CHAPTER - VI
SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

6.1. INTRODUCTION

The objective of this chapter is to present the summary, findings and suggestions of the study. The chapter consists of three sections. The first section gives the summary of all the chapters of the study. The summary includes a brief inference of the study. The second section gives the findings of the study of the secondary and primary data collected, analyzed and interpreted, some important findings are enlisted. The last section gives some suggestions to overcome problems that have been identified from the study.

6.2. SUMMARY – FOCUS

The marketing is regarded as the pivotal force behind strategic planning and business operations. The firm must be suitably staffed to enable it to perform marketing analysis, planning and implementation. The marketing effectiveness is contingent upon the adeptness and adeptness of managers to deliver profitable strategies from its philosophy, organization and information resources. The issue of marketing effectiveness is particularly significant to those associated with the management of financial services. The marketing service organization, should study the market, recognize the numerous opportunities, select the most appropriate market segments, to offer superior value and meet the selected customers' needs and wants.
The modern marketing seeks to attract new customers by promising superior value and to keep current customers by delivering satisfaction. The sound marketing is critical to the success of all organizations, whether large or small, profit or non-profit, and domestic or global. The people mostly think of marketing as only selling or advertising. But marketing companies do many activities like market research, product development, distribution, pricing, advertising, personal selling.

The research that links customer satisfaction to other business measures usually defines satisfaction as a Customers overall evaluation of the consumption experience. The customer satisfaction research demonstrates a positive impact of Satisfaction on both market value and accounting returns. Because of a 'front loading" of customer costs and a 'back loading" of revenues over the course of one's relationship with customers, satisfied and loyal customers are more profitable. This predicts the framework that is the relationship from customer satisfaction to business results. The research study was carried out mainly to measure and evaluate the effectiveness of marketing on the business performance.

6.2.1. Problem of Statement

Marketing enables customers to decide upon products and services they play a major role in providing relevant information. Customer satisfaction is the true differentiator for the success of any business and is more so in insurance, where the products are perceived to be intangible. The three main
aspects i.e. awareness level, service quality, satisfaction level of policyholders. This research work focused on the policyholders behaviour and analyzing the existing marketing strategies of LIC of India with reference to various products offered by the company along with plans and policyholders satisfaction will be of social relevance in the present context.

6.2.2. Objectives of the Study

The following were the objectives of this study i) to study the demographic profile and awareness level of the respondents ii) to understand the perception on Customer Relationship activities of LIC. iii) to identify the factors influencing policyholders satisfaction in LIC products. iv) to study the policyholders’ response towards marketing activities of LIC. v) to identify the reasons to switch’ over from LIC to other companies . vi) to identify the satisfaction level between rural and urban customers.

6.2.3. Source of Data

To understand the satisfaction of the policyholders in Life insurance Corporation India, a sample of 300 respondents were chosen and data was collected from them. The samples were drawn from Thanjavur Division.

6.2.4. Method of Data Collection

The focus of this research is to study the satisfaction of the policyholders in Life Insurance Corporation of India. Data for the study was collected through the primary and secondary sources. A structured questionnaire was framed to collect the data from the respondents.
6.2.5. Instrument Reliability

To study the reliability of the data collected from the respondents with the help of the instrument Cronbach’s alpha was used. Cronbach’s alpha measures how well a set of items (or variables) measures a single unidimensional latent construct. The values of $\alpha$ was sufficiently larger than critical minimum value of $\alpha=0.906$. It indicated the reliability of the instrument used.

6.3. FINDINGS

If it has certain outcomes in the form of findings and certain recommendations for the correction of faulty areas that have been found during the course of the study, every study is completed.

Following are the important findings of the study

I. Demographic Variables

1. Out of 300 samples, 68% of respondents belong to age category of above 30 years Old.

2. Out of 300 samples, 62% of respondents are female and rest are male.

3. Out of 300 samples, 55% of respondents are PG holders as an education qualification.

4. Out of 300 samples, 72% of respondents have own house

5. Out of 300 samples, respondents are covered equally on both Rural and Urban.
6. Out of 300 samples, 51% of respondents obtained at least school level of education and remaining 49% are degree holders.

7. In terms of Occupation, out of 300 samples, 43% are salaried category and rest include Agriculturists and Businessmen.

8. 67% of respondents out of 300 sample, belong to Rs.1 lakh to Rs.2 lakh as an Annual House hold Income.

9. On Family background, 75% of respondents belong to Nuclear family in comparison of 25% belongs to Joint Family out of 300 samples.

10. 81% of respondents are married out of 300 samples and remaining 16% are Single, widows and divorcee are 1% and 2% respectively.

11. Out of 281 respondents, 34% of respondents have atleast 2 male members in the family, 34% of respondents have atleast 2 female members in the family and 25% of respondents have at least 1 child in the family.

II. about Insurance Product

1. On awareness, 48% of respondents, said through Agent and 30% said through Friends.

2. From the brochure, 52% they have seen website and rest 48% said they have not seen LIC website.

2a. In terms of (Helpfulness) brochure, out of 156 respondents, 75% said it is helpful.

3. From website, 36% have seen website and rest 64% said they have not seen LIC website.
3a. In terms of (Helpfulness) website, out of 105 respondents, 78% said it is helpful.

4. 39% of respondents said they know the various types of LIC products very well and 21% agreed they do not know the products. But 40% of respondents said no opinion.

5. On Type of Policy taken by the respondents, most of the respondents taken more than one policy. But if we take exclusively only one policy Endowment and Money Back policy are more. Out of 127 respondents, 76% respondents taken only Endowment and 24% have taken only Money Back Policy.

6. On period of payment across various policy, 47% of paying Half yearly, 26% by Quarterly.

7. On “purpose of savings” 48% respondents said for “future savings” followed by 17% for “future for children” out of 299 samples.

8. Only 4% perceived LIC policies are not well risk covered but 60% of respondents are perceived it is covered well and also 26% respondents have no opinion on this.

III. Perception on LIC’s Customer Services

1. On Customer representative support, 27% of respondents felt CSR is not-enthusiastic and following 25% for CSR - Didn’t listen carefully.

2. On “Best describe Experience”, only 4% of respondents felt Experience was excellent but 36% felt - “I had to be explained several times”.

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3. In terms of “In person experience”, 72% of respondents felt Helpful and 23% felt not very helpful.

4. On satisfaction of LIC service, 36% of respondents felt they are satisfied and 9% felt they are not satisfied but 55% respondents chose no opinion.

IV. Loyalty & Switch Behavior

1. 51% of respondents said “Recommendation of LIC” but 6% said they “Don’t Recommend LIC to their known circles” and 43 % of respondents said somewhat they recommend.

2. 45% of respondents said likely to purchase of LIC products in future but 10% of respondents said Less Likely to purchase LIC products and 45% said not sure for LIC products in near future.

3. 20% of respondents said the chance of replacement for LIC and 19% they like to stick with LIC and 61% said equal chance

4. 22% of respondents said, if a given chance likely to Switch over but 78% of respondents are likely to stick with LIC Products even if a given chance provided.

5. Out of 65 respondents, 45% of Switchers like to switch over to SBI from LIC products and followed 12% to Max New York.

6. Reasons for Switching over, is calculated based on Henry Garret Ranking method in other words, weighted mean score, across 300 respondents, the 1st rank i.e. the main reason to switch over is High return from the competitors, the 2nd rank is Low premium, 3rd rank is High risk coverage, 4th rank is Change for growth and last rank is given to High advertisement.
V. Correlation various Concepts with Overall Satisfaction

a. **Correlation between LIC office visit and Overall Satisfaction** (derived mean score from Q33). Correlation is used to know the degree of association between various concepts with Overall satisfaction. Out of 6 items, .342 or 34.2% are relationship exists between Insurance policies are always of highest qualities with Overall Satisfaction. Since Sig value is <.01 it is statistically significant at 1% level. Among 6 items, least correlated is .180 or 18% between The Office is conveniently located and Overall satisfaction.

b. **Correlation between Customer Representative Support and Overall Satisfaction** (derived mean score from Q33). Out of 8 items, all are statistically significant at 5% level. The highest correlation is .32 or 32% are relationship exists in the customer service representative was very knowledgeable with Overall Satisfaction. Least correlated is .248 or 24.8% in the customer service representative was very cooperative and Overall satisfaction.

c. **Correlation between LIC market aspects and Overall Satisfaction**

(Derived mean score from Q33). Out of 6 items, all items are statistically significant at 1% level. .304 or 30.4% are relationship exists in LIC handles my complaints effectively with Overall Satisfaction and least correlated items is the service received from LIC was professional with Overall satisfaction is .156 or 15.6%.
d. **Correlation between** Perception on LIC Products and Service **and Overall Satisfaction** (derived mean score from Q33). Out of 24 items, which all are statistically significant at 1% level are shown in the table and chart. The top 5 high correlation are The help of agents in processing (28%), Opinion about the bonus amount added (30%), Opinion about penal amount for default payment of premium (30%), Opinion about settlement of Claims (30%) and Opinion about the insurance ceiling fixed by the agency (34%) which is highly correlated among 24 items with Overall satisfaction.

Out of 24 items, which all are statistically significant at 1% level are shown in the table and chart. The Bottom 5 least correlation are Opinion about the font size used in the policy (15%). The time taken for processing application (20%), Opinion about physical provisions in the agency (22%), Opinion about hidden charges while getting loan (22%), Opinion about informing all items in the policy(22%).

**6.3.1. Overview of the Findings**

1. The satisfaction of the customers of the selected Life Insurance Corporation of India in Thanjavur Division was appreciable in spite of hefty competition.

2. The customers of LIC of India reported a high level of satisfaction relatively with other selected Private LIC Companies.

3. The customers in general while choosing a policy from LIC of India, give first preference to the amount of Tax benefits, future of children. They consider the risk benefit as least important to select a Policy.
4. Now various types of company are providing Life insurance to all types of customers. All these schemes were implemented to satisfy the customers and to increase their turnover. But the customers’ expectations are countless from Life insurance companies. They expect a courteous service from personnel of the insurance companies. They expect a prompt and quick service.

5. The outcome of a sound customer philosophy is perceived to be a positive influence on customer retention. The most significant factors contributing to the market share and customer retention is the customer philosophy followed by the strategic orientation. The factors contributing more to sales growth and return on investment are the operational efficiency followed by strategic orientation.

6. The strategic orientation is a dimension of marketing effectiveness, which tends to contribute much to the business performance. The firm is well positioned relative to its competitors, if it provides a good quality service and focuses on long-range growth. It strongly influences the business performance.

7. The customers satisfaction determined by customers’ philosophy, strategic orientation, operational efficiency and adequate marketing information. The customers’ satisfaction is strongly predicted by the customers’ philosophy. The strategic orientation is strongly influencing the customers’ satisfaction variables.
6.4. SUGGESTIONS

1. The customer satisfaction should be the main focus of any service firm especially to the Life insurance company. This will be result in customer retention leading to improved profitability and growth of the Life insurance institutions.

2. The marketing personnel at all levels should appreciate the significant components of marketing effectiveness. The sufficient fund allocation has to be made for the execution of marketing function in any life insurance company.

3. The Life insurance companies should ensure effective marketing information and communication facilities. The strategic planning should be adopted deliberately to identify and satisfy the customer' needs and wants.

4. The insurance companies should educate their personnel for a pleasing behavior. This can create a good image among the insurance customers about the company. It will be appropriate to spend lot of money for promoting the insurance services, when the offered services do not attract and satisfy the customers' need.

5. The service of insurance do not reach majority of the customers in the rural areas. The rural mass should be exposed to the availability of insurance and its benefits. This is possible by personal selling. Most of the customers of insurance in general do not understand the clear and correct calculation of premium, sum assured, benefits etc. So the Life insurance Corporation should educate their customers clearly about the Benefits of insurance.
6. The Insurance Company, if possible should invest in advertising, conduct road shows, and spend money on hoardings, so that it can propagate better awareness about its various lesser known products.

7. LIC should also tie up with several other banks apart from the existing ones to sell its products i.e. through bancassurance.

8. The company has the option of tying up with local NGO’s for selling its rural insurance products.

9. Customer friendly documentation i.e. it should be made easier and faster.

10. LIC should keep a check, that its agents equally promote all its products.

11. All the hidden charges should clearly be stated in the form and explained by the agent and LIC should provide better training to the agents.

12. Claim settlement process should be made fast and does not involve lengthy decision making process.

13. Some special focus should be laid on individual risk coverage while designing the products.

CONCLUSIONS

The research resulted in the development of a reliable and valid instrument for assessing customer perceived service quality, awareness level, and satisfaction level of customers for life insurance industry. Here, service quality needs to be measured using a six dimensional hierarchal structure consisting of assurance, competence, personalized financial planning, corporate
image, tangibles and technology dimensions. This would help the service managers to efficiently allocate resources, by focusing on important dimensions first. The gap scores show that there is ample room for service quality improvement in life insurance industry in India. In the competitive insurance sector, these findings can be transformed into effective strategies and actions for achieving competitive advantage through customer satisfaction and retention.

The 21st century insurer will hardly resemble its ancestor. For a field long known for stability, a combination of technology, economic pressures, consumer demand and deregulation are driving major players to reevaluate their core business practices, alliances and partnerships, and the products and services that they offer. Information technology is both driving and becoming a strategy for navigating the minefield of change. In a nutshell, the Insurance industry is facing competitive challenges on many fronts, including pricing pressure due to rising competition and escalating cost rations, deregulation, eroding barriers among banking, brokerages and insurance; technology innovations that promise to streamline and reinvent business processes, B2B relationships, and product and service offerings; rising expectations for customer service; and mass customization of products and services.

There is no right and wrong in all this. The success of marketing insurance depends on understanding the social and cultural needs of the target population, and matching the market segment with the suitable intermediary segment.
Scope for further Research

1. The study can be further extended to investigate the causal relationship between service quality, customer satisfaction, loyalty and retention with private Life insurance industry. Such a study would enhance the level of understanding for managers and academicians.

2. A study on marketing strategy of new modern technology in future, what way applicable to Life insurance corporation of Indian and Private Life insurance companies. The implications of proposed suggestions to improve the satisfaction of policyholders.

3. The study of quality management and Model of the Perceived Service Quality approach in sample Life insurance Corporation of India and Private sectors.