

Vol III Issue VII August 2013

Impact Factor : 0.2105

ISSN No : 2230-7850

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Monthly Multidisciplinary  
Research Journal

*Indian Streams  
Research Journal*

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**IMPACT FACTOR : 0.2105**

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**RNI MAHMUL/2011/38595**

**ISSN No.2230-7850**

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## A STUDY ON BUYING BEHAVIOR OF CUSTOMERS TOWARDS LIFE INSURANCE IN KOLHAPUR

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**Abstract:** Insurance industry is in a turbulent situation. This study will facilitate the insurance companies to know the opinions of customers regarding insurance industry and specifically opinions towards traditional and ULIP plans. Along with this, the company and advisors would understand the exact demand of samples, the parameters of customer satisfaction, factors customers consider while selecting the policy and opinions on advisors advocacy by which company and advisors can design their sales program, sales speech, local strategies and the like. A study was conducted among policy holders in Kolhapur city, India. The researcher concluded that the LIC is the major player amongst sample customers. Traditional plans are preferred more by samples followed by ULIP and customer's preferences for selecting the insurance company are inclined towards service quality, reputation, trustworthiness and future plans/vision of a company.

**Keyword:** Buying Behavior, Life Insurance, Insurance Preferences.

### INTRODUCTION:

IRDA is the regulatory authority of government of India hosts to control insurance business in India. The liberalization has posed opportunity to private sector to make fray in insurance industry in India which has capitalized by many private players.

The private companies unlike in developed nations and has introduced range of different plans like ULIP plans aggressively in India and bagged in majority of sells through selling ULIP plans to customers. Then LIC had a ULIP plan but mostly ignored by advisors to sell it to customers. The penetration of private players in market through ULIP plans posed challenge before traditional giant Life Insurance Corporation India.

On the basis of profile of customers segmented on income of customers, liabilities of customers, expectation of risk cover the suitable plans are put-forth however the preference of customers to select either ULIP or traditional plans varies drastically which required to find out reasons behind such phenomenon in market.

Present research has approached the problem with a view to understand the customer's opinion towards Life Insurance in Kolhapur. The study signifies focus on customers' buying behavior towards life insurance policy which is macro in nature and does not limit to a specific life insurance product neither it limits to a specific company.

### LITERATURE REVIEW

According to study done by Subir Sen(2008) regarding demand determinants of Life Insurance the demographic variables like life expectancy, young and old dependency ratio, adult literacy rate and rate of urbanization are significant determinants of life insurance demand.

Variations in insurance penetration are explained by GDS per-capita, financial depth, urbanization, old dependency ratio, adult literacy, life expectancy and measure of inflation. Daifeng found that there is significant and positive correlation between the decision to purchase life insurance and subsequent mortality, conditional on risk classification. They also found that individuals are most likely to obtain life insurance four to six years before death. Individuals with higher mortality risk are 19% to 48% more likely to buy individual term life insurance than are those with lower risk, depending on the length of the time window in which mortality risk is defined.

Sumathy M., Kumar S. A. found that the age groups have significant association with tax benefits and rate of return. Qualification has significant association with compulsory investments and gaining investment knowledge. Tax benefits are high, transmission and switching of options within the fund, risk coverage, Life coverage plays prominent role in bringing customer preferences towards ULIP.

Dr Ashok Khurana, Ms Kanika Goyal found that ULIP Plans of all insurers are very liberal specifically with reference to the minimum entry age. Altaf Ahmad Dar found that the awareness of life insurance to be 64.0 per cent. Around 45.0 per cent of the respondents came to know about life insurance from the media which played an important role in the dissemination of information. The mean premium amount agreeable to be paid by the respondents for life insurance was found to be Rs 1804.00; even the low socio-economic group of people was also willing to part with a reasonable amount of Rs. 697.00 annually for life insurance. The middle and low socio-economic groups favored government life insurance compared to private life insurance

as they have more faith on Government Company. The findings indicate that government should come out with a policy, where the public can be made to contribute to a life insurance scheme to ensure unnecessary events and also better utilization of life insurance facilities.

Loi Soh Loi, 1993 found that there is higher persistency among policyholders who are married, male, and older in age. Higher persistency is found among policies with the following characteristics: term, non-life, smaller size, premium paid less frequently and paid by pre-authorized methods.

Goh, 2011 found that the age, ethnicity, income, education, marital status and occupation are significant determinants for the demand of life insurance. The paper draws out two important findings in the demand for life insurance in Malaysia. Firstly, the findings indicate that insurance appear to be affordable only for those who are economically more capable as those in the high income bracket, professional and white collar workers and those in the 30s compared to those in the 20s are more likely to demand life insurance. These groups of individuals are most likely to find it hard to cope with their various financial commitments and purchasing insurance may be the least of their priority. Secondly, higher education is not a driver in the demand for life insurance. Although the higher educated individuals may understand and appreciate insurance more than the lower educated individuals, they may be more interested in wealth management and wealth creation products than life insurance. The 107 higher educated individuals may view the new wealth management products as a more appealing way of managing their finances and leaving bequests for their dependents than life insurance.

Lalithan, (2010) found that 66.67% of the respondents purchase ULIPS as a substitute to mutual funds. The study also clearly reveals that major investors 75.6% invests in ULIPS in order to gain short term returns. The study reveals that, ULIP had been perceived as investment scheme, such as those offered by Mutual Funds. It is observed that the majority of the respondents are not serious investors with a long term outlook. Also in spite of the drastic development in the promotional activities, the sales agents still continues to be the primary means for educating the customers followed by advertisements. Coimbatore Insurance industry is an agent dominated business. Majority of respondents have been motivated to buy the policy by insurance agents. Also, a significant number of respondents have bought life insurance policies out of watching advertisements. The survey reveals that the most important 2 factors that prevent individual investors from investing in ULIPS are:- Fewer returns & Lesser liquidity

Pai (2010) spotted most vital problem is ignorance. Investors should be made aware of the benefits offered by ULIP policies. 53% respondents despite of knowing about ULIP were hesitate to talk on it because they were not too confident about their knowledge. 46% of the people buy ULIP as just a tax benefit tool only few of the respondents took as a savings option. The reason is that is lack of insurance benefits among the people. Further the most attractive benefits that people look forward are that of income growth. In fact the parents who have no liabilities

like child marriage or education goes in for ULIP product just to multiply their money over the years. 47% of the customers as per sample are interested in getting information about ULIP. So building awareness about the ULIP policy should be taken care of. Another findings is that when we talk about risk as an investment criterion then the female population which already has or is interested in investing would favors either no risk or low risk. Only the businessperson specifically from age group between 25 to 35 are interested to invest either in moderate or rather go for high-level risk. Regarding the acceptance of ULIP as a product it is analyzed that a lot of customers are unaware about ULIP but they had invested in it due to agents compulsion and still lot of them wanted to invest in it but they are confused regarding other options. This shows that though the product has been able to cater to number of customers but still a lot of awareness is lacking. 33% of the respondents are not satisfied with ULIP policies due to financial crisis. 35% of the respondents prefer a policy term of 10-15 years. Investment in ULIP is like a long term investment.

Life insurance is essentially uncorrelated with financial vulnerability at every stage of life cycle. It is not true that households purchase long term contracts with initially appropriate insurance coverage but fail to adjust this coverage over time as their circumstances change. The impact of insurance among at-risk households is modest, and substantial uninsured vulnerabilities are widespread, particularly among younger couples. Roughly two-thirds of poverty among surviving women and more than one-third of poverty among surviving men results from a failure to ensure survivors of an undiminished living standard through insurance.

A. R. Krishnan, Sept 2012 focuses on customer satisfaction level of life insurance policies of HDFC standard life insurance company in Chennai. The sample size of study was 150. The study revealed that the most of the customers are satisfied with the policies they have taken and there are some who were not comfortable with the company policies. The company should take these into consideration and to improve where they are weak.

SAINI, June 2011 focuses on ULIP and its comparative study in Punjab and Harayana. The sample for the study has been selected on the basis of purposive-cum-quota based non-probability sampling techniques. To make the analysis meaningful, certain simple and advanced statistical tools like – averages, weighted average, percentage, mean score and chi-square test etc., were applied for analyzing the collected data. The Chi-square test was conducted at 99 percent confidence level or 1 percent level of significance. A five points Likert scale was also used to measure the intensity of the responses of different respondents from various categories towards the selected attributes. It further states that the LIC of India is very cost effective as against its competitors.

YADAV & TIWARI, (July 2012) concentrates on factors affecting customers investment towards life insurance policies. The sample size for the study was 150; statistical techniques including chi-square, correlation, weighted average score have been used for the testing of hypotheses. Further the study reveals that the consumer

decision to purchase insurance product from different insurance companies can be affected by several factors like age, gender and income level. Also goodwill of the company is the most influencing factor while policy buying decision. Majority of respondents prefer money back policy of LIC followed by ULIP and endowment plans. Thus they prefer higher returns with risk coverage benefit. A large no. of the respondents said that they look for trusted name in a company for insurance, followed by good plans, friendly service and accessibility.

focuses on attitude of uninsured towards life insurance it also states the level of awareness about life insurance among uninsured population. The total Sample Size for the study was 1200 on the basis of geographical segmentation. Correlation is used to test hypothesis. Likert's five point scaling technique has been applied to find out the opinions of respondents. Semantic differential scale was used to measure the agents' training and competency level. Nearly 50 per cent of the respondents are not insured as they have negative attitude towards life insurance. Among the uninsured, the potential segment is daily wage workers and small business people. The attitudes of the uninsured are not favorable towards life insurance because of their family type, size, number of dependents etc. Majority of respondents from rural and tribal areas are not having awareness about the type of insurance policies.

focuses on the policyholders perception towards LIC of India. In the study, majority of the urban policyholders agreed that the investment in the insurance policies of LIC is a better saving while majority of the semi-urban policyholders strongly agreed to the same. In other words, the investment in the insurance policies of LIC is a better saving avenue than others. The overall satisfaction of sample policyholders is moderate with the services provided by LIC.

determines the socio economic status and awareness of Indian investors of insurance. The statistical tools employed are Econometric analysis - Chi Square test and Binary Logistic Regression. The study reveals that the awareness about insurance is low. Insurance companies should reach out to those who are uneducated and the lower age group people, by awareness campaigns like radio (jingles) and television advertisements. The insurance companies should concentrate more on improving their services. The real growth in life insurance will occur when customers realize the true value of life insurance beyond tax saving. The awareness of insurance as a long term saving should be created both by the government, among the uneducated, low income group and the households having more earning members. Saving can be promoted by insurance companies both government and private companies by building a relationship of trust. This can be only achieved if the insurance companies show the people that they are there not only to do business but that they care for the welfare of all types of the people.

focuses on a comparative study of traditional policies and ULIP policies with reference to life insurance companies in India. Further it states that the ULIP products are more risky as compared to the traditional policies. There has been a growth in ULIP in a limited period of time. The

private life insurance companies are showing higher growth in ULIP policies as compared to traditional policies. In 2011 however the scenario is bit different in certain cases, which might be a warning for the growth in ULIP policies in near future. In ULIP policies the investment risk is borne by the investor and not the insurer. At the same time the investor also has the advantage of selecting the appropriate fund depending on their risk appetite.

reveals satisfaction level of customers towards their present life insurance policy/s. With a view to ascertain the level of customer satisfaction with their present life insurance policy/s, six vital attributes or features of life insurance namely, risk coverage, partial withdrawal facility, multiple benefits from single policy, premium, regular returns or income and specific or special benefits like pension, child marriage, education. Statistical tools used-mean, Gap analysis to find out the gap between percentage of customers rating the attributes. Further it states that the satisfaction level of customers with various attributes of life insurance is low. There is ample scope of innovation and creativity to explore the vast untapped market of life insurance and also to satisfy customers.

focuses on the consumer awareness and preferences for ULIP life insurance products. The analytical tools used for the study were Simple percentage, weighted average, correlation, ANOVA, Chi square and f test. Further The study on ULIP life insurance is to find out the insurance product pattern and consumers preference towards ULIP life insurance products. The survey was conducted with the consumers, for getting a clear picture of the market towards different aspects of ULIP life insurance products. ULIP life insurance is a reputed brand and it faces severe competition from other life insurance companies. In order to face competition in a professional way, the company must change its strategies and make efforts to improve its position in the market. By adopting better advertisement, recruitment of skilled executives etc ULIP can achieve a very good position in the market. So with these views in mind, the company should go in future.

Above review reveals that multidimensional discussion on insurance has been taken place across the world. Since the industry is so vibrant there is ample scope for micro research. The discussions around insurance have found to be taken in macro and micro perspective. Therefore, present research aims to understand the customer's opinion and advisors opinion through a survey

#### RESEARCH METHODOLOGY:

Research put forth few objectives as,

1. To find out preferences of customers towards insurance Policy.
2. To Assess the customer satisfaction levels towards traditional insurance plan and ULIP plan
3. To study the factors influencing to select insurance policy and insurance company.

Structured Questionnaire was used to collect primary data. It was divided into four parts. Part one made to elicit the demographic profile of sample customer. This seeks about samples name, address, location, gender, age, marital

status, number of dependents, educational qualification, monthly income, occupation etc. Part two meant to assess insurance preferences of samples. This part assesses the policy holding of sample customer, general opinion on insurance scenario and factors consider while selecting an insurance company. Present study is undertaken in Kolhapur, State of Maharashtra, India..

Random sampling technique was used to sample the population. 127 policy holders from Kolhapur City were selected by researcher. Collected data are classified using electronic spread sheet; various statistical tools and techniques were used to analyze the data.

**DATA ANALYSIS AND DISCUSSIONS**

**Table 1**  
**Demographic Data**  
The table below narrates demographic profile of Respondents.

Sr.	Parameter	Sub Parameter	Frequency	Percent	Valid Percent	Cumulative Percent
1	Location	Urban	105	82.7	82.7	82.7
		Rural	22	17.3	17.3	100.0
		Total	127	100.0	100.0	
2	Gender	Male	93	73.2	73.2	73.2
		Female	34	26.8	26.8	100.0
		Total	127	100.0	100.0	
3	Marital Status	Married	110	86.6	86.6	86.6
		Unmarried	15	11.8	11.8	98.4
		Other	2	1.6	1.6	100.0
		Total	127	100.0	100.0	
4	Number of Dependents	1	2	1.6	1.6	1.6
		2	12	9.4	9.4	11.0
		3	73	57.5	57.5	68.5
		4	3	2.4	2.4	70.9
		5	2	1.6	1.6	72.4
		6	35	27.6	27.6	100.0
		Total	127	100.0	100.0	
5	Monthly Income	Upto 10000	21	16.5	16.5	16.5
		10001 to 20000	32	25.2	25.2	41.7
		20001 to 30000	33	26.0	26.0	67.7
		30000 to 40000	16	12.6	12.6	80.3
		40000 to 50000	11	8.7	8.7	89.0
		50000 and above	14	11.0	11.0	100.0
		Total	127	100.0	100.0	
6	Occupation	Employees	75	59.1	59.1	59.1
		Self Employed	45	35.4	35.4	94.5
		Business with no employees	5	3.9	3.9	98.4
		Business with employees	1	.8	.8	99.2
		Professional	1	.8	.8	100.0
		Total	127	100.0	100.0	

(Source: Field Data)

Since the research area is urban and rural periphery of Kolhapur, the policy holders are dense in urban area. At the same time the male dominance is peculiar in holding the policies. The married people are more inclined towards insurance. However the middle income group is quite interested in buying insurance policies. Above table shows that 82.7% of customers are from urban area whereas rest 17.3% are from rural area. 73.2% respondents are male and 26.8% are female. Around 86% samples are married and 11% are unmarried. Majority i.e. 57.5% samples have three number of dependents followed by 27.6% are having six members dependents.

The monthly income of samples lies in all categories but majority fall in between Rs. 10000 to Rs. 30000. Around 11% samples have income more than Rs. 50000.

59% samples are employees and 35.4% are having

their business. Very meager 0.8% is professionals and business with employees.

It can be concluded that sample customers are from diversified groups of demography.

**Table: 2**  
Policies hold by the respondents

Following table is narration of sample customers who have the policy from sample insurance companies. The options for the policies were floated as Traditional plan, ULIP, Health, Mediciam and other plans.

Sr.	Insurance Company	Percent ages	(n = 127)					Total
			Traditional Plan	ULI P	Health	Mediciam	Other	
1	LIC		87	5	0	0	5	97
		%	68.5	3.9			3.9	
2	SBI Life		2	2	1	0	1	06
		%	1.6	1.6	0.8		0.8	
3	ICICI Pru		9	13	0	2	0	24
		%	7.1	10.2		1.6		
4	HDFC Life		18	23	1	1	2	45
		%	14.2	18.1	0.8	0.8	1.6	
5	Bajaj Allianz		7	4	1	1	1	14
		%	5.5	3.1	0.8	0.8	0.8	
6	Reliance Life		9	9	4	0	0	22
		%	7.1	7.1	3.1			
7	Other		15	16	4	11	2	48
		%	11.8	12.6	3.1	8.7	1.6	
Total			147	72	11	15	11	256

(Source: Field Data)

It has seen that most of the sample holds Traditional insurance plan followed by ULIP. Very few respondents found to have health, mediclaim and other plans.

LIC is found to be prominent company of which Traditional plans are mostly hold by samples. In the second place HDFC flags with ULIP sales.

**Table: 3**  
Customers' perceptual mapping on insurance scenario.

Five statements were executed on samples which were opined on insurance scenario. First statement assessed on insurance as a purely protection option, second statement about insurance as saving option, third assess sample regarding the company reputation rather than plan, fourth statement assess sample on company reputation rather than advisor and the last statement assess sample considering advisor's reputation rather than company. The samples were ask to rate every statement on ten point scale. One for strongly disagree and 10 for strongly agree.

Sr.	Statements	Frequency		Mean	Median	Mode	S.D.
		Valid	Missing				
1	Insurance seems to me as a purely protection option	123	4	7.86	10.00	10	2.693
2	Insurance seems to me as a saving option	123	4	5.34	5.00	5	2.495
3	I consider the Company Reputation rather than Plan	123	4	5.47	5.00	5	2.587
4	I consider the Company Reputation rather than Advisor	123	4	5.80	6.00	5	2.531
5	I consider the Advisor's Reputation rather than Company	123	4	4.64	5.00	5	2.726

(Source: Field Data)

The basic purpose of insurance seems to be followed by samples since the samples seems towards insurance as purely protection option. The mean for the same

is 7.86 with median 10 and mode 10. The second notable observation is that samples consider company reputation rather than advisor and the plan. Consideration of advisors reputation has receive mean score 4.64 with median and mode 5.

Table: 4  
The reasons behind purchase of policy  
Following table detailed the reasons behind purchasing the policy by samples.

(n = 127)

Sr.	Policy Purchase Options	Yes/No	Frequency	Percent	Valid Percent
1	Family Protection	Yes	107	84.3	100.0
		No	20	15.7	
			127	100.0	
2	Pension	Yes	12	9.4	100.0
		No	115	90.6	
			127	100.0	
3	Tax Benefits	Yes	34	26.8	100.0
		No	93	73.2	
			127	100.0	
4	Child Education/Wedding	Yes	23	18.1	100.0
		No	104	81.9	
			127	100.0	
5	Wealth Creation	Yes	24	18.9	100.0
		No	103	81.1	
			127	100.0	
6	Unplanned Savings	Yes	14	11.0	100.0
		No	113	89.0	
			127	100.0	
	Total		127	100.0	

(Source: Field Data)

Above table evident that 84.3% samples purchase policy for family protection followed by 26.8% for tax benefits. Around 18% samples hold policy for child education and wealth creation. Only 9.4% samples found to have policy for pension. It is very clear that despite of high Per capita income of the city, people do not consider insurance as tax benefit option and there is huge scope for securing life through insurance.

Table: 5  
Customers' preferred channel to purchase policy

Following table states customer prefer channel to purchase policy. The possible way to purchase policy is company advisor, bank/institute, on line purchase of policy, broker and the like. These options were ask to mark by samples.

(n = 127)

Sr.	Channel of Insurance Purchase	Frequency	Percent	Valid Percent	Cumulative Percent
1	Company Advisor	117	92.1	95.1	95.1
2	Bank/Institute	1	.8	.8	95.9
3	On line	1	.8	.8	96.7
4	Broker	3	2.4	2.4	99.2
5	Others	1	.8	.8	100.0
	Total	123	96.9	100.0	
	Missing Frequency	4	3.1		
	Total	127	100		

(Source: Field Data)

Above table reveals that 92.1% of samples purchased policy through Company Advisor followed by only 2.4% have purchased from broker the percentage of obtaining policy through Bank, on line and other sources is

merely 0.8%.

Table: 6  
Customers Relationship with Insurance Advisors

Following is a deliberate question asked to samples i.e. to know the customers relations with advisors. The options viz. relative, friend, work group member, just knows the advisor and the like were facilitated.

Sr.	Relationship with Advisors	Frequency	Percent	Valid Percent	Cumulative Percent
1	Relative	42	33.1	34.1	34.1
2	Friend	48	37.8	39.0	73.2
3	Work Group Member	13	10.2	10.6	83.7
4	Just Known	4	3.1	3.3	87.0
5	Introduced by known	10	7.9	8.1	95.1
6	New Introduction	5	3.9	4.1	99.2
7	Other	1	0.8	0.8	100.0
	Total	123	96.9	100.0	
	System	4	3.1		
	Total	127	100		

(Source: Field Data)

Above table depicts that 37.8% of sample advisors are friends of sample customers followed by 34.1% advisors are relatives of sample customers and 10.2% advisors and work group member. It can be stated that advisors are having very intimate relationship with sample customers. The other options are not much followed by sample customers. Around 70% of insurance sales are done through advisors who are either relative or friend.

Table: 7  
Policy Advocacy

Following table narrates the opinion of sample on selection of insurance policy. Two prominent obvious options were executed one is the policy is advised by advisor and another is policy is self insisted.

Sr.	Particulars	Frequency	Percent	Valid Percent	Cumulative Percent
1	Advised by Advisor	72	56.7	58.5	58.5
2	Self Insisted	50	39.4	40.7	99.2
3	Other	1	0.8	0.8	100.0
	Total	123	96.9	100.0	
	Not Responded	4	3.1		
	Total	127	100		

(Source: Field Data)

It is evident from table that 56.7% of sample customer seeks the policy on the advice by advisors and rest 39.4% selects the policy on their own. Very few respondents are routed through other channel like banc assurance.

Table: 8  
Perception of customers about insurance advisors

Four statements were executed to sample customers to seek opinion about insurance advisors.

Opinions were sought on five point scale (1 strongly agree and 5 strongly disagree) of which mean and standard deviation is calculated as below.

Sr	Statement	Mean	S.D.	Rank
1	The advisor has provided the solutions as per my needs.	2.50	1.176	2
2	It is my perception that advisor suggest plans to secure their best of the commission	2.65	1.261	4
3	To the best of my experience that advisor is not completely aware of the insurance product.	1.71	.797	1
4	Advisor was not completely aware of ULIP concept and the insurance product worked out on the basis of ULIP	2.52	1.257	3

(Source: Field Data)

The overall opinions of sample customers tend towards agreement since the mean score ranging from 2.62 to 1.71. This exposes the weaknesses of insurance advisors. The only positive aspects the table convey is that advisor has provided the solutions as per the need of sample received 2.5 mean score which is heading towards agreement,

Insurance advisors are not completely aware of insurance product since the mean score for the statement is 1.71 which shows agreement to the statement. The advisors also suggests those plans which are best for the commission receives 2.65 mean score, this also shows agreement.

Table: 9  
Attribute Preference Rating of Customers towards selection of Insurance Companies

Samples were asked to rate the parameters considered while selecting an insurance company. Nineteen parameters were executed and opinion were sought on five point scale one for highly important and five for not at all important. Following table discusses these variables arranged from most important variable in order.

Sr.	Parameters	N	Mini.	Maxi.	Mean	S.D.	Skewness
1	Service Quality	126	0.572	19	1.483	1.67	9.398141
2	Trustworthy	126	0.578	18	1.499	1.58	9.130674
3	Service Orientation	126	0.913	17	1.814	1.63	6.653772
4	Reputation	126	0.628	16	1.836	1.41	8.064756
5	Future Plans/Vision	126	0.784	15	1.877	1.41	6.561924
6	Customer Interaction	126	0.898	14	1.878	1.40	5.404276
7	Succession planning	126	0.632	13	1.916	1.17	6.6917
8	Product flexibility & Transparency	126	0.969	12	1.935	1.31	3.902478
9	Financial Strength of Promoters	126	1	12	2.009	1.44	4.66184
10	Innovations	126	0.756	10	2.021	1.04	3.798415
11	Usage of Technology	126	0.858	9	2.046	1.05	2.495379
12	Convenience for Approach	126	0.844	7	2.054	0.95	1.362232
13	Management Team	126	1	8	2.055	1.15	1.633976
14	Channel Availability	126	0.959	6	2.095	1.01	0.828894
15	Business Practices	126	0.973	5	2.119	1.00	0.775782
16	Range of services offered	126	1	5	2.152	1.05	0.677059
17	options of riders	126	1	4	2.240	1.00	0.405764
18	Major Investors in Company	126	1	5	2.289	1.13	0.473694
19	Others	35	1	5	2.820	1.77	0.318617

(Source: Field Data)

Customer prefers specific attributes towards selecting insurance products. The top rated attributes are service quality, trustworthiness of company, orientation, reputation, companies future plans, customer interaction Succession planning, etc. since the product is a concept people wholly rely on services and the trustworthiness, reputation of the company. Therefore the advisors role is crucial in selection of the product and plan for customer.

Table: 10  
Customer's Satisfaction towards Insurance

Wilcoxon Signed Ranks test has used to assess customers satisfaction towards insurance company.

Sr.	Parameters		N	Mean Rank	Sum of Ranks
1	Safety 4U1s - 4T1s	Negative Ranks	4a	57.88	231.5
		Positive Ranks	72b	37.42	2694.5
		Ties	21c		
		Total	97		
2	Easy Liquidity 4U2s - 4T2s	Negative Ranks	51d	42.56	2170.5
		Positive Ranks	26e	32.02	832.5
		Ties	20f		
		Total	97		
3	High Returns 4U3s - 4T3s	Negative Ranks	37g	35.49	1313
		Positive Ranks	30h	32.17	965
		Ties	29i		
		Total	96		
4	Claim Settlement Ratio 4U4s - 4T4s	Negative Ranks	16j	25.56	409
		Positive Ranks	26k	19	494
		Ties	54l		
		Total	96		
5	Availability of desired Product Range 4U5s - 4T5s	Negative Ranks	13m	25.73	334.5
		Positive Ranks	40n	27.41	1096.5
		Ties	44o		
		Total	97		
6	Product Features 4U6s - 4T6s	Negative Ranks	12p	20.79	249.5
		Positive Ranks	34q	24.46	831.5
		Ties	50r		
		Total	96		
7	Procedures for Obtaining Product 4U7s - 4T7s	Negative Ranks	14s	20.39	285.5
		Positive Ranks	25t	19.78	494.5
		Ties	58u		
		Total	97		
8	Acceptable terms & conditions 4U8s - 4T8s	Negative Ranks	12v	23.33	280
		Positive Ranks	32w	22.19	710
		Ties	53x		
		Total	97		
9	Services rendered by company 4U9s - 4T9s	Negative Ranks	8y	25.62	205
		Positive Ranks	40z	24.28	971
		Ties	49aa		
		Total	97		
10	Approach of Sales People 4U10s - 4T10s	Negative Ranks	6ab	18.67	112
		Positive Ranks	32ac	19.66	629
		Ties	59ad		
		Total	97		

(Source: Field Data)

To explore the satisfaction levels towards insurance products a Wilcoxon Signed ranks test is applied. This gives a comparative analysis between the levels of satisfaction amongst unit link insurance plan (ULIP) and traditional plan on ten different parameters.

In a safety measures the sample has clearly indicated that the traditional plans are more safer than that of ULIP, however the popularity and trends towards ULIP has increased astonishingly, this may be due to the easy liquidity of ULIP (as rated by sample – second parameter) while traditional plans cannot be liquidated easily. Also the surrender value of traditional plans is quite less than that of ULIP. In case of investment returns, both the ULIP and traditional plans are similar. However the rating towards ULIP is incrementally high. This may be due to the other influencing factors like uncertainty in sensex, currency fluctuations etc which resists the investing behavior in ULIP.

It is believed that ULIP plans can be settled quicker than that of traditional plans, so the people prioritize liquidity



or pre mature benefits are inclined towards ULIP plan.

Since , traditional plans are a core insurance business for a long time the availability of product range , band width of traditional plans are higher than that of ULIP, however people are more concerned towards availability of ULIP it's familiarity and is forcefully canvassed by advisors.

The product features, procedural formalities, terms and conditions, services rendered by the companies and the approach of sales people is quite weaker in traditional plan. Insurance companies are promoting ULIP actively than that of traditional plans this backdrop shifting the insurance objectives from protection to wealth creation.

#### **FINDINGS AND SUGGESTIONS:**

The present research highlighted some interesting findings.

1.LIC is the major player amongst sample customers. Traditional plans are preferred more by samples followed by ULIP.

2.On the perceptual opinion of sample customers it has found that samples seem towards insurance as purely protection option. Sample customers consider the company reputation rather than plan and advisors reputation. Half of the agreement received towards perception of insurance plan is an option for savings.

3.The reason behind purchasing insurance policy is family protection around 84.3% samples followed by 26.8% samples for tax benefits. Pension is less preferred reason for purchasing policy.

4.Sample majority i.e. 92.1% obtain policy through Company Advisors and other sources viz. Bank, on line, broker are not followed so company advisor seems to be a major distribution channel for most of the insurance companies.

5.Majority of i.e. 37.8% of sample advisors are friend of sample customers followed by 34.1% are relatives. Around 70% of insurance sales are done through advisors who are having very intimate relations with customers.

6.The policy selected by 56.7% sample customers is advised by advisor.

7.Sample customers are meeting agreement towards the perceptual opinion about insurance advisors. Samples opine that advisors are not completely ware of insurance product receives mean score 1.71, followed by advisors suggests plans to secure their best of the commission receives 2.65 mean score. The weaknesses of advisors were exposed in this research.

8.Customer's preferences for selecting the insurance company are inclined towards service quality, reputation, trustworthiness and future plans/vision of a company.

9.The customers are satisfied with ULIP rather than traditional insurance plan.

10.Customers look towards insurance as a purely protection option though the other options are available.

Also, we have several suggestions for future research

1.The insurance companies should concentrate on the training and development of advisors since advisors are not fully aware of the range of products available with the company.

2.The insurance products promoted by the advisors with

respect to their commission or emoluments is to be kindly noted and treated ethically /morally so that the advisors shall consider the customer preferences first.

3.The company should keenly consider the customer preferences which are high rated viz. service quality, reputation, future plan/vision of the company

4.Insurance industry should mostly focus on advertising their other channels of distribution.

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