Master Thesis (EFO705)

“Implementing and handling the weakness of dog insurance in Thailand”

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Abstract

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Problem: Despite the high potential growth of insurance industry in Thailand, dog insurance business need to continue to develop the service quality. To win the customer satisfaction through the service, the insurance company has to focus on its customers. The weaknesses of dog insurance in Thailand interrupt the increasing in market share in Thai market. Since there are the high potential customers whereas the competitors are low, dog insurance is still succeed in opportunities to expand its business. Furthermore, there will be continuing pressure from the external factors which they plays an important role in the development of the industry as a whole, as it directly controls both the number of insurers, the type of product and policy wordings that insurers may offer to consumers and the premiums that insurers may charge. However, besides the external factors, the internal feature can be managed by developing the marketing concept implementing the weak point.

Purpose: This research aimed to collect and analyze the data regarding to the weakness of dog insurance in Thai market. By composing the relevant research material and exercising the methods of data collecting, the appropriate marketing concept will be implicated to implement the technique and handling the current weak point of dog insurance. Method: This research principally based on qualitative research approaching to interview three groups of respondents to gain the information from company’s and customer’s perspectives. Further the reviews of literatures have been discussed to explore the worldwide market and exercising the appropriate marketing concepts being used. Analysis, interpretation and developing of market orientation, market configuration and some concept of consumer behaviors will be discussed to find out how possibly to handle the weakness of dog insurance.
Result: To maximize the ability to learn and understand the market, the insurance company should create the market orientation. The company will recognize the suitable marketing strategy undertook to its business. Further the market configuration management can play an important role to improve the company’s performance in which brings to a development in service quality. The concepts of consumer behavior also support the ideas of improving business performance especially, it enables the company to determine the connection within the network and develop to the long term relationship. In practice, it offers the ideas and techniques to implement its weakness of dog insurance in Thai market for future research.
Acknowledgement

It is a pleasure to acknowledge our depth to all those who have helped us to put these ideas throughout this paper. This research would not have been possible without the guidance and the help of several individuals who contributed and extended their valuable assistance in the preparation and completion of this study. First of all, utmost gratitude to our supervisor, Erik Bjurström, whose sincerity, encouragement, supervision and support from the preliminary to the concluding level enabled us to develop an understanding of the research. Then we would like to thank to our family who gave us the moral support during the completion of the research. Last but not the least, we would like to thank to my friends who were doing this project with us and sharing the ideas. They were helpful that when we combined and discussed together, we had this task done. We also would like to make a special reference to our old colleague, Ms. Shigemi Fang who helped us a lot in gathering different information, collecting data and guiding us from time to time in making this research. Without her corporation we could not have gotten such relevant data.
Contents
1. Introduction ........................................................................................................................................... 1
  1.1 Background ...................................................................................................................................... 2
    1.1.1 Pet Insurance Sector ................................................................................................................... 2
    1.1.2 Successful Pet Insurance in Sweden .......................................................................................... 3
    1.1.3 Thai People and Pet ...................................................................................................................... 3
    1.1.4 Thai People and Insurance ......................................................................................................... 4
    1.1.5 Thai’s attitude toward Pet Insurance (Dog plan) ......................................................................... 4
  1.2 Problem statement ........................................................................................................................... 5
    1.2.1 Pet insurance tendency in the global market ............................................................................. 5
    1.2.2 Pet insurance in Thai market (studied based on dog insurance) .............................................. 5
  1.3 Research Question .......................................................................................................................... 7
  1.4 Strategic Question ........................................................................................................................... 7
  1.5 Purpose of the study ......................................................................................................................... 7
2. Literature review ..................................................................................................................................... 8
  2.1 Literature review of Markets configurations .................................................................................... 8
  2.2 Market Orientation ........................................................................................................................... 9
  2.3 Consumer Behavior ......................................................................................................................... 10
3. The conceptual framework .................................................................................................................. 12
  3.1 The related theories .......................................................................................................................... 13
    3.1.1 Marketing Orientation ............................................................................................................... 13
    3.1.2 Market Configuration Management .......................................................................................... 16
    3.1.3 Supplemental theories of Consumer Behavior ......................................................................... 17
4. Methodology ........................................................................................................................................... 19
  4.1 Research design ................................................................................................................................ 19
  4.2 Criteria for choosing a topic ............................................................................................................. 20
  4.3 The selection of Theories ................................................................................................................. 21
  4.4 The selection of respondents ........................................................................................................... 22
  4.5 Data collection .................................................................................................................................. 22
4.6 Limitation .................................................................................................................. 24
5. Finding ....................................................................................................................... 25
6. Data Analysis ............................................................................................................. 30
   6.1 Market Configuration Management ..................................................................... 30
   6.2 Market Orientation ............................................................................................. 32
   6.3 Consumer Behavior ......................................................................................... 35
7. Conclusion ................................................................................................................. 38
References ...................................................................................................................... 41
Appendices .................................................................................................................... 46
List of Figures

Figure 1: The questionnaire results from visitors of Pet Expo Thailand in 2009 ........................................4
Figure 2: The conceptual framework ...............................................................................................................12
Figure 3: Marketing Orientation Matrixs ........................................................................................................14
Definition of Terms

For clearer understanding of the terms used in this study, below are their meanings:

**Agent**
A person who sells insurance policies for an insurance company and normally works on a commission acts as a middleman between insurer & policyholder.

**Broker**
An independent agent who represents the buyer, rather than the insurance company, and tries to find the buyer the best policy by comparison shopping.

**Brokerage fees**
A fee charged by an agent, or agent's company to facilitate transactions between buyers and sellers. The brokerage fee is charged for services such as negotiations, sales, purchases, delivery or advice on the transaction.

**Compensation**
Compensation means money given or received as payment or reparation for a service, loss or personal injury.

**Coverage**
The protection given by an insurance policy.

**Deductible**
The amount the insured have to pay for services before the insurance policy begins to pay.

**OIC**
Office of Insurance Commission

**Premium amount**
The amount the insured have to pay at set times for having insurance protection. A payment, usually monthly, yearly for an insurance policy.

**Sum insured**
The largest amount of money that an insurer will pay under an insurance policy.

**Third party liability**
Liability or responsibility of an insurance company for damage to other person due to wrongful acts.

**Underwriter**
A person who calculates risks for insurance companies.
1. Introduction

In today’s world of intense competition, a firm’s ability to deliver high quality service that result in satisfied customers is the key to a sustainable competitive advantage (Shemwell et al. 1998). Customer satisfaction is considered to be one of the most important competitive factors for the future, and will be the best indicator of a firm’s profit ability. They further suggest that customer satisfaction will drive firms to improve their reputation and image, to reduce customer turnover, and to increase attention to customer needs (Shemwell et al. 1998). Such actions will help firms create barriers to switching, and improve business relationships with their customers. Quality in services often occurs during service delivery, which is the interaction between a customer and a service provider. Insurance companies now understand that marketing play a significant role in their overall success but it seems hard to perform victoriously in the market. The weakness of dog insurance in Thailand reflects the advantage of managing the good marketing since marketing is an indirect function between customer and the company, the accurate evaluation of customer satisfaction is needed.

For the reason, the importance of market orientation is crucial to manager improving the service quality. The business that increases the market orientation will improve its market performance. The ability for the manager to seek for the market orientation varies depending on other elements in the network. Market orientation is an aspect of organizational culture that is believed to have far-reaching effects on the firm. According to Deshpande and Webster (1989), the most relevant aspect of organizational culture from a marketing perspective is the marketing concept, which includes "a fundamental shared set of beliefs and values that puts the customer in the center of the firm's thinking about strategy and operations" (p. 3). (Heiens, 2000)

Furthermore, market configuration is essential for the insurance business. Since doing the customer research fall into this concept and that is helpful for insurance business. Configuration theory is well established in the management discipline and has begun to be used in marketing. Coalignment as a form of fit has not been used in marketing while profile deviation has been examined to some extent. In general, the study of configurational theory has been beset by poor clarification of the theoretical meaning and inappropriate statistical modeling. (Mavondo, Hooley & Wong, 2007) Relationship between the company’s resource and strategic orientation affect to the company’s design. The choice of competitive strategy is one of the most important decisions for small business success. Traditionally, external adaption or orientation has been the focus of strategy process research. In order to achieve high performance each strategy must be supported with appropriate resources and distinct competencies (Snow & Hrebiniak, 1980). Since Marketing today has become an emotional research which helps understanding customer and consumers psychology so that products are developed based on these understanding. Therefore, the context will discuss more on how to make dog insurance business create the suitable market
configuration. As the result, the consequence of effective business configuration will be reflected in ROI (return on investment).

More importantly, other marketing concepts that facilitate the manager to improve and develop the dog insurance product and service, are consumer behavior since it emphasized on the cause and effect that affect the customers on buying dog insurance. This research will clearly explore how the customers think about the product and service and what they expected from the service provided. It will lead the marketing managers need to understand the customer needs and make their major decisions such as the product’s feature design, pricing, advertising and so forth.

In this chapter, the background of the research had been discussed first and next to the problem specification would be presented in the problem statement section. It will give the readers more comprehensive of the problem and then come up with the research question and strategic question respectively. The content of purpose would be discussed at the last section in this chapter.

1.1 Background
In this section, with the intention of providing the basic knowledge to the readers which is to follow throughout the research and to understand the topic of the research clearly, the authors reflected the background of the pet insurance sector, a study of successful pet insurance in Sweden, the relationship between Thai people and pet, the relationship between Thai people and insurance, and Thai’s attitude toward Pet Insurance so that the readers can understand the current pet insurance market. The authors have attempted to study pet insurance market is to explore the basic marketing concepts of dog insurance since dog insurance is a part of pet insurance and has a trend to grow up in worldwide market.

1.1.1 Pet Insurance Sector
According to the press “Pet Insurance, Peace of Mind”, the reason of different percentage in each country on applying dog insurance was the strict regulation. The local laws and regulation affect the insurance company to expand the insurance products. The press also mentioned that many veterinarians encourage their clients to buy pet insurance to ensure consistent and high-quality medical care for dogs. (2nd Chance 4 Pets, 2010) Looking at the feedbacks from the pet insurance policy holders of VPI Pet Insurance Reviews (VPI Pet Insurance, 2011) and Pet Insurance Testimonials (Petshealth Care Plan, 2011), most pet insurance policy holders are satisfied because the insurance plan can save their large amount of expenses from veterinarian bills and also enable them to have the best treatment for their pets. The last interesting point in the press “Pet Insurance, Peace of Mind” is that the relationship between the pet and the pet owner will affect the decision making on buying pet insurance. If the pet owners are willing to devote both time and money for their pets, they should consider pet insurance as the risk transferring solution. (2nd Chance 4 Pets, 2010) This comply with the point in Best Business Opportunities that the driving force of pet insurance is love as over 80% of pet owners consider their pets as family members. (Zahorsky, 2011)
1.1.2 Successful Pet Insurance in Sweden

The paper three of Doctoral Thesis “Beyond Process Management: Exploring Organizational Applications and Complex Adaptive System” had been studied about the management and operation of the successful pet insurance company in Sweden, Agria (Palmber, 2009). The study shows many aspects about the operation and management that affect the success of Agria Pet Insurance. The main factor of success is “customers focus” as Agria pointed out the processes had their origin in customer demands. Although quality seems to be the most important aspect for service, the quality is also judged by its customers. In order to ensure that Agria employees will create customers’ satisfaction, Agria has a recruitment policy involving that its employees should be animal owner so that they will have an active interest in animals and also have extensive knowledge of animal care. Agria also applies tools like Agria’s satisfied customer index, Customer suggestion system and customer complaints, and Representatives in Agria’s board to investigate customers’ demands and needs.

Moreover, there are some tools used to investigate customers’ demands and needs. First is Agria’s satisfied customer index. Ten times a year Agria’s customer service center calls 450 customers to examine and investigate their views on Agria’s operations. The largely positive feedback from customers in the Agria satisfied customer index has strengthened the self-image of Agria which is considered as another aspect of success. Next, Customer suggestion system and customer complaint is a collection of complaints, opinions and suggestions which gathered in a database. This enables Agria to learn from mistakes and improve its operations.

Another tool is Representatives in Agria’s board. Three out of 12 members of the board are representatives of animal owner organizations and one member is a representative of the veterinarian. This promotes Agria’s close co-operation with animal organizations and the veterinarian society. Another aspect from Agria operation and management is Value focused leadership. Agria has five basic values called “Agria’s five always” as follow:

1. Always make a little extra effort – to exceed customers’ expectations.
2. Always see possibilities – to help us succeed.
3. Always improve skills – to work preventatively at all times.
5. Always show respect and trust – to help us create a good working climate.

From “Agria’s five always” values, it is imply that the requirement of employees that should be pet owners can enable them to show their concern on the pets and make customers satisfied with exceed expectations, also show respect on customers’ pets’ lives, and can be trusted.

1.1.3 Thai People and Pet

There is an annual exhibition of “Pet Expo Thailand” for pet lovers in Thailand, which is organized by N.C.C Exhibition Organizer Co., Ltd. The objective of this exhibition is to encourage current fast growing of pet industry and to be a marketing channel for pet-product
companies, including pet food, pet supplies, pet health care products, accessories & other related products. The estimated number of visitors in 2009 and 2010 are 80,000 and 100,000 people respectively. (Pet Expo Thailand, 2011)

According to the visitor questionnaires in 2009, the percentages of dog owners, cat owner, rabbit owner, and other pet owner are 86%, 9%, 4%, and 1% respectively, as shown in the figure 1. According to the figure, the most common pets in Thailand are dogs. Another interesting question is “Will you attend the event if your pet is not allowed?” The right pie chart in the figure1 shows the percentage of each answer for this question. 38% of visitors said no, which shows how much the owners give an important to their pets. (Pet Expo Thailand, 2011) From the original pie chart, there is only Thai language. Therefore, the authors added up English to clarify the meaning. However, the authors did not change any detail in the chart although the percentage of people who replied “No” is misstated as 10% while it should be 38% concerning the size of the pie chart and the remaining percentage that excludes “Maybe” and “Yes” responds.

**Figure 1: The questionnaire results from visitors of Pet Expo Thailand in 2009**

*source: Pet Expo Thailand Web Site (Pet Expo Thailand, 2011)*

1.1.4 Thai People and Insurance

From the study of Thai attitude about the benefit of life insurance by Aomsin, a Thai organization that also provided insurance, the first rank of perceived benefit with 14.91% is it ensure them that their families will not have a financial problem if they get sick, handicapped, or an accident. In addition, the biggest reason that Thai people decide to buy insurance is to make sure they will be able to pay for their medical care when they get hurt or sick. The requirement of the sales person is to protect customers’ interest. (Aomsin, 2009) It showed that the most important factor of Thai people that convinces them to buy life insurance is the certainty in financial aspect related to health. They want to make sure that they will be able to deal with the problem when it arises.

1.1.5 Thai’s attitude toward Pet Insurance (Dog plan)

Most of people do not even know pet insurance (dog plan) exist in this world. They think that they have to be responsible for any expense if there is anything incur with their pet.
A veterinarian said that it is a good idea to have pet insurance in Thailand especially coverage for dog. Due to unconcern toward pets’ health, when a pet get sick, it will also infect to other and become a large expense then. Pet insurance can become a solution for people who seek for the guarantee of the life of their pet that can be insure and will get the compensation same as the life insurance for human. However, Thai people still perceive pet insurance as the unnecessary expense, although there are many Thai dog owners but the pet or dog insurance does not play an important role in the Thai insurance market.

1.2 Problem statement
This research intends to investigate the current obstacles of the expansion of dog insurance in Thailand and had been studied based on the information gained from the successful insurance company and the study of the marketing concepts in view of applying the market orientation and market configuration management. Furthermore, the pet insurance tendency in the global market had been studied in order to identify the position of the pet insurance in Thailand and that brings to ongoing study the pet insurance in Thai market in which dog insurance will be focused particularly and had been raised to the research question presented in the next section.

1.2.1 Pet insurance tendency in the global market
Pet Insurance is continuously improved in the global market for over 20 years, but only few organizations are recognized and accepted in their services. It would imply that most of pet owners might not even know about this kind of insurance, or they might see the pet insurance as a waste of money beside the existing high nurture expenses. However, the tendency of this business is going in a good way. The first possible factor that brought pet insurance stand in the strong position in the market is the increasing nurture expenditure. It might change the attitude of pet owner to realize the benefit of pet insurance as a risk transfer of expenditure. Another point is that most of insurance organizations are trying to give knowledge about pet insurance to the market, to make them understand that buying insurance is not more expensive than expenditure for unexpected happening to their pets, and pets are deserved to get good protection in the same way as people get. Third, an increase in inflation rate has a positive influence on pet insurance business as it will lower the pet owners’ burden of medical and health care for their pet. Finally, the advance in science makes the pets live longer. Insurance that cover 10 or more years seems to be worthwhile. (Manager News, 2007)

1.2.2 Pet insurance in Thai market (studied based on dog insurance)
From the primary study about Thai market, Thai people love pets and the most common pet is dog that why the only one kind of pet insurance available in Thailand is dog insurance. Therefore, the authors decided to focus on dog insurance applied to Thailand. Another reason why the authors selected Thailand as a sample market for this study is because of information accessibility. Due to the authors are Thai so it is not difficult to find the information and is convenient to study Thai people’s attitude toward dog insurance in order to obtain the real expectation and lead to analyze the growth of dog insurance in Thai market.
At the present, the position of dog insurance in Thai market is indistinct. The insurance company needs to develop a dog insurance policy extending to cover the medical expense from various diseases which beyond the existing coverage from only three cases: 1. Death due to accidents and illness 2. Medical expenses from an accident, and 3. Liability to third parties’ bodily injury and property damage. The additional medical expenses coverage will be not added to the current policy, even if it was any good response from the market. However, the company is not interested in the sales figures because they want to expand the new insurance into Thai market. Mostly, the distribution channel of dog insurance in the past is selling through farm dog. Therefore, when people bought dogs from the farm, they would feel more confident and sure about the quality of the dog because all dogs are insured. Generally, the insurance company requires the insured dog must has age between 3 months to 7 years old with the immune vaccination and got the medical examination before making the insurance. Moreover, the dogs have to embed the microchip to identify the ID of a dog and record the data into portfolio (Siam Business News, 2010).

In the market nowadays, the insurance company has changed the form of distribution channel from selling the dog insurance policy through the insurance agents or the insurance brokers to sell through the insurance company directly because the previous channel was not successful in the market. By doing this, the insurance company requires the skilled persons work in this field in order to underwrite the term and conditions as well as calculate the premium rate and answer the customers’ questions about the dog policy (Thai Live News, 2007).

The dog insurance policy requires the dog policy holders to insure not exceeding the maximum sum insured. In some cases, the dog policy holders can insure over the maximum sum insured amount but not exceeding the amount that had been set by the underwriter of dog insurance policy. In the past, the dog policy holders wanted to insure exceeding the maximum limit of the German Sheppard dog that had the award guarantee the champion but insurance company considered the approval of 80 percent as determined by the importance of the dog or its brand. Moreover, it is because Thai dog brands are disease resistance and less risk locally so, the insurance company considered insurance acceptance that should not be exceeding the maximum limit (Thai Rath, 2008).

In the early stages of the dog insurance policy, the insurance company aimed to target the customers as farm dog, especially the breeder. But due to lack of the experience and specialized expertise in the underwriting the insurance premium cost and the difficulties of determining the scope of coverage, it caused the problem when the claim occurred and that brought to interrupt the growth of dog insurance business and eventually it was ceased. However, Thai people began to concern more on the necessity dog insurance policy when there was the news of dog attacked to people published, that made Thai dog owners looked for the dog insurance and decided to buy in order to reduce the cost of third party’s property damages that the dog owners have to pay when their dog hurts to third party. However, although the insurance company launched the dog insurance policy to Thai market for a long period of time, but it still was not widely known. Most
Thai people did not know about the dog insurance, and some might know only the coverage but still are confused in details of the terms and conditions and how to claim under the effective insurance period. They were not recognizing the importance of dog insurance in term of death compensation and even the third party liability (Post Today, 2009).

1.3 Research Question
After stating the problems, the research question had been developed from the gathered ideas and the existing information. As the result, the marketing concepts are very essential to be exercised to dog insurance segment and learning the successful thing from the Agria Pet Company can be the prototype to this research. Therefore, the research question this study approach is:

What kind of marketing concepts will be exercised to implement and handle the weakness of dog insurance in Thailand?

1.4 Strategic Question
What the insurance company should do to increase the sales of dog insurance policy in Thailand?

1.5 Purpose of the study
The purpose of the study was to collect and analyze information about dog insurance market in Thailand and contribute to the development of a general theory of the marketing concepts by defining and exploring the market. The authors propose what kind of marketing concepts that the dog insurance needs to develop and accomplish in Thai market. The intention of this research is to explore the concept of market orientation; market configuration management and other concept of consumer behavior play a role in dog insurance market. As market trend of dog insurance has potential of growth in global market, it convinces the authors to be attentive on the weakness of dog insurance in Thailand which can be developed and utmost applicable to current Thai market.
2. Literature review

This chapter will provide readers with the materials relevant to the subject being explored in the research and were determined the literature that makes a significant contribution to the understanding of the topic and answer the research question. At the early stage, the authors described the literatures in which the chosen literatures were considered as the significant matter to the research. This chapter will generate the ways bring to further study and select the appropriate marketing management to analyze collected data in further steps.

2.1 Literature review of Markets configurations

<table>
<thead>
<tr>
<th>Title:</th>
<th>Markets as configurations</th>
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<tr>
<td>Article type:</td>
<td>Conceptual paper</td>
</tr>
<tr>
<td>Author(s):</td>
<td>Kaj Storbacka, (Hanken School of Economics, Helsinki, Finland), Suvi Nenonen, (Hanken School of Economics, Helsinki, Finland)</td>
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This literature is relevant to the research topic in the kind of constructing the insurance market as configuration straightforward to synchronize the marketing strategies exploiting to handle the weakness of dog insurance in Thailand.

According to this literature aimed to contribute to the development of a general theory of the market, by defining markets as configurations and exploring how market configurations emerge and evolve in a business-to-business context, how a market actor can influence market configurations, and what kinds of market configuration capabilities actors need to develop. Defining and understanding markets has become increasingly interesting, as both academics and practitioners focus more on the opportunities for co-creation both with customers and suppliers (Storbacka & Nenonen, 2011).

By conducting the theoretical analysis and conceptual development, the authors found that markets can be viewed as configurations of market actors engaging in market practices. Market configurations are perpetually dynamic as new actors enter the context, and as actors introduce ideas and business model elements to the network. As a result the configuration’s marketness evolves towards higher levels of configurational fit, resulting in increased value co-creation opportunities. An actor wanting to influence the market configuration can do so by working on its mental models and business models. The power of the actor’s mental and business models is mediated by the actor’s network position, its clout, and the fact that a change in any element evokes reactions from other actors. Actors need to develop new sets of market capabilities, such as value sensing, the ability to measure markets, price formation and pricing logics, and market scripting (Storbacka & Nenonen, 2011). Marketing literature typically either neglects to define the market construct altogether, or adopts definitions from economics (e.g. Venkatesh et al., 2006). Effectual market actors will need new sets of capabilities and management practices to be able to co-create their market. We suggest that a way for market actors to deal with the subjectivity of markets is to conceptualize them as configurations (Meyer et al., 1993), a construct similar to “business ecosystems”. Ecosystems are assumed to self-organize into a stable symmetry or stasis (Gould and Eldredge, 1993).
This paper contributes to the discussion on how markets are redefined from being places where demand and supply meet and reach equilibrium, to being spaces where actors integrate resources to co-create value. For a practitioner audience it offers ideas on how firms can shape their markets in their favor. Defining markets as configurations influences the strategizing of actors. Strategy cannot be defined as a description of efforts of one actor to utilize the opportunities in its environment. Instead it should be viewed as the firm’s effort to influence the market configuration (Johanson and Mattsson, 1992; Gadde et al., 2003). The aim of strategy is not “winning” a zero-sum game, defined as a product market. Nor should the focus be on “competing”, but rather on how the firm can engage in “co-opetition” (Brandenburger and Nalebuff, 1995) with other market actors (suppliers, customers, and partners) in order to improve the resource density of the market configuration and, hence, improve firm performance for several actors at the same time (Storbacka & Nenonen, 2011).

2.2 Market Orientation

Title: Exploring the link between market orientation and innovation in the European and US insurance markets

Author(s): Nora Lado, (Department of Business Economics, Universidad Carlos III de Madrid, Spain), Albert Maydeu-Olivares, (Department of Psychology, University of Barcelona, Spain)

Article type: Research paper

As the previous literature discussed miniature about market management, this literature will discuss more on the innovation and market orientation in insurance industry. The reason to study the case Europe and US insurance market is because these two markets are immense and existed dominating in the global market.

Despite the increasing research importance of market orientation in the marketing literature, few comparative studies between the European Union and the USA have been conducted. This limits the understanding of marketing orientation strategy in global markets. Investigates the influence of competitive environments on the uses of market orientation in insurance firms in the EU and the USA and the effects of market orientation on innovations. Using Lambin’s conceptualization of market orientation, the results indicate that, although EU and US insurance firms analyze and react to their environment differently, which in turn is reflected in a differential impact on their degree of innovation, this, however, does not translate into overall market orientation differences across markets, differential relations across markets between overall market orientation and innovation degree and innovation performance. Furthermore, there is a positive impact of overall market orientation on insurance firms’ innovation degree and innovation performance in both the US and EU markets. The managerial implications of these findings seem clear: the magnitude and the effectiveness of the innovation activities of a firm can be enhanced through the adoption of market orientation principles (Lado & Maydeu-Olivares, 2001).

This literature pointed that there is a growing interest in the concept of market orientation, as empirical evidence shows that companies with higher market orientation obtain better economic and commercial results. However, it is not yet clear why there is such effect and how it operates (Lambin, 1996). According to Slater and Narver (1995) market orientation only improves
business performance when it is coupled with a learning orientation. In their own words: Because of its external emphasis on developing information about customers and competitors, the market-driven business is well positioned to anticipate the developing needs of customers and to respond to them through the addition of innovative products and services. This ability gives the market-driven business an advantage in the speed and effectiveness of its response to opportunities and threats. Thus, a market orientation is inherently a learning orientation (Slater and Narver, 1995, p. 67). Hurley and Hult (1998) point out that there are two underlying assumptions in Slater and Narver’s argument:

(1) Market orientation and learning orientation are inherent and inseparable;
(2) A learning orientation mediates the market orientation performance relationship.

Despite the increasing internationalization of firms, and increasing market integration, most of the studies on market orientation confine themselves to domestic markets (with some notable exceptions such as Selnes et al., 1996; Webster, 1994; Pitt et al., 1996). Deshpande Â and Webster (1989) have already pointed out the lack of comparative studies between countries. Comparative studies are important, as a nation’s character and culture differences as well as political-economic differences can affect the way firms respond to their markets (Porter, 1990). There is a lack of studies providing empirical evidence for the generalizability of domestic markets research to international markets. This is in spite of the fact that sparse replications and extension research have deleterious consequences for the development of a cumulative body of knowledge in the business disciplines (Hubbard et al., 1998). The present research aims at filling these gaps by evaluating whether the link between market orientation and business innovation could withstand generalization across two large insurance markets (European Union and the USA) with varying political-economic and cultural contexts. Furthermore, if a positive relationship between these two constructs is found, we shall investigate whether this relationship is comparable across markets. This being the primary objective of the present investigation, our research design also will allow us to investigate mean differences across markets in both market orientation and innovation (Lado & Maydeu-Olivares, 2001).

2.3 Consumer Behavior

Title: Animal parenting’ trend identified

Type: Article

This study shows that women tend to treat their pets like their children. Some pets are being treated better than some children with lapping up birthday and Christmas presents. From the survey of more than 10,000 pet owners in this article, 84% of female respondents aged between 25 and 34 got their pet for companionship. One-quarter of owners adapt their homes for their pet and one in five ensure their pet can go on holiday with them. They worry about leaving their pet alone, so some owners even hire pet sitters. According to Dr Deborah Wells, an expert in the study of the psychology of the pet-human relationship, dogs and cats can offer their owners many of the benefits frequently provided by children, including companionship, entertainment and happiness. (Practice Nurse, 2010)
Globalization and IT revolution have made the insurance sector highly knowledge-intensive, and have induced a shift of paradigm on customer requirements and expectations to be more “quality conscious”. The wisely improvement of service should rely on learning of the “expectations” and “perceptions” of customers and all the stakeholders. The study of Insurance sector dynamics: towards transformation into learning organization shows that Past experience, Personal needs, External communication, Word of mouth, and Active Clients are critical factors which have significant influence on the Service Quality in an Insurance Sector. Moreover, the simulation results indicate that enhancing customer expectation, creating awareness to increase the customer needs, promoting internal communication instead of external communication, delighting the customers to promote word of mouth, and involving the active clients to a greater extent would improve the service quality. (Gopalakrishna Barkur et al., 2007) Moreover the author also mentioned others’ works as follow. The customer’s perceived quality depends upon five factors; core service, human elements of service delivery, non-human element of service delivery, tangibles of services, and social responsibility (Sureshchandar et al., 2001). Five factors of service quality measurement, namely reliability, responsiveness, assurance, empathy and tangibles, forms the foundation on which all other works have been built (Parasuraman et al., 1988).
3. The conceptual framework

After reviewing the chosen literatures, the appropriate theories of marketing management would be selected basing on the relevant research materials used and the techniques for developing conceptual framework. In order to help the reader to understand and think imaginatively when developing conceptual framework, the authors defined the concepts and related them to the chosen literatures in which will be presented in the analyzing chapter as well. The authors developed own conceptual framework to demonstrate the concept of this research. Figure 2, shows that the conceptual framework of this study based on the concepts of market orientation, market configuration management and consumer behavior.

Figure 2: The conceptual framework

(Source: own illustration)
According to Fisher (2007), the purpose of this chapter is to explain what theorizing means and to give the readers defining the concepts and formulating a conceptual framework for the research. The first stage is clarifying the terms or concepts and then providing a description of the relationship between the concepts being used.

From the conceptual framework, the authors have attempted to conceptualize the ideas and project of the weakness of dog insurance in Thailand. By starting the determining the weakness of dog insurance that is the topic of this research, the authors gained the weak point and the factors that affect to the dog insurance business’s expansion in Thailand. After that, the implementing and finding the approached to handle this issued were conducted. At this stage, the authors review the literatures and proposing the concepts of those literatures into the main concern. Further stage is to explore the weak point and relate to the chosen marketing concepts which are market orientation, market configuration management and consumer behavior. Each problem issued will be discussed and analyzed based on the review of background, literatures and the collected data from interviewing in which related to the mentioned marketing concepts.

The theories in the Consumer Behavior Textbook to be used in this research are motivation, lifestyle, and social power. These theories of consumer behavior will be applied in order to consider about what factors that creates customers’ needs and wants, what they are interested and think, and who has an influence on their buying.

The authors intended to enrich and upgrade the knowledge and the understanding toward the dog insurance by developing the concepts connected to marketing management to analyze in this research and supported the aspect of marketing seen by the business today from the customer's perspective. Customers begin to change the behaviors in purchasing of goods and services so a well-organized management is very important.

3.1 The related theories
This section is stated the appropriate marketing concepts being used in this research. It consists of the marketing concepts of market orientation, market configuration management and some concept of consumer behavior. This section will provide the reader the definition of all concepts being used and describing the relevant matter to the topic.

3.1.1 Marketing Orientation
Some of the elements of modern business and marketing practices can perhaps be traced as far back as the ancient Greeks, the Phoenicians, and the Venetian traders. The earliest recorded identification of the "marketing concept" was put forth in the 1700s by Adam Smith. In his writings, the famous economist discusses making the customer the focus of a business. Reintroduced in the modern era in the 1950s, the marketing concept has become the philosophical foundation for marketing academics and practitioners alike. (Heiens, 2000)
Proponents of the marketing concept have long argued that creating a satisfied customer should be the primary objective of business (Drucker 1954, Keith 1960, Levitt 1960). Throughout the past four decades, however, the marketing concept has been more an article of faith than a practical basis for managing a business (Day 1994). Consequently, academics in recent years have begun to develop a body of research on "market orientation", related to the antecedents and performance consequences of the marketing concept (Deshpande and Webster 1989, Jaworski and Kohli 1993, Narver and Slater 1990). According to Kohli and Jaworski (1990), the marketing concept is a business philosophy, whereas the term market orientation refers to the actual implementation of the marketing concept. (Heiens, 2000) Since the basic element of insurance is the service, therefore market orientation is suitable for fixing the weakness of dog insurance in Thai market. As the core idea of this concept is to focus on the customer and competitor, insurance marketing management of dog insurance in Thailand possibly has to redesign the marketing strategy to fulfill the service quality.

It is evident that the broad term, "market orientation," may actually encompass several different approaches to the strategic alignment of the organization with the external environment. The unique contribution is in the development of the market orientation typology matrix as a pedagogical and heuristic tool to summarize these distinct approaches. Specifically, this conceptualization of the market orientation construct suggests four distinct strategic types, involving tradeoffs in the allocation of resources to the strategic monitoring of customers and/or competitors. (Heiens, 2000) A four-cell market orientation matrix emerges as shown in Figure 3.

**Figure 3: Marketing Orientation Matrix**

<table>
<thead>
<tr>
<th>Competitor focus</th>
<th>Customer focus</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>High</td>
<td>Strategically Integrated</td>
</tr>
<tr>
<td>Low</td>
<td>Low</td>
<td>Customer Preoccupied</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>Marketing Warrior</td>
</tr>
<tr>
<td></td>
<td>Low</td>
<td>Strategically Inept</td>
</tr>
</tbody>
</table>


**Customer Preoccupied**
Firms emphasizing customer-focused intelligence gathering activities at the expense of competitor information may be classified as "customer preoccupied." Because the marketing concept promotes putting the interests of customers first, many researchers consider a customer-focus to be the most fundamental aspect of corporate culture (Deshpande, Farley, and Webster 1993, Lawton and Parasuraman 1980). When markets are growing, it is important to focus on lead users because they may serve as reference points for later adopters (Von Hippel 1986).
Also, when markets are fragmented and buyer power is low, customer needs are less well understood, so a customer emphasis should have a greater impact on performance (Slater and Narver 1994a). In addition, Day and Wensley (1988) suggest that "in dynamic markets with shifting mobility barriers, many competitors, and highly segmented end-user markets, a customer-focus is mandatory" (p. 17). As such, the first proposition is suggested. (Heiens, 2000)

As the data review, the insurance industry is growing in the worldwide market. There are many insurance companies in the world that rely on the customer focus; consequently those companies can spread their service to the new target group. Similarly, this concept relates to dog insurance in Thailand that need to practice the customer preoccupied concepts since it is a niche market and the chance of high competitive market is still low. The competitors seem not to invest their business for dog insurance since the market is still small. Therefore, the opportunities for the company to succeed in this market is actively high if the company is comprehensive the target market and attempt to keep focusing the service quality that will enhance the company’s performance and lead to increases in market share performance in growing markets.

Marketing Warriors
Borrowing from the famous warfare analogy proposed by Ries and Trout (1986), firms with a predominant emphasis on competitors in their external market analyses have been labeled "marketing warriors." According to Slater and Narver (1994b), a competitor-focus entails gathering intelligence on three main questions: (1) who are the competitors? (2) What technologies do they offer? and (3) Do they represent an attractive alternative from the perspective of the target customers? Using target rivals as a frame of reference, competitor-focused firms seek to identify their own strengths and weaknesses and to keep pace with or stay ahead of the rest of the field (Han, Kim, and Srivastava 1998). According to Day and Wensley (1988), when market demand is predictable, the competitive structure is concentrated and stable, and there are few powerful customers, the emphasis is necessarily on competitors. Moreover, the lesser the degree of competitive hostility, the greater the positive impact of competitor emphasis on performance (Slater and Narver 1994a). Since the market prediction of dog insurance in Thai market is unclear, the competitors will probably increase. However, it is difficult practice for insurance company to neglect its customers once the degree of competitive market is high. Therefore, this concept is suitable for insurance company if they are going to bend their target market or emphasize other service rather than dog insurance. Increases in competitor-focus lead to increases in market share performance in stable and predictable markets.

Strategically Integrated
Firms characterized as strategically integrated assign equal emphasis to the collection, dissemination, and use of both customer and competitor intelligence. A focus on both customers and competitors is important because a complete Academy of Marketing Science Review reliance on either customer-focused or competitor-focused decision making can often lead to an incomplete business strategy, leaving an organization handicapped by a reactive posture (Day and Wensley 1988). According to Day and Wensley (1988, p. 2), focusing primarily on either
customers or competitors could lead to "a partial and biased picture of reality." In examining the impact of customer versus competitor-focus, Slater and Narver (1994a) found little empirical support for the effectiveness of different relative emphases within a market orientation. Consequently, Slater and Narver (1994a) suggest a balance between the two perspectives is most desirable, and firms should seek to remain sufficiently flexible to shift resources between customer and competitor emphasis as market conditions change in the short run. However, due to the high cost of monitoring both customers and competitors, these firms may sacrifice ROI (return on investment) for market share. (Heiens, 2000) Dog insurance market seems too far from this cell unless there are the increasing in the competitors. Once the company increases in both customer-focus and competitor-focus, it will lead to increases in market share performance.

**Strategically Inept**
The external analysis is an integral part of strategic planning. According to Kohli and Jaworski (1990, p. 13), "a market orientation appears to provide a unifying focus for the efforts and projects of individuals and departments within the organization." As such, failure to develop an external market orientation may adversely affect business performance (Deshpande, Farley, and Webster 1993, Jaworski and Kohli 1993, Ruekert 1992, Slater and Narver 1994a). However, in some cases, firms may still succeed by concentrating on internal operations, technological advantages, and the establishment of core competencies. Yet, firms that fail to orient their strategic decision making to the market environment without any substantial internal strength may appropriately be labeled as "strategically inept." (Heiens, 2000) Shifting resources from external monitoring to internal operations may lead to increases in ROI in stable and predictable markets. The market trend of dog insurance is still obscure if concerning to the concept of Strategically Inept, perhaps the dog insurance will be withdraw from the insurance market. Since dog insurance emerged for long time but it is still not successful, the company may take out its products and service from the insurance industry against any financial loss.

### 3.1.2 Market Configuration Management
With the attempt of implementing the related concept of marketing, the market configuration management can be the selection to employed the weakness and problem issued. Market configuration management is composed of more concepts in marketing management that will be constructed to any specific market. Therefore, the specific service like dog insurance can use the various concepts of market configuration adapting to each circumstance.

As market actors can be viewed as systems, “effectively depending on the resources of others to survive” (Vargo et al., 2008, p. 149), a market should be viewed as a business ecosystem (system of systems). This concept related to the situation of dog insurance in Thailand in the way of how to create the ecosystem among the insurance market and that will bring the good performance. The importance of ecosystem should be in their interest, it will enable the company act in the market flexibly.
The interdependence of actors suggests that markets should be viewed as spaces where actors in the market (later called market actors) integrate resources to co-create value – instead of being places where demand and supply meet and reach equilibrium as neo-classical economics suggests (Arnould, 2008; Lusch and Vargo, 2006; Vargo, 2007; Vargo and Lusch, 2008b). Market actors are all the parties that are active in the market: suppliers, firms, customers, authorities. Besides the concept of ecosystem, this concept also related to the dog insurance service in which the company should manage its elements within the insurance business. Managing the resource and arranging the training program to build the skilled person can support the company’s performance since it build a good relationship between the company and the customers and lead to effective communication.

The logic of markets relates to the density of resources (Normann, 2001). Market actors interact in a market in order to increase the density of resources. Greater density of resources, relevant to a specific actor, time, situation and space combination, corresponds to more value. According to Lusch et al. (2010, p. 23), “maximum density is reached when, at a given time and place, an actor provides and integrates all the resources necessary to co-create the best possible value in that context”. This concept is relevant to the dog insurance market in a way of managing the resource and improving the quality service. It is a correlation of the above concept in which emphasizing on the resource of the company. The main resource of dog insurance business is the worker; the good quality service is dependent to the worker’s performance and ability to manage the insurance business. Therefore, the authors have an optimistic perspective of this concept is proper to implement and handle the weakness of dog insurance in Thai market.

Elements of a configuration interact if the value of one element depends on the presence of the other element; reinforce each other if the value of one element is increased by the presence of the other element; and are independent if the value of an element is independent of the presence of another element. The equifinality of configurations indicates that several configurations may be equally effective (Doty et al., 1993). This concept will be developed to dog insurance in Thai market which will be analyzed by assuming the insurance market where the other element has changed in its value. Especially when the degree of the competitors entering the market and when the demand of customers increase or decrease, further this concept also related to the concept of market orientation which are contributed independently.

### 3.1.3 Supplemental theories of Consumer Behavior

Some theories of consumer behavior should be applied in order to understand customer better.

**Motivation**

Motivation can be described as the driving force within individuals that moves them to take a particular action. (Evans et al., 2006, p. 4) The motivation of pet insurance is love and relationship between owners and pets which is considered as psychogenic drives, the desire to be
appreciated or to have status or feel (Evans et al., 2006, p. 4). Therefore, the psychogenic drives should be considered in this issue as well.

**Lifestyle**

Lifestyle is a mode of living as reflected in consumers’ unique patterns of attitudes, interests, and opinions. (Evans et al., 2006, p. 128) It is important that the main customers of pet insurance are the pet owners who love their pets like their family member, so it is necessary to understand the relationship and feelings between pet owners and pet as well. Agria’s recruitment policy that its employees should be animal owner enables Agria to understand the lifestyle of the customers and understand about their problem, attitudes, interests, and opinion.

**Social power**

Social power is another related theory from consumer behavior textbook. “Any individual or a group of individuals that can significantly influence your behavior could be called your reference group” (Bearden and Etzel, 1982, p. 171) Group influence is determined by the power the group wields. (French and Reven, 1959, p. 178) From the background review, vet suggestion and representative of Agria can evidence that dog insurance market is influenced by social power. Therefore, the social power should be considered. The use of representative in Agria board shows that Agria uses the legitimate power, the social power that make customer think the position of the referent confers authority in the context concerned (French and Reven, 1959, p. 178). Moreover, members of a collectivist culture normally associate legitimate power with groups like the family elders (French and Reven, 1959, p. 178). Since Thailand is a country with a collectivist culture, the family elders should be considered as well. The feedback of customers who are satisfied with the services can create the reward power and also create good image for the company.
4. Methodology

In this chapter, all of the methods performed regarding this research will be thoroughly explained. The first part of the chapter is mainly discussed about designing the research and how the authors to select the topic for the research. This section mentions about the reason why the authors selected the topic and the motivation to study throughout the research. Next is related to how the authors chose the theories to be applied in the research. Afterwards, the selection of respondents and the data collection will be mentioned respectively for both primary and secondary data in which the authors mentioned about the criteria of collecting them. In this research, the authors will collect the primary data through an interview with three groups of people that will be mentioned in the data collection section. For the secondary data, the authors will conduct the information by using the mentioned literature review in previous section. In addition, the data analysis, which was performed in this research, will be explained in order to provide the readers with an overview of the analytical procedure and the practical use for the insurance companies.

4.1 Research design

In this section, the authors describe the broad nature and style of the research that are going to undertake. The descriptive research had been used to explain and explore the gathered data from primary and secondary data collection. The brief details of research design are explained as follow:

Describing and reviewing the literatures

The authors studied the literatures relevant to the research area step by step in the beginning process. Starting by providing the details descriptive of the literatures chosen and reviewing the literatures from the general to the specific in which the authors identified the significant literatures to be used on analyzing about dog insurance in Thailand in the literature review chapter. To clarify the research problem on the first stage of gathering data, the discussion of literature reviews would be inductive style in which to generate some ideas from literatures in the view of marketing and management.

Selecting appropriate theories and developing conceptual framework

After reviewing literatures completed, defining the concepts and theories would be performed. The authors decided to choose the theories and developed it into the conceptual framework in which all concepts must fit together and relate to one another. The authors clarified the concepts and concentrated on the connections and relationships between the concepts. Developing the conceptual framework came from interconnection between the processes of doing the research and made it simply.
Collecting and analysing research material

This research used interviewing as a qualitative research to gather in-depth data from three groups of respondents. The authors designed the way to conduct it and criterion to select the respondents. Analysing the data would be implemented after the data collection process completed in which based on the conceptual framework and the theories used. The literature reviews analysis would be involved in the analysis chapter in order to generate the ideas and turn out to be the outcome. Techniques and methods for analysing the particular research materials from the literatures and interviewing were conducted by synchronizing and implementing the data regarding to the concepts of market orientation, market configuration management and consumer behaviour.

4.2 Criteria for choosing a topic

The topic of this thesis came from the initial idea of one author that had been worked for the insurance company in Thailand and interested in studying dog insurance market. The raised idea is that the insurance industry in Thailand is growing continuously but the specific kind of coverage like dog policy still is not successful. It brought the authors to find out the weakness of dog insurance in Thailand and diagnose those weak points. The information shown in the introduction chapter that pet insurance in Sweden is flourishing and dog insurance is a part of that success. As the result, the authors have attempted to discover the possible approach to handle the limitation of dog insurance expansion in which the authors exploit the successful pet insurance company inspired as the impulsion. The factors that the authors took into account when choosing the topic are as following (Fisher, 2007):

Interest and relevance

The authors selected the subject of the thesis by knowledge motivation and commitment to the insurance company. The obstacle of expanding dog insurance to Thai people and determining its weakness convinced the authors to come up with the topic and design the scope of research. Discussing the current situation also was of interest that contributed the authors’ inspiration on the problem issued.

Durability

Since the topic mentioned about the dog insurance in Thailand, the authors intended to study the weak point to make dog insurance fall into the declined stage in Thai market. Due to data collection conducting to the company side, so the company policy, laws and regulations were concerned as well. To make sure that the topic would not become obsolete to the company strategy or changing in the person’s decision making would affect to data collection, the authors selected a subject on the basis of existing problems and work experience of one author.
Breadth of research question

Under the process of discussing the research question, the authors focused on dog insurance in Thailand only and turned out to determine the area of study. Brainstorming was happened to define the problem and question as well as discussed it with the supervisor. The authors considered the research question by concerning the capability to access the information and eventually find the answer and also regarded to the time constraint.

Access

Since the topic associated to one author in the field of insurance business, designing the way to collect the data from the respondents would not create the trouble to both the authors and the respondents. The authors could get access to the people who can answer the interview question by contacting directly to the company which was supported from the author’s old colleague.

4.3 The selection of Theories

After reviewing the success of a pet insurance company in Sweden, the authors find out the key factor to make the company successful is customers focus. While considering Thai market, the dog insurance plan available seems unmatched to the customers’ demand. Moreover, the study of weakness of Thai dog insurance market shows the current problems are concerned about the insurance plan itself and low awareness about the existing of dog insurance. The current dog insurance plan in Thailand has only claim for dog live, not cover other necessary expenses for raising or taking care of dogs. Few people know there is dog insurance available in Thailand, however the people who aware of this still do not know much detail about it. Therefore, the authors concerned about developing of the product itself and the communication between the insurance company and the potential customers. As the result, the authors decided to ascertain the suitable marketing concepts that optimistically facilitate to the insurance company to work out this instant predicament. Therefore conceptual framework was produced under the purpose of implementing and handling the weakness of dog insurance in Thailand by conceptualizing the market orientation to develop the relationship between the insurance company and its customers, and enlarging the concept of market configuration management to design the prospective marketing strategies for the company. Furthermore, the reviewing the background of of the successful pet insurance company in Sweden shows that love and relationship between dogs and the dog owners is a driving force for this business. The motivation is also considered to study the driving force and factors that influence dog owners to buy dog insurance in Thailand. In addition, the potential customers of dog insurance are dog lovers. As dog lovers tend to have the same lifestyle considering the similar interest and opinion toward dog issue, the consumer behavior theory about lifestyle is also considered in this research. Another factor of the success pet insurance in Sweden is the representative of the company, which lead the author to think about the social power. Then, the topic of social power was chosen to study further about who has an influence on the dog owners in Thailand to make a decision on buying dog insurance.
4.4 The selection of respondents

In this research, there are three groups of respondents which came from the selection by the authors. The choice of respondents used in conducting the interview for group A and group B were based on the insurance knowledge associated to the research topic. Therefore, the chosen respondents are those who worked for insurance company in Thailand which have been involved in the research area and are willing to answer the interview questions. For group C, the authors selected from the dog owners in Thailand who are not reluctant to share their idea on dog insurance. The criteria for selecting the respondents were developed on the basic knowledge and perspectives on dog policy as well as the convenient time of all respondents. Due to this research was focused on the marketing concepts, so in group A and group B, the authors selected the authorized person in each company to conduct the interview in which came from at least assistant manager. The reason for selecting those authorized persons as the respondents was because the respondents can answer the questions that might require the power to make a decision or encompass the knowledge on overall company. The authors conducted the interview to group A because the authors would like to know the reason why they do not accept dog insurance into their production line and also would like to know whether they will decide to provide it if the market demand on dog policy increase. On the other hand, group B would give the authors prospect of dog insurance since there are only one company provide it. However, group C of the respondents had been selected from those who had free time to respond the questions.

4.5 Data collection

In this section, the data collection processes used in this research is based on both the primary and secondary data. The primary data is based on the results of interview received from three groups of Thai people and the secondary data is derived from the result of the literatures review and textbooks. The explanation of the mentioned data collection will be explained as the following sections.

Primary data

This study entitled “Implementing and handling the weakness of dog insurance in Thai market” is a primary qualitative research that attempts to accumulate the information about the potential approach of marketing concepts to pertaining to the weak points and considering the Thai people’s perspectives toward the dog insurance. The authors selected the interviewing as an exploratory research method in order to yield information to explain the problems which are not yet clearly defined or the real scope is still unclear about the dog insurance in Thai market. The first stage of the interview involved identifying the areas of the questions to be asked the interviewees and organizing them into priority order and making sure that the questions related to the research problem. The authors set the interview schedule and select three groups of people to conduct the interview. As the study of the research is to develop the dog insurance in Thai
market so the authors conducted the interviews with Thai people only but the language being used in the interview is English. The person who work in the insurance company which does not provide dog insurance was considered as the first group (contained five interviewees from different insurance companies) and the second group was the person who work in the insurance company which provide the dog insurance (only one interviewee from one company). These two groups were conducted interview in order to collect the data in the insurance company’s perspectives. Other group would be the Thai people who are the dog owners (contained ten people) gathering the data in the customer’s perspectives.

For the first group, the authors used simple random sampling method which is best used when the whole population is available (Changing Minds, 2011). The author selected the five insurance companies randomly, and then contacted the persons that are able to give deep detail for the interview. For the second group, there is only one company available so the authors selected this company. For the last group, the author applied purposive sampling method which is best used to study a particular group (Changing Minds, 2011). Since the review of the successful pet insurance company in Sweden showed that love is a driving force of dog insurance business, so the authors selected to interview the dog owners who love their dogs by asking the opening question “How much you love your dog?” to begin the conversation.

After organizing the interview the next stage was to conduct them. The authors started explaining the research study and offering the confidentiality and feedback to them. It is included giving the timing of the interview. As the authors have to collect the data from Thai people and this study was conducted in Sweden so the authors would do the interview by teleconference. The end of the interview would be closed with thanks and follow-up the result was needed accordingly.

Secondary data

According to Ghauri & Grønhaug (2010), secondary data are information collected by others, whereas primary data are original data collected by the reseracher. However, secondary data are also useful not only to solve our research problem, but also to better understand and explain our research problem. (Ghauri & Grønhaug (2010) In this research, the secondary resources derived mainly from article, research paper and the textbooks were integrated to support the findings. As secondary data is classified in terms of its source so the authors used the database of academic search elite, the emerald insight website (http://www.emeraldinsight.com) and the emerald library website (http://www.emerald-library.com) to explore the current issues related to the problem statement. Since this research is the practical study so the authors focused mainly on the real situation and the potential circumstances regarding to the market orientation and market configuration management that can be developed to dog insurance in Thai market. The authors begin with a literature reviews by studying from various souces as mentioned eailer. The purpose of doing the literature review is to study the previous research and identify a research gap. In the
midst of some limitations and drawbacks, multiple sources of data are collected to evaluate the strength of arguments that related to the main context.

4.6 Limitation
Due to this study focused on the current issues on dog insurance practically and the insufficiency of time as well as the limitation of the resources from literatures, thus it will be limited only to the output that respondents from the selected companies will provide the information that will come from the interview and also the information from literatures that will be cited. The authors used mainly the data relevant to the main issues to generalize the problems which are analyzed based on the opportunity to make it real happen in many possible ways. Therefore, the literature reviews and the background of this research were discussed base on the parallel circumstance because there is insufficient source for dog insurance in Thai market public issued.
5. Finding

In this chapter, the way to obtain the information and will receive the deep understanding from the interviewees that the authors used in this research is conducting the interview to the three groups of Thai people. All answers had been discussed and analyzed in the next chapter. The responses from the interviewees are presented below:

**Group A:** Persons who work in the insurance company in which does not provide dog insurance. (Five companies)

The authors conduct the interview to this group by sampling the insurance company in Thailand. There are five insurance companies which can provide the information and answer the interview questions. The answer had been shown hereunder:

The first question “Why does the company not provide the dog insurance?” From five companies, three interviewees answer that the market for dog insurance in Thailand is still very small and the company does not have any knowledge in this field. In addition, not all dogs are registered unlike humans who have a unique identity number for each person. Hence, it will be very difficult to prove the validity of claim since it is hard to know the loss experience. The other interviewees said that the customer's demand is nearly low in Thailand that the company has to consider the profitability of this insurance as well as the dog's circle of life, its behavior and prevention of risks to the animal is different. Moreover, some said that the OIC does not approve the dog insurance to be applied to the company.

Next to the question no. 2 “What are the major challenges or problems that the company might face if the company provides the dog insurance?” The interviewee said that the efficient system for registering dogs will be required since only some dog is registered but mostly still not. Fraud claim is very likely to occur and the efficient loss control will be necessary due to high claims are likely as well. Some said that the company might face the high loss ratio and it is hard to prove the actual loss and the animal clinic or hospital is not enough to provide service satisfaction and give the suggestion to insure the dog under the dog insurance as well as the limited hospital that the insurance companies can cooperate with. Besides, it is quite difficult to set the premium rate among the different kinds of dog and the identification of dog is still hard to prove so it is inflexible to control the risk. Some said that the company has to comply with the regulation of OIC that all the insurances have to arrange to the treaty and in some case that the sum insured is huge, the reinsurance is necessary so the company might face the treaty cost which mostly is high and the limitation of the treaty from the reinsurance company. From this result, the selling premium will be high reflected from the costs and probably not catch the target group in a practical way. Once dog insurance applied to the company, the company will require a lot of money to set up the system handle the claim process as well.

The next question “What do you think about the growth prospect of dog insurance sector?” Most interviewees said that dog insurance in Thailand should only be a niche market and the company
does not see much growth in this sector. Some said that it may be popular once the insurance companies set the premium price reasonably match with the coverage provided to the needs of the customers because the price and coverage are the prior factors that the customers concern. The insurance company may learn the law of large number in which they know how to provide the coverage not only for dogs but include other pets such as cats and birds.

The last question “Will the company provide the dog insurance if the customer’s demands of dog insurance increase? If yes, how? If no, why?” Three from five companies said that despite the increase in the demand, they do not think that the company will provide dog insurance due to the size of the market will still be too small (overall premium will be inadequate to cover the operation expense and the claim is expected to be high). The reinsurance treaty and the treaty wording for dog insurance still are not emerged to protect the company itself. The other two companies said that if the demand in dog insurance increase in Thai market, the company will probably provide it. However, the company will consider the premium received that should absorb the operating expenses as well as the expected loss amount and assure that there are reinsurance companies support them once the sum insured is too big and there is high loss experience.

Group B: A person who work in the insurance company which provide the dog insurance. (Mittare Insurance Company)

Due to there is only one company in Thailand which provides the dog insurance so the authors contact the persons who can give the time to answer the questions and obtained the data below:

The first question “How can the company do to make the dog insurance be important to the customers?” The interviewee said that the company tries to emphasize the importance of the dog insurance to the customers against the emergency medical costs when the dog gets sick or injured. The company offers the alternative for prolonging the dog health to the customers by insuring under the dog insurance. Once the accident or the death of a dog occurs, the customers will not take risk by themselves, they will get the compensation from the insurance company instead. It is an easy way by paying the insurance premium to the insurance company to take the risk on behalf of the dog.

The question no. 2 “How do you provide more distribution channels to meet the customer’s demand?” The interviewee said that the company has a plan to expand the distribution channel of dog insurance by selling via the brokers and on the internet. Moreover, the company will participate to be the sponsorship of the dog show festivals and will offer the dog insurance to the new customers so that the customers can buy the dog insurance directly at the dog show festivals.

The question no. 3 “From the study, the customers need medical expense extended from the existing coverage, so how does the company respond to the customer’s needs?” The interviewee said that due to the policy regulation, every insurance company has to comply with so, the
company cannot extend the medical expense further than the existing coverage because some medical expense is too high such as cancer, so the company has to responsible those expenses and that will not be the profitability to the company. However, the company will expand the coverage to the dog health insurance in the near future. At the present, it is under the process of getting approval from OIC in the term of dog health extension.

The question no. 4 “What qualifications does the company expect from the employee in dog insurance field? How to increase the employee’s potential?” The interviewee said that the company arranges the training about the dog insurance such as the underwriting in term of declining or accepting the proposal of the insured and the premium rate setting. The employee in the dog insurance section should come from at least the other insurance field. The employee who is expert in this field will transfer the knowledge to the new employee as well as learning the claim history from the insured to improve the claim process such as the speed of providing the service when the insured make a claim.

The question no. 5 “What do you think about the growth prospect of dog insurance sector in Thailand?” The interviewee said that the dog insurance needs more advertising to express the benefit of having the insurance protect the dog life from death and accident. Due to the number of dog owner in Thailand increase growingly, so the dog insurance will perhaps be their alternatives to protect their dogs against the risks.

**Group C:** People who are the dog owners (New customers)

From the interview of the group C: People who are the dog owners, the author focus on the dog lovers. The respond are summarized as follow.

With the opening question, the author started with how much the respondents love their dogs. From six female respondents, three respondents loved their dogs as much as their family, one said her dogs were her closed friend, and one respondent love her dog as her life. Only one female mentioned that she loved their dogs but not much as one of their family members. On the other hand, all four male respondents answered that they loved their dogs so much but not considered them as person or family member.

The first question is to figure out how much the respondents know about dog insurance in Thailand. Nine out of ten respondents said that they know nothing else about dog insurance beyond the basic knowledge given by the authors. Only one respondent know there is dog insurance available in Thailand but know only general details about it such as the basic coverage.

The second question is related to the way to gain attention from the respondents. The most attractive way that the respondents prefer the company to create is to show them the worthiness of the dog insurance by comparing the price and benefits to them, with less and simple conditions. The benefits should beyond the price and cover all necessary expenses including health check up, routine care, injured medical care, and some special treatment. The insurance
company might offer a full course treatment for dogs with special price or as a part of the insurance plan. Moreover, the condition should be easy and not too strict. The claim should be done easily and easy to access. One respondent pointed out that she would be interested to buy dog insurance if it can make her dogs live longer with any special technique.

The person that has the most influence on the respondents buying decision is the people who have already bought the dog insurance, which might be either the respondents’ friends or other people that reviewed experience or feedback on service of dog insurance on the internet. The respondents would like to know about the experience of being the insured especially on process of getting the claim compensation in order to figure out whether the insurance is good and worth for them. The second most influencer is the insurance company itself and its salespersons, whether it is reputable and reliable. The next influencer is their parents as they concern about the respondents’ spending of money, so the insurance company and its salesperson have to convince their parents as well. Veterinarian also has influence in term of information provider and suggestion.

About the expert or famous person, most of the respondents agreed that expert has influence on their decision making, in term of providing suggestion, information, and knowledge about dog care. The expert can build trust and makes the dog insurance become acceptable, especially if those experts are really well known for their own kindness, trustworthiness, and high moral. However, three out of ten respondents judge the expert as only a part of commercial. They do not think that the information from those experts is much reliable. As they mentioned, some company just use the persons that have no deep knowledge in this field, to be the presenters show benefit of the product and try to trick the customers that those person are really expert.

The factor that most affects to the respondents’ buying decision on dog insurance is the worthiness of the dog policy. As mentioned, the benefits should beyond the price, and the price should not be too high considering about their budget as well. The following factor is the company itself regarding how trustworthy of the company and how good services the respondents receive from salesperson. The promotion of the dog insurance, the flexibility of claim, and word of mouth also affect their decision making. However, one respondent pointed out that he will also consider the risk of the dog surroundings as an important factor.

Seven respondents agreed that salesperson actually had influence on their buying decision in term of convincing them to buy dog policy, especially if the salesperson was obviously sincere, honest, and has service-minded. One said that the salesperson will have more influence if he or she owns a dog as well. Moreover, one respondent pointed out that if the salesperson provided bad service, she will not buy the dog insurance from that company regardless how much reputation of the company. However, three out of ten respondents said that the salesperson has no influence on them because they focus more on the product and service itself.
All respondents thought television commercial is the most effective media of advertising. Two also pointed out internet as another attractive advertising media. Two mentioned that word of mouth has a lot affect on their interest. Moreover, one pointed out that the insurance company should attend the pet exhibition and has a booth promoting the dog insurance.

About distribution channel, six respondents preferred to buy dog insurance through salesperson so that they can get the right and deep details about the product and service. Moreover, if they have problem or any question, they will be able to ask salesperson directly and help them on their issues. This distribution channel seems to be the most reliable. One out of six respondents said it is good to be able to contact salesperson via internet or by phone and then have salesperson come into the customers’ place for the convenient. Three respondents prefer to buy dog insurance at the pet clinic or hospital directly. One out of three thought pet shop is another good distribution channel. The last respondent preferred the insurance company offering dog insurance to be available in convenience store for easy access.

The reason that eight respondents did not buy dog insurance is they did not see how necessary and the benefit of applying dog insurance since they can take care of their own dogs and keep them in secure and healthy surroundings. One mentioned that the insurance plan seemed not practical as it would be so hard and complicated to make the claim. However, one out of eight respondents said that she will consider dog insurance if there is an attractive one that provide the widen coverage. One gave a reason that she did not know that dog insurance existed in Thailand and though it was not popular at all. Another one said that she cannot find a good dog insurance company. However, if there is a good one with expensive price, she will not buy it.

About the expectation from dog insurance, the benefit that respondents wanted the most is a broad coverage. They wanted the insurance to cover all expenses including normal health check up, medical treatment, and medical care in large casualty. They would think that it is worth to buy dog insurance if they need to pay small insured amount but get guarantee for the future expenses coverage arising from unforeseeable incidents. The company should show that the company can be a good financial and risk transfer source for them and it would be great if the company can show that the customers will gain the benefit or even profit if they buy dog insurance. The second most mention about expectation is a good service. The respondents expect to receive good service and want the occurred expenses to be easily claimed. The last expectation is an improvement in the quality of dog lives and healthier dogs. One respondent mentioned that she expected the company to make her dog live much longer than the average life.
6. Data Analysis
In this chapter, the authors analyze the information received from collecting the data from both primary and secondary data and with the supporting literatures and the conceptual framework. The authors figured out the concept of market configuration management, market orientation and some concept in the Consumer Behavior Textbook and put into the consequence analysis. The process of data analysis is transformed by inspecting and highlighting the gathered information. The authors also focused on the knowledge discovery and explore the specific areas rather than purely own judgment that might be applicable to the readers.

6.1 Market Configuration Management
From the literatures review of Market as Configuration, the statement of:
“Marketing literature typically either neglects to define the market construct altogether, or adopts definitions from economics (e.g. Venkatesh et al., 2006). Defining and understanding markets has, however, become increasingly interesting, as both academics and practitioners focus more on the opportunities for co-creation both with customers and suppliers.”

Every business must understand the customer needs that will help the company define the new market opportunities. The capability of insurance company to define new target market of dog insurance is definitely crucial. The more specific market drives the opportunity to sell the products or services. Dog insurance is the specific kind of insurance coverage that intends to capture the particular customers who are the dog owners. The better definition of the customers that the company needs to know their characteristic, it is easier it will be more clearly define the company’s market. The prospect of insurance business typically based on the customer’s domination. The customer determines the design of service providing by the insurance company. Dog insurance is issued to provide the classical coverage of dog’s lives that innovated and developed basing on the life coverage of human initially. The ability to convince the customer change their preference and attitude on dog insurance is challenging to the insurance company. How to define dog insurance market will also make a difference on how and what the company uses to reach that market. The target customers of insurance company are generally the person who cares about the risk which can occur to their life or property. In the new rapid growth of insurance industry, the opportunity of dog insurance to penetrate Thai market is apparently capable that the kind of dog insurance business is sensitive affecting to the passion of customers. However, the customer predictability of insurance business is dead. The customer needs may change on daily base that impossible to control their inclination and tendency. The well-defined market can help the weakness of the dog insurance to be easier for insurance company operate more profitable. In fact, it will drive the product innovation and revenue growth in every aspect of the company. Again, the company cannot predict the future, but by establishing effective customer research will facilitate the company flexibly create the way to survive in the market. Price is the indicator that fashion the revenue to the company. Since Thai people still perceive the price or premium of dog insurance as expensive payment, the efforts of the insurance company to handle it is to providing the coverage corresponding to the premium charged to the
dog policy holders. In practice, there are the regulation stated how to set the premium in which every insurance business must follow, therefore, the chance to amend direction is zero. The change in the company management can be the solution for the reason that it is easy to adjust the controllable factors such as marketing mix rather than attempt to struggle with the uncontrollable factors like Regulatory forces factor or political factors.

Exploratory market and customer research should be an essential component to insurance company to continuous developing dog policy. As dog insurance market still is too low in Thailand, the company cannot afford to target everyone. Although dog insurance is characterized to a small business group but it can effectively compete with large business by targeting niche market. Defining the common dog owners or stay-at-home moms are too general, the new target market probably is persons who own the endowment or special talented dog. The insurance company should practice the customer research utilizing the advantage of its single company that sells dog insurance. It assists the company to provide the foundation for effective idea generation and creativity. The company will more understand the customer needs, complaints and problems that require the different way to handle. Each performance will be designed to a particular situation in which also depends on the certain activity, function, company process regarding to that matter. For example, as a result of high cost of premium of dog insurance, the company has to aware of accurate premium ratemaking to match with the risk exposure. Dog insurance can be priced by critical determining what risk factors or variables are important for predicting the likelihood, frequency and severity of a loss. Although there are many obvious risk factors that affect rates, exploring market to recognize the subtle relationship subsist among variables or do the customer analysis will help to identify the gap between the company and market.

“Effectual market actors will need new sets of capabilities and management practices to be able to co-create their market. We suggest that a way for market actors to deal with the subjectivity of markets is to conceptualize them as configurations (Meyer et al., 1993), a construct similar to “business ecosystems”. Ecosystems are assumed to self-organize into a stable symmetry or stasis (Gould and Eldredge, 1993)”

The background of dog insurance business reveals that there is only one company that offers dog insurance in Thai market in which is inadequate and obsolete for particular customers. How to conceptualize the business as configuration depends on the surrounding factors that will be constructed to business ecosystem. In spite of this, it is not balancing in dog insurance business and that does not mean that this business could not be shaped as configuration. In order to assemble the business ecosystems, the market should be segregated by neglecting some specific products or services. Instead of distinguishing dog insurance as a particular service differentiated from other company, the insurance company should view dog insurance as same as other service which has the same type or approximate kind of coverage such as human life insurance or health insurance. It will facilitate the company to see the business as the ecosystem. Once the company
construct the business ecosystem within the market, determining where and how to market the company will be easier. The insurance company needs to characterize the current customer base by studying the customer’s common characteristic and interests. Examining the reasons or factors that impulse the customers to make a purchase on dog insurance and how to make them appreciate the benefits of its products and services is more important than ever.

Attentiveness of the potential competitor will bring to product innovation or improvement of the company. From the data collected by interviewing, there is less probability for the competitor to enter dog insurance market. Not only the unattractiveness of its products and services, but also there are less opportunity to generate the profit under launching dog insurance in other insurance company’s perspective. On the other hand, the company can gain the advantage by developing services throughout existing niche market. The insurance company should realize who are the current customers so that the company can reach them and create the value to become loyalty of the company will be accomplished. Furthermore, analyzing the products and services is significant to dog insurance business in kind of improve the gap between the service providing and the customer expectation. The insurance company needs to discern the feature of dog insurance service and manipulate reflected to the benefits offering to the customers. For example, performing a professional image of claim processing and assessment can attract more customer as they see the company as professional and trustworthy. However, considering the target market at the early process will be much easier to figure out what products or services will fit into the target’s life style. As the results of Thai people do not know much about dog insurance, the insurance company should recognize what media they can turn to for information or attend particular events. The data reveals that the insurance company tries to take part in sponsorship in dog show events to promote the company’s products and services that will create the attention to the real target market. However, the advertising still need more emphasized dog insurance not only the information conveys to customer by the company directly but it also requires more publicity on TV commercial or search online.

6.2 Market Orientation
From the literature review on this issue, “Market orientation is very important to insurance companies, as with increasing global competition and changes in consumer needs companies have realized that they must stay closer to their markets (Greenwald, 1991). Just as an effective competitive strategy is important to survival in a competitive environment, so is market orientation. From a market orientation viewpoint, the insurance market is of particular interest, as it works with intangible products in which service quality and customer orientation are crucial elements. Yet, little research has been performed in the insurance sector.” (Lado & Maydeu-Olivares, 2001). The market orientation effects to the company profitability as the business that can increase the market orientation will improve the market performance. The insurance company in Thailand can increase the market orientation in a way of improve its service and focusing on its customers. Although the innovation is still vague since dog insurance needs more
advertising to create their position in Thai market therefore the innovation will be not priory concerned at this time. The changing in customer needs affect the marketing strategies being use to reduce the risk of loss in profit. The insurance company should rely on the customers focus to create the effective strategy and maintain the exiting customers. However, as discussed earlier that the potential competitors in this business is low therefore, the important objectivity is on customer orientation. The ability of the insurance company to provide dog insurance to reach the worldwide standard and easy to access the new target market is very crucial. The service quality will affect other customers and bring to customer satisfaction. Many companies now have a “customer satisfaction index” as one of their key performance indicators (KPI). As the background stated that Agria Pet insurance in Sweden create the “Agria’s satisfied customer index” to investigate customers’ demands and needs that enable Agria to recognize what the company should accomplish in order to analyze customer satisfaction. It will help the company to measure the satisfaction and improve the service quality. If the insurance company carries out KPI, the company will be capable to systematically develop and achieve service quality. However, due to lack of understanding customer satisfaction, it makes the insurance company face with low implicit and low embedded to the customers that is why insurance company should realize and aware of customer’s contentment on dog insurance service.

From data collection, it is implied that the degree of customer satisfaction on dog insurance service need to improve explicitly. With a better understanding of customer satisfaction, the insurance company should focus primarily on its product and service. The weakness is the thin coverage and complex of making a claim process, the company would be able to make more effective service by adjusting the coverage extension. However, the business’s conformation is unfavorable since it affects by the external factors like the laws and regulations. As the results, not only the interfering from uncontrollable factors, the limited resource is also obstructive. The interviewing reveals that dog insurance market needs high skilled persons that are presently insufficient in Thailand. Furthermore, creating a better understanding of the relationship between different types of service quality and customer satisfaction, by focusing on the dog insurance distribution channel can enhance the satisfaction. The customers will participate in the business when they feel convenient to purchase the product or service. The insurance company should increase the distribution mean to provide throughout the customers. This is a basically factors that stimulate the new customer and promote the company an indirect way. Lambin (1996) and Lado et al. (1998) have defined market orientation as:

“A competitive strategy geared to generating and maintaining a situation in which there is a value exchange with [the firms’] markets. The equity in this exchange creates a differentiating position that leads to loyalty to the brand and high economic returns (Lambin, 1996, p. 25).”

In their definition of market orientation Lambin (1996) and Lado et al. (1998) expand the concept of market orientation to include distributors, since these constitute the firm’s first
external client (Day, 1992), and they make products or services available to the final customer (Whiteley, 1991). This statement supports this research in term of distribution channel that is fundamental element making a direct contact with the customers. Generally, distribution channel requires other relating process in order for the company to reach its target market. Dog insurance in Thailand has its own distribution function performed by the insurance company. The advantage is the company will be able to control over the sale of dog policy and can exercise the position in the market. However, it is still doubtful that why the insurance company in Thailand does not use the internet make it much easier to distribute product and service that will lessen the needs for others to put the effort to be involved in dog insurance. Although, the background reveals the failure of exercising the agents or brokers assist in selling dog insurance but it may seem to make sense for a company to operate its own distribution channel and seek for the assistance to raise the volume of sale.

More importantly, as mentioned about premium rate earlier, it is still emphasized on this sector because pricing can influence the customer to make a decision on buying dog insurance. The premium rate remain of retaining existing customers by ensuring their satisfaction is significantly lower than the cost of acquiring new customers whereas the insurance company feels difficult to break in the new target market. In order to enhance and maintain and the firm’s long term profitability, the insurance company should highlight on “listening” to the customer’s need and seeking key drivers of customer satisfaction on premium pricing. Again by doing this, the company should adapt the products and services to be more applicable and reasonable to the customers. It is not only success on the outcome of the service but also on the process of service delivery. Furthermore, regarding to the effect of customer royalty, it most likely lower servicing costs, reduce the marketing expenses such as the operation costs and increase the number of policy sold from current customers that will ultimately increase the customer satisfaction.

The conceptual framework discussed on the market orientation matrix, by evaluating the customer focus and competitor focus, dog insurance in Thai market falls into “Customer Preoccupied” cell from the consequence of requiring the high customer orientation and situating in low competitive market among the rivals. The statement of “a customer emphasis is most important when the market is growing and when markets are fragmented and buyer power is low. When markets are growing, it is important to focus on lead users because they may serve as reference points for later adopters.” (Von Hippel, 1986) Market orientation is dependent on the network in which consists of supplier, buyer and competitors. From data review on background, the ecosystem of dog insurance market is approximately balancing with other elements in the market caused by there is single supplier and zero competitors presently nevertheless the buyer is dynamic changing. “Also, when markets are fragmented and buyer power is low, customer needs are less well understood, so a customer emphasis should have a greater impact on performance.” (Slater and Narver 1994a) The customer can indicate the market as a driven force to push the performance of the company in various ways. Therefore, the insurance company should get
prepared for the market changing and be flexible on adjusting the company’s policy. On the other hand, if the buyer power is dynamically high, the company will gain the significant market share in insurance market.

“Consistent with the marketing concept, customers have traditionally been considered to be the primary focus of a market orientation (Deshpande and Webster 1989, Payne 1988). Other researchers, however, have begun to embrace a broader perspective on the market orientation construct by including exogenous factors that influence customer needs, such as competitors and even government regulation (Kohli and Jaworski 1990, Lusch and Lazniak 1987, Slater and Narver, 1994a). In addition, the popular business press is replete with works promulgating a competitor orientation in the practice of strategic marketing, often relying on a warfare analogy (e.g., Ries and Trout 1986). Consequently, despite the academic emphasis on customer orientation, practitioners may actually be influenced to operate with a strong focus on competitors.” (Heiens, 2000)

However, although the market predictability of dog insurance is ambiguous but developing the market and customer orientation efficiently can catch the attention of potential competitor to share the market portion. According to Day and Wensley (1988, p. 2), focusing primarily on either customers or competitors could lead to partial and biased picture of reality." Changing the cell in the market orientation matrix to “Strategically Integrated” will be the consequence motivating to focus more on competitors. The insurance company should imagine the practical technique apply to retain the existing customers and crate the competitive advantage defending the switching in customers. “Failure to develop a market orientation, either customer or competitor-focused, may adversely affect business performance. Consequently, firms that fail to orient their strategic decision making to the market environment may appropriately be labeled as "strategically inept" (Heiens, 2000). Therefore, the insurance company should emphasize on potential competitors expanding their insurance sector to dog insurance market carefully otherwise the company has to revolutionize or modify the strategy filling this gap.

### 6.3 Consumer Behavior

According to the article Animal parenting' trend identified, females aged between 25 and 34 tend to have pets as their companionship so that they do not treat them as normal pets but rather in term of person. Refer to the driving force of pet insurance, which is love and relationship between pets and owners, this group of females tend to be the potential market of this business sector. Moreover, the interview of dog owners in Thailand also showed that females gave value to their dogs more than males, since five of six females considered their dogs as persons whereas all four males did not consider their dogs on that way.

According to Insurance sector dynamics: towards transformation into learning organization, there are five factors that insurance companies should take into account in order to improve customers’ perceived quality which are core service, human elements of service delivery, non-human element of service delivery, tangibles of services, and social responsibility. For the first
four factors, there are also five service quality measurement factors which are reliability, responsiveness, assurance, empathy and tangibles. Reliability is very important because customers expect to get the claim for their pet medical treatment from pet insurance plan. Therefore the claim should be practical, so that reliability is perceived by customers. This complies with the answer of respondents in the interview of group C that they expect medical expenses coverage, the practical plan, and flexible process. For the responsiveness, it is more related to the salespersons. The salesperson should be willing to help customers solve their problems with service mind. This responsiveness should be considered as one respondent in group C mention that she will not buy the insurance plan if the salespersons provide bad service. The salesperson should have a well knowledge about the insurance plan and also about the pet, so that they can provide enough information and make customers to understand the right product and service. Moreover, they will be able to convince them to buy the insurance buy ensuring the customers about the insurance plan benefit as respondents in group C said that salespersons also have an influence on their decision making. Empathy is the feeling that customers can perceived from the company and salespersons. The salesperson should show their caring and attention to the customers sincerely as they will have more influence on the customers’ decision buying if they are obviously sincere, honest, and service-minded. The recruitment of Agria’s employees supports this issue. If the salespersons also have or had pets, they will know about the animals matter and better show their caring to the customers. Tangibles are related to any physical thing. A good appearance of salesperson will encourage customers to perceive the better service quality.

Next is the social responsibility. Companies should also take an action to enhance the welfare and interests of society as well. As mentioned earlier, Agria has the three representatives as animal owner organizations and one member is a representative of the veterinarian in its organization board. This way, the company can improve its image. According to the interview of group C, customers tend to listen to the people that have direct experience on product or services. The word of mouth has an influence on their decision making which complies with the study of Insurance sector dynamics: towards transformation into learning organization shows that word of mouth is one of critical factors which have significant influence on the perceived service quality. Therefore insurance companies should delight the existing customers to create the good word of mouth.

**Motivation**

From the existing information, the motive of this business is love and relationship between dogs and the owners. Considering the answer from the group C interview, all respondents expect the coverage of medical expenses to take care of their dogs not the compensation for the dead of their dogs. This can show the respondents’ concern on their dogs’ health. This can imply the love they give to their dogs since they want to maintain their dogs and want the dogs live with them as long as it is possible. They did not think that every dog is the same so that they can buy the new one, with the compensation amount from the insurance company, to replace the dead one.
Since dog owners will devote both money and time to take care their loved dogs, they would be happy if someone like the insurance company can reduce their obligation on those expenses.

**Lifestyle**

In term of services, customers want to get a good service from service-minded staff. The salesperson should have well understood of the insurance plan, be able to show the benefits that customers will get, and be sincere to customers. As one respondent mentioned she prefer the salesperson who owned dog as well, because the salesperson will be sincere and understand about dog. Moreover, salesperson has influence on customer buying decision; Thai insurance company should focus on improving the salesperson quality. Beginning with the recruitment, same as Agria in Sweden, to get only staffs that own or ever owned a dog, so that all staff will have feeling for the dogs and understand the lifestyle of the customers, their problem, attitudes, interests, and opinion. This will enable the salesperson to motivate customers to buy the dog insurance as salesperson will know what benefit will attract the customers and how to convince them.

**Social Power**

Considering social power, there are many reference groups that have influence on respondents buying behavior. First is dog insurance holders group. This group has an information power as people in this group have direct experience about the product and can provide exact information to new potential customers. The way people in this group said about the insurance experience will form an image of the company which also affects the customers’ decision making. Therefore the insurance company should focus on developing the best of its services and insurance plan itself to ensure the satisfaction of customers, so that the word of mouth will go in a good way. However, salesperson is also a group of information power. If the salesperson can provide deep details and answer all the questions by the customers, the customers will feel that they can rely on that information and will ask further questions from the salesperson openly. Therefore, company should provide training course to make sure all staffs have deep understanding about the product, have the same goal, and be service-minded. The next group is the parents. According to the theory of social power, members of a collectivist culture normally associate legitimate power with groups like the family elders. As Thailand has a collectivist culture, the parents will have a legitimate power. Therefore, the insurance company has to communicate to the parents group and get acceptance from them as well. The next group is veterinarian. Veterinarians will have an expert power to influence people to buy the dog insurance if they really have a good degree of expert knowledge. The insurance company in Thailand can use the advantage of this power by having a veterinarian to give useful information and give the suggestion to the customers and convincing them to buy the dog insurance. However, the company should ensure the veterinarian is well known for their expertise otherwise people might judge the veterinarian as only a part of marketing.
As mentioned earlier, this research aimed to collect and analyze information about dog insurance market in Thailand and contribute to the development of a general theory of the marketing concepts to identify the opportunity for the insurance company to expand its business. Primary and secondary resources were used in the research. For the primary data, the authors opted to conduct the interview using randomly selected the person who work in the insurance field as participants and selected the particular group of dog owners in Thailand. The answers of the respondents were then processed by analyzing based on the empirical finding and the conceptual framework. Secondary resources derived from various publication sources including article, research paper and conceptual paper were integrated to support the findings.

Based from the results of the interview for three groups of Thai people, the first two groups of people who work in the insurance companies express the ideas about the dog insurance in Thailand. The perspectives toward dog insurance from the company’s point of view are still not attractive to the Thai market since it probably grows in the niche market only. The interviewee also pointed that the support from the OIC is the critical practice for them otherwise dog insurance will be declined to the company. The opportunities of penetrating dog insurance in the new market is very low when compare to other insurance policies such as fire insurance, marine insurance. In general, most people in Thailand are not aware of insurance and still do not see importance in applying for insurance coverage for themselves. Hence, it is unlikely that they will buy insurance for their dogs.

From the review of dog insurance in Sweden, the third group of dog owner in Thailand, the authors find out many factors that lead to a success in business. Love and relationship between dogs and owners is the driving force of this business. The key of success from a successful company is customer focus. As a result, the authors conduct an interview to study what customers think and want so that the company can develop market orientation and market configuration management to satisfy the market, by focusing on the dog lovers. The study of dog insurance in Thailand and the Thai people attitude toward dog insurance shows the mismatch between the insurance plan provided by the insurance company and the customers’ needs. The data from the interview and the analysis suggested that the insurance company in Thailand should develop the product and services by using customers focus, which are extending coverage to meet the customers’ need as well as providing more distribution channels for more convenience and training salesperson to become more effective in providing the information about dog insurance, that will increase high degree of communication to gain attention from customers. In term of advertising, the insurance company in Thailand also can learn the way of the advertising from the successful pet insurance in Sweden. Some concepts of consumers’ behavior can be applied to support the company’s customer management that will facilitate the insurance companies dealing with customers effectively. First, the insurance company should have a page of customers’ feedback in the company website. From the interview, the existing customers’ feedback has an influence on new customers’ decision making. If the satisfied
customers can freely share their direct experience the feedback can motivate other people who are considering the dog insurance. Second, the insurance company can use a well-known expert that really has the expertise in dog and the dog insurance as its representative as another social power on customer. Third, the company might recruit the employees that are or were dog owner so that the employees will understand the importance of the work and love their job. With the similarity of dog lover lifestyle, they will have the same attitude or some activities toward dog issues and will be able to understand the customers’ needs. The training is very important since Thai people need a lot of information about dog insurance. By doing this, the effective salesperson will have a great communication with customers and bring the good outcomes for both parties. Moreover, to understand what customers really expect from the insurance plan, the insurance company can use the expected criteria to persuade customer as a motivation of buying dog insurance. According to the interview, customers expect the dog insurance plan to cover all expenses related to guarantee their dogs’ health and lives. Customers love their dogs and expect their dogs to be healthier and live with them longer by providing the best treatment, in which the coverage of dog insurance plan could be consider as a stable and reliable financial source. As a result, Thai insurance company should extend the coverage on the expenses related to high quality and consistent medical treatment for dogs and point out the coverage as a motivation to buy dog insurance. This can also increase the awareness of customer to realize the benefit to hold dog insurance.

Nowadays, insurance industry has become very competitive so a good service can represent the image and quality of its product. The best way to improve the customer service is to build well trained employees who listen to the customer’s opinion and helps them immediately. Moreover, it is the duty of the salesperson to explain the customers every detail of the policy and do not keep any secrets. If any of the promises are breach, the company will lose the faith of the customer. On the other hand, if the company respect to the promises and that is really help the consumer, not only the consumer will be impressed with the product and service but also the customer can become a middle man for the insurance company to get further networks or contacts to other customers. Targeting a specific market does not mean that the company neglects people that do not fit the company’s criteria on a specific market, it will be more affordable, efficient and effective way to reach potential clients and generate business. The company has to ensure that there are enough people that fit to the criteria. By developing the concepts of market orientation and market configuration, it can assist the company to design the proper strategies and improve its performance. To explore the customer needs and wants that will enable the company to realize its potential customer’s expectation and get ready to the dynamic changes in market. Further, examining external market and competitive trends will be of assistant tools to improve and develop the existing products and services. Ascertain potential needs and wants of each customer segment and character type, so that the company can identify problems such as conducting observe people to discover their unrealized needs. The marketing manager needs to understand what drives the target group to make decisions and can afford the products and services. Further, determine the message that is easily accessible so that the
company will be able to reach the customers. Defining the target market seems difficult for dog insurance business since it is considered as a niche market. To achieve the different objectives, the company may choose various strategies depending on its resource configuration. More significantly, to be marketing oriented the company should place an emphasis on the marketplace where the relationship among the actors performed. To ensure that its operation in the network is directed toward or centered on its customers, for this reason market orientation is required.

However, despite the demand of the dog insurance will increase in the near future, the insurance company still hesitate to invest money for this kind of insurance. It still required highly skilled and trained employees to work in this field and that will bring costs to the company. Literatures however, noted that despite the dog insurance is provided by more than one company but the coverage is still required to extend to cover the medical health expenses. The challenge for the insurance company is how to respond to the market’s needs as well as reflect to the price in a reasonable way. However, the significant key of a success in providing dog insurance that the insurance company should concern is to make a successful selling and keep the customer happy to its product and service. The insurance company can address these challenges by finding out the solutions that are both profitability and financially sustainable. This research can imply that the customer needs a lot of service from the company and the customer’s preferences can change the position of the company in the market. Although the dog insurance market is still small, continuously developing the quality of product and service should not end. A great service will bring the customers back to purchase another policy and that will generate the overall profit to the company.
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Appendices
Appendix A

The authors conducted the interviews with the respondents via telephone and teleconference. The list of questions to be conducted in the interview are as follow:

**Questions to group A:** Persons who work for the insurance company which does not provide dog insurance. (Five companies)

1. Why does the company not provide the dog insurance?
2. What are the major challenges or problems that the company might face if the company provides the dog insurance?
3. What do you think about the growth prospect of dog insurance sector?
4. Will the company provide the dog insurance if the customer’s demands of dog insurance increase? If yes, how? If no, why?

**Questions to group B:** Person who works for the insurance company which provide the dog insurance. (One company)

1. How can the company do to make the dog insurance be important to the customers?
2. How do you provide more distribution channels to meet the customer’s demand?
3. From the study, the customers need medical expense extended from the existing coverage, so how does the company respond to the customer’s needs?
4. What qualifications does the company expect from the employee in dog insurance field? How to increase the employee’s potential?
5. What do you think about the growth prospect of dog insurance sector in Thailand?

**Questions to group C:** People who are the dog owners and love their dogs (Ten people)

1. What do you know about dog insurance?
2. What do you think how the insurance company can do to gain your attention on dog insurance?
3. Who has influence on your decision making on buying the dog insurance? And how?
4. What do you think the expert or the famous person has influence on buying the dog insurance?
5. What are the factors that affect your decision making on buying the dog insurance?
6. What do you think the sale person has influence on buying the dog insurance?
7. What kinds of media or mean of the advertising that make the dog insurance be attractive?
8. What is your preferable distribution channel in case that you are going to buy the dog insurance?
9. Why do you not buy dog insurance?
10. What do you expect for dog insurance?
Appendix B

The details of interview the three groups of respondents.

**Group A:** Persons who work for the insurance company which does not provide dog insurance.
(Five companies)

1. Shigemi Fang  
   Executive Assistant Manager  
   Underwriting & Reinsurance Department  
   Mitsui Sumitomo Insurance Co., Ltd. Thailand Branch  
   Phone: +66 (0) 26796165-87 Ext. 4305 Fax: +66 (0) 2679 6188  
   Internet: shigemi@ms-ins.co.th, http://www.ms-ins.co.th

   Interviewed on: April 29, 2011  
   Durable time: 12 minutes

2. Preeyaporn Siriboon  
   Multi-National Marketing  
   Tokio Marine South East Servicing Co., Ltd.  
   Tel: +66(0) 2-686-8888 Ext.1134 Fax: +66 (0) 2-6868601  
   Email: preeyaporn.siriboon@tokiomarine.co.th

   Interviewed on: May 4, 2011  
   Durable time: 17 minutes

3. Jakkapat Angkatavanich  
   Property Underwriter  
   ACE INA Overseas Insurance Co., Ltd.  
   Tel: +66(0) 2611 4040 Ext: 2109 Fax: +66(0) 2611 4313  
   Email: jakkapat.angkatavanich@acegroup.com Website: www.aceinsurance.co.th

   Interviewed on: May 2, 2011  
   Durable time: 10 minutes

4. Amornrat Vuthicharoenphol  
   Vice President  
   Facultative Reinsurance Section  
   Muangthai Insurance Co., Ltd.  
   Tel: +66(0) 2665 4000, +66 (0) 2290 3333 Fax: +66 (0) 2276 2033  
   Email: amornrat.v@muangthaiinsurance.com Website: www.muangthaiinsurance.com

   Interviewed on: May 6, 2011  
   Durable time: 14 minutes
5. Pimwipa Siripathumrat  
Division Manager  
Miscellaneous Insurance Dept.  
Southeast Insurance Company Limited  
Tel : +66 (0) 2-631-1311 # 5131  
Fax : +66 (0) 2-237-7434  
E-mail : pimwipa.s@seic.co.th Website: www.segroup.com  

Interviewed on: May 9, 2011  
Durable time: 12 minutes  

**Group B:** Person who works for the insurance company which provide the dog insurance. (One company)  

Dokrak Onkhamkhan  
Assistant Manager  
Miscellaneous Insurance Dept.  
Mittare Insurance Company Limited  
Tel. +66(0)-2640-7777 Ext.no. 6611 Fax +66 (0)-2640-7799 Ext.no. 6611  
E- Mail : dokrak@mittare.com Website: www.mittare.com  

Interviewed on: May 10, 2011  
Durable time: 19 minutes  

**Group C:** People who are the dog owners and love their dogs (Ten people)  
The conversation began with the general information and the aim of the research and interview. Then, the question “How much you love your dog?” was used to open the conversation. The authors also asked respondents about their dogs. These questions also helped the author to verify whether the respondent was appropriate to give the information to the interview. Each conversation took about 40-55 minutes including the time of giving information to each respondent about the background of dog insurance in Thailand and pet insurance in global market as some respondents knew very little about this issue while most respondent never knew about it. The date of interview and the detail of respondents are as below.  

1. *Ms. Phantakarn Sinpattananon* (Assistant Auditor) Live in Bangkok, Thailand  
10 years raising dogs, now has 4 dogs  
Interviewed on: April 20, 2011  
Durable time: 21 minutes
2. **Ms. Linda Thanasinthana** (Consulting Engineer) Live in Bangkok, Thailand  
   6 months raising dogs, now has 1 dog  
   Interviewed on: April 22, 2011  
   Durable time: 16 minutes

3. **Ms. Rujirat Lertboonyaphan** (Family Business) Live in Bangkok, Thailand  
   3 years raising dogs, now has 1 dog  
   Interviewed on: April 23, 2011  
   Durable time: 19 minutes

4. **Mr. Chalakorn Triworadecha** (IT network assistant) Live in Nonthaburi, Thailand, 14 years raising dogs, now has 3 dogs  
   Interviewed on: April 23, 2011  
   Durable time: 17 minutes

5. **Ms. Patcharaporn Janpoon** (Registered Nurse) Live in Hua Hin, Thailand  
   Over 20 years raising dogs, now has 5 dogs  
   Interviewed on: April 23, 2011  
   Durable time: 21 minutes

6. **Mr. Torwat Vasinchai** (Finance Officer) Live in Bangkok, Thailand  
   26 years raising dogs, now has 5 dogs  
   Interviewed on: April 23, 2011  
   Durable time: 26 minutes

7. **Mrs. Suvatcharee Chaleesan** (Secretary) Live in Ratchaburi, Thailand  
   7 years raising dogs, now has 2 dogs  
   Interviewed on: April 24, 2011  
   Durable time: 21 minutes

8. **Mr. Santi Prichavongwaikul** (Marketing Officer) Live in Bangkok, Thailand  
   10 years raising dogs, now has 2 dogs  
   Interviewed on: April 24, 2011  
   Durable time: 15 minutes

9. **Ms. Apa Suttipongsakul** (Post-graduate Student) Live in Bangkok, Thailand  
   8 years raising dogs, now has 11 Dogs  
   Interviewed on: April 24, 2011  
   Durable time: 22 minutes

10. **Mr. Chiangchon Luangon** (Computer Administrator) Live in Chiang Mai, Thailand, 5 years raising dogs, now has 2 dogs  
    Interviewed on: April 24, 2011  
    Durable time: 18 minutes