IMPACT OF FINANCIAL MARKETING MANAGEMENT ON FIRM PERFORMANCE IN THE INSURANCE SECTOR OF PAKISTAN: MEDIATING ROLE OF MARKETING INNOVATION

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A dissertation submitted in partial fulfillment of the requirement for the degree of

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DEDICATION

This study is dedicated to

My Parents, My Wife, My Kids and My Siblings

Without whom I am nothing

&

To my Teachers who instilled the love for knowledge and inquiry in me.

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LIST OF ABBREVIATIONS

AGFI	Adjusted Goodness of Fit Index
AMOS	Analysis of Moments Structures
AVE	Average Variance Extracted
CFA	Confirmatory Factor Analysis
CFI	Comparative Fit Index
CMIN	Minimum Chi-square
CR	Composite Reliability
DF	Degrees of Freedom
EFA	Exploratory Factor Analysis
GFI	Goodness of Fit Index
IPO	Initial Public Offer
KMO	Kaiser Mayer Olking
NFI	Normal Fit Index
PCA	Principal Component Analysis
RBV	Resource Based View
RMR	Root Mean Square Residual
RMSEA	Root Mean Square Error of Approximation
SEM	Structural Equation Modeling
SPSS	Statistical Package of Social Science
TLI	Trucker Lewis Index
FL	Financial Literacy
MIN	Marketing Insight
MIM	Marketing Imagination
MINO	Marketing Innovation
FP	Firm Performance
FMM	Financial Marketing Management

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ABSTRACT

Although insurance is a tool to hedge risk but insurance companies yet facing the risks of financial entities while contributing towards the economic growth. However, there is a scarcity of research on financial entities and performance of insurance companies involving both quantitative and qualitative research methods. Therefore, this study aims to investigate the impact of financial marketing management (financial literacy, marketing imagination, and marketing insight) on perception-based firm performance with the mediating role of marketing innovation in the insurance sector of Pakistan. This study employed mixed methodology (quantitative and qualitative) to test and validate the research model and research hypotheses, respectively. Using the positivism research approach and cross-sectional design, primary data is collected through survey from 633 respondents comprising of 297 insurance agents, and 336 senior managers (CEOs, directors, managers) from 50 insurance firms in Pakistan which have license to operate insurance business. To test research hypotheses, data was analyzed using Smart PLS, in addition to checking the reliability and validity of data. Findings reveal that financial literacy, marketing imagination, and market insight have direct significant positive impact on the firm's financial performance. Also, marketing innovation mediated the relationship between financial marketing management and insurance firms' performance. Furthermore, the results of both quantitative and qualitative data have significant importance to the insurance sector firms in Pakistan, for improving the financial literacy of agents, enhancing capability to imagine the market, and developing a better insight towards the market to increase the firm performance. Also, this research coins the term Financial Marketing Management and recommends that insurance should be viewed as are specialized function by the senior management where the agents must possess the requisite financial literacy, market imagination, and market insight as well as a deep understanding of the financial concepts when designing and selling the insurance product.

Key terms: Financial marketing management, financial performance, financial literacy, market imagination, market insight, marketing innovation, insurance firms.

CHAPTER 1

INTRODUCTION

1.1 Back Ground of the Study

The human body is a highly organized and complex machine that performs certain functions engaging different mental and physical processes that affect overall health of individual and the health of others. Besides, stress is one of those emotions that might be emotionally and physically draining. An occurrence may induce displeasure, rage, and worry, which can stress the body. Financial health and well-being are essential aspects of reducing stress (Hornberger, 2023). Financial stress not only affects the individual and his or her family but also has the potential to diminish future productivity (Schmitt, Black, Keefer & Sullivan 2023). Everyone wants to be financially independent and able to provide for themselves and their family. According to Sehrawat, Vij, & Talan (2021), people experience a sense of financial well-being when they have control over their financial future and spending relationship with money. As a consequence of their efforts, they can live a life full of pleasure and purpose in the present, the future, and the future beyond retirement.

The risk sharing and supporting others in times of suffering and need have been prevalent throughout history since the beginning of civilizations (Huremović, 2019). In one way or others, societies are interdependent. Even now, the concepts are still valid, but their expression has changed. Such methods are known as insurance and pension. In exchange for a premium, insurance can be characterized as a promise to compensate for a certain loss in the future. It is a legal and

enforceable contract between two parties to secure financial security. In the case of an unexpected loss, the insurer reimburses the insured for the agreed-upon sum.

A global financial crisis has wreaked havoc on the economies of several nations. For a century, the field of finance has evolved, with scholars emphasizing the importance of risk calculation and management (Ishtiaq, 2015). In contrast, the risk estimate is limited to the level of precedence. However, if a model or pattern from a past crisis is detected, it may be feasible to handle future challenges. According to analysts, research is necessary since a new financial crisis is likely to emerge; as a consequence, insurance companies should be aware of the characteristics that may affect a sector's performance during tough times (Ferguson, 2017). Ferguson (2017) suggested that there is reason to believe another global recession is imminent due to the similarities between present conditions and those before the 2008 financial crisis. According to Bloomberg, the Bank for International Settlements (BIS), the state of the global economy was similar to the period preceding the 2008 financial crisis (Violante, 2022). According to O'Grady(2017), the upcoming great financial catastrophe is imminent. It is also uncertain if the Pakistani insurance sector would be able to recover the economy following the financial crisis.

The monetary or economic presentation of any industry is an essential and basic aspect of the region's financial growth and industrialization. The insurance sector is responsible for providing financial assistance, agency funds, the incorporation of assets substantially, and investor treatment or concerns. This sector involves expertise, abilities, attitude, and knowledge to ensure the company's sustained development, increasing profits and sales, capturing a predetermined percentage of the market, reducing employee turnover and conflict within the organization, and increasing overall fortune (Jacobs, Llanes, Moore, Thompson, & Henriques, 2021). Within the scope of the economic sector, the insurance business performs a vital role in managing money for

several industries, providing principal inflows primarily to financial and economic growth. Insurance or indemnification is a kind of risk transfer that safeguards the zeal and spirit of everyday people against unforeseen future difficulties. Equally, insurance gives some financial aid to reduce the danger to human life and its qualities (Schouteden, 2018). The insurance business is well-structured if it can resolve any form of economic problem in the financial system, hence supporting the country's financial structure. The notion of assurance is not new; it dates back to the earliest times of human advancement when transferring risks to aid one another through times of adversity was so straightforward (Ben-Akiva, McFadden, & Train, 2019). Vendors and brokers have utilized this concept to shield themselves from primary responsibility in the introductory section. As a result, the insurance process is as simple as ever, and it is available virtually anywhere on the planet.

The governments, entrepreneurs, development economists, non-governmental organizations, venture capital companies, and financial institutions around the globe showing a significant deal of interest in the performance and expansion of businesses (Eniola & Entebang, 2016). A way of monitoring personnel that enhances the chance of success while operating within a framework of strategic goals, norms, and group as well as individual skill needs that has been agreed upon beforehand constitutes performance management (Armstrong & Baron, 2005). In the backdrop of contemporary business issues, financial literacy is the capacity to manage one's financial resources efficiently across the many phases of a company's life cycle and to make effective use of financial goods and services. Prudence and the capacity to make sound decisions about the management of one's finances are both essential components of financial literacy (Gavigan, 2010). A person's level of financial literacy can be referred as the extent to which they comprehend fundamental financial concepts and are equipped with the abilities and self-assurance

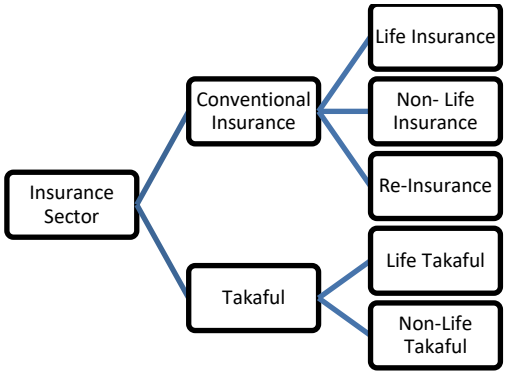
necessary to effectively manage their resources by way of appropriate decision-making in the short term and intelligent financial planning in the long term (Remund, 2010). It may be one of the most important strategic instruments for better organizing financial resource allocations and achieving substantial financial strength. In business, decisions must be logical and based on readily available facts. This highlights the reality that agents, managers and individuals in general need to have a good understanding of essential data in order to make decisions that are informed.

The performance and growth of sustainable businesses in developing nations faces a significant barrier through lack of information, abilities, attitude, and understanding about how to control and lead their organization's finances in a reliable, fair, and prudent manner (Chen, 2023). This is a big barrier. According to JOO & Grable (2000), since financial transactions are complicated, there is an overwhelming selection of financial goods and services, and consumers often lack the time and motivation to educate themselves on personal financial management, executives in businesses often make decisions regarding their finances that are unacceptable, insufficient, and fruitless in its intended purpose. This is due to a number of factors, including: it is possible for a company's financial issues to be made worse by a lack of abilities in business management, as well as a firm's performance may suffer if its employees do not have enough knowledge of financial matters.

In comparison to the nations that are located in the same region as it, Pakistan's insurance business is small due to the low market penetration and density of insurance companies (Elahi, Khalid, Tauni, Zhang, & Lirong, 2021). Therefore, Pakistan's insurance industry is separated into two primary groups: conventional insurance and Takaful insurance (Figure 1). In the same manner, the two groups were further divided into two subcategories: non-life insurance (auto/health

insurance) and life insurance. In addition, one Re-Insurance firm operates under traditional insurance in Pakistan.

Figure 1: Composition of Insurance Sector of Pakistan



According to Shawar & Siddiqui (2019), the insurance business in Pakistan has experienced progressive growth over the past several decades, resulting in an expansion of services. It has been observed that the number of insurance companies in Pakistan has more than doubled over the last three years, which may be linked to greater public awareness and competitiveness. Similarly, the establishment of an insurance system in Pakistan and the participation of foreign investors is indispensable for maintaining the robustness of the country's monetary system. Nonetheless, compared to other nations, Pakistan's insurance industry is not a particularly substantial part of its financial system (Pantielieieva, Khutorna, Lytvynenko, & Potapenko, 2020).

According to the State Bank of Pakistan's Financial Stability Review 2020[1], Pakistan's life insurance business had a total of PKR242,851mln in CY20 and grew by 6.2 percent from the previous year (CY19: PKR226,691mln) in terms of Gross Premium Written (GPW). However,

[1] State Bank of Pakistan, Financial Stability Review 2020; https://www.sbp.org.pk/FSR/2020/index.htm

compared to its area counterparts, Pakistan's insurance business is quite tiny, accounting for 0.51 percent of Pakistan's nominal GDP (USD 1.5bln in CY20) and the sector penetration and density remain very low. Insurance penetration in India, which was 2.71 percent in 2001, the Insurance Regulatory and Development Authority of India (IRDAI) 2020[2] suggests, India has progressively climbed to 3.76 percent in 2019. In the same year, insurance penetration in Malaysia, Thailand, and China, three of Asia's growing countries, was 4.72, 4.99, and 4.30 percent, respectively. The insurance density in India grew from USD 11.5 in 2001 to USD 78 in 2019. Comparable data for Malaysia, Thailand, and China over the same period were USD 536, USD 389, and USD 430, respectively. In 2019, life insurance penetration and density globally life insurance penetration and density were 3.35 percent and USD 379, and 3.88 percent and USD 449 respectively.

Although 2019 and 2020 were slow years for the insurance business internationally because of the COVID-19 pandemic, life and non-life insurance sectors premiums remained low. Nevertheless, according to the State Bank of Pakistan[3], Net Claims for the life sector have rose as a result of a rise in Surrender Claims, while Net Claims for the non-life sector have decreased primarily due to a decline in Motor Claims as a result of the imposition of lockdowns, which restricted mobility. In addition, low-interest rates have pushed life and non-life insurers to rebalance their investment portfolios away from term deposits. However, given the uncertainties surrounding domestic vaccination programs and new virus strains, the expansion of the insurance industry will continue to depend on the pandemic's better management.

[2] Insurance Regulatory and Development Authority of India (IRDAI), Annual Report 2020-21; https://www.irdai.gov.in/admincms/cms/uploadedfiles/annual%20reports/Annual%20Report%202020-21.pdf
[3] State Bank of Pakistan, Financial Stability Review 2020; https://www.sbp.org.pk/FSR/2020/index.htm

In recent years, the insurance industry has grown and developed due to increased public outreach via social media and other marketing/advertising channels. The life insurance market is increasing faster than the non-life insurance industry, which is a fact. The proportion of premiums collected by insurance companies grows in tandem with economic activity. However, the insurance industry's contribution to Pakistan's economic future does not appear to be particularly promising at this time. There may be several reasons, including a lack of understanding among the general people, the complexity of insurance products, and religious/spiritual concerns. While insurance is necessary in the rest of the world, particularly in industrialized nations, insurance in Pakistan is still seen as a taboo or unknown service by a significant portion of the population. The general populace is still far from benefiting from insurance programs; religious concerns and beliefs outweigh the extensive list of justifications.

To remedy this, or rather to accommodate/align with prevalent religious views and Islamic values, the "Takaful" Islamic Insurance product was developed; nonetheless, it remains obscure to the general public compared to middle-eastern countries (Eldaia, Hanefah & Marzuki 2023). Since 2008, Takaful insurance has been available on the local market; however, prospective beneficiaries still lack sufficient information.

Managing the marketing of insurance products is a specialized function, requiring a specific understanding of its components and interaction among those components in the form of a construct. This study has identified four important components from the perspectives of Financial Marketing, namely Financial Literacy (FL), Marketing Imagination (MIM), Marketing Insight (MIN), and Marketing Innovation (MINO), as the most important elements influencing the Financial Performance (FP) of insurance firms in Pakistan. These components have been explained below.

One of the most critical issues in the economy today is a lack of financial literacy. The extent of financial knowledge among people of all ages has been consistently increasing as a direct result of the rapid growth of financial services and the occurrence of multiple financial crises on a global scale ((Boora, Agarwal, & Sandhu, 2018);(Hastings & Mitchell, 2020);(Huston, 2010);(Lusardi, Mitchell, & Curto, 2009)). Financial literacy as a concept comprises two fundamental components: financial literacy itself and its application. These characteristics are complex, and it is not easy to combine them in practice (Gale & Levine, 2010). This means that in addition to grasping the fundamentals of financial planning, individuals must also be adept at using these concepts in everyday transactions (Boora et al., 2018). Individuals' financial literacy encompasses several facets, including money, saving, financial investing, financial planning, and budgeting. To withstand everyday financial problems, individuals must possess the necessary financial knowledge, skills, and disposition (Mian & Sufi, 2014).

Consequently, financial planning simplifies and enriches life. It is a technique that helps one to make sensible decisions regarding how to spend money while mitigating risk simultaneously. Therefore, the three fundamental terms for safeguarding one's financial and emotional future are earning, saving, and planning.

Due to its complexity, the definition and assessment of company’s performance continue to puzzle academics. In the context of Venkatraman & Ramanujam (1986), this investigation seeks to add to the literature by using and assessing a subjective scale of financial performance. This study's approach is founded on the philosophy of stakeholders, which enables us to differentiate between performance antecedents and results. In addition, it offers a conceptual structure for the development of performance elements and indicators. This study also made selections regarding time and the point of reference.

Following this, and after examining the financial data about the Pakistani insurance sector, it is clear that insurance firms are still unable to outperform their counterparts in other industries. Even though marketing innovation directly connects insurance sales and business financial success, it is not the only factor. Even though it should be obvious that more comprehensive marketing results in more profits, insurance brokers consistently fall short of their sales goals and do not reach their targets. Specifically, the variables that need to be addressed to enhance insurance companies' performance will be investigated in this study. As a result of past experience, intuition, and other information, marketing insight is all about regularly keeping up with market and industry trends and patterns. The ability to use marketing insight to arrange organizational resources is also a component of marketing insight (Roberts and Eisenhardt, 2003; Beck and Levine, 2004).

This study describes marketing imagination as an organization's capacity to detach itself from its existing processes, procedures, and events to create and envisage visualizations of what is present, what is absent, and what has never been physically seen. Marketing imagination is a company's capacity to isolate itself from its present processes, procedures, and activities in order to construct and envision mental images of something that is not actually real and has not previously experienced. In addition to restricting the scope of employees' imaginations, these constraints compel the organization to function in the present rather than in a more fruitful imagined future (Saphier & King, 1985). There are several ways to construct a department architecture suitable for marketing imagination; nonetheless, it appears that divorcing marketing imagination from traditional financial demands and assignment deadlines is essential to marketing imagination success.

The inference that can be derived from this is that Pakistan's insurance business is underperforming and is the worst-performing country in the region for insurance. It is not a fallacy that consumers do not purchase insurance; the underlying problem may be that consumers cannot decide to purchase an insurance (Lin, Bruhn, & William, 2019). When compared to other types of financial products and services, making judgments about insurance purchases is exceptionally challenging (Tennyson, 2011), primarily because the concept of insurance is more abstract than, say, a savings or investment account. In contrast, insurance policies don't show their worth until after an unfavorable occurrence has taken place, and the risk they cover isn't the same as the one represented in fluctuating asset prices. To put it another way, insurance plays a crucial societal function by transferring the risks connected with individuals' financial stability from the government and their employers to insured individuals (De Mesquita & Smith, 2010) and Insurance literacy is important to understand because of the low levels of financial literacy in society and among agents selling the product (Lin et al., 2019). Insurance decisions may be complicated, so it's understandable if people put them off. This might leave some vulnerable to going without protection.

1.2 Research Gap

This study has factorized the identification of research gaps into the theoretical, methodological, and contextual gaps mentioned in the following paras.

1.2.1 Theoretical Gap

Literature reveals that a very limited studies have been conducted to link financial literacy, marketing insight, and marketing imagination with firm performance in the presence of marketing innovation. For instance, Soroko (2023) study was limited to link traditional financial literacy to

critical economic literacy employing qualitative methods, in Canada; Chan et al. (2022) study was confined to identifying the key factors driving consumers' adoption utilizing unified theory of acceptance and use of technology (UTAUT) incorporating perceived risk, initial trust and financial literacy in the Banking Sector; Khan et al (2022) investigated the impact of marketing innovation on firm performance which was restricted to SMEs, particularly textile industry of Pakistan; Adil et al (2021) was limited to investigate the impact of behavioural biases on investment decisions with the moderating effect of financial literacy in India; the study of Li & Qian (2020) was constrained to explore the relationship between financial literacy and entrepreneurial activities with the moderating role of industrial regulations in China based on panel studies; and Varadarajan (2020) developed a framework delineating the relationship between firm's customer insights, marketing strategy, and business performance. Thus, there is a scarcity of research investigating the impact of financial literacy, marketing insight, and marketing imagination on firm performance with the moderating role of marketing innovation, in the perspective of resource-matching approach.

1.2.2 Methodological Gap

Literature suggests organizations' competitiveness, productivity, and efficiency are evaluated based on various performance metrics. For example, financial, marketing, production, and innovation performance are quantifiable measurements of a company's performance. According to Griffin and Mahon's (1997) reviewed 51 pieces of research on company performance, and as many as eighty distinct Financial Performance (FP) metrics have been employed. Size of the company, ROI, ROA, ROE, asset age, and ROI on sales are all common FP indicators. ROA is usually argued to be a reliable indicator of FP in particular (Berman et al., (1999); McGuire et al., (1988)).

Return on assets (ROA) is a measure of profitability that is unaffected by a company's debt load, unlike return on equity (ROE) and return on sales (ROS). A greater ROA indicates stronger shareholder value generation since ROA and stock price are strongly correlated. Additionally, ROA is a more precise gauge of business success in the manufacturing and other asset-intensive sectors. Financial performance measurements are lagging indicators that primarily reflect the previous performance of tangible assets (Ong, 2003). As a result, they frequently fail to report the success of intangible assets like as customer connections, staff happiness, innovation, literacy, and research and development investments. Kaplan and Norton (2001), Non-financial performance metrics (NFP) take into account the beneficial benefits that research and development, pleased customers, effective internal business processes, fresh ideas, and satisfied staff have on the overall success of a firm.

Investments in intangible assets like R&D are promptly written off in the traditional method of accounting, rather than being capitalised over time. The benefits from such investments accrue over time, but the way intangible assets are handled might lower a company's profitability in the present year. By considering such performance enhancements, NPF measurements indirectly indicate company success. NFP metrics are regarded as "leading indicators" due to their emphasis on outcomes rather than causes of success (Ittner and Larcker, 2003). Financial Performance (FP) metrics are objective, but Non-Financial Performance (NFP) measures things that are open to interpretation including managers' assessments of the performance of their companies based on variables such as market share, employee health and safety, and research and development expenditures. The fact that there is a correlation between the subjective data on NFP collected from top-level managers and the objective data on FP obtained from secondary sources suggests that the two forms of data are complementary, as stated by Venkatraman and Ramanujam (1987). As

a consequence of this, FP and NFP data are utilized in order to conduct an overall performance analysis of the organization. (Govindarajan and Gupta, 1985; Ittner and Larcker, 1998).

Consequently, flourishing literacy and innovative management activities cannot be measured using objective financial performance measures (Zahra, 1993). It all comes down to measurements, according to Damanpour (1990) research on the link between innovation and company success. For the purposes of innovation and economics research, patents or patentable innovations (new processes, products, or technologies) are often used as a measure for assessing a company's innovative potential (Hagedoorn and Cloodt, 2003). Countries with a high patent production per capita also tend to have a high level of commercial R&D activity, as stated by (Jaumotte and Pain, 2005).

In order to assess the performance of insurance firms, this study used a methodology comparable to that of Hagedoorn and Cloodt (2003). According to this theory, literacy and inventiveness widen the consequences of a company's actions and applications across a certain time frame. The previous five years have been utilized to identify this time frame. Respondents are asked to compare their firms perceived average performance during the previous five years to that of their enterprises earlier in the timeframe. Using 10 different measures, both financial and non-financial, the benefits of realized financial literacy and innovations in firm success are emphasized (Mishra and Suar 2010). This subjective measuring approach has the potential to introduce management bias. However, it is a common technique while doing scientific investigation (Khazanchi et al., 2007).

Companies and managers' reluctance to provide detailed performance data and measures (Boyer et al., 1997; Ward and Duray, 2000) are cited as reasons for the prevalence of such

subjective performance evaluations. In contrast, executives familiar with performance statistics may provide an accurate subjective appraisal (Choi and Eboch, 1998). Dess and Robinson (1984) and Porter (1979) objective measurements may make it more difficult to evaluate relative performance. The subjective dimensions of financial and non-financial success in developing nations are analyzed in this innovative research, to contribute towards the body of knowledge.

1.2.3 Contextual Gap

In any economy, individuals' fiscal decisions have a direct bearing on their level of material well-being. An individual must have appropriate financial literacy and understanding to make good financial decisions and plans in today's financially-driven society. Financial literacy enables consumers to make prudent financial choices (Goyal, Kumar, (2021); Sachitra & Wijesinghe, (2018)). In addition to addressing the problem of insufficient access to funding, the spread of financial education across a nation is a key component of (Morgan, & Long's 2020) strategy for achieving financial inclusion. Increased financial literacy facilitates individuals' participation in the economy's expansion, hence benefiting enterprises. As a result, people are better able to save money, limit their spending, plan for their financial futures (Perry & Morris, 2005; Lusardi & Mitchell, 2011), and acquire wealth over time (Nicolescu, Tudorache, & Androniceanu, 2020).

Financial literacy offers several benefits to the economy at both the micro and macro levels (Lusardi, 2019). First, individual savings facilitate the expansion of enterprises, resulting in greater economic expansion (Zhou et al., 2020). Second, investments in every economy increase productivity, resulting in a positive economic growth rate. Third, personal savings, even on a modest scale (Anderson, Baker, & Robinson, 2017; Grohmann, Menkhoff, 2018), help the economy withstand economic downturns.

And fourth, a significant percentage of Pakistanis work in the private sector. The vast majority of jobs in this field do not provide their employees with any kind of pension plan. As a result, individuals need a decent amount of money to retire comfortably. A good retirement, however, requires preparation from the outset of one's working life. Personal financial support is available via retirement planning, especially in the case of retirement, disability, or the loss of a primary income. In a few decades, Pakistan has seen several societal transformations, including a shift from government institutions to people in pension planning. Today's investments have no geographical restrictions. Therefore, investors must have the adequate financial literacy to make sound decisions. In 2015, the United Nations (UN) recognized the quality of financial education as an important sustainable development objective for the growth of the typical person, thus demonstrating the importance of FL. Therefore, they changed the concept of literacy to include financial literacy. A person is considered literate in accordance with the Sustainable Development Goals if they are able to do simple banking tasks.

The Government of Pakistan, on the other hand, has just adopted the SDGs as national goals, marking a major policy change. At the Sustainable Development Summit on September 25, 2015, UN Member States endorsed the 2030 Agenda for Sustainable Development, which comprises 17 Sustainable Development Goals (SDGs) in order to end extreme poverty, social and economic injustice, and climate change by the year 2030. Number 12 of the Sustainable Development Goals promises "Responsible Consumption and Output," but the Planning Commission has not developed a policy or implementation plan to simplify financial institutions to stimulate responsible consumption and production in the economy. In addition, taking into account the necessity of educating investors, the Securities and Exchange Commission of Pakistan (SECP), has launched the 'Jamapunji' investor education programme. However, it fails to underline the

significance of financial marketing management for agents and brokers. This programme caters solely to investors and not to Agents.

Numerous international studies have experimentally looked at the connection between financial literacy and company success (Arpana & Naidu, 2019; Boisclair, Lusardi, & Michaud, (2017); Moure, (2019); Seay, Kim, & Heckman, 2016). Despite the fact that very little research has been done on financial literacy, in developing nations such as Pakistan, making it an understudied location in the financial literacy literature. Consequently, it is necessary to analyze the degree of financial literacy in Pakistan. Furthermore, earlier studies related to financial literacy, marketing insight, marketing imagination and marketing innovation were limited to banking sector of Canada (Soroko, 2023), textile sector of Pakistan (Khan et al., 2022), panel studies of China (Li & Qian, 2020), and individual investors of India (Adil et al., 2021). There is a paucity of research in the insurance sector, particularly in Pakistan.

1.3 Research Problem

Profitability is one of the essential financial performance indicators where financial performance is meant to increase the owner's wealth, profitability is a crucial performance indicator (Nguyen & Nguyen, 2020). However, it is vital to determine the elements which enable insurance firms to boost their profitability and investors to predict the profitability of insurance companies in Pakistan. Indeed, Pakistani insurance companies' annual reports reveal significant profitability swings indicating disparity in profits among insurers hints to the importance of firm-specific factors in determining insurers' success, that's why Pakistan has the worst insurance industry performance of any rising market and any region, as evident from the State Bank of

Pakistan (SBP) Financial Stability Review (FSR) 2020[4]. According to SBP FSR 2020, the entire insurance sector amounts to 0.51% i-e less than even 1% of the nominal GDP of Pakistan in 2020. This situation is alarming for Pakistan. Based on substantial literature, this study will investigate the potential factors of firm performance in the context of insurance marketing in the Pakistani insurance sector.

Nonetheless, senior managers and agents play a critical role in insurance products where hedging is used as a tool to minimize the risks. There is a lack of specialized knowledge that is affecting the performance of insurance firms in Pakistan, which also deters the users from hedging the risks associated with financial and non-financial assets. On the other hand, agents influence the investment decision of the investors employing different marketing techniques. Despite, agents fail because of traditional marketing techniques which are insufficient for selling financial products and services, in addition to improving firms capacity through the process of innovation (Kamenjarska, Spremić, & Miloloža, 2022). However, one of the greatest challenges to adopting innovation in the insurance sector due to lack of skills and competencies. Moreover, the bundle of money is a specialized financial good, while agents are merely marketers. This may result in economic uncertainty based on less than a holistic understanding among the senior managers and agents. If sustainably prevalent for a longer period, this uncertainty is likely to be coupled with various social ills. Hence the insurance firms need to perform better to hedge risk faced by the consumers, bringing economic certainty and social rest to a society.

Thus, a holistic understanding of senior managers and agents involved in marketing and selling insurance products is key for the performance of the entities in Pakistan's insurance sector.

[4] State Bank of Pakistan, Financial Stability Review 2020; https://www.sbp.org.pk/FSR/2020/index.htm

The antecedents of financial marketing management in this regard need to be framed in the form of a framework where the interaction among each element of these antecedents needs to be explored. This research delves into how market imagination, market insight, and financial literacy affect insurance company performance. Additionally, the role of market innovation is explored as a mediator between the antecedents and the firm performance.

1.4 Research Questions

The following research questions are framed based on the problem statement. The following questions pertain to Insurance Agents and Managers.

RQ1: Whether financial marketing management (financial literacy, marketing insight, and marketing imagination) contribute to firm performance?

RQ2: Whether financial marketing management (financial literacy, marketing insight, and marketing imagination) contribute to marketing innovation?

RQ3: How does marketing innovation mediate the relationship between financial marketing management (financial literacy, marketing insight, and marketing imagination) and firm performance?

1.5 Research Objectives

Based on the research questions which pertain to marketing agents and managers, the research objectives of this study are as follows:

RO1: To investigate the impact of financial marketing management (financial literacy, marketing insight, and marketing imagination) on firm performance?

RO2: To examine the impact of financial marketing management (financial literacy, marketing insight, and marketing imagination) on marketing innovation?

RO3: To investigate the mediating role of marketing innovation between financial marketing management (financial literacy, marketing insight, and marketing imagination) and firm performance?

1.6 Significance of the Research

This study developed a comprehensive framework to enhance the understanding regarding relationship between company performance and antecedents of financial marketing management, with the mediating role of marketing innovation. Included among these are financial literacy, market imagination, and market insight. Marketing innovation's aspects include adopting strategic marketing activities and the consequences of these efforts on business survival, good non-financial performance, and outstanding financial performance. Finally, a market research innovation strategy compels businesses to seek out novel approaches to persuade existing and new clients of the value of their offerings. In addition, companies may enhance the amount of money they obtain

from new and current items by extending the time they spend on the market by strategically using marketing innovation.

This study is significant for the firms to improve client acquisition, customer retention, and cash flow by identifying latent and developing requirements that these items might be able to fulfil and aggressively searching out new markets for these products. In the end, marketing academics and professionals will benefit from the multidimensional idea development and future empirical foundation of marketing innovation. As a consequence of their acquired understanding, practitioners can device a certain set of actions described in the marketing innovation paradigm, indicating a statistically and practically substantial increase in their potential to improve corporate performance. This study contends that a bundle of cash is a specialized commodity that requires specialized marketing compared to other commodities. This research proposes "Financial Marketing Management" as a new addition in the body of knowledge.

1.7 The Thesis's Organizing Structure

This chapter provides a bird's-eye perspective of the study by providing information on the study's context, background, introduction, issue statement, gaps, contributions, and goals. The remaining parts of the thesis are organized as follows in order to illustrate the additional knowledge gained via this research:

Chapter 2: Literature Review assisted in the formulation of the conceptual framework for this investigation. The chapter on the theoretical framework and hypotheses formation discusses the conceptual framework of this study and explains how hypotheses were generated.

Chapter 3: Includes a discussion of research methodology, as well as research design, pilot study, instrument development, and data collection techniques.

Chapter 4: Analysis and findings: The results of the quantitative agent/managers surveys are detailed in this chapter. Here are the results of the response rate and responder profiles tests, as well as the structural equation modelling and hypothesis testing methods, which are all presented in this chapter.

Chapter 5: The research results are presented in the last chapter, "Discussion and Implications." This section discusses the study's findings, its contributions, its limitations, and a set of proposals for upcoming research.

CHAPTER 2

LITERATURE REVIEW

Insurance services are currently being integrated into the broader financial industry, and the insurance business plays a vital part in Pakistan's service-based economy. Since one of the primary purposes of financial management is to increase the company's value for the owner, profitability is a key indicator of success.

The insurance industry plays a crucial part in the service-based economy, and its services are currently being incorporated into the broader financial industry. Insurance firms operate as financial intermediaries. Insurance companies (both public and private) are organizations that offer life, fire, accident, and many other types of insurance. The Financial Sector of Pakistan has demonstrated remarkable perseverance of a tough macroeconomic climate and global changes.

It is unsurprising that the insurance business is closely regulated and watched, given that insurance performs a crucial function in modern society. According to a study conducted by Macey and Miller (1993), state insurance companies take many measures to guarantee customers easy access to insurance coverage, equitable treatment from insurers and brokers, and continued financial stability. Historically, insurance regulations have included statutes pertaining to insurer establishment, operations, insurance contract conditions, and licensing like The McCarran Ferguson Act 1945. These statutes also outline minimum capital and surplus requirements, restrictions on statutory reserve investments, and methods for calculating reserves (Mayers and Smith, 1988). In 1980, insurance company profitability varied across legislative and regulatory frameworks that were designed to protect the insurance contract but may have had the opposite effect if they severely restricted the capacity of insurance companies to operate (Born H. P., 2001).

Agiobenebo & Ezirim, (2002) examined how financial intermediation and profitability are related. The findings showed that the profitability of insurance companies is strongly and favourably correlated with the premiums to total assets ratio. Investments, loan amounts, and net potential were shown to be positively correlated but irrelevant variables.

Ngoyen (2006) profitability is an essential yardstick of success in financial management, since one of the primary goals of such management is to grow the owner's wealth. During the years 2005-2009, Pakistani insurance companies' annual reports reveal significant swings in profitability. This diversity in earnings among insurance businesses implies that firm-specific factors play a significant influence in determining the profitability of insurance companies. Therefore, it is vital to determine what these elements are and how they enable insurance firms to boost their profitability and investors to predict the profitability of insurance companies in Pakistan.

State Bank of Pakistan's Financial Stability Review 2020, Pakistan's life insurance industry rose by 6.2% from the prior year (CY19: PKR226,691mln) to a total of PKR242,851mln in CY20 (GPW). Comparatively, the insurance industry in Pakistan is fairly small, accounting for 0.51 percent of Pakistan's nominal GDP (USD 1.5 billion in CY20), and the sector penetration and density remain extremely low.

The Insurance Regulatory and Development Authority of India (IRDAI) 2020 reports that from 2.71 percent in 2001 to 3.76 percent in 2019, insurance penetration in India rose. In the same year, penetration rates for insurance were 4.72, 4.99, and 4.30 percent, respectively, in Malaysia, Thailand, and China, three of Asia's emerging economies. In India, the insurance density has

climbed from USD 11.5 in 2001 to USD 78 in 2019. Comparable data for Malaysia, Thailand, and China over the same time period were USD 536, USD 389, and USD 430, respectively.

2.1 Theoretical underpinning

According to Bjurstrm (2020), agency theory is one of the most significant auditing governance theories since it defines the relationship between the principle and the relative actor. According to this theory, motivation, ownership, and control of the company must be taken into account while evaluating a corporation.

A discrepancy between a company's profit and loss statement, cash flow activities, and financial performance might negatively impact its profitability and financial success. The agency theory is important for characterizing the interaction between shareholders and corporate leaders or between an investor and a mutual fund management organization. The stakeholder theory is the second most important hypothesis for this investigation. This concept is meant to assist managers in managing their firms' profitability. In order to achieve its primary goal, this tactic is to produce as much value as possible for stakeholders, who are the ultimate recipients of any company's efforts. The higher the value that company leaders produce for stakeholders, the bigger the amount of money they invest in earning profits for the corporation, and vice versa (Stahl et al., 2020). Different fields have found success in applying this idea to the performance of insurance companies in the subsequent research, which utilizes many elements to determine their total success.

Thirdly, the resource-matching method theorizes that the cognitive (e.g., comprehension) and behavioral rationalized (e.g., application, decision making) consequences of greater vs lower literacy on domain-specific information processing may be rationalized conceptually (Anand and

Sternthal, 1990; Meyers-Levy and Malaviya, 1999). The optimum processing, as proposed by the resource-matching method, takes place when one's available resources meet the resource demand imposed by a certain mode of communication. For mutual funds, for instance, it's important that the customer's level of financial literacy matches the minimum level of financial literacy required to understand the product's marketing. This optimizes the processing of the advertisement's content and, therefore, the consumer's investing behavior based on that information.

The ability of the consumer to understand the information and its implications is hampered when the information's resource demand exceeds the customer's available resources. Using mutual fund advertising as an example, it is likely to include material that requires more resources than the client is prepared or capable of handling, which would have a detrimental influence on processing and the consequences that would follow. Unfortunately, financial services choices contain a great deal of information, yet providers are hesitant to reveal it all in order to prevent adverse customer reactions to copy-heavy or long industry-standard presentations (Fritsch & Franke, 2004). According to a content analysis of mutual fund advertisements published in Barron's and Money magazine over a two-year period, 88% of investors lack essential information such as the risk-return trade-off, principal-agent conflict, and transaction costs (Huhmann and Bhattacharyya, 2005).

According to financial and neoclassical economic theories, all of this knowledge is seen as advantageous (see, for example, Arya et al., 2000; Fama, 1980; Huang and Litzenberger, 1988; Ingersoll, 1987; Jensen and Meckling, 1976; Williamson, 1981). On the other hand, from the perspective of resource matching, the majority of clients would be inundated with this information. The resource-matching viewpoint is supported by an experiment in which mutual fund advertising was shown with or without information on the risk-return trade-off, principal-agent conflict, and

transaction costs. Mutual fund marketing that incorporates this information enhance consumers' perceptions of risk, the study found, rather than decreasing it. Financial service advertising is dominated by emotional and other non-informative appeals, so it's no surprise that include information valuable to the financially educated is damaging to responsible advertisers (Huhmann and Bhattacharyya, 2005).

When there is not enough demand for resources to utilize them all, according to the resource matching theory, a third alternative arises. In this case, processing can suffer as too many resources are devoted on source refutations, counterarguments, and other cognitive processes. The website of an insurance, for instance, may explain its goods to beginners, but if professionals were to analyze it, they might respond with counterarguments or source derogations, or they would rapidly transfer their attention to other alluring stimuli.

In the year 1984 the introduction of Wernerfelt's resource-based perspective, which assumes the heterogeneity of business resources. Pretorius, (2008) Whether a firm can effectively manage, grow, or weather crises depends on the extent of its resource endowment. An organization's ability to implement turnaround measures is significantly impacted by its resource endowment, which in turn affects the organization's adaptability to its environment (Bonanno et al., 2010; Hobfoll, 1989). When organizations experience a downturn, internal resources become constrained, yet only enterprises with adequate accessible resources may undertake future turnaround initiatives (Pearce and Robbins 1993). The size of a company is also a crucial indicator of the richness of its resources. Venkatraman & Ramanujam (1986) large organizations have more deployable resources and are thus more likely to turn around, according to research. For this reason, (Bonanno et al. 2004), a company's resilience in the face of adversity depends on its ability to obtain resources, which in turn influences its ability to react to crises and execute turnaround

programmes. Although a company's financial stability is an objective aspect in its ability to adopt turnaround initiatives, other, more subjective factors may also play a role. As a first point, the way in which top executives see their company's decline impacts how they respond to crises (Furrer, Pandian, and Thomas 2007). Second, (Winn 1997), financial data may cloud managers' judgments, making it difficult to foresee the possibility of a drop. Last but not least, leadership styles affect the rollout of turnaround initiatives due to the fact that some are seen as more successful than others (Bundy and Pfarrer 2015). Given that diminishing stakeholder support is often seen as an inevitable result of falling performance, the level of stakeholder engagement is another subjective aspect that may affect the execution of turnaround projects. Therefore, it is crucial to winning back the confidence of stakeholders before proceeding with any future recovery strategy (Arogyaswamy, Barker, and Ardekani 1995). In essence, this study confirms that the second step of a turnaround strategy's implementation is the behavioral stage, and it identifies the elements that influence this stage.

2.2 The Firm's Performance

The definition and nature of "performance" in the context of financial institutions are the primary foci of this study. Strategic outcomes are the results of an organization's actions and may lead to either the success or failure of the organization or what is often referred to in the literature as success or failure (Eniola & Entebang, 2015a). Although coincidence may play a role in a company's success or failure, management experts (Jennings & Beaver, 1997) and academics (Sefiani & Bown, 2013) often use financial outcomes to assess managerial quality. Whether or whether a business achieves its objectives determines the nature of its success (Davidsson, 2004).

Firm performance is a major concept in the discipline of business administration. In the scientific literature, it has been proposed that (Barney, 2002). The total performance of the organization is based on the company's three levels of management being properly managed (Eniola & Entebang, 2015a). In this context, a company's performance is described as its capacity to provide acceptable outcomes and activities. It seems difficult to compare one performance indicator to another, despite the fact that performance is conceptualized, justified, and assessed in a variety of ways. According to research by Eniola and Entebang (2015), performance is often used to assess a company's well-being over a certain time frame. Therefore, performance is a major challenge for firms.

A company's long-term strategic performance improvement hinges on its management's ability to recognize market opportunities, adapt to the environment, and possess certain managerial factors, including product innovations and creativity, proactivity in the face of technological environment change, and networking. Depending on who you ask, performance may mean anything from just keeping your head above water to thriving and even outperforming the competition. In this context, a company's performance is described as its capacity to provide acceptable outcomes and activities (Eniola & Entebang, 2015a).

This study's central resource-based theory has found widespread application in the literature on company management and entrepreneurship. Several authors have noted that the resource-based theory of business provides the best context in which to comprehend strategic management. Assets that provide a durable competitive advantage are differentiated by their strategic resources, according to resource-based theorists (Barney, Wright, & Ketchen, 2001). Strategic management of the FIRM was deemed critical and necessary for the organization, but it so happened that the company owner and manager did not pay it due attention by chance.

Rethinking, repurposing, and reusing existing assets to take advantage of new possibilities, as opposed to constantly developing brand-new capabilities, is more cost-effective, according to RBV. The utilization of "idiosyncratic, immovable" resources by a corporation as a source of prolonged competitive capacity that translates to increased superior performance was formerly seen as the most prominent illustration of the RBV before its broad adoption (Eniola & Entebang, 2016). If an organization's physical or intangible assets may be seen as either a strength or a weakness, they are termed resources. Capital resources include both monetary capital (such as equity, loan, and retained profits) and physical capital (such as equipment, machinery, and other fixed assets) (e.g., machinery & buildings). Knowledge, skills, experiences, organizational processes, and a good name are all examples of intangible resources that entrepreneurs may draw from (Eniola & Entebang, 2016).

The resource-based view (RBV) posits that a decrease in creative activities inside an organization results from a shortage of financial, human, organizational, technological, and competent resources and skills (Hewitt-Dundas, 2006). A firm's ability to grow and acquire cutting-edge technology that would boost its competitiveness on the global market is severely hampered by a lack of capital. Dundas looked examined data from a panel of Irish businesses and found that a lack of funding is a major impediment to innovation. Several authors, like Ihua (2009) and Wiklund & Shepherd (2005), argue that capital is a crucial factor in a company's success and have conducted empirical research to test the hypothesis that access to external financing facilities has a favorable effect on the performance of small firms. The relationship between a company's strategy and its financial structure has been the subject of study in strategic management and finance in recent years (Eniola & Entebang, 2015). To succeed, companies need to be able to differentiate themselves from rivals and keep that differentiation. Experts also suggest a

connection between the two components of a business (Gertner, Gibbons, & Scharfstein, 1988; Williamson & Asla, 2009). According to Balakrishnan and Fox (1993), a firm's capacity to effectively manage its relationships with lenders provides a substantial advantage over its competitors. The extent to which the firm's competitive advantage has improved the firm's performance was determined by analysing the human resources in terms of the experience and capabilities, trust, managerial skills, practices, and procedures of top and middle management, administrative, and production employees. (Eniola & Entebang, 2015; Eniola, Entebang, & Sakariyau, 2015) a company's competitive advantage or success is likely to be rooted in its experiential resources, such as its product reputation, manufacturing experience, and brand names.

As a means to attain and maintain better performance over time, (Barney, 1991) proposed an all-encompassing framework that isolated the features of company resources most critical for success. Value, scarcity, uniqueness, and substitutability were all proposed as metrics by which to assess the resources' economic effect. The value of a company's future resources lies in how well they mesh with its external environment to provide optimal opportunities and limit exposure to risk in a cutthroat market place.

Whether a resource is really or only seems rare affects how readily it may be found in factor marketplaces. By acknowledging information asymmetry, we may define inevitability as the permanency of imperfect element markets in which companies are at a cost disadvantage when attempting to acquire or replicate necessary resources. The framework then takes into account whether or not the businesses are easily replaced by rivals in the industry. Hunt and Morgan (1996) to identify prospective resource types, the most helpful categories are monetary, material, legal, human, organizational, intellectual, and relational.

In addition to assets, capabilities, organizational processes, knowledge, firm's feature, information, and other assets controlled by a firm, (Barney, 1991) and (Barney and Hesterly, 2015) define resources as those that allow a firm to conceive and devise strategies that increase its efficiency and effectiveness. Quality and features such as value, exclusivity, inimitable quality, and non-substitutable quality greatly increase the connection between a company's resources and its competitive advantage. Human capital includes a company's managers' education, background, experience, judgement, intellect, attitude, relationships, and insights, as stated by (Barney, 1991) and (Barney and Hesterly, 2015).

Previous empirical studies of organizational and entrepreneurial learning suggest that investment decision-making in financial institutions is grounded in experience-based learning rather than codified methodologies. It has been shown that business owners with greater levels of general and particular human capital, including financial literacy, may be predicted to achieve better levels of performance than those with lower levels (Eniola & Entebang 2017). In a short amount of time, having experience and expertise may help you locate possibilities, build contacts, and understand how to access and communicate with funders like bank managers and venture capitalists.

Human capital that includes a high proportion of entrepreneurs is, thus, essential to the development of a business. Other research (e.g., Matlay, (2000), Chaston, Badger, Mangles & Sadler-Smith, (2001)) has found that as firms transition from a lower-level learning style to a higher-level learning style, this is accompanied by competence enhancement, which can result in greater organizational capability, even though some research has found that only a minority of firm managers use the resulting knowledge to gain a competitive advantage. In order to achieve optimal results (Amit & Schoemaker, 1993; Grant, 1996), businesses have what are called "capabilities,"

which define their ability to pool and coordinate their many resources in concert with established processes.

This information-driven, firm-specific process has developed over time as a consequence of complex interactions among the firm's many resources, and as a result, it is mostly intangible (Amit & Schoemaker, 1993; Conner, 1991; Prahalad & Hamel, 1990). Knowledge, attitude, and awareness that the firm has built to strengthen its strategic resilience and aegis, as well as its numerous sources of resources (financial and nonfinancial), in order to boost the business's performance. A high-quality strategy, in turn, may boost performance, and competitive competency is the bedrock of every successful plan (Analoui & Karami, 2003). Fahy, (2000) more often than not, however, the first scenario will play out, in which the company's competitive strategy of increasing its resource pool leads to higher performance

According to Barney, (2002), a company's resources, such as its assets, capabilities, and organizational processes, as well as its attributes, such as information and knowledge, can affect the company's ability to create and implement strategies that improve efficiency and effectiveness, ultimately leading to better overall performance. Giménez and Ventura (2005) looked at the impact of internal and external integration processes to firm performance and competitive advantage, as well as their interaction with one another.

If a company develops and executes a plan that outperforms its competitors and the industry average, it will have a competitive advantage, as stated by (Eniola and Entebang, 2015). One may argue that it is crucial for firms to use their own and insured external financial resources to acquire, maintain, and expand their operations. In his seminal work, (H. Mintzberg, 1973) divided the ten roles of a manager into three broad categories: interpersonal, informational, and decisional.

Mintzberg first defined management as a strategy for differentiation; subsequent research has borne this up. Also, firms need to do an external review to learn about potential prospects and risks and to determine their unique skills. A firm's complete competitiveness, according to proponents of the resource-based approach, is what sets it distinct from the competition and makes it hard to imitate or replace.

Many businesses fail because their founders lack the knowledge, skills, and experience necessary to run a successful company, as stated by (Bosma and Harding ,2006). The vast majority of scholars agree that young and old business owners alike engage in the same kinds of entrepreneurial decision-making processes, such as resource acquisition, allocation, and use. These kinds of actions nearly always have monetary repercussions; hence, effective entrepreneurs need to have a firm understanding of money (Oseifuah, 2010). Entrepreneurs often lack the financial literacy to make the complicated judgments about their companies' finances, as stated by (Drexler, Fischer, and Schoar, 2014).

Although (Oseifuah, 2010) states that young entrepreneurs' entrepreneurial abilities are greatly improved by financial literacy, it is unfortunate that so few young people possess this knowledge. It is critical for business owners to have a stable financial foundation and a solid education (Kotzé & Smit, 2008). Financial illiteracy among business owners and managers leads to a lack of financial knowledge among their firms, which in turn reduces innovation that can be transformed into competitive capability and prevents firms from accessing a variety of financing provision sources, all of which contribute to firm failure (Kotzè & Smit, 2008). Every angle seems to agree on one thing: entrepreneurs' low financial literacy limits their access to the kinds of finance that may boost their firms' competitiveness and performance. The RBV is a public assertion of the

way in which a company really operates. It's predicated on the ideas that businesses spread their resources out in various ways, and that these dispersions last (Mac an Bhaird, 2010).

The RBV model proposes that improved organizational efficiency may help businesses achieve greater levels of organizational excellence. Evidence suggests that a company with fewer financially savvy workers is better equipped to weather performance problems. Greenspan (2002) argues that having a firm grasp of basic financial concepts helps people plan for their families, start saving for the future, and make sound investment choices. To maximize profits, company managers may use this data for strategic planning, efficient use of resources, and a more informed need for financial services. Low financial literacy has been linked to lower educational attainment, less engagement with personal finance, and poverty, as shown by the research of (Hilgert, Hogarth, and Beverly, 2003). This shows that one's awareness, (Baron & Kenny, 1986), which in turn tends to affect one's attitude toward money, is impacted by one's level of financial understanding.

2.3 Financial Literacy

Numerous definitions have been proposed for "financial literacy," some of which centre on the presence or absence of certain types of knowledge or skills, while others emphasize the importance of "good financial conduct" and "personal financial histories" (Hung, Parker, & Yoong, 2009). Personal financial planning is facilitated by financial literacy, which is defined as having enough awareness of one's own financial concerns (B O Neill, 2002). Barriers to financial literacy are explored, including a lack of information about personal finance, complicated financial situations, a wide variety of options for making financing choices, and limited time to learn about personal finance.

Numerous studies in the realm of personal finance have attempted to define financial literacy; however, many of these researchers have missed the mark by excluding the manager and businessperson from their definitions. According to Gitman's (2003) definition of financial services, this entails offering a wide variety of financial goods to clients. Financial literacy is one of the core managerial skills often cited as crucial to a company's success (Spinelli, Timmons, & Adams, 2011).

Entrepreneurs of all ages are expected to acquire, allocate, and optimally use resources in the majority of academic settings. These kinds of actions nearly always have monetary repercussions; hence, effective entrepreneurs need to have a firm understanding of money (Oseifuah, 2010). In addition, he focuses only on the management of individual homes and makes just a passing reference to the necessity for financial planning and management. However, the extent to which company owners and managers understand financial matters is not explicitly explained. Several definitions exist for "financial literacy," some of which are more suited to corporate leaders and managers. A financially literate business owner or manager is one who is aware of how their financial decisions will affect their company's performance at different junctures in its life cycle, is able to identify and confidently interact with suppliers of the products and services they need, and can do so with ease (USAID, 2009).

Management competency was similarly characterised by (Marriott and Mellett, 1996) as the capacity to take in financial data, process it, and apply the results. The competence and decision-making aspect of financial literacy was given a lot of attention by (Lusardi and Tufano, 2009) from the perspective of managers. Debt literacy is a subset of financial literacy that they emphasize for success. Moore (2003) incorporates it on the basis that real-world experience is the bedrock upon which financial literacy rests.

Numerous research (Hilgert et al., 2003; Huston, 2010; Kidwell & Turrisi, 2004; Lusardi, Mitchell, & Curto, 2010; Piprek, Dalamini, & Coetzee, 2004) have shown that financial literacy is positively correlated with economic success. Real and intangible resources, as well as the coordination of other resources, need financial resources (Alsos, Isaksen, & Ljunggren, 2006; Brinckmann, Salomo, & Gemuenden, 2011).

Knowledge, attitude, and awareness are the three components of financial literacy, as stated by (Lusardi and Bass Scheresberg, 2013) and (Rahmandoust, shah, Norouzi, Hakimpoor, & Khani, 2011). Business success may be facilitated, enhanced, or enriched by knowledge, which is the understanding of how business performance and corporate circumstances are assessed using a mental model (Lusardi & Michell, 2007; Moore, 2003).

For the sake of gauging, one's financial ability, as (Lusardi and Michell, 2006) put it, a level of financial literacy is required. Since they are aware of financial challenges, these educated persons are more likely to engage in financial markets. High interest rates for borrowers were investigated by (Lusardi and Bass Scheresberg, 2013). The results show that there is a link between financial literacy and the likelihood of a borrower having a low interest rate and poor credit. As a result of their limited understanding of basic financial principles, the vast majority of high-cost borrowers are unable to effectively contribute to the workplace.

The relationship between financial literacy and financial knowledge was investigated by Tamimi and Kalli (2009). Their research showed that people's financial literacy varies depending on their occupation, and that those who actively want to improve their financial literacy scores higher. The poll also found that men were more financially literate than women, and that financial literacy rose along with respondents' income, age, and level of education. Some people's

perspectives and actions about their finances might shift once they have access to new knowledge, as shown by the research of (Braunstein and Welch, 2002).

Morgan, Kaleka, and Katsikeas (2004) state that their studies show how important it is to consider the connections between factors like resources and skills, competitive strategy options, competitive advantage, and performance outcomes. The phrases "product development," "networking," and "knowledge potential" are used to characterise these features. They are thought of in terms of product-based, economic, distributor, and end-user resources; product-based, scale-based, and physical resources; cost-based advantage; the lowest total cost of ownership; marketing; product differentiation; and experience; financial; and physical resources.

Kidwell and Turrisi (2004) state that businesses that keep detailed financial records have an edge over their competitors who do not because they are better able to attract outside capital. It has been claimed that there is a strong link between financial literacy and prudent decision making, however this has been disputed by (Hilgert et al., 2003). The growth of the company's overall financing sources might be affected by the level of financial competence of its leadership (Marcolin & Abraham, 2006). According to research conducted by (Deakins, Logan, and Steele, 2001), various owners-managers use various methods to company planning. Companies that were expanding quickly or going through a transitional period needed to prepare strategically. Lusardi and Tufano (2009) and Mandell (2006), on the other hand, placed more emphasis on financial literacy's skill and decision-making components. In a definitive statement, Berman and Knight (2008) argued that financial literacy programmes are most successful when they become ingrained in the organizational culture as a whole. Audet and St-Jean (2007) found that firm owner/managers who had a gut feeling about and were aware of external service providers were more likely to make use of such services than those who lacked either of those indicators.

Businesses that deliberately devote resources to initiatives with a high likelihood of improved returns but a high risk of failure are often connected with a risk-taking mindset (Lumpkin & Dess, 1996). However, taking risks is often associated with being an entrepreneur, and many of the most successful business people are thought of being risk takers (Kuratko & Hodgetts, 2001).

Debt literacy is a pattern of financial literacy that (Lusardi and Tufano, 2009) examined in depth. Moore (2003) argues that real-world experience is just as important as theoretical study when it comes to developing financial acumen. Cude (2010) investigated what factors affect people's financial literacy. He found that a greater level of financial literacy was associated with factors including work experience, education, risk tolerance, parental profession, age, family income, and the taking of financial literacy courses.

Bond and Meghir (1994) found that firms' access to credit was somewhat influenced by the conditions of their loans. They saw that when credit conditions are good, firm managers have a positive attitude about obtaining credit and are encouraged to borrow, which increases the firm's capital base and stimulates economic activity. This research found that people with a strong grasp of personal finance had more success in both their career and personal endeavors. They had less money worries and a more secure future because of their long-term savings and investments. Some studies have shown a negative relationship between financial knowledge and budgetary restrictions (Sabri & MacDonald, 2010). According to the findings of this research, financial literacy is best understood as the conceptualization of how managers in firms manage and strategically utilize financial knowledge to influence the behaviour, consciousness, and outlook of customers and decision makers in the service of better decision making and, ultimately, the attainment of organizational performance.

2.4 Theodore Levitt's Marketing Innovation and His Influence

"Innovation in marketing" or "new marketing methods" are two terms that are used interchangeably to refer to marketing innovation within the framework of strategic organizational patterns and behaviour (Robinson and Pearce 1988). Companies that emphasized efficiency and high-quality service at a premium price consistently performed worse than those that emphasized product innovation, which incorporated marketing innovation into their strategy, and brand identification.

The ability to re-imagine the current industrial model in a way that creates new value for customers, weakens competitors, and generates new wealth for all stakeholders is what marketing innovation is all about, according to the literature on organizational knowledge (Hanvanach, Droge, and Calatone, 2003). Moreover, the authors discovered that having marketing experience is both a big strategic advantage and a precondition for marketing innovation.

In marketing, innovation refers to the development and use of new ideas to create and provide value to consumers while maintaining relationships with those customers (Johnson, Tinoco & Yu, 2005). Findings from this research suggest that product and marketing innovations should coexist.

"The introduction of new marketing tools and techniques" is one definition of marketing innovation. Chen et al., (2006). focuses on two types of marketing innovation: the ability to effectively obtain customer information and the ability to decrease consumer transaction

costs. Comparing product and process innovation with marketing innovation, this research looks at the factors that drive and determine the success of the latter.

"The adoption of a new marketing method comprising substantial upgrades in product design or packaging, product positioning, or pricing," is how the Organization for Economic Cooperation and Development (OECD) defines marketing innovation (Oslo Manual: Guidelines for Collecting and Interpreting Innovation Data 2007).

In the academic literature (Arrighetti and Vivarelli, 1999; Bartow, 2000; Johannessen, Olsen, and Lumpkin, 2001), references to marketing innovation do not have sufficient descriptive information or research results demonstrating its significance as a business idea or research construct to warrant a formal citation. This is because descriptive information and research results are necessary in order to justify a formal citation. The work of Theodore Levitt is acknowledged as a component of this continuing review of the body of literature due to the fact that he is the academic who has historically produced the most published work on the topic of marketing innovation and has had the most significant influence in this area (Levitt 1960).

The paper published in the 1960s by Theodore Levitt is widely regarded as the single most significant piece of literature that has contributed to the development of the marketing innovation framework. Through the use of ideas such as "marketing myopia" and "marketing imagination," Levitt educated academics and business executives to the essence of marketing innovation. The term "marketing innovation" wasn't used until his 1960 book "Growth and Profits by Planned Marketing Innovation" (Levitt 1960). The practice that we refer to as "marketing innovation" is the procedure through which businesses brainstorm new approaches to fulfil the requirements of their clientele (Levitt 1983).

When doing his research, Levitt ignored incremental improvements in favour of more spectacular ones. Levitt argues that in order for marketing innovations to be successful and provide remarkable results, groundbreaking research, testing, and hypothesis are required (Levitt 1960).

The idea of marketing innovation has not been given enough attention in the marketing strategy literature, in part because revolutionary ideas are, by definition, exceedingly uncommon. To be more specific, Levitt said that marketing innovation is always intangible and can't be shown without taking a huge financial and operational risk for every given business (Levitt 1960). This again demonstrates how revolutionary his concept of marketing innovation is, but it also creates measurement difficulties for empirical research. Nonetheless, his work laid the groundwork for the identification of a crucial set of organizational behaviours that, as this research will show, have a major bearing on the performance of the corporation.

Levitt used marketing imagination, a forerunner of marketing creativity, to create concrete mental pictures that helped consumers grasp the products he was selling. When a company has significant, quantifiable gains in current client penetration, prospective consumer identification, and distribution efficiency as a consequence of marketers' creative thinking, that is when we can call it marketing innovation (Levitt 1960). The initial goal of involving current and potential consumers as the primary marketing stakeholders is preserved via the use of David Levitt's important work. In addition to the more radical forms of marketing innovation that he highlighted, the idea of marketing innovation is broadened in this research to include the more prevalent and important forms of incremental marketing innovation.

2.5 Bringing Marketing Innovation Back into Balance

Besides providing a quantitative construct that is distinct from product and process innovation, the definitions in the literature set the goals of Levitt's concept (Levitt, 1983). We were able to do this by integrating key aspects of Levitt's model with those of the five previously mentioned definitions of marketing innovation. There are many different ways to look at marketing innovation, and each definition offers a new viewpoint. However, no one definition has enough parameters to allow for precise quantitative analysis and empirical study. However, when taken as a whole, they may provide a construct definition that can be accurately assessed and used to explain major marketing phenomena and, ultimately, variations in company performance. The authors define marketing innovation as the "process of seeking and implementing new and significantly better methods for increasing the value that a customer and an organization derive from current or potential market offerings, via customer perceptions or actual experiences triggered by marketing activities."

2.6 Understanding the Importance of Redefining Marketing Innovation

There are a number of aspects of this emerging marketing innovation construct that worth investigation, as they have the potential to enrich the growing body of literature on innovation in marketing. This novel approach to advertising creativity encompasses not just fresh takes on tried-and-true commodities, but also brand-new product lines and operational paradigms. This is done, in part, to set the idea apart from product innovation, which emphasizes the introduction of new or better products. Not only does this research acknowledge that new product development—and by extension, product innovation—is a crucial part of marketing, but it also recognizes that product innovation is just one of many activities associated with the marketing innovation construct, which

are further defined in the marketing-product space of marketing innovation. Organizational and consumer value linked with increased order fulfilment efficiency is recorded and recognized in a marketing-process space for marketing innovation. Lastly, and probably most critically, a marketing-relationship space of marketing innovation has been identified; this area is focused on obtaining and maintaining consumers with current goods or services via novel pricing and promotion.

How much of the overlap between product innovation and the newly defined marketing innovation is acknowledged and how much of the overlap between marketing innovation and process innovation is acknowledged and how much of the overlap between the two is varied is dependent on the definitions used for these concepts. Failing to distinguish marketing innovation from other activities such as the creation of new products or processes is a flaw in strategic research that contributes to an unwarranted amount of unexplained variance in corporate performance.

Separate from product and process innovation is a significant collection of activities known as the marketing-relationship space, which is the focus of marketing innovation. If these tasks are handled imaginatively by marketing managers, they might have a major impact on the company's performance. In the following paragraphs, you'll get a deeper dive into the specifics of this category of pursuits. This new method of marketing innovation is predicated on the development and preservation of value for the sake of attracting and keeping customers.

Since the idea is centered on existing or projected consumers as the key stakeholders, it has the attribute of having a wide scope and applicability. Neglecting to concentrate marketing innovation on effects on customer value is a divergence from the key marketing principles, even though other stakeholders (shareholders, employees, suppliers, etc.) are undoubtedly essential and

benefit from such activities. As marketing innovation is not a standalone process, the marketing-product and marketing-process areas include marketing actions that result in product and process innovation inside core company operations.

2.7 Improvements, inventions, and marketing innovation are all examples of innovation

The new concept of marketing innovation also highlights the differences between marketing improvement and marketing innovation. The word "significantly better" is used to categorize marketing innovation strategies and activities in line with the literature, differentiating them from seasonal marketing swings and incremental improvements to marketing operations. In the academic world, innovations are usually seen as something more advanced than mere upgrades or extensions. If a marketing innovation is to be considered compliant with this revised definition of deployment, it must be put into practice. To put it another way, innovations are inventions or ideas that have been effectively used in the real world, whereas inventions are concepts that have been materialised and so need the use of an organization's cash flow. There is a difference between inventing and innovating. These changes improve the company's bottom line. The academic business literature on invention and innovation (Brown 1992, Heunks 1998) agrees with this categorization.

The new marketing innovation concept adds to the field by doing a number of things, including the following: fusing incremental and radical activities; setting itself apart from product and process innovation; keeping the customer (real or potential) as the primary stakeholder; taking on a boundary-spanning perspective; and setting itself apart from advancements and inventions. Organizations with high levels of marketing innovation are the focus of this investigation, which delves into their predicaments, symptoms, and repercussions. The purpose of this research is to

carry on previous studies of marketing innovation by providing the primary business processes that will be used to operationalize the design and carry out accurate and efficient measures.

2.8 Business Processes at the Core

According to Srivastava, Shervani, and Fahey (1999), when marketing competency is incorporated into essential business processes, firm performance improves dramatically, and marketing activities are documented properly. Furthermore, they argue that marketing has to be recognized as a strategic discipline. Value for customers is produced in three ways: by developing innovative new solutions for them, by improving the processes of acquiring and processing inputs, and by forming strategic alliances with other players in the market. Through the creation of novel client solutions and services, enhancements to input acquisition and output transformation, and the cultivation of connections with market entities, the framework they've developed exhibits marketing at its finest. Product Development Management (PDM), Supply Chain Management (SCM), and Customer Relationship Management (CRM) are the Big Three in every company (CRM). In light of the fact that the term "customer relationship management" (CRM) has been used in the marketing strategy literature in a variety of ways, this research aims to clarify the idea by providing a more precise definition. In the context of customer relationship management (CRM), "marketing techniques" include those used with the intention of providing more product or service value to customers in order to either attract new ones or keep the ones they already have (Srivastava, Shervani and Fahey 1999).

2.9 Marketing Innovation Spaces: Where Do You Go from Here?

Marketing innovation emerges naturally in each of the many business processes when seen through the lens of this well-established core business process architecture. Finding new consumer

needs from existing and future customers, as well as coordinating internal and external product-design operations, are at the heart of marketing innovation's marketing-product subset, which aims to speed up the commercialization of products. This paragraph summarizes the steps involved in managing the development of a product. The customer relationship management process maps onto the marketing relationships section, whereas the market processes area depicts marketing procedures.

Incorporating (Srivastava, Shervani, and Fahey's, 1999) three-core business process paradigm offers a solid theoretical grounding for this research and better prepares the work for future empirical testing than other approaches. The exceptionality of this paradigm lies in the three procedures it employs to logically connect marketing phenomena to, first, customer value, and secondly, shareholder value. The research is often referenced in the marketing strategy literature, and it has led to a fundamental change in our thinking about the role marketing plays in a company's long-term success. Additionally, it necessitates an examination of marketing operations to prove how efficiently and effectively they drive crucial business processes that, in turn, boost financial performance and shareholder value. Throughout each procedure, the focus is on the convenience of the customers rather than the specific products being offered. Finally, it has been shown that following these stages may potentially shorten the amount of time needed for a product to attain market acceptability, speed up cash flow at an organization, and lessen the risk connected with that cash flow. We can use it as a reliable starting point for our research because of these important factors.

For the purposes of this article, marketing innovation is defined as the pursuit and implementation of new and significantly better methods of increasing the value that a customer and an organization derive from existing or potential market offers, as influenced by the

perceptions or experiences of customers in response to marketing activities. In their in-depth analysis of marketing activities that need to be unified, (Srivastava, Shervani, and Fahey, 1999) claim that the process has been effectively captured utilizing the core business process framework.

2.10 Understanding Marketing Innovation through the core business processes

Correctly identifying, describing, and evaluating the marketing activities of marketing innovation from a theoretical vantage point is necessary for this notion to make a significant contribution to academics and managers working in the field of marketing strategy. It is an appropriate tool for creating, defining, and evaluating marketing innovation projects with more accuracy since the basic business process framework's activities contribute to the creation of organizational and customer value. Consistent with marketing strategy literature, the following definition of marketing innovation serves as a useful guide to the most important marketing activities that drive the success of a firm. What constitutes marketing innovation is the degree to which the three most critical business processes—product development management, supply chain management, and customer relationship management—have been executed in an original and effective manner.

To continue, we'll take a closer look at what leads up to and follows from successful marketing experiments.

2.11 Antecedents and Consequences of the Marketing Innovation

To effectively conceptualize a notion, it is necessary to first identify its causes and effects (Bagozzi 1984). This research conforms to a common thread in the literature on marketing strategies, as shown by the use of a previously defined market orientation concept and associated

measure which defines the major antecedents for the newly formed marketing innovation construct and emphasizes the importance of each (Jaworski and Kohli, 1993; Kohli and Jaworski, 1990). One of the most important building blocks of marketing innovation is the ability to think creatively and strategically about the marketing landscape. Insight and creativity in marketing are two qualities or traits that play a crucial role in the growth and spread of marketing innovation. Because they are so deeply ingrained in the organization and require so much time and energy to modify, internal antecedents are considered more long-lasting than their situational counterparts. Changing the company's organizational structure, top management, or make-up is often required since it affects the company's driving ideology and ideals.

Although there is substantial theoretical support for some specific sub-components in explaining the behaviours and conditions that accompany marketing innovation, only six have been selected to be discussed individually for the purpose of providing theoretical support, despite the fact that numerous sub-components of the two antecedents contribute significantly to the central conceptual framework of marketing innovation. There is an in-depth discussion of the importance of, active scanning and market experimentation from the perspective of marketing insight, and of the importance of, marketing department architecture, the lack of marketing myopia, market research, and the cultivation of permissiveness from the perspective of marketing imagination. As a further step, we'll examine each antecedent and any sub-antecedents it may have.

2.11.1 Marketing Insight

The core of marketing insight is a continual understanding of market and industry trends, patterns, and trajectories based on experience, intuition, and data. Moreover, marketing acumen is the know-how to capitalize on this skill set for the benefit of the company's infrastructure (Bowen

(1990), Crossan, Lane, and White (1999), Roberts and Eisenhardt (2003), Beck et al. (2004)). Understanding the real nature and sources of a market phenomenon that affects the development, manufacturing, presentation, and distribution of goods and services is the essence of marketing insight (Linoff (2004), Roberts and Eisenhardt (2003)). A company with marketing insight not only has guts and knows what's going on in the present and future markets, but is also good at finding the source of a problem in the market.

Recognizing the underlying event or trend now being experienced or observed in the firm's core business and neighboring sectors is a highly valued skill when it comes to marketing innovation. Companies with marketing insight routinely think more thoroughly and correctly, grasping the actual reasons and internal dynamics of market events, rather than just reacting to them. In response to the demand for seeing websites and detailed maps while on the move, several mobile phone makers increased the size of their devices' displays. However, those who are well-versed in marketing were able to see through this and determine where the phenomena really originated. They've dug deeper and applied more insight, and they now know that regular people want to be able to conduct all of their business, from simple to complex (video conferencing, opening multiple document attachment types with ease, completing advanced banking transactions, etc.) from anywhere and on any device, without ever having to worry about being tied to a desktop or laptop. While market foresight is based on projections into the future, marketing insight is gleaned from the present.

For innovative purposes, marketing insight requires a comprehensive knowledge of the genuine and inner substance of the market phenomena, whereas market foresight entails spotting a market phenomenon before other industry players (McCardle, 2005). For a business' marketing innovation efforts to succeed, it must have access to relevant and actionable marketing

information. Without this information, businesses are more likely to make expensive mistakes that hurt their reputation with customers and ultimately their bottom line.

The following sections focus on two of the most important marketing insight components that are very pertinent to marketing innovation. Both active and predictive scanning are important for a company's success (Boyd, 1995; Day, 1994; Garvin, 1993; McCardle, 2005; Slater, and Narver, 2000). Active scanning refers to the company's ability to monitor its external environment in order to gain insight into current and future market conditions that may have an impact on the company's performance.

To have marketing insight is to be able to predict and adapt to changes in the market more quickly, efficiently, and effectively than rivals both within and outside of the industry. Put another way, marketing insight is essential for the effective implementation of marketing innovation activities because it allows for the rapid and accurate identification of direct and indirect competitors and the development of innovative solutions to meet their needs.

According to the research presented here, marketing imagination is an organization's ability to step back from its typical ways of doing things in order to imagine and imagine visually what is not immediately apparent or has never been seen before. To create and build mental representations of what is or is not genuinely existent and has never been experienced, a business has to be able to disengage from its current processes, procedures, and operations.

2.11.2 Marketing Imagination

Previous descriptions of marketing imagination as part of marketing innovation may be found in the literature, although they are more limited (Levitt 1960). Ideation has been called out as the most troublesome and vital phase of the ideation process and has been identified as the most

important stage in the innovation process by several authors (including Hauser, Tellis, and Griffin (2005)). Marketing imagination, in contrast to creativity, is a higher-order concept that goes beyond what can be seen. Although creativity entails coming up with novel and potentially revolutionary alternatives (Amabile et al., 1996; Andrews and Smith, 1996; Menon et al., 1999) and recognizing and describing novel and potentially advantageous ideas (Higgins, 2008), marketing imagination abstracts these via visualization and the formation of mental images.

In order to grasp marketing creativity and marketing strategy, one must first realize that businesses and consumers buy solutions, not products, and second, that the best organization implements insightful, not superficial, responses (Levitt 1983). There are a lot of moving parts that need to come together in order for a company to formulate and produce marketing innovation. Here are the building blocks:

Each of them is briefly discussed in this paper. Literature (Baldwin and Clark, 1997) and Sanchez (1999) state that a company's marketing department architecture explains the structural arrangement of the company's marketing operations. Creative marketers who dream up new ideas and design compelling mental images of their company's market solutions shouldn't be held liable for the marketing team's day-to-day tasks (Levitt 1960). Unique, imaginative solutions for current and future client needs that are not available anywhere else in the world can only be created by marketing task forces that are seen as a separate operation without regard to profitability objectives (Levitt 1960). To expand on this idea, "new customer acquisition solutions" are what businesses call the practices through which they hold the members of the marketing team accountable for acquiring new customers to strict profitability standards, short-term sales objectives, and other practical or recurring commitments.

In addition to limiting people's ability to see a more successful future for the company, these limitations force it to operate just in the here and now (King 1985). It seems that the most important factor in the success of marketing imagination is to separate it from the conventional financial demands and assignment deadlines, even if there are many methods to design a department architecture that is conducive to marketing imagination.

Additionally, the lack of marketing myopia is a crucial component. To avoid losing out on substantial chances due to a failure to recognize latent or developing competitors and alternatives for their market offerings, Levitt argues that business professionals must exercise extraordinary vigilance while establishing their business lines (Levitt 1960, 1983). Without a doubt, this is an essential element of marketing innovation. Furthermore, the likelihood that broader, more distant alternative choices will be provided increases when company staff members analyze every possible solution to the customer demands the company is now fulfilling or offering to meet. Because of this, there's a better shot those novel approaches to resolving organizational problems will be found.

Creativity in marketing is an essential part of igniting marketing innovation inside a company, alongside market research, which is the subjective and objective data obtained from current and potential customers. Team members may better address customer needs with the use of market research data if they are encouraged to apply their creativity to transform raw data into actionable insights. Based on findings from market studies (Levitt 1983). Insights gained from analyzing marketing research data may provide a novel perspective from which to approach an issue. The success of marketing innovation initiatives depends on the ability to do so.

The fourth aspect of marketing creativity that has to be emphasized is the permissiveness culture. According to Levitt (1960), an internal marketing operation should operate similarly to an external advertising business, with employees being given the freedom to experiment with new ideas and take risks without worrying about repercussions. In this analysis, I show the team's operational philosophy and the people to whom they are directly responsible, going beyond the factors that influence risk-taking. Without this kind of support and encouragement, the marketing team will be far less likely to make decisions that will have a positive impact on the company's performance, and will instead be forced to assess only those options that would shield senior management from criticism.

2.11.3 Marketing Innovation: A Review of the Antecedents

When combined, marketing insight and marketing imagination are expected to account for a significant portion of the variation in marketing innovation across different businesses. All together, these factors point to what a company has to have in order to improve the value it offers its clients via its advertising campaigns. It is hypothesized that marketing imagination, a more accurate representation of an organization's; marketing department architecture, lack of myopia, market research usage, and permissive culture, will be more effective than marketing insight when assessing the presence of marketing innovation in an organization. You might think of them as building blocks for marketing innovation, since each one is crucial to the process of coming up with and implementing new strategies.

As a result, it will presumably be more effective than marketing insight components in determining whether or not there is innovation in the market. Agglomeration economies (Marshall 1922; Porter 2000), levels of competition (Chandy and Tellis 1988), the age of a company (Heunks

1998), the sophistication of its industry's technology (Chandy and Tellis 1988), the magnitude of the company's operation (Hurley and Hult 1998), and the level of education of its employees (Hurley and Hult 1998) were also taken into account. This is especially frequent when studying the impact on company performance, as is the case in marketing strategy literature, but will be accounted for in order to investigate the role of marketing imagination and other research factors for their distinct contributions and impacts. The different areas of marketing innovation are discussed, and their effects and expressions are investigated.

2.12 Consequences of Marketing Innovation

In order to analyze the effects of marketing innovation on enterprises, it is necessary to create "marketing innovation spaces" that correspond to each core company function, as was discussed above. We provide a short outline of the activities and manifestations of three marketing innovation zones to aid in the development of theoretically grounded hypotheses. The following section will provide a more in-depth analysis of the topics and concepts discussed so far.

There are three main business processes that each represent a distinct manifestation of marketing innovation (Srivastava, Shervani and Fahey 1999). Effective segmentation of innovators, early adopters, the early majority, and the late majority, as seen with the iPhone, can shorten the time to sales takeoff and increase profitability, which in turn leads to higher hit rates for new product introductions and faster commercialization of new product ideas (Brown 1992, Hauser, Tellis and Griffin 2005). The above are instances of acts that have been shown to be effective in the marketing-product area of marketing innovation.

On the other hand, businesses that engage in marketing activities that are part of the marketing-process space of marketing innovation have a better chance of increasing their revenue

and cash flow from new sales channels, boosting the quality and value of their components through strategic procurement, and decreasing their customer service expenses through the use of automation, outsourcing, or other cost-cutting measures. Ultimately, businesses employing cutting-edge marketing strategies should expect a noticeable increase in client retention and loyalty, as well as an uptick in consumers' perceived switching costs. Outstanding implementation of marketing innovation initiatives in the market-relationship sector yields these results. They may have an immediate impact on the company's bottom line, as was said previously; there's no need for any kind of innovation in products or procedures to moderate their impacts.

Srivastava, Shervani, and Fahey (1999) claim that investments in customer relationship management (CRM) lead to more stable cash flow with a shorter lag time. By taking these CRM operations to inventive levels, as is recommended by marketing innovation, the advantages to firm performance are anticipated to grow to levels above and above the typical industry performance, and excellent firm performance may be carried to new heights. Moreover, it is anticipated that an increase in the number of customers who value the company's goods and services will occur as a result of the growth of social media as a result of marketing innovation.

A beneficial effect on the company's performance is expected to result from the strategic use of social media to market the features and advantages of current goods to untapped markets. When compared to traditional media, social media allows for granular levels of personalization and audience targeting that just aren't achievable (Strauss and Frost 2009). Social media marketing should increase the company's recurring business by facilitating consistent two-way connection with consumers.

An important point to make before wrapping up this discussion of the results of marketing innovation is that there is a synergistic effect between the three different spaces of marketing innovation, such that excellence in one space often contributes to the successful implementation of ideas in the other two spaces. Rather than limiting the construct to these examples, the goal of documenting specific tangible examples in each of the marketing innovation spaces is to help researchers and managers gain a better understanding of marketing innovation and to serve as the basis for future qualitative and quantitative research in this area.

It is helpful to keep track of examples of activities that would be present in organizations that successfully practice marketing for possible use in exploratory questions that compare qualitative research findings with examples of activities that would be present in organizations that successfully practice marketing. Preliminary qualitative study must capture a substantial number of additional instances of marketing innovation to develop an effective strategy for statistically analyzing the marketing innovation construct at the level of the marketing space. In order to build a quantitative method for assessing the marketing innovation construct at the marketing space level, one aim of the preliminary qualitative research is to gather a sufficient number of further examples of marketing innovation.

Theoretical connections between marketing innovation, its forerunners, and business success are then discussed.

2.13 Theoretical Framework

Several barriers to innovation have been highlighted in the literature on strategy, marketing, innovation, and organizational change. Pettigrew (1992), Lawler and Galbraith (1994), D'Aveni (1994), Miller (1994), Baden-Fuller (1995), and Christensen (1997) all acknowledge that our

understanding of how to remove obstacles to innovation is still in its infancy. There is a significant gap between the academic and practical literatures on the best ways to spark creativity. Experts in marketing are interested in this topic because, according to research (Day and Reibstein, 1997; Kim and Mauborgne 1997; Johne 1999), marketing data is essential for fostering innovative company growth.

To see how CEOs of medium-sized firms react to major shifts in the competitive environment, look no further than the general insurance industry. Non-life insurance, or "general insurance," was a highly competitive industry in the United Kingdom by 1989. Innovative new insurers have used nontraditional strategies to attract customers. In terms of distribution, there were major shifts. For a long time, insurance companies in the UK relied on third-party brokers to distribute their general products to customers. In the 1980s, upstart specialty insurers began selling policies directly to consumers, skipping the traditional broker middleman. The greatest impact of these shifts was seen by the insurance markets, particularly in the areas of auto and home ownership protection. Banks, for example, have entered the general insurance market via a practice of cross-selling known as "bancassurance," which has resulted in a new kind of competition. Some in the insurance industry worried that the entrance of direct sales insurance experts and the efforts of UK retail banks and building societies to improve their distribution skills would threaten the very survival of existing businesses (Leale-Green and Bloomfield, 1994).

Furthermore, although some suppliers were able to minimize operating expenses and explore innovative distribution tactics, such as direct mail, very few medium-sized insurance organizations had started to even make partial use of new technologies (Watkins, 1994). As noted in the 1994 Keynote Market Review, the years 1991 and 1992 were the "darkest hour" for the UK general insurance market. CEOs of mid-sized insurance companies can't have missed the dramatic shift in

the competitive environment. A number of companies leaving the UK's general insurance industry as a consequence of failed efforts to achieve reform is not shocking. In this analysis, we'll be looking closely at five companies that have survived to the present day. It shows how the transformation efforts of some of these companies' senior leaders were far more successful than those of others. The examination of results shows how important marketing was to the success of the change.

Inventive steps may be performed in parallel, however with varied degrees of focus on each. For example, in tech-centric businesses, product innovation often takes precedence over market innovation. Market innovation is often prioritized in businesses where marketing plays a central role. Most companies, especially those that are struggling, put a premium on developing new ways to perform existing processes. Many studies have been performed to explain why some businesses are so much better than others in creating new opportunities for innovation. All of the participating businesses needed to initiate substantial innovation (the dependent variable) or face a bleak future.

Different types of management styles have been shown to encourage innovative thinking. Primitive studies of businesses' adaptability to new technologies rely heavily on the results of Burns and Stalker (1961), Lawrence and Lorsch (1967), and Aiken and Hage (1975). According to their findings, most innovations arise from inside either less rigid "organic" organizations or independently operating ones. Data gathered on businesses' creative potential in the recent past indicates they require new ways of working. These "new-style" internal organizational structures were predicted by Miles and Snow (1978) in relation to the pursuit of "innovator" and "prospector" commercial strategies. There are a number of terms used by management analysts to describe the new types of organizations. These include the "hollow" or "virtual" corporation (Davidow & Malone, 1992), "network" or "flexible cluster of units coordinated by market mechanisms instead

of a vertical chain of command" (Miles & Snow, 1986), "hypertext" or "parallel" organization (Nonaka & Takeuchi, 1995), "platform" or "shapeless" organization (Handy, 1995). Many of the suggested new forms of organizations, meanwhile, are justifications and grounds for efficient adaptable organizations, and this fact must be recognized.

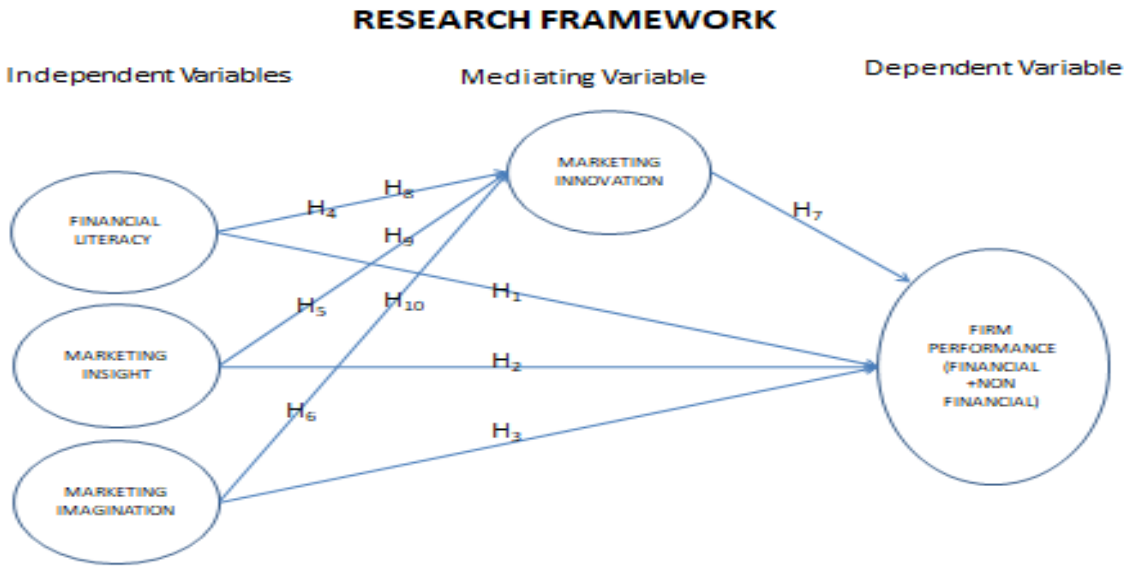
The electronic shamrock used by F International is one example. Other examples are Dell Computer's dynamic network, Sharp's hypertext form, Olivetti's platform organization, and Sun Microsystems' virtual organization. It has been argued by Volberda (1999) that the control aspects of formalization and centralization have been eliminated in favour of a control system based on clearly stated patterns of shared values and human interactions, making new-style organizations a fundamentally different set of managerial and organizing principles (Weber, 2001).

In today's businesses, individual departments or divisions often develop and carry out their own strategies for achieving organizational goals. Though Ghoshal and Bartlett (1995) remark that new-style organizations are decentralized, they are nonetheless subject to strict oversight. There are intricate control channels in place while upper management sets the firm's strategy and essential abilities that act as operational boundaries. Today's corporations practice bidirectional control. Despite the fact that upper-level management has very little say in the day-to-day operations of the business, they do keep a close eye on the results, particularly in terms of marketing. Instead of focusing on inputs to the market, managers pay more attention to the results of the market.

It has been shown via analysis of the aforementioned essential business operations that a command of financial knowledge, marketing expertise, and marketing innovation is required to carry out these tasks in a manner that materially affects the organization's performance. Insight

into finances, knowledge of marketing, and the ability to think outside the box all have a role in fostering marketing innovation, as shown by an analysis of the theoretical connections between these factors.

Figure 2: Research Model – Direct and Indirect Relationships



2.14 Research Model

This study begins its examination of the research hypotheses by concentrating on the nuanced connections between the antecedents and the domains of financial literacy, marketing innovation, and organizational success. We then take a high-level look at how each of these factors contributes to new ideas in marketing.

2.15 Hypotheses Development

All business choices must make sense and be grounded in reality. This highlights the need of having enough grasp of the available information for optimal decision-making by both business management and people. According to Remund (2010), financial literacy can be defined as the degree to which an individual understands fundamental financial concepts, has the ability and confidence to handle personal finances appropriately, makes good decisions in the short term, and has a clear view of the long term in terms of financial planning.

2.15.1 Firm Performance and Financial Literacy

Companies in developing countries have significant challenges to their performance development because of a lack of the knowledge, skills, attitudes, and awareness necessary to manage and lead their company's finances in a solid, transparent, and professional way. Joo and Grable (2000) argue that businesspeople often make poor economic judgments. They point to a number of factors, including a general lack of knowledge about money matters, a lack of time to study financial management, the difficulty of financial transactions, and the dizzying array of available financial options. Companies may have greater financial difficulties due to inexperienced management. Poor financial literacy may make it difficult for businesses to assess and understand a variety of financing options and to successfully manage complicated loan application procedures.

Many recent events have contributed to the growing recognition of financial literacy as a crucial life skill. There seems to be a pattern of occurrences like these: Therefore, this research set out to assess whether or not there was a correlation between financial literacy and business success.

Moore (2003) highlighted that the best way to acquire literacy and knowledge is via active synthesis of information and ideas gained through personal experience. Literacy is more than just being able to read and write; it also means being able to make more nuanced choices about one's money. Financial literacy, knowledge, and the ability to apply this knowledge do not guarantee improved financial well-being, as many other factors, including biased cognitive and behavioural processes, self-control issues, family, peers, economic, and institutional conditions, can prevent an individual or organization from exhibiting the expected behaviour (Huston, 2010). However, many experts agree that financial literacy cannot be easily measured, and that there is no reliable tool for doing so. Ultimately, a person's financial literacy plays an analytical and managerial role to face the challenges of firms and enhancing firm's productivity (Lusardi & Tufano, 2009; Rahmandoust et al., 2011).

To make wise financial decisions and plan for the future in today's financially driven world, one must possess basic financial literacy and comprehension. Financial literacy (FL) empowers people to make sensible financial choices (Goyal & Kumar, 2021); (Wijesinghe, Sachithra, & Gunasena, 2018). Financial literacy also adds to the nation's financial inclusion and (Morgan & Long, 2020) aims to solve the issue of limited access to financial resources. Increased financial literacy benefits firms by enabling employees to advance and significantly contribute to economic growth. In addition, (Morris et al., 2005) it assists consumers in saving money and keeping their expenditures under control, (Clark, Lusardi, & Mitchell, 2017) to prepare in advance for retirement, (Nicolescu, Tudorache, & Androniceanu, 2020) and effectively build wealth. Financial literacy offers various micro and macroeconomic benefits for the entire economy (Lusardi, 2019). First, individual savings allow businesses to develop, resulting in the economic expansion (Zhao, Cheng, Zhao, Jiang, & Xue, 2019). Second, each economy's investments boost productivity,

resulting in a positive growth rate. Third, (Anderson, Baker, & Robinson, 2017); (Grohmann, Klühs, & Menkhoff, 2018) small-scale private savings help keep the economy afloat during recessions. That was one perspective, but financially knowledgeable brokers may also help customers plan for their futures.

To understand the difference between corporate performance and organizational effectiveness, both concepts must be articulated. Venkatraman and Ramanujam's (1986) enlightening diagram of three overlapping concentric circles depicts the efficacy of a company. Within the context of this comprehensive concept of organizational success which represents the outer circle, the commercial performance is represented by the middle circle, while the financial performance is represented by the inner circle. Numerous aspects of an organization's functioning are considered to be part of its organizational effectiveness. (Cameron, 1986) the lack of internal strife and flaws, engagement in lawful pursuits, resource accumulation, and successful goal accomplishment are all indicative of these above-mentioned qualities of performance. In this study, we define organizational effectiveness as the sum of many subsets, one of which is firm performance, which includes both operational and financial achievements. This conceptual proposal from Venkatraman and Ramanujam (1986) is frequently cited by scholars in the field of strategic management (Carton and Hofer, 2006; Richard, Devinney, Yip, and Johnson, 2009), among others. However, an examination of the operationalization of firm performance used in empirical studies reveals a wide variety of incomplete and unbalanced approaches to the topic. Following a comprehensive review of all strategic management-related journal articles published between 1980 and 2004, researchers (Combs, Crook, & Shook, 2005) identified 238 empirical studies using 56 different variables. In the great majority of cases (82%) an assessment of the company's financial performance was done, with profitability measurements in the accounting

system serving as the most often used statistic (52 percent). Richard et al. (2009) and Carton and Hofer (2006) analyzed several journals from different periods and observed a similar result. These studies revealed a rate of around one indication per article. (Cameron, 1986) A further source of confusion is the substitution of performance antecedents for performance indicators. Operational success, as envisioned by Venkatraman and Ramanujam (1986), is best understood as a precursor to financial performance, with resources serving as a moderator, as stated by (Combs et al., 2005). In certain instances, such as production efficiency, the argument has substance and is evident. However, other variables, such as consumer happiness, are less obvious.

Customer happiness may be a precursor to financial performance, but it is not also an effect of performance. This depends on how company performance is defined. A number of authors (Connolly, Conlon, and Deutsch (1980); Hitt (1988); Zammuto (1984)) have used the term "satisfaction of stakeholders" to characterize performance. In this instance, customer happiness is a result (from the customer's vantage point as a stakeholder) and hence a component of business success. When defining performance, in addition, must study its temporal context and point of reference. Performance in the past may be differentiated from future performance; exceptional performance in the past does not ensure similarly exceptional performance in the future (Almeida & Carneiro, 2005). Another facet of time is the span of an interval (short, medium, or long). The success criterion itself is also important. This might be the average of the market, the accomplishments of major rivals, the attainment of a predetermined goal, or even just the standard of the past (Carneiro, Silva, Rocha, & Dib, 2007). Analyzes of the company's performance in the past and comparisons to its goals shed light on its effectiveness and growth. On the other hand, one cannot use them to compare firms that are in different fields or of a different size. It showed where a firm stood in relation to its rivals by comparing its value to the market standard or to that

of its most direct competitors. This method may be more effective for strategic evaluations since it uses the average value.

Indeed, management professionals are cognizant of the importance of financial literacy in ensuring the smooth running of the firm and enhancing firm's performance. Based on literature, following hypothesis is developed:

Hypothesis 1 – Firm Performance and Financial Literacy

H_1: Financial literacy of the agents directly and positively impact on the firm performance.

Hypothesis 8 – Mediating Role of Marketing Innovation between Firm Performance and Financial Literacy

H_8: Marketing Innovation strengthens the relationship between an organization's level of firm performance and financial literacy of agents.

2.15.2 Firm Performance and Marketing Insight

Marketers have "marketing insight" (or insight into marketing) when they recognize a situation and comprehend the dynamics and factors that lead to a product's conception, production, and dissemination (Linoff 2004, Roberts and Eisenhardt 2003). A firm's ability to identify the root cause of a market problem is enhanced by its ability to have a strong sense of current and future market trends.

Hypothesis 2 – Firm Performance and Marketing Insight

H_2: An organization's level of firm performance is positively and directly impacted by marketing insight of agents.

Hypothesis 9 – Mediating Role of Marketing Innovation between Firm Performance and Marketing Insight

H_9: Marketing Innovation strengthens the relationship between an organization's level of firm performance and marketing insight of agents.

2.15.3 Firm Performance and Marketing Imagination

In the literature, marketing imagination has already been acknowledged as a component of marketing innovation, but in less comprehensive terms than in this description (Levitt, 1960). The toughest and most crucial step of the innovation process has been highlighted as Ideation (among others (Hauser, Tellis, & Griffin, 2005)) and has been defined as the most difficult and crucial phase of the ideation process. Unlike creativity, marketing imagination is a higher-order construct that transcends the observable. In contrast to creativity, which entails developing newer and more radical alternatives (Andrews and Smith (1996); Amabile, Conti, Coon, Lazenby, and Herron (1996); Menon, Bharadwaj, Adidam, and Edison (1999)); and recognizing and explaining novel and practical concepts (Higgins 2008), marketing imagination abstracts through imagining and forming mental representations of various options and concepts, one might consider them. Furthermore, understanding marketing imagination and strategy requires acknowledging that companies and end customers purchase solutions rather than things and, more significantly, that the larger organization executes important rather than obvious answers (Levitt, 1983). Numerous elements of marketing imagination are essential to formulating and developing marketing innovation in a business.

According to the literature, the marketing department architecture describes how the organization's marketing operational functions are organized (Sanchez (1999), Cravens (1998)).

Specialists in marketing who are tasked with coming up with new ideas and envisioning the company's market solutions shouldn't be accountable for the day-to-day operations of the marketing department (Levitt, 1960). Unique and innovative solutions to present and future customer wants that can't be found anyplace else in the globe are created by marketing task forces that are treated as distinct businesses and aren't concerned with profitability goals (Levitt 1960). The personnel of a company's marketing team tasked with "new customer acquisition" are pushed to strict profitability criteria, short-term sales goals, and other tangible or daily obligations.

Hypothesis 3 – Firm Performance and Marketing Imagination

H_3: An organization's level of firm performance is positively and directly impacted by marketing imagination of agents.

Hypothesis 10 – Mediating Role of Marketing Innovation between Firm Performance and Marketing Imagination

H_{10}: Marketing Innovation strengthens the relationship between an organization's level of firm performance and marketing imagination of agents.

2.15.4 Financial Literacy and Marketing Innovation

Theoretically, marketing innovation directly affects corporate performance since it successfully captures an organization's potential to execute marketing operations integrated with basic business processes creatively and creatively. This considerably extends previously published research conclusions in innovation, market intelligence, creativity and market orientation. However, rather than just identifying an innovative corporate or market-focused environment, this study focuses

on the execution of activities that are strategic in nature regarding marketing, as well as the effect that these activities have in describing successful market performance.

Hypothesis 4 – Financial Literacy and Marketing Innovation

H_4: An organization's level of marketing innovation is positively and directly impacted by financial literacy.

Hypothesis 5 – Marketing Insight and Marketing Innovation

H_5: An organization's level of marketing innovation is positively and directly impacted by marketing insight.

Hypothesis 6 – Marketing Imagination and Marketing Innovation

H_6: An organization's level of marketing innovation is positively and directly impacted by marketing imagination.

Hypothesis 7 – Marketing Innovation and Firm Performance

H_7: There is a positive direct relationship between an organization's level of marketing innovation and firm performance.

With hypotheses formally structured, the methods used to test these important relationships are discussed in the next chapter.

CHAPTER 3
METHODOLOGY

3.1 Introduction

This chapter describes the overall research design employed to answer the research question and achieve the study's purpose. Population, unit of analysis, sampling frame, sampling strategy, sample size, survey method, and data analysis methodologies are described in the research design. This chapter concludes with a description of the structural model being used to statistically test the hypothesis.

3.2 Research Philosophy

The research philosophy provided the perspective for conducting a systematic and scientific empirical examination. This study's philosophy represents the nature and foundation of knowledge. The research philosophy is comprised of epistemology, ontology, theory, and methodology. The sort of philosophy used by a researcher to conduct his or her research reflects how he understands the external world. The research philosophy aids the researcher in determining the most appropriate research approach and technique. The approach and strategy of research are founded on ontology and epistemology (Saunders, 2011).

The term ontology pertains to the nature of reality and represents the researcher's perspective of what constitutes a fact. Ontology is the scientific study of the existence of reality and the perception and measurement of reality. The primary topic of ontology is the classification and character of reality. According to Jonker and Pennink (2010), ontology connects the beliefs concerning reality. Ontology addresses the nature of social reality pragmatically in order to

establish a corpus of knowledge regarding distinct constructs. Consequently, epistemology demonstrates the foundation and character of knowledge by differentiating between justified beliefs and opinion.

Specifically, epistemology tackles the sources, nature, breadth, boundaries, and validity of an existing social reality and provides a foundation for the discovery of knowledge. To separate knowledge from presumption, epistemology's prophesy offers verification and justification through empirical testing. As a result of epistemology, solid concepts and facts serve as the foundation for the corpus of knowledge. Both ontology and epistemology give a basis for selecting the appropriate research strategy for empirical study.

3.2.1 Interpretivism

Interpretivism is a system of thinking that incorporates subjective reality into knowledge. In the social sciences, interpretivism is generally acknowledged, and notably accepted in the business and management field. The primary goal of interpretivism is to comprehend the nature of social reality via human perception (Greener, 2008). Therefore, the study is based on the interpretivism school of thinking in order to map the perceptions and opinions of individual investors in order to determine the factors that influence their behavior.

3.2.2 Positivism

Positivism is a philosophical system that embraces the concept that seeing is believing, that anything that is predictable may create a reality, and that the unforeseeable should be ignored. The knowledge should be founded on perceptions of reality that are quantifiable and supported by data.

Positivism is founded on objectivity and is explicitly recognized by natural sciences researchers. Positivism examines objective reality rather than subjective reality, and scientists and researchers regard objectivism to be their primary focus. To develop knowledge, social reality, which may be seen by sight, touch, smell, and hearing, can only be pragmatic. The justification is founded on the assumption that perceived opinion should be tested using quantitative facts (Carr & Kemmis, 2003). This approach advocates the use of tools and procedures to acquire quantitative data through surveys and statistical analysis. The following table, adapted from Saunders (2011), compares the previously mentioned philosophies.

Table 1: Positivism & Interpretivism Ref: (Saunders, 2011)

Basis of Difference	Positivism	Interpretivism
Ontology	External, objective and Independent social actors	Subjective and internal social reality
Epistemology	Based on foreseeable phenomena	Based on perceived phenomena
Data Collection	Quantitative including both primary and secondary source	Qualitative, interviews, observation, content analysis

3.3 Research Approach

The method stays logical since positivism is the paradigm of the study. Positivism is a deterministic worldview wherein causes dictate outcomes. Thus, positivist research presumes to identify the variables that predict the results. The knowledge gained via the use of positivist lenses comprises the operationalization and quantification of objective reality. Thus, for positivists, operationalization of constructs through numerical measurements and examination of individual

actions become crucial. To comprehend a reality, positivists adhere to the concept of theory validation and verification.

This study employs mixed methodology where both surveys (quantitative) as well as interviews (qualitative) are used for collection of data. Further as a qualitative research methodology, social constructivism is also referred to as interpretivism. Social constructivists assert that reality resides inside the mind and cannot be deduced. They continue to focus on specific context in order to acquire a comprehensive picture of the historical and cultural contexts of the participants. Rather than verifying a priori theory, the strategy stays pragmatic in order to use the new information. Instead, then deducing knowledge from previous investigations (as positivism does), the method originates and develops theory to characterize how objects function and relate to one another.

As the purpose of this research is to validate a theory (Resource Matching theory) in the insurance sector of Pakistan, this study employs a logical methodology to investigate investor behavior phenomena. The hypotheses of the current study are derived on the basis of extant literature and related theories. Consequently, the operationalization and measurement are inferred from prior literature, which is the fundamental principle of positivism.

3.4 Research Strategy

During the past two decades, there have been tactics of inquiry related to quantitative research designs that form the foundation of the post-positivist worldview. These research methods consist mostly of experiments, quasi-experiments, and correlational investigations (Campbell & Stanley, 1963). Complex models with repeated measure designs and factorial designs are among the most recent breakthroughs in this area. These research methodologies also use structural

models and collective assessments of models including several characteristics, which are optimal for examining causal pathways. In accordance with the research theory (positivism), research design (quantitative), and methodology (deductive), this study employs the survey technique. The quantitative effect of respondents' attitudes, trends, and views are provided through a survey technique based on a population sample. Cross-sectional and longitudinal survey methodologies acquire respondent data using questionnaires. The approach is ideal for extrapolating findings from a sample to the population (Babbie,1990).

3.5 Time Horizon

Due to limited time and resources, primary data is acquired at a single moment in time during 2020. This study is therefore cross-sectional in character. Cross-sectional time horizons are preferable to longitudinal when the nature of the variable is subjective. The variables included in this study are based on respondents' perceptions of reality. Consequently, response does not account for the variance in reaction across time (Podsakoff et al.,2000).

3.6 Target Population

The target population represents the primary subject of research and analysis (Zikmund, Carr, Babin, & Griffin, 2013). The purpose of the study is to extrapolate from a sample to the population. Sample-based statistical conclusions make statements about the target population. This study's objective is to investigate the role of financial literacy, marketing insight and marketing imagination on firm performance of insurance firms. Therefore, the population of interest for this study remains the agents and the senior managers of insurance firms. According to the data of Pakistan's Securities and Exchange Commission of Pakistan, there are 50 insurance companies operating in Pakistan in 2020. The total population of insurance employees and managers is

unknown. Approximately about 60,000 people work for insurance companies, according to this study demographic data which was collected through questionnaires and interviews. This study attempts to emphasize the importance of financial literacy of insurance managers and its impact on the performance of insurance firms, employing both quantitative and qualitative methods.

3.7 Quantitative Methods

3.7.1 Sampling Frame and Unit of Analysis

The factors from which the study's sample is derived are reflected in the sample frames. Individual senior managers in executive positions who can take strategic decisions for insurance companies were covered in the research. According to Roscoe (1975), an appropriate sample size for population inferences is between fifty and five hundred. Effectively addressing the goals of the study necessitated that the primary data be acquired from senior management of insurance companies. The most trustworthy and pertinent information on insurance companies is provided by senior management.

Senior managers of 50 insurance companies licensed and registered with the Securities and Exchange Commission of Pakistan received the printed questionnaires. Initially, it was determined to additionally gather data from respondents via an online survey. During early pre-testing, it was discovered that the response rate was low and that the online survey increased the chance of biased replies, which might compromise the quality of the research. Particularly in the context of Pakistan, only regulated and registered insurance companies with SECP are permitted to transact insurance and reinsurance contracts. All insurance companies were contacted, where top executives and agents were requested to respond the questionnaires.

3.7.2 Data Collection

There are two distinct categories of data gathering procedures: primary and secondary. Typically, secondary data refers to the processed data that is being evaluated to be converted into information. On the other hand, primary data refers to the data acquired by researchers from their intended respondents. This study examines the impact of financial literacy, marketing insight, and marketing imagination on the performance of insurance companies. The survey approach was used for data collection to record the responses of respondents. To obtain responses from target respondents, a self-administered questionnaire was employed. A self-administered questionnaire (SAQ) is rigorous enough for participants to complete without researcher assistance. Initially, it was intended that data would be collected via an online survey. Web-based surveys are cost-effective and enable access to a huge pool of target audience. However, the web survey result is dependent on a number of factors, including internet usage rate, literacy level, and cultural diversity (Duffy, Smith, Terhanian, & Bremer, 2005).

In the case of Pakistan, however, it was determined after several efforts that the response rate was extremely low. This might be attributed to the low rate of technological acceptance or internet usage. In contrast, only two answers were received over the course of a month. Therefore, the usual self-administration technique (i.e., presenting printed questionnaires to respondents in person and asking them to fill them out) was chosen, combined with frequent phone calls and, on occasion, questionnaire completion over the phone i-e asking the questions over the phone and recording them on the questionnaires. The collection of data took nearly fourteen months. Due to a number of factors, it was risky to assume a low level of genuine responses during the data gathering procedure. First, the length of the questionnaire, and second, the absence of tangible incentives for respondents to complete the survey.

In the context of social science research, these are the limitations that have been generally acknowledged in the past.

3.7.2.1 Data Collection Process

The primary data collection technique used is convenience sampling and it is employed for the following reasons: First, the approach stays efficient in terms of both time and money, and second, the willingness and accessibility of respondents are vital for data collecting. Since data was obtained from senior managers and top executives of insurance companies, their availability and willingness to participate remained an issue. Thirdly, the sample's entire population was unknown (Marshall 1996).

Based on demographic and target respondents, the author visited all 51 insurance companies with headquarters in Karachi, Lahore, and Islamabad to gather data and delivered 25 questionnaires to each insurance company and requested that top executives and senior managers complete them. The data gathering method remains legitimate as long as respondents are willing to complete the survey form. Furthermore, the method of data collection stays efficient since the absence of researchers eliminates the possibility of common attraction bias (Duffy et al, 2005). After questionnaire distribution was completed, the author revisited insurance companies to collect the surveys. Six hundred questionnaires were collected from senior managers and top executives at insurance companies.

3.7.3 Sample size

To determine the ideal sample size to validate statistical tests and accurately depict the behaviour of the target population (Hair, Black, Babin, Anderson, & Tatham, 2006). There are two types of approaches that may be used to establish a suitable sample size. Initially, statistical

methods or formulas can be employed to determine an appropriate sample size for empirical testing (Hair et al., 2006). Second, the sample size is determined based on the population (Creswell & Creswell, 2017). When the size of the intended population is known, the latter method remains applicable. Low consensus exists on the statistical appropriateness of the first technique, especially when using Structural Equation Modeling (Lomax & Schumacker, 2004).

The following criterion for determining the ideal sample size for effective reliability and generalization has been established by prior research.

Table 2 : Criteria for Ideal Sample Size

1	According to Hair et al. (2006), using the Structural Equation Modeling (SEM) approach, a minimum sample size of two hundred is deemed statistically competent and justified. The sample size is determined using constructions and items.
2	According to (Lomax & Schumacker, 2004), twenty observations are statistically justified and regarded legitimate for each item in the instrument in order to successfully investigate the phenomenon. According to this approach, a sample size of up to 240 is sufficient for analysis; however, a larger sample size is required for a thorough research of the investigated
3	As the target population is not known i-e the number of top executives and senior managers are not known , therefore, following formula has been used to derive the appropriate sample size for understanding the representative behavior of target population effectively. Also the survey asked the senior managers about the total number of employees working in their firm

Cochran (1954) established a statistical approach for determining the ideal sample size to efficiently confirm statistical findings.

• 90% – Z Score = 1.645

• 95% – Z Score = 1.96

• 99% – Z Score = 2.326

Formula = $n_o = Z^2 Pq / e^2$

$((1.96)^2 \times .5(.5)) / (.05)^2$

$(3.8416 \times .25) / .0025$

$.9604 / .0025 = 384.16$

385 respondents.

In accordance with the formulas suggested by (Kotrlik & Higgins, (2001); VanVoorhis & Morgan, (2007)), a sample of 385 is obtained for statistical analysis. The formula-derived sample size likewise fits the conditions of the first technique. In addition to Cochran's (1954) technique, the Gpower method has been employed to calculate the sample size (Hair et al 2014). The Gpower table and associated calculations are available in the appendix. According to Gpower, the minimal sample size for this study remains at 151.

3.7.4 Sampling Procedure and Sampling Technique

Sampling can be classified as either statistical sampling or non-statistical sampling. Additionally, these two methods are known as quantitative and qualitative sampling methods. Each unit of the population has an equal chance of being selected using statistical or quantitative sampling techniques based on probability. In contrast, qualitative or non-probability sampling techniques are based on discretion and suitability. Consistent with past research when the target population unknown and difficult, the approach of convenience sampling is adopted (J. W.

Creswell & Creswell, (2017); Marshall, (1996)). In keeping with past research, the unit of analysis in the present study was selected using a convenience sampling method.

3.7.5 Measurement of Variables

The instrument used to collect primary data is a questionnaire adapted from prior research. As a measuring tool, a survey-based questionnaire was used to collect the replies of respondents. As a result of the questionnaire's greater reliability and consistency as a data collecting instrument, it is commonly used by researchers to examine the replies of respondents. According to Ghauri and Grønhaug (2010), the questionnaire is the most prevailing and well accepted instrument for data collecting. The primary purpose of a questionnaire is to assess respondents' perceived responses.

In order to strengthen the reliability and generalizability of the construct scales used in previous research, the construct scales from previous research have been adapted. Adoption techniques for scales are mostly focused on the concept of simplicity and understanding. The substance or phrasing of the questionnaire should be straightforward and simple to comprehend, so that responders may efficiently provide feedback by offering significant information. In addition, while developing the questionnaire, negative language should be avoided, and reverse-coding is preferable to prevent answer bias. Accordingly, prior research suggested that a construct should comprise at least three or five elements in order to be adequately measured (Allen & Seaman, 2007). Similarly, the scale should be graded on several levels to provide appropriate variation in answers. In accordance with previous research, this study collected responses from senior managers using a seven-point Likert scale to score respondents' responses.

The majority of social scientists have utilized the seven-point Likert scale due to its user-friendliness, interconnectivity, and simplicity (Croasmun & Ostrom, 2011). According to prior research, the Seven-point Likert scale is the optimal and most intelligent method for gauging respondents' perceptions of a phenomenon. According to previous research, in addition to the Seven-point Likert scale, there is also the option of a ten-point Likert scale (Croasmun & Ostrom, 2011). The ten-point Likert scale is capable of providing a variety of replies; nevertheless, it makes it more difficult to distinguish between numerous possibilities. In addition, the concept of parsimony dictates that scientific instruments and models should remain basic and economical. Also, it is obvious that the ten-point Likert scale provides respondents with too much variety of choice, which might lead to confusion when selecting replies (J. W. Creswell & Creswell, 2017). Dawes (2008) found that the seven-point Likert scale is statistically more dependable than the five-point and ten-point scales. Therefore, in line with past studies this study uses Seven-point Likert scale to record the responses of target respondents.

The questionnaire contained the questions related to financial literacy, perceived knowledge of marketing insight and marketing imagination and marketing innovation. The dependent variable of propose study is “firm performance”. This study is unique as it it adopts subjective measure of firm performance in context of Insurance firms. Firm performance is measured by asking respondents questions related to their firm's financial and non-financial performance based on their perceptive comparisons of now versus five years back. All of the constructs of firm performance have been adopted from the primary work of Kotabe (1990) and Matsuno, Mentzer and Rentz (2000) while basic adaptations from Mishra and Saur, (2010), Agle et al., (1999); Fowler and Schmidt, (1988), Govindarajan, (1984). Explanatory variables of the proposed study are incorporated as degree of financial literacy, marketing insight and marketing imagination.

Financial literacy is measured by adopting the constructs from (Lusardi and Mitchell, 2007). The next independent variable i.e. marketing insight is measured by using adopted scale of (Beck, et al. (2004), Bowen (1990), Cossan, Lane and White (1999), Roberts and Eisenhardt (2003), Ganesan, Malter and Rindfleisch (2005), Rindfleisch and Moorman (2001)). Marketing Imagination is measured by using adopted scale of (Andrews and Smith (1996), Beck, et al. (2004)). Marketing Innovation has been incorporated as mediating variable; the nine items (multiple choices) is adapted basically from (Srivastava, Shervani and Fahey 1999) and other authors which include (Hauser, Tellis and Griffin (2005), Hurley and Hult (1998), Levitt 1960 and Levitt 1962). The adapted questionnaire was formative, the following table provide detail about adapted items from studies expounded in past literature.

Table 3 : Questionnaire Items and Supporting Studies

Construct	Code	Item	Reference
Marketing innovation	MINO1	Identifying new needs from existing and potential customers	Srivastava, Shervani and Fahey (1999)
	MINO2	Designing and developing new product solutions and prototypes	Hauser, Tellis and Griffin (2005),
	MINO3	Coordinating product design activities to speed up business processes	Hurley and Hult (1998),
	MINO4	Selecting and qualifying desired suppliers	Levitt (1960)

	MINO5	Order processing, pricing, billing, rebates and terms	and Levitt (1962).
	MINO6	Managing multiple distribution channels	
	MINO7	Identifying potential new customers	
	MINO8	Developing and executing advertising and promotion programs	
	MINO9	Developing and executing customer service and sales programs	
Marketing imagination	MIM1	In our company, marketing plans have a specific format that strictly adheres to established procedures and processes for all marketing activities	Andrews and Smith (1996),
	MIM2	We never have enough time to think ahead	Beck, et al. (2004)
	MIM3	We place special importance on innovative thought processes within our organization	
	MIM4	We take pride in a collective ability to think "out of the box"	

	MIM5	We encourage abstract ideas from our employees that Might not have immediate relevance to our business today	
	MIM6	Our top management spends time in detailed analysis of all our problems	
	MIN1	Other organizations can understand unusual market occurrences better than our organization	
	MIN2	Our organization knows better than others what is really happening in the market	
	MIN3	Our organization is often the "trend predictor" in our industry	
Marketing insight	MIN4	Information about new ways to approach product and process development	Beck, et al. (2004),
	MIN5	Information about new trends in your industry	Bowen (1990, Cossan, Lane and White (1999),
	MIN6	Information about end-user requirements and trends in customer expectations	Roberts and Eisenhardt (2003),

	MIN7	Outside Research findings related to the development of new products	Ganesan, Malter and Rindfleisch (2005), Rindfleisch and Moorman 2001).
Financial literacy	FL1	Agree that various personal loans available in the market is a convenient financial tool	Lusardi and Mitchell (2007)
	FL2	Have investments in different investment instruments	
	FL3	Appreciate the interest compounding effect	
	FL4	Utilize tax relieves and rebate in filling tax return	
	FL5	Know the amount of money needed for retirement	
	FL6	The benefits of investing in MANY assets is more than ONLY one asset	
Firm performance	FP1	Return on Assets is increased	Govindarajan, (1984),

	FP2	Return on Investment is increased	Fowler and Schmidt, (1988),
	FP3	Market Capitalization is increased	Agle et al., (1999),
	FP4	Earnings per share is increased	Mishra and Saur, (2010),
	FP5	Workplace relations are seen satisfactory	Matsuno, Mentzer and Rentz (2000),
	FP6	New product development is satisfactory	Kotabe (1990).
	FP7	Considered research and development as important	
	FP8	Emphasized on cost reduction programs	
	FP9	Personal Development of Employees	
	FP10	Ensures employee health and safety	

3.7.6 Questionnaire Design

The study was conducted using a self-administered questionnaire to obtain responses from top managers working for insurance companies in Pakistan. The questionnaire was split into two different parts. The primary component, i.e., part 1 or (Section A) of the questionnaire, comprises information about the respondent's demographics. The second part, offers a variety of questions (items) derived from previous research to assess the respondents' perceptions. The first portion of

part two i-e section B, contains adopted items for the explanatory variable in question, specifically financial literacy. The third and fourth sections contained, respectively, items pertaining to the mediating variable (marketing innovation) and the independent variables (marketing insight and marketing imagination). The last section provides adopted measures of firm performance, the primary dependent variable of the study. There are two subsets of a firm's performance: financial performance and non-financial performance are used in this study.

3.7.7 Pretesting

Pretesting was conducted to complete the questionnaire's design, and it is recognized as an essential stage in survey research. In order to assess the usefulness of a questionnaire, it is suggested that it be pretested prior to data collection. The pre-testing approach establishes the validity of a questionnaire by demonstrating that its items are best suited and understood by respondents who are likely to reply (Drennan, 2003). Pretesting is essential because it guarantees that any errors and omissions related with survey research are corrected. It is commonly used by researchers to optimize instruments and to detect faults that may be visible only to the target population (Grimm, 2010). Pretesting enhances the quality of respondents' replies and offers a solid foundation for data collecting. The pre-testing is conducted on a small sample of the population of concern.

This study utilized the typical technique for pre-testing as indicated in previous research (Egger-Rainer, Lorenzl, & Trinka, (2019); Grimm, (2010)). First, two rounds of proofreading were undertaken to polish the text. First, the questionnaire was checked by three Assistant Professors with expertise in English linguistics from the English department of Air University. In the second step, the items were reviewed by five students participating in the PhD (major in applied

linguistics) programme at International Islamic University. In addition to these two processes, the questionnaire was checked by the supervisor from Bahira University Islamabad. The proofreading procedure considerably improved the questionnaire's sentence structure, syntax, and grammatical accuracy. The second round of pre-testing consisted of incorporating the professional knowledge of domain specialists. This study's field experts consist of senior managers and top executives. Three senior managers with more than three years of experience in the insurance sales industry have contributed their insightful and strong advice. These recommendations were efficiently implemented, hence enhancing the quality of our survey. In addition to top personnel, a chief executive officer of an insurance business in Islamabad was also engaged in the same activity. Due to his expertise in the sector, the CEO's advice was more valuable and sensible. The CEO's ideas for streamlining the questionnaire's numerous words were fairly robust.

The approved questionnaire was afterwards assessed by an academician specialized in the topic of finance. Three Assistant Professors from Bahria University Islamabad, Air University Islamabad, and The University of Lahore, each with a PhD in finance, have reviewed and evaluated the questionnaire's academic quality. Regarding the issue of overlapping items, their expert advice has been acknowledged and adopted.

3.7.8 Pilot Testing

The majority of empirical research on firm performance, financial literacy, marketing insight, and imagination has been undertaken in developed economies. The market dynamics and governance differences between developed and developing economies remain significantly different.

In light of these distinctions, it is feasible to conduct a pilot study to check the general trend of respondents' financial literacy skills before executing the adapted questionnaire in Pakistan. A pilot survey was done to strengthen the questionnaire's dependability and improve its clarity. Consequently, pilot testing validates the validity of the questionnaire by demonstrating that the target group comprehends the question posed by the researcher. Prior to conducting a full-scale survey, the majority of important research have recommended doing a pilot test to improve data quality (Saunders, 2011).

Regarding the size of the sample to be picked for pilot testing, however, the literature remains divided. According to Hair et al. (2006), ten percent of the final sample size is sufficient for pilot testing and can statistically represent the behavior of the entire sample. Similarly, Johanson and Brooks (2010) believe that 10 to 40 participants are optimum for pilot research. In accordance with previous research, this study uses a sample of 40 respondents to conduct a pilot test to ensure that target respondents have complete readability and comprehension of questionnaire items.

SPSS was then used to assess the dependability of replies supplied by respondents chosen for pilot testing. Internal consistency or dependability describes how closely a set of things is tied to a group. Specifically, the dependability indicates that the selected items best operationalize the behavior of the core construct. Cronbach's alpha (or coefficient alpha) is used to assess the reliability of a test by indicating the internal consistency of a set of items by indicating their group cohesion. Different dependability limits have been established in prior research (Gliem & Gliem, (2003); Greener, (2008)). However, there is widespread agreement that Cornbrash's alpha should be 0.7 or larger. The following table displays the results of a pilot research and a test of constructs' dependability, which are consistent with an acceptable degree of reliability and suitable for further

in-depth examination. The method of conducting a pilot research took about a month, but it was effective in improving the readability, clarity, and face validity of the questionnaire. The pilot testing results based on a sample of forty replies are presented in below Table. The research verifies the internal consistency of the items and their relationship to their respective constructs.

Table 4 : Results of Pilot Study

Variable Name	No. of Items	Reliability
Financial Literacy	6	0.899
Marketing Insight	7	0.92
Marketing Imagination	6	0.937
Marketing Innovation	9	0.842
Firm Performance	10	0.946

3.7.9 Data Analysis

This study takes a deductive approach, and a conceptual model has been developed from the relevant and substantive literature. The deductive approach is broadly acknowledged for the need of quantitative methods for data analysis. The quantitative approach relies on closed-ended data about attitude, behavior, and performance. According to Greener (2008), the quantitative method is practical for empirically validating a conceptual model derived using a deductive methodology. Quantitative approaches use primary data (observations, interviews, and questionnaires) and secondary data to scientifically evaluate the relationship between variables. This study employed

a questionnaire as a quantitative technique to acquire quantitative data on senior managers' perceptions of insurance companies.

3.7.10 Data Cleansing

Data cleaning was performed to identify, identify, and correct errors in questionnaire-collected observations. Before incorporating diverse statistical approaches to observe the qualities of primary data, the error and omissions must be filtered out. This study applies SPSS to the original data to identify outliers and missing values. Outliers are remote observations that deviate from the data trend (higher or lower values than other values). The outlier can have a significant impact on the mean value of the data, but a little impact on the median. This study utilized the Mahalanobis distance approach to identify questionnaire-collected data outliers. To eliminate any estimation bias in statistical analysis, outliers and missing values have been thoroughly rectified.

3.7.11 Multivariate Analysis

Multivariate analysis is a collection of procedures used to analyze data that comprises several variables. When several measurements are necessary to understand the structure of associated variables, multivariate analysis is optimal. The multivariate analysis is predicated on specific conceptual rather than statistical assumptions. Multivariate analysis is based on the statistical premise that deviations from normality, homoscedasticity, and linearity considerably reduce the intensity of observed correlations across variables (Hair et al., (2006); Saunders, (2011)). In order to increase the quality of statistical analysis, the underlying assumptions of multivariate analysis have been validated prior to regression analysis. This study performed the subsequent test to check that the available data satisfy the fundamental assumptions of multivariate analysis.

3.7.12 Normality Assumption

The fundamental assumption of the majority of statistical tests is that data are normally distributed. If residuals are not regularly distributed, the normality assumption is violated from a statistical point of view. The normality is determined by the P-P plot and histogram, which indicate whether or not the data is normally distributed (Friendly & Denis, 2005). The assumption of normality is satisfied and data are normally distributed when asymmetrical bell-shaped curves are seen.

3.7.13 Assumption of Linearity

Nonlinear relationships between the explanatory variable and the dependent variable violate the assumption of linearity. To satisfy the linearity assumption, the relationship between the regressor and the dependent variable must be perfectly linear. The linearity of the data is examined using a scatterplot. According to Friendly and Denis (2005), scatterplots are superior to correlation matrices for detecting data normality concerns. Therefore, scatterplots were utilized to ensure that there were no normality difficulties in the data set.

3.7.14 Assumption of Homoscedasticity

The random disturbance, which occurs when the error terms of the regressor and dependent variables are identical. Across the regression line, the residuals of the explanatory variable and the dependent variable are identical. Scatter plots are used to determine if the data set is homoscedastic. Bartlett's test can be used to examine the problem of equal variance. Bartlett's test has been typically used in past studies to examine the issue of equal variance. (Saunders,

2011) In keeping with previous research, this study used Bartlett's test to examine the homoscedasticity assumption.

3.7.15 Assumption of Common Method Bias

Common method bias is a significant problem that has the potential to affect behavioral research. Considered one of the most significant statistical errors and capable of influencing empirical outcomes. Common method bias, according to Podsakoff et al. (2003), is the variation associated with the measurement model rather than the variable of interest. A covariance between predictor and criteria is formed as a result of a typical technique bias issue, which can possibly mislead the findings (Lindell & Whitney, 2001). According to Podsakoff, et al. (2003), procedural and statistical procedures help alleviate frequent method bias. Both statistical and procedural strategies can reduce the degree of common method bias and have assisted researchers in generating trustworthy empirical findings.

This study employs procedural techniques to minimize the possibility of common method bias. First, all of the items were derived from previous research, and their validity was established during the pre-testing phase. Academicians, linguistic specialists, and practitioners reviewed the instrument's readability, applicability, and ease of use. The thorough assessments of the questionnaires have given value to the wording of the items and confirmed that each item is clear and conveys the desired meaning. Lastly, the surveys were structured to ask questions at random rather than in a continuous flow. In addition to these procedural strategies, the study applies statistical methods to reduce the likelihood of common method bias. The Harman one factor test was utilized to address the problem of common method bias. In addition, the single method factor methodology was employed to assess the likelihood of common method bias. The loading of

construct elements was taken into account, and items with low loading (0.40) were eliminated from the model to reduce the likelihood of common method bias (Schreiber, Nora, Stage, Barlow, & King, 2006).

3.7.16 Factor Analysis

Exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) are two types of factor analysis (Schreiber et al., (2006); Zikmund et al., (2013)) The concept validity is strengthened by means of exploratory factor analysis (EFA) and confirmatory factor analysis (CFA). According to Ghauri and Strange (2010), exploratory factor analysis (EFA) facilitates the identification of potential factors among research constructs. Consequently, EFA was utilized in this investigation to assess the model's validity. To confirm the measurement model's validity, confirmatory factor analysis (CFA) was also performed. As recommended by (Ghauri & Strange, 2010), CFA was conducted using the MLE (maximum likelihood estimation) criteria.

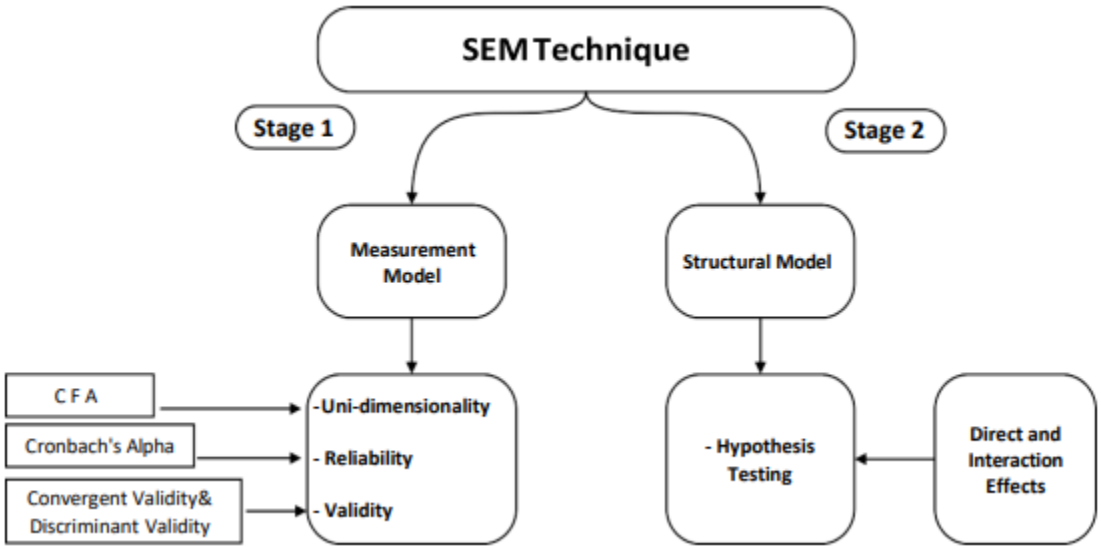
3.7.17 Structural Equation Modeling (SEM)

Structural equation modelling (SEM) is a statistical approach for analysing several variables based on a causal process. Two forms of modelling are utilized by SEM: measurement modelling and structural modelling. Recent research has documented the widespread acceptance and application of structural equation modelling in social science research. According to Hair et al. (2006), SEM is a conjecture of factor and multiple regression analysis and is appropriate for examining the relationship between one or more regressors and one or more dependent variables. This work employed structural equation modelling (SEM) in accordance with the recommendations of (Schreiber et al., 2006). According to Hair et al. (2010) and Byrne (2001),

the use of SEM involves seven stages to analyze the observed behaviour of a measurement model efficiently. Initially, the construction of a conceptual model drawn from earlier research.

Second, the explanation of the path diagram, followed by the measurement and structural models of the path diagram. Fourth, evaluating the structural model, followed by fifth, model identification. The sixth phase involves determining the goodness-of-fit indices, followed by the interpretation of the final model based on the indices and their threshold values.

Figure 3 : Structural Equation Modeling (SEM)



3.7.18 Measurement Model

Unambiguously, SEM is calculated using two steps, namely stage 1 (measurement model) and stage 2 (estimation model) (structural model). Confirmatory factor analysis verifies the item loadings that are indicative of the uni-dimensionality of the variables. The measurement model verifies the validity and reliability of the estimated model. The alpha value indicates the model's

reliability, while the validity (convergent and discriminant) has been estimated. (Lomax & Schumacker, 2004).

3.7.19 Confirmatory Factor Analysis

The CFA component of structural equation modelling is a statistical technique for accepting or rejecting the measurement hypothesis. CFA is performed to determine whether construct measurement corresponds to its conception. The factor loading indicates the likelihood that each latent variable accurately describes the behavior of the observable variable (Klayman, (1995); Schreiber et al., (2006)). The different indices serve as evidence that the observed variable's measurement items are reasonable. This study use CFA to test the Uni-dimensionality assumptions and validate the model's fitness. If the value of the comparative fit index (CFI) is 0.90 or higher, then the model is fit.

3.7.20 Convergent Validity

The convergent validity is a normally employed to measure for confirming that theory-driven construct relationships are related. Construct validity must be supported by convergent validity. In order to ensure construct validity, this study used average extracted (AVE) and composite reliability indices (Bagby, Taylor, & Parker, 1994). Both AVE and CR values were above the normal threshold, which validates the construct validity of the model evaluated to determine the viewpoint of senior managers in the context of Pakistani Insurance Corporations.

3.7.21 Discriminant Validity

Using the average extracted (AVE) value, the discriminant validity verifies inter-construct correlations. The second type of construct validity is discriminant validity, which ensures that measurement items are unrelated. Cross loadings of latent constructs were used to measure discriminant validity (Hair et al., 2006). The value of the average variance extracted (AVE) is utilized to determine the frequency of inter-construct correlations. Based on the average variance extracted (AVE) threshold, all the constructs included in this study have an optimal level of discriminant validity. The standard values and respective thresholds are listed in the table below.

Table 5 : CFA Indices Threshold

Name of Category	Description	Name of Index	Threshold Values	Remarks
Absolute Fit	Measures overall goodness of fit for both the structural and measurement models collectively	CMIN/DF	As low as 2 and as high as 5	Sensitive to sample size ≥ 200
		Root Mean Square Error of Approximation (RMSEA)	RMSEA ≤ 0.08	Range 0.05 to 0.10 acceptable
		Goodness of Fit Index (GFI)	GFI ≥ 0.9	GFI = 0.95 is a good fit

Incremental Fit	Measures goodness of fit that compares the current model to a speacified "null" (independence) model to determine	Comparative Fit Index (CFI)	CFI ≥ 0.9	CFI = 0.95 is a goof fit
		Trucker-Lewis Index (TLI)	TLI ≥ 0.9	TLI = is a goof fit
	The degree of improvement over the null model	Incremental Fit Index (IFI)	IFI ≥ 0.9	IFI = 0.95 is a good fit
Parsimony fit Indices	Measures overall goodness of fit for both the structural and measurement models collectively	Adjusted Goodness of Fit Index (AGFI)	AGFI ≥ 0.8	AGFI = 0.9 is a good fit

3.7.22 Hypotheses Testing

The second stage is to examine the simultaneous causal relationship between variables in order to evaluate the model's explanatory ability. In social science research, the structural path of structural equation modeling is most suited for examining the relationship between constructs. The structural model of this study reveals significant coefficient values for all variables, and the significance or absence of a relationship was determined using the p-value.

3.7.23 Rationale of Structural Equation Modeling

Based on the study's research design and methodology, structural equation modeling (SEM) is most suited for measuring the magnitude of the relationship. First, the SEM is reasonable

because it is the most effective method for validating the complicated relationship between latent variable and observed measures. In addition, SEM may assess multivariate relationships by integration, which is not possible with other statistical methods. In addition, the logic for SEM is supported by research reported in the past literature. For last few decades, the SEM has been one of the most commonly used analysis techniques in the fields of management sciences, psychology, and behavioral research (Lomax & Schumacker, 2004). The purpose of this research is to determine the perception of senior managers and agents. The underlying study's theoretical model is based on behavioral theories; hence, structural equation modeling is most suitable for data analysis.

There are two types of structural equation modelling (SEM): covariance-based SEM and partial least squares SEM (PLS-SEM). The conceptual distinction between CB SEM and PLS SEM is simple. When determining whether to employ CB-SEM or PLS-SEM, Hair et al. (2014) present the rules of thumb that may be followed. If the purpose of the research is to test and confirm a theory, then CB- SEM is the ideal approach. If, however, the purpose of the inquiry is to extend and deepen the theory, PLS-SEM remains justified. In addition, if the data are normally distributed, CB-SEM is preferable than PLS-SEM. A further justification for utilizing CB-SEM is that the approach remains strong for analyzing structural correlations even if all constructs contain more than three items.

3.8 Qualitative Methods

The section outlines the qualitative research design and adopted strategy to explore the reasons of why marketing insights, financial literacy and marketing imagination leads to innovation which further trigger the firm financial performance.

3.8.1 Research Design

The study design has used a fundamental qualitative approach to determine the sample size, data gathering method, and data analysis strategy. The qualitative research design is most appropriate when there is a scarcity of pre-existing evidence about an issue. Qualitative research design is used to investigate and analyse the significance that people or groups of persons attribute to a certain topic. The qualitative research design encompasses a methodical research process that includes the formulation of developing questions and procedures, the direct collection of data from participants' setting, and the inductive exploration of new themes to evaluate the significance of the naturalistic data (Creswell, 2020).

3.8.2 Research Strategy

The data has been collected using the qualitative technique, specifically via unstructured open-ended interviews.

3.8.3 Time Horizon

The study's time-based horizon corresponds to the specific time frame during which the qualitative data was gathered. The research is cross-sectional meaning the data was obtained at a single moment in time.

3.8.4 Data Collection Method

The open-ended interviews were done to get a comprehensive knowledge of the factors influencing households' propensity to engage in stock market investing, based on research paradigm and approach. Unstructured open-ended interviews are a naturalistic method of collecting data that provide valuable insights into new themes. These themes are strong enough to provide alternative explanations for the phenomena being studied. The average duration of an interview often ranges from 10 to 15 minutes.

3.8.5 Unit of Analysis

The target unit analysis involves the senior marketing personnel of the company who are accountable for decision-making in order to develop insurance offerings.

3.8.6 Sample Size

The target unit analysis involves the senior marketing personnel of the company who are accountable for decision-making in order to develop insurance offerings.

The sample size of the qualitative research differs from that of quantitative investigations. The researchers have used the easy sampling strategy to determine the sample size. The top marketing

executives have provided their official approval to get their subjective opinions via unstructured open-ended interviews.

Specific information on each of these strategies is provided in the following sections.

3.8.7 In-Depth Field Interviews

Before doing empirical research, it is important to note that conducting in-depth interviews may be a beneficial undertaking to thoroughly examine and assess the complete scope of the financial literacy, marketing innovation, and company performance concept (Churchill 1979).

This study used a methodology similar to that of Kohli and Jaworski (1990) in their qualitative evaluation of the market orientation concept. In their study, the researchers used a purposive or theoretical sampling strategy (Glaser and Strauss 1967) to get a comprehensive understanding of the corporate landscape. This approach allowed them to gather insights from both marketing executives and non-marketing executives. The desired participants were required to fulfil at least one of the following conditions: (1) having direct responsibility for total profit, (2) holding a marketing-related position, (3) occupying a high-level management or board member position. To ensure cost-effectiveness and timely data collection, it was crucial to maintain a fair study scope. Therefore, a total of 12 interviews were performed.

A semi-structured interview method was used, beginning with a brief overview of the study to initiate a conversation. However, this approach did not sufficiently facilitate participants to disclose the specific information desired by the researcher, maybe due to acquiescence bias. The goal of the in-depth interview was threefold. To begin, it is necessary to verify the two fundamental components linked to marketing innovation: marketing insight and marketing imagination. As stated earlier, there is robust theoretical evidence suggesting that the significant differences in

organisations' capacity to create and implement marketing innovation may be attributed to these two factors. However, it is possible that practitioners may mention an extra factor or propose that one of the theoretically supported concepts is not as effective as the research may imply. The adoption of an interview script has been undertaken with the specific aim of achieving this crucial goal. Furthermore, this study aims to validate the efficacy of using the subjective character of company performance as a reliable indicator for assessing the business's degree of performance.

Ultimately, it is crucial to establish the connections between marketing innovation and company success, as well as financial literacy and firm performance. Executives were requested to provide instances that demonstrate the impact of marketing innovation on corporate performance, whether favourable or bad.

This aims to verify or identify additional factors that mediate the relationship between marketing innovation and business performance. The interviews aimed to emphasise the significance of the correlation between financial literacy and business performance. It was hypothesised that managers' financial literacy plays a crucial role in enhancing firm performance. A manager with superior financial acumen will be more effective in persuading customers to acquire insurance compared to a manager who lacks the ability to address technical financial inquiries from customers. This study gives the field interview script in order to achieve these aims.

3.8.8 In-Depth Interview Script

Following a brief introduction, every interviewee was asked to answer a sequence of questions. The fundamental questions were derived from the works of Lusardi and Mitchell (2007), Kohli and Jaworski (1990), Kotabe (1990), and Matsuno, Mentzer, and Rentz (2000):

1. Do you think Insurance sector can boost the GDP of Pakistan?
2. Do you know what financial literacy is?
3. Do you think financial literacy is important for an agent who is selling insurance?
4. Is there any relationship of financial literacy with firm performance?
5. What insurance sector should do to improve overall performance?
6. What does the term ―marketing innovation mean to you?
7. What kinds of things does a company with high levels of marketing innovation do?
8. What organizational factors foster or discourage this innovation?
9. What are the positive consequences of this innovation?
10. What are the negative consequences of this innovation?
11. How does marketing innovation relate with marketing insight (the ability to sense patterns and trends using prior experience and intuition)?
12. How does marketing innovation relate with marketing imagination (creativity and the construction of mental pictures of what has never been actually experienced)?
13. How can marketing innovation influence firm ‘s performance? (Financial performance and Non-Financial Performance).
14. What firm performance measures can be influenced by financial literacy and marketing innovation?

The goal was to obtain new perspectives for the construct as well as document specific examples and illustrations that can be compared with extant literature to enable more comprehensive research findings on the domain of the construct. However, due care was exercised to avoid leading the responding or restricting the flow of information from the respondent to the researcher. Each interview was scheduled to be completed within 20 to 25 minutes.

A laptop was utilized to capture notes based on the interviewee responses and all interviews were electronically recorded for detailed post-evaluation by the researcher and other subject matter experts.

3.8.9 Data Analysis and Coding

The detail unstructured open-ended interviews have been conducted to determine the respondent's insight about marketing nexus with firm financial performance. The interview consent has been taken and objective of the study has been shared with the respondents who have participated in this study. The first section of the interview contains introductory information and demographic and academic background of the respondents. The respondent's responses were recorded, and important notes have been noted in diary for detail content analysis. Based on recorded interviews, transcription has been made (Linneberg & Korsgaard, 2019). Transcription process remains critical as it is the main element of qualitative research. After transcription the data has been coded by using NVIVO-12 (Abul, 2019). The automatic coding has been used to deduce the significant themes emerged on naturalistic data. Based on auto coding, the word frequency report, tree map has been estimated to insight the key findings based on respondent's interviews.

CHAPTER 4

DATA ANALYSIS AND FINDINGS

4.1 Introduction

The primary purpose of this chapter is to provide an overview of the data analysis and highlight the most important results based on the data obtained. Before beginning with statistical analysis, rigorous data purification was performed to identify outliers, missing data, and to resolve difficulties to ensure the normalcy of the data. Method bias and non-response bias were evaluated. Using Smart PLS, the structural equation modeling was calculated. The convergent and discriminant validity were examined, and hypotheses were examined to discover the causal link between the variables under study. Since quantitative as well as qualitative methodology were adopted so, this section has two sections.

4.2 Quantitative Data Analysis

4.2.1 Data Cleansing

The modified questionnaire based on previous research was delivered to the intended respondents, particularly agents and managers of insurance companies. Six hundred (1300) questionnaires were distributed to respondents, of which seven hundred and ninety eight (798) were returned. The response rate was 62 percent which is over the minimum acceptable level (i.e. response rate for survey should be more than 60 percent). Initial data cleansing indicates the origins of outliers that create data bias. To resolve this issue, thirteen (41) extra observations were deleted. In addition, One Hundred twenty-four replies were ambiguous and had missing values, thus these were removed to make the data suitable for statistical estimation. Therefore, a final sample size of

Two hundred Ninety-Seven (297) Agents and three hundred thirty-six (336) managers was determined and deemed sufficient for estimating purposes (Bryman and Bell, 2011). The absence of values in primary data is one of the most prevalent problems encountered in data estimation (Tabachnik & Fidell, 2013). During the data entering process in Excel, the missing values were discovered, and then the Check blanks formula was used to detect the missing values in Excel. It was determined that 633 were usable, with a response rate of 62%. A study by Sekaran and Bougie (2016) found that a sample size of between 30 to 500 people is an acceptable significant sample size for a research project. A sample size of 100 people is considered adequate by Coakes, Steed, and Dzidic (2006). According to a few studies (Latour and Rotfeld, (1997); Miller et al., 2002), a response rate of between 50 percent and 80 percent is deemed sufficient for a research project (Sekaran and Bougie, 2016). The response rate of 62 percent is thus deemed acceptable for the current research.

Table 6 : Summary of Survey Response

		Managers		Agents	
Survey Method	Questionnaires	Frequency	Percentage	Frequency	Percentage
Paper Survey	Total number of questionnaires distributed	500		700	
	Returned	374	62	424	60
	Not returned	226	38	299	39

Missing Values	25	99
Outliers	13	5

Table 7 : Summary of participating insurance firms

S.No.	Name of Insurance Company
Non- Life Insurance Companies/General Takaful Operators	
1	Adamjee Insurance Company Limited
2	Alfalah Insurance Company Limited
3	Allianz EFU Health Insurance Ltd.
4	Alpha Insurance Company Limited
5	Asia Insurance Company Limited
6	Askari General Insurance Company Limited
7	Atlas Insurance Limited
8	Century Insurance Company Limited
9	Chubb Insurance Pakistan Limited
10	Continental Insurance Company Limited
11	Crescent Star Insurance Company Limited
12	East West Insurance Company Limited
13	EFU General Insurance Limited
14	Habib Insurance Company Limited
15	IGI General Insurance Limited

16	Jubilee General Insurance Company Limited
17	National Insurance Company Limited
18	New Hampshire Insurance Company Limited
19	Pak-Kuwait Takaful Company Limited
20	Pak-Qatar General Takaful Limited
21	PICIC Insurance Limited
22	Progressive Insurance Company Limited
23	Premier Insurance Limited
24	Reliance Insurance Company Limited
25	Security General Insurance Company Limited
26	Shaheen Insurance Company Limited
27	Silver Star Insurance Company Limited
28	Sindh Insurance Limited
29	SPI Insurance Company Limited
30	Salaam Takaful Limited (Formerly Takaful Pakistan Limited)
31	The Asian Mutual Insurance Company (Gte) Limited
32	The Cooperative Insurance Society of Pakistan
33	The Pakistan General Insurance Company Limited
34	The Pakistan Mutual Insurance Company (Gte) Limited
35	The United Insurance Company of Pakistan Limited
36	The Universal Insurance Company Limited
37	TPL Insurance Limited
38	TRAFCO Insurance Company Limited

39	UBL Insurers Limited

Reinsurance company

	Pakistan Reinsurance Company Limited

Life Insurance Companies/Family Takaful Operators

41	Adamjee Life Assurance Company Limited.
42	Askari Life Assurance Company Limited. (Previously East West Life Assurance Company Limited)
43	Dawood Family Takaful Limited
44	EFU Life Assurance Company Limited.
45	IGI Life Insurance Limited.
46	Jubilee Life Insurance Company Limited.
47	Pak-Qatar Family Takaful Limited
48	State Life Insurance Corporation of Pakistan
49	TPL Life Insurance Limited.
50	Postal Life Insurance Company Limited.

4.2.2 Assessment of Univariate Normality

The causal link is predicated on the data being multivariate normal (Byrne, 2010). Non-compliance with this premise leads to erroneous estimate. In order to establish the assumption of univariate normality, standard theory-based tests are required in structural equation modeling.

Table 8 : Descriptive Statistics Agents

Descriptive Statistics								
	N	Minimum	Maximum	Mean	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
FL1	297	1	5	3.97	-0.712	0.135	1.51	0.270
FL2	297	1	5	3.28	-0.404	0.135	-0.710	0.270
FL3	297	1	5	2.56	0.450	0.135	-0.378	0.270
FL4	297	1	5	3.87	-0.862	0.135	1.622	0.270
FL5	297	1	5	3.87	-0.603	0.135	0.799	0.270
FL6	297	1	5	3.74	-0.717	0.135	0.958	0.270
MIM1	297	1	5	3.75	-0.672	0.135	1.014	0.270
MIM2	297	1	5	3.92	-0.740	0.135	0.699	0.270
MIM3	297	1	5	3.83	-0.480	0.135	0.706	0.270

MIM4	297	1	5	4.07	-0.935	0.135	2.282	0.270
MIM5	297	1	5	3.47	-0319	0.135	-0.365	0.270
MIM6	297	1	5	3.50	-0.400	0.135	-0.222	0.270
MIN1	297	1	5	3.86	-0.634	0.135	0.809	0.270
MIN2	297	1	5	4.130	-0.586	0.135	2.257	0.270
MIN3	297	1	5	3.775	-0.725	0.135	1.063	0.270
MIN4	297	1	5	3.87	-0.862	0.135	1.622	0.270
MIN5	297	1	5	3.87	-0.603	0.135	0.799	0.270
MIN6	297	1	5	3.74	-0.717	0.135	0.958	0.270
MIN7	297	1	5	3.75	-0.672	0.135	1.014	0.270
MINO1	297	1	5	3.92	-0.740	0.135	0.699	0.270
MINO2	297	1	5	3.86	-0.634	0.135	0.809	0.270
MINO3	297	1	5	4.130	-0.586	0.135	2.257	0.270
MNO4	297	1	5	3.74	-0.717	0.135	0.958	0.270
MINO5	297	1	5	3.75	-0.672	0.135	1.014	0.270
MINO6	297	1	5	3.92	-0.740	0.135	0.699	0.270
MINO7	297	1	5	3.83	-0.480	0.135	0.706	0.270

MINO8	297	1	5	3.27	-0.005	0.135	-0.539	0.270
MINO9	297	1	5	4.01	-0.673	0.135	0.885	0.270
FP1	1	5	5	-0.935	0.135	2.282	0.270	0.270
FP2	1	5	5	-0319	0.135	-0.365	0.270	0.270
FP3	1	5	5	-0.400	0.135	-0.222	0.270	0.270
FP4	297	1	5	3.28	-0.402	0.135	-0.709	0.270
FP5	297	1	5	2.70	0.322	0.135	-0.833	0.270
FP6	297	1	5	3.81	-0.479	0.135	0.701	0.270
FP7	297	1	5	3.92	-0.739	0.135	0.688	0.270
FP8	297	1	5	3.73	-0.672	0.135	1.094	0.270
FP9	297	1	5	3.74	-0.715	0.135	0.967	0.270
FP10	297	1	5	3.99	-0.765	0.135	1.776	0.270
Valid N (Listwise)	297							

Table 9 : Descriptive Statistics Managers

Descriptive Statistics

	N	Minimum	Maximum	Mean	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
FL1	336	1	5	2.67	0.284	0.135	-0.806	0.270
FL2	336	1	5	3.28	-0.404	0.135	-0.710	0.270
FL3	336	1	5	2.56	0.450	0.135	-0.378	0.270
FL4	336	1	5	2.71	0.324	0.135	-0.844	0.270
FL5	336	1	5	4.04	-0.676	0.135	0.887	0.270
FL6	336	1	5	3.991	-0.719	0.135	1.522	0.270
MIM1	336	1	5	3.988	-0.573	0.135	0.994	0.270
MIM2	336	1	5	4.049	-0.515	0.135	0.859	0.270
MIM3	336	1	5	3.99	-0.552	0.135	1.067	0.270
MIM4	336	1	5	4.07	-0.935	0.135	2.282	0.270
MIM5	336	1	5	3.47	-0319	0.135	-0.365	0.270
MIM6	336	1	5	3.50	-0.400	0.135	-0.222	0.270

MIN1	336	1	5	3.55	-0.556	0.135	0.235	0.270
MIN2	336	1	5	3.73	-0.911	0.135	1.152	0.270
MIN3	336	1	5	3.40	-0.251	0.135	-0.446	0.270
MIN4	336	1	5	3.74	-0.576	0.135	0.213	0.270
MIN5	336	1	5	4.01	-0.775	0.135	1.877	0.270
MIN6	336	1	5	3.86	-0.634	0.135	0.809	0.270
MIN7	336	1	5	4.130	-0.586	0.135	2.257	0.270
MINO1	336	1	5	3.775	-0.725	0.135	1.063	0.270
MINO2	336	1	5	3.87	-0.862	0.135	1.622	0.270
MINO3	336	1	5	3.87	-0.603	0.135	0.799	0.270
MNO4	336	1	5	3.74	-0.717	0.135	0.958	0.270
MINO5	336	1	5	3.75	-0.672	0.135	1.014	0.270
MINO6	336	1	5	3.92	-0.740	0.135	0.699	0.270
MINO7	336	1	5	3.83	-0.480	0.135	0.706	0.270
MINO8	336	1	5	3.27	-0.005	0.135	-0.539	0.270
MINO9	336	1	5	4.01	-0.673	0.135	0.885	0.270
FP1	336	1	5	3.97	-0.712	0.135	1.51	0.270

FP2	336	1	5	4.06	-0.929	0.135	2.31	0.270
FP3	336	1	5	2.62	0.282	0.135	-0.803	0.270
FP4	336	1	5	3.28	-0.402	0.135	-0.709	0.270
FP5	336	1	5	2.70	0.322	0.135	-0.833	0.270
FP6	336	1	5	3.81	-0.479	0.135	0.701	0.270
FP7	336	1	5	3.92	-0.739	0.135	0.688	0.270
FP8	336	1	5	3.73	-0.672	0.135	1.094	0.270
FP9	336	1	5	3.74	-0.715	0.135	0.967	0.270
FP10	336	1	5	3.99	-0.765	0.135	1.776	0.270
Valid N (Listwise)	336							

The statistical estimation assumes the normality of the data. The results for skewness and kurtosis revealed the normalcy of the data. The skewness is a statistical measure of the asymmetry of a random variable's probability distribution around its mean. The value of skewness may be negative, positive, or undefined. If the skewness value stays less than -1 or larger than 1, the probability distribution of a variable remains highly skewed, however if it ranges from -1 to -0.5 or between 0.5 and 1, the data remain moderately skewed. Consequently, the kurtosis in statistics determines the tailing of a random construct's probability distribution. Kurtosis represents the form

of the curve, i.e. whether it is peak, flat, or normal. The usual criterion for kurtosis is to remain between +2 and -2, which demonstrates the normalcy of the data (Schreiber et al., 2006). Using SPSS, Table illustrates the normality of the data by detailing the minimum and maximum values, skewness, and kurtosis. The findings shown in table indicate that the kurtosis and skewness values are within the permitted range (Kline, 2015).

4.2.3 Assessment of Multivariate Normality

Multivariate analysis is based on the fundamental assumptions of normality, linearity, and homoscedasticity. Before verifying the presented hypothesis, therefore, the assumptions of multivariate analysis have been statistically evaluated. The multivariate normality assumption states that random variables should be normally distributed (Tabachnick & Fidell, 2013). Using regression scaled residual histograms and normal probability plots, the multivariate normality was uncovered (Friendly & Denis, 2005). The histogram is the most popular method for examining frequency distributions; it displays the frequency with which each distinct value appears in the data. A histogram with an asymmetrical and bell-shaped curve provides a visual representation of the values' distribution and the normalcy of the data. The regression residual standardized of the explanatory variable and the dependent variable was utilized to plot the histogram. The below figures illustrate the outputs of the variable and the frequency of the value distribution. Figure below depicts the normal distribution of data as a bell curve.

Figure 4: Regression Standardized Residual of Regressor and Regressed Variables

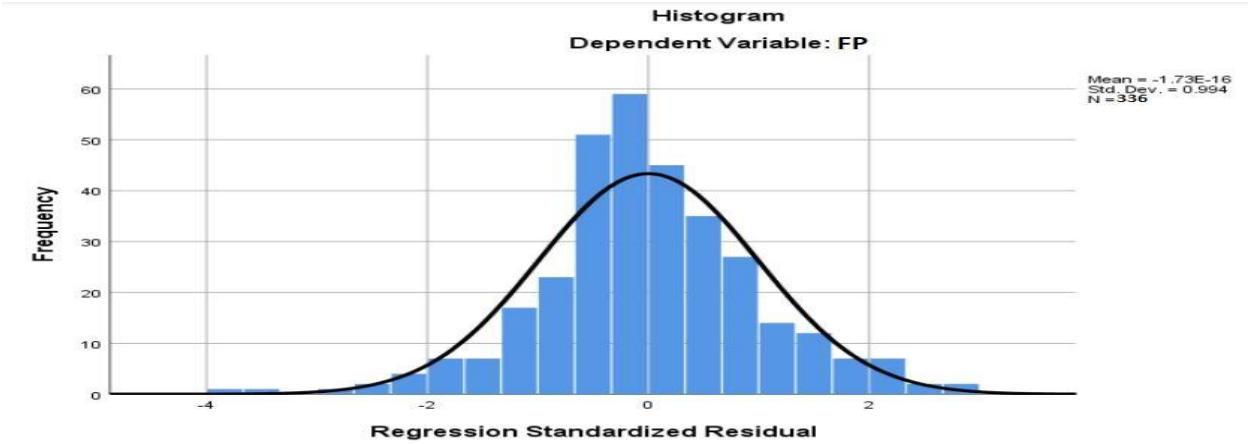
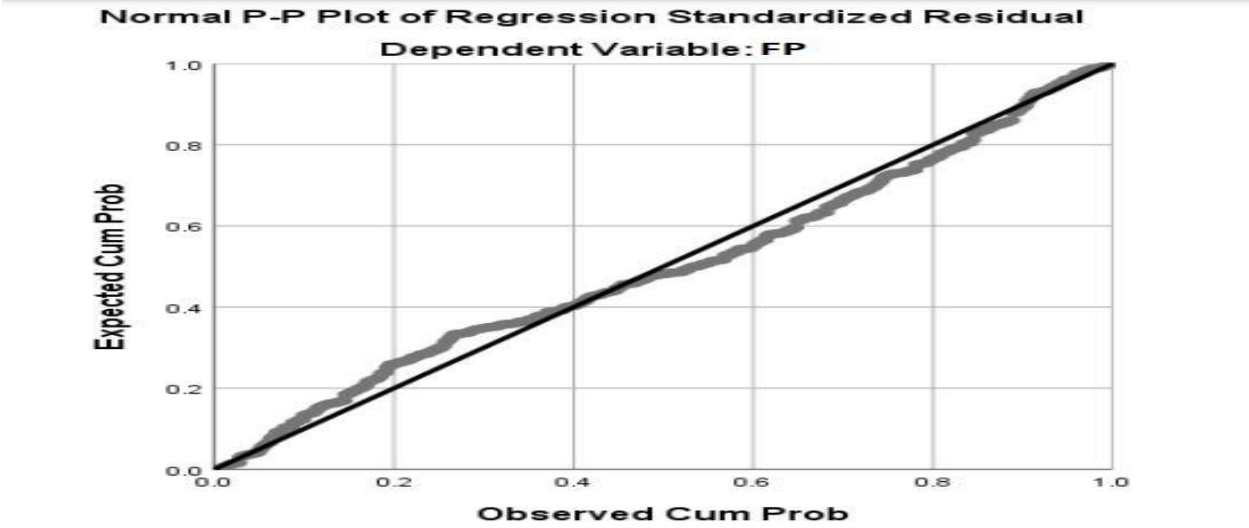


Figure 5: Normal P-P Plots

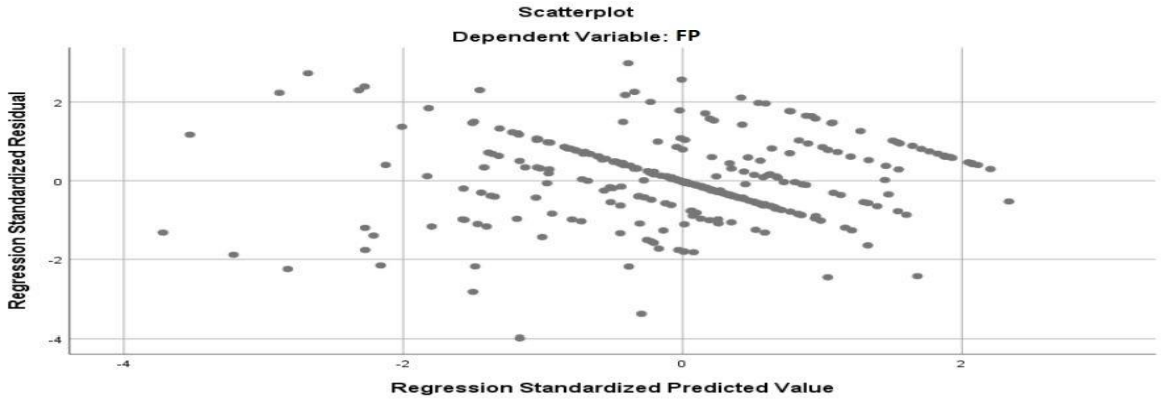


4.2.4 Linearity

Multiple linear regression implies that the relationship between the explanatory variable and the dependent variable is linear. The scatter plot diagram illustrates the linear relationship between variables through trend line. The scatter plots reflect that the data set is either linear or nonlinear.

The straight line indicates linearity, whereas the curved line indicates nonlinearity. Figure 4.2 depicts the data pattern and demonstrates that the data set is precisely linear (straight).

Figure 6: Scatter-plot for Linearity



4.2.5 Homoscedasticity

The homoscedasticity assumption holds that the variance surrounding the regression line is same for all values of the independent variable. It is also often known as homogeneity of variance (Friendly & Denis, 2005). In the present investigation, the assumption of homoscedasticity was therefore evaluated using scatter plots of standard residuals. The scatter plots of the standard residuals of constructs are depicted in Figures 4 and 5. The numbers indicate that residuals are concentrated in the core location and are nearing zero. The multivariate assumption of homoscedasticity is therefore satisfied.

Figure 7: Scatter plot of Standardized Residual between Firm Performance and Financial Literacy

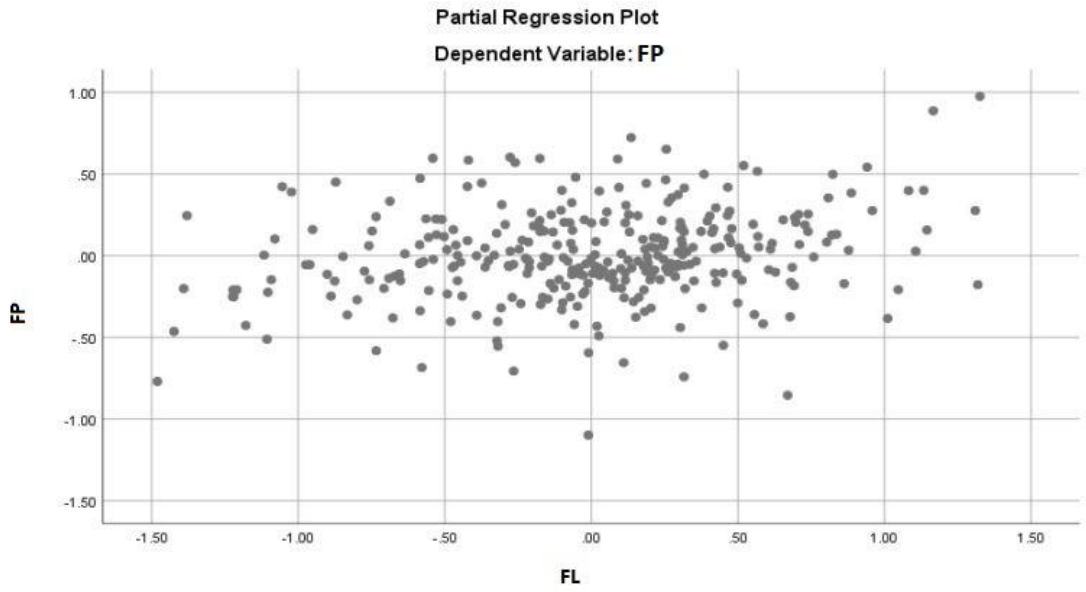
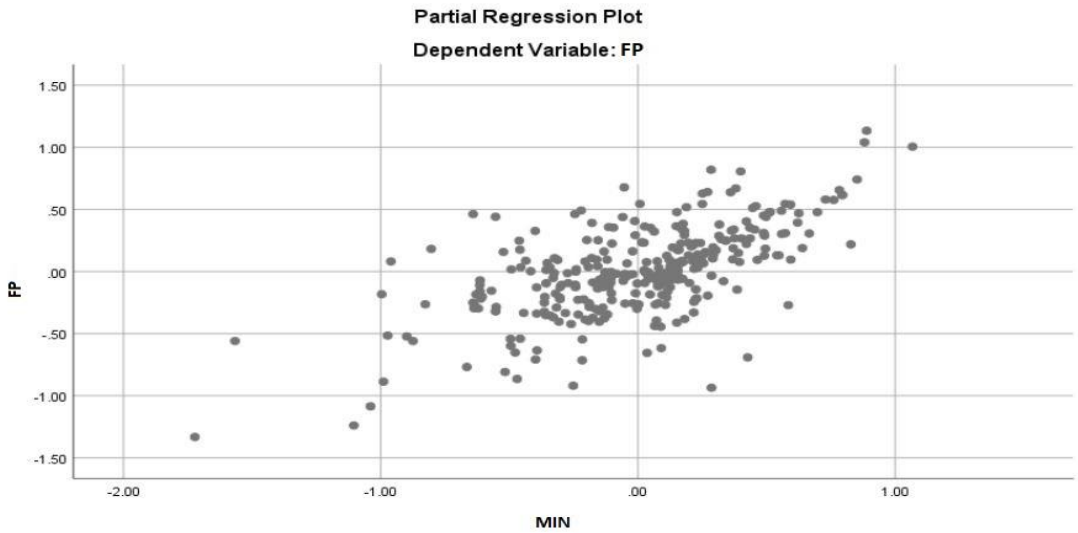


Figure 8: Scatter plot of Standardized Residual between Firm Performance and Marketing Insight



4.2.6 Detection of Outliers

Test of detection of outliers was done to identify outliers in the data set. The Mahalanobis distance test is a reliable multivariate distance test for estimating the distance between a point and a distribution. The test continues to be extremely successful in detecting multivariate anomalies (Penny, 1996). In table 10 and 11, the results of the Mahalanobis distance test indicate that thirteen (13) responses are classified as outliers for Managers and 5 outliers for Agents. The P1 score (0.05) indicates that thirteen replies are still more than the square of the Mahalanobis distance. Consequently, the P2 indicates the probability that the greatest squared distance of the thirteen observations surpassed the estimated Mahalanobis distance. In order to successfully fulfil the multivariate assumptions, these eighteen observations were excluded from the data set.

Table 10 : Mahalanobis Test for Outliers (Managers)

Observation Number	Mahalanobis d-squared	p1	p2
126	34.133	.162	.000
318	34.125	.162	.000
6	33.964	.167	.000
231	33.432	.183	.000
223	33.382	.185	.000
199	33.317	.187	.000

104	33.262	.189	.000
250	33.251	.189	.000
296	33.124	.193	.000
265	33.035	.196	.000
208	32.987	.198	.000
234	32.909	.200	.000
33	32.768	.205	.000

Table 11: Mahalanobis Test for Outliers (Agents)

Observation Number	Mahalanobis d-squared	p1	p2
9	33.964	.167	.000
124	33.432	.183	.000
194	33.382	.185	.000
282	33.251	.189	.000
287	32.987	.198	.000

4.2.7 Demographics

Considered to be strong predictors of firm performance, these demographic factors (Compbell, 2007). These include gender, age, education, income, experience. The demographic characteristics of the respondents from whom the main data was obtained as shown in Table 8. After excluding outliers and missing values, the final sample size consists of three hundred thirty-six (336) manager respondents and two hundred and ninety-seven (297) agents.

4.2.8 Respondents' Profile:

Respondents' Profile: On the basis of gender, age, job position, and years of work experience, as well as education and employment tenure in insurance companies. Table 12 depicts the demographic profile of respondents in insurance companies. According to the data of the managers, 281 participants (84 percent) were male, whereas 55 participants (16 percent) were female. When it came to age, only (2 percent) were between the ages of 20 and 30 years. Majority of 67 percent of participants were under the age of 50, 9 percent were between the ages of 30 and 40, 20 percent were between the ages of 50 and 60, and only twelve participants (4 percent) were between the ages of 60 and above (see table). On the basis of educational attainment, 53 respondents (16 percent) had diploma or high school level education, 223 (66 percent) had a bachelor's degree, and 62 (18 percent) respondents had a postgraduate degree. 24 employees (7 percent) had one to five years of work experience, 67 (20 percent) had six to ten years of work experience, and majority 245 employees (73 percent) had more than ten years of work experience, according to the data gathered. 66 percent of the employees had a top position in the company, while 24 percent were from middle management and 5 percent were from entry level sales and marketing executives. The demographic data also reveals that 324 responses are from employees who work in marketing department while 263 responses revealed that they had the opportunity to participate in company decision making process daily.

While according to the data of the agents, 272 participants (92 percent) were male, whereas 25 participants (8 percent) were female. When it came to age, (89 percent) were between the ages of 20 and 30 years. 10 percent were between the ages of 30 and 40, 4 percent were between the ages of 50 and 60, and none of the participants were above the ages of 60. On the basis of educational attainment, 71 respondents (5 percent) had diploma or high school level education, 188 (63 percent) had a bachelor's degree, and 38 (32 percent) respondents had a postgraduate degree. 251 employees (85 percent) had one to five years of work experience, 40 (13 percent) had six to ten years of work experience, and 6 employees (2 percent) had more than ten years of work experience. According to the data gathered, as all the respondents were insurance agents and worked in marketing department.

Table 12 : Summary of Respondents' Demography

	Managers		**Agents**	
Characteristics	**Frequency**	**Percentages**	**Frequency**	**Percentages**
Gender				
Male	281	84	272	92
Female	55	16	25	8
Age				
20-30 years	2	1	263	89
31-40 years	29	9	30	10
41-50 years	226	67	4	1
51-60 years	67	20	0	0
60 years above	12	4	0	0

Education				
Diploma/High School	53	16	71	5
Degree Level	223	66	188	63
Postgraduate Level	62	18	38	32
Work Experience				
1 to 5 years	24	7	251	85
6 to 10 years	67	20	40	13
Above than 10 years	245	73	6	2
Number of Employees in your Organization				
1-15	36	11	29	9
20-50	81	24	102	34
51-100	198	59	159	54
101-1000	12	4	5	2
1000+	9	3	4	1
Current Position				
Top Management	223	66	0	0
Middle Management	82	24	0	0

Entry Level / Supervisor	17	5	297	100
Primary Functional Area				
Marketing	324	96	297	100
Technology	2	1	0	0
Operations	10	3	0	0
Chief Officer	0	0	0	0
Participation in Company Decision Making				
Never	2	1	278	94
Annually	12	4	15	5
Monthly	49	15	4	1
Daily	263	78	0	0

4.2.9 Common Method Bias

Common method bias may have an effect on item reliabilities, item validity, and the covariance among latent variables, according to the findings presented in the past literature (Podsakoff et al., 2003). Method bias predominates in respondent replies when variances are due to the measurement instrument rather than the respondents' dispositions. In order to prevent any pitfalls pertaining to the reliability and validity of items, Harman's single factor test was calculated. According to table 4.5, the average variance is 40.169% < 50%. The criterion for the common variance is fifty percent; if the common variance is smaller than this amount, it indicates that there is no method bias.

4.2.10 Harman's Single Factor Test (Managers)

Table 13 : Extraction Method: Principal Component Analysis (Unit: Managers)

Total Variance Explained						
Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.684	20.221	20.221	7.684	20.221	20.221
2	4.003	10.534	30.755			
3	3.009	7.918	38.674			
4	2.321	6.108	44.782			
5	2.209	5.813	50.595			
6	1.902	5.005	55.600			
7	1.307	3.439	59.039			
8	1.222	3.216	62.255			
9	1.089	2.866	65.121			
10	1.009	2.655	67.776			
11	1.003	2.639	70.416			
12	0.809	2.129	72.545			
13	0.803	2.113	74.658			
14	0.724	1.905	76.563			
15	0.699	1.839	78.403			
16	0.657	1.729	80.132			

17	0.645	1.697	81.829
18	0.626	1.647	83.476
19	0.540	1.421	84.897
20	0.516	1.358	86.255
21	0.493	1.297	87.553
22	0.459	1.208	88.761
23	0.444	1.168	89.929
24	0.405	1.066	90.995
25	0.368	0.968	91.963
26	0.355	0.934	92.897
27	0.335	0.882	93.779
28	0.310	0.816	94.595
29	0.303	0.797	95.392
30	0.295	0.776	96.168
31	0.253	0.666	96.834
32	0.237	0.624	97.458
33	0.209	0.550	98.008
34	0.191	0.503	98.511
35	0.177	0.466	98.976
36	0.159	0.418	99.395
37	0.141	0.371	99.766
38	0.089	0.234	100.000

Table 14: Extraction Method: Principal Component Analysis (Unit: Agents)

Total Variance Explained						
Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.732	20.337	20.337	7.732	20.337	20.337
2	4.096	11.634	31.971			
3	3.017	9.192	41.163			
4	2.457	6.204	47.367			
5	2.304	6.101	53.468			
6	1.962	5.948	59.416			
7	1.402	5.013	64.429			
8	1.256	2.967	67.396			
9	8.944	2.136	69.532			
10	9.944	2.015	71.547			
11	10.944	2.004	73.551			
12	11.944	1.988	75.539			
13	12.944	1.967	77.506			
14	13.944	1.872	79.378			
15	14.944	1.777	81.155			
16	15.944	1.434	82.589			
17	16.944	1.224	83.813			
18	17.944	1.101	84.914			

19	18.944	1.008	85.922
20	19.944	1.007	86.929
21	20.944	1.004	87.933
22	21.944	1.003	88.936
23	22.944	1.001	89.937
24	23.944	0.998	90.935
25	24.944	0.987	91.922
26	25.944	0.967	92.889
27	26.944	0.913	93.802
28	27.944	0.856	94.658
29	28.944	0.824	95.482
30	29.944	0.777	96.259
31	30.944	0.677	96.936
32	31.944	0.598	97.534
33	32.944	0.541	98.075
34	33.944	0.433	98.508
35	34.944	0.422	98.93
36	35.944	0.398	99.328
37	36.944	0.341	99.669
38	37.944	0.331	100

4.2.11 Exploratory Factor Analysis

Establishing the underlying structure of a large number of components is necessary for multivariate analysis. To explore the underlying links between observed variables, exploratory factor analysis was used for this purpose. Through EFA, the dimensions of the variable were determined. Categorically, exploratory factor analysis (EFA) consists of two steps. Initially, the analysis of common variation was evaluated by principal component analysis (PCA). In the second step, rotated component analysis is used to evaluate the variance of the latent variable. The construct components relating to financial literacy, marketing insight, marketing imagination, marketing creativity, and company performance were validated using exploratory factor analysis. The suitability of the data for factor analysis was evaluated using the Kaiser-Mayer-Olkin (KMO) test. The test precisely assesses the sample size for each individual component as well as the overall model.

Table 15 and 16 displays the results of the KMO test, which indicate the data sufficiency of each model design. The threshold value for KMO indices ranges from 0 to 1 (Hair et al., 2006), and KMO values indicate that all indices fall within this range.

4.2.12 Principal Components Analysis and KMO

Table 15: PCA and KMO (Managers)

Constructs	KMO & Bartletts	Cumulative Varience	Chi-Square	DF	Sig.
FL	0.902	61.208	1601.289	27	0.000

MIM	0.917	73.378	1423.504	13	0.000
MIN	0.882	78.734	1829.39	16	0.000
MINO	0.795	65.823	400.398	7	0.000
FP	0.707	73.521	368.317	4	0.000

Table 16: PCA and KMO (Agents)

Constructs	KMO & Bartletts	Cumulative Varience	Chi-Square	DF	Sig.
FL	0.921	62.128	1634.089	28	0.000
MIM	0.907	72.877	1401.324	12	0.000
MIN	0.788	76.617	1789.304	14	0.000
MINO	0.799	66.127	401.400	7	0.000
FP	0.701	73.322	366.826	4	0.000

4.2.13 Exploratory Factor Analysis (EFA)

Table 17: EFA (Unit: Managers)

Exploratory Factor Analysis					
	FL	**FP**	**MIM**	**MIN**	**MINO**
FL1	0.816				

FL2	0.880				
FL3	0.772				
FL4	0.776				
FL5	0.841				
FL6	0.806				
FP1		0.862			
FP2		0.758			
FP3		0.886			
FP4		0.887			
FP5		0.903			
FP6		0.753			
FP7		0.738			
FP8		0.815			
FP9		0.865			
FP10		0.881			
MIM1			0.841		
MIM2			0.841		
MIM3			0.799		
MIM4			0.842		
MIM5			0.820		
MIM6			0.869		
MIN1				0.856	
MIN2				0.799	

MIN3				0.862	
MIN4				0.788	
MIN5				0.852	
MIN6				0.766	
MIN7				0.845	
MINO1					0.876
MINO2					0.885
MINO3					0.808
MINO4					0.841
MINO5					0.883
MINO6					0.834
MINO7					0.795
MINO8					0.800
MINO9					0.798

Table 18: EFA (Unit Agents)

Exploratory Factor Analysis					
	FL	**FP**	**MIM**	**MIN**	**MINO**
FL1	0.830				
FL2	0.845				
FL3	0.898				
FL4	0.856				
FL5	0.744				
FL6	0.798				

FP1	0.899			
FP2	0.756			
FP3	0.898			
FP4	0.889			
FP5	0.876			
FP6	0.915			
FP7	0.926			
FP8	0.845			
FP9	0.802			
FP10	0.812			
MIM1		0.833		
MIM2		0.824		
MIM3		0.876		
MIM4		0.798		
MIM5		0.832		
MIM6		0.788		
MIN1			0.845	
MIN2			0.888	
MIN3			0.899	
MIN4			0.845	
MIN5			0.859	
MIN6			0.867	
MIN7			0.878	

MINO1	0.802
MINO2	0.899
MINO3	0.813
MINO4	0.837
MINO5	0.898
MINO6	0.812
MINO7	0.834
MINO8	0.806
MINO9	0.890

After confirming data sufficiency with the KMO test, a rotational component matrix was calculated to assess if a construct is related with several variables. The rotated component matrix is sometimes referred to as the loadings and is considered the most significant outcome of principal components analysis.

The majority of researchers (Hair et al., (2006); Stevens, (2012)) believe that the rotated component matrix should fall above 0.60. For the factor analysis to be valid, the factor loading must meet a minimum threshold of 0.40 and is also dependent on sample size. The table 17 and 18 describes how each build piece met the minimum criterion. Consequently, the data set remains optimal for additional factor analysis.

Each component of the construction met the minimum criteria. Therefore, the data set continue to be optimal for additional factor analysis.

4.2.14 Confirmatory Factor Analysis

The adequacy of the confirmatory factor analysis (CFA) model was evaluated using Smart PLS. This model is crucial for identifying the relationship between exogenous and endogenous components. In addition to exploratory factor analysis (EFA), confirmatory factor analysis (CFA) was performed to analyze and reaffirm the association between item and factor, as well as the factor structure of the observed variables. The confirmatory factor analysis (CFA) was computed by taking into account all of the constructs, and model fitness was inferred using a number of important indicators, which are

$\chi 2$ = “Chi-square, DF = Degree of Freedom, GFI = Goodness of Fit Index, RMSEA = Root Mean Square Error of Approximation, RMR = Root Mean Square Residual, NFI = Normed Fit Index, CFI = Comparative Fit Index, and AGFI = Adjusted Goodness of Fit Index." The removal of the items was determined by considering the factor loadings and residual values of each item. The thresholds for these indices are listed in Table below.

Table 19 : Confirmatory Factor Analysis (CFA) Threshold Indices

Name of Category	Description	Name of Index	Threshold Values	Remarks
Absolute Fit	Measures overall goodness of fit for both the structural and measurement models collectively	CMIN/DF	As low as 2 and as high as 5	Sensitive to sample size ≥ 200
		Root Mean Square Error of Approximation (RMSEA)	RMSEA ≤ 0.08	Range 0.05 to 0.10 acceptable
		Goodness of Fit Index (GFI)	GFI ≥ 0.9	GFI = 0.95 is a good fit
Incremental Fit	Measures goodness of fit that compares the current model to a speacified "null" (independence) model to determine	Comparative Fit Index (CFI)	CFI ≥ 0.9	CFI = 0.95 is a goof fit
		Trucker-Lewis Index (TLI)	TLI ≥ 0.9	TLI = is a goof fit
	The degree of improvement over the null model	Incremental Fit Index (IFI)	IFI ≥ 0.9	IFI = 0.95 is a good fit

Parsimony fit Indices	Measures overall goodness of fit for both the structural and measurement models collectively	Adjusted Goodness of Fit Index (AGFI)	AGFI ≥ 0.8	AGFI = 0.9 is a good fit

4.2.15 Model Fitness indices

Table 20 : Model Fitness Indices (Unit: Managers)

Model Adjustments	Chi-Square	DF	CMIN/DF	GFI	AGFI	CFI	TLI	NFI	RMSEA	RMR
Default Model	695.321	312	2.183	0.859	0.821	0.923	0.917	0.874	0.060	0.029
Adjusted Model	604.232	310	1.892	0.871	0.843	0.951	0.941	0.903	0.051	0.031

Table 21: Model Fitness Indices (Unit : Agents)

Model Adjustments	Chi-Square	DF	CMIN/DF	GFI	AGFI	CFI	TLI	NFI	RMSEA	RMR
Default Model	683.911	281	2.098	0.827	0.810	0.914	0.918	0.863	0.061	0.027
Adjusted Model	603.422	314	1.841	0.852	0.834	0.945	0.937	0.901	0.049	0.033

4.2.16 Instrument Validity

The statistical analysis includes a series of data validation procedures. The instrument's validity is evaluated to determine the assurance that the instrument is ideally suited for measuring an interest's underlying result. Considering construct reliability and validity as qualities of measurement that are still vital to evaluate. To establish concept validity, the first step is to do a confirmatory factor analysis. CFA is a statistical technique used to analyze the causal relationships between theoretical concepts. The confirmatory factor analysis is optimal when the objective is to evaluate a theory in a new environment, but the exploratory factor analysis is required when the study wants to investigate the links between the components.

Factor analysis is a widely used technique for determining the two aspects of concept validity: discriminant validity and convergent validity (Bagby et al., 1994). Construct validity indicates the

extent to which things best embody a construct's notion. Similarly, convergent validity affirms the correlation between two measures inside a notion. The fact that the elements have a perfect correlation implies that they are loaded together and converge under a single concept. Discriminant validity, as opposed to convergent validity, quantifies the extent to which two identical conceptions are separate and distinguishable from each other (Hair et al., 2006). In this instance, correlations between items should be minimum to infer that they are different.

Similarly important to validity is dependability. According to Gliem & Gliem (2003), the dependability of a construct is determined by the internal consistency of the construct, not by how the construct is defined by measurements. Most prior studies used the internal consistency technique, Cronbach's alpha, to assess the reliability of the constructs. Based on the findings of Hair et al. (2006), the lowest acceptable value for Cronbach's alpha in exploratory research should be 0.60, however in confirmatory studies, it should be 0.70 or higher. Instrument validity refers to the degree to which it accurately assesses the desired construct. The instrument's validity is established by meeting the criteria for convergent and discriminant validity (Bagby et al., 1994). The table 22 and 23 provides a summary of the instrument's validity via factor loading, AVE (average variance extraction), and CR composite reliability for managers and agents. All construct items have factor loadings greater than 0.50.

The AVE value represents the tendency for measurement items to deviate (Egger-Rainer et al., 2019). The AVE is calculated by dividing the sum of the squares of the standard factor loadings by the total error variances for the indicators. According to (Bagby et al., 1994), AVE should have a minimum value of 0.50. According to table 22 and 23, AVE values for all constructs included in this investigation are more than 0.50. The allowed range of AVE listed in table 22 reflects the

instrument's convergent validity. In a similar fashion, the standardization of factor loading was utilized to evaluate composite dependability. The CR is less biased than Cronbach Alpha for estimating dependability.

Both CR and alpha values are used to determine the dependability of an instrument. The CR threshold is 0.70, and the result presented in table 22 indicated the dependability of the instrument.

Table 22 : Convergent Validity Indices (Unit : Managers)

Items	Loadings	Cronbach's Alpha	CR	AVE
Financial Literacy		0.906	0.928	0.683
FL1	0.868			
FL2	0.832			
FL3	0.785			
FL4	0.849			
FL5	0.748			
FL6	0.867			
Marketing Imagination		0.904	0.926	0.677
MIM1	0.713			
MIM2	0.841			
MIM3	0.797			
MIM4	0.878			
MIM5	0.846			
MIM6	0.852			
Marketing Insight		0.922	0.938	0.683
MIN1	0.828			
MIN2	0.811			
MIN3	0.896			
MIN4	0.753			
MIN5	0.888			
MIN6	0.779			
MIN7	0.817			
Marketing Innovation		0.930	0.941	0.616
MINO1	0.858			
MINO10	0.699			
MINO2	0.864			
MINO3	0.776			
MINO4	0.794			
MINO5	0.852			

MINO6	0.780			
MINO7	0.652			
MINO8	0.765			
MINO9	0.785			
Firm Performance		0.919	0.938	0.716
FP1	0.880			
FP2	0.884			
FP3	0.881			
FP4	0.894			
FP5	0.766			
FP6	0.760			
FP7	0.812			
FP8	0.818			
FP9	0.875			
FP10	0.789			

Table 23: Convergent Validity Indices (Unit: Agents)

Items	**Loadings**	**Cronbach's Alpha**	**CR**	**AVE**
Financial Literacy		0.901	0.922	0.644
FL1	0.850			
FL2	0.824			
FL3	0.845			
FL4	0.867			
FL5	0.756			
FL6	0.889			
Marketing Imagination		0.912	0.936	0.687
MIM1	0.723			
MIM2	0.743			
MIM3	0.766			
MIM4	0.888			
MIM5	0.885			
MIM6	0.834			
Marketing Insight		0.912	0.941	0.692
MIN1	0.819			
MIN2	0.804			
MIN3	0.843			
MIN4	0.788			
MIN5	0.899			
MIN6	0.767			
MIN7	0.822			
Marketing Innovation		0.912	0.934	0.608
MINO1	0.812			
MINO10	0.703			
MINO2	0.812			

MINO3	0.734			
MINO4	0.724			
MINO5	0.819			
MINO6	0.777			
MINO7	0.702			
MINO8	0.634			
MINO9	0.694			
Firm Performance		0.934	0.978	0.734
FP1	0.897			
FP2	0.834			
FP3	0.875			
FP4	0.845			
FP5	0.724			
FP6	0.733			
FP7	0.809			
FP8	0.834			
FP9	0.856			
FP10	**0.812**			

4.2.17 Discriminant Validity

Discriminant validity, as defined by Hair, Black, Babin, and Anderson (2017), refers to the extent to which a concept can be distinguished from other concepts when examined using empirical criteria. Put simply, constructs that vary in concept also differ in actual measurements, as determined by empirical criteria (Hair et al., 2016). The established discriminant validity of a concept indicates that it effectively represents the phenomena in a manner distinct from other constructs within the same model, as shown. In general, there are two major methods that are commonly used to evaluate the discriminant validity of a test, regardless of whether it has been established. The first method is to look at the cross loadings of indicators or the outer loadings of a construct, which should be greater than the outer loadings of other constructs in the system (Hair, Black, Babin & Anderson, 2017). The occurrence of cross loadings beyond the specified outer loading values suggests a problem with discriminant validity. The outcomes of the current research show that discriminant validity has been established. This is supported by the absence of any

evidence of cross loading between other constructs that exceeds the suggestions of the outer loading of a construct, as presented in the table below.

Table 24 : Factor Loading and Cross Loading (Managers)

	FL	FP	MIM	MIN	MINO
FL1	0.868	0.619	0.783	0.541	0.59
FL2	0.832	0.631	0.845	0.542	0.571
FL3	0.785	0.595	0.773	0.502	0.571
FL4	0.849	0.755	0.816	0.603	0.751
FL5	0.748	0.601	0.613	0.532	0.657
FL6	0.867	0.614	0.775	0.534	0.591
FP1	0.696	0.88	0.681	0.641	0.759
FP2	0.729	0.884	0.714	0.647	0.764
FP3	0.67	0.881	0.611	0.595	0.701
FP4	0.667	0.894	0.609	0.605	0.75
FP5	0.556	0.766	0.478	0.464	0.654
FP6	0.593	0.76	0.594	0.549	0.628
FP7	0.566	0.592	0.537	0.51	0.699
FP8	0.601	0.815	0.656	0.579	0.639
FP9	0.613	0.865	0.600	0.581	0.612
FP10	0.668	0.881	0.602	0.589	0.673
MIM1	0.579	0.484	0.713	0.503	0.434
MIM2	0.713	0.567	0.841	0.519	0.523

MIM3	0.827	0.583	0.797	0.527	0.549
MIM4	0.807	0.597	0.878	0.536	0.547
MIM5	0.792	0.59	0.846	0.543	0.575
MIM6	0.838	0.746	0.852	0.636	0.736
MIN1	0.494	0.556	0.529	0.828	0.492
MIN2	0.517	0.559	0.536	0.811	0.525
MIN3	0.625	0.624	0.623	0.896	0.646
MIN4	0.476	0.472	0.495	0.753	0.518
MIN5	0.61	0.613	0.596	0.888	0.638
MIN6	0.571	0.614	0.527	0.779	0.699
MIN7	0.471	0.539	0.509	0.817	0.46
MINO1	0.64	0.726	0.591	0.609	0.858
MINO2	0.632	0.723	0.56	0.641	0.864
MINO3	0.558	0.644	0.507	0.461	0.776
MINO4	0.561	0.681	0.528	0.496	0.794
MINO5	0.59	0.724	0.509	0.542	0.852
MINO6	0.572	0.66	0.543	0.505	0.78
MINO7	0.579	0.515	0.558	0.489	0.652
MINO8	0.591	0.633	0.519	0.625	0.765
MINO9	0.64	0.675	0.579	0.588	0.785

Table 25: Factor Loading and Cross Loading (Agents)

	FL	FP	MIM	MIN	MINO
FL1	0.838	0.746	0.852	0.636	0.736
FL2	0.792	0.59	0.846	0.543	0.575
FL3	0.558	0.644	0.507	0.461	0.776
FL4	0.561	0.681	0.528	0.496	0.794
FL5	0.59	0.724	0.509	0.542	0.852
FL6	0.572	0.66	0.543	0.505	0.78
FP1	0.579	0.515	0.558	0.489	0.652
FP2	0.591	0.633	0.519	0.625	0.765
FP3	0.64	0.675	0.579	0.588	0.785
FP4	0.64	0.726	0.591	0.609	0.858
FP5	0.632	0.723	0.56	0.641	0.864
FP6	0.558	0.644	0.507	0.461	0.776
FP7	0.561	0.681	0.528	0.496	0.794
FP8	0.59	0.724	0.509	0.542	0.852
FP9	0.572	0.66	0.543	0.505	0.78
FP10	0.668	0.881	0.602	0.589	0.673
MIM1	0.579	0.484	0.713	0.503	0.434
MIM2	0.713	0.567	0.841	0.519	0.523
MIM3	0.827	0.583	0.797	0.527	0.549
MIM4	0.807	0.597	0.878	0.536	0.547
MIM5	0.792	0.59	0.846	0.543	0.575

MIM6	0.838	0.746	0.852	0.636	0.736
MIN1	0.494	0.556	0.529	0.828	0.492
MIN2	0.517	0.559	0.536	0.811	0.525
MIN3	0.625	0.624	0.623	0.896	0.646
MIN4	0.476	0.472	0.495	0.753	0.518
MIN5	0.61	0.613	0.596	0.888	0.638
MIN6	0.571	0.614	0.527	0.779	0.699
MIN7	0.471	0.539	0.509	0.817	0.46
MINO1	0.64	0.726	0.591	0.609	0.858
MINO2	0.632	0.723	0.56	0.641	0.864
MINO3	0.593	0.76	0.594	0.549	0.628
MINO4	0.566	0.592	0.537	0.51	0.699
MINO5	0.601	0.815	0.656	0.579	0.639
MINO6	0.613	0.865	0.600	0.581	0.612
MINO7	0.668	0.881	0.602	0.589	0.673
MINO8	0.579	0.484	0.713	0.503	0.434
MINO9	0.64	0.675	0.579	0.588	0.785

The Fornell-Larcker criterion is a commonly used approach to evaluate discriminant validity within a population. This approach involves comparing the square root of the AVE (Average Variance Extracted) values with the correlations of the latent variable, as described by Hair et al. (2017). Consequently, the square root of the average variance extracted (AVE) for a construct should exceed the correlation between that construct and any other construct in the model (Hair et al., 2016; Henseler et al., 2009). Based on the Fornell-Larcker criterion, the present study shows

that the square root of the Average Variance Extracted (AVE) value of the construct is greater than the greatest correlation with any other construct. This indicates that discriminant validity has been established, as shown in the table below.

Table 26 : Discriminant Validity (Fornell-Larcker criterion) (Managers)

	FL	**FP**	**MIM**	**MIN**	**MINO**
FL	0.826				
FP	0.774	0.846			
MIM	0.932	0.730	0.823		
MIN	0.658	0.693	0.663	0.826	
MINO	0.756	0.841	0.691	0.699	0.785

Table 27: Discriminant Validity (Fornell-Larcker criterion) (Agents)

	FL	**FP**	**MIM**	**MIN**	**MINO**
FL	0.819				
FP	0.767	0.834			
MIM	0.956	0.712	0.815		
MIN	0.712	0.687	0.702	0.802	
MINO	0.724	0.859	0.698	0.666	0.788

All of the findings of the measurement or outside model evaluation were acceptable and excellent, allowing the next stage, the inner or structural model evaluation, to be completed without delay. There is no indication in measurement models, and the construct was not removed as a consequence of the satisfactory findings.

The Fornell-Larcker criteria is a widely used method for assessing the discriminant validity among a group of individuals. This method entails evaluating the square root of the Average Variance Extracted (AVE) values and comparing them to the correlations of the latent variable, as outlined by Hair et al. (2017). Therefore, the square root of the average variance extracted (AVE) for a construct should be greater than the correlation between that construct and any other construct in the model (Hair et al., 2016; Henseler et al., 2009). According to the Fornell-Larcker criteria, this research demonstrates that the square root of the Average Variance Extracted (AVE) value of the construct is higher than the highest correlation with any other construct. This demonstrates that discriminant validity has been confirmed, as seen by the table provided below.

Table 28 : Discriminant Validity Heterotrait-Monotrait Ratio (HTMT)(Unit: Managers)

	FL	**FP**	**MIM**	**MIN**	**MINO**
FL					
FP	0.796				
MIM	0.756	0.773			
MIN	0.713	0.716	0.705		
MINO	0.787	0.848	0.686	0.650	

Table 29: Discriminant Validity Heterotrait-Monotrait Ratio (HTMT)(Unit: Agents)

	FL	**FP**	**MIM**	**MIN**	**MINO**
FL					
FP	0.796				
MIM	0.756	0.773			
MIN	0.713	0.716	0.705		

MINO	0.787	0.848	0.686	0.650

4.2.18 Measurement Model Fitness

Table 30 : Measurement model fitness indices Goodness of Fit (Unit: Managers)

Model Adjustments	Chi-Square	DF	CMIN/DF	GFI	AGFI	CFI	TLI	NFI	RMSEA	RMR
Default Model	580.727	224	2.593	0.861	0.831	0.938	0.93	0.903	0.7	0.29
After adjustments in modification Model	391.512	219	1.788	0.907	0.882	0.97	0.946	0.934	0.049	0.026

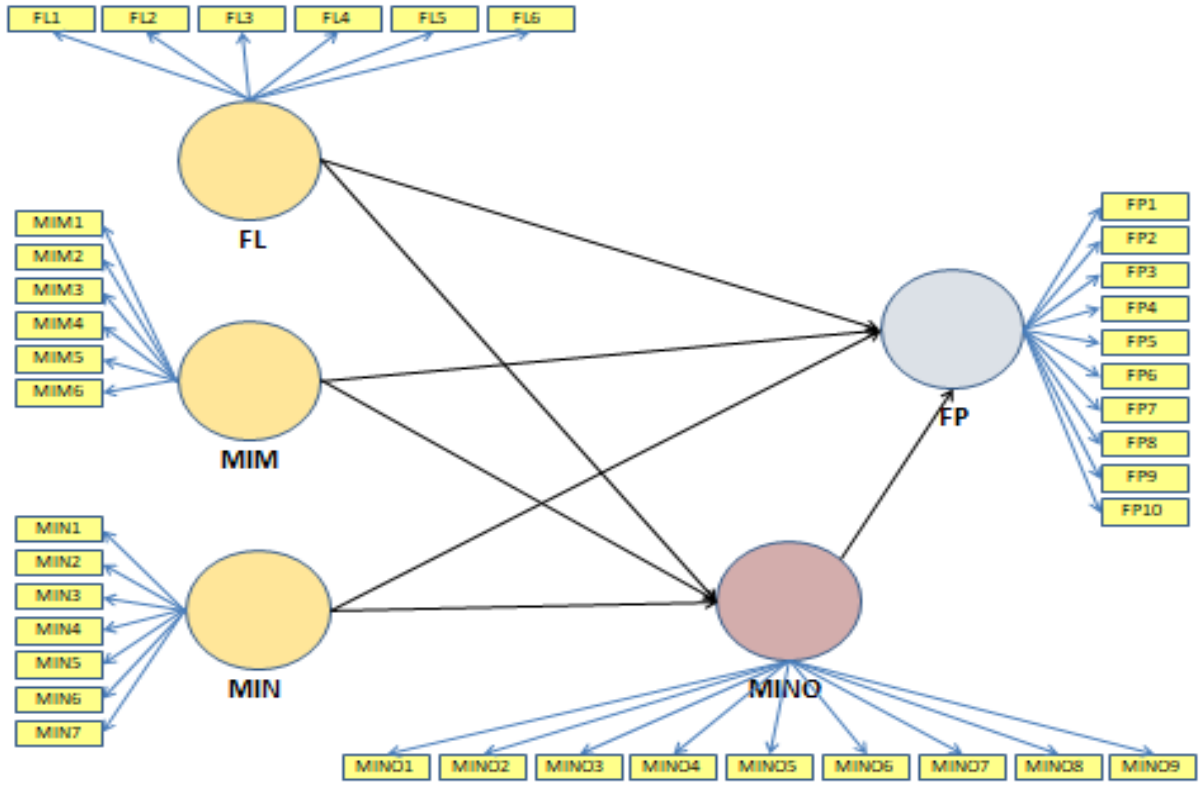
Table 31: Measurement model fitness indices Goodness of Fit (Unit: Agents)

Model Adjustments	Chi-Square	DF	CMIN/DF	GFI	AGFI	CFI	TLI	NFI	RMSEA	RMR
Default Model	596.612	222	3.102	0.843	0.812	0.907	0.927	0.901	0.7	0.27

After adjustments in modification Model	389.410	216	1.644	0.833	0.804	0.903	0.922	0.900	0.041	0.025

The model fitness indicators are shown in Table 30 and 31. "$\chi 2$ = Chisquare, DF = Degree of Freedom, GFI = Goodness of Fit Index, RMSEA = Root Mean Square Error of Approximation, RMR = Root Mean Square Residual, NFI = Normed Fit Index, TLI = Tucker Lewis Index, CFI = Comparative Fit Index, and AGFI = Adjusted Goodness of Fit Index." The elimination of the items was based on the factor loadings and residual values of each item. All indices are within the permitted range and represent the fitness of the model. The different indices indicate that this model is statistically best suited to evaluate the factors influencing the behaviour of individual investors.

Figure 9 : Measurement Model



This study's measuring approach has five variables: financial literacy (FL), marketing insight (MIN), marketing imagination (MIM), marketing innovation (MINO), and firm performance (FP). Combining measurable variables with latent variables, measurement modelling is best suited to discover structural connections. The structural correlations between variables included in this investigation are still substantial.

4.2.19 Structural Model and Hypotheses testing

After doing the measurement or outer model testing, the subsequent step involves assessing the structural or inner model, which is a more rigorous procedure. The process of structural model assessment involves the evaluation of the model's ability to make accurate predictions and the examination of the interconnections among all the components of the model (Hair et al., 2019). The evaluation of collinearity in a structural model is the first step in assessing its validity (Hair et al., 2017). The presence of a significant level of multi-collinearity is responsible for the greater standard errors. The investigation of collinearity included an examination of the VIF values. Researchers frequently utilise a VIF value of 10 or more to indicate the presence of a perfect multi-collinearity issue. This is based on several thumb rules mentioned by Akinwande, Dikko & Samson (2015), Hair et al. (2011), O'Brien (2007), and Henseler et al. (2016). The research conducted by Hair, Black, Babin, and Anderson (2017) reveals that a Variance Inflation Factor (VIF) value beyond 5 indicates the presence of multi-collinearity within the population. Based on the research conducted by Akinwande, Dikko, and Samson (2015), a little degree of multicollinearity is not considered a serious problem. In the present study, collinearity was assessed by examining the VIF values. Since the VIF values were below the threshold of 10, it was concluded that there was no problem of multi-collinearity.

After establishing collinearity, the subsequent task was determining the structural or inner model of the system. When evaluating the structural model in PLS-SEM, it is crucial to consider the significance of path coefficients, the coefficient of determination (R2), the assessment of impact size (f2), and the assessment of predictive relevance (Q2) as the most important factors to take into account (Henseler et al., 2016; Hair, Black, Babin & Anderson, 2017).

Table 32 : Structural Model: VIF Values

	Managers	Agents
Construct	**VIF**	**VIF**
FL1	4.976	4.877
FL2	3.788	3.673
FL3	3.345	3.344
FL4	2.083	2.089
FL5	2.630	3.334
FL6	4.567	4.498
FP1	4.009	4.134
FP2	2.223	3.889
FP3	2.459	2.356
FP4	1.897	1.789
FP5	2.423	2.444
FP6	1.924	2.098
FP7	2.467	2.562
FP8	3.673	2.986
FP9	4.010	4.334
FP10	2.346	2.104
MIM1	1.960	1.822
MIM2	1.234	1.342
MIM3	3.987	2.988
MIM4	3.156	3.566

MIM5	3.674	3.777
MIM6	2.934	3.332
MIN1	3.003	3.313
MIN2	2.782	3.007
MIN3	2.859	2.760
MIN4	2.020	2.014
MIN5	5.038	4.999
MIN6	2.949	3.034
MIN7	2.166	2.334
MINO1	2.499	2.655
MINO2	3.184	3.244
MINO3	2.493	2.675
MINO4	2.335	2.132
MINO5	2.054	2.005
MINO6	2.324	1.986
MINO7	2.911	3.012
MINO8	1.698	1.467
MINO9	3.442	4.123

4.2.20 Direct relationships

This study started by analysing the direct connections between external and internal components. Subsequently, evaluations of the structural or internal model were conducted. The PLS-SEM Algorithm was employed to assess the path coefficients and determine the significance of

relationships between dependent and independent variables, as well as between exogenous and endogenous variables. This was done using the PLS-SEM bootstrapping process in the SmartPLS 3.0 statistical software package. The analysis was conducted separately for both the unit of analysis, namely Managers and Agents. The number of cases in the model was determined by the initial case numbers in the model, while the number of bootstrapping samples was determined by a total of 5000 samples (Hair, Black, Babin & Anderson, (2017); Henseler et al., (2016)). In the current study, hypotheses ranging from 1 to 7 were thoroughly explored.

Hypotheses H1 examined the direct relationship between the dependent variable firm performance (FP) and the independent variable financial literacy (FL). This was the first phase of the inner model assessment process. Then, the direct relationship between independent variables marketing insight (MIN) and firm performance (FP) as H2, marketing imagination (MIM) and firm performance (FP) as H3, and financial literacy (FL) and mediating variable marketing innovation (MINO) were examined, as H4. Additionally, the direct relationship between marketing insight (MIN) and marketing innovation (MINO) was tested as H5 and relationship between marketing imagination (MIM) and marketing innovation (MINO) is tested as hypothesis H6. Furthermore, the direct relationship H7 between the mediating variable marketing innovation (MINO) and the dependent variable firm performance (FP) was investigated.

In the second part of the evaluation, The relationship between independent variable financial literacy (FL) , mediating variable marketing innovation (MINO) and dependent variable firm performance (FP) was tested as H8. Then marketing insight (MIN) , mediating variable marketing innovation (MINO) and dependent variable firm performance (FP) was tested as H9. Similarly the relationship between the independent variable marketing imagination (MIM) and marketing innovation (MINO) and dependent variable firm performance (FP) was tested as H10.

Figure 10 : PLS-SEM Bootstrapping Direct relationship (Unit: Managers)

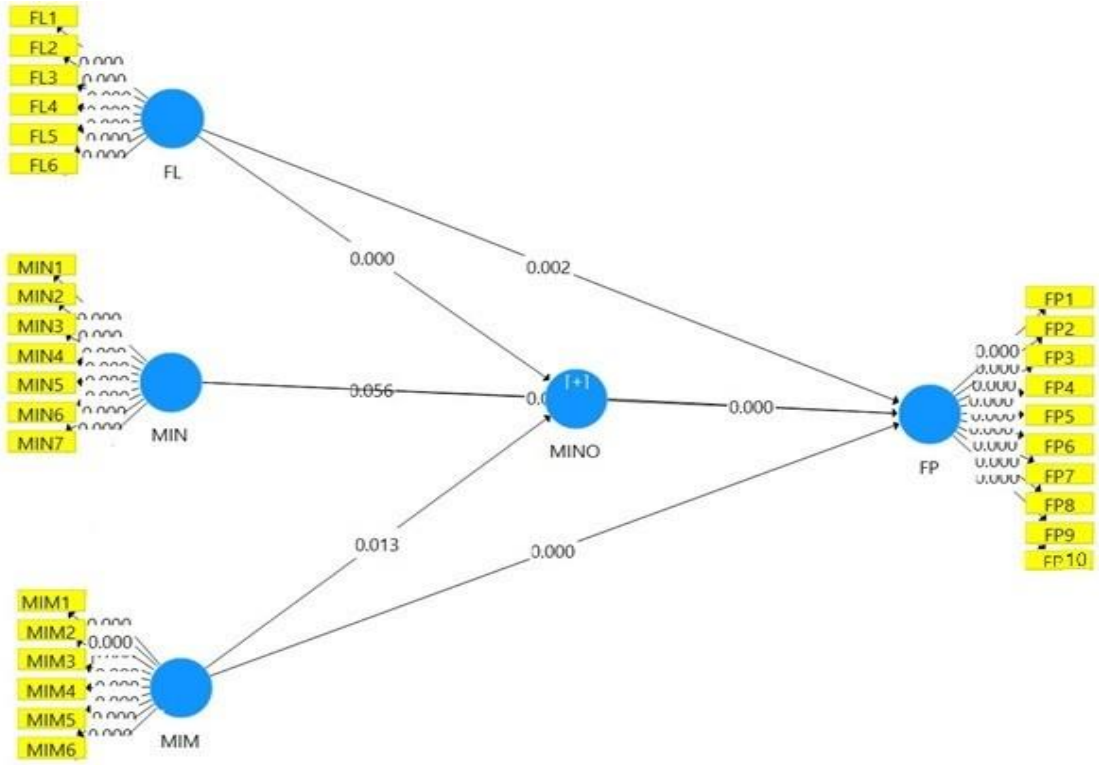
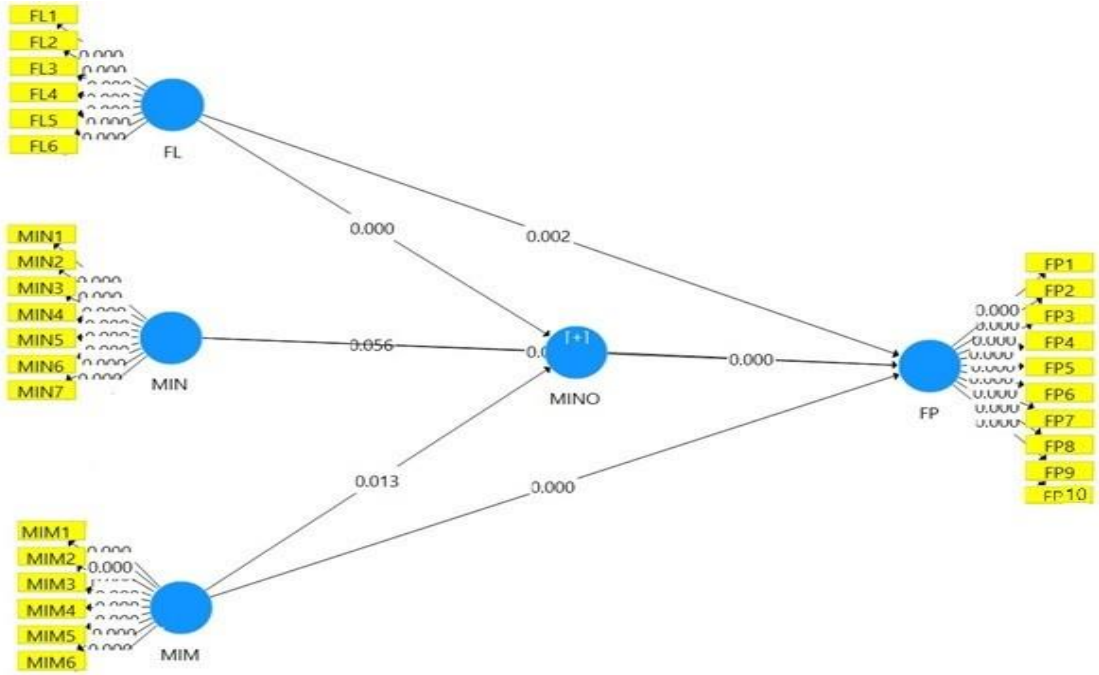


Figure 11: PLS-SEM Bootstrapping Direct Relationships (Unit: Agents)



The diagram in Figure 10 illustrates the direct connections between the independent variables and the mediating variable, the direct connections between the independent variables and the dependent variable, and the direct connections between the mediating variable and the dependent variable, as determined by the bootstrapping results. Table 4.7 displays the proposed connections (path coefficients), which are standardised values ranging from -1 to +1. While these values can be smaller or larger, they typically fall within this range (Hair et al., 2019). The table also includes t-statistics (t-value) and significance (p-value), as well as confidence interval bias (Hair et al., 2019). Table 33 provides a clear indication of whether the hypothesis is supported or not supported by the evidence.

Table 33 : Results of Hypotheses Testing (Direct Relationships) (Unit: Managers)

Hypothesis / Path	β	LLCI	ULCI	T Statistics	P Values	Decision
H1: FL -> FP	0.081	0.320	0.642	6.052	**0.000**	Supported
H2: MIN -> FP	0.052	0.035	0.243	2.617	**0.009**	Supported
H3: MIM -> FP	0.037	0.060	0.281	3.452	**0.001**	Supported
H4: FL -> MINO	0.086	0.036	0.365	2.452	**0.015**	Supported
H5: MIN -> MINO	0.049	0.052	0.243	3.189	**0.002**	Supported
H6: MIM -> MINO	0.076	0.013	0.297	3.592	**0.027**	Supported
H7: MINO -> FP	0.065	0.261	0.512	6.077	**0.000**	Supported

Table 34: Results of Hypotheses Testing (Direct Relationships) (Unit: Agents)

Hypothesis / Path	β	LLCI	ULCI	T Statistics	P Values	Decision
H1: FL -> FP	0.083	0.340	0.656	6.456	**0.000**	Supported
H2: MIN -> FP	0.089	0.044	0.210	2.716	**0.008**	Supported
H3: MIM -> FP	0.043	0.053	0.289	2.667	**0.002**	Supported
H4: FL -> MINO	0.079	0.043	0.363	2.756	**0.019**	Supported
H5: MIN -> MINO	0.077	0.016	0.236	3.456	**0.004**	Supported
H6: MIM -> MINO	0.074	0.014	0.278	3.588	**0.037**	Supported
H7: MINO -> FP	0.081	0.312	0.545	6.089	**0.000**	Supported

In addition, the study examined the direct relationship between independent and dependent variables by using both the unit of analysis and hypotheses H1 through H7. The hypotheses H8 through H10 were examined to examine the indirect relationship between independent and mediating variables. Through the examination of hypothesis H7, we successfully established the presence or absence of a causal relationship between the mediating variable and the dependent variable. When analysing the results of the path model, the t values and p values are used to determine the importance of the link between all structural or inner models (Hair et al., 2017; Henseler et al., 2016). Statistical significance is established when the t-values and p-values above a threshold number, indicating that the coefficient is statistically significant. The bootstrapping method used for direct association analysis often relies on a one-tailed statistical test (Henseler et al., 2016). The critical values for one-tailed tests are typically 1.28 at a significance level of 10%, 1.65 at a significance level of 5%, and 2.33 at a significance level of 1%. In the field of management research, the frequently accepted assumption is that the significance threshold is 5

percent. However, it is important to note that this assumption may not always hold true. The final determination relies on the specific goal and area of research (Hair et al., 2017; Henseler et al., 2016). The present study assumes a significance threshold of 5 percent. This implies that in order to infer a meaningful link, the p-value must be less than 0.05 and the t-value must be more than 1.65 at the 5 percent significance level.

For results using managers are presented in Table 33, which demonstrates that there is a statistically significant relationship between financial literacy (FL) and firm performance (FP) with t-value 6.052, p-vale 0.000 and β is 0.081, indicating that hypothesis H1 is supported. Also, there is a statistically significant relationship between marketing insight (MIN) and firm Performance (FP) with t-value 2.617, p-vale 0.009 and β is 0.052, hypothesis H2 was found to be correct. The hypothesis H3 is further confirmed by the findings, which demonstrate a relationship between the marketing imagination (MIM) and firm performance (FP) with t-value 3.452, p-vale 0.001 and β is 0.037. Also, there is statistically significant relationship between financial literacy (FL) and marketing innovation (MINO) with t-value 2.452, p-vale 0.015 and β is 0.086 and H4 were found to be supported. Significant relationship exists between marketing insight (MIN) and marketing innovation (MINO) with t-value 3.189, p-vale 0.002 and β is 0.049 and hence H5 is supported. Furthermore, the findings indicate that there are statistically significant relationships between marketing imagination (MIM) and marketing innovation (MINO) with t-value 3.592, p-vale 0.027 and β is 0.076, and marketing innovation (MINO) and firm performance (FP) with t-value 6.077, p-vale 0.000 and β is 0.065, supporting hypothesis H6 and H7.

For results using agents are presented in Table 34, which demonstrates that there is a statistically significant relationship between financial literacy (FL) and firm performance (FP) with t-value 6.456, p-vale 0.000 and β is 0.083, indicating that hypothesis H1 is supported. Also,

there is a statistically significant relationship between marketing insight (MIN) and firm Performance (FP) with t-value 2.716, p-vale 0.008 and β is 0.089, hypothesis H2 was found to be correct. The hypothesis H3 is further confirmed by the findings, which demonstrate a relationship between the marketing imagination (MIM) and firm performance (FP) with t-value 2.667, p-vale 0.002 and β is 0.002. Also, there is statistically significant relationship between financial literacy (FL) and marketing innovation (MINO) with t-value 2.756, p-vale 0.019 and β is 0.079 and H4 were found to be supported. Significant relationship exists between marketing insight (MIN) and marketing innovation (MINO) with t-value 3.456, p-vale 0.004 and β is 0.077 and hence H5 is supported. Furthermore, the findings indicate that there are statistically significant relationships between marketing imagination (MIM) and marketing innovation (MINO) with t-value 3.588, p-vale 0.037 and β is 0.074, and marketing innovation (MINO) and firm performance (FP) with t-value 6.089, p-vale 0.000 and β is 0.081, supporting hypothesis H6 and H7.

According to (Kline (2010); Hoyle 2011; Byrne (2013)) the beta coefficient is the degree of change in the outcome variable for every 1-unit of change in the predictor variable. It ranges between +1 and -1 with more than +1 representing β with multi-collinearity issues. This study reveals that for managers β between financial literacy (FL) and firm performance (FP) is 0.081, which means that one unit change in financial literacy (FL) will bring 0.081 units of change in firm performance (FP). That is by increasing the level of financial literacy (FL) of the insurance agents, the overall firm performance of the insurance company will increase by 0.081. Similarly, one unit increase in marketing insight (MIN) will bring 0.052 units of increase in firm performance (FP). One unit change in marketing imagination (MIM) will bring 0.037 units of change in firm performance (FP). One unit increase in financial literacy will bring 0.086 units of increase in

marketing innovation (MINO). Also, by increasing one unit of marketing insight (MIN) 0.049 units of marketing innovation (MINO) will increase. Marketing imagination (MIM) with one unit change will bring 0.076 units of change in marketing innovation (MINO). Also marketing innovation (MINO) by increasing one unit will bring 0.065 units of change in firm performance (FP).

Furthermore, for agents β between financial literacy (FL) and firm performance (FP) is 0.083, which means that one unit change in financial literacy (FL) will bring 0.083 units of change in firm performance (FP). That is by increasing the level of financial literacy (FL) of the insurance agents, the overall firm performance of the insurance company will increase by 0.089. Similarly, one unit increase in marketing insight (MIN) will bring 0.089 units of increase in firm performance (FP). One unit change in marketing imagination (MIM) will bring 0.043 units of change in firm performance (FP). One unit increase in financial literacy will bring 0.079 units of increase in marketing innovation (MINO). Also, by increasing one unit of marketing insight (MIN) 0.077 units of marketing innovation (MINO) will increase. Marketing imagination (MIM) with one unit change will bring 0.074 units of change in marketing innovation (MINO). Also marketing innovation (MINO) by increasing one unit will bring 0.081 units of change in firm performance (FP).

4.2.21 Indirect Test: Mediation test

The study investigates the mediating relationships using a mediation model that examines the mediating effect of marketing innovation (MINO) between the independent variables, namely financial literacy (FL), marketing imagination (MIM), marketing insight (MIN), and the dependent variable, firm performance (FP), H8, H9, and H10. The current research used Partial Least Squares

Structural Equation Modelling (PLS-SEM) to assess the mediation analysis. Diverse methodologies were used to authenticate the examination. The first methodology used in this study for mediation analysis was the Baron and Kenny (1986) technique, which continues to be widely utilised by academics, despite its introduction over thirty years ago. This mediation effect approach necessitates the attainment of a route that is statistically significant. Once a certain crucial pathway is finished, the variables that have been established are regarded as mediators. The second strategy is referred to as the bootstrapping method. However, this strategy has faced significant criticism due to several reasons, such as conceptual and methodological challenges, as pointed out by Hayes (2013), Hair et al. (2017), and Preacher & Hayes (2008).

In their study, Preacher and Hayes (2008) identified different methods for assessing the evaluation of mediation effects. These methods include the serial approach or causal steps strategy (Hoyle & Robinson, 2004), which is also known as Baron and Kenny's four conditions (Hoyle & Robinson, 2004), as well as the sequential approach or causal steps strategy (Hoyle & Robinson, 2004). Additional techniques include the Sobel test and the product of coefficients approach, among several others (Sobel, 1982). The Sobel test method specifically examines the direct relationship between the independent constructs and dependent constructs, as well as the indirect relationship that includes the mediation construct (Helm et al., 2010). When the sample size is small, the Sobel test is not very effective in detecting statistical differences. Therefore, in order for the test results to be accurate, it requires unstandardized path coefficients as input. This has been pointed out by Hair et al. (2017), Klarner et al. (2013), and Preacher & Hayes (2008). The latest method being used for assessing mediation effects, notably in PLS-SEM, is bootstrapping (Hayes, 2009; Hayes, 2013; Hair et al., 2017; Henseler et al., 2016; Preacher & Hayes, 2008).

Regarding the form of the constructs, no assumptions are made. Sampling distributions may be applied to small sample sizes with more confidence, and they also show a higher level of statistical power when bootstrapping the indirect effects (Hair et al., 2017). Consequently, bootstrapping seems to be a very suitable method for implementing the PLS-SEM methodology, using the SmartPLS 3.0 software (Hair et al., 2019). Hence, to evaluate the influence of mediation, the present study used bootstrapping on a sample of 633 instances, consisting of 336 Managers and 297 agents. Additionally, 5000 sub samples were utilised for assessment purposes. Three hypotheses, labelled H8 to H10, were examined. Each hypothesis proposed that marketing innovation (MINO) acts as a mediator between the independent and dependent variables. The study's results are shown in Table 35 and Table 36.

Table 35 : Results of Mediation Test (Unit: Managers)

Hypothesis / Path	β	LLCI	ULCI	t-values	P Values	Decision
H8: FL -> MINO -> FP	0.039	0.116	0.269	4.936	**0.000**	Supported
H9: MIN -> MINO -> FP	0.039	0.009	0.165	2.117	**0.035**	Supported
H10: MIM -> MINO -> FP	0.033	0.005	0.134	1.762	**0.079**	Not Supported

Table 36: Results of Mediation Test (Unit: Agents)

Hypothesis / Path	β	LLCI	ULCI	t-values	P Values	Decision
H8: FL -> MINO -> FP	0.043	0.189	0.298	5.125	**0.000**	Supported
H9: MIN -> MINO -> FP	0.031	0.004	0.122	1.129	**0.071**	Not Supported
H10: MIM -> MINO -> FP	0.031	0.005	0.131	1.678	**0.077**	Not Supported

Also shown in Table 35 for Managers Marketing innovation (MINO) mediate the relationship between the financial literacy (FL) and firm performance (FP) H8 (β = 0.039, t value 0.4.936 and p value 0.000), and the relationship between the marketing insight (MIN) and firm performance (FP) is mediated by marketing innovation (MINO) as H9 (β = 0.033, t value 0.2117 and p value 0.035). The relationship between the marketing imagination (MIM) and firm performance (FP) is mediated by marketing innovation (MINO) (β = 0.039, t value 1.762 and p value 0.079). As a result, the two hypotheses H8, H9, were shown to be acceptable. Results also show that hypotheses H10 was not supported by the evidence presented.

Also shown in Table 36 for Agents Marketing innovation (MINO) mediate the relationship between the financial literacy (FL) and firm performance (FP) H8 (β = 0.043, t value 5.125 and p value 0.000), and the relationship between the marketing insight (MIN) and firm performance (FP) is mediated by marketing innovation (MINO) as H9 (β = 0.031, t value 1.129 and p value 0.071). The relationship between the marketing imagination (MIM) and firm performance (FP) is mediated by marketing innovation (MINO) (β = 0.31, t value 1.678 and p value 0.077). As a result, the only one hypothesis H8 was shown to be acceptable. Results also show that hypotheses H9 and H10 was not supported by the evidence presented.

4.2.22 Coefficient of Determination (R2):

The coefficient of determination (R2) is often used to evaluate the structural model in most instances. The predictive power of the model is quantified by calculating the squared correlation between the predicted and actual values of a certain endogenous variable for a given time period (Hair et al., 2017; Henseler et al., 2016). The coefficient primarily indicates the combined effects of exogenous and endogenous constructions on the endogenous construct (Hair et al., 2016; Henseler et al., 2016). Put simply, the coefficient quantifies the total extent of change in the

endogenous variables resulting from the exogenous factors associated with the coefficient (Hair et al., 2017; Sarstedt, Ringle, Henseler, & Hair, 2014). The value of R2 may be determined on a scale ranging from 0 to 1, where higher values indicate better levels of prediction accuracy. The values of R2, namely 0.25, 0.50, and 0.75 or above, indicate weak, moderate, and strong relationships respectively. However, R2 values of 0.75 and above represent significantly higher levels of R2 (Hair et al., 2017; Henseler et al., 2016). The current research's structural model has a coefficient of determination (R2) that matches the value provided in Table 22.

Table 37: Endogenous variable Coefficient of Determination

Latent Variable Path	Variance explained R^2
MINO	0.605
FP	0.728

The results suggest that the combination of three external factors, namely financial literacy (FL), marketing insight (MIN), and marketing imagination (MIM), accounted for 60.5 percent of the variation in the mediating variable, marketing innovation (MINO). This level of explanation is considered to be of moderate significance. Based on the research conducted by Hair et al. (2016) and Henseler et al. (2016), the R2 value indicates that the combined effect of the four exogenous variables accounts for 72.8 percent of the variability in the dependent variable, firm performance (FP). This percentage is much higher compared to previous results (2016). Therefore, it can be concluded that the structural model used in the current study had substantial predictive validity.

4.2.23 Assessment of Predictive Relevance (Q2):

Stone-Q2 Geisser's value may be used to assess the predictive importance of an inner or structural model, serving as an additional criteria for assessing such models (Geisser, 1974; Stone, 1974;

Hair et al., 2016). In this study, the Stone-Geisser test was used together with the blindfolding technique to obtain the cross-validated redundancy measure for an endogenous variable. This was done to assess the Q2 value, as described by Hair et al. (2016). A positive value of Q2 for a certain reflecting endogenous construct shows that the route model is predictive and meaningful for that endogenous variable in that particular circumstance. The results of the Stone-Geisser test conducted in this study are shown in Table 38 for Managers and Table 39 for Agents. The Q2 values for the endogenous variables, marketing innovation (MINO) and firm performance (FP), were both greater than zero. Therefore, it can be concluded that the inner model has predictive validity.

Table 38 : Predictive relevance Q2

Predictive relevance Q2			
Constructs	**SSO**	**SSE**	**1-SSE/SSO**
MINO	1,384.00	610.35	0.547
FP	1,664.00	856.44	0.468

Table 39: Predictive relevance Q2 (Unit: Agents)

Predictive relevance Q2			
Constructs	**SSO**	**SSE**	**1-SSE/SSO**
MINO	1,296.00	714.65	0.534
FP	1,652.09	812.45	0.489

4.2.24 Summary of the Findings:

Table 40 and 41 presents the findings of all hypotheses for Managers and Agents.

Table 40 : Summary of Hypotheses testing (Unit : Managers)

No.	Statement	Hypothesis	Decision
1	Financial Literacy (FL) has a positive relationship with Firm Performance (FP)	H1	**Supported**
2	Marketing Insight (MIN) has a positive relationship with Firm Performance (FP)	H2	**Supported**
3	Marketing Imagination (MIM) has a positive relationship with Firm Performance (FP)	H3	**Supported**
4	Financial Literacy (FL) has a positive relationship with Marketing Innovation (MINO)	H4	**Supported**
5	Marketing Insight (MIN) has a positive relationship with Marketing Innovation (MINO)	H5	**Supported**
6	Marketing Imagination (MIM) has a positive relationship with Marketing Innovation (MINO)	H6	**Supported**
7	Marketing Innovation (MINO) has a positive relationship with Firm Performance (FP)	H7	**Supported**
8	Marketing Innovation (MINO) mediates the relationship between Financial Literacy (FL) and Firm Performance (FP)	H8	**Supported**
9	Marketing Innovation (MINO) mediates the relationship between Marketing Insight (MIN) and Firm Performance (FP)	H9	**Supported**
10	Marketing Innovation (MINO) mediates the relationship between Marketing Imagination (MIM) and Firm Performance	H10	**Not Supported**

Table 41: Summary of Hypotheses Testing (Unit: Agents)

No.	Statement	Hypothesis	Decision
1	Financial Literacy (FL) has a positive relationship with Firm Performance (FP)	H1	**Supported**
2	Marketing Insight (MIN) has a positive relationship with Firm Performance (FP)	H2	**Supported**
3	Marketing Imagination (MIM) has a positive relationship with Firm Performance (FP)	H3	**Supported**
4	Financial Literacy (FL) has a positive relationship with Marketing Innovation (MINO)	H4	**Supported**
5	Marketing Insight (MIN) has a positive relationship with Marketing Innovation (MINO)	H5	**Supported**
6	Marketing Imagination (MIM) has a positive relationship with Marketing Innovation (MINO)	H6	**Supported**
7	Marketing Innovation (MINO) has a positive relationship with Firm Performance (FP)	H7	**Supported**
8	Marketing Innovation (MINO) mediates the relationship between Financial Literacy (FL) and Firm Performance (FP)	H8	**Supported**
9	Marketing Innovation (MINO) mediates the relationship between Marketing Insight (MIN) and Firm Performance	H9	**Not Supported**
10	Marketing Innovation (MINO) mediates the relationship between Marketing Imagination (MIM) and Firm	H10	**Not Supported**

4.3 Qualitative Results and Discussion

The primary findings and a discussion are presented in the section below. The qualitative interviews have been transcribed and analysed using the qualitative programme NVIVO-12. The data obtained from interviews is reliable for obtaining comprehensive understanding of the phenomena being investigated. The interview participants possess the financial means to engage in stocks, however they continue to display hesitancy in engaging in stock market investment in Pakistan. The data analysis uncovers many characteristics that explain why families in Pakistan are hesitant to engage in stock market investment and instead favour traditional methods of saving and investing. The following part presents the outcomes derived from NVIVO-12 analysis, which were obtained via interviews performed to fulfil the study's purpose.

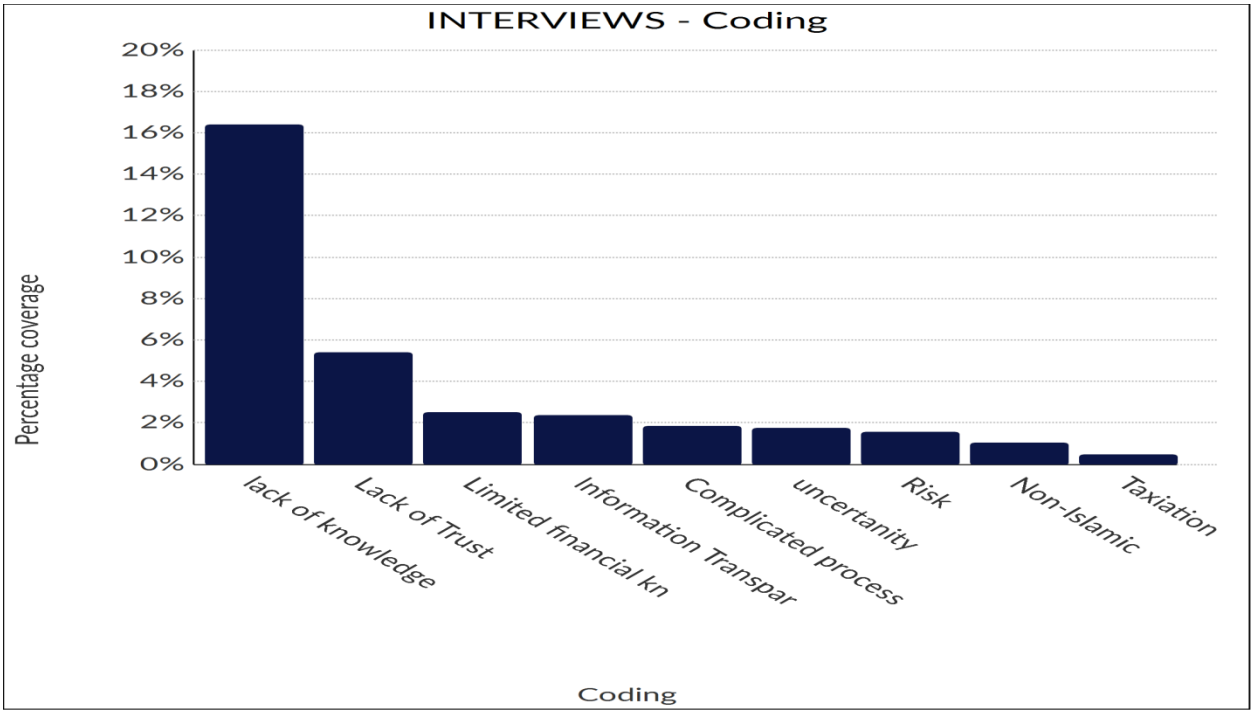
4.3.1 Word Cloud

Figure 12: Word Cloud

Using transcription, the data was first evaluated by generating a word cloud to identify the most often used words by the participants. The word cloud visually displays the frequency of words and allows for the identification of prominent themes in qualitative data. The size of a word in a produced picture is directly proportional to its frequency within the text data being visualised. Thus, relying on the word cloud analysis, it remains resilient to ascertain the primary concerns and challenges encountered by respondents when they strive for financial services. Figure 1 illustrates the word frequency of the main constructs, which were most often employed by all the survey participants. The research aimed to investigate the relationship between financial literacy and marketing creativity, and how this relationship influences market innovation and ultimately leads to improved financial performance. The secondary issue of the interview pertains to the need for marketing professionals to possess marketing orientation and financial literacy while selling financial services. The word cloud graphic indicates that the primary factors that contribute to improved corporate performance are financial understanding, financial literacy, marketing insight, and marketing creativity.

4.3.2 Word Frequency Graph

Figure 13: Word Frequency Graph



Word clouds just depict the frequency of words and do not accurately represent the prevailing structure. In order to determine the most common pattern that arose in the qualitative data, a word frequency graph was analysed. Figure 2 illustrates the important topics that arose during interviews and continue to strongly influence the construct that is essential for enhancing the firm's financial performance.

One participant in this survey specifically said the following statement:

"Additionally, I do not trust on companies and their disclosed. Beside that I do not have trust on companies which offer their financial services, I do have reservations due to Islamic perspective as most of the Islamic scholar consider financial services as prohibited. The fraud and trust are the main element which hinder me to participate in financial service ."

4.3.3 Word Frequency Table

Figure 14: Word Frequency Table

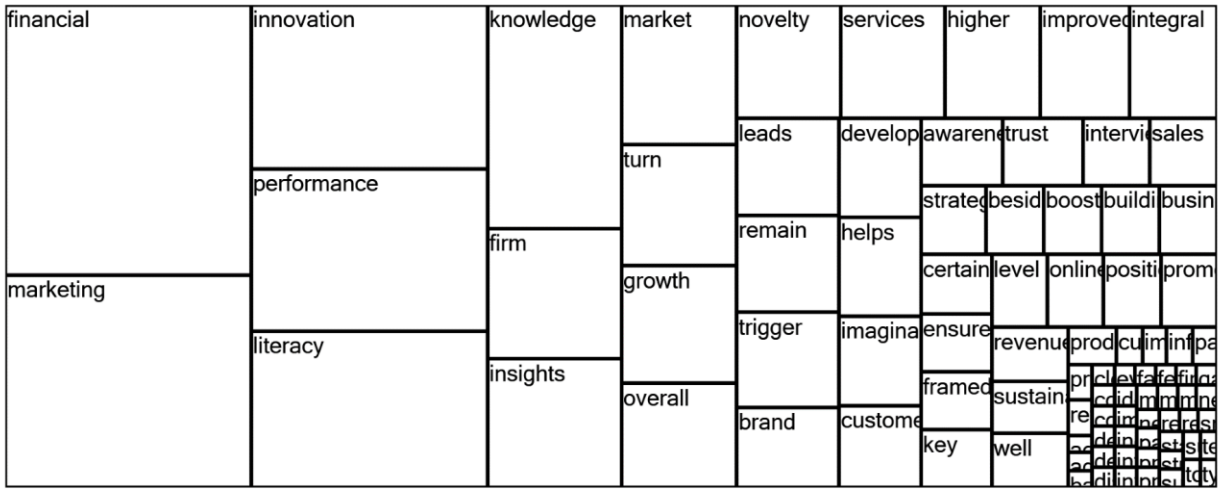


Figure 15: Word Frequency Box

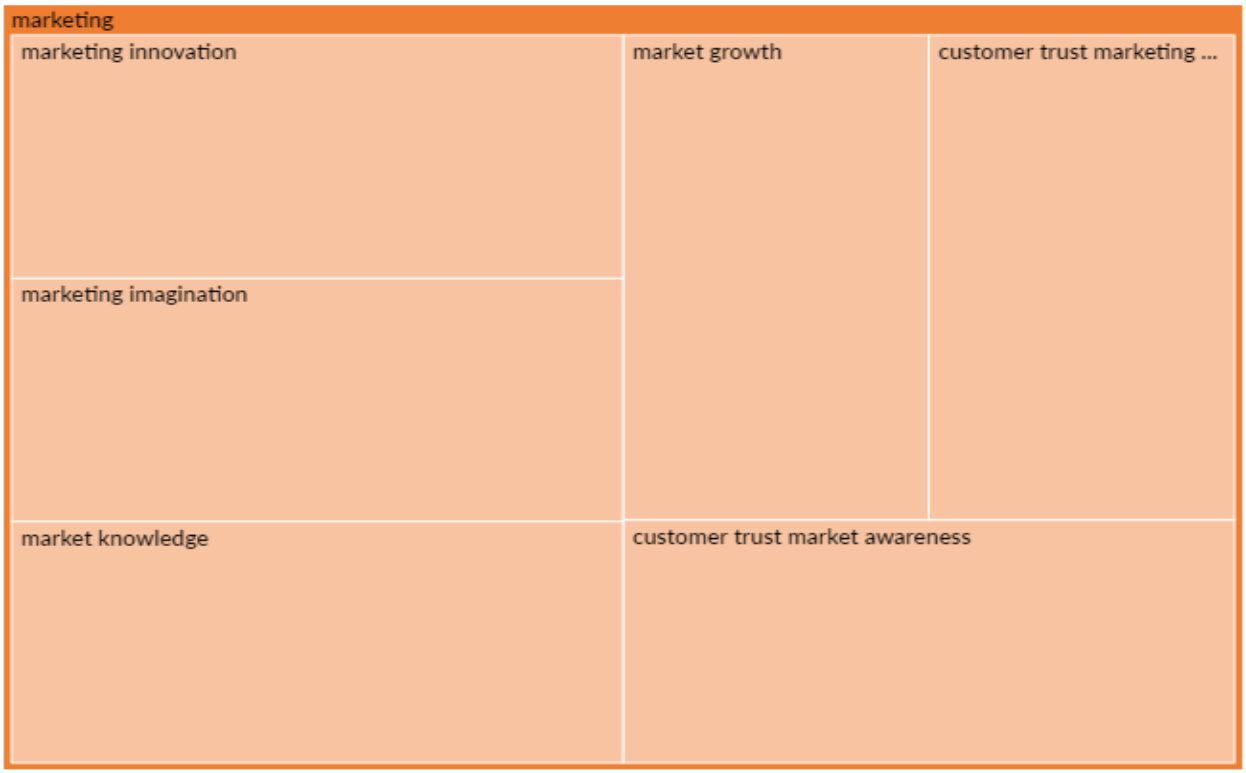
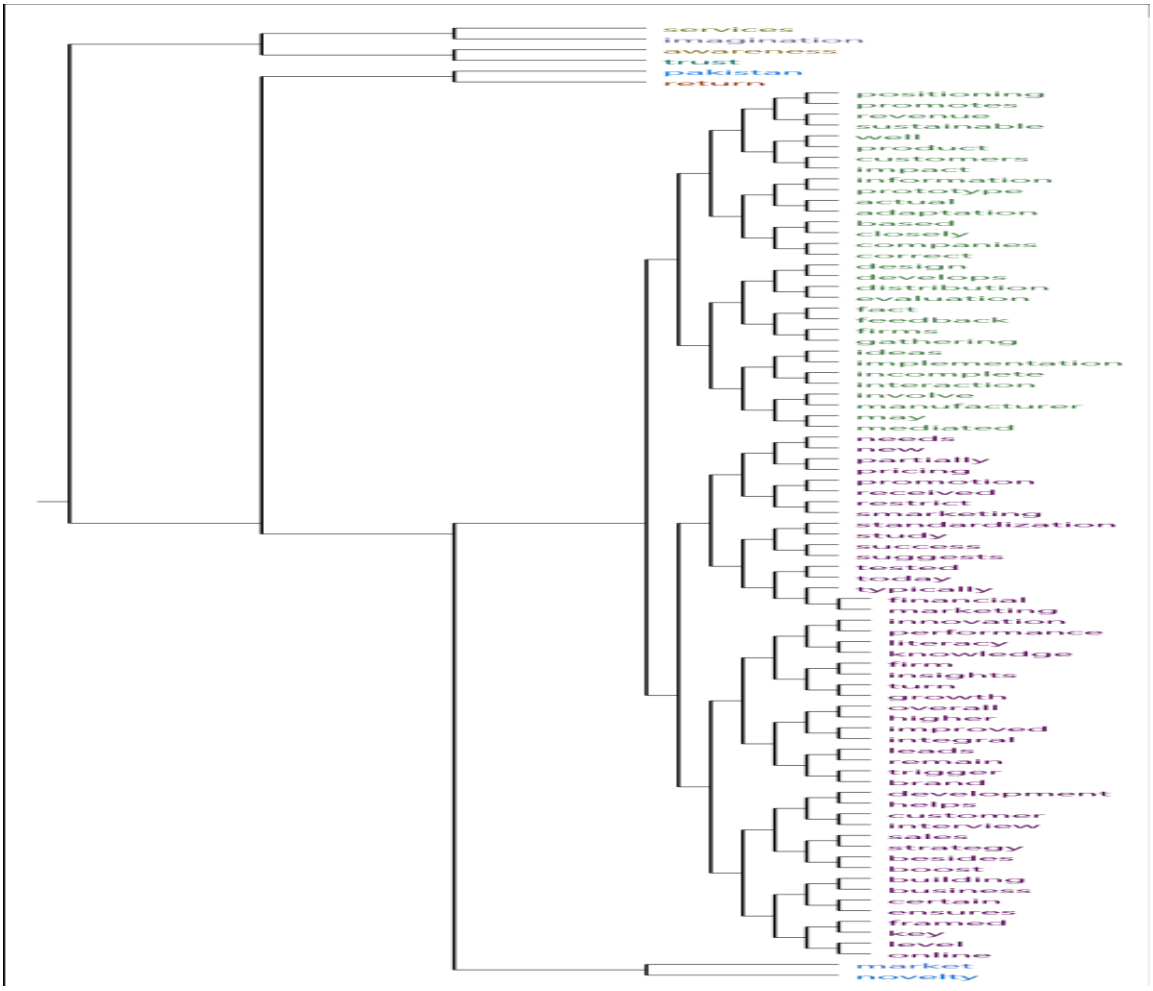


Figure 16: Word Tree



The qualitative model of the research has been constructed based on qualitative data and utilising an inductive technique. The study's model has been developed using a combination of human and automated coding. Coding is a crucial step that follows the transcribing of interviews. The transcribed data has been scrutinised using a range of tools and techniques to get a comprehensive picture of the phenomena being studied. Due to the unstructured and open-ended nature of the inquiry, we have obtained a naturalistic perspective from the respondents to discover the reasons behind the reluctance of families in Pakistan to join in stock market trading. According to the

qualitative model of the research, the following constructs or causes are crucial in influencing the financial performance of enterprises operating in the financial services sector in Pakistan.

4.3.4 Findings from In-Depth Interview

The comprehensive interviews uncover that financial literacy is correlated with an individual's distinct aptitude to analyse financial information and make effective judgements within the realm of personal finance management. Financial literacy specifically pertains to the acquisition and comprehension of crucial elements of personal finance, such as insurance and investment, and the capacity to effectively use such information in making financial choices. Individuals who are financially literate possess a greater understanding of risk, risk management tools, the advantages and disadvantages of insurance, and are able to make informed choices on risk management, leading them to choose to purchase insurance. Within this specific context, insurance managers have the ability to impart financial expertise, address their queries, provide assistance, and facilitate the decision-making process for consumers contemplating the purchase of insurance. This is further supported by the theoretical framework proposed by Kubitza, Hofmann, and Steinorth (2019), which demonstrates that illiteracy may lead to inadequate insurance coverage and suboptimal risk management choices.

Furthermore, the theoretical framework established in the literature aligns with the results gained from the field interviews. Additionally, this technique provided supplementary information that aided in a more comprehensive evaluation of the central concept and its underlying causes and effects. Initially, the field interviews provided a deeper understanding of the scope of financial literacy and marketing creativity. All of the activities related to marketing innovation were included in the main business processes of product development management, supply chain

management, and customer relationship management, without any exceptions (Srivastava, Shervani and Fahey 1999). Therefore, the early construction of the theoretical domain included a wide range of actions and ideas of the practitioners. Furthermore, the marketing process activities were discussed in relation to connecting the outcomes of marketing innovation to the success of the company.

Multiple experts noted that the implementation of systems (processes) is necessary to effectively capture the favourable outcomes of marketing innovation on a company's performance. The essential idea here is that without a means of efficiently enhancing the capacity to process orders or fulfil information requests from existing and potential clients after using innovative marketing strategies to raise awareness, the value for stakeholders would not be achieved. It has been often mentioned that many companies are often considered to be "innovative marketers," yet they frequently struggle to adequately prepare and allocate resources to meet the heightened demands put on the organisation after using novel advertising and promotional strategies. Several respondents said that organisations might be selling novel products without necessarily being top performers. This study presented empirical evidence supporting the significance of marketing-process activities in the marketing innovation framework, as well as the role of process innovation in regulating the relationship between other marketing innovation activities and business performance.

Furthermore, there was sufficient evidence to support the two primary components of marketing innovation, namely marketing insight and marketing imagination. The concept of marketing imagination garnered robust endorsement both in the literature and during the field interviews.

Interviewees saw marketing imagination, often referred to as frequent inventiveness and unconventional methods of meeting client demands, as the driving force behind marketing innovation. This aligns well with established theory. Furthermore, the practitioners often saw a clear and direct correlation between marketing insight and marketing creativity. The field interview comments consistently emphasised the importance of marketing insight in driving marketing innovation. This was expressed through various statements, such as the need to stay informed about market trends and the ability to take advantage of them. These insights were identified as a crucial factor in positioning marketing innovation as a primary driver of success.

To summarise, the in-depth interview process effectively combined the findings from published marketing literature and managerial observations, which were previously identified as crucial for developing a strong framework (Menon, et al. 1999). The executives provided strong and consistent support for the research model and also raised additional points of interest. The interview findings played a crucial role in modifying and refining the scale items used for collecting primary data, as discussed in the following section. This allowed the researcher to ensure that all relevant aspects were accurately measured in the survey instrument, capturing the essence of the intended construct in the most effective way.

4.3.5 Financial Literacy

The individuals who were interviewed have expressed their belief that marketing professionals who provide financial services have to have an extraordinary level of financial literacy in order to provide clients with an explanation of the complexities involved in financial services.

CHAPTER 5

DISCUSSION AND CONCLUSION

5.1 Introduction

In light of the overarching purpose of the study, which is to investigate the effects of financial literacy, marketing imagination, and marketing insight on financial and non-financial performance, both unmediated and through marketing innovation, this chapter expands upon the examination of the results that was presented in the previous chapter. This chapter not only presents a summary of the findings of the research, but it also places an emphasis on the most significant implications that the findings have for the academic industry and academic activities. This chapter begins with a brief summary of the chapters that came before it, followed by a discussion of the empirical results of the research in relation to the objectives that were outlined in the introduction chapter. A discussion of the theoretical and managerial implications of the findings of the research is included in the second section of the report. Last but not least, the limitations of the study as well as some recommendations for more research are highlighted.

5.2 Discussion of Main Findings

The primary goal of the research was to identify the factors that influence company performance and, by extension, the insurance industry's ability to expand its footprint in Pakistan and increase its contribution to the country's gross domestic product. The primary claim of this research was that insurance is a niche business and that money is a specialized commodity that needs specialized marketing. Therefore, in addition to more conventional methods of advertising, insurance goods also benefit from Financial Marketing Management. The literature indicated that

sales agents' ability to predict and plan sales is hindered not just by their lack of financial literacy but also by their lack of marketing insight and marketing imagination. The insurance product life cycle also involves the importance of marketing innovations. Thus, this study developed and tested research hypotheses to answer the following research questions:

RQ1: Whether financial marketing management (financial literacy, marketing insight, and marketing imagination) of the insurance agents contribute to firm performance?

RQ2: Whether financial marketing management (financial literacy, marketing insight, and marketing imagination) of the insurance agents contribute to marketing innovation?

RQ3: How does marketing innovation mediate the relationship between financial marketing management (financial literacy, marketing insight, and marketing imagination) and firm performance?

The key findings of the current study are explained in the following paras.

5.3 Financial Literacy versus Firm Performance and Marketing Innovation

H_1: Financial Literacy (FL) has a positive relationship with Firm Performance (FP)

H4: Financial Literacy (FL) has a positive relationship with Marketing Innovation (MINO)

H_8: Marketing Innovation (MINO) mediates the relationship between Financial Literacy (FL) and Firm Performance (FP)

To be financially literate is to possess a set of abilities that enables one to grasp and make use of financial information that is conveyed to them. Insurance industry marketing has not overlooked the need of having a solid understanding of financial concepts. In spite of the fact that marketers

place a high value on media, health, and financial literacy (for example, Huhmann, 2014; Huhmann, 2017; Jae et al., 2011), it is not very common for researchers in other domains to conduct study using the same ideas and methods that are used in marketing. Marketing researchers have the potential to apply information processing theories that were developed to understand consumer decision-making as well as the processing of advertising, product information displays, internet and social media marketing, and other forms of marketing communication. This would allow us to advance our understanding of literacy and the effects it has.

Literacy is an advanced idea that demonstrates one's ability to understand information and, therefore, make the best possible decisions in a given context. Subjective past knowledge, taught skills and heuristics unique to the domain, and general cognitive capacity all play a role in determining one's level of literacy (Huhmann 2014).

The two most common explanations for consumers' worsening financial situations are challenged by the resource-matching viewpoint on financial literacy. The first explanation is that consumers should be accountable for managing their fiscal responsibilities and responsible for their mistakes or suboptimal decisions. The second explanation is that financial service marketers do not provide consumers with sufficient information about the consequences of inappropriate financial management, which is why consumers end up in financial distress (Huhmann and McQuitty, 2009).

The truth is that customers don't devote much effort to learning about personal finance. People in Europe spend an average of four to six minutes on each and every bank or credit card statement, while they spend less than six and a half minutes on each and every item of tax correspondence (Greenyer, 2008). The resource-matching method implies that the short time that consumers spend with such sources of financial information may be connected to the overwhelming resource

demand for such information rather than a lack of financial responsibility on the part of the consumers themselves. Those customers are very loyal to brands who understand and respect their own domain-specific literacy limitations.

Viswanathan, Rosa, and Harris (2005) discovered that customers who are functionally illiterate have a strong sense of loyalty to businesses that make an effort to accommodate their literacy deficiencies. Furthermore, these customers have a positive response to loyalty programmes offered by these businesses, even when the loyalty programmes do not offer discounts. This was discovered in the English language domain. There is hope for customers with lower domain-specific literacy if permitting this lower level of literacy improves results for these customers. Low-literate consumers, for instance, scored at the same level as their high-literate counterparts in the language literacy area after ads were modified to account for their limited reading comprehension (Jae et al., 2011). According to the resource-matching theory, this result makes perfect sense.

Despite the fact that previous study in this field has largely overlooked consumer psychology and marketing concepts, a number of academics are beginning to explore financial decision making from the perspective of consumer behaviour. Researchers (Sivaramakrishnan, Srivastava, & Rastogi, 2017) employed the Theory of Planned conduct to investigate how cultural norms, attitudes, risk aversion, and financial literacy impact investment intentions and conduct. Their findings were published in this special issue of the Journal of Financial Economics. These findings lend credence to the resource-matching perspective as a valuable theoretical framework for the study of domain-specific literacy, such as the financial literacy of marketing agents. This type of literacy has an impact on the ability of consumers to comprehend financial information, to make the most appropriate financial decisions, and to prudently manage their financial resources.

New research suggests that when people gain financial knowledge, it will have a positive effect on their economic outcomes (Rumain, Mardani & Wahono, 2021). Having limited resources and not knowing how to utilise those resources effectively might lead to poor financial performance (Rahmayanti et al., 2019). Those that are financially savvy may use the information provided by financial statements to guide their company choices, reducing the likelihood of running into difficulties (Idawati & Pratama, 2020). It is impossible to run a successful business without an understanding of finances. The community cannot make educated financial decisions if it lacks the tools for effective financial management. Hasty judgments made with little financial understanding might offer a financial danger. Managers who have a firm grasp of financial concepts are more likely to make sound choices about their companies' cash reserves, investment portfolios, and credit needs (Kasendah, B.K & Wijayangka, 2019).

The findings in case of managers support both H1 and H4 (direct connections), showing that FL has a significant positive effect on FP ($t=6.052$, $p=0.000$, and $\beta=0.081$) and that FL has a significant positive effect on MINO ($t=0.2452$, $p=0.015$, $\beta=0.086$).

While for the case of agents H1 and H4 (direct relationship) again is supported i-e Fl had significant positive effect on FP ($t=6.456$, $p=0.000$ and $\beta=0.083$) and FL has a positive effect on MINO ($t=2.756$, $p=0.019$ and $\beta=0.079$).

H8: demonstrates that there is an indirect association between financial literacy and firm performance; this relationship is somewhat mediated by marketing innovation for managers ($t = 4.939$, $P = 0.000$, $\beta= 0.039$) and for agents ($t=5.125$, $p=0.000$ and $\beta=0.043$). This means that all of the findings are consistent with the current body of research.

Similar to the results for H1, the antecedent variables Marketing Insight (MIN) are significantly related to Financial Literacy for managers (FL) (t = 0.932, p = 0.000) and for agents (t=2.716, p=0.008 and β=0.089) and Marketing Imagination (MIM) is significantly related to Financial Literacy for managers (t value 0.932 and p value 0.000) and (t value 0.658 and p value 0.000) and for agents (t=2,667, p=0.002 and β=0.043).

5.4 Marketing Insight versus Firm Performance and Marketing Innovation

H_2: Marketing Insight (MIN) has a positive relationship with Firm Performance (FP)

H5: Marketing Insight (MIN) has a positive relationship with Marketing Innovation (MINO)

H_9: Marketing Innovation (MINO) mediates the relationship between Marketing Insight (MIN) and Firm Performance (FP)

The capacity of firms to anticipate market trends and deploy resources in order to fulfil future demands and desires before their rivals can do so is an essential factor in the expansion of marketing innovation. When a corporation has the vision to see potential in both existing markets and developing markets, it is able to cultivate an atmosphere that is favourable to the development of creative marketing. The firm can perform critical business tasks in novel and more efficient ways if its employees actively scan the market, test hypotheses, and build off the results. Accurately anticipating, recognising, and responding to future market occurrences is crucial for marketing intelligence to have a significant impact on the expansion and development of marketing innovation.

Using experience, intuition, and data, an organization's marketing strategy can only be as successful as the organization's capacity to continually perceive market and industry trends,

patterns, and trajectories (Bowen 1990, Crossan, Lane, and White 1999, Roberts and Eisenhardt 2003, Beck, et al. 2004). This skill is what makes the marketing strategy of an organisation so effective. According to Linoff (2004) and Roberts and Eisenhardt (2003), the definition of marketing insight is the recognition of the true nature and foundations of market phenomena that drive the creation, development, communication, and distribution of products and services. Companies that have marketing insight not only have intuition and foresight into the situation of the market both now and in the future, but they are also specialists at identifying the underlying cause of an issue. In the realm of marketing innovation, one of the most sought-after skills is the ability to comprehend the fundamental occurrence or trend that is being experienced or seen in the core business of the organisation or in adjacent industries. Instead of just responding to market activities, businesses that have marketing insight are able to think more deeply and precisely because they have a greater understanding of the underlying causes and inner workings of market activities.

Studies that used a competitive advantage theory approach and a resource-based viewpoint demonstrated that there is a positive and robust association between marketing insight, marketing innovation, and company performance (Elrehail, 2018). This relationship is characterised by a positive and strong relationship.

There is a strong connection between marketing insight, marketing innovation, and business results, as stated by Kubková et al. (2014). Research (Ruiz-Ortega et al., 2019) shows that marketing intelligence affects marketing imagination.

This research also shows that marketing insight is closely linked to both firm performance and marketing imagination. We find substantial support for Hypothesis 2: MIN is positively related to FP for managers ($t=2.617$, $p=0.009$, $\beta=0.052$) and for agents ($t=2.716$, $p=0.008$ and $\beta=0.089$).

According to the results, there is a significant positive correlation between marketing insight (MIN) and marketing innovation (MINO) for managers (t=3.189, p=0.002, β=0.049) and for agents (t=3.456, p=0.004 and β=0.077). In addition, there is a somewhat mediating link for managers (t = 2.117, p = 0.035, β= 0.039) between marketing insight (MIN) and firm performance (FP) while it has a non-significant link for agents (t=1.129, p=0.071 and β=0.031). This means that even having the right insurance product, the right procedure, and a strong customer connection, inside market knowledge, i.e. marketing insight, is still required to close the deal which is lacked by the agents. Also, this result agrees with the scholarly literature.

5.5 Marketing Imagination versus Firm Performance and Marketing Innovation

H_3: Marketing Imagination (MIM) has a positive relationship with Firm Performance (FP)

H6: Marketing Imagination (MIM) has a positive relationship with Marketing Innovation (MINO).

H_{10}: Marketing Innovation (MINO) mediates the relationship between Marketing Imagination (MIM) and Firm Performance (FP).

One of the most important aspects of marketing innovation is the creation of abstract mental pictures, which aid in the development of new approaches to satisfying customers' wants and needs. Focusing on the unrealized and the possible is essential for successful marketing innovation. This emphasis on innovation would cause the development of ground-breaking new products while the company's offerings would be limited to cheap knockoffs (Chandy and Tellis 1988).

Marketing imagination is necessary for transforming standard customer relationship management practices into something completely novel and superior. In order for customers to feel like they have a real connection to a business in the market, that business must fulfil a number of roles, including recognition, engagement, importance, customization, etc. If you follow the same practices as other companies, you won't benefit from the positive correlation between innovation and firm performance. Providing clients with novel and imaginative service and unflagging customer support is a step forward in the supply chain management process, another perk of originality and innovation. From the perspective of customers and other stakeholders, a company can stand out from the competition through creative contract negotiation, alliance details, selection methods, and quality-control approaches.

Despite its narrower original definition, marketing imagination has long been recognised as an essential part of marketing innovation (Levitt 1960). Ideation is the most difficult and critical part of the innovation process, and it is essential for the development of novel ideas (Hauser, Tellis, and Griffin, 2005). Imagination in marketing is a higher-order concept than simple inventiveness. While imagination is the process of coming up with novel and potentially groundbreaking alternatives (Menon et al., 1999; Andrews and Smith, 1996; Amabile et al., 1996); and recognising and articulating novel and potentially beneficial ideas (Higgins, 2008); marketing imagination is the process of taking these ideas and alternatives to the next level by visualising and creating mental images. One of the cornerstones of original marketing is realising that businesses and consumers alike purchase "solutions" rather than "things," and, even more importantly, that the best organization really implements "meaningful," rather than "apparent," answers (Levitt 1983). Moreover, the literature emphasizes that the labels assigned to consecutive time periods reflect the changing nature of value generation across time (Peters) (2001). There are many who maintain the

"knowledge economy" is still very much alive and well (Mascarelli, 2006, for example). Although the "knowledge economy" was a significant milestone, there are many signs that the business world has moved on. In the "era of imagination," as stated by (Erevelles, Horton, and Fukawa, 2007), knowledge is becoming a commodity. The present market environment need knowledge to effectively participate in.

As was previously said, a company's marketing imagination may be used as a reliable indicator of its marketing innovation if it can radically alter the way in which key business processes are carried out.

This study's findings are consistent with those from similar studies. Findings indicate a significant positive correlation between MIM and FP for managers (t values 3.452, p values 0.001, β values 0.037) and for agents (t=2.667, p=0.002 and β=0.043). Another significant positive correlation is seen between MIM and MINO for managers (t = 3.592, p = 0.027, β= 0.076) and for agents (t=3.588, p=0.037 and β=0.074). This means that the findings are consistent with the current body of knowledge.

It is common for top marketing managers to assume they are the sole ones tasked with conceptualising new products for the company. They also feel responsible for planning future strategic marketing initiatives. As a result, the average worker is disinterested in contributing to new ideas, and the company's enormous creative potential is often neglected. The typical employee has high levels of intelligence and originality. Imagination is readily available at all levels of a company. The problem is not a lack of creative ideas, but rather the inability or reluctance of top marketing executives to implement them. Those at the highest levels of marketing often make the mistake of thinking that only they have the ability to come up with innovative solutions. In contrast

to the Silicon Valley way of thinking, where anybody with imagination and passion can find money to bring their ideas to market, this misconception is linked to the old Soviet-style centrally regulated economy by (Hamel (1996), Birkinshaw, Hamel, & Mol (2008), and Hamel (1999)).

The results of this research are consistent with those in the aforementioned works. The data supports the tenth hypothesis, which claims that MIM and firm performance are connected through marketing innovation (FP). A mediation effect (t=-0.1762, p=0.079, β=0.033) was not found between Marketing Innovation (MINO) and Firm Performance (FP) for managers and agents as well (t=6.089, p=0.000 and β=0.081). This shows that the insurance industry in Pakistan does not place a high priority on market research and development, suggesting that innovative new products and approaches to solving insurance problems are not being considered. When it comes to creating new marketing strategies, inventiveness is sometimes inhibited. In addition demonstrating that the sales agents are not given a voice in the product development and supply chain process. Consequently, there are no novel goods available on the market.

5.6 Marketing Innovation versus Firm Performance

H7: Marketing Innovation (MINO) has a positive relationship with Firm Performance (FP)

There are a number of factors that add to the marketing literature's emphasis on conceptualizations of marketing innovation. Increasing the value for both the company and the customer via new and current market offerings is what marketing innovation is all about, and it's been noted before that it far outstrips product innovation. Changes to production or manufacturing processes are not part of process innovation. On the other hand, it has the ability to make major contributions to marketing innovation via the marketing process, which might have an effect on a variety of aspects, including product design and supply chain management. In order to successfully differentiate

between Product Innovation, Process Innovation, and Marketing Innovation, as well as to begin identifying the distinctive contributions that marketing innovation makes to strategic researchers and practitioners, it was necessary to have a comprehensive understanding of what marketing innovation is and how it operates.

The most important claim made in support of studying marketing innovations is that they boost company results (Baker and Sinkula, 2005). Innovation has been linked to higher productivity in several researches (Cho and Pucik, 2005; Soh and Roberts, 2005; Song et al., 2011).

There are a number of quantifiable indicators of a company's success that have been extensively researched in the field of marketing strategy (Srivastava, Shervani, and Fahey (1999); Kohli and Jaworski (1990); Deshpande, Farley, and Webster (1993); Kotabe (1990), to name a few). These indicators include sales expansion, profits, cash flow, and shareholder value. According to the research that has been conducted, sales growth, profit, cash flow, and shareholder value are considered to be more complete long-term indicators of persistent changes in company performance. Furthermore, these indicators are considered to be better alternative methods for empirical evaluation. Not all areas of marketing innovation have the same impact on new product success, time to sales takeoff, and return on marketing investment as others. These KPIs have the most potential for laying the groundwork for marketing innovation research and shedding light on the most critical facets of business outcomes.

Marketing innovation is beneficial to performance (Srivastava, Shervani, and Fahey 1999). This is due to the fact that it identifies essential tasks inside company processes and helps improve the quality of their execution. The link between marketing innovation and corporate success is a complicated one due to the fact that the new execution of fundamental business operations involves a number of separate activities, some of which need a bigger commitment of organisational

resources and risk than others. The insurance industry routinely engages in certain high-gain procedures, and businesses within the sector battle for a transparent and reasonable link between these procedures' actual results and their actual implementation. A basic degree of marketing innovation may be done with minimum effort, and this has a beneficial effect on the organization's performance.

Likewise, Hypothesis No 7 supports that marketing innovation (MINO) has a considerable beneficial influence on firm performance (FP) for managers (t value 0.601, p value 0.000, β value 0.065) and for agents (t=6.089, p=0.000 and β=0.081)

5.7 Implications of the Study

The most essential strategic success driver for Insurance firms to strengthen their competitive capability has been recognized as increasing the visiting customer experience in order to enhance customer loyalty by tapping into the visitors' knowledge, emotions, and perceptions. The results of this study were helpful not only to insurance companies but also to academics and policymakers in the area of insurance, therefore, theoretical, managerial, and contextual implications are discussed.

5.7.1 Theoretical Implications

Findings of this study emphasize for the agents and the consumer of insurance products to fully grasp the information and its implications, and must be able to process it, and this is hindered when the information's resource demand surpasses their ability to do so. For example, content that demands more resources than the client is willing or able to handle may be included in advertising for mutual funds. This may have a detrimental impact on the processing of the information and the repercussions that follow. Providers of financial services may be hesitant to fully reveal all relevant

data for fear of alienating customers with overly wordy or drawn-out presentations that are the norm in the sector (Franke et al., 2004). A study was conducted to examine the content of advertisements for mutual funds that were published in Barron's and Money over a period of two years. The findings revealed that 88 percent of the advertisements did not provide the information that is required for effective investment decision-making, including the risk-return trade-off, principal-agent conflict, and transaction cost information (Huhmann and Bhattacharyya 2005).

Furthermore, literacy being a set of skills allow one to read, write, speak, and listen effectively, as well as to comprehend the information learned. Consequently, the value of literacy to marketers cannot be overstated. Even while marketing professionals place a premium on advertising, health, financial, and other forms of literacy (e.g., Huhmann, 2014; Jae et al., 2011), it is unusual for other fields to do research using the principles and techniques popular in marketing.

Furthermore, financial decision making has seldom been studied from the perspective of agent behavior in the past, but recent studies are conducted to rectify this omission in the literature. The research conducted by Sivaramakrishnan, Srivastava, and Rastogi (2017), who used the Theory of Planned Behaviour to predict investment intentions and behaviour based on social norms, attitudes, risk aversion, and financial literacy, served as the impetus for this investigation. This study's findings indicate that the resource-matching theory perspective is a powerful theoretical lens that can be used to investigate domain-specific literacies such as agent financial literacy. These literacies have an impact on consumers' ability to comprehend financial information, to make the most effective financial decisions, and to effectively manage their financial resources. The authors Anand and Sternthal (1990), Jae et al. (2011), and Meyers-Levy and Malaviya (1999) argue that the resource-matching approach can be used to provide a theoretical explanation for the effects of higher versus lower literacy on domain-specific

information processing and subsequent cognitive (for example, comprehension) or behavioural (for example, application or decision making) outcomes. When a person's available resources are in harmony with the resource demand associated with some kind of communication, optimum processing occurs, as proposed by the resource-matching method. For instance, marketing for a mutual fund should be tailored to the level of financial savvy of its target audience. The substance of the advertising, and the consumer's subsequent financial decisions, may be processed more efficiently as a result.

A number of financial and neoclassical economic models, including those proposed by Arya et al. (2000), Fama (1980), Huang and Litzenberger (1988), Ingersoll (1987), Jensen and Meckling (1976), and Williamson (1981), argue that it would be advantageous to reveal all of this information. Yet, the resource matching viewpoint argues that this deluge of information would be too much for the vast majority of customers to handle. Evidence from an experiment whereby advertisements for mutual funds were shown with and without information on the risk-return trade-off, principal-agent conflict, and transaction costs lends credence to the resource-matching viewpoint. Including this information in mutual fund advertising raises investors' perception of the funds' risk rather than lowering it (Bhattacharyya et al., 2014). Financial service advertising is dominated by emotional and other non-informative appeals; thus it should come as no surprise that include information valuable to the financially knowledgeable is counterproductive for ethical marketers (Huhmann and Bhattacharyya, 2005). When resource demand is lower than supply, a third alternative emerges from the standpoint of resource matching. Counterarguments, source derogations, and other cognitive processes may take precedence over processing if this happens. If experts were asked to evaluate the data from, say, an insurance company's website that

introduces its products to newcomers, they would almost certainly come up with rebuttals or source derogations, or they would move on to other interesting stimuli much more rapidly.

More mental capacity is made available for processing when mental effort or demand is increased. The non-monotonic connection between supply and demand for those resources should therefore peak as demand rises, shifting to the right. Those who were more invested in the product category showed greater recall of the commercial's product category, brand, and message elements, the study found (Lowrey, 2006).

5.7.2 Managerial Implications

Findings emphasize to refocus and enhance the marketing strategy's emphasis on using existing investments in R&D in order to increase investor returns, stakeholder interests, and the company's overall performance. This achievement is due to the rising demand for the company's existing products and those it has just introduced to the market. Having trust in an organization's ability to fully utilize its market position, product line, and equity in the marketplace allows stakeholders to rest assured that the organization is doing all necessary to produce the maximum potential return for a given degree of risk. Research shows that companies with a high degree of marketing innovation are better able to respond to changing market circumstances and new market developments by segmenting and re-segmenting markets and re-positioning brands. Companies with a history of marketing innovation are more likely to be the pioneers of novel approaches to the field. This study refines our understanding of the typical phases of innovation in marketing and financial literacy, allowing for more effective use in more intricate strategic scenarios. Therefore, they are able to attract a larger number of new and returning customers, and their long-term performance has been shown to be better to that of their rivals. There are two more positive outcomes that result from using the new marketing innovation.

Findings of this study implies that conflicts between the marketing and R&D/product engineering teams may be mitigated by putting more emphasis on the market-relationship space of marketing innovation. In this area of marketing innovation, marketers are urged to see that turning a negative situation into a positive opportunity is one of their most valuable contributions to the company, even more so than introducing new products or enhancing manufacturing processes. Instead of blaming or directing poor performance outside of their own department, forward-thinking marketers who include marketing innovation in their department's vision understand that, depending on internal and external factors, marketing plans for existing products may be more crucial than marketing plans for new products.

The results of this study revealed that the success of their business depends on how creatively they use various forms of marketing. It is possible that research and development and marketing will no longer be at odds with one another thanks to this vision and marketing innovation, as mentioned above, may be implemented without drawing on either innovation or research resources. The second positive by product of the proposed architecture for marketing innovation is that it gives the company's marketing staff more authority to do their jobs. Businesses can more precisely identify marketing innovation from other forms of innovation inside their organizations due to the formal definitions of marketing innovation's differentiating characteristics. Thus, businesses have a better means of monitoring and assessing the efficacy of their marketing budgets. Increased profitability is likely the outcome of more creative advertising and other marketing initiatives when compared to competitors in the same sector. Stakeholders should be encouraged to put more money into marketing to boost long-term revenue growth, customer loyalty, and staff happiness as a consequence of the increased profitability.

The findings further implies that the demands of financial literacy has increased as people take on more financial responsibilities, such as saving for retirement, purchasing health insurance, and paying for their children's and grandchildren's educations. Unfortunately, the complexity of alternatives and the attendant resource requirements have grown in tandem with the increased responsibility placed on consumers. The situation deteriorates further when the insurance agent is financially illiterate. Beneficial financial literacy and other context-specific literacies initiatives should have a disproportionately large effect on underprivileged groups whose members lack cognitive capacity, have cognitive capacity drained by cognitively demanding activities or demands, or lack skills. It has become more important for consumer and societal wellbeing because of the well-documented difficulties that bad financial choices create in society. This research suggests that if individuals had better access to financial knowledge and training, they would put away more of their earnings. If you've saved enough for retirement, you may live it up in your golden years.

5.7.3 Contextual Implications

Besides theoretical and managerial contributions of this study, findings can be applied to the fields of insurance agent behaviour, marketing innovation, and financial literacy. When it comes to employment, a significant portion of Pakistanis choose to work for companies in the private sector. Most people working in this industry are not eligible for retirement benefits. Thus, having a comfortable retirement fund is essential for a happy old age. However, it is crucial to start planning for retirement as soon as possible after starting a new job if one wants to have a comfortable retirement. Especially in the event of old age, disability, or the death of a wage worker in the family, few businesses provide individuals with financial assistance via retirement planning.

There have been several societal and economic shifts in Pakistan over the last two decades, and one of them is the privatization of pension planning. Today's investments are global in nature. Thus, investors need a better degree of financial literacy to make sound investment decisions. As a crucial sustainable development aim for the benefit of the average man and woman all over the globe, the United Nations (UN) highlighted the improvement of the quality of education as a priority in the year 2015. This ought to act as another proof of the need of supporting the development of financial literacy. Literacy has been rethought to include proficiency in economics. Literacy is defined as the capacity to comprehend and carry out basic monetary transactions, according to the Sustainable Development Goals (SDGs).

There have been a number of pieces of empirical study conducted all over the globe that have examined theories on the link between financial literacy, retirement planning, and other demographic and economic characteristics (Arpana and Naidu, 2019; Boisclair, Lusardi, & Michaud, 2017; Moure, 2016; Seay, Kim, & Heckman, 2016). On the other hand, there is a dearth of research on the subject of marketing insurance products to individuals who have poor levels of financial literacy. This is due to the fact that the idea of financial literacy has not yet been developed in low-income countries such as Pakistan. It is, therefore, crucial to estimate the rate of FL in Pakistan. In the current research, this was accomplished via the use of a survey-based technique. The research also looked at the connection between business acumen, marketing leadership, and revenue growth. As this research has shown, money is a unique commodity, and as such, the study of marketing financial products ought to be called Financial Marketing Management. That means the person selling the insurance product needs to be financially literate, and the person buying the product has to be financially literate as well.

5.7.4 Policy and Social Implications

The findings of this study provide the following suggestions and guidelines for achieving good firm performance intents via sales, required return, employee satisfaction, marketing innovation, customer experience, service performance, perceived value, consumption emotions, and customer satisfaction.

1. Insurance service providers will need to implement proactive tactics that are mainly focused on educating customers and encouraging them to use insurance more often. In general, poor contract certainty has been a distinguishing characteristic of most financial transactions in the developing world, which has eroded the confidence of the general public in the insurance industry. Regulatory authorities should intervene at this point to enhance regulation and oversight, which will help to increase public confidence and trust in the insurance sector even further. In the particular instance of Pakistan, the current government's core policy of rigorous respect to the rule of law should be extended to the insurance sector, where impunity seems to be reigning supreme at the present time. When the general public understands that they have the option of pursuing compensation in the event of an insurance issue, they are more likely to have confidence and a favorable attitude toward the sector. Nonetheless, demonstrating the effectiveness of marketing-oriented rather than sales-oriented approaches by insurers would go a long way toward resolving the attitudinal issue.

2. Engaging industry leaders and academics in the process of enhancing financial literacy may also be beneficial. Financial literacy increases the likelihood of a virtuous cycle, which will help to solve the problem of low savings rates and asset accumulation.

Furthermore, policymakers in Pakistan may be influenced by these results to step up their efforts to improve financial literacy among the public at large in the country. This may aid in the improvement of the financial planning which will in turn help households to participate in financial markets when their savings rate is higher, which ultimately will improve the overall well-being of the population and will lowers the degree of poverty (Lusardi, 2019).

3. Specific marketing tactics are needed to persuade the younger generation (those under 30 years of age) and the less educated to embrace and understand the role that insurance plays in their lives. Because the fundamental problem associated with this lack of interest is primarily a lack of understanding of the responsibilities and advantages of insurance services, it is suggested that substantial marketing communication efforts be directed more directly at the group of individuals who have been identified. This will assist in rekindling their enthusiasm in the company and elevating the insurance institution to the highly elevated place that it deserves in their view of the industry.
4. The government of Pakistan has made a significant policy change by incorporating the Sustainable Development Goals (SDGs) into the country's curriculum as national goals. At the Sustainable Development Summit that took place on September 25, 2015, the United Nations Member States approved the 2030 Agenda for Sustainable Development. This agenda comprises a series of seventeen Sustainable Development Goals (SDGs) that aim to eradicate poverty, combat inequality and injustice, and address climate change by the year 2030. Despite the fact that Sustainable Development Goal number twelve (SDG) promises "Responsible Consumption and Production," the Planning Commission has not developed any policy or implementation strategy to streamline financial institutions in

order to activate responsible consumption and production in the economy.

5. One of the most important success strategies for the insurance business is to place a strong emphasis on fostering client loyalty. It has also been evident that insurance products are mostly sold on the basis of personal relationships. Guiding the managers and agents to educate the customers on financial products and acquiring the financial knowledge by the marketing managers and sales agents is more important. This concept must be ingrained and established by management in the culture of service providers as well as in the minds of their workers.

6. Also, the Securities and Exchange Commission of Pakistan (SECP) while recognizing the importance of investor education has initiated an investor education program, 'Jamapunji'[5]. But it does not emphasize the importance of financial marketing management in Agent / Brokers. This program only caters for investors / customers but not the Agents and Managers.

7. Individuals who improve their financial literacy may be able to earn more money and rational financial choices based on literacy and logic. Our results indicate that Financial Literacy levels in Pakistan are rather low, and that significant efforts would be needed to raise FL levels in the nation.

8. When it comes to engaging with sales employees, comprehensive training should be given so that employees may increase their level of financial knowledge and expertise on financial products while also improving their social interaction skills. Due to the fact that

[5] SECP Initiative; Jamapunji https://jamapunji.pk/about-jamapunji

these indicators have a direct influence on perceptions, emotions, and behavior, it is critical for management to increase and improve their effectiveness. Furthermore, when recruiting new workers, management should take these indications into consideration.

9. The clientele of insurance products should be considered as a component of their product or the customer's experience. It is important for management to place a strong focus on knowing their clients' requirements and cultural backgrounds. This may assist them in identifying and grouping consumers who have similar interests and backgrounds in order to guarantee good customer satisfaction.

10. Nonetheless, the findings of this research show that service performance and marketing are critical in the development of customer experience. Financial Literacy will certainly enhance the experience for the customers and in turn will increase firm performance.

11. Creating the complete and less complicated customer experience must be the starting point for all insurance products when it comes to achieving their goal of encouraging good customer behavior and increasing customer loyalty in the first place.

12. Furthermore, the indirect experience of consumers serves as the starting point for the customer experience. Insurance marketing management should take great care in simpler designs and presentation of its advertising and promotions, since they serve as the initial point of contact between customers and the insurance company.

13. The performance of service providers allows consumers to get first-hand knowledge about the product or service.

14. The Insurance Regulatory Authority i-e State Bank of Pakistan (SBP) and Insurance

Association of Pakistan (IAP) should assist its members by providing basic financial literacy training to the sales agents and general population, as recommended by the World Bank (customers of insurance services).

15. Students of "financial literacy" are not required to attend lessons at their local schools, but may study from courses available online (or on CDs or DVDs) from the comfort of their own homes. Courses in the insurance industry may be modified and adjusted to meet the requirements of students with varying degrees of financial expertise. It is suggested that Basic Financial planning should be taught from the very beginning in the schools and advanced module as life skill in the colleges. The undergraduate university students should have a bank account as well as an insurance policy.

5.8 Limitations of the study

For the purpose of confirming the results and laying the groundwork for further research on this topic, it is necessary to address the limitations. This study, like any other piece of research, is subject to the same kinds of limitations and restrictions. Based on the fact that we included sales agents, CEOs, top managers, and non-managers in the same sample, we were able to demonstrate that non-managers are capable of identifying the great majority of the valued connections that were investigated in this research. On the other hand, because of this, we are unable to carry out an exhaustive and independent exploratory and confirmatory factor analysis with two different groups of managers. In order to do the confirmatory factor analysis using independent data, the only sample that was large enough to do so was the initial sample, which included all of the respondents themselves. A verification check that was conducted independently and only included management would have been an outstanding idea. In addition, despite the fact that a method that

was both exhaustive and exhaustive was used in order to determine the needed sample size, it was ultimately determined that a larger sample size was required in this particular instance.

In order to evaluate businesses based on the strengths and weaknesses that are likely to be associated with their current level of financial literacy, marketing innovation, and development progress, it would be beneficial to conduct a more succinct assessment of marketing innovation and financial literacy. This would lay the groundwork for a more streamlined marketing innovation scorecard approach, which could be used to evaluate businesses. In addition, it would have been beneficial to give a new technique of measuring performance in the marketing product, marketing process, and marketing relationship domains in addition to the usage of Likert-type questions. It would have been very helpful to employ more discriminating measures between the spaces in order to confidently and comprehensively characterise the contributions and other operations of each of these individual marketing innovation spaces. This would have been the case even though the high correlation that was theoretically predicted was observed. In order to acquire the best possible level of trust in the findings, it is recommended that additional objective and longitudinal assessments of the performance of the firm be included.

5.9 Future Research Directions

It has been shown by Muller and Shafir (2013) that simple interventions, such as reminders, assistance with form completion and planning, default options, and default settings, may reduce the amount of resources that are used. It is preferable to reduce the resource requirements of financial education and financial management programmes in order to better serve those for whom these programmes are intended. This is because adding cognitive taxes, which further deplete available resources and make it much more difficult to successfully manage finances, would be a waste of resources.

It is possible that the limited amount of time that consumers spend with such financial information sources is not owing to a lack of financial responsibility but rather to an excessive amount of resource demand for such information, as suggested by the resource-matching perspective. Customers are very loyal to firms that acknowledge and actively seek to overcome the literacy obstacles that are peculiar to their own domain. Viswanathan, Rosa, and Harris (2005) discovered that customers who are functionally illiterate have a strong sense of loyalty towards businesses that make an effort to accommodate their literacy deficiencies. Furthermore, these customers have a positive response to loyalty programmes offered by these businesses, even when the loyalty programmes do not offer discounts. This was discovered in the English language domain.

The impacts of financial literacy on marketing creativity, as well as marketing insight and imagination, should be investigated via longitudinal research that should be carried out for a minimum of five years. This study should also take into consideration the influence that financial literacy has on the performance of corporations.

5.10 Conclusion

The purpose of this research was to investigate how financial literacy affects insurance company success in Pakistan, especially when innovative marketing strategies are taken into account as a mediating factor, based on the resource-based strategy. Most of the literature is grounded on the resource-based approach. Mainly, this research aimed to determine why the insurance industry is unable to keep up with other areas of the economy. According to the results of this research, insurance agents and managers struggle to sell policies despite the widespread availability of both insurance products and potential policyholders. Personal connections are the only legal means of selling insurance. The results of this study show that neither the sales staff nor upper management can sway a customer to make a purchase. One of the most important factors is

the fact that both the salesman and the customer have a hard time grasping the complexities of the insurance being sold. The lack of a comprehensive regulatory framework has left the customer wary of the insurance provider. The insurance company doesn't realize that the product it's selling is a niche financial service that needs specialized advertising. So, it's not only about moving merchandise; rather, it's the skill of striking a deal between two parties in which one receives money and the other gives up theirs. And they knew that this particular answer would reduce risk and enhance their quality of life.

This study provides significant evidence for those who are working in administrative and sales roles inside insurance organizations tend to be financially illiterate. Most of them only work here sometimes, and many of them just came here as a last choice after they had little luck finding full-time work elsewhere. The insurance policies are too complicated for them to understand. This research also shows that marketing innovation, which includes product, process, and customer relationship management, requires market insights, or familiarity with the current market environment. In contrast, the insurance industry does not place a premium on marketing imagination, defined as the creation of novel approaches to selling goods, since products are often standardized. This study finishes by introducing the term "Financial Marketing Management" (FMM), which argues that the marketing of financial goods requires expertise and hence the involvement of those familiar with both the products themselves and the most effective ways to promote them.

The purpose of this study was to investigate domain-specific literacy, such as consumer and agent financial literacy, which influences consumers' ability to understand financial information, make optimistic financial decisions, and manage financial resources responsibly. The findings of this study demonstrated that the resource-matching perspective is a robust theoretical

perspective. Consumer financial literacy is becoming more important in areas such as retirement planning, health insurance, and higher education expenditures as people take on more financial responsibilities. Unfortunately, the complexity of alternatives and the consequent need for resources has grown in tandem with the increased responsibility placed on consumers. The agent's knowledge of finances is an asset in helping the customer make sense of the financial product, complementing the customer's own knowledge. It is essential that underprivileged people, particularly those who lack cognitive capacity, have their cognitive capacity drained by cognitively demanding activities and demands, or lack skills, benefit from efforts to increase financial literacy and other contextual literacies. The results of this study may also persuade the Pakistani government to step up its campaign to educate the public about personal finance, to those who take the time to improve their financial literacy may be better equipped to make sound choices in the future.

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ANNEXURE I

Survey Questionnaire

Bahria University, Department of Management Sciences, Islamabad Campus. Pakistan.

Title: **Financial Marketing Management; A contemporary imperative for firm's financial performance**

To build the body of knowledge and develop the best investing practices your valuable time is requested to fill the attached questionnaire.

Your participation in this research study is voluntary. You may choose not to participate. If you decide to participate in this research survey, you may withdraw at any time.

The main objective of this study is to investigate the impact of financial literacy on firm performance in insurance sector.

Your information will remain confidential. The results of this study will be used for scholarly purposes only.

Osman Bin Saif

Doctoral Candidate

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SECTION A						
D1	Gender	Male	Female			
D2	Your Age	20-30	31-40	41-50	51+	
D3	Your Education	College	Bachelors	Masters		
D4	Years of Experience in the sector	1-5 years	6-10 years	10+ years		
	How many employees work in your establishment ?	1-15	20-50	51-100	100+	1000+
D5	Please indicate the category that best describes your position in the organization	Upper / Top Management. Partner or Owner	Senior Management	Middle Management	Supervisor or Entry-Level Management	Non-Management
D6	Indicate the primary functional area of your role in the organization	Marketing	Technology	Operations	Chief Officer	Other
D7	How often do you participate in company marketing and product decisions?	Never	Annually	Monthly	Daily	Other

SECTION B

In these activities, how NOVEL (how striking, original, or unusual) is your organization?

MARKETING INNOVATION		Not Very Novel	Not Novel	Somewhat Not Novel	Neutral	Somewhat Novel	Novel	Very Novel
MINO1	Identifying new needs from existing and potential customers							
MINO2	Designing and developing new product solutions and prototypes							

MINO3	Coordinating product design activities to speed up business processes							
MINO4	Selecting and qualifying desired suppliers							
MINO5	Order processing, pricing, billing, rebates and terms							
MINO6	Managing multiple distribution channels							
MINO7	Identifying potential new customers							
MINO8	Developing and executing advertising and promotion programs							
MINO9	Developing and executing customer service and sales programs							

SECTION C								
Please rate your organization on the following activities:								
MARKETING IMAGINATION		Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree
MIM1	In our company, marketing plans have a specific format that strictly adheres to established procedures and processes for all marketing activities							
MIM2	We never have enough time to think ahead							

MIM3	We place special importance on innovative thought processes within our organization							
MIM4	We take pride in a collective ability to think “out of the box”							
MIM5	We encourage abstract ideas from our employees that Might not have immediate relevance to our business today							
MIM6	Our top management spends time in detailed analysis of all our problems							
MIN1	Other organizations can understand unusual market occurrences better than our organization							
MIN2	Our organization knows better than others what is really happening in the market							
MIN3	Our organization is often the “trend predictor” in our industry							

Please rate the amount of new product-related information that your organization has acquired over the past 6 months in the following areas:							
MARKETING INSIGHT	Very Low	Low	Somewhat Low	Neutral	Somewhat High	High	Very High

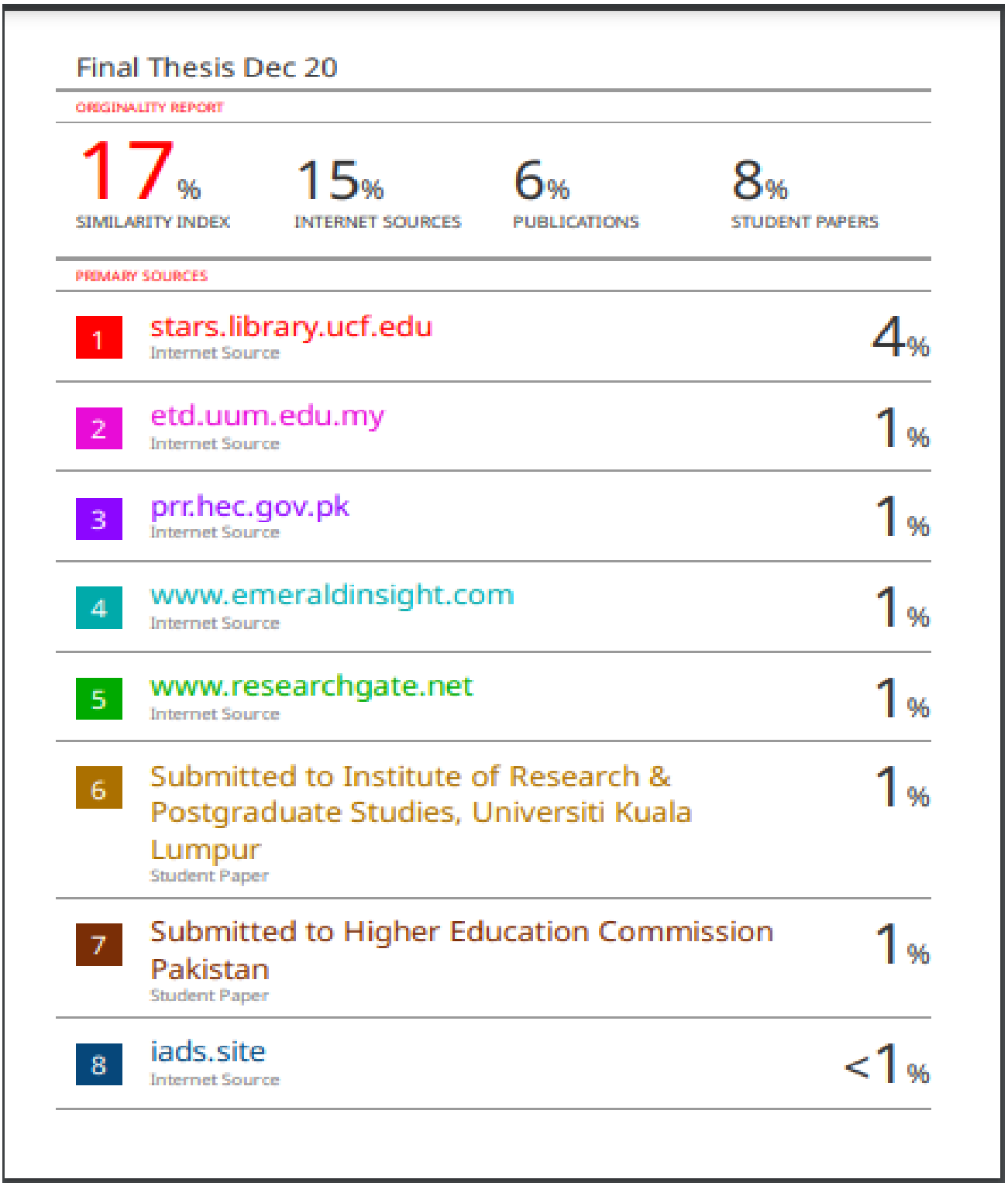
MIN4	Information about new ways to approach product and process development							
MIN5	Information about new trends in your industry							
MIN6	Information about end-user requirements and trends in customer expectations							
MIN7	Outside Research findings related to the development of new products							

SECTION D								
FINANCIAL LITERACY		Strongly Agree			Somewhat Agree			Strongly Agree
FL1	Agree that various personal loans available in the market is a convenient financial tool							
FL2	Have investments in different investment instruments							
FL3	Appreciate the interest compounding effect							
FL4	Utilize tax relieves and rebate in filling tax return							
FL5	Know the amount of money needed for retirement							
FL6	The benefits of investing in MANY assets is more than ONLY one asset							

SECTION E								
FIRM PERFORMANCE								
Please rate the performance by comparing the last five years with the previous five years								
		Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree
FP1	Return on Assets is increased							
FP2	Return on Investment is increased							
FP3	Market Capitalization is increased							
FP4	Earnings per share is increased							
NFP 1	Workplace relations are seen satisfactory							
NFP 2	New product development is satisfactory							
NFP 3	Considered research and development as important							
NFP 4	Emphasized on cost reduction programs							
NFP 5	Personal Development of Employees							
NFP 6	Ensures employee health and safety							

THANK YOU FOR YOUR COOPERATION

ANNEXURE II : PLAGIARISM REPORT



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ORIGINALITY REPORT

17%	15%	6%	8%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

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