

A STUDY OF A LINK BETWEEN INNOVATION & ORIENTATION OF INSURANCE MARKET IN INDIA

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ABSTRACT

In this competitive era, innovation is the key that can help marketers gain a competitive advantage over the rival firms. Innovation is the tool which always keeps the product of any company in demand. As for remaining in existence one needs to manufacture innovative products and ideas. It is the only factor that develops the economy whereas market-orientation is the management of the market by encouraging and enabling the capacity of the organisation. When these two factors Innovation and orientation are combined it puts a positive impact on the economy as through market orientation one can easily make the innovation. This study will examine the link between innovation and orientation in the market of insurance. The data that had been gathered with a view of providing a more clear view of an event based on the connections of variables designed upon a conditioned model which is dependent upon relevant concepts. This research is done through a survey method and was carried out through a quantitative approach. The various companies which were targeted in this research were the insurance companies. The method which has been used during the investigation to test the impact among variables was PLS method. The outcome of the investigation demonstrated that there is some relation between orientation and various innovations that take place in the Insurance market.

Keywords: Orientation, Innovation, Firm's Performance, etc.

INTRODUCTION

In the present economies, advancement fills in as the establishment for financial turn of events and fundamentally affects monetary development, especially as the progress to an economy full of knowledge which makes learning quite possibly the main cycles for financial turn of events. The investigation with regards to the information economy is molded by the Schumpeterian qualification between information innovation and development or thought commercialization. Innovation plays a major role in the challenging change. In general, companies develop, assemble and enhance their competitive advantage, regardless of this change, in order to provide their clients with great value. This process involves market-oriented assembly and preparation of identified information with customers, competitors and markets. In the search for superior customer value, companies are becoming market-oriented. Market orientation is a key strategy of an organisation that obtains and disseminates information from within and outside the organisation. This requires continuous creative ideas and innovation for the long-term retention and maintenance of customers on the market. More innovative approaches may be necessary for companies and economies that operate in a climate of intense competition, slow growth and reduced spending. Consequently, it is not surprising that service innovation is considered to be a critical element of companies' economic viability. It is also a key driver for national competitiveness and long-term success.

The effect on innovative achievement of the market orientation and the directing job

of natural and association factors. The major effort that has been made in terms of budgetary increases, tax incentives and the development of innovation-promoting development units has become more important. However, there is a long way to go and investment is still not sufficient in research and development in comparison to countries like Mexico, Chile, and insignificant compared to countries like Israel and Germany.

Statement of Purpose

The fundamental point of this paper is to contemplate the connection between market direction and advancement. It will likewise investigate the market direction, development, and business execution relationship. We treat segments of market direction as an advancement strategy in the organization. Following cautious thought, just 49 pieces of information were gathered from 56 organizations with complete data and accordingly important for the investigation. We utilize recently demonstrated and existing data securing scattering, and reactivity activities. As far as a market direction—advancement and market direction—we have positive and significant associations with solid execution. The connection between size and development or size and execution isn't critical for us. The information was gathered from 56 associations after assessment, just 49 had total data and were accordingly pertinent for the investigation. As far as market direction, we see a positive and critical connection – development and firm execution.

LITERATURE REVIEW

Market Orientation

The idea of the business which considers the client or customer to be the middle of business activity refers to market orientation this is one of the strategies that can help many organisations achieve efficiency and effectiveness. In an economy, it is relevant to every sector. The concept of market orientation was previously unclear and has not been conceptually defined and clarified. According to Sett (2017), marketing guidance as an operationalization and a sustained competitive advantage (SCA) source is seen as an operationalization of the marketing approach, and can lead to better corporate performance. The market orientation effect on performance of business firms has been researched extensively, with empirical evidence and findings from inconclusive corporate organisations. As a result of these ambiguous empirical findings, it appears that there is a need to conduct a lot of research on the effects of the Orientation of market construct on performance of business as required.

Furthermore, Fitatotchev et al. (2016) argue that the focusing on market does not make the organisational performance better and automatically without appropriate processes of support or mediation, and found that there is a direct effect of orientation on performance of business as it is not only to be assessed without determining which brokers are between market performance and orientation.



Figure 1
FRAMEWORK ON MARKET ORIENTATION

Innovation

The positive effect on company success of product innovation is deemed. As a result, literature becomes more and more interested in how to promote radical innovation in products. The precedent is often cited as organisational culture. The supposition that will be that culture advances revolutionary development by cultivating the development of representatives. Exact exploration on the intervening part of representatives in the connection between hierarchical culture and advancement in extremist items is, however, scarce. Dekoulou Panagiotis (2017) “*Innovation success, Organizational structure, and value of consumer relationship in the media industry and Greek advertisement*” is the basis of this research. According to the findings, preparation improves an organization's ability to innovate, while active control, as a coordination tool, dramatically reduces this ability. Value of customer relations with profit benefits financial results, while innovation success in the advertisement B2B industry develops relationships with company customers' value and financial performance.

There is a two-path relationship in Indian high and medium-sized ventures among development and market structure. As development is affected by this investigation market structure. Organizations of high market power both have assets and are urged to embrace more advancement. Centered markets diminishes business vulnerability and makes dangerous ventures simpler. The serious climate is demonstrated to be effective and creative in business. Organizations with higher market strength advantage more from the presence of restrictive Intellectual Property Rights (IPRs), and thus the motivating force to develop diminishes with expanded intensity.

The relevance of the success of the new product (NP) means that determining factors that can promote it is crucial. However, researchers have recently paid adequate attention to the effect of culture on innovation of product. The role of the culture of business in the development of new products is one issue that needs further study (NPD). Although one important factor is culture in NP success, empirical studies have hardly dealt with it (Eisend et al., 2016). Moreover, the impact on the success of NP through organisational culture is little discussed. The cultural characteristics of NP's success have at best been addressed and the connection between the cultural characteristics on NPD's process competence. New products have an impact on NP success as creativity is the cause of original ideas.

Market Orientation and Inn

One of the crucial organisational factors in company innovation, and especially in NP performance, is market orientation. Ana Cristina et. al. (2018)⁹ had conducted a study on orientation of market and innovation. However, little research has been done to support the

idea that organisational structure or the environment play a significant role in this relationship. Orientation of markets is critical because it provides a common goal for all activities and organisational department programmes to work together to meet customer needs and provide a better consumer experience with new products. The objective of the study Alhakimi & Mahmoud, (2020) was to examine the impact that orientation of the market has on innovative SMEs in Yemen. The results showed a significant impact on the innovation of SMEs as a whole on market orientation. Whilst the two aspects – oriented suppliers and customer guidance – have significant impacts on innovation of SME, there is no significant influence in both the other dimensions – competitive and interfunctional coordination – on the innovativeness of SMEs.

A study by Kiani et al. (2019) revealed that with an increment in organisational abilities to innovate would help practitioners achieve success in overall for services in the both long and short term with a view to better understanding available technological options and customer needs for the dynamics of competitive market. Previous studies have shown that customer focus results in different performance outcomes.

This paper Newman, Alexander & Prajogo et al. (2016) examines the impact of the market orientation and the impacts which ownership of family in these relationships on exploratory and exploitative innovation. This study shows that both innovation by customers and competitors is positively linked to exploitation and exploration innovation. However, customer orientation doesn't have much stronger effects on exploitative innovation than on explorative innovation, and orientation of competitors doesn't have much stronger effects than on exploitative innovation.

Research Methodology

The principle objective of this paper is the examination of the connection between market direction and Innovation. We used a pool of all Insurance associations working in India. From that point, we arbitrarily chose 55 associations as an example which is illustrative of the fundamental pool with a certainty level of 95% and a safety buffer is 5%.

The organizations were reached by a group of specialists which helped the aggregation of the survey during an eye to eye meet. This methodology attempted to guarantee that the respondents had an unmistakable comprehension of each question and didn't endeavor to skirt any. By the by, 6 associations were avoided because of the absence of data on the inquiries utilized for the operationalization of the ideas, bringing the example down to a last number of 49 associations.

The associations were visited or reached by an analyst which helped him in the readiness of the poll for the review and during a meet. This system endeavored to fix that the respondents had a sensible comprehension of each question and didn't attempt to leave any inquiry. 6 associations were left as a result of the shortfall of information on the, bringing the example down to the quantity of 49 associations.

Research Hypothesis

Market orientation is linked with Innovation

Market Orientation and Innovation improve the firm's performance.

No	Research Variables	Items of Statement	Reference
1	Market Orientation	1. Needs of Customer	Hanree (2006)
		2. Estimation of consumer loyalty	
		3. Joining of requirement of market	
		4. Client's interests	
		5. Strength of competitive methodology	
2	Innovation	1. Addition in innovation	Hanree (2006)
		2. Innovation in Project management	
		3. Innovation in Technological advancement	
3	Firm performance	1. Accomplishment of sales objectives	Lei el. (2015)
		2. Accomplishment of the net benefit objectives	
		3. Accomplishment in financing activities of company	
		4. Improvement in newly launched products and services	
		5. Expanded Human Resources work fulfillment	
		6. Expanded consumer loyalty	

Source: Collected from given reference

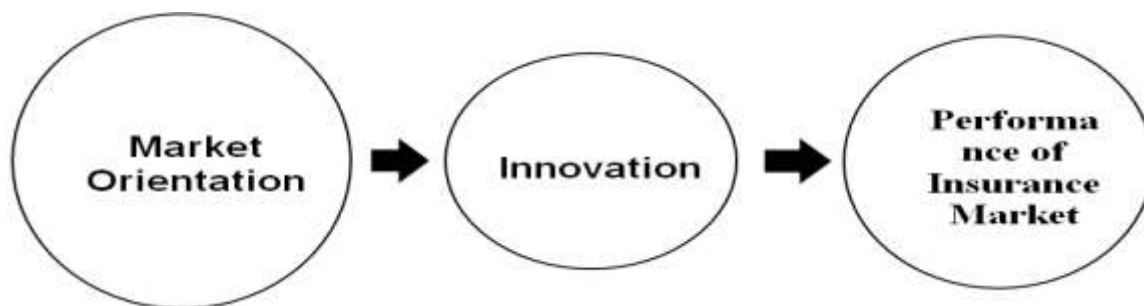


Figure 1
CONCEPTUAL FRAMEWORK ON RELATION BETWEEN INNOVATION AND MARKET ORIENTATION

For Hypothesis testing, scientific tools used were Partial Least Square (PLS) investigations. PLS is an amazing analytical technique, since it does not depend on numerous assumptions, information doesn't need to be normally distributed; the taken samples aren't required in large quantities and can clarify the connection between inactive factors (Ghozeli, 2011). Value for significant level utilized t-table (two-tailed) 1.64 (10% level is significant) 1.95 (5% level is significant), and 2.49 (1% level is significant). In this case Hypothesis is accepted.

RESULTS & DISCUSSIONS

The instrument used in this study needs to be tested for reliability and validity. A research instrument is stated to be valid if the correlation coefficient value for each indicator towards the total indicator is significant Ghazali, (2011) and the item-total correlation value for each item is greater than 0.30.

The results of the validity test for all variables show valid results with the significance of the pearson correlation value was less than 5% and the total item value for each indicator was greater than 0.3.

The tools utilized in this research should be tried for legitimacy and reliability. Any instrument used in research is expressed to be substantial if the value of individual coefficient of correlation is significant towards the complete indicators Ghazalee, (2011) and the coefficient of correlation value of complete indicators for individual items is more than 0.30.

The outcome of the test of validity for all factors showed valid outcomes because the correlation coefficient value was less than 5% significance and the complete indicator value of every item was more than 0.30.

Different Variables	Each Item	Total coefficient Correlation	R Coefficient	Status
Market Orientation	1	0.785	0.300	Valid
	2	0.773	“	“
	3	0.716	“	“
	4	0.645	“	“
	5	0.684	“	“
Innovation	1	0.661	“	“
	2	0.835	“	“
	3	0.801	“	“
Firm performance	1	0.788	“	“
	2	0.795	“	“
	3	0.793	“	“
	4	0.749	“	“
	5	0.752	“	“
	6	0.744	“	“

Source: Data analysis Outcome

In measuring any data, an instrument is required to have steadiness and consistency and validity, so the instrument's reliability should be tested. The outcomes of the test of reliability show that all factors included in research should have Cronbach Alpha qualities more than 0.6.

Items	No. of Items	Cronbach Alpha	Status
Market Orientation	5	0.764	Reliable
Innovation	3	0.648	“
Firm performance	6	0.863	“

Source: Data analysis Outcome

Hypothesis	Loading Factor	St. Deviation	T Values	P statistics	Status
Market orientation is linked with Innovation.	0.256	0.128	2.096	0.038*	Accepted
Market Orientation and Innovation improve the firm's performance.	0.393	0.112	3.846	0.001**	“
**Sig level 1%					
*Sig level 5%					

Source: Data analysis Outcome

The outcomes of investigation state that Market orientation is linked with Innovation, with a loading factor statistics positive and significant. After testing, Hypothesis 1 was accepted. The outcome of testing the Market Orientation and Innovation improves the company's performance. Showed that the loading factor was positive with the significant values of t-measurement. After testing Hypothesis 2 was also accepted.

LIMITATIONS

In spite of the way that the data were gathered during personal talk with respondents, there were troubles from the respondents to get the idea. Moreover, the limited information on such subjects by the respondents and the questions in the questionnaire are complicated in nature, making it hard to the respondents.

CONCLUSION

In light of the results of this study, the overall outcome of this investigation has suggestions in building a model of the relationship of market orientation, Innovation to firm execution. Market orientation and innovation have a significant contribution in promoting organizations to improve the performance of Organizations. Organizations have a job to keep on improving business sector orientation and development by focusing on ecological vulnerabilities, in this way the organization can sustain their performance.

The weakness of the study is that limited information on various subjects by the respondents and the questions in the questionnaire are complicated in nature, making it hard to the respondents.

To improve performance of a company, Innovation and Market orientation are the important base of organizations. Companies should keep on improving market orientation by better insight about client's requirements and expectations, expanding innovation, and carrying out innovations that can't be adopted by rival organizations. In that manner, the organizations can possibly improve firm performance. The outcomes of the research clearly indicate that Market orientation and innovation are linked and connected. The organizations proceed to growing new product offerings, new procedures, and taking competitive advantage so that organizations can improve performance constantly. Innovative behaviour should be supported by organization, new products generated and proactive marketing engaged. In addition to superior company performance, this will allow them to surpass and be competitive. Creating and experimenting should be encouraged in companies. They should invest and continuously improve processes and products in new technology. They should also create a competitive stance by scanning the market, using price adjustments and presenting new or better offerings to learn the strategy and activities of the competition.

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