Influence of Customers Perceptions on LIC Products and Services

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Abstract

The Insurance industry in India has seen an array of changes in the past one decade. The economic scenario which emerged after globalization, privatization and liberalization has thrown a new challenge before the insurance sector. Insurance is a protection against economical losses arising due to an unexpected event. The objective of this paper is to investigate the influence of customer's perceptions determinants on LIC products in Chengalpattu district, Chennai. required samples size for this study is 236. These sample respondents are selected by systematic random sampling technique. The data analysis procedure is conducted through survey questionnaire method. Responses are coded and data entered statistical package for social science (SPSS). Descriptive statistics, ANOVA and Post-hoc statistical tools were used to analysis of variance between determinants, the statistically significant differences and relationship between variables. It is found that there is significant difference of opinion towards customers perception based on education qualification.
Key words: Customers perception, LIC Product, Services, Insurance

Introduction

Customer perception plays a vital role in a company's ability to attract new customers and to retain existing customers. The good news is that companies have the ability to control many of the factors that build an individual's perception of the company/brand. The formal definition of customer perception is, "A marketing concept that encompasses a customer's impression, awareness and/or consciousness about a company or its offerings." To put it simply, customer perception is what the customers and potential customers think of the organization. This perception directly impacts the attraction of new customers and the capacity to maintain good relationships with current customers.

In today's digital age, virtually everything is a Google search away. This makes the goods and services easier to find, but the trade-off is that the competition is easier to find as well. That means it's easier for unhappy or unsatisfied customers to leave. Consumers want good quality, but they also want to know they are getting good value. That value isn't just judged by the product or service they are purchasing, but by the availability and usability of the customer service that supports it. It's just not enough anymore to have brand recognition, consumers want to feel good about a brand and company. They want to do business with civic-minded corporations with positive world views. Knowing first what influences customer perception allows you to secure the organization's perceived identity.

Some factors that influence individual's perceptions include:

- **Advertising** – The campaigns its company runs offer implied perceptions about the products. What you say about the brand/company and the messages you deliver help others form opinions.
- **Influencers** – The people that surround an individual have a massive impact on their decisions. Whether they be in person or via social media, human nature is such that individuals listen to the opinions and thoughts of those around them.
- **Personal experience** – This is the biggest of all factors that weigh in to customer perception. If someone has experienced firsthand the quality of a product or service or the responsiveness and usefulness of a customer service channel, it will positively or negatively impact their perception.

So now that we've outlined what customer perception is and what influences customer perception, let's discuss how to create and maintain positive customer perception.

Companies have the tools to create a positive experience for their customers and even when unforeseen events create negative impressions, the best organizations rise to the challenge and can often win back an unhappy customer. Customer perception is about feeling and fact. From the first touch point to last, the entire company is involved in this perception and can contribute to it in a positive way.

Customers not only need to feel good about the brand/company and its service, they need to be treated well and the products and services need to perform as advertised. When problems occur, manage expectations, communicate effectively and work to resolve the issue while ensuring you make the customer feel valued and respected. It will always be easier and more cost effective to create an environment for positive customer perception from the beginning of the customer journey than it is to fix a negative perception.

LIC is the most trusted and popular brand in life insurance, the market share of private insurers are gradually increasing with people trust. The new private players offer many new innovative products and services. They are increasing the awareness level among consumers by using innovative and new techniques of advertisement, introducing new products, increasing penetration of life insurance of consumers in uninsured markets. The competition among public and private players has helped to increase in variety of products being offered from pure risk based to ULIP plans. Customers are the back bone of life insurance business. Every company tries to attract new customers and retain existing customers in order to keep their profits high. This helps insurance companies to maintain a good competitive edge on its competitors.

In this context this paper focused the customer's perception in LIC product and services. In the study we concentrate on these variables such as of price, product line, service quality, convenience, organisational image, product value and social status.

Research Methodology

The objective of this paper is to investigate the influence of customer's perceptions determinants on LIC products in Chengalpattu district, Chennai. Various literatures and

reviews are collected and identified the variables. Seven dimensions of customer perceptions have been adopted for this study. This tool consists of 34 statements which are classified as seven dimensions namely, price, product line, service quality, convenience, organisational image, product value and social status. The required samples size for this study is 236. These sample respondents are selected by systematic random sampling technique. The data analysis procedure is conducted through survey questionnaire method. Responses are coded and data entered statistical package for social science (SPSS). Descriptive statistics, ANOVA and Post-hoc statistical tools were used to analysis of variance between determinants, the statistically significant differences and relationship between variables.

Result and Analysis

Table-1: Opinion towards Customers Perception Based on Educational Qualification

Customers Perceptions	Education	Mean	S.D	ANOVA Result		Post-hoc test
				F-value	P-value	
Price	Upto SSLC/HSC	3.31	1.06	18.209	0.001*	2 vs 1,3,4
	Under graduate	2.91	1.37			
	Post graduate	3.76	0.65			
	Others	3.94	0.27			
Product line	Upto SSLC/HSC	3.25	1.18	16.163	0.001*	4 vs 1, 2, 3
	Under graduate	3.02	1.36			
	Post graduate	3.70	0.69			
	Others	4.24	0.11			
Service quality	Upto SSLC/HSC	3.39	1.19	28.483	0.001*	4 vs 1, 2, 3
	Under graduate	2.82	1.24			
	Post graduate	3.80	0.67			
	Others	4.36	0.14			
Convenience	Upto SSLC/HSC	3.52	1.31	39.566	0.001*	4 vs 1, 2, 3
	Under graduate	2.63	1.18			
	Post graduate	3.81	0.76			
	Others	4.54	0.18			
Organizational image	Upto SSLC/HSC	3.27	1.25	42.146	0.001*	4 vs 1, 2, 3
	Under graduate	2.63	1.11			
	Post graduate	3.88	0.77			
	Others	4.41	0.22			

Product value	Upto SSLC/HSC	3.44	1.17	19.688	0.001*	4 vs 1, 2, 3
	Under graduate	2.73	1.49			
	Post graduate	3.63	1.21			
	Others	4.23	0.46			
Social status	Upto SSLC/HSC	3.14	1.17	25.369	0.001*	4 vs 1, 2, 3
	Under graduate	2.86	1.28			
	Post graduate	3.77	1.06			
	Others	4.39	0.34			

Source: Primary data computed; * Significant @ 1% level.

Opinion towards customers perception based on education qualification is displayed in table-1. The educational qualifications are classified as upto SSLC/HSC, under graduate, post graduate and others (ITI/Diploma). Mean and standard deviation values are calculated for each group.

H_0: There is no significant difference of opinion towards customers perception based on educational qualification

In order to test the above stated hypothesis one way ANOVA is applied. The perception of customers, such as, price, product line, service quality, convenience, organizational image, product value and social status are found to be significant because the calculated P-value is significant. Hence price, product line, service quality, convenience, organizational image, product value and social status significantly varied based on education qualification. Hence the stated hypothesis is rejected.

In the case of price, the customers who have qualified from ITI, diploma secured the mean value of 3.94, post graduate customers secured the mean value of 3.76 followed by up to SSLC/HSC hold customers secured 3.31 and under graduate customers secured 2.91. It is noted that the educational qualification have difference of perception towards price aspect. The calculated F-value is 18.209 and the P-value is 0.001, which is significant at one percent level.

Hence there is a significant difference of perception towards the price aspect of customer's educational qualification. It is found that the ITI, diploma hold customers have the higher level of perception on price than other customers. However under graduate customers have the low level of perception on price in LIC products.

With regard to product line, the ITI, diploma hold customers secured the mean score of 4.24. The Postgraduate customers have the mean score of 3.70. SSLC/HSC level customers have the mean score 3.25. Under graduate customers have the mean score of 3.02. It is noted that educational qualification has the difference of perception towards product line. The calculated the F-value is 16.163 and the P-value is 0.001, which is significant at one percent level. Hence there is significant difference of perception towards product line based on customer's educational qualification. It is found that the ITI, diploma hold customers have

the higher level of perception on product line. But undergraduate hold customers have low level of perception on product line in LIC products.

For Service quality, ITI, diploma hold customers secured the mean value of 4.36. Followed by Postgraduate customers secured a mean score of 3.80, Upto SSLC/HSC customers secured 3.39 and undergraduate hold customers secured 2.82. It is noted that the educational qualification have difference of perception towards service quality of LIC products. The calculated F-value is 28.483 and P-value is 0.001 which is significant at one percent level.

Hence there is a significant difference of perception towards service quality based on the educational qualification. It is found that ITI, diploma customers have the higher level of perception on service quality, but, Undergraduate customers having low level perception on service quality of LIC products.

In the case of Convenience, ITI, diploma hold customers have the mean score of 4.54, followed by postgraduate customers scored mean score of 3.81, upto SSLC/HSC hold customers scored 3.52 and undergraduate customers scored 2.63. It is noted that the educational qualification have difference of perception towards convenience aspect. The calculated F-value is 39.566 and P-value of 0.001 which is significant at one percent level. Hence there is a significant difference of perception towards convenience based on the educational qualification. It is found that the ITI, diploma educational qualification customers have the higher level of perception on convenience, but, Undergraduate customers have low level of perception on convenience in LIC products.

For Organizational image ITI, diploma hold customers secured the mean value of 4.41 followed by Postgraduate customers secured 3.88, Upto SSLC/HSC completed customers secured 3.27 and undergraduate customers secured 2.63. It is noted that the educational qualification have difference of perception towards organizational image of LIC. The calculated F-value is 42.146 and P-value of 0.001 which is significant at one percent level. Hence there is a significant difference of perception towards organizational image based on the customer's educational qualification.

It is found that ITI, diploma hold customers have the higher level of perception on organizational image but undergraduate customers have low level of perception on organizational image than others.

With regard to Product value ITI, diploma hold customers have the mean score of 4.23, followed by postgraduate customers secured 3.63, Upto SSLC/HSC hold customers scored 3.44 and undergraduate customers scored 2.73, It is noted that the educational qualification have difference of perception towards product value of LIC. The calculated F-value is 19.688 and P-value of 0.001 which is significant at one percent level. Hence there is a significant difference of perception towards product value based on the customer's educational qualification. It is found that ITI, diploma hold customers have the higher level of perception on product value in LIC products, but undergraduate customers have the low level perception on product value.

For social status of customers, ITI, diploma hold customers secured the mean value of 4.39, followed by postgraduate customers secured a mean value of 3.77, upto SSLC/HSC

completed customers secured a mean value of 3.14 and undergraduate customers scored a mean value of 2.86. It is noted that the educational qualification have difference of perception towards social status aspect. The calculated F-value is 25.369 and P-value of 0.001 which is significant at one percent level. Hence there is a significant difference of perception towards social status based on educational qualification customers.

It is found that ITI, diploma hold customers have the higher level of perception on social status but undergraduate customers have the low level of perception on social status than other qualification customers.

From the ANOVA result while observing the P-value it is significant at one percent level. Hence there is significant difference of opinion towards customers perception based on education qualification. In order to find out the differences between educational qualification and perception of customers further Bonferroni post hog test is applied.

From this test result it is to be found that under graduate hold customers differ from upto SSLC/HSC, Post graduate and other categories like ITI/diploma hold customers towards perception regard price. Where as in the case of product lines, organisational image, product value, service quality, convenience and social status, ITI/diploma hold customers are differ from upto SSLC/HSC, undergraduate and post graduate degree hold customers.

Conclusion

In today competitive world it become necessary for Life Insurance to provide customer satisfaction spread awareness need based innovative products and affordable price these would help every individual to avail the benefits of insurance and protect their lives against future risk and uncertainty. This study concluded that customers perceptions has significant differences based on educational qualification. Post graduate and other categories like diploma holders had a high level of perception in the all the perceptions aspects. It is suggested that the company should create strong awareness among all other categories people.

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