



The Role of Integrated Marketing Communications in Supporting Strategic Alliances Between Banks and Insurance Companies in Algeria: A Theoretical Analytical Study of Key Local Experiences

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Abstract:

This article explores the role of integrated marketing communications in enhancing strategic alliances between banks and insurance companies in Algeria. It clarifies the concept of integrated marketing communications and its essential tools. The analysis includes the dimensions of strategic alliances within the financial sector. The interaction between marketing communication components and alliance goals is examined. Opportunities for integration and coordination are highlighted to improve institutional image and service quality. The study concludes that integrated marketing communications are crucial for building successful and sustainable strategic alliances. It emphasizes the need for joint communication planning between banking and insurance institutions.

Keywords: Banking Insurance; Integrated Marketing Communications, Strategic Alliances.

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I. INTRODUCTION

In light of the rapid transformations, occurring in the global economy and the competitive dynamics imposed by financial globalization, economic institutions, particularly those active in the banking and insurance sectors, are required to reconsider their operational methods and innovate more integrated mechanisms to ensure their sustainability and expand their market influence.

In this context, strategic alliances have become not just an option, but a necessity dictated by the structural challenges and operational risks faced by these institutions, especially in emerging market environments.

The alliances between banks and insurance companies represent one of the most prominent forms of modern financial integration, sometimes referred to as "bancassurance." This concept allows for the provision of a comprehensive package of financial services within a unified coordinating framework, contributing to improved customer loyalty, expanded client bases, and reduced operational costs.

Conversely, the success of this integrative model is contingent upon the effectiveness of the communication structure adopted between the allied parties. Here, the importance of integrated marketing communications emerges as a strategic framework that allows for the unification of marketing messages and ensures consistency across various promotional and communication tools. It is impossible to discuss effective strategic partnerships without a communication system capable of building trust, enhancing coordination, and establishing a unified identity for the institution.

Despite the significant importance of the latter, academic interest in it within the Algerian context, particularly from the perspective of the relationship between marketing communications and bancassurance alliances, remains limited, which has prompted us to choose this topic.

From this standpoint, this article aims to analyze the role that integrated marketing communications can play in supporting strategic alliances between banks and insurance companies in Algeria, by addressing the conceptual framework of both terms and exploring the potential theoretical relationship between them, with a focus on the locally adopted practical models.

To achieve this, the article relies on a descriptive methodology based on analyzing theoretical literature, highlighting some Algerian experiences in this field, and drawing conclusions that help understand the nature of the relationship between marketing communication and strategic alliances in the financial sector.

1. The Theoretical Framework of Strategic Alliances and Integrated Marketing Communications (IMC)

1.1. Strategic Alliances – Concept and Theoretical Foundations

1.1.1 Definition of Strategic Alliances

Strategic alliances are defined as long-term cooperative agreements between two or more institutions, each retaining its legal and organizational independence, and seeking to achieve common strategic objectives, such as entering new markets, developing products, or improving operational efficiency (Yoshino & Rangan, 1995, p. 27).

They are also defined as: *“a cooperation agreement or association between two or more independent enterprises, which will be together for some time if they want to improve their own competencies. In this case, there will be better opportunities for partners to concentrate resources and coordinate efforts for better results”* (Elena, 2013, p. 30).

From these definitions, alliances are a strategic option alternative to full mergers,

providing institutions with flexibility while sharing risks, benefits, and efforts to achieve satisfactory outcomes for both parties.

1.1.2 Types of Strategic Alliances

Strategic alliances are classified according to several criteria, based on their objectives, their impact on competition, and the prevailing organization. We will present them in the following table:

Table (1): Types of Strategic Alliances

Type	Definition	Objectives	Impact on Competition
Semi-Focused Alliance	A group of competing institutions collaborates to develop, manufacture, and market a final product jointly among all allied institutions.	Achieving economies of scale on a complete product while avoiding mergers and acquisitions.	Competition on the joint product is eliminated.
Aggregation Alliance	Competing institutions collaborate to develop or manufacture a common component that is integrated into their respective products.	Achieving economies of scale on specific inputs without resorting to external suppliers.	Competition on final products remains unaffected.
Integration Alliance	A company distributes a product in its local market, which is initially developed by a competitor.	Leveraging complementary skills and assets from various allies without duplicating corresponding investments.	Direct competition is avoided due to the differentiation of allies' products.

Source: Boujanane Abba, "The Role of Strategic Alliances in Supporting Innovation in Pharmaceutical Industry Institutions: A Case Study of the SAIDAL Group," Published Doctoral Thesis, Biskra University, 2020/2021, p. 94.

1.1.3 Motivations for Forming Strategic Alliances

Many economic studies and research have aimed to identify the motivations for forming strategic alliances, and the following table outlines the most important ones:

Table (2): Illustrates the motivations for forming strategic alliances.

Motivation for Strategic Alliances	Details
Accessing Resources and Capabilities	Enables the acquisition of various strategic resources and expertise, such as technology and knowledge of local market intricacies.
Avoiding Risks and Steering Clear of Uncertainty	Sharing investments and responsibilities among partners helps mitigate risks, especially in unstable business environments.
Enhancing Capability to Enter New Markets	The local partner's knowledge of cultural patterns, market dynamics, and other regulations facilitates entry into new foreign markets.
Achieving Competitive Advantage	The integration of partners' capabilities and resources helps increase market share, expand the customer base, and offer attractive propositions.

Realizing Economies of Scale	Reduces costs by utilizing shared infrastructure, technology, and distribution networks.
Enhancing Innovation and Creativity	Facilitates the rapid development of new financial services and products by collaborating with fintech institutions or research and development centers.
Adapting to the External Environment	Compliance with regulatory frameworks and adaptation to local and international legislation.

Source: Prepared by the researcher based on (Hitt & Ireland & Hoskisson, 2016, pp 209-215)

From the table above, the motivations for strategic alliances can be summarized in the following points

- Benefit from complementary resources and expertise.
- Reduce operational costs and enter new markets with lower risk.
- Interact with rapid technological or regulatory changes.
- Enhance competitive capability through the integration of strategic capabilities.

1.1.4 Conditions for the Success of Strategic Alliances

The success of an alliance requires the presence of several key factors, including:

- Clarity of goals and a shared vision.
- Balance of power and equality among partners.
- Existence of clear coordination and monitoring mechanisms.
- Harmony in values and organizational culture.
- Transparency in information exchange.

1.2. Integrated Marketing Communication (IMC)

1.2.1. Definition of Integrated Marketing Communication

Integrated Marketing Communication (IMC) represents a strategic framework aimed at unifying and coordinating marketing messages across various communication tools to enhance the effectiveness of influencing the target audience and ensuring consistency in brand image (Belch& Belch, 2021, p09).

It is also viewed as a concept and process that fundamentally relies on adopting a consumer perspective and integrating messages and communication means to reach the target audience of current and prospective consumers and clients, establishing a strong relationship with them based on dialogue and interaction to create value for the brand (Bushair and Marzouk, 2020, p. 87).

From the previous definitions, integrated marketing communication is a process that ensures that marketing messages are issued through various media and techniques—such as advertising, public relations, digital marketing, sales promotion, and personal selling—work in harmony and integration towards achieving a common goal.

1.2.2. Components of Integrated Marketing Communication:

To ensure the success of the integrated marketing communication process, Asemah (2012) believes that a set of tools and methods must be used, which are:

- **Advertising:** Dominique views advertising as any form of non-personal presentation and promotion of ideas, goods, and services, usually paid for by a specific sponsor. One could go further to describe advertising as a form of communication that attempts to explain the characteristics of products, services, and ideas in terms of consumer needs and desires.
- **Public Relations:** Aims to build a sustainable positive image. It is a profession that uses communication to build and maintain a good image and reputation among strategic stakeholders, referred to as "the public." In other words, public relations create a friendly and fruitful relationship between the organization and its audience, including managers, customers, suppliers, bankers, creditors, shareholders, community leaders, media, senior management officials, and bodies. Public relations is a management function focused on communication and mutual relationships, which will benefit the organization and its audiences.
- **Sales Promotion:** Sales promotion is a marketing communication tool consisting of short-term incentives to encourage the purchase or sale of a product or service. This means that while advertising and personal selling provide reasons to buy a product, sales promotion offers a reason for immediate purchase.
- **Personal Selling:** A direct, high-impact communication. It is a verbal presentation in the form of a conversation with one or more potential buyers with the aim of completing the sale and building relationships with customers. Personal selling is one of the interpersonal communication tools in marketing. It is seen as a process of communication between individuals through which the seller identifies the buyer's needs and then meets them in a way that benefits both parties in the long term. It is a type of marketing strategy that brings the marketer and the buyer face-to-face, making it the optimal means of direct communication.
- **Direct Marketing:** Includes social media, email, interactive content, digital media, websites, etc. According to Autor, direct marketing is a marketing system through which organizations communicate with targeted customers to generate a response or transactions. These responses, according to Autor, may take the form of inquiries, purchases, or even voting.

1.2.3. Principles of Applying Integrated Marketing Communications (IMC):

To ensure the effectiveness of an IMC strategy, a set of indispensable principles must be adhered to, as detailed by (Schultz & Schultz 2004, p. 75):

- **Relationships Instead of Transactions:** Integrated marketing communications focus on building long-term relationships with customers rather than merely conducting individual sales transactions.
- **Identifying the Value Expected by the Customer:** Understanding the value that the customer seeks and delivering it through all communication tools.
- **Data-Driven Planning:** Relying on analytical data to identify the audience and tailor messages accordingly.
- **Internal and External Integration:** Integration is not limited to external stakeholders (customers); marketing teams within the organization must also be aligned and harmonious.

- **Measuring Return on Marketing Investment (ROMI):** Emphasizing the measurement of the impact of each communication activity in achieving returns, rather than merely evaluating it creatively or visually.

1.2.4. Advantages of Integrated Marketing Communications (IMC):

Based on the above discussion, the advantages and benefits of IMC can be summarized as follows:

- Enhancing the organization's image and strengthening its market position.
- Reducing redundancy and duplication in campaigns.
- Maximizing the return on marketing investment.
- Increasing customer loyalty through consistent communication.

1.3. Integration Between Strategic Alliances and Integrated Marketing Communications (IMC):

By examining the concepts of strategic alliances and integrated marketing communications, it becomes evident that they are complementary concepts within the economic context, as follows:

- **The Logic of Interaction Between the Two Concepts:**

Within the framework of strategic alliances, especially those involving organizations with a commercial-service nature, the importance of integrated marketing communications emerges as an organizational and communicative mechanism to enhance the effectiveness of the alliance. IMC enables partner organizations to build a unified and cohesive image in front of the audience. It also facilitates internal coordination by unifying the language of messages and supports building customer trust through the repetition of unified messages across multiple media channels.

- **Benefits of IMC Within Alliances:**

Despite these advantages, IMC faces several potential challenges, such as differences in organizational culture between partners, the multiplicity of work teams, and conflicts in communication tasks. Additionally, there is the difficulty of evaluating the effectiveness of communication separately from the performance of the alliance, as well as the need for shared and coordinated information systems.

2. The Analytical Framework for Implementing Integrated Marketing Communications in Banking-Insurance Alliances:

2.1. Characteristics of the Financial Sector as a Stimulating Field for Alliances:

The business environment in the banking and insurance sectors is characterized by a set of features that make strategic alliances a highly viable strategic option:

- a. **The Service-Oriented and Intangible Nature of the Product:** Both sectors provide non-material services, making customer trust and the quality of communication with them critical elements in forming the purchasing decision (Kotler & Keller, 2016).
- b. **Intensity of Competition and the Need for Differentiation:** As the financial needs of individuals and companies become more complex, institutions seek comprehensive solutions, prompting them to collaborate with complementary organizations.
- c. **Stringent Regulatory Frameworks:** Banking and insurance regulations impose restrictions on certain practices (such as direct selling or incentives), making alliances a means to systematically navigate these restrictions without violating the law (OECD, 2017, p.49).

2.2. Models of Alliance Between Banks and Insurance Companies (Bancassurance)

2.2.1. Definition

The term Bancassurance refers to the joint effort between banks and insurance companies to provide insurance products and services to the bank's customer base (Hamoul & al, 2021, p.658). It is also defined by Swiss Re as a form of cooperation between the bank and the insurance company, where insurance products are sold to bank customers through bank branches or digital channels (Swiss Re, 2015, p.10). From the previous definitions, the choice of a specific bancassurance model depends on various factors, including the social, economic, cultural, and regulatory environment of the market, the market's infrastructure, as well as customer preferences.

2.2.2. Forms of the Model

- **Non-Integrated Distribution:** The bank sells insurance products without a true strategic partnership.
- **Functional Partnership:** Coordination of operations and joint training.
- **Institutional Merger:** A joint business unit or independent joint venture.

2.2.3. Mutual Benefits:

The benefits that accrue to both the bank and the insurance company from bancassurance can be summarized in the following table:

Table (3): Illustrating the Benefits of Bancassurance

For the Insurance Company	For the Bank
Expanding Distribution Network	Diversifying Revenue Sources
Reducing Customer Acquisition Costs	Enhancing Customer Loyalty
Strengthening Market Presence	Marketing Composite Financial Insurance Products

Source: Prepared by the researcher

2.3. How to Activate Integrated Marketing Communications in This Context?

2.3.1. Preparing the Shared Communication System

The success of the partnership requires establishing an IMC strategy that includes:

- A unified marketing message: reflecting the mutual benefit for the customer.
- Joint campaign design: with clear implementation responsibilities for each party.
- Use of a unified database: to ensure consistency in messages directed to customers.

2.4. Indicators for Measuring the Efficiency of Marketing Communications in the Context of Alliances:

To measure the efficiency of banking insurance, Xiang et al. identified the criteria that experts rely on, as shown in the table below:

Table (4): The indicators for measuring IMC efficiency in the context of alliances.

Measurement Mechanism	Indicator	Dimension
Content Analysis of Advertisements	Similarity of Messages Across Channels	Communication Consistency
Digital Marketing Tools and Analytics	Engagement Rate (Open, Click, Interaction)	Message Effectiveness
Customer Service Surveys and Data	Customer Satisfaction Level	Institutional Trust
Cost Comparison with Generated Return	Return on Marketing Communication	Economic Efficiency

Source: Adapted from Chiang & al, 2020

3. The Experience of Bank-Insurance Alliances in Algeria and the Impact of Integrated Marketing Communications:

3.1. The General Context of Strategic Alliances in Algeria:

3.1.1. The Organizational and Transformational Context of the Banking and Insurance Sectors in Algeria:

At the beginning of the third millennium, Algeria aimed to modernize its financial system and strengthen its regulatory and institutional framework through a series of reforms. These reforms included the insurance sector through Law 06-04, dated February 20, 2006, which allowed insurance companies to sell their products through alternative channels, such as banking networks (Official Gazette of the People's Democratic Republic of Algeria, Issue 15, 2006).

Similarly, the banking sector witnessed parallel steps, such as enhancing the relative independence of the central bank, expanding banking activities toward digital services, and enabling banks to play the role of comprehensive financial intermediaries. Within this context, the "Bancassurance" model began to emerge, albeit gradually and on a limited scale, in Algeria.

3.1.2. Motivations for Adopting the Bancassurance Model in Algeria

Several local studies have shown that adopting the bank-insurance alliance model is linked to several objective considerations:

a. **The Need to Diversify Income Sources:** Amid fluctuating financial returns and rising operating costs, it has become necessary for Algerian banks to create non-traditional income channels, including earning commissions from insurance contracts promoted through them (GACI, 2020, p. 45).

b. **Weak Insurance Culture and the Prevalence of Banking Trust:** Algerians prefer dealing with banks due to considerations of trust and stability, unlike insurance companies, which still suffer from a negative stereotype. Here, banks act as a "trusted intermediary" to promote insurance products (Gashi, 2021, p. 37).

c. **Development of Digital Tools:** The gradual digital transformation in banks has opened the door for joint campaigns with insurance companies through websites, applications, and even text messages.

From the above, it is evident that Algeria has moved toward cooperation models between banks and insurance companies, driven by several factors, which can be summarized as follows:

- Structural reforms in the banking and insurance systems (especially after the 2006 insurance law).

- State incentives for non-traditional financing and financial diversification.
- The high percentage of uninsured individuals, which presents a growth opportunity.
- The gradual digitization of the banking and insurance sectors, which has helped create shared communication environments.

Although the Algerian experience is still in its maturity phase, there are positive indicators confirming the effectiveness of these alliances—especially when managed with joint and purposeful communication plans.

3.2. Examples from the Algerian Market

Several banks and insurance companies in Algeria have undertaken various experiments in bancassurance. The following table highlights the most significant agreements signed between some banks and insurance companies in Algeria:

Table (5): The most important experiences in the field of bancassurance in Algeria.

Bank	Insurance Company	Date of Agreement	Insurance Products Distributed
National Savings and Reserve Fund (CNEP)	Cardif Algiers (CARDIF-ALGER)	25/03/2008	Retirement products, savings products, life insurance, damage insurance, insurance against natural disasters, and multiple risks.
Bank of Agriculture and Rural Development (BADR)	National Insurance Company (SAA)	20/10/2008	Insurance for agricultural risks related to fires, crops, and hail, multiple risks for plastic crops, livestock insurance, personal insurance, and housing insurance.
National Bank of Algeria (BNA)	Algerian Insurance and Reinsurance Company (CAAR)	04/10/2010	Insurance products from CAAR, insurance against natural disasters, and insurance against multiple risks for housing.
Algerian Popular Credit (CPA)	Algerian Insurance and Reinsurance Company (CAAR)	May-2008	Insurance against multiple risks for housing, insurance against natural disasters, and loan insurance.
External Bank of Algeria (BEA)	CAAR and CAAT	11/05/2008	Insurance against natural disasters, loan insurance, car insurance, fire insurance, and personal insurance.
National Bank of Algeria (BNA)	Algerian Comprehensive Insurance Company (CAAT)	05/10/2010	Temporary death insurance, individual accident insurance, travel insurance, and mandatory insurance against natural disasters.
Baraka Bank (BARAKA)	Salama Insurance Company (SALAMA)	04/10/2011	Insurance against natural disasters aimed at families and commercial and industrial establishments, multiple risks for housing specifically for families, and these products comply with Sharia.

Source: (Tassouri Bin Tassouri, 2021, pp. 09-11)

3.3. Analytical Observations on the IMC Experience in the Algerian Context:

From the table above, the strengths and weaknesses of the Algerian experience in bancassurance can be summarized as follows:

3.3.1. Strengths:

- The availability of extensive bank distribution networks, which facilitate customer access.
- Higher customer trust in banks compared to insurance companies, providing an advantage in marketing.

- Indirect government support for agricultural and social insurance, which helps in integrating communication policies.

3.3.2. Weaknesses:

- Weak coordination between the marketing departments of banks and insurance companies.
- Lack of effective tools to measure the impact of joint campaigns.
- Insufficient human resource training in skills for integrated sales of financial and insurance products.
- Significant shortcomings in utilizing digital communication tools and tailoring campaigns to customer segments.

The Algerian experience reveals that the success of bancassurance is not solely tied to the structure of institutional agreements but also to the efficiency of the accompanying integrated marketing communications (IMC). The more these communications are well-planned, cohesive, and adapted to the characteristics of the market, competition, and local customers, the more profitable and sustainable the alliances will be.

3.4. Barriers to Activating Integrated Marketing Communications in Algeria: Based on the strengths and weaknesses of the Algerian IMC experience, and despite positive initiatives, several challenges still hinder the integration of communication channels in bank-insurance partnerships. These challenges include:

3.4.1. Weak Institutional Coordination:

Each party (bank or insurance company) often designs its campaigns separately without agreeing on a unified message.

3.4.2. Lack of Effective Measurement Tools:

There are no clear Key Performance Indicators (KPIs) among partners to evaluate the impact of joint communication campaigns.

3.4.3. Weak Human Resource Training:

Many bank branch employees lack cross-selling skills or do not understand the nature of insurance products.

3.4.4. Neglect of Modern Communication Tools:

Despite the availability of digital infrastructure, customer-directed messages remain traditional and have limited impact.

4. Conclusion:

This theoretical study highlights the growing importance of Integrated Marketing Communications (IMC) as a strategic framework that enhances the effectiveness of alliances between banks and insurance companies in Algeria. The role of IMC is not limited to unifying marketing messages directed at customers but extends to building a unified corporate image and coordinating efforts among organizational actors, thereby boosting the competitiveness of institutions in a dynamic banking and insurance environment.

The literature reveals that the success of the bancassurance model in the Algerian context remains contingent on the maturity of the communication infrastructure within institutions and their ability to transition from fragmented communication practices to a comprehensive and integrated approach. The theoretical review also shows that challenges are linked to organizational structure, human competencies, and the relative weakness in digital adoption—factors that limit the effective implementation of this model in practice.

This research paper aims to pave the way for further applied studies that investigate the reality of integrated marketing communications in the banking and insurance sectors, measure their actual impact on the quality of strategic alliances, and assess their influence on customer satisfaction and the sustainability of relationships in the Algerian market.

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