

Customer Awareness and Satisfaction towards Services of Life Insurance Corporation of India in Athoor Block Dindigul District

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Abstract

The insurance sector in India has come a full circle from an open competitive market to a nationalisation and again a liberalised market. Life insurance is generally known as a tool to eliminate risk, replace uncertainty, and ensure timely support to the family in the unfortunate death of an income earner. Sensing risk, measuring it and weighing its cost are an integral part of the administration. The main objective of the study is To know the Customer awareness and satisfaction towards LIC of India and To study the factors influence the customer buying behavior towards LIC products. The insurance business is unique, which is rewarded for managing the risk of the other party. The insurance sector in India not only plays a role in the financial system but also has significant socio-economic functions that provide risk protection to poor people. The insurance sector in India not only plays a role in the financial system but also has significant socio-economic functions that provide risk protection to poor people. The satisfaction of the consumer depends on the actual performance in relation to the buyer's expectations. If the effectiveness of the product matches the expectations, the consumer is satisfied.

Keywords: Life Insurance Corporation, Customer Awareness and Satisfaction.

Introduction

The insurance sector in India has grown at faster rate after liberalization. Life Insurance is one of the fastest growing and emerging markets in India. Insurance companies have a pivotal role in offering insurance products which meet the requirements of the people and, at the same time, are affordable. There are various types of policies such as term insurance, whole life insurance, endowment policies, money back plan, individual insurance, group insurance, pension plans, children's plan and unit-linked plan offered by LIC. These policies are mostly specific to different income and age groups it's big and monopoly public corporation for life insurance. Many of the people they have trust worthy because this corporation belongs to government and expected assured return.

In the current economic scenario, it is one of the mandates of the insurance companies to offer customer satisfaction, create large awareness, focus on the need to chose new and innovative products and pay the claims with shorter

turn around time. This will help the people to understand the overall benefits of the insurance products and protect their lives with respect to the future risk and hedge various uncertainties which they experience in the life. Previously, life insurance products were mainly applied as the main tool to protect the income of the family members, save for the future, planning for income after retirement etc. However, in the current scenario with more innovative products in the market, the insurance products are mainly used as the tool for wealth preservation, saving for taxes, invest in capital markets and protecting the life. The main objective of this research is to understand the factors influencing the consumer preference regarding Life Insurance Policies.

Review of Literature

(Jayapriya and Chandni) in their articles expressed that research on the awareness, preference and satisfaction of policyholders towards LIC, especially the study on Malappuram area. Life insurance is actually insured an agreement between a person and an insurer in which the policyholder accepts to pay regular premiums charged to the insurance company in return, the insurer provides monetary protection to the insured in the event of any accident or mishap. If the insured person dies unexpectedly, financial assistance will be provided to the family members. Therefore, life insurance is necessary because it can not only provide to his family in the event of any accident disaster. A prosperous insurance industry is important to every modern economy.

(Gomathi Devi and Rengarajan) in their article on “Rural Policyholders Awareness and Satisfaction on Online Services of LIC”, aim to identify the level of awareness on the rural policyholders about various online services of LIC. The required data for the study have been collected only primary through issue of questionnaire. Samples of 120 policyholders have been collected by adopting random sampling technique. Tools like simple percentage, chi square test, mean and standard deviations are used to the analysis the data. The study recommended that most of the rural policyholders are satisfied with the various online services of LIC.

(Annamuthu et al.) has analysed the perception of investors towards Life Insurance Corporation of India while their investment decision-making. Various insurance related factors have been discussed in the paper. The data for the study has been collected from both primary and secondary sources. Researcher has taken based on demographic and insurance based preference factors and tested them with the help of percentages method. They suggest that People are less aware of cost and premium. So, the insurance company should take necessary initiate to provide awareness about the benefits of cost and premium. From the study it is clear that the customers are moreover loyal to life insurance corporative of India.

Statement of the Problem

The main challenge before the insurance companies is to constantly innovate new products, ascertain changes in policyholder’s behavior, government intervention, competitions, technology, distribution network, automation, technological advancement, quality in client relationship changing life styles. Societal perception and brand loyalty are the radical changes that are taken place in customer’s profile. Policy holder’s satisfaction measures the important instrument to fulfill the safety and security needed to the people. Policy holder’s satisfaction measures, across all over the world playing a major role.

Objectives of the Study

1. To know the Customer awareness and satisfaction towards LIC of India.
2. To study the factors influence the customer buying behavior towards LIC products.

Scope of the Study

The study helps the LIC of India to focal point the consumer’s awareness and satisfaction on the product which they offer.

Data Collection

This study is based on both Primary and Secondary data. Here structured questionnaire is used to collect primary data. Under secondary source of data will be collected using company journals, records, websites, magazines and books.

Research Design

A research design is basically the framework or plan for a study that is used as a guide in collecting and analyzing the data. It is the deal of surroundings for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.

Particular	Research
Sample Size	80 LIC Policyholders
Nature/ Type of the Study	Descriptive Research
Sampling Technique	Random Sampling
Area of the study	Athoor block in Dindigul District
Statistics tools used	Mean, Percentage, Weighted Average

Educational Qualification	Undergraduate	29	36
	Graduate	31	39
	Post-Graduate	17	21
	Doctorate	3	4
Total		80	100
Total number of policies bought	One	31	39
	Two	28	35
	More than Two	21	26
Total		80	100
Mode of Payment	Monthly	29	36
	Quarterly	18	23
	Half-yearly	20	25
	Yearly	13	16
Total		80	100

Data Analysis

Profile of the Customer

In this study, profile of the respondents are confined to Age, Gender, educational qualification, total number of policies bought and Mode of Payment.

Table 1 Profile of the Respondents

Factors		No. of Respondents	%
Age Group	Below 30 years	30	38
	31-40 years	32	40
	41-50 years	9	11
	Above 60 years	3	04
Total		80	100
Gender	Male	48	60
	Female	32	40
Total		80	100

Factors Influencing for Selecting LIC Policy

Generally, the objectives of taking life insurance cover differ from person to person. One may buy it with more than one objective in mind. The prime objectives include savings, wide risk coverage, reasonable premium, quick settlement of previous claims, image and popularity of the policy, tax shelter, known agent/officials. We codify respondents opinions according to the following codes in a way that Likert's structure is acceptable for the questionnaire: 5-point scale where "1" refers to Strongly Disagree (SDA), "2" refers to Disagree (DA), "3" refers to Neutral (N), "4" refers to Agree (A) and "5" refers to Strongly Agree (SA).

Table 2 Factors Influencing in Choosing a Life Insurance Corporation

Reasons of Choice	SA	A	N	DA	SDA	Total	Mean	Rank
Reference by family/friends	32	13	19	08	08	80	3.66	I
Score	160	52	57	16	08	293		
Savings	25	21	18	13	03	80	3.64	II
Score	125	84	54	26	03	291		
Wide risk Coverage	21	24	15	15	05	80	3.51	VI
Score	105	96	45	30	05	281		
Reasonable Premium	27	12	13	18	10	80	3.35	X
Score	135	48	39	36	10	268		

Quick Settlement of Claims	26	18	16	12	08	80	3.53	IV
Score	130	72	48	24	08	282	3.53	IV
Reliability	27	12	13	18	10	80	3.35	X
Score	135	48	39	36	10	268		
Image and popularity of the policy	30	13	17	10	10	80	3.54	III
Score	150	52	51	20	10	283		
Low processing cost	23	15	19	16	07	80	3.39	IX
Score	115	60	57	32	07	271		
Tax Shelter	22	23	12	20	03	80	3.51	VI
Score	110	92	36	40	03	281		
Known Agents	27	16	14	15	08	80	3.49	VIII
Score	135	64	42	28	08	279		
Influence of the sales people	22	24	15	12	07	80	3.52	V
Score	110	96	45	24	07	282		
High return on investment	19	13	17	20	11	80	3.11	XII
Score	95	52	51	40	11	249		

It is clear from above table that, Reference by family/friends factor got first rank (3.66) in selecting LIC Policy. Savings factor got second rank (3.64), Image and popularity of the policy factor got third rank (3.54), Quick Settlement of Claims, Influence of the sales people, Tax Shelter, Wide risk Coverage, Known Agents, Low processing cost, Reliability, Reasonable Premium and High return on investment

factors got the following ranks and priority.

Customer Satisfaction Regarding LIC

Weighted Average method is used for determining the respondent's satisfaction level of LIC on the factors of Return on Investment, Company Reputation Premium outflow Service Quality Product Quality

Table 3 Level of Respondent's Satisfaction

Factors	HS	S	M	DS	HDS	Total	Mean	Rank
Return on Investment	31	28	14	03	04	80	3.99	I
Score	155	112	42	06	04	319		
Company Reputation	25	20	18	12	05	80	3.60	V
Score	125	80	54	24	05	288		
Premium outflow	31	20	17	08	04	80	3.83	II
Score	155	80	51	16	04	306		
Service Quality	22	32	12	08	06	80	3.70	IV
Score	110	128	36	16	06	296		
Product Quality	26	21	19	06	08	80	3.71	III
Score	130	84	57	18	08	297		

From the above table, it is clearly shown that the level of satisfaction of respondents with regard to LIC in Madurai district. As per this table respondents got first satisfaction in the factor of Return on Investment (mean 3.99). Premium outflow, Product Quality, Service Quality and Company Reputation got the proceeding ranks.

Suggestion

1. The awareness among must be enhanced through other effectual media like television, magazines etc.
2. New promotional strategy must be adopted by insurance companies to market Insurance in Dindigul District.

3. The misconception on insurance marketing among the public should be removed by using effective awareness programs.

Conclusion

The insurance sector has a huge potential not only because income are growing and assets are increasing but also because the instability in the system is increasing. In a sense, we are living in a more risky world. Trade is becoming increasingly global. Technologies are varying and receiving replaced at a faster rate. In this more indecisive world, for which enough verification is offered in the recent period, insurance will have an important role to play in reducing the risk burden individuals and businesses have to bear. The approach to insurance must be in tune with the varying times. The operation of the insurance sector in India should be to extend the insurance coverage over a larger section of the population and a wider segment of activities. Through innovative corporate planning and an abiding commitment to improved service, the mission of widening the spread of insurance can be achieved.

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