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A Study on Policy Holders Financial Awareness on Distribution Channels and Promotion on the Various Products of LIC in Greater Chennai

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ABSTRACT

Generally, people do now not have much awareness on insurance policies within the services rendered via LIC. It is the conclusion for the need of an insurance policy after the lack of existence and belongings in a coincidence. It is usually held conviction that insurance is a sheer waste and takes great effort to take away this mind-set amongst people. The successes of the insurance companies rely on the awareness amongst policyholders approximately coverage merchandise and delight of the policyholders concerning offerings rendered by the coverage business enterprise. Customer pleasure relies upon upon how the patron perceives the guidelines provided with the aid of a coverage business enterprise and how they have thrilled by way of its services. By understanding, customers' awareness degree approximately the goods, perception approximately coverage products, provider satisfaction and pride level, the advertising crew can compete with other competition to preserve the prevailing customers in addition to get new clients. The gift have a look at is tried to recognize how customers understand life coverage products, carrier excellent and delight ranges of coverage holders of the Life Insurance Corporation of India.

Keywords: LIC, Customer, Insurance policy.

I. INTRODUCTION

The lifestyles coverage area is a crucial cornerstone to the Indian economic system. It performs a full-size function in mitigating existence uncertainties and acts as a tool of security, savings and peace. India holds 18th function in the international life coverage market and India remains an beneath- insurance us of a. The ratio of existence insurance top class to gross domestic product (GDP) is around 4 in line with cent towards sixty nine in line with cent inside the evolved international locations and it is expected to the touch 6.2 in line with cent by using 2018 given the sheer geographical spread of the united states and its colossal populace, there's a big marketplace that stays but to be tapped and this offers a lots of possibility to one-of-a-kind

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gamers for boom. Insurance industry became a central authority's monopoly. It is now experiencing cutthroat competitions because, a number of gamers have entered into the Indian marketplace within the form of joint ventures with Indian private area partners. Consequently, Indian Insurance industry is closely integrated with global economy thereby making it vital for coverage agencies to function outdoor countrywide boundaries. During the lengthy monopoly regime, the authorities tried minor changes within the approaches without going into the foundation motive.

The coverage market in India is presently in the throes of radical alternate.

Close to eighty percent of Indians do now not maintain a coverage coverage, consistent with a latest survey. Agricultural and rural regions stay largely untouched. But converting authorities policies and an inflow of private and overseas gamers way the enterprise is on the point of a increase. Strong competition and modern products is what defines India's nonetheless small but rapidly developing insurance area today. The insurance sector is a tremendous one and is developing at a speedy price of 15-20 in line with cent. Together with banking services, insurance services add about 7 according to cent to the country's GDP.A well-evolved and developed coverage quarter is a boon for monetary improvement as it presents long-term funds for infrastructure improvement on the identical time strengthening the risk taking capacity of the united states. The contours of insurance business had been converting across the globe and the rippling outcomes of the identical may be located in the domestic markets also. Insurers are increasingly introducing modern products to satisfy the unique wishes of the prospective coverage holders. Innovations have come now not only in the shape of blessings connected to the products, but additionally in shipping mechanisms that have emanated from numerous marketing tie-united states both inside the realm of monetary services and out of doors. All these have taken lifestyles insurance in the direction of the customer's well as making it more relevant.

(A) Objectives:

1. To study the awareness of policy holders on process of various products of LIC

2. To study the awareness of policy holders on promotion of various products of LIC

3. To analyse the association between profile of policy holders and the awareness on process and promotion of products of LIC

4. To analyse the correlation between the process and promotion of various products of LIC

(B) Review of Literature:

(Hildebrand 1948)Comparative Study of Life Insurance Companies: The Indian insurance industry was thrown open to competition and private sector in the year 2000. The opening up of the industry has helped insurance customers' in general and the private insurers in particular. The private insurers have been growing on an average of 77% since its inception. People purchased private sector's insurance products mainly because of their professional approach and better service.

(Valdez, Vadiveloo, and Dias 2014)Factors Affecting Customers' Preferences for Life Insurers: An Empirical Study: The study aims to identify the factors influencing the selection of insurance company for purchasing the policy. An attempt has been made to study the customers' buying behaviour with a focus on determining the factors affecting the consumers' preference for insurance companies. (Walker 1964)The variable for the selection of a company consisted of 7Ps of services marketing, which services providing companies like insurance companies are assumed to have given due importance. The respondents were queried about the factors which strongly influence their choice of a particular company. The findings were analyzed using ANOVA tests for each of the 7Ps.(Bhuyan 2011) Findings reveal that product features, accessibility, low premium amount, advertising, proper redress of complaints and better claim settlement are some of the factors that drastically influence the choice of a company.(Hill et al. 2019) This article strives to find out how economic processes influence customers' satisfaction.(Scatterday 1945) The study examines the separate impacts of economic growth and economic expectations on perceived value, quality expectations and customers' satisfaction. The analysis reveals that customers' satisfaction is positively influenced by economic growth and negatively by current economic expectations. The results show a strong correlation between economic expectations and (overall and industry-specific) quality expectations.

study the links between quality and consumers' emotions and eventually with their satisfaction. (Solomon 1940) This study introduces two components of total quality structure; quality of design and quality of conformance, for analysis of the link between quality and customers' emotions. The results show that there is a significant relationship between possible combinations of two quality dimensions and customers' affective responses in terms of both their valence and intensity. ("Whole-Life Insurance Policy," n.d.)An interesting finding of this study suggests that customers' value quality of conformance higher than quality of design. in his article entitled, "The Insurance Customers' – The Customers' Protection Act, 1986", portrays that post sales services- reminders on the renewal of premium, furnishing of required

data, claim servicing and response to customers' needs – and the amount of claim received influence the satisfaction level of the policyholders.

(Triveni and Bhatt, n.d.) Reveal that customized services, high quality contract and high quality dissemination of information influence the satisfaction of high premium paying customers . in his article, "Customers' Preference in Life Insurance Industry in India", perceives that effective information of products and services, efficient claim settlement and fair grievance redressal system boost the satisfaction level of policyholders. in their study "An overview of the private Insurance Company" divulge that appropriate communication, extended customers' service, human approaches, immediate attention to the customers' requests and availability of products with less formalities highly influence the satisfaction level of the customers'.(Eling and Kiesenbauer 2014) in their study entitled,(Belth 1985) "An Exploratory study of factors Affecting Selection of life insurance products". Perceives that offering of innovative schemes and effective handling of complaints lead to higher customers' satisfaction on "Customers' satisfaction in the Insurance sector,"(Whelehan 2002) reveal that courteous behaviour of employees, concentration to consumers interest, fair redress system, and efficient claim settlement gain the customers' base enhance their level of satisfaction. in his article, "Insurers Score Low in Client Satisfaction", reveals that availability of products at an affordable price and after sales services – clients settlement, response of employees and agents on customers' request and effective complaint redressal – influence the satisfaction of life insurance policyholders on the services of their insurer.(Harris and Yelowitz 2018) in his article entitled, (Mezzullo 2009)"The efficiency of LIC during the post Liberalization and Globalization period. A case study of West Bengal" reveals that the services of agents timely information about the premium due, assistance in payment of renewal premium, response to customers' problems and guidance to clients' request influence the satisfaction of customers' and also in procuring business in their article entitled, "Customers' Satisfaction in Insurance Sector" depict that timely response to customers' needs and efficiency to offer the services at the lowest price with best quality appraise the satisfaction level of customers'(Rothstein 2004) in their study titled, "Path Analysis of Perceived Service Quality, Satisfaction and Loyalty in Greek Insurance", reveal that reliability, assurance, empathy, and responsiveness influence customers' satisfaction while word of mouth is an antecedent of repurchasing intentions and satisfaction indirectly influence the latter.

(Marmor 2018) in their article entitled, "Customers Satisfaction in Service Quality", state that core service quality and perceived value are the most important drivers of customers' satisfaction with relational service quality, a significant but less important driver. in their study

"Life Insurance corporation: The leader on the back foot" pointed out, Traditionally, insurance has been serving 'protection' as well as 'savings' needs of customers' with a variety of products (Kemptner 2019).Riders have facilitated packaging these two elements to offer more beneficial and comprehensive solution to customers'. It is a win-win situation when customers' appreciate the nuances of product configurability and insurers ensure preparedness of their service delivery mechanism. (Nalini Prava Tripathy Prabir Pal (2008) – Insurance theory and practice). in study entitled, "A pilot study on the services quality of insurance companies", reveal that assurance followed by empathy and reliability are the important determinants that affect the satisfaction levels of the policyholders in LIC, ING, VYSYA, TATA and HDFC. In addition, tangibles in LIC and responsiveness in TATA and HDFC contribute to the satisfaction levels. examined the performance of LIC due to competition; they stated that LIC had withstood the competitive pressures with ease. LIC has concentrated on the rural sector having recognized immense insurance potential. The overall performance in terms of policies marketed, sum assured and rural new business is quiet commendable.(Milton 1990) LIC is for ahead of its competition and it is no exaggeration to state that it may be a day dream for new insurers to outperform LIC even in the far future. The rural new business has registered good growth rate as compared to new players.

(C) Methods and Materials

Since the research is to A study on policy holder's financial awareness of Distribution Channels and Promotion on the various products of LIC in greater Chennai. through structured questionnaire the suitable search is descriptive research. The required information for the research is collected through questionnaire from 950 respondents. Both primary data and secondary data have been used for the study. The method of sampling technique used to collect primary data is convenient sampling. The collected data have been analysed by using SPSS software package. The important statistical measurements used for the analysis are percentage analysis, ANOVA, chi-square and correlation.

II. DATA ANALYSIS AND INTERPRETATION

Percentage Analysis:

Profile of respondents	Category	Frequency	Percentage
Gender	MALE	461	48.5
	FEMALE	489	51.5

	Total	950	100.0
Age	18-25 YEARS	132	13.9
	26-30 YEARS	310	32.6
	31-35 YEARS	294	30.9
	36-40 YEARS	175	18.4
	ABOVE 40 YEARS	39	4.1
	Total	**950**	**100.0**
Education	UP TO PRIMARY	46	4.8
	SSLC	137	14.4
	HSC	106	11.2
	UG	404	42.5
	PG	257	27.1
	Total	**950**	**100.0**
Marital Status	MARRIED	636	66.9
	UNMARRIED	314	33.1
	Total	**950**	**100.0**
Occupation	BUSINESS AND SELF EMPLOYED	164	17.3
	GOVERNMENT	277	29.2
	PRIVATE	368	38.7
	OTHERS	141	14.8
	Total	**950**	**100.0**
Area/Place of	RURAL	353	37.2

residence	URBAN	597	62.8
	Total	**950**	**100.0**
Family structure	NEUCLEAR	526	55.4
	JOINT FAMILY	424	44.6
	Total	**950**	**100.0**

Inferences

1. It is inferred that 48.5 per cent of the respondents are male and 51.5 percent of the respondents are female.

2. It is found that 32.6 per cent of the respondents belong to the age group of 26-30 years, followed by 30.9 per cent are in 31-35 years; 18.4 per cent are in 36 -40 years;13.9 per cent are in 18-25 years and 4.1 per cent are above 40 years.

3. It is observed that 66.9 per cent of the respondents are married and 33.1 percent are unmarried.

4. It is noticed that 42.5 percent of the respondents have educational qualification with UG followed by 27.1 per cent with PG; 14.4 percent with SSLC; 11.2 percent with HSC and 4.8 per cent with educational qualification up to primary.

5. It is inferred that 38.7 per cent of the respondents are working in private sector followed by 29.2 per cent in government sector; 17.3 per cent are doing their own business and 14.8 per cent are in other occupations

6. It is understood that 62.8 percent of the respondents are living in urban area and 37.2 per cent are in rural areas

7. It can be observed that 55.4 per cent of the respondents are from nuclear family and 44.6 percent are from joint family.

III. ANALYSIS OF VARIABLES (ANOVA)

Null hypothesis HO : There is no significant difference between profile of policy holders and distribution channels of various products of LIC

Alternative hypothesis H1: There is significant difference between profile of policy holders and distribution channels of various products of LIC

S.No	Personal profile and Awareness on Distribution Channels	F	Sig
1	Gender and Awareness on Distribution Channels	1.562	.000
2	Age and Awareness on Distribution Channels	5.846	.000
3	Marital Status and Awareness on Distribution Channels	3.804	.000
4	Education and Awareness on Distribution Channels	5.862	.000
5	Occupation and Awareness on Distribution Channels	5.169	.000
6	Area/Place of residence and Awareness on Distribution Channels	4.006	.000
7	Family structure and Awareness on Distribution Channels	4.537	.000

1. INFERENCE

Since the significant value is less than 0.05 reject the null hypothesis, Therefore there is significant difference between profile and distribution channels

Null hypothesis HO : There is no significant difference between profit of policy holders and promotion of various products of LIC

Alternative hypothesis: There is significant difference between profit of policy holders and promotion of various products of LIC

S.No	Personal profile and Awareness on Promotion	F	Sig
1	Gender and Awareness on Promotion	4.029	.000
2	Age and Awareness on Promotion	7.470	.000
3	Marital Status and Awareness on Promotion	3.915	.000
4	Education and Awareness on Promotion	8.206	.000
5	Occupation and Awareness on Promotion	6.539	.000
6	Area/Place of residence and Awareness on Promotion	6.344	.000

7	Family structure and Awareness on Promotion	4.684	.000

2. INFERENCE

Since the significant value is less than 0.05 reject the null hypothesis, Therefore there is a significant difference between profile and promotion

Chi-square Analysis :

Null hypothesis HO : There is no significant association between profile of policy holders and distribution channels of various products of LIC

Alternative hypothesis H1: There is significant association between profile of policy holders and distribution channels of various products of LIC

S.No	Personal profile and Awareness on Distribution Channels	Chi-square value	Sig
1	Gender and Awareness on Distribution Channels	24.788[a]	.074
2	Age and Awareness on Distribution Channels	300.203[a]	.000
3	Marital Status and Awareness on Distribution Channels	58.177[a]	.000
4	Education and Awareness on Distribution Channels	361.120[a]	.000
5	Occupation and Awareness on Distribution Channels	203.017[a]	.000
6	Area/Place of residence and Awareness on Distribution Channels	61.062[a]	.000
7	Family structure and Awareness on Distribution Channels	68.574[a]	.000

3. INFERENCE

Since the significant value is less than 0.05 reject the null hypothesis, Therefore there is significant association between profile and distribution channels

Null hypothesis HO : There is no significant association between profile of policy holders and promotion of various products of LIC

Alternative hypothesis: There is significant association between profile of policy holders and promotion of various products of LIC

S.No	Personal profile and Awareness on Promotion	Chi-square value	Sig
1	Gender and Awareness on Promotion	61.402[a]	.000
2	Age and Awareness on Promotion	372.621[a]	.000
3	Marital Status and Awareness on Promotion	59.762[a]	.000
4	Education and Awareness on Promotion	384.754[a]	.000
5	Occupation and Awareness on Promotion	252.801[a]	.000
6	Area/Place of residence and Awareness on Promotion	93.213[a]	.000
7	Family structure and Awareness on Promotion	70.637[a]	.000

4. INFERENCE

Since the significant value is less than 0.05 reject the null hypothesis, Therefore there is significant association between profile and promotion

CORRELATION

Null hypothesis H0 : There is no significant relation between awareness of Distribution Channels and Promotion

Alternative hypothesis H1: There is significant relation between awareness of Distribution Channels and Promotion

	Distributions Channels	Promotion
Distribution Channels	1	.471
Promotion	.471	1

5. INFERENCE

There is a Moderate Positive Relationship between the two factors Distributions Channels and Promotion.

IV. DISCUSSION

It is inferred that 48.5 per cent of the respondents are male and 51.5 percent of the respondents

are female. It is found that 32.6 per cent of the respondents belong to the age group of 26-30 years, followed by 30.9 per cent are in 31-35 years; 18.4 per cent are in 36 -40 years;13.9 per cent are in 18-25 years and 4.1 per cent are in above 40 years. It is observed that 66.9 per cent of the respondents are married and 33.1 percent are unmarried. It is noticed that 42.5 percent of the respondents have educational qualification with UG followed by 27.1 per cent with PG; 14.4 percent with SSLC; 11.2 percent with HSC and 4.8 per cent with educational qualification up to primary. It is inferred that 38.7 per cent of the respondents are working in the private sector followed by 29.2 per cent in government sector; 17.3 per cent are doing their own business and 14.8 per cent are in other occupations. It is understood that 62.8 percent of the respondents are living in urban area and 37.2 per cent are in rural areas. It can be observed that 55.4 per cent of the respondents are from nuclear family and 44.6 percent are from joint family. Since the significant value is less than 0.05 reject the null hypothesis, Therefore there is significant difference between Distribution channel and promotion.There is Moderate Positive Relationship between the two factors Distribution channel and promotion.

V. CONCLUSION

Life insurance business enterprise requires new techniques to live on and provider correctly. To faucet the insurance capability to most employer desires to frame such plans and techniques on the way to assist to seize the marketplace. Companies rather than focusing most effective on enhancing the kind of merchandise desires to consciousness on centered on new segments and implement progressive techniques to achieve sustained growth and ensure profitability of business enterprise further to boom of coverage coverage.

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