

# “A Study On Customer Preferences In Life Insurance Industry In India”.

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## ABSTRACT

*In today's tough competition, each employer in provider quarter tries hard to satisfy their purchaser. In Insurance sector, various new personal organizations have entered in enterprise by means of doing the merger with foreign businesses. Every day, they are presenting new offerings with the fundamental plan to draw the new clients & for maintaining the present clients. In this paper, I attempted to understand the consumer behaviour in Insurance zone. The foremost goal of this paper to perceive customer preference regarding plans & agency, their cause of purchasing the insurance regulations, satisfaction degree & their destiny plans for brand spanking new insurance coverage. Data become amassed with help of established questionnaire from 200 customers of Bangalore city. Sample became taken on the basis of convenience sampling, but handiest 192 questionnaires were used for analysis as the remaining 8 had been no longer stuffed properly by the respondents. Percentage, frequency & Cross tabulation methods had been used for analysis.*

**KEYWORDS:** *Insurance, Businesses, Insurance Regulations, Consumer Behaviour, Satisfaction.*

## 1. INTRODUCTION:

Insurance region performs a totally important position within the development of any economy. A well advanced and evolved insurance quarter is wanted for monetary improvement as it gives long time finances for infrastructure improvement and at the identical time strengthens the hazard taking capability. It is predicted that over the subsequent ten years India could require investments to the song of 1 trillion US greenback. The insurance sector to an extent can allow investments in infrastructure development to preserve monetary increase of the nation.

*Life insurance players in India:*

*Public Sector*

1. Life Insurance Corporation of India

*Private Sector*

1. Bajaj Allianz Life Insurance Company Limited
2. Birla Sun- Life Insurance Company Limited
3. HDFC Standard Life Insurance Co. Limited
4. ICICI Prudential Life Insurance Co. Limited
5. ING Vysya Life Insurance Company Limited
6. Max New York Life Insurance Co. Limited
7. MetLife Insurance Company Limited
8. Om Kotak Mahindra Life Insurance Co. Limited
9. TATA AIG Life Insurance Company Limited

## 2. REVIEW OF LITERATURE:

N. Namasivayam, S. Ganesan and S. Rajendran (2006) have a look at titled “Socioeconomic elements influencing the choice in Taking Life Insurance Policies “The goal of the have a look at turned into to analyse the socioeconomic factors which are liable for taking life coverage policies and to have a look at the desire of the policyholders closer to diverse types of regulations of LIC. From the evaluation it was determined that elements along with age, educational level and intercourse of the policy holders are insignificant but (Income Level, Occupation & Family size are widespread) at the same time as choosing taking a coverage policy. From the evaluation, it is inferred that respondents belonging to the age institution among 31 to 40 years are very plenty interested in taking an existence coverage policy.

Dr. N. Raman & Miss. C. Gayatri (2004) had determined the customers Awareness closer to new coverage agencies. It became observed that 53% of the respondents belong to the age institution “as much as 30”, 24% to the age organization 31-40, 20% belong to the age organization of 41-50, and the ultimate belong to the organization of above 50. They also determined that a big percentage of the insured respondents (32%) are specialists and 56% of the respondents are married. It is likewise observed that most of the respondents (52%) have taken a policy to cowl the risk and 44% to keep away from tax and the final to make investments the surplus amount. The observe indicates of the information the consumer higher will enable coverage companies to design suitable merchandise, determine rate efficaciously and boom profitability.

Jagendra Kumar (2005) with the aid of his examine, revealed that The Life Insurance penetration, in India is Just approximately 2% of GDP. The lifestyles insurance top rate in step with capita is just Rs. 550/- The LIC is the largest player with over 2000 officials. After liberalization, it has improved efficiency and customer services, most of the private lifestyles coverage businesses ICICI Prudential existence Insurance and Birla Sunlife are the primary and second largest players. Other outstanding businesses in opposition are – Bajaj -Allianz, HDFC Standard Life, Kotak Mahindra, ING Vysya Aviva Life, and Metlife and so forth.

A have a look at conducted by using PatilKallinath S (2003) aimed toward –“critically assessment of the overall performance of current insurance products.” It revealed that the coverage insurance of agricultural businesses and agricultural labor could be very low. The performance of kids related regulations like Jeevan Kishore, Jeevan Balya and many others. Is very terrible except the children cash lower back policy, which has also no longer been contributing considerably. The demonstration of product features, with the aid of the dealers, isn't excellent.

### **3. OBJECTIVES OF THE STUDY:**

The most important targets of this paper to become aware of consumer desire concerning plans & company, their purpose of purchasing the coverage policies, satisfaction degree & their future plans for brand spanking new insurance policy.

#### *Scope of the study:*

The universe of the research was 'Buyers of Life Insurance Policy'. The sample Respondents have been selected from Bangalore City only.

### **4. RESEARCH DESIGN:**

It has been further classified into four subsections.

- A. Sample selection & size
- B. Sampling Procedure
- C. Data Collection
- D. Analytical Tools

#### *A. Sample selection & size*

First step of research is sample selection, for which respondents were consumers in Hissar city. Total consumers covered were 200.

200 questionnaires were distributed but only 192 fully completed questionnaires were received and results are based on the responses of 192 respondents.

Sample Size – 192

#### *B. Sampling procedure*

The Consumers are selected by the following method:

Convenience Sampling: The researcher selects the most accessible population members from which to obtain information. Exploratory Research was used.

#### *C. Data collection*

##### *Primary Data:*

For the present study, the researcher used the survey method for collecting Primary data. A structured questionnaire was used for the purpose. The questionnaire included multiple choice questions.

##### *Secondary Data:*

The main source of secondary data for this research has been Insurance Chronicle, The ICFAI journal of Service marketing, The ICFAI journal of Consumer Behaviour and Indian Journal of Marketing.

#### *D. Analytical tools*

The data thus collected was collected was tabulated, interpreted & analysed with a view to make the study meaningful. In the present study, percentage, a frequency & cross tabulation method has been used for analysis.

## **5. ANALYSIS OF DATA**

Data collected through structured questionnaire were coded & tabulated according to need of study.

### *Demographic profile*

76.7% respondents were male while 23.3% were female. Responded were mostly belong to age group 25-30 (35.6%), followed by the age group 41-45 (27.1%) & 22.4% respondent belong to age group 36-40. Mostly the respondents (74.9%) are married. 37.5 % respondents have annual income in the range of 1 lakh- 2 lakhs. Most of respondents (32.9%, 60 out of 192) are civil servants. The detailed respondent's demographic profile in terms of frequency & percentage is presented in Table 1.

<b>Table 1: Demographic profile</b>		
	<b>Frequency</b>	<b>Percentage</b>
<b>Gender</b>		
Male	138	76.7
Female	54	23.3
Total	192	100.0
<b>Age</b>		
25-30	66	35.6
31-35	12	5.3
36-40	42	22.4
41-45	54	27.1
46-50	12	6.6
More than 50	6	3.5
Total	192	100.0
<b>Family Status</b>		
Married	138	74.9
single	48	25.1
Total	192	100.0
<b>Annual Income</b>		
upto 1 lakh	66	34.4
1 lakh-2 lakh	72	37.5
2-3 lakh	24	12.5
3-4 lakh	18	9.4
4- 5 lakh	6	3.1
6	6	3.1
Total	192	100.0
<b>Occupation</b>		
Civil servant	60	32.9
Private employee	54	27.2
Self employed	18	10.5
Businessman /women	12	7.8
Farmer	12	6.1
Other	36	15.5
Total	192	100.0

*Company name x Insurance Policy*

As shown in Table 2, 68.8% respondents have policies of LIC Company & 31.2% respondents have policies of private companies like HDFC Std Life, ICICI Pru, KOTAK Life, TATA AIG, Max New York, Birla Sun Life, & Bajaj Allianz.

34.4% respondents have Simple Term plan out of which 63.6% plans are of LIC Company. 28.1% respondents have Money Back policy out of which 77.8% money back policies of LIC company only, that means customer still prefer public sector companies as compared to private sector companies. In ULIP plan category, 55.6 % of total policies (28.1%) belong to again LIC. Only 6.3% & 3.1% of total (192) respondents have Pension Plans & Child Benefits Plans respectively & all of LIC Company only.

<b>Table 2: Company name * Insurance Policy Cross tabulation</b>								
		<b>Insurance Policy</b>					<b>Total</b>	
		<b>Term policy</b>	<b>Money back policy</b>	<b>ULIP plan</b>	<b>Pension plan</b>	<b>Child benefit plan</b>		
<b>Company Name</b>	<b>LIC</b>	% within company name	33.7%	32.4%	21.5%	8.1%	4.3%	100.0%
		% within Ins.Policy	64.8%	79.7%	54.5%	100.0%	100.0%	68.8%
		% of Total	22.9%	23.6%	14.8%	7.3%	4.1%	68.8%
	<b>HDFC Std Life</b>	% within company name	100.0%					100.0%
		% within Ins.Policy	9.1%					3.1%
		% of Total	3.1%					3.1%
	<b>ICICI Pru.</b>	% within company name			100.0%			100.0%
		% within Ins.Policy			11.1%			3.1%
		% of Total			3.1%			3.1%
	<b>KOTAK Life</b>	% within company name	100.0%					100.0%
		% within Ins.Policy	9.1%					3.1%
		% of Total	3.1%					3.1%
	<b>TATA AIG</b>	% within company name	50.0%	50.0%				100.0%
		% within Ins.Policy	9.1%	11.1%				6.3%
		% of Total	3.1%	3.1%				6.3%
	<b>Max New York</b>	% within company name		100.0%				100.0%
		% within Ins.Policy		11.1%				3.1%
		% of Total		3.1%				3.1%
	<b>Birla Sun Life</b>	% within company name			100.0%			100.0%
		% within Ins.Policy			22.2%			6.3%
		% of Total			6.3%			6.3%

<b>Bajaj Allianz</b>	% within company name	50.0%	50.0%	50.0%	50.0%	50.0%	100.0%
	% within Ins.Policy	9.1%	11.1%	11.1%	11.1%	11.1%	6.3%
	%of Total	3.1%	3.1%	3.1%	3.1%	3.1%	6.3%
<b>Total</b>	%within company name	34.4%	28.1%	28.1%	6.3%	3.1%	100.0%
	%within Ins.Policy	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	%of Total	34.4%	28.1%	28.1%	6.3%	3.1%	100.0%

*Purpose of buying a policy*

The result of survey (Table 3) shows that protection is the main purpose of buying an Insurance policy.

<b>S. No</b>	<b>Purpose</b>	<b>Frequency</b>	<b>Percentage</b>
<b>1</b>	<b>Income tax rebate</b>	42	21.9%
<b>2</b>	<b>Protection</b>	73	38.0%
<b>3</b>	<b>Return</b>	41	21.4%
<b>4</b>	<b>Saving</b>	34	17.7%
<b>5</b>	<b>Other</b>	02	1.0 %
	<b>Total</b>	192	100%



## Problem Faced while dealing with Insurance Company

According to survey, only 6.3% (12) respondents faced problems & all have policies of LIC Company (Table: 4).

		Problem Faced		Total
		Yes	No	
<b>Company name</b>	<b>LIC</b>	9.1%	90.9%	100.0%
	<b>HDFC Std Life</b>		100.0%	100.0%
	<b>ICICI Pru</b>		100.0%	100.0%
	<b>KOTAK Life</b>		100.0%	100.0%
	<b>TATA AIG</b>		100.0%	100.0%
	<b>Max New York</b>		100.0%	100.0%
	<b>Birla Sun Life</b>		100.0%	100.0%
	<b>Bajaj Allianz</b>		100.0%	100.0%
<b>Total</b>		<b>6.3%</b>	<b>93.8%</b>	<b>100.0%</b>

## 6. CONCLUSIONS:

1. 76.7 % respondents were male while 23.3% were female.
2. Responded were mostly belong to age group 25-30 (35.6 %),
3. Most of respondents (32.9%, 60 out of 192) are civil servants
4. 68.8% respondents have policies of LIC Company & 31.2% respondents have policies of private companies like HDFC Std Life, ICICI Pru, KOTAK Life, TATA AIG, Max New York, Birla Sun Life, & Bajaj Allianz
5. 34.4% respondents have Simple Term plan out of which 63.6% plans are of LIC Company.
6. 28.1% respondents have Money Back policy out of which 77.8% money back policies of LIC company only, that means customer still prefer public sector companies as compared to private sector companies.
7. In ULIP plan category, 55.6 % of total policies (28.1%) belong to again LIC.
8. Only 6.3% & 3.1% of total (192) respondents have Pension Plans & Child Benefits Plans respectively & all of LIC Company only.
9. Protection is the main purpose of buying a Insurance policy.
10. Only 6.3% (12) respondents faced problems & all have policies of LICCompany.
11. 100 % customers of HDFC Std life, ICICI Pru, Kotak Life Max New York & Birla sun life will definitely suggest to friends that means they are totally satisfy with company policies & services. But the 45%, 50% &50% customers of LIC, TATA AIG & Bajaj Allianz resp. will not suggest to friends that means they are not satisfy.

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