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Development of Distribution Channels in Finance Industry: Evidence From Banking and Insurance Sector in Turkey

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Abstract

The purpose of this study is to review the development of distribution channels in finance industry with reference to banking and insurance. Distribution as a marketing function is of great importance for all businesses regardless of the main separation of production economy and financial economy in view of the fact that businesses can continue their activities in condition that their goods and services are marketed. This is dependent on the marketing performance of companies. This very fact accounts for the significance of this line of business. The paper covers Turkey as an emerging country where banking industry and –in particular- insurance industry have been growing remarkably despite global and local financial turbulences. In this study, change in distribution channels is analyzed for the years after 2002 when Turkish Financial Markets –especially banking and insurance sector- went through a considerable transformation in the aftermath of 2001 economic crisis. Analyzing comprehensively the figures about marketing line of business, this paper suggests that -as far as Turkish market is concerned- there exists much room for the development of distribution channels in finance industry. The paper also argues that banc-assurance, private-banking and digital distribution channels have great potential to grow in banking and insurance market.

Keywords: Marketing, Distribution Channels, Finance Industry, Banking, Insurance.

JEL Classification: M31

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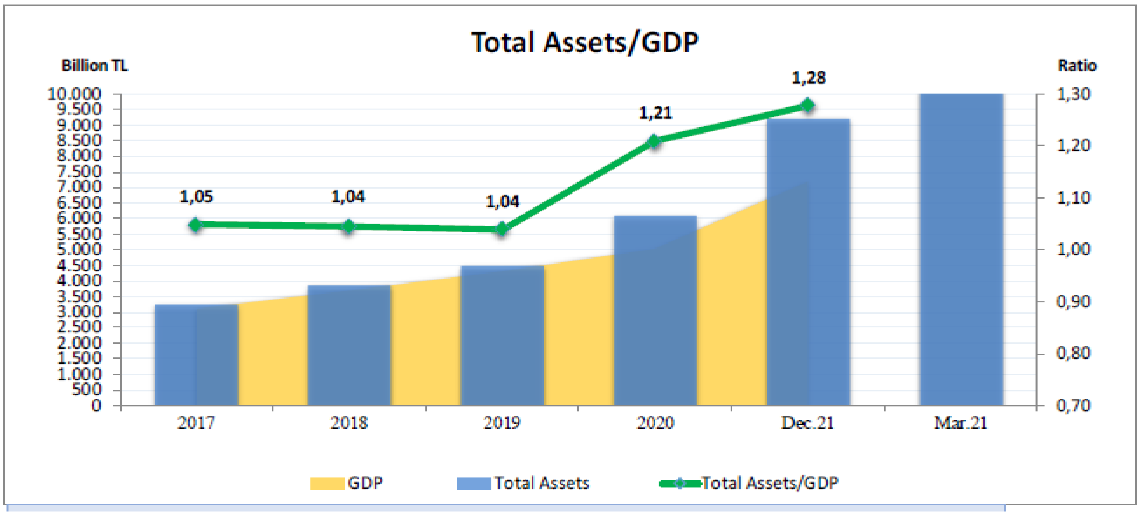
1. Introduction

Distribution channels in businesses have changed recently throughout the new millennium as far as Turkish Finance Industry is concerned. The motivation of the study stems from this very fact. Marketing function is vital for all businesses regardless of the main separation of reel economy and financial economy since businesses continue their activities in condition that their products are sold. This largely depends on the marketing performance of companies. This very fact sheds lights on the significance of this line of business. Known as front offices, distribution channels are considered to be one of the most significant lines of business for banking and insurance industry. Therefore, knowing their changing structure (especially in changing economic environment) is crucial.

The reason behind our choosing the year of 2002 as the start of this study is that Turkish economy partly recovered from the effects of the economic crisis (2001) which had profound impact on Turkish economy. The crisis affected both real economy (production of goods) and also financial industry to a considerable extent. Beginning from 2002, a new financial structure started to prevail in the country in line with establishment of BRSA-Banking Regulatory and Supervisory Agency. 2008-Global Financial Crisis had adverse effect on world economy and Turkey partly recovered from this crisis after 2010. Then, Turkey experienced a 11-year of economic, financial, political turbulences/difficulties that resulted from global and local difficulties.

Considering this, this study reviews the development of marketing functions of finance industry (banking and insurance in particular) taking into account the economic circumstances between 2002 and 2021 for Turkey. It is a well-known fact that approximately 90 percent of Turkish financial industry is made up of banking and insurance sectors. As such, banking assets themselves have been greater than gross domestic product of the country for a couple of years.

Figure 1: Total Assets / GDP (Turkey)



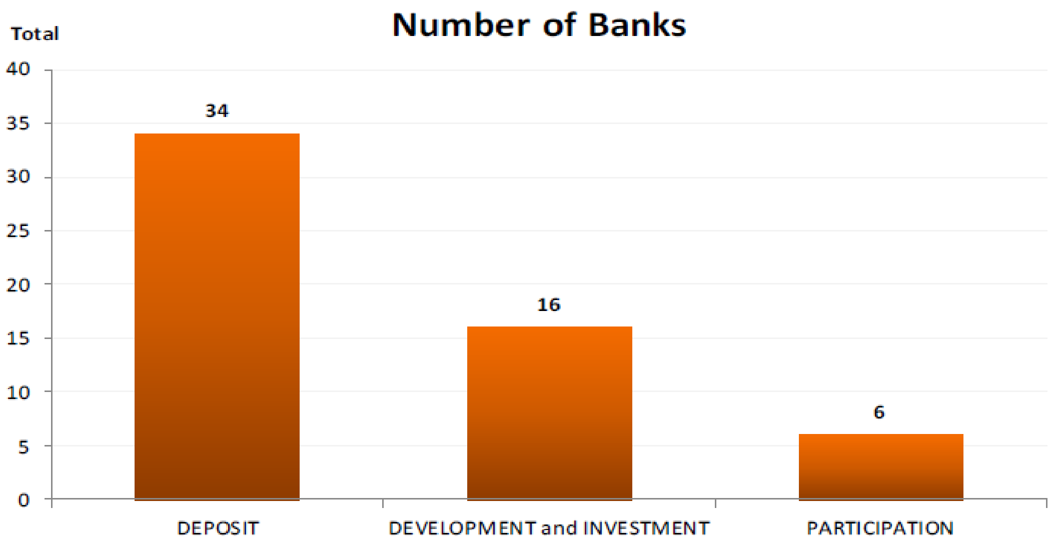
Source: BRSA, Turkish Banking Sector Main Indicators Report, March 2022

It can be seen from Figure 1 that as of the end of 2021, the ratio of Turkish Banking Industry's asset size to Gross Domestic Product of the country turned out to be 1.28. That verifies the importance of the banking industry itself. The contribution of the study to the literature is that this paper provides a comprehensive and recent overview of development of distribution channels within the framework of banking and insurance in Turkey in the aftermath of new millennium. The study is composed of the following parts: The second part reviews generally the marketing line of business in Turkish Finance Industry, particularly banking and insurance. The third part includes literature review. The fourth chapter comprises aim and methodology of the study. The fifth chapter includes structural changes in figures and findings. The last part, the sixth part, concludes the paper.

2. General Outlook of Marketing in Turkish Banking and Insurance Sector

Marketing line of business is one of the most significant parts of banking and insurance industry. In this part, firstly banking industry and marketing & sales divisions in this industry is analyzed. Secondly, insurance industry is examined. Banking sector is classified into 3 groups with respect to functionality: Commercial (Deposit Banking) Banking, Participation Banking (Non-Interest Banking) and Investment and Development Banking. These three types of banking operate through certain divisions: Operations departments (Loan Operations, Treasury Operations, Branch Operations), Marketing & Sales departments, Loan-Allocation and Credit Follow-Up department, Fund Management (Treasury), Internal Systems (Audit Department, Internal Control, Risk Management, Compliance department), Legal department and Support functions (Call Center – Customer/Client Service, Accounting, Budget & Planning department, Human Resources, Information Technologies, Administrative). Marketing divisions/channels (front offices) are in general made up of *Corporate Marketing Department*, *Commercial Marketing Department*, *Retail Banking* (SME Banking and Individual Banking) (Ziraat Bankası, 2023). The difference between corporate, commercial and SME divisions has to do with the turnover of the clients (and client profile). On the other hand, the difference between real persons and legal persons is in line with the separation of marketing divisions: Individual banking (Retail Banking) divisions are formed in order to serve *real persons* (loans and other-services); corporate/commercial/SME divisions are organized in order to serve *legal persons*. Branches (Corporate/Commercial/Private and Retail Branches) and internet-branch are the leading marketing & sales instruments of banks.

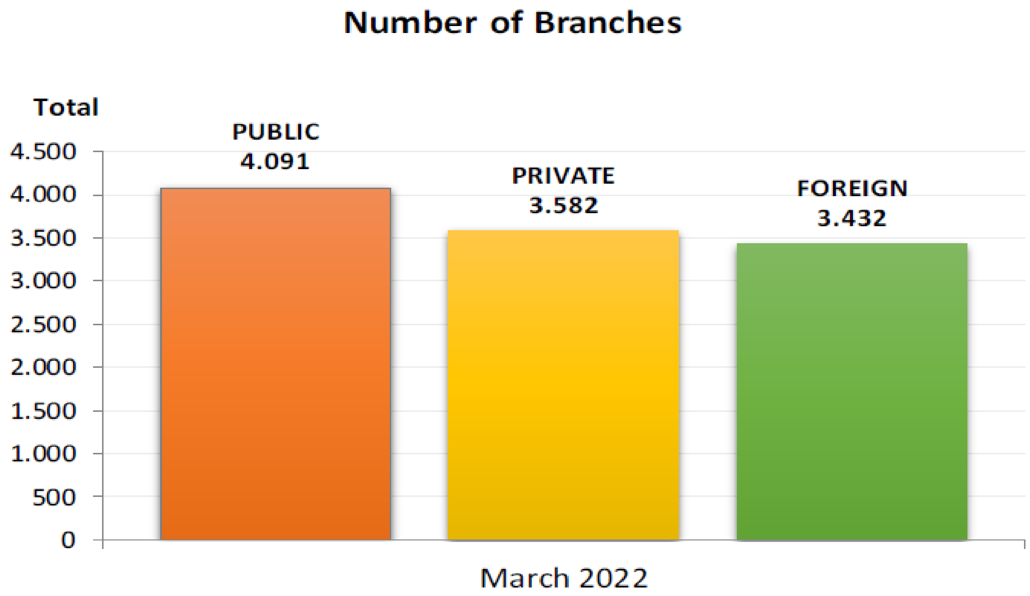
Figure 2: Number of Banks (Turkey) With Respect to Functions



Source: BRSA, Turkish Banking Sector Main Indicators Report, March 2022

Figure 2 shows that as of March 2022, there exist 56 banks operating in Turkish Banking Sector: 34 Deposit (Commercial) banks, 16 Development and Investment banks, 6 Participation (Non-Interest) banks.

Figure 3: Number of Branches (Turkey)



Source: BRSA, Turkish Banking Sector Main Indicators Report, March 2022

Figure 3 indicates that number of branches and personnel in banking sector went up by 7 percent and 547, respectively when the figures are compared to the December 2021.

When it comes to insurance industry, in Turkey, two main branches exist: Life & Pension Branch and Non-Life branch (when Reassurance sector is also considered, the number of branches can be seen as totally 3). In both branches of insurance industry, Operations departments, Marketing & Sales departments, Technical department, Actuary, Finance Department (Fund Management, Accounting, Budget and Planning, Collection), Internal Systems (Audit Department, Internal Control, Risk Management, Compliance department), legal department and support functions (Budget Human Resources, Information Technologies and Administrative Departments). Marketing departments (channels) are composed of those divisions: Banc-assurance, Agency, Corporate Solutions, Call-Center, Customer Care Center, Individual Marketing. Marketing divisions are also known as 'Front Offices'.

Bank-assurance can be considered as a collaboration between banks and insurance companies, where banks act as agents of insurance companies. Bank-assurance has been the leading distribution channel after 2010 with close technical cooperation of these industries. Mutual cost-cutting is also a benefit for the banks and insurance companies that result from cost-effective use of personnel and location. Insurance companies make use of comprehensive branch and location facilities of banks; in this way they find opportunity to market their insurance products with the help of bank branches that have very skilled marketing structure. Banks receive commission from bank-assurance cooperation and then they can increase revenues. When it comes to agency channel, very specialized personnel work in agencies and increase the chance of marketing. Agency marketing function is known to be a successful channel for marketing since in crisis period agency clients have more tendency to continue to get insurance services.

3. Literature Review

Finance industry is one of the most crucial sectors in service marketing. Finance industry is mostly composed of banking and insurance sectors. Especially in developing countries banking and insurance sectors make a great contribution to the progress of the countries. Service companies will be successful if they use marketing mix strategies accurately. Marketing mix which was described by McCarthy as the four Ps of marketing (product, price, place, promotion) in 1964, is extended because of the increasing service industry and in 1981 Booms and Bitner proposed a 7-P service marketing mix or in other words extended marketing mix (people, physical evidences and process) (Blythe, 2005:7-9). Kotler and Keller (2006) identified the product as "a product is anything that can be offered to a market to satisfy a want or need". So a marketed product can be a physical good, service, experience, event, person, place, property, organization, information, and idea (Kotler and Keller, 2006:372). In insurance sector product is the insurance policy while banking sector product can be loan, credit card or deposit account. Price is the only element in marketing mix that generates income for the company. In the insurance sector, the price appears as the premium or commission, while in banking the price appears as interest. Promotion is composed of advertising, public relations, personal selling, sales promotions activities used to give information, induce or convince to consumers to buy the product and create a positive image about the brand or the company to the environment. All individuals involved in the delivery of the service, constitute the people element of the expanded marketing mix such as the employers of the company, customers, and the other customers in the service environment, thus influence the perceptions of the service buyers. Since the service is intangible, it is difficult to promote and sell. Physical evidence is tangible elements that represent the service and facilitate the promotion and sale of the service. Physical evidence is the tangible items that can be seen or touched, such as the company building, lighting, color match, furniture, logo and brand name. Process management is the procedures that ensure the delivery of the service, the flow of the activities and operation systems.

Place is one of the most important ways to reach the customers and communicate to them. It is expected that the target customer group reaches the product or service of the company in the shortest and the easiest way (Blythe, 2005:7). So place consists of the marketing or distribution channels that are used to reach the customers. Distribution channels are some interconnected structures that are organized to provide the availability of the product or service to the customers (Kotler and Keller, 2006:468). Intermediaries in distribution channels can be wholesaler, retailer for tangible products, or they can be agencies, brokers or representatives for intangible products (services). In service marketing, as the number and range of these intermediary institutions increase, so do the customers.

In finance industry, the distribution channels are classified into two segments: direct distribution and indirect distribution. According to Kotler and Keller (2006) "direct distribution channel (also called a zero level channel) consists of a manufacturer selling directly to the final customer". In direct distribution, finance companies sell their products to the consumers with their own sales organizations directly. In indirect distribution, the buying and selling relationship between the producer and the consumer is provided by intermediaries. Intermediaries in insurance and banking sectors are different from each other. In insurance industry, the most seen intermediaries are the agencies and brokers that are assumed as traditional channels. Insurance agencies are intermediaries who are affiliated with the insurance company with a contract, negotiate on behalf of the insurance company with the customers, issue policies within the framework of their authority, and provide various consultancy services to the insurance holders. Agencies in insurance sector are classified into two segments: exclusive agencies and independent agencies. Exclusive sales agencies offer products of only a single company which are also called tied sales agencies. On the other hand, independent sales agencies can represent different companies under independent contracts (Regan and Tennyson, 1996:637). Unlike an agency, a broker is not bound to the insurance company by any contract. In addition, brokers are not long-term agents of buyers and sellers.

Nowadays new channels are mostly used in insurance sector. New channels in insurance sector are banc-assurance shop-assurance and e-insurance. Banc-assurance is the marketing of insurance products in distribution channels within the bank or by bank personnel. Shop-assurance is the sale of insurance products at the sales points of existing retailers with a wide sales network or using these points as intermediaries. For example, in the UK, Marks & Spencer sells life and pension insurance in some of its stores. E-insurance is the execution of insurance sales activities on the internet. Sigortam.net in Turkey is a very successful example in this regard.

In banking sector, the direct distribution it is mostly used. The most preferred method within the scope of direct distribution is the distribution of all services, which are performed through widespread branch networks and the self-service distribution method, which is carried out with the help of technology-based channels. With the developing technology, the distribution of banking services has diversified and banking services have been used apart from branches. Today the most popular banking services in this regard are self-service terminals (ATM and kiosks), telecom channels (voice response systems, call centers, telephone and mobile phone), electronic channels (internet banking, PC banking, TV banking) and electronic payment systems (such as POS-devices, credit cards). At the beginning of 1970s ATM machines started to change the relationship of the consumers with the banks. In the 1980s the credit scores started to be calculated, thus the credit decisions were being made based on some electronic data analysis software. Such technological developments played a significant role in optimizing the lending cost, and in increasing the liquidity and the volume of the loans. Following to those innovations, online banking took the stage in the mid-1990s and became more and more popular with an increasing rate. Despite this fast and high adaptation of the banking industry to the digital environment, it cannot be said that the insurance companies could catch this level of usage in their industry (Allen et al., 2002:6).

Conventional retail banks try to canalize their customers to e-banking with an increasing rate for the purpose of reducing labor and operation costs, increasing their focus on primary services and functions, and in some ways, trying new methods of online marketing. As we have seen the classifications above, digital technologies are used both in insurance and banking industries. Increasing usage of internet reduced the dependency and interactions between the services and operations, and triggered the elimination of the intermediaries causing a significant change in the organizational structure of distribution channels (Allen et al., 2002:8). Most of the studies made on self-service technologies like online banking, indicate that the companies tend to use online technologies to reduce cost, increase service quality, revenue and customer retention rates (Meuter et al., 2000:55; Hitt and Frei, 2002:746; Barbesino, 2005: 343; Campbell and Frei, 2010:4).

Dumm and Hoyt (2003) stated that the insurance companies tend to use multiple distribution channels for distributing the needs of different customer segments in order to balance their product and service costs. They made another classification on insurance companies' distribution channels. Accordingly, these classifications of the insurance companies' distribution channels are classified into four segments: Internet-led channels, company-led channels, bank-led channels, and agent-led channels (Dumm and Hoyt, 2003: 27). Before the advancement of internet, most of the insurance customers were using the conventional agency-based distribution channels such as direct sales or independent agencies. After the increase on the use of internet and digital services, the insurance business showed a more dramatic growth. Parallel to this, despite its comparably less frequent use, the company-based direct channel activities such as emailing or cold-calling showed an increasing growth as well.

Hughes (2006) also stated that most of the companies in finance sector use both traditional channels and new channels together which is called multi-channel approach. The addition of new channels to the current ones causes modifications on organizational structures in customer relationships and brings new approaches for the personnel and the processes that are involved with the customers

(Hughes, 2006:113). Channel integration is also a vital process not only for organizational changes but also for the approach and attitude of the customers.

Companies should also define the distribution strategies for their channel range, especially for the scope of their channel extension on the market coverage and the number of branches and the personnel at each channel level. At this point, three strategies can be considered; intensive distribution, exclusive distribution and selective distribution (Kotler et al., 1999:920). In intensive distribution, companies stock their products in a maximum number of outlets aiming for the maximum availability of the products for the customers. Exclusive distribution is a strategy is where the company provides only a limited number of channels, and give the rights to these channels for distribution in their regions. Selective distribution can be considered between intensive and exclusive distribution, providing a hybrid channel model.

These distribution strategies are also available for insurance and banking companies. Intensive distribution in insurance sector is the case where the insurance service is provided to all distribution channels in the market by the mother company. On the other hand, selective distribution is the situation where only a limited number of insurance services are provided to intermediaries in some certain market regions. The reason of this limitation may be the specific content of the service, shortage on personnel, the maturity level of the channel network, etc. Exclusive distribution is only used in a specific market regions or businesses, for example in marine or naval freight business which operate mostly on coastal areas or on wider transport hubs (Curcic et al., 2019:25).

When we make a literature review on distribution channels, we have seen that some of the studies investigated direct and indirect channels (Scovotti and Spiller, 2006:188; Thomas, 2007:6; Fan and Cheng, 2009:343). While Fan and Cheng (2009) in their research compare direct and indirect channels in finance industry, Scovotti and Spiller (2006) and Thomas (2007) mostly focused on direct marketing not only as a distribution channel but also as a promotion element. In recent years researches on dual channels or multiple channels in finance industry are increasing (Stone at al., 2002:39; Dum and Hoyt, 2003:27; Hughes, 2006:113; Deng et al, 2018:1; Yang et al, 2018; Yan et al., 2020:138; Yan et al, 2021:1). Yan et al. (2020:138; 2021:1) focused on small and medium-sized enterprises (SMEs) and discussed the issue from a supply chain perspective. Deng et al. (2018) and Yang et al. (2020) also handled the topic from the supply chain perspective. Stone et al. (2002) investigated multi channels from customer relationship management point of view.

The crises experienced in many countries deeply affected banks and insurance companies. For this reason, some of the studies investigated companies' activities after crises (Worthington and Welch, 2011:190; Jeon et al., 2013:952; Nitescu et al., 2017:103). Worthington and Welch (2011) indicated that after crises some new models as "non-banking" started to be used in the finance industry with Tesco Bank and Virgin Money examples in U.K. (Worthington and Welch, 2011:191). Jeon et al (2013) discussed the issue in terms of international banking activities and foreign bank subsidiaries. Nitescu et al (2017), examined post-crisis banking activities in Bulgaria and Romania comparatively in terms of products and distribution channels.

Lately (in particular after 2000) for most of the industries (and for all scales of companies) there have been many developments in marketing and distribution channels in Turkey and the World; and one of the key factors that bring about these changes is considered as digital transformation. The impact of digital transformation upon the marketing structure of firms is reviewed by Kurter et al. (2021).

When the national literature is reviewed, it is seen that there are some studies on distribution channels in banking and insurance (Çakar and Yıldırım, 2015:424; Akpınar, 2017:45; Kartal 2017:22). While Çakar and Yıldırım (2015) and Akpınar (2017) investigated in their study insurance distribution channels and insurance agents, Kartal (2017) examined alternative distribution channels in banking sector in Turkey.

When the national and foreign literature are reviewed, gaps in the literature are identified, it is decided to examine the changes experienced by the distribution channels in banking and insurance sectors in Turkey due to the economic crises.

4. Aim and Methodology of the Study

In this study, it is aimed to examine the distribution channels of the banking and insurance sectors, which have the most important place in the financial sector, in connection with the effects of the economic crises in Turkey from 2002 to the present.

Within the scope of the study, the distribution channels of the banking and insurance sectors, was discussed conceptually and a literature review was conducted. Then, tables and graphs regarding the development of the banking and insurance sectors in Turkey were examined and interpreted in support of the literature. According to the tables and graphs taken from BRSA and IPRSA, the number of businesses, intermediaries and employees in the banking and insurance sectors in Turkey by year is revealed. The results have been interpreted, especially in relation to financial crises.

5. Structural Changes in Figures and Findings

As explained in the literature, distribution channels in finance indusrty are divided into two: direct distribution channel and indirect distribution channel (Kotler and Keller, 2006). In banking sector, direct distribution it is mostly used. Direct distribution is also carried out through branches and self-service distribution method, which is carried out with the help of technology-based channels. For this reason, in order to examine the banking sector in Turkey in terms of distribution, the number of branches and employees were discussed. In the insurance sector, direct distribution includes insurance companies' headquarters, regional directorates and the employees working there. However, the most common form of distribution in the insurance industry is agencies and brokers within the scope of indirect distribution. Accordingly, in order to examine the insurance sector in Turkey in terms of distribution, the numbers of insurance companies, intermediaries and employees were examined. The distribution structure of both sectors was discussed on a yearly basis and the changes resulting from the effects of the crises were analyzed.

First of all, the figures below show the changes in the number of bank branches and personnel by year.

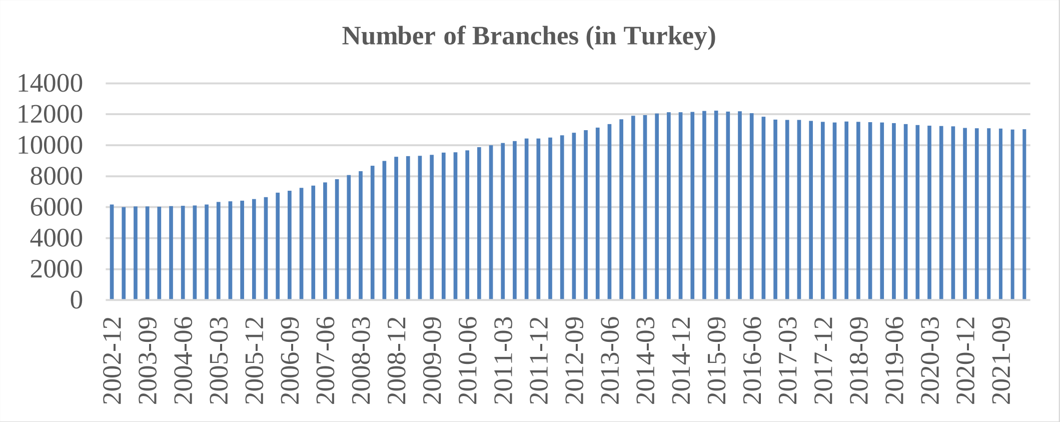
Table 1: Number of Banks Operating in Turkey

Years	Number of Banks	Years	Number of Banks
2022	**55**	2015	50
2021	52	2014	47
2020	51	2013	49
2019	51	2012	48
2018	50	2011	48
2017	49	2010	49
2016	51	**2003**	**51**

Source: *BRSA*

In Table 1 a gradual decrease was seen until 2014; then there has been a gradual increase in the number of banks in Turkey. As of 2022 May, totally there are 55 banks operating in Turkey.

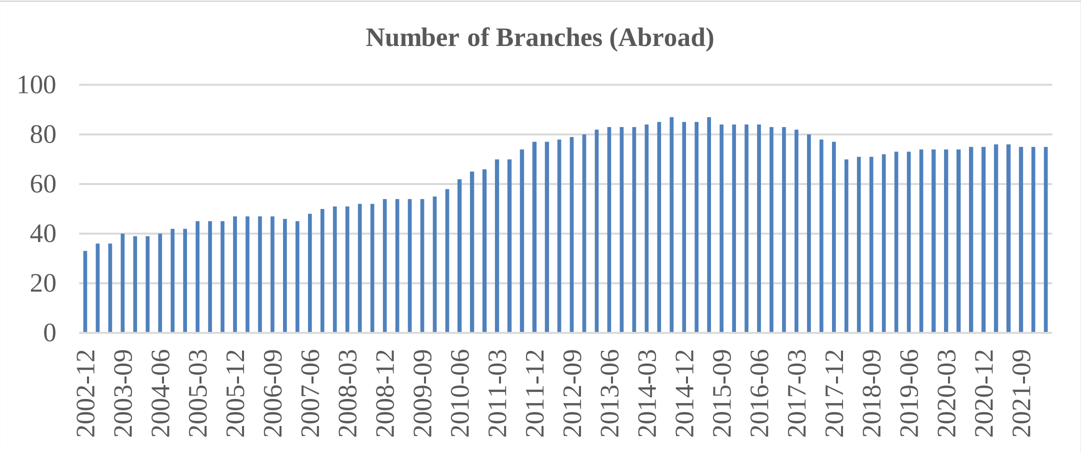
Figure 4: Number of Branches of Banks Operating in Turkey- Local Branches (in Turkey)



Source: *BRSA*

It is clearly seen that it was 2013 when total number of branches started to decline. Branch has been a predominant channel of service distribution for corporate/commercial/retail and private banking. Number of branches –in a way distribution channel- seems to be affected by economic conditions of the country since 2013 was the year when Turkish economy and financial markets went through a considerable change due to global monetary conditions.

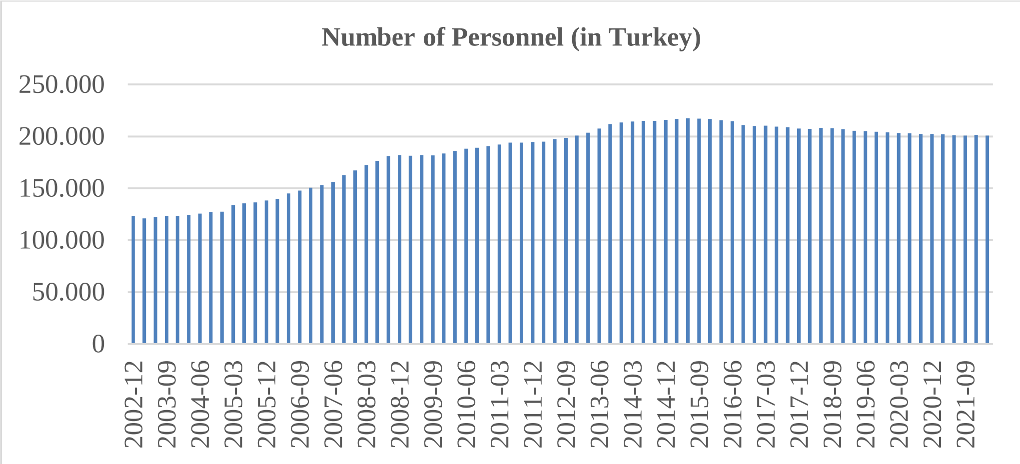
Figure 5: Number of Branches of Banks Operating in Turkey- Branches Located Abroad.



Source: *BRSA*

Similar to the previous figure, in figure 5, it is apparent that number of branches abroad reached its peak in 2014, then started to go down parallel to those located in local country.

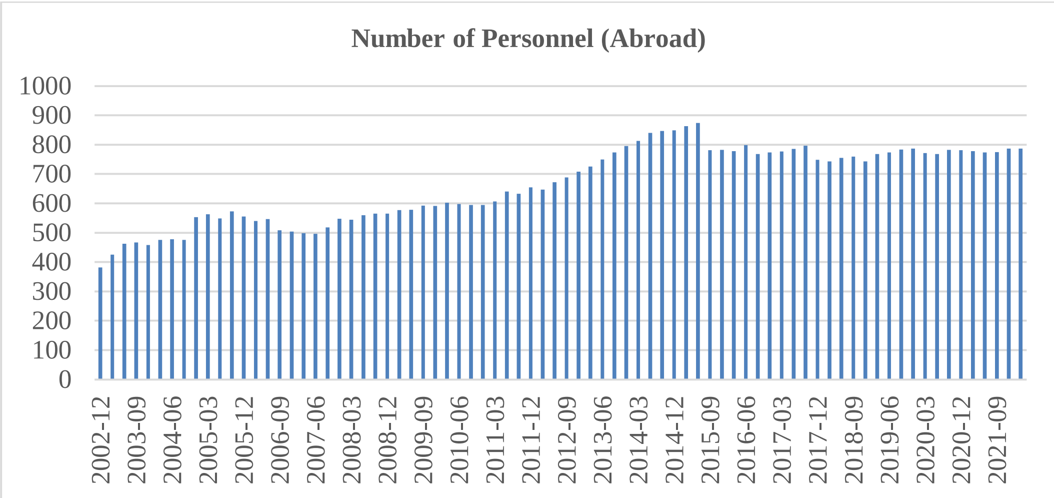
Figure 6: Number of Personnel of Banks Operating in Turkey- Personnel in Turkey.



Source: BRSA

In regard to the number of personnel in Turkish banking industry, Figure 6 shows that there is a general upward trend but after 2015 there has been a gradual increase in line with number of branches.

Figure 7: Number of Personnel of Banks Operating in Turkey- Personnel Located Abroad



Source: *BRSA*

As far as number of personnel-abroad are concerned, Figure 7 indicates that starting from 2015 there has been a decline similar to Figure 6.

The changes in last decade can be explained as follows in banking industry marketing and sales:

- Despite the number of increase in branches and personnel, starting from 2013-14 there has been decline in line with global and local economic financial conditions.

- There have been organizational changes in Head Office Marketing Departments. More marketing divisions have been set up when compared to years before 2000.

- Transformation of Front Office Concept: Marketing oriented changes took place in Bank Branches.

- Internet Banking, E-Branches: A New Marketing Tool for Banks became prevalent.

- Private Banking gained significance in conformity with the principle of 'segmentation of clients'.

The table below lists the numbers of businesses, intermediaries and employees in the insurance sector.

Table 2: Insurance Industry in Numbers (Turkey)

Number of Companies	2019	2020	2021
Non-Life Insurance	38	39	41
Life Insurance	5	6	6
Pension	17	15	15
Number of Employees	2019	2020	2021
Non-Life Insurance	10.600	11.205	11.725
Life Insurance Co.	626	615	626
Pension Co.	7.591	7.569	7.805
Number of Brokers	146	152	164
Number of Agencies	15.942	16.346	16.751
Pension Intermediaries	51.149	68.015	69.251

Source: Insurance and Private Pension Regulation and Supervision Authority, 2021 Annual Report About Insurance and Private Pension Activities

Table 2 clearly indicates high growth potential of insurance line of business that draws attention of foreign investors to this industry. Approximately Twenty-Thousand people are employed in this industry.

Regarding the pension reforms that started in 2001 and entered into force in 2003, Turkey has implemented a voluntary private pension system. In addition, the government announced the state contribution program that came into effect in 2013 to the participants (Kayhan, 2021:587). Despite the crises, these developments in the insurance industry led to an increase in distribution channels and the number of employees. The increasing growth of the life insurance and private pension in insurance sector since 2000 has also enabled the development of fields such as actuary (Kayhan, 2022:71). In addition, development of Banc-assurance marked the change in insurance sector. Also, e-branch has been prevalent as a new distribution channel in the insurance products.

6. Conclusion

This paper discusses development of distribution channels within the context of finance industry –in particular banking and finance- after 2000 when Turkey experienced economic, social, political turbulences and Turkish financial structure changed considerably. Especially after economic crisis of 2001 in Turkey, banking system was subjected to important changes: Banking regulatory and supervisory agency (BRSA) was set up as the main regulatory institution. After its establishment BRSA took active role in controlling banking system in an effort to refrain from risks that appeared before 2001 due to deregulation environment. In addition to the new and effective regulatory and supervisory board, after 2001 crisis, new rules and regulations (together with new banking law) came into existence to ensure that all the activities of banks should be carried out in accordance with the rules and regulations in force. A new risk-management approach was adopted by the regulation authorities and also banks themselves. Banks operating in Turkey started to strengthen their internal systems and risk management activities so that problems that gave rise to economic and financial crisis would never arise in the future of banking system.

The last 10 years (after 2010) witnessed the rise of financial technology that changing nature of financial industry. In this vein, marketing tools, divisions and structure of marketing and sales has changed remarkably.

As well as Turkish banking industry is concerned, at the beginning of 2000, marketing lines were made of mostly corporate marketing and retail banking (covering SME companies and individuals). For the last 10 years (approximately after 2010) marketing divisions enlarged and more marketing divisions appeared. Organizational structure of head office & branch of banks changed and new marketing tools and divisions improved: Internet banking/internet branches, private banking and direct marketing: In addition to corporate marketing, commercial marketing, retail marketing divisions, new distribution channels (lines of business) gained importance: Internet Banking (marketing via internet branch) plus Private Banking (marketing for wealthier segment of clients).

The similar developments were seen in insurance industry –both life and pension branch and non-life branch. At the beginning of 2000, agents were the most dominant distribution channel. Corporate solutions, direct marketing were other distribution channels. Recently, distribution channels have changed and improved (portion of agencies in all marketing lines declined). The new distribution channels are banc-assurance and internet-branch in parallel to enhancements in financial technologies. Banc-assurance improved remarkably as the joint distribution channel of banking and insurance and prevailed in this industry. Bank became the distribution channel of insurance products for life and non-life branches. Especially those financial group of companies that are working as financial supermarkets used banks as the primary distribution channel of their subsidiary of insurance.

Considering these and figures in the field of marketing in banking-insurance industry, this paper argues that distribution channels changed considerably after 2000 in line with global and local developments in fin-tech and changing-business environment. This study suggests that in Turkish market there is still much room for further growth of marketing in finance industry. The paper also contends that banc-assurance, private-banking and digital distribution channels are the leading new marketing and distribution channels with great potential to grow in banking and insurance business.

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Competing Interests

There is no conflict of interest in this research.

Ethical Statement

It is declared that scientific and ethical principles have been followed while carrying out and writing this study and that all the sources used have been properly cited.

Author’s Contribution

This entire article is the author's own product.

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