

A Study On Customer Perception, Behavior And Satisfaction Towards The Products Of Lic With Special Reference To Chennai District

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ABSTRACT

In the life insurance sector, LIC is the largest player with approximately. Market share of 65 per cent. But why Indian counsellors do not trust many businesses and why India's largest population does not have a life insurance policy, or what reasons play a major role in buying customer behaviour towards life insurance policies. The insurance industry is therefore large and will continue to grow in the upcoming months. It is necessary for various players in this sector, including regulator and insurance companies, to understand consumer behaviour and what affects buying decisions. These papers are covered customer Perception, Behaviour and satisfaction towards the product of LIC with special reference to Chennai city. The overall objective of this project is to analyze the level of Perception, Behaviour satisfaction among customers in Life Insurance product. This study would enable to the management to know about the level of customer Perception, Behaviour satisfaction and it helps the management, to take corrective actions in areas where the changes are necessary to attract the employees.

Keywords: *Customer Perception, Behavior and Satisfaction of LIC products*

INTRODUCTION

The Insurance Act of 1938 was the most well-designed bill passed to work out and control the operations of articles of association on various Personal, Marine, Fire and Accident-related companies. This included various provisions of 1938 pertaining to the investment, deposit, premium, role and power of health insurers that were not applicable to a business of insurance policies. Project officer gradually in this path and the law was revised in 1950. It's in January 1956 that the Federal government was taking over and government owned the ownership of 245 Indian and Foreign health insurers and Provident Society operating in the life insurance business on 1 september, 1956. With a capital contribution of Rs.5 Crores, the insurance Corporation was formed. The business of the life insurance sector grew from 5 million policy at the period of renationalisation to much more than 3.2 million policy throughout 2004.

LIC is really the biggest insurance firm of almost five decades of history in the indian economy and is fully owned by the government of india. These have over 1,24,000 workers and 6,28,000 agents. It has a strong network with 100 branches nationwide and over 2048 divisions. At all levels, LIC has created facilities. At the top, alongside seven zonal training centres and 36 sales training facilities, is the Management Development Institute. The high-quality training centres have assured that the workers or agents are up-to - date with both the latest products to be offered to their customers by the company. From either a mere USD 125 billion in its initial year, LIC has grown to drr 25 billion. LIC earns a 40 per cent return on employing 8.5 million of its investment funds. LIC is currently one of the multifaceted insurance organisations offering

individual life insurance, group insurance, retirement and service charge strategies, home mortgages and money market strategies. It pays off about Rs.6 Crores annually to 11.7 million insurers. It also works in Fiji, Malaysia, the European Union, Nepal, Abu Dhabi and India. As a result of the transfer of the insurance regulatory and development (IRDA) Act 1999, in view to liberalisation, the insurer sector in India has also been opened up to the private players in order to make their entry at domestic and international levels. The entry of global players should come in the form of strategic partnerships and also be subject to a licensing system. The insurance regulatory development Authority shall be empowered to protect the interests of the customer in order to make sure the capital adequacy of the insurance industry and to allow that insurance system to grow peacefully.

The insurance industry often plays a major role in economic development, since it provides long-term infrastructure development aid and, at the very same time, promotes risk-taking behaviors. Therefore, with economic development, a well-developed and demanding insurance sector is required. It is estimated that India will require an expenditure of the one billion USD in the next ten years. To that extent, the insurance industry will enable investment in infrastructure development to sustain the economic growth of the country. Even so, insurance providers are also the source of the production of long-term funds for all the economy's total development.

REVIEW OF LITERATURE

Zahoor Ahmad Malik and Tapan Choure (2013) the purpose of their research study was to explore the different LIC policies and their interpretation among rural areas of India. The study suggested that the amount in the incomes of taxes did not have a large impact on Dahl's sector, mainly throughout the divisions of Amritsar and Shopping. The study also showed which, aside from brig's salary sacrifice measures, investors spend their money in some other banking firms rather than Life insurance companies and save the income tax in many other ways. The hypothesis also indicated that the growth with per income per capita has no relationship with the increment in the amount of policy, so it can be concluded by saying the insurance coverage in these three schools is just not very good, people also insured the lives through LIC, and there are very limited amounts of policies. The authors suggest that on these grounds, LIC may feel that the monthly price is good more than some other branches, though with some new steering and new innovations that will contribute to an outstanding potential, many policy must be improved.

Ashfaq Ahmed (2015) In his research paper, he claims that, despite awareness of insurance corporation of India, Indian economy often lacks toxins (poisons, such as pension, in spite of the provision of different sources of finance. After the restructuring of the insurance sector of 1999, insurance products statistics often show relatively lower coverage and poor quality. The aim of this research paper was to analyse the current situation of rural life insurance in India and also to explore some issues and difficulties which have led to poor participation of country life insurance exchanges. A survey method of residential consumers throughout the expected workload and Agra areas was conducted to examine the expectations.

Rao (2016) It clarified that the nationalisation of the financial services industry has resulted in insurers increasingly operating to market pressure, so that insurers are consequently driving their strategies to increase customer satisfaction and customer loyalty via improved customer service. Competition has intensified with the reopening of the insurance industry to private entities, and it has become quite difficult for firms that attract and retain health insurers. The need to switch from either a traditional strategy to succeed throughout the market has been acknowledged by each and every company. It is in this context that both government and business insurance companies have adopted the CRM process as well. With major insurance companies, CRM technologies and social marketing instruments are starting to mature but finding wider adoption. This research is an effort that review or evaluate the different interventions of marketing automation.

Yiing JiaLoke and Yi Yuern Goh (2018) The aim of the research paper was to evaluate the socio-demographic and economic factors which have a major effect on life insurer demand in Malaysia. The researchers used a hurdle tally-data model to quantify two different life insurance demand judgments, which

are divided into two sections: to either buy a life insurance and, so then, how often products to buy.

NEED FOR THE STUDY

Through developing employment opportunities, pushing up industrial growth and so forth, that insurance industry plays a central role in the growth of the country. In current cut throat market competition, the preservation of insured people in insurance policies is the biggest challenge. LIC does have a number of plans that meet the needs of different groups of individuals and encourage savings. LIC makes more people informed of its products effectively and provides its health insurers with better service. World is filled of contingencies and threats. Satisfied customer highlights the key areas in which Legal efficiency has also been improved by decision makers. The value would be that it brings out differences in different parameters like level of awareness, service quality or policyholder overall satisfaction. Insurance schemes must draw health insurers in different ways and fulfill them. Insurance coverage is becoming the foundation of every market current economy, as it provides more than enough room for long periods of time to collect large sums of money. Individuals who care very much for them and the homes are life insurance insured. The LIC of India has launched a variety of products that suit policyholders' tastes and interests. The value of capital and good margins on their assets are given special attention by investors. But greater risks are intrinsic advantages expected from LIC products. Hence this study has been undertaken to the “A Study On Customer Perception, Behavior And Satisfaction Towards The Products Of LIC With Special Reference To Chennai District”

OBJECTIVES OF THE STUDY

- To work out the consumer demographic and socio - economic profile of the LIC product.
- To determine the level of satisfaction of the Life Insurance product among customers.
- To evaluating the justification provided by the policyholders for the life insurance policy purchase
- To review the perception of a consumer towards LIC's after-sales service.

RESEARCH METHODOLOGY

To use a questionnaire originally designed for the purpose, primary data was obtained from the selected respondents. For the purposes of the study, secondary data was gathered from books and journals. The total sample size for the research is 100. To choose the respondents, the researcher followed a convenient sampling technique. Chi square, Measure of central tendency and rank analysis were used for this research with the following instruments. A significant non-parametric test is the Chi-square test based and independent variable analysis. $\text{Chi-square} = \sum (\text{O}-\text{E})^2 / \text{E}$.

DATA DISCUSSION

1. demographic and socio - economic profile of the LIC product

The demographic and socio-economic background of the survey insurance products insurance companies is evaluated and the results on the ground of gender, education level, profession, total income, family size and position of valuable sports.

Table No: 01

Age - Wise Classification

S.NO.	AGE	RESPONDENTS	PERCENTAGE (%)
01	Below 25yrs	8	8%
02	26 to 30yrs	14	14%
03	31 to 35yrs	18	18%

04	Above 35 yrs	60	60%
TOTAL		100	100

From the above table show that 45% of above 35 years,60% of the respondents are 31 to 35 years, 18% of the respondents belongs to 26 to 30years and 14% of the respondents belongs to below 8% years of age category.

Table No: 02

Occupation Wise- Classification

S.NO	OCCUPATION	RESPONDENTS	PERCENTAGE(%)
01	Employed	45	45%
02	Self employed	35	35%
03	others	20	20%
TOTAL		100	100

From the table indicate that, 45 percentages of respondents are employed, 35%of respondents are self-employed, and 20 percentages of respondents are others.

Table No: 03

Income Wise Responders' Classification

S.NO.	OCCUPATION	RESPONDENTS	PERCENTAGE (%)
01	5000- 10000	42	42%
02	10001- 15000	27	27%
03	15001 - 20000	17	17%
04	Above 20000	14	14%
TOTAL		100	100

From the above table reveals that 42 percentages of respondents are receiving 5000- 10001 of income, 27 percentages of respondents are receiving10001-15000 of income, and 17 percentages of respondents are receiving 15001-20000 and above20000 are belongs to 14% of the respondents.

1. Level Of Satisfaction Among Customers In Life Insurance Product

H0= There is no significant relationship between the satisfaction level of the LIC consumer product and demographic variables such as age and gender.

TABLE NO: 04

Level Satisfaction Based On Age

S.NO	CATEGORY OF AGE	SATISFICATION			TOTAL
		HIGH	MEDIUM	LOW	
01	Below 25yrs	2(5.36)	3(1.44)	3(1.2)	8
02	26 to 30yrs	5(9.38)	3(2.52)	6(2.1)	14
03	31 to 35yrs	10(12.06)	5(3.24)	3(2.7)	18
04	Above 35 yrs	50(40.2)	7(10.8)	3(9)	60
TOTAL		67	18	15	100

In the bracket, the expected frequencies (E) are given. $E = \frac{\text{Row total} * \text{Column total}}{\text{Grand total}}$

By substituting the figures as per Table1, using formulae of Chi square, the investigator got the following

measured value: 17.33 . $DOF=(r-1)(c-1) = (4-1)(3-1) = 6$. Table value at .05 level of significance = 12.592 . Since the table value is less than the measured value, we reject null hypothesis and agree that there is significant relationship between the age level of satisfaction with LIC product used by customers.

Table No: 05
Gender wise classification

S.NO	CATEGORY	LEVEL OF SATISFICATION			TOTAL
		HIGH	MEDIUM	LOW	
01	Male	45(37.2)	10(14.26)	7(10.54)	62
02	Female	15(22.8)	13(8.74)	10(6.46)	38
TOTAL		60	23	17	100

The investigator received the following estimated value by substituting the above figures as per Table 2, using Chi square formulae: 9.074 . $DOF=(r-1)(c-1)=(2-1)(3-1)=2$. Table value at .05 significance level = 5.99 . Since the table value is less than the calculated value, we reject null hypothesis and agree that there is a significant relationship between gender and level of satisfaction from 5.99 .

2. Evaluating the justification provided by the policyholders for the life insurance policy purchase

TABLE NO: 06

Rank analysis

S.NO.	VALID	FREQUENCY	PERCENTAGE	RANK
01	Easy accessibility	7	7%	VI
02	Recommendation of friend	3	3%	VIII
03	Known from agent	37	37%	I
04	Investment - Shifting	8	8%	V
05	Saving	12	12%	III
06	Purpose of tax	9	9%	IV
07	Risk coverage	20	20%	II
08	Self interest	4	4%	VII

The above table shows that known agent is a very important reason for purchasing policy, saving followed by tax intent is somewhere equally important in policy purchasing decision, while the least preferred reason for purchasing the policy is easy accessibility.

3. perception of a consumer towards LIC's after-sales service

TABLE NO: 07

After sales service of the Life Insurance Companies.

S.No.	Elements	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Sum	Mean	Rank
1	Guidance provided	23	50	24	2	1	100	2.43	I

	by agent								
	Percentage	23%	50%	24%	2%	1%			
2	Providing recent information	23	24	39	10	4	100	1.89	III
	Percentage	23%	24%	39%	10%	4%			
3	Promptness and claim settlement	32	50	15	2	1	100	2.33	II
	Percentage	32%	50%	15%	2%	1%			
4	Administrative staff respondents	22	45	26	4	3	100	1.55	IV
	Percentage	22%	45%	26%	4%	3%			

From the above table, it is evident that the agent's advice is the most important explanation with an average of 2.43, accompanied by promptness in claim settlement of 2.33 and recent knowledge with an average of 1.89, while administrative staff respondents with an average of 1.55 in LIC policy after-sales services are the least important factor.

DISCUSSION

Competition is becoming more and weaker for insurance firms in today's globalized world economy. It is getting harder for insurance firms to distinguish themselves from others in terms of goods and services. As a result, consumers have a greater range of goods that are often less distinguishable, and they are also better educated. Customers are widely aware of their higher influence, which increases their business standards. As insurance against threats, losses or future events, every human being has the propensity to save. One way of saving and also a means of protecting individual risk is insurance. With rising consumer requirements, the insurance market has become competitive. Customers are becoming more aware of their needs and demand higher quality levels, as technology enables them to easily and accurately make comparisons. Their perceptions and expectations evolve continuously, making it difficult for service providers to effectively measure and manage services. This empirical study aims to examine the expectations and satisfaction of policyholders (customers) with the different services provided by the public and selected private life insurance companies operating in India. It has been suggested to both public and private life insurance companies on the basis of empirical findings that the provision of quality after-sales services, in particular, can lead to very positive results through customer loyalty, repetitive sales and cross-selling of major policies to current customers. In terms of well-trained and informed agents, life insurance policyholders have primarily defined assurance, who understand intimately specific needs, approach from the point of view of the customer, show clarity in explaining the terms and conditions of the policy and thus inspire trust and trust. Therefore, to develop their customer engagement skills and awareness, it is important for service providers to provide appropriate training for their agents. Several steps need to be taken to raise awareness among customers about LIC goods. To catch the interest of consumers, creative life insurance plans have to be introduced.

CONCLUSION

For an insurance business, customer satisfaction may lead to increased benefit. Customers are an economic benefit, but it is not enough to please customers alone; it must satisfy customers at a profit for a company to survive in the long run. The goods and services that the insurance firm has introduced should be in favour of the increasing need for policy holders. In terms of buying insurance, we were interested in exploring the variables that impact the attitudinal factors that influence customer conduct. We used the Theory of Planned Behavior for this part of the study, which proposes that beliefs, attitudes, subjective norms and perceived behavioural control affect the behavioural intention that affects the actual behaviour that is the purchase of insurance in this case. In today's Indian economy, Indian consumers' investment habits shift very frequently. People have their own views of different forms of investment plans. The study of this research paper focused on the perception, satisfaction and behaviour of the consumer on investment in Life Insurance products. The aims of the analysis were to analyses the factors underlying consumer perception of investment in life insurance policies; and to

compare the differences between male and female consumers in consumer perception. The view of the customer in relation to life insurance policies is optimistic. In insurance plans, this created a optimistic mindset for their investment trend. Some steps to improve the insurance sector are still needed. Consumer Loyalty, Service Quality, Ease of Procedure, Satisfaction Level, Company Image, and Company-Client Relationship are the major factors that play a role in developing the consumer's perception of life insurance policies.

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