

Identifying low performing, high potential markets for life insurance



We market life insurance products. We want to identify low performing markets as compared to the market potential and maximize returns. Our reach is restricted to urban centers only.

DATA REQUIRED FROM THE GUIDE

- Market Potential Value MPV - Volume II
- Contribution from Means to MPV - Volume II
- Sales data by district - Marketer

SOLUTION

We have to compare actual market performance with the district potential. This will help arrive at average sales per unit of potential. Based on the average, we identify low performing districts vis-à-vis market potential as illustrated in the table alongside.

Since the reach is restricted to urban centers it is important to consider data from Volume II.

Table 1. Arriving at sales performance per unit MPV for districts of Tamil Nadu and Andhra Pradesh.

State	District	MPV - Urban	Contribution from Means to MPV - Urban	Assumed sales (Rs. Cr)	Sales / MPV
		1	2	3	4 = (3÷1)*100
T N	Tirunelveli	44.39	14.02	18	41
T N	Madurai	57.22	15.43	20	35
A P	Visakhapatnam	55.33	14.64	17	31
A P	Krishna	50.74	13.09	15	30
T N	Erode	40.79	13.06	10	25
A P	East Godavari	36.50	10.41	8	22
A P	Anantapur	28.36	8.65	6	21
T N	Kanniyakumari	31.66	9.69	5	16
T N	Virudhunagar	26.63	8.52	3	11
Total		371.63	107.50	102.00	27

The last column in the table above gives a good indication of performance per unit MPV. The average sales per unit MPV as can be seen is 27.

RESULT

It can be seen that the performance per unit MPV in the districts of East Godavari, Anantapur, Kanniyakumari and Virudhunagar is below the average performance and needs special attention.