CHAPTER 05 – RESULTS AND DISCUSSION

5.1. Results:

This study provides information discovered as a result of an inquiry or investigation and the following preparation by informing of facts. It also provides some advice, plans for Indian life insurance sector, especially for the life insurers to improve their more and more market share. The constraints dealt by this review are also outlined. Finally, it gives a run down on the entire study through conclusive statements.

A. The first things aimed at or sought of this detailed investigation and enquiry of a subject or situations are the perceptions of the consumers towards the purchase of life insurance policy after liberalisation and higher degree of competition. For this purpose, first null hypothesis $H_0$ was established. The following results were obtained as per this objective.

1. Still today we live in a male dominated society and their contribution is 6% where all major views are shared and followed according to them and till date only half of them say 36% of the females are given an opportunity to decide, thus we can conclude that male population dominates the females in buying life coverage.

2. The greater segment of the people about 74 % in all belong to the age group of 25 – 45 years are very keen to buy life coverage as compared to those individuals whose age is less than 25 years with 16%. Therefore it is found that those individual who are content belong to the age group between 0 to 45 years because these individual have faith and the urge to keep aside a bulk amount as legacy for their nominee or the beneficiary by buying policies like family security, retirement plan and child’s future. Majority of the consumers whose age is between 20 – 30 years may have recently employed as an employee with an organisation and would have just begun their career. A total of 90% of the total investors buy coverage or security products from
numerous companies in order to seek benefits in the form of tax evasion and future savings.

3. Large number of population who work with private limited companies are 56% who buy security benefits which gives financial protection to their children and wife and parents and in case of public domain the organisation itself buys the security scripts for their employees and this percentage is 18% and 11% investors are professionals. Thus (74%) satisfied investors are salaried people as compared to 26% who are less satisfied. There were various reasons for buying this type of safety features like savings for the nominee or the beneficiary, education and marriage of the children, and savings in the form of pensions.

4. We have observed that 58% of the citizen of the study groups income was anywhere between 15000 to 25000 per month and they are only people who are very adamant to buy policy for themselves as it serves as a small savings for them followed by income less than 15000 per month which is 20%. It is being observed that those whose earnings are higher have the tendency to keep aside more savings and put money in such type of plan

5. The Urban population’s total market share is 49% which is little lower than the rural population which is at 51%, which means consumers in the rural area have a strong perception and affinity towards investment in insurance. Thus H01 is declined furthermore it is found to be significant difference in customer’s perception towards policies of private and public insurance companies.

6. A family size of 01 – 03 (25%) is buyers of insurance policy along with family size of 04 – 05 (40%) and plans their future requirements. It is seen that if number of members in the family is more than investment reduces. In the above survey we found a family size between 06 – 10 contribute 34% to the total respondents.
7. An analysis about education and their preconceived perception and contentment of
the buyer displays that the number of buyers of this plan are more graduate and
postgraduate (209 graduates and 160 postgraduate) than the undergraduate (181)
which is 33%. Thus we can conclude that literacy level or the education plays a vital role
in selecting the right products from numerous enterprises.

8. 44% of the total surveyed group have a strong view that insurance is a device which
is used for saving tax and 31% of the buyer perceive it as a life cover to safe guard their
family in case of any calamity that may occur in the life of the bread winner whereas
12% believe that insurance provide family safety by creating a legacy for the future
along with 13% are of the view that insurance provide maximum cover and family
compensation.

9. Every insurance company bring about multiple products in the society which are
being created and sold by companies in the Indian Medicare sector which contains
something to suit a particular individual or task. Out of 550 samples drawn (36%) of the
respondents preferred term plan, followed by 36% of the respondents preferred
endowment plan and 18% preferred unit linked plan. Since as an individual we have
multiple options to choose the proposal or the plan that best suits our requirement it is
noted that among the many options those proposal which provides sum assured to the
nominee is mostly recommended followed by endowment plan This plan helps you to
save a bulk amount as a legacy for your family upon the death of the proposer. Among
the many plans which is traditional in nature and the paying term is very high, we have
one of the most favourable product which is market linked plan and it is also refereed as
unit linked. This proposal provides higher risks along with higher returns; it provides
flexibility to book profits along with various options like non payment of premium.

10. A convenient source of buying insurance is through an agent. In our country a
protection device like this is never freely purchased as no one believes in it, it is sold
through emotionally and with obligation so agents or also known as consultant visit their
near and dear ones and ask them or request them to buy from them only. The agents /
Advisors by using numerous strategies sell the product by convincing the buyers.
Moreover, they drive policies with the highest premium to pocket a higher commission. The advisory means of selling is the new and up-to-date approach, which provides assistance to customers and prospects to buy. Out of 550 samples drawn, (66%) of the policies are which the customer wants they approach an agent and then (34%) of the people go to banks, brokers and direct insurance company which constitute 445 of the total respondents.

11. The satisfaction level of the policy buyers with respect to several product offerings and assistance along with quality products are 77% and those who are dissatisfied are 23%.

12. Out of 550 samples drawn, we have seen that a majority (69%) of policy buyers have displayed their likeness towards one of the largest giant company LIC followed by ICICI Prudential life insurance with (13.86%) which is second largest in the province. Our surveillance have proved that the greater number of buyer of policy are attached to largest public sector organisation known as LIC which is ranked as 1st among insurance companies and among the private entity an ICICI Prudential life insurance is rated at (13.64%) and HDFC Standard life is ranked at (10 %), Bajaj Allianz (4%) and Birla Sun Life with 4 %. Therefore, it can be perceived from the survey that LIC of India which has always been the pioneer in insurance business is still considered the most favourable and preferred life insurance company and large number of the population across India still buy and invest in government-owned LIC for getting secured protected from any incident that can take place in their lives because of security. Also on the other hand, we have observed that private life insurance companies though they provide better customer services and high returns is still having less percentage of share as compared to public sector.

13. 30% of the respondents believe that return on investment is an advantage or profit gained from something is given more importance. Secondly they consider company reputation and premium outflow are the benefit of an insurance policy. Lastly 19% and
16% consider service quality and product quality are perceived as an attribute for buying insurance.

14. It can be also seen that an individual's personal choice or his views or his perception encourages them to invest in a merchandize which assures to pay the beneficiary a bulk amount. Secondly we do buy or like to save a fraction of our income in buying a risk control tool in case our immediate near and dear ones guides us or some time we receive such advice from our financial partner. Today technology has become so advanced that every merchandize like future income is bought by the general public by watching announcement or an event meant for public.

15. From the ancient days and even today bank is considered to be safest place to keep and invest money in any goods they are providing and this percent is 52 of them. However we also found that even today there are about 48 percent who believe in saving money in a protection device given by the insurance group.

16. When the investigation was conducted systematically we came to a conclusion that consumers based on their personal experiences and the one that their near and dear ones face rated them as good, very good, average and excellent. Now when the experimentation was completed 14 percent and 40 percent of them says excellent and good service where as 24 and 22 percent said the method of helping was graded as good and average.

B. The second objective of this study is to measure the satisfaction level of the policy holder in a competitive environment. For this purpose, second null hypothesis $H_{02}$ was established. The following results were obtained as per this objective.

1. Out of 550 samples drawn our survey gives a brief snap shot that 350 of them (64%) are masculine which proves that still today our families decision is taken by the elder member or the bread earner. Thus, gender bias has significant impact on the satisfaction level of the policy holders.
2. A working class whose age is anywhere between 25 to 45 years believe in safeguarding a small portion of their income towards such type of savings that will benefit their nominee in case anything happens to them and this segment is very huge about 74 percent of the total group as compared to other age group less than 25 years with 16% and more than 45 years with 10%.

3. Occupation has a significant impact on the customers buying decision. Government and private employees have much more number of policies followed by the professional / business category customers have fewer policies.

4. During the analysis and investigation we met 58 percent people whose income ranges anywhere between 15000 to 25000 per month and 20 percent of the peoples salary is less than 15000 per month. Level of income of the customers has significant impact on the satisfaction level of the policy holders.

5. Locality (respondent’s area of residence) has powerful aftermath on the cheerfulness level of the policy buyers although urban customers seem to have slightly less number of policies than rural customers.

6. There is a strong positive correlation between number of policies and educational qualifications. Difference in the educational qualifications has significant impact on the satisfaction level of the policy holders where graduates and post graduates have more positive opinion than the undergraduate’s.

7. Further, it was found that family size has significant impact on the number of policies purchased. It is found that investor’s satisfaction level changes according to the size of the family. Out of 550 samples drawn, 360 respondents (65%) buy this safety plan as it is considered as a safety device to shield their immediate family.
8. We have undertaken the above sample study and have identified that the reason to put money into financial schemes for which something is done or created or for which something exists is broken down into various options like amount of money or other supply get refund to the purchaser, payment of claim, financial retribution, provide kin and offspring future safeness, ambiguity or doubt compensation and maximum benefits. When our team visited to undertake scrutiny or examination of the identified area for analysis we saw an individual have shortlisted advantage received by investing in such plan and save the charges levied by the government to be repaid in the form of compensation are given the first priority towards such schemes and the total no of individual are 409 members. The other general reason that may be considered while taking this strategy is provision for future, protection from harm and finally shelter or protection sought by people in case of danger.

9. We met almost 550 investors who have bought at least one plan or the policy in their life and our observation and assessment makes us believe that 72% choose such proposal that gives back to their nominee a legacy amount and such plan do exist where the buyer will invest till the end of the premium paying term and save a bulk amount in the form of legacy. During the above evaluation we also came across a handful of consumers who like to take risk and prefer to keep invested for a shorter duration and this group is about 18% and rest 9% do not have any preferences. Thus we can conclude that whenever any sort of funding an individual makes he checks the amount of outcome he will get and then goes ahead with any programme.

10. We have discovered by chance or unexpectedly a study took place among 550 policy holders, (66%) respondents are influenced by the agents and around 34% are influenced by banks, brokers and employees working with them.

11. The motive of any investor is to find out who provides higher savings with less money put aside and these numbers are approximately 77% who are constantly seeking information of a company who provides large inflow with minimum outflow of
the sum of their income along with satisfactory availability of person available at all
times to clear all their doubts and give goods of best standards.

12. Out of sample size of 550 customers, a large crowd of people around (69%) still
have faith and trust in LIC so they keep on looking out for those agents or offices where
they can go and buy these plans for them and their families, still we do see a small
section of people around 28% buying from different privately owned enterprise. Rest of
the 5.3% of the consumers bought or invested in any insurance company other than the
above. Thus we have to accept the fact among common man still prefer public owned
organisation as the most acceptable and trusted brand and since this is in existence
since a decade, the consumers feel that are rooted so even if system falls or economy
goes bankruptcy, the consumers money is safe because of government backing. On
the contrary people feel privately owned entity use forced approach along with
numerous bonus offerings to sell their products and render lucrative services to gain
attention and confidence.

13. Customer satisfaction is one area which witnessed the most significant change with
the entry of new players. Satisfaction means a feeling of pleasure because one has
something or has achieved substance. It is an action of fulfilling a need, desire, demand
or expectation. The table on attributes shows the positive side of the organisation like
well trained staff, best and improved treatment meted out to their purchaser, strong
process flow along with sufficient capital stored in place. The shopper always choose
things if it fetches huge benefits with small amount paid for it and he also makes sure
that the he has bought these things from a reputed business houses as they always
strive on standards and maintaining class for all kinds of material purchased along with
mind blowing experiences of using it.

14. We should know that a human being is an important asset to himself and to his own
immediate family and so it is advisable as an individual to store some monetary value in
case the person leaves this earth and the best option is to purchase a product that
covers up loss due to finance. Also as an individual it is our moral responsibility to take
decision on our own as well instead of depending on our parents and children, buddies, an associate who forms as an extended member and lastly is to rely on various media which advertises every day.

15. In our country we have seen that 52 percent of the people has faith in the institution which protects our money in their accounts and suggest suitable plans to use our money so that we get something more than we have on the other hand we have around 48 percent who like to keep aside a set amount in such means for many years so that once they die their near and dear ones get these amount for their day to day life.

16. From the above figure displays those maximal numbers of the appellant have ranked their prevailing life insurance companies accomplishment as good.

C. The third intention of this learning was accessing aftermath towards brand image by selling insurance policy to a consumer by an agent. For this purpose, third null hypothesis $H_0$ was established. The following results were obtained as per this objective.

1. 51 percent of the respondent are living in the rural areas, 49% of the respondents are living in the urban areas.

2. 74 % of the examined and recorded area consists of people who have been evaluated and examined falling in the age group starting from 25 till the 45 years and 16 % interviewed number of peoples age is less than 25 years and 10 percent are within the age group of 45 and above.

3. 64 percent of the buyers are masculine out of 100% and feminine investors are 36% shows that maximum purchasers male customers.
4. 56 percent of the policy holders are private sector employees and 18 percent are government sector employees.

5. 58 percent of the respondents are income level Rs. 15000 – 25000 per month and 20 percent are income level less than Rs. 15000 per month and 16 percent of the consumers income level Rs. 25001 – 50000 per month and above Rs. 50000 per month is 6%.

6. Insurance is family guardianship instrument. Insurance coverage should be applicable as per number of dependents the owner is responsible to take care. In a joint family system, it is usually the bread owners who take maximum coverage for his own self as he believes that if anything goes wrong then amount in the form of legacy should provide as a supplement to his immediate member. The survey gave us a report that approximately 360 of them have a family size ranging from 1 to 5.

7. One of the goal or the target to put money in a proposal that provides lump sum amount at the end of the completion of the term period may be commercial repayment, kinsfolk’s protection from harm, tax discount, exposure coverage and returns. Out of 550 sample design, in our research analysis we found an individual prefers to buy policy in order to avail tax deduction and for risk safety purpose thus they are tabulated in the first and fourth categories (no of users 240 and 169). Kin Surety and biggest coverage of life along with monetary reimbursement is a fundamental requirement for insurance purpose.

8. While undertaking survey of 550 buyers we find that a person chooses among various options by enquiring from various offices regarding the benefits attached to numerous products and the features associated with them. There are few products which provide a bulk value after completion of period of time or there are few which shift from the higher value to the lower value depending upon the economic and political factors. The above action or the fact of illustrating something saw that the great number of people invest in the action or the process of investing money for profits in a plans
which provides sum assured to the nominee in case the policy holder expires before the policy term or in such plan where a sum assured is paid on maturity, this is the preferred option of most individual to place their money. It was also noticed that few sections of the individual prefer to set aside a small portion and invest them in market related scripts which is a high risk product followed by high returns.

9. The suitable method or the one which fits well with a person’s needs, activities and plans to reach out to maximum number of people is through a consultant who is also named as an agent (365 nos) who could be a family friend or an associate who is close to the family. These individuals meet close members regularly and suggest appropriate proposal to invest which can reap benefits to them or earn profits. The next way by which word of mouth about insurance is buying in the form of bancassurance or a broker is a person who buys and sells goods or assets for others or direct insurance company where an individual can buy directly from them and the benefit is that no brokerage is charged.

10. An amount to be paid for a contract of insurance is known as premium; A customer should first decide the amount of sum assured required to safe guard him and his family, then accordingly instalment as per the premium paying term should be paid and such number of satiety level consumers are 423 of them out a total of 550. This method of ascertaining risk first and then deciding the amount of instalment payment plan.

11. There are numerous private and public assurance enterprises in our home country who have been selling a proposed plan as per customer’s needs and requirement last many years. The one and only Public sector giant since inception is ruling the dynasty of India has in all 69 percent stake. After the year 2000 we felt the need to allow private player to participate in such sector and today their contribution is 31%. The top private player is known as Prudential which has joined hands with largest private sector bank known as ICICI. Then we saw another foreign player known as Standard life which was supported by HDFC to place their share in the Indian market.
12. 38% of the respondents are graduates and 29% are post graduates and 33% are undergraduates thus level of literacy or education helps in choosing the right products or investment at the right time.

13. There are numerous circumstances that favour a buyer to take decision like your mother and father will ask you to buy a certain product and we will buy them, then we spend time in the evening with our neighbours or camaraderie who suggests some tips and we do follow, then our expert adviser we seek his opinion and then we decide by watching television to invest. 66.36 percent of the respondents are influenced by the agents and 18 percent by their banks and direct insurance company 12 percent and 4 percent are influenced by brokers.

14. Banks are considered to be the safest place to keep money in any form of savings and during the study we found 52 percent of the clients buy any services like the policy from the bank official and little less say 48 percent buy policy directly from the insured.

15. Throughout the analysis we can be rest assured that there is a large section of the population who have expressed their happiness on the various goods and personal attention they receive from these insurance entities.

16. Mostly every second consumers say 30 percent has the belief that to earn more money than we invested is considered the best factor suitable for parking capital in a particular company for a longer period of time, then the next lot say 25 percent of buyer of goods are convinced by company reputation, 22% influenced with premium outflow. Remaining 19% and 16% of the respondents are influenced with service quality and product quality respectively. Hence return on investments is the main influencing factor during policy purchasing decision.

5.2. Discussions:
After summarising the findings, the results need to be discussed in detail. For this purpose, the results of earlier studies (wherever available and applicable) are taken in to consideration.

Customer perception and satisfaction is positively influenced by age, income and education, price / cost (premiums), types of occupation along with gender, marital status, brand /equity of the investing company, locality and family size, mode of distribution have equal impact on the appeal for insurance products.

The evaluation of earlier literatures shows that these results differ from lot of study’s findings, the factors responsible for the ability to see hear or become aware of something along with contentment with reference to both the sector should be studied in detail.

1. The study concludes age has direct correlation with the purchase of insurance products.

2. This study has found that income positively influence the demand for life insurance.

3. Now coming to educational qualifications of the customers, the life insurance demand is positively affected by this criterion.

4. Price, i.e. the premiums cost of the life insurance influence the demand for life insurance products and services. This study has found that though the amount of premiums goes up with the number of policies (as sheer numerical relationship) the real demand goes down with more amounts of premiums asked by the insurers

5. Type of occupation has a positive impact on the life insurance demand. It was found that government servants were buying more life insurance policies than others, thus established a positive relationship between occupation/employment and life insurance demand.
6. Gender has more influence on the demand for life insurance. There was no mention about gender in any of the earlier studies. Males’ population are more dominant than female population in buying insurance products.

7. This study has found that the impact of family size on life insurance demand as significant.

8. This study has found that urbanisation (locality) has equal impact on the demand for life insurance.

9. The analysis of impact of various demographic variables on the customers and the executives perception has found that customers are highly influenced by their demographic characteristics whereas the executives are least influenced by the same.

10. Customer perception and satisfaction towards public and private sector have not only influenced age, gender, education, income but has also played a pivotal role in deciding on their preference towards investing in banks or insurance company. Along with this preferential choice, there are various factors like one’s own personal interest followed by family views and opinion, purchasing from agents, brokers and direct company which has changed mind set of many people towards investing their hard earned money.

11. The study conducted on demographic classification reveals that the disagreement is detected between the views or judgement formed for advertising and to sell product offerings including research. They also found that organization-wise analysis makes known to others that people have two minds and have a particular belief or idea before plunging in any conclusion or resolution reached after consideration of the mix elements.
12. We have seen in all the earlier literature reviews that there aren't enough study made available that has compared the perceived notions and satisfaction level of both the customers and the executives. However, when we undertook the study above we had to conclude that the respondents have the ability or tendency to make decisions quickly on a statement of advice by an expert on a personal matter by purchaser on private cum public company (LIC) respondents regarding the mix elements. Further, numerous studies had analysed the perceptions and satisfaction of the customers regarding individual mix elements.

13. The results of the above study put forth various factors that affect the customers while selecting the life insurance products. They finalised two main factors viz., product attributes like more money earned, opinion about the establishment, amount paid regularly by the policy buyer, commitment to give good customer experiences whenever they are in need and items sold is high standard and non-product attributes like personal interests, family, agents, and advertisements. They found out that those who resides in a town or city consider quality or feature regarded as a characteristic or inherent part of someone or something as the initial foremost important element for any decision making process and aside financial consultant have lesser role in decision making process considered later or they are negligible to influence their decision as the urbanisation has brought in place literacy and knowledge along with technical knowhow to seek any particular information they desire to confirm. In the interim we found that emotional connect are still accepted or desired in rural areas as they encouraged personal touch by agents or company in choosing a product which is termed as non-product attributes.

Further, various effort is made for comparing the an attempt has been made to compare the way in which something is regarded, understood or perceptions along with satiety level of both the recipient i.e. the policy holders and the sellers along with the executives regarding the various elements involved in procuring the policy like company name, fame and popularity, features and options about products offered and services rendered, usage option, flexibility, comparatively better investment option and a good
service line and support. They hypothesised that a point or way in which people or things are dissimilar are eminent amongst the person who buys something along with executives perceptions towards policies elements.