role for the marketing strategy implementation. They view the emergence of IM as coming from diverse conceptual sources. They argued that the scope of IM may include five types. These types are (Hooley et al 1998), (a) IM that focuses on delivering of high standards of service quality and customer satisfaction. (b) IM as internal marketing communications. (c) IM and innovation management. (d) IM and providing products and services to users inside the organisation. (e) IM marketing as the implementation strategy for marketing plans.

Pitt et al (1999) argued that the concept of IM is somewhat limited. First, for the benefit of IM to be useful, it should be applicable beyond the borders of services marketing; applicable to manufacturing in addition to services (Gummesson 1987). Second, IM has had a broader attention and application in the management literature in general. There is evidence to suggest that IM is not often performed by the whole company which suggests that it can be applied by departments, groups, functions within the company (Pitt et al 1999). This is consistent with the internal marketing literature, according to Foreman and Money (1995) who carried out a considerable revision on the internal marketing concept, which has shown that there is much evidence that the internal marketing concept is not regularly adopted by the whole company but rather by departments, groups, or functions within it (Foreman and Money 1995).

Quester and Kelly (1999) found that companies practising IM recognised employees as customers and IM as a communications process. The study found that the application of marketing techniques for internal marketing is relatively weak. Caruana and Calleya (1999) found that there was an important role and positive effect for IM in fostering organisational commitment (Caruana and Calleya 1999). More recently, Rafiq and Ahmed (2000) have carried out an extensive literature review of the IM concept over the past 20 years. Their revision included IM definition, development, synthesis, and extension of the concept. Based upon their discussion and synthesis of the literature of IM, they suggested five elements of the IM concept, namely; (a) Employee motivation and satisfaction. (b) Customer orientation and satisfaction. (c) Inter-functional co-ordination and integration. (d) Marketing-like approach to the above (applying marketing like activities internally). (e) Implementation of specific corporate or functional strategies.

Kotler (2000) recognises IM, in the context of integrated marketing, as a task of hiring, training, and motivating able employees who want to serve customers well. Kotler argues that IM must precede external marketing. The rationale for this is that it makes no sense for the company to promise excellent service before the company's staff is ready to provide it (Kotler 2000).

Based on the IM literature review, the key elements of IM can be identified as communication, training, education and information (Gummesson 1991); motivating and developing, educating and training employees (Berry 1980, 1981, 1987; Gronroos 1990b; Berry et al 1991; Rafiq and Ahmed 1993; Foreman and Money 1995; Varey 1995); attracting, hiring, and retaining employees (Berry 1980, 1987; Foreman and Money 1995; Kotler 2000). Moreover, the implementation of IM requires cross-functional co-ordination (Rafiq and Ahmed 1993) and the support of top management to carry out an IM strategy (Piercy and Morgan 1991; Gronroos 1990b). Further, the internal marketing literature review has indicated that there is a critical need for empirical studies to investigate internal marketing among service companies (Fisk et al 1993; Rafiq and Ahmed 1993; Varey 1995; Quester and Kelly 1999; Rafiq and Ahmed 2000).

Based on the internal marketing literature review, it can be hypothesised that:

Sub-hypothesis 1
Practising internal marketing has a positive and significant effect on the performance of insurance companies measured by financial criteria.

Sub-hypothesis 2
Practising internal marketing has a positive and significant effect on the performance of insurance companies measured by non-financial criteria (marketplace and customer criteria).

2.4.7. Service Delivery Process Strategy

Process is one of the crucial elements of the expanded services marketing mix framework that should be a distinct strategic element. This is because process may influence the initial customer decision to purchase a service and affect the level of customer satisfaction (Booms and Binter 1981; Collier 1991; Smith and Saker 1992; Kasper et al 1999; Zeithaml and Bitner 2000; Lovelock 2001). However, the main focus of investigating process strategy is from a "marketing perspective" rather than "operations management" perspective.

Earlier, Levitt (1972) attempted to apply manufacturing processes to service industries in producing services. Levitt presented McDonalds Company as a successful case, which had applied the manufacturing style of thinking to a people-intensive service situation and had used sophisticated technology (Levitt 1972). Shostack (1977b) argued that the list of financial services involves the dissemination of "processes". All service companies face unique distribution constraints because services are processes-based and people-based. This implies that there are difficulties in achieving service uniformity and quality control during the service delivery process (Shostack 1977b).

Thomas (1978) argued that the service provided must be broken down into its components parts. The purpose is not to determine how the service is rendered, but rather how the service is provided. The aims of this are to determine what parts of the service are essential, what parts can be eliminated, and what minor additions could greatly enhance the service (Thomas 1978). Lovelock (1983) attempted to provide classification schemes for service industries. He argues that classifying service schemes is not enough. In order to have a managerial value, classifying services must provide strategic insights to service businesses management. Lovelock provided five classification schemes reflecting their potential to affecting the way that marketing management strategies are developed and implemented. The classification schemes for "service processes" are based on:

- What is the nature of the service act?
- What type of relationship does the service organisation have with its customers?
- How much room is there for customisation and judgement on the part of the service provider?
- What is the nature of demand and supply for the service?
- How is the service delivered?

For example, one of the classifications is understanding the nature of the service act. According to the nature of service act, Lovelock used two main criteria to classify services. First, what is the nature of the service act. Second, who or what is the direct recipient of the service. In order to explain, figure 2.4 shows the classification of the nature of the service act as a matrix. Figure 2.4 shows that financial and insurance services are classified as intangible actions according to the nature of the service act criterion. According to who or what is the recipient of the service criterion, the financial and insurance services are directed at intangible assets. Sometimes the financial and insurance services may spill over into two or more categories. The implications for financial services are concerned with the service delivery process and marketing activities which the company needs to focus on to deliver its services (Lovelock 1983).

What is the nature of the service act?	Who or What is the Direct Recipient of the service? People	Things
Tangible Actions	Services directed at people's bodies: • Health care • Beauty salons	Services directed at goods and other physical possessions: • Freight transportation • Laundry and dry cleaning
Intangible Actions	Services directed at people's minds: • Education • Information services	Services directed at intangible assets: • Banking services • Insurance services • Legal services

Figure 2.4. Understanding the nature of the service act?
Source: Lovelock (1983), p. 12.

However, there is a critical link between the service delivery system and distribution strategy (ies), which a financial service company chooses to deliver its services (Lovelock 1983). For example, if an insurance company delivers its services using an arm's length approach (e.g., by telephone), the implication is that the customer does not present physically into the company facilities and may not meet the service personnel face-to-face contact. The service delivery process activities are different if the insurance company has decided to deliver its services through going to the customer place or the customer comes to it. The marketing implications are on service quality, customer connivance, quality control, consistency of the service levels are becoming crucial activities to the company (Lovelock 1983).

Shostack (1984) argues that better service design provides the key to market success and growth. The involvement of the human element in the service delivery process, service companies need to recognise the importance of the management and control of the service delivery process. Shostack suggested a blueprint in designing services, which should be customer oriented. A service blueprint allows a company to explore all issues inherent in creating or managing a service. The process of designing a blueprint involves the consideration of several issues:

- Identifying processes. Mapping the processes and activities that constitute the service.
- Isolating fail points, can reduce service failure and increase the quality of execution.
- Establishing the time frame for each activity or step in the service delivery process.
- Analysing profitability in the service delivery process activities.

Berry (1987) introduced the use of high tech and high touch (customisation) together in delivering services. The key element is to understand the key service components and the market in order to know which service components require high tech or high touch or both. Kelley (1989) discussed the efficiency of service delivery process. He argues that the efficient service delivery system leads to the utilisation of company resources to their greatest advantage and minimal associated costs. Kelley recommended using both technological and humanistic approaches in delivering services upon classification schemes of services. In financial services, technology improves efficiency and faster services. The humanistic approaches have become important in the financial services as a means of attaining a competitive advantage. Consequently, the service classification, understanding the level of customer contact, and the degree of customisation, are important means to provide marketing managers with useful guidelines to achieve efficiency in the service delivery (Kelley 1989).

Roth and Velde (1989) focussed on making investments in retail banking delivery systems. They found that investment in the technology of retail banking delivery systems is a vital issue in order to develop bank's capabilities to compete in the marketplace. The study emphasised the pivotal role of people, which is concerned with establishing and maintaining relationships, and serving customers (Roth and Velde 1989). Earlier, Parasuraman et al (1985) recognised service delivery as one of the critical gaps that affects service quality. This is gap three which is on the marketer's side. This gap can either enhance service quality (if is minimised) or undermine service quality (if it is enlarged). It is concerned with the difference between service quality specifications and the service actually delivered "service performance gap" (Parasuraman et al 1985). In the same perspective, Zeithaml et al (1988) identified that the service performance gap occurs when employees are unable and/or unwilling to perform the service at the desired level. They found that the constructs that affected the size of this gap; increasing or decreasing it, were teamwork, employee-job fit, technology-job fit, perceived control, supervisory control systems, role conflict, and role ambiguity (Zeithaml et al 1988)

In high contact services, contact employees' communications skills and interactions have a profound role in customers' interactions (Chase 1978). Bitner et al (1990) found that personnel employees' interactions had a critical role to play on service delivery systems. When the service delivery system failed, contact employees were required to respond to customer complaints and disappointments. The form of employees' response determined the customer's perceived satisfaction or dissatisfaction. The ability and willingness of the contact employees to respond and handle such failures could result in the incident being remembered as very satisfactory or dissatisfactory. The focal point is that the way in which employees responded to difficulties attributable to failure in the core service delivery had a crucial role on customer satisfaction (Bitner et al 1990).

Gronroos (1990b) recognised that the direct interactions between the buyer and seller are called "the moments of truth". Gronroos found that this interactive part consists of four components, namely; (a) Customers involves in the process. (b) Contact persons. (c) Systems and operational routines. (d) Physical resources and equipment. Harvey and Filiatrault (1991) argued that using technology and better service delivery design are important to service quality. They argued that an important decision in service delivery process design is where to draw the line between the frontline office and the backroom office (Harvey and Filiatrault 1991).

Collins (1994) strongly supports the use of personal delivery of insurance services (policies). Delivering insurance services personally can benefit the insurance company on the basis that its clients are the best source of new business. Furthermore, there is no satisfactory substitute for face-to-face meeting with clients (Collins 1994). Danaher and Mattsson (1994) have focussed on customer satisfaction during the service process. They found that the service delivery process could be broken down into distinct encounters that compromise the main parts of the entire process. Each part of the service delivery system has its effect on the level of customer satisfaction (Danaher and Mattsson 1994).

Verma (2000) found that the top management challenges across four service industries were maintaining quality of service, hiring employees, and employees training (Verma 2000). Zeithaml and Bitner (2000) recognised that the process has three major components, which are (a) flow of activities, standardised or customised, (b) number of steps, simple or complex, (c) customer involvement. The degree of customisation or standardisation of service delivery process affects the customers' judgements of the service. Lovelock (2001) argues that process is one of the most fundamental elements of the 8Ps of the integrated service management paradigm by which the service product is created and delivered (Lovelock 2001).

Zeithaml and Bitner (2000) have pointed out the importance of having a blueprint for the service delivery process. A service blueprint displays the service by simultaneously depicting the blueprint of service process activities that are the process of service delivery, the points of customer contact, the roles of customers and employees, and the visible elements of the service. There are four main components of a service blueprint, which are customer actions (Zeithaml and Bitner 2000), namely; (a) "Onstage" contact employees actions. (b) "Backstage" contact employees' actions. (c) Contact employees' actions. (d) Support processes.

However, there is a critical link between the service delivery process or system and distribution strategy (ies), by which a financial service company chooses to deliver its services (Shostack 1977b; Lovelock 1983; Cowell 1984; Roth and Velde 1989; Ennew and Watkins 1998; Lovelock 2001). The fundamental issue is that service delivery system is different from one distribution strategy to another (Lovelock 2001). Lovelock (2001) has pointed out the importance of diagramming the service delivery process in which the customer involvement and the employee role is different according to the type of the service being charted or diagrammed. Insurance services processes has been classified as information processing which is directed at customers` intangible assets (Lovelock 1983; Kelley 1989; Lovelock 2001). Figure 2.5 shows a simple flowchart showing the logical steps for the service delivery process of delivering health insurance services to students. The continuous boxes represent visible actions to customers; the dotted boxes represent invisible actions to customers; the shadowed boxes represent the core product, and the double outlined box represents benefits received by customers. The flowchart explains that the customer involvement in this process is relatively little and most of the service process activities take place at the insurance company (invisible to the customer).

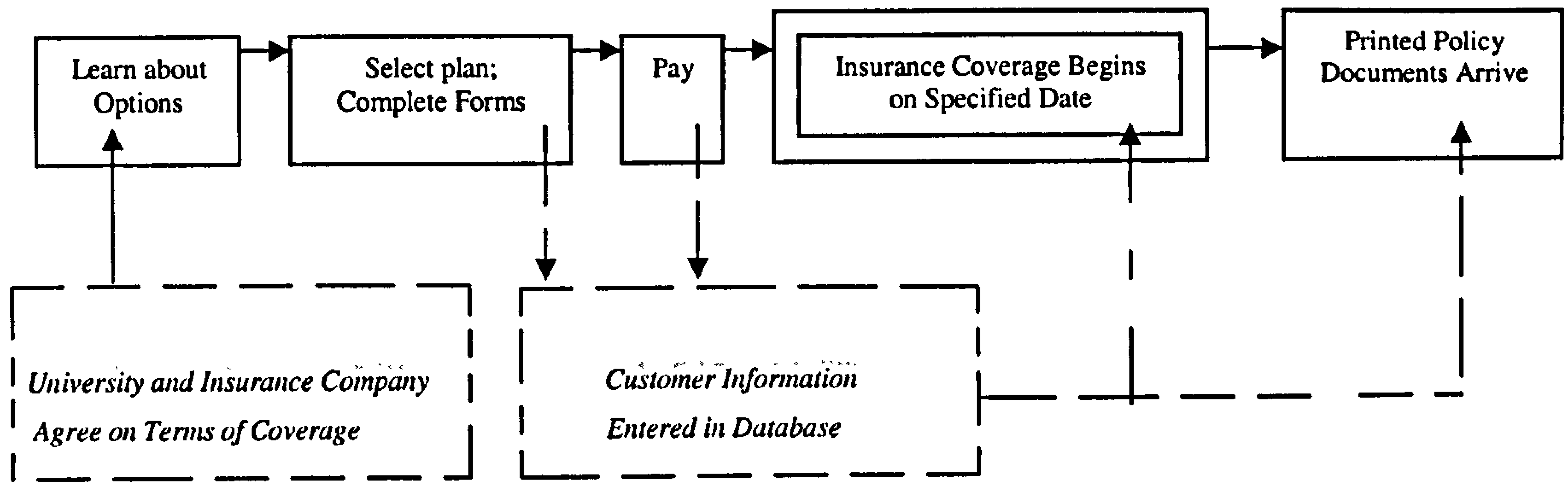


Figure 2.5. Simple flowchart for delivery of health insurance service products
Source: Lovelock (2001), p. 42.

Service delivery system is concerned with where, when, and how the service is delivered to the customer. Speed, convenience, flexibility, quality, and customer satisfaction of the service delivery system are all crucial factors for competitive advantage (Lovelock 2001). The responsibility of creating and delivering services to customers does not lie within the marketing department, but rather it is a shared responsibility between marketing management, operations management, and human resources management which should integrate together to deliver the service to the customer (Cowell 1984; Lovelock 2001). Zairi (2001) argues that using the service delivery process strategy may enable financial services companies to provide value for the customers. This value can be provided through achieving speed, quality, low cost, and customer satisfaction through the service delivery process which should start and finish with the customer standpoint.

Based on the service delivery process strategy literature review, it can be hypothesised that:

Sub-hypothesis 1

Insurance delivery process strategy has a positive and significant effect on the performance of insurance companies measured by financial criteria.

Sub-hypothesis 2

Insurance delivery process strategy has a positive and significant effect on the performance of insurance companies measured by non-financial criteria (marketplace and customer criteria).

2.4.8. Physical Evidence Strategy

Physical evidence is the last element of the expanded service marketing mix elements (Booms and Bitner 1981). Financial services have a number of unique characteristics, which have important implications for marketing strategy. Physical evidence helps financial service companies to tangiblise the high degree of intangibility, and it helps customers to grasp the quality of service. Kotler (1973) recognised the importance of providing physical evidence very early. He argued that one of the important features of the total product is the place where it is bought or consumed. In some cases, the atmosphere is more influential than the product itself in the purchasing decision. Kotler argued that marketing planners will use atmospherics as consciously and skilfully as they now use price, advertising, personal selling, public relations, and other tools of marketing. Kotler put forward some propositions in which he argued that the atmospherics are important (a) Atmospherics is a relevant marketing tool mainly where the product is produced or consumed. (b) Atmospherics becomes a more relevant marketing tool as the number of competitive outlets increases. (c) Atmospherics becomes a more relevant marketing tool where product and/ or price differences are small.

The management of the physical environment should be one of the services marketer's highest priorities (Shostack 1977a). Shostack (1977b) focussed on providing tangible evidence in creating and delivering financial services; banking services. Furthermore, services are positioned primarily through "evidence". Because services are subjective, ephemeral, and intangible, the nature of the service is heavily influenced and indeed sometimes created by the tangible evidence surrounding that service. The overall environment in which a service is rendered can materially affect the "reality" of that service. Marketing should have a prior responsibility for the design of interior and exterior physical environment in service companies (Shostack 1977b).

Berry (1980) identified that the intangibility of services prompts the customer to be attentive to tangibles associated with the service for clues of the service's nature and quality. The prime responsibility of the service marketer is to manage these tangibles in order to convey signals about the service. There are ways by which the service business can manage the physical evidence element; (a) service physical environment, (b) appearance of the services provider, and (c) making the service tangible e.g., insurance companies provide "I have got a piece of the rock".

Levitt (1981) focussed on providing tangible clues with intangible services. Levitt argued that customers buy promises from service companies, therefore, it is important for service marketers to provide tangible evidence for intangible products. People use appearance to make judgements about realities (Levitt 1981). However, the strongest emphasis on providing physical evidence environment in services marketing was put forward by Booms and Bitner (1981) who had expanded the traditional marketing mix model to be the 7Ps of the services marketing mix framework (Booms and Bitner 1981).

Shostack (1984) recognised the vital role of providing tangible evidence during the service delivery process. The tangible evidence may include the setting, colour schemes, advertising, printed material, and stationary (Shostack 1984). In the same perspective, Zeithaml et al (1985) undertook a study among a wide range of service industries and found that companies focussed on three main issues to shape their institutional image:

- Emphasis on designing facilities to achieve specific marketing or image objective.

- Dressing customer contact personnel in a certain way.
- Gearing much of their marketing to projecting separate company image.

Berry (1987) argued that the service organisation should consider the possibility of making services appear more tangible through a communications strategy that treats the services, to some extent, as goods. For instance, Federal Express has made good use of tangibles in its overnight mail delivery services with a strong colour and graphics approach which is consistent across its planes and delivery trucks (Berry 1987). In the same context, other researchers Cowell (1984); Collier (1991); Ennew and Watkins (1998) have argued that physical evidence is one of the important elements of extended marketing mix in services marketing (Cowell 1984; Collier 1991; Ennew and Watkins 1998). The Physical evidence includes many aspects; employees` appearance, décor design, internal layout, furniture, friendly atmosphere, and creating tangible issues (brochures). All of these aspects have an influential role on company performance through their crucial effect on delivery process and promotion during the service provision.

Bitner (1990) found that when customers perceive the cause of service failure to be within the control of the company and likely to happen again, they will be more dissatisfied when opposition conditions hold. Furthermore, the controllable variables, the marketing mix variables, particularly employees' explanations and the appearance of the physical environment can influence how customers perceive the causes of the service failure. The study revealed that the elements of the expanded marketing mix should be included in strategies for improving service encounter satisfaction. In the design of participants, process, and physical evidence strategies, the customer should be the major input and the marketing implications should be recognised (Bitner 1990).

Howcroft (1991) argues that marketing should take a central role in the design of the bank branch. The branch architecture and design of the branch itself have become important issues in creating an atmosphere that is more conducive towards selling financial products (Howcroft 1991). Furthermore, empirical evidence in service businesses suggests that the physical environment is able to influence behaviours, and to create an image for such businesses (Kotler 1973; Shostack 1977a,b; Booms and Bitner 1981; Zeithaml et al 1985; Bitner 1992; Greenland 1995). Because services are produced and consumed simultaneously, the customer is "in the factory" experiencing the total service within the company's physical facility (Bitner 1992). The factory or the place where the service is produced or consumed cannot be hidden and may have a strong impact on customers` perceptions of the service experience (Shostack 1977a, b; Bitner 1992).

In describing the overall physical environment in which interactions take place between the customer and the service provider Bitner (1992) described it as the "servicescape" which affects both consumers and employees in service organisations. The physical evidence can aid or hinder the accomplishment of both internal organisational goals and external marketing goals. Consequently, Bitner (1992) argues that the physical surroundings are, in general, more important in services settings because customers and employees experience the company's facility (Bitner 1992). In the servicescape, the company should determine desirable customer and/or employees behaviours and the strategic goals that the company hopes to advance through physical facility. To explain this issue, the Scandinavian Airlines Systems Company has designed its corporate headquarters offices through identifying particular goals that it wanted to achieve, among them teamwork and open and frequent communication between managers (Bitner 1992).

Consequently, the physical environment implies some strategic roles in services marketing and management. These strategic roles are the servicescape can facilitate or hinder the ability of customers and employees to carry out their respective activities; the servicescape provides a metaphor for an organisation's total offering; the servicescape can differentiate the service company in different market segments and from its rivals (Bitner 1992). Bitner (1992) argues that a successful physical environment strategy requires cross-functional cooperation in decision making about it. Decisions in relation to the physical environment can have an important impact on human resources goals (e.g., workers retention, worker productivity), operations management goals (e.g., efficiency, cost reduction), and marketing goals (e.g., customer attraction, customer satisfaction).

Greenland (1995) argues that it is difficult for financial service companies to differentiate themselves in terms of service range, price and interest rates which to a large extent are determined by the government economic policy. Therefore, the company's image and its media have proved to be key weapons in differentiation and positioning strategies (Greenland 1995). Based upon his empirical work in the UK financial services industry he has put forward some guidelines in relation to branch design and layout. The design and layout should:

- Attract customers to the company.
- Communicate the desired corporate and product images.
- Create the most effective balance between the various branch functions.
- Sell, promote and advertise products and services as well as the company.
- Encourage the customer to browse around and maximise the time spent in the branch.
- Facilitate efficient and quality service delivery.
- Give user satisfaction, both for staff and customers; functionally and emotionally.

Other services marketing researchers (Cowell 1984; Kasper et al 1999; Zeithaml and Bitner 2000; Lovelock 2001; Palmer 2001) have pointed out the vital importance of physical evidence in service businesses in order to send consistent messages and keep coherent image about the organisation. Palmer (2001) has focussed on the vital role of providing tangibles as an important component of the company service offer. Palmer argues that tangibles is an important component of the service offer and failure to deliver tangibles reduces the quality of a service or makes it impossible to perform at all (Palmer 2001). In the same perspective, Lovelock (2001) has argued that physical evidence is one of the vital components of the 8Ps of the services management paradigm by which the company can provide tangible objects to customers during the service delivery process and tangible metaphors used in such communications as advertising, symbols, and trademarks (Lovelock 2001). Furthermore, the physical evidence literature has indicated that it has been relatively neglected in the services marketing mix framework and more research in the area of physical evidence in different service industries is still needed (Kotler 1973; Bitner 1990; Bitner 1992; Zeithaml and Bitner 2000).

Based on the physical evidence strategy literature review, it can be hypothesised that:

Sub-hypothesis 1

Insurance physical evidence strategy has a positive and significant effect on the performance of insurance companies measured by financial criteria.

Sub-hypothesis 2

Insurance physical evidence strategy has a positive and significant effect on the performance of insurance companies measured by non-financial criteria (marketplace and customer criteria).

2.5. Summary

Based on the services marketing mix framework literature review, it is concluded that: The service offering strategy should have at least four interrelated components that enable a service company to achieve a success in the market place. These four components are a comprehensive range of services, branding, developing new services and customer service. The literature indicates that branding is a crucial strategic tool in service businesses in general and in financial service in particular. It has a critical role to play in financial service companies' performance and achieving sustainable competitive advantage (Doyle 1989; Stewart 1991; Balmer and Wilkinson 1991; Denby-Jones 1995; De Chernatony and Dall'Olmo Riley 1999; Baker 2000; Berry 2000; Cravens et al 2000; McDonald 2001; Lovelock 2001). Branding should be viewed as a strategic tool and as a result of strategic thinking as well as integrating a marketing programme across the complete marketing mix framework (de Chernatony and McDonald 1998; Berry 2000; McDonald et al 2001).

The literature indicates that the new service development has a strategic role to play in the growth and survival of service businesses and on their performance (e.g., Edgett and Jones 1991; Cooper and de Brentani 1991; Easingwood and Storey 1991; de Brentani and Cooper 1992; de Brentani 1993; Edgett 1993; Storey and Easingwood 1993; Edgett 1994;

Edgett and Parkinson 1994; Johne and Pavlidis 1996; Kelly and Storey 2000; Lovelock 2001; Storey and Kelly 2001).

Customer service has strategic considerations because of its crucial role on customer satisfaction as well as on the growth of companies' performance. Moreover, having a superior and distinguished customer service programme requires a customer orientated corporate culture that is inherently established in people's attitudes and behaviour which cannot be easily copied by the company competitors (Marr 1980; 1987; 1988; 1994; Garfein 1988; Lambert and Harrington 1989; Smith and Lewis 1989; Schlesinger and Haskett 1991a,b; Farber and Wycoff 1991; Quinn and Humble 1993; Freemantle 1994; Mouawad and Kleiner 1996; Baker 2000; Lovelock 2001; McDonald 2002).

There has been much empirical evidence to suggest that service quality has a pivotal role in service companies performance either in economic terms (e.g. ROI, market share or profitability) or non-economic terms (e.g. customer satisfaction and customer retention) (Gronroos 1980, 1982; Ross and Shetty 1985; Parasuraman et al 1988; LeBlanc and Nguyen 1988; Lewis 1989; Cronin and Taylor 1992; Lewis 1993; Anderson et al 1994; Ennew and Binks 1996; Chang and Chen 1998; Rapert and Wren 1998; McDougall and Levesque 2000; Lasser et al 2000; Lee et al 2000; Newman 2001).

Based on the service quality literature.review, there are two major models of service quality that have been dominating the service quality literature over the last two decades for assessing the service quality. These models are the SERVQUAL model which was originally developed by Parasuraman et al (1985; 1988; 1991; 1993; 1994a), and the functional/technical service quality model which was originally developed by Gronroos (1980; 1984; 1982; 1988; 1990b). Each one of these models has its ability to predict customer satisfaction within a certain number of conditions such as the research design and service industry (Lee et al 2000; Lasser et al 2000).

Based on the pricing literature review, price is one of the fundamental variables of marketing and a cornerstone element in the services marketing mix (Cowell 1984; Schlissel and Chasin 1991; Kasper et al 1999; Lovelock 2001; Palmer 2001). A number of studies on the pricing of services research has shown that pricing of services is still underresearched and problematic and there is a need for more research relating to the pricing of services and financial services in particular (Cowell 1984; Berry and Yadav 1996; Tung et al 1997; Mitra and Capella 1997; Pitt et al 1997; Finch et al 1998; Carson et al 1998).

Based on the service promotion literature review there has been considerable empirical evidence that has shown that the unique characteristics of services have a profound implications on formulating the promotion strategy (George and Berry 1981; Lovelock and Quelch 1983; Thwaites 1998; Mortimer and Mathews 1998; Harrison 2000). For example, Bitner (1992) has focussed on providing tangible clues in a marketing communications strategy due to the intangibility factor, which is inherent in most services. George and Berry (1981), Cowell (1984), Mortimer and Mathews (1998) recommend service companies to use tangible cues in their advertising campaigns in order to tangibilise the intangibility. More recently, Ennew et al (2000) defended the use of positive word-of-mouth communications among financial service companies.

Based on the distribution and cyberspace literature review, distribution is one of the fundamental elements of the financial services marketing mix (Harrison 2000) and has been seen as a principal strategic weapon by which financial services companies may achieve a competitive advantage (Chandler et al 1984; Friars et al 1985; Ennew 1992; Devlin 1995). Most financial service companies are using multiple channels distribution strategy which is able to cover different customer groups and different target markets. This is due to the fact that each distribution channel is able to target one specific group of customers or may be more than one group. Consequently, there is a need to have an integrated distribution strategy (Chandler et al 1984; Friars et al 1985; Carter et al 1989; Moriarty and Morgan 1990; Howcroft 1991, 1993; Laing 1994; Devlin 1995; Greenland 1995; Easingwood and Storey 1996, 1997).

The people dimension has been viewed as one of the central elements of the services marketing mix and, as an integral part of any marketing strategy. People, especially those who have interactions with customers particularly during the service delivery process, have a central role to play in service companies operations since customers view them as a key part of the service or even the service itself (Berry 1980; Booms and Bitner 1981; Balmer 1998; Ennew and Watkins 1998; Doyle 1999; Kasper et al 1999; Baker 2000; Zeithaml and Bitner 2000; Lovelock 2001).

There has been much empirical evidence which shows that the customer should be the focal point of marketing activities in service companies. Services companies that put the customer as a focal point in their marketing activities need to adopt the new marketing concept as a business philosophy to doing business. The focal point of practising the new marketing concept is customer orientation, which puts the customer as central component in performing all marketing activities in the whole company. This is supported by many marketing scholars (Drucker 1968; Barksdale and Darden 1971; McNamara 1972; Levitt 1975; Parasuraman et al 1983; Zeithaml et al 1985; Dicnkinson et al 1986; Trustrum 1986; Watkins and Wright 1986; Judd 1987; Doyle 1987; Webster 1988; Kelly 1990; Narver and Slater 1990; Hooley et al 1990; Deshpande` et al 1993; Kotler 1994; Webster 1994a,b; Slater and Narver 1994, 1996; Denison and McDonald 1995; Chang and Chen 1998; Doyle 1999; Baker 2000; Kotler 2000).

Internal marketing is recognised as a fundamental element in any people strategy and marketing strategy in service businesses. Internal marketing is concerned with attracting, recruiting, motivating, developing, and rewarding employees (internal customers) in service companies, which is considered as a cornerstone to deal with the human element (Sasser and Arbeit 1976; Berry 1980; 1981; Judd 1987; Berry 1987; Gummesson 1991; Berry et al 1991; Lewis 1989; Gronroos 1990b; Rafiq and Ahmed 1993; Varey 1995; Forman and Money 1995; Sargeant and Asif 1998; Caruana and Calleya 1999; Quester and Kelly 1999; de Chernatony and Dall``Olmo Riley 1999; Barnes et al 1999; Greene et al 1994; Rafiq and Ahmed 2000).

Based on the service process literature review, the service delivery system is one of the most critical issues in the service process strategy. In the process of planning, designing, and developing the service delivery system managers should put the customer as the focal point of each activity in the system. Because of the unique characteristics of services, the process strategy and service delivery system should be designed and developed by using inputs from marketing management, operations management, and human resource management which all must get involved in these processes (Cowell 1984; Kasper et al 1999; Zeithaml and Bitner 2000; Lovelock 2001). Further, there is a critical link between the service delivery process or system and distribution strategy (ies), by which a financial service company chooses to deliver its services (Shostack 1977b; Lovelock 1983; Cowell 1984; Roth and Velde 1989; Ennew and Watkins 1998; Lovelock 2001). The service delivery system activities are deferent according to the type of distribution channel, by which the financial service chooses to deliver its services (Shostack 1977b; Lovelock 1983; Cowell 1984; Roth and Velde 1989; Ennew and Watkins 1998; Lovelock 2001).

Physical evidence is one of the central components of the new expanded service marketing mix and is a vital element in the service marketing strategy. Service businesses can use physical evidence in order to provide tangible clues to service quality, send consistent messages, and improve their images (Kotler 1973; Shostack 1977a,b; Booms and Bitner 1981; Cowell 1984; Bitner 1990; Collier 1991; Bitner 1992; Zeithaml and Bitner 2000; Lovelock 2001; Palmer 2001). A considerable amount of literature review (Shostack 1977a,b; Cowell 1984; Bitner 1990; Bitner 1992; Zeithaml and Bitner 2000; Lovelock 2001) has indicated that cross-functionality has a central role to play in the design, creation, and architecture of service businesses physical environment.

Chapter Three

Marketing Strategy Implementation and Company Performance: A Comprehensive Approach

3.1. Introduction

This chapter is concerned with investigating the main variables, which during marketing strategy implementation may enhance the performance of a chosen marketing strategy, which is represented by eight components. These components are an integrated service offering strategy, service quality strategy, service pricing strategy, service promotion strategy, service distribution and cyberspace strategy, people (participants) strategy, service process strategy, and physical evidence strategy. It is important to mention at the outset of this chapter that the term "marketing strategy implementation" is concerned with variables that may enhance the performance of a chosen marketing strategy.

Chapter three is divided into ten sections. Section 3.2 discusses marketing strategy formulation-implementation dichotomy. Section 3.3 discusses marketing assets and capabilities. Section 3.4 discusses marketing strategy resource commitment. Section 3.5 discusses marketing strategy consensus. Section 3.6 discusses marketing strategy cross-functional integration. Section 3.7 discusses marketing strategy communication activities quality. Section 3.8 discusses company marketing experience. Section 3.9 discusses literature review concerning company performance measurement. Section 3.10 provides a summary for the chapter.

3.2. The Marketing Strategy Formulation-Implementation Dichotomy

One of the most fundamental arguments in this research is that marketing strategy formulation and implementation ***are not*** separate activities. Marketing strategy formulation and implementation should be incorporated in one process to improve companies' performance. However, most of the marketing strategy literature has shown that little attention was given to marketing strategy implementation. Most studies have focussed on the marketing strategy making process rather than marketing strategy implementation (Bonoma 1984; Bonoma and Crittenden 1988; Piercy 1989; Piercy and Margan 1991; Morgan and Piercy 1991; Bharadwaj et al 1993; Cespedes and Piercy 1996; Gilomre and Carson 1996; Meldrum 1996; Noble and Mokwa 1999; Piercy 1998; Cravens 1998; Dull 1998; Menon et al. 1999; Varadarajan and Jayachandran 1999; Piercy 1999; Berry 1999; Cravens 2000).

This section discusses one of the fundamental issues in the marketing theory that is concerned with marketing strategy formulation and implementation dichotomy. There has been considerable empirical work that has shown that the separation and distinction between marketing strategy formulation and implementation hurts the company's performance. Bonoma (1984) argues that it is easier to think up clever marketing strategies than it is to make them work under different constraints such as company, competitor, and customer constraints. Marketing strategy formulation and implementation affect each other. Poor implementation can disguise a good strategy. When strategy is inappropriate and implementation poor, implementation shortcomings may mask problems with the strategy; failure to identify the causes of the problems.

Bonoma (1984) pointed out a number of execution skills which need to be possessed by managers who are involved in implementing the marketing strategy. These execution skills are interacting, allocating, monitoring, and organising skills. Bonoma (1984) based on his empirical work, recognised the excellent marketing practice, which has some important characteristics that differentiate good marketing practice:

- A strong sense of identity and of direction in marketing policies exists. There is clarity of theme and vision.
- Strong appeal to customers; final customers, distributors, and traders. Customer concern is an integral part of the organisational culture and is always prominent in the theme of implementers.
- Management is able and willing to substitute its own skills for shortcomings in the formal structure.
- In the companies that handled execution best, top management had a distinctly different view of both marketing structure and the managers than do bosses in other companies. These indicate the central importance of top management in the implementation of marketing (Bonoma 1984).

In the same vein, Bonoma and Crittenden (1988) argue that most academics assume that if a marketing strategy is sound, then its implementation will be smooth. Marketing strategy implementation is mainly concerned with *how* to do the marketing job rather than *what* to do with the job. Bonoma and Crittenden (1988) have developed a taxonomy for marketing implementation. This taxonomy includes two dimensions that included structured variables and managerial skills as follows:

First, structural variables that are concerned with four structural levels:

- Marketing actions level, it includes low-level execution problems such as selling, and new product development.
- Marketing programmes level, it is related to integrating subfunctions to serve a special customer segment or to manage a product line; tailoring the marketing mixes in a cohesive and coherent manner.
- Marketing policies level, it is concerned with the broad rules of conduct (formal and informal) articulated by top management to guide marketing conduct. Marketing policies are prescriptive states that specify how things ought to be done.
- Marketing systems level is concerned with compensation systems and decision support systems.

Second, managerial skills, are concerned with managers` behavioural skills in four central implementation processes, namely; interacting, allocating, monitoring, and organising skills.

- Interaction skills, are all interactions between the marketing function and other functions and jobs in the organisation as well as distributors, agencies.
- Allocation skills, involves a manager's capacity to allocate the budget, time, people, and money on the different aspects of the marketing activities.
- Monitoring skills, are the construction and maintenance of feedback mechanisms used to measure and control central marketing activities.
- Organising skills, refer to managers` informed "networking behaviour" that attempts to supplement or defeat the formal organisation structure for a better execution of marketing tasks.

Bonoma and Crittenden (1988) provided empirical evidence that indicated that the most critical problems associated with the marketing implementation were marketing efforts, allocating marketing resources across tasks, and problems associated with marketing policies. The problems associated with marketing policies are (a) unclear identity policies concerning the company's theme and culture, and (b) weak or ineffective top management leadership (Bonoma and Crittenden 1988). Bonoma and Crittenden (1988) argued that one of the critical skills during the execution of marketing is how well management coped with problems; it is about the quality of coping with problems (Bonoma and Crittenden 1988).

Higgins (1988) found that the top challenges among banks were (a) strategic planning and implementation (b) senior management's understanding of the commitment to create a market-driven environment (Higgins 1988).

Piercy (1989) is one of the marketing strategy authors who have exclusively discussed the issue of marketing strategy implementation. He argues that one of the most significant frontiers for marketing is that of implementation, and thus the organisational changes required to achieve that implementation. In the practical field, managers are concerned with how to do marketing; people know what marketing is, but how do they do it? However, Piercy takes a relatively comprehensive approach to the issue of marketing strategy implementation. He emphasised the central importance of having the necessary implementation skills as well as change strategies in marketing which enable an organisation to implement its marketing strategies. Consequently, it is of central importance if the organisation wants to implement marketing strategies and to cope with changes, to provide marketing executives with the tools and skills they require (Piercy 1989).

Piercy and Morgan (1991) have emphasised the critical role of practising internal marketing for the marketing strategy implementation. Consequently, the integration of both external and internal marketing strategies may help the organisation in the successful implementation of marketing strategy (Piercy and Morgan 1991). They found that there were a number of barriers to the implementation of marketing, which were, (a) partnership structure; problems in the overall structures of the organisation and the partnership of marketers in the organisation, (b) ignorance of marketing, in terms of what is it, and what the marketing function has to offer to professional firms, (c) isolation of marketing, (d) insufficient internal marketing training, (e) the "me too philosophy", (f) lack of professional culture and marketing budget (Morgan and Piercy 1991). Morgan and Piercy (1991) have emphasised that marketing strategy implementation should take a strategic role rather than a tactical role at the end of the strategic marketing planning process (Morgan and Piercy 1991).

Bharadwaj et al (1993) developed a general conceptual model of sustainable competitive advantage in service industries. The authors refer to the dearth of strategic emphasis in the services marketing literature (Bharadwaj et al 1993; Fisk et al 1993). Bharadwaj et al (1993) study focussed on key success factors which express a relationship between the performance of business, in terms of competitive advantages, and the cause of that performance in terms of assets and skills (Bharadwaj et al 1993). Key success factors refer to the leverage functions and activities a company must master in order to outperform its rivals (Day and Wensley 1988). The identification of the success factors must lead to investment in the assets and skills that are necessary and sufficient for achieving a successful position (dynamism of key success factors) (Bharadwaj et al 1993).

The key success factors are resources which have the highest leverage on achieving a competitive advantage. The study highlighted the importance of making investments in the drivers of competitive advantage. Based on a qualitative study the authors developed a model of sustainable competitive advantage for service industries. The model contained two main categories (Bharadwaj et al 1993):

A. Drivers and processes/capabilities of competitive advantage. They are concerned with (a) assets e.g., IT systems, (b) unique skills e.g., people-oriented; commercial and technicians, relational marketing skills, (c) organisational culture, and (d) the organisation's human resource management e.g., flexible organisation, teamwork.
B. Necessary requirements for competitive advantage-key success factors. They are concerned with key success factors which contribute to creating superior customer value; explicit service quality, total solution, and timely and empathetic design of new services.

Furthermore, the study revealed that the most critical and important asset and component in creating value for customers is the "people" in the organisation who make the difference (Bharadwaj et al 1993). Bharadwaj et al (1993) argue that the formulation of strategy is just a part of explanation. The actual implementation of strategy, for instance how a company tries to implement service quality, takes credit for a large part of the explanation in performance differences (Bharadwaj et al 1993).

Doyle (1995) through his discussion on the marketing topic in the new millennium, identified the roots of marketing failure in the fact that marketers have generally made the mistake of recognising the subject as a functional discipline rather than an integrated process. Marketing directors have sought to make marketing decisions rather than share responsibility for satisfying customers with cross-functional teams. Marketing had sole responsibility for marketing activities that tended to be of tactical nature such as promotional policies and line extensions. The real strategic decisions which determine competitive advantage such as product innovation, total quality management, service and cost structure are inherently controlled outside the marketing function (Doyle 1995).

The major issue in the marketing implementation to enhance marketing performance should not focus on what actions need to be done but rather how they are achieved in practice. Meldrum (1996) proposed important elements in the research agenda for marketing implementation. He argues that although specialists marketing personnel may be able to use their knowledge and skills to perform functional activities such as conducting market research and disseminating consequent product specifications, and so on, what is important for implementation is that the results of such activities influence organisational behaviour, support organisational objectives and positioning contribute to organisational success. Whilst the linkages between managing these processes well and marketing knowledge and skills remain a subject for speculation, they are also critical issues in efforts to implement marketing (Meldrum 1996).

Cespedes and Piercy (1996) and Piercy (1998; 1999) argue that many of the difficulties that are associated with marketing implementation in practice appear to arise because of the conventional approaches to the formulation of marketing strategies which have taken the view that marketing strategy formulation and marketing strategy implementation are distinct and sequential activities. These approaches lie at the heart of many execution difficulties in organisations. They are one of the critical weaknesses that have contributed to the weakening of the marketing paradigm. Consequently, based on their considerable literature review of marketing strategy formulation and implementation "dichotomy" Cespedes and Piercy (1996) have suggested a number of dangers associated with this "dichotomy" as follows:

a. Ignores or underestimates the interaction between the process of marketing strategy formulation and an organisation's unique capabilities and constrains.
b. Reduces the ability of the organisation to establish a marketing strategy, which draws on its core competencies.
c. Risks divorcing the plans produced from changing realities of the inner workings of the organisation.
d. Encourages the establishment of professional planners and the consequent uncoupling of strategy from operating plans.
e. May rely too heavily on the rational-analytical belief that strategies are direct, and are chosen by management, rather than being emergent and growing from the experiences and preferences of the company and its members.
f. Assumes that the development of strategies is problematic and execution is not, which is the reverse of much managerial experience (managers know what marketing is but they need to know how to do it).
g. Ignores the cross-functional integration between groups and functions in the organisation.
h. Ignores the potential for middle management; counterimplementation efforts.
i. Dichotomy of the formulation-implementation can prevent a company from realising the importance of first mover or pioneer advantage as the product life cycles become shorter.

Therefore, the management of marketing strategy implementation may involve quite different mixes of skills and abilities from the formulation of plans and strategies. This has implications for training and development, task allocation, and the linking of marketing strategy formulation and implementation. Moreover, Cespedes and Piercy (1996) suggested a model of integration between the process of marketing strategy formulation and implementation. Figure 3.1 presents this model. The model shows that marketing strategy formulation and implementation should be incorporated in one process (Cespedes and Piercy 1996).

Figure 3.1. Integrating Marketing Strategy Formulation and Implementation Processes
Source: Cespedes and Piercy (1996), p. 139.

Earlier, Wind and Roberston (1983) have recognised marketing strategy implementation as the final stage in the marketing strategy process. Then, the implementation of marketing strategy is synonymous with its control or monitoring. Bonoma (1984) and Bonoma and Crittenden (1988) are some of the first attempts in the marketing strategy field to focus exclusively on the implementation issues of marketing strategy. Kotler (1997) has taken a broader view of marketing strategy implementation in which he describes it as the process that turns marketing plans into action. Noble and Mokwa (1999) argue that there is no consensus in marketing on the definition of marketing strategy implementation.

Piercy (1998) argues that the ability of organisations to effectively implement marketing strategies is surprisingly poorly understood. In a further argument he argued that the issue of marketing implementation has been long recognised as critical to marketing effectiveness, and an area of particular weakness in many organisations (Piercy 1998). In response to earlier what Bonoma (1984) and Bonoma and Crittenden (1988) call for the research area of marketing strategy implementation. Piercy (1998) argues that there is little evidence that the fundamental complaints of marketing strategy implementation have been addressed satisfactorily, that implementation is rarely accorded its warranted significance in discussing marketing strategy, and there are particular issues now becoming apparent that justify renewed efforts in this area.

In broad terms, Piercy (1998) viewed the marketing strategy implementation as a comprehensive and detailed process that takes into account both the marketing strategy contents and the organisational contexts in which the strategy is being implemented. This represents the behavioural and organisational aspects of the marketing strategy implementation. The behavioural aspects are the ability of individuals to interpret information and develop market understanding, their motivation, commitment, and the behaviour in developing and delivering value to customers. The organisational or contextual aspects of the process are the learning capabilities and responsiveness of the organisation, and it's management strategic orientation. The focal point in the marketing strategy implementation issue is that the people in the organisation should believe in marketing and customer imperatives, and they should be in the management's priorities in order to implement a marketing strategy (Piercy 1998).

Consequently, effective marketing strategy implementation relies more on covert aspects of the marketing organisation that are not commonly recognised. Recognising marketing strategy implementation as a process does not rest on techniques of action planning, budgeting, and resource allocation, as well as administrative systems design but rather it rests on the underlying beliefs and attitudes of organisational participants, and the dominating organisational culture in the organisation in general (Piercy 1998).

Cravens (1998) in his response to Piercy's (1998) calls for marketing strategy implementation argues that there are four issues, in the market-driven era, that are relevant and critical to marketing strategy implementation. First, shifting from functions to processes, Cravens argues, that marketing as a function will be minimised in the future, but as a discipline it is very vital. There has been much emphasis on the integration of business functions, which implies breaking down the functional boundaries between business functions is very important. The clear message is that organisations are being transformed into flat organisation structures. The main implication of this view is that marketing strategy implementation becomes process driven involving multifunctional teams (Cravens 1998). Earlier, it was found that this shift from hierarchy to managing core processes requires distinctive capabilities found in organisations that are closely linked to market-driven-processes (Day 1994).

Second, implementing a marketing strategy requires that everybody in the organisation is responsible for serving customers and creating valuc for them. This requires support and organisational commitment to the strategy that is being implemented. Third, leveraging modularity to facilitate marketing strategy implementation. The major challenge is coordinating and integrating the activities of the participating individuals and functions. Fourth, recognising the new economics of information technology. It is concerned with using the explosion of information technology to communicate electronically. The focal point is using information technology to facilitate communications between cross-functional teams and to speed up the flow of information and to ease access to information, which should enhance the marketing strategy implementation efforts (Cravens 1998).

Noble and Mokwa (1999) based on their considerable literature review on marketing strategy implementation argue that marketing strategy implementation research has suffered from at least three limitations. First, the sum of marketing strategy implementation research is small. Second, its research focussed exclusively on implementation issues at the organisational or functional level with little attention given to manager-level factors. Third, much of its research is not based on theoretical grounding (Noble and Mokwa 1999).

Moorman and Miner (1998) argued that marketing strategy formulation and implementation *are not* two distinct and discrete actions but are intertwined in an incremental fashion with the formulation and implementation happening simultaneously in a system with continuous feedback (Moorman and Miner 1998). In the same spirit, Varadarajan and Jayachandran (1999) consider marketing strategy implementation (how the marketing strategy is carried out) as the actions initiated within the organisation and their relationships with external constituencies to realise the strategy (e.g., organisation structure and coordination mechanisms). They have conducted considerable assessment of the state of the field of marketing strategy and its research streams (e.g., market orientation, strategy formulation). The Varadarajan and Jayachandran (1999) assessment found that there is lack of an international orientation to marketing and the extent to which strategy-performance relationships are observed in the context of U.S. businesses are generalisable in the larger international context and/or in other market contexts remains under researched (Varadarajan and Jayachandran 1999)

Dull (1998) found that (1) strategic price management was ranked the most important marketing capability which affected companies` performance e.g., understanding the balance of supply and demand overtime. (2) Executing an effective brand strategy was also very important. Executing an effective branding strategy requires distinctiveness, service consistency, and communications. (3) Strategic segmentation of the marketplace was a critical marketing activity (Dull 1998).

Appiah-Adu (1998) argues that the more effective the implementation of marketing activities, the more likely it is to exert a significant influence on business performance. Companies that commit financial and managerial resources to improve marketing practices can expect enhanced performance (Appiah-Adu 1998). In the same context, Shoham and Kropp (1998) recognised the crucial importance of marketing strategy implementation on companies' performance when they recommended that managers should pay much more attention to the marketing strategy implementation issue.

Noble and Mokwa (1999) strongly argue that marketing strategy implementation pervades strategic performance. They further argue, that it is a critical link between the formulation of marketing strategies and the achievement of superior organisational performance (Noble and Mokwa 1999). The nature of marketing strategy implementation and the reasons for its success and failure are poorly understood. In contrast to the comprehensive body of research on marketing strategy formulation, little attention has been given to marketing strategy implementation, or the actualisation of that strategy. Marketing managers are very important facilitators of marketing strategy implementation. Noble and Mokwa (1999, p. 57) have defined it by taking a managerial and process perspective as "the communication, interpretation, adoption, and enactment of a marketing strategy or strategic market initiative".

Moorman and Miner (1998) and Menon et al (1999) argue that one of the potential reasons for the limited understanding of how marketing strategies are made is that marketing strategy scholars have generally distinguished between marketing strategy formulation issues and marketing strategy implementation, meanwhile they should be incorporated in an integrated process to achieve success. Menon et al (1999) have developed a model of marketing strategy making components and its antecedents and consequences. The antecedents of marketing strategy making are three components, which are centralisation, formalisation, and innovative culture. The consequences of marketing strategy making are the performance outcomes, which are creativity of strategy, organisational learning, and market performance (Menon et al 1999).

Menon et al (1999) have used a multicomponential representation of marketing strategy making by incorporating aspects of marketing strategy formulation and implementation. Menon et al (1999) have conceptualised that the there are seven constructs or components of marketing strategy making (incorporating marketing strategy formulation and implementation), which are situational analysis, comprehensiveness, emphasis on marketing assets and capabilities, cross-functional integration, communication quality, strategy consensus commitment, and strategy resource commitment (Menon et al 1999).

As the marketing strategy is one of the crucial outcomes of the strategic planning process, then, strategic planning should include components of both marketing strategy formulation and implementation. Furthermore, based on the emergence of the resource-based theory (Barney 1991; Hunt and Morgan 1995), Menon et al (1999) argue that an additional component for marketing strategy should be added; an explicit exploitation of the firm's core capabilities (Menon et al 1999).

Menon et al (1999) have provided a definition of marketing strategy making by the choice of a marketing mix strategy. Therefore, it is clear that the core decisions of marketing strategy making processes were concerned with the usual components of the marketing mix decisions, namely; product strategy, pricing strategy, promotion strategy, and distribution channels strategy.

Menon et al (1999) have carried out a study among 212 senior executives of both services and manufacturing firms. The study revealed that (1) emphasis on marketing assets and capabilities was positively related to market performance. (2) Cross-functional integration was not related or associated with market performance. (3) Communication quality was not associated or related with market performance. (4) Consensus commitment was not related or associated with market performance. (5) Resource commitment was positively related or associated with market performance (Menon et al 1999).

The conventional approaches have serious problems in implementing marketing strategy. These problems ignore the organisation's capabilities, ignoring the organisational context in which both marketing strategy formulation and implementation have been proposed. Moreover, the focus is on the performance outcomes such as sales, market share, and profits which the organisation is trying to achieve, but the driver of these outcomes is likely to be the behaviour of people in the organisation who impact on what the customer receives in service and quality (Piercy 1999).

Piercy (1999) argues that the strategic importance of marketing strategy implementation comes from the fact that during the marketing strategy implementation the organisation is trying to translate the intended marketing strategy into practicalities of operational marketing policies by which the organisation intended to achieve a strategic position in the marketplace. This should be done in each area of the marketing programme in a comprehensive way with a special focus on providing customer value. Therefore, the organisation may have well researched and innovative (sound) market strategies but if these strategies have a poor fit with the organisation's capabilities, systems, policies, culture, then, the marketing strategies cannot be successful (Piercy 1999).

It is important to mention that Piercy (1999) has focussed on change management and making some organisational changes in the organisation's context in which marketing strategy implementation is implemented (Piercy 1999). However, change management is not of concern in this research, and a further discussion about this issue can be found in well-known sources (Piercy; 1989; 1991; Piercy and Morgan 1991; Morgan and Piercy 1991; Piercy 1998; Piercy 1999).

Berry (1999) argues that any business should create value for customers. There is a crucial relationship between core values, core strategy, integrated subsystems and strategy execution. The core strategy is the definition of business, and it changes rarely, if at all. Supporting the core strategy can be achieved by integrated systems and subsystems, which turn the basic idea (the core strategy) into the service plus tangible product combination that is marketed (the market offer). The substrategies constitute a system of activities that collectively represent the design of the business;

it changes frequently in order to be more effective to implement the core strategy (Berry 1999). For the strategy execution, Berry (1999) argues, that execution refers to the performance of individual strategies. He argues for executional excellence in which he stressed that a focused strategy-no matter how brilliant-still must be executed.

Berry (1999) explores and identifies approaches and methods that can help service companies to achieve executional excellence as follows:

- Executing the strategy requires finding the right people to perform the service. People in the organisation should have the necessary backgrounds and common values which fit with the organisation's values for serving customers and creating values for them.
- The first rule in the execution of the company's strategy is to hire excellent people in order to implement the company's strategy; it is about people behaviour, values, and capabilities.
- Managing the evidence through a careful manipulation of an orchestrated stream of evidence e.g., creating a good and memorable experience with the service.
- Flexible systems for serving customers and dealing with special circumstances. Flexible systems support excellent execution through service customisation and adjusted capacity; tailoring services according to the customers` requirements and adjusting capacity to cope with the demand fluctuations.
- Active listening between the company and customers to improve the execution of the marketing strategy.
- Structural improvement process. Active listening requires an ongoing, systematic, and well-organised process of data gathering about both the customers and employees (perceptions and expectations) in order to improve the execution of the strategy (Berry 1999).

Berry (1999) argues that one of the fundamental lessons in executing marketing strategies is what he calls "executional excellence" which has a crucial impact on the company operations. Berry argues that a well-executed strategy diminishes opportunity for competitors. A customer does not experience a strategy; a customer experiences the execution of the strategy-that is the "total product". Unexecuted strategy spells failure. Great service companies not only have focused strategies, they also focus on execution. The only option is to outperform competitors. A poorly executed strategy clears a path for competitors to succeed by imitation (Berry 1999). Another important lesson is making investments in employees' success; continuous investments in people's talents, skills, knowledge, and capabilities (Berry 1999).

Harrington and Akehurst (2000) argued that service quality and strategy have been addressed separately within services literature. The strategy literature has not been concerned with service quality; while the service quality contributions lack a strategic dimension (Harrington and Akehurst 2000). They argue that there has been a reluctance to examine the ways in which quality strategies can be implemented so as to achieve competitive (differentiation) advantage. The challenge is how to implement the quality programmes in the current service business environment (Harrington and Akehurst 2000).

In the same vein, Kotler (2000) argues that marketing no longer has sole ownership of customer interactions; rather, marketing needs to integrate all the customer-facing process so that customers see a single face and hear a single voice when they interact with the firm (Kotler 2000). Each business function has a potential impact on customer satisfaction. Under the marketing concept, all departments need to "think customer" and work together to satisfy customer needs and expectations (Kotler 2000).

Cravens (2000) argues that the ultimate performance of market targeting and positioning decisions rests on how well the marketing strategy is implemented and managed on a continuing basis. Putting the strategy into action and adjusting it to eliminate performance gaps are essential success factors for the company (Cravens 2000). A good marketing strategy implementation process spells out the activities to be implemented, who is responsible for implementation, the time and location of implementation, and how implementation will be achieved. Figure 3.2 shows this marketing strategy implementation process.

Cravens (2000) argues that managers in the organisation are an important facilitator factor in the marketing strategy implementation process. In order to improve the implementation of marketing strategy, Cravens (2000) suggests a number of implementation skills; (a) the ability to understand how others feel. (b) Good bargaining skills. (c) The strengths to be tough and fair in putting people and resources where they will be most effective. (d) Effectiveness in focusing on critical aspects of performance in managing marketing activities. (e) The abilities to create a necessary informed organisation to match each problem with which they are confronted.

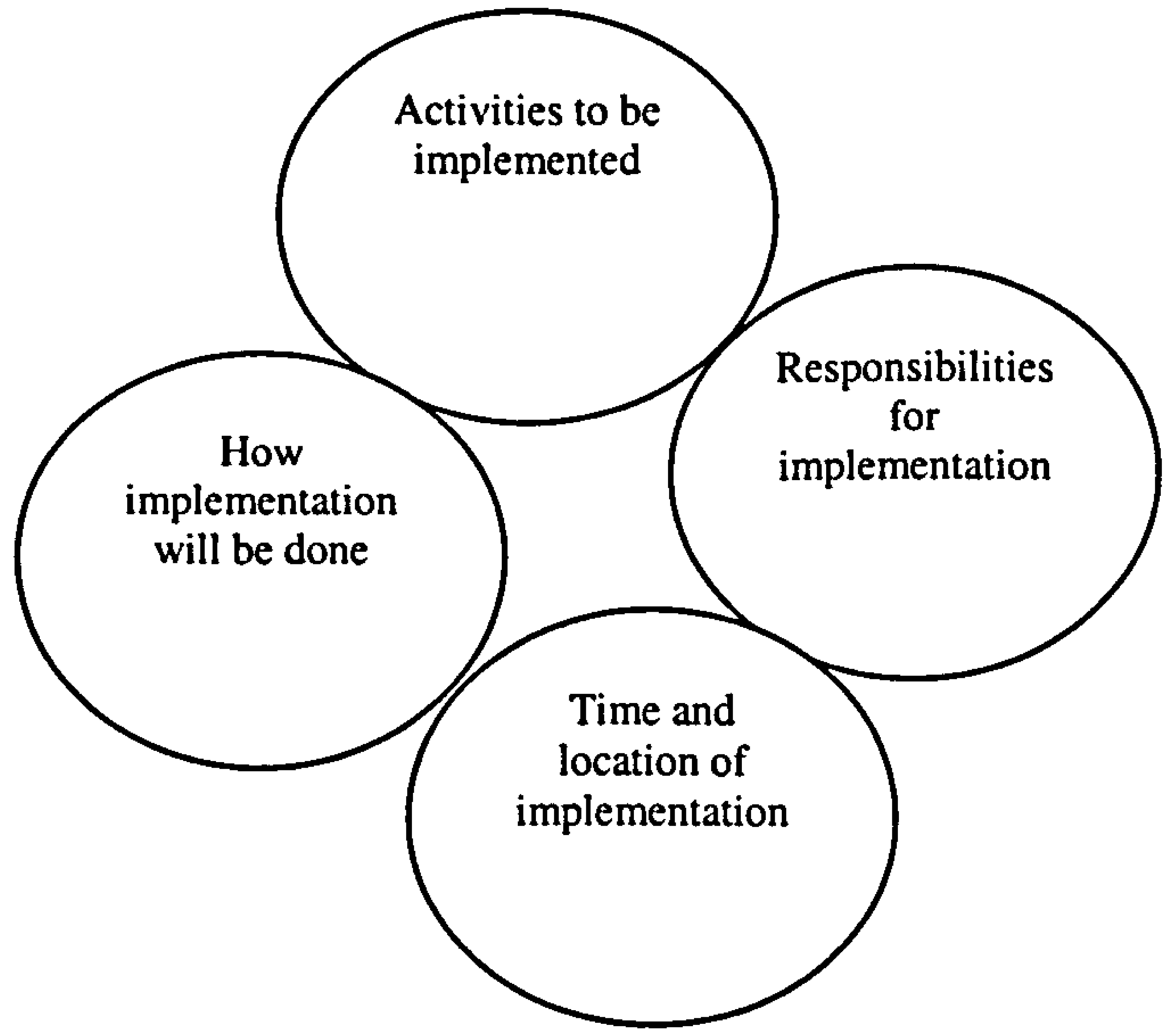


Figure 3.2. The Marketing Strategy Implementation Process.
Source: Cravens (2000), p. 443.

Furthermore, according to Cravens (2000), in addition to a skilful implementer, several factors facilitate the marketing strategy implementation process. These factors include (Cravens 2000); (a) Organisational design through creating multifunctional teams and using flexible and flat organisational structure to aid the implementation of the strategy. (b) Incentives that may help to achieve successful implementation of marketing strategy. (c) Communications.

Based upon the above marketing strategy formulation and implementation literature that has been discussed in this section, it is argued that there is a critical need to investigate the marketing strategy implementation in a comprehensive manner by focussing on behavioural and non-behavioural aspects of marketing strategy implementation which all affect the success of the organisation. Examining the above marketing strategy implementation literature has revealed that there is no one framework that has been agreed between marketing scholars for implementing a marketing strategy nor a specific guideline. However, it may be appropriate to suggest a number of variables for the successful implementation of a marketing strategy.

Broadly, these variables are six interrelated variables which are ***(1) company marketing assets and capabilities, (2) marketing strategy resource commitment, (3) marketing strategy consensus, (4) marketing strategy cross-functional integration, (5) marketing strategy communication activities, and (6) company marketing experience.***

3.3. Marketing Assets and Capabilities

This is one of the critical aspects that enable an organisation to implement its marketing strategy. Examining the marketing assets and capabilities literature has revealed that there is no one definition that has been agreed on what marketing assets and capabilities. Day (1994, p.38) defined marketing assets as "the resource endowments the business has accumulated (e.g., investments in the scale, scope, and efficiency of facilities and systems, brand equity, and the consequence of location of activities for factor costs and government support)". Day (1994, p.38) defined marketing capabilities as "marketing capabilities are complex bundles of skills and accumulated knowledge, exercised through organisational processes, that enable firms to coordinate activities and make use of their assets". Therefore, the major difference between marketing assets and capabilities is that marketing capabilities are highly intangible and cannot be easily imitated or traded as can tangible plant or equipment. Capabilities and organisational processes are closely entwined, because it is the organisation's capability that enables the activities in a businesses process to be carried out (Day 1994).

Chang (1997, p. 237) defined marketing capability as "a firm's ability to promote and sell various products and services that satisfy the needs of target consumers and the profitability objectives of the company's". Marketing capability is measured by a firm's ability to develop its marketing mix for selling products effectively in target markets. The key elements of the marketing mix are a broad range of products, relatively low prices, better use of sales force and of advertising and promotion, better service, global brand image and self-controlled distribution channels. More recently, Hooley et al (2001, p. 7) define marketing assets, as "marketing assets are the resource endowments the firm has acquired or built over time and what can be deployed to advantage in the marketplace".

Moller and Anttila (1987) suggest that marketing capability is a complex combination of human, market, and organisational assets employed in the external and internal working-related domains. They divided marketing capability into internal marketing capability and external marketing capability. The external marketing capability is the capability of the organisation to conduct a full and comprehensive analysis of the macro industry environment characteristics through a thorough monitoring, analysing, and understanding of these aspects.

The internal marketing capability consists of the following:

a. Marketing capability and strategic management. It is the ability of the organisation to handle strategic marketing concepts and tools for determining the business mission of the firm, market segmentation, the development and maintenance of the competitive advantage, and the development of subsequent business strategy.
b. Marketing capability and integration of key functions of the company.
c. Marketing capability and marketing management. It is the organisation's capability in managing and directing the different aspects of marketing management, marketing segmentation, and marketing programmes.
d. Marketing capability and operations management.

Moller and Anttila (1987) developed a marketing capability framework, which could be used as a qualitative tool for examining "state-of-the-art" marketing in small manufacturing companies. Applying the above marketing capability framework to Finnish and Swedish case companies has revealed that marketing capability has had a crucial role in those company performance. Another crucial result is that companies in different industries in different competitive positions need different profiles of marketing capability (Moller and Anttila 1987).

In the perspective of emphasising the significance of marketing assets and capabilities in implementing marketing strategies, Day and Wensley (1988) emphasised the significance of superior skills and resources that represent the ability of a business to do more or better (or both) than its competitors (superior skills and resources reflect critical sources of competitive advantage). These skills and resources reflect the pattern of past investments to enhance a competitive position (Day and Wensley 1988). "Superior skills are the distinctive capabilities of personnel that set them apart from the personnel of competing firms" (Day and Wensley 1988, p. 2-3). Some of the benefits of the superior skills arise from the ability of the firm to perform its individual functions more effectively than other firms e.g., the organisation's systems and structure that enable a firm to adapt more responding to changes in market requirements (Day and Wensley 1988).

Roth and Velde (1989) focussed on making investments in banking delivery systems especially making investments in technology to support their competitive position. They carried out a study in the banking industry that revealed the top ten strategic marketing capabilities. These strategic marketing capabilities were (in order of importance) courteous service, consistent service, relationship banking, accurate information, timely information, back office efficiency, adequate pricing, high value services, convenient services, and personalised services (Roth and Velde 1989).

Conant et al (1990) developed a comprehensive and detailed operational definition and measurements of distinctive marketing competencies. These distinctive marketing competencies included investigating the functional activities of marketing management that marketing managers perform. An important result was that the distinctive marketing competencies were different according to different types of strategy; prospectors, defenders, analysers, and reactors (Conant et al 1990).

Barney (1991) has discussed firm's resources and sustained competitive advantage. Barney focuses on the resource-based view of competitive advantage, which examines the link between a firm's internal characteristics and performance. In analysing sources of competitive advantage the resource-based view of the firm has two alternate assumptions: first, the resource-based view assumes that firms within an industry or group may be heterogeneous with respect to the strategic resources they control. Second, the resource-based view assumes that these resources may not be perfectly mobile across firms, and this heterogeneity can be long lasting.

Barney (1991) classifies the resources into three categories, namely; physical capital resources, human capital resources, and organisational capital resources. It is said that a company has a competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors. A firm has a sustained competitive advantage when those other firms are unable to duplicate the benefits of this strategy. Barney argues that firms cannot expect to obtain sustained competitive advantages when strategic resources are evenly distributed across all competing firms and highly mobile. Then, there is a crucial role for the firm's resources heterogeneity and immobility as sources of sustained competitive advantage (Barney 1991).

Based on the resource-based view, the conception and implementation of strategies employs various, heterogeneous, and immobile firm resources, which are able to keep a sustained competitive advantage. It is important to mention that not all firm resources have the potential for sustained competitive advantage. In order to have this advantage, a firm resources must have four attributes, namely; (a) it must be valuable, it should exploit opportunities and/or neutralises threats in a firm's environment. (b) It must be rare among a firm's current and potential competition. (c) It must be imperfectly imitable. (d) Firm's resources cannot be strategically equivalent substituted. Resources that have these attributes enable a firm to conceive of or implement strategies that improve its efficiency and effectiveness (Barney 1991).

However, one of the strongest insights into the crucial role of marketing assets and capabilities in implementing marketing strategies has come from Day (1994) in his seminal article on the marketing capabilities of market-driven organisations. Day argues that organisations that are better equipped to respond to their market requirements and anticipate changing conditions are expected to enjoy long-term competitive advantage and superior profitability (Day 1994). Day (1994) argues that marketing assets and capabilities, which are given by the emerging of capabilities or resource-based theory (Barney 1991), are related to sources of competitive advantage (Day 1994).

Capabilities are complex because they are deeply embedded within the fabric of the organisation, which creates great difficulties for management to identify these capabilities. Another area of difficulty in identifying them is that capabilities are intangible and tacit e.g., people's skills and tacit knowledge, technical systems, values, norms. Every organisation requires many capabilities in order to carry out its necessary activities to move its products or services through the value chain. The focal point is that a few capabilities must be superior if the business is to outperform the competition. These capabilities are distinctive that support a market position and are valuable and difficult to match. These capabilities must be managed with a special care through the focussed commitment of resources, assignment of dedicated people, and continued efforts to learn, supported by dramatic goals for improvement (Day 1994).

The most critical test of the distinctiveness of capabilities is whether they make a disproportionate contribution to the provision of superior customer value (from the customer's perspective) or permit the business to deliver value to customers in an appreciably more cost-effective way. Consequently, distinctive capabilities are key success factors for organisations. Another critical test for the distinctiveness of capabilities is to test whether they can be readily matched by rivals; distinctive capabilities are intangible and difficult to imitate (Day 1994). Furthermore, Day (1994) argues that the strategic value of capabilities lies in their demonstrable contribution to a sustainable competitive advantage and superior profitability. Day (1994) argues that it is not possible to enumerate all possible capabilities, because every business develops its own configuration of capabilities that has come from the realities of its competitive market, past commitments, and anticipated requirements.

Broadly, Day (1994) classifies capabilities into three categories depending on the orientation and focus of the defining processes, as follows:
First, inside-out capabilities, are activated by key market requirements, competitive challenges, and external opportunities. For example, human resource management e.g., recruiting, training and transformation process. Second, outside-in capabilities, the purpose of these capabilities is to connect the process that defines the other organisational capabilities to the external environment, and enables the business to compete by anticipating market requirements ahead of competitors and creating durable relationships with customers, channels members, and suppliers (customer linking capabilities and market linking capabilities). Third, spanning capabilities, are needed to integrate the inside-out and outside-in capabilities. For example, capabilities of strategy development, new service development, customer service, price setting, and order fulfilment are critical activities that must be informed by both external (outside-in) and internal (inside-out) analyses (Day 1994). In the same vein,

Hunt and Morgan (1995) have recognised market orientation as a critical source of achieving success in the marketplace only if it is rare among competitors (Hunt and Moragn 1995).

Doyle (1995) argued that in order to create high performance, management has to resolve three issues, namely; (a) determining the products and markets on which to focus. (b) Identifying those capabilities to invest in; what are the key factors which lever high levels of perceived value. It is the firm's specific skills and its ability to motivate its people to harness these skills energetically to deliver superior value to the customer. (c) The organisation needs to have strategic intent that is concerned with the ambition of commitment to use these skills to delight the customer with products and services which are demonstrably superior in value (Doyle 1995).

Doyle (1995) emphasised the central role of building and having core capabilities, which provide a very important source of competitive advantage. Furthermore, he points to what he calls "making relationships" which is concerned with creating relationships with customers which support future profits and growth. Strong customer satisfaction and loyalty depends on the value they receive from suppliers (Doyle 1995).

Vorhies et al (1999) have broadly investigated the marketing capabilities of market-driven firms through investigating six areas of marketing capabilities. These marketing capabilities are (1) market research capabilities, (2) pricing capabilities, (3) new product development capabilities, (4) the management of the firm's channels of distribution capabilities, (5) promotion capabilities, and (6) finally marketing management capabilities. They are focussed on the customer acquisition management, the management of marketing programmes, and the ability to coordinate actions among the diverse elements in the firm needed to implement a marketing programme.

Vorhies et al (1999) found that the companies, which were described as market-driven, had higher levels of all six marketing capabilities than those that were described as less market-driven firms. More importantly, the two highest scores were given for market research capabilities and marketing management/planning capabilities, which are crucial to the success of market-driven businesses. Another important result was that the market-driven businesses significantly outperformed the less market-driven businesses across different performance dimensions. However, the study recommended broadening the definition of marketing capabilities beyond the six areas investigated in this study, and a broader operational definition and conceptualisation of marketing capabilities is needed (Vorhies et al 1999).

The resource-based view theory characterises firms as heterogeneous bundles of resources and rent seekers, aiming their strategies at obtaining superior performance (Day and Wensley 1988; Barney 1991; Bharadwaj et al 1993; Day 1994; Hunt and Morgan 1995). Olavarrieta and Friedmann (1999) view the resource-based theory emphasises firm's specific-resources as key drivers of success in organisations. These resources are a market-oriented organisational culture, knowledge-related resources (market sensing capability, imitation capability and organisational innovativeness), and reputational assets (it is the reputational knowledge that is created and laid in the minds of customers). Knowledge-related resources are very important sources of competitive advantage and superior performance, because they are socially complex, difficult to observe and monitor (Olavarrieta and Friedmann 1999).

De Chernatony and McDonald (1998) argue that it must be recognised that the ability of the business to produce offerings that meet real needs will generally be limited to very specific areas. An organisation's skills and resources are the limiting factor determining its ability to meet marketplace needs. They argued that marketing assets are not those in the balance sheet of the business-financial assets, but assets here mean non-financial assets e.g., a brand reputation (De Chernatony and McDonald 1998).

De Chernatony and McDonald (1998) have categorised the organisation's marketing assets into six main categories; (a) Market `franchise`-the organisation's ability to own certain part of the market. The loyalty of customers and distributors are important here. (b) Distribution network. Has the company established channels of distribution that enable it to bring products or services to the market in a cost-effective way? (c) Market share, it comes from the effect of experience and economies of scale. (d) Superior relationships. (e) Customer relationships. (f) Technology base.

More recently, Menon et al (1999) have emphasised the importance of marketing assets and capabilities for marketing strategy implementation. Menon et al's (1999) study found that managers proposed that strategies should not be developed without the explicit identification and evaluation of the firm's ability to execute them.

Hooley et al (1999) have discussed the resource-based view that was originally developed in the field of strategic management. Recently, the resource based view has been embraced by researchers in the marketing strategy (Hooley et al 1999) as a potential explanation of marketing effects on performance and the root of achieving sustainable competitive advantage (Day and Wensley 1988; Webster 1988; Bharadwaj et al 1993; Day 1994; Hunt and Morgan 1995; Olavarrieta and Friedmann 1999; Hooley et al 1999; Hooley et al 2001).

Hooley et al (1999) argue that little empirical work has been carried out to test the relationship between marketing capabilities and a firm's performance (Hooley et al 1999). They argue that the topic of resource-based view is relatively simple. It is seen in the strategic management literature as a theory of competitive advantage. The theory assumes that the desired outcome of managerial effort within the firm is the creation of a sustainable competitive advantage, which will result in the achievement of superior performance (Hooley et al 1999).

Hooley et al (1999), based on the resource-based view, argue that the root of achieving sustainable competitive advantage lies in the possession of certain key resources which have the characteristics of (a) adding value for customers; through lower prices, superior quality, or greater benefit. (b) Having barriers to duplications; immobility across firm boundaries and difficulty for competitors to imitate or replace by substitute processes (Bharadwaj et al 1993). (c) Being appropriate.

Hooley et al (1999) have developed a hierarchal model of marketing capabilities. The model categorises marketing capabilities into three main categories (a) Marketing culture capabilities, which are market orientation, and survival and long-term building of marketing position as strategic priorities. (b) Strategic marketing capabilities, which are relative product quality, relative service quality, and relative prices. (c)

Operational marketing capabilities which can be classified into outside-in capabilities, inside-out capabilities and spanning capabilities.

The proposed model of marketing processes and capabilities proceeds from the firm's marketing culture to marketing strategy formulation to operational implementation of marketing strategy in a hierarchal manner (Hooley et al 1999). They argue that the company's capabilities and skills are needed on the operational level to implement the marketing strategy. At the operational level the concern is with highly specific marketing operations, tactics and activities that are designed to achieved the desired competitive positioning (Hooley et al 1999).

Hooley et al (1999) found that marketing capabilities were important in contributing to the explanation of superior competitive performance. Marketing capabilities at the level of culture and strategy are particularly useful in explaining performance. The strategic marketing capabilities (competitive positioning related to both product and service quality) contributed to explaining performance but the contribution was not strong. The marketing capabilities at the operational level were not strong in explaining the variance of companies' performance. Furthermore, the outside-in and spanning marketing capabilities (located at the operational level) appeared more significant contributors to performance than inside-out capabilities (Hooley et al 1999). However, Hooley et al (1999) recommended that the nature and measurement of marketing capabilities would be a fruitful area of investigation and the measurement of operational capabilities is more open to question. This is a potentially fruitful area for further research (Hooley et al 1999).

More recently, Hooley et al (2001) have proposed that one of the proposed research agenda is marketing assets and capabilities which have been considered from a theoretical perspective over the last decade. However, there has been little systematic attempt to measure these phenomena. Scales are needed to enable using them to measure and assess the effects (Hooley et al 2001).

Fahy et al (2000) found that firms with foreign participation did outperform the local firms across the different performance criteria. The study found that marketing capabilities were important for ensuring a firm's future prosperity. The firms with the foreign participation are able to develop a sophisticated level of marketing capabilities with a resulting positive impact on both financial and market performance. It is explained by the notion that marketing capabilities by their nature are very difficult to duplicate. Marketing capabilities are characterised by high level of tacitness and complexity (Fahy et al 2000).

Hooley et al (2001) discuss what they call market-focused resources. Market-focused resources are those resources that can create value in the marketplace. Marketing assets and capabilities are considered important types of market-focused resources. Marketing assets can be divided into tangible and intangible assets. The intangible assets are the most difficult for competitors to copy or imitate. Marketing assets may include (1) customer-based assets e.g., company name and reputation, branding, market knowledge, customer relationships (2) distribution assets. (3) Internal assets e.g., cost advantage, information systems, technological skills (Hooley et al 1998; Olavarietta and Friedmann 1999). Marketing capabilities are those activities (glues) that bind them together and facilitate their effective deployment in the marketplace (Day 1994; Hooley et al 1998; Fahy et al 2000; Hooley et al 2001).

3.4. Marketing Strategy Resource Commitment

Marketing strategy resource commitment is another critical aspect for the implementation of marketing strategy. The accumulated marketing assets and capabilities need resources commitment by the top management of the organisation in order to implement a marketing strategy. This can be achieved through providing, allocating, supporting, and the commitment of the top management in order to provide the quality and right kinds of resources which enable the organisation to implement a marketing strategy successfully (Bonoma 1984; Bonoma and Crittenden 1988; Piercy 1989; Higgins 1988; Piercy and Morgan 1991; Morgan and Piercy 1991; Cespedes and Piercy 1996; Menon et al 1999).

Higgins (1988) found that one of the top challenges among banks was senior management's understanding of the commitment to create a market-driven environment. Furthermore, strategy commitment, reinforcement, and top management commitment were all viewed as keys to a successful marketing strategy implementation (Higgins 1988).

Resource commitment is concerned with affording the adequate level of people, time, and money allocated to implement the marketing strategy. Managers in fieldwork have pointed to management commitment to supply all these necessary resources for marketing strategy implementation as a crucial factor for the success or failure of implementing a marketing strategy (Menon et al 1999). Menon et al (1999) argued that there is little empirical research into the effect of resource commitment on firm performance.

3.5. Marketing Strategy Consensus

Marketing strategy consensus is one of the crucial factors that may help or hamper the implementation of marketing strategy. It is related to the behavioural aspects of marketing strategy implementation rather than the non-behavioural (structures, budgeting, monitoring) aspects of it. Marketing strategy consensus is concerned with the degree of agreement and support of all parties and units and people in the organisation for the marketing strategy implementation. The beliefs, assumptions, feelings, and shared agreement of the marketing strategy formulation members are crucial factors to the successful implementation of marketing strategy (Piercy 1989; Piercy and Morgan 1991; Morgan and Piercy 1991; Cespedes and Piercy 1996; Piercy 1998; Menon et al 1999; Piercy 1999).

Noble and Mokwa (1999) have developed a managerial model of factors that influence marketing strategy implementation. A critical part of the model is the dimensions of commitment to marketing strategy implementation. They have proposed that a critical dimension of commitment is strategy commitment, which is of central importance for its influence on the implementation of marketing strategy. Strategy commitment is defined as (Noble and Mokwa 1999, p.61) "the extent to which a manager comprehends and supports the goals and objectives of a marketing strategy". It expresses itself in terms of the ownership of the marketing strategy. It is about the strategic consensus of the strategy (shared understanding regarding the strategy) that affects the effective implementation of marketing strategy (Noble and Mokwa 1999). They found that strategy commitment had an important influence on the success of marketing strategy implementation.

Consensus commitment is concerned with the agreement with and the support of the chosen marketing strategy by the members of the marketing strategy team. Then, consensus commitment reflects a shared understanding of the marketing strategy decision-making process and the acceptance of its goals and the roles, for which the marketing strategy members are engaged. The marketing strategy team need to be motivated and enthusiastic in order to implement the marketing strategy. Strategy consensus allows the organisation to spend less time doing politics and conflict resolution; the freed-up time can be used more constructively for the strategy execution. Lack of agreement or consensus on the strategy among its members causes a failure of the strategy implementation because strategy consensus is associated with willingness by individuals to exert efforts for the strategy and with the sense of identification to the strategy objectives (Menon et al 1999).

Harrington and Akehurst (2000) found that:

a. Senior managerial commitment towards the implementation of quality procedures was the most important variable for quality implementation. Senior managerial commitment is concerned with (1) securing senior managerial support for quality, (2) the way in which senior managers support through cross-functional co-ordination, and the continued evaluation of implementation activities; (3) when managers are committed to quality, they provide sufficient resources to support its implementation.
b. Employees resourcefulness; is the way in which employees can assist and manage the service quality implementation process. Employees' resourcefulness means the degree to which employees are resourced with the necessary skills and responsibilities to affect service quality for the customers (Harrington and Akehurst 2000).

3.6. Marketing Strategy Cross-Functional Integration

Cross-functional integration is another fundamental aspect that affects the successful implementation of marketing strategy. It is known that financial services have a number of unique characteristics that have crucial implications for both marketing strategy formulation and implementation (chapter three). This clarifies the fact that the marketing function cannot be isolated or separated from the other functions in service businesses in general and in financial service businesses in particular when the company is formulating and implementing its marketing strategies. One of the crucial arguments to support this view is that of Drucker`s (1968) who described marketing as not sales or specialised activity, it is the whole business seen from the point of view of its final result, that is, from the customer's point of view. Concern and responsibility for marketing must therefore permeate all areas of the company (Drucker 1968). Support for this comes from Gummesson (1987; 1991) who argues that all other functions should get involved and integrated with the marketing function to implement marketing strategy. Gummesson (1987; 1991) calls non-marketing people in the other functions in the organisation who are responsible for serving the customer as "part time marketers". The part time marketers' concept holds that the marketing function should spread throughout the organisation (Gummesson 1987; 1991).

Lovelock (1990) argues that when marketers seek to respond to customer preferences they must understand the company operations strategy and the concepts, which underlie it before rushing to advocate new service features and changes in the delivery systems. Lovelock has also recognised the crucial importance of understanding both marketing and operations strategies to contribute to the efficiency of the company, and resulting in costs saving and faster service; integration between the two functions (Lovelock 1990). Moreover, Bateson (1990) argues that the unique characteristics of services and the experiential nature of services have implications for services company's operations, specifically marketing. The existence of the department of marketing in service organisations may not solve services businesses problems. Consequently, there is a crucial importance for cross-functional integration between the marketing function and operations management function and the other functions in the organisation e.g., human resource management (Bateson 1990).

Doyle (1995) focussed on cross-functional integration with the other functions in the organisation when he argued that creating a value for customers is not under the control of the marketing department. The primary task of the new role of marketing in cross-functional teams is cross-disciplinary, the main aim is to get the non-marketing specialists from other functions to appreciate the primacy of being market-driven (Doyle 1995). Under the pressures of the new competitive business environment, the role of marketing has dramatically changed from a separate function which used to compete with other traditional functions such as operation management and human resource management to be a fully integrative and co-operative function with other functions across the organisation (Doyle 1995).

Cross-functional integration is the extent to which the marketing strategy making team reflects the main functional areas in the organisation through adequate representation from these functional areas, and is well organised and coordinated. Furthermore, the team should have the necessary functional skills, abilities, and responsibilities for strategy implementation which all enhance the successful implementation of marketing strategy (Menon et al 1999).

Lovelock (2001) argues that the philosophy of the eight P components of services marketing management suggests that marketing cannot operate successfully in isolation from other functions in service businesses. There are three management functions that can play central and interrelated roles in meeting customers needs. These functions are marketing management, operations management and human resources management. These functions have shared responsibilities for the customers; for instance, operations management is responsible for running distribution systems. Moreover, the contact between operations personnel and customers is the rule rather than the exception. The point is that the marketing function is closely interrelated with and dependent on the procedures, personnel, and facilities managed by the operations function as well as the quality of personnel recruited and trained by the human resource management function. Furthermore, Lovelock views marketing as a bridging function that links the entire organisation to the markets in which it operates (Lovelock 2001).

3.7. Marketing Strategy Communications Activities

Cross-functional integration and marketing strategy implementation need a well-established communications system in the organisation that enables people and functions to communicate quickly and easily whilst implementing the marketing strategy. Communication quality is concerned with the nature and the extent of formal and informal communications during the strategy making process. Managers have pointed out that there is a need for the marketing strategy team to interact and to coordinate activities and functions (Menon et al 1999). Empirical research has found a positive relationship between communication quality and market performance (Kohli and Jaworski 1990; Narver and Slater 1990). When the marketing strategy team communicate extensively and openly during implementation, then, they can make necessary adaptive changes quickly, and the overall coordination of the strategy is enhanced (Moorman and Miner 1998).

In addition to a skilful implementer, several factors facilitate the marketing strategy implementation process. One of these factors is communications. Communications is concerned with rapid and accurate movement of information; vertical and horizontal communications during marketing strategy implementation (Cravens 2000).

3.8. Company Marketing Experience

Any organisation needs to have suitable marketing experience in order to implement a marketing strategy. Bonoma (1984) argues that management concentrates on one or a few marketing functions that it fosters and nurtures into competitive distinction through expertise. This implies that the company's marketing experience has an important role to play in determining and performing marketing functions that can enhance the organisation's competitive situation in the marketplace.

Greenley and Oktemgil (1996) pointed out that the resource-based view has some implications for marketing planning. One of these implications is for the marketing function, as a source of capability, where marketing expertise can be created which is difficult to imitate by competitors and to trade, thus, creating competitive advantage (Greenley and Oktemgil 1996).

Gilmore and Carson (1996) argue that because of the unique characteristics of services the competence of service managers is of central importance for service businesses. The quality of services marketing management decision making and marketing activity will depend on the competences of managers within the extent of their specific responsibilities and tasks. Gilmore and Carson (1996) classified service marketing competences into two main categories; technical and managerial competences. The technical competences are related to the operational aspects of the tactical aspects of services marketing activity. The managerial competences are more specific to the roles and issues which are important to services marketing decision making.

Gilmore and Carson (1996) focussed on the critical role of knowledge and experience as fundamental basic competences upon which expertise is developed over time and these become the basis for other service marketing competences (Gilmore and Carson 1996). Broadly, Gilmore and Carson (1996) have set a framework for competences in the services marketing context. The main focus is on the quality of marketing decision making in service businesses with a special focus on knowledge, experience, and distinctive expertise which are developed over time in the organisation. The marketing competences revolve around the marketing variables, specifically (Gilmore and Carson 1996):

a. Service product management; new service development, service differentiation.
b. Service pricing management; choosing the right price for various service products, flexibility and creativity in pricing adaptability.
c. Service communications management; integrating all advertising and promotional activities with the company's offer marketing activities.
d. Services customers-staff interaction management; managing the operational aspects of service delivery, delivering a balanced and consistent marketing mix by providing information and guidance, accessibility to customers, and willing to help.
e. Services marketing administration management; providing marketing information, maintaining communications with all functions of the organisation and gathering information about customers.
f. Co-ordination and the existence of analytical skills for the services marketing administration.

Sashittal and Wileman (1996) focussed on the functional level of marketing implementation, which was concerned with deploying the marketing mix elements. They found that there were a number of challenges, which were experienced by the managers who were involved in the functional implementation of marketing that had important implications on marketing implementation. These challenges were; (a) the managers` ability to maintain the relevance between all contents of marketing strategy with the changing market and customer needs was seen as a fundamental implementation challenge, (b) defining the critical steps for implementation, and (c) keeping co-ordination and cross-functional integration between the marketing function and the other functions in the organisation (Sashittal and Wilemon 1996).

Meldrum (1996) argues that insufficient attention has been paid to the way in which marketing knowledge and skills should influence action. He discussed the implementation to refer to actions performed as a consequence of policy dimensions. Meldrum (1996) argues that how marketing knowledge and skills might be used to inform senior management behaviour to influence the actions of others in the company is scarce among the wider marketing literature. If as Doyle (1987) concludes from his earlier study of British CEOs, there is an absence of marketing background and expertise among the senior management of many companies, leadership factors could well help explain some of the problem of implementation (Meldum 1996). Consequently, the main emphasise was on company marketing experience.

Chang (1997), within the global experience context, argues that the experience curve results from a firm's cumulative knowledge in learning to improve its business operations. A firm gradually obtains experience to manage its business effectively and efficiently. This advantage can significantly determine a firm's success in a highly competitive global industry. Such companies are Microsoft, Toyota, and Panasonic. Furthermore, Chang argues that it is essential for firms to enhance marketing capability in order to strengthen their competitive position in the global marketplace. Chang (1997) focussed on the critical role of the marketing experience among the marketing mix components for the implementation of marketing when he argues that the marketing mix components can create customer value in market niches. Moreover, to implement niche marketing, a firm has to differentiate its marketing mix from competitors, and investigate strategic windows which provide opportunities to grow.

Chang examined the relationship between marketing capabilities and company performance. He found that firms tend to expand their businesses earlier into new market segments if they possess higher technology and marketing capabilities to enhance their experience curve advantage. The study found that there was a positive effect of marketing capabilities on companies' performance. Overall, a firm's marketing capabilities contribute significantly to the firm return on investment, return on sales, cash flow on investment, and market share (Chang 1997). In addition, allocating an appropriate amount of resources can enable the execution of the strategy as intended (Menon et al 1999). Moreover, one of the main problems in implementing a marketing strategy is the lack of ability to deploy marketing resources through lack of learning or management experience (Piercy 1999).

3.9. Company Performance Measurement

There has been much interest in the evaluation of company's performance from both academic and practitioners' perspectives (Dess and Robinson 1984; Venkatraman and Ramanujam 1986; Venktatraman 1990; Ambler and Kokkinaki 1999; Clark 1999). The primary objective of investigating company performance in this research, based on this research objectives, is to investigate the effect of marketing strategy formulation and implementation components on companies performance measured by financial and non-financial criteria. Another objective is to investigate the importance of the performance criteria for the insurance companies in Jordan when measuring their performance.

However, the relationships and interrelationships between business performance measurements criteria, financial and non-financial, are not concern of this research. These relationships and interrelationships are out of the scope of this research, which are discussed in well-known sources (Dess and Robinson 1984; Venkatraman and Ramanujam 1986; Kaplan and Norton 1992; Anderson et al 1994; Doyle 1994; Clark 1999). Moreover, the performance measurement literature review that is presented in this section is exclusive rather than inclusive which aims to present some different points of view about the organisational performance measurement.

Research which incorporates organisational performance must address two basic issues (1) the selection of a conceptual framework from which to define organisational performance and (2) identification of accurate, available measures that operationalise organisation performance. Regardless of the framework used to conceptualise organisational performance it is a complex and multidimensional phenomenon. Operationalising such a complex concept is inherently difficult. Researchers often counter problems in measuring organisational performance by using economic dimensions that revolve around obtaining accurate measures and have the necessary access to the required data. Another problem in obtaining information from privately owned companies is that there is a greater risk of error attributable to varying accounting procedures in these firms (Dess and Robinson 1984).

A critical examination of marketing strategy literature has revealed that there are some problems in performance measurement. These problems can be categorised into three groups or lines of thought as follows (Ambler and Kokkinaki 1997; Clark 1999; Ambler and Kokkinaki 2000):

- The way in which the company performance is being measured that is basically concerned with subjective assessment (management self-report assessment) and objective assessment.
- The performance measurement typology; financial, non-financial, customer, market based measurements (the operational definition).
- The context in which the study is being investigated such as marketing strategy, market orientation, marketing strategy implementation, service quality, new service development and pricing.

Therefore, the discussion of this section revolves around these three groups or lines of thought. One of the most important conclusions that has emerged from examining marketing strategy literature is that there is no one single criterion for performance measurement that can be used to measure a business performance. Also there is not an agreed set of criteria for measuring performance (Venkatraman and Ramanujam 1986; Venkatraman 1990; Kaplan and Norton 1992; Clark 1999). Hooley et al (1999) argue that performance measurement has been the subject of much debate in the marketing strategy literature. In general, marketing strategy literature has suggested that there is a need to measure companies' performance multidimensionally (Menon et, al 1999;

Varadarajan and Jayachandran 1999), in terms of financial criteria (e.g. return on investment) and non-financial criteria (e.g. customer satisfaction).

Dess and Robinson (1984) found that there is a strong and significant relationship between the objective measures and subjective (top management team's perception) measures of business performance. Furthermore, the top management perceptions of how their company had performed measured by using subjective measures were consistent with its performance measured by using objective measures. Subjective measures may be useful in attempting to operationalise broader, non-economic dimensions of organisational performance (Dess and Robinson 1984).

In supporting the last argument, Venkatraman and Ramanujam (1986) argue that different fields of study should use different measures of organisational performance because of the differences in research questions. Furthermore, the use of simple outcome-based financial indicators that are assumed to reflect the fulfilment of the economic goals of the firm may reflect the cause of the narrow conception of business performance. This suggests that a broader conceptualisation of business performance would include emphasis on indicators of operational performance (non-financial indicators) in addition to indicators of financial performance. These operational indicators are market share, new product introduction, and product quality (Venkatraman and Ramanujam 1986).

Venkatraman and Ramanujam (1986) developed a typology for business performance measurement. This typology has two dimensions (1) the source of business performance measurement that is concerned with primary versus secondary sources or both, and subjective versus objective performance measurement or both, and (2) using financial or operational performance measurements or both. There is no one definition for measuring and operationalising business performance, however, using financial indicators may be misleading for measuring business performance (Venkatraman and Ramanujam 1986). In the same vein, Venkatraman (1990) argued that in strategy research, profitability (efficiency orientation) is the most common dimension of performance. Managerial assessments correspond closely to internally obtained objective performance indicators (Dess and Robinson 1984). The rationale is that the data are free from serious management errors (Venkatraman 1990).

Examining the marketing strategy literature has revealed that business performance measurement is problematic and troublesome (Kaplan and Norton 1992; Deshpande` et al 1993; Hooley et al 1999; Fahy et al 2000). Walker and Ruekert (1987) argued that a business unit's performance can be measured and judged on a variety of dimensions, the relevance and importance of which vary (1) across "stakeholder" groups (e.g., investors vs. employees vs. customers) and (2) with whether one takes a long-term or short-term view of business` outcomes. Walker and Ruekert (1987) discussed three performance dimensions that are of primary importance to top corporate and business unit managers.

1. Effectiveness is the success of a business' products and programmes in relation to those of its competitors in the market. It is measured by items such as sales growth in comparison with those of competitors or changes in the market share.
2. Efficiency is the outcome of business programmes in relation to the resources employed in implementing them. Common measures of efficiency are profitability as a percentage of sales and return on investment.
3. Adaptability is the business success in responding over time to changing conditions and opportunities in the business environment. Adaptability can be measured in a variety of ways, but the most common measures are the number of successful new product introductions compared with those of competitors or the percentage of sales accounted for by products introduced within some recent time period (often operationally defined as the past five years).

In the same vein, Day and Wensley (1988) argue that the most common indicators of marketing effectiveness and competitive advantage are market share and profitability. Profitability, current profitability, is the reward from past advantages after the current outlays needed to sustain or enhance future advantages have been paid. Since profitability is influenced by actions taken in many previous time frames, it is unlikely to be a complete reflection of the current advantage. When the business environment is turbulent it may be a misleading indication. Therefore, customer satisfaction is high on the list of strategic priorities that is concerned with the achievement of long-term objectives (Day and Wensley 1988). In the same spirit, Conant et al (1990) measured organisational performance by using a subjective self-report instrument, which used the organisation's profitability and return on investment relative to competitors (Conant et al 1990).

Kaplan and Norton (1992) argue that executives do understand that traditional financial accounting measures such as return on investment can give misleading signals for continuous improvement and innovation. They found that senior executives do not rely on one set of measures to the exclusion of the other. Senior executives realise that no single measure can provide a clear performance target or focus attention on the critical area of the business. Therefore, business performance measurement needs to be carried out using both financial and non-financial criteria because every criterion complements the other. Moreover, the complexity of managing businesses in today's business environment requires managers to be able to view performance in several areas simultaneously. Many companies have corporate missions that focus on the customer satisfaction issue (Kaplan and Norton 1992).

Bharadwaj et al (1993) divided performance outcomes into marketplace performance (e.g., market share, customer satisfaction) and financial performance (e.g., ROI, shareholder wealth creation). Narver and Slater (1990) and Jaworski and Kohli (1993) used the management assessments of business performance, which is equivalent to their quantitative counterparts. In the same spirit, Deshpande` et al (1993) found that the performance is a complex, multicausal matter that depends on internal factors of the organisation as well as strategy. In other words, there is no "quick fix" for performance. Doyle and Wong (1998) found that market performance can be measured by sales growth or market share. Both academic literature and perspectives of managers normally view a business as successful if it achieves sound financial performance and enhances its position in the marketplace (Doyle and Wong 1998).

Doyle (1994) argued that selecting one single performance measurement gives a biased and misleading picture of overall performance (Doyle 1994). He further argued that profits as a measure of performance are subject to a host of well-known practical, methodological and strategic weaknesses. In practice, they are easily and commonly manipulated by managers to produce misleading results (Doyle 1995). Choosing a single performance measurement gives interest for only a single stakeholder group. Doyle views profitability as an important measure of business performance, but it is a misleading measure because of different methods of accounting procedures for depreciation, research and development and others. Profits can be boosted by making tradeoffs between research and development and brand support and raising profit;

cutting research and development and brand support expenditures raises the business profits for a few years but puts the future of the organisation at risk by the erosion of its brand or reputation and its competitive position in the marketplace. Return on investment measures the past performance of the enterprise not its future cash generating performance (Doyle 1994; 1995).

Another common performance measure is the market share, but again it has problems. Defining the relevant market is always ambiguous and subjective. Furthermore, Doyle argues that the most appropriate measures of current performance are those provided directly by customers-customer satisfaction and customer loyalty. The rationale is that customer satisfied with the value being provided will buy again and this provides the basis for future market share, performance and profitability (Doyle 1995).

Ambler and Kokkinaki (1997) have conducted a review and analysis of articles that are concerned with marketing success criteria in seven of the leading marketing journals over the past five years. They concluded that business performance should be measured against the performer's own plan; every company has its own strategies, plans, objectives, and internal conditions (Ambler and Kokkinaki 1997). While market share, sales growth, market share growth, return on investment, customer satisfaction and customer loyalty are the most common performance dimensions, Ambler and Kokkinaki (1997) argue that the selection criterion for performance measures should be the importance of measures for the players in the product market.

In analysing of the marketing journals during 1991-1995, which dealt with marketing performance, Ambler and Kokkinaki (1997, p.673-674) have found important findings:

a. Around 11.5% of the articles deal with marketing performance.
b. Of those only about 10% attempted to reconcile the researcher's perspective with those of respondents.
c. Sales and sales growth are the dominant 47% measures of success followed by market share 36%, profit contribution and customer preference/purchase intent 23%.
d. 70% of the articles that used performance measures are determined by the researchers`.

Ambler and Kokkinaki's (1997) argued that there is a need to use multiple respondents when the choice of desired performance outcomes (measures) is of major concern. Furthermore, choosing sole respondents views of success criterion may or may not match those of their colleagues in the organisation. This is evidenced when the inspection of the data sources revealed that about 70% of articles rely on the researchers` own determination of the appropriate objectives. Another problem in choosing or selecting standardised measures of performance is that researchers may feel that cross-comparability requires them to select those standard measures (Ambler and Kokkinaki 1997).

Varadarajan and Jayachandran (1999) argue that multiple dimensions of performance measurements should be used. Much of marketing strategy research has focussed on market-based performance (e.g., market share) and financial performance (e.g., ROI). However, a broader focus on performance would enable marketers to more fully understand the performance consequences of strategies compared with the understanding that would emerge from a more limited focus on market share and ROI (Varadarajan and Jayachandran 1999).

Vorhies et al (1999) indicated that organisational performance is a multidimentional construct, tapping financial, operational, and customer-related performance dimensions, which all should be considered. Growth reflects performance trends in terms of sales and market share gains. Growth in sales and market share are important to a business to ensure long-term validity and resources availability. Profitability reflects an efficiency of current performance. Some marketing authors such as Hunt and Morgan (1995) have viewed profitability as the ultimate organisational outcome and it is commonly used in strategic marketing studies. Customer satisfaction (Day and Wensley 1988; Day 1994; Kaplan and Norton 1992) reflects the effectiveness of the organisation in delivering value to its customers (Vorhies et al 1999).

Clark (1999) conducted a comprehensive review of marketing performance measures. Clark suggests that marketing, as a field, needs fewer measures and more understanding of the interrelationships among these measures (Clark 1999). Earlier, Doyle (1994) argued that Western companies have focussed on the crucial importance of return on investment as a measure of business performance; meanwhile, their

Japanese counterparts have focussed on the crucial importance of market share and new products developments (innovation) as measures of business performance (Doyle 1994).

Clark (1999) argues that over the past ten years three non-financial measures have attracted extensive research attention, namely; customer satisfaction, customer loyalty, and brand equity. Customer loyalty philosophy is underlied by the notion that financial performance ultimately reflects whether customers repurchase from a firm over time, regardless of satisfaction (Clark 1999). For brand equity, de Chernatony and McDonald (1998) argue that a powerful brand is among the greatest marketing assets a firm can have. Clark (1999) argues that strong brands (1) allow firms to charge higher price premiums over unbranded or poorly branded products, (2) can be used to extend the company brands into other product categories, and (3) reduce perceived risk by customers (Clark 1999). Clark (1999) argues that the reason for using non-financial measures in assessing performance was the instinct of managers and academics that some important elements of marketing performance (e.g., brand strength) were uncaptured by the traditional financial measures.

Although there has been a strong orientation to measure business performance multidimensionally, however, more complicated schemes of performance measurements increase the burden on managers attempting to measure performance. Organisations are finding themselves overwhelmed by business performance measurement schemes. Although academic researchers can use multivariate statistical techniques to reduce the number of these measures; these techniques seem unwieldy to be part of everyday management practices. Further, it is not clear that management is interested in elegant multidimensional schemes (Clark 1999). Marketing scholars must similarly present management with a handful of set measures that are simple enough to be useable but comprehensive enough to give an accurate performance assessment. Therefore, financial outputs are snapshots of performance measurements of the present and say little about the marketing health of the company in the future (Clark 1999).

Menon et al (1999) used multidimensional constructs for performance measurement. Market performance was measured with a three-item scale that captured the extent to which the performance of the strategy met expectations for the overall performance, sales, and profits measures. They argue that the managerial assessment of financial and market performance are consistent with objective performance measures (Menon et al 1999). In supporting the last view, Clark (1999) argues that customer satisfaction and loyalty measurements are the areas in which most managers should concentrate in the near term. Customer satisfaction assesses customer perception of the company's offerings, while loyalty tracks actual customer purchasing behaviour. Between the two measures, companies should get at least a rough indication of competitive strengths and weaknesses and future financial return marketing efforts. A good summary measure of loyalty is the percentage of customers lost in the time period (Clark 1999).

Hooley et al (1999) argue that obsolete performance measures, such as return on investment and profit levels, sales volume and market share, are extremely difficult to compare between companies of different sizes, operating in different markets using different accounting standards, and defining their markets in different ways. This view has had more support by Fahy et al (2000) who argue that the financial measures are inadequate for business performance assessment. Furthermore, subjective assessments of performance are also widely used in the market orientation literature (Narver and Slater 1990; Jaworski and Kohli 1993).

Ambler and Kokkinaki (1999) go a step further by emphasising that in assessing their performance, companies realise that financial measures do not tell the whole story about the market success. This is evidenced when many corporations, in their annual reports, discuss the significant role of their intangible assets for their success more than their tangible assets. To support this issue it has been mentioned that more than 70% of the stock market value of Coca Cola lies in its brands. This reveals the necessity to make a move beyond the financial measures towards using non-financial measures such as customer satisfaction, brand equity. However, this does not imply that the financial measures are not sufficient but the success of financial measures can be supported or enhanced based on the success of non-financial measures (Ambler and Kokkinaki 1999).

Fahy et al (2000) sought to use relative profitability measures and to supplement them with additional market-based performance measures. Four performance criteria were used, two financial (profit and ROI) and two market-based measures (sales volume and market share). More recently, Appiah-Adu et al (2001) assessed companies' performance on the basis of subjective evaluation, which is considered a reliable method of measuring performance.

3.10. Summary

The most important conclusion that has emerged from the marketing strategy implementation literature is that marketing strategy formulation and implementation ***are not*** separate activities but rather they are interrelated activities that should be incorporated in one process by which companies can improve their performance. Much of the marketing strategy literature has mainly focussed on marketing strategy formulation rather than marketing strategy implementation (Bonoma 1984; Bonoma and Crittenden 1988; Piercy 1989; Piercy and Margan 1991; Morgan and Piercy 1991; Bharadwaj et al 1993; Cespedes and Piercy 1996; Gilomre and Carson 1996; Meldrum 1996; Noble and Mokwa 1999; Piercy 1998; Cravens 1998; Dull 1998; Menon et al. 1999; Varadarajan and Jayachandran 1999; Piercy 1999; Berry 1999; Cravens 2000). Furthermore, the separation between marketing strategy formulation and implementation activities does hurt companies' performance.

Marketing strategy implementation should take a strategic role rather than a tactical role at the end of the strategic marketing planning process (Morgan and Piercy 1991). The rationale for this conclusion is that the formulation of strategy is just a part explanation and the actual implementation of strategy takes credit for a large part of the explanation in performance differences (Bharadwaj et al 1993). Marketing strategy implementation pervades strategic performance (Noble and Mokwa 1999).

The examination of the marketing strategy implementation literature has revealed that it is a comprehensive and detailed process which should take a broader aspect of marketing strategy implementation than the classic marketing implementation which is mainly concerned with resources allocation, structural issues, and monitoring.

Marketing strategy implementation is viewed in this research by taking a comprehensive perspective, which goes beyond the traditional view of implementation which has dealt with marketing as a ***"separate function"*** rather than an ***"integrated process"*** with the other functions and activities in the company. This view is related to a number of critical variables that have important implications for the success of marketing strategy implementation. These variables can be broadly stated as:

- Availability of the necessary marketing assets and capabilities which enable the company to implement its marketing strategy (Bonoma 1984; Moller and Anttila 1987; Day and Wensley 1988; Conant et al 1990; Barney 1991; Bharadwaj et al 1993; Day 1994; Doyle 1995; Hunt and Morgan 1995; Dull 1998; De Chernatony and McDonald 1998; Menon et al 1999; Berry 1999; Vorhies et al 1999; Olavarrieta and Friedmann 1999; Hooley et al 1999; Fahy et al 2000; Hooley et al 2001).
- Marketing strategy resource commitment which provides the marketing strategy implementation with the necessary "impetus" for the successful implementation of marketing strategy (Bonoma 1984; Bonoma and Crittenden 1988; Higgins 1988; Piercy 1998; Piercy 1989; Piercy and Morgan 1991; Morgan and Piercy 1991; Cespedes and Piercy 1996; Menon et al 1999; Berry 1999; Cravens 2000).
- Marketing strategy consensus which is related to the full consensus, shared agreement, support, and commitment of the members of the marketing strategy implementation team; it focuses on the behavioural aspects of marketing strategy implementation (Piercy 1989; Piercy and Morgan 1991; Morgan and Piercy 1991; Doyle 1995; Meldrum 1996; Piercy 1998; Cravens 1998; Menon et al 1999; Noble and Mokwa 1999; Piercy 1999; Berry 1999; Kotler 2000; Harrington and Akehurst 2000; Cravens 2000).
- Cross-functional integration between the marketing function and the other functions in the organisation (Drucker 1968; Gummesson 1987; Gronroos 1988; Piercy 1989; Lovelock 1990; Bateson 1990; Gummesson 1991; Morgan and Piercy 1991; Bharadwaj et al 1993; Doyle 1995; Meldrum 1996; Piercy 1998; Cravens 1998; Menon et al 1999; Piercy 1999; Berry 1999; Kotler 2000; Cravens 2000; Lovelock 2001).
- Marketing strategy communications activities quality, which are concerned with the clear communication, understanding and explanation of the marketing strategy

objectives and what is needed to be achieved by the strategy implementation team members (Kohli and Jaworski 1990; Narver and Slater 1990; Cravens 1998; Menon et al 1999; Berry 1999; Cravens 2000).

- Company marketing experience that enables it to implement its strategy and benefits from its experience and competencies (Bonoma 1984; Bonoma and Crittenden 1988; Greenly and Oktemgil 1996; Meldrum 1996; Gilmore and Carson 1996; Cespedes and Piercy 1996; Sashittal and Wileman 1996; Meldrum 1996; Chang 1997; Noble and Mokwa 1999; Menon et al 1999; Cravens 2000).

Based on the company performance measurement literature review, it is concluded that:

The literature on performance measurement has revealed that that there is no one single criterion nor a set of criteria approved between marketing strategy scholars for performance measurement (Venkatraman and Ramanujam 1986; Venkatraman 1990; Kaplan and Norton 1992; Clark 1999). Marketing strategy researchers have generally agreed that business performance measurement is complex, problematic and troublesome (Dess and Robinson 1984; Kaplan and Norton 1992; Deshpande` et al 1993; Hooley et al 1999; Fahy et al 2000).

Companies' performance can be assessed using management self-report assessments (subjective measurements), which has been proved to be equivalent to those of quantitative measurements (objective measurements). This has been supported by considerable body of literature in both marketing strategy formulation and implementation, and business performance assessment (Meidan 1982; Hooley 1984; Dess and Robinson 1984; Venkatraman and Ramanujam 1986; Verhage and Waarts 1986; De Brentani 1989, 1990; Venkatraman 1990; Conant et al 1990; Narver and Slater 1990; Jaworki and Kohli 1993; Kaplan and Norton 1992; Deshpande` et al 1993; Cooper et al 1994; Slater and Narver 1996; Easingwood and Storey 1996; Ambler and Kokkinaki 1997; Chang and Chen 1998; Han et al 1998; Shahom and Kropp 1998; Rapert and Wren 1998; Appiah-Adu 1998; 1999; Hooley et al 1999; Clark 1999; Vorhies et al 1999; Menon et al 1999; Hooley et al 1999; Conant and White 1999; Ambler and Kokkinaki 1999; Low 2000; Fahy et al 2000; Lasser et al

2000; Lee et al 2000; Caruana et al 2000; McDougall and Levesque 2000; Ambler and Kokkinaki 2000; Claycomb et al 2000; Anderson 2000; Appiah-Adu et al 2001).

Company's performance measurements should be measured multidimensionally in a broader perspective of business performance conceptualisation in order to recognise different aspects of the company marketing strategy. This has been supported by an extensive amount of research in both marketing strategy formulation and implementation literature (Meidan 1982; Hooley 1984; Venkatraman and Ramanujam 1986; Walker and Ruekert 1987; Day and Wensley 1988; Conant et al 1990; Narver and Slater 1990; Venkatraman 1990; Kaplan and Norton 1992; Jaworski and Kohli 1993; Bharadwaj et al 1993; Deshpande` et al 1993; Doyle 1994; Doyle 1995; Ambler and Kokkinaki 1997; Doyle and Wong 1998; Appiah-Adu 1998, 1999; Varadarajan and Jayachandran 1999; Menon et al 1999; Vorhies et al 1999; Clark 1999; Conant and White 1999; Ambler and Kokkinaki 1999; Hooley et al 1999; Fahy et al 2000; Appiah-Adu et al 2001).

Consequently, the literature has shown that there are advantages and disadvantages for each set of performance measurement criteria; financial and non-financial. Therefore, using one set of criteria alone is insufficient. Building on the performance literature review, this research used a combination of both financial and non-financial (marketplace and customer) criteria for company performance measurement in order to maximise the advantages for both (Cravens 1998; Clark 1999; Varadarajan and Jayachandran 1999).

Chapter Four

Building the Research Framework and Hypotheses

4.1. Introduction

The primary aim of this chapter is to provide an explanation for building the research framework and developing hypotheses. It is primarily based upon key findings from the literature review of marketing strategy research. Moreover, a number of hypotheses have been formulated based on the research framework to be tested. This chapter includes three sections. Section 4.2 discusses building the research framework, and is divided into three subsections. Subsection 4.2.1 is concerned with explaining the rationale for building the overall research framework; subsection 4.2.2 provides an explanation for the approach of synthesising marketing strategy formulation and implementation literatures; section 4.2.3 discusses the marketing strategy implementation variables as moderator variables. Section 4.3 provides an explanation for the operational definition of each variable, and is divided into three subsections; subsection 4.3.1 provides the operational definition for marketing strategy formulation variables; subsection 4.3.2 is concerned with the operational definition for the marketing strategy implementation variables; subsection 4.3.3 is concerned with the operational definition of companies' performance measurement criteria.

4.2. Building the Research Framework

The research framework includes three interrelated parts, which are marketing strategy formulation, marketing strategy implementation, and companies' performance measurement. Figure 4.1 shows the research framework and the relationships between the variables. It is of central importance at the outset to explain what these parts mean.

A. The first part is the marketing strategy formulation components that are the seven components of the services marketing mix framework and service quality as the main variables used to formulate a marketing strategy in the insurance companies. The "marketing strategy components" are investigated within the domain of the services marketing mix framework, as advocated in chapters two and three.

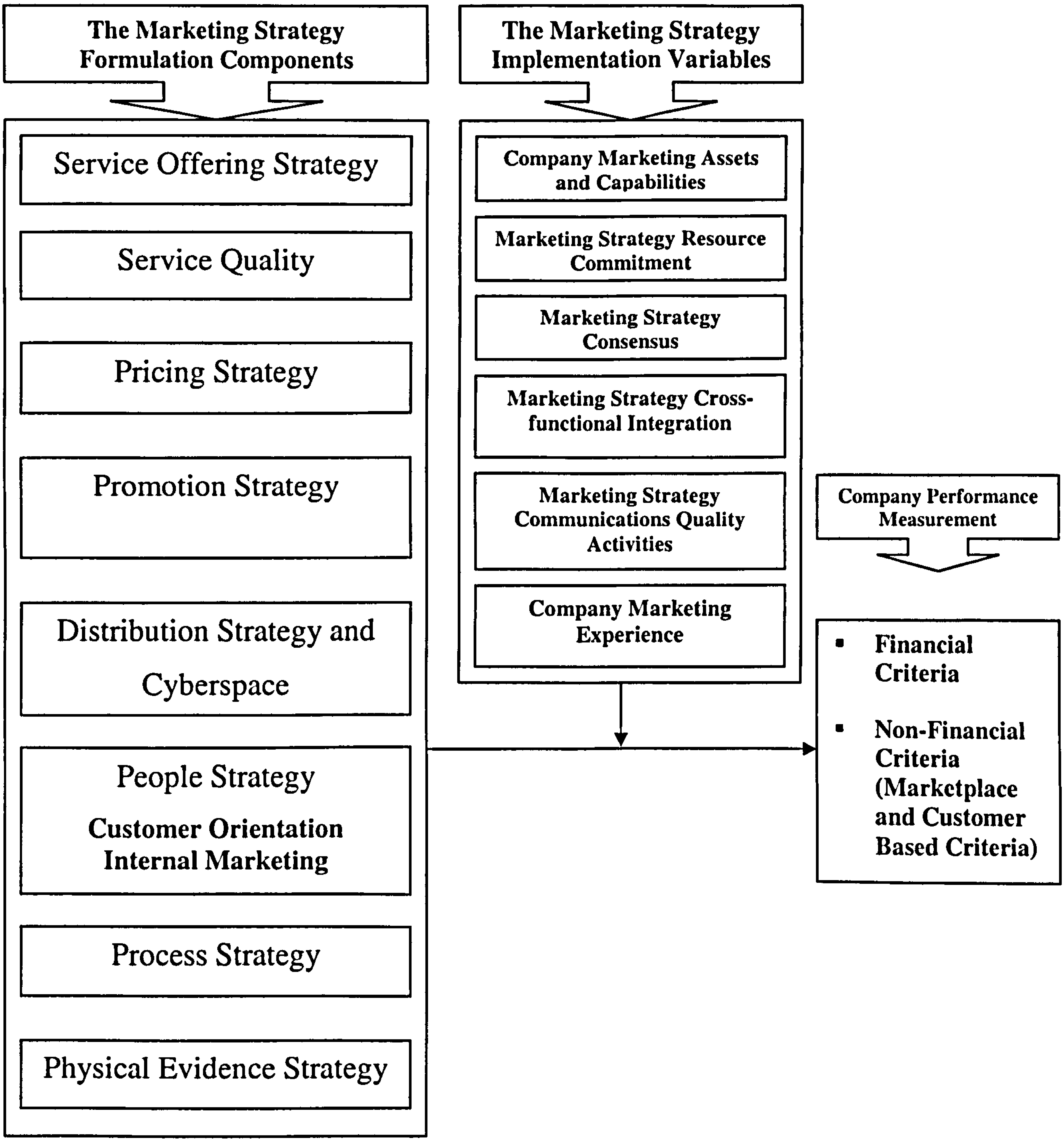


Figure 4.1: The Overall Research Framework

The rationale for this argument is that the development of marketing strategy components is based on the marketing mix components, which outline the major components of the marketing strategy in different businesses. This argument is supported by many marketing scholars (Donnelly 1976; Buzzell and Wiersmea 1981; Wind and Roberston 1983; Cook 1983; Jain and Punj 1987; Greenely 1989; Collier 1991; Webster 1992; Ennew and Watkins 1992; Hooley et al 1998, Doyle 1999; Menon et al 1999; Cravens 2000; Baker 2000; Kotler 2000; McDonald 2002).

B. The second part is concerned with the marketing strategy implementation, which includes six variables that may have a crucial effect on the successful implementation of marketing strategy, as advocated in chapter three.
C. The third part is companies' performance measurement, which is concerned with investigating the main performance criteria that are being used by the insurance companies in Jordan for evaluating performance, as advocated in chapter three.

The approach used in building the research framework is aimed at achieving the research objectives. Building the research framework section is concerned with a detailed clarification of the arguments and justifications that are used to build it. Moreover, these arguments and justifications are key findings from the marketing strategy formulation and implementation literature review. These arguments and justifications are built on two levels:

A. The rationale for building the overall research framework.
B. Synthesising marketing strategy formulation and implementation and hypotheses.

4.2.1. The Rationale for Building the Overall Research Framework

The examination of the marketing strategy literature has indicated that the literature (Donnelly 1976; Nickels and Jolson 1976; Booms and Bitner 1981; Cook 1983; Kent 1986; Magrath 1986; Marr 1987; Judd 1987; Gummesson 1987; Lane 1988; Gronroos 1989; Bruner 1989; Beaven and Scotti 1990; Gronroos 1990a; 1991; Gummesson 1991; Collier 1991; Smith and Saker 1992; Gronroos 1994; Low and Tan 1995; Rafiq and Ahmed 1995; Gronroos 1996; Harvey et al 1996; Balmer 1998; Webster 1998; Gombeski Jr 1998; O'Malley and Patterson 1998; Kotler 1999; Day and Montgomery 1999; Schultz 1999; Zeithaml and Bitner 2000; Schultz 2001) has shown that the traditional four Ps; product, price, promotion and place, of the marketing mix elements have been criticised by many marketing scholars. The above literature advocates that the traditional components of marketing strategy, the 4Ps, ***are not*** enough to formulate a marketing strategy in service businesses.

One of the fundamental arguments in this research is that the new elements of the expanded services marketing mix framework, namely; people, process, and physical evidence should be separate, distinct, and strategic variables in the services marketing mix framework as well as in the service marketing strategy variables. This argument has had substantial support in the services marketing literature (Donnelly 1976; Booms and Bitner 1981; Cowell 1984; Magrath 1986; Judd 1987; Collier 1991; Smith and Saker 1992; Low and Lan 1995; Rafiq and Ahmed 1995; Kotler 2000; Zeithaml and Bitner 2000; Lovelock 2001). The rational behind the new three Ps is that the services have unique characteristics that create problems and challenges in service businesses, which require the 3Ps to cope with them e.g., the interactions between a service provider and a customer during the service delivery process.

A substantial body of literature in services marketing research indicates that service businesses require special marketing strategies which are different from those used in the marketing of goods. This argument has been supported by many marketing scholars (Levitt 1972; George and Barksdale 1974; Donnelly 1976; George 1977; Shostack 1977a,b; Thomas 1978; Berry 1980; Levitt 1981; Booms and Bitner 1981; Cowell 1984; Zeithaml et al 1985; Kotler 1994; Lovelock 1996; Ennew and Watkins 1992; Kasper et al 1999; Ennew et al 1998; Ennew and Watkins 1998; Zeithaml and Bitner 2000). The unique characteristics of services create special problems and challenges that require special marketing strategies to cope with them. Further, the marketing function should be integrated with the other functions in service businesses in order to provide proper services to customers especially when customers have interactions with a service provider. As a consequence, the 7Ps of the service marketing mix framework and service quality should formulate the major components of the marketing strategy in financial services companies. This may enable the 7Ps of the services marketing mix framework to overcome some of the criticisms that have been forwarded by scholars of the relationship marketing approach.

It is argued that there has not been any empirical research study which has investigated the 7Ps of the services marketing mix framework together or to investigate the effect of this framework's components on the companies' performance (Rafiq and Ahmed 1995). Further, there has been a small number of studies which have investigated the elements of either the traditional marketing mix or the services marketing mix framework together (Udell 1964; McNamara 1972; Buzzell and Wiersmea 1981; Zeithaml et al 1985; Akaah and Riordan 1988; Sa`dun 1989; Chanam 1995; Pheng and Ming 1997; Doyle and Wong 1998; Appiah-Adu 1998; Shoham and Kropp 1998; Appiah-Adu 1999). These studies have not investigated all aspects of the services marketing mix framework neither the 7Ps elements of this model together nor their effect on companies' performance. However, the review of extant literature which is carried out in relation to the services and/or financial services marketing mix frameworks has revealed that there has been considerable amount of literature on each variable of this framework (chapter two).

Ennew and Watkins (1998) argue that most empirical research which has been conducted within the services marketing mix area has tended to focus on a specific problem or has tended to focus on problems which are related to the unique characteristics of services not on the real practice of marketing management in service companies. Consequently, there is a need to investigate the real practices of marketing management concerning the services marketing mix framework within service companies.

Based on the literature review (Deshpande 1999; Day and Montgomery 1999; Varadarajan and Jayachandran 1999) it is argued that one of the challenges facing the academic marketing research is that the generalisability of the marketing models, theories and concepts, which have been developed within the U.S. and Western environments, needs to be validated within other business cultures and countries (cross-cultural). The extent to which strategy-performance relationships observed in the context of U.S. businesses are generalisable in the larger international context and/or in other market contexts remains under researched.

The First Group of Hypotheses:

Based on the above discussion and literature review, it can be hypothesised that:

H1: Marketing strategy components have a positive and significant effect on the performance of insurance companies measured by financial criteria.

H2: Marketing strategy components have a positive and significant effect on the performance of insurance companies measured by non-financial criteria (marketplace and customer criteria).

In order to test these general hypotheses they have been broken down into a number of sub-hypotheses according to the marketing strategy components (chapters two and six). Each sub-hypothesis is formulated to test the effect of each component on the insurance companies' performance measured by financial and non-financial criteria (marketplace and customer criteria).

4.2.2. Synthesising the Marketing Strategy Formulation and Marketing Strategy Implementation and Hypotheses

Based on the literature review on both marketing strategy formulation (chapter two) and implementation (chapter three) it can be argued that explaining this part of the research framework is crucial. The rationale for the importance of this part is that the examination of the marketing strategy literature has revealed that the **"integration"** concept between the marketing strategy formulation components and implementation exits and is advocated by a number of marketing scholars (chapter three). However, the marketing strategy literature has provided insufficient insights about the suitable **"way"** and **"how"** the marketing strategy formulation and implementation can be synthesised in a comprehensive way.

In order to achieve this objective the research provided three sources to achieve this synthesis. First, conducting a critical examination of the previous research in the field of marketing strategy formulation in order to reveal theoretical gaps which have recommended either further investigation or variables that may affect the marketing strategy implementation. The literature provided fruitful key findings that support marketing strategy formulation and implementation integration. Second, the considerable amount of the marketing strategy implementation literature which strongly supports the argument of integrating both marketing strategy formulation and implementation together. Third, the in-depth interviews which were carried out with managers among insurance companies in the insurance industry in Jordan.

Key Findings from the Marketing Strategy Formulation Research

Recent research in the field of marketing strategy has revealed that building and enhancing a brand depends on having a coherent marketing approach which uses all elements of the marketing mix. Branding is a powerful marketing concept that represents a carefully conceived arrangement of activities across the whole spectrum of the marketing mix which are directed towards making the buyer recognise relevant added values that are unique when compared with the other competing services (Balmer and Wilkinson 1991; Balmer 1998; de Chernatony and McDonald 1998).

Recent research into developing new services points out that the successful implementation of developing new services depends on a number of factors. Reidenbach and Moak (1986) pointed out management capability in banks, and De Brentani (1989, 1991; 1993) focused on internal marketing, training frontline personnel and their commitment. Cooper and De Brentani (1991) focused on business synergy, service/market fit, superior or unique service, quality of execution of marketing activities and service expertise. Storey and Easingwood (1993) stressed the significance of practising internal marketing and staff responsiveness, and sales people training and company support. Oldenboom and Abratt (2000) emphasised the importance of adequate resources, skills, technology and knowledge.

Recent research in service quality has questioned whether there are any moderators between service quality and business performance that may have an effect on service businesses performance (Lasser et al 2000; Zeithaml 2000). Harrington and Akehurst (2000) argue that there has been a reluctance to examine the ways in which service quality strategies can be implemented to achieve competitive advantage. Harrington and Akehurst (2000) argue that the challenge is how to implement the quality programmes in the current service business environment.

Research in the pricing area has revealed that a considerable amount of the pricing literature is concerned with the pricing strategy formulation phase. There is a great amount of description relating to the pricing strategies of services, pricing mathematical models, and factors that have an important effect on a pricing strategy. However, it is argued that the essential factors in formulating and implementing a pricing strategy for services are the people knowledge, experience, skills, and the gut feeling of the top management team relating to a service pricing strategy (Schlissel and Chasin 1991; Marn and Rosiello 1992; Tung et al 1997; Carson et al 1998), and service quality (Berry and Yadav 1996; Zeithaml and Bitner 2000; Lovelock 2001). The main implicit theme among these studies is that these factors have a crucial effect on the successful implementation of a service pricing strategy.

For research in promotion, there are a number of special themes in financial services which need to be carefully considered. These special themes are that financial services; have a high degree of credence and experience qualities, and have a high risk involved in purchasing them. Financial services are highly intangible and perishable, and are not usually sought by customers. Consequently, financial services companies need to have an integrated marketing communications strategy to deliver unified messages, and to deliver promises, which the financial services companies have made and communicated. Kirk (994) pointed out the influential role of advertising on sales on the long-term. Furthermore, recent research (Kirk 1994; Thwaites 1994; Peattie and Peattie 1995; Low 2000) pointed out the importance of having the necessary marketing assets and capabilities and experience that have a critical role to play in promoting financial services through the ability of the company to integrate and create synergy between different promotional channels and send a unified message to customers through providing distinctive services and staff interactions.

Research on distribution strategy reveals that much of its literature has emphasised the crucial importance of some important factors which may enhance the performance of a chosen distribution strategy and may affect a company's performance. Chandler et al (1984) and Morgan (1993), separately, have emphasised the important role of having cross-functional integration between different distribution channels and the other units in the company. Devlin (1995) focussed on innovative management structures and organisational factors through having a flat organisational structure to increase the company's responsiveness.

The new challenge is to manage a hybrid distribution system. The main advantage of creating such a distribution system is the potential for increased market coverage (Easingwood and Storey 1996). Daniel and Storey's (1997) study has pointed out the importance of top management support for successfully providing electronic delivery systems. The real challenge is building and managing multiple channels of distribution to sell insurance services to meet the needs of a variety of customers (Maciag 1998).

For internal marketing, it is argued that the successful application of the internal marketing philosophy requires the existence of some important variables. Gronroos (1990b) focused on the holistic management approach to integrate multiple functions of the company as well as formal top management support for practising internal marketing activities (Gronroos 1990b). Rafiq and Ahmed (1993; 2000) pointed out that internal marketing requires cross-functional co-ordination to carry it out.

Recent research in service delivery process strategy has revealed that the implementation of its activities requires cross-functional integration between the company functional areas which should work together in order to deliver a consistent and coherent services to customers. The marketing function is not the sole responsibility of the department of marketing but additionally it should spread throughout the company (Gummesson 1987; Webster 1988; Gronroos 1989, 1990a, 1991; Gummesson 1991; Webster 1992; Gronroos 1994, 1996; Baker 2000). Therefore, cross-functional integration between marketing management, operations management, and human resource management is of central importance for a successful service delivery process to correctly deliver the service to customers (Gummesson 1987; 1991; Cowell 1984; Gronroos 1989; 1990b 1994; Kasper et al 1999; Zeithaml and Bitner 2000; Baker 2000; Lovelock 2001).

Research in the area has revealed that in designing, creating, and implementing effective physical evidence strategy in service companies requires cross-functionality between some functional areas in the organisation. Marketing management should have the prime responsibility for the design of the service company physical evidence because of its major focus on customer attraction and customer satisfaction. Consequently, decisions in relation to the physical environment can have an important impact on human resources goals (e.g., workers retention, worker productivity), operations management goals (e.g., efficiency, cost reduction), and marketing goals (e.g., customer attraction, customer satisfaction) (Shostack 1977a,b; Cowell 1984; Bitner 1990; Bitner 1992; Zeithaml and Bitner 2001; Lovelock 2001).

Key Findings from the Marketing Strategy Implementation Research

One of the most fundamental arguments in this research is that marketing strategy formulation and implementation are not distinct and separate activities, but rather they should be integrated in one process to improve companies' performance. However, most of the marketing strategy literature has shown that little attention was given to marketing strategy implementation. Most studies have focussed on the marketing strategy making process rather than marketing strategy implementation (Bonoma 1984; Bonoma and Crittenden 1988; Piercy 1989; Piercy and Margan 1991; Morgan and Piercy 1991; Bharadwaj et al 1993; Cespedes and Piercy 1996; Gilmore and Carson 1996; Meldrum 1996; Noble and Mokwa 1999; Piercy 1998; Cravens 1998; Dull 1998; Menon et al. 1999; Varadarajan and Jayachandran 1999; Piercy 1999; Berry 1999; Cravens 2000).

Based on the above literature review, it is argued that there is a critical need to investigate marketing strategy implementation and its integration with marketing strategy formulation. The above authors have shared a common theme that the major weakness in the field of marketing strategy research is the traditional or conventional approaches for marketing strategy. These approaches recognise marketing strategy implementation as a sequential activity, which follows the marketing strategy formulation, within the strategy formulation and implementation dichotomy. Noble and Mokwa (1999) strongly argue that marketing strategy implementation pervades strategic performance. They further argue, it is a critical link between the formulation of marketing strategies and the achievement of superior organisational performance. The nature of marketing strategy implementation and the reasons for its success and failure are poorly understood.

Moorman and Miner (1998) and Menon et al (1999) argue that one of the potential reasons for the limited understanding of how marketing strategies are made is that scholars, generally speaking, distinguished marketing strategy formulation from its implementation. Meanwhile, they should be an integrated process to achieve a success (Menon et al 1999). Furthermore, based on the emergence of the resource-based view theory (Barney 1991; Hunt and Morgan 1995), Menon et al (1999) argue that an additional component for marketing strategy should be added; an explicit exploitation of the firm's core capabilities. This component involves an explicit evaluation of the firm's core capabilities relative to the strengths of competitors and its ability to create a competitive advantage (Menon et al 1999). Piercy (1999) argued that there are no simple methods to deal with implementation issue in marketing. The implementation issue remains one of the greatest practical and theoretical challenges for marketing analysts, consultants, and practitioners in the future.

Berry (1999) argues for executional excellence in which he stressed that a focused strategy-no matter how brilliant-still must be executed. One of the fundamental lessons in executing marketing strategies is what Berry calls "executional excellence" which has a crucial impact on the company operations. A well-executed strategy diminishes opportunity for competitors. Moreover, a customer does not experience a strategy; a customer experiences the execution of the strategy-that is the "total product. Unexecuted strategy spells failure. A poorly executed strategy clears a path for competitors to succeed with imitation (Berry 1999). Cravens (2000) argues that the ultimate performance of market targeting and positioning decisions rests on how well the marketing strategy is implemented and managed on a continuing basis. Placing the strategy into action and adjusting it to eliminate performance gaps are essential success factors (Cravens 2000).

Based on the above discussion it is argued that marketing strategy implementation should go beyond its traditional boundaries such as strategy control, resource allocation and procedures, towards recognising the crucial importance of marketing assets and capabilities, and "covert" or intangible aspects that enable companies to implement marketing strategies and achieve a success. Examining the marketing strategy implementation literature has revealed that there is no specific "guideline" concerning variables which may lead to the successful implementation of marketing strategy. Given the significance of different lines of thoughts of marketing strategy implementation (this section and chapter three) there is a critical need to develop a comprehensive view which investigates the factors that may lead to the successful implementation of marketing strategy.

Qualitative Research Data at an Early Stage of the Research

The qualitative data has indicated that some of problems which confronted the insurance companies in the implementation of marketing were inadequate information about the insurance industry, customers and agents, lack of extensive use of the advanced technology, the absence of adequate promotion strategies and lack of commitment to provide budget, people, and training. The Strategy and Development Manager in the biggest insurance company in Jordan supports this in the statement:

".... In implementing marketing strategies we are suffering from the absence of good promotion strategies. The insurance companies are not very much interested in advertising...they have got to invest in this important area and they need to be committed to provide the necessary resources during the implementation phase.... We are in critical need to have qualified and committed people to work with our company and with the industry as a whole.... What we do need is a qualified marketing staff who are marketing oriented and have what I would say the marketing awareness. Indeed, having human resources capabilities, financial resources capabilities, and the company reputation facilitate the implementation of marketing strategy and distinguish a firm".

The deputy general manager of the biggest insurance company states:

"...the main problems in implementing marketing strategies are the mixing between the marketing concept and the selling concept, and allocating the proper tools in terms of professional manning and adequate resources. The image of the company and the service quality given are among the important capabilities which facilitate the implementation of marketing strategies".

The assistant general manager of an insurance company had provided a similar point of view for the above factors but he focussed on the macro variables in the environment which may hamper the implementation of marketing strategy. These factors are the high number of insurance companies, the market structure and the availability of strong re-insurance companies. In the same vein, the marketing manager of the company took another viewpoint for the implementation of marketing strategy in which he emphasised the central importance of top management commitment and support to provide the necessary resources for marketing strategy implementation. Moreover, he focussed on the availability of adequate marketing experience and knowledge among the top management members. This is evidenced when the marketing manager states:

"....it is the top management commitment and support that facilitates marketing strategy implementation.....More importantly, they do not have the necessary marketing experience and the marketing background which pervade doing our job....the main problem is that the top management does not want to pay and invest money in building marketing assets".

The Second Group of Hypotheses

Based on synthesising the above three sources and the literature discussed in chapter three, the research has broadly suggested six variables, which may lead to the successful implementation of marketing strategy. These variables are ***(1) company marketing assets and capabilities, (2) marketing strategy resource commitment, (3) marketing strategy consensus, (4) marketing strategy cross-functional integration, (5) marketing strategy communication activities, and (6) company marketing experience.*** Based on the above discussion, it can be hypothesised that:

The relationship between the components of marketing strategy and the insurance companies' performance measured by either financial criteria or non-financial criteria (marketplace and customer criteria) is affected by the successful implementation of marketing strategy.

4.2.3 The Marketing Strategy Implementation Variables as Moderators

The predictive efficacy of an independent variable and/or the form of relationship may vary systematically as a function of some other variable(s). This provides a better understanding of a phenomenon being examined. If a relationship between two variables varies as a function of a third or more variables, these variables are called moderator variables (Sharama et al 1981; Baron and Kenny 1986). Recently, there has been considerable amount of research in the field of marketing that has employed moderator variables to examine the influence of a third variable, Z, the moderator on relationships between two variables, X and Y (Sharama et al 1981; Hitt and Ireland 1985; Kholi and Jaworski 1990; Slater and Narver 1994; Shoham and Kropp 1998;

Han et al 1998; Greenley and Foxall 1998; Olavarrieta and Friedmann 1999; Conant and White 1999; Lassar et al 2000; Caruana et al 2000).

One of the crucial contributions to the concept of moderating variables in the field of marketing research was an article that was presented more than two decades ago by Sharama et al (1981). Sharama et al (1981, p. 291) define a moderator, as "one which systematically modifies either the form and/or strength of the relationship between a predictor variable and a criterion variable". Moderators can be qualitative (e.g., sex, race) or quantitative (e.g., level of reward) which affect the direction and/or strength of relation between an independent variable and a dependent variable (Baron and Kenny 1986). Sharama et al (1981) provide a comprehensive classification of the moderator variables which differ according to whether they influence the strength or the form of the relationship between a predictor (independent) variable and a criterion variable (dependent). The Sharama et al classification is based on two main dimensions. The first dimension of classification is based on the relationship with the criterion variable, that is, whether the specification (moderator) variables are or are not related to the criterion variable. The second dimension is related to whether the specification variable interacts with the predictor variable. Consequently, Sharama et al (1981) provide three types of moderators which may affect the relationship between the predictor and criterion variables.

Homologizer Moderators

These moderators influence the strength of the relationship, do not interact with the predictor variable, and are not significantly related to either the predictor or criterion variable. In such situations, the error term is posited to be a function of the moderator variable. Therefore, partitioning the total sample into homogeneous subgroups with respect to error variable should increase the predictive efficacy of the classic model for specific groups.

Pure Moderator Variables

Pure moderators modify the form of the relationship between the criterion and predictor variables. These moderators modify the form of the relationship which is a function of a third variable; variable Z. To be a pure moderator, the third variable, Z, is not related to either the predictor variable or the criterion variable. Rather, the variable Z interacts with the predictor variable to modify the form of the relationship between the predictor, X, and the criterion, Y. This type of moderator variable confirms the psychometric definition of a moderator variable which suggests that the relationship between two variables is a function of a third variable, Z. Therefore, a moderator variable should enter into interaction with a predictor variable whilst having a negligible correlation with the criterion variable itself.

Quasi Moderator Variables

This type of moderator is exactly the same as the pure moderator except a quasi moderator variable interacts with the predictor variable and is itself a predictor variable. However, because this variable is a predictor by itself it is not considered a moderator in the psychometric literature. Furthermore, if the hypothesised moderator variable turns out to be related to the criterion variable, the moderator effect is not clear because each of the independent variables can, in turn, be interpreted as a moderator. Accordingly, a moderator variable in psychometric literature is constrained to be unrelated to the criterion variable (Sharama et al 1981). However, although the definition of moderator variables is, generally speaking, related to pure moderators, as was hypothesised by the psychometric literature, it can be argued that moderator variables can be "Quasi Moderators" if they are guided by theory rather than strict empiricism. If the moderators guided by theory the definition of moderators need not to be related to the psychometric literature (Sharama et al 1981). However, it is worth mentioning that the search for moderators in this research is completely guided by theory; marketing strategy formulation and implementation literatures.

Based on the aforementioned methodology proposed by Sharama et al (1981) and others (Arnold 1982; Baron and Kenny 1986; Hair et al 1998; Greenley and Foxall 1998; Greenley 1999) the type of moderators was determined for the research purposes. Theoretically and according to the conceptual framework that has been proposed in this chapter, marketing strategy variables have considerable effect on companies' performance. Research findings in both marketing strategy formulation and implementation have indicated that marketing strategy implementation may have considerable impact on the relationship between marketing strategy and performance. This impact may come from the interaction and integration of marketing strategy implementation with the marketing strategy components. However, one of the fundamental arguments in this research is that marketing strategy formulation components are not enough to achieve a success in the marketplace; performance. Consequently, marketing strategy implementation variables may moderate the relationship between marketing strategy components and performance. Consequently, based upon the research literature review, the marketing strategy implementation variables, theoretically, are quasi moderators which may have an interaction with the marketing strategy components and companies performance when measured by financial and non-financial criteria (marketplace and customer criteria).

Based on the literature review the type of moderators is determined in this research to have a potential effect on companies' performance through their effect and integration with marketing strategy formulation components. The literature of marketing strategy implementation variables has revealed that they may have an association with companies' performance (chapter three). However, the association of marketing strategy implementation variables may vary among the performance measurement criteria. It is reasonable to speculate that some variables of marketing strategy implementation such as marketing assets and capabilities, and company marketing experience exert an influence on companies' performance measured by financial criteria. Meanwhile, it is expected that all the suggested variables of marketing strategy implementation may have associations with companies performance measured by non-financial criteria (marketplace and customer criteria); for example, resources commitment and cross-functional integration would have some effect on customer satisfaction, loyalty and attracting new customers.

Arnold (1982) argues "contingency" theory hypothesises that the relationship between two variables is "contingent" upon some third variable, and as a result of whether "moderator" variables "interact" with independent variables on some predictable manner. Arnold (1982) distinguishes between the degree (strength) of relationships and the form of relationships between two variables. The degree of the relationship between two variables is measured by the magnitude of the correlation coefficient r. The form of the relationship between X and Y is known to be ***conditional*** upon a third variable, Z. According to Arnold (1982) if both the degree and form of the relationship of Y to X do remain constant across different values of Z, then the relationship is said to be ***constant or unconditional*** with regard to Z. If, on the other hand, either the degree or form of the relationship between X and Y is not constant but changes systematically across different values of Z, the relationship is ***conditional*** upon Z. Consequently, the degree of relationship between predictor and criterion variables is a function of the moderator. In the same vein, Baron and Kenny (1986) argue that moderator variables are typically introduced when there is unexpectedly weak or inconsistent relationship between a predictor and a criterion variable.

4.3. Operational Definition of the Research Variables

The variables are conceptual definitions which logically precede operational definitions that guide their development in which the research has to precisely specify what a variable is before developing rules assessing their magnitude (Sekaran 2000; Churchill 2001). In order to derive a "comprehensive" operational definition for each variable the literature on marketing strategy formulation, marketing strategy implementation, and companies' performance measurement has been critically examined and evaluated. This critical examination has revealed that there has been no one research instrument that can be found in the literature, which can be used to provide a comprehensive operational definition for all the variables included in the research framework.

However, this critical examination found that some of the research framework variables have been extensively empirically tested, operationalised and validated in different business environments and contexts. These represent a very rich source of material for deriving operational definitions for the research variables. Consequently, it was necessary to construct an operational definition for each variable included in the research framework and within the context of this research.

The main sources of constructing the operational definitions of the variables that are included in the research framework are:

A. The examination of conceptualisations and previous empirical research in the fields of marketing strategy formulation, marketing strategy implementation, and companies' performance measurement.
B. The theoretical literature on the research topics which have provided very strong theoretical, but not empirical, arguments for the research variables.

4.3.1. Operationalising the Marketing Strategy Formulation Variables

In order to develop an operational definition for each variable included in this part of the research framework five point Likert scales were used which starts from "Strongly Agree" given the score of "5" to "Strongly Disagree" given the score of "1".

❖ **Developing an Insurance Service Offering Strategy**

In order to develop an effective insurance service offering strategy this element has included four major interdependent dimensions, which are shown in figure 4.2:
The dimensions of an insurance service offering strategy were operationalised as:

A. Offering a comprehensive range of insurance services.
B. Branding of insurance services.
C. New insurance services development.
D. Customer service strategy.

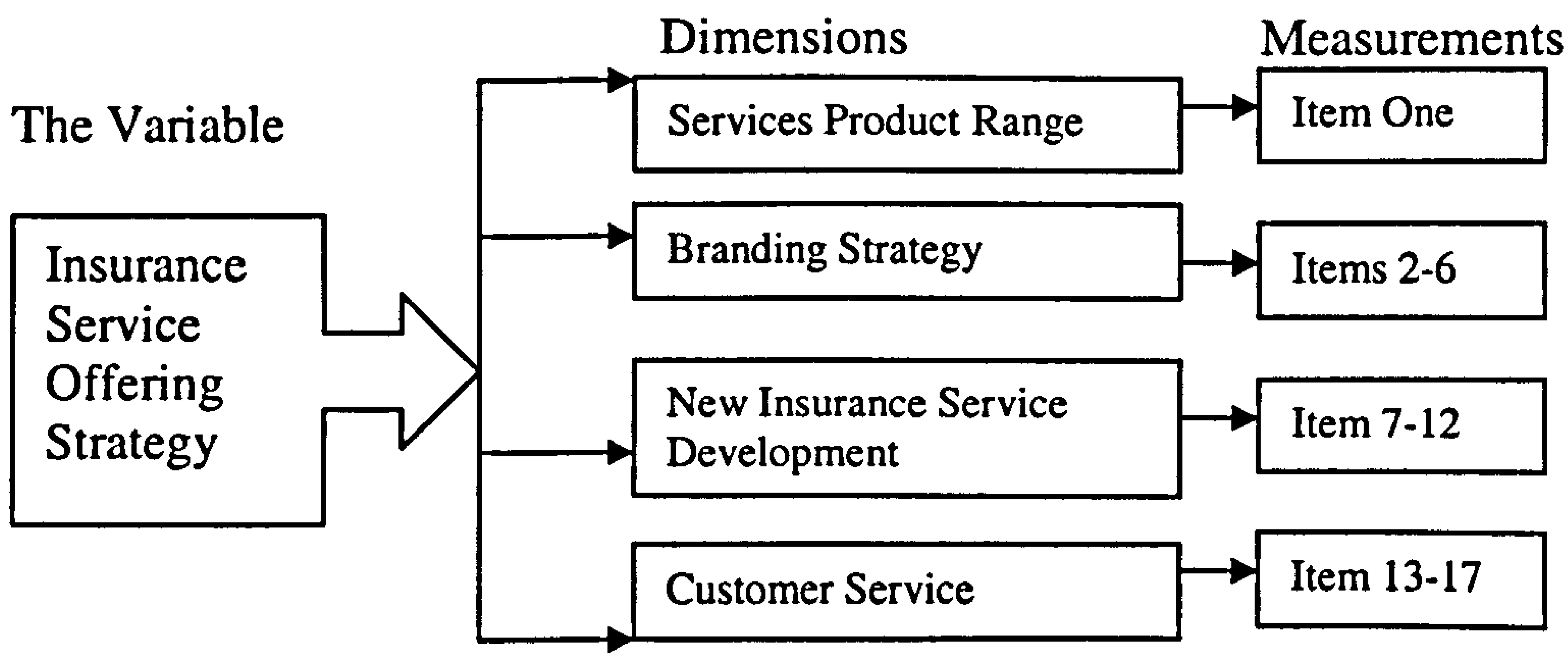


Figure 4.2. Insurance service offering strategy dimensions and measurements

The dimensions of an insurance service offering strategy were operationalised as:

A. By offering a comprehensive range of insurance types or classes (Watkins and Wright 1986; Ennew 1998; Johne and Storey 1998). The rationale for including this question is to investigate the extent to which the insurance companies in Jordan use comprehensive insurance classes in their insurance service offerings.
B. Branding of insurance services. The aim of including branding was to investigate the extent to which branding has a role to play in developing an integrated insurance service offering strategy. Insurance branding was operationlised by five items (Howcroft and Lavis 1986; Berry 1988 Oknvisit and Shaw 1989; Saunders and Watters 1993; Boyd et al 1994; Denby-Jones 1995; Aaker 1996; Doyle 1999;

Tilley 1999; De Chernatony and Dall'Olmo Riley 1999; Baker 2000; Kotler 2000; Berry 2000; Cravens et al 2000; McDonald et al 2001; Harris and de Chernatony 2001). The respondents were asked the following: In order to develop an integrated insurance service offering strategy our company:

2. Insurance types are branded by using the company's name.
3. Insurance types are individually branded.
4. Reputation has an important role to play in its success.
5. Builds up its brand reputation by providing a distinctive service quality.
6. Employees have a crucial role on building its brand reputation.

C. Developing new insurance services. The aim of including new insurance services development was to investigate the extent to which it is used in creating an integrated insurance service offering strategy. Developing new insurance services was operationalised by six items (de Brentani 1989; Easingwood and Percival 1990; de Brentani and Cooper 1992; de Brentani 1993; Martin and Horne 1993; Edgett 1993; Storey and Easingwood 1993; Edgett 1994; Edgett and Parkinson 1994; Johne and Storey 1998; Kelly and Storey 2000; Oldenboom and Abratt 2000; Storey and Kelly 2001). The respondents were asked; in order to develop an integrated insurance service offering strategy our company:

7. Introduces new insurance programmes as a strategic tool in our company's growth and continuation.
8. Has structured and formalised procedures for new insurance programmes development process.
9. Has a formal strategy for new insurance programmes development.
10. Uses an ad hoc approach for new insurance programmes development.
11. Uses a formal plan for new insurance types or programmes development.
12. Has a well-planned and executed new insurance programmes development process.

D. Customer service strategy. The aim of including customer service was to investigate the extent to which it has a role to play in developing an integrated insurance service offering strategy. Customer service was operationalised by five items (Marr 1987; 1990; Garfein 1988; Lambert and Harrington 1989; Smith and Lewis 1989; Reichheld and Sasser 1990; Schlesinger and Haskett 1991a,b; Farber and Wycoff 1991; Wong and Perry 1991; Quinn and Humble 1993; Freemantle 1994; Christopher 1999; Kotler 2000; Baker 2000; Lovelock 2001). The respondents were asked; in order to develop an integrated insurance service offering strategy our company:

13. Uses customer service as a central element in our service offering strategy.
14. Tailors customer service programmes in relation to the customer needs and wants.
15. Has a strategy for customer service.
16. Uses flexible systems and procedures in responding to customers needs.

17. Leverages customer services staff abilities, knowledge and quality to deliver customer services effectively.

❖ Service Quality

The aim of the questions that operationalised insurance service quality was twofold. First, to examine the extent to which the insurance companies focus on service quality whilst formulating marketing strategies. Second, service quality items were designed to investigate the main dimensions of service quality that were suggested by its literature. Examining service quality literature has revealed that there is no one unified service quality definition, model, scale, operational definition or one conceptual framework that has been accepted or agreed between different marketing scholars. Moreover, there has been much disagreement between services marketing scholars in relation to the service quality dimensions (Gronroos 1982; 1984; 1988; 1990b; Parasuraman et al 1985, 1988, 1991; Ennew and Binks 1996; Weekes et al 1996; Mels et al 1997; Robinson 1999; McDougall and Levesque 2000; Lasser et al 2000; Lee et al 2000; Caruana et al 2000; Bahia and Nantel 2000; Newman 2001).

Consequently, new measurements and operational definitions have been encouraged by services marketing scholars in order to measure service quality. This encouragement is related to the service classification, type of the industry, business culture and the research purpose for measuring the service quality. Moreover, the service quality is different within specific settings (Parasurman et al 1988; 1991; Carman 1990; Cronin and Taylor 1992; Gilmore and Carson 1992; Teas 1993; Mels et al 1997; Chang and Chen 1998; Robinson 1999; Lasser et al 2000; McDougall and Levesque 2000; Lee et al 2000; Newman 2001). Service quality measurements and operational definitions can be cultivated to be simpler, shorter, and easier (Mels et al 1997; Robinson 1999; Lee et al 2000; Newman 2001). Then, they can measure what is intended to measure within a specific research purpose.

Examining the service quality literature has revealed that the most common dimensions of service quality are those of functional (Parasuraman et al 1985; 1988) and technical quality (Gronroos 1988) dimensions. For the functional quality dimension there is a considerable body of theoretical and empirical work, which has investigated this aspect. A considerable amount of research has revealed that the functional service quality aspect has five dimensions. These are tangibles, reliability, responsibility, assurance, and empathy. Figure 4.3 shows the services quality dimensions, aspects, and measurements.

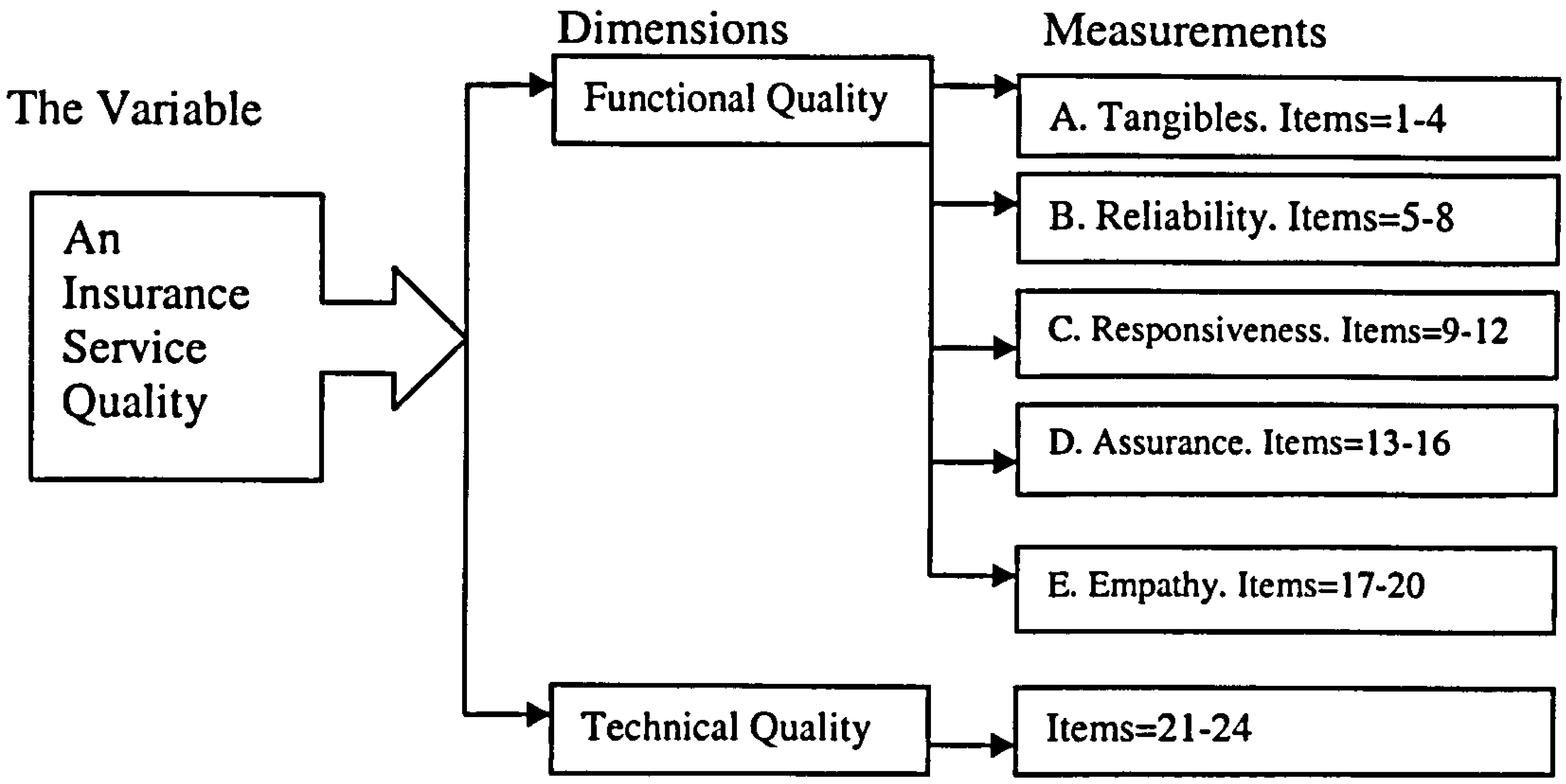


Figure 4.3. Insurance service quality dimensions and measurements

Building on the previous empirical studies that have operationalised the service quality among different service industries and investigated its impact on business performance, this research has operationalised the service quality in order to be suitable to the research purposes. In addition, any operational definition should take into account both aspects of service quality, which are the functional quality and technical quality as well as company image and the perceived value of quality (value for money). It is important to mention here that in operationalising the service quality variable it was decided not to create new dimensions or adopt the existing ones. The main aim is to investigate both aspects of the service quality; functional and technical, within the context of the insurance market. Moreover, incorporating the technical quality aspect was thought to be necessary based on Gronroos (1988) paper, which quality distinguished more clearly and logically between functional and technical quality than the SERVQAL model. Consequently, the respondents were asked; in your company, in developing an effective service quality strategy we focus on:

A. The Tangibles

1. The cleanliness and appearance of our company facilities.
2. Up to date equipment.
3. The appearance of our staff.
4. The décor and atmosphere of our company.

B. The Reliability

5. Delivering our insurance services as we have promised to our customers.
6. No delays in issuing insurance policies and recovering claims due to bureaucratic reasons and procedures.
7. Performing our insurance services right the first time.
8. Issuing errors-free insurance policies and claims.

C. The Responsiveness

9. Our staff being willing to help customers.
10. Our staff having the competence and ability to explain our insurance services and policies.
11. Readiness to handle our customers requests and needs.
12. Using customers` feedback to improve our services.

D. The Assurance

13. Confidentiality about our customers' transactions.
14. Well-trained employees who have the knowledge to answer customer questions.
15. Courtesy and competence of our staff.
16. Insurance service quality that gives our customers value for their money.

E. The Empathy

17. Motivating and encouraging our staff to treat customers well.
18. Knowing our customers on a personnel basis.
19. Understanding our customers needs thoroughly.
20. Convenient opening hours and easy access to the company.

The Technical Quality

21. Fast handling of issuing insurance policies and covering claims to our customers.
22. Instalment facilities for premiums payments.
23. Frequent contact with our customers.
24. Fast handling of our customers' complaints.

❖ Pricing Strategy

The aim of the questions designed to measuring insurance pricing strategy was to investigate what are the main pricing policies that the insurance companies use when they formulate their pricing strategies. The pricing strategy variable was measured by asking the respondents in the insurance companies in Jordan to reveal the pricing strategies which they use when they price their insurance services. Figure 4.4 shows the main components of the pricing strategy and measurements.

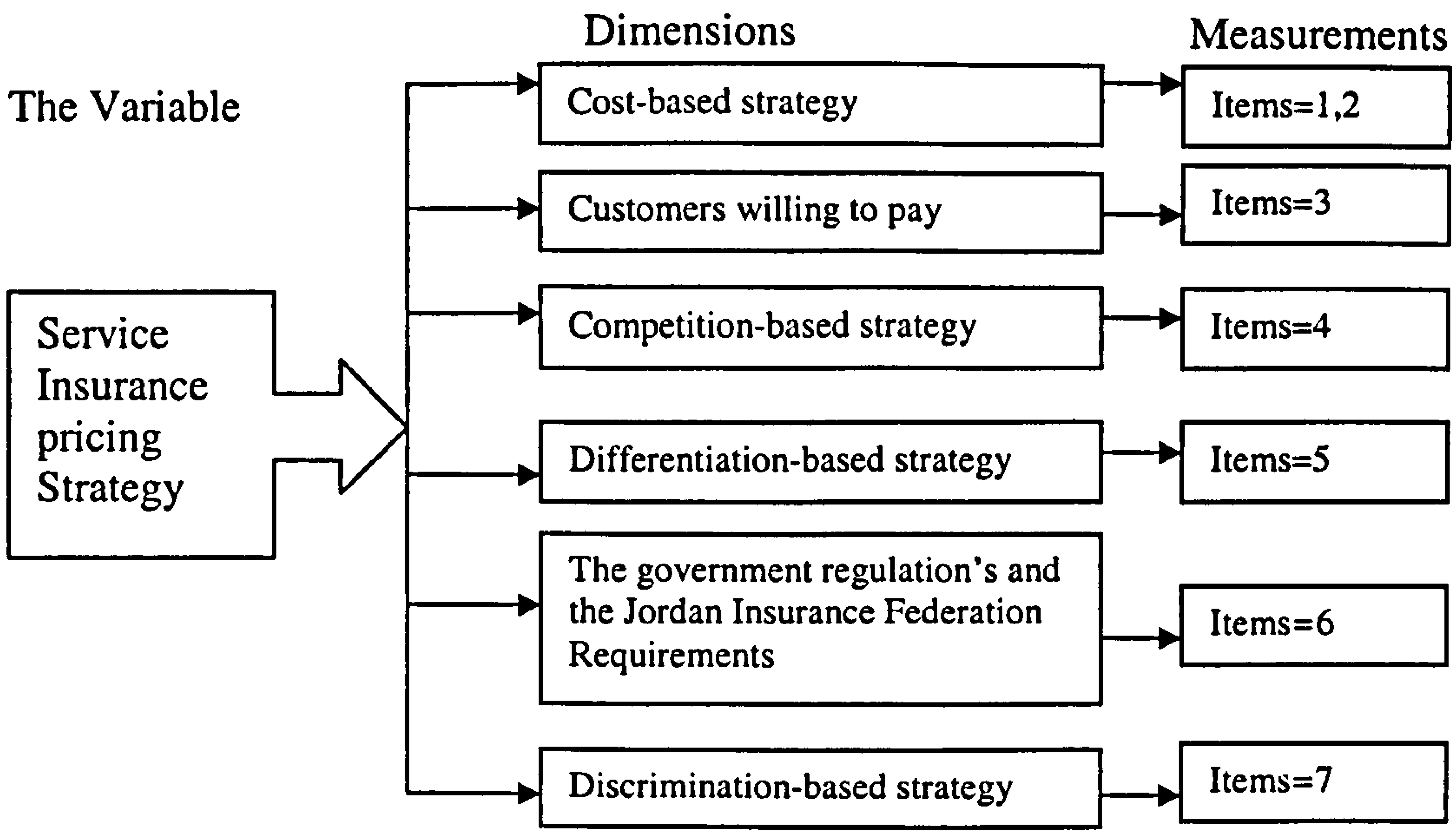


Figure 4.4. Insurance pricing strategy dimensions and measurements.

The insurance pricing strategy was operationalised by seven items (Cowell 1984; Zeithaml et al 1985; Arnold et al 1989; Schlissel and Chasin 1991; Zeithaml 1988; Marn and Rosiello 1992; Berry and Yadav 1996; Mirta and Capella 1997; Yulkur and Herbig 1997; Carson et al 1998; Kasper et al 1999; Zeithaml and Bitner 2000; Harrison 2000; Lovelock 2001). The respondents of the insurance companies in Jordan were asked; when we price our insurance services we price them based on:

1. Different kinds of costs which our company incurs.
2. A predetermined rate of return that our company is looking for.
3. What customers are willing to pay.
4. The competition prices in the marketplace.
5. The services which we introduce to our customers.
6. The government's regulation and the Jordan Insurance Federation requirements.
7. Price discrimination according to market segments which we serve.

❖ Promotion Strategy

The aim of the questions was to investigate the components of promotion strategy that the insurance companies in Jordan use when they formulate their promotion strategies. The promotion strategy was measured through asking the respondents in insurance companies about the components of their promotion strategies when they promote their insurance services. Figure 4.5 shows the insurance promotion strategy dimensions and measurements.

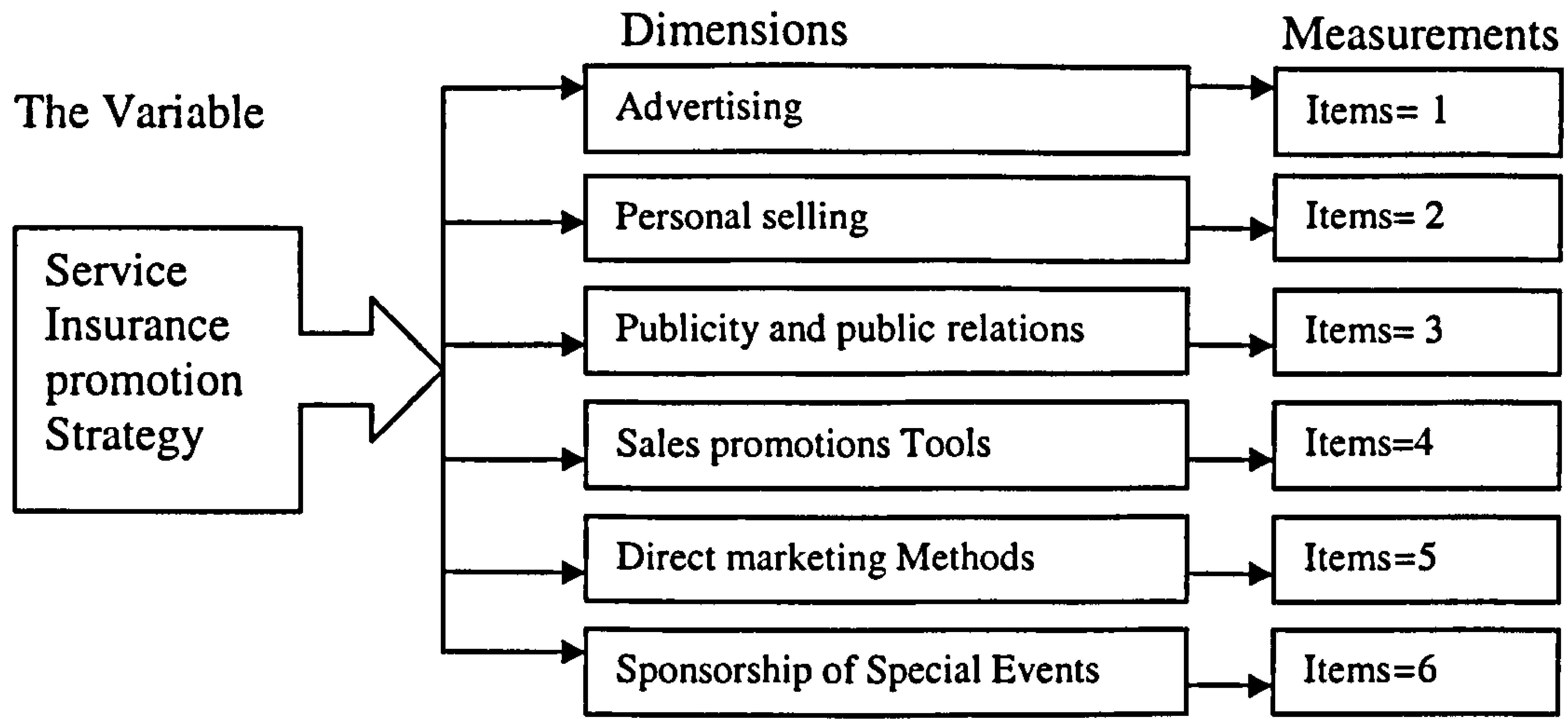


Figure 4.5. Insurance Promotion Strategy dimensions and measurements.

Consequently, the insurance promotion strategy was operationalised by six items (George and Berry 1981; Crowley 1991; Kirk 1994; Bitner 1992; Peattie and Peattie 1994, 1995, and Peattie et al 1997; Thwaites and Lee 1994; Aims et al 1999; Olkkonen et al 2000; Ennew et al 2000; Harrison 2000; Zeithaml and Bitner 2000; Lovelock 2001). The respondents were asked; when our company formulates its promotion strategy to promote our insurance services we use:

1. Advertising such as television, newspapers, magazines advertising.
2. Our personal selling staff and customer personal contact points.
3. Publicity and public relations to enhance our image.
4. Sales promotions such as gifts, discounts, loyalty cards.
5. Direct marketing methods such as telemarketing, direct mail, the Internet.
6. Sponsorship of special events such as sports, charities, competitions.

❖ Distribution Strategy and Cyberspace

The questions used in operationalising this variable were designed to reveal the distribution strategies that the insurance companies in Jordan use when they formulate their distribution strategies. Figure 4.6 shows the insurance distribution strategy dimensions and measurements.

As a consequence, based on the literature review of distribution strategy, it was operationalised by eight items (Chandler et al 1984; Friars et al 1985; Howcroft 1991; 1993; Ennew 1992; Morgan 1993; Greenland 1995; Easingwood and Storey 1996; Shumrak 1996; Daniel and Storey 1997; Baranoff 1998; Maciag 1998; Eyler 1998; Shea 1999; Arnold et al 1999; Harrison 2000; Dixon 2000; Thornton and White

2001). The respondents were asked; when our company formulates its distribution strategy to cover its target markets and deliver our insurance services we use:

1. Our company direct sales force.
2. Direct response to our advertisements such as ads and leaflets.
3. Our company branches in different locations.
4. Direct mail to target customers and deliver our insurance services.
5. Insurance intermediaries such as insurance brokers, financial brokers.
6. Electronic distribution channels such as the Internet to deliver our insurance services.
7. Telemarketing to deliver our insurance services.
8. Multi-distribution channels to deliver our insurance services to different customer groups.

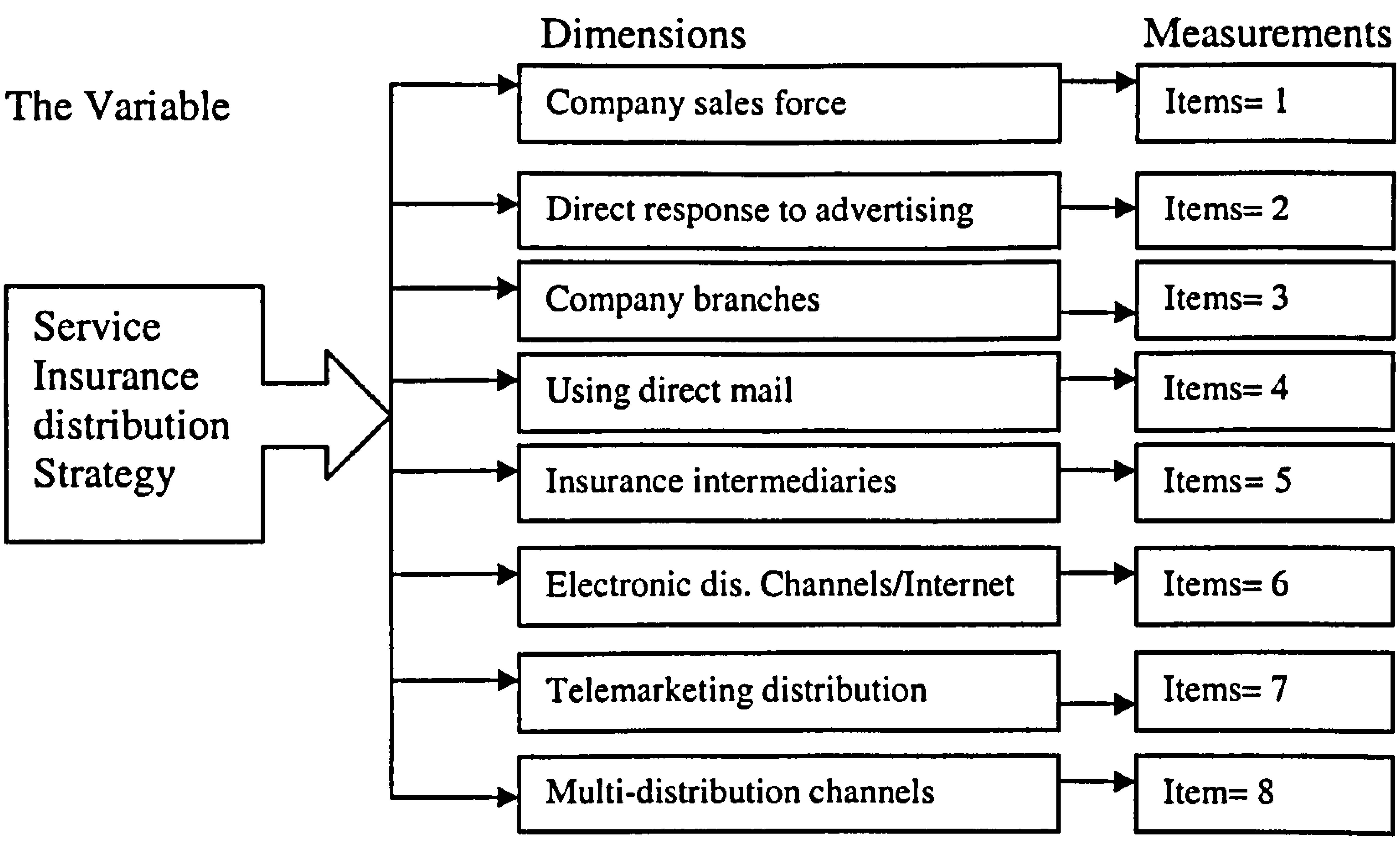


Figure 4.6. Insurance Distribution and Cyberspace Strategy dimensions and measurements

❖ People Strategy

It is argued that there are two main research streams that can be integrated together concerning the people dimension within the services marketing mix framework. The first research stream is customer orientation. The second research stream is practising "internal marketing" in terms of the attention being paid to "internal customers" by management. Figure 4.7 shows the people's strategy dimensions and measurements.

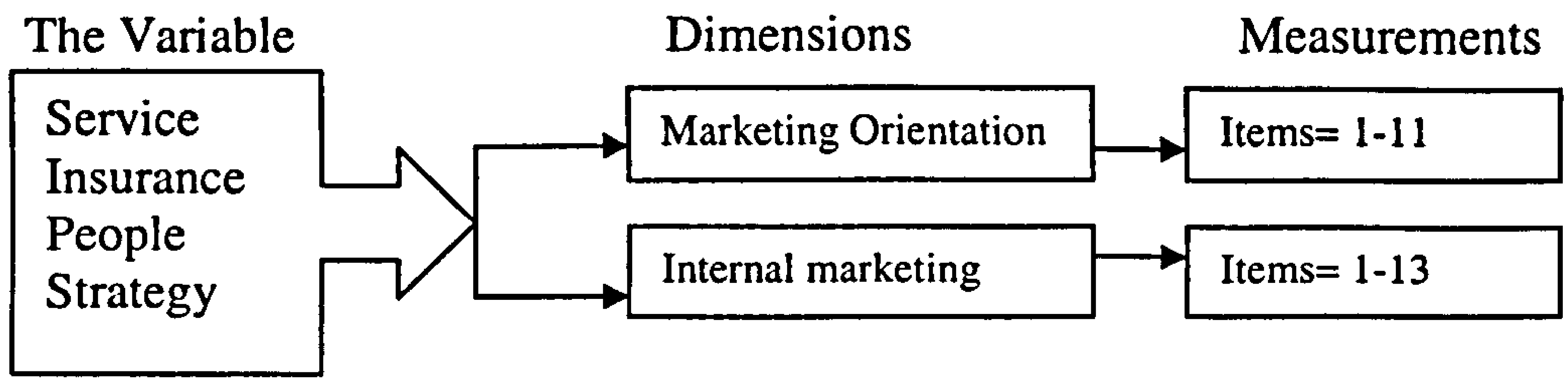


Figure 4.7. People Strategy dimensions and measurements.

Marketing Orientation

The questions on marketing orientation were designed to examine the degree of customer orientation among the insurance companies in Jordan. The aim of including marketing orientation within people strategy was to investigate the extent to which the insurance companies in Jordan are customer oriented in practising insurance business. Examining the marketing orientation literature has revealed that there has been a considerable body of literature in different service and none service industries which operationlised it as customer orientation (Drucker 1968; Barksdale and Darden 1971; McNamara 1972; Parasuraman et al 1983; Zeithaml et al 1985; Doyle 1987; Webster 1988; Kelly 1990; Narver and Slater 1990; Hooley et al 1990; Deshpande` et al 1993; Kotler 1994; Webster 1994a,b; Slater and Narver 1994; Denison and McDonald 1995; Chang and Chen 1998; Doyle 1999; Baker 2000; Kotler 2000). Based upon this rich literature and its operational definitions for customer orientation, an operational definition was derived. Consequently, customer orientation is operationalised by eleven items. The respondents were asked; in practising marketing activities towards satisfying customers needs and wants our company:

1. Regularly collects information about the needs and requirements of our customers.
2. Marketing activities are based on thorough knowledge about customers.
3. Knows our competitors well.
4. Companies' activities and efforts of various departments are co-ordinated to ensure customer satisfaction.
5. Marketing chief executive participate in top management decisions.
6. After-sales service is an important part of our marketing strategy.
7. Is more customer focused than our competitors.
8. Business objectives are driven primarily by customer satisfaction.
9. Measures customer satisfaction systematically and frequently.
10. Has a strong commitment to our customers.
11. Is always looking at ways to create customer value in our services.

Internal Marketing

The questions on internal marketing were designed to examine the extent to which the insurance companies in Jordan practice internal marketing in developing and managing their employees. Recent literature on internal marketing has shown that internal marketing requires more empirical work in services marketing (Fisk et al 1993; Rafiq and Ahmed 1993; Varey 1995; Quester and Kelly 1999; Rafiq and Ahmed 2000).

The internal marketing literature has revealed that there has been a considerable body of theoretical and conceptual work on internal marketing within different contexts. This considerable body of literature highlights a good ground for formulating an operational definition for internal marketing (Sasser and Arbeit 1976; Berry 1980; 1987; Gummesson 1991; Berry et al 1991; Lewis 1989; Gronroos 1990b; Rafiq and Ahmed 1993; Varey 1995; de Chernatony and Dall``Olmo Riley 1999; Barnes et al 1999; Greene et al 1994; Rafiq and Ahmed 2000). Furthermore, in recent years there have been some empirical studies (Foreman and Money 1995; Caruana and Calleya 1998; Sargeant and Asif 1998; Quester and Kelly 1999) which have investigated the internal marketing activities within different contexts. These studies served as another important ground for deriving an operational definition for internal marketing in the context of the financial services marketing mix framework. Based upon the above theoretical framework and empirical work, internal marketing includes; recruitment, training, rewards, education, communication, market research, market segmentation, and personnel development. Consequently, internal marketing was operationalised by thirteen items. The respondents were asked; in developing an effective strategy for the employees our company:

1. Recruits personnel who are customer oriented and motivated to perform their jobs.
2. Carefully chooses the personnel who interact with customers.
3. Uses training and development programmes to improve our employees' capabilities.
4. Uses cash reward system to motivate our employees.
5. Uses non-cash reward system such as prizes, competitions.
6. Rewards employees who provide excellent services.
7. Teaches our employees why they should do things not just how they should do things in our company.
8. Communicates with our employees on an ongoing basis e.g. regular meeting, discussions...etc.
9. Communicates to employees asserting the importance of their service roles.
10. Gathers data about our employees' attitudes, needs and wants regularly.
11. Uses the gathered data to improve their jobs, and to develop our company's strategy.

12. Has the flexibility to accommodate the differing needs of employees e.g. flexible working hours.
13. Views the development of knowledge and skills of employees as an investment rather than a cost.

❖ Service Delivery Process strategy

Examining the service delivery process strategy literature review has revealed there has not been a specific operational definition nor a determination of the activities that should be included in the service process strategy. Therefore, it is argued that there is a need to develop an operational definition for the process strategy and investigate it within a specific service industry. The service delivery process strategy literature has revealed some "themes" which can serve as critical activities in this process. These themes (Levitt 1972; Booms and Bitner 1981; Shostack 1984; Cowell 1984; Berry 1987; Zeithaml et al 1988; Roth and Velde 1989; Gronroos 1990b; Bitner et al 1990; Danaher and Mattsson 1994; Kasper et al 1999; Verma 2000; Zeithaml and Bitner 2000; Lovelock 2001) are:

- Highlighting the importance of providing tangible evidence.
- Paying attention to the service encounter between the customer and the service provider.
- Training, motivating, and skilful people for service delivery specifically those who are in frontline positions.
- Customer focus in the design of the service process.
- Preparing a detailed "flowchart" or a "blueprint" for the service delivery process.
- Using standard procedures for service delivery process to deliver the service to customers.
- Understanding the type of each distribution channel in designing the service delivery process; electronic distribution channels, delivering the service directly to customers, and using intermediary channels.
- The critical role of employees in the service delivery process.
- The use of technology in the service delivery process such as using information technology.
- Understanding the characteristics of the service that is being delivered.
- Attention to the employee customer interactions during the service delivery process.

Based upon these themes an operational definition was formulated for the insurance service delivery process strategy. Figure 4.8 shows the insurance service delivery strategy dimensions and measurements.

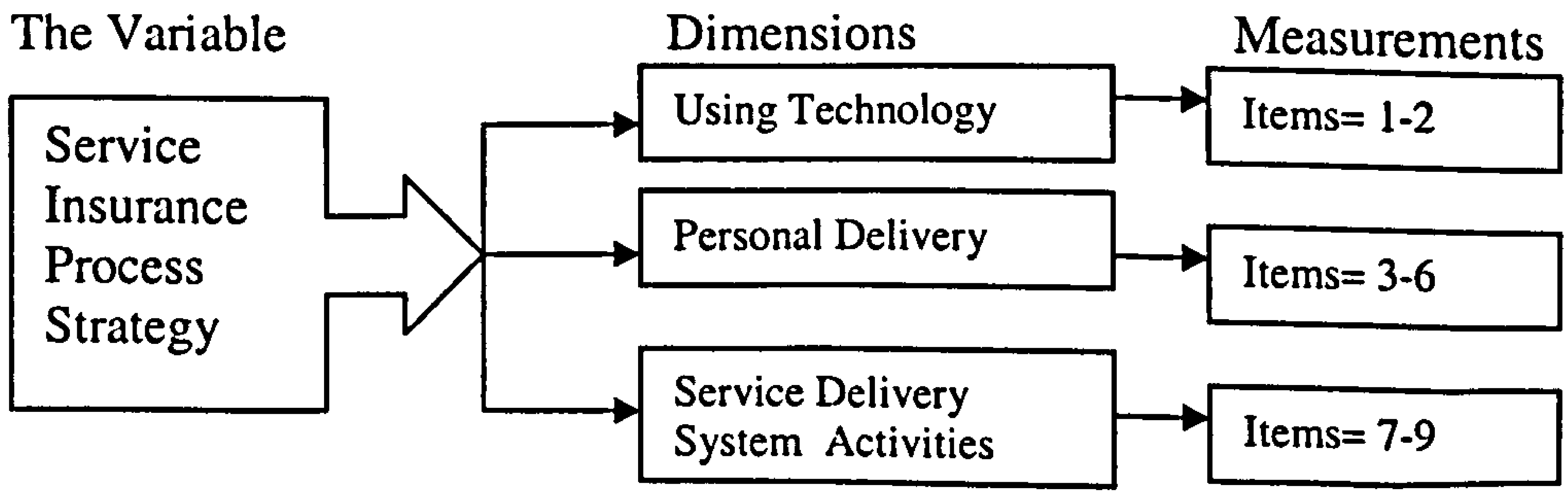


Figure 4.8. Insurance service delivery strategy dimensions and measurements.

The respondents of the insurance companies were asked; when your company develops its service delivery process activities in order to deliver the insurance services to customers your company focuses on:

1. Using technology in delivering our insurance services such as the Internet.
2. Information technology in processing insurance work such as computerising our processes.
3. The personal delivery for our insurance services to customers.
4. Satisfying customers in delivering our insurance services.
5. Having a well-qualified and trained people to interact with customers during the service delivery process.
6. Customer focus in the design of our service delivery process activities.
7. Preparing a "flowchart" or "blueprint" which describes the steps and activities required to deliver our insurance services to customers.
8. The use of standard procedures in our company and its branches in delivering our insurance services to customers.
9. The quality of service delivery process activities for satisfying customers.

❖ Physical Evidence Strategy

The main concern in investigating physical evidence strategy was to examine the extent to which the insurance companies are interested in creating a customer friendly atmosphere in their working environment. A critical examination of physical evidence strategy literature revealed that there was not one operational definition that has been agreed by services marketing scholars. Furthermore, most of the physical evidence literature is conceptual or theoretical. However, examining the literature review has revealed that there are a number of "common themes" which make it possible to develop an operational definition for physical evidence strategy in the context of insurance companies in Jordan. Consequently, the physical evidence literature (Kotler 1973; Shostack 1977a,b; Berry 1980; Booms and Bitner 1981; Zeithaml et al 1985; Bitner 1990; Bitner 1992; Howcroft 1993; Greenland 1994, 1995; Kasper et al 1999; Zeithaml and Bitner 2000; Lovelock 2001; Palmer 2001) has revealed the following themes:

- A thorough and creative design of the services company surroundings facilities.
- Creative layout of buildings and furniture.
- The customer should be the focal point in the service company physical surroundings.
- The physical surroundings should be marketing oriented.
- Creating a good working atmosphere for employees to perform their jobs.
- Good employees appearance.
- Design the services company to facilitate effective service delivery process.
- Physical evidence environment which communicates service quality.

Figure 4.9 shows the insurance physical evidence strategy dimensions and measurements. Consequently, physical evidence was operationalised by seven items. The respondents were asked the following. In order to develop an effective working atmosphere at our company we focus on:

1. Customer satisfaction as our prime objective in designing our working atmosphere.
2. Comfortable physical environment...furnishing, colours...etc.
3. Overall facilities layout, décor, lighting, for creating friendly atmosphere.
4. Using symbols such as rock, blankets, umbrellas that create tangible clues for customers.
5. Designing our facilities and layout in order to communicate service quality.
6. Having customer contact employees dressed in a certain way to achieve image.
7. Design facilities to achieve specific marketing or image objectives.

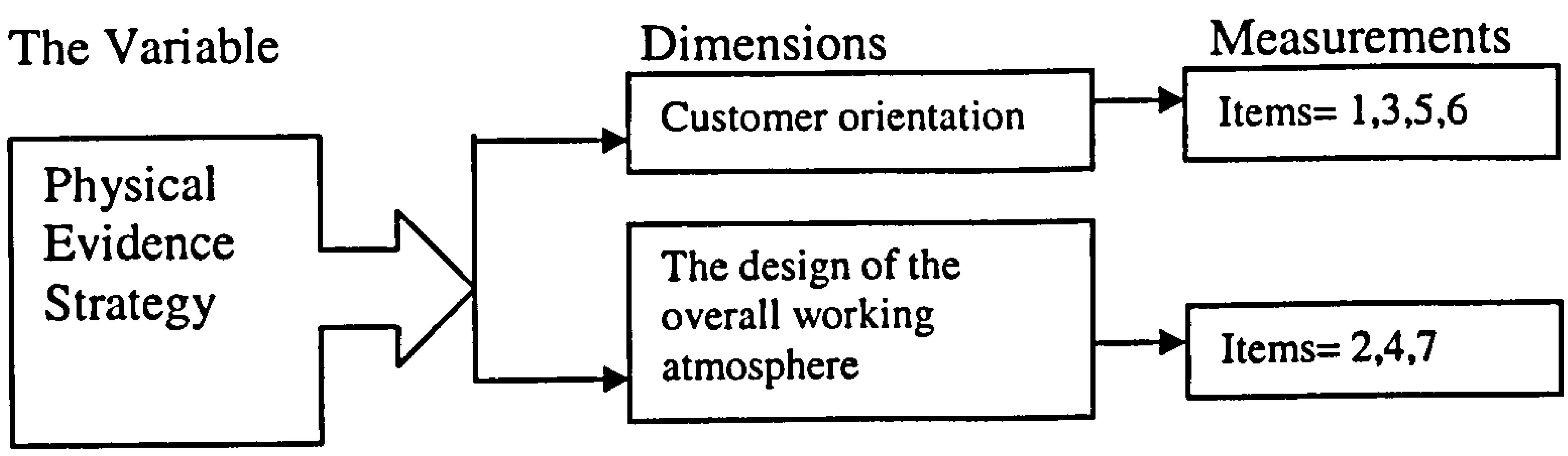


Figure 4.9. Insurance physical evidence strategy dimensions and measurements.

Strategic Issues in Marketing

The rationale for this section is to examine what are the strategic marketing activities that the insurance companies in Jordan recognise as important activities in practising insurance business. In measuring these issues a five point Likert scale was used which starts from "Very Important" given the score of "5" to "Very Unimportant" given the score of "1". These issues are:

- Having a distinguished company brand name.
- Introducing new insurance services.
- Understanding customer needs in developing new insurance services.
- Introducing consistent insurance services quality to our customers.
- Pricing insurance services through introducing discounts.
- Selling two insurance services in one insurance service package for a special price.
- Conducting market research studies in formulating a pricing strategy.
- Encouraging our customers to use word-of-mouth communication to recommend our company to other customers.
- The elements of marketing communication tools are strategically consistent.
- Marketing communications tools focus on sending a unified message.
- Increasing customer's insurance awareness by conducting educational campaigns.
- Understanding the service delivery activities required in each distribution channel we choose to deliver our insurance services properly.
- Researching customers needs and wants in formulating distribution strategy.
- Practising market segmentation in order to assign the appropriate distribution channel to each market segment.

- Asking insurance intermediaries to use our company determined activities in delivering our insurance services to customers.
- The company is willing to produce a customer designed service for clients.
- The customer's interest should always come first.
- Our performance measurements and reward systems encourage our employees to work together as a team.
- Continuously developing our employees' skills and abilities.

8.3.2. Operationalising the Marketing Strategy Implementation Variables

In order to develop an operational definition for each variable included in this part of the research framework a five point Likert scale was used which starts from "Very Important" given the score of "5" to "Very Unimportant" given the score of "1". The respondents were asked to indicate the importance of each question included for the successful implementation of marketing strategy.

1. Marketing Assets and Capabilities

Based on the literature (Bonoma 1984; Moller and Anttila 1987; Day and Wensley 1988; Conant et al 1990; Barney 1991; Bharadwaj et al 1993; Day 1994; Doyle 1995; Hunt and Morgan 1995; Dull 1998; De Chernatony and McDonald 1998; Menon et al 1999; Berry 1999; Vorhies et al 1999; Olavarrieta and Friedmann 1999; Hooley et al 1999; Fahy et al 2000; Hooley et al 2001) marketing assets and capabilities were operationalised through dividing them into three subcategories which are investments in marketing assets, having distinctive marketing assets, and having marketing capabilities.

A. **Investments in Marketing Assets.** The questions were designed to reveal the most important aspects of marketing strategy in which the insurance companies make investments. Marketing assets were operationalised by making investments in:

- Customer service and service quality.
- Developing and introducing new insurance services.
- Building strong brand image or reputation.
- Promotion and customer education.
- Improving distribution channels of insurance services.
- Leveraging people skills, capabilities, and knowledge.
- Building technical abilities e.g., information technology.

B. **Marketing Assets.** Marketing assets were operationalised by having:

- Distinctive company reputation or image.
- Distinctive insurance service quality.

- Distinctive technological abilities, such as computerising the processes.
- Distinctive insurance service delivery process activities.

C. **Marketing Capabilities.** Marketing capabilities were operationalised by having:

- Company capabilities to develop and manage integrated marketing programmes better than competitors.
- Insurance pricing capabilities e.g., pricing below competitors, creativity and flexibility in the pricing approaches.
- Distinctive marketing communications capabilities e.g., distinctive advertising, good word-of-mouth communication.
- Distinctive distribution capabilities e.g., the ability to open new distribution channels, concentration on specific geographic areas.
- Superior skills, abilities, and knowledge of marketing and technical specialists.
- Superior and financial resources and capabilities.
- Capabilities of thorough understanding of the customer wants and needs.
- Distinctive ability of creating, sustaining and enhancing relationships with the firm's customers, insurance intermediaries, financial institutions...etc.

2. Marketing Strategy Resource Commitment

This variable was operationalised by five items (Bonoma 1984; Bonoma and Crittenden 1988; Higgins 1988; Piercy 1989; Piercy and Morgan 1991; Morgan and Piercy 1991; Cespedes and Piercy 1996; Piercy 1998; Menon et al 1999; Berry 1999; Cravens 2000):

- Allocating the right kind of resources for marketing strategy implementation efforts.
- Marketing strategy implemented within a certain deadline.
- Managers were committed to make sure that they met their deadlines.
- Allocating adequate resources for marketing strategy implementation.
- Top management commitment and support to provide all necessary resources for marketing strategy implementation efforts.

3. Marketing Strategy Consensus

The questions of this variable were designed to examine the importance of the consensus of all people on the marketing strategy for its successful implementation. This variable was operationalised by eight items (Piercy 1989; Piercy and Morgan 1991; Morgan and Piercy 1991; Doyle 1995; Meldrum 1996; Piercy 1998; Cravens 1998; Menon et al 1999; Noble and Mokwa 1999; Piercy 1999; Berry 1999; Kotler 2000; Harrington and Akehurst 2000; Cravens 2000):

- Consensus between the marketing strategy members for implementation.
- Agreement and support of all parties and units involved in the marketing strategy implementation.
- All parties in the company are involved in implementing the strategy to make sure that the strategy was implemented successfully.

- Managers commitment to work with the organisation.
- Members of the strategy implementation team feeling as a part of the firm.
- Marketing strategy implementation members spend extra efforts beyond that normally expected in order to help this company be successful.
- Strategy members feelings and shared agreement for the appropriateness of the strategy goals and objectives.
- For strategy implementation, managers and employees are well committed to perform their roles regardless of their beliefs about the overall strategy.

4. Marketing Strategy Cross-Functional Integration

This variable was operationalised by seven items (Drucker 1968; Gummesson 1987; Gronroos 1988; Piercy 1989; Lovelock 1990; Bateson 1990; Gummesson 1991; Morgan and Piercy 1991; Bharadwaj et al 1993; Doyle 1995; Meldrum 1996; Piercy 1998; Cravens 1998; Menon et al 1999; Piercy 1999; Berry 1999; Kotler 2000; Cravens 2000; Lovelock 2001):

- Integrating the marketing unit with the main business for implementation.
- Shared responsibilities between marketing unit and other units for the marketing strategy implementation.
- Organising efforts between the strategy team during its implementation.
- The marketing strategy team has an adequate representation from other units of the company.
- The managers and employees of the marketing strategy implementation have the necessary interaction skills, capabilities, and knowledge.
- Motivation of managers and employees to carry out the marketing strategy.
- Continuous co-ordination between members of the marketing strategy implementation team.

5. Marketing Strategy Communications Activities

Marketing strategy communications was operationalised by five items (Kohli and Jaworski 1990; Narver and Slater 1990; Cravens 1998; Menon et al 1999; Berry 1999; Cravens 2000):

- The key players involved had continuous interaction during implementation of the strategy.
- The strategy objectives and goals were communicated clearly to involved and concerned parties.
- Teams members openly communicated while implementing the strategy.
- There were extensive formal and informal communications between teams and units during the marketing strategy implementation.
- Continuous feedback information and evaluation of the performance of the marketing strategy activities.

6. Company Marketing Experience

Company marketing experience was operationalised by six items (Bonoma 1984; Bonoma and Crittenden 1988; Greenly and Oktemgil 1996; Meldrum 1996; Gilmore and Carson 1996; Cespedes and Piercy 1996; Sashittal and Wileman 1996; Meldrum 1996; Chang 1997; Noble and Mokwa 1999; Menon et al 1999; Cravens 2000):

- Company experience in co-ordinating marketing strategy activities.
- Marketing manager has the necessary experience and knowledge to facilitate the marketing strategy implementation.
- Company has marketing experience in developing and managing the marketing function areas e.g., quality, pricing, promotion, people... etc.
- The marketing department has experience for allocating marketing resources in terms of time, people, efforts, and money.
- Company has experience practising marketing as a business philosophy.
- The company's top management have marketing background and knowledge to facilitate marketing strategy implementation.

4.3.3. Operationalising Performance Measurement

The literature review has revealed that business performance measurement is a complex, multidimensional, and controversial phenomenon (Dess and Robinson 1984; Venkatraman and Ramanujam 1986; Venkatraman 1990; Kaplan and Norton 1992; Deshpande` et al 1993; Doyle 1995; Hooley et al 1999; Clark 1999; Fahy et al 2000). Moreover, deriving an operational definition for business performance measurement is very problematic and complicated because of the existence of multiple organisational measures that have been presented by business strategy researchers (Ambler and Kokkinaki 1997, 1999; Clark 1999; Ambler and Riley 2000).

However, the most common shared theme which marketing strategy researchers agreed on for business performance measurement is that the traditional financial performance measurements ***are inadequate*** for measuring business performance. This explicitly suggests that business performance measurement should go beyond those of financial measures towards using non-financial measures e.g., customer satisfaction, customer loyalty (Meidan 1982; Hooley 1984; Venkatraman and Ramanujam 1986; Walker and Ruekert 1987; Day and Wensley 1988; Venkatraman 1990; Kaplan and Norton 1992; Deshpande` et al 1993; Doyle 1994, 1995; Ambler and Kokkinaki 1997; Doyle and Wong 1998; Appiah-Adu 1998, 1999; Varadarajan and Jayachandran

1999; Menon et al 1999; Vorhies et al 1999; Clark 1999; Conant and White 1999; Ambler and Kokkinaki 1999; Hooley et al 1999; Fahy et al 2000; Appiah-Adu et al 2001).

In operationalising the business performance construct (financial and non-financial), multiple items were used rather than using single items in order to capture the richness of this construct. More importantly, measuring constructs with single items has been criticised in the marketing literature because single items cannot capture the richness of a concept (Churchill 1974; 1979; 2001;Oppenhiem 1992).

Furthermore, there has been no agreed set of specific criteria for measuring business performance, which in turn implies that a researcher can use a specific set of criteria for measuring business performance according to the research objectives, questions, and the marketing context in which the research is being conducted (Venkatraman and Ramanujam 1986; Doyle 1994; Ambler and Kokkinaki 1997). This suggests that there is a need to present a short scheme but a comprehensive set of business performance measurement criteria (Clark 1999), which enable the management to conduct a thorough measurement for its business. Clark (1999) and Ambler and Riley (2000), independently, recommend researchers to use standard business performance measures rather than inventing new measures for each study. This is related to another problem that has been mentioned by some marketing researchers. The problem is that in measuring business performance, researchers used to pick up a specific set of performance criteria based on researchers perspectives` rather than the managers or practitioners perspectives` for the research being conducted (Ambler and Kokkinaki 1997, 1999; Ambler and Riley 2000).

Consequently, in order to overcome these problems in operationalising business performance this research has conducted in-depth interviews among insurance companies in the Jordanian market. During those interviews the managers described the most common performance measurement criteria which they use for measuring their performance. Most of these performance criteria are consistent with the literature but it was necessary to conduct this phase because the research was conducted in the Jordanian business environment.

In order to develop an operational definition for performance measurement a five point Likert scale was used which starts from "Strongly Agree" given the score of "5" to "Strongly Disagree" given the score of "1". This part of the questionnaire investigated the extent to which insurance companies in Jordan are using the given performance criteria when they evaluate or measure the impact of marketing strategy activities on the companies' performance. In the same vein, the same criteria were used in order to examine the importance of each criterion for all insurance companies in Jordan for measuring their performance. This was achieved by using a five point Likert scale which starts from "Very Important" given the score of "5" to "Very Unimportant" given the score of "1".

Consequently, the business performance variable was operationalised by two groups, namely; financial and non-financial (marketplace and customer) criteria. The respondents were asked to indicate "how important you believe the following items are in measuring company performance". The items used in the questionnaire were:

Financial Performance Measurement Criteria

- Return on investment; it is the outcome of business programmes in relation to the resources employed in implementing them.
- Total insurance sales volume; it is the total sales within a certain period of time.
- Company overall profitability.
- Company cash flow; it is the organisation in-cash flow and out-cash flow.

Non-financial Performance Criteria that are:

A. Marketplace Criteria

- Company market share compared with competitors.
- Company overall profitability growth.
- Insurance sales volume growth rate relative to competitors.

B. Customer Based Criteria

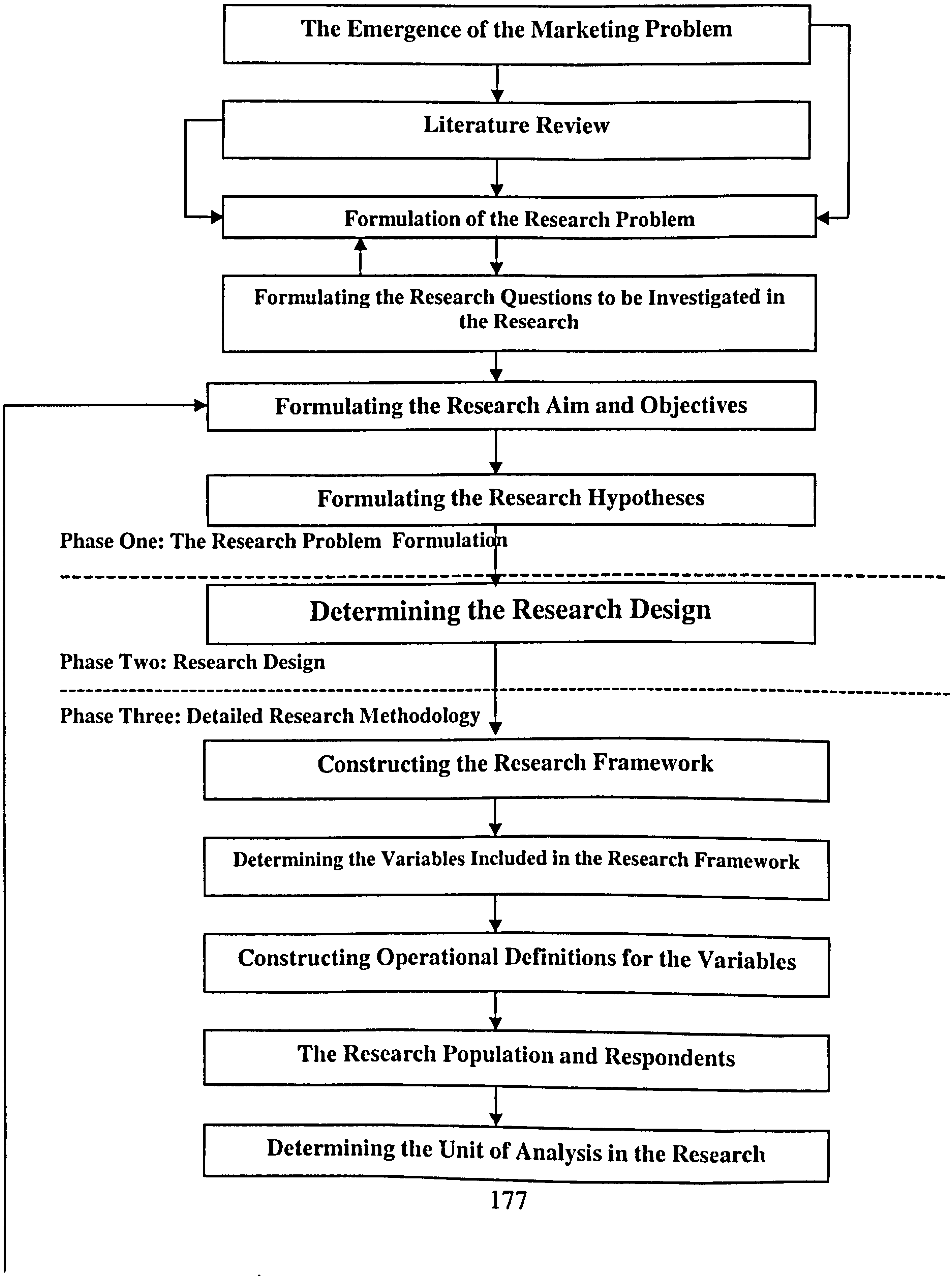
- Customer satisfaction.
- Customer Loyalty.
- Attracting new customers with a certain period of time.
- Evaluating the company image or reputation in the market place.
- Evaluating the company competitive position or ranking in the marketplace.

Chapter Five

Research Methodology

5.1. Introduction

This chapter discusses the detailed research design and methodology that has been followed in order to examine the research hypotheses and fulfil its objectives. The research methodology is shown in figure 5.1. A more detailed research methodology diagram is presented in appendix B.



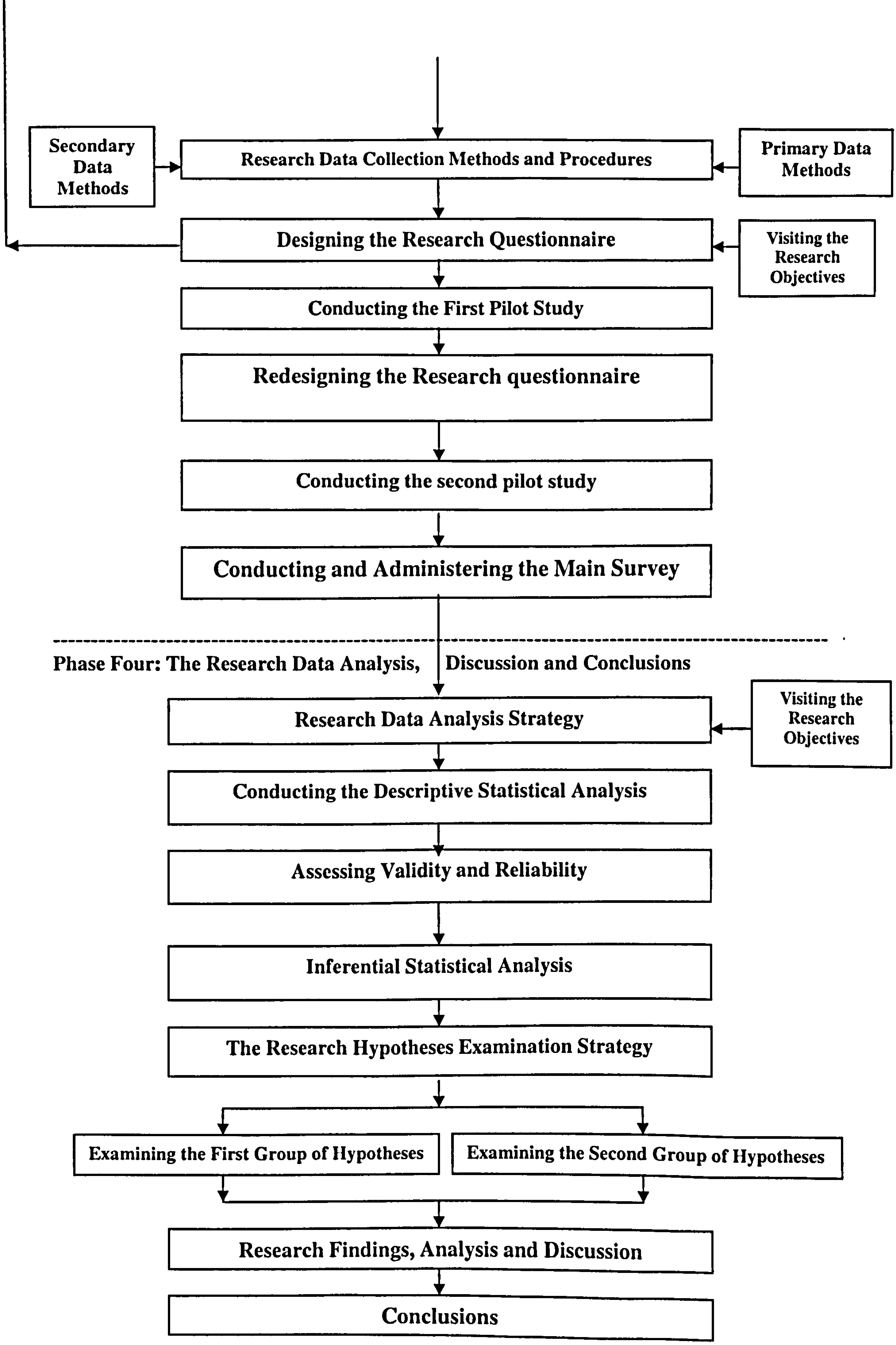


Figure 5.1. Research Methodology Diagram

The methodology chapter is divided into seven sections. Section 5.2 presents research objectives. Section 5.3 discusses the research design. Section 5.4 discusses type of the research. Section 5.5 provides a detailed explanation of the methodology which includes ten subsections providing a detailed discussion for each subsection. Section 5.6 discusses the research data analysis strategy and procedures in detail. Section 5.7 provides the research limitations.

5.2. Research Objectives

The research objectives are:

1. To establish and define the components of marketing strategy of the insurance companies in Jordan.
2. To establish the performance measures appropriate to the Insurance Sector in Jordan.
3. To determine the effects of the marketing strategy components on the performance of the insurance companies in Jordan.
4. To determine the effects of the marketing strategy components on the performance by different moderating variables in the insurance companies in Jordan.

5.3. The Research Design

Before explaining the detailed research methodology it is of crucial importance to reveal the philosophical foundation of the research design (Creswell 2003). Oppenheim (1992) differentiates between research design and research techniques. Research design is concerned with the basic plan or strategy of the research, and the logic behind it, which will make it possible and valid to draw more general conclusions from it. Research design is concerned with making the research problem researchable by setting up the research in a way that will produce specific answers to specific research questions. Research techniques are the methods used for data generation and collection (Oppenhiem 1992). Developing an effective research design or strategy is one of the fundamental parts of any research project (Chisnall 2001; Creswell 2003). Hussey and Hussey (1997), Easterby-Smith et al (2002) and Creswell (2003) argue that a researcher must determine the research design at an early stage of the research project because research design is a strategic choice and has a central role to play on critical activities which have significant effects on the whole research. The research design determines (a) research methodology, (b) the primary data collection methods, (c) data analysis and (d) interpretation methods which all affect the way of achieving the research aim and objectives (Hussey and Hussey 1997; Easterby-Smith et al 2002; Creswell 2003).

Research design is concerned with organising research activity, including the collection of data, in ways that are most likely to achieve the research aims. In conducting research, it is of crucial importance for the researcher to be aware of the philosophical and political issues that lie in the background. The decision to study a topic in a particular way always involves some kind of philosophical choice about what is important (Hussey and Hussey 1997; Easterby-Smith et al 2002). In using research methods in methodology, Easterby-Smith et al (2002) argue that the researcher must be prepared to continuously use judgement. Furthermore, Oppenheim (1992) argues that choosing the best design or best method is a matter of appropriateness. No single approach is always or necessarily superior; it all depends on what is needed to be found and on the type of question which the research seeks to achieve an answer. This has been supported by Malhotra and Birks (2000) who argue that there is never a single, perfect research design that is the best for all marketing research projects, or even for a specific type of marketing research task.

Understanding the philosophical issues of research design is of central importance for three important reasons (Easterby-Smith et al 2002). First, knowledge of research design philosophy can enable the researcher to clarify research designs which provide important insights into what kind of evidence is required and how it is to be gathered, as well as providing answers to the basic questions being investigated in the research. Second, knowledge of research design philosophy can help the researcher to recognise which research designs will work and which will not. Third, knowledge of research design philosophy can help the researcher to identify, and even create, research designs which may be outside the researcher's past experience.

In general, there are two philosophical paradigms of research design which are positivism and phenomenological (Easterby-Smith et al 2002; Creswell 2003). Debate on using positivism or phenomenological is on going between philosophers (Easterby-

Smith et al 2002). These two research philosophies have important assumptions and methodological implications regarding to how they interpret the social world and how the social science should be conducted (Creswell 2003). However, it is not possible to identify any philosopher who ascribes or belongs to all aspects of one particular philosophy. What is important is that there has been a trend away from the positivism philosophy towards the phenomenological philosophy since early 1980s. Researchers in the management field adopt a pragmatic view by deliberately combining methods drawn from both philosophies (Easterby-Smith et al 2002).

The positivistic (quantitative) paradigm is called the traditional, the experimental, or the empiricist paradigm (Creswell 2003). The fundamental idea of the positivism philosophy is that the social world exists externally, and that its properties should be measured by using objective methods rather than being inferred subjectively by using observation, reflection or intuition. In investigating a phenomenon, the positivism philosophy takes an ontological assumption which sees "reality" as external and objective while studying a social phenomenon (Easterby-Smith et al 2002). This paradigm relies on the belief that studying human behaviour should be conducted in the same way as studies conducted in the natural sciences (Hussey and Hussey 1997). The positivism philosophy assumes a number of assumptions while investigating a phenomenon, such as, the independence of the observer, causality, forming and testing hypotheses, operationalising the variables to be measured quantitatively, breaking down the research problem into simple parts, generalisation, and cross-sectional analysis (Easterby-Smith et al 2002). Hussey and Hussey (1997) argue that the dominant paradigm in business research is the positivistic (quantitative) paradigm.

On the other hand, the phenomenological (qualitative) paradigm has emerged during the last four decades as a response to criticisms, which were directed at the positivists or quantitative paradigm by philosophers who strongly advocated the qualitative paradigm. The phenomenological (qualitative) paradigm is called the naturalist or interpretative approach, or the postpositivist or postmodern perspective or constructivist approach (Creswell 2003). The phenomenological philosophy, in investigating social sciences, views the "reality" as not objective and exterior, but it is socially constructed and given meaning by people. The fundamental idea of the phenomenological philosophy lies in the fact that it focuses on the ways that people make sense and view the world especially sharing their experiences. It belongs to the interpretative methods. Therefore, this view sees the reality, as it is determined by people rather than by objective and external factors. Consequently, it is not gathering facts and measuring how certain patterns occur, but it is appreciating the different constructions and meanings that people place upon their experience. People's feelings, thinking, and interpretations of the phenomenon being investigated are fundamental issues in the phenomenological paradigm. This involves thoroughly explaining why and how people see different experiences rather than searching for external causes and fundamental laws to explain their behaviour (Easterby-Smith et al 2002).

One of the most fundamental issues in understanding the philosophical issues of the research design paradigms is that adopting and choosing a certain research paradigm leads the researcher to adopt a specific research design and research methodology for the research being investigated. The research methods associated with each paradigm are also different. Consequently, adopting the quantitative (positivists) paradigm leads the researcher to employ the methodologies of experimental studies, longitudinal studies, cross-sectional studies and surveys on one hand. On the other hand, adopting the qualitative (phenomenological) paradigm leads the researcher to employ the methodologies of action research, case studies, grounded theory approaches (Hussey and Hussey 1997; Creswell 2003). Moreover, one of the major differences between the two paradigms is that the aim of the positivists or quantitative paradigm is to generalise from a sample to a population. The aim of the phenomenological or qualitative paradigm is to generate theory or discover or explore new ideas (Creswell 2003). Table 5.1 shows the positivism and constructionism (phenomenological) philosophies in research design and the implications of each philosophy.

It can be seen from table 5.1 that each paradigm philosophy has its assumptions for research design and methodology. These assumptions seem to be contrasted with each other. However, in reality there are very few pure quantitative or qualitative research projects which adopt one single paradigm and use its implications. Most research projects use a combination of both paradigms (Easterby-Smith et al 2002; Creswell 2003). The rationale for this combination is that each philosophy has strengths and weaknesses; therefore, using a combination would maximise their strengths and minimise their weaknesses. Understanding the strengths and weaknesses gives the researcher helpful insights to choose which methods and aspects are most likely to be helpful in a given research situation. Examples of the strengths of the positivism philosophy and quantitative methods are that they have a wider range of situations, are faster and more economically than their qualitative counterparts. Weaknesses of the positivism philosophy and quantitative methods include their being inflexible and artificial in understanding processes or the significance that people attach to actions, and they are not helpful in generating theories.

	Positivism	Social Constructionism
• The observer	• Must be independent	• Is part of what is being observed
• Human interests	• Should be irrelevant	• Are the main drivers of science
• Explanations	• Must demonstrate causality	• Aim to increase general understating of the situation
• Research progresses through	• Hypotheses and deductions	• Gathering rich data from what ideas are induced
• Concepts	• Need to be operationalised so that they can be measured	• Should incorporate stakeholder perspectives
• Units of analysis	• Should be reduced to simplest terms	• May include the complexity of 'whole' situations
• Generalisation through	• Statistical probability	• Theoretical abstraction
• Sampling requires	• Large numbers selected randomly	• Small numbers of cases chosen for specific reasons

Table 5.1. Contrasting implications of positivism and social constructionism. Source: Easterby-Smith et al (2002), p. 30.

Meanwhile, examples of the strengths of the phenomenological philosophy and qualitative methods are that they have the ability to understand people's interpretations, generate new theories, and provide more depth to the research being investigated compared with their quantitative counterparts. On the weaknesses side, they are more time consuming, costly, and the analysis and interpretation of data may be difficult (Hussey and Hussey 1997; Easterby-Smith et al 2002). Therefore, it is beneficial for the researcher to be "pragmatic" in mixing research approaches and methods in a single study of social phenomena. "Pragmatists" do attempt to integrate methods of quantitative and qualitative paradigms in investigating a single study (Creswell 2003).

The combination of the two paradigms has been described as "triangulation" between paradigms, methodologies and methods of data collection in the study of the same phenomenon. The triangulation concept is built on the assumption that it would reduce any bias inherent in particular data collection sources and methods while they are used in conjunction with other data collection sources and methods (Creswell 2003). Triangulation must be used as an integral part of a good research design, not used to rectify a poor research design (Hussey and Hussey 1997). Using triangulation in one study has a number of advantages such as it provides a kind of convergence of results, complementary between facts, and mixing methods adds scope and breath to a study (Creswell 2003). Consequently, this research has drawn its design and primary data collection methods based on triangulating methods of primary data collection in which this research has predominantly employed the quantitative paradigm by conducting a survey (using a self-completion comprehensive questionnaire) on all the insurance companies in Jordan, and less dominantly employed the qualitative paradigm by conducting a number of in-depth interviews as a second primary data collection method.

In using a combination of quantitative and qualitative approaches the model of the combination design must be determined. Creswell (1994) has conceptualised three models or approaches on combined research designs. First, the two-phase design approach, according to this approach the researcher conducts a qualitative phase of the study and a separate quantitative phase of the study. Second, the dominant-less dominant design approach. The study is presented within a single, dominant paradigm with one small component of the overall study drawn from the alternative paradigm. Third, the mixed-methodology design approach. It represents the highest degree of mixing paradigms of the three designs. Using this approach the researcher mixes aspects of the qualitative and quantitative paradigms at all or many methodological steps in the design (for more details about these approaches see Creswell 1994).

Examining these three combined research design approaches has revealed that this research represents a dominant quantitative approach with a less-dominant qualitative designs and data collection procedures. Consequently, for the design of this research, it was decided to employ both quantitative and qualitative paradigms which would utilise the best advantages of each paradigm and neutralise the disadvantages of each one (Creswell 2003).

5.4. Type of the Research

The type of research is a cross-sectional research survey in which all the insurance companies that are operating in the Jordanian market are included. It is a single cross-sectional design in which the collection of information from the research population and respondents (managers) was carried out only once (Oppenheim 1992; Hussey and Hussey 1997; Sekaran 2000; Malhotra and Birks 2000; Churchill 2001). Its aim was to investigate marketing strategy formulation components (the services marketing mix framework and service quality), marketing strategy implementation, and the performance of insurance companies in Jordan.

The rationale for using the survey approach in this research was fourfold (Hussey and Hussey 1997; Malhotra and Birks 2000; Sekaran 2000; Aaker et al 2001; Creswell 2003):

- It has been extensively used in the field of marketing strategy research.
- It is consistent with the research design or paradigm philosophy and with its aim, objectives and questions.
- It is by far the most common approach to primary data collection.
- It is the overwhelming choice for collecting primary data in marketing research.

5.5. Research Methodology

Once the research design has been chosen the choice of the research methodology is largely determined. Furthermore, the type of methodology that is chosen by the research should reflect the assumptions of the research paradigm (Hussey and Hussey 1997). In business research methodology, there is no wrong or right methodology which can be employed to conduct a research project. There are factors that affect the choice of a research methodology, which lead to the adoption of a specific research methodology according to the research aim and objectives e.g., the research objectives and paradigm. Although there is no right or wrong methodology there are methodologies which are more or less useful which can be employed in the research project to achieve its aim and objectives (Oppenheim 1992; Silverman 2001; Easterby-Smith et al 2002; Creswell 2003).

5.5.1. The Research Population

The Research Population

Any research population must be accurately specified in order to collect the required data for the research problem. Research population is "the entire group of people, events, or things of interest that the researcher wishes to investigate" (Sekaran 2000, P. 266).

The population of this research is defined as all the insurance companies in Jordan that are operating in the Jordanian market and are registered at Amman Stock Exchange Market as public shareholding companies. Therefore, insurance intermediaries, agencies and brokers companies are not included in the research population. When the research project was started there were 27 insurance companies that were operating in the Jordanian market. The final number of insurance companies, which were included in this research as "research population", was 26 insurance companies because one insurance company went out of the market due to bankruptcy.

The Research Respondents

The respondents to this research were specified as all the marketing managers and non marketing managers who are involved in developing and implementing marketing strategies in all the insurance companies in Jordan. The rationale for choosing these respondents is that they have the necessary knowledge to provide answers and are able and in the best position to complete the questionnaires.

The nature of marketing strategy discussed in both services and financial services literatures (chapters two and three) requires making a move beyond the boundaries of the marketing department or the marketing manager to formulate and implement marketing strategies. Consequently, this argument has explicitly justified using multiple respondents from a particular company. Using multiple respondents from one particular company has been supported by a number of researchers in the field of marketing strategy research (Kohli et al 1993; Deshpande` et al 1993; Slater and Narver 1994; Jaworski and Kohli 1993; Morgan and Piercy 1996; Doyle and Wong 1998; Noble and Mokwa 1999). Moreover, using multiple respondents, knowledgeable members of the top management would reduce bias of individual respondents (Slater and Narver 1994). It was decided at an early stage of the research survey that the questionnaires would be delivered in such a way that would allow the research to involve multiple respondents from a particular company in the research survey.

The procedure used for choosing the research respondents was by contacting a key member of each insurance company from its top management to recommend other managers in the company who are involved in the marketing activities of the company. Contacting research respondents has been acknowledged by a number of researchers (de Brentani 1989; Kohli et al 1993; Martin Jr and Horne 1993; Cooper et al 1994; Doyle and Wong 1998; Menon et al 1999; Conant and White 1999; Noble and Mokwa 1999).

It was decided to target all the marketing managers in all insurance companies in Jordan, as well as one of the top management who are involved in running the marketing activities of the insurance company. The rationale for including one of the top management members in the research respondents was to investigate the strategic orientation of marketing activities (Doyle 1987; Varadarjan and Clark 1994) rather than just focus on the functional aspects of marketing. Furthermore, choosing respondents on a senior management level was determined based on the criterion that they have general management responsibility for both marketing strategy formulation and implementation and markets.

Contacts with all the insurance companies revealed that only seven insurance companies, 26.9%, had established marketing departments and appointed marketing managers on their formal organisational structures. Consequently, it was thought that the best way of obtaining a comprehensive list of respondents (managers) was to investigate the organisational structure of each insurance company in order to target the most suitable managers or respondents. As a result of this examination, a list of 63 marketing and non-marketing managers was prepared which included their companies' names, addresses, names, titles, and telephone numbers. These managers were able and knowledgeable enough to take part in the survey.

In principle, all of them agreed to participate in the research survey. Finally, 55 questionnaires were returned from which 52 questionnaires were useable for conducting the research data analysis. The response rate was 87%, which was high because of the approach used for administering the research questionnaire. 24 insurance companies participated in the research survey out of 26 yielding a 92% participation ratio.

5.5.2. The Research Methods of Data Collection

In general, there are two methods of data collection that can be used by any marketing research. These methods are secondary data and primary data collection methods.

Secondary Data Collection Methods

Secondary data collection methods are all sources that are available to a researcher in order to obtain the necessary information for a marketing research problem. The secondary data collection methods, which are used in this research, are:

- The library sources; recent and previous related journal articles, books, archives.
- Using all the available electronic sources over the Webs and Internet.
- Conference papers and any related material in other libraries.
- The Jordan Insurance Federation annual reports and the Research and Development Unit Newsletters.
- The annual reports of the Insurance Regularity Commission Committee in Jordan.
- The annual reports of the Ministry of Industry and Commerce in Jordan.
- The General Statistics Department in Jordan, using unpublished data.
- The Central Bank of Jordan annual reports.

Primary Data Collection Methods

There are no methods that are suitable for all situations or specific types of research but judgement is utilised to employ methods which will best achieve the research objectives (Silverman 2001; Aaker et al 2001). The primary data collection methods must be understood in both paradigms; quantitative and qualitative. The rationale is that each primary data collection method, in both paradigms, has advantages or strengths and disadvantages or weaknesses. However, it is valuable for the researcher to employ multiple methods for primary data collection and/or triangulate between methods, which would give the research more scientific rigour (Hussey and Hussey 1997; Sekaran 2000; Malhotra and Birks 2000; Creswell 2003).

Qualitative methods of data collection include methods of in-depth interviews, focus groups, observation and projective techniques. Quantitative methods include methods of questionnaires, telephone surveys and structured interviews. Each one of these methods may include multimethods, which can be used alongside other methods e.g., in-depth interviews which may include structured and unstructured interviews can be used alongside questionnaires. The research should be pragmatic while using these methods (Oppenheim 1992; Hussey and Hussey 1997; Sekaran 2000; Malhotra and Birks 2000; Aaker et al 2001; Churchill 2001; Chisnall 2001; Creswell 2003).

Consequently, it was decided to use a self-completion questionnaire as the main primary data collection method and in-depth interviews as a supplementary primary data collection method. The questionnaire used in the research survey was highly structured where most of its questions were fixed-response alternative questions that required the respondents to select from responses which are located by using five point Likert scales.

The qualitative data collection methods are used to supplement the survey method (Aaker et al 2001). The type of interviews used in the research were structured in-depth interviews in which a set of predetermined questions about specific variables was posed to the respondents. The interviews are used to obtain more in-depth information about specific variables of interest. All the questions used were open-ended or unstructured questions. Consequently, it was thought that these methods would be the best for the research primary data collection, and would maximise their advantages and minimise their disadvantages to give the research more scientific rigour.

The questionnaire method was used in this research for the following reasons:

- It has been extensively used in the previous research of marketing strategy.
- It is the most common and popular method of primary data collection used in marketing research surveys (Sekaran 2000).
- It is the most effective and efficient method to collect primary data from the research respondents (managers) who are very busy most of the time and cannot share much time to provide primary data by other methods.
- Its cost is effective and can be managed successfully.
- It is not very time consuming to administer for either the researcher or respondent. This is relevant especially if the respondents are very busy (managers).

Disadvantages of the questionnaire method:

- The researcher has no control while the respondent is answering the questionnaire.
- Using open questions is very limited and is rarely useful.
- In some survey methods (mail surveys) the response rate tends to be low.

In-depth interviews were used in this research for the following reasons:

- The in-depth interviews provide great in-depth insights and, rich data was obtained for the marketing research (Oppenheim 1992; Hussey and Hussey 1997; Sekaran 2000; Malhotra and Birks 2000; Aaker et al 2001; Churchill 2001; Chisnall 2001).
- They generate a free exchange of information between the researcher and the interviewee.
- They are relatively easy to arrange and manage.
- They have the highest degree of flexibility among the qualitative methods.
- The in-depth interviews approach was able to reach the specified managers effectively and efficiently better than the survey approach.

Disadvantages of in-depth interviews:

- They are time consuming.
- They are costly when a wide geographic region is covered.
- The respondents may be concerned about confidentiality.
- The interviewers need to be trained.
- The obtained data may be difficult to analyse and interpret.
- The respondents can terminate the interview at any time.

5.5.3. Developing and Designing the Research Questionnaire

Developing and Designing the Research Questionnaire

In the marketing strategy literature there was not a comprehensive questionnaire that covers the whole spectrum of activities of both marketing strategy formulation and implementation (Udell 1964; McNamara 1972; Buzzell and Wiersmea 1981; Zeithaml et al 1985; Akaah and Riordan 1988; Sa`dun 1989; Ghanam 1995; Pheng and Ming 1997; Doyle and Wong 1998; Appiah-Adu 1998; Shoham and Kropp 1998; Appiah-Adu 1999). Consequently, it was necessary to develop a comprehensive questionnaire to fulfil the research objectives.

Sources of the Questionnaire Questions

The main sources of formulating the questions that are used for constructing the research questionnaire are the examination of conceptualisations and previous empirical studies literature of marketing strategy formulation, marketing strategy implementation, and companies' performance measurement that have been conducted in different business contexts.

The most critical point in developing and designing a questionnaire is visiting and revisiting the research objectives where a good research questionnaire is one that accomplishes its objectives (Sekaran 2000; Churchill 2001; Aaker et al 2001). Consequently, an operational definition (chapter four) for each variable was constructed as precisely as possible, which enabled the researcher to develop the questionnaire. The reliability and validity of the constructs is discussed in the next sections.

The suitability of the questionnaire was supported by some of the respondents who checked it. They made some important comments on the research questionnaire expressing their opinions on its design. For example, in their own words:

One of the top academic professors in Jordan in business research methodology and statistics at the University of Jordan, who checked out the design and translation of the questionnaire, commented:

"This is an excellent questionnaire in terms of contents and translation".

The Research and Development Manager of the biggest insurance company in Jordan said:

"I found the overall design of the research papers clear, and straight to the point. The most noticeable fact about the design was the clarity of the different sections, where every related items are grouped together to ease the flow of information while answering the questionnaire. The contents of the different sections where all related to each other, and served the purpose of answering the most detailed questions related to the field. All in all, I think the research documents will serve the purpose. Merging some of the questions together to make a shorter list might be wise idea to save some time and effort for the reader".

The manager of the Life and Personal Accidents unit in a small insurance company commented:

"This is one of the richest and most specific survey I have ever come across. Best wishes to you hoping to have meaningful and scientific results".

The Marketing Manager of one of the big size insurance companies in Jordan commented:

"Mamoun...what a great job you have done. I wish you the best for more success".

The Assistant General Manager and Manager of life insurance branch of an insurance company in Jordan commented:

"This is one of the most comprehensive questionnaires I have seen & I would like to express my appreciation to the effort invested in it".

The Deputy General Manager of the biggest Insurance Company in Jordan stated:

The research questionnaire is a very "comprehensive" and "detailed" questionnaire that covers every aspect of marketing strategy".

The Questionnaire Development and Design

Aaker et al (2001) provide a guideline for the process of questionnaire design. This process is shown in figure 5.2.

❑ Phase One: Planning What to Measure

Identifying the information needed is the first and most critical step in designing a questionnaire (Malhotra and Birks 2000; Aaker et al 2001; Churchill 2001). Planning what to measure in the research questionnaire is the most critical point in its design.

Therefore, before designing this research questionnaire four main steps were taken. First, four clear objectives were set in order to achieve them. Second, conducting in-depth interviews, at an early stage of the research, which suggested adding or removing variables. Third, examining the extant amount of both marketing strategy formulation and implementation literatures. Fourth, undertaking a pre-testing of the preliminary versions of the questionnaire.

- **Phase Two: Formatting the Questions: Types of Questions Used**

In general, there are two types of questions that can be used in designing a questionnaire. These are open-ended questions or unstructured and closed-ended or structured questions. Further details for each type of questions can be found in well-known business and marketing research sources (e.g., Oppenheim 1992; Hussey and Hussey 1997; Malhotra and Birks 2000; Sekaran 2000; Aaker et al 2001; Chisnall 2001). However, each type of questions has advantages and disadvantages. The best way of coping with these types is that it is necessary to understand the advantages and disadvantages of each one of them and try to minimise the disadvantages and maximise the advantages. Some of the advantages of the open questions are; freedom and spontaneity of the answers and opportunity to probe respondents. Some of the disadvantages are that open questions are; very time-consuming and demand more efforts from respondents. Some of the advantages of closed questions are; they require little time and low costs. Some of the disadvantages of closed questions are; less of spontaneous responses; bias in answering categories; sometimes to crude; may irritate respondents (Oppenheim 1992).

Examining the advantages and disadvantages of both question types has revealed that it is preferable to use both of them to maximise their advantages and minimise their disadvantages. Researchers (Sekaran 2000; Malhotra and Birks 2000) have recommended the use of closed-ended or structured questions whenever possible especially with self-completion questionnaires. The reasons are:

- Closed questions have a number of well-known advantages.
- The respondents were all managers and were very busy, therefore, using many open-ended questions in the questionnaire would minimise the response rate of the survey.
- A number of in-depth interviews were carried out at an early stage of the research and a number of in-depth interviews were conducted after the survey. These interviews would have captured any ideas which were not captured in the questionnaire.

- This research questionnaire was designed to be comprehensive enough by which its topics are captured.

The Development and Design of the Research Questionnaire

PLANNING WHAT TO MEASURE

Revisit the research objectives

↓

Decide on the research issue of your questionnaire

↓

Get additional information on the research issue from secondary data sources and exploratory research

↓

Decide on what is to be asked under the research issue

↓

FORMATTING THE QUESTIONNARE

In each issue, determine the content of each question

↓

Decide on the format of each question

↓

QUESTION WORDING

Determine how the question is to be worded

↓

Evaluate each research question on the basis of comprehensibility, knowledge and ability, willingness/ inclination of a typical respondent to answer the question

↓

SEQUENSING AND LAYOUT DECISIONS

Lay out the questions in a proper sequence

↓

Group all questions in each subtopic to get single questionnaire

↓

PRETESTING AND CORRECTING PROBLEMS

Read through the whole questionnaire to check whether it makes sense and it measures what it is supposed to measure

↓

Check the questionnaire for error

↓

Pretest the questionnaire

↓

Correct the problems

Figure 5.2: The process of questionnaire design
Source: Aaker, Kumar and Day (2001), p. 304).

- **Phase Three: Questions Wording**

Question design is a creative process, emerging from brainstorming, listening to types of depth interviews, the contributions of experienced interviewers, and thoroughly executed pilot work. Every question should be linked to the conceptual framework of the study (Oppenheim 1992; Malhotra and Birks 2000). Question wording is one of the most critical aspects of the questionnaire design in which a clear and unambiguous language of "communication" must be established with the respondents to collect the data. It is essential to word questions in such a way that are understood by the respondents (Sekaran 2000). Aaker et al (2001) argues that the wording of the particular questions can have a large influence on how a research respondent interprets them. This clearly emphasises that the way in which each question is worded has crucial implications on the way by which the respondent receives, interprets, and understands the question.

There are no specific principles or established procedures for wording the questions in a questionnaire but there are critical issues and basic rules which must be taken into consideration when wording questions for inclusion in a questionnaire. In designing this research questionnaire, careful attention was paid to a number of basic rules, which are recommended by people in business and marketing research (Moser and Kalton 1971; Oppenheim 1992; Sekaran 2000; Malhotra and Birks 2000; Aaker et al 2001; Churchill 2001; Easterby-Smith et al 2002):

- Simple, direct and familiar language to all the respondents was used in wording the questions in which jargon, abbreviations, and technical terms were avoided.
- The length of each question was kept as short as possible in a way that did not affect the content and the intended meaning of the question.
- Any vague and ambiguous words and meanings were avoided.
- Double-barrelled questions were avoided.
- Leading and loading questions were avoided.
- Double negative questions were avoided.
- Questions which would probe the respondents or overload their memories were avoided.
- Clear instructions and directions for answering and completing the questions in each section of the questionnaire were given.

- Efforts were invested in order to make all the questionnaire questions applicable to all respondents.

- **Phase Four: Sequencing and Layout Decisions**

Question layout is of paramount importance, especially when dealing with a self-completion questionnaire. The layout should be convenience for the respondents and for the data processors who will have to enter the data on their computers (Oppenheim 1992). The sequence of questions in the questionnaire should lead the respondent from general to more specific questions. In designing the questionnaire, it is of central importance to carefully consider the sequence of questions by a way which can gain and maintain the respondent's co-operation and make the questionnaire as easy as possible for him/her. A great deal of attention was paid to the sequence, order, layout, and appearance of the questionnaire to make it look more professional and to get the respondents co-operation. Special care and attention was paid to make the questionnaire interesting and motivating for the respondents, as well as to the sequence and layout of the questionnaire which was designed to make logical and smooth moves from one section to another without making major shifts or gaps for the respondents. This research questionnaire has provided the respondents full details in its covering letter about the research (appendix C). Moreover, special attention was given to emphasis the confidentiality that the data provided by the respondents would not be disclosed to a third party under any circumstances. Another covering letter was provided by the Jordan Insurance Federation and was signed by its chairman asking the insurance companies' managers' to co-operate with this research survey.

The questionnaire consisted of six sections:

- The first section was concerned with investigating the marketing strategy formulation components.
- The second section was concerned with investigating strategic marketing issues which the insurance companies view as strategic issues in practising insurance business.
- The third section was concerned with investigating six variables and their importance for the successful implementation of marketing strategies.
- The fourth section was concerned with establishing performance measurements that are appropriate for all the insurance companies.

- The fifth section was concerned with marketing strategy and company performance.
- The sixth section was concerned with obtaining some demographic data about the respondents and their companies.

Malhotra and Birks (2000) classify the information to be included in the questionnaire into three types:

- Basic information which is related to the research problem.
- Classification information which is related to the respondents` socio-economic and demographic characteristics.
- Identification information which is concerned with the respondent's name, address. For the sequence or order of these types of information it is advised that the basic information should be set and obtained first because its of greatest importance, and then the classification and identification information can be obtained subsequently. This sequence was typically followed in the design of this research questionnaire.

- **Phase Five: Pre-testing and Correcting Problems**

After conducting the first four phases, the design of the questionnaire was pre-tested and redesigned in an iterative process to achieve the most suitable design. Aaker et al (2001) strongly supported conducting a number of personal interviews for pre-testing design and correcting problems. Pre-testing the design of the questionnaire should include every aspect of it including; flow of the questionnaire; its length; its questions; and the respondents interest and attention.

One of the most recommended methods of pre-testing the design of the questionnaire is undertaking the pilot study work (Oppenheim 1992; Malhotra and Birks 2000; Aaker 2001; Churchill 2001; Chisnall 2001). In order to pre-test the design of this research questionnaire a number of procedures were taken:

- Conducting a critical examination on the marketing strategy formulation and implementation literature.
- Consulting colleagues, academics and managers in the insurance industry in Jordan.

- Conducting two pilot studies for pre-testing the questionnaire. The first pilot study was carried out on insurance companies in Jordan through conducting interviews with managers among them. In this pilot study, considerable refinements were carried out on the first draft of the research questionnaire, which led to changes in its design, format and layout as well as addition and deletion of some questions. This pilot study was insightful for testing the questionnaire and useful suggestions were provided by the managers. For example, the Strategy & Development Manager in the biggest insurance company made the following suggestion:

"...it is really helpful to explain at the beginning of the questionnaire what are the main elements of marketing strategy or explain the marketing mix components which are being investigated in this research. It is better to make them in small separate sections which would help us to understand and make them clear".

- The other managers suggested adding and deleting some questions from this first draft. All were considered and used to help to improve the questionnaire.
- Conducting the second pilot study. As a result a few further refinements were made on the second draft of the questionnaire. After conducting these two pilot studies the final copy of the research questionnaire was ready for conducting the main survey of this research.

In designing the research questionnaire a number of important aspects were carefully considered:

- A good introduction. A proper introduction to the questionnaire can establish some rapport with the respondents and motivate them to respond to the questionnaire enthusiastically (Sekaran 2000). The introduction included:

- The University name, school, and full details about the research.
- The respondent welcome.
- The research title and aim.
- Assuring confidentiality.
- The covering letter of the Jordan Insurance Federation.

- Organising questions, giving instructions and guidance, and alignment (Oppenheim 1992).
- Demographic data about the respondents and their organisations were asked at the end of the questionnaire rather than at the beginning (Sekaran 2000; Malhotra and Birks 2000).
- The questionnaires were printed a high-quality paper and the questions were printed on single face of the paper.

- The questionnaires were covered on both sides with a transparent cover on the first side.
- The questionnaires were bound by using very tiny and professional ring-binders which aimed to make the questionnaire easier for the respondents to handle it.

5.5.4. The Scales Used in the Research Questionnaire

In general, business and marketing research literatures have shown that there are four types of scales being used in these research contexts. These types of scales are nominal, ordinal, interval and ratio scale. Each scale has its features, specifications, and assumptions and constrains. However, choosing or using one scale or more depends on several factors that specify the rationale of the choice. Some of these factors are the nature of the marketing research problem, research objectives and design, the judgement of the researcher, the research population, the nature of the required data, the nature of the research constructs, the research hypotheses and the required statistical analysis (Moser and Kalton 1971; Oppenheim 1992; Hussey and Hussey 1997; Sekaran 2000; Malhotra and Birks 2000; Churchill 2001; Chisnall 2001; Aaker et al 2001; Easterby-Smith et al 2002). However, scales, definitions, advantages, disadvantages and the statistical techniques that are suitable for each scale are discussed in the aforementioned sources.

Two types of scales were used in the research, which are the nominal scale and the ordinal scale (Likert scale). The nominal scale was used to obtain information about the gender of the research respondents. The nominal scale was also used to obtain information about respondents and their companies. The aim of using the nominal scale was to categorise the respondents according to questions in the questionnaire, which are related to demographic data.

The ordinal scale was also employed to measure the research constructs. Five point Likert scales were employed in the research which aimed to obtain detailed information about all the research constructs of both marketing strategy formulation and implementation activities. The Five point Likert scales was employed in order to locate the respondents on its continuum based on five response categories. In the

Likert scale, for the marketing strategy formulation components section, the respondents were asked to indicate the degree of agreement or disagreement on a number of statements that were concerned with investigating this section. For marketing strategy and performance evaluation section, the respondents were asked to indicate the degree of agreement or disagreement on a number of financial and non-financial performance evaluation criteria which they had used in evaluating the impact of marketing strategies on companies performance over the past two years.

For the marketing strategy implementation section, the respondents were asked to indicate how important they believed that each given statement of marketing strategy implementation activities was for successful implementation of marketing strategy. For companies' performance measurement, the respondents were asked how important they believed each of the given financial and non-financial performance measurements was while measuring performance. For both sections, five response categories were given to the respondents ranging from "Very Important" (5), "Important" (4), "Neither Important Nor Unimportant" (3), "Unimportant" (2), to "Very Unimportant" (1).

The Likert scale was employed in the research for a number of reasons (Moser and Kalton 1971; Oppenheim 1992; Hussey and Hussey 1997; Sekaran 2000; Malhotra and Birks 2000; Churchill 2001; Chisnall 2001; Aaker et al 2001; Easterby-Smith et al 2002):

- The Likert scale is the most common and widely used attitude-scaling technique in marketing research.
- Using a Likert scale allows the research to have a variety of statistical techniques and conduct powerful statistical analysis e.g., using correlation.
- The Likert scale is a widely used scaling technique because it has been shown to have a good reliability in marketing research.
- The research statements can be classified as unfavourable in the left side of the scale midpoint and favourable on the right side of it.
- It is easy for the respondents to respond on the Likert scale because the response categories allow the expression of the intensity of the feeling.
- The Likert scale is relatively easy to construct, administer and understand.

- The five point Likert scale does not confuse the respondents with many choices on its continuum scale.

However, a Likert scale has some limitations such as:

- It is relatively more time consuming.
- The most common limitation on Likert scale is that the location of the zero point is fixed arbitrarily, which in turn may require a great deal of attention for the interpretation of its results.
- The Likert scale that was used in this research has only five response categories given to respondents that may limit their choice and force them to choose a response, which may not completely reflect their attitudes.
- There is some dispute over it being used as an interval scale, especially from a statistical point of view.

5.5.5. The Translation of the Research Questionnaire

The empirical or fieldwork was carried out on all the insurance companies that are operating in Jordan. Although English constitutionally is an official language in Jordan, and is widely spoken in the business sectors, it was decided to translate the research questionnaire into Arabic in order to make it very clear for the respondents. Malhotra and Birks (2000) have suggested two alternatives for translating a research questionnaire to be conducted in an international research context. First, back translation, it is concerned with translating the questionnaire from the base (original) language by a bilingual speaker whose the native language into which the questionnaire is being translated. This translated version is then translated back into the original language by a bilingual whose native language is the initial language. This process may be repeated several times in order to remove any errors or misinterpretations. Back translation has some disadvantages such as it is a very time-consuming process and cumbersome. The second alternative is parallel translation. It is a committee of translators who are fluent in both languages in which the questionnaire is being translated and administered translates the questionnaire and discusses alternative versions and modifications until consensus on the translated version is reached.

The second alternative was adopted for translating the research questionnaire for the following reasons:

A. The research questionnaire was very comprehensive which would be very time-consuming for following the back translation alternative.
B. The second alternative has been successfully adopted in conducting marketing research projects in the Jordanian business context (Jaber 1989) and elsewhere (Fahy et al 2000).
C. The methodology which was used for translating the questionnaire was more appropriate in the second alternative in terms of time, cost and location.

The methodology that was followed for the translation process of the research questionnaire was:

- The questionnaire was originally developed in English language.
- The original version was initially translated into Arabic by a number of people who were fluent in both languages.
- On the academic side, two experienced and fluent professors at the University of Jordan checked out the translation of the questionnaire.
- On the professional side, five managers in the insurance industry in Jordan checked out the translation of the questionnaire. Those five managers were chosen from three insurance companies. They are all fluent in both languages and well experienced in the Jordanian market. Moreover, one of the managers was the marketing manager of a big insurance company who is named by the government as the legal translator for the insurance industry in Jordan.
- Each academic professor and professional manager was delivered both versions of the questionnaire and was asked to check out the translation or suggest any insights or thoughts for both versions.
- After receiving every copy from the academic and managers for both versions each suggestion or refinement was critically examined and discussed with them, where this was necessary, in order to clarify and explain every modification.
- After all suggestions, refinements and modifications were considered separately and collectively, a few modifications were made on the Arabic version of the questionnaire, and then the final copy of it was produced and refined and presented to them again where no more suggestions or modifications were made.

- The final copy of the questionnaire in Arabic was sent to an Arabic language expert who checked out the Arabic language grammar, wording in order to make sure that the Arabic version was clear.

5.5.6. The Final Structure of the Questionnaire: Sections and Variables

The final design of the questionnaire included six sections in addition to two covering letters as follows (appendix C):

Section One: Marketing Strategy Formulation Activities

This section was concerned with investigating what are the main components of marketing strategy which insurance companies in Jordan used while formulating their marketing strategies. Within each section and subsection complete instructions and guidance was provided to the respondents on how to answer the section or subsection. The respondents were asked to tick their agreement or disagreement on each statement included in this section concerning the actual components of the marketing strategy, which they use in formulating their marketing strategies by using a five point Likert scale. The respondents are located on the scale starting from "Strongly Agree" given the score of "Five" and finishing by "Strongly Disagree" given the score of "One". This section was divided up into nine subsections which represented the suggested nine components of marketing strategy as follows:

Subsection One: Developing an Integrated Insurance Service Offering Strategy

This strategy was concerned with the main components of formulating an integrated insurance service offer which included; having a comprehensive range of insurance services; branding; developing new insurance services; and customer services. 17 statements measured this variable.

Subsection Two: Developing an Effective Insurance Service Quality

This strategy was concerned with investigating the extent to which the insurance companies in Jordan focussed on both functional and technical dimensions of service quality which were considerably discussed in the service quality literature. 24 statements measured this variable.

Subsection Three: Pricing of Insurance Services

This strategy was concerned with investigating what are the main pricing policies that are being used by the insurance companies in Jordan when they formulate their pricing strategies. 7 statements measured this variable.

Subsection Four: Promotion of Insurance Services

This strategy was concerned with investigating what are the main components that are being used by the insurance companies in Jordan when they formulate their promotion strategies. 6 statements measured this variable.

Subsection Five: Developing Distribution and cyberspace Channels Strategy

This strategy was concerned with investigating what are the main distribution channels or multiple channels that are being used by the insurance companies in Jordan when they formulate their distribution strategies in order to deliver insurance services. 8 statements measured this variable.

Subsection Six: Measuring Customer Orientation

This section was concerned with investigating to what extent the insurance companies in Jordan are customer oriented in practising insurance business. 11 statements measured this variable.

Subsection Seven: Developing Internal Marketing Strategy

This section was concerned with examining the extent to which the insurance companies in Jordan are practising internal marketing in managing and developing their employees. 13 statements measured this variable.

Subsection Eight: Insurance Service Delivery Strategy

This strategy was concerned with investigating the most used activities by the insurance companies in Jordan in developing their strategies for delivering insurance services. 9 statements measured this variable.

Subsection Nine: Developing Physical Evidence Strategy

This strategy was concerned with investigating the most used activities by insurance companies in developing their physical evidence strategies for creating a customer friendly working atmosphere in their working environment. 7 statements measured this variable.

Section Two: Strategic Issues in Marketing

This section was concerned with investigating what are the marketing activities that are seen as strategic and how important they are for the insurance companies in Jordan while practising the insurance business. 19 statements measured this section.

Section Three: Marketing Strategy Implementation

This section was concerned with the variables that are important for successful marketing strategy implementation. Each respondent was asked to tick how important she/he believed each item was for the successful implementation of marketing strategy. This section was divided up into six subsections in which complete instructions were given to the respondents on how to answer each section completely.

Subsection One: Marketing Assets and Capabilities

It examined the importance of having marketing assets and capabilities for successful implementation of marketing strategy. 19 statements measured this variable.

Subsection Two: Marketing Strategy Consensus

It examined the importance of marketing strategy consensus activities for successful implementation of marketing strategy. 8 statements measured this variable.

Subsection Three: Marketing Strategy Cross-Functional Integration

It examined the importance of marketing strategy cross-functional integration for successful implementation of marketing strategy. 7 statements measured this variable.

Subsection Four: Marketing Strategy Resources Commitment

It examined the importance of marketing strategy resources commitment by top management in the company for successful implementation of marketing strategy. 5 statements measured this variable.

Subsection Five: Marketing Strategy Communication Activities Quality

It examined the importance of the quality of marketing strategy communications for successful implementation of marketing strategy. 5 statements measured this variable.

Subsection Six: Company Marketing Experience

It examined the importance of having marketing experience by the company for successful implementation of marketing strategy. 6 statements measured this variable.

Section Four: Establishing Performance Measurements

This section was concerned with investigating the performance measurements criteria that are appropriate for insurance companies in Jordan. Measuring performance was concerned with providing a number of financial and non-financial performance criteria, which were discussed in marketing strategy literature. Each respondent was asked to tick how important she/he believed that each given performance criterion was in measuring performance. This variable was measured by 12 statements and, a question which offered the respondents the option of specifying other criteria they use in measuring performance.

Section Five: Marketing Strategy and Company Performance

This section was mainly concerned with the main criteria that are being used by the insurance companies in Jordan when they evaluate the impact or effect of marketing strategy activities on companies' performance. A number of financial and non-financial criteria were given to the respondents and they were asked to give their agreement or disagreement on what extent they used those criteria for performance evaluation purposes. This variable was measured by 12 statements and a space was left which offered the respondents the option of specifying other criteria they use in evaluating performance.

Section Six: Demographic Data

This section was concerned with obtaining some demographic data about the respondents and their companies in order to present the research respondents characteristics. Some questions were used to filter the respondents who participated in the research survey. Question one was concerned with examining the respondents' age in order to speculate their experience. Question two aimed at examining the educational level of the respondents to reveal if the insurance companies were interested in hiring well-educated people. Question three was concerned with the respondents' gender. Question four asked the number of years of experience every respondent (manager) had worked in the insurance industry. The aim of including question 4 was to test the key informant competence in order to verify the choice of the appropriate respondent and that they have the required knowledge to participate in the research survey (Menon et al 1999). Question five was concerned with investigating the respondents' academic background, specifically, how many managers have a marketing degree. Question six obtained the ownership of each insurance company in order to classify them based on the ownership factor. Question seven obtained the nature of the insurance company business; life or non-life insurance business or both. Finally, in order to encourage the respondents to participate in the research survey a small section was left for the respondent to write her/his name and address if he wished to receive a report of the research results.

5.5.7. Administering the Questionnaire

Oppenheim (1992) argues that the ways in which the research respondents are approached are of paramount importance. There has been much debate concerning the "best" way to approach research respondents. There are a number of approaches by which the research questionnaires can be administered as follows (e.g., Hussey and Hussey 1997; Sekaran 2000; Malhotra and Birks 2000; Aaker et al 2001):

- Personally administrated questionnaires. This approach may include face-to-face interviews (in-home or in-office or street interview), telephone interviews and computer assisted personal interviewing.
- Using telephone approach. This approach may include traditional and computer assisted telephone interviewing.
- Using the mail approach. This approach may include the traditional mail survey, electronic mail survey and mail panel.
- Aaker et al (2001) add the fax survey approach especially in business research.

Each approach has advantages and disadvantages (e.g., Oppenheim 1992; Hussey and Hussey 1997; Sekaran 2000; Malhotra and Birks 2000; Aaker et al 2001; Chisnall 2001). Each approach was critically examined and evaluated in terms of its strengths and weaknesses to be used in the research. However, based on the research design, and its objectives and, the nature of the research population, the insurance companies in Jordan (managers), it was decided that the personally administered approach would be the most suitable for this research.

The choice of the approach or method depends on its appropriateness to the research purpose (Oppenheim 1992). For this research, it was decided that personally administered questionnaires would be the best approach to administer this research questionnaire. According to this approach, the purpose of the research was explained, and the respondent was left alone to complete the questionnaire, which was picked up later (Oppenheim 1992). When the population and respondents of the research survey are located in a local area or close to known areas or the organisation has the ability to group its people in one area, personally administered questionnaire is a good way of data collection (Sekaran 2000). Oppenheim (1992) attaches other advantages for using the personally administered questionnaire approach, namely; (a) it assures a high response rate. (b) It provides the ability to give necessary explanations but not interpretation of the questions. (c) It presents accurate sampling and a minimum of the interviewer bias.

Sekaran (2000) argues that wherever possible, it is advantageous to administer questionnaires personally to groups of people because of their advantages. Sekaran (2000) has presented a number of advantages of using personally administered questionnaires, which are:

- All the completed responses can be collected within a short period of time.
- The ability to clarify any doubts about the questions included in the questionnaire on the spot.
- There is an opportunity to introduce the research topic and motivate the respondents to give their answers honestly.
- Personally administered questionnaire is less expensive and less time-consuming than interviewing.

In addition to the aforementioned advantages, the research questionnaires were personally administered for the following reasons:

- Informal and formal discussions held with a number of managers in the insurance industry in Jordan revealed that personally administered questionnaires would be the best approach. The rationale for employing this approach, was to increase the response rate and the respondents would understand that personally administered questionnaires as a kind of paying "respect" and "privilege" to them.

- All the insurance companies (the research population) in Jordan are basically located in Amman, which facilitated the task to administer the questionnaires personally.
- This research questionnaire is very comprehensive and long, therefore, if it were mailed to the respondents or electronically distributed it would have been neglected and the response rate would have been minimised.

5.5.8. Pilot Studies

Oppenheim (1992) argues that every aspect of the research survey should be piloted in order to make sure that it works as intended. Malhotra and Birks (2000) argue that even the best questionnaires should be piloted and can be improved by pilot testing. Conducting the pilot work has been recommended by a number of researchers (Oppenheim 1992; Sekaran 2000; Malhotra and Birks 2000; Aaker et al 2001; Churchill 2001). Oppenheim (1992) and Malhotra and Birks (2000) argue that the pilot work should continue until no further modifications are suggested. Consequently, two pilot studies were undertaken for the research purposes as the following:

Conducting the First Pilot Study

The first pilot study was carried out using a judgmental sample (Oppenheim 1992), which consisted of managers within insurance companies in Jordan. Using the personal interviews and semi-structured questionnaires interviews were held at the pilot sample official offices for their convenience. Every aspect of the questionnaire was piloted as well as piloting most aspects of the research variables. Different suggestions were made by the managers which provided fruitful insights to the questionnaire design, sequence, questions, and how the respondents would react to it. The interviews in average lasted around 75-90 minutes for each interview. Notes were taken whilst the respondent answered each question.

Conducting the Second Pilot Study

A critical examination was carried out on the first pilot study questionnaires in order to consider insights and thoughts provided in the design of the research questionnaire.

Combining this with examining the marketing strategy literature led to the redesign of the questionnaire. Consequently, significant changes were carried out on the first draft of the questionnaire, which required conducting the second pilot study to be conducted (Oppenheim 1992; Malhotra and Birks 2000) in order to make sure that the questionnaire was clear, understood and was going to achieve the research objectives. The sample of the second pilot study was the same sample of the first pilot study. Questionnaires were handed over to the managers from which only four questionnaires were returned. In this pilot, very few refinements were made on the final copy of the questionnaire and refinements were shown again to the managers who gave no further modifications.

Aims of conducting the pilot studies were twofold:

- Testing the questionnaire in terms of its design, sequence, questions content, questions wording, clarity, the ability to understand, instructions, appearance, and examining how the respondents would react to it.
- Examining the research variables, questions, ideas, and questions in order to verify their adequacy and ability to investigate the research problem.

5.5.9. Administering the Fieldwork

5.5.9.1. Administering the Research Questionnaire

Personal interviews were conducted with key figures in the insurance industry in Jordan in order to gain their acceptance, access and co-operation for conducting the fieldwork phase. Using personal contacts and interrelationships with the research population or sample and, making early contacts with potential respondents have been supported by a number of writers (Hussey and Hussey 1997; Malhotra and Birks 2000; Easterby-Smith et al 2002). Interviews were conducted with managers in the insurance industry and one interview with the Head of the Insurance Regularity Commission Committee in Jordan.

The number of insurance companies was 27 but the number included the research as "research population" was 26 companies because one insurance company was out of the market due to bankruptcy. Assistance and support were gained from two managers at Amman Insurance Company in every stage of the fieldwork. The Jordan Insurance Federation had played another important role in gaining access into some insurance companies. This was achieved through the power of a covering letter which was personally signed by the Federation chairman encouraging the insurance companies managers to co-operate with the research to conduct the survey.

A prenotification phone call was made with each manager to arrange a meeting with him at a certain time. Most of the questionnaires were hand delivered, and the researcher's business cards were introduced and exchanged with managers` business cards to give the survey more professionalism. Using telephone calls, the respondents were reminded twice; the first time three weeks after delivering the questionnaires; the second time after five weeks from starting the survey in order to ask the respondents` co-operation in returning the remaining questionnaires. After the second round of reminders 9 questionnaires were returned. Efforts invested in order to return the remaining questionnaires revealed that there was no possibility of returning them for different reasons. Investigating these reasons revealed that two insurance companies, which were given four questionnaires, had apologised for not participating in the survey, even they agreed to participate during the initial contacts. For the last four questionnaires it was found that there was no explanation from the managers for not participating in the survey. Using the regular mail every manager or any one who helped during the fieldwork was sent an acknowledgement letter for acknowledging and appreciating his help.

5.5.9.2. Administering the Research Interviews

This qualitative element is considered a supplementary element to the quantitative paradigm. In-depth interviews were used after conducting the research survey, which investigated some questions that arose during the survey. The interviews questions are provided in appendix D. The main criteria upon which the managers (interviewees) were chosen were; first, the managers were recommended by other managers in the insurance industry as "figures" to be interviewed for their knowledge and experience that they have in the marketing of insurance business in Jordan. Second, the judgement was used to assess the managers' ability to provide insights and answers for the questions that arose during the survey.

In-depth interviews were held in the insurance industry in Jordan from which thirteen interviews were held with thirteen managers in the insurance industry and the last interview was held with general director of the Insurance Regularity Commission Committee in Jordan, which was tape-recorded. Three interviews were not tape-recorded because the respondents did not give the permission to record them and all others were recorded with permission. All the interviews were held at the managers' official offices for their convenience. All the interviews lasted on average between 60 to 75 minutes except one interview, which was not recorded, that lasted for three hours.

The methodology used for conducting the interviews is shown below:

- Every manager was contacted by telephone in order to arrange a meeting at a time convenient to him for conducting the interview. Informing the interviewees in advance has been supported by a number of researchers (e.g. Oppenheim 1992; Sekaran 2000; Malhotra and Birks 2000).
- Great attention was paid to time punctuality and conducting the interview in a reasonable atmosphere.
- Every interview was opened up by asking the respondent a general question, which was related to the research topic in order to guide him to more specific questions for which the interview was conducted. Furthermore, during the interviews the interviewees (managers) were probed to obtain meaningful responses and asked for elaboration and clarification on some questions where this was necessary. These procedures were highly recommended by Malhotra and Birks (2000).
- Every interviewee was explicitly asked if he would give permission to record or tape the interview. Three managers did not give the researcher permission to record the interviews and the others did. The respondents who gave permission to record were given the option by the research to pause the recorder if they would say anything off the record. This was an important action, which allowed the respondents to have the freedom to express their views. For the interviewees who did not give permission they would not feel free to express their views if there was recording, therefore, notes were taken immediately while the respondents answered the questions.

- Every manager or interviewee was asked the questions in the same way, tone and style, and was given complete freedom to express views and interpretations for the questions. Every interview was finished by thanking the interviewee and appreciation was expressed for his time, effort and co-operation.

5.5.10. Efforts Made to Increase the Response Rate

There are a number of procedures that were taken in order to increase the response rate of the research survey. Oppenheim (1992), Malhotra and Birks (2000) and Aaker et al (2001) argue that a number of factors have been found to increase response rates. These procedures are:

- Conducting pilot studies.
- Advanced warning.
- Explanation of the respondents' selection process.
- Sponsorship. This was achieved through gaining support from the Jordan Insurance Federation.
- Publicity, the research project was given good publicity because the Federation promoted the research project to all the insurance companies.
- Incentives to the respondents. Every respondent was given a chance to have a copy of the research findings and results.
- Assuring confidentiality and reminders.
- The appearance of the questionnaire. The questionnaire was covered on both sides and was bound in order to make its use by respondents as easy as possible, and to look more professional.
- Follow-ups, the respondents were reminded twice by using telephone calls.
- The topic, and its degree of interest to the respondent. There was a high degree of interest in the research topic among respondents. This is evidenced when 37 respondents out of 55 who participated in the research survey asked for a copy of the research findings and results.
- Establishing rapport with respondents.

5.6. Research Data Analysis

The analysis of research data was concerned with using an analysis strategy that was appropriate to achieve the research objectives. It is crucial to point out at the outset that in determining the research problem and formulating the research aim and objectives, it is proposed to build up a comprehensive framework for the marketing of insurance services in Jordan through using a systematic approach.

5.6.1. Unit of the Analysis

The unit of analysis in the research was "the manager" who was the marketing or non-marketing manager in all the insurance companies that are operating in the Jordanian market which are registered in the latest list which is provided by the directory of Amman Stock Exchange Market (2002). Examining the insurance organisations structures in Jordan has revealed that not all of them have established marketing departments. Consequently, it was decided that every insurance organisation's structure should be carefully examined in order to determine the most suitable respondents in each organisation. Researchers in management field (Hussey and Hussey 1997; Easterby-Smith et al 2002) have supported determining the unit of analysis as an important decision for the research methodology.

5.6.2. Research Data Preparation Procedures

Research data preparation procedures are crucial steps that can substantially enhance the quality of statistical results (Hair et al 1998; Sekaran 2000; Malhotra and Birks 2000; Aaker et al 2001). In order to get the research data prepared for conducting a proper analysis a number of procedures were taken. These procedures have been recommended by a number of writers (Hair et al 1998; Malhotra and Birks 2000; Field 2000; Sekaran 2000; Norusis 2000; Bryman and Cramer 2001; Churchill 2001). These procedures are:

A. Prepare a plan at an early stage of the research design for data analysis.

B. Check the questionnaires for completeness and completion quality.

C. Edit the questionnaires. It is identifying incomplete, inconsistent, and ambiguous responses. This process led to discarding three questionnaires.

D. Transcribing the data directly into a computer using the Statistical Package for Social Sciences (SPSS) programme version 11. After transcribing the data into a computer a complete verification was carried out in which the data were checked twice to make sure that no errors had occurred during the process of data entry.

E. Data cleaning process. It is the process of thoroughly checking the data to specify missing values. The examination of the data has revealed that there are only two missing values found in it. The first one is in case number 25 for question number 4 in the company performance evaluation section and the second value is in case number 3 for question number 5 in the same section. There was no remedy taken for these missing values since they were very small in number and they would not affect the analysis at all. As recommended by Hair et al (1998) and Sekaran (2000) they were left empty in the computer data sheet; they were left case wise.

F. Statistically adjusting the research data in order to fit the analysis objectives. It was necessary to generate an aggregate score for each construct which is originally measured by multiple-items. Since the variables were measured by using the Likert scale, then, the aggregate multiple-items were summated to arrive to at an overall measure of each variable (Moser and Kalton 1971; Churchill 1979; Oppenheim 1992; Chisnall 2001). This methodology confirms the use of Likert scales and non-parametric statistical techniques that do not require the average score of each variable, as is the case in their parametric counterparts. This methodology confirms the ordinal scale statistical treatment which employs non-parametric techniques for the ordinal scales because these scales only order or rank respondents in a certain way.

G. Selecting an appropriate data analysis strategy. Choosing the appropriate data analysis strategy was completely based on a critical examination of a number of fundamental criteria to set up such strategy. The appropriate analysis strategy was chosen based upon: (a) examining and meeting the assumptions of each statistical test, (b) examining the characteristics of the data; parametric or non-parametric methods, (c) examining the ability of a statistical test to examine a research objective or hypothesis, and (d) the ability to make meaningful interpretations of an analytical strategy.

5.6.3. Validity and Reliability

The validity and reliability of research measures are crucial parts of any survey, which must be assessed and examined in order to make sure of the goodness of the measures used in the research. The rationale for examining and assessing research measures validity and reliability is that the research measures must be valid and reliable (Moser and Kalton 1971; Nunnally 1978; Oppenheim 1992; Creswell 1994; Sekaran 2000; Malhotra and Birks 2000; Churchill 2001; Aaker et al 2001; Chisnall 2001; Easterby-Smith et al 2002). This is necessary when a positivistic or quantitative paradigm is employed in the research. A reliable research instrument may not be necessarily valid. The reliability is necessary but not sufficient condition for validity. The reason for this is that a reliable measure may be reliable but it can be measuring something else other than what it is originally designed to measure. This suggests that assessing the validity of a research instrument is more difficult than assessing its reliability. However, both validity and reliability are crucial aspects for measures that are interconnected and overlap to some degree (Moser and Kalton 1971; Oppenheim 1992; Sekaran 2000; Churchill 2001; Chisnall 2001). After formulating an accurate operational definition for the research variables or constructs and the scale was chosen, the next critical step is to make sure that the instrument developed to measure the research constructs is accurately and consistently measuring what it is designed to measure. The means of assessing the goodness of the measures are concerned with assessing the validity and reliability of the instrument.

Purification of the Scale Items

As all the scale items were specifically developed for the research purposes, it is of crucial importance to make purification of the scale items, which were used to measure the research variables. In order to carry out this process a number of procedures were followed as recommended by some authors (e.g. Moser and Kalton 1971; Churchill 1974; 1979; 2001; Nunnally 1978; Yaffee 1999; Sekaran 2000). This process was necessary in order to make sure that there was internal consistency or homogeneity of the scale items included in the measuring instrument, and to establish the validity of the instrument. This purification process was mainly concerned with examining two important aspects:

First, examining the item-to-total correlation. It examined the correlation of the item with the total score of the items which constitute the component (variable). The items that had relatively low correlations with the total score of the items were eliminated from the scale. Although this is a relatively subjective procedure, the criterion is that the items with correlations approaching zero were eliminated. According to this process only highly correlated items were retained in the scale. After eliminating the low correlation items the alpha coefficients were calculated again and then the data analysis was conducted. Examining the alpha coefficient for all the items and variables included in the measuring instrument has revealed that they are fairly highly correlated and all alpha coefficients were also high. However, one item was deleted because it had a very low correlation (0.0641) and deleting this item from this dimension was necessary to purify it. This item was item 22 in the technical quality dimension which is one of the service quality aspects. Second, all items that make sudden shifts for alpha coefficient values either higher or lower would be deleted because they affect the error measurement in the scale. Following this procedure resulted in deleting the same item which had a low correlation. The alpha coefficient value before deleting this item was 0.6880 but when the item was deleted its value was 0.8514. Therefore, this item was deleted since it made sudden shifts in alpha coefficient values.

Assessing Reliability

Reliability indicates the consistency and purity of a measure and the probability of obtaining the same results again if the measures were duplicated (Oppenheim 1992). The reliability of a measuring instrument indicates the extent to which the measure is without bias (error free) and therefore provides consistent measurement across time and across the various items in the research instrument. Its indication is concerned with the stability and consistency with which the instrument measures the concept and helps to assess the goodness of fit of a measure (Sekaran 2000). Broadly, the research instrument reliability was assessed and examined by examining the internal reliability through examining the interitem consistency reliability; Cronbach's Alpha Coefficient.

Interitem Consistency Reliability Approach

This is an internal consistency measure, which indicates the homogeneity of the items in the measure(s) that formulate the construct(s) (Moser and Kalton 1971; Sekaran 2000). In other words, the items should "hang together as a set" (Sekaran 2000, p. 206), and be capable of independently measuring the same concept such that the respondents attach the same overall meaning to each of the items (Sekaran 2000). An instrument is consistent if the items are highly correlated with each other, therefore, they are likely to measure the same homogenous variable (Moser and Kalton 1971; Oppenheim 1992; Churchill; 1974; 1979; 2001). The test, which can reveal this consistency in the instrument, is examining the Cronbach's Alpha Coefficient. It examines the degree to which the measuring items are independent measures of the same concept where they would be correlated with one another. It is a perfectly adequate index of the interitem consistency reliability (Sekaran 2000). The values of Cronbach's alpha values range from zero to one. The closer the Cronbach's alpha coefficient (reliability) gets to one the better the scale and instrument. Nunnally (1978) argues that if the alpha coefficients are above 0.70 they indicate sound and reliable measures. On the other hand, Sekaran (2000) argues that when alpha coefficients scores (reliabilities) are less than 0.60 they are considered to be poor. If the reliabilities are over 0.80 they are considered to be of good reliability (Sekaran 2000). Bryman and Cramer (2001) argue that the reliability should be 0.80 or above. The criterion that is used in the research to examine the reliability of each variable is that if the variable reliability is less than 0.60 it is considered to be of poor reliability. If the variable reliability is over 0.70, it is considered as a sound and reliable measure.

Using SPSS.11 programme, the reliability coefficient test–Cronbach's alpha- was calculated for all the variables that are included in the research framework. All the research constructs or variables are measured by using multiple-items for each construct or variable. The rationale for using multiple-item scales for each variable is that they are more reliable than using single opinion items and can capture the whole domain of the construct (Moser and Kalton 1971; Churchill 1979; Oppenheim 1992; Sekaran 2000; Churchill 2001). Furthermore, no single item is likely to provide a perfect representation of the concept. Each item is expected to have certain distinctiveness even though it relates to the concept. Table 5.2 shows the reliability coefficients' for the marketing strategy formulation variables. It shows that the reliability coefficients' of eight variables were above 0.80 and only one variable was below 0.80 (the pricing strategy), at 0.7868, which is still acceptable. The reliability coefficients for the other variables ranged from 0.8243 to 0.9632. Moreover, it can be seen from the analysis that the reliability coefficients for six marketing strategy components (variables) were 0.90 and above.

The Marketing Strategy Formulation Components	Number of items	Reliability Coefficients
An integrated insurance service offering strategy	14	0.9000
Insurance service quality	24	0.9594
Insurance pricing strategy	7	0.7868
Insurance promotion strategy	6	0.8243
Insurance distribution strategy	8	0.8379
Customer orientation	11	0.9437
Internal marketing practice	13	0.9632
Insurance service delivery process strategy	9	0.9098
Physical evidence strategy	7	0.9066

Table 5.2: Reliability Coefficients for Marketing Strategy Formulation Components

Table 5.3 shows the reliability coefficients' for the marketing strategy implementation variables. It shows that the reliability coefficients' for the variables were all above 0.80. The reliability coefficients ranged from 0.8474 to 0.8992, which indicates that they are of good reliability.

The Marketing Strategy Implementation Variables	Number of items	Reliability Coefficients
Marketing assets and capabilities	12	0.8857
Marketing strategy consensus	8	0.8937
Cross-functional integration	7	0.8992
Marketing strategy resource commitment	5	0.8938
Marketing strategy communication	5	0.8923
Company marketing experience	6	0.8474

Table 5.3: Reliability Coefficients for the Marketing Strategy Implementation Variables

Table 5.4 shows the reliability coefficients' for the performance measurement variable. This variable was measured by two subgroups that are financial and non-financial criteria. Table 5.4 shows that the reliability coefficients' for the performance measurement variable and its components were all above 0.80. The reliability coefficient for the performance variable measured by the financial criteria was 0.8562 and for the non-financial criteria was 0.9202. The reliability coefficient for the overall performance criteria was 0.9122, which indicates that they are of good reliability.

The Performance Variable	Number of items	Reliability Coefficients
Financial performance criteria	7	0.8562
Non-financial performance criteria	5	0.9206
Overall performance evaluation	12	0.9122

Table 5.4: Reliability Coefficients for the Company Performance Measurement

It is worth mentioning that the service quality dimension has had two aspects; functional and technical. Literature suggests the functional quality has five dimensions, which are tangibles, reliability, responsiveness, assurance, and sympathy. The alpha coefficients for these five dimensions were 0.8735, 0.8428, 0.8175, 0.8162, and 0.7495 respectively. They all have high alpha values that indicate that they confirm the functional quality dimensions as suggested by its literature. The alpha coefficients for the functional and technical quality were 0.9505 and 0.8514, respectively.

Consequently, the measuring instrument and the constructs, which were developed particularly for the research purposes, are of good reliability and have considerable internal consistency reliability. The reliability values indicate that the components of each construct or variable are all related to the overall construct of the variable and to the overall construct within the domain of each category, in which the variable exists.

Assessing Validity

This crucial aspect is concerned with answering an important question that is "does the research instrument or method measure what is supposed to be measured?" (Moser and Kalton 1971; Churchill 1974; 1979; Sekaran 2000; Chisnall 2001; Easterby-Smith et al 2002). One of the first insights to be established for the validity of the research instrument is that the alpha coefficient values were all high and reliable and their items were fairly highly correlated. This strongly suggests that the items and variables are all related to the underlying constructs. Other evidence was that the questionnaire was piloted twice through personal interviews with managers within insurance companies in Jordan. When they completed the questionnaire the managers were asked about the validity of the measures for addressing the variables, ambiguity and difficulty in responding (Greenley and Foxall 1998). Furthermore, the validity of the research instrument was assessed through two types that are content validity and construct validity.

Content validity

Content validity is the appropriateness of the research measures used to capture the full range of attributes of a specific construct or variable (Chisnall 2001). Content validity can be said to exist if the measurement instrument adequately covers the most important attributes of the construct that is being measured. There is no easy way by which the content validity can be assessed because assessing content validity is a matter of judgement (Moser and Kalton 1971; Oppenheim 1992; Churchill 2001). However, the fundamental issue in content validity lies in the procedures that are used to develop the research instrument (Churchill 2001).

Consequently, the research instrument was developed by following a number of systematic procedures that were designed to provide evidence for the content validity. These procedures are:

- Conducting a thorough examination of the previous empirical and theoretical work of both marketing strategy formulation and implementation literatures based upon which the operational definition for each variable or construct was comprehensively conducted using multiple items to capture all its attributes.
- Each scale employed in the research was pre-tested by using personal interviews with senior managers among insurance companies in Jordan. Moreover, two experienced professors from the business school at the university of Jordan checked out the scales of the instrument. The managers and academics were asked to comment on any difficulty or lack of clarity in the scale items or instructions.
- Attention was paid to the selection process of the research respondents. Selecting the respondents was based on the previous empirical work of marketing strategy literature and by a number of procedures used by the research as explained earlier in this chapter.
- Conducting two pilot studies before starting the fieldwork.
- At the beginning of each section in the research instrument complete instructions were provided to the respondents on how to complete the questionnaire. The respondents were explicitly told about the purpose of the research that was concerned with marketing strategy and performance on insurance companies in Jordan. All the respondents were assured of complete confidentiality.

Construct Validity

Construct validity requires considerable understanding of the theoretical underpinning based upon which the measurements derived for a specific research. It depends on theory, and associations between constructs on a specific scale (Moser and Kalton 1971; Chisnall 2001). Construct validity is concerned with whether the instrument is an accurate measure of reality (Easterby-Smith et al 2002). The instrument must be internally consistent and measure what it is expected to measure. Each item in the measuring instrument must reflect the construct and must show a correlation with the other items in the instrument. Assessing the construct validity of a measure can be conducted through assessing whether the measure confirms or denies the hypotheses from the theory based on which the constructs are constructed (Churchill 1974; 1976; 2001).

Moser and Kalton (1971); Cronbach (1970, p. 143); Kerlinger (1973, p. 463) and Sekaran (2000) argue that evidence of construct validity is present when the pattern of correlations among variables confirms what is predicted by theory. Convergent validity was used to examine the construct validity of the research measures. If there was strong simple correlation between the components of marketing strategy formulation and implementation, separately, then they are converging on a common construct, thereby providing evidence of establishing convergent validity (Moser and Kalton 1971; Narver and Slater 1990; Sekaran 2000; Churchill 2001). Therefore, construct validity, represented by convergent validity, was determined by examining the simple correlations among variables making up both marketing strategy formulation and implementation, separately. This examination was carried out through using the simple correlations matrix between all the components (variables) that formulate the domain of marketing strategy formulation (appendix E). The correlation matrix reveals that there are high and significant correlations between all the variables that constitute the marketing strategy formulation. The correlations confirm the theory of marketing strategy that underpins a key issue in marketing strategy in which its elements are correlated, coherent and integrated together towards performing the marketing activities in companies. Consequently, the correlations confirm the theory of marketing strategy formulation as was theoretically predicted.

Another correlation matrix was performed to examine the correlations between the variables of marketing strategy implementation (appendix E). The correlation matrix reveals that there are high and significant correlations between the variables that constitute the marketing strategy implementation. The correlations confirm the theoretical framework of marketing strategy implementation literature which hypothesised that these factors are correlated together to implement a marketing strategy. Consequently, the high and significant correlations confirm the theory of marketing strategy implementation as was theoretically predicted. Based upon the evidence provided by examining both content validity and construct validity it can be claimed that the research instrument is valid and can be relied upon to conduct the research data analysis.

5.6.4. Statistical Methods

The data analysis is not the end of the metaphor itself (Malhotra and Birks 2000; Aaker et al 2001). It is the means by which productive information can be produced which will assist an addressing a marketing research problem at hand. In general, there are two major statistical methods that can be used to conduct the data analysis; parametric statistical methods and non-parametric statistical methods (Siegel and Castellan 1988; Oppenheim 1992; Hussey and Hussey 1997; Hair et al 1998; Yaffee 1999; Field 2000; Sekaran 2000; Malhotra and Birks 2000; Aaker et al 2001; Churchill 2001; Bryman and Cramer 2001).

The most critical factor upon which to determine the choice of employing parametric or non-parametric methods is the type of data e.g., ordinal, interval or ratio and the scale upon which the data were measured. This is due to the fact that the type of data used largely determines the type of the tests and methods to be used in the analysis. The parametric methods can be used to analyse metric data, which are measured, by using interval and ratio scales. The non-parametric methods can be used to analyse non-metric data, which are measured, by using nominal and ordinal scales. The next phase is to determine if there is one sample or multiple samples that are involved in the analysis. The criterion is that if the research has only one sample there are tests, in both the parametric and non-parametric tests, which should be employed to conduct the analysis, meanwhile, if multiple samples are involved in the analysis different tests for two samples or more should be employed.

Choosing the appropriate strategy of data analysis must be consistent with the whole process of marketing research and the research design and methodology, examination of the data characteristics, type of the data, the properties and assumptions of the statistical techniques, and the philosophy of the researcher (Siegel and Castellan 1988; Oppenheim 1992; Hussey and Hussey 1997; Hair et al 1998; Field 2000; Sekaran 2000; Malhotra and Birks 2000; Aaker et al 2001; Churchill 2001; Bryman and Cramer 2001).

However, it is worth mentioning at the outset that in order to use the parametric statistical tests there are a number of assumptions that should be met to perform such robust tests e.g., having normally distributed data (Siegel and Castellan 1988; Oppenheim 1992; Hussey and Hussey 1997; Hair et al 1998; Yaffee 1999; Field 2000; Sekaran 2000; Malhotra and Birks 2000; Aaker et al 2001; Churchill 2001; Bryman and Cramer 2001). The parametric statistical tests literature advocates that the most fundamental assumption that should be met and should not be violated is the normality assumption (Oppenheim 1992; Hair et al 1998; Yaffee 1999; Field 2000; Norusis 2000; Sekaran 2000; Aaker et al 2001). If this assumption is violated or the variation from normality is sufficiently large the consequence is that all values of F and T statistics in the parametric tests are invalid.

The examination of the research data has indicated that some of the research variables were not normally distributed which is an obvious violation of the most fundamental assumption of using the parametric statistical techniques. Consequently, it was decided to employ the non-parametric statistical techniques to conduct the data analysis (Siegel and Castellan 1988; Kendall and Gibbons 1990; Sprent 1993; Norusis 2000; Field 2000; Aaker et al 2001; Bryman and Cramer 2001). However, it was not possible to increase the number of observations in the research because the number collected represents the total population, i.e. the research population is very small.

Consequently, it was decided that it would be methodologically safer to employ the non-parametric techniques to conduct the analysis for the research data. The decision to use non-parametric techniques to analyse the research data is based upon a number of crucial factors, which supported employing them. These factors are (Siegel and Castellan 1988; Kendall and Gibbons 1990; Sprent 1993; Hollander and Wolfe 1999; Norusis 2000; Field 2000; Aaker et al 2001; Bryman and Cramer 2001):

- Some of the research variables are not normally distributed.
- The data were measured using an ordinal scale; five point Likert scale. This requires using non-parametric techniques for analysing a data set (Siegel and Castellan 1988; Sprent 1993; Field 2000). The rationale which lies behind using non-parametric tests with the ordinal scale is twofold (a) the magnitudes or differences between the Likert categories are not known, even the distances between the scale categories are theoretically supposed to be equal. (b) The non-parametric tests are concerned with rank ordering rather than the numerical values of the variables or items.
- The non-parametric tests are distribution-free tests (Siegel 1988; Kendall and Gibbons 1990; Sprent 1993; Hussey and Hussey 1997; Field 2000; Norusis 2000; Bryman and Cramer 2001; Aaker et al 2001). However, each non-parametric test has its own assumptions that should be met in order to employ it.
- Non-parametric tests have some advantages over parametric tests. First, they employ relatively "simple" formula for the analysis and are relatively easy to understand. Second, they are distribution-free tests and do not require many assumptions like their parametric counterparts. Third, they are relatively straightforward and quick to apply. Fourth, non-parametric tests allow the research to use them with small sample sizes, which is the case in the research, for which parametric tests are not used.
- The main disadvantage of employing the non-parametric tests is that it is claimed that they are not as robust as their parametric counterparts. However, this disadvantage is highly controversial and can be minimised to the lowest level by employing a sufficient number of observations in the analysis. Furthermore, employing a non-parametric statistical test with valid assumptions is methodologically safer than employing a robust statistical test with invalid or violated assumptions (Hollander and Wolfe 1999; Taylor 2001).

Consequently, non-parametric statistical methods were used to conduct the analysis. These methods are:

- Descriptive statistics. Descriptive statistics include frequencies and percentages. They were employed to test the first and second objectives. The method used to conduct the analysis was the percentages of the level of agreement for the components and items of the marketing strategy. To carry out this analysis the five point Likert scale was collapsed into three categories to facilitate the analysis of the large number of items included in the questionnaire. This methodology has been recommended by a number of researchers (Malhotra and Birks 2000; Bryman and Cramer 2001; Aaker et al 2001; Churchill 2001). These three categories are agree, neither agree nor disagree and disagree.

- Spearman rank correlation analysis. Spearman was employed to examine the third objective. More details in relation to the rationale, assumptions, procedures and requirements of the Spearman rank correlation analysis is provided in appendix F.
- The Kendall tau rank order correlation. This analytical correlation test was employed to assist testing the fourth objective and its hypotheses because it is more generalisable than Spearman to use the Kendall partial rank correlation.
- The Kendall Partial Rank-Order Correlation Coefficient. This statistical technique was employed to test the fourth objective and its related hypotheses. More details about the rationale, assumptions, procedures and requirements of the Kendall Partial Correlation Coefficient analysis is provided in appendix F.

The Kendall Partial Rank-Order Correlation Coefficient

The Kendall Partial Correlation is employed in order to test the effect of the moderator variables on the relationship or association between the marketing strategy components and the insurance companies' performance. Based upon the discussion of the moderating variables (chapter four), it is of crucial importance for the research to determine the "appropriate" approach or methodology by which the moderating variables are tested. There is considerable controversy and argument among the marketing researchers who have discussed the concept of moderator variables about the "best" statistical approach that can be employed to test the influence of the moderator variables on the relationship between two variables on one hand. On the other hand, there is considerable consensus among them that the search for moderator variables must be guided and directed by theory and pre-determined hypotheses that have been formulated based on that theory, that is, in order to make substantive interpretations and draw up meaningful conclusions about a specific research project.

Any search for moderator variables without a sound theoretical basis is meaningless and is difficult to provide substantive interpretations, and would lead to misleading results and conclusions. Furthermore, developing a theory or theoretical framework for testing the influence of moderator variables on the relationship between X and Y can come from synthesising theoretical and empirical work for a specific research project (Baron and Kenny 1986; Greenley and Foxall 1998; Greenley 1999). Consequently, for the purpose of the research, the search for moderator variables is principally guided by a sound synthesis and theory of marketing strategy formulation and implementation (see chapter three and four-building research framework) and fundamentally to test hypotheses of the effect of moderator variables; marketing strategy implementation variables.

The next crucial phase is the "appropriate" approach or methodology to statistically test the effect of moderator variables. Consequently, it was decided to critically examine four main options or alternatives in order to fulfil the fourth objective of the research (see appendix F for details about the alternatives). However, examining these alternatives has revealed that the Kendall partial correlation is the suitable alternative.

5.6.5. Research Hypotheses Testing

The Hypotheses Testing and Interpretation of Spearman's Rank Correlation Analysis

If there is no correlation between ranks, it can be shown that rho (r) has expectation zero which indicates that there is perfect disagreement. r is used since it gives a more easily appreciated indication of the level of correlation or association. Spearman's r allows the strength and direction of relationships between two variables to be gauged. Spearman's r values vary between –1 and +1. A relationship of –1 or +1 would indicate a perfect relationship, negative or positive respectively, between two variables. This would indicate perfect inversion between X- and- Y rankings or perfect agreement between X- and- Y rankings, respectively. The closer the r coefficient is to 1 (whether positive or negative), the stronger the relationship between the two variables. The closer the r coefficient is to zero the weaker the relationship. In interpreting r values a caution must be taken into account in which it cannot be said that a variable X correlation is 0.60 is twice as strong as the correlation of Y variable with a value of 0.30. Kohout (1974) argues that in interpreting the Spearman's r coefficients, the r indicates the amount of "rank change" in Y when X increases by one rank. Furthermore, because the Spearman's r coefficient is computed based on ranked data, it can be shown that the r coefficient indicates the proportion of variation in Y-ranks that is explained by variation in X-ranks.

The decision rule that can be employed to test the general and sub-hypotheses by using Spearman's rank correlation test is concerned with three essential dimensions that must be examined for this purpose (Yaffee 1999). First, examining the direction of the correlation coefficient, r, if it is positive or negative. A positive correlation indicates that there is a positive effect of the marketing strategy component(s) on the performance measured by either financial or non-financial criteria. Meanwhile, a negative correlation indicates that there is a negative effect for the marketing strategy component(s) on the performance measured by either financial or non-financial criteria. If the result of the correlation coefficient, r, is zero, then, it indicates that there is no relationship between the variables. Second, examining the strength of the correlation between the marketing strategy component(s) and performance. This can be examined by examining Spearman's, r, values which vary between –1 and +1. In interpreting r values a caution must be taken into account in which causality cannot be established by using the correlation analysis between two variables.

Third, examining the significance level of the relationship between the variables to check if it is statistically meaningful. This significance level is indicated by examining the probability (P) value of the statistical test which indicates if the relationship is significant. The way in which the significance of r coefficient is calculated is strongly affected by the number of observations for which there are pairs of data. For instance, if there are 500 observations, r coefficient needs to be at least 0.088 or 0.115 to be significant at the 0.05 and 0.01 levels respectively. If there are only 18 observations, r coefficient needs to be at least 0.468 and 0.560 respectively (Bryman and Cramer 2001). The P value gives an indication about the probability that the correlation coefficient, r, would have occurred by chance in the observations of 52 respondents. As mentioned before, the conventional significance level 0.05 is adopted in the present research in order to examine the research hypotheses significance level. Consequently, if the P value is less than 0.05 this indicates that the correlation coefficient, r, is significant between the two variables and statistically meaningful.

Although there are no hard rules or guidelines that can be followed in order to interpret the Spearman's rank correlational analysis, there are some helpful guidelines which can be employed for interpretation. Guilford (1956, p. 145) (cited in Williams 1992) used guidelines for interpreting the "significance" of the r coefficient. The guidelines are (Williams 1992, p. 137):

- If the r coefficient is less than 0.20 there is a "slight correlation" and the interpretation is that there is "almost no relationship".
- If the r coefficient is 0.20 to 0.40 there is a "low correlation" and the interpretation is that there is a "small relationship".
- If the r coefficient is 0.40 to 0.70 there is a "moderate correlation" and the interpretation is that there is a "substantial relationship".
- If the r coefficient is 0.70 to 0.90 there is a "high correlation" and the interpretation is that there is a "marked relationship".
- If the r coefficient is 0.90 and above there is a "very high correlation" and the interpretation is that there is a "solid relationship".

In the same vein, Cohen and Holliday (1982) (cited in Bryman and Cramer 2001, p. 174) have provided very close guidelines for interpreting the correlation analysis. The guidelines are: 0.19 and below indicates very low correlation; 0.20 to 0.39 shows low correlation; 0.40 to 0.69 shows modest correlation; 0.70 to 0.89 shows high correlation; and 0.90 to 1 shows very high correlation. However, although these guidelines are helpful, Bryman and Cramer (2001) argue that they are rules of thumb and should not be regarded as definitive definitions, since there are hardly any guidelines for interpretation over which there is substantial consensus.

The Hypotheses Test and Interpretation of the Kendall Rank-Order Partial Correlation

The results of the Kendall partial rank correlation must be interpreted with extreme care and the theory of a third variable must be critically examined. Therefore, a decision rule must be established to determine if an effect of a third variable, Z, exists on the association between X and Y. A number of systematic procedures should be taken to examine the influence of a third variable on the association between X and Y (Siegal and Castellan 1988; Kendall and Gibbons 1990):

- The original association between two variables X and Y must be conducted without controlling for the effect of a third variable, Z. Three dimensions must be examined on this association which are the magnitude of the Kendall coefficient, r, the direction of the association (positive or negative) and the significance of it.

- The Kendal tau rank partial correlation is conducted between the variables X and Y while controlling for the effect of the third variable, Z.
- The result of the partial correlation is in three alternatives; the first alternative is examining the magnitude of the Kendall coefficient, r. This alternative has three probabilities. First, if the partial correlation of X and Y while controlling for the effect of Z is weaker than the correlation of the original X and Y then the third variable, Z has an important role to play on the association of X and Y and it affects their association. Second, if the partial correlation of X and Y while controlling for the effect of Z is the same as the original association between X and Y then the third variable has no role to play and has no effect on the association between X and Y. Third, if the partial correlation of X and Y while controlling for the effect of Z is stronger than the original correlation of X and Y then the third variable, Z, has a negative effect on the association between X and Y and the association between X and Y is stronger while controlling for Z and Z may mask the association between X and Y. In other words, not controlling for the effect of a third variable has a negative effect on the relationship between X and Y.
- The second alternative is examining the sign or direction of the Kendall partial correlation. If the sign or direction is positive then the decrease or increase in the Kendall coefficient is examined to decide the effect of the third variable. If the sign or direction of the Kendal partial correlation is negative it indicates that controlling for the third variable, Z has a negative effect on the association between X and Y.
- The third alternative is examining the significance of Kendall partial correlation which is indicated by examining the probability value, P value, of the test. The research used the conventional alpha α =0.05 which can be compared with the P value of partial correlation test to examine if it is significant or not. If the P value of the partial correlation is less than 0.05 then the partial correlation is significant and the association of X and Y is held while controlling for the effect of the third variable, Z. The implication is that controlling for the third variable may affect the association of X and Y but their correlation is still significant and the effect of the third variable on their association is determined by the magnitude of change in the Kendall coefficient r. If the Kendall partial correlation is non-significant the

implication is that the third variable Z has a substantial influence or effect on the association between X and Y and controlling for this variable is likely to make the association between X and Y non-significant. Alternatively, the tabulated value of the partial correlation (the critical value) can be obtained and compared with the observed value (calculated value) of the partial correlation. If the observed value of the partial correlation exceeds the critical value (tabulated) then at level of significance $\alpha=0.05$ the hypothesis that the variables X and Y are independent for fixed values of the variables Z is rejected. For large values of N the distribution of the partial correlation is complicated but does approximate a normal distribution that is normally distributed with mean zero and standard deviation one. Therefore, the Z value (probability) must be found and compared with the tabulated value. The method is the most frequent one being used to find the significance of R original correlation and partial correlation (Arnold 1982; Siegel and Castellan 1988). To determine the Z value a number of issues must be considered that are the significance level ($\alpha=0.05$), two-tailed test, the number of observations and the value of the Kendall partial correlation (Siegel and Castellan 1988).

5.7. The Research Limitations

There are limitations in this research:

This research has been carried out in a single service industry, the insurance industry in Jordan, which implies that the generalisability of the research results are limited to the insurance industry in Jordan within the Jordanian business environment context, and cannot be generalised to other insurance markets either in developed countries or in developing countries. Although the generalisability of this research is limited to the insurance industry in Jordan, this research is consistent with and supportive for the literature of services marketing which strongly recommended conducting research projects in single service industries (Jaber 1989; Swartz, Bowen, and Brown 1992 (cited in Bharadwaj et al 1993); Brown et al 1994; Appiah-Adu 1999; Knight 1999) in order to develop a distinctive body of marketing literature for each single service industry (ies). Moreover, the research results are generalisable and applicable to the insurance companies in Jordan because this research has investigated all the insurance companies in Jordan and the percentage of the insurance companies that participated in the research was 92%.

The small number of the research observations, 52 observations, did not permit this research to employ more advanced statistical techniques such as multiple regression and structural equation modelling which, if they were used, might have produced a more comprehensive view by examining all the research variables together. This limitation was recognised in this research, however, the statistical methods that were employed in the data analysis strategy enabled this research to minimise this limitation in three ways. First, the statistical methods used were adequate to fulfil the research objectives and to test hypotheses. Second, the assumptions of each statistical method were not violated which made them a valid and reliable base upon to analyse the data. Third, the statistical methods used were very consistent with the research data characteristics and scales used in the research questionnaire.

Chapter Six

Research Analysis and Discussion

6.1. Introduction

This chapter provides a detailed analysis and discussion of the research findings. This chapter is divided into ten sections. Section 6.2 provides the research objectives. Section 6.3 discusses general characteristics of the respondents. Section 6.4 is concerned with examining the first objective. Section 6.5 is concerned with examining the second objective. Section 6.6 is concerned with the research hypotheses testing. Section 6.7 is concerned with testing the first group of hypotheses (objective three). Section 6.8 discusses strategic issues in marketing insurance services. Section 6.9 is concerned with testing the second group of hypotheses (objective four). Section 6.9 is divided into two sections. Subsection 6.9.1 presents a general discussion. Subsection 6.9.2 discusses the marketing strategy implementation variables. Section 6.10 provides a digest for the chapter.

6.2. Objectives of the Research

1. To establish and define the components of marketing strategy of the insurance companies in Jordan.
2. To establish the performance measures appropriate to the Insurance Sector in Jordan.
3. To determine the effects of the marketing strategy components on the performance of the insurance companies in Jordan.
4. To determine the effects of the marketing strategy components on the performance by different moderating variables in the insurance companies in Jordan.

6.3. General Characteristics of the Respondents

The main aim of including this section in the analysis is to provide an overview of the characteristics of the research respondents. Since these questions were measured by using the nominal (categorical) scale the only permissible statistical operations that can be conducted is to calculate percentages (Oppenheim 1992; Malhotra and Birks 2000; Bryman and Cramer 2001; Aaker et al 2001).

Age	Percentage	Academic Background	Percentage
Under 30	5.8	Business Administration Degree	38.5
30-40	21.2	Marketing Degree	7.7
41-50	48.1	Economics and Statistics Degree	9.6
51-60	25	Accounting and Finance Degree	17.3
Over 60	0	Risk and Insurance Management Degree	9.6
Educational Level		Other	17.3
High School	1.9	**Ownership of the Insurance Company**	
College Degree	9.6	Wholly Jordanian Ownership	53.8
Bachelor's Degree	71.2	Jordanian-British Ownership	0
Master's Degree	15.4	Jordanian-American Ownership	5.8
Doctoral Degree	0	Jordanian-Arab Ownership	25
Other	1.9	Jordanian-European Ownership	11.5
Gender		Jordanian-Far East Ownership	0
Male	96.2	Other	3.8
Female	3.8	**The Nature of the Insurance Company Activity**	
Working Experience in the Insurance Industry		Practising General Insurance Business	17.3
Less than 5	7.7	Practising Life and Health Insurance Business	3.8
5-9	11.5	Practising General and Life and Health Insurance Business	78.8
10-15	19.2		
16-20	13.5		
Over 20	48.1		

Table 6.1. General Characteristics of the Respondents

Table 6.1 shows that 86.6% of the respondents hold a bachelor degree and above. The indication for the research is that the research respondents are well educated and the insurance companies in Jordan have considerable interest in recruiting people who hold at least a university degree. Table 6.1 shows that the majority of respondents, 81.8%, have over ten years working experience in the insurance business in Jordan. This has a crucial indication for the research which implies that the respondents (managers) are well knowledgeable and experienced in the insurance business in Jordan. Noticeably, only 7.7% of the respondents have a marketing degree. Table 6.1 shows that the majority, 78.8%, of the insurance companies are interested in providing a comprehensive range of insurance services in order to serve different target markets.

6.4. To Establish and Define the Components of Marketing Strategy of the Insurance Companies in Jordan.

The literature on marketing strategy (chapters two and three) suggested that the marketing strategy includes eight components; the 7Ps of the services marketing mix framework and service quality. During the analysis there are nine components, because people strategy has two interrelated components, namely; customer orientation and internal marketing.

6.4.1. An integrated Insurance Offering Strategy

Four integrated elements were included to represent this component, which were insurance services range, branding, developing new insurance services, and customer service. Table 6.2 shows these elements of insurance offering strategy and their percentages of levels of agreement.

An Insurance Service Offering Strategy	Agree %	Neither Agree nor Disagree %	Disagree %
Insurance Services Range: Offers a considerable range of insurance services	92.3	3.8	3.8
Branding of Insurance Services			
Insurance services are branded by using our company's name	88.5	9.6	1.9
Insurance services are individually branded	34.6	9.6	55.8
Reputation has an important role in our company's success	96.2	1.9	1.9
Builds up our brand reputation by providing a distinctive service quality	94.2	3.8	1.9
Employees have a crucial role on building our brand reputation	94.2	5.8	0
Developing New Insurance Services			
Introduces new insurance services as a strategic tool in our company's growth and continuation	76.9	11.5	11.5
Has structured and formalised procedures for new insurance service development process	67.3	19.2	13.3
Has a formal strategy for new insurance service development	65.4	19.2	15.4
Uses an ad hoc approach for new insurance service development	69.2	13.5	17.3
Uses a formal plan for new insurance service development	63.5	17.	19.2
Has a well planned and executed new insurance service development process	71.2	15.4	13.5
Insurance Customer Service			
Uses customer service as a central element in our service offering strategy	84.6	9.6	5.8
Tailors our customer service programmes in relation to the customer needs and wants	71.2	13.5	5.4
Has a strategy for customer service	73.1	19.2	7.7
Uses flexible systems and procedures in responding to customers needs	76.9	13.5	9.6
Leverages our customer services staff abilities, knowledge and quality to deliver our customer services effectively	73.1	19.2	7.7

Table 6.2. An Insurance Service Offering Strategy Descriptive Statistics-Percentages

Insurance Services Range

Table 6.2 shows that 92.3% of the insurance companies provide a comprehensive range of insurance services. The rationale for providing this comprehensive range is that the insurance companies aim to meet the different needs and wants of different target markets. This result supports the literature (Watkins and Wright 1986; Ennew

1998; Johne and Storey 1998; Kotler 2000) which advocates providing a comprehensive range of services to different target markets. Modem businesses today try to provide a portfolio of services in order to achieve strategic objectives such as retaining the current customers, attracting new customers, coping with severe competition in the marketplace, and increasing sales and profitability.

Branding of Insurance Services

Table 6.2 shows that the insurance companies in Jordan use both the company's name and individual branding strategies for branding insurance services. Table 6.2 shows that the level of agreement for insurance branding strategies by using the company's name was high 88.5%. This provides a strong support for the branding literature (Thomas 1978; Onkvisit and Shaw 1986; Berry et al 1988; Balmer and Willkinson 1991; Denby-Jones 1995; Aaker 1996; de Chernatony and McDonald 1998; Balmer 1998; de Chernatony and Dall'Olmo Riley 1999; Berry 2000; McDonald et al 2001; Harris and de Chernatony 2001; Lovelock 2001) which advocates that it is preferable for service companies to brand their services by using the company's name. The rationale for uşing this strategy is twofold. First, customers tend to recognise a financial service company as a whole, the customer should hear a unified language from the company. Second, financial services are highly complex, cannot be easily grasped and intangible, therefore, customers need a surrogate to rely upon while purchasing a financial service.

Meanwhile, the level of agreement on using the individual branding for branding insurance services is only 34.6%, and the level of disagreement on using this strategy is 55.8%. Those companies have life and health insurance branches, which are trying to distinguish them from the general insurance branches. This result provides some support to the literature (Saunders and Watters 1993; Denby-Jones 1995; de Chernatony and McDonald 1998; McDonald et al 2001) that advocates the individual branding. The proponents of individual branding argue that the risk of using the company's name in branding is not adequately promoting the benefits of individual brands that may confuse customers. Moreover, individual branding allows the marketer to develop positioning strategy to appeal to different market segments.

Three items were included to investigate the role of branding on an insurance offering strategy and company's success. Table 6.2 shows that the highest level of agreement among the branding elements was that a company brand reputation has an important role to play in company success in practising insurance business at 96.2%. The majority of the respondents agreed that providing a distinctive insurance service quality and the employees in an insurance company have an essential role for building a company brand reputation.

The implication is that a company brand name has strategic aspects, which are inherent in achieving long-term success and achieving strategic goals such as satisfactory ROI and customer satisfaction. These results provide strong empirical evidence for the literature on branding which advocates that a company brand reputation has a strategic role to play in its success (Howcroft and Lavis 1986; Berry 1988; Onkvisit and Shaw 1989; Dobree and Page 1990; Balmer and Wilkinson 1991; Sauders and Watters 1993; Boyed et al 1994; Denby-Jones 1995; Aaker 1996; Ennew 1998; Doyle 1999; Tilley 1999; de Chernatony and Dall'Olmo Riley 1999; Berry 2000; Kotler 2000; McDonald et al 2001; Lovelock 2001).

Developing New Insurance Services

Table 6.2 shows that the level of agreement on introducing new insurance services as a strategic tool for the companies' growth and continuation was relatively high 76.9%. This result strongly supports the literature of developing new services that found that introducing new services is a strategic tool for service companies (Easingwood 1986; Reidenbach and Moak 1986; Bowers 1986; Cowell 1988; Scheuing and Johnson 1989; de Brentani 1989; Easingwood and Percival 1990; de Brentani 1991; Edgett and Jones 1991; Cooper and de Brentani 1991; Easingwood and Storey 1991; de Brentani and Cooper 1992; de Brentani 1993; Edgett 1993; Storey and Easingwood 1993; Edgett 1994; Edgett and Parkinson 1994; Johne and Pavlidis 1996; Kelly and Storey 2000; Lovelock 2001; Storey and Kelly 2001).

This result is reasonable since the Jordanian market is still immature and needs new insurance programmes and services. This has been supported by qualitative research data. For instance, the marketing and media manager of a big insurance company states:

"...we have a critical need to develop and launch new insurance programmes and services and promote them well alongside the classic programmes of insurance. The Jordanian market is still immature and there are promising opportunities to do insurance business. For example, we have developed credit insurance programme and we promoted it well and it is very successful in the market".

Table 6.2 shows that the insurance companies in Jordan use different approaches to develop new insurance programmes and services. The level of agreement on using formalised and structured procedures is 67.3% and the level of agreement on having a formal strategy for developing new insurance services was 65.4%. These results provide support for a stream of research that advocates using formal and structured procedures, and having a formal strategy for developing new services (Donnelly et al 1985; Reidenbach and Moak 1986; Bowers 1986; de Brentani 1989; 1991; Cooper and de Brentani 1991; Edgett and Jones 1991; de Brentani 1993; Edgett 1994; Edvardsson et al 1995; Edvardsson and Olsson 1996; Johne and Storey 1998; Oldenboom and Abratt 2000).

Table 6.2 shows that the level of agreement on using an adhoc approach in developing new insurance services was 69.2%. Therefore, the insurance companies tend to rely relatively more on the informal approach for developing new insurance services which is reasonable in a small developing country with limited insurance companies financial abilities. This result provides support for the literature which advocated using an adhoc, unstructured and informalised approach to develop new services (Easingwood 1986; Scheuing and Johnson 1989; Martin and Horne 1993; Edgett 1993; Edgett and Parkinson 1994; Edgett 1996; Kelly and Storey 2000; Storey and Kelly 2001).

Insurance Customer Service

Table 6.2 shows that the highest level of agreement, 84.6%, among customer service elements was on using customer service as a central element in the insurance offering strategy. This provides support for the literature which advocates customer service as a strategic part in the service offering strategy and may distinguish one company from another (Wong and Berry 1991; Marr 1987; 1990; Garfein 1988; Lambert and Harrington 1989; Smith and Lewis 1989; Schlesinger and Haskett 1991a,b; Quinlan 1991; Quinn and Humble 1993; Freemantle 1994; Marr 1994; Mouawad and Kleiner 1996; Christopher 1999; Kotler 2000; Baker 2000; Lovelock 2001; McDonald 2002).

The levels of agreement on the other elements of customer service ranged from 71.2% to 76.9%. Surprisingly, the level of agreement on tailoring customer service programmes in relation to customer needs was only 71.2%. This may present a narrow understanding of customer needs upon which the customer service programmes should be tailored.

Consequently, customer service is viewed as a pivotal part of an integrated insurance service strategy and should be taken on the strategic level rather than the tactical level. This has been supported by the qualitative research data. For instance, the manager of life and personal accidents department in a small insurance company states:

"...after sale service is more important than the selling process itself because it is relatively easy to sell but it is really hard to serve customers properly. When the customer buys an insurance policy and the risk does not happen it means that he has not tested the insurance company yet. ... the true insurance service comes out when the customer makes a claim to the company and continuous visits to the customers. Our customers have become very interested in after sale service. As far as I can remember, five years ago the price was a critical factor but now it's the service quality and customer service what count in the eyes of the customers".

The production and marketing manager of a medium size insurance company states:

"...from our experience and practice, the way that we know if our customer is satisfied or not is when the risk happens and a claim comes out to the company. In reality, customer claims is the main "mirror" that reflects customer satisfaction. ...the way in which the insurance company handles the customer's claim has a substantial effect on his satisfaction. The insurance company has to pay customers claims without any delay".

6.4.2. Insurance Service Quality

Table 6.3 shows service quality items and their percentages of levels of agreement.

Functional Quality

This aspect was measured by using five dimensions as suggested by its literature (chapters two and four).

Tangibles

Table 6.3 shows that there was total agreement (100%) on the cleanness and appearance of the insurance company among the tangibles items. The main reason that this dimension had the highest level of agreement is that insurance services are highly intangible and complex, therefore, the insurance companies try to provide the highest degree of tangibility to minimise the intangibility element as much as they can.

Insurance Service Quality	Agree %	Neither Agree nor Disagree %	Disagree %
A. Functional Quality			
1. Tangibles			
The cleanliness and appearance of our company facilities	100	0	0
Using up to date equipment	96.2	3.8	0
The appearance of our staff	84.6	13.5	1.9
The décor and atmosphere of our company	76.9	17.3	5.8
2. Reliability			
Delivering our insurance services as we have promised to our customers	84.6	9.6	5.8
No delays in issuing insurance policies and recovering claims due to bureaucratic reasons and procedures	86.5	11.5	1.9
Performing our insurance service right the first time	75.0	17.3	7.7
Issuing errors-free insurance policies and claims	86.5	7.7	5.8
3. Responsiveness			
Our staff being willing to help customers	90.4	5.8	3.8
Our staff having the competence and ability to explain our insurance services and policies	80.8	13.5	5.8
Readiness to handle our customers requests and needs	82.7	11.5	5.8
Using customers' feedback to improve our insurance services	71.2	17.3	11.5
4. Assurance			
Confidentiality about our customers transactions	90.4	9.6	0
Well-trained employees who have the knowledge to answer customer questions	75.0	21.2	3.8
Courtesy and competence of our staff	82.7	9.6	7.7
Insurance service quality that gives our customers value for their money	86.5	7.7	5.8
5. Empathy			
Motivating and encouraging our staff to treat customers well	78.8	13.5	7.7
Knowing our customers on an individual basis	73.1	17.3	9.6
Understanding our customers needs thoroughly	78.8	13.5	7.7
Convenient opening hours and easy access to our company	82.7	13.5	3.8
B. Technical Quality			
Fast handling of issuing policies and covering claims to our customers	88.5	5.8	5.8
Instalment facilities for insurance premiums payments	78.8	11.5	9.6
Frequent contact with our customers	86.5	9.6	3.8
Fast handling of our customers' complaints	86.5	7.7	5.8

Table 6.3. Insurance Service Quality Descriptive Statistics-Percentages

Reliability

Table 6.3 shows that no delays in issuing insurance policies and recovering claims due to bureaucratic reasons and procedures and, issuing errors-free insurance policies and claims items had the highest levels of agreement among the reliability dimension items. The main implication is that the insurance companies must be very accurate in issuing insurance policies without errors and delays, and most importantly, must pay the insurance claims without delays. Recovering insurance claims is very critical in the insurance business because it is the critical point upon which customer satisfaction is gained and the company is tested.

Responsiveness

Table 6.3 shows that the highest level of agreement among the responsiveness items at 90.4% is that staff be willing to help customers. This result is not surprising since the human element has a vital role to play in providing insurance service quality. Surprisingly, the lowest level of agreement was on using customers' feedback to improve insurance services 71.2%. This result presents the fact that doing marketing and customer research is a relatively weak function among the insurance companies in Jordan. This is consistent with customer service results when they showed that the insurance companies did not rely heavily on the customers' needs to tailor customer service programmes.

Assurance

Table 6.3 shows that confidentiality and privacy about customers' transactions with the insurance companies had the highest level of agreement among the assurance dimension items at 90.4%. This is an important result, which is very consistent with the Jordanian customers' traits who demand and ask the insurance companies to keep their transactions confidential and private, especially when it comes to health and life insurance services.

An important result is that there was a high level of agreement 86.5% on providing insurance service quality that gives customers value for money. This reflects that there is recognition for the role of providing value to customers through service quality and for assuring customers that they gain benefits from what they pay. This has been supported by the qualitative research data.

For instance, the deputy general manager of the biggest insurance company in Jordan states:

"...I think that insurance service quality is the element that may distinguish one insurance company from another. The rationale for this is that the customer pays money and he wants to receive value. When the customer buys an insurance policy he has got, at least, to have the minimum value that he expects from our company. Our company will directly benefit from this through keeping this customer satisfied, loyal, and the company can attract new customers".

The manager of research and development, public relations and training, and quality assurance units in a big insurance company states:

"...the insurance service quality is that quality in which the customer is convinced that he has a satisfactory value for the money that he has paid for buying an insurance policy. We are trying to achieve a higher level of satisfaction and value for the money that our customers pay. This is actually what distinguishes us in our effort to compete in the market better than our competitors".

Empathy

Table 6.3 shows that convenient opening hours and easy access to the insurance company had the highest level of agreement among the empathy dimension items at 82.7%. In today's business environment, it is pivotal to the insurance companies to stay available in a convenient time and place for easy customer access. Table 6.3 shows that the least focus was on knowing customers on an individual basis. The level of agreement on this item was 73.1%. Even this percentage is relatively high it reflects that building relationships with customers needs more focus.

The analysis of the insurance functional quality dimensions provides support for the literature which advocates the five dimensions of service quality especially providing support for the SERVQUAL model which was developed by Parasuraman et al (1985; 1988). The analysis does not provide support for the service quality literature that found that functional quality may not include five dimensions (Carman 1990, Cronin and Taylor 1992; Teas 1993; Mels et al 1997; Robinson 1999; McDougall and Levesque 2000; Newman 2001). However, this result should be taken with caution since there was no attempt made in this research to extract or create the functional quality dimensions. The argument is that since all the dimensions of functional quality were highly used and there were high levels of agreement on using them by the insurance companies in Jordan this may suggest that those dimensions are acceptable.

Technical Quality

Table 6.3 shows that there were high levels of agreement on technical quality among the insurance companies in Jordan. Fast handling of issuing insurance policies and covering claims to customers had the highest level of agreement among the technical quality items 88.5%. This is an important indication that affects service quality in insurance business in which the customers evaluate the company and its service quality and their satisfaction when a risk happens. Having a claim in the insurance business is the most critical point for the insurance company where the customer gets in contact with it since purchasing his insurance policy. If a risk does not happen then the customer has not tested the insurance company yet, neither its service quality nor its ability to serve the customer claims. Therefore, the way in which the insurance company handles customers' claims and complaints largely determines service quality and customer satisfaction. The level of agreement on providing instalments facilities for paying insurance premiums was 78.8%. The hard economic conditions and competition in Jordan forced the insurance companies to provide this facility to customers in order to sell insurance services.

The analysis of the insurance technical quality dimension provides support for the literature which advocates the importance of the technical-oriented dimension for service quality (Gronroos 1982; 1984; 1990b; Carman 1990; Cronin and Taylor 1992; Teas 1993; Hemmasi and Strong 1994; Weekes et al 1996; Robinson 1999; Lasser et al 2000; Caruana et al 2000; Bahia and Nantel 2000; Newman 2001).

The results of the service quality analysis, as a crucial element in marketing strategy, have been supported by the qualitative research data. For instance, the production and marketing manager of a medium size insurance company states:

"...the primary mission for the insurance companies is providing services that are highly intangible and complex. The insurance companies need to distinguish themselves by providing insurance service quality and at the level required by customers because we have a large number of competing insurance companies in Jordan. The insurance service quality is one of the main characteristics for any insurance company that seeks success in its marketing strategies and policies at a satisfactory level. There is no way by which the insurance company can succeed in its premiums volume and reputation without providing a distinctive service quality".

The vice president for general insurance affairs in a big insurance company states:

"...service quality is the most important aspect of our insurance business. It is the total commitment of our company to pay and implement the contents and conditions of issued insurance policies by our company. The critical point in our business is that when a risk or an accident happens our critical role starts to pay our claims to the customers properly. The speed of paying our claims has a crucial role on the quality of our insurance services".

The considerable use of the two aspects of service quality provides support for the literature that advocates that service quality aspects are functional and technical (Gronroos 1982; 1984; 1990b: Ross and Shetty 1985; Lehtinen and Lehtinen 1991; Ennew and Binks 1996; Mels et al 1997; Lasser et al 2000; McDougall and Levesque 2000).

6.4.3. Insurance Pricing Strategy

Table 6.4 shows pricing strategy policies and their percentages of levels of agreement. Table 6.4 shows that the insurance companies in Jordan are using different pricing approaches in setting up pricing of insurance services. Unexpectedly, table 6.4 shows that pricing based on services which the insurance company introduces had received the highest level of agreement at 80.8%. Discussion and interviews with managers in the insurance industry have revealed that the rationale for using this strategy is that all the insurance companies in Jordan have "treaties" with universal re-insurance companies (no re-insurance companies exist in Jordan) in which they have not got much flexibility in setting up prices for insurance services. This result provides support for the literature that advocates this pricing policy (Zeithaml 1988; Carson et al 1998; Zeithaml and Bitner 2000; Lovelock 2001). However, this result should be taken with caution. The re-insurance treaties have forced the insurance companies to price based on the services that they introduce to customers. Interviews with managers in Jordan have revealed that the price and the level of introduced insurance services are highly controversial among the managers. Furthermore, all the interviewed managers have a high consensus that pricing of insurance services is a very problematic and complex matter in which many variables have significant roles to play. This result supported a study (Ghanam 1995) that was carried out in the Jordanian market, which reached to the same result.

Insurance Pricing Strategy	Agree %	Neither Agree nor Disagree %	Disagree %
The different kinds of costs which our company incurs	75.0	5.8	19.2
A predetermined rate of return that our company is looking for	50.0	28.8	21.2
What customers are willing to pay	30.8	28.8	40.4
The competition prices in the marketplace	57.7	25.0	17.3
Based on the services which we introduce to our customers	80.8	13.5	5.8
The government's regulations and the Insurance Federation policy	78.8	5.8	15.4
Price discrimination according to market segments which we serve	71.2	9.6	19.2

Table 6.4. Insurance Pricing Strategy Descriptive Statistics-Percentages

For instance, the deputy general manager of the biggest insurance company in Jordan states:

"...pricing of insurance services is a very complicated matter in which many factors play important roles. Going to an insurance company is like going to a well skilled doctor or solicitor regardless of the price of doing business. ...the customer puts a risk in the hands of the insurance company while purchasing an insurance policy. The choice of an insurance company must be based upon its ability to cover the risks and pay claims that it has committed by itself if a risk happens. ...this requires the customer to pay a reasonable price to receive a proper service".

The assistant general manager of a small insurance company states:

"...price is very important in the marketing of insurance services but it is not prominent. There are many instances where customers come to our company and say listen we do not care about price all we care about is having two issues, first, a sufficient insurance coverage and, second, a proper insurance service".

The manager of sales and customer service department in a big insurance company states:

"...the price of the insurance services is fundamentally related to the risk level. The closer the risk level to 100% is the higher the price of the insurance services is. The closer the risk level to zero is the lower the price of insurance services is. Furthermore, do not forget the critical role of the re-insurance companies that the insurance company has treaties with, which determine prices".

Table 6.4 shows that there was a fairly high (78.8%) level of agreement among the companies on pricing based on the government's regulations and the Jordan Insurance Federation. This policy is basically used for setting prices of some general insurance services such as compulsory vehicle insurance. Pricing based on the different kinds of costs which the insurance company incurs had a fairly high (75%) level of agreement. All the insurance companies try to cover all different kinds of costs in setting up their pricing strategies. This result provides support to the literature of pricing based on costs (Cowell 1984; Zeithaml et al 1985; Schlissel and Chasin 1991; Meiden and Chin 1995; Berry and Yadav 1996; Carson et al 1998; Lovelock 2001). This strategy has been considerably used in the Jordanian insurance market. According to this strategy there are two main aspects of pricing which are the actual cost of the insurance service (it is most probably determined by the re-insurance treaty) and the margin that the insurance company adds on that costs.

This has been supported by the qualitative research data. For instance, the manager of research and development, public relations and training, and quality assurance units in a big insurance company states:

"...the pricing of insurance services is different from all the other services and products. The pricing of insurance services is affected by re-insurance treaties that the insurance companies in Jordan make at the end of each year. These treaties determine the conditions and basic prices that the insurance companies cannot exceed without consulting the re-insurance company. The insurance company adds a margin on this price that is given to customers, which represents the costs that the insurance company incurs, and its profits. This applies for all the general insurance types".

Table 6.4 shows that the level of agreement on employing the policy of price discrimination according to different market segments which they serve was 71.2%. This result provides support for the literature that advocates price discrimination (Arnold 1989; Berry and Yadav 1996; Mirta and Capella 1997; Yelkur and Herbig 1997; Lovelock 2001). Table 6.4 shows that the level of agreement on using the competitive prices in the marketplace in setting up pricing strategies was 57.7%. The insurance companies use this strategy because they cannot ignore their competitors in the marketplace in which they operate. This result is consistent with the literature of using the competitive pricing policy in service businesses (Zeithaml et al 1985; Meiden and Chin 1995; Tung et al 1997; Carson et al 1998). Table 6.4 shows that the level of agreement on using the policy of a predetermined rate of return that the insurance company is looking for in setting prices is low (50%). This is because of the nature of the insurance business in Jordan where the companies have treaties with universal re-insurance companies and use the insurance premiums in making investments in other or related business sectors.

Surprisingly, the lowest level of agreement (30%) is on pricing according to what the customers are willing to pay. Evidence for the lack of customer focus has been the case in both service quality and customer service. Consequently, this result does not provide support for the literature that advocates pricing according to what the customers are willing to pay (Cowell 1984; Berry and Yadav 1996; Pitt et al 1997; Carson et al 1998). However, some insurance companies use formal pricing forms upon which they estimate insurance risk and set up prices of insurance services. This is evidenced when an insurance company provided this research with a pricing form of insurance services, which they are using for price setting (appendix G).

6.4.4. Insurance Promotion Strategy

Table 6.5 shows the elements of promotion strategies in the insurance companies in Jordan and their percentages of levels of agreement.

Insurance Promotion Strategy	Agree %	Neither Agree nor Disagree %	Disagree %
Advertising media such as television, newspapers, magazines	57.7	11.5	30.8
Our personal selling staff and customer personal contact points	82.7	3.8	13.8
Publicity and public relations to enhance our image	80.8	11.5	7.7
Sales promotions such as gifts, discounts, loyalty cards	44.2	28.8	26.9
Direct marketing methods such as telemarketing, direct mail, the internet	59.6	15.4	25.0
Sponsorship of special events such as sports, charities, competitions	48.1	23.1	28.8

Table 6.5. Insurance Promotion Strategy Descriptive Statistics-Percentages

Table 6.5 shows that the highest level of agreement was 82.7% for using personnel staff and customers personal contact points. This is followed by using publicity and public relations to enhance company image that had 80.8% level of agreement. The unique characteristics of insurance services require companies to use their staff to promote insurance services especially overcoming the problems of intangibility and complexity which create problems for companies in doing promotion, especially advertising. In doing insurance business in Jordan the company management and its staff are all involved in publicity and public relations activities with customers and other parts in business and non-business sectors. These two methods were extensively used in the insurance business because customers do prefer doing business personally and the insurance companies are trying to improve their image in the public "eyes". This image has been relatively bad over the last ten years. These results provide support for the literature that advocates using personal selling and customer personal contact, and public relations and publicity for promoting services (Cowell 1984; Thwaites 1998; Kasper et al 1999; Harrison 2000; Zeithaml and Bitner 2000; Lovelock 2001; Palmer 2001).

This has been supported by the qualitative research data. For instance, the manager of research and development, public relations and training, and quality assurance units in a big insurance company states:

"...usually up to 90% of the promotion of insurance services comes through the personal contact and making a formal interview with the customer. ...the role of promotion for insurance services is just to keep the company's name in the mind of customers rather than motivating them to buy insurance. ...doing advertising for insurance services is not necessary. ...our experience shows that the most important promotional methods for the insurance services is dealing with the customers' claims sufficiently and providing services to them and gaining benefits. Serving customers properly is the best way to promote insurance services among the customers".

The vice president for general insurance affairs in a big insurance company states:

"...the main elements of our promotion strategies are those of building strong social and public relations and using the personnel selling in promoting our company".

Table 6.5 shows that direct marketing and advertising are relatively in the middle level of agreement 59.6% and 57.7%, respectively. Although the use of direct marketing is relatively in the middle level of agreement, it is a growing area of promotion in Jordan especially using telemarketing and Internet in promoting insurance services. This result tends to show some support for the direct marketing literature (Thwaites and Lee 1994; Mathur et al 1998; Harrison 2000).

The justification for not using advertising is threefold. First, the insurance companies' management are convinced that advertising has little effect on insurance sales volume, advertising is costly, and it is easily copied by competitors. Second, the weak advertising industry in Jordan does not provide reasonable and professional advertising offers to the insurance companies. Third, the insurance companies are small in size and have limited financial resources. The weak use of advertising in promoting insurance services does not provide empirical evidence for the literature that advocates using advertising in promoting services (George and Berry 1981; Kirk 1994; Mortimer and Mathews 1998).

This has been supported by the qualitative research data. For instance, the general manager of a big insurance company in Jordan states:

"...actually the insurance companies in Jordan are small in size and have limited financial resources. Doing promotion would cost them budgets that are beyond their financial abilities. Promotion needs long-term commitment and continuous communications with customers which all require financial resources".

The assistant general manager of another big insurance company states:

"...the problem of marketing in Jordan is that the companies view marketing as cost that has little benefits to companies and they view advertising as marketing".

Surprisingly, the lowest levels of agreement for using methods of promotion in the insurance industry in Jordan were on sponsorship and sales promotion tools at 48.1% and 44.2%, respectively. The rationale behind not using sales promotion and sponsorships is that these methods do not have a direct effect on insurance premiums sales volume and they are costly for companies. Moreover, the insurance companies have financial difficulties financing strong promotional campaigns. The result of sales promotion in the Jordanian market does not provide empirical support for the literature, which advocates the important role for sales promotion in promoting financial services (Peattie and Peattie 1993a,b; Peattie and Peattie 1994, 1995; Peattie et al 1997; Kotler 2000; Lovelock 2001). The results of sponsorship present weak evidence from this research to support the literature that advocates sponsorship (Crowley 1991; Kirk 1994; Amins et al 1999; Olkkonen et al 2000). These results show that there is "short-termism" among the insurance companies in Jordan for understanding the effect of such promotional methods on companies operations and enhancing their image and reputation in the long-term.

This has been supported by the qualitative research data. For instance, the marketing and media manager of a big insurance company states:

"...the problem is that the people who formulate an integrated promotion plan want to have quick results in terms of direct production to cover promotion expenses. They do not understand that the effect of promotion is indirect on increasing the production volume and indeed on the company performance. ...when the insurance company is successful in its promotion this is a good back up for marketing and sales people to make their mission easier to sell insurance programmes".

6.4.5. Insurance Distribution and Cyberspace Strategy

Table 6.6 shows distribution channels and their percentages of levels of agreement. The analysis shows that the insurance companies are using multiple distribution channels for formulating their distribution strategies. Table 6.6 shows that the highest level of agreement (82.7%) was on using direct sales force. The intangibility and complexity of insurance services forced the insurance companies to rely upon their sales force to distribute insurance services and explain every technical detail. This result provides support for the literature which advocates the use of a direct sales force as a distribution channel (Donnelly et al 1985; Stephenson and Kiely 1991; Laing 1994; Shultz and Prine 1994; Baranoff 1998).

Insurance Distribution and Cyberspace Strategy	Agree %	Neither Agree nor Disagree %	Disagree %
Our company uses a direct sales force to sell our insurance services	82.7	7.7	9.6
Using direct response to our different advertisements in media	48.1	26.9	25.0
Our company branches distribute our insurance services	73.1	13.5	13.5
Use direct mail to target customers and deliver our insurance services	63.5	26.9	9.6
Insurance intermediaries such as insurance brokers, financial brokers	80.8	3.8	15.4
Electronic distribution channels such as the Internet are used to deliver our insurance services	36.5	30.8	32.7
Via telemarketing to deliver our insurance services	48.1	26.9	25.0
Multi-distribution channels are used to deliver our insurance services to different customer groups	57.7	23.1	19.2

Table 6.6. Insurance Distribution and Cyberspace strategy Descriptive Statistics-Percentages

This has been supported by the qualitative research data. For instance, the assistant general manager of a small insurance company states:

"...the insurance company has to have qualified people who have the ability to explain the insurance service and every technical detail in it. Therefore, there must be a high quality service through presenting and explaining what the insurance service is. The essential factor is to have a capable staff that can explain the insurance policy".

Table 6.6 shows that the level of agreement on using intermediaries such as brokers to distribute insurance services was high at 80.8%. This result provides support for the literature that advocates using intermediaries as a distribution channel (Carter et al 1989; Ennew et al 1989; Easingwood 1996, 1997). Table 6.6 shows that the level of agreement on using company branches to distribute insurance services was 73.1%. Branches are important for the insurance companies because they enable them to provide a comprehensive range of insurance services in order to make branches more cost effective and achieve customer satisfaction. This result provides support for the literature, which advocates the use of branches as a distribution channel (Howcroft 1993; Morgan 1993; Devlin 1995; Greenland 1995; Howcroft and Beckett 1996).

Whilst table 6.6 shows that the level of agreement on using multiple distribution channels was 57.7%, the above three channels are likely to dominate employing multiple distribution channels. The empirical evidence in this research provides support for the literature that advocates the use of multiple channels for formulating distribution strategy (Chandler et al 1984; Friars et al 1985; Carter et al 1989; Ennew et al 1989; Moriarty and Moran 1990; Laing 1994; Devlin 1995; Greenland 1995; Easingwood and Storey 1996; Arnold et al 1999; Thornton and White 2001).

Table 6.6 shows that the level of agreement on using direct mail channels to target customers and deliver insurance services was 63.5%. This is because of the absence of customer databases and inaccurate lists of potential customers in Jordan. Table 6.6 shows that the level of agreement on using both direct response to advertisements in media, and telemarketing was low 48.1%. This is not unusual since advertising is not being very much used in the promotion of insurance services.

Table 6.6 shows that the lowest level of agreement (36.5%) was on using electronic distribution channels such as the Internet to formulate distribution strategy. This result does not provide support for using electronic channels. Literature suggested that they would change the shape of distribution channels and create promising marketing opportunities (Devlin 1995; Daniel and Storey 1997; Eyler 1998; Anonymous2 1998; Maciag 1998; Shea 1999; Dimartino 1999; Harrison 2000; Mols 2000). The most use of electronic channels in the insurance industry in Jordan is made to promote the company and its services and make initial contacts with customers. Although the Internet is widely used in Jordan, and the country is one of the early developing nations to introduce it to business and non-business sectors, the Jordanian customer still prefers making face-to-face contact with companies when doing insurance business. The complex nature and high intangibility of the insurance services may still cause potential problems when employing electronic distribution channels.

However, the distribution strategy analysis agrees with Carter et al's (1989) study which found that life insurance companies relied heavily on the sales force. The results do not agree with Easingwood and Storey's (1996) study which found that the most used distribution channels were intermediaries, branch networks, direct response to advertising, direct mail, and direct sales force, respectively. It can be seen that using sales force, as a distribution channel was the first in this research, meanwhile, it was the last distribution channel in the Easingwood and Storey study.

6.4.6. People Strategy

Two main research streams have been advocated in this research literature; customer orientation and internal marketing for people strategy (chapter four).

Customer Orientation

Table 6.7 shows the elements of customer orientation and their percentages of levels of agreement.

People Strategy: Customer Orientation	Agree %	Neither Agree nor Disagree %	Disagree %
Regularly collects information about customers needs and requirements	65.4	13.5	21.2
Marketing activities are based on thorough knowledge about customers	63.5	19.2	17.3
Knows our competitors well	76.9	13.5	9.6
Activities and efforts of various departments are co-ordinated to ensure customer satisfaction	65.4	21.2	13.5
Marketing chief executive participates in top management decisions	61.5	19.2	19.2
After-sales service is an important part of our marketing strategy	90.4	3.8	5.8
Our company is more customer focused than our competitors	88.5	7.7	3.8
Business objectives are driven primarily by customer satisfaction	78.8	13.5	7.7
Measures customer satisfaction systematically and frequently	73.1	9.6	17.3
Has a strong commitment to our customers	86.5	7.7	5.8
Is always looking at ways to create customer value in our services	73.1	17.3	9.6

Table 6.7. People Strategy-Customer Orientation Descriptive Statistics-Percentages

Table 6.7 shows that the highest level of agreement was on after-sales service as an important part of marketing strategy at 90.4%. This indicates that most companies have major interests in providing considerable after sales service to customers. This is a very critical point for the marketing of insurance services that requires continuous support. The second highest level of agreement (88.5%) was that the company is more customer focused than competitors. This indicates that the insurance companies have recognised the importance of being customer oriented in practising insurance business. The last two points were supported when the level of agreement on having a strong customer commitment was also high at 86.5%.

Table 6.7 shows that the levels of agreement on the other elements of customer orientation ranges from 61.5% to 78.8%. Table 6.7 shows that the level of agreement among the companies that let marketing executives participate in top management decisions was the lowest at 61.5%. This is not unusual because only seven insurance companies have marketing managers. This result may reflect a weak representation of the marketing philosophy in the top levels and insufficient top management support for marketing philosophy.

In general, the percentage analysis shows that the insurance companies in Jordan are becoming more customer oriented even though this philosophy is relatively weak in some elements. The analysis provides support to the literature that advocates the role of customer orientation in marketing strategy (Parasuraman et al 1983; Zeithaml et al 1985; Watkins and Wright 1986; Judd 1987; Doyle 1987; Webster 1988; Kelly 1990; Narver and Slater 1990; Hooley et al 1990; Deshpande` et al 1993; Kotler 1994; Webster 1994a,b; Slater and Narver 1994; Hunt and Morgan 1995; Slater and Narver 1996; Denison and McDonald 1995; Chang and Chen 1998; Doyle 1999; Baker 2000; Kotler 2000).

Internal Marketing

Table 6.8 shows the items of internal marketing and their percentages of levels of agreement. In general, the analysis shows that the internal marketing function in the insurance companies in Jordan is relatively weak. Table 6.8 shows that the highest level of agreement (80.8%) was on recruiting personnel who are customer oriented and motivated to perform jobs. This is followed by 76.9% level of agreement on carefully choosing and training the personnel who interact with customers. The level of agreement on using training and development programmes to improve employees' capabilities to perform their service roles was 73.1%. These are the most used activities in practising internal marketing.

Table 6.8 shows that the level of agreements for the other elements of internal marketing range from 40.3% to 71.2%. The levels of agreement on using cash reward systems to motivate employees and a non-cash reward system were low at 53.8% and 42.3%, respectively. This reflects a narrow understanding of the importance of cash and non-cash reward systems for motivating and satisfying employees. Another crucial area of concern among the companies is that the levels of agreement on gathering data about employees' attitudes, needs and wants and, using it to improve jobs and develop the company strategy were also at low 40.4% and 44.2%, respectively. This result shows that there is considerable ignorance of the human element in practising the insurance business and developing a shared vision strategy for the company.

People Strategy: Internal Marketing	**Agree %**	**Neither Agree nor Disagree %**	**Disagree %**
Recruits personnel who are customer oriented and motivated to perform their jobs	80.8	11.5	7.7
Carefully chooses and trains the personnel who interact with customers	76.9	13.5	9.6
Uses training and development programmes to improve our employees capabilities to perform their services roles	73.1	17.3	9.3
Uses cash reward systems to motivate our employees	53.8	15.4	30.8
Uses non cash reward systems such as prizes, competitions	42.3	25.0	32.7
Rewards those employees who provide excellent service	63.5	17.3	19.2
Teaches our employees why they should do things not just how they should do things	63.5	19.2	17.3
Communicates with our employees on an ongoing basis e.g. regular meetings, discussions...etc	65.4	19.2	15.4
Communicates to employees the importance of their service roles	71.2	21.2	7.7
Gathers data about our employees' attitudes, needs and wants regularly	40.4	40.4	19.2
Uses gathered data to improve jobs, and to develop our company's strategy	44.2	36.5	19.2
Has the flexibility to accommodate the differing needs of employees e.g. flexible working hours	57.7	26.9	15.4
Views the development of knowledge and skills of employees as an investment rather than a cost	63.5	25.0	11.5

Table 6.8. People Strategy-Internal Marketing Descriptive Statistics-Percentages

The analysis shows that the internal marketing function is relatively weak and, there is a relatively narrow understanding of the importance of practising internal marketing on customer satisfaction and loyalty. However, the analysis suggests that there are positive signs among the insurance companies, which indicate that they have started to grasp the concept of internal marketing. This analysis tends to show some support for the literature that advocates the importance of practising internal marketing in marketing strategy (Berry 1980, 1981; Donnelly et al 1985; Ruston and Carson 1989; Hooley and Mann 1988; Hooley et al 1990; Gronroos 1990b; Fisk et al 1993; Hooley et al 1998; Rafiq and Ahmed 1993, 2000).

6.4.7. Insurance Delivery Process Strategy

Table 6.9 shows the items of the insurance delivery process strategy and their percentages of levels of agreement. Table 6.9 shows that the highest level of agreement (92.3%) was on the personal delivery of the insurance service to customers. This indicates that the insurance companies rely heavily on their staff to deliver insurance services. This is consistent with the companies' distribution channels and promotion strategies in which the most common thread between them is relying heavily on the human element; personal selling and frontline contact with customers. The implication is that the companies need to focus on their staff because they may have a direct effect on customer satisfaction.

Insurance Delivery Process Strategy	Agree %	Neither Agree nor Disagree %	Disagree %
Using technology in delivering our insurance services, such as the Internet	34.6	28.8	36.5
Using information technology in processing our insurance work such as computerising our work processes	84.6	7.7	7.7
The personal delivery of our insurance services to customers	92.3	5.8	1.9
Satisfying customers in delivering our insurance services	82.7	11.5	5.8
Well qualified and trained people to interact with customers during the service delivery process	78.8	15.4	5.8
Customer satisfaction in the design of the service delivery process activities	71.2	21.2	7.7
Preparing a "flowchart" which describes the steps and activities required to deliver our insurance services to customers	50.0	34.6	15.4
The use of standard procedures in our company and its branches in delivering our insurance services to customers	71.2	17.3	11.5
The quality of the service delivery process activities for satisfying customers	73.1	13.5	13.5

Table 6.9. Insurance Delivery Process Strategy Descriptive Statistics-Percentages

The next highest level of agreement was on using technology in processing of the insurance companies' work at 84.6%. Most of the insurance companies have established computerised systems to process their work. During the conduct of the research survey it was noticed that the majority of insurance companies were involved in launching fully computerised systems in order to benefit from the advancement of information technology. Although there is considerable use of technology in the insurance business, there was only 34.6% level of agreement on using technology, Internet, in delivering insurance services. There are two possible reasons for this result. First, customers still prefer to use face-to-face contact in doing business with the insurance companies. Secondly, the complexity and intangibility of insurance services limit the use of the Internet in delivering them.

Satisfying customers in delivering insurance services is a prime objective for most of the insurance companies. This is indicated when the level of agreement on this aspect was high at 82.7%. This is supported when the level of agreement with focussing on customer satisfaction in designing the service delivery process was relatively high (71.2%). Consequently, the human element is the most important aspect in the delivery process that the insurance companies in Jordan should focus on.

These results provide support for literature which advocates the crucial role for service process delivery activities in marketing strategy (Chase 1978; Shostack 1984; Kelly 1989; Zeithaml et al 1988; Bitner et al 1990; Gronroos 1990b; Danaher and Mattsson 1994; Verma 2000; Zeithaml and Bitner 2000; Lovelock 2001).

6.4.8. Insurance Physical Evidence Strategy

Table 6.10 shows the items of physical evidence strategy and percentages of levels of agreement.

Insurance Physical Evidence Strategy	Agree %	Neither Agree nor Disagree %	Disagree %
Customer satisfaction as our prime objective in designing our working atmosphere	76.9	11.5	11.5
Comfortable physical environment...furnishing, colours...etc	59.6	23.1	17.3
Overall facilities layout, décor, lighting, for creating friendly atmosphere	73.1	15.4	11.5
Using symbols such as, blankets, umbrellas that create tangible clues for customers	59.6	30.8	9.6
Designing our facilities and layout in order to communicate service quality	73.1	15.4	11.5
Having customer contact employees dressed (appearance) in a certain way to achieve our company image e.g. using uniform colours, firm's logo	63.5	23.1	13.5
Design facilities to achieve specific marketing or image objectives	63.5	21.2	15.4

Table 6.10. Insurance Physical Evidence Strategy Descriptive Statistics-Percentages

Table 6.10 shows that the highest level of agreement was on customer satisfaction as a prime objective in designing physical evidence (76.9%). This result is consistent with the tangibles element in service quality in which the insurance companies try to minimise the high degree of intangibility of insurance services by providing a customer oriented physical environment. Designing facilities and layout to communicate service quality and, overall facilities layout, décor, lighting, for creating friendly atmosphere had relatively high levels of agreement at 73.1% each. Using these elements in doing insurance business has important implications about the quality of insurance services. This is because the insurance services are highly intangible and complex in which customers usually seek surrogate insights for service quality.

Table 6.10 shows that the level of agreements for the other elements of physical evidence range from 59.6% to 63.5%. The analysis shows that there are some elements of the physical evidence that are not considerably addressed by the insurance companies. This may reflect a narrow understanding of the importance of creating tangible clues and customer friendly atmosphere to minimise the high degree of intangibility of insurance services. In general, the analysis tends to show some support for the literature that advocates the use of physical evidence in marketing strategy (Kotler 1973; Shostack 1977b; Levitt 1981; Cowell 1984; Bitner 1990; Howcroft 1991, 1993; Bitner 1992; Greenland 1995; Kasper et al 1999; Lovelock 2001; Palmer 2001).

6.5. To Establish the Performance Measures Appropriate to the Insurance Sector in Jordan.

The literature discussed related to performance measurement (chapter three) has revealed that performance should be measured multidimensionally by using both financial and non-financial (marketplace and customer) criteria. The rationale for such a combination is to capture the whole domain of the performance construct in different aspects, even though the performance measurement is a very complex and problematic phenomenon.

The performance measurement was operationalised in the research by using multiple items that are collected into two groups; financial and non-financial (marketplace and customer) performance measurement criteria. The aim is to determine the performance measurement criteria that are suitable for all the insurance companies in Jordan. The higher the percentage given by the respondents to an item the higher importance or unimportance. Table 6.11 shows the performance measurements used in the research and percentages of levels of importance.

Table 6.11 shows that the highest level of importance among the financial criteria was for company cash flow (94.2%). This criterion is very important for the insurance companies because the insurance companies in Jordan are of relatively small sizes, and variability of cash flow may affect their abilities to pay claims to policyholders, which in turn affects customer satisfaction. Discussion and interviews in the insurance industry in Jordan have revealed that the companies have a great interest in cash flow. For example, the corporate business development manager in an insurance company states:

"...the insurance companies are small in size and have limited financial abilities, therefore, they focus on having cash flow; our cash flow fluctuates because of claims paying to our customers".

Performance Criteria	Important %	Neither important nor Unimportant %	Unimportant %
A. Financial Criteria			
Return on investment	84.6	5.8	9.6
Total insurance sales volume	78.8	13.5	7.7
Company overall profitability	88.5	5.8	5.8
Company cash flow	94.2	5.8	0
B. Non-Financial Criteria			
Market Performance Criteria			
Company market share compared with our competitors	88.5	5.8	5.8
Company overall profitability growth	94.2	5.8	0
Insurance sales volume growth rate relative to our competitors	86.5	9.6	3.8
Customer Performance Criteria			
Customer satisfaction	88.5	5.8	5.8
Customer loyalty to our company e.g., renewing insurance contracts	90.4	9.6	0
Attracting new customers within a certain period of time	96.2	3.8	0
Evaluating the image or reputation of our company in the marketplace	92.3	7.7	0
Company competitive position (standing) or ranking in the marketplace	88.5	11.5	0

Table 6.11. Financial and Non-Financial performance criteria Descriptive Statistics

The next highest level of importance was for overall company profitability at 88.5%. Total insurance sales volume was given the least level of importance (78.4%). These financial performance measures are usually used by the companies to examine their effectiveness and efficiency and to evaluate the overall financial position. These measures are of crucial importance because they are the outcome of a business programmes in relation to the resources employed in implementing them. Furthermore, these measures are common indicators of marketing effectiveness and competitive advantage. These results provide support for the literature that advocates the importance of using financial performance criteria in measuring performance.

This has been supported by the qualitative research data. For instance, the sales and customer service manager in a big insurance company states:

"...you have to use the financial results to judge if you are successful or not. If you are talking about a new customer then he has added some financial returns to the company. If I have customers and the insurance premiums is 10 millions JDs and at the end of the year I have 11

millions as a result of the strategy that I have used then I have achieved something. The financial results are important such as ROI and profitability but they do not come from a vacuum".

Table 6.11 shows that the non-financial criteria are divided into market performance measures and customer based performance measures. Table 6.11 shows that the highest level of importance was given to overall company profitability growth at 94.2%. The next highest level of importance was given to company market share compared with competitors (88.5%). Insurance sales volume growth rate relative to competitors was also given a high level of importance at 86.5%. The insurance companies have made considerable use of these marketplace measures because they reflect the ability of a company to improve its market share, profitability and sales volumes by employing marketing and business strategies.

For customer performance criteria, the highest level of importance was given to attracting new customers within a certain period of time (96.2%). This is an important indicator in the Jordanian market, which is still an immature market that has promising opportunities for insurance companies. However, attracting new customers requires the insurance companies to have good marketing strategies by which they can attract them. The next highest level of importance was evaluating the image or reputation of the company in the marketplace (92.3%). The insurance companies have given considerable attention to this measure for two reasons. First, the insurance companies are convinced that a company reputation has a crucial role to play in their success. This also emerged in analysing the company brand reputation in the insurance service offering strategy that revealed that a company's reputation has an important role to play in its success. Second, the insurance companies are trying to improve their image in the "eyes" of the public. This image has been relatively bad over the past ten years.

Customer loyalty to the company had a high level of importance (90.4%). The insurance companies have considerable awareness of customer loyalty, which represents an important asset for their business. Usually, the insurance companies use the rate of renewal of insurance contracts and policies to examine customers' loyalty.

Customer satisfaction and, evaluating the company competitive position in the marketplace had high levels of importance at 88.5%. Customer satisfaction is a crucial element for measuring performance, which represents the ability of the company to deliver value to its customers and, the perception of the company's offerings. Evaluating the competitive position was also an important criterion among the insurance companies in Jordan. Managers suggested this element during the interviews in the pilot work of the research. The interviews have revealed that the insurance companies have interests in evaluating their competitive position in the marketplace but each company has its own criteria and measurements to evaluate it e.g., some companies evaluate it based on reputation others based on financial criteria.

The performance measurement analysis shows that there is considerable use of non-financial performance measures among the insurance companies in Jordan. These results provide strong support for the literature that advocates that performance measurement is a multidimensional construct and no one single performance criterion is able to measure performance (Meidan 1982; Hooley 1984; Venkatraman and Ramanujam 1986; Walker and Ruekert 1987; Day and Wensley 1988; Conant et al 1990; Narver and Slater 1990; Venkatraman 1990; Kaplan and Norton 1992; Jaworski and Kohli 1993; Bharadwaj et al 1993; Deshpande` et al 1993; Doyle 1994; Doyle 1995; Ambler and Kokkinaki 1997; Doyle and Wong 1998; Appiah-Adu 1998, 1999; Varadarajan and Jayachandran 1999; Menon et al 1999; Vorhies et al 1999; Clark 1999; Conant and White 1999; Ambler and Kokkinaki 1999; Hooley et al 1999; Fahy et al 2000; Appiah-Adu et al 2001).

This literature advocates that non-financial (marketplace and customer criteria) have strategic implications for the future of companies especially achieving long-term strategic financial objectives. Companies that are able to satisfy customers, keep them loyal, attract new customers, and have a distinguished reputation will have the potential to achieve a competitive advantage in the marketplace and achieve long-term financial objectives. This has been supported by the qualitative research data. For instance, the deputy general manager of the biggest insurance company in Jordan states:

"...definitely, the non-financial criteria in evaluating performance reflect the ability and success of the company in performing its marketing tasks. The financial criteria are not enough. ...if your company is profitable, this does not mean that it has done very well in the previous financial years. We have got criteria that are more important than the financial criteria. For example, is this company able to develop itself in the future? What if this company has received claims that

have big deviations from what it has expected before? Is this company able to keep its market share and competitive position? All of these criteria are not financial but indeed their results are financial".

The above results show that there has been significant use of the non-financial (marketplace and customer) performance measures among the insurance companies in Jordan. However, these results should be taken with caution. The rationale behind this caution is that not all the insurance companies have systematic and formal procedures for measuring all of the non-financial criteria. There are some insurance companies, which have gained professional certificates such as service quality improvement (ISO) and technical certificates in insurance business, using systematic and formal procedures for non-financial (marketplace and customer criteria). For example, two insurance companies have provided their customer satisfaction forms based upon which they measure customer satisfaction regularly (appendix H).

Meanwhile, other insurance companies do not have such systematic and formal procedures, rather they use informal procedures (e.g., asking customers about satisfaction while contacting an insurance company). This has been supported by the qualitative research data. For instance, the manager of medical and health and re-insurance department in a medium size insurance company states:

"...the use of non-financial criteria is informal and is not institutionalised rather it is informal and sometimes personal".

Some insurance companies are using other non-financial criteria when measuring performance. This is revealed when some respondents who participated in the research survey pointed out such criteria in the place of "others specify" in the performance measurement section. The criteria that they use are the development of marketing and non-marketing employees' abilities and skills. Developing the company's technological abilities, introducing new insurance programmes and services, and ability to handle new trends in the marketplace. These results provide empirical evidence to support the performance measurement literature that advocates that measuring companies performance is a complex and problematic phenomenon (Dess and Robinson 1984; Kaplan and Norton 1992; Deshpande' et al 1993; Hooley et al 1999; Clark 1999; Fahy et al 2000).

6.6. Research Hypotheses Testing

The statistical methods that are used to examine the research hypotheses are explained in the methodology chapter (chapter five). Their assumptions, procedures, alternatives and phases are explained in appendix F. The interpretation of each statistical method and how they are used to examine and interpret each hypothesis is explained in the methodology chapter (chapter five).

6.7. To determine the Effects of the Marketing Strategy Components on the Performance of Insurance Companies in Jordan

In order to examine the third objective of the research two subgroups of hypotheses are formulated to examine the effect of marketing strategy components on companies' performance according to the performance criteria; financial and non-financial (marketplace and customer). The financial performance criteria are return on investment, insurance sales volume, and company overall profitability.

Financial Performance

Sub-hypothesis 1

An integrated insurance service offering strategy has a positive and significant effect on the performance of insurance companies measured by financial criteria.

Table 6.12 shows that the Spearman's correlation between the insurance service offering strategy and the companies' performance measured by financial criteria is 0.417. This correlation is positive and significant at 0.001 level. This implies that an integrated insurance service offering strategy has a positive and significant effect on the insurance companies' performance measured by financial criteria. Consequently, this hypothesis is supported.

Sub-hypothesis 2

Insurance pricing strategy has a positive and significant effect on the performance of insurance companies measured by financial criteria.

Table 6.12 shows that the Spearman's correlational analysis between the insurance pricing strategy and the companies' performance measured by financial criteria is 0.355. This correlation is positive and significant at 0.005 level. This implies that the insurance pricing strategy has a positive and significant effect on the insurance companies' performance measured by financial criteria. Consequently, this hypothesis is supported.

	Financial Performance Criteria		
Marketing Strategy Components	**Spearman's R value**	**P-the Probability Value-Significance Level**	**Direction of the Relationship**
Insurance Service Offering Strategy	0.417	0.001	Positive
Pricing Strategy	0.355	0.005	Positive
Promotion Strategy	0.434	0.001	Positive
Distribution Strategy	0.377	0.003	Positive
The Expanded Elements Of The Services Marketing Mix Framework and Service Quality			
Customer Orientation	0.254	0.034	Positive
Internal Marketing	0.420	0.001	Positive
Insurance Service Delivery Process	0.407	0.001	Positive
Physical Evidence Strategy	0.230	0.050	Positive
Service Quality	0.409	0.001	Positive

Table 6.12. Marketing Strategy Components and Financial Performance

Sub-hypothesis 3

Insurance promotion strategy has a positive and significant effect on the performance of insurance companies measured by financial criteria.

Table 6.12 shows that the Spearman's correlation between the insurance promotion strategy and the companies' performance measured by financial criteria is 0.434. This correlation is positive and significant at 0.001 level. This implies that the insurance promotion strategy has a positive and significant effect on the insurance companies' performance measured by financial criteria. Consequently, this hypothesis is supported.

Sub-hypothesis 4

Insurance distribution strategy has a positive and significant effect on the performance of insurance companies measured by financial criteria.

Table 6.12 shows that the Spearman's correlation between the insurance distribution strategy and the companies' performance measured by financial criteria is 0.377. This correlation is positive and significant at 0.003 level. This implies that the insurance distribution strategy has a positive and significant effect on the insurance companies' performance measured by financial criteria. Consequently, this hypothesis is supported.

Sub-hypothesis 5

Practising customer orientation has a positive and significant effect on the performance of insurance companies measured by financial criteria.

Table 6.12 shows that the Spearman's correlation between customer orientation and the companies' performance measured by financial criteria is 0.254. This correlation is positive and significant at 0.034 level. This implies that customer orientation has a positive and significant effect on the insurance companies' performance measured by financial criteria. Consequently, this hypothesis is supported.

Sub-hypothesis 6

Practising internal marketing activities has a positive and significant effect on the performance of insurance companies measured by financial criteria.

Table 6.12 shows that the Spearman's correlation between practising internal marketing and the companies' performance measured by financial criteria is 0.420. This correlation is positive and significant at 0.001 level. This implies that practising internal marketing has a positive and significant effect on the insurance companies' performance measured by financial criteria. Consequently, this hypothesis is supported.

Sub-hypothesis 7

Insurance service delivery strategy has a positive and significant effect on the performance of insurance companies measured by financial criteria.

Table 6.12 shows that the Spearman's correlation between the insurance service delivery strategy and the companies' performance measured by financial criteria is 0.407. This correlation is positive and significant at 0.001 level. This implies that the insurance service delivery strategy has a positive and significant effect on the insurance companies' performance measured by financial criteria. Consequently, this hypothesis is supported.

Sub-hypothesis 8

Insurance physical evidence strategy has a positive and significant effect on the performance of insurance companies measured by financial criteria.

Table 6.12 shows that the Spearman's correlation between the insurance physical evidence strategy and the companies' performance measured by financial criteria is 0.230. This correlation is positive but non-significant at 0.050 level. This implies that the insurance physical evidence strategy has a positive but non-significant effect on the insurance companies' performance measured by financial criteria. Consequently, this hypothesis is rejected.

Sub-hypothesis 9

Insurance service quality has a positive and significant effect on the performance of insurance companies measured by financial criteria.

Table 6.12 shows that the Spearman's correlation between the insurance service quality and the companies' performance measured by financial criteria is 0.409. This correlation is positive and significant at 0.001 level. This implies that the insurance service quality has a positive and significant effect on the insurance companies' performance measured by financial criteria. Consequently, this hypothesis is supported.

Marketing strategy components have a positive and significant effect on the performance of insurance companies measured by financial criteria.

Having examined the sub-hypotheses in relation to the marketing strategy components, it is worth examining the first general hypothesis of marketing strategy components and the insurance companies' financial performance. Table 6.12 shows that the marketing strategy components are positively correlated with the companies' performance measured by financial criteria. The correlations range from a low of 0.230 for the insurance physical evidence strategy to a high of 0.434 for the insurance promotion strategy. Eight out of nine marketing strategy components are significantly correlated with the financial performance criteria. The only marketing strategy component that is non-significantly correlated with the financial performance criteria is the insurance physical evidence strategy. Consequently, the Spearman's correlation analysis shows that the marketing strategy components have a positive and significant effect on the insurance companies' performance measured by financial criteria. Consequently, the first general hypothesis is supported.

The four variables, namely; service quality, people strategy (customer orientation and internal marketing), insurance service delivery process and physical evidence represent the expanded elements of the services marketing strategy (the services marketing mix framework) that have been advocated in services marketing literature. Consequently, these results provide significant empirical evidence that the components of marketing strategy should be the seven Ps of the service marketing mix framework, and service quality in order to formulate an integrated marketing strategy for the insurance services in Jordan. The rationale behind this empirical evidence is that these new expanded components of marketing strategy have a positive and significant effect on the insurance companies' financial performance (except physical evidence).

Non-Financial (marketplace and customer) Performance

In order to test this group of hypotheses the non-financial criteria are divided up into marketplace performance criteria and customer performance criteria. The marketplace performance criteria are company market share compared with competitors, company overall profitability growth and insurance sales volume growth compared with competitors. The customer performance criteria are customer satisfaction, customer loyalty and attracting new customers within a certain period of time.

Sub-hypothesis 1

An integrated insurance service offering strategy has a positive and significant effect on the performance of insurance companies measured by non-financial criteria; marketplace and customer measures criteria.

Table 6.13 shows that the Spearman's correlation between an insurance service offering strategy and the insurance companies' performance measured by marketplace criteria is 0.276. This correlation is positive and significant at 0.024 level. This implies that an integrated insurance service offering strategy has a positive and significant effect on the insurance companies' performance measured by marketplace criteria. Table 6.14 shows that the Spearman's correlation between the insurance service offering strategy and the insurance companies' performance measured by customer based criteria is 0.367. This correlation is positive and significant at 0.004 level. This implies that an integrated insurance offering strategy has a positive and significant effect on the insurance companies' performance measured by customer criteria. Consequently, this hypothesis is supported.

Supporting this hypothesis and sub-hypothesis 1 in the financial performance hypotheses provides empirical support for the literature which advocates insurance service offering strategy. These results provide empirical support for the branding literature which advocates that branding has a crucial role to play on financial service companies' performance and on achieving sustainable competitive advantage (Doyle 1989; Stewart 1991; Balmer and Wilkinson 1991; Denby-Jones 1995; De Chernatony and Dall'Olmo Riley 1999; Baker 2000; Berry 2000; Cravens et al 2000; McDonald et al 2001; Lovelock 2001).

	Marketplace Performance Criteria		
Marketing Strategy Components	Spearman's R value	P-the Probability Value-Significance Level	Direction of the Relationship
Insurance Service Offering Strategy	0.276	0.024	Positive
Pricing Strategy	0.371	0.003	Positive
Promotion Strategy	0.315	0.011	Positive
Distribution Strategy	0.290	0.018	Positive
The Expanded Elements Of The Services Marketing Mix Framework and Service Quality			
Customer Orientation	0.331	0.008	Positive
Internal Marketing	0.274	0.025	Positive
Insurance Service Delivery Process	0.422	0.001	Positive
Physical Evidence Strategy	0.280	0.022	Positive
Service Quality	0.313	0.012	Positive

Table 6.13. Marketing Strategy Components and Marketplace Performance

Furthermore, the results provide empirical support for the literature that advocates that developing new services has a strategic role to play in the growth and survival of services businesses as well as on their performance (Easingwood 1986; Reidenbach and Moak 1986; Bowers 1986; Cowell 1988; Scheuing and Johnson 1989; de Brentani 1991; Edgett and Jones 1991; Cooper and de Brentani 1991; Easingwood and Storey 1991; de Brentani and Cooper 1992; Edgett 1993; Storey and Easingwood 1993; Edgett 1994; Edgett and Parkinson 1994; Johne and Pavlidis 1996; Kelly and Storey 2000; Lovelock 2001; Storey and Kelly 2001). In addition, empirical support is provided for customer service literature advocating that it is a crucial part of the marketing mix elements as well as an integral part of the marketing strategy in order to achieve success (Marr 1987; 1988; 1990; 1994; Lambert and Harrington 1989; Wong and Perry 1991; Christopher 1999; Baker 2000; McDonald 2002).

Sub-hypothesis 2

Insurance pricing strategy has a positive and significant effect on the performance of insurance companies measured by non-financial criteria; marketplace and customer measures criteria.

Table 6.13 shows that the Spearman's correlation between the insurance pricing strategy and the insurance companies' performance measured by marketplace criteria is 0.371. This correlation is positive and significant at 0.003 level. This implies that the insurance pricing strategy has a positive and significant effect on the insurance companies' performance measured by marketplace criteria. Table 6.14 shows that the Spearman's correlation between the insurance pricing strategy and the insurance companies' performance measured by customer based criteria is 0.517. This correlation is positive and significant at 0.000 level. This implies that the insurance pricing strategy has a positive and significant effect on the insurance companies' performance measured by customer criteria. Consequently, this hypothesis is supported.

	Customer Based Performance Criteria		
Marketing Strategy Components	**Spearman's R value**	**P-the Probability Value-Significance Level**	**Direction of the Relationship**
Insurance Service Offering Strategy	0.367	0.004	Positive
Pricing Strategy	0.517	0.000	Positive
Promotion Strategy	0.534	0.000	Positive
Distribution Strategy	0.312	0.012	Positive
The Expanded Elements Of The Services Marketing Mix Framework and Service Quality			
Customer Orientation	0.420	0.000	Positive
Internal Marketing	0.362	0.004	Positive
Insurance Service Delivery Process	0.491	0.000	Positive
Physical Evidence Strategy	0.332	0.008	Positive
Service Quality	0.356	0.005	Positive

Table 6.14. Marketing Strategy Components and Customer Performance Criteria

Supporting this hypothesis and sub-hypothesis 2 in the financial performance hypotheses provides empirical support for the pricing literature which advocates that price is one of the fundamental variables of marketing and is a cornerstone element in the services marketing mix (Cowell 1984; Schlissel and Chasin 1991; Kasper et al 1999; Lovelock 2001; Palmer 2001).

Sub-hypothesis 3

Insurance promotion strategy has a positive and significant effect on the performance of insurance companies measured by non-financial criteria; marketplace and customer measures criteria.

Table 6.13 shows that the Spearman's correlation between the insurance promotion strategy and the insurance companies' performance measured by marketplace criteria is 0.315. This correlation is positive and significant at 0.011 level. This implies that the insurance promotion strategy has a positive and significant effect on the insurance companies' performance measured by marketplace criteria. Table 6.14 shows that the Spearman's correlation between the promotion strategy and the insurance companies' performance measured by customer based criteria is 0.534. This correlation is positive and significant at 0.000 level. This implies that the insurance promotion strategy has a positive and significant effect on the insurance companies' performance measured by customer criteria. Consequently, this hypothesis is supported.

Supporting this hypothesis and sub-hypothesis 3 in the financial performance hypotheses provides empirical support for the literature that advocates that promotion strategy components have been found to have an important impact on companies' performance (George and Berry 1981; Cowell 1984; Thwaites and Lee 1994; Kirk 1994; Peattie and Peattie 1993a; 1993b, 1994, 1995; Peattie et al 1997; Mortimer and Mathews 1998; Thwaites 1998; Kasper et al 1999; Aims et al 1999; Olkkonen et al 2000; Harrison 2000; Zeithaml and Bitner 2000 Lovelock 2001).

Sub-hypothesis 4

Insurance distribution strategy has a positive and significant effect on the performance of insurance companies measured by non-financial criteria; marketplace and customer measures criteria.

Table 6.13 shows that the Spearman's correlation between the insurance distribution strategy and the insurance companies' performance measured by marketplace criteria is 0.290. This correlation is positive and significant at 0.018 level. This implies that the insurance distribution strategy has a positive and significant effect on the insurance companies' performance measured by marketplace criteria. Table 6.14 shows that the Spearman's correlation between the distribution strategy and the insurance companies' performance measured by customer based criteria is 0.312. This correlation is positive and significant at 0.012 level. This implies that the insurance distribution strategy has a positive and significant effect on the insurance companies' performance measured by customer criteria. Consequently, this hypothesis is supported.

Supporting this hypothesis and sub-hypothesis 4 in the financial performance hypotheses provides empirical support for the distribution literature that advocates that the distribution of financial services is viewed as one of the principal strategic weapons that can be used by financial service companies to achieve their objectives (Chandler et al 1984; Friars et al 1985; Devlin 1995).

Most financial service companies use multiple channel distribution strategy which is able to cover different customer groups and different target markets. This is due to the fact that each distribution channel may be able to target one or more specific group of customers. This suggests that it is essential to have an integrated distribution strategy to serve different target markets (Carter et al 1989; Moriarty and Morgan 1990; Howcroft 1991, 1992; 1993; Laing 1994; Greenland 1995; Easingwood and Storey 1996, 1997).

Sub-hypothesis 5

Customer orientation has a positive and significant effect on the performance of insurance companies measured by non-financial criteria; marketplace and customer measures criteria.

Table 6.13 shows that the Spearman's correlation between customer orientation and insurance companies' performance measured by marketplace criteria is 0.331. This correlation is positive and significant at 0.008 level. This implies that customer orientation has a positive and significant effect on the insurance companies' performance measured by marketplace criteria. Table 6.14 shows that the Spearman's correlation between customer orientation and the insurance companies' performance measured by customer based criteria is 0.420. This correlation is positive and significant at 0.000 level. This implies that customer orientation has a positive and significant effect on the insurance companies' performance measured by customer criteria. Consequently, this hypothesis is supported.

Supporting this hypothesis and sub-hypothesis 5 in the financial performance hypotheses provides empirical support for customer orientation literature which advocates that the customer should be the focal point of marketing activities in service companies. Consequently, service companies need to have a customer oriented corporate culture which, puts customer orientation as a fundamental component of the corporate culture (Drucker 1968; Levitt 1975; Parasuraman et al 1983; Majaro 1984; Zeithaml et al 1985; Watkins and Wright 1986; Judd 1987; Doyle 1987; Webster 1988; Kelly 1990; Narver and Slater 1990; Hooley et al 1990; Deshpande` et al 1993; Kotler 1994; Webster 1994a,b; Slater and Narver 1994; Hunt and Morgan 1995; Slater and Narver 1996; Denison and McDonald 1995; Chang and Chen 1998; Doyle 1999; Baker 2000; Kotler 2000).

Sub-hypothesis 6

Practising internal marketing activities has a positive and significant effect on the performance of insurance companies measured by non-financial criteria; marketplace and customer measures criteria.

Table 6.13 shows that the Spearman's correlation between practising internal marketing activities and the insurance companies' performance measured by marketplace criteria is 0.274. This correlation is positive and significant at 0.025 level. This implies that practising internal marketing activities has a positive and significant effect on the insurance companies' performance measured by marketplace criteria. Table 6.14 shows that the Spearman's correlation between practising internal marketing activities and companies' performance measured by customer based criteria is 0.362. This correlation is positive and significant at 0.004 level. This implies that practising internal marketing activities has a positive and significant effect on the insurance companies' performance measured by customer criteria. Consequently, this hypothesis is supported.

Supporting this hypothesis and sub-hypothesis 6 in the financial performance hypotheses provides empirical support for the literature on practising internal marketing, which advocates that attracting, recruiting, motivating, developing, rewarding employees (internal customers) in service companies is considered a cornerstone to deal with the human element in service companies, which may differentiate one company from another (Sasser and Arbeit 1976; Berry 1980; 1981;

Judd 1987; Berry 1987; Gummesson 1991; Berry et al 1991; Lewis 1989; Gronroos 1990b; Rafiq and Ahmed 1993; Varey 1995; Forman and Money 1995; Sargeant and Asif 1998; Caruana and Calleya 1999; Quester and Kelly 1999; de Chernatony and Dall'Olmo Riley 1999; Barnes et al 1999; Greene et al 1994; Rafiq and Ahmed 2000).

Sub-hypothesis 7

Insurance service delivery strategy has a positive and significant effect on the performance of insurance companies measured by non-financial criteria; marketplace and customer measures criteria.

Table 6.13 shows that the Spearman's correlation between the insurance service delivery strategy and the insurance companies' performance measured by marketplace criteria is 0.422. This correlation is positive and significant at the 0.001 level. This implies that insurance service delivery strategy has a positive and significant effect on the insurance companies' performance measured by marketplace criteria. Table 6.14 shows that the Spearman's correlation between the insurance service delivery strategy and the insurance companies' performance measured by customer based criteria is 0.491. This correlation is positive and significant at 0.000 level. This implies that the insurance service delivery strategy has a positive and significant effect on the insurance companies' performance measured by customer criteria. Consequently, this hypothesis is supported.

Supporting this hypothesis and sub-hypothesis 7 in the financial performance hypotheses provides empirical support for the literature which advocates that service delivery process strategy has an important role to play in service companies operations (Levitt 1972; Shostack 1977b; Chase 1978; Thomas 1978; Booms and Bitner 1981; Shostack 1984; Cowell 1984; Berry 1987; Zeithaml et al 1988; Roth and Velde 1989; Gronroos 1990b; Bitner et al 1990; Collier 1991; Harvey and Filiatrault 1991; Collins 1994; Danaher and Mattsson 1994; Kasper et al 1999; Verma 2000; Lovelock 2001).

Sub-hypothesis 8

Insurance physical evidence strategy has a positive and significant effect on the performance of insurance companies measured by non-financial criteria; marketplace and customer measures criteria.

Table 6.13 shows that the Spearman's correlation between the insurance physical evidence strategy and the insurance companies' performance measured by marketplace criteria is 0.280. This correlation is positive and significant at 0.022 level. This implies that the insurance physical evidence strategy has a positive and significant effect on the insurance companies' performance measured by marketplace criteria. Table 6.14 shows that the Spearman's correlation between insurance physical evidence strategy and the insurance companies' performance measured by customer based criteria is 0.332. This correlation is positive and significant at 0.008 level. This implies that insurance physical evidence strategy has a positive and significant effect on the insurance companies' performance measured by customer measures criteria. Consequently, this hypothesis is supported.

Supporting this hypothesis provides empirical support for the physical evidence literature that advocates that physical evidence has a vital role to play in service businesses operations. Physical evidence has a crucial role to play on employees and customers behaviour (Kotler 1973; Berry 1980; Bitner 1990, 1992), the company's image (Zeithaml et al 1985), customer satisfaction (Bitner 1990; Bitner 1992; Zeithaml and Bitner 2000), and service quality (Palmer 2001). Moreover, supporting the argument that physical evidence is crucial for tangiblising the high intangibility (Berry 1980; Levitt 1981; Kasper et al 1999; Lovelock 2001; Palmer 2001), the service offer (Kotler 1973; Cowell 1984; Bitner 1992; Ennew and Watkins 1998; Palmer 2001), and on differentiating a service company (Shostack 1977a,b; Greenland 1995).

Sub-hypothesis 9

Insurance service quality has a positive and significant effect on the performance of insurance companies measured by non-financial criteria; marketplace and customer measures criteria.

Table 6.13 shows that the Spearman's correlation between the insurance service quality and the insurance companies' performance measured by marketplace criteria is 0.313. This correlation is positive and significant at 0.012 level. This implies that the insurance service quality has a positive and significant effect on the insurance companies' performance measured by marketplace criteria. Table 6.14 shows that the

Spearman's correlation between the insurance service quality and the insurance companies' performance measured by customer based criteria is 0.356. This correlation is positive and significant at 0.005 level. This implies that the insurance service quality has a positive and significant effect on the insurance companies' performance measured by customer criteria. Consequently, this hypothesis is supported.

Supporting this hypothesis and sub-hypothesis 9 in the financial performance hypotheses provides empirical support for the literature which advocates that service quality has a pivotal role on service companies performance either in economic terms (e.g. ROI, market share or profitability) or non-economic terms (e.g. customer satisfaction and customer retention) (Gronroos 1980, 1982; Ross and Shetty 1985; Parasuraman et al 1988; LeBlanc and Nguyen 1988; Lewis 1989, Cronin and Taylor 1992; Lewis 1993; Anderson et al 1994; Ennew and Binks 1996; Chang and Chen 1998; Rapert and Wren 1998; McDougall and Levesque 2000; Lasser et al 2000; Lee et al 2000; Newman 2001).

Marketing strategy components have a positive and significant effect on the performance of insurance companies measured by non-financial criteria; marketplace and customer measures criteria.

Having examined the sub-hypotheses in relation to the marketing strategy components, it is worth examining the second general hypothesis of the marketing strategy components and the insurance companies' measured by non-financial performance. In order to test this hypothesis the non-financial criteria are divided up into marketplace performance criteria and customer performance criteria.

Table 6.13 shows that all the marketing strategy components are positively and significantly correlated with the insurance companies marketplace performance criteria. The correlations range from a low of 0.274 for internal marketing to a high of 0.422 for the insurance service delivery process strategy. This implies that the marketing strategy components have a positive and significant effect on the insurance companies' performance measured by marketplace criteria. Consequently, this hypothesis is supported. Table 6.14 shows that all the marketing strategy components are positively and significantly correlated with the insurance companies customer based performance criteria. The correlations range from a low of 0.312 for the distribution strategy to a high of 0.517 for the pricing strategy. This implies that the marketing strategy components have a positive and significant effect on the insurance companies' performance measured by customer based criteria. Consequently, this hypothesis is supported.

Although the marketing strategy components have positively and significantly affected the insurance companies' performance measured by financial and non-financial (marketplace and customer criteria), a further Spearman's correlation analysis indicates that the marketing strategy components effect varies according to individual performance measurements. Table 6.15 presents the Spearman's correlations between the marketing strategy components and individual financial performance criteria. Table 6.16 presents the Spearman's correlations between the marketing strategy components and individual marketplace performance criteria. Table 6.17 presents the Spearman's correlations between the marketing strategy components and individual customer performance criteria. This detailed analysis explains that the marketing strategy components have different effects on the insurance companies' performance according to individual performance measures. The analysis of individual performance criteria is concerned with providing a broad idea about the effect of the marketing strategy components on the performance criteria individually.

The results shown in table 6.15 indicate that all the marketing strategy components have a positive and significant effect on return on investment. Meanwhile, customer orientation is the only marketing strategy component that has a positive and significant effect on insurance sales volume. However, the effect of the insurance distribution strategy is close to being significant (0.065) on insurance sales volume. Moreover, the insurance offering strategy, insurance service quality and promotion strategy are the only marketing strategy components that have a positive and significant effect on the insurance companies overall profitability. In addition, the effect of distribution (0.057) and insurance service delivery process (0.053) are close to being significant on the companies overall profitability.

Marketing Strategy Components	Individual Financial Performance Criteria						
	Return on Investment		Insurance Sales Volume		Overall Profitability		Direction of the Relationship Overall
	R	Sign	R	Sign	R	Sign	
Insurance Service Offering Strategy	0.427	0.001	0.189	0.090	0.238	0.045	Positive
Pricing Strategy	0.375	0.003	0.187	0.092	0.128	0.183	Positive
Promotion Strategy	0.480	0.000	0.138	0.164	0.301	0.015	Positive
Distribution Strategy	0.484	0.000	0.065	0.323	0.222	0.057	Positive
The Expanded Elements Of The Services Marketing Mix Framework and Service Quality							
Customer Orientation	0.303	0.015	0.264	0.029	0.134	0.171	Positive
Internal Marketing	0.439	0.013	0.191	0.088	0.178	0.104	Positive
Insurance Service Delivery Process	0.431	0.001	0.153	0.139	0.226	0.053	Positive
Physical Evidence Strategy	0.255	0.034	0.153	0.139	0.070	0.312	Positive
Service Quality	0.395	0.002	0.207	0.073	0.251	0.036	Positive

Table 6.15. Marketing Strategy Components and Individual Financial Performance Criteria

Marketing Strategy Components	Individual Marketplace Performance Criteria						
	Market Share Compared		Company Profitability Growth		Insurance Sales Volume Growth		Direction of the Relationship Overall
	R	Sing	R	Sign	R	Sign	
Insurance Service Offering Strategy	0.357	0.005	0.223	0.056	0.217	0.061	Positive
Pricing Strategy	0.316	0.012	0.230	0.051	0.369	0.004	Positive
Promotion Strategy	0.360	0.005	0.178	0.104	0.246	0.039	Positive
Distribution Strategy	0.259	0.033	0.286	0.020	0.276	0.024	Positive
The Expanded Elements Of The Services Marketing Mix Framework and Service Quality							
Customer Orientation	0.225	0.056	0.329	0.009	0.362	0.004	Positive
Internal Marketing	0.337	0.008	0.173	0.110	0.263	0.030	Positive
Insurance Service Delivery Process	0.387	0.003	0.346	0.006	0.438	0.001	Positive
Physical Evidence Strategy	0.249	0.039	0.118	0.202	0.331	0.008	Positive
Service Quality	0.371	0.004	0.233	0.048	0.274	0.025	Positive

Table 6.16. Marketing Strategy Components and Individual Marketplace Performance Criteria

Marketing Strategy Components	Individual Customer Performance Criteria						
	Customer Satisfaction		Customer Loyalty		Attracting New Customers		Direction of the Relationship Overall
	R	Sign	R	Sign	R	Sign	
Insurance Service Offering Strategy	0.365	0.004	0.267	0.028	0.374	0.003	Positive
Pricing Strategy	0.515	0.000	0.492	0.000	0.489	0.000	Positive
Promotion Strategy	0.493	0.000	0.445	0.000	0.517	0.000	Positive
Distribution Strategy	0.275	0.024	0.265	0.029	0.290	0.019	Positive
The Expanded Elements Of The Services Marketing Mix Framework and Service Quality							
Customer Orientation	0.430	0.001	0.347	0.006	0.335	0.008	Positive
Internal Marketing	0.363	0.004	0.298	0.016	0.319	0.011	Positive
Insurance Service Delivery Process	0.456	0.000	0.443	0.000	0.445	0.000	Positive
Physical Evidence Strategy	0336	0.008	0.245	0.040	0.027	0.027	Positive
Service Quality	0.345	0.006	0.253	0.035	0.372	0.003	Positive

Table 6.17. Marketing Strategy Components and Individual Customer Criteria

The results shown in table 6.16 for the individual marketplace performance criteria indicate that, except for customer orientation, all marketing strategy components have a positive and significant effect on the insurance companies market share. However, the effect of customer orientation is close (0.056) to being significant on insurance companies market share. Meanwhile, the insurance service quality, distribution strategy, customer orientation and insurance service delivery strategy of the marketing strategy components have a positive and significant effect on the insurance companies' profitability growth. In addition, the effect of the insurance service offering strategy (0.056) and pricing strategy (0.051) are close to being significant on the insurance companies profitability growth. Moreover, the analysis shows that, except for the insurance service offering strategy, all the marketing strategy components have a positive and significant effect on the insurance companies' sales volume growth. In addition, the effect of the insurance service quality is close (0.061) to being significant on the insurance companies' sales volume growth.

The results shown in table 6.17 indicate that all the marketing strategy components have a positive and significant effect on all the individual customer based measures, namely; customer satisfaction, customer loyalty and attracting new customers within certain period of time. The analysis of the customer based measures indicate that the most important result is that the insurance pricing strategy has the highest positive and significant correlation with both customer satisfaction and customer loyalty. Furthermore, the insurance pricing strategy is the second highest correlated marketing strategy component that positively and significantly affects attracting new customers within a certain period of time. These results imply that the price component has a substantial positive and significant effect on customer based performance criteria. This result has crucial implications for the marketing strategy of the insurance companies in Jordan. It reveals how important the effect of the price of insurance services is on customer satisfaction, loyalty and attracting new customers within a certain period of time. This result is not unusual in the Jordanian market for two reasons. First, there is severe price competition between the insurance companies in Jordan. Second, price has a crucial role to play on customers' purchasing decisions in the Jordanian market where the income levels are relatively low. However, the interviews with managers in the insurance companies have revealed that the price and insurance service level issue is still highly controversial. Some managers argue that to provide a reasonable level of insurance service the customer has to pay a reasonable price. Meanwhile, other managers argue that some insurance companies charge prices for insurance services without paying great attention to the correct technical basis for pricing insurance services regardless of the service level provided.

Consequently, the Spearman's correlation analysis results for the individual performance measurements, and the different effects of the marketing strategy components on them individually and collectively provide significant empirical evidence that company's performance measurement is a complex and problematic phenomenon. This empirical evidence provides support for the performance measurement literature which advocates this argument (Dess and Robinson 1984; Kaplan and Norton 1992; Deshpande' et al 1993; Hooley et al 1999; Clark 1999; Fahy et al 2000). Furthermore, this has been supported by the qualitative research data. The managers point out that the insurance companies use different financial and non-financial performance criteria which are different from one company to another according to top management philosophy.

The results of the Spearman's correlational analysis have indicated that the traditional components of marketing strategy, namely; the insurance service offering, price, promotion, and distribution still have a positive and significant effect on the insurance companies performance measured by financial and non-financial (marketplace and customer) criteria.

However, it is argued in this research that the traditional marketing strategy components (the traditional marketing mix model) are inadequate when formulating a marketing strategy for the marketing of insurance services. The rationale for this argument is twofold. First, the insurance services have a number of unique characteristics, namely; intangibility, complexity, inseparability and simultaneous production and consumption, which make marketing for insurance services different from those of goods marketing strategies. Second, the traditional marketing strategy components have come under extensive criticism by many marketing scholars who have argued that the traditional variables of marketing strategy are inadequate to cope with either services or goods marketing.

The results of the Spearman's correlation analysis have revealed that the expanded components of marketing strategy, namely; people (customer orientation and internal marketing), delivery strategy, physical evidence strategy, and service quality have a positive and significant effect on the insurance companies performance measured by financial and non-financial criteria, even though their effects vary according to the performance criteria both collectively and individually. These results provide significant empirical evidence that the marketing strategy has eight components; the seven Ps of the service marketing mix framework, and service quality to formulate marketing strategies for the marketing of insurance services in Jordan. These results provide significant support for the marketing strategy literature that advocates that the traditional components of marketing strategy (the four Ps) are inadequate either for the marketing of goods or for the marketing of services (Donnelly 1976; Nickels and Jolson 1976; Booms and Bitner 1981; Cook 1983; Kent 1986; Magrath 1986; Marr 1987; Judd 1987; Gummesson 1987; Lane 1988; Gronroos 1989; Bruner 1989; Beaven and Scotti 1990; Gronroos 1990a; 1991; Gummesson 1991; Collier 1991; Smith and Saker 1992; Gronroos 1994; Low and Tan 1995; Rafiq and Ahmed 1995; Gronroos 1996; Harvey et al 1996; Balmer 1998; Webster 1998; Gombeski 1998; O'Malley and Patterson 1998; Kotler 1999; Day and Montgomery 1999; Schultz 1999; Yelkur 2000; Zeithaml and Bitner 2000; Schultz 2001). Moreover, the traditional model of marketing strategy should be modified towards the changing business environment and changing customers needs and wants.

Furthermore, these results present empirical evidence that the expanded three Ps of the services marketing mix should be distinct and strategic components within the context of marketing strategy for the marketing of insurance services in Jordan. These results present significant support for the services marketing mix literature that advocates the expanded three Ps of the services marketing mix to be distinct and strategic (Booms and Bitner 1981; Cowell 1984; Maragth 1986; Judd 1987; Collier 1991; Smith and Saker 1992; Low and Lan 1995; Rafiq and Ahmed 1995; Kotler 2000; Yelkur 2000; Lovelock 2001). The rationale for these results can be explained by three reasons. First, the expanded services marketing mix elements are crucial to cope with the unique characteristics of insurance services especially intangibility and complexity. Second, people have a critical and pivotal role to play in marketing strategy of insurance services. Third, the expanded elements have been found to have a positive and significant effect on the insurance companies' performance in Jordan.

Although the expanded three Ps and service quality should be distinct and strategic elements and this argument has been supported by theory and empirical evidence, however, this does not mean that these elements are unrelated to the other elements of marketing mix or marketing strategy. The expanded elements of the services marketing mix are related to the other elements and they affect them. This is supported by definition, theory (chapter two) and empirical evidence of the marketing mix in services marketing which all advocate that the marketing mix should be co-ordinated, integrated and coherent to achieve success in the marketplace. For instance, the insurance delivery strategy has an important role to play in the distribution strategy and service quality and, the overall physical environment in which the insurance service is being provided affects all of them. Furthermore, it is argued that each one of those elements has the potential to achieve a marketing objective and may achieve a competitive advantage.

This has been supported by the qualitative research data. For instance, the manager of the marketing and media department in a big insurance company states:

"...when we talk about insurance service quality we have to talk about the other elements of marketing strategy that affect the volume of insurance premiums which is one of the marketing objectives... is service quality able to achieve competitive advantage? I would argue no. In the services sector we are talking about the 7Ps of the services marketing mix that should be major elements for formulating marketing strategies".

The results provide significant support to the marketing mix literature that advocates that the marketing mix is one of the core concepts of marketing (Gronroos 1989; Rafiq and Ahmed 1995; Van Waterschoot 1999; Ziethaml and Bitner 2000). Furthermore, the results provide some answer to the enquiry made by Rafiq and Ahmed (1995) who had called for empirical research projects to investigate and validate the services marketing mix framework as a generic services marketing framework. The results presented provide some empirical evidence that the services marketing mix framework is accepted as a general framework for the marketing of insurance services in Jordan. Consequently, this empirical evidence provides a reasonable answer to the enquiry of Rafiq and Ahmed (1995) in which it can be claimed that the services marketing mix framework has been accepted by managers of the insurance industry in Jordan. The rationale for this evidence is that the services marketing mix components (marketing strategy components) have a positive and significant effect on the insurance companies' performance.

The marketing strategy components and performance results have also supported important calls from marketing strategy scholars who have recommended conducting marketing research projects to test theories, concepts and models within non-U.S. and Western business environments to test their generalisability and applicability to other business environments and cultures (Knight 1999; Deshpande 1999; Day and Montgomery 1999; Varadarajan and Jayachandran 1999). This research has been conducted within the Jordanian business environment to test one of the fundamental frameworks in the marketing theory, which is the services marketing mix framework. The results have shown that there is significant empirical evidence to support the argument that the services marketing mix framework can be generalised and is applicable to the insurance industry in Jordan. Moreover, the interviews with managers in the insurance companies have indicated that the marketing strategy components (the 7Ps of the service marketing mix variables, and service quality) should all work together in a coherent and consistent manner to achieve company objectives.

6.8. Strategic Issues In Marketing of Insurance Services

The aim of this section is to provide a brief analysis of the marketing activities that are recognised as strategic activities by the insurance companies in Jordan for practising insurance business. Table 6.18 shows these marketing activities and their percentages of levels of importance for each marketing activity. Table 6.18 shows that the majority of the marketing activities had high levels of importance for practising the insurance business in Jordan. The implication is that these marketing activities are of crucial importance for formulating the marketing strategies in the insurance companies' in Jordan. This indicates that the majority of marketing strategy activities have a strategic importance for practising the insurance business and achieving companies objectives.

Noticeably, table 6.18 shows that the marketing activity that had the highest level of importance for practising the insurance business in Jordan is introducing consistent insurance service quality (94.3%). Previous analysis of insurance service quality has indicated that it is a strategic component for the marketing of insurance services and is a potential source of competitive advantage. Meanwhile, the marketing activity that had the least level of importance is pricing of insurance services through introducing discounts (55.7%). Moreover, the insurance companies have little use of the relationship pricing approach which is usually employed to build up relationships with customers. This is evidenced when selling two insurance services in one insurance package for a special price had a relatively low level of importance (61.5%) as a strategic issue for practising the insurance business. These results provide empirical evidence that there is a narrow understanding among the companies for this pricing approach for establishing relationships with customers. Although the results of relationship pricing approach is relatively weak, they tend to show some support for the relationship pricing literature that advocates using this approach (Guiltinan 1987; Arnold et al 1989; Berry and Yadav 1996; Kasper et al 1999).

Marketing Activities	Important %	Neither Important nor Unimportant %	Unimportant %
Having a distinguished company brand name	92.3	5.8	1.9
Introducing new insurance programmes and services	92.4	3.8	3.8
Understanding customer needs in developing new insurance services	90.4	7.7	1.9
Introducing consistent insurance services quality to our customers	94.3	3.8	1.9
Pricing insurance services through introducing discounts	55.7	25	19.2
Selling two insurance services in one insurance service package for a special price	61.6	25	13.4
Conducting market research studies in formulating a pricing strategy	84.7	11.5	3.8
Encouraging our customers to use word-of-mouth communication to recommend our company to other customers	76.9	15.4	7.7
The elements of marketing communications tools are strategically consistent	88.4	7.7	3.8
Marketing communications tools focus on sending a unified message	86.6	3.8	9.6
Increasing customers insurance awareness by conducting educational campaigns	78.8	13.5	7.7
Understanding the service delivery activities required in each distribution channel we choose to deliver our insurance services properly	84.6	7.7	7.7
Researching customers needs and wants in formulating distribution strategy	82.6	7.7	9.6
Practising market segmentation in order to assign the appropriate distribution channel to each market segment	80.7	11.5	7.6
Asking insurance intermediaries to use our company determined activities in delivering our insurance services to customers	69.2	17.3	13.5
The company is willing to produce a customer designed service for clients	92.3	3.8	3.8
The customer's interest should always come first	88.5	5.8	5.7
Our employees performance measurements and reward systems encourage our employees to work together as a team	82.7	9.6	7.7
Continuously developing our employees skills and abilities	90.3	5.8	3.8

Table 6.18. Strategic Issues in Practising the Insurance Business in Jordan

However, during the interviews with managers in the insurance companies it was revealed that the insurance companies use both insurance service quality and providing after sale service, especially paying insurance claims without delays, as main approaches for establishing and building up relationships with the customers.

For instance, the deputy general manager of a big insurance company states:

"...insurance service quality includes serving customers before purchasing, through purchasing and after purchasing the insurance service. You must have a continuous relationships with customers through visiting them regularly. This perspective keeps the insurance company in the mind of the customer most of the time especially if other insurance companies approach him".

Table 6.18 shows that using word-of-mouth communication had a relatively high level of importance (76.9%) as a strategic issue for practising the insurance business. This is supported by the qualitative research data. For example, the manager of a life and personal accident department in a small insurance company supports this when he states:

"...the promotion of insurance services can come by paying claims quickly, educating customers, providing distinctive insurance service quality and after sale service. This is what makes insurance promotion. I think that there is a crucial role for word-of-mouth communication among customers in which customers recommend our company and services to other customers. We believe in such methods for promotion rather than just doing advertising".

6.9. To Determine the Effects of the Marketing Strategy Components on the Performance by Different Moderating Variables in the Insurance Companies in Jordan.

This group of hypotheses is designed to fulfil the fourth objective of the research. The objective is to examine if the relationship found between the marketing strategy components and the insurance companies' performance measured by financial, marketplace and customer based criteria is moderated by the successful implementation of marketing strategy. Testing these hypotheses is conducted by using the Kendall Partial Rank-Order Correlation. The Kendall partial correlation assumptions, procedures and hypotheses testing are discussed and explained in the methodology chapter (chapter five).

Hypothesis 1

The relationship between an insurance service offering strategy and the insurance companies performance measured by either financial criteria or non-financial (marketplace and customer based) criteria is affected by the successful implementation of marketing strategy.

The original value of correlation between the insurance service offering strategy and the companies financial performance is shown at the bottom of table 6.19. The Kendall partial correlation results indicate that the marketing strategy implementation variables slightly moderate the relationship between the insurance service offering strategy and the companies' financial performance. The Kendall r coefficients have decreased between the insurance service offering strategy and the financial performance, as shown in column b in table 6.19, when controlling for the marketing strategy implementation variables but all the relationships are still held significant, as shown in column e in table 6.19. Controlling for marketing assets and capabilities has decreased the Kendall r coefficient to 0.201, which is the biggest change among the six marketing strategy implementation variables, as shown in column b in table 6.19. The indication is that marketing assets and capabilities has the biggest effect on the relationship between the insurance service offering strategy and the companies financial performance since it considerably decreases the r coefficient.

The Marketing Strategy Implementation Variables (a)	The Marketing Strategy Component-Insurance Offering Strategy				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		Effect of the Moderating Variables (f)
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.201	Decreased	2.10	0.0222	Slight Effect
Marketing strategy consensus	0.272	Decreased	2.84	0.0023	Slight Effect
Marketing strategy cross-functional integration	0.294	Decreased	3.07	0.0011	Slight Effect
Marketing strategy resource commitment	0.255	Decreased	2.66	0.0039	Slight Effect
Marketing strategy communications quality	0.247	Decreased	2.58	0.0049	Slight Effect
Company marketing experience	0.256	Decreased	2.67	0.0038	Slight Effect
The Kendall Rank Correlation between Insurance Service Offering and Financial Performance is 0.314 (0.003) without Controlling the Moderating Variables					

Table 6.19. Insurance Service Offering and Financial Performance Criteria

The original value of correlation between the insurance service offering strategy and the companies marketplace performance is shown at the bottom of table 6.20. The results of the Kendall partial correlations indicate that three variables of the marketing strategy implementation, namely; marketing assets and capabilities, marketing strategy resource commitment, and company marketing experience moderate the relationship between the insurance offering strategy and the companies marketplace performance. This implies that these variables have a substantial effect on the relationship between the insurance offering strategy and marketplace performance because controlling for these variables has decreased the Kendall r coefficients, as shown in column b in table 6.20, where they have become non-significant, as shown in column e in table 6.20. The other three marketing strategy implementation variables have a slight effect on this relationship since controlling for them has decreased the r coefficients, as shown in column b in table 6.20, but the remaining relationships are still held significant, as shown in column e in table 6.20.

	The Marketing Strategy Component-Insurance Offering Strategy				
The Marketing Strategy Implementation Variables (a)	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		**Effect of the Moderating Variables (f)**
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.071	Decreased	0.75	0.2266	**Affects**
Marketing strategy consensus	0.182	Decreased	1.90	0.0287	Slight Effect
Marketing strategy cross-functional integration	0.175	Decreased	1.83	0.0336	Slight Effect
Marketing strategy resource commitment	0.154	Decreased	1.61	0.0537	**Affects**
Marketing strategy communications quality	0.172	Decreased	1.80	0.0359	Slight Effect
Company marketing experience	0.113	Decreased	1.18	0.1190	**Affects**
The Kendall Rank Correlation between Insurance Service Offering and Marketplace Performance is 0.211 (0.044) without Controlling the Moderating Variables					

Table 6.20. Insurance Service Offering and Marketplace Performance Criteria

The original value of correlation between the insurance service offering strategy and the companies customer based performance is shown at the bottom of table 6.21. The results of the Kendall partial correlation indicate that five variables of the marketing strategy implementation, namely; marketing assets and capabilities, marketing strategy consensus, marketing strategy resource commitment, marketing strategy communications quality, and company marketing experience moderate the relationship between the insurance service offering strategy and customer based performance. These variables have a substantial effect on the relationship between the insurance service offering strategy and companies customer based performance because the Kendall r coefficients have decreased, as shown in column b in table 6.21, and become non-significant when controlling for these variables, as shown in column e in table 6.21.

The Marketing Strategy Implementation Variables (a)	The Marketing Strategy Component-Insurance Offering Strategy				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		Effect of the Moderating Variables (f)
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.152	Decreased	1.59	0.0559	**Affects**
Marketing strategy consensus	0.153	Decreased	1.60	0.0548	**Affects**
Marketing strategy cross-functional integration	0.192	Decreased	2.00	0.0228	Slight Effect
Marketing strategy resource commitment	0.132	Decreased	1.38	0.0838	**Affects**
Marketing strategy communications quality	0.128	Decreased	1.34	0.0901	**Affects**
Company marketing experience	0.088	Decreased	0.92	0.1788	**Affects**
The Kendall Rank Correlation between Insurance Service Offering and Customer Based Performance Criteria is 0.270 (0.012) without Controlling the Moderating Variables					

Table 6.21. Insurance Offering Strategy and Customer Based Performance Criteria

Consequently, hypothesis 1 is partially supported because the marketing strategy implementation variables moderate the relationships between the insurance service offering strategy and customer based and marketplace performance criteria, and slightly moderate the relationships between the insurance service offering strategy and the companies' financial performance criteria.

Hypothesis 2

The relationship between insurance service quality and the insurance companies performance measured by either financial criteria or non-financial (marketplace and customer based) criteria is affected by the successful implementation of marketing strategy.

The original value of correlation between the insurance service quality and the companies' financial performance is shown at the bottom of table 6.22. The Kendall partial correlation results indicate that marketing strategy implementation variables slightly moderate the relationship between the insurance service quality and the companies' financial performance. The Kendall r coefficients have decreased between the insurance service quality and the companies' financial performance, as shown in column b in table 6.22, when controlling for the marketing strategy implementation variables but all the relationships are still held significant, as shown in column e in table 6.22. Controlling for marketing assets and capabilities has decreased the Kendall r coefficient to 0.193, which is the biggest change among the six marketing strategy implementation variables, as shown in column b in table 6.22. The indication is that marketing assets and capabilities has the biggest effect on the relationship between the insurance service quality and the companies' financial performance since it considerably decreases the r coefficient, as shown in column b in table 6.22.

The Marketing Strategy Implementation Variables (a)	The Marketing Strategy Component-Insurance Service Quality				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		Effect of the Moderating Variables (f)
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.193	Decreased	2.02	0.0217	Slight Effect
Marketing strategy consensus	0.263	Decreased	2.75	0.0030	Slight Effect
Marketing strategy cross-functional integration	0.283	Decreased	2.96	0.0015	Slight Effect
Marketing strategy resource commitment	0.243	Decreased	2.54	0.0055	Slight Effect
Marketing strategy communications quality	0.248	Decreased	2.59	0.0048	Slight Effect
Company marketing experience	0.247	Decreased	2.58	0.0049	Slight Effect
The Kendall Rank Correlation between Insurance Service Quality and Financial Performance is 0.304 (0.003) without Controlling the Moderating Variables					

Table 6.22. Insurance Service Quality and Financial Performance Criteria

The original value of correlation between the insurance service quality and the companies' marketplace performance is shown at the bottom of table 6.23. The results of the Kendall partial correlation indicate that two variables of marketing strategy implementation, namely; marketing assets and capabilities and company marketing experience moderate the relationship between the insurance service quality and the companies' marketplace performance. These variables have a substantial effect on the relationship between the insurance service quality and the companies' marketplace performance because controlling for them has decreased the Kendall r coefficients, as shown in column b in table 6.23, where they have become non-significant, as shown in column e in table 6.23. The other four marketing strategy implementation variables have a slight effect on this relationship since they have decreased the Kendall r coefficients, as shown in b column in table 6.23, but all the remaining relationships are still held significant, as shown in column e in table 6.23.

The original value of correlation between the insurance service quality and the companies customer based performance is shown at the bottom of table 6.24. The results of the Kendall partial correlation indicate that four of the marketing strategy implementation variables, namely; marketing assets and capabilities, marketing strategy resource commitment, marketing strategy communications quality, and company marketing experience moderate the relationship between the insurance service quality and companies customer based performance. This implies that these variables have a substantial effect on the relationship between the insurance service offering strategy and the companies customer based performance because the Kendall r coefficients have decreased, as shown in column b in table 6.24, and become non-significant when controlling for these variables, as shown in column e in table 6.24. The other two variables of marketing strategy implementation, namely; marketing strategy consensus and marketing strategy cross-functional integration have slightly moderated the relationship because controlling for them decreases the r coefficients, as shown in column b in table 6.24, but the remaining relationships are still held significant, as shown in column e in table 6.24.

The Marketing Strategy Implementation Variables (a)	**The Marketing Strategy Component-Insurance Service Quality**				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance: Partial Z Value (d)	The Kendall Partial Correlation Significance: Partial P Value Sign (e)	**Effect of the Moderating Variables (f)**
Marketing assets and capabilities	0.107	Decreased	1.12	0.1314	**Affects**
Marketing strategy consensus	0.212	Decreased	2.22	0.0132	Slight Effect
Marketing strategy cross-functional integration	0.205	Decreased	2.14	0.0162	Slight Effect
Marketing strategy resource commitment	0.182	Decreased	1.90	0.0287	Slight Effect
Marketing strategy communications quality	0.206	Decreased	2.15	0.0158	Slight Effect
Company marketing experience	0.150	Decreased	1.57	0.0582	**Affects**
The Kendall Rank Correlation between Insurance Service Quality and Marketplace Performance is 0.237 (0.022) without Controlling the Moderating Variables					

Table 6.23. Insurance Service Quality and Marketplace Performance Criteria

The Marketing Strategy Implementation Variables (a)	**The Marketing Strategy Component-Insurance Service Quality**				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance: Partial Z Value (d)	The Kendall Partial Correlation Significance: Partial P Value Sign (e)	**Effect of the Moderating Variables (f)**
Marketing assets and capabilities	0.144	Decreased	1.50	0.0668	**Affects**
Marketing strategy consensus	0.179	Decreased	1.87	0.0307	Slight Effect
Marketing strategy cross-functional integration	0.184	Decreased	1.92	0.0274	Slight Effect
Marketing strategy resource commitment	0.120	Decreased	1.25	0.1056	**Affects**
Marketing strategy communications quality	0.150	Decreased	1.57	0.0582	**Affects**
Company marketing experience	0.088	Decreased	0.92	0.1788	**Affects**
The Kendall Rank Correlation between Insurance Service Quality and Customer Based Performance Criteria is 0.259 (0.015) without Controlling the Moderating Variables					

Table 6.24. Insurance Service Quality and Customer Based Performance Criteria

Consequently, hypothesis 2 is partially supported because the marketing strategy implementation variables moderate the relationships between the insurance service quality and customer based and marketplace performance criteria, and slightly moderate the relationships between the insurance service quality and the companies' financial performance criteria.

Hypothesis 3

The relationship between the insurance pricing strategy and the insurance companies performance measured by either financial criteria or non-financial (marketplace and customer based) criteria is affected by the successful implementation of marketing strategy.

The original value of correlation between the insurance pricing strategy and the companies' financial performance is shown at the bottom of table 6.25. The only variable that has moderated the relationship between the insurance pricing strategy and the financial performance is marketing assets and capabilities. The indication is that marketing assets and capabilities has a substantial effect on the relationship between the insurance pricing strategy and the companies' financial performance. This is because controlling for this variable decreases the r coefficient, as shown in column b in table 6.25, and the Kendall partial correlation becomes non-significant, as shown in column e in table 6.25. The Kendall partial correlations results indicate that the other five variables of marketing strategy implementation slightly moderate the relationship between the insurance pricing strategy and the companies' financial performance. The Kendall r coefficients have decreased between the insurance pricing strategy and the financial performance when controlling for the five marketing strategy implementation variables, as shown in column b in table 6.25, but all the remaining relationships are still held significant, as shown in column e in table 6.25.

The original value of correlation between the insurance pricing strategy and the companies' marketplace performance is shown at the bottom of table 6.26. The results of the Kendall partial correlation indicate that the variables of marketing strategy implementation slightly moderate the relationship between the insurance pricing strategy and the companies' marketplace performance. These variables have an effect, which is not substantial, on the relationship between the insurance pricing strategy and the companies' marketplace performance because controlling for these variables has decreased the Kendall r coefficients, as shown in column b in table 6.26, but all the Kendall partial coefficients are still held significant, as shown in column e in table 6.26. The biggest changes among the marketing strategy implementation variables has come from controlling for the marketing assets and capabilities and company marketing experience variables in which the Kendall r coefficients have considerably decreased, as shown in column b in table 6.26. This implies that that these two variables have the biggest effect on the relationship between the insurance pricing strategy and the companies' marketplace performance.

	The Marketing Strategy Component-Insurance Pricing Strategy				
The Marketing Strategy Implementation Variables (a)	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		**Effect of the Moderating Variables (f)**
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.142	Decreased	1.48	0.0694	**Affects**
Marketing strategy consensus	0.230	Decreased	2.40	0.0082	Slight Effect
Marketing strategy cross-functional integration	0.250	Decreased	2.61	0.0045	Slight Effect
Marketing strategy resource commitment	0.211	Decreased	2.20	0.0139	Slight Effect
Marketing strategy communications quality	0.202	Decreased	2.11	0.0174	Slight Effect
Company marketing experience	0.200	Decreased	2.09	0.0183	Slight Effect
The Kendall Rank Correlation between Insurance Pricing and Financial Performance is 0.269 (0.011) without Controlling the Moderating Variables					

Table 6.25. Insurance Pricing Strategy and Financial Performance Criteria

	The Marketing Strategy Component-Insurance Pricing Strategy				
The Marketing Strategy Implementation Variables (a)	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		**Effect of the Moderating Variables (f)**
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.160	Decreased	1.67	0.0475	Slight Effect
Marketing strategy consensus	0.271	Decreased	2.83	0.0023	Slight Effect
Marketing strategy cross-functional integration	0.270	Decreased	2.82	0.0024	Slight Effect
Marketing strategy resource commitment	0.247	Decreased	2.58	0.0049	Slight Effect
Marketing strategy communications quality	0.261	Decreased	2.73	0.0032	Slight Effect
Company marketing experience	0.198	Decreased	2.07	0.0192	Slight Effect
The Kendall Rank Correlation between Insurance Pricing and Marketplace Performance is 0.290 (0.006) without Controlling the Moderating Variables					

Table 6.26. Insurance Pricing Strategy and Marketplace Performance Criteria

The original value of correlation between the insurance pricing strategy and the companies' customer based performance is shown at the bottom of table 6.27. The results of the Kendall partial correlation indicate that the marketing strategy implementation variables slightly moderate the relationship between the insurance pricing strategy and the companies' customer based performance. The Kendall partial correlation results indicate that controlling for the marketing strategy implementation variables has decreased the Kendall r coefficients, as shown in column b in table 6.27, but all the relationships are still held significant, as shown in column e in table 6.27. Examining the Kendall partial correlations has revealed that the biggest change on the relationship between the insurance pricing strategy and the companies' customer based performance has come from controlling for company marketing experience and marketing strategy communications quality, which decreased the r coefficients to 0.231 and 0.293, respectively, as shown in column e in table 6.27.

The Marketing Strategy Implementation Variables (a)	The Marketing Strategy Component-Insurance Pricing Strategy				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		Effect of the Moderating Variables (f)
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.300	Decreased	3.14	0.0008	Slight Effect
Marketing strategy consensus	0.346	Decreased	3.62	0.00016	Slight Effect
Marketing strategy cross-functional integration	0.360	Decreased	3.76	0.00011	Slight Effect
Marketing strategy resource commitment	0.301	Decreased	3.14	0.0008	Slight Effect
Marketing strategy communications quality	0.293	Decreased	3.06	0.0011	Slight Effect
Company marketing experience	0.231	Decreased	2.41	0.0080	Slight Effect
The Kendall Rank Correlation between Insurance Pricing and Customer Based Performance Criteria is 0.397 (0.000) without Controlling the Moderating Variables					

Table 6.27. Insurance Pricing Strategy and Customer Based Performance Criteria

Consequently, hypothesis 3 is partially supported because the marketing strategy implementation variables moderate the relationships between the insurance pricing strategy and the financial performance criteria, and slightly moderate the relationships between the insurance pricing strategy and the customer based and marketplace performance criteria.

Hypothesis 4

The relationship between the insurance promotion strategy and the insurance companies performance measured by either financial criteria or non-financial (marketplace and customer based) criteria is affected by the successful implementation of marketing strategy.

The original value of correlation between the insurance promotion strategy and the companies' financial performance is shown at the bottom of table 6.28. The results of the Kendall partial correlation indicate that the marketing strategy implementation variables slightly moderate the relationship between the insurance promotion strategy and the companies' financial performance. Controlling for the marketing strategy implementation variables has decreased the Kendall r coefficients, as shown in column b in table 6.28, but all the relationships are still held significant, as shown in column e in table 6.28. Examining the Kendall partial correlations has revealed that the biggest change in r coefficients has come from controlling for marketing assets and capabilities, and marketing strategy communications quality, which decreased to become 0.220 and 0.261, respectively, as shown in column b in table 6.28. This implies that these two variables have the biggest effect on the relationship.

The Marketing Strategy Implementation Variables (a)	**The Marketing Strategy Component-Insurance Promotion Strategy**				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		**Effect of the Moderating Variables (f)**
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.220	Decreased	2.30	0.0107	Slight Effect
Marketing strategy consensus	0.294	Decreased	3.07	0.0011	Slight Effect
Marketing strategy cross-functional integration	0.312	Decreased	3.26	0.0007	Slight Effect
Marketing strategy resource commitment	0.279	Decreased	2.92	0.0018	Slight Effect
Marketing strategy communications quality	0.261	Decreased	2.73	0.0032	Slight Effect
Company marketing experience	0.277	Decreased	2.90	0.0019	Slight Effect
The Kendall Rank Correlation between Insurance Promotion and Financial Performance is 0.331 (0.002) without Controlling the Moderating Variables					

Table 6.28. Insurance Promotion and Financial Performance Criteria

The original value of correlation between the insurance promotion strategy and the companies' marketplace performance is shown at the bottom of table 6.29. The results of the Kendall partial correlation indicate that the only two variables of the marketing strategy implementation variables that have moderated the relationship between the insurance promotion strategy and the companies' marketplace performance are marketing assets and capabilities, and company marketing experience. These two variables have a substantial effect on the relationship because controlling for them decreases the r coefficients, as shown in column b in table 6.29, where they become non-significant, as shown in column e in table 6.29. The other four variables of the marketing strategy implementation have slightly moderated the relationship since controlling for them has decreased the r coefficients, as shown in column b in table

6.29, but all the remaining relationships are still held significant, as shown in column e in table 6.29.

The Marketing Strategy Implementation Variables (a)	The Marketing Strategy Component-Insurance Promotion Strategy				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		Effect of the Moderating Variables (f)
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.104	Decreased	1.09	0.1379	**Affects**
Marketing strategy consensus	0.216	Decreased	2.26	0.0119	Slight Effect
Marketing strategy cross-functional integration	0.211	Decreased	2.20	0.0139	Slight Effect
Marketing strategy resource commitment	0.192	Decreased	2.00	0.0228	Slight Effect
Marketing strategy communications quality	0.203	Decreased	2.12	0.0170	Slight Effect
Company marketing experience	0.152	Decreased	1.59	0.0559	**Affects**
The Kendall Rank Correlation between Insurance Promotion and Marketplace Performance is 0.240 (0.023) without Controlling the Moderating Variables					

Table 6.29. Insurance Promotion Strategy and Marketplace Performance Criteria

The original value of correlation between the insurance promotion strategy and the companies' customer based performance is shown at the bottom of table 6.30. The Kendall partial correlation results indicate that the marketing strategy implementation variables slightly moderate the relationship between the promotion strategy and the companies' customer based measures because all the Kendall r coefficients have decreased, as shown in column b in table 6.30, but they are all still held significant, as shown in column e in table 6.30. Although all the r coefficients have decreased, the biggest changes were in company marketing experience and marketing strategy communications quality, which implies that they have the biggest effect on the relationship.

The Marketing Strategy Implementation Variables (a)	The Marketing Strategy Component-Insurance Promotion Strategy				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		Effect of the Moderating Variables (f)
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.326	Decreased	3.41	0.0003	Slight Effect
Marketing strategy consensus	0.361	Decreased	3.77	0.00011	Slight Effect
Marketing strategy cross-functional integration	0.363	Decreased	3.80	0.00007	Slight Effect
Marketing strategy resource commitment	0.321	Decreased	3.36	0.0005	Slight Effect
Marketing strategy communications quality	0.290	Decreased	3.03	0.0012	Slight Effect
Company marketing experience	0.280	Decreased	2.93	0.0017	Slight Effect
The Kendall Rank Correlation between Insurance Promotion and Customer Based Performance Criteria is 0.416 (0.000) without Controlling the Moderating Variables					

Table 6.30. Insurance Promotion Strategy and Customer Based Performance Criteria

Consequently, hypothesis 4 is partially supported because the marketing strategy implementation variables moderate the relationships between the insurance promotion strategy and the marketplace performance criteria, and slightly moderate the relationships between the insurance promotion strategy and the companies' financial performance and customer based performance criteria.

Hypothesis 5

The relationship between the insurance distribution strategy and the insurance companies performance measured by either financial criteria or non-financial (marketplace and customer based) criteria is affected by the successful implementation of marketing strategy.

The original value of correlation between the insurance distribution strategy and the companies' financial performance is shown at the bottom of table 6.31. The Kendall partial correlation results indicate that marketing assets and capabilities is the only variable that moderates the relationship between the insurance distribution strategy and the companies' financial performance. Marketing assets and capabilities has a substantial effect on this relationship because controlling for this variable decreases the Kendall r coefficient, as shown in column b in table 6.31, where it becomes non-significant, as shown in column e in table 6.31. The other five variables have slightly moderated the relationship because controlling for them decreased the Kendall r coefficients, as shown in column b in table 6.31, but the remaining relationships are still held significant, as shown in column e in table 6.31.

	The Marketing Strategy Component-Insurance Distribution Strategy				
The Marketing Strategy Implementation Variables (a)	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		**Effect of the Moderating Variables (f)**
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.157	Decreased	1.64	0.0505	**Affects**
Marketing strategy consensus	0.247	Decreased	2.58	0.0049	Slight Effect
Marketing strategy cross-functional integration	0.265	Decreased	2.77	0.0028	Slight Effect
Marketing strategy resource commitment	0.230	Decreased	2.40	0.0082	Slight Effect
Marketing strategy communications quality	0.216	Decreased	2.26	0.0119	Slight Effect
Company marketing experience	0.234	Decreased	2.45	0.0071	Slight Effect
The Kendall Rank Correlation between Insurance Distribution and Financial Performance is 0.287 (0.006) without Controlling the Moderating Variables					

Table 6.31. Insurance Distribution Strategy and Financial Performance Criteria

The original value of correlation between the insurance distribution strategy and the companies' marketplace performance is shown at the bottom of table 6.32. The results of the Kendall partial correlation indicate that marketing assets and capabilities, and company marketing experience have moderated the relationship between the insurance distribution strategy and the companies' marketplace performance. These variables have a substantial effect on this relationship because controlling for them has decreased Kendall r coefficients, as shown in column b in table 6.32, where they become non-significant, as shown in column e in table 6.32. Examining the other four variables of marketing strategy implementation has revealed that the biggest change in the Kendall r coefficients has come from controlling for marketing strategy resource commitment and marketing strategy communications quality, as shown in column b in table 6.32, but the remaining relationships are still held significant, as shown in column e in table 6.32. This implies that these two variables slightly moderate the relationship between the insurance distribution strategy and the companies' marketplace performance.

The original value of correlation between the insurance distribution strategy and the companies' customer based performance is shown at the bottom of table 6.33. The Kendall partial correlation results indicate that marketing assets and capabilities, marketing strategy resource commitment, marketing strategy communications quality, and company marketing experience have moderated the relationship between the insurance distribution strategy and the companies' customer based performance. These variables have a substantial effect on this relationship because controlling for these variables has decreased the Kendall r coefficients, as shown in column b in table 6.33, where they become non-significant, as shown in column e in table 6.33. Marketing strategy consensus and marketing strategy cross-functional integration have slightly moderated the relationship because controlling for them has decreased the Kendall r coefficients, as shown in column n in table 6.33, but the remaining Kendall partial correlations are still held significant, as shown in column e in table 6.33.

The Marketing Strategy Implementation Variables (a)	The Marketing Strategy Component-Insurance Distribution Strategy				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		Effect of the Moderating Variables (f)
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.063	Decreased	0.66	0.2546	**Affects**
Marketing strategy consensus	0.191	Decreased	2.00	0.0248	Slight Effect
Marketing strategy cross-functional integration	0.187	Decreased	1.95	0.0256	Slight Effect
Marketing strategy resource commitment	0.166	Decreased	1.73	0.0418	Slight Effect
Marketing strategy communications quality	0.175	Decreased	1.83	0.0336	Slight Effect
Company marketing experience	0.140	Decreased	1.46	0.0721	**Affects**
The Kendall Rank Correlation between Insurance Distribution and Marketplace Performance is 0.217 (0.039) without Controlling the Moderating Variables					

Table 6.32. Insurance Distribution Strategy and Marketplace Performance Criteria

The Marketing Strategy Implementation Variables (a)	The Marketing Strategy Component-Insurance Distribution Strategy				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		Effect of the Moderating Variables (f)
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.100	Decreased	1.04	0.1492	**Affects**
Marketing strategy consensus	0.163	Decreased	1.70	0.0446	Slight Effect
Marketing strategy cross-functional integration	0.170	Decreased	1.77	0.0384	Slight Effect
Marketing strategy resource commitment	0.112	Decreased	1.17	0.1210	**Affects**
Marketing strategy communications quality	0.088	Decreased	0.92	0.1788	**Affects**
Company marketing experience	0.090	Decreased	0.94	0.1736	**Affects**
The Kendall Rank Correlation between Insurance Distribution and Customer Based Performance Criteria is 0.237 (0.028) without Controlling the Moderating Variables					

Table 6.33. Insurance Distribution Strategy and Customer Based Performance

Consequently, hypothesis 5 is partially supported because the marketing strategy implementation variables moderate the relationships between the insurance distribution strategy and the companies' performance measured by marketplace, and customer based criteria, and slightly moderate the relationship between the distribution strategy and companies performance measured by financial criteria.

Hypothesis 6

The relationship between customer orientation and the insurance companies performance measured by either financial criteria or non-financial (marketplace and customer based) criteria is affected by the successful implementation of marketing strategy.

The original value of correlation between customer orientation and the companies' financial performance is shown at the bottom of table 6.34. The Kendall partial correlation results indicate that all the marketing strategy implementation variables, except marketing strategy cross-functional integration, have moderated the relationship between customer orientation and the companies' financial performance. Although the original correlation between customer orientation and the companies' financial performance is non-significant, the marketing strategy implementation variables moderate the relationship because controlling for them decreased the Kendall r coefficients considerably, as shown in column b in table 6.34. Therefore, these variables have a substantial effect on the relationship between customer orientation and the companies' financial performance. Marketing strategy cross-functional integration has slightly moderated the relationship because controlling for this variable has decreased the r coefficient, as shown in column b in table 6.34, but the relationship is still held significant, as shown in column e in table 6.34.

The Marketing Strategy Implementation Variables (a)	The Marketing Strategy Component-People Strategy-Customer Orientation				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		Effect of the Moderating Variables (f)
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.078	Decreased	0.81	0.2090	**Affects**
Marketing strategy consensus	0.144	Decreased	1.50	0.0668	**Affects**
Marketing strategy cross-functional integration	0.162	Decreased	1.69	0.0455	Slight Effect
Marketing strategy resource commitment	0.120	Decreased	1.25	0.1056	**Affects**
Marketing strategy communications quality	0.101	Decreased	1.05	0.1469	**Affects**
Company marketing experience	0.128	Decreased	1.34	0.0901	**Affects**
The Kendall Rank Correlation between Customer Orientation and Financial Performance is 0.189 (0.070) without Controlling the Moderating Variables					

Table 6.34. Customer Orientation and Financial Performance Criteria

The original value of correlation between customer orientation and the companies' marketplace performance is shown at the bottom of table 6.35. The Kendall partial correlation results indicate that marketing assets and capabilities is the only variable that has moderated the relationship between customer orientation and the companies' marketplace performance. This variable has a substantial effect on this relationship because controlling for it decreased the Kendall r coefficient, as shown in column b in table 6.35, where it becomes non-significant, as shown in column e in table 6.35. The other five variables of marketing strategy implementation have a slight effect on the relationship because controlling for them has decreased the r coefficients, as shown in column b in table 6.35, but the remaining relationships are still held significant, as shown in column e in table 6.35. The biggest change among these five variables on this relationship has come from controlling for company marketing experience because it decreases the Kendall r coefficient to be 0.18, but the Kendall partial correlation is still held significant.

The Marketing Strategy Implementation Variables (a)	The Marketing Strategy Component-People Strategy-Customer Orientation				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		Effect of the Moderating Variables (f)
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.146	Decreased	1.52	0.0643	**Affects**
Marketing strategy consensus	0.231	Decreased	2.41	0.0080	Slight Effect
Marketing strategy cross-functional integration	0.225	Decreased	2.35	0.0094	Slight Effect
Marketing strategy resource commitment	0.205	Decreased	2.14	0.0162	Slight Effect
Marketing strategy communications quality	0.220	Decreased	2.30	0.0107	Slight Effect
Company marketing experience	0.180	Decreased	1.88	0.0301	Slight Effect
The Kendall Rank Correlation between Customer Orientation and Marketplace Performance is 0.253 (0.015) without Controlling the Moderating Variables					

Table 6.35. Customer Orientation and Marketplace Performance Criteria

The Marketing Strategy Implementation Variables (a)	The Marketing Strategy Component-People Strategy-Customer Orientation				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		Effect of the Moderating Variables (f)
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.231	Decreased	2.41	0.0080	Slight Effect
Marketing strategy consensus	0.262	Decreased	2.74	0.0031	Slight Effect
Marketing strategy cross-functional integration	0.264	Decreased	2.76	0.0029	Slight Effect
Marketing strategy resource commitment	0.264	Decreased	2.76	0.0029	Slight Effect
Marketing strategy communications quality	0.197	Decreased	2.06	0.0197	Slight Effect
Company marketing experience	0.192	Decreased	2.00	0.0228	Slight Effect
The Kendall Rank Correlation between Customer Orientation and Customer Based Performance Criteria is 0.321 (0.003) without Controlling the Moderating Variables					

Table 6.36. Customer Orientation and Customer Based Performance Criteria

The original value of correlation between customer orientation and the companies' customer based performance is shown at the bottom of table 6.36. The Kendall partial correlation results indicate that the marketing strategy implementation variables have slightly moderated the relationship between the customer orientation and the companies' customer based performance. These variables have a slight effect on the relationship because controlling for these variables decreased the Kendall r coefficients, as shown in column b in table 6.36, but all the Kendall partial correlations are still held significant, as shown in column e in table 6.36. The biggest changes in the Kendall partial correlations have come from controlling for the variables of company marketing experience and marketing strategy communications quality, and marketing assets and capabilities, which implies that they have the biggest effect on the relationship between customer orientation and the companies customer based measures.

Consequently, hypothesis 6 is partially supported because the marketing strategy implementation variables moderate the relationships between customer orientation and the companies' financial and marketplace performance criteria, and slightly moderate the relationships between customer orientation and the companies' customer based performance criteria.

Hypothesis 7

The relationship between practising internal marketing and the insurance companies performance measured by either financial criteria or non-financial (marketplace and customer based) criteria is affected by the successful implementation of marketing strategy.

The original value of correlation between internal marketing and the companies' financial performance is shown at the bottom of table 6.37. The Kendall partial correlation results indicate that the marketing strategy implementation variables have slightly moderated the relationship between internal marketing and companies' financial performance. The marketing strategy implementation variables have a slight effect on the relationship because the Kendall r coefficients have decreased, as shown in column b in table 6.37, when controlling for these variables, but all the Kendall partial correlations are still held significant, as shown in column e in table 6.37. Examining the decreases in the Kendall r coefficients has revealed that the biggest change in the r coefficients has come from controlling for marketing assets and capabilities, and company marketing communications quality, as shown in column b in table 6.37, which implies that they have the highest effect on the relationship between internal marketing and the companies financial performance.

The Marketing Strategy Implementation Variables (a)	The Marketing Strategy Component-People Strategy-Internal Marketing				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		Effect of the Moderating Variables (f)
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.214	Decreased	2.24	0.0207	Slight Effect
Marketing strategy consensus	0.274	Decreased	2.86	0.0021	Slight Effect
Marketing strategy cross-functional integration	0.290	Decreased	3.03	0.0012	Slight Effect
Marketing strategy resource commitment	0.262	Decreased	2.74	0.0031	Slight Effect
Marketing strategy communications quality	0.248	Decreased	2.59	0.0048	Slight Effect
Company marketing experience	0.255	Decreased	2.66	0.0039	Slight Effect
The Kendall Rank Correlation between Internal Marketing and Financial Performance is 0.310 (0.003) without Controlling the Moderating Variables					

Table 6.37. Internal Marketing and Financial Performance Criteria

The Marketing Strategy Implementation Variables (a)	The Marketing Strategy Component-People Strategy-Internal Marketing				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		Effect of the Moderating Variables (f)
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.079	Decreased	0.82	0.2061	**Affects**
Marketing strategy consensus	0.172	Decreased	1.80	0.0359	Slight Effect
Marketing strategy cross-functional integration	0.166	Decreased	1.73	0.0418	Slight Effect
Marketing strategy resource commitment	0.152	Decreased	1.59	0.0559	**Affects**
Marketing strategy communications quality	0.161	Decreased	1.68	0.0465	Slight Effect
Company marketing experience	0.107	Decreased	1.12	0.1314	**Affects**
The Kendall Rank Correlation between Internal Marketing and Marketplace Performance is 0.198 (0.055) without Controlling the Moderating Variables					

Table 6.38. Internal Marketing and Marketplace Performance Criteria

The original value of correlation between internal marketing and the companies' marketplace performance is shown at the bottom of table 6.38. The Kendall partial correlation results indicate that marketing assets and capabilities, marketing strategy resource commitment, and company marketing experience have moderated the relationship between internal marketing and the companies' marketplace performance. These variables have a substantial effect on this relationship because controlling for these variables has decreased the Kendall r coefficients, as shown in column b in table 6.38 where they become non-significant, as shown in column e in table 6.38. The other three variables of marketing strategy implementation have a slight effect on this relationship because controlling for these variables has slightly decreased the Kendall r coefficients, as shown in column b in table 6.38, but the remaining Kendall partial correlations are still held significant, as shown in column e in table 6.38.

The Marketing Strategy Implementation Variables (a)	The Marketing Strategy Component-People Strategy-Internal Marketing				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		Effect of the Moderating Variables (f)
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.180	Decreased	1.88	0.0301	Slight Effect
Marketing strategy consensus	0.213	Decreased	2.22	0.0132	Slight Effect
Marketing strategy cross-functional integration	0.213	Decreased	2.22	0.0132	Slight Effect
Marketing strategy resource commitment	0.178	Decreased	1.86	0.0314	Slight Effect
Marketing strategy communications quality	0.153	Decreased	1.60	0.0548	**Affects**
Company marketing experience	0.115	Decreased	1.20	0.1151	**Affects**
The Kendall Rank Correlation between Internal Marketing and Customer Based Performance Criteria is 0.277 (0.009) without Controlling the Moderating Variables					

Table 6.39. Internal Marketing and Customer Based Performance Criteria

The original value of correlation between internal marketing and the companies' customer based performance is shown at the bottom of table 6.39. The Kendall partial correlations results indicate that the marketing strategy communications quality and company marketing experience are the only marketing strategy implementation variables which moderate the relationship between internal marketing and the companies' customer based measures. These variables have a substantial effect on the relationship between internal marketing and the companies' customer based performance because controlling for these variables has decreased the Kendall r coefficients, as shown in column b in table 6.39, where they become non-significant, as shown in column e in table 6.39. The biggest changes among the other four variables of marketing strategy implementation has come from controlling for marketing strategy resources commitment and marketing assets and capabilities in which the Kendall r coefficients have considerably decreased, as shown in column b in table 6.39, but the remaining Kendall partial correlations are still held significant, as shown in column e in table 6.39. This implies that these two variables have the biggest effect among the other four variables of marketing strategy implementation on the relationship between internal marketing and companies customer based performance.

Consequently, hypothesis 7 is partially supported because the marketing strategy implementation variables moderate the relationships between internal marketing and customer based and marketplace performance criteria, and slightly moderate the relationships between internal marketing and the financial performance criteria.

Hypothesis 8

The relationship between the insurance service delivery process strategy and the insurance companies performance measured by either financial criteria or non-financial (marketplace and customer based) criteria is affected by the successful implementation of marketing strategy.

The original value of correlation between the insurance service delivery strategy and the companies' financial performance is shown at the bottom of table 6.40. The Kendall partial correlation results indicate that the marketing strategy implementation variables have slightly moderated the relationship between the insurance delivery process strategy and the companies financial performance because the r coefficients have decreased when controlling for these variables, as shown in column b in table 6.40, but all the Kendall partial correlations are still held significant, as shown in column e in table 6.40. The biggest change in the Kendall r coefficients has come from controlling for marketing assets and capabilities, as shown in column b in table 6.40, which implies that it has the highest effect on the relationship among the marketing strategy formulation variables. The other five variables values have similar decreases.

The Marketing Strategy Implementation Variables (a)	The Marketing Strategy Component-Insurance Delivery Process Strategy				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		Effect of the Moderating Variables (f)
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.183	Decreased	1.91	0.0281	Slight Effect
Marketing strategy consensus	0.266	Decreased	2.78	0.0027	Slight Effect
Marketing strategy cross-functional integration	0.284	Decreased	2.97	0.0015	Slight Effect
Marketing strategy resource commitment	0.243	Decreased	2.54	0.0055	Slight Effect
Marketing strategy communications quality	0.234	Decreased	2.44	0.0073	Slight Effect
Company marketing experience	0.251	Decreased	2.62	0.0044	Slight Effect
The Kendall Rank Correlation between Insurance Delivery Strategy and Financial Performance is 0.305 (0.004) without Controlling the Moderating Variables					

Table 6.40. Insurance Delivery Strategy and Financial Performance Criteria

The original value of correlation between the insurance service delivery process strategy and the companies' marketplace performance is shown at the bottom of table 6.41. The Kendall partial correlation results indicate that the marketing strategy implementation variables have slightly moderated the relationship between the insurance service delivery process strategy and the companies' marketplace performance because the Kendall partial coefficients have decreased when controlling for these variables, as shown in column b in table 6.41, but all the Kendall partial correlations are still held significant, as shown in column e in table 6.41. The biggest changes in the r coefficients have come from controlling for marketing assets and capabilities, and company marketing experience, as shown in column b in table 6.41, which implies that they have the highest effect on the relationship between the insurance delivery process strategy and companies' marketplace performance.

The Marketing Strategy Implementation Variables (a)	The Marketing Strategy Component-Insurance Delivery Process Strategy				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		Effect of the Moderating Variables (f)
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.203	Decreased	2.12	0.0170	Slight Effect
Marketing strategy consensus	0.311	Decreased	3.25	0.0008	Slight Effect
Marketing strategy cross-functional integration	0.303	Decreased	3.17	0.0008	Slight Effect
Marketing strategy resource commitment	0.284	Decreased	2.97	0.0015	Slight Effect
Marketing strategy communications quality	0.303	Decreased	3.17	0.0008	Slight Effect
Company marketing experience	0.228	Decreased	2.38	0.0087	Slight Effect
The Kendall Rank Correlation between Insurance Delivery Strategy and Marketplace Performance is 0.327 (0.002) without Controlling the Moderating Variables					

Table 6.41. Insurance Delivery Strategy and Marketplace Performance Criteria

The Marketing Strategy Implementation Variables (a)	The Marketing Strategy Component-Insurance Delivery Process Strategy				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		Effect of the Moderating Variables (f)
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.276	Decreased	2.88	0.0020	Slight Effect
Marketing strategy consensus	0.320	Decreased	3.34	0.0005	Slight Effect
Marketing strategy cross-functional integration	0.320	Decreased	3.34	0.0005	Slight Effect
Marketing strategy resource commitment	0.254	Decreased	2.65	0.0040	Slight Effect
Marketing strategy communications quality	0.251	Decreased	2.62	0.0044	Slight Effect
Company marketing experience	0.247	Decreased	2.58	0.0049	Slight Effect
The Kendall Rank Correlation between Insurance Delivery Strategy and Customer Based Performance Criteria is 0.378 (0.000) without Controlling the Moderating Variables					

Table 6.42. Insurance Delivery Strategy and Customer Based Performance Criteria

The original value of correlation between the insurance service delivery strategy and the companies' customer based performance is shown at the bottom of table 6.42. The Kendall partial correlation results indicate that the marketing strategy implementation variables have slightly moderated the relationship between the insurance delivery process strategy and the companies' customer based performance because the Kendall partial coefficients have decreased when controlling for these variables, as shown in column b in table 6.42, but all the Kendall partial correlations are still held significant, as shown in column e in table 6.42. Examining the Kendall partial correlations r coefficients has revealed that the biggest changes in the r coefficients, as shown in column b in table 6.42, have come from controlling for company marketing experience, marketing strategy communications quality and marketing strategy resource commitment, which implies that they have the highest effect on the relationship between the insurance delivery process strategy and companies' customer based performance.

Consequently, hypothesis 8 is partially supported because the marketing strategy implementation variables slightly moderate the relationships between the insurance service delivery process strategy and the companies' financial, marketplace and customer based performance.

Hypothesis 9

The relationship between insurance physical evidence strategy and the insurance companies' performance measured by either financial criteria or non-financial (marketplace and customer based) criteria is affected by the successful implementation of marketing strategy.

The original value of correlation between the insurance physical evidence strategy and the companies' financial performance is shown at the bottom of table 6.43. The Kendall partial correlation results indicate that all the marketing strategy implementation variables have moderated the relationship between the insurance physical evidence strategy and the companies' financial performance. These variables have a substantial effect on this relationship because controlling for these variables has decreased the Kendall partial coefficients, as shown in column b in table 6.43. Noticeably, the original correlation between the insurance physical evidence strategy and the companies' financial performance is non-significant, however, controlling for the marketing strategy implementation variables has considerably decreased the Kendall r coefficients.

The Marketing Strategy Implementation Variables (a)	The Marketing Strategy Component-Insurance Physical Evidence Strategy				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		Effect of the Moderating Variables (f)
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.087	Decreased	0.91	0.1814	**Affects**
Marketing strategy consensus	0.137	Decreased	1.43	0.0764	**Affects**
Marketing strategy cross-functional integration	0.146	Decreased	1.52	0.0643	**Affects**
Marketing strategy resource commitment	0.109	Decreased	1.14	0.1271	**Affects**
Marketing strategy communications quality	0.106	Decreased	1.10	0.1357	**Affects**
Company marketing experience	0.100	Decreased	1.04	0.1492	**Affects**
The Kendall Rank Correlation between Insurance Physical Evidence and Financial Performance is 0.165 (0.117) without Controlling the Moderating Variables					

Table 6.43. Insurance Physical Evidence and Financial Performance Criteria

The original value of correlation between the insurance physical evidence strategy and the companies' marketplace performance is shown at the bottom of table 6.44. The Kendall partial correlation results indicate that the marketing assets and capabilities, and company marketing experience have moderated the relationship between the insurance physical evidence strategy and the companies' marketplace performance. These variables have a substantial effect on the relationship because the Kendall partial coefficients have decreased when controlling for these variables, as shown in column b in table 6.44, where they become non-significant, as shown in column e in table 6.44.

The Marketing Strategy Implementation Variables (a)	The Marketing Strategy Component-Insurance Physical Evidence Strategy				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		Effect of the Moderating Variables (f)
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.137	Decreased	1.43	0.0764	**Affects**
Marketing strategy consensus	0.194	Decreased	2.03	0.0212	Slight Effect
Marketing strategy cross-functional integration	0.191	Decreased	2.00	0.0228	Slight Effect
Marketing strategy resource commitment	0.168	Decreased	1.75	0.0401	Slight Effect
Marketing strategy communications quality	0.182	Decreased	1.90	0.0287	Slight Effect
Company marketing experience	0.132	Decreased	1.38	0.0838	**Affects**
The Kendall Rank Correlation between Insurance Physical Evidence and Marketplace Performance is 0.211 (0.045) without Controlling the Moderating Variables					

Table 6.44. Insurance Physical Evidence Strategy and Marketplace Performance Criteria

The original value of correlation between the insurance physical evidence strategy and the companies' customer based performance is shown at the bottom of table 6.45. The Kendall partial correlation results indicate that the marketing strategy resource commitment, marketing strategy communications quality, and company marketing experience have moderated the relationship between the insurance physical evidence strategy and the companies' customer based performance. These variables have moderated the relationship because controlling for them has decreased the Kendall partial coefficients, as shown in column b in table 6.45, where they become non-significant, as shown in column e in table 6.45. Therefore, these variables have a substantial effect on the relationship between the insurance physical evidence strategy and the companies' customer based performance.

The Marketing Strategy Implementation Variables (a)	The Marketing Strategy Component-Insurance Physical Evidence Strategy				
	The Kendall Partial Correlation-Txy.z (b)	Change in Kendall r Coefficient (c)	The Kendall Partial Correlation Significance		Effect of the Moderating Variables (f)
			Partial Z Value (d)	Partial P Value Sign (e)	
Marketing assets and capabilities	0.182	Decreased	1.90	0.0287	Slight Effect
Marketing strategy consensus	0.217	Decreased	2.27	0.0116	Slight Effect
Marketing strategy cross-functional integration	0.211	Decreased	2.20	0.0139	Slight Effect
Marketing strategy resource commitment	0.154	Decreased	1.61	0.0537	**Affects**
Marketing strategy communications quality	0.157	Decreased	1.64	0.0505	**Affects**
Company marketing experience	0.105	Decreased	1.09	0.1379	**Affects**
The Kendall Rank Correlation between Insurance Physical Evidence and Customer Based Performance Criteria is 0.250 (0.021) without Controlling the Moderating Variables					

Table 6.45. Insurance Physical Evidence Strategy and Customer Based Performance Criteria

Consequently, hypothesis 9 is partially supported because only some of the marketing strategy implementation variables moderate the relationships between the insurance physical evidence strategy and the companies financial, marketplace, and customer based criteria. The analysis indicates that the moderation effect is somehow different among the variables according to the performance criteria.

6.9.1. Discussion

The results of the Kendall partial correlation analysis have indicated that there are variations in the effect of the marketing strategy implementation variables on the relationships between the marketing strategy components and the insurance companies' performance. There is significant empirical evidence in this research that has indicated that marketing strategy formulation and implementation ***are not*** separate parts, rather they are interrelated and should be incorporated in one process. This is evidenced when the majority of the relationships between the marketing strategy formulation components and the insurance companies' performance have become weak and sometimes non-significant if some or all of the marketing strategy implementation variables are controlled.

This empirical evidence has provided significant support for the marketing strategy implementation literature which strongly advocates that marketing strategy formulation and implementation ***are not*** separate and distinct parts (Bonoma 1984; Bonoma and Crittenden 1988; Piercy 1989; Piercy and Margan 1991; Morgan and Piercy 1991; Bharadwaj et al 1993; Cespedes and Piercy 1996; Gilmore and Carson 1996; Meldrum 1996; Noble and Mokwa 1999; Piercy 1998; Cravens 1998; Dull 1998; Menon et al. 1999; Varadarajan and Jayachandran 1999; Piercy 1999; Berry 1999; Cravens 2000).

The above literature advocates that one of the critical assumptions that hampers' achieving a company's objectives is that headquarters assume that once a marketing strategy has been formulated its implementation will be smooth. The empirical evidence presented has indicated that the marketing strategy implementation has a fundamental role to play in the relationship between marketing strategy formulation components and the insurance companies' performance.

The quantitative analysis has been supported by the qualitative research data. For instance, the manager of the corporate business development unit in an insurance company states:

"...I would argue that one of the critical sources of success in our performance is marketing strategy implementation and the marketing philosophy. I would like to say, "the implementation of marketing is extremely bad in general terms". This reflects the size of the marketing implementation problems in the insurance companies in Jordan".

The vice president for general insurance affairs in a big insurance company states:

"...in general, we know what marketing is but what we do not know is how to implement marketing. All the variables in the questionnaire reflect the difficulties that encounter insurance companies in Jordan whilst implementing their marketing strategies".

The assistant general manager of another big insurance company states:

"...all the insurance companies need marketing strategies that should be built based on comprehensive and professional basis. We must not finish when we formulate a marketing strategy saying that we have got a marketing strategy. We must follow its implementation and evaluate it among different phases and compare the performance before and after implementing the marketing strategy".

A further examination of the results of the Kendall partial correlations has indicated that the general pattern is that the marketing strategy implementation variables have moderated the relationships between the marketing strategy formulation components and the insurance companies performance measured by customer based criteria and marketplace criteria more than the relationships between marketing strategy formulation components and the insurance companies financial performance. These results are reasonable because the variables of marketing strategy implementation are expected to have an effect on the relationships between marketing strategy formulation components and companies performance measured by customer based and marketplace performance which are the primary targets of marketing strategy formulation and implementation.

The results provide significant support for Appiah-Adu (1998) who pointed out that the more effective the implementation of marketing activities, the more likely it is to exert significant influence on business performance. The results provide further support for Shoham and Kropp (1998) who advised managers to pay more attention to the marketing strategy implementation. The results provide support for de Chernatony and Dall'Olmo Riley's (1999) work on branding of financial services who pointed out the crucial importance of appropriate strategy execution. Cravens et al's (2001) work pointed out the crucial role of strategy implementation in order to put any product or marketing strategy into practice "do not just plan-act too", again evidence supported this work.

The crucial importance of the marketing strategy implementation variables has come from the fact that they are dealing with the company marketplace and its customers who are the final targets of marketing strategies. Moreover, the customer does not experience the marketing strategy formulation rather the customer does experience the implementation of it. This is consistent with one of the most fundamental concepts in the marketing theory that is the marketing concept. The marketing concept philosophy requires companies to put the customer first and then satisfy her/his needs and wants. This philosophy requires companies to have well-formulated marketing strategies and they should be integrated with the marketing strategy implementation.

6.9.2. Marketing Strategy Implementation Variables

This section provides a comprehensive discussion for the effect of marketing strategy implementation variables on the relationship between marketing strategy formulation components and the insurance companies' performance. It is reasonable to discuss the effect of each of the marketing strategy implementation variables on the relationships between the marketing strategy components and the insurance companies' performance measured by financial, marketplace and customer based criteria.

Company Marketing Assets and Capabilities

The results of the Kendall partial correlation analysis indicate that this variable has a substantial effect on the relationships between marketing strategy formulation components and the insurance companies' performance measured by financial, marketplace and customer based criteria. Consequently, this variable moderates the relationships between marketing strategy components and the insurance companies' performance because the relationships between the marketing strategy formulation components and the companies' performance have systematically changed as a function of controlling for this variable.

Other empirical evidence that supports this result is shown in table 6.46. Table 6.46 shows marketing strategy components and their percentages of levels of importance for building marketing assets and capabilities. It shows that all marketing strategy components are given high levels of importance for building marketing assets and capabilities. This shows the crucial importance of building marketing assets and capabilities for marketing strategy implementation. Noticeably, investments in customer service and service quality, and investments in building strong brand image are given the highest levels of importance among marketing strategy components 94.3% and 94.2%, respectively.

Investments in Marketing Strategy Components	Important %	Neither Important nor Unimportant %	Unimportant %
Investments in customer service and service quality	94.3	5.8	0
Investments in developing and introducing new insurance services	92.3	5.8	1.9
Investments in building strong brand image or reputation	94.2	5.8	0
Investments in promotion and customer education	82.7	15.4	1.9
Investments in improving distribution channels of insurance services	90.4	5.8	3.8
Investments in leveraging people skills, capabilities, and knowledge	92.3	3.8	3.8
Investments in building technological abilities e.g., information technology	90.2	7.7	1.9

Table 6.46. Investments in Marketing Strategy Components for Building Marketing Assets and Capabilities

Consequently, empirical evidence provides significant support for the literature on marketing assets and capabilities, which advocates the significance of the availability of the necessary marketing assets and capabilities which would enable the company to implement marketing strategies (Bonoma 1984; Moller and Anttila 1987; Day and Wensley 1988; Conant et al 1990; Barney 1991; Bharadwaj et al 1993; Day 1994; Doyle 1995; Hunt and Morgan 1995; Dull 1998; De Chernatony and McDonald 1998; Menon et al 1999; Berry 1999; Vorhies et al 1999; Olavarrieta and Friedmann 1999; Hooley et al 1999; Fahy et al 2000; Hooley et al 2001).

The main theme that has been advocated in this literature and the empirical evidence presented in this research is that marketing assets and capabilities are the people's skills and knowledge, intangible resources, the company's tacit knowledge, processes and activities that enable the company to implement its marketing strategy and achieve its objectives. The crucial importance of marketing assets and capabilities for implementing marketing strategies is that they are rare among companies, valuable, intangible and tacit, and cannot be easily imitated or substituted by competitors.

This has been supported by the qualitative research data. For instance, the manager of a life and personal accident department in a small insurance company states:

"...the majority of us know what marketing is and what should be done to do marketing but the problem is not what is marketing, it is how to implement marketing and how to put it in practice. The prominent element to implement marketing strategies is the "human brain" and the "human capability" which must know how to exploit market opportunities and implement marketing successfully".

The manager of the research and development, public relations and training and, quality assurance units' in a big insurance company states:

"...the human aspect. We do not have enough qualified human resources to implement marketing strategies and plans. I mean scarcity of marketing people or specialists. We know how to do brilliant marketing strategies and plans but we have not got the necessary human capabilities that are able to implement them and put them in action successfully. We know what is marketing and what's its philosophy and how to formulate a comprehensive marketing strategies but the problem remains who is going to make the implementation work".

Company Marketing Experience

The results of the Kendall partial correlation analysis indicates that company marketing experience has the second biggest effect on the relationships between marketing strategy formulation components and the insurance companies' performance measured by financial, marketplace and customer based criteria. Consequently, this variable moderates the relationships between the marketing strategy formulation components and companies performance because the relationships have systematically changed as a function of controlling for this variable.

This result is an indication that the company's marketing experience has an important role to play in determining and performing marketing functions that can enhance the company's competitive situation in the marketplace. This empirical evidence provides significant support for the literature which advocates that company marketing experience is a very critical constituent that assists companies to implement marketing strategies and as a potential source of achieving a competitive advantage (Bonoma 1984; Bonoma and Crittenden 1988; Greenly and Oktemgil 1996; Meldrum 1996; Gilmore and Carson 1996; Cespedes and Piercy 1996; Sashittal and Wileman 1996; Meldrum 1996; Chang 1997; Noble and Mokwa 1999; Menon et al 1999; Cravens 2000).

Company marketing experience is the amount of intangible and tacit competencies that marketing and non-marketing managers have accumulated through experience which would enable them to perform marketing activities and tasks. The fundamental theme in company marketing experience is the know-how to develop, manage, and implement every ingredient of marketing strategy, and the managers' ability to make cross-functional integration and teams between the company units to implement marketing strategies. In addition to the above interpretation, a possible interpretation is the scarcity of marketing experience among the insurance companies in Jordan from which only seven insurance companies have marketing managers.

This has been supported by the qualitative research data. For instance, the assistant general manager of a small insurance company states:

"...service quality is important but not the most important factor that affects performance. ...it is important and basic but there are other factors that affect the insurance companies performance, however, what is more important is the "know-how" that can be owned by the company's staff to present the quality of service to customers. I would say that in order to close any deal in the insurance business you must have two things that are Insurance Service Quality + Know-How = Closing a Deal".

The manager of sales and customer service department in a big insurance company states:

"....the scarcity of marketing experience. The marketing experience of the company has a critical role to play in implementing marketing strategies and to be oriented towards the market. There is a narrow understanding for the marketing concept among many people in insurance companies. ...I would like to suggest that the importance given to the marketing strategy implementation factors reflect the amount of difficulties that the insurance companies are having in implementing marketing strategies".

The vice president of general insurance affairs in a big insurance company states:

"...I would like to emphasis an important note that the overall economic situation in Jordan is very critical which creates many difficulties in the marketing of insurance services as undesirable services. However, the success of any marketing efforts depends heavily on the amount of tacit knowledge that is inherently embedded in the competencies and capabilities of the company's staff and management in order to conduct the marketing activities. The way in which we present ourselves, insurance services, and performing services quality are other areas of concern in order to implement marketing strategies".

Marketing Strategy Consensus

Generally speaking, the results of the Kendall partial correlations analysis indicate that marketing strategy consensus has a slight effect on the relationships between the marketing strategy formulation components and the insurance companies' performance measured by financial and non-performance criteria (marketplace and customer criteria). Consequently, this variable partially moderates the relationships between marketing strategy formulation components and companies performance because not all the relationships have systematically changed as a function of controlling for this variable.

The empirical evidence presented in this research tends to show some support for the literature on marketing strategy consensus role on the relationships between the marketing strategy formulation components and the insurance companies performance in Jordan (Piercy 1989; Piercy and Morgan 1991; Morgan and Piercy 1991; Doyle 1995; Meldrum 1996; Piercy 1998; Cravens 1998; Menon et al 1999; Noble and Mokwa 1999; Piercy 1999; Berry 1999; Kotler 2000; Harrington and Akehurst 2000; Cravens 2000). However, this result does not mean that this variable is unimportant but marketing strategy consensus effect may come from other variables. A possible interpretation is that the effect of this variable may come from the company marketing assets and capabilities, and company marketing experience which both may enable the company to create the necessary consensus to implement marketing strategies.

Marketing Strategy Cross-Functional Integration

In general, the results of the Kendall partial correlations analysis indicate that marketing strategy cross-functional integration has a slight effect on the relationships between marketing strategy formulation components and the insurance companies' performance measured by financial and non-financial performance criteria (marketplace and customer criteria). Consequently, this variable partially moderates the relationships between the marketing strategy formulation components and the companies' performance because the relationships have not systematically changed as a function of controlling for this variable.

The empirical evidence provided in this research regarding the importance of cross-functional integration for marketing strategy implementation tends to show some support for the literature which advocates marketing strategy cross-functional integration role for marketing strategy implementation (Drucker 1968; Gummesson 1987; Gronroos 1988; Piercy 1989; Lovelock 1990; Bateson 1990; Gummesson 1991;

Morgan and Piercy 1991; Bharadwaj et al 1993; Doyle 1995; Meldrum 1996; Piercy 1998; Cravens 1998; Menon et al 1999; Piercy 1999; Berry 1999; Kotler 2000; Cravens 2000; Lovelock 2001).

Cross-functional integration is formulating cross-functional teams and is inter-disciplinary. The primary aim is to get the non-marketing specialists, as well as the marketing specialists, to appreciate the implementation of marketing strategies. However, the empirical evidence presented provides slight support for this notion, even though the evidence slightly supports some of the relationships between the marketing strategy formulation components and the insurance companies' performance. A possible interpretation for this result is that companies can perform cross-functional integration through having superior marketing assets and capabilities, and company marketing experience and competence which all would allow companies to formulate cross-functional teams and integrate units for marketing strategy implementation.

This has been supported by the qualitative research data. For instance, the production and marketing manager of general insurance branches in a medium size insurance company states:

"..it is the ability to make cross-functional integration between different units and functions in the insurance company to carry out marketing strategies. The functions and people in the middle and operational managements have a critical role to play in the company because they are dealing with customers on a daily basis and they know what the customers are looking for. Meanwhile, the general manager and the top management members are in their "ivory tower" of the company. ...the continuous communication with the customer is critical".

Marketing Strategy Resource Commitment

The results of the Kendall partial correlation analysis indicate that marketing strategy resource commitment has a slight effect on the relationships between the marketing strategy formulation components and the insurance companies' performance measured by financial and marketplace performance criteria. However, the analysis indicates that this variable has a substantial effect on some of the relationships between marketing strategy formulation components and the insurance companies' performance measured by customer based performance criteria. Consequently, this variable partially moderates the relationships between marketing strategy formulation components and companies performance because only some of the relationships have systematically changed as a function of controlling for this variable.

This result provides significant empirical evidence for the literature which advocates the crucial role of marketing strategy resource commitment for marketing strategy implementation (Bonoma 1984; Bonoma and Crittenden 1988; Higgins 1988; Piercy 1989; Piercy and Morgan 1991; Morgan and Piercy 1991; Cespedes and Piercy 1996; Menom et al 1999; Berry 1999; Cravens 2000). This literature has advocated that the implementation of marketing strategies requires providing, allocating, supporting, and the commitment of the top management in order to provide the quality and right kinds of resources which would enable the company to implement a marketing strategy successfully.

This has been supported by the qualitative research data. The managers have advocated that the marketing strategy resource commitment is one of the critical problems in the insurance companies in Jordan for implementing marketing strategies. The majority of them argue that this variable may cause a success or failure in implementing a marketing strategy if the top management do not have the commitment to provide support and financial resources during the implementation phase. For instance, the manager of marketing and media department in a big insurance company states:

"...persuasions are before everything. It is the top management problem. They view that the marketing manager and his unit is a burden on the insurance company and its budget. They have a narrow understanding for the crucial role of the marketing and promotion manager for doing the insurance business".

Marketing Strategy Communications Quality

The results of the Kendall partial correlation analysis indicate that, generally speaking, this variable has a slight effect on the relationships between the marketing strategy formulation components and the insurance companies' performance measured by financial and marketplace performance criteria. However, the results indicate that this variable has a substantial effect on some of the relationships between marketing strategy components and the insurance companies' performance measured by customer based performance criteria. Consequently, this variable partially moderates the relationships between marketing strategy variables and the insurance companies' performance because only some of the relationships have systematically changed as a function of controlling for this variable.

This result provides significant empirical evidence for the literature (Kohli and Jaworski 1990; Narver and Slater 1990; Cravens 1998; Menon et al 1999; Berry 1999; Cravens 2000) which advocates the crucial role for marketing strategy communications for implementing marketing strategies. Marketing strategy implementation requires a well-established communications system in the company that enables people and functions to communicate quickly and easily whilst implementing the marketing strategy. This requires a continuous feedback of information about different activities of marketing strategy whereby the marketing strategy team can evaluate its implementation and take corrective procedures if necessary.

This has been supported by the qualitative research data. For instance, the manager of research and development, public relations and training and quality assurance units in a big insurance company states:

"...the internal communications are very important between different units and functions that indeed are reflected on the marketing process. We are using the total quality management approach in this matter in which the company's units must satisfy each other in order to satisfy the external customer. Each unit must do the job properly to satisfy the other units. Every one and every unit must consider the other units and people as internal customers who should be satisfied. ...it is the communications and interactions between the units that make a difference in the "eyes" of the customer".

The above discussion indicates that the marketing strategy implementation variables have a vital role to play on the insurance companies' performance through integrating them with the marketing strategy formulation components. This integration should help the insurance companies in Jordan to achieve their performance objectives better than relying only on the marketing strategy formulation components.

6.10. Digest

This chapter is concerned with providing the research analysis and discussion. The chapter provides a detailed analysis and discussion to fulfil the research objectives, which are designed to build up a comprehensive framework for the marketing of insurance services in Jordan. The first objective is concerned with revealing the marketing strategy components that the insurance companies in Jordan use when they formulate their marketing strategies. The second objective is concerned with revealing the performance measurement appropriate to the insurance sector in Jordan. The third objective is concerned with a more analytical approach through examining the relationship between the marketing strategy formulation components and the insurance companies' performance measured by financial and non-financial criteria (marketplace and customer criteria). The fourth objective examined the effect of the marketing strategy implementation variables on the relationship found between the marketing formulation components and the insurance companies' performance measured by financial and non-financial (marketplace and customer criteria). The last sections of this chapter provide general discussion concerning the marketing strategy implementation variables and a detailed discussion about each variable of it. The research conclusions are presented in the next chapter.

Chapter Seven
Conclusions

7.1. Introduction

This chapter provides the research conclusions that have emerged from the analysis and findings of the research data on both marketing strategy formulation and implementation and, companies' performance for the insurance companies in Jordan. This is followed by discussion of the research contribution to marketing knowledge and recommended further research agenda. Chapter seven is divided into six sections. Section 7.2 presents the research objectives. Section 7.3 provides the research conclusions and is divided into four subsections. Subsection 7.3.1 provides conclusions in relation to the marketing strategy components. Subsection 7.3.2 provides conclusions about company performance measurements. Subsection 7.3.3 provides conclusions concerning the relationship between the marketing strategy components and company performance. Subsection 7.3.4 provides the marketing strategy formulation and implementation and company performance conclusions. Section 7.4 presents the modified research framework. Section 7.5 discusses the research contribution to marketing knowledge. Section 7.6 discusses further research.

7.2. The Research Objectives

1. To establish and define the components of marketing strategy of the insurance companies in Jordan.
2. To establish the performance measures appropriate to the Insurance Sector in Jordan.
3. To determine the effects of the marketing strategy components on the performance of the insurance companies in Jordan.
4. To determine the effects of the marketing strategy components on the performance by different moderating variables in the insurance companies in Jordan.

7.3. Research Conclusions

The research conclusions are drawn for each objective of the research.

7.3.1. Marketing Strategy Components-Objective One

Insurance Service Offering Strategy

It is found that the majority of the insurance companies provide a comprehensive range of insurance services to meet different needs of different target markets. The insurance company's name is the prominent branding strategy that the insurance companies use for branding their insurance services. Company brand reputation is the element most used to formulate an insurance service offering strategy. The research data suggests that the insurance companies are extremely interested in company brand reputation, which they believe has a crucial role to play in the company's success. The qualitative data, and quantitative data analysis indicate that providing a distinctive insurance services quality and, having well-qualified people are prominent factors in building brand reputation.

The research data indicates that customer service is a fundamental element in an insurance service offering strategy, and a crucial part of the marketing strategy. This is important for the marketing of insurance services in which the real relationship between the customer and the insurance company is tested when a risk happens to the customers and they have a claim. Developing new insurance services is used in developing an insurance service offering strategy. The importance of developing new insurance services is twofold. First, developing new insurance services is critical for the continuity and growth of an insurance company and to keep meeting the ever-increasing customers needs and wants. Second, the Jordanian market is still immature and it has promising opportunities for doing insurance business.

Insurance Service Quality

The qualitative data (interviews with managers) in the insurance companies, and quantitative data analysis indicated that the insurance service quality is the most used component when they formulate marketing strategies. During interviews with the managers, there was a high focus on providing a distinctive insurance service quality for achieving the companies' performance objectives. The evidence for this conclusion is threefold. First, the insurance companies have a limited ability to distinguish themselves by using the price element because of treaties that the insurance companies have with re-insurance companies, which restrict them. Second, there has been a new trend in the insurance companies to provide insurance service quality to customers. The insurance companies want to improve their reputation in the "eyes" of the public. This reputation has been bad over the past ten years due to the low levels of service provided to customers in combination with severe price competition. Third, the insurance companies have recognised that achieving their objectives and a competitive market position cannot be gained by relying only on the price element which was the case in the insurance business.

The research data indicates that both the functional and technical aspects of insurance service quality are being used in providing service quality. The functional quality is used more than the technical service quality. The research data indicates that there was significant focus on the functional aspect of service quality. Moreover, the most repeated sentence among the managers during the interviews and discussion with them is "the way in which the insurance service quality is being provided to the customer has a critical role to play on its quality". There was some focus on the technical aspect of service quality in which the managers focus on fast handling of the insurance policies and claims, and customers' complaints. The most critical point in providing insurance service quality is the human element, which can make a difference from one company to another. The common theme is that a qualified and competent staff is the critical aspect in providing insurance service quality.

Insurance Pricing Strategy

The research data suggests that there are three prominent pricing strategies that are used frequently in the insurance companies. These are pricing based on the services that the company introduces; pricing based on government regulation and the Jordan insurance federation policy; and pricing based on the different kinds of cost that the insurance company incurs. The pricing policy based upon the government regulation and the Jordan insurance federation policy is used for the vehicle compulsory insurance business.

The most used pricing policy is according to the services, which the insurance company introduces. Although this policy is used, this conclusion should be interpreted with caution. The rationale behind this caution is threefold. First, the re-insurance companies implicitly ask the insurance companies to price based on the service they introduce especially for big insurance contracts. Second, the interviews with managers have indicated that both the insurance companies and customers have suffered over the past ten years from severe price competition and low levels of service provided to the customers. Third, the customers are convinced now that the low price does not mean the best and the insurance service quality is critical. This is supported when the managers interviews indicated that the customers have started to ask insurance companies to reveal who are their re-insurance companies, what is their ranking in the world, asking the insurance company to provide its financial position, and asking the insurance company to provide the major accounts that it has served.

The third most used pricing policy is pricing based on the costs incurred by the insurance company. The insurance companies may recognise their treaties with re-insurance companies as the basic cost and, then, add the other costs that the company incurs and a profit margin for doing the insurance business. Moreover, there is a use for the policy of price discrimination according to the different target markets that the insurance company serves. This is used in the Jordanian market since every insurance company is serving different target markets to meet different customer needs and wants.

Insurance Promotion Strategy

The quantitative data analysis suggests that the most prominent methods of promotion are personal selling staff and customer contact points, and public relations and publicity to enhance the company image. The rationale behind using the personal selling staff and customer contact points in promoting insurance services is that the insurance services are highly complex and intangible. Consequently, the insurance companies believe that the personal contact, specifically personal interview, is the best way of promoting these complex, highly intangible and, more importantly, undesirable services. Furthermore, promoting the insurance services is more difficult than promoting either other services or physical products. The rationale behind using public relations and publicity to enhance the company image in promoting the insurance services is that the insurance companies need to improve their image in the "eyes" of the public. Their image has been badly viewed over the last ten years. Furthermore, there was a high focus on company staff promoting the insurance services in two main ways. First, the ways in which insurance services are presented by company staff has a critical role to play in promoting insurance programmes and services. Second, the way in which the insurance company handles the customers' insurance claims has a significant role on promoting the insurance services and the company's name among customers.

The low use of other methods of promotion (e.g., advertising) is still debatable among the insurance companies in Jordan. Some insurance companies are convinced that these promotional methods have little impact on insurance sales volume and using them is not beneficial. Other insurance companies are convinced that these promotional methods have an impact on the insurance sales volume and on the company's name but limited financial resources and insufficient top management support prohibits employing them. Furthermore, there is a weak professional promotion industry in Jordan especially in the field of advertising, which is not yet able to afford reasonable and professional promotion programmes to the insurance companies.

However, the qualitative data and, the quantitative data analysis have revealed that the insurance companies in Jordan have not yet recognised the long-term benefits of undertaking sufficient promotion programmes. It is also noticed that there is a short-termism among the insurance companies about the promotion in which the insurance companies want to have immediate results such as insurance sales if they have spent budgets on promotion.

Insurance Distribution and Cyberspace Strategy

The research data indicates that the most prominent distribution channel strategies are the company sales force, the agents and intermediaries, and the company branches. The insurance companies are heavily reliant upon their sales force either at home or in branches to distribute the insurance services. This is because the insurance services are complex and have technical details that require explanation to customers. Therefore, there is a need for a qualified sales force to perform this task. The second used strategy is intermediaries and agents. Intermediaries and agents have an important role to play in the insurance industry in Jordan. However, the qualitative data has indicated that intermediaries and agents need to be more professional and need training and increased technical knowledge about insurance business. The insurance companies are using branches in big cities to provide a comprehensive range of insurance services in a more cost effective and efficient way.

The qualitative data, and the quantitative data analysis have revealed that the electronic distribution channel, the Internet, is not used to distribute insurance services in Jordan. There are three reasons for not using it, even though the Internet is widely available in Jordan. First, the insurance services are complex and highly intangible which creates problems in distributing them electronically. Second, the Jordanian customer still prefers face-to-face contact in doing insurance business. Third, there are insufficient financial and non-financial capabilities to run the insurance business electronically. Moreover, there is insufficient legal coverage for doing e-commerce business in Jordan.

People Strategy - Customer Orientation

The research data indicates that the insurance companies in Jordan are, generally speaking, customer oriented in practising the insurance business. The most critical element of customer orientation is after-sales service. This is an important indication because the insurance business starts with the customer having a claim not when buying a service. Serving customers in the insurance business is a critical activity that may gain customer satisfaction.

However, it was noticed that there was a narrow understanding of the importance of building the marketing activities based on customer needs and requirements. This may reflect the fact that the insurance companies are having problems in doing market research, which is relatively weak. Moreover, there was a narrow understanding of the importance of co-ordinating and integrating the marketing activities with the other departments to ensure customer satisfaction. Around only half of the insurance companies let marketing executives participate in top management decisions. These are reasonable conclusions because not all the insurance companies have established marketing departments and appointed marketing managers, rather they are practising marketing activities without marketing departments. This may reflect a narrow understanding of the strategic importance of marketing philosophy at the top levels in the insurance companies.

People Strategy - Internal Marketing

The research data shows that the internal marketing function in insurance companies in Jordan is weak. Recruiting personnel who are customer oriented and motivated to perform jobs was recognised as the most used element in practising internal marketing. Furthermore, carefully choosing and training the personnel who interact with customers was considerably recognised in practising internal marketing. These are the most used factors in practising internal marketing.

There are positive signs that the insurance companies have started to recognise the importance of practising internal marketing when conducting insurance business. The research data reveals that there is a narrow understanding of the crucial role of internal marketing for either formulating a marketing strategy or for the employers to motivate and satisfy the employees. There is also a narrow understanding for motivating employees, communicating with them, and rewarding them. The insurance companies do not regularly gather and use data about the employees needs and wants. This may reflect the idea that top management has not thoroughly recognised the importance of having a shared vision strategy with the employees for the overall company's strategy.

Insurance Service Delivery Process Strategy

The research data indicates that personal delivery of insurance services is the most critical activity that the insurance companies in Jordan focus on for formulating the service delivery process strategy. The indication is that company staff have a crucial role to play in delivering insurance services. This approach is consistent with developing both promotion and distribution strategies that rely heavily upon their staff. Satisfying customers whilst delivering insurance services was recognised as a prime objective in the service process delivery strategy.

The research data shows that the insurance companies use standard procedures to deliver insurance services to the customers. However, the research data indicates that the majority of insurance companies have not yet prepared flowcharts or diagrams for the activities that can be followed to deliver insurance services. This may reflect a narrow understanding among the insurance companies of the importance of having a formal diagram for the service delivery process activities. This would allow the insurance companies to deliver their insurance services consistently to customers.

Insurance Physical Evidence Strategy

The research data reveals that customer satisfaction is the primary objective in designing the physical evidence strategy of an insurance company by which it can create a customer friendly and comfortable atmosphere. However, the research data also shows that the insurance companies have not thoroughly recognised the importance of some physical evidence elements to achieve marketing objectives such as service quality and company's image. These objectives are usually used by the customers as surrogate measures for insurance service quality that is not easily grasped by the customer.

7.3.2. Company Performance Measurements-Objective Two

The analysis and findings of the research data concerning the company performance measurements have identified important conclusions.

- The companies' performance measurement is a very complex and problematic phenomenon. Although there are a number of common financial and non-financial criteria for performance measurement, these criteria differ between companies according to top management philosophy.

- There is a significant and heavy use of the financial performance measurements for measuring the performance. This is a reasonable conclusion since the primary objective of doing business is achieving satisfactory financial results for shareholders. The most important financial criteria are cash flow, return on investment, profitability and insurance sales volume.

- The financial performance criteria are inadequate for measuring companies performance. There are non-financial criteria that the insurance companies are using for measuring performance e.g., customer satisfaction. This sustains the fact that the company performance measurement is a multidimensional construct that cannot be captured by either one single criterion or by financial criteria only.

- There is considerable use among the insurance companies in Jordan for non-financial criteria to measure companies' performance alongside the traditional financial criteria. The non-financial criteria are being used as indicators to test if the company position is "healthy" by using criteria that are not mentioned in the company's balance sheet.

- Although the majority of insurance companies in Jordan are using non-financial criteria for measuring performance, the qualitative data indicated that there are informal and unsystematic procedures and systems, rather than formal and systematic procedures that are being used for measuring non-financial performance criteria. This is due to insufficient availability of financial and non-financial resources, especially the availability of competent people to perform this task. Moreover, the top management philosophy sometimes prohibits undertaking these measures formally and systematically.

- The non-financial performance criteria are divided into marketplace performance criteria and customer based performance criteria. The most important marketplace criteria, in order, are company market share compared with competitors; company overall profitability growth; and insurance sales volume growth rate compared with competitors. The customer based performance criteria, in order, are, attracting new customers within a certain period of time; evaluating the company image; customer loyalty; and customer satisfaction.

- The insurance companies in Jordan have started to recognise that using non-financial criteria has strategic implications for their performance, especially the long-term strategic financial performance objectives. The insurance companies that keep their customers satisfied and loyal will enjoy a competitive position in the marketplace and achieve long-term financial success.

7.3.3. The Relationship between Marketing Strategy Components and Company Performance-Objective Three

The analysis and findings from the quantitative research data analysis relating to the relationship between the marketing strategy components and the insurance companies' performance measured by financial and non-financial criteria (marketplace and customer criteria) indicated conclusions.

- The marketing strategy components, namely; a service offering strategy, service quality, pricing strategy, promotion strategy, distribution strategy, people strategy (customer orientation and internal marketing), service delivery process strategy and physical evidence strategy are found to have a positive and significant effect on the insurance companies' performance by using financial and non-financial criteria (marketplace and customer criteria). This provides significant empirical evidence regarding the strategic implications of the marketing strategy components on the companies' performance. All the marketing strategy components, except physical evidence strategy, are found to have a positive and significant effect on the insurance companies' performance measured by financial criteria. Meanwhile, all the marketing strategy components are found to have a positive and significant effect on the insurance companies' performance measured by non-financial criteria; marketplace and customer based criteria.

- The effect of the marketing strategy components is found to have varied according to the performance measurement criteria, namely; financial, marketplace, and customer based criteria. The general trend is that the effect of the marketing strategy components on the companies' performance when using financial (e.g., profitability) and customer based measures (e.g., customer satisfaction) is higher than their effect when using the marketplace performance criteria (e.g., company market share growth compared to competitors).

- The effect of the marketing strategy components on the insurance companies' performance is found to have varied according to the individual financial and non-financial criteria (marketplace and customer). This provides empirical evidence that the companies' performance measurement phenomenon is complicated and multidimensional. The quantitative data analysis indicates that all the components of marketing strategy are found to have a positive and significant effect on the insurance companies' performance measured by customer based criteria. This empirical evidence presents the strategic significance of both the marketing strategy components and measuring the customer based criteria for the companies' performance.

- Although the traditional components of marketing strategy are found to have a positive and significant effect on the insurance companies performance measured by financial and non-financial criteria (marketplace and customer criteria), the empirical evidence has shown that they are inadequate for formulating marketing strategies for the marketing of insurance services. The evidence for this conclusion is threefold. First, the insurance services have a number of unique characteristics that make the marketing strategy for the insurance services different from those of goods marketing strategy. Second, marketing is not the sole responsibility of the department of marketing it is the responsibility of everybody in the company and, the marketing function should spread throughout the whole company. Third, these traditional marketing strategy components have come under extensive criticism. Many marketing scholars have argued that the traditional variables of marketing strategy are inadequate to cope with the marketing of services.

- The marketing strategy components are suggested to be eight rather than the four components of the classic marketing strategy components. The research has found that these eight components are the major components to formulate marketing strategies in the insurance companies in Jordan. The research has presented substantial evidence that the expanded elements of the services marketing strategy are found to have a positive and significant effect on the insurance companies' performance measured by financial and, non-financial criteria (marketplace and customer criteria).

- The services marketing mix framework is applicable and is generalisable to the insurance companies in Jordan. The evidence for this conclusion is twofold. First, the eight components of the marketing strategy are found to have considerable use and acceptance among the managers of the insurance companies in Jordan. Second, the eight components of the marketing strategy are found to have a positive and significant effect on the insurance companies' performance measured by financial and non-financial criteria (marketplace and customer criteria).

- The marketing strategy components should be integrated together in a coherent and consistent manner in order to formulate fully-integrated marketing strategy through which the insurance company can achieve its objectives. The support for this conclusion is that each component of marketing strategy is a potential source of achieving competitive advantage either individually or by its integration with other components.

- The quantitative data analysis of customer based measures indicates that the insurance pricing strategy has the highest positive and significant correlation with both customer satisfaction and customer loyalty. These results imply that the price variable has a substantial positive and significant effect on customer based performance criteria. This indicates how important the pricing of insurance services is on customer satisfaction and loyalty. This result is not unusual in the Jordanian market for two reasons. First, there is severe price competition between the insurance companies in Jordan. Second, price has a crucial role to play on customers' purchasing decisions in the Jordanian market where income levels are relatively low.

7.3.4. Marketing Strategy Formulation and Implementation and Company Performance-Objective Four

The analysis and findings from the quantitative research data relating to the effect of the marketing strategy implementation variables on the relationship between the marketing strategy components and the insurance companies' performance measured by financial and non-financial criteria (marketplace and customer criteria) indicated conclusions.

- Marketing strategy formulation and implementation ***are not*** separate parts, rather they should be integrated in one combined process to achieve the company's objectives. It can be argued that this is the most significant conclusion that has emerged from the analysis of the quantitative research data analysis, and is supported by the qualitative data. This is evidenced when the relationships between the marketing strategy formulation components and the insurance companies' performance measured by financial and non-financial criteria (marketplace and customer criteria) have become either non-significant or weak when the effect of marketing strategy implementation variables is controlled. The literature and the empirical evidence from the research indicated that one of the critical factors that may harm companies' performance and weaken the marketing paradigm is that headquarters expected that once a marketing strategy is formulated its implementation would be smooth.

- The empirical evidence of this research have indicated that one of the critical factors that hampers companies' performance is using the conventional approaches to marketing strategy formulation and implementation, which recognise marketing strategy implementation as a sequential flow paradigm within the marketing strategy formulation and implementation dichotomy. Consequently, when an insurance company formulates its marketing strategy it must critically evaluate its ability to implement it successfully. This requires a parallel evaluation of and availability of marketing assets and capabilities and all the necessary activities that enable the company to implement its marketing strategy.

- The marketing strategy implementation variables are found to have moderated the relationships between the marketing strategy formulation components and the insurance companies' performance measured by financial and non-financial criteria (marketplace and customer criteria). The evidence for this conclusion is that when the marketing strategy implementation variables are controlled the relationships between the marketing strategy components and companies performance measured by financial and non-financial criteria (marketplace and customer criteria) have become either non-significant or weak. This indicates that the marketing strategy implementation variables have a substantial effect on the relationships between the marketing strategy formulation components and the insurance companies' performance measured by financial and non-financial criteria (marketplace and customer criteria).

- The effect of the marketing strategy implementation variables on the relationships between the marketing strategy formulation components and the insurance companies' performance is found to have varied according to the insurance companies' performance criteria. The effect of the marketing strategy implementation variables on the relationships between the marketing strategy components and the insurance companies' performance measured by customer based criteria is found to be greater than their effect on the relationships between the marketing strategy components and companies performance measured by the financial and marketplace performance criteria. This indicates that the customer and the marketplace should be the focal points in any marketing strategy.

- Company marketing assets and capabilities and, company marketing experience are found to have the most influential effect, they are the master moderators on the relationships between the marketing strategy formulation components and the insurance companies' performance measured by both financial and non-financial criteria (marketplace and customer criteria). These two variables are found to have moderated the majority of the relationships of marketing strategy components and the insurance companies' performance measured by financial and non-financial criteria (marketplace and customer criteria). However, the effect of these two variables is found to have varied among the marketing strategy formulation components.

- Marketing strategy resources commitment, and marketing strategy communications activities quality are found to have the most influential effect, they are the master moderators on the relationships between the marketing strategy formulation components and the insurance companies' performance measured by only customer based measures. Meanwhile, these variables are found to have a slight moderation effect on the relationships between the marketing strategy formulation components and the insurance companies' performance measured by financial and marketplace criteria.

- Marketing strategy cross-functional integration, and marketing strategy consensus are found to have a slight effect on the relationships between the marketing strategy formulation components and the insurance companies' performance measured by financial and non-financial criteria (marketplace and customer criteria). However, this slight moderation does not imply that these variables are unimportant, but it implies that the effect of these variables may come from other moderating variables that have an influential moderation effect on the relationships. In other words, having marketing assets and capabilities and company marketing experience would enable the company to integrate its functions and formulate teams that have the necessary consensus and shared vision to support the implementation of marketing strategy.

- The marketing strategy implementation variables are found to have a greater effect on the insurance companies' performance measured by customers based criteria than the financial and marketplace performance criteria. Generally speaking, four out of six marketing strategy implementation variables are found to have a greater effect on the relationships between the marketing strategy components and customer based criteria. These variables are the company marketing assets and capabilities, company marketing experience, marketing strategy resource commitment and marketing strategy communication activities. This has significant strategic implications for the marketing strategy implementation on the companies' performance measured by customer based criteria. The support for this conclusion is that the customer does experience the implementation of marketing strategy rather than experiencing its formulation, even though the marketing strategy formulation has strategic aspects. Consequently, the implementation of marketing strategy has a direct effect on customer satisfaction, customer loyalty and attracting new customers.

7.4. The Modified Research Framework

This section shows the modified framework that has emerged as a result of the quantitative data analysis. The modified framework has included three frameworks that are diagrammed according to the effect of the marketing strategy implementation variables, the moderating variables, on the relationships between the marketing strategy components and the insurance companies performance measured by financial and, non-financial criteria (marketplace and customer based criteria). The original research framework, which was proposed in chapter four, hypothesised that the marketing strategy implementation variables have an effect on the relationship between marketing strategy formulation components and companies performance. The empirical evidence presented in this research indicates that the effect of marketing strategy implementation variables on the relationships between the marketing strategy formulation components and companies performance varies according to the performance measurement criteria.

Figure 7.1 shows the first modified framework and the relationships between the variables. ***The black arrows indicate that company marketing assets and capabilities, and company marketing experience have a significant effect on the relationships between the marketing strategy formulation components and companies performance measured by financial and non-financial criteria (marketplace and customer criteria).*** Generally speaking, these two variables are the master moderators that have affected the majority of the relationships when using the financial and non-financial performance criteria (marketplace and customer criteria).

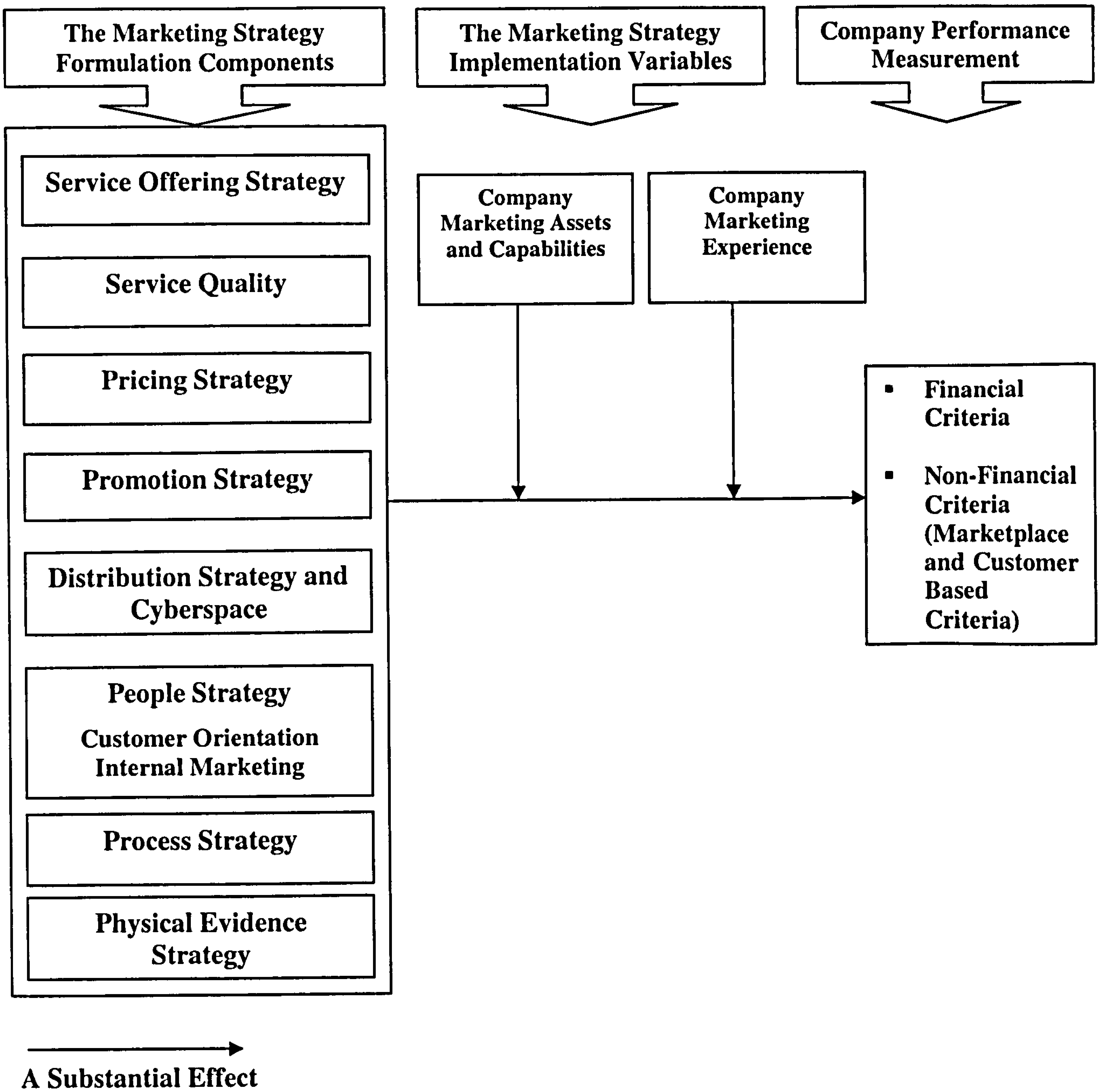


Figure 7.1: The First Modified Framework, Financial, and Non-Financial Performance

Figure 7.2 shows the second modified framework. ***The black arrows indicate marketing strategy resource commitment, and marketing strategy communications quality have a significant effect on the majority of the relationships between the marketing strategy formulation components and companies performance by using***

only customer based criteria. The dotted arrows indicate that marketing strategy consensus and marketing strategy cross-functional integration have a slight effect on the relationships between the marketing strategy formulation components and the companies performance by using only customer based criteria.

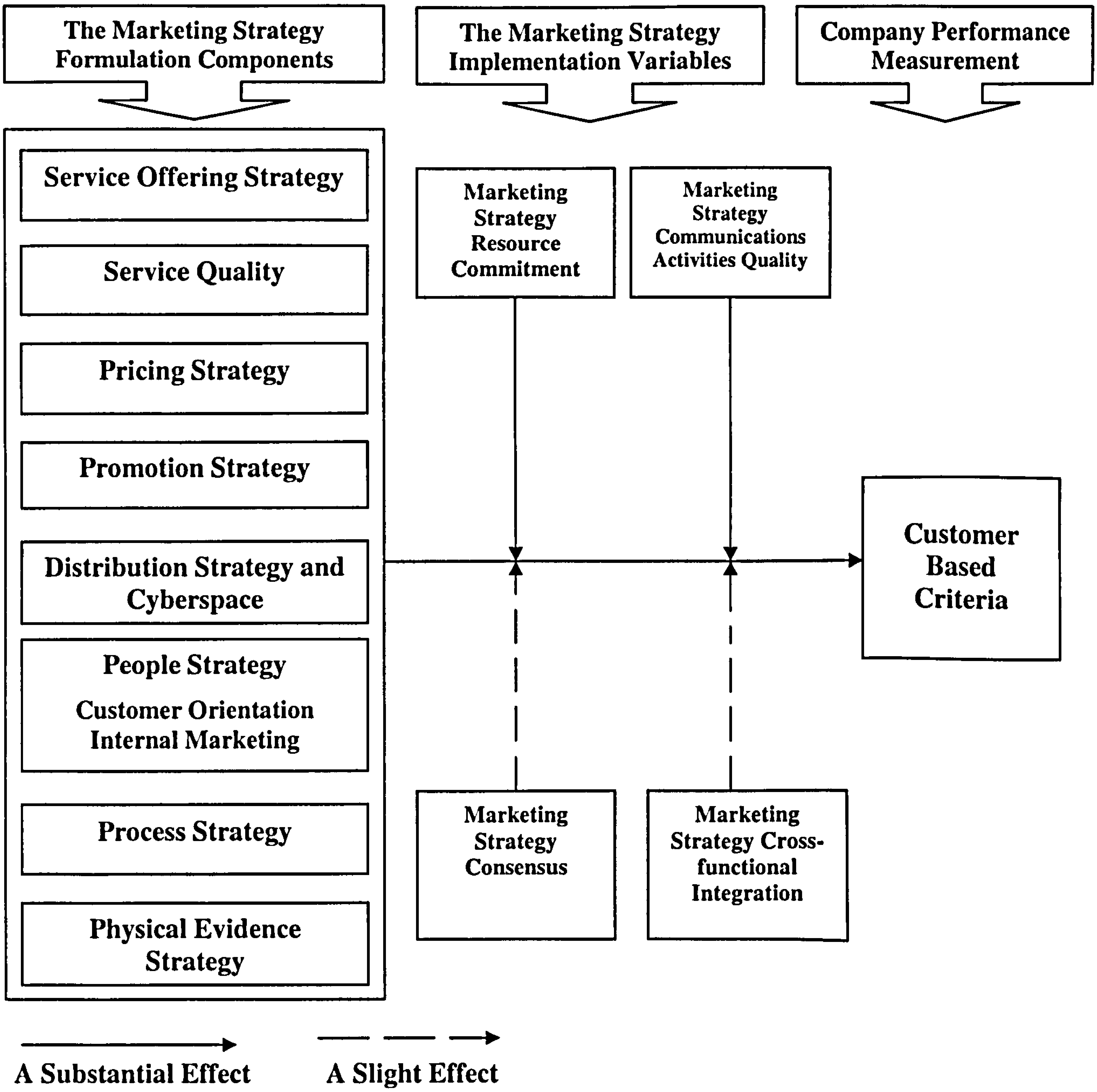


Figure 7.2: The Second Modified Framework, Customer Based Criteria

Figure 7.3 shows the third modified framework. ***The dotted arrows indicate that, generally speaking, marketing strategy resource commitment, marketing strategy communications quality, marketing strategy consensus, and marketing strategy cross-functional integration have a slight effect on the majority of the relationships between the marketing strategy formulation components and companies performance, when using financial and marketplace criteria.***

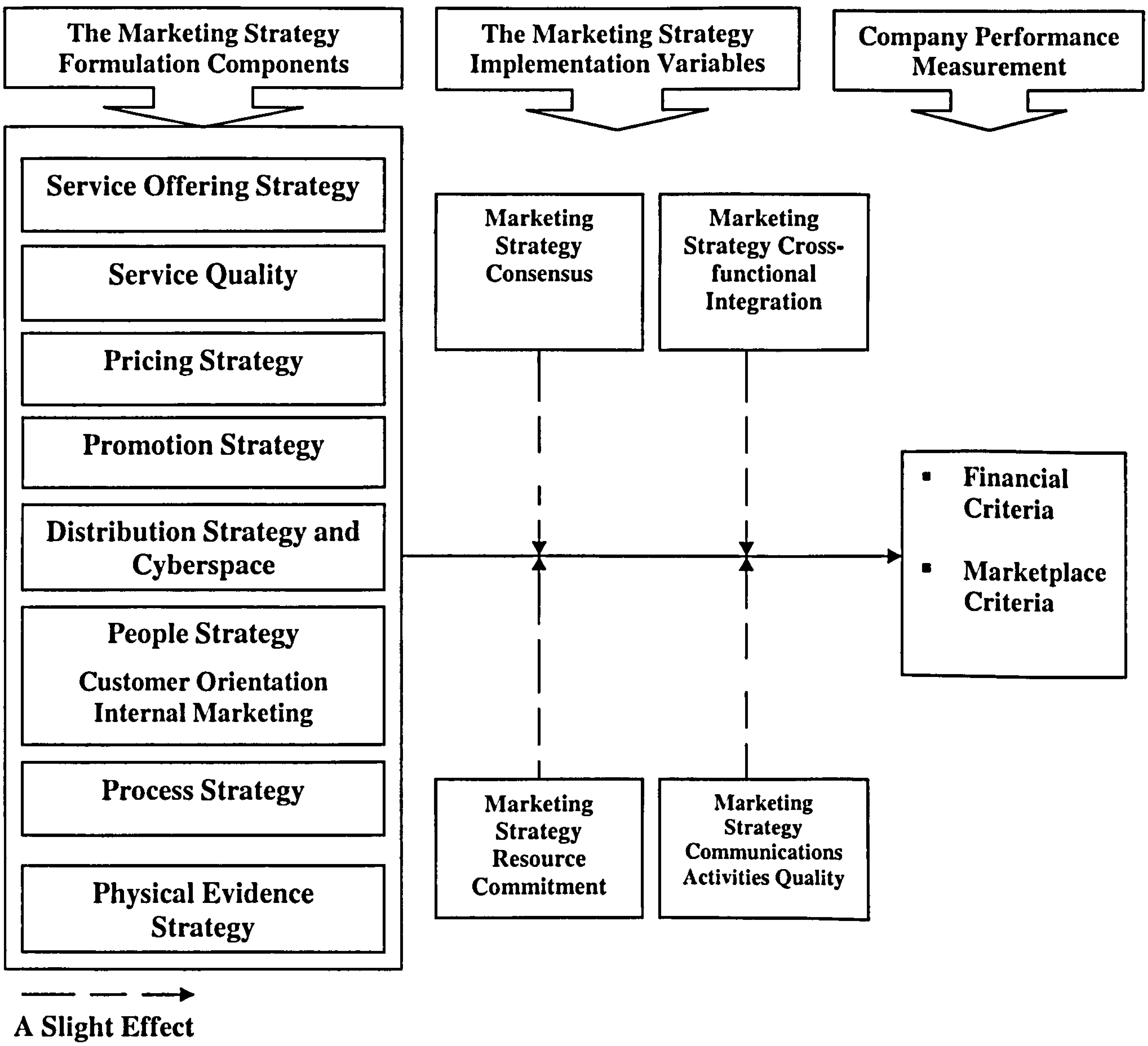


Figure 7.3: The Third Modified Framework, Financial and Marketplace Performance

7.5. Contribution to Marketing Knowledge

This research is thought to have contributed to the advancement of knowledge of services marketing management and marketing strategy research fields in several areas.

- This is the first comprehensive and systematic research of marketing strategy and company performance in the Jordanian insurance industry. This research has investigated, for the first time, the eight components of marketing strategy and the insurance companies' performance measured by financial and non-financial criteria (marketplace and customer criteria). This is the first research in the Jordanian insurance industry that has employed financial and non-financial performance criteria for measuring performance.

- Being the first comprehensive and systematic research of marketing strategy and company performance in the insurance companies in Jordan provides significant insights into the development and understanding of services marketing management and marketing strategy in a specific industry, the insurance industry in Jordan.

- The analysis of the simultaneous relationships between marketing strategy formulation components and marketing strategy implementation variables and companies performance measured by financial and non-financial criteria (marketplace and customer criteria) is thought to have made a major contribution to the understanding of both formulation and implementation of marketing strategy research and companies performance. The confusion in the results of the earlier research has been caused primarily by investigating one part of marketing strategy, either formulation or implementation, but not both. This research has found that some marketing strategy implementation variables have a substantial effect on the relationship between the marketing strategy components and the insurance companies' performance in Jordan.

- A major contribution of this research is that the services marketing mix framework is generalisable and is applicable to the insurance companies in Jordan as a general framework for the marketing of insurance services in Jordan. This is thought to have made a major contribution to the services marketing management literature through providing significant empirical evidence that one of its fundamental frameworks, the services marketing strategy components, is generalisable and is applicable to one of developing countries business environments; the insurance industry in Jordan.

- This research has dealt with a neglected area of research in Jordan, which is the marketing of insurance services. This research is considered a new research in the diffusion of marketing in the area of financial services to gain an understanding of the relevance, effect and contribution of marketing strategy formulation and implementation to the insurance companies in Jordan.

- The research has provided significant empirical evidence that the marketing strategy components of the insurance services should be eight components, which are the 7Ps of the services marketing mix framework and service quality. The four new elements, namely; people, process, physical evidence, and service quality are found to have a positive and significant effect on the insurance companies' performance measured by financial and non-financial criteria (marketplace and customer criteria). This is thought to have made a major contribution to the marketing strategy research in which the 4Ps of the classic marketing strategy are found to be inadequate for the marketing of insurance services.

- This research contributed to the literature of marketing of insurance services and thus adds to academic and professional people's knowledge regarding the cross-cultural understanding of services marketing management.

- The research design and methodology that are specifically developed for the purposes of this research would help researchers to conduct research projects in the field of financial services marketing area in the developing countries.

7.6. Further Research

Although this research has fulfilled its aim and objectives and answered its questions, it is thought that there are a number of areas of research that have emerged from this research which can be recommended for further research. Considering the research limitations that are mentioned in the methodology chapter (chapter five), these areas of research can be summarised in the following areas:

- Insurance service quality is found to be the most used component of marketing strategy and has a positive and significant effect on the insurance companies' performance measured by financial and non-financial criteria (marketplace and customer criteria). An area of research is to investigate the service quality dimensions in other insurance industries to examine if its dimensions remain five, as suggested by its original model, SERVQUAL. This would require a larger number of observations in order to be able to use more advanced statistical techniques such as factor analysis, which would allow researchers to examine if the five dimensions statistically load as the SERVQUAL model proposes.

- The pricing of insurance services needs more investigation. For example, the relationship pricing approach is found to be relatively weak in the Jordanian insurance industry. It would be an appropriate area of research to investigate this pricing approach alongside the other pricing approaches that have been found to be of little use in the insurance industry in Jordan.

- The promotion and customer education of insurance seems to be a rewarding area of research in the Jordanian insurance industry. There are methods of promotion such as advertising, sponsorship, direct marketing and sales promotion, which are found to be of little use in the insurance industry in Jordan. Investigating these promotional methods would be rewarding areas of further research.

- The distribution and cyberspace of insurance services can be another area that is worthy of investigation. There are distribution channels that have been found to have little use in the insurance industry in Jordan. These distribution channels are electronic distribution and telemarketing, which are worthy of more investigation.

- The internal marketing function is a rewarding area of research. Company staff is a fundamental element when conducting insurance business, because they are a potential source of achieving a competitive advantage and of distinguishing one insurance company from another. The research has found that the internal marketing function in the insurance companies is, generally speaking, weak and there is a narrow understanding for the crucial role of the human element in insurance business. Consequently, investigating internal marketing practice in the insurance companies in Jordan, is a rewarding fruitful area of further research.

- Insurance service delivery process is a possible area of further research efforts. The insurance service delivery process activities are found to be performed not according to a formal flowchart or diagram that can be followed to perform it consistently. Consequently, it would be possible to investigate why the insurance companies do not have diagrams for the service delivery process activities.

- The research has found that the marketing strategy components have a positive and significant effect on the insurance companies' performance measured by financial and non-financial criteria (marketplace and customer criteria). An area of research is to investigate which components are the most influential marketing strategy components on companies' performance measured by financial and non-financial criteria (marketplace and customer criteria). In other words, it is worth investigating the "explanatory power" of each variable of marketing strategy on companies' performance measured by financial and non-financial criteria (marketplace and customer criteria). This would lead to revealing the most influential variables that account for the variance of insurance companies' performance. This can be achieved through employing more sophisticated statistical techniques such as structural equation modelling and multiple regression analysis, which require a large number of observations to conduct them.

- During the interviews with managers in the insurance companies, they have pointed out that there are variables in the macro or external business environment that may have an effect on the successful implementation of marketing strategy. An area of research is to investigate what these factors are and what is their effect on the successful implementation of marketing strategy.

- The understanding and application of both marketing strategy formulation and implementation, as related to any of the other sectors of the economy in Jordan has not yet been researched. Therefore, there is an urgent need to investigate the extent to which the marketing strategy formulation and implementation have been practiced and implemented in both service and industrial sectors alike.

- The replication of this research in other developing countries is a potential area of further research, which would enhance and develop understanding of academic and professional people regarding the marketing management of insurance services in non-Western business environments.

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Appendix A

Relevant Literature Review Tables

Services Branding

New Service Development

Customer Service

Service Quality

Services Pricing

Most Popular Pricing Strategies in services Businesses

The Promotional Tools in Financial Service Businesses

Services Promotion

Services Distribution and Cyberspace

Relevant Service Branding Literature Review

Sources	Study results or conclusions
Shostack 1977a,b; Berry 1980; Zeithaml et al 1985	Company branding. Advocated company branding strategy through using distinctive logo or physical facilities that consumers can immediately associate them with specific service providers
Zeithmal et al 1985	Company reputation. It is built by stimulating word-of-mouth communication
Howcroft and Lavis 1986	Branding strategy. Company brand image is the central element in marketing strategy
Berry et al 1988; Berry 2000	Branding strategies. The company name is its brand name in service businesses. Selecting a brand name is critical to total marketing strategy. A well-presented brand name does not rescue a weak service, and all company marketing activities should be consistent to deliver promises to the customer
Onkvisit and Shaw 1989	Company image. Branding assures service quality and enables the company to increase price. Customers use brands and physical evidence as surrogate measures of quality, which is not easy to grasp
Dobree and Page 1990	Company brand name. Company brand name is a source of achieving a competitive advantage
Stewart 1991	Corporate identity. It is a strategic issue that has a powerful role to play in marketing financial services; it is how the company behaves and communicates with customers
Balmer and Wilkinson 1991	Company identity. It is a powerful strategic tool that may distinguish the company. It should be managed with the overall marketing mix strategies
Bigger and Selame 1992	Brand name. Company brand name is the most valuable financial asset. Customers choose distinguished brands because they provide customer value
Saunders and Watters 1993	Branding strategies. Companies use branding strategies according to service, market segment(s) in order to differentiate themselves
Onkvisit and Shaw 1989; Boyd et al 1994	Company reputation. The company brand reputation is the most critical criterion for customers to choose a financial service institution
Turley and Moore 1995	Brand name. Choosing a company brand name is a principal component in branding
Denby-Jones 1995	Building a corporate image. The main focus was on the company culture that puts the customer at the centre and, links branding strategy to corporate strategy
Aaker 1996	Branding strategies. Companies that have strong brands are innovative, providing high quality products, having well trained people, having organisational structure and values towards customers, and having customer relationships
Balmer 1998	Corporate branding. Brands are not just logos, rather they represent the whole company and they should add value to customers
Doyle 1989; 1999	Building strong brands. Strong brands are built through marketing variables such as distinctive quality, superior service, and distinctive distribution channels
Tilley 1999	Leading brands. World's leading brands delivers promises to customers and creates value. A brand is embedded in everything that the company does
De Chernatony and Dall'Olmo 1999	Branding. It is the critical source by which the company can avoid difficulties created by the unique characteristics of services. Marketing variables e.g., service quality, and people in the company are critical sources of building a company brand. The company as a brand must be used to brand services. The implementation of marketing strategy creates a brand reputation
Cravens et al 2000	Strong brands. Strong brands names give value for customers and increase the company's value. Strong brands outperform weaker brands
McDonald et al 2001	Corporate branding strategies. Employees have a crucial to play in building corporate and individual brands. Marketing, human, and communications skills and resources have another critical role on building brands
Harris and de Chernatony 2001	Corporate branding. There is a shift from product line branding towards corporate branding. Building corporate brands requires cohesive and consistent marketing activities and, availability of marketing competencies

Relevant New Service Development Literature Review

Sources	Study results or conclusions
Easingwood 1986	Implications of the unique characteristics of services on NSD. NSD had a strategic role to play in the overall strategy of the companies. The companies had clear objectives for the new service contribution to the company total revenues and profits. NSD had an objective to enhance the company's reputation
Reidenbach and Moak 1986	The relationship between NSD practices and retail banks performance. The study produced five clusters of retail banks. It was found that NSD activities were different among the five clusters. There was a relationship between NSD practices and retail banks performance
Bowers 1986	NSD process in U.S banks. The process of NSD was different from the process that had been widely used by physical goods companies. The banks did an incomplete job of managing the NSD process
Scheuing and Johnson 1989	Testing models of NSD in U.S financial companies. Marketing had played a critical role in the NSD process. There was limited use of the formal NSD process. NSD success was measured by profitability
De Brentani 1989	Determining success and failure factors in developing new industrial services in Canada. The success or failure factors were strong market(ing) orientation, strong internal marketing strategy, the unique characteristics of services and quality of the NSD. It was found that developing new services had positively affected companies performance; financial and non-financial
Easingwood and Percival 1990	Investigating the direct and non-direct effects of developing new services in the UK market. The study found that there were financial and non-financial benefits e.g., corporate reputation, existing customer buy more services, the company gains more expertise and improved customer loyalty
De Brentani 1991	Determining success and failure factors in developing new services. Performing the process of NSD is a critical factor in its success or failure e.g., detailed and formalised process and its quality. Other variables were the company proficiency in the NSD, project synergy and company characteristics
Edgett and Jones 1991	Examining the process of NSD and its critical success factors. The level of detail and depth of the NSD process itself was the most critical success factor. Other marketing variables were also important e.g., financial resources, sufficient market research, internal marketing and promotion
Cooper and de Brentani 1991; de Brentani 1993	Examining success or failure factors of developing new financial services. The study revealed important factors that were project and business functions synergy, service/market fit, quality of launching the new service, the new service superiority, expertise, corporate culture
Easingwood and Storey 1991	Examining success or failure factors for developing new customer financial service in the UK. The success factors were successful targeting of market segments, effective communications strategy, service fit, practising internal marketing, intermediary support, doing market research and the superiority of the new services
Martin Jr and Horne 1993	Comparing successful and unsuccessful NSD among service companies. Most service companies did not have formal procedures for developing new services. There was no significant differences between successful and unsuccessful companies in relation to the formality of the NSD process
Edgett 1993	The NSD process among British building societies. The majority which did not have a strategic plan for the NSD, and there was an insufficient strategic focus on NSD at the senior level.
Mohammed-Salleh and Easingwood 1993	Examining the reasons for not using market tests for NSD among British and European financial service companies. The reasons were high cost of market testing, new service is easy to copy, value of the new service would be established during the marketing research phase, and competitive reasons e.g., competitors may get into the market if launching of the new service was delayed
Storey and Easingwood 1993	Identifying attributes characterising the successful NSD among the UK financial companies. The critical factors on the successful development of new service were internal marketing and synergy, and technological advantage, marketing research, responsiveness and intermediaries support
Edgett 1994	Examining the development activities of successful and unsuccessful new financial services in the British building societies. The success or failure were determined by the activities that occur during the NSD process itself
Cooper et al 1994	Investigating the factors that distinguish the major new product development winners from the ordinary success in the financial services industry. The factors were marketing synergy, a market-driven NSD process, effective marketing communications, customer service, managerial and financial synergy affected the financial performance of developing new financial services. A market-driven NSD process and product advantage affected relationship enhancement. Innovative technology, a market-driven NSD process and effective marketing communications affected market development opportunities

Edgett and Parkinson 1994	Examining the characteristics that make a new service a success or a failure among British building societies. They found that the contributing factors for the NSD success were market synergy, organisational factors and market research. Another factor was good co-ordination and integration between marketing strategy components
Johne and Pavlidis 1996	Examining differences between first mover (innovative) banks from the other banks and what distinguished them among British banks. The study found that first mover banks had adopted a more sophisticated market-based approach in identifying market opportunities. The innovative banks differentiated by the way in which they do marketing and the implementation of its activities for the NSD. Other variables were important; internal marketing, staff quality and appropriate expertise
Edgett 1996	Explaining the nature of the NSD; its process, activities, quality and level of completeness among financial companies. The study revealed that many financial companies had not developed their new services via a systematic process
Kelly and Storey 2000	Investigating how and to what extent service companies in the UK plan their search for new services and investigating if they had systematic procedures to generate and screen ideas. The study revealed that there was insufficient planning for the NSD process. Half of the respondents had no formal strategy for the NSD.
Oldenboom and Abratt 2000	Investigated the success and failure factors of NSD among financial services in South Africa. The study found four factors affected the success of NSD that were adequate skills and resources, product advantage, degree of service newness and cross-functional integration
Storey and Kelly 2001	Investigating how the UK service companies evaluated their new service development activities in terms of strategy, approach for NSD and scope of its activities. The study revealed that most services with NSD strategies perceive speed to market, innovativeness, greater efficiency and product advantage as crucial characteristics of a successful new service developer. Irrespective of whether a company has a formal or informal strategy for NSD, the company's strategy has a significant impact on its performance measured by financial and non-financial criteria

Relevant Customer Service Literature Review

Sources	**Study results or conclusions**
Marr 1987	CS is a vital element in the marketing mix where the company can no longer compete on price strategy. It may distinguish one product offer from another.
Garfein 1988	CS is a long-standing business priority in today's businesses, which can lead to customer satisfaction, which, in turn, affects the growth of the company in the long term. CS has a strategic role to play in achieving this through giving clear instructions, understanding the customer language, respect customers, and the customer is always right
Lambert and Harrington 1989	CS is a significant opportunity to gain a sustainable competitive advantage. CS and product quality variables comprised over 75% of variables evaluated as most important by customers, and could gain a competitive advantage. Moreover, focussing on both CS and the other elements of the marketing mix elements the company was able to develop an integrated marketing strategy which could provide a differential advantage over companies that focus only on competition
Smith and Lewis 1989	People who provided services were seen as a crucial determining factor of CS. Considering CS programme as a main part of overall strategy meant changing the pattern of the company future from operations focus towards a market orientation focus. The key element of CS programme is staff-personal qualities, which is a vital factor for such a programme. The qualities include friendless, pleasantness, and helpfulness, e.g. an empathetic and sympathetic attitudes were mentioned by insurance companies when many claims situations involve emotional customers' complaints and/or other customer problems.
Marr 1990	The design of the customer service package is just as vital as the marketing of the product. A company can develop a competitive edge by improving the CS service levels that offered with its offering in the customers' eyes.
Schlesinger and Haskett 1991 a,b	If the service companies are to be successful they should be customer-orientated because employees differentiate the firm and they are difficult to copy or imitate by its competitors. Customer satisfaction is rooted by employees' satisfaction
Farber and Wycoff 1991	CS is the only way left to increase market share. A comprehensive CS strategy is a major component of companies' success. A company should not just satisfy customers it has to delight them. This can provide a company with a true competitive advantage. CS has a strategic role to play in service success, but to make the customer happy through CS sounds a difficult mission. Having a comprehensive CS strategy implies strategic considerations that deal with the customer satisfaction and company growth on the long-term are needed.
Wong and Perry 1991	The traditional Ps of the marketing mix elements are no longer keys to marketing financial services. CS and service quality are the master keys to marketing financial services which may secure the company's competitive advantage.
Quinn and Humble 1993	CS is a business priority and is a key to its future growth and success. It is of central importance for keeping and retaining customers.
Freemantle 1994	Excellent companies that provide excellent CS are those that are meeting or exceeding customer expectations, have staff knowledge, skills and experience, well trained staff, doing investment in CS training programmes, teamwork working approach, personalised service contacts and building relationships with customers, and strategic management vision
Marr 1994	The study revealed that there were some differences between companies' management and customers' perceptions concerning the components of CS offering. The study emphasised the importance of communications and co-operation between different departments in order to have a successful CS offering.
Mouawad and Kleiner 1996	CS is critical to differentiate between companies and a distinguished CS is necessary for the company to remain competitive. Providing an outstanding CS can determine the competitive edge of the company. The whole company as a CS providers, needs extensive internal and external CS training programmes, improving telephone skills, problem solving capabilities, maintaining customer satisfaction, and effective use of technology
Christopher 1999	CS is an important part of the marketing mix and has the capacity to customise or individualise "the offer" to customer, as customers are looking for value. Competitors can imitate products, prices, advertising, or even technology but they cannot imitate the organisation culture and shared values, which distinguish the customer service-oriented business.
Kotler 2000	CS is the ability of the company to perform all the activities which are concerned with facilitating the way that enables customers to reach the right parties in the company and receive quick and satisfactory service, and solve their problems properly
Baker 2000	CS is an important element in the marketing function. Achieving a good CS can be made through well-trained, competent, qualified, responsive and congenial people staff
Lovelock 2001	CS programme should be well planned and executed as well as people should be effectively trained, informed and supported to deliver excellent service

Relevant Service Quality Literature Review

Sources	Study results or conclusions
Gronroos 1982, 1984	One of the early authors who had developed a model of service quality, which had three aspects that were functional, technical quality and corporate image.
Garvin 1984	Quality involves eight dimensions that are performance, product features, reliability, conformance, durability, serviceability, aesthetics, and perceived quality. The company should focus on some of these dimensions to achieve success in the marketplace
Parasuraman et al 1985	Developed a model of service quality, which has five gaps. Four gaps in the market's side and one gap on the consumer's side. The model suggested ten dimensions of service quality which are access, communications, competence, courtesy, credibility, reliability, responsiveness, security, tangibles and understanding customer needs
Ross and Shetty 1985	Service quality should be an integral part of a company's strategy to achieve a competitive advantage
Gronroos 1988	There are six criteria for a good perceived quality which are professionalism and skills, attitudes and behaviour, accessibility and flexibility, reliability and trustworthiness, and reputation and credibility
Parasuraman et al 1988	Developed the SERVQUAL model of service quality which is most popular model in services marketing. It is a major contribution to service quality literature. The model suggested five dimensions of service quality; tangibles, reliability, responsiveness, assurance, and empathy
LeBlanc and Nguyen 1988	Developed a model of service quality that aimed to determine the main factors of perceived quality for financial service companies. The study revealed that the factors are corporate image, organisation and staff in the back office, physical environment, customer/staff interaction and customer satisfaction. Customer satisfaction was the most important factor in determining it
Gummesson 1988	Quality has become an integrated concept between production-orientation (conformance of predetermined requirements) and marketing orientation (determined in the eyes of the customer)
Lewis 1989	His study revealed two elements for service quality which were customer focus and product focus. The customer focus elements were customer satisfaction, putting the customer first, anticipating and commitment to customer needs/ problems, tailoring products to customer needs, and establishing customer relationships. The product focus elements were quality of service, personal service, friendly/caring/polite service, advice/problem solving, quick/efficient/accurate service, getting it right first time, and maintaining standards
Carman 1990	Criticised the SERVQUAL model in terms of its dimensions, methodology and generalisibility. This model was not found to be a generic model for service quality among several service industries. Some items of some dimensions should be expanded if necessary for reliability purposes. The model should be modified to suit different service industries.
Lehtinen and Lehtinen 1991	Suggested a model of service quality that included two approaches. The first approach had three dimensions; physical quality, interactive quality, and corporate image. The second approach had two dimensions; the process itself and its outputs. They concluded that service quality as customer perceived it is highly subjective and it depends upon his experience interpretations
Parasuraman et al 1991	They reassessed and refined some of the SERVQUAL instrument wording (negative words were removed), statements, and added some new statements. The refined SERVQUAL model proved its cohesiveness in all of its dimensions. The study revealed that the service quality dimensions conceptually remained five distinct dimensions and they are interrelated. They argued that the SERVQUAL model was still a basic skeleton that underlies service quality
Cronin and Taylor 1992	They argued that the current conceptualisations and operationalisations of the SERVQUAL are inadequate. This model is based upon the expectations-performance gap as basics for service quality measurements. They developed the SERVPERF model of service quality that deals with performance-based measurements of service quality.
Gilmore and Carson 1992	They argued that researchers on service quality focus on one aspect (service) of the marketing mix elements. This was considered inadequate for improving service quality.
Teas 1993	Criticised the SERVQUAL model in terms of its validity, reliability, and operational definitions. The perceptions-expectations gap concept represents a comparison with a norm, which does not represent the difference between predicted and perceived service quality
Lewis 1993	He argued that successful service quality has a pivotal role in companies' sales, market shares, profits and business performance. Furthermore, he argued that successful service quality had led to decreased costs and increased productivity.

Hemmasi and Strong 1994	They argued that the SERVQUAL model measurements, methodology, and its gaps are inadequate for service quality assessment. They found that service quality appeared more suitably identified through the type of importance-performance analysis
Anderson et al 1994	They found that both quality and customer expectations have a positive impact on customer satisfaction. The current customer satisfaction is seen as a function of current service quality and past satisfaction. Quality had the greatest significant and positive impact on customer satisfaction. ROI as a long-term measure of company performance was strongly affected by customer satisfaction.
Weekes et al 1996	They supported Parasuraman et al (1985; 1988; 1991) work that SERVQUAL offers a general foundation to different service industries to develop a useful instrument for its measurements
Ennew and Binks 1996	The study revealed that service quality variables (the technical quality, functional quality, and general product characteristics) were significantly affected and correctly signed with higher perceived quality and in reducing the potential for customer defection. Service quality affected customer relationships, loyalty and retention
Mels et al 1997	The study revealed that the SERVQUAL constructs could not be replicated for any of the data sets in the study samples. The most important result is that the services quality dimensions are largely determined by two dimensions rather than five dimensions. The first dimension is functional quality and the second dimension is technical quality. The rationale is that having two dimensions for quality is easier to interpret than having five interrelated dimensions
Rapert and Wren 1998	The study revealed that service quality-based strategy had positively affected short-term increases in both operating income and growth in net revenues. In addition, it would be sustainable in the future. Service quality had a direct impact on both short and long-term organisational performance measurements.
Chang and Chen 1998	There is a positive relationship between service quality and business profitability. Market orientation had a positive effect on both service quality and business profitability. A higher degree of market orientation was correlated with superior service quality and greater profitability. Service quality had a stronger association with business performance than market orientation did. Service businesses that give service quality a high strategic priority have the advantage of securing medium and long-term benefits that confirm continuous improvements, premium prices, better customer value, and customer orientation leading to higher profits
Robinson 1999	He found that there had been serious doubts in relation to the SERVQUAL for measuring service quality. There is little consensus and much disagreement between service quality researchers relating to a number of its conceptual and operational issues.
Lasser et al 2000	They found that the functional quality significantly and positively affected customer satisfaction. Service failure and communications moderated the relationship between service quality and customer satisfaction. The effect of the functional quality on overall satisfaction was influenced to some extent by the occurrence of service failure. This moderation was limited to the functional quality which was considered complex. The technical/functional quality dimensions did outperform the SERVQUAL dimensions model related to explaining the variance in customer satisfaction. They found that the Gronroos model of service quality is better suited to predict customer satisfaction when customers are actively involved or highly involved in service delivery process
Caruana et al 2000	They found that there was a direct link between service quality and satisfaction, and a moderating effect of the customer value on customer satisfaction. The later result indicates the significant interaction effect of price and value on customer satisfaction
Bahia and Nantel 2000	They argued that the SERVQUAL is not the best universal scale designed to measure service quality. The five dimensions are not sufficiently generic. They found six dimensions of service quality, which are effectiveness and assurance, access, price, tangibles, service portfolio, and reliability
Lee et al 2000	The study revealed that the performance-based measures of service quality SERVPERF captured more of the variation in service quality than the SERVQUAL difference measures do.
McDougall and Levesque 2000	There were direct impacts of the core quality, relational quality and perceived value on customer satisfaction, and the relational quality was the least important of the three factors. Perceived value showed a consistently larger impact than the personal relationship (relational quality) dimension. The technical quality and perceived value were seen as key influences on customer satisfaction. Moreover, perceived value was a significant determinant of customer satisfaction more that the relational quality.
Zeithaml 2000	Argues that the relationship between service quality and profitability needs to be examined. This relationship is neither simple nor direct.
Newman 2001	The study revealed that the expectations were not being met on four out of the five dimensions of the SERVQUAL model and the largest gap between consumer expectations and perceptions came out through reliability. The only dimension which exceeded customer expectations was tangibles.

Relevant Service Pricing Literature Review

Sources	Study results or conclusions
Cowell 1984	Discussed two strategies for service price setting. These pricing strategies are cost-based approach and market-oriented approach. Pricing strategies in services are different in relation to differences in services classifications, service industries, service conditions, and the unique characteristics of services.
Zeithaml et al 1985	It is one of the early empirical studies among service businesses that had tried to explore different pricing strategies. They found that cost-based pricing approach and competitive pricing approach are the most dominated pricing approaches among services businesses
Guiltinan 1987	Discussed the price bundling of services. He argued that price bundling for financial services is necessary because they are designed to meet related consumer needs therefore customers are potential buyers of a range of services for the same service business
Arnold et al 1989	They defended the differentiation premium approach in pricing of services. They criticised the traditional approaches of pricing arguing that they ignore the customer and very simple
Howcroft and Lavis 1989	Discussed the pricing of financial service issues in retail banking. They discussed implicit (non-pricing approach) price competition and explicit price competition approaches in the pricing of services. They argued that pricing strategy in financial services must be built based on relationship pricing strategy which establishes and keeps the relationship between the company (e.g., a bank) and the customer.
Zeithaml 1988	He found that from the customer's perspective, price is what is given up or sacrificed to obtain a product. Price has three sides that are objective price (monetary), perceived non-monetary price, and sacrifice. Some customers rely or depend heavily on price as a quality signal whereas others do not.
Schlissel and Chasin 1991	Discussed different pricing approaches for pricing of services. They evaluated these approaches in terms of their advantages and disadvantages. They concluded that the company prices its services according to its different internal and external factors.
Marn and Rosiello 1992	They found that the fastest and most effective way for a company to realise its maximum profits is to get its price right. Price management is more demanding in today's business environment. Getting the price right is one of the most fundamental and important management functions; it should be one of the top management responsibilities. They found that 1 percent price improvement, assuming no loss in volume, generates an average 11 percent increase in profits among the study companies.
Meiden and Chin 1995	They found that the most important factor or determinant of price was cost-based approach. The second determinant factor was competitor prices. The third approach was the customer perception of the value.
Berry and Yadav 1996	They comprehensively discussed pricing approaches. These approaches are satisfaction-based pricing, relationship pricing, and efficiency pricing.
Pitt et al 1997	They discussed market-based pricing (customer oriented) and cost based approach. They concluded that pricing strategies should not only be value-based, but companies may need to develop multiple strategies, depending on both the market and product contexts.
Tung et al 1997	They found that none of different service pricing approaches fulfils simultaneously the considerations of profit, the unique characteristics of service, demand/supply, and cost structure. They reached two conclusions first, having a complete pricing model is a complicated issue because more pricing variables are included. Second, instead of using one pricing approach, it may be better to use a group of pricing approaches to set a service price. They suggested a multi-step synthetic approach to service pricing. Their approach involves a number of steps to carry it out.
Mitra and Capella 1997	They defended the price differentiation approach in setting pricing of services. They viewed that service pricing is an obscure area of research.
Yelkur and Herbig 1997	They advocated the differential pricing approach, as a demand-oriented approach of pricing and argued that it is not commonly discussed in the pricing literature. Differential pricing is concerned with charging different prices to different market segments for the same service, when the price difference is not justified by differences in cost.
Carson et al 1998	They found that small companies used different pricing approaches. The pricing issue was of primary concern to many small/medium companies. Cost-plus based approach was widely used for price setting, and differentiated-based pricing and profit margin approaches
Finch et al 1998	They argued that one of the most important concerns among service companies is covering costs, which are considered difficult to calculate precisely. Perishability as one of the service characteristics that creates unusual challenges in pricing strategy; e.g. once the plane takes off, the opportunity to sell a vacant seat ends forever

Kasper et al 1999	They argued that there are three foundations of a service pricing strategy. These are costs, value to customers (demand factors), and competition in the marketplace. A service business should carefully understand these foundations in setting a service pricing strategy
Zeithaml and Bitner 2000	Discussed pricing strategies for service. They view that there are three broad pricing strategies for services pricing which are cost-based pricing strategy, competition-based pricing strategy, and demand-based pricing strategy. They presented the advantages and disadvantages of each pricing strategy which are consistent with the pricing literature
Harrison 2000	He discussed pricing strategies in the financial services sector through two broad categories that are price-competition and non-price competition strategies. He argued that each pricing strategy has it advantages and disadvantages.
Lovelock 2001	He argued that pricing is a key component of the 8Ps and it is a real challenge to service businesses. He discussed three pricing approaches, which are cost-based approach, competition-based approach and value-based approach

Most Popular Pricing Strategies in Service Businesses

Pricing strategy	Advantages	Disadvantages
Cost-oriented	▪ A dominated pricing approach in service industries and they are familiar with this approach (Zeithaml et al 1985; Schlissel and Chasin 1991; Lovelock 2001). ▪ A very simple approach which enables the service organisation to take this advantage which offers a quick and a useful method (Guiltinan 1987; Arnold et al 1989; Meiden and Chin 1995; Tung et al 1997).	▪ The simplicity of this approach causes it to loose its effectiveness in today's dynamic business environment (Guiltinan 1987; Tung et al 1997). ▪ It does not consider the supply and demand changes (Tung et al 1997). ▪ It is difficult to calculate different kinds of costs due shared delivery systems and the similarity of services (Howcroft and Lavis 1989; Zeithaml and Bitner 2000). ▪ It is not an efficient marketing tool (Howcroft and Lavis 1989). ▪ It ignores the customer willingness to pay a higher price (Schlissel and Chasin 1991; Meiden and Chin 1995). ▪ It does not recognise strategic objectives on the long-term (Meiden and Chin 1995). ▪ It does not consider the customer expectations and does not take advantage of market opportunities (Pitt et al 1997). ▪ Labour is more difficult to price than materials (Zeithaml and Bitner 2000).
Competitive-Oriented	▪ Has traditionally dominated the services pricing in different industries (Zeithaml et al 1985). ▪ The simplistic nature of this approach provides an advantage of a quick and useful pricing method (Arnold et al 1989; Tung et al 1997).	▪ It may not be suitable for the today's complex business environment (Tung et al 1997). ▪ It does not provide guidance on how much higher or lower than a competitor's price a service provider should set its price (Arnold et al 1989). ▪ It supposes the cost and the quality are the same in the marketplace (Schlissel and Chasin 1991). ▪ Heterogeneity of services limits comparability (Zeithaml and Bitner 2000)
Differentiation premiums (Demand-based)	▪ It incorporates non-pricing variables in the pricing strategy in which the service company recognises its ability to differentiate itself and have a competitive advantage over competitors (Arnold et al 1989; Tung et al 1997). ▪ It is a market-oriented approach (Yelkur and Herbig 1997). ▪ It considers more than one pricing approach in formulating a pricing strategy (Arnold et al 1989).	▪ It does not eliminate the subjectivity element in scoring differentiating variables. ▪ It needs a detailed and sophisticated information about customers and the company services and its rivals. ▪ It is built based on an assumption that the premium is the amount that the customer is willing to pay for a service (Arnold et al 1989). ▪ Companies need to have a high market share in a specific service industry (Yelkur and Herbig 1997). ▪ Monetary price must be adjusted to reflect the nonmonetary costs (Zeithaml and Bitner 2000).

Bundle pricing (Demand-based)	▪ It stimulates demand for weaker services (Schlissel and Chasin 1991). ▪ It decreases managerial, marketing, and operating costs (Guiltinan 1987). ▪ It saves the customers time and gives them more convenience through interacting with one service provider (Berry and Yadav 1996; Tung et al 1997). ▪ It increases the number of contacts between the customer and the service company which in turn means more access to the customers information (Berry and Yadav 1996; Kasper et al 1999).	▪ It may be complex to determine which are the two services fit together in one service package (Guiltinan 1987). ▪ It needs to understand the costs of both services to estimate the service firm benefit in selling the package. ▪ If the two services are so interdependent this may be a disadvantage for customers and may limit the freedom of choice (Kasper et al 1999).
Relationship pricing	▪ Establishing and sustaining long-term relationships between a service business and its customers (Howcroft and Lavis 1989). ▪ It increases the customer loyalty and retention especially among financial services institutions; a bank (Howcroft and Lavis 1989). ▪ It increases the chances to consolidate customers purchasing with a service company and resist other offers from its rivals. ▪ More understanding of customers needs and wants by using their information that helps the service marketers to sustain their relationships with customers (Berry and Yadav 1996; Kasper et al 1999).	▪ It requires a highly detailed data on the underlying costs that make up the potential relationship (Howcroft and Lavis 1989).

Different Pricing Strategies within Service Businesses

Source: This research based on the above services marketing literature sources

The Promotional Tools in Financial Service Businesses

Promotional tool	1. Characteristics	2. Examples
1. Advertising	A paid form of non-personal communication through mass medium	Television, radio, cinema, newspapers, magazines, outdoor, public transport, direct mail
1. Personal selling	Informing and persuading customers to purchase products through personal communications	Sales representatives visits, in-store/ branch sales assistants, visits and consultations with IFAs and financial advisors
2. Publicity and public Relations	Non-personal communications in news-story form about an organisation and/or its products and services, transmitted at no charge	Magazine, newspaper, radio, television news story
4. Sales promotion	Offering of an inducement or incentive to customers, channel members or salespeople in order to encourage purchase	Gifts, tokens, bounces, contests, loyalty cards, free samples, money refunds, sweepstakes. Monetary and non-monetary incentives
5. Direct marketing	Direct mail, telemarketing and direct response advertising	Direct leafleting, letters and contacts through mail, telephone and internet
6. Sponsorship	Financial or material support of an event, activity, person, organisation or product	Events or competitions, equipment, buildings, ideas, research, learning, animals, or people, commercial, charitable causes, television programmes, or services etc

3. Uses	5. Advantages	6. Disadvantages
• Promoting products and organisations • Stimulating demand • Off-setting competitors` advertising • Making sales personnel more effective • Increasing use of product • Reminding and reinforcing customers • Reducing sales fluctuations	• Cost-effect-reaches a large audience at low cost per head • Allows repetition of message • Can add value to the product • Enhances company's image	• Overall cost can be high • Rapid feedback in not usual • Measuring effect on sales can be difficult • Can be less persuasive than personal selling, say
• Generating sales • Cross-selling • Enabling product strengths and weaknesses to be assessed • Reassuring customers in high-risk purchase situations • Enabling a dialogue with the customer	• Specific communication aimed at select target • Greater impact on customers • Immediate feedback • Flexible and allows message to be adjusted accordingly • Useful in complex buying situations and when buyers are close to purchasing	• Greater cost per head • Cannot reach large audiences effectively
• Creating awareness of the company's products, brands and activities • Helping to maintain positive public visibility • Enhancing company's image • Helping negative images to be overcome	• Free, but needs to be managed carefully to make sure the right message gets out • Informative as opposed to persuasive • Credible and impartial	• Lack of control over what is communicated • Can be good or bad publicity • Impact on sales is not immediate • Generally not subject to repetition
• Stimulating product trial • Encouraging switching • Shifting end-of-product lines • Reminding customers • Controlling sales fluctuations	• Stimulates short-term demand • Can shift end-of-product lines • Can remind customers of old products • Encourage trial of new customers	• Can devalue the brand if not supported by other forms of promotions • Increases price sensitivity and reduces loyalty of customers • Encourages customers to bargain-hunt
• Creating brand awareness • Stimulating product adoption • Pre-sell technique • Generating product orders • Qualifying prospects for a sales call • Following up a sale • Announcing special sales	• Provides database of information • Offers variety of styles and formats • Can be personalised and customised • Can lead to accurate targeting • Effectiveness can be measured • Can be tied with sales promotion	• Perception as junk mail if not used properly • Can be expensive
• Promoting company image • Identifying with a specific target • Creating positive relationships with the community	• Benefits of enhanced company • Philanthropic benefits • Identifies with specific targets • Improved moral and employee relations	• Can lack specificity • Effectiveness difficult to measure • Can miss out significant groups

Source: Harrison (2000), p. 217

Relevant Service Promotion Literature Review

Sources	Study results or conclusions
Shostack 1977a	Providing tangible clues. He focussed on providing tangibles clues to minimise the high degree of intangibility of services
George and Berry 1981	Advertising. They provided a guideline for advertising of services, which focussed on the implications of the unique characteristics of services. They focussed on advertising to both external and internal audiences
Cowell 1984	Marketing communications. He focussed on sending unambiguous communication messages and avoidance of unnecessary details of press and television advertising. Emphasis should be on the benefits of services and only promise what can be delivered in reality
Lovelock and Quelch 1983	Services promotion. They argued that promotion in services is more difficult than their counterparts in goods. This difficulty comes from the fact that most services have a degree of uncertainty and a high risk. Service companies need to incorporate promotion with other communications mix to achieve the overall effect of the integration
Parasuraman et al 1985	Service delivery and external communications gap. Companies need to have an integrated marketing communications due to the fact that if the service company exaggerates its promises this may affect the service quality and consequently the customer satisfaction. This evidenced when empirical work has shown that external communications to customers represents an important part of service quality dimensions
Reichheld and Sasser 1990	Word-of-mouth communications. They advocated the positive role of word-of-mouth communication which can reduce the need for marketing expenditures and may increase revenues if new customers are attracted.
Crowely 1991	Sponsorship. He argued that the emergence of, and acceptance of sponsorship as a component of the marketing mix is due to the capacity of sponsorship to perform certain key marketing tasks well.
Hill and Gandhi 1992	They extended previous classifications of services and proposed guidelines for services advertising to be used by service business managers. The unique characteristics of services pose distinctive problems for services advertising e.g., the more intangible the service, the greater the need to provide concrete cues in the advertisement
File and Prine 1992	Word-of-mouth communications. They defended the positive use of word-of-mouth communications on customers' satisfaction in financial service companies. They found that satisfied customers are known to engage in positive word-of-mouth communications telling others about their experience about a service provider
Bitner 1992	Marketing communications through providing physical evidence. He focussed on using and providing physical evidence in the marketing communications strategy to provide tangible cues. As most services have a degree of intangibility, providing physical evidence may have an important impact on the company's image
Bharadwaj et al 1993	Word-of-mouth communications. They argued that when customers cannot evaluate the quality and value of the service or the ability of the service provider easily, they rely on his reputation which can be stimulated through word-of-mouth communications as a criterion for evaluation.
Peattie and Peattie 1993a, b	Sales promotion. They found that competitions as a sales promotion tool can achieve a wide range of benefits and opportunities for their sponsors. These benefits are temporary sales uplifts, demand smoothing, market research/mailing list opportunities, idea generation, and public relations opportunities. The competitions could contribute to a variety of marketing objectives, broadly, generating sales increase, seasonal demand smoothing, and as a tactical response to rivals. Using sales promotion competitions, as any element in the marketing mix, in a successful way lies in good marketing management
Peattie and Peattie 1994	Sales promotion. They found that financial service companies have started to use sales promotion especially competition in their promotional programmes. A successful sales promotion programme requires careful attention to planning and execution
Peattie and Peattie 1995	Sales promotion. They argued that the key challenge for marketers seeking to gain competitive advantage through promotion is to choose a promotional tool which is suitable for the brand that they manage and the market within which it exists and, to execute the promotion
Peattie et al 1997	Sales promotion. They found that sales promotional tools had a potential to provide a range of tactical and strategic benefits which go beyond increasing sales in the short-term. They found that sales promotions, competitions, might achieve different marketing objectives, namely; contribution to sales objectives, market share growth, consumers brand awareness on the long-term, brand building, customers relationships, and potential strategic benefits of competitions such as realigning customer loyalty by encouraging customers to switch over to the promoted brand.

Kirk 1994	Promotion and advertising. He argued that sponsorship is a distinctive form of advertising in which the sponsor and sponsored gain mutual benefits. Empirical evidence suggests that the effect of advertising on sales is in the short-term sales and in long-term sales.
Betts and Yorke 1994	Direct marketing. Direct marketing has important benefits for marketing e.g., offering targeting precision
Thwaites and Lee 1994	Direct marketing. They defended the direct marketing approach for financial service companies. Employing direct marketing beside the other promotional activities, companies can create and reinforce brand awareness, maintain customer loyalty and sell goods and services directly.
Mathur et al 1998	Advertising over the Internet. They found that services advertising on the Internet may not be effective, may divert advertising budgets from other established promotion activities and, then, may possibly negatively impact the companies profitability.
Mortimer and Mathews 1998	The unique service characteristics and advertising strategy. They found that the most important issues in advertising of services are either tangiblisation of the service or issues relating to accessibility. There was a consensus that the most important characteristics of advertising should be the tangiblisation of services.
Thwaites 1998	Personnel selling. He viewed personal selling as a critical element in the promotion of financial services which can contribute to a range of objectives such as gaining acceptance of new products by existing customers, attracting new customers for existing products, maintaining customers loyalty, gathering market information, and facilitating future sales by provision of advice to prospects or influencers
Kasper et al 1999	Promotional mix. Personal selling is considered one of the central elements in the services promotion mix. People have a vital role in providing services because customers view them as a part of the service itself during a service delivery process
Aims et al 1999	Sponsorship and company image. They found that developing a distinctive expertise in managing sport sponsorship may enable a financial service company to enhance its image and reputation
Low 2000	Integrated marketing communications. They found that an integrated marketing communications was positively associated with performance, which was measured in terms of sales, market share, and profit growth. The strongest effect of integrated marketing communication was on market share, and then on sales, and profit respectively. The effectiveness of the marketing communications components is more likely to increase when an integrated marketing communications is high.
Ennew et al 2000	Word-of-mouth communications. They found the most important factor contributing to positive word-of-mouth communications was delivering a high quality of service, and other factors which contributed to it were good customers relationships, friendly staff, and competitive prices.
Zeithaml and Bitner 2000	The service company promises and uses communications to formulate customer expectations. They argued that the service company marketing communications plays a crucial role through making promises to customers. The company should not exaggerate its promises to customers if it is not able to deliver what it has promised through different communications channels
Harrison 2000	Direct marketing. Direct marketing increases the effectiveness and efficiency of marketing efforts. Customers of financial services have become more willing to deal with financial institutions over the telephone to arrange transactions and mortgages. Direct marketing may help the financial services to build customers relationships.
Lovelock 2001	Integrated marketing communications strategy. In modern service businesses, marketing communications do include the location and atmosphere of a service delivery facility, corporate design features (consistent use of colours), appearance and behaviour of employees, which all contribute to impression` in customers` mind that reinforces or contradicts the specific content of a formal communication message
Thwaites 1998 and Lovelock 2001	Public relations and publicity. Publicity and public relations are seen as an important part of the financial service promotion strategy and they are very close together

Relevant Service Distribution and Cyberspace Literature Review

Sources	Study results or conclusions
Chandler et al 1984	They recommended linking two or more dedicated distribution channels which should be a more successful means of delivering more products to the same customer groups because the service level and cost of each channel can be tailored according to the nature of the product being delivered and the needs of the customer being served. Market segmentation is critical to compete in specific target markets, products, and customer groups.
Friars et al 1985	They argued that distribution strategy is a new strategic weapon to attract and retain customers and to generate revenue in today's competitive business environment.
Carter et al 1989	They found that deregulation was the most important factor that affected distribution strategies in the UK financial service companies. Other factors seen as important were customer database, branch networks, costs, and cross selling of other products. They found that most financial institutions relied on a mixture of several distribution outlets and the importance of distribution channels varied depending on between and within the different types of companies.
Howcroft 1991; 1992; 1993	He argued that the advantages associated with a comprehensive branch networks must not be underestimated. Branches still represent a substantial barrier to competitive entry and remain a cost effective distribution channel in the basic bank market. Bank branch network should be market oriented
Poapst 1991	He supported selling insurance products over bank branches. This would achieve advantages for both the customer and the bank. The banks can save costs by using the same facilities, customer database, and building customer relationships, and customers can save time and money.
Stephenson and Kiely 1991	They argued that success in selling financial services is the current challenge in the banking industry. In a highly competitive environment, emphasis should focus on personal selling of banks products with focus on individual abilities to win business, rather than institutional image
Morgan 1993	He supported selling life assurance and investment products over banks network. He found that there were two major problems associated with selling insurance products over branch networks, which were operational problems and change problems.
Laing 1994	He found that the key issue in developing a multi-channel distribution strategy for the Scottish life insurance companies was the development of direct sales force.
Shultz and Prince 1994	They found that the critical factors in the selling process are knowledgeable, ambitious, well-trained, and competent salespeople. Moreover, salespeople's' interpersonal skills, and capabilities are important issues in the selling process of financial services when building up customer relationships
Devlin 1995	He argued that innovation in distribution channels provides an opportunity to gain competitive advantage in today's competitive marketplace. The financial service companies must utilise the huge developments in the information technology edge to achieve a competitive advantage. Devlin presented Direct Line Company as the most successful case in the financial services industry, which had launched home banking services successfully. Direct Line, illustrates the potential importance of distribution as a means of competitive advantage.
Shelton 1995	He argued that it is no longer appropriate for distribution to be treated as a short-term tactical issue because it is inextricably linked with the longer-term customer retention policies. He concluded that direct sales force was expected to decline over the coming years and would become less important
Greenland 1995	He argued that although new distribution channels such as telephone banking have some advantages represented by improved access, improved convenience, and lower overhead costs, many consumers still prefer branch banking as branches have distinct advantages over the impersonal telephone service.
Howcroft and Beckett 1996	They found that customers of financial services were prepared to purchase a wide range of financial products from a single distribution channel. This suggests that both banks and building societies' branches might have an opportunity to remain a viable distribution channel by expanding a product range. There was a critical role for building up customer relationships which might be more important in the case of complex and high credence financial services
Shumrak 1996	He argued that many insurance companies have failed in the past due to weak strategic promises, inexperienced staff, and wrong basis of evaluating performance. Achieving a profitable growth, insurance companies need a controlled, productive and cost-effective distribution system. Achieving this can be done by effectively matching distribution methods and channels with the most potentially profitable customer segments.
Easingwood and Storey 1996	They found that the most used distribution systems for financial service companies in the UK were intermediaries (39%), branch networks (26%), and direct response advertising, direct mail, and direct sales force (10%) respectively. Moreover, the balanced distribution strategy was the most used for multiple distribution strategies.

Birch and Young 1997	They argued that in spite of the Internet advantages, marketing over the Internet does have problems such as privacy and, confidentiality is a complex matter in relation to it
Daniel and Storey 1997	They argued that empirical evidence suggests there are some strategic issues which explain the rationale why organisations should launch or try electronic banking. Some of these strategic issues are to protect or enhance reputation and adding value to customers
Eyler 1998	He argued that the banking industry can have an edge through selling insurance products (e.g. auto insurance) over the Internet mainly online selling. The Internet as a distribution channel can solve problems which banks have faced with the marketing of insurance products using existing distribution channels such as direct mail
Baranoff 1998	LIMRA studies found that 40 per cent of the life insurance customers buying households are now purchasing through direct marketing channels, namely; direct from the company sales force, or by direct mail, or over the telephone. 77% of all customers did prefer to buy life insurance through face-to-face contact
Maciag 1998	He argued that the Internet will change the shape of marketing and distribution in the insurance industry and take an important part of distribution strategy. It is valuable for insurance companies to use multiple channels of distribution network with focus on face-to-face contact. The real challenge is building and managing multiple channels of distribution to sell and serve insurance products to meet the needs of a variety of customers
Arnold et al 1999	They found that up to 86 per cent of all insurance transactions involve an agent or broker. They argued that there has been an increasing use of direct response marketing channels which include telemarketing, direct mail, and the Internet based marketing. It is expected that these methods will be the most important methods in the near future e.g., telemarketing, direct mail, and the Internet
Sclafane 1999	He found that CEOs of financial services companies in North America had chosen distribution as one of the top three strategic issues particularly distribution effectiveness and productivity and distribution management
Shea 1999	He argued that insurance companies need to sell their insurance products directly to customers by using e-commerce. The development of information technology has enabled insurance companies to support direct marketing techniques and serving customers
Dimartimo 1999	He argued that that the technological developments particularly in the cyberspace or the Internet have an important role on insurance companies operations in which they can communicate, promote, and distribute their insurance products to their customers. Using the Internet technology alongside other factors, branding, the Internet will be a major platform driving company sales
Mols 2000	He argued that the Internet is likely to become the most important distribution channel for the financial services.
Dixon 2000	He highlighted that many insurance companies, life insurance, have sold insurance products over the Internet and have a presence, but a small volume has been sold this way. Many customers of life insurance products still see the Internet as an important source of information about the company and its products. For the life insurance products, the personal contact is still important and makes it unique in order to build up customer relationships. Therefore, insurance companies have been more successful using the Internet for exchanging information and communication than building sales volumes
Trembly 2001	He argued that the insurance industry has failed in the selling of insurance products over the Internet (online) not because of the technology used, but because of the nature of insurance products, and many insurance customers have failed in treating customers and adding value for them. Furthermore, 20 per cent of consumers change insurance companies within a year as the result of the way they deal with claims process.
Thornton and White 2001	They found that consumers are becoming more oriented towards convenience, more service oriented, more oriented to use new electronic delivery channels e.g. telephone banking, and more oriented to use other distribution channels. An important result was that different types of financial customer orientations did affect the financial customers' current usage of financial distribution channels

Appendix B

Detailed Research Methodology Diagram

Detailed Research Methodology Diagram

The Emergence of the Marketing Problem
The emergence of the marketing problem of insurance services among insurance companies in Jordan came from informal discussions which were held with managers in the insurance industry in Jordan which revealed that there is a critical need for a comprehensive investigation of the marketing of insurance services in Jordan

A further investigation of the marketing literature of insurance services in Jordan was carried out found that very few studies were concerned with the marketing of insurance services in Jordan

Conducting Literature Review on the Field of Marketing Strategy Research
A broader and more comprehensive literature review was conducted in the marketing area; research in marketing strategy formulation field (the services marketing mix paradigm-the 7Ps and service quality), marketing strategy implementation, and performance. The focus of this literature review was concerned with the most suitable marketing literature review in the services and financial services areas from which theoretical gaps have emerged which needed to be investigated

Conducting in-depth interviews with managers among insurance companies in Jordan

Formulation of the Research Problem
A precise formulation of the research problem; theoretical gaps emerged from marketing strategy formulation and implementation literatures, which needed investigation

Formulating the Research Questions to be Investigated in the Research

Formulating the Research Aim and Objectives to be Examined for the Research Problem

Formulating the Research Hypotheses

Phase One: The Research Problem Formulation

Determining the Research Design
A precise determination of the research design at an early stage of starting conducting this research project was decided in which strategic decisions were taken for its design, methodology and data collection methods. The research framework is dominantly quantitative with a considerable qualitative element

Phase Two: Research Design

Phase Three: Detailed Research Methodology

Constructing the Research Framework

Conducting in-depth interviews with managers among insurance companies in Jordan and two in-depth interviews with the legal advisor of the insurance sector in Jordan at an early stage of the research

Examining the extant amount of marketing strategy research; both marketing strategy formulation research and implementation and performance

Theoretical gaps emerged from marketing strategy formulation and implementation research which needed to be investigated

Constructing the Research Framework

A precise determination of the parts included in the research framework, which are marketing strategy formulation components, marketing strategy implementation variables and companies performance. Constructing the research framework was designed to investigate the research problem and examine the research aim and objectives

Determining the Variables Included in the Research Framework

A precise determination of the research variables was done based on the research questions and objectives as well as the research framework and its main parts. Three parts have been specified in this research framework as the following:

- **The marketing strategy formulation components (the first part of the research framework)**
- **The marketing strategy implementation components (the second part of the research framework)**
- **The performance measurements (the third part of the research framework)**

Constructing a Comprehensive Operational Definition for the Variables which are included in the Research Framework

Conducting in-depth interviews with managers among insurance companies in Jordan and two in-depth interviews with the legal advisor of the insurance sector in Jordan at an early stage of the research

Conducting a critical examination of the previous research of marketing strategy formulation and implementation; empirical and theoretical research streams

Developing a Comprehensive Operational Definition for the Research variables which are Included in the Research Framework

The Research Population

The research population has included all the insurance companies that are operating in the Jordanian market which are registered at Amman Stock Exchange Market and are practising the insurance business in Jordan

The Research Respondents

The targeted respondents were all the marketing managers in the insurance companies in Jordan as well as members of the top management who were involved or participated in formulating and implementing the marketing strategies. It was necessary to examine each company organisation structure in order to specify the suitable respondents because not all of the insurance companies have marketing departments and appointed marketing managers

Determining the Unit of Analysis in the Research

Research Data Collection Methods and Procedures

Primary Data Collection Methods

- **Administering a comprehensive self-completion questionnaire**
- **Conducting a number of in-depth interviews with managers in the insurance sector in Jordan**

Secondary Data Collection Methods

- **Examining and investigating the extant amount of marketing strategy literature from all the possible resources such as; journal articles, conference papers, recent books, and work published over the Internet**

Designing the Research Questionnaire

Visiting the Research aim and objectives

A critical examination of the extant amount of the marketing strategy research was carried out for an initial design of the questionnaire

Developing the first draft of the research questionnaire after consulting the marketing strategy literature, colleagues, and the supervisory team

Conducting the first pilot study during July-August (2000) in order to examine the questionnaire design, wording, layout, understanding, ambiguity, and probing suggestions from managers within insurance companies in Jordan

Conducting in-depth interviews with managers among insurance companies in Jordan during July-August (2000)

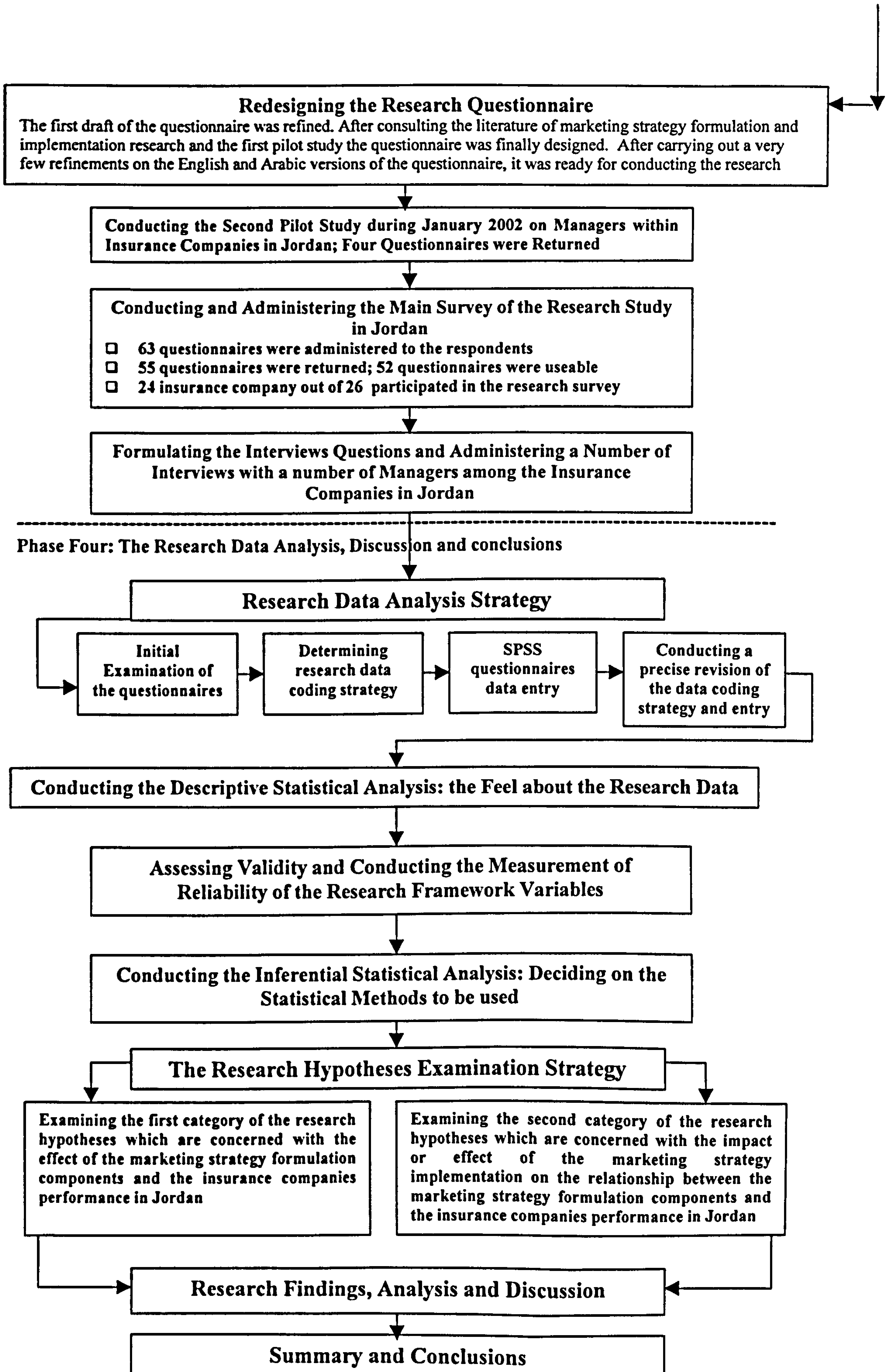
A critical examination was carried out on the first pilot study results, examine the in-depth interviews, and the marketing strategy formulation and implementation research to fine-tune the questionnaire

A number of modifications and refinements of the first draft of the research questionnaire were carried out which included the questions wording, format, design, layout, addition and deletion items, and the ability to understand

This has led to develop a comprehensive questionnaire, which covers all the variables which are included in the research paradigm. This version was much improved than the first draft of the questionnaire especially its design, layout, wording and contents

This combined with revisiting the research aim and objectives, the marketing strategy formulation and implementation literatures, the five interviews, advises from colleagues and the supervisory team has led to the design and development of the final draft of the questionnaire which was originally developed in English

The questionnaire was initially translated into Arabic by a number of bilingual people in both English and Arabic. The next phase was examining the translation of the questionnaire translation of both Arabic and English language versions by two of the top academic people in Jordan, and by managers among insurance companies in Jordan


Redesigning the Research Questionnaire
The first draft of the questionnaire was refined. After consulting the literature of marketing strategy formulation and implementation research and the first pilot study the questionnaire was finally designed. After carrying out a very few refinements on the English and Arabic versions of the questionnaire, it was ready for conducting the research
Conducting the Second Pilot Study during January 2002 on Managers within Insurance Companies in Jordan; Four Questionnaires were Returned
Conducting and Administering the Main Survey of the Research Study in Jordan
63 questionnaires were administered to the respondents
55 questionnaires were returned; 52 questionnaires were useable
24 insurance company out of 26 participated in the research survey
Formulating the Interviews Questions and Administering a Number of Interviews with a number of Managers among the Insurance Companies in Jordan
Phase Four: The Research Data Analysis, Discussion and conclusions
Research Data Analysis Strategy
Initial Examination of the questionnaires
Determining research data coding strategy
SPSS questionnaires data entry
Conducting a precise revision of the data coding strategy and entry
Conducting the Descriptive Statistical Analysis: the Feel about the Research Data
Assessing Validity and Conducting the Measurement of Reliability of the Research Framework Variables
Conducting the Inferential Statistical Analysis: Deciding on the Statistical Methods to be used
The Research Hypotheses Examination Strategy
Examining the first category of the research hypotheses which are concerned with the effect of the marketing strategy formulation components and the insurance companies performance in Jordan
Examining the second category of the research hypotheses which are concerned with the impact or effect of the marketing strategy implementation on the relationship between the marketing strategy formulation components and the insurance companies performance in Jordan
Research Findings, Analysis and Discussion
Summary and Conclusions

Appendix C

The Final Research Questionnaire Used in the Main Survey

The University of Huddersfield UK

Huddersfield University Business School (HUBS)

Department of Marketing

Dear respondent

My name is Mamoun Nadim AL-Akroush; I am studying for a PhD at Huddersfield University in the UK. My research is investigating the *"Marketing Strategies and Company Performance in Developing Countries"*.

My research is dependent on your participation and your response to be a success. I appreciate you are very busy, however, I hope you will spare some of your valuable time to answer the attached questionnaire.

You may rest assured that any data collected will be treated in the strictest confidence. Only aggregated data will be used. It will not be necessary to identify any respondents. Please be kind enough to complete the questionnaire.

If you have got any questions regarding completion of the questionnaire or you would like to know more about this research please contact me on the telephone numbers listed below.

Thank you for your time

Yours sincerely

Mamoun Nadim AL-Akroush

Tel. Home: 06-4710366

Tel. Mobile: 079-109965

Amman-Jordan

The University of Huddersfield UK

Huddersfield University Business School (HUBS)

Department of Marketing

Research Questionnaire

Study of "Marketing Strategies and Company Performance in Developing Countries"

Mamoun Nadim AL-Akroush

Doctoral Student at Huddersfield University Business School

Department of Marketing

Supervised by Professor Norman E Marr

2002

Section One: Marketing Strategy Formulation Activities

This section is concerned with marketing strategy formulation activities for insurance services. The main elements of marketing strategy are integrated insurance services offering activities, service quality activities, pricing activities, promotion activities, distribution and internet activities, customer orientation activities, activities which your company takes to manage people who are involved in marketing efforts, service delivery process activities, and the overall working atmosphere at your company.

Listed below are statements in relation to the above marketing strategy formulation activities. *For each statement please mark "X"* in the box which best describes your opinion to what extent you agree or disagree with each described statement of marketing strategy formulation activities.

5= Strongly Agree	4=Agree	3= Neither Agree Nor Disagree	2=Disagree	1=Strongly Disagree

To develop an effective insurance service offering strategy our company...

Statements	5	4	3	2	1
Offers a considerable (comprehensive) range of insurance types (classes)					
Insurance types (classes) are branded by using our company's name					
Insurance types (classes) are individually branded					
Reputation has an important role in our company's success					
Builds up our brand reputation by providing a distinctive service quality					
Employees have a crucial role on building our brand reputation					
Introduces new insurance programmes as a strategic tool in our company's growth and continuation					
Has structured and formalised procedures for new insurance programmes development process					
Has a formal strategy for new insurance programmes development					
Uses an ad hoc approach for new insurance programmes development					
Uses a formal plan for new insurance types or programmes development					
Has a well planned and executed new insurance programmes development process					
Uses customer service as a central element in our service offering strategy					
Tailors our customer service programmes in relation to the customer needs and wants					
Has a strategy for customer service					
Uses flexible systems and procedures in responding to customers needs					
Leverages our customer services staff abilities, knowledge and quality to deliver our customer services effectively					

5= Strongly Agree	4=Agree	3= Neither Agree Nor Disagree	2=Disagree	1=Strongly Disagree

In our company, in developing an effective insurance service quality strategy we focus on...

Statements	5	4	3	2	1
The cleanliness and appearance of our company facilities					
Using up to date equipment					
The appearance of our staff					
The décor and atmosphere of our company					
Delivering our insurance services as we have promised to our customers					
No delays in issuing insurance policies and recovering claims due to bureaucratic reasons and procedures					
Performing our insurance services right the first time					
Issuing errors-free insurance policies and claims					
Our staff being willing to help customers					
Our staff having the competence and ability to explain our insurance services and policies					
Readiness to handle our customers requests and needs					
Using customers' feedback to improve our insurance services					
Confidentiality and privacy about our customers transactions					
Well-trained employees who have the knowledge to answer customer questions					
Courtesy and competence of our staff					
Insurance service quality that gives our customers value for their money					
Motivating and encouraging our staff to treat customers well					
Knowing our customers on an individual basis					
Understanding our customers needs thoroughly					
Convenient opening hours and easy access to our company's employees					
Fast handling of issuing policies and covering claims to our customers					
Instalment facilities for insurance premiums payments					
Frequent contact with our customers					
Fast handling of our customers' complaints					

When we price our insurance services we price them based on...

Statements	5	4	3	2	1
The different kinds of costs which our company incurs					
A predetermined rate of return that our company is looking for					

5= Strongly Agree	4=Agree	3= Neither Agree Nor Disagree	2=Disagree	1=Strongly Disagree

Statements	5	4	3	2	1
What customers are willing to pay					
The competitive prices in the marketplace					
Based on the services which we introduce to our customers					
The government's regulations and the Jordan Insurance Federation requirements					
Price discrimination according to market segments which we serve					

To develop an effective promotion strategy our company uses...

Statements	5	4	3	2	1
Advertising media such as television, newspapers, magazines					
Our personnel selling staff and customer personal contact points					
Publicity and public relations to enhance our image					
Sales promotions such as gifts, discounts, competitions					
Direct marketing methods such as telemarketing, direct mail, the internet					
Sponsorship of special events such as sports, charities, competitions, seminars					

In developing our distribution channels strategy our company uses...

Statements	5	4	3	2	1
Our company direct sales force to sell our insurance services					
Direct response to our different advertisements in media					
Our company branches to distribute our insurance services					
Direct mail to target customers and deliver our insurance services					
Insurance intermediaries such as insurance brokers and agents, financial brokers					
Electronic distribution channels such as the Internet to deliver our insurance services					
Telemarketing to deliver our insurance services					
Multi-distribution channels to deliver our insurance services to different customer groups					

5= Strongly Agree	4=Agree	3= Neither Agree Nor Disagree	2=Disagree	1=Strongly Disagree

Please indicate the extent to which you agree or disagree that each statement applies to your company. In practising marketing activities towards satisfying customers needs and wants our company...

Statements	5	4	3	2	1
Regularly collects information about customers needs and requirements					
Marketing activities are based on thorough knowledge about customers					
Knows our competitors well					
Activities and efforts of various departments are co-ordinated to ensure customer satisfaction					
Marketing chief executive participates in top management decisions					
After-sales service is an important part of our marketing strategy					
Our company is more customer focused than our competitors					
Business objectives are driven primarily by customer satisfaction					
Measures customer satisfaction systematically and frequently					
Has a strong commitment to our customers					
Is always looking at ways to create customer value in our services					

Please indicate the extent to which you agree or disagree that each statement applies to your company. In developing an effective strategy for the employees our company...

Statements	5	4	3	2	1
Recruits personnel who are customer oriented and motivated to perform their jobs					
Carefully chooses and trains the personnel who interact with customers					
Uses training and development programmes to improve our employees capabilities to perform their services roles					
Uses cash reward systems to motivate our employees					
Uses non cash reward systems such as prizes, competitions					
Rewards those employees who provide excellent service					
Teaches our employees why they should do things not just how they should do things					
Communicates with our employees on an ongoing basis e.g. regular meetings, discussions...etc					
Communicates to employees the importance of their service roles					
Gathers data about our employees' attitudes, needs and wants regularly					
Uses gathered data to improve jobs, and to develop our company's strategy					

5= Strongly Agree	4=Agree	3= Neither Agree Nor Disagree	2=Disagree	1=Strongly Disagree

Has the flexibility to accommodate the differing needs of employees e.g. flexible working hours					
Views the development of knowledge and skills of employees as an investment rather than a cost					

In developing its service delivery process activities in order to deliver the insurance services to customers, our company focuses on...

Statements	5	4	3	2	1
Using technology in delivering our insurance services, such as the Internet					
Using information technology in processing our insurance work such as computerising our work processes					
The personal delivery for our insurance services to customers					
Satisfying customers in delivering our insurance services					
Well qualified and trained people to interact with customers during the service delivery process					
Customer satisfaction in the design of the service delivery process activities					
Preparing a "flowchart" or "diagram" which describes the steps and activities required to deliver our insurance services to customers					
The use of standard procedures in our company and its branches in delivering our insurance services to customers					
The quality of the service delivery process activities for satisfying customers					

In order to provide a customer friendly working atmosphere and the working environment in which we interact with our customers we focus on...

Statements	5	4	3	2	1
Customer satisfaction as our prime objective in designing our working atmosphere					
Comfortable physical environment...furnishing, colours...etc					
Overall facilities layout, décor, lighting, for creating friendly atmosphere					
Using symbols such as, blankets, umbrellas that create tangible clues for customers					
Designing our facilities and layout in order to communicate service quality					
Having customer contact employees dressed (appearance) in a certain way to achieve our company image e.g. using uniform colours, firm's logo					
Design facilities to achieve specific marketing or image objectives					

Section Two: Strategic Issues in Marketing

This section is concerned with strategic issues that your company may recognise in practising its business. Listed below are statements in relation to strategic issues in marketing. For each statement please mark "X" in the place which in your opinion best describes the importance of each statement for your company's business.

5= Very Important	4=Important	3= Neither Important Nor Unimportant	2=Unimportant	1=Very Unimportant

In your opinion, please indicate the extent to which your company views that these marketing activities are important to your company's business as strategic marketing issues...

Statements	5	4	3	2	1
Having a distinguished company brand name					
Introducing new insurance programmes and services					
Understanding customer needs in developing new insurance services					
Introducing consistent insurance services quality to our customers					
Pricing insurance services through introducing discounts					
Selling two insurance services in one insurance service package for a special price					
Conducting market research studies in formulating a pricing strategy					
Encouraging our customers to use word-of-mouth communication to recommend our company to other customers					
The elements of marketing communications tools are strategically consistent					
Marketing communications tools focus on sending a unified message					
Increasing customers insurance awareness by conducting educational campaigns					
Understanding the service delivery activities required in each distribution channel we choose to deliver our insurance services properly					
Researching customers needs and wants in formulating distribution strategy					
Practising market segmentation in order to assign the appropriate distribution channel to each market segment					
Asking insurance intermediaries to use our company determined activities in delivering our insurance services to customers					
The company is willing to produce a customer designed service for clients					
The customer's interest should always come first					
Our employees performance measurements and reward systems encourage our employees to work together as a team					
Continuously developing our employees skills and abilities					

<u>Section Three</u>: Marketing Strategy Implementation Activities

This section is concerned with marketing strategy implementation activities. There are a number of factors that may have an important effect on successful implementation of a chosen marketing strategy.

Listed below are statements in relation to marketing strategy implementation. <u>*For each statement please mark "X"* in the place which in your opinion best describes the importance of each statement for successful marketing strategy implementation.</u>

5= Very Important	4=Important	3= Neither Important Nor Unimportant	2=Unimportant	1=Very Unimportant

***In your opinion, please indicate how important you believe the following Marketing Assets and Capabilities are for "Successful"** marketing strategy implementation...*

Statements	5	4	3	2	1
Investments in customer service and service quality					
Investments in developing and introducing new insurance services					
Investments in building strong brand image or reputation					
Investments in promotion and customer education					
Investments in improving distribution channels of insurance services					
Investments in leveraging people skills, capabilities, and knowledge					
Investments in building technological abilities e.g., information technology					
Distinctive company reputation or image					
Distinctive insurance service quality					
Distinctive technological abilities, such as computerising the processes					
Distinctive insurance service delivery process activities					
Company capabilities to develop and manage integrated marketing programs better than competitors					
Having insurance pricing capabilities e.g., pricing below competitors, creativity and flexibility in the pricing approaches					
Having distinctive marketing communications capabilities e.g., distinctive advertising, good word-of-mouth communications					
Having distinctive distribution capabilities e.g., the ability to open new distribution channels, concentration on specific geographic areas					
Having superior skills, abilities, and knowledge of marketing and technical specialists					
Having superior financial and human resources and capabilities					
Capabilities of thorough understanding of the customer wants and needs					
Distinctive ability of creating, sustaining and enhancing relationships with the firm's customers, insurance intermediaries, financial institutions...etc					

5= Very Important	4=Important	3= Neither Important Nor Unimportant	2=Unimportant	1=Very Unimportant

In your opinion, please indicate how important you believe the following Marketing Strategy Consensus Activities are for "Successful" marketing strategy implementation...

Statements	5	4	3	2	1
Consensus between the marketing strategy members for implementation					
Agreement and support of all parties and units involved in the marketing strategy implementation					
All parties in the company are involved in implementing the strategy to make sure that the strategy was implemented successfully					
Managers commitment to work with the organisation					
Members of the strategy implementation team feeling as a part of the firm					
Marketing strategy implementation members spend extra efforts beyond that normally expected in order to help this company be successful					
Strategy members feelings and shared agreement for the appropriateness of the strategy goals and objectives					
For strategy implementation, managers and employees are well committed to perform their roles regardless of their beliefs about the overall strategy					

In your opinion, please indicate how important you believe the following Cross-Functional Integration Activities are for "Successful" marketing strategy implementation...

Statements	5	4	3	2	1
Integrating the marketing unit with the main business for implementation					
Shared responsibilities between marketing unit and other units for the marketing strategy implementation					
Organising efforts between the strategy team during its implementation					
The marketing strategy team has an adequate representation from other units of the company					
The managers and employees of the marketing strategy implementation have the necessary interaction skills, capabilities, and knowledge					
Motivation of managers and employees to carry out the marketing strategy					
Continuous co-ordination between members of the marketing strategy implementation team					

5= Very Important	4=Important	3= Neither Important Nor Unimportant	2=Unimportant	1=Very Unimportant

In your opinion, Please indicate how important you believe the following Marketing Strategy Resources Commitment Activities are for "Successful" marketing strategy implementation...

Statements	5	4	3	2	1
Allocating the right kind of resources for marketing strategy implementation efforts					
Marketing strategy implemented within a certain deadline					
Managers were committed to make sure that they met their deadlines					
Allocating adequate resources for marketing strategy implementation					
Top management commitment and support to provide all necessary resources for marketing strategy implementation efforts					

In your opinion, please indicate how important you believe the following Marketing Strategy Communication Quality Activities are for "Successful" marketing strategy implementation...

Statements	5	4	3	2	1
The key players involved had continuous interaction during implementation of the strategy					
The strategy objectives and goals were communicated clearly to involved and concerned parties					
Teams members openly communicated while implementing the strategy					
There were extensive formal and informal communications between teams and units during the marketing strategy implementation					
Continuous feedback information and evaluation of the performance of the marketing strategy activities					

In your opinion, please indicate how important you believe the following Company Marketing Experience Elements are for "Successful" marketing strategy implementation...

Statements	5	4	3	2	1
Company experience in co-ordinating marketing strategy activities					
Marketing manager has the necessary experience and knowledge to facilitate the marketing strategy implementation					
Company has marketing experience in developing and managing the marketing function areas e.g., quality, pricing, promotion, people... etc					
The marketing unit has experience for allocating marketing resources in terms of time, people, efforts, and money					
Company has experience practising marketing as a business philosophy					
The company's top management have marketing background and knowledge to facilitate marketing strategy implementation					

Section Four: Establishing Performance Measurements

Listed below are statements that are pertaining to the dimensions of establishing performance measurements that are appropriate for Insurance Companies in Jordan. *For each statement please mark "X" in the suitable place which best describes the importance of each dimension for establishing performance measurements.*

5= Very Important	4=Important	3= Neither Important Nor Unimportant	2=Unimportant	1=Very Unimportant

Please indicate how important you believe the following statements are in measuring company performance (your perception for insurance companies in Jordan in general)...

Statements	5	4	3	2	1
Return on investment					
Total insurance sales volume					
Company overall profitability					
Company market share compared with our competitors					
Company cash flow					
Company overall profitability growth					
Insurance sales volume growth rate relative to our competitors					
Customer satisfaction					
Customer loyalty to our company e.g., renewing insurance contracts					
Attracting new customers within a certain period of time					
Evaluating the image or reputation of our company in the marketplace					
Company competitive position (standing) or ranking in the marketplace					
Other please specify...					

Section Five: Marketing Strategy and Company Performance

This section is concerned with your company's performance evaluation. Listed below are statements that are pertaining to company performance evaluation criteria for Insurance Companies in Jordan. *For each statement please mark "X" in the suitable place which best describes your company uses for performance evaluation purposes.*

5= Strongly Agree	4=Agree	3= Neither Agree Nor Disagree	2=Disagree	1=Strongly Disagree

Please indicate the extent to which you agree or disagree that your company uses the following performance evaluation criteria to examine the performance of marketing strategy activities on your company performance over the past two years...

Statements	5	4	3	2	1
Return on investment					
Total insurance sales volume					

5= Strongly Agree	4=Agree	3= Neither Agree Nor Disagree	2=Disagree	1=Strongly Disagree

Statements	5	4	3	2	1
Company overall profitability					
Company market share compared with our competitors					
Company cash flow					
Company overall profitability growth					
Insurance sales volume growth rate relative to our competitors					
Customer satisfaction					
Customer loyalty to our company e.g., renewing insurance contracts					
Attracting new customers within a certain period of time					
Evaluating the image or reputation of our company in the marketplace					
Company competitive position (standing) or ranking in the marketplace					
Other please specify…					

Section Six: Demographic data

This section is concerned with some demographic data about the respondents and their companies. Please tick the box, which represents the most appropriate response for you in the following questions.

Age

Under 30 ☐

30-40 ☐

41-50 ☐

51-60 ☐

60 Over ☐

Educational level

High school ☐

College degree ☐

Bachelor's degree ☐

Master's degree ☐

Doctoral degree ☐

Other please specify ………….

Gender

Male ☐

Female ☐

Number of years you have been working in the insurance industry

Less than 5 ☐ 16-20 ☐

5-9 ☐ Over 20 ☐

10-15 ☐

Your Academic Background

Business administration degree ☐ Accounting and Finance degree ☐

Marketing degree ☐ Insurance or Risk management degree ☐

Economics and Statistic degree ☐ Other Please specify ...

Ownership of your company

Wholly Jordanian ownership ☐ Jordanian-Arab ownership ☐

Jordanian-British ownership ☐ Jordanian-European ownership ☐

Jordanian-American ownership ☐ Jordanian-Far East ownership ☐

Other please specify......................

The nature of your insurance company activity

Practising general insurance business ☐

Practising life and health insurance business ☐

Practising general and life and health insurance business ☐

If you wish to receive a summary of results please complete details below

NAME: ....

ADDRESS:...

....

....

....

THANK YOU FOR YOUR HELP

Appendix D

The Interviews Questions

The Interviews Questions

Question One

Initial analysis of the research survey has revealed that the insurance service quality strategy has been viewed as the most used strategy component among marketing strategy components when insurance companies formulate their marketing strategies. Would you explain why insurance companies are using this component in formulating their marketing strategies? Does that mean that the insurance service quality strategy has an impact on companies` performance?

Question Two

Promotion strategy is the least used component among marketing strategy components when insurance companies formulate their marketing strategies? Why insurance companies do not use the promotion strategy very often when they formulate their marketing strategies? Does that mean that promotion strategy has a weak impact on insurance companies' performance?

Question Three

Pricing strategy has low levels of percentages among marketing strategy components when insurance companies formulate their marketing strategies. Initial discussion with managers has revealed that insurance companies are competing against each other by using pricing strategy, however, why pricing strategy is not being used very much in marketing strategy? Moreover, why the most used pricing strategy which insurance companies are using is that of "pricing strategy based on the services which the insurance company introduces to its customers"?

Question Four

What are the most important problems that are facing the insurance companies in implementing the marketing strategy?

Question Five

Marketing strategy factors that have been described for marketing strategy implementation have received very high levels of importance, does it reflect that insurance companies are having difficulties in implementing their marketing strategies rather than formulating them? To what extent marketing strategy implementation affects the successful implementation of a formulated marketing strategy?

Question Six

When insurance companies in Jordan evaluate the impact of marketing strategy activities on their companies performance they are using non-financial criteria. To what extent they reflect the success of the insurance company in its marketing strategy?

Question Seven

What are the main techniques that are being used in order to evaluate the performance of insurance companies` in Jordan when they used the following non-financial criteria:

- Customer Satisfaction
- Customer loyalty
- Attracting new customers within a certain period of time
- Evaluating the image or reputation of the insurance company
- Evaluating the competitive position of the insurance company in the market place.

Appendix E

Correlations between the Marketing Strategy Formulation Components

Correlations between the Marketing Strategy Implementation Variables

Nonparametric Correlations

Correlations

			Service Offering	Service Quality	Pricing Strategy
Spearman's rho	Service Offering	Correlation Coefficient	1.000	.908**	.715**
		Sig. (2-tailed)	.	.000	.000
		N	52	52	52
	Service Quality	Correlation Coefficient	.908**	1.000	.620**
		Sig. (2-tailed)	.000	.	.000
		N	52	52	52
	Pricing Strategy	Correlation Coefficient	.715**	.620**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	52	52	52
	Promotion Strategy	Correlation Coefficient	.710**	.679**	.620**
		Sig. (2-tailed)	.000	.000	.000
		N	52	52	52
	Distribution Strategy	Correlation Coefficient	.639**	.687**	.533**
		Sig. (2-tailed)	.000	.000	.000
		N	52	52	52
	Customer Orientation	Correlation Coefficient	.700**	.710**	.608**
		Sig. (2-tailed)	.000	.000	.000
		N	52	52	52
	Internal Marketing	Correlation Coefficient	.761**	.779**	.580**
		Sig. (2-tailed)	.000	.000	.000
		N	52	52	52
	Process Strategy	Correlation Coefficient	.751**	.774**	.737**
		Sig. (2-tailed)	.000	.000	.000
		N	52	52	52
	Physical Evidence Strategy	Correlation Coefficient	.606**	.685**	.489**
		Sig. (2-tailed)	.000	.000	.000
		N	52	52	52

Correlations

			Promotion Strategy	Distribution Strategy
Spearman's rho	Service Offering	Correlation Coefficient	.710**	.639**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Service Quality	Correlation Coefficient	.679**	.687**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Pricing Strategy	Correlation Coefficient	.620**	.533**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Promotion Strategy	Correlation Coefficient	1.000	.775**
		Sig. (2-tailed)	.	.000
		N	52	52
	Distribution Strategy	Correlation Coefficient	.775**	1.000
		Sig. (2-tailed)	.000	.
		N	52	52
	Customer Orientation	Correlation Coefficient	.708**	.691**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Internal Marketing	Correlation Coefficient	.727**	.650**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Process Strategy	Correlation Coefficient	.732**	.725**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Physical Evidence Strategy	Correlation Coefficient	.625**	.554**
		Sig. (2-tailed)	.000	.000
		N	52	52

Correlations

			Customer Orientation	Internal Marketing
Spearman's rho	Service Offering	Correlation Coefficient	.700**	.761**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Service Quality	Correlation Coefficient	.710**	.779**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Pricing Strategy	Correlation Coefficient	.608**	.580**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Promotion Strategy	Correlation Coefficient	.708**	.727**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Distribution Strategy	Correlation Coefficient	.691**	.650**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Customer Orientation	Correlation Coefficient	1.000	.768**
		Sig. (2-tailed)	.	.000
		N	52	52
	Internal Marketing	Correlation Coefficient	.768**	1.000
		Sig. (2-tailed)	.000	.
		N	52	52
	Process Strategy	Correlation Coefficient	.852**	.830**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Physical Evidence Strategy	Correlation Coefficient	.704**	.782**
		Sig. (2-tailed)	.000	.000
		N	52	52

Correlations

			Process Strategy	Physical Evidence Strategy
Spearman's rho	Service Offering	Correlation Coefficient	.751**	.606**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Service Quality	Correlation Coefficient	.774**	.685**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Pricing Strategy	Correlation Coefficient	.737**	.489**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Promotion Strategy	Correlation Coefficient	.732**	.625**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Distribution Strategy	Correlation Coefficient	.725**	.554**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Customer Orientation	Correlation Coefficient	.852**	.704**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Internal Marketing	Correlation Coefficient	.830**	.782**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Process Strategy	Correlation Coefficient	1.000	.752**
		Sig. (2-tailed)	.	.000
		N	52	52
	Physical Evidence Strategy	Correlation Coefficient	.752**	1.000
		Sig. (2-tailed)	.000	.
		N	52	52

**. Correlation is significant at the .01 level (2-tailed).

Nonparametric Correlations

Correlations

			Marketing Assets and Capabilities	Marketing Strategy Consensus
Spearman's rho	Marketing Assets and Capabilities	Correlation Coefficient	1.000	.726**
		Sig. (2-tailed)	.	.000
		N	52	52
	Marketing Strategy Consensus	Correlation Coefficient	.726**	1.000
		Sig. (2-tailed)	.000	.
		N	52	52
	Cross-Functional Integration	Correlation Coefficient	.667**	.851**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Startegy Resource Commitment	Correlation Coefficient	.668**	.713**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Strategy Communications Quality	Correlation Coefficient	.743**	.813**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Company Marketing Experience	Correlation Coefficient	.679**	.665**
		Sig. (2-tailed)	.000	.000
		N	52	52

Correlations

			Cross-Functional Integration	Startegy Resource Commitment
Spearman's rho	Marketing Assets and Capabilities	Correlation Coefficient	.667**	.668**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Marketing Strategy Consensus	Correlation Coefficient	.851**	.713**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Cross-Functional Integration	Correlation Coefficient	1.000	.709**
		Sig. (2-tailed)	.	.000
		N	52	52
	Startegy Resource Commitment	Correlation Coefficient	.709**	1.000
		Sig. (2-tailed)	.000	.
		N	52	52
	Strategy Communications Quality	Correlation Coefficient	.757**	.737**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Company Marketing Experience	Correlation Coefficient	.651**	.556**
		Sig. (2-tailed)	.000	.000
		N	52	52

Correlations

			Strategy Communications Quality	Company Marketing Experience
Spearman's rho	Marketing Assets and Capabilities	Correlation Coefficient	.743**	.679**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Marketing Strategy Consensus	Correlation Coefficient	.813**	.665**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Cross-Functional Integration	Correlation Coefficient	.757**	.651**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Startegy Resource Commitment	Correlation Coefficient	.737**	.556**
		Sig. (2-tailed)	.000	.000
		N	52	52
	Strategy Communications Quality	Correlation Coefficient	1.000	.632**
		Sig. (2-tailed)	.	.000
		N	52	52
	Company Marketing Experience	Correlation Coefficient	.632**	1.000
		Sig. (2-tailed)	.000	.
		N	52	52

**. Correlation is significant at the .01 level (2-tailed).

Appendix F

Research Statistical Methods

Research Statistical Methods

Spearman Rank Correlation Analysis

In order to examine the third objective the correlation tests were employed. This objective is interested in establishing the effect of marketing strategy components on the insurance companies' performance measured by either financial or non-financial criteria. The examination of the non-parametric statistical tests that are concerned with measuring the effect or correlation of one variable on another has revealed that there are two popular methods for examining the relationship between pairs of ordinal variables which are Spearman's rho (P) and Kendall's tau where the former is being more commonly used in reports of research findings.

These measures of correlation indicate the strength and the direction of the relationship between a pair of ordinal variables (Bryman and Cramer 2001). The tests work by first ranking the data, and then applying Spearman's or Kendall equation to those ranks (Field 2000). A correlation refers to a quantifiable relationship between two variables, and the statistic that provides an index of that relationship is called a correlation coefficient r, which is a measure of relationship between two variables. The Kendall and the Spearman rank correlation measure monotonicity. Monotonicity means whether one variable changes in the same direction as the other variable (Yaffee 1999).

Non-parametric measures of association or relationship between variables are available for both categorical and ordered data. These tests make no assumptions about the population distribution from which the scores were drawn (Siegel and Castellan 1988). It is important to note that the coefficients of Kendall and Spearman's correlations **are not** identical but if both are computed for the same data set they would produce similar results. However, they produce similar results in terms of significance and direction but the general trend is that the Kendall test produces correlations less than Spearman's test. Another difference is in the interpretation of both Spearman's and Kendall's tests. The Spearman rank order correlation coefficient r is the same as a Pearson product-moment correlation coefficient computed between variables the values of which consist of ranks. The Kendall rank order correlation coefficient has a different interpretation. It is the difference between the probability that, the observed data, X and Y are in the same order and the probability that the X and Y data are in a different order (Siegel and Castellan 1988). Spearman is more frequently used than Kendall's tau (Kendall and Gibbons 1990; Yaffee 1999; Field 2000; Bryman and Cramer 2001). Unlike Pearson's r, Spearman's (p) and Kendall's tau are non-parametric methods, which means that they can be used in a wide variety of contexts since they may make fewer assumptions about the variables.

Assumptions of using Spearman's Rank Correlation

In order to use Spearman's rank correlation in the analysis some assumptions must be considered (Siegel and Castellan 1988; Kendall and Gibbons 1990; Sprent 1993; Field 2000; Bryman and Cramer 2001; Curwin and Slater 2002):

- The sample or observations is randomly selected.
- The data are measured by the ordinal scale of measurement.
- The data for each variable should be rank ordered and then conduct the Spearman's correlation analysis.

Having examined the aforementioned assumptions Spearman's rank correlation was employed to test the third objective of the research. The observations are randomly selected and the data were measured at the ordinal level. The only criticism of using Spearman's correlation test is that it is not as powerful as Pearson's test because the original data values are not taken into consideration. However, Kendall and Gibbson (1990) showed that the Spearman and Pearson Product Moment Correlation are equivalent tests. Furthermore, it is always preferable to perform a valid test rather than a more powerful test that is invalid or its assumptions are violated (Taylor 2001).

Requirements of Conducting Spearman's Rank Correlation Analysis

There are some requirements that should be met in conducting Spearman's rank correlation analysis:

- In conducting a correlation test, it is of crucial importance to specify the whether or not the test is one-or two-tailed test. A one-tailed test should be selected when the research has a directional hypothesis. A directional hypothesis is used when it is possible, based on the literature review, to predict or speculate the direction of the relationship (Field 2000; Sekaran 2000). A two-tailed test is used when it is not possible to predict the nature of the relationship between the variables (Field

2000). For the purpose of the research a one-tailed test was employed because all the hypotheses to be tested were directional and they were built based on sound theoretical grounds.

- The data should be arranged in a specific rank order for each variable. Then, it is possible to obtain the paired ranking for the two variables. The general tendency is that the ranks of a variable (Y) increase while the ranks of a variable (X) increase.
- The probability value must be determined. Normally, social scientists accept any probability value below 0.05 as being statistically meaningful and so any probability value below 0.05 is regarded as indicative of genuine effect (Siegel and Castellan 1988; Sekaran 2000; Field 2000). Therefore, 0.05 probability is adopted for the research in order to determine the level of significance. **However, in interpreting the correlation coefficients great caution must be considered in which the causality cannot be proposed if a positive or negative relationship was found between two variables. This is because of two reasons that may have an effect on the relationship between them. These reasons are the effect of a third variable problem or the direction of causality is difficult to establish.**

Statistically, the formula of calculating of Spearman's rank correlation is depicted in equation 1:

$$r_s = 1 - \frac{6 \sum_{i=1}^{N} d_i^2}{N^3 - N}$$

Where **d** is the difference in rankings and N is the number of observations.

The Kendall Partial Rank-Order Correlation Coefficient

Assumptions of the Kendall Partial Rank-Order Correlation Coefficient

Although the Kendall Partial Rank-Order Correlation Coefficient is a non-parametric test and distribution-free assumption, it has some assumptions, which must be met in order to perform this test (Siegel and Castellan 1988; Kendall and Gibbons 1990; Bryman and Cramer 2001). These assumptions are:

- The data must be measured on at least an ordinal scale.

- The observations are randomly selected.
- There are no assumptions made about the shape of the population distribution from which the scores are drawn.
- In computing the Kendall Partial Correlation there is an implicit assumption that each of the orderings is equally likely. When there is no relationship between the variables, then the Kendall Partial correlation can be computed. In other words, the test of Ho: Txy.z =0 assumes that all rankings on the three variables are equally likely. However, it is argued that this assumption is extremely difficult to achieve even for small samples and the Kendall Partial correlation is robust even though this assumption is violated. This is supported by Siegal and Castellan (1988, p. 259) who state "**although it is known that the test of Ho:Txy.z =0 assumes that all rankings on the three variables are equally likely, the test appears to be relatively robust with respect to violations of these assumptions concerning Txz and Tyz**". Consequently, the examination of the Kendall partial correlation assumptions has indicated that there is no violation for these assumptions, which implies that this test is valid and can be employed to investigate the fourth objective.

The Kendall Partial Rank-Order Correlation Coefficient Procedures

In order to use the Kendall partial correlation analysis it is important to mention some crucial issues:

- There was no attempt made through this analysis to establish any causality between the variables. This includes measuring the relationship between two variables X and Y, and measuring the relationship between X and Y while the effect of a third variable, Z, the moderator, is controlled. The major interest is to investigate the effect of each variable of marketing strategy implementation variables on the association between each marketing strategy component and the insurance companies performance measured by either financial or non-financial criteria. Arnold (1982) argues that from the standpoint of substantive theory regarding relationships among underlying constructs, a hypothesis that a third variable Z "moderates the degree" of X-Y relationship does not imply any causal relationship between Z and Y, nor does it imply that X and Z "interact" in determining Y. What such a hypothesis implies is that the degree or strength of the bivariate X-Y relationship varies with Z.

- Employing the non-parametric partial correlation can be considered as a **"surrogate and valid approach"** to the parametric Pearson partial correlation (using regression analysis) that has been used in the statistics literature (Sharama et al 1981; Arnold 1982; Cohen and Cohen 1983; Siegel and Castellan 1988; Bryman and Cramer 2001) to investigate the effect of a third variable, Z, on the association between two variables. In supporting this argument **Siegel and Castellan (1988) and Kendall and Gibbons (1990) argue that the Kendall partial rank-order correlation coefficient is a non-parametric technique which is equivalent of the Pearson product-moment partial correlation coefficient.**
- The procedure in conducting the Kendall Partial Correlation is to find out the relationship between two variables X and Y without controlling for a third variable, Z, and then finding out the r coefficient. **The next step is to find out the relationship between the original two variables through conducting the correlational analysis between the two variables while the effect of the third variable, Z is controlled.**

Kendall and Gibbons (1990) and Yaffee (1999) argue the ordinal level of measurement, such as Likert scales, is lower than either interval or ratio level because the arithmetic difference between ordinal measurements is not meaningful. The difference between rank one and two is not necessarily the same as the difference between ranks two and three (Kendall and Gibbons 1990). The Kendall tau coefficient has three properties (Kendall and Gibbons 1990):

- If the agreement between the ranks is perfect (every respondent has the same rank on both X and Y) t should be +1, indicating that perfect positive correlation exists.
- If the disagreement is perfect (one ranking is the reverse of the other) t should be –1, indicating that perfect negative correlation exists.
- For other agreements t should lie between these limiting values (-1 to +1); and in some acceptable sense increasing value from –1 to +1 should correspond to increasing agreement between the ranks.

The aim of using Kendall partial correlation is to test whether the association or correlation of X with Y is really due to the association or correlations of each with a third variable, Z. In the theory of statistics this type of problem leads to the theories of partial correlation or association which attempt to decide the matter by the consideration of subpopulations in which the variation of a third variable Z is eliminated (Kendall and Gibbons 1990). Statistically, this problem may be handled by the use of Kendall partial correlation. In the Kendall partial correlation, the effects of variation in a third variable upon the relationship between the X and Y variables are eliminated. The correlation between X and Y is found with a third variable Z is kept constant or controlled (Siegel and Castellan 1988). The focal point is to investigate if the association between X and Y is contingent upon a third variable Z. Statistically, the methodology that can be employed to test partial correlation by using the non-parametric family techniques is as follows: the association is found between X and Y, then between X and Z, and then between Y and Z. The only statistical technique that can be employed by using non-parametric methods is Partial Rank Correlation which employs the Kendall tau partial rank correlation. The Kendall rank correlation is used in this research alongside Spearman's correlation because it is more generalisable than Spearman's correlation for the concept of partial correlation. Statistically, the Kendall Partial Rank Correlation can be given in equation 2 (Siegel and Castellan 1988; Kendall and Gibbons 1990):

$$T_{xz.y} = \frac{T_{xz} - T_{xy}T_{zy}}{\sqrt{(1 - T_{xy}^2)(1 - T_{zy}^2)}}$$

Where:

Txy.z is the partial rank correlation between X and Y while controlling the effect of a third variable, Z.

Txy is the rank correlation of X and Y

Txz is the rank correlation between X and Z.

Tyz is the rank correlation between Y and Z.

Continued Appendix F

Statistical tests examined to test the effect of the moderating variables

There are four statistical alternatives that were examined in order to decide the suitable statistical test to examine the effect of the moderating variables on the relationship between the marketing strategy components and companies performance.

First, using the multiple regression analysis with violated assumptions

Using this alternative would be very risky and methodologically unsafe because all the values of F and T and R coefficients are invalid or they may encounter or provoke critical methodological objections. Therefore, this alternative would not be valid and, consequently, it was decided not to use it.

Second, using Chi-Square test through using three-way contingency table

This is a non-parametric test (Agresti 1996; Hollander and Wolfe 1999; Bryman and Cramer 2001). According to this approach, the original association or correlation between X and Y is conducted by using two-way contingency table and the next step is entering a third variable, Z, the moderator variable into the table by using three-way contingency table. After conducting this test, the association is examined between the two variables while entering the effect of a third variable, Z, the moderator. The aim is to examine the effect of the third variable on the original association between X and Y if it is weaker or stronger or the same and, then, decide the effect of the moderator variable. However, after a careful examination of this alternative it was indicated that it did not work well because there was a clear violation (using three-way contingency table) for one of the most fundamental assumptions of the Chi-Square test that is having more than 20% of the cells with frequencies less than five (Siegel and Castellan 1988; Sprent 1993; Field 2000; Bryman and Cramer 2001). Therefore, another option must be considered.

Third, using ordinal regression analysis

This is a non-parametric test (Agresti 1996; Hollander and Wolfe 1999) that allows the research to establish relationships between two variables and enter a third variable, Z, the moderator into the regression equation to examine its effect on the relationship between X and Y. Conducting the ordinal regression analysis would result in a violation of having more than 20 % of the cells with frequencies less than five because of the small number of observations. This violation makes this test invalid and methodologically cannot be relied upon to conduct the data analysis. Consequently, the fourth and last alternative is examined and, indeed, used in the research to fulfil the fourth objective.

Fourth, using non-parametric correlational analysis, the Kendall Partial Rank-Order Correlation Coefficient

Examining the non-parametric statistical tests literature has revealed that this approach is the only approach by which the original relationship or association between two variables X and Y can be examined while a third variable, Z is controlled. Examining the assumptions of using this approach has revealed that there is no violation in its assumptions which implies that this approach is valid to be used in the research to test the effect of the moderator variables on the relationship between two variables while the effect of a third variable is controlled. Furthermore, this test is the only non-parametric statistical test, which is equivalent to the parametric test of the product-moment partial correlation coefficient, which is frequently used in multiple regression analysis to test the effect of moderator variables.

Appendix G

An Insurance Pricing Policy Form For An Insurance Company in Jordan

جوفيكو

RISK SURVEY REPORT تقرير معاينة الخطر (الممتلكات)

- BUILDINGS - البناء / المباني	
- SITE - الموقع	

- SERVICES - الخدمات

* ELECTRICITY SUPPLY * تزويد مصادر التيار الكهربائي	
* WATER SUPPLY * تزويد مصادر المياه	
* HAZARDOUS MATERIALS * المواد الخطره	
* SPARE PARTS * قطع الغيار	
* MAINTENANCE * الصيانه	
* HOUSEKEEPING * ادارة الممتلكات وتامين التجهيزات	
* MANAGEMENT * هيئة الاداره	
* FIRE PROTECTION * الحمايه من الحريق (الاستعدادات المتخذه لحماية الاملاك)	
* SECURITY * الامن/الحمايه – الضمان	

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428

ASSESSMENT OF THE RISK نسبة/تقييم الخطر

PERIL خطر	HIGH مرتفع	AVERAGE متوسط	LOW منخفض
FIRE حريق			
LIGHTNING صاعقه			
EARTHQUAKE زلزال			
STORM, TEMPEST عاصفه			
FLOOD الفيضان			
VOLCANOES براكين			
AIRCRAFT سقوط الطائرات			
LANDSLIDE انهيار التربه/الصخر			
SUBSIDENCE هبوط الاساس			
BURGLARY السرقه/السطو بالعنف			
STRIKES, RIOTS & CIVIL COMMOTIONS الاضرابات والشغب والاضطربات الاهليه			
MALICIOUS DAMAGE اضرار عمديه			
EXPLOSION الانفجار			
TERRORISM الارهاب			
IMPACT الارتطام			
BURSTING OF PIPES & OVERFLOWING OF WATER TANKS انفجار الانابيب وطفح الخزانات المائية			
WATER DAMAGE اضرار المياه			
FIRE DUE TO SHORT CIRCUIT IN ELECTRICITY الحريق الناتج عن التماس الكهربائي			
LONG TERM AGREEMENT (L.T.A) اتفاقية طويلة الامد			
MAXIMUM POSSIBLE LOSS اقصى خساره ممكنة			

Appendix H

Customer Satisfaction Forms For Two Insurance Companies in Jordan

شركة التأمين العامة العربية م.م.

عمارة السلام - شارع الأمير محمد   صندوق بريد: ٢٠٠٣١
هاتف: ٤٦٤٤٣٣٤ / ٤٦٤٤٣٣٥   عمان (١١١١٨) - الأردن
٤٦٥٣٦٠٠ / ٤٦٤٤٧٤٠   فاكس: ٤٦٥٩٦٠٢
بريد الكتروني gaic@index.com.jo

TÜV MANAGEMENT SERVICE | ISO 9002

حضرة .... التاريخ: ....

انطلاقا من حرص إدارة شركة التأمين العامة العربية على الاستمرار بخدمة زبائنها الكرام، يرجى الإجابة على الأسئلة المدرجة أدناه

١- منذ متى تتعاملون مع شركتنا ....

٢- هل تؤمنون لدى الشركة في المجالات التالية:

مركبات ☐   حريق حوادث عامة ☐   التأمين البحري ☐   التأمين على الحياة و/ أو التأمين الصحي ☐

٣- كيف تقيمون مستوى الخدمات المقدمة لكم ؟ جيد جدا ☐ جيد ☐ مقبول ☐ غير مقبول ☐

٤- كيف تجدون معاملة واستقبال موظفي الشركة لكم؟ جيد جدا ☐ جيد ☐ مقبول ☐ غير مقبول ☐

٥- كيف تقيمون سرعة انجاز معاملاتكم؟ جيد جدا ☐ جيد ☐ مقبول ☐ غير مقبول ☐

٦- كيف تقيمون دقة وجودة الخدمات المقدمة لكم ؟ جيد جدا ☐ جيد ☐ مقبول ☐ غير مقبول ☐

٧- هل يقوم مندوب الشركة بالإجابة على استفساراتكم بشكل مرضي ؟ نعم ☐ كلا ☐

٨- هل تفضلون أن يقوم مندوب الشركة بزيارتكم بشكل دوري في مكاتبكم ؟ نعم ☐ كلا ☐

٩- هل تعانون من نقص في المعلومات عن أي من بوالص التأمين المقدمة لكم ؟ نعم ☐ كلا ☐

١٠- هل واجهتم أي مشكلة مع الشركة ؟ نعم ☐ كلا ☐ أذكر أية مشاكل تعانون منها أو أية اقتراحات:

التوقيع ------------------------------ نموذج رقم (ن أ ع ١٨) // التعديل: (١)

430

الشركة الأردنية الفرنسية للتأمين المساهمة المحدودة

اسم الدائرة:
القسم:

استبيـــان رضـــى الزبائـــن

حضرة السيد الكريم: تأكيداً لالتزامنا بإرضاء الزبائن الكرام، نرجو الإجابة على هذا الاستبيان حتى نتمكن من تقديم أفضل وأجود الخدمات وتلبية رغباتكم.

كيف تقيم ما يلي:-	ممتاز	جيد جداً	جيد	عادي	ضعيف
استقبال الموظف المختص					
كيفية معالجة معاملتكم					
نتيجة معالجة معاملتكم					
سرعة انجاز معاملتكم					
سرعة اكتمال التسوية المالية					
معاملة الموظف الذي قام بخدمتكم					

أخرى (الرجاء ذكرها) ____________________

اسم الزبـــــون: ____________________

التوقيـــــع:

نموذج رقم (FAD-18)