ABSTRACT

With the opening up of insurance market to the private players (both national and foreign) through the enactment of the Insurance Regulatory and Development Authority (IRDA) Act 1999, a number of companies have started its operations in India. Twenty three private sector life insurance companies are there at present in the Indian market to compete with the public sector life insurance company – Life Insurance Corporation of India (LIC). The profoundly changed environment has necessitated a customer to exercise an extensive problem solving through the assimilation of multifarious information on the product as well as brand category. From the company’s point of view, they have to give utmost importance to the consumer’s behaviour and perception while designing insurance products. The awareness of consumers leads to their perception on the life insurance products and which in turn results in learned behaviour and contributing to satisfaction. Marketers of life insurance products need to discount all those variables that influence consumer awareness, perception, behaviour and satisfaction.

The present study is empirical in nature and uses both secondary and primary data. The secondary data has been collected from official publications, magazines and journals, books and official websites. All life insurance companies (both public and private) in Kerala and its customers comprise population of the study. Primary data was collected by applying multi-stage
random sampling technique and by means of structured interview schedule. Samples of 600 customers were approached to gather primary data. The tools for analysis were ANOVA, F-test, Chi-square test, Kruskal Wallis test, Mann-Whitney test, and Friedman’s test. The statistical analysis was carried out with the help of computer software SPSS.

The analysis on consumer awareness revealed that there is significant difference in awareness by customers about certain services provided by LIC and private life insurance companies such as payment of premium including online payment; loan scheme in Money Back plan; cancellation of policy/refund on dissatisfaction; and discounted claim. The analysis of the perception towards various life insurance products portrayed that the respondents had very good or good perception towards products of LIC and it was average for products of private companies, except in the case of Health plans.

The analysis of consumer behaviour towards life insurance products showed that majority of the respondents had one or two life insurance policies. The study revealed that irrespective of the various socio-economic factors, majority of the respondents selected the insurance company on the basis of brand image and personal relationships. The study showed that urban customers were more
influenced by the advertisement of life insurance companies than rural and semi-urban customers.

The analysis of consumer satisfaction towards life insurance products showed that with respect to risk coverage, bonus, premium, and other product features, LIC customers were more satisfied than private life insurance company customers. The analysis also depicts that there is significant difference between LIC and private companies regarding agent’s visit, assistance in getting policy documents and assistance in premium notices. The analysis reveals that there is significant difference in the after sales services of LIC and private life insurance companies.

The researcher could add to the knowledge base of consumer perception and behaviour by analyzing the responses of policyholders from both LIC and private life insurance companies. The limited awareness and access to the innovative modes of service delivery are also brought up to the attention. The need to educate and enunciate insurance products as a meaningful avenue of investment is also propagated by the researcher.

**Key words**: Life Insurance, Consumer Awareness, Consumer Perception, Consumer Behaviour, Consumer Satisfaction