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## CONSUMER BUYING BEHAVIOUR OF LIFE INSURANCE CORPORATION

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### ABSTRACT

Insurance is the sector which leads to benefits across the full spectrum from the individual who have wider choices to the economy, which can look forward to long term funding being available. Insurance is in manner of speaking the last frontier in financial sector to open, this will create huge employment opportunities not only within insurance companies but also as agents and consultants of insurance companies. Understanding consumer's needs and paying attention to consumer service a security for life for things. Insurance is a social device where uncertain risks of individuals may be combined in a group and thus made more certain, small periodic contributions by the individuals provide a fund out of which those who suffer losses may be reimbursed. In addition to being a means to protect oneself, the insurance industry is an efficient conduct for the saving of people to be channeled towards economic growth. There are still some issues that need to be sorted out, particularly with regard to the status of intermediaries by insurance regulatory authority. Customers awareness is the important factor in life insurance policy and insurance provides wide variety of products according to customers.

### KEYWORDS

Policies, LIC, Insurance, customers, income, economy, savings, life insurance corporation

### INTRODUCTION

Every one is exposed to various risks, future is very uncertain, but there is way to protect one's family and make childrens safe. Life insurance companies help us to ensure that family future is just secure and prosperous, it is particularly important if one is the sole breadwinner of the family. The loss of one and his income could devastate the family, insurance will ensure that if anything happens to family head, loved ones will be able to manage financially. Insurance companies pay back for financial losses arising out of occurrence of insured events, example in personal accident policy death due to accident, in fire policy the insured events are fire & other allied like riot and strikes, explosions etc. Insurance safeguard against all uncertainties and also provides financial recompense for losses suffered due to incident of unanticipated events.

Moreover through a number of acts of parliament, specific types of insurance are legally enforced in india. Before buying an insurance, consumers are moved by a complex set of deep and keen emotions. There are many stages through which the consumer exhibit before deciding to purchase goods or services. It starts with problem or need recognition to post purchase evaluation. Customer buying behaviour result from deeply held values and attitudes, their perception of the world and their place in it. Buying behaviour of life insurance depends on the decision processes and acts of people involved in buying and using products and the changing factors in society. Consumers always want to create an assortment of products which satisfies their needs and wants in the present and also in the future.

## **SIGNIFICANCE OF THE STUDY**

Consumer is the most important part in society, the impact of consumer behaviour on society is relevance. consumer behaviour involves the use and disposal as well as the study of how they are purchased. The study of customers helps firms and organizations improve their marketing strategies by understanding issues as the psychology of how consumers think feel, reason and different societal factors. The market task is to understand what in the buyers consciousness between the arrival of outside stimuli and the buyers purchase decisions. consumer buying behaviour leads to the buying behaviour of the ultimate consumer. The study of the theme shows understanding consumers needs and paying attention to security of life for things and consumer behaviour responses are important to marketing aspects. It is very much significant because it brings out the differences in parameters like awareness, service quality, problems faced and rationale behind investment between products.

## **OBJECTIVES OF THE STUDY**

- \* To test the awareness of customers on various aspects of life insurance policies offered by LIC
- \* To study the service quality offered by LIC
- \* To analyze the various aspects of LIC to identify the insurance needs with respect to their emotional, physical and financial conditions.

## **SOURCES OF DATA**

The study was conducted using primary and secondary sources. The primary data was collected from respondents through online survey with structured questionnaire. The secondary sources was collected from internet, journals, books, magazines and various official sites.

## **METHODOLOGY OF THE STUDY**

The collected data were tabulated and analyzed using charts and graphs, convenience sampling method has used for the study. A sample of 30 was selected on the basis of sampling technique, the individual were selected in the random manner to form sample.

## **LIMITATIONS OF THE STUDY**

- \* The time span is too short for understanding the consumer behaviour with entire population.
- \* LIC related data is limited because of safety and privacy of government.
- \* Consumers are very reluctant to provide answers to the questions as they find it boring and of no use

## **ANALYSIS AND INTERPRETATION**

The data were analyzed and interpreted in tune with the objectives, simple percentage method is used for analysis of the data collected. The collected data were classified with the help of questionnaires, charts and diagrams are also incorporated. The analysis and interpretation was done through understanding of percentage differences, tables and charts.

## BENEFITS OF INSURANCE

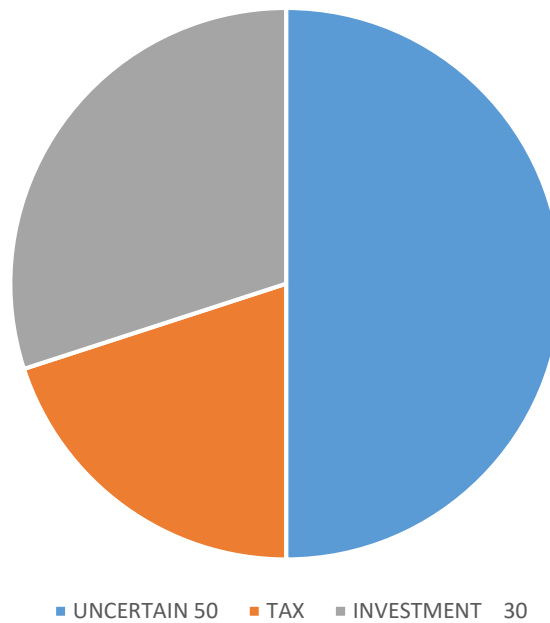


TABLE-1  
BENEFITS OF INSURANCE PERCEIVED BY RESPONDENTS

PARTICULARS	NO; OF RESPONDENT	% OF RESPONDENT
FUTURE UNCERTAINTY	15	50
TAX DEDUCTIONS	6	20
FUTURE INVESTMENT	9	30
TOTAL	30	100

TABLE-2  
MONTHLY INCOME OF RESPONDENTS

PARTICULARS	NO; of RESPONDENTS	% OF RESPONDENTS
10000	8	27
25000	20	67
ABOVE 25000	2	6
TOTAL	30	100

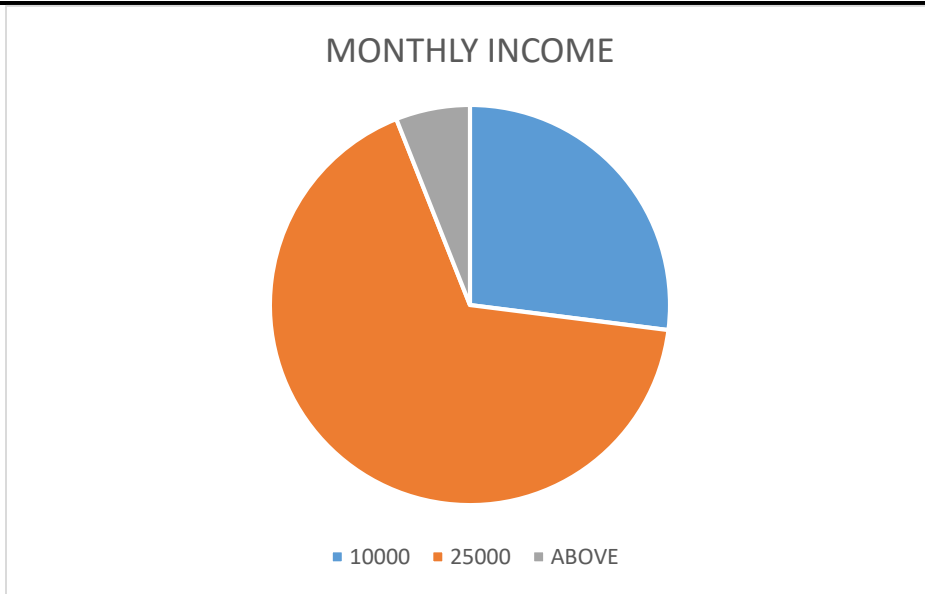


TABLE-3

FEATURES OF POLICY ATTRACTION

PARTICULARS	NO; OF RESPONDENTS	% OF RESPONDENTS
Low premium	0	0
High risk coverage	1	3
Moneyback guarantee	18	60
Reputation	6	20
Agents conviction	5	17
Total	30	100

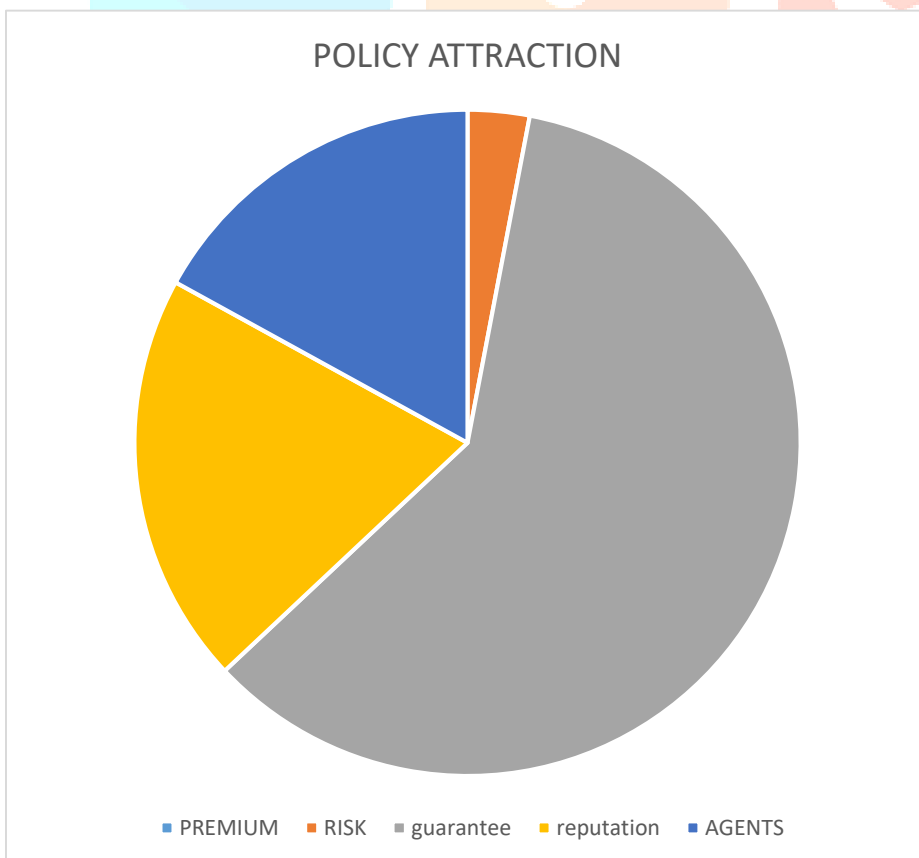


TABLE-4

## NECESSITY OF THE INSURANCE POLICYCOVER

PARTICULARS	NO; OF RESPONDENTS	% OF RESPONDENTS
Very essential	18	60
Essential	10	33
Partially	2	7
Not required	0	0
Total	30	100

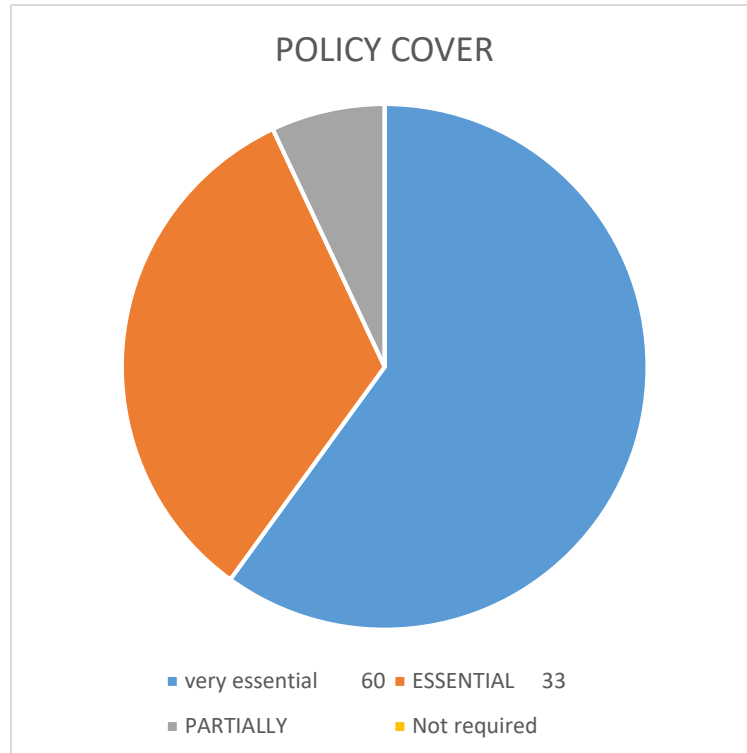
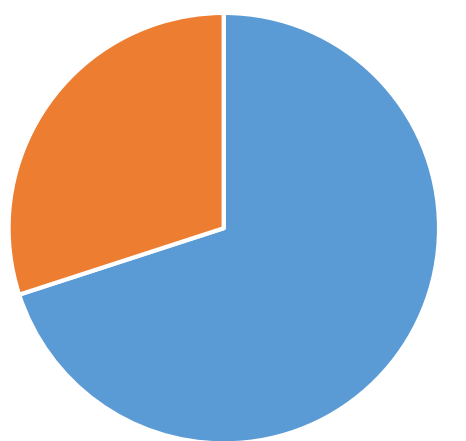


TABLE-5  
SATISFACTION WITH THE POLICIES

PARTICULARS	NO; OF RESPONDENTS	% OF RESPONDENTS
SATISFIED	21	70
NOT SATISFIED	9	30
NOT RESPONDING	0	0
Total	30	100

SATISFACTION WITH POLICY

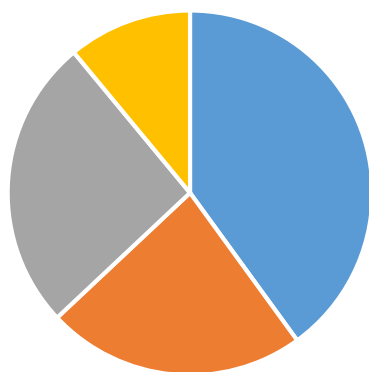


■ Satisfied ■ Not satisfied ■ Not responding

TABLE-6  
BEST FORMS OF INVESTMENT

PARTICULARS	NO; OF RESPONDENTS	% OF RESPONDENTS
Insurance	12	40
Bank	7	23
Jewellery	8	26
Securities	3	11
Total	30	100

FORM OF INVESTMENTS



■ INSURANCE ■ BANK ■ JEWELLERY ■ SECURITIES

TABLE- 7  
APPROPRIATE AGE FOR BUYING INSURANCE

PARTICULARS	NO; OF RESPONDENTS	% OF RESPONDENTS
25 YEARS	5	16
35 YEARS	2	7
45 YEARS	3	10
ANYTIME	20	67
TOTAL	30	100

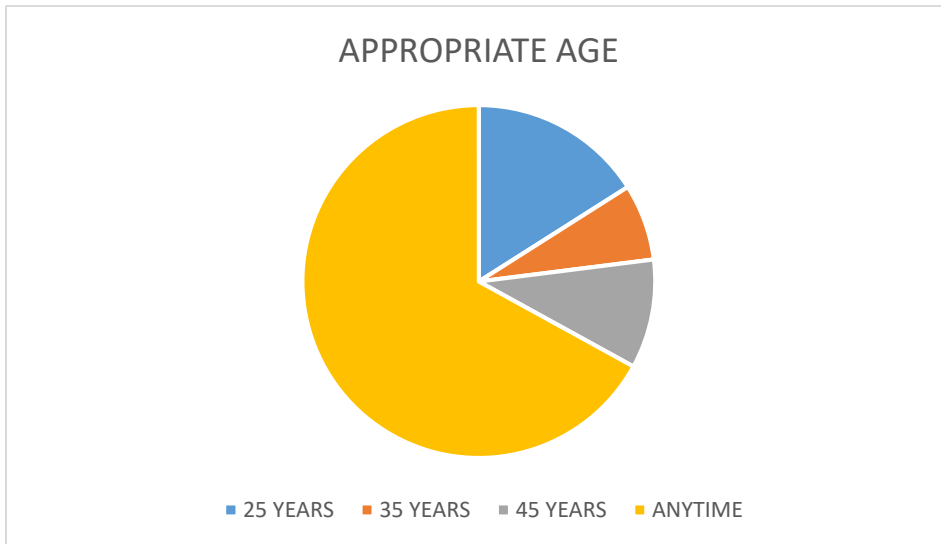
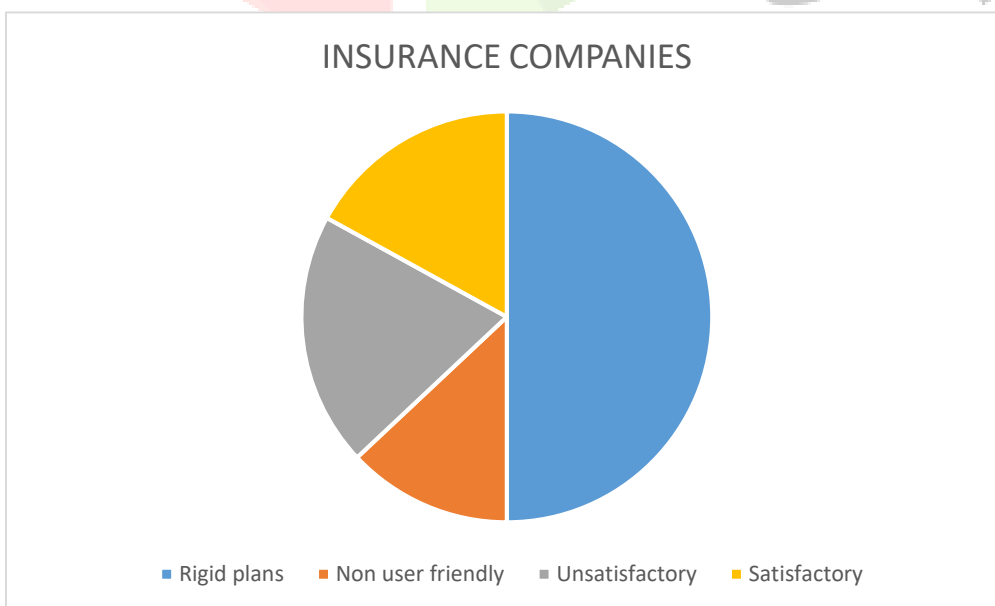


TABLE- 8  
INSURANCE COMPANIES

OPINION ABOUT LIFE

PARTICULARS	NO; OF RESPONDENTS	% OF RESPONDENTS
Rigid plans	15	50
Non user friendly	4	13
Unsatisfactory services	6	20
satisfactory	5	17
Total	30	100



## FINDINGS

- \* Insurance premium charged by LIC of india affordable by all level of customers,  
Most of the respondents are the opinion that premium charged by the LIC is moderate.
- \* Majority of the life insurance policyholders are satisfied with the service of both company and advisers with trusted relationship.
- \* The factors influenced to select a life insurance company is personal factors followed by family,friends,agents and advertisements.
- \* Majority of the people prefer to invest in insurance company,others prefer to invest in bank,jewellery.
- \* Majority of consumers are satisfied with the service and quality of products of LIC
- \* Financial advisors provided by LIC with high level of professional knowledge,they have the ability to solve all issues of customers.
- \*Consumers are satisfied with its products in terms of product features.
- \*Many of respondents show that insurance is a tool to protect their family and tax saving device.

## SUGGESTION

- \* 40% of the people contacted to prefer LIC policy to any other company,so they need to improve their benefits and product features.
- \* 50% of the respondents believe that covering future uncertainty is the biggest benefit of an insurance policy,so they should be improve in tax deduction and price.
- \* 80% of the respondents were approached by the insurance advisor approached customer and not to by watching tv and advertisement,it means the company should come up with different and attractive ads in television as well as newspaper.
- \* 73% of respondents are satisfied with existing service agent,so they should give training to each agent ,it helps to reach the customer need and can satisfy them.
- \* The company should give personal attention to each customer,customer services should be more comfortable than others,because customers are the king in the market for their satisfaction.
- \* 53% are ready to go for insurance even away from a city if services and products,so people are more interested which the service provide by company so they need to improve in their customer satisfaction.

## CONCLUSION

In today's corporate and competitive world,Insurance sector have the maximum growth and potential as compared to the other sectors.The main theme of the study is to find the customer buying behaviour for life insurance products which has been done and will help the company to make the marketing strategy for different segments.The study which has been made concluded that LIC has many strategies for nationwide and for different regions.Now a days,insurance is most popular as more transparent instrument against death and life. Customer awareness programmes should take place in rural areas and to educate all about life insurance benefits.

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