



LEVEL 7 ASSESSMENT SPECIFICATION

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Programme:	MBA		
Module:	Marketing Management		
Module code:	HKBM 7012	Contribution to Overall Module Assessment (%):	75%
Lecturer:	Dr Arion WONG	Internal Verifier:	Dr Katherine Mo
Assignment Title:	Assignment 1	Word count (or equivalent):	3000 words
Submission deadline:	11 July 2022	Return date of provisional marks & written feedback:	Within 20 days after submission
Submission method:	All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put this assessment specification into Turnitin or it will match many similarities with other students' submissions.) Alternative submission method (if applicable): Late submission of the assessment will result in a late penalty mark. Penalties for late submission: Up to one week late, maximum mark of 50%. Over one week late, 0%. Only the Extenuating Circumstances Panel may approve a change to submission dates.		
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Executive Summary

The company that has been chosen for this study is the American International Association (The AIA Group Limited), which has its headquarters in Central Hong Kong. The AIA Group is a life insurance company that offers medical insurance, disability protection insurance, accident protection insurance, health policy, critical illness insurance, and savings and investment policies to its customers. It equally provides corporate customers credit insurance, employee benefit plans, and retirement savings. This article analyses the AIA Group Limited in terms of the services it offers, as well as its global and regional presence. SWOT and PESTLE analysis is performed to determine where the group stands concerning the market and its major competitors in the insurance industry. Furthermore, it analyses the segmentation, targeting, and positioning strategies while commenting on the effectiveness of the existing marketing mix that the group used for its target market. The article is concluded with an evaluation of the possible future technological developments in the marketing field, followed by a summary of the findings and feasible recommendations.

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Introduction

The Hong Kong-based AIA group is majorly known for being the top ranking publicly-traded insurance company. It currently has fully-acquired branch offices and subsidiary companies within 18 markets in the Asia-Pacific geographical area outside of Hong Kong. The company has remarkable quantitative records of insuring individuals for more than one trillion US dollars. According to Forbes, the company's market capitalization is \$111.8 billion ("AIA Group," 2021). This study seeks to understand the factors impacting the AIA Group Limited through situational analysis of the group's existing domestic and global marketing conditions. By understanding the various factors influencing the group, it will be easier to become familiar with the approaches employed to sail through both the market and their potential clients.

SWOT Analysis

Strengths

AIA's position among the top insurance companies is one of its greatest strengths. AIA is the second most potent multinational corporate entity in corporate control over the world's economic stability. The Group has also operated on a vast scale with robust and reliable funding, giving it worldwide recognition in more than 18 countries. In addition to being the leading layer in the market, AIA Group offers affordable insurance covers. For instance, the company put highly reasonable charges on its insurance products to the people of France while at the same time offering admirable quality to the products. It is reported that the AIA Group also strives to maintain high levels of customer satisfaction. The company has earned the trust of over a million customers worldwide. It has reliable customer service management support that keeps its existing clients happy and content while enjoying an excellent brand reputation among prospective clients.

Weaknesses

The AIA Group's research and development operations are severely hampered. AIA invests heavily in research and development, but far less than some players in the industry who have profited from their innovative solutions (Al Hosani, Abdulqawi & Nobanee, 2020). The company was unable to address the challenges faced by newcomers in a particular segment, and it lost control of a minor share of the market in product areas. To resolve these concerns, AIA must create an internal feedback system that is tightly linked to the sales response team.

Shastri (2022) identified a high attrition rate in the workforce as another weakness the AIA Group has shown in its recent years of operation. Unlike the rest of the firms in the same field, the AIA Group possesses a greater employee turnover ratio and has to use considerably a lot of funds on the coaching and growth of its newly hired employees. In addition, the AIA Group has not been particularly successful at integrating firms with different work cultures. While AIA effectively incorporates small businesses, it has failed to unite companies with a unique workplace environment as previously stated.

Opportunities

With the possibilities in the online world, the AIA Group is bound to increase its customer from all over the world from the newly created online sites (Shastri, 2022). Over the past few years, the company has invested a lot of money into creating digital sites. Such form

of strategy has presented AIA Group Limited with new networks to generate more sales. The organization can also take advantage of this option by appreciating and meeting its clients' needs better through predictive modelling shortly. The transportation industry has been gaining traction and is projected to continue in the coming years, resulting in more auto insurance, which will help AIA Group scale its enterprise. The insurance industry is also expected to transition from conventional to customer-centric products over the next ten years. Because of customized services in the post-pandemic period, products are offered based on information gathered from primary sources and gadgets.

Threats

The technological developments made by a few rivals in the market may threaten the AIA Group because modern-day clients are better enticed by new technological innovations and may be lost to rival companies' offerings, significantly lowering AIA's market share. Competition is another major threat the company faces. There is always great competition from the already established companies and new entrants, which puts descending pressure on price points. This could lead to decreased net profits if the price is changed, or it could lead to a reduced market share if the price is not changed. The future trends predicted in the insurance sector present more opportunities to the AIA Group.

PESTLE Analysis

PESTLE analysis is a framework that helps classify the major global environmental factors that determine the landscape for policy and the ability to compete and back the company's processes adopted for decision making. Performing the PESTLE analysis is vital for developing operative approaches and achieving lengthy growth targets as AIA tries to expand its operations and utilize its competencies and fundamental proficiencies.

Political Factors

A country's political stability is one of the major factors that significantly determines AIA's success in a particular market. A stable and friendly business environment with predictable trends in market growth can only be maintained by a highly stable political environment. However, governmental unrest deters venture capitalists and undermines shareholders' trust in the market and consequently the company's success. Other political factors influencing AIA's operations in different countries are corruption and bureaucracy. Bureaucracy and corruption hurt the business environment because AIA working in economies with high levels of inadequate law enforcement and corruption would make the commercial opportunities progressively volatile. Other political factors that would substantially impact the long-term profitability and sustainability of AIA include taxation, changing policies, and governance systems.

Economic Factors

Economic factors such as Hong Kong's GDP annual growth rate will establish AIA's ability to pursue its long-term growth objectives. A strong GDP indicates that customers are willing to spend extra cash on insurance products (Lee and Kotler, 2015). The AIA Group must study and forecast wage growth in the region to comprehend how it can recruit a skilled workforce and capitalize on their skills to optimize operational efficiency. Financial market efficiency is another economic factor that would significantly impact AIA's operations at the international level. The AIA's global expansion plan is affected by financial market efficiency. Working in an exceedingly competent fiscal market economy leads to better reserves and a more vital ability to access emerging international marketplaces.

Social Factors

Shifts in population trends such as migration patterns, ageing populations, and socioeconomic factors are key social variables determining the long-term success of global business institutions like AIA. International marketing managers consider societal norms and class distribution essential variables. Each culture has its standards and beliefs that influence consumer behaviour.

Online shopping through social media and e-commerce has inspired consumers to order online. AIA must, therefore, stay updated on online purchasing attitudes by considering age differences, as pretty young consumers are more likely to make an order from the internet than the elderly (Chan and Burgess, 2012). The purchasing power of the American region's currency influences purchasing behaviour. It is vital to evaluate the preferences and consumption patterns of the customers by examining and making predictions of their purchasing power based on pertinent macroeconomic variables. Other social factors that would significantly impact AIA's performance include equality, gender roles, and the power distance within any society, which shows the acceptance of hierarchy and disparities in income levels.

Technological Factors

The development of information technology solutions has led to the implementation of novel marketing techniques to encourage the companies' group effort with its customers. Social media use in business marketing has become widespread (Chan and Burgess, 2012). AIA Group Limited can take advantage of the opportunities provided by social media sales promotion to improve the company's operations. Trends in technological advancements can be used to tailor advanced social media approaches to build online brand communities, especially in this technological era. At the same time, the AIA Group should carefully consider constantly staying updated with the ongoing technological innovations to achieve highly in its performance. Analyzing 5G and establishing its potential to deliver better business performance through improved functionality, expanded access, and increased speed should also be prioritized.

Legal Factors

Employee protection laws protecting employees from discrimination and ensuring their safety is one of the legal factors influencing AIA's performance. The AIA Group Limited must comply with labour laws in all countries, as some have put in place strict regulations to ensure the safety of workers. The company's ethical responsibility is to ensure that its employees have a safe working condition. Furthermore, data security has become a serious matter because of

consumer concerns about privacy protection. The AIA Group Limited must research data protection guidelines that will help them keep the consumers' data safe (Ranaweera and Rasika, 2016). Another legal factor influencing the Group's performance is intellectual property rules and regulations, which are set up for the company's patent and valuable ideas protection.

Environmental Factors

Due to the increasing ecological mindfulness and evolving climate patterns, 'environmental analysis' has turned out to be an essential part of PESTLE analysis. Separate markets have distinct environmental regulatory requirements and policies. AIA's international presence necessitates cautious contemplation of these dissimilarities to keep away undesirable situations. A thorough analysis of the relevant environmental factors is required before entering a new market or launching a new range of products. Examples of environmental factors that AIA must consider are waste management and recycling to reduce the rising environmental contamination, renewable technologies, and environmental regulations to prevent resource depletion.

Marketing Mix Strategy

Naibaho, Fauzi and Sadalia (2020) indicated that AIA Insurance's marketing mix strategy uses the marketing mix conceptual model including the product, price, promotion, and place to analyze the brand. Pricing strategy, promotion planning, product innovation, and other marketing strategies are available. Founded on the AIA Insurance marketing mix, these strategic decisions aid in the company's general performance. Ranaweera and Rasika (2016) indicated that AIA Insurance's business model helps the firm in determining a competitive edge in the market and realizing its organizational objectives.

AIA Insurance Product Strategy

AIA Group Limited is among the world's top-ranking financial establishments, particularly in the insurance industry. The company provides life insurance coverage in exchange for regular premiums. AIA's marketing mix includes various products such as medical protection, life-threatening disease protection for particular health concerns, life insurance, road accident covers, and lifestyle insurance and travels to safeguard people and their valuables while on transit (Chan, 2011).

Pricing Strategy

AIA insurance adopts a pricing strategy that makes it contend fairly with the most serious rivals in the same industry. The insurance coverage industry has predatory pricing. Three different parties can offer the same insurance coverage at three varying costs. Prices are determined by the type of coverage provided, the type of client with whom an insurance company interacts, the conditions under which insurance coverage is provided, and the frequency with which accidents occur. There are numerous players in this industry, which may explain why prices must be affordable and profitable for the insurance provider. A comprehensive, balanced assessment must be performed using data on the number of clients who require coverage annually.

Place and Distribution Strategy

AIA Group Limited has a powerful availability in some Pan-Asian markets where an adequate insurance system is desperately needed. Most insurance activation and availing are now done through online networks (Chan, 2011). A client books a service on the internet, and one of the group's agents gets to them with all relevant details concerning a specific insurance cover program.

Promotion and Advertising Strategy

The Real-Life Company, which is currently a popular AIA brand promotes and advertises the business under the same identity across multiple mediums (Naibaho, Fauzi and Sadalia, 2020). The brand has made a considerable attempt to strengthen its authority on social media and has since garnered a lot of attention from prospective clients. The brand promotes its services on traditional media such as TV, print, radio, and outdoor, based on the nation, location, town, and the traction level in a particular area.

Future Developments in the Area of Marketing

The emergence of technologies such as Robotic Process Automation and artificial intelligence (AI) will meaningfully improve the rate at which clients make insurance claims. These innovations are likely to take centre stage in the insurance industry, led by the most recent data streams, improvements in AI algorithms, and better data processing capacities. For example, AIA's partner, InsurTech Company Discovery group, uses AI and behavioural economics as core aspects of its marketing strategy (Solomon, 2014). AI will also make bots more prevalent in front and back offices to digitalize claims management and policy servicing to provide quicker and more personalized customer support. This way, AIA will get to have its business operations accelerated since not only does artificial intelligence eradicate paperwork and brokerage firms, but also its behavioural economics abilities lower the rates of fraud, resulting in lower prices, time, and effort.

Future technological advancements like advanced analytics and proactiveness will help AIA personalize its premiums with the help of new sources of tech-enabled sources of data like IoT, wearables and InsurTech mobile applications. With the wireless devices industry expected to grow rapidly over the coming five years, Property and Casualty (P&C) insurance companies like AIA will be in a position to obtain meaningful and actual details on individual consumers' loss exposure. This will enable them to respond proactively with prompt and uniquely tailored

measures. Furthermore, insights from advanced analytics will be created through relational databases to create greater detail in hazard profiles and safeguard insurance companies from developing possible risks.

InsurTech companies have seen powerful motor, cyber insurance, and home ownership growth. Such rapid growth will encourage traditional insurance firms to procure technical infrastructure or form partnerships with InsurTech firms. With millennials' increasing demand for innovative solutions, such collaboration will become an absolute necessity. AIA Group has seen this opportunity and is already partnering with integrated digital health company Discovery Group through Amplify Health to transform modern healthcare.

Mainstream blockchain is another technological advancement that will meet the AIA's need for real-time processing of large volumes of customer data by various functions of insurance for faster and safe data sharing across different establishments. AIA will also benefit from secure data management through several stakeholders and interfaces without security breaches with the help of blockchain technology. The technology reduces operating costs across the board, from biometric authentication and underwriting to fraud management, reliable data accessibility, and claims processing.

Segmentation, Targeting, and Positioning

The AIA does its marketing segmentation by dividing the whole market into smaller groups and segments with similar characteristics, purchasing habits, and socioeconomic backgrounds. This is done to have access to the target audience more effectively and successfully. Since AIA Group's products offer an outstanding unique selling proposition, it segments its customers based on two primary demographic criteria, including life cycle stage and income of the prospective client. AIA Group should pursue a particular market upon categorizing various customer segments within the global market. Several critical factors including product life cycle stage, segment structural attractiveness, financial resources to target a specific segment, and competition in the target segment, among others impact the selection of the target market.

Differentiation is critical in today's marketplace due to the relative ease with which companies can adopt new technologies or source them from third-party suppliers who work with other major brands. One of the most visible examples is the increasing popularity of private label brands in the retail sector. Retail stores find it incredibly simple to obtain products produced from supply chain partners in different industries, allowing them to source goods at

cheaper costs and compete with famous companies that must spend significant resources on product branding and advertising (Chan and Burgess, 2012). The quality of AIA Group's products allows it to differentiate itself in the Insurance (Life) industry.

Recommendations and Conclusion

The study found that the advancement in information and communication technology solutions has given rise to the implementation of new strategies of marketing to improve the companies' collaboration with customers. Social media use in business has proven to be prevalent among modern companies. Rowley (2013) suggested that AIA Group Limited can capitalize on the opportunities presented by social networking platforms for sales promotion to improve the company's performance. The trends in technological development can be used to introduce innovative online social media approaches to build online brand communities, especially in this technological era. At the same time, the AIA Group should carefully consider constantly staying updated with the ongoing technological innovations to gain a competitive advantage over the rest. Analyzing 5G and establishing its potential to deliver better business performance through improved user satisfaction, expanded access, and increased speed should also be prioritized.

Additionally, due to the increasing environmental consciousness and ever-changing climatic patterns, the analysis of the environment has become an essential part of the company's success. There are distinct environmental policies and regulatory requirements in different markets. AIA's international presence necessitates careful consideration of these differences to avoid negative situations. Therefore, a comprehensive ecological analysis is vital before launching a new range of products or entering a new market. AIA must consider environmental factors such as waste management and recycling to reduce the rising contamination of the environment, renewable technologies, and environmental regulations to prevent resource depletion.

In conclusion, the Hong Kong-based AIA Group Limited (AIA) is a major life insurance company known for being one of the top-ranking publicly-traded insurance companies. This study analyzed the factors impacting AIA Group Limited through SWOT and PESTLE analysis of the company's current internal and external marketing environment. The study's finding was that the group's major threat was technological developments made by a few rivals in the market. These advancements would threaten the AIA Group because modern-day clients are better enticed by new technological innovations and may be lost to rival companies' offerings,

significantly lowering AIA's market share. The competition was another major threat the company faced. According to the study, since there is always great competition from the already established companies and new entrants, there is a possibility there could be a descending pressure on price points.

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