It has been recognized for many years that for expansion and economic progress of any economy the advancement of insurance sector is an essential condition. The importance of insurance was also recognized in the first conference of United Nations Conference on Trade and Development (UNCTAD) in 1964 stating “a sound national insurance and reinsurance market is an essential characteristics of economic growth.” It appears that, Insurance as an instrument, not only enables economic relations through risk transferal and indemnification but also encourages financial intermediation (Ward & Zurbruegg, 2000).

Further precisely, insurance possesses special impact such as encourage financial firmness, organize reserves, simplify commercial business and competently enable risk management, embolden damage justification, nurture competent assets provision and also can be an auxiliary for and supplement Government security plans (Skipper, 2001).

Long-Yi Lin, Chun-Shuo Chen (2006) explored the consumer behavior and identified the impact of product knowledge the country-of-origin image and the product involvement in buying decision. The study concluded that all of these have a meaningful affirmative consequence on purchase decisions. Emily Norman Zietz (2003) examined the texts concerning precise demographic and economic issues which can be identified in terms of traits that influence the life insurance demand and common conservational issues were discussed which might narrate demand for life insurance. This investigation endeavored in systematic format and provided a better understanding with respect to how and why life insurance purchases are completed.

Martina Eckardt (2003) tested the influence of the diverse distribution networks and other issues on mediators’ service superiority and established that service superiority is independent of the corresponding distribution network. But can be determined by the gathering of information and dispensation actions of the individual intermediaries.
Mei-Fang Chena & Liang-Hung Maua (2009) focused on how a customer’s trust on
the sales person or on company can be built or depleted through salesperson’s ethical
and unethical sales behavior, which ultimately effects customers’ loyalty towards life
insurance. The study found that, in order to win customers’ loyalty by trust, the
ethical conduct of salesperson plays a decisive role. Furthermore, the study has also
established that relationship amongst customer trust in the sales person and customer
trust in the company do exist. Customer loyalty is highly influence through trust in the
company rather than customer trust in the salesperson.

Dhiraj Jain and Kunal Talach (2012) carried out “A Study of Factors Influencing
Consumer Choice of Life Insurance Products”. The study aimed at the awareness
level as well as the current scenario of life insurance in the state of Rajasthan and also
to evaluate the consumer choice of life insurance products offered by different
players. The study was grounded on the primary data collected among 153
respondents of definite areas of Rajasthan.

The study reveals that there is good awareness regarding the concept of insurance
among the people of Rajasthan state. Majority of the customers agree with the need of
insurance as a means to protection of family as first preference for majority of
respondents while purchasing an insurance policy. The need of better after sales
services is found because the agents founds that the insured one is now bound to
deposit premium & he gets involved in getting new business.

M. Dhanabhakyam & K. Vimaladevi (2011) studied the “Organizational
Outcomes of Effective Relationship Marketing in Indian Insurance Companies”.
The study scrutinized that when relationship marketing is entirely incorporated, will
ascertained as one of the prime important strategy to be followed in in the
nourishment and development of competitive advantage. In such relationship
marketing there must be true equilibrium concerning ‘giving and getting’ and loyalty
is grounded on partnership and trust.

The significance of the relational benefits, internal marketing, relationship quality
criteria and their influence on organizational commitment is a key to success in Indian
insurance companies. The Indian companies were included in the survey and survey
was directed to the top and middle management in each organization. The study
confirmed the positive relationships between relationship marketing; enterprises
performance and increasing its market share in the target industry as an organizational
outcome.

**Ganesh Dash & Dr. M. Basheer Ahmed Khan (2011)** performed an empirical study
titled as **Product – The First ‘P’ (of 7P’s) in Indian Life Insurance Sector**. The
customer’s perception of the numerous elements of the life insurance policy (product)
and his/her subsequent decision is most important. The various elements of the policy
and their impact on customer’s buying behavior were the focal theme of the study.

This study tries to investigate the difference in the perception of the customers (of the
policy elements) with respect to their age, gender, education, choice of company,
income and occupation.

The study adopted the policy variable like; Brand Name, the Features and Options of
Policy, Usefulness as per the Need, Flexibility as per Requirement, Better Investment
Option and Availability of Good Service Line and Support. The study revealed that
the various age categories across the policy holders have no significant difference in
their perception of all the policy variables.

It has also been seen that difference in educational qualification does not get reflected
in perceptions of any of the six policy elements. Both male and female have same
perception of the policy variables.

Further, when compared to the annual income levels, the policy holders have no
difference in their perception of variables. But there is a huge difference the
perception of the policy holders of LIC and the private companies regarding the
following variables: policy / company’s brand name, usefulness and better investment
options.

**Meera, C. & Eswari, M. (2011)**, conducted **A Study on Customer Satisfaction
Towards Cross Selling of Insurance Product and Supplementary Service – With
Reference to Private Sector Banks in Coimbatore District**. The study adopted
descriptive research design. The questionnaire was used to collect primary data and
responses were collected from selected respondents. To analyze the customers’
satisfaction on retail banking was principal objective of the study. The study was made for retail banking services provided by the banks.

The study centers on the dependent variable customer usage behavior and their relationship with related independent variables such as Age, Marital Status, Education, Occupation, Family Income, No. of Years of Banking and Frequency of visit to Bank. This study revealed that opinion on cross selling of insurance products of bank is not influenced by age of the respondents. But, opinion on cross selling of insurance product is associated with education i.e. professional with professional degree have strong association.

**Affiaine Ahmad & Zalina Sungip (2008)** carried out An Assessment of Malaysia Insurance Industry focusing on Service Quality. The tenacity was to assess customers’ universal perceptions and expectations of insurers in terms of service delivered by insurance company at their service counter. It also inspects the association amongst SERVQUAL mean score and demographic features.

Findings of the study emphasized that insurers need to gear up customer service component and superiority improvement efforts in the direction of reliability components.

The study also revealed certain factors which influence the perception and expectation of customers on insurance service counter and these factors are household income, occupation and level of education of customers.

The level of education like professional and masters are highly gets influence with the services delivered by any company offering financial instruments.

The awareness regarding the usage of services and its significance in savings or investment is high amongst the professionals and businessmen of large household income. Consequently, compared to other occupation such as nurse, teacher and clerk these occupants expects the services of superior quality from insurers at their Service Counter.
Saqib Ilyas, Muhammad Farooq Hussain & Muhammad Usman (2011), An Integrative Framework for Consumer Behavior: Evidence from Pakistan, aimed at exploring the influence of consumers’ culture and religion on their purchase behavior through paralleling the different universities’ male and female students of Pakistan. In this study considered the behavior only in apparel purchase.

The study found out that the religion of the respondents have significant impression on respondents’ culture and in turn, cultural aspect have significant influence on their behavior in apparel purchase.

Hence, it can be said that, religion of the respondents have indirect influence on purchase behavior and religion of respondents is directly linked with the culture of respondents.

Anand Prakash, Sanjay Kumar Jha & S. P. Kallurkar (2011) describes Attitude of Indians towards Service Quality for Life Insurance in India through different demographical factors. The four personality types considered are Feeler, Entertainer, Thinker and Controller. Most of the respondents were found to be associated with Entertainer i.e. they suffered from miss-selling of life products with no more interest in generic answers and look forward to fully explain resolution steps and allow talking.

It is worth noting that most respondents had first response to financial emergency as family support followed by taking loan and spending from buffer saving. The study also found that age, gender, education level and monthly income of the respondents seems to influence content, welcome, alignment, procedural and authenticity of service quality for life insurance business.

Barbara Culiberg & Ica Rojsek (2010) in Identifying Service Quality Dimension as Antecedents to Customers’ Satisfaction in Retail Banking explored service quality of retail banking in Slovenia and its influence on customer satisfaction. The study found significant variation regarding the effect of dimensions on customer satisfaction. The largest part of the variability of customer satisfaction can be attributed to staff conduct.
The research findings also suggest that service quality referring to a customer’s judgment about a bank’s superiority should be regarded as a foundation for competitive advantage as it constitutes one of the most important driver leads to customers’ satisfaction.

The study also reveals that personnel contact has fatal impact on the most appealing service attribute when targeting customers.

**Bhagaban Das, Sangeeta Mohanty & Nikhil Chandra Shil (2008), Categorizing Consumers’ Buying Behavior: A Factor Analysis in Consumer Durable Market.**

To make the study simple and informative, color television is used to present the consumer durable market. Keeping the objective in mind, 80 consumers were selected at random by using simple random technique. A questionnaire was constructed on 5-point Likert scale based on dissimilar matters associated with preference attributes of TV.

The Principal Component Method was implemented for the determination of least number of factors accounting maximum variance in the composed data. Based on the computation of Eigen values, only those factors were retained having Eigen value(s) greater than 1 and rest were discarded. The six factors extracted are labeled as Structural Add-Ons, Word of Mouth, Durability, Technical Features, Ground Reality and Recommendation of Dealers.

**Aurelija Ulbinaite, Marija Kucinskiene & Yannick Le Moullec (2011), Conceptualizing and Simulating Insurance Consumer Behavior: an Agent – Based – Model Approach,** elaborated on conceptualization the consumer behavior of insurance industry through proposing a promising fundamental model through reflecting its principal attributes.

Successively describing an agent-based-model simulating the surroundings which allows trade-off and price-quality of the insurance services, together with the decoy effect and impact of the consumers’ social network. Investigational consequences demonstrated that, the recommended approach enables the simulation of decoy effect and this model also identify the best price-quality and trade-off of the decoy when insurance services are promoted separately.
Timira Shukla (2011) carried out Customer Perception of Brand LIC: An Empirical Investigation. The study attempts to ascertain the service quality dimensions, which are important to customer. SERVQUAL scale was used to discern the different dimensions of service quality and mean scores were used to find out if there is any gap between customer expectations and perceptions. Rating scale was used to collect data for primary research among LIC customers in Delhi.

The study revealed that 75% of customers have two or more products from LIC and service satisfaction is not a necessary condition for purchase of two or more products from the same organization. It was also found that there is a substantial variance amongst perceived and expected value for all the paired formed in terms of tangibility. Hence, stating that the physical facilities provided by the company are not as per the expectations of the customers.

Mohammad Karimi & Behzad Hassannezhad Kashani (2011) explored Customer Preference of Private Insurance Covers in Iran. This study aimed at identifying reasons by which customers prefer private insurance covers to public ones. For this purpose they considered product, service, economic, human and comfort factors as antecedents of customer preference in purchasing private insurance covers.

The research tool was 7-points Likert questionnaire by which respondents were asked to shoe their agreements about 25 items of 6 constructs. As empirical results in this study show customer preference of private insurance covers over public ones is determine by two human and economic factors. It means that the most influential factor in customers’ buying decisions is insurance employees’ performance and their friends and relatives role.

Anna A. Merikas, Andreas G. Merikas, George S. Vozikis and Dev Prasad (2004) undertook an empirical study of Economic Factors and Individual Investor Behavior: The case of the Greek Stock Exchange. The study was conducted with an objective to identify the factors influencing individual investors’ behavior in Greek stock exchange. The study investigated the responses from sample of 150 respondents.
The study revealed substantial correlation amongst the factors revealed in behavioral finance theory and earlier experiential proof identified the persuading factors for individual behavior of normal investor and active investors in Athens. Utmost of the variables which were assessed significant for wealth maximization criteria were financial statements, estimated corporate revenues and firm’s status within the industry.

**Asmarubiya Begam, A. and Mohamed Nasardeen, S.M.** conducted **Empirical Study on Factors Influencing Consumer Choice of Life Products**. Under this study a set of twenty variables considered to be important while choosing a particular insurance product. These factors are Product Factors (Product’s features, Product’s Awareness, Type of ownership), Promotional Factors (Advertisement, Agent’s Recommendation, Suggestion from Friend / Relatives, Brand Names), Consumer Expectation (Scheme’s Safety, Conveniences, Tax Benefits, Delivery Schedule), Service Quality Factors (Service Behavior, Technology Adopted, Transparency) Risk – Return Factors (Performance assurance, Income Regularity, Assured Return, Maturity Amount, Premium Paid, Extra Bonus).

The study found insignificant relationship amongst the influencing factors and consumers’ choice in life insurance products. The study also revealed that there exist significant relationship among the consumers’ age and their inclinations towards life insurance products.

**Abdalelah S. Saaty & Zaid Ahmad Ansari (2011)** studies **Factors Critical in Marketing Strategies of Insurance Companies in Saudi Arabia**. The study endeavors to identify the essential factors for development of appropriate marketing strategies of insurance corporations in Saudi Arabia. The study investigated current policyholders and non-holders in order to identify the purpose of buying and not buying insurance products.

The study has also addressed the problems and complications confronted by insurance industry in Saudi Arabia. The statistical analysis of responses revealed that the factors which plays decisive role in the consumer’s decision while purchasing insurance products are viz. social and regulatory.
Moreover, it was also found that the awareness with respect to availability several kinds of insurance products and welfares of insurance products is low amongst the population. The study also investigated the perception of insurance user vis-à-vis amount of premium paid. Ultimately, study revealed that the prime reasons for purchasing life insurance products are premium paid, amount of risk coverage and source of procuring insurance products.

S. H. Ashraf & Dhanraj Sharma (2011) explored Global Financial Crisis and Its Impact on Indian Insurance Industry. The study found that global financial crisis had an impact on crisis and post crisis premium of life insurance industry of the country by the figures which show single year premium collection of life insurers fall in March 2009 by 28.2 per cent as compared to March 2008. The global economic slowdown has hit the vital sectors of our economy, posing serious threats to economic growth.

The crunch is compelling countries around the world to test the parameters of their fiscal and monetary tools. India is no exemption. A sequences of fiscal and monetary actions have been taken by the Government and the RBI to diminish the impact of the slowdown as also to reestablish the economic resistance.

Ernst & Young undertook a research project with the independent firm to canvass the opinion of 24,000 consumers across seven region around the world in Global Overview, Voice of the Customer Time for Insurers to Rethink their Relationships, Global Consumer Insurance Survey 2012. One of the most striking and positive findings from this research is that the reputation of the life insurance industry has not been tarnished by the global crisis.

The majorities of the customers still has reasonably high satisfaction levels and are confident that their products meet their needs. Customer expects the buying process to be convenient and transparent, allowing them to buy with confidence. The research also found that the level of repeat purchase is very low and with a few exceptions, customer perceive that life insurance companies make very little effort to retain them at the point of lapse.
Kambiz Heidarzadeh Hanzaee & Fereshteh Lotfizadeh (2011) examined Influence of Family Structure on Consumer Decision-making Style in Iran. This study made an attempt to determine whether the marital status and structure of family structure influences the decision-making pattern of consumers of Islamic culture. In Islamic culture especially in Iran, an Islamic religious philosophies governs the families. Therefore, the husbands and the wives have their own pattern of decision-making.

Even though after modernization and certain changes in the society some of the families are unchanged to social changes and are traditional, whereas others are modern. The decision making style of these two categories, traditional and modern families, do not have similar decision-making pattern. These differentiations amongst the families may be observed in type of product purchased, the time or place of purchase, money spent or decision maker of family.

The study also finds that family structure like either male-dominating or wife-dominating or jointly decision-making. The study also revealed that Iranian culture and Islamic norms have philosophical impression on decision-making process amongst families of Iran.

Pooja Kansra & Gaurav Pathania (2012) conducted A Study of Factors Affecting the Demand for Health Insurance in Punjab with the sample size of 200 residents of Jalandhar city. The objective of study was to know the awareness of health insurance and to identify the influencing factors for demand of health insurance in Punjab.

The research adopted the descriptive research design and statistics were composed with the help structured questionnaire emphasizing the issues relevant to the research objective. Further, these descriptive statistics were explored through factor analysis and chi-square have been applied. The data reflects that 73.5% of the total respondents were male and 46% of total respondents were post-graduate, followed by 43 % graduate.

The study revealed that people had already heard about health insurance yet a significant portion of the respondent are still without any form of health insurance.
Moreover, the main source of awareness is newspaper followed by TV and Radio, Agents etc. Through factor analysis five factors were extracted viz. formalities bottlenecks, agent related problems, coverage issues, awareness, and negative feedback are responsible for barriers in the success of health insurance in Punjab.

Mohamed Sharif Bashir & Nor Hafiizah Hj Mail (2011) explored Consumer Perception of Islamic Insurance Companies in Brunei Darussalam. The tenacity of the study was to scan the consumer perception of TAKAFUL corporations of Brunei, Darrussalam. The study concentrated on selected takaful products for investigating perceptions of consumers. The research provided a general idea regarding takaful business of Brunei.

The study conducted using the survey method and the questionnaire as tool was used to bring together related and contemporary statistics on consumers’ insights with respect to their particular takaful establishments.

The study revealed that claim process is one of the utmost conjoint problem come across by policyholders of takaful. Greatest number of takaful policyholders articulated discontent with respect to the difficulties faced during the claim settlements. The claim procedures are excessively complex and bureaucratic in nature. The study has also suggested the takaful companies to train the personals regarding products knowledge and significance of customer services. Apart from claim settlement procedure problem, elongated delay was additional collective problem come across by the policyholders and was getting worse for the period of peak times.

Chung – Hoon Park and Young – Gul Kim (2003) carried out a study in order to Identifying the Key Factors Affecting Consumer’s Purchase Behavior in an Online Shopping Context. In this study, the association amongst several features of online spending and customer buying behavior was examined. The online survey of 602 Korean customers of online bookstores was conducted and specified that quality of information, quality of user interface and perceptions related to security are the major factors influencing the informational satisfaction and relationship benefits. And these in turn are considerably significant to consumer’s actual purchase behavior and website’s commitments.
The study has also established that information satisfaction and relation benefits are highly associated with customers’ assurance to online store. Similarly, quality of product or service information, quality of user interface and security perceptions also influence the information satisfaction and relational benefits.

The results of the study also advocate that in order to have customers’ loyalty towards website online store information is one of the most significant factor which is taken in to consideration and reflects the buying performance.

**Lavanya Vedagiri Rao (2008) explored Innovation and new Service Development in Select Private Life Insurance Companies in India.** In this investigative study, an effort is made to comprehend how service firms actually modernize. Zonal managers of select ten private life insurance companies in India are interviewed. It was found that, all the ten private life insurance companies have a formal Insurance Service Counter departments and the top executives and research and development department participate in the formation of new service.

The roles of customers are also considered significant. The study was explored with an objective to discover whether private life insurance organizations use systematic practice in the areas of New Service Development Strategies and organize that for new services. The study also reports on how the organizations involve their customers in the service innovation process. Customer involvement in Insurance Service Counter conveys about the communication process of the service provider and the existing and potential customers at the program, project or at any stage or level of the innovation progression, to anticipate the latent needs and the development of the services accordingly.

The study institute that there exists a separate NSD unit with strategic roles and the top executive along with the R&D department develop services in a formal way and it is also continuing activity in the organization. It can be concluded that there is an effective system of innovation in these service organization.
**Sathya Swaroop Debsish (2009)**, attempted to identify the fundamental elements which are accountable in customers’ preference for purchase of Life Insurance in India. The study adopted the statistical method of Factor Analysis and recognized five most important factors. Namely; Promotional Factor, Core Product Factor, Risk – Return Factor, Service Quality Factor, Consumer Expectations Factor.

The primary data were collected from northern region of India emphasizing on customers’ preference in purchase of life insurance products. A survey was piloted with the help of 45 selected insurance agents through designing structured questionnaire. The study was based on non-probability, convenient sampling and 600 filled responses were collected from customers across five states in North India.

The Indian Insurance customers are having several options to choose with respect availability of variety of products, services and service providers transforming Indian Insurance buyers’ market. Insurance customers, in order to satisfy their dynamic needs, have identified innovative dimensions involved with life insurance products.

**Sanjay Kanti Das (2012)**, made an effort to study ideal investment avenues of the households of Nagaon districts of Assam and their investment practices. The study was based personal interview of household heads considering stratified random sampling principle. A structured questionnaire was designed in order to collect statistical data. The general sample from the relevant population segment consisted of 100 households & covered both shareowners and non-shareowner.

The study covered variety of questions about investment, perception & intentions, investors own characteristics and preferred investment avenues. Special efforts were also attempted to acquire the information pertinent to financial investment representing all income groups and source of revenue of diverse families. This research also examines the investment attitude, their preferences & knowledge about capital market institutions and instruments.

It reveals that, obtaining insurance policies was the safest investment amongst the investors. Moreover, tax benefits, protection of life and typically gainful investment avenue were some of keen interesting aspects of insurance products considered by respondents. Further, it was also observed that, household with higher income
preferred to invest in equity market where as lesser or normal income household presented high preference to insurance products. The study also found that banks are the most preferred institute for investment.

Masood H Siddiqui & Tripti Ghosh Sharma (2010), attempted to measure customers’ perceived service quality of Life Insurance segment through developing an instrument. In order to study the structure of service quality in Life Insurance segment and its important dimensions, the study adopted Conclusive Cross-sectional Descriptive Research Design. A survey was accompanied through designing a SERVQUAL sort of questionnaire appropriate for insurance industry.

The questionnaire was encompasses two sections; one section reflecting the information regarding socioeconomic and demographic standards and another section related to considerations of service quality in insurance industry.

The responses were taken on five point scale from “strongly agree” to “strongly disagree”. This section constitutes 26 statements with respect to expectation and perception scores related to service quality. The consequential validated instrument resulted into six dimensions of service quality and these were Assurance, Corporate Image, Personalized Financial Planning, Tangibles, Competence and Technology.

Additional process of analyzing the chain of results highlighted that the Assurance as dimension is given highest priority in the areas of service quality. Furthermore predictor of quality of services are competence and personalized financial planning. The study also conducted the GAP analysis and results pointed out that there is a much can be done regarding the quality of services in insurance industry.

This study also provides an opportunity for insurers to design suitable course of action for the improvement in service quality and prioritize the factors with highest GAP scores. Based on results of this study, an insurance company must deal these dimensions in the order i.e. the order of decline in GAP score, viz. Competence, Personalized Financial Planning, Corporate Image, Assurance, Tangibles and Technology.
Clifford Paul S. Joseph Anbarasu D., and Annette Barnabas (2010), determined the socio economic status and their awareness. The study investigated the responses from 1655 investors of insurance. The structured questionnaire was used for data collection. The study reveals that education qualification of respondents has strong association with the several Schemes and policies’ familiarity. Familiarity denotes the respondent’s knowledge or awareness regarding the several policies or products of the insurance company. Results reveals that knowledge regarding the insurance product gets influenced by education qualification of the respondents.

Similarly, the study also verifies age and insurance products’ awareness are significantly correlated. The awareness amongst the insurance products increases with the increase in age of the respondents. The study also determines that, the prime objective for business class and the government class is to gain tax benefits arising from insurance products, whereas in case of private salaried the prime objective is to gain the coverage risk offered by insurance products.

Finally, the study concluded that, the actual development in Life Insurance exists in realizing the real significance of Life Insurance not only as just tax saving tool. The government should take the responsibility in order to increase the awareness amongst illiterates and low income households by conceiving insurance products as a long term saving financial instrument.

Bhagaban Das, Sangeeta Mohanty and Nikhil Chandra Shil (2008), made an attempt to study the behavior of the investors in the selection of two investment vehicles (Mutual Fund vs Life Insurance) in an Indian perspective making a comparative study. Simple random sampling was followed to select the sample and effort was devoted in selecting the suitable sample plan. The sample unit is an individual, who is at present a retail investor. A structured questionnaire was developed for collection of primary data.

The study revealed that the investors have significant difference in the pattern of investment with respect to their age.

The study also concluded that although the difference investment patterns gives more or less the equal level of satisfaction, there are still some variation among the
investors based on their level of education. It was also believed that, investors have extensive difference with respect to their profession and the different patterns of investment vary widely among themselves.

The study also concluded that the pattern of investment is dependent on the objective of investing. Majority of the investors are investing for capital growth, followed by the tax saving objective and regular income. Only few of them are investing for the retirement plan.

According to the study, the investors ranked LIC as number one followed by ICICI and HDFC and majority of them viewed public sector insurance better than the private sector. The investor within the income group of Rs. 1 – 1.25 lacs invest a lot in either mutual fund or life insurance compared to investors within the income group of Rs. 7.5 lacs.

The comparison also revealed that the Government employees invest more in life insurance and private sector employees in mutual funds. According to the study, newspapers and magazines are the main sources of information regarding available investment opportunities.
Endnotes


2 Ernst & Young refers to the global organization of member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information, please visit www.ey.com.

3 The Islamic Insurance (takaful) has emerged as an important component of the Islamic financial system based on profit sharing approach, which is not offered by conventional insurance.