

The Effects of Public Policy on Organizational Isomorphic Behaviors and Relationship Marketing Strategies: A Case of Life Insurance Companies in Shandong Province, China

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Abstract

This study aimed to examine (1) the impact of public policy on organizational isomorphic behaviors within China's life insurance industry; (2) the effect of such isomorphic behaviors on relationship marketing strategies; and (3) the pathway through which public policy ultimately influences marketing efficiency. A mixed-methods approach was employed, comprising quantitative survey data from 425 respondents and in-depth interviews with 12 senior managers from life insurance companies in Shandong Province, selected via quota sampling. Data were analyzed using descriptive statistics, structural equation modeling (SEM), and content analysis. The findings revealed that public policies significantly shape organizational isomorphic behaviors through coercive, mimetic, and normative mechanisms, which in turn influence the adoption and adaptation of relationship marketing strategies, ultimately affecting marketing efficiency. This study contributes to institutional theory and resource dependence theory by elucidating the mediating role of isomorphism in the policy-marketing efficiency nexus, offering practical implications for insurers and policymakers.

Keywords: Public policy; Coercive isomorphism; Mimetic isomorphism; Normative isomorphism; Relationship marketing strategy; Marketing efficiency

Introduction

China's life insurance industry has experienced rapid growth alongside economic development, becoming the world's second-largest insurance market by premium income (National Financial Regulatory Administration, 2023). Concurrently, life insurance companies have exhibited increasing similarity in organizational behavior and strategy—a phenomenon termed organizational isomorphism (Chen & Zhang, 2009). Institutional theory, particularly DiMaggio and Powell's (1983) framework, explains such convergence as driven by three isomorphic mechanisms: coercive (regulatory pressures), mimetic (imitation under uncertainty), and normative (professionalization), often reinforced by public policy.

Prior studies have acknowledged the role of policy in shaping industry structure and the adoption of similar marketing channels (Miao, 2022). Research has also highlighted the importance of relationship marketing in insurance for customer loyalty and word-of-mouth (Parsa & Sadeghi, 2015; Karaman, 2021). However, a significant gap remains in empirically examining how public policies influence organizational isomorphism, how isomorphism shapes relationship marketing strategies, and through what pathways these dynamics affect marketing efficiency in the Chinese context.

This research addresses this gap by integrating institutional theory with relationship marketing perspectives, focusing on China's life insurance sector—characterized by strong regulatory oversight, market concentration, and high strategic homogeneity. The study aims to: (1) evaluate the role of public policy in leading to organizational isomorphic behaviors; (2) identify the effect of organizational isomorphic behaviors on relationship marketing strategies; and (3) examine the pathway through which public policy impacts marketing efficiency. Conducted in Shandong Province using a mixed-methods approach, this research offers both theoretical contributions to institutional and marketing literature and practical guidance for insurers and policymakers. This research paper presents a structured investigation into the interplay between public policy, organizational isomorphism, relationship marketing strategy, and marketing efficiency in China's life insurance industry. The article begins with a review of regulatory evolution and isomorphic trends, followed by the development of a conceptual framework integrating institutional theory and relationship marketing theory. Using quantitative data from 425 questionnaires and qualitative insights from 12 senior manager interviews, the study tests the proposed relationships and pathways. The findings offer theoretical contributions to institutional and marketing literature, while

providing practical guidance for insurers and policymakers to enhance marketing efficiency and foster healthy industry development.

Research Objectives

1. To evaluate the role of public policy lead to organizational isomorphic behaviors in China's life insurance industry referring to institutional theory.
2. To identify the effect of organizational isomorphic behaviors on relationship marketing strategies of life insurance companies referring to resource dependence theory.

Literature Review

Organizational Isomorphic Behavior

Scholars have long recognized that organizations within the same institutional field tend toward structural and behavioral similarity. DiMaggio and Powell (1983) identified three core mechanisms: coercive isomorphism (from state and regulatory pressures), mimetic isomorphism (imitation of successful peers under uncertainty), and normative isomorphism (professionalization and shared norms). Public policy serves as a primary driver of coercive isomorphism, establishing legal and regulatory frameworks organizations must adopt for legitimacy and survival.

Relationship Marketing

Relationship marketing emphasizes long-term, mutually beneficial customer relationships, particularly crucial in industries with complex, intangible products like insurance (Grönroos, 2000). Research confirms that effective relationship marketing strategies enhance customer satisfaction, loyalty, and positive word-of-mouth in financial services (Parsa & Sadeghi, 2015; Sukmawan & Zulganef, 2023). However, existing literature largely treats relationship marketing as a volitional firm-level choice, overlooking how institutional pressures may constrain its adoption.

Marketing Efficiency

Marketing efficiency—the effectiveness of marketing strategies in achieving outcomes relative to inputs—is critical for firm performance (Al-Hadithi, 1994). Evidence suggests relationship marketing enhances efficiency in service industries through higher customer lifetime value and reduced acquisition costs (Soliman, 2011; Tomczyk et al., 2016). Yet research has predominantly focused on micro-level factors, leaving a gap in understanding macro-institutional pathways through which public policy influences marketing efficiency.

The critical knowledge gap lies at the intersection of these streams: while policy drives isomorphism and relationship marketing drives efficiency, the intervening mechanism remains underexplored. This research integrates institutional theory and relationship marketing theory to examine the chain: Public Policy → Organizational Isomorphic Behaviors → Relationship Marketing Strategies → Marketing Efficiency.

Conceptual Framework

Based on institutional theory (DiMaggio & Powell, 1983) and resource dependence theory, the following hypotheses were developed:

- H1: Type of ownership significantly influences public policy perception.
- H2: Public policy has a positive impact on coercive isomorphism.
- H3: Public policy has a positive impact on mimetic isomorphism.
- H4: Public policy has a positive impact on normative isomorphism.
- H5: Coercive isomorphism positively influences relationship marketing strategies.
- H6: Mimetic isomorphism positively influences relationship marketing strategies.
- H7: Normative isomorphism positively influences relationship marketing strategies.
- H8: Relationship marketing strategies positively influence marketing efficiency.

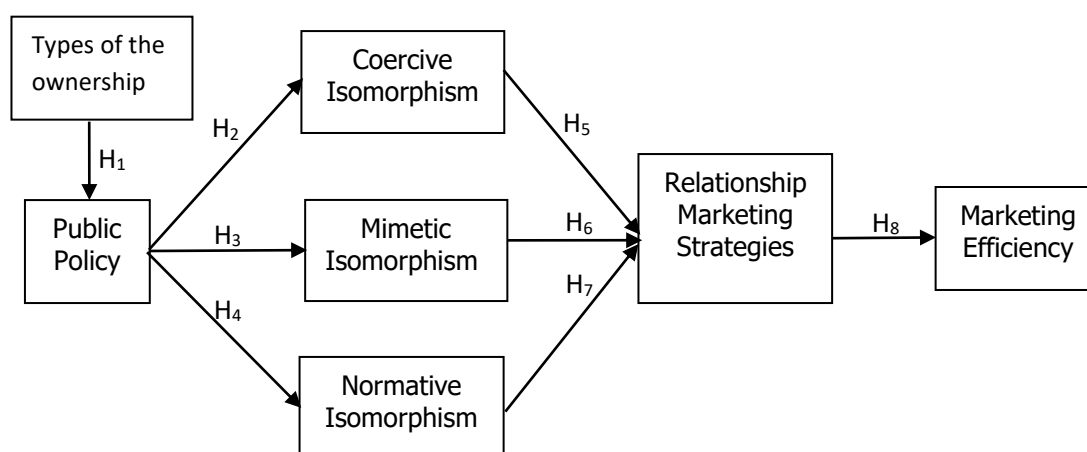


Figure 1 Conceptual Framework

Research Methodology

Population and Sample

The target population comprised employees of life insurance companies in Shandong Province, including management and frontline marketing staff. Based on an estimated 181,000 life insurance marketing personnel, the sample size was determined using Yamane's (1967) formula,

requiring no less than 400 respondents. Employing quota sampling based on each company's 2022 market share, 425 valid questionnaires were collected. Additionally, 12 senior managers from diverse ownership types (state-owned, private, joint venture, foreign) participated in in-depth interviews.

Research Instruments

A two-part questionnaire was developed based on literature review: Part 1 collected demographic information; Part 2 comprised six scales measuring public policy, coercive isomorphism, mimetic isomorphism, normative isomorphism, relationship marketing strategies, and marketing efficiency using a 5-point Likert scale. The in-depth interview protocol covered nine aspects aligned with the research objectives, provided to interviewees beforehand for preparation.

Data Collection

Questionnaires were distributed via Wen Juan Xing (professional survey platform) through the Shandong Insurance Industry Association, which forwarded the QR code link to member companies. In-depth interviews were conducted with senior managers from 12 companies representing various ownership types and sizes.

Data Analysis

Quantitative data were analyzed using descriptive statistics, Pearson correlation analysis, and structural equation modeling (SEM) with AMOS 26.0. Confirmatory factor analysis (CFA) assessed convergent and discriminant validity. Qualitative data from interviews were analyzed using content analysis to identify recurring themes and patterns, triangulating with quantitative findings.

Research Results

Descriptive Analysis

Table 1 Sample Feature Description

No.	Items	Choices	Number	Percentage/ %
1	Gender	Male	222	52.2
		Female	203	47.8
2	Age	Under 30 years old	130	30.6
		30–39 years old	172	40.5
		40–49 years old	80	18.8
		50–60 years old	43	10.1
3	Education Level	Junior high school	19	4.5
		High school	46	10.8
		Junior college degree	132	31.1
		Bachelor's Degree	175	41.2
		Master's Degree	42	9.9
		Doctoral Degree	11	2.6
4	Type of Ownership	State-owned life insurance company	235	55.3
		Private life insurance company	85	20
		Joint venture life insurance company	102	24
		Foreign life insurance company	3	0.7
5	Work Years	Less than 1 year	79	18.6
		1–5 years	173	40.7
		5–10 years	118	27.8
		10–15 years	39	9.2
		15–20 years	12	2.8
		More than 20 years	4	0.9
6	Job Position	Agent	119	28
		Group Supervisor	154	36.2
		Sales Department Manager	82	19.3
		Channel Manager	51	12
		Marketing Specialist	13	3.1
		Director of Marketing	6	1.4
7	Average Monthly Income	Less than ¥ 5,000	72	16.9
		¥ 5,000– ¥ 7,500	117	27.5
		¥ 7,500– ¥ 10,000	169	39.8
		¥ 10,000– ¥ 12,500	41	9.6
		¥ 12,500– ¥ 15,000	18	4.2
		More than ¥ 15,000	8	1.9

The sample comprised 52.2 % male and 47.8 % female respondents. Age distribution showed 40.5 % aged 30–39 years, followed by 30.6 % under 30. Educationally, 41.2 % held bachelor's degrees, with 31.1 % having junior college degrees. State-owned companies represented 55.3 % of respondents, reflecting their industry dominance. Work experience was concentrated in 1–5 years (40.7%), with group supervisors (36.2%) and agents (28%) as primary positions. Mean variable scores ranged from 3.4–3.7, indicating above-medium perceptions, with standard deviations revealing varying consensus levels.

Table 2 Descriptive Analysis of Variable Data

Variables	Sample size	Minimum	Maximum	Mean	Standard deviation	Skewness	Kurtosis
Types of the ownership	425	1.000	5.000	3.602	0.987	-0.705	-0.703
Policy Cognition	425	1.000	5.000	3.495	1.110	-0.705	-0.847
Policy Influence	425	1.000	5.000	3.495	1.113	-0.627	-0.980
Market Environment Adaptation	425	1.000	5.000	3.432	1.153	-0.612	-1.056
Career Development	425	1.000	5.000	3.464	1.144	-0.638	-1.024
Public Policy	425	1.420	4.670	3.472	0.896	-0.691	-1.009
Policies and Regulations	425	1.000	5.000	3.554	1.076	-0.730	-0.967
Market Competition and Standards	425	1.000	5.000	3.563	1.042	-0.776	-0.820
Corporate Culture and Values	425	1.250	5.000	3.589	1.062	-0.745	-0.978
Coercive Isomorphism	425	1.330	4.750	3.569	0.901	-0.754	-0.917
Marketing Strategy	425	1.500	5.000	3.675	1.014	-0.938	-0.602
Marketing Behavior	425	1.250	5.000	3.672	1.038	-0.963	-0.571
Marketing Culture	425	1.250	5.000	3.669	1.032	-0.977	-0.542
Mimetic Isomorphism	425	1.670	4.750	3.672	0.861	-1.041	-0.354
Industry Norm Cognition	425	1.250	5.000	3.498	1.097	-0.662	-1.112
Marketing Strategy	425	1.000	5.000	3.485	1.128	-0.609	-1.182
Professional Behavior	425	1.000	5.000	3.489	1.083	-0.617	-1.151
Normative Isomorphism	425	1.420	4.750	3.491	0.947	-0.599	-1.186
Relationship Establishment and Maintenance	425	1.330	5.000	3.584	1.040	-0.789	-0.722
Communication and Interaction	425	1.000	5.000	3.574	1.115	-0.777	-0.782
Investment and Return	425	1.000	5.000	3.609	1.071	-0.819	-0.548
Market Competition	425	1.330	5.000	3.620	1.081	-0.794	-0.768
Relationship Marketing Strategies	425	1.580	4.750	3.597	0.859	-0.952	-0.506
Maintain and Deepen Customer Relationship	425	1.330	5.000	3.649	1.049	-0.822	-0.689
Customer Satisfaction and Loyalty	425	1.000	5.000	3.610	1.071	-0.891	-0.501
Cross-selling and Business Growth	425	1.000	5.000	3.612	1.073	-0.775	-0.737
Optimization of Marketing Strategy	425	1.000	5.000	3.653	1.044	-0.862	-0.504
Marketing Efficiency	425	1.420	4.750	3.631	0.852	-0.964	-0.477

It can be seen from Table 2 that the mean values of each variable are mostly concentrated between 3.4 and 3.7, indicating that the respondents' evaluation or cognition of these variables tends to be above the medium level. For example, the mean values of the variables such as types of the ownership, policy cognition, and policy influence are all close to or slightly higher than 3.5, showing that the respondents have some understanding and identification with these aspects. Secondly, the standard deviation data reveal that there is a certain degree of difference in the perception of these variables among respondents. The larger the standard deviation is, the more scattered the opinions or evaluations of the respondents are; A smaller standard deviation indicates a more concentrated view or evaluation of the respondents. For example, the standard deviations of policy cognition and policy influence are relatively large, indicating that respondents have a large difference in perception in these two aspects. However, the standard deviations of the variables such as public policy, coercive isomorphism, and mimetic isomorphism are relatively small, indicating that the perceptions of the respondents are relatively consistent in these aspects.

In terms of specific variables, marketing strategy, marketing behavior and marketing culture and other marketing-related variables have high mean values and relatively small standard deviations, indicating that respondents have a relatively consistent perception and evaluation of marketing aspects, and their overall evaluation is high. This may be related to the current importance of marketing in corporate strategy. In addition, some variables related to corporate culture, market competition and customer relationship also show high mean values and small standard deviations, such as corporate culture and values, market competition and standards, and relationship establishment and maintenance. This indicates that respondents attach high importance to and agree with these aspects.

Confirmatory Factor Analysis

CFA results demonstrated good model fit. Standardized factor loadings ranged from 0.676 to 0.795 (all >0.50 , $p < 0.05$). Average variance extracted (AVE) values ranged from 0.505–0.605 (>0.50), and composite reliability (CR) ranged from 0.788–0.840 (>0.70), confirming convergent validity. Discriminant validity was established as square roots of AVE exceeded inter-construct correlations.

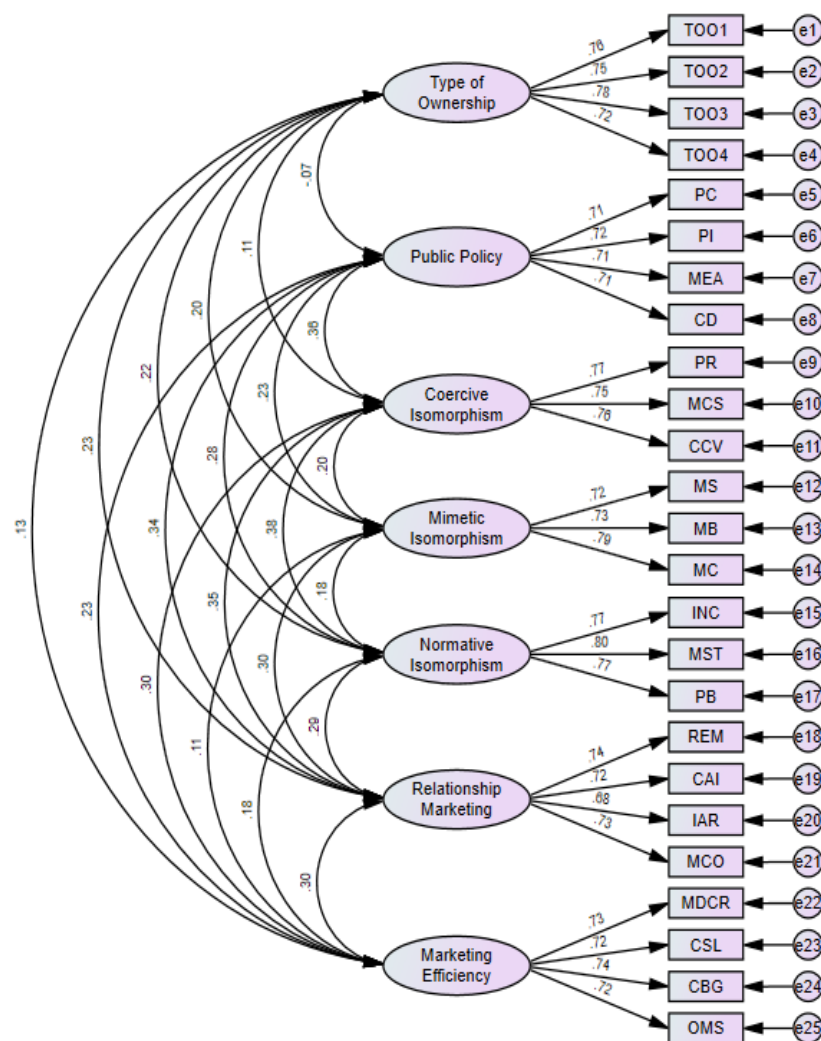


Figure 2 Confirmatory Factor Analysis

Table 3 Convergent Validity Results

Variables	Items	Unstandardized factor loadings	S.E.	C.R.	P	Standardized factor loading	AVE	CR
Type of Ownership	TOO1	1.000				0.760	0.568	0.840
	TOO2	0.993	0.069	14.297	***	0.746		
	TOO3	1.046	0.070	14.919	***	0.785		
	TOO4	0.919	0.066	13.853	***	0.721		
Public Policy	PC	1.000				0.710	0.505	0.803
	PI	1.013	0.082	12.367	***	0.717		
	MEA	1.037	0.085	12.266	***	0.709		
	CD	1.025	0.084	12.233	***	0.707		
Coercive Isomorphism	PR	1.000				0.774	0.583	0.807
	MCS	0.939	0.069	13.664	***	0.752		
	CCV	0.973	0.071	13.781	***	0.764		

Variables	Items	Unstandardized factor loadings	S.E.	C.R.	P	Standardized factor loading	AVE	CR
Mimetic Isomorphism	MS	1.000				0.715		
	MB	1.038	0.086	12.116	***	0.725	0.554	0.788
	MC	1.125	0.091	12.311	***	0.790		
Normative Isomorphism	INC	1.000				0.768		
	MST	1.065	0.074	14.461	***	0.795	0.605	0.822
	PB	0.992	0.069	14.270	***	0.771		
Relationship Marketing Strategies	REM	1.000				0.742		
	CAI	1.045	0.080	13.090	***	0.723	0.515	0.810
	IAR	0.938	0.076	12.355	***	0.676		
	MCO	1.022	0.078	13.170	***	0.729		
Marketing Efficiency	MDCR	1.000				0.733		
	CSL	1.014	0.078	12.949	***	0.725	0.528	0.818
	CBG	1.030	0.079	13.095	***	0.735		
	OMS	0.977	0.076	12.839	***	0.717		

It can be seen from Table 3 that in the factor analysis model verified in this research, the measurement values of standardized factor loadings are between 0.676 and 0.795, all of which are greater than 0.50, and the corresponding significant p values are less than 0.05, indicating that the latent variables have a significant impact on the observed variables. At the same time, the AVE value of the average variance extracted is between 0.505 and 0.605, all greater than 0.5, and the CR value of the joint reliability is between 0.788–0.840, all greater than 0.7, indicating that the convergence validity of the variables in this research is good.

Table 4 Pearson Correlation with AVE Square Root Values

	Type of Ownership	Public Policy	Coercive Isomorphism	Mimetic Isomorphism	Normative Isomorphism	Relationship Marketing Strategies	Marketing Efficiency
Type of Ownership	0.754						
Public Policy	-0.071	0.711					
Coercive Isomorphism	0.114	0.360	0.764				
Mimetic Isomorphism	0.197	0.226	0.203	0.744			
Normative Isomorphism	0.222	0.275	0.377	0.183	0.778		
Relationship Marketing Strategies	0.232	0.345	0.347	0.303	0.289	0.718	
Marketing Efficiency	0.130	0.235	0.303	0.112	0.178	0.303	0.727

When the squared AVE value of the latent variable is greater than the correlation coefficient between the variable and other variables, it indicates that there is a good discrimination between the variables. As shown in Table 4, the correlation coefficients among the variables in this research are all less than the square root value of AVE of each latent variable, so it can be judged that the discriminant validity among the latent variables is good.

Correlation Analysis

Pearson correlation analysis revealed significant positive relationships between public policy and all three isomorphism types: coercive ($r=0.290$, $p<0.01$), mimetic ($r=0.181$, $p<0.01$), and normative ($r=0.221$, $p<0.01$). All isomorphism types correlated positively with relationship marketing strategies: coercive ($r=0.279$, $p<0.01$), mimetic ($r=0.246$, $p<0.01$), and normative ($r=0.233$, $p<0.01$). Relationship marketing strategies showed significant positive correlation with marketing efficiency ($r=0.246$, $p<0.01$).

Table 5 Pearson Correlation Coefficient

	Average	Standard Deviation	Type of Ownership	Public Policy	Coercive Isomorphism	Mimetic Isomorphism	Normative Isomorphism	Relationship Marketing Strategies	Marketing Efficiency
Type of Ownership	3.602	0.987	1						
Public Policy	3.472	0.896	-0.057	1					
Coercive Isomorphism	3.569	0.901	0.091	0.290**	1				
Mimetic Isomorphism	3.672	0.861	0.154**	0.181**	0.156**	1			
Normative Isomorphism	3.491	0.947	0.186**	0.221**	0.308**	0.145**	1		
Relationship Marketing Strategies	3.597	0.859	0.186**	0.279**	0.279**	0.246**	0.233**	1	
Marketing Efficiency	3.631	0.852	0.107*	0.189**	0.245**	0.090	0.143**	0.246**	1

* $p<0.05$ ** $p<0.01$

It can be seen from Table 5 that the correlation analysis is used to study the correlation among relationship marketing strategies, marketing efficiency and type of ownership, public policy, coercive isomorphism, mimetic isomorphism and normative isomorphism, and the Pearson correlation coefficient is used to indicate the strength of the correlation. The specific analysis results are as follows:

The correlation value between type of ownership and public policy is -0.057 , so there is a significant negative correlation between type of ownership and public policy.

The correlation value between public policy and coercive isomorphism is 0.290 and shows the significance at the level of 0.01, which shows that there is a significant positive correlation between public policy and coercive isomorphism.

The correlation value between public policy and mimetic isomorphism is 0.181 and shows the significance at the level of 0.01, which shows that there is a significant positive correlation between public policy and mimetic isomorphism.

The correlation value between public policy and normative isomorphism is 0.221 and shows the significance at the level of 0.01, which shows that there is a significant positive correlation between public policy and normative isomorphism.

The correlation value between coercive isomorphism and relationship marketing strategies is 0.279, and it shows the significance level of 0.01, so there is a significant positive correlation between coercive isomorphism and relationship marketing strategies.

The correlation value between mimetic isomorphism and relationship marketing strategies is 0.246 and shows the significance level of 0.01, which indicates that there is a significant positive correlation between mimetic isomorphism and relationship marketing strategies.

The correlation value between normative isomorphism and relationship marketing strategies is 0.233, and it shows the significance level of 0.01, so there is a significant positive correlation between normative isomorphism and relationship marketing strategies.

The correlation value between relationship marketing strategies and marketing efficiency is 0.246 and shows the significance level of 0.01, which indicates that there is a significant positive correlation between relationship marketing strategies and marketing efficiency.

The Structural Equation Models and Hypothesis Testing

According to the above findings, there are 25 observed variables corresponding to 7 latent variables in the structural equation model. The data collected by the questionnaire were imported into AMOS26.0 software, and the model fitting parameters obtained by applying the maximum likelihood method are shown in Figure 3.

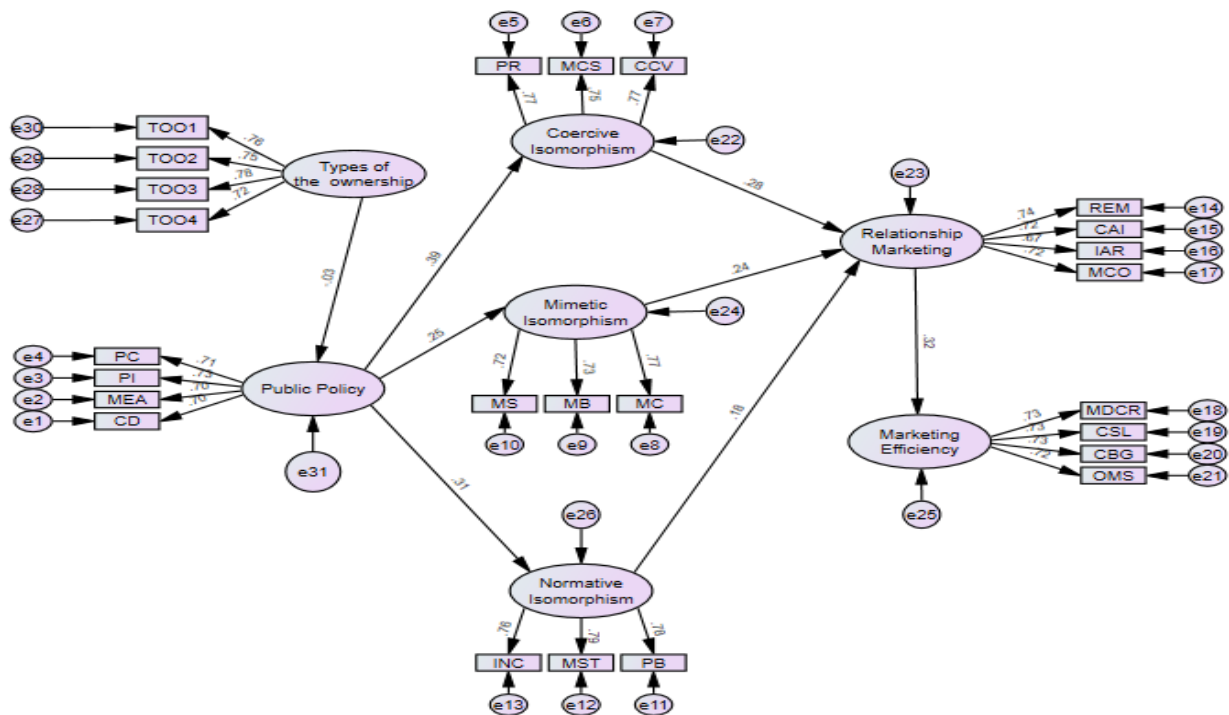


Figure 3 The Structural Equation Model

After the validity of the structural equation model is proved by the analysis of fit indicators, the model path is analyzed. The specific hypothesis test results are shown in Table 6.

Table 6 Structural Equation Model Path Coefficient Test

Hypothesis		Path		Unstandardized			Standardized		Conclusion
				Path	S.E.	C.R.	P	Path	
				Coefficients				Coefficient	
H1	Public policy	<---	Type of ownership	−0.027	0.056	−0.480	0.631	−0.028	Rejected
H2	Coercive isomorphism	<---	Public policy	0.406	0.065	6.218	***	0.393	Accepted
H3	Mimetic isomorphism	<---	Public policy	0.253	0.062	4.093	***	0.253	Accepted
H4	Normative isomorphism	<---	Public policy	0.324	0.064	5.031	***	0.309	Accepted
H5	Relationship marketing strategies	<---	Coercive isomorphism	0.254	0.055	4.645	***	0.277	Accepted
H6	Relationship marketing strategies	<---	Mimetic isomorphism	0.228	0.056	4.043	***	0.240	Accepted
H7	Relationship marketing strategies	<---	Normative isomorphism	0.164	0.052	3.149	0.002	0.180	Accepted

Hypothesis	Path	Unstandardized			Standardized			Conclusion
		Path	S.E.	C.R.	P	Path	Coefficient	
		Coefficients						
H8	Marketing efficiency	Relationship marketing strategies	0.316	0.061	5.144	***	0.317	Accepted

H1 was rejected, indicating ownership type does not significantly influence public policy perception. All other hypotheses were supported, confirming the proposed pathway from public policy through isomorphic mechanisms and relationship marketing strategies to marketing efficiency.

Qualitative Findings

In-depth interviews corroborated quantitative results. Interviewees consistently acknowledged public policy's role in shaping organizational behaviors:

Coercive isomorphism: "Regulatory requirements on solvency and capital fundamentally determine our operational parameters" (Interviewee A, state-owned)

Mimetic isomorphism: "When a competitor introduces a successful customer service innovation, others quickly follow—it's survival" (Interviewee F, private)

Normative isomorphism: "Professional training and industry associations create shared understandings of 'best practice'" (Interviewee G, foreign)

Interviewees emphasized that relationship marketing strategies are increasingly homogenized but those who creatively adapt within isomorphic constraints achieve superior marketing efficiency.

Table 7 Interviewees from 12 life insurance companies

Company	Current job position	Code name
China Life Insurance	Director of Marketing	Interviewee A
Ping An Life Insurance of China	Director of Marketing	Interviewee B
China Pacific Life Insurance	Channel Manager	Interviewee C
New China Life Insurance	Channel Manager	Interviewee D
Taiping Life Insurance	Director of Marketing	Interviewee E
Taikang Life Insurance	General Manager	Interviewee F
Allianz Life Insurance	Director of Marketing	Interviewee G
Heng An Standard Life Insurance	Director of Marketing	Interviewee H
Union Life Insurance	General Manager	Interviewee I
Huatai Life Insurance	Channel Manager	Interviewee J
SunLife Everbrigh Life Insurance	Director of Marketing	Interviewee K
Cathay Lujiazui Life Insurance	General Manager	Interviewee L

Discussion

This study's findings extend institutional theory by demonstrating that public policy drives organizational isomorphism through three distinct yet interconnected mechanisms in China's life insurance industry. The significant positive relationship between public policy and coercive isomorphism ($\beta=0.393$) aligns with DiMaggio and Powell's (1983) assertion that regulatory frameworks fundamentally shape organizational fields.

The significant paths from public policy to mimetic ($\beta=0.253$) and normative ($\beta=0.309$) isomorphism reveal that policy influence extends beyond direct regulation. Policies encouraging innovation and service quality improvements create conditions where firms imitate successful peers under uncertainty, consistent with research on strategic imitation in financial services (Chen & Zhang, 2009). Furthermore, policies shaping professional standards and industry norms generate normative pressures, supporting arguments that institutional environments shape organizational cognition and practice (Scott, 2014).

The finding that all three isomorphism types significantly influence relationship marketing strategies (coercive: $\beta=0.277$; mimetic: $\beta=0.240$; normative: $\beta=0.180$) addresses a critical gap identified in the literature. While prior research established relationship marketing's importance in insurance (Parsa & Sadeghi, 2015; Aqmal et al., 2021), it largely overlooked how institutional pressures constrain strategic choice. This study demonstrates that relationship marketing adoption is not purely volitional but shaped by regulatory compliance (coercive), competitive imitation (mimetic), and professional norms (normative). This finding integrates institutional and marketing perspectives, revealing isomorphism as a mediating mechanism between policy and marketing practice.

The significant relationship between relationship marketing strategies and marketing efficiency ($\beta=0.317$) confirms previous findings (Soliman, 2011; Tomczyk et al., 2016) while extending them by contextualizing within isomorphic pressures. Importantly, qualitative insights revealed that firms achieving superior efficiency do not simply comply with or imitate but strategically adapt relationship marketing within isomorphic constraints—what Interviewee B termed "creative compliance."

Rejection of H1 (ownership type $\rightarrow$ public policy) is theoretically significant. It suggests that in China's highly regulated insurance environment, public policy exerts uniform pressure across ownership forms, consistent with the National Financial Regulatory Administration's mandate

for consistent supervision (Guo, 2023). This finding supports arguments that institutional pressures can override ownership-based strategic differences in highly regulated sectors

New Knowledge from Research

Type of ownership does not significantly influence public policy. Public policy significantly influences organizational isomorphic behaviors through three mechanisms: coercive Isomorphism, mimetic Isomorphism, normative Isomorphism. Among them, regulatory pressures drive life insurance companies toward standardized behaviors; policies encourage life insurance companies to imitate successful industry cases; policies guide the formation of shared industry norms. Organizational isomorphic behaviors prompt life insurance companies to adjust their relationship marketing strategies, and relationship marketing strategies directly affect marketing efficiency. As shown in Figure 4.

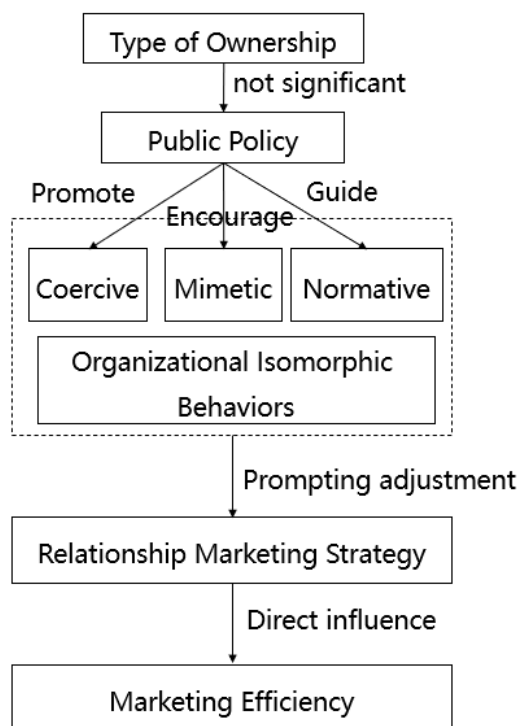


Figure 4 The impact path of public policies on marketing efficiency

Conclusion

This study demonstrates that public policy shapes marketing efficiency in China's life insurance industry through a sequential pathway: policy drives coercive, mimetic, and normative isomorphic behaviors, which collectively influence relationship marketing strategies, ultimately determining marketing efficiency. These findings extend institutional theory by elucidating

isomorphism's mediating role and contribute to relationship marketing literature by revealing institutional constraints on strategic choice.

Based on the findings, a conceptual model is proposed illustrating the pathway through which public policy influences marketing efficiency in regulated industries. The Policy–Isomorphism–Marketing Efficiency (PIME) Model posits that public policy generates three isomorphic pressures—coercive (regulatory compliance), mimetic (competitive imitation), and normative (professional standards)—which collectively shape the adoption and adaptation of relationship marketing strategies, with the degree of strategic flexibility within isomorphic constraints determining marketing efficiency outcomes. This model integrates institutional theory with relationship marketing theory, providing a framework for understanding how external institutional forces translate into internal marketing practices and performance outcomes in highly regulated sectors. The PIME Model offers both theoretical contribution by revealing isomorphism's mediating role and practical utility by identifying leverage points for strategic differentiation within isomorphic constraints.

Suggestions

For Policymakers

To enhance regulatory effectiveness while fostering innovation, authorities should establish a differentiated regulatory framework tailored to insurers' diverse profiles, promoting both compliance and innovation. Developing an industry-wide data-sharing platform can mitigate inefficiencies from information asymmetry and imitative homogeneity. Strengthening the dynamic linkage between public policies and market demands is essential to prevent policy lag from suppressing marketing vitality and strategic adaptability.

For Insurance Company Management

Senior management should establish differentiated compliance innovation systems that strategically align regulatory adherence with business initiatives. Proactively managing organizational isomorphism enables thoughtful adaptation rather than mere imitation of industry norms. Developing relationship marketing systems attuned to public policy changes maintains both compliance and competitive responsiveness in dynamic regulatory environments.

For Frontline Marketing Personnel

Marketing professionals should develop deep understanding of public policies and creatively transform compliance requirements into marketing advantages. Optimizing customer

service processes to align with regulation-oriented relationship marketing approaches and flexibly adjusting tactics to respond proactively to policy-driven market shifts maintains both relevance and effectiveness.

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