

An Application of the “Sandwich Model” to the Introduction of Life Insurance in a Developing Economy: The Case of Bula Gold

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Abstract

The opportunity to market life insurance in small island communities is limited due to the small population base and limited incomes. Success as an insurance provider necessitates the introduction of innovative products. In March of 2007, the Life Insurance Corporation of Fiji initiated the development of a new marketing strategy that would allow them to extend life insurance benefits to more of the population in the Fiji Islands. The business strategy was to launch a new product which would add new and unique features that could be provided at a competitive price that would effectively eliminate the competition in the middle and lower end life insurance market segments. This was accomplished through the introduction of 'Bula Gold'. This product would effectively kill the competition by being a new product for the lower end and middle market and by taking the higher end market with existing products. This business strategy can successfully be used in developing economies although it has been more often applied in developed economics.