CHAPTER 1

INTRODUCTION

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1.1: INTRODUCTION

Customers’ expectations, needs and desires have changed substantially over the years. Earlier, marketers developed homogenous products and services as they wanted to minimize their production and marketing expenditure. They served the customers with their homogenized products or services and the customers rarely had any issues over this. But, the scenario has changed today. Customers are no longer satisfied with a single product or service offered by companies to satisfy their wide array of needs. However, every business operates under a set of constraints and it is, therefore, not possible for a single company to develop products or services to cater to the needs of all the customers in the market. This has led to the emergence of the concept of market segmentation.

Market segmentation is the process of classifying customers into various groups according to their homogenous needs. It is a very effective method of identifying and categorizing customers and providing customized goods or services in this age of consumerism. According to W. J. Stanton, "market segmentation consists of taking the total heterogeneous market for a product and dividing it into several sub-markets or segments, each of which tends to be homogeneous in all significant aspects" (Sherlekar, 2006)\(^1\).

Market segmentation allows a marketer to take a market consisting of customers with diverse characteristics, needs, wants and behavior and carves it up into one or more homogeneous markets which are made up of individuals or organizations with similar needs, wants and behavioral tendencies. Companies identify the various segments of the market and target those segments that are profitable and compatible with their objectives, resources and constraints. A marketer’s ‘market segment’ consists of his existing as well as prospective customers whose needs, desires and expectations are different from the customers of other segments and match the resource constraint set of the marketer.
Today, companies recognize that they cannot appeal to all buyers in the market or at least not to all buyers in the same way. Because each of the buyers is unique, and they come from different backgrounds, live in different areas and have different interests and goals. As a result, they are too varied in their needs and buying practices. What’s more, the companies themselves vary widely in their abilities to serve different segments of the market. Rather than trying to compete in an entire market, each company must identify the parts of the market that it can serve best and most profitably. During the past century, major consumer products companies held fast to mass marketing, which means mass-producing, mass-distributing, and mass-promoting about the same product in about the same way to all consumers, because they thought that mass marketing creates the largest potential market. However, the diversity of consumers and fierce competition has made it hard to practice mass marketing. Thus not surprisingly, companies have retreated from mass marketing to class marketing i.e. segment marketing.

Until the 1960s, few companies practiced market segmentation. However, it became popular and played an important part in the marketing strategy of almost all the successful organizations. Market segmentation has been a powerful marketing tool for several reasons. Most importantly, nearly all markets include groups of people or organizations with different customer needs and preferences. Market segmentation helps marketers define customer needs and wants more accurately. Secondly, market segmentation is useful for firms to find market opportunities. Under the situation of buyer’s market, the marketing strategy of the business should be made to find attractive market environment opportunities. Thus market segmentation is the right tool to achieve the goal because by market segmentation the enterprise can know what needs have been satisfied, what needs have been met partially and what wants are still the potential ones. Accordingly, that what commodities are of fierce competition, and what commodities need to be
developed will be found. Therefore, market segmentation provides the enterprise with new market opportunities. Thirdly, it helps the company master the features of target markets. Fourthly, it is significant for the enterprise to design marketing mixes. Market mix is a kind of marketing plan made by business through considering product, price, sales promotion, selling place and other factors. There is only one best mix for each specific market and the best mix is achieved only by market segmentation. Fifthly, through market segmentation small companies can develop market and survive among the big companies. Customer needs vary greatly and are different from each other, so even if it is a big company, its resources are limited and couldn’t satisfy all the needs of the whole market. In order to exist, the small companies should make use of market segmentation to segment the whole market so as to find the market segments which are suitable for their own advantages and where wants and needs are still not satisfied. The last but not least, market segmentation makes it easier to get feedbacks and regulate the marketing strategy. In the market segments, enterprise supplies different products for different market segments and makes suitable marketing strategy for each market segment. As a result, it is more convenient to get market information and perceive the responses of customers. All these are of great importance for the business to develop the potential needs and adjust the strategy in time.

According to Lamb and McDaniel (2003), the first step in segmenting markets is to “select a market or product category for study”. It may be a market in which the firm has already occupied a new but related market or product category, or a totally new one. The second step is to “choose a basis or bases for segmenting the market”. This step requires managerial insight, creativity and market knowledge. There are no scientific procedures for selecting segmentation variables. However, a successful segmentation plan must produce market segments which meet
the four basic criteria: "substantiality, identifiability, accessibility, and responsiveness". The third step is "selecting segmentation descriptors". After choosing one or more bases, the marketer must select the segmentation descriptors. Descriptors identify the specific segmentation variables to be used. The fourth one is to "profile and analyze segments". The analysis should include the segment’s size, expected growth, purchase frequency, current brand usage, brand loyalty, and long-term sales and profit potential. This information can then be used to rank potential market segments by profit opportunity, risk, consistency with organizational task and objectives, and other factors which are important to the company. The fifth step is to "select target markets". This step is not a part of the segmentation process but a natural result of it. It is a major decision that affects and often directly determines the firm’s marketing mix. The last one is "designing, implementing and maintaining appropriate marketing mixes". The marketing mix has been described as product, distribution, promotion and price strategies which are used to bring about mutually satisfying relationships with target markets.

However, these steps are the basic steps for enterprises to segment their markets, but every enterprise has its own situation and marketing strategy. Therefore, each enterprise should adjust its steps to segment the market in accordance with its own market on the basis of the basic steps.

1.2 STATEMENT OF THE PROBLEM

The marketing concept in the insurance services emerged with the publication of an article entitled "Banks and savings Institutions in the Television age". Insurance marketing refers to the marketing of Insurance services with the motto of customer orientation which makes possible a fair blending of customer satisfaction and profit generation. It requires knowing the market, developing products on the basis of customer needs, formulating product mix, making suitable pricing decisions, designing sensitive promotional
strategies and developing scientific approach to the management of
distributional channels so that qualitative and quantitative improvements are
made possible. It also requires rigid control on profiteering which would help
in attaining the organizational goals of business expansion, supervising social
interests and protecting the interests of the users. But, the task of formulating
the overall marketing strategies can’t be performed satisfactorily till the
market is segmented properly on the basis of needs and requirements of the
customer. This is mainly due to the fact that the market is vast, potential
policyholders are very large in number and their needs and requirements are
diverse. Market segmentation has great significance in Insurance services. If
the market segmentation is done in a right way, the marketers would find it
convenient to identify the market. It is very natural that the needs and
requirements of potential policyholders belonging to different zones or
regions cannot be uniform. This differentiation is required to be identified to
make the marketing decisions sensitive. Life Insurance has the largest market
across the globe which has immense potential. But, the changing socio­
economic environment is posing a challenge to the Life Insurance companies
across the world. The needs, requirements and expectations of the customers
have undergone significant changes and they cannot be satisfied with the
traditional Life Insurance policies. So, in order to develop innovative and best
suited products, market segmentation at a higher level is very necessary. In
the decades to come, we expect a substantial increase in the number of policy
holders. This naturally necessitates product planning and development in
tune with changing socio-economic conditions of general masses which in
turn calls for very effective market segmentation.

In India, till the liberalization of insurance sector, Life Insurance Corporation
of India has been playing a dominant role in the Life Insurance market, since
it was the only company then. With the entry of private sector Insurance
companies the scenario has undergone significant change. Today, the
policyholders demand much more than what they used to demand sometime
back. This throws enough light on the fact that any strategy found suitable yesterday is found ineffective today. The product development, undoubtedly need new approaches and hence, a very effective market segmentation will prove to be very instrumental in this regard.

McDonald’s and other marketers have found market segmentation to be a valuable technique for the following reasons (Sherlekar, 2006):

- Efficient use of marketing resources.
- Better understanding of customer needs.
- Better understanding of competitive situation.
- Accurate measurement of goals and performance.

Market segmentation helps in the clear understanding of the customer needs and in keeping track of changes in customer expectations especially, when there is a high degree of intangibility associated with the offered product like insurance. In this case, the product is rather called as service.

Insurance as a service has four major characteristics, namely, *intangibility, inseparability, heterogeneity* and *perishability*. The intangibility characteristic says that these services are non-physical in nature, i.e. they have no physical attributes, and the inseparability characteristic says that the production, delivery and consumption are inseparable unlike physical commodity; the heterogeneity characteristic says that the same Insurance service delivered by two different persons will be different and the perishability characteristic reveals the fact that they cannot be inventoried. Further, there are various ways of classifying services and one such classification says that insurances are *information processing services*. This type of service requires service personnel to collect information, analyze it, interpret and offer appropriate advice to the client. Market segmentation plays a very vital role here by
identifying the needs and requirements of the customers and grouping them together.

Market can be segmented on various basis however, the most common and simple basis of segmenting market are demography, geography, psychographic and behavioral analysis at large. Demographic segmentation is carried out on the basis of age, sex, size and structure of family, income and educational levels etc. Under geographic segmentation, the entire market can be divided into nations, countries or states and the global market can be segmented into developed countries, developing countries and underdeveloped countries. The gross domestic product of a country, its per capita income, standard of living of the people and some aspects of demographics of a country are considered when segmenting the global market on national basis. Through psychographic or life style segmentation, marketers aim to find out the basic characteristics of a consumer that could influence his purchase decisions. In this type of segmentation, marketers divide the market on the basis of the lifestyle and personality of the consumers. Behavioristic segmentation divides the customers on the basis of their knowledge of a product or service and their attitude towards that product or service. This type of segmentation covers areas like the benefits sought by the customers, purchase occasion, user status, degree of usage, customer loyalty, readiness stage and marketing factor sensitivity.

The new millennium has exposed the insurance sector to new challenges of competition and struggle for survival. The era of privatization, liberalization, deregulation and globalization has let loose a sense of urgency and neo-activism. The Insurance services industry nationally and internationally is huge, growing and of critical significance to the health of economy as well as of individual businesses, investors, consumers and employees. The progress of Insurance business in any developing country is generally linked with rapid industrialization and overall progress of the country.
Environmental changes govern the nature and behavior of businesses. Social, economic, political and legal environment cannot remain static. In the developing economies like ours, where the financial institutions are expected to shoulder multi-faceted social burdens, in addition to the task of mobilizing and channelising resources for transforming the economy, it is pertinent that they identify the needs and requirements of the people first. The mounting problems of regional imbalances and disparities complicate the making of marketing decisions, especially in insurance business. Since the nationalization of Life Insurance business in India in 1956, rapid strides have been made in the development of this sector but, despite of remarkable growth in Life Insurance sector in India after liberalization, only 26% of the insurable population is under Life Insurance coverage. This situation clearly advocates the need for better market coverage which can be only done through very systematic market segmentation (Jawaharlal, 2005).

The present study is therefore undertaken to understand the current status of market segmentation adopted by the life insurance companies in India and develop a framework or model which can help in visualizing the diverse needs and requirements of life insurance customers and segment them in a very meaningful way considering various aspects of segmentation. For the purpose of understanding the market segmentation strategies adopted by life insurance companies, the companies operating in the three districts of Barak valley namely, Cachar, Karimganj and Hailakandi has been taken as a representative geographical area. The study also relates the market segmentation vis-à-vis customer satisfaction of policy holders of these three districts. The study also examines various models of market segmentation in insurance and suggests a comprehensive model through this research.
1.3 SURVEY OF LITERATURE

So far numerous articles and reports have appeared on market segmentation but not much of the research work has come up on this topic. The literature survey is basically confined to the abstract of different reports, academic and institutional works and other mentionable editions so far made by various contributors in national and international level on this topic.

The existing literature strongly supports that market segmentation especially, in life insurance sector is very essential. It not only satisfies the society but also enables the companies to prove them socially enlightened and friendly.

A substantial body of descriptive literature has evolved studying the nature of market segmentation and its importance in service sector like life insurance.

Consumers buy not only the products but also the bundle of needs and emotions. Modern goods and services are recognized as essentially psychological things which are symbolic of personal attributes, needs, goals and social patterns of strivings (Levey, 1959). Market segmentation involves the grouping of customers with similar needs and buying behavior into segments, each of which can be reached by a distinct marketing program. The concept attempts to reconcile differing customer needs with limited company resources, and allows product and marketing offerings to be adjusted to suit different customer groups (Wind, 1978). According to the marketing literature, with segmentation helping organizations to identify market opportunities and improving the allocation of resources, this should assists in the development of a sustainable competitive position and ultimately leads to more satisfied customers (Wind, 1978).
Market segmentation is widely regarded as a panacea for a variety of marketing ailments. However research in the financial services market highlight a number of significant barriers to the implementation of segmentation programs. The barrier may include the lack of availability of appropriate customer data and an organizational philosophy that is mindful of the differences between customers. While the marketing literature acknowledges that these difficulties exist, there has been little formal analysis to capture the characteristics of these barriers. Typically in the financial services sector, the industry competitiveness has become very high. This change has resulted in increased interest in market segmentation from financial service providers, including insurance companies, who believe that it may help in pursuing new opportunities and ultimately lead to more satisfied customers (Speed & Smith, 1992)⁶.

According to Kotler (1994)⁷, companies from all industries are increasingly embracing target marketing. This has followed a natural progression “Mass Marketing”, where one product is produced and sold to all buyers and “Product-differentiated marketing” where more than one product, with different features, styles and characteristics are produced for offer to a variety of buyers.

The essence of target marketing is that customers are heterogeneous in their buying requirements and behavior, and therefore these companies will be in a stronger position to serve certain customer segments. The result is that financial institutions should identify those areas of the market which are more attractive to them and which they are most able to serve effectively. This will require a careful analysis of the structure of the industry, and the relationship between customer satisfaction and return on investment, as well as an assessment of the organizations capabilities and resources (Doyle, 1995)⁸.

Philip Kotler and Armstrong defined a market segment as “a group of consumers who respond in a similar way to given set of marketing stimuli” and market segmentation as “the process of dividing a market into distinct
groups of buyers with different needs, characteristics or behavior who might require separate products or marketing mixes (Kotler and Armstrong, 1996). Dibb (1996) felt that the trading environment in the Asia Pacific region is somewhat diverse, offering an attractive trading environment keeping in view the sound economic growth, a rising population and changing lifestyle.

Lovelock (1996) emphasized that to design effective positioning strategy for services, managers need insights into how various components of service are valued by current and prospective customers within different market segments. Further, a company should target the "right customers" who are likely to do the business with the company over time. Though, demographics and previous purchase history give some indication of customer's buying preferences but, more detail study and segmentations are required to target the customers specifically.

Ziethaml and Bitner (1996) have pointed out two major differences that demarcate market segmentation in services to that of manufactured goods. First, in the case of services, there is a need for compatibility in one market segment, i.e. incompatible segments must not be served at the same time and second, there is a greater ability to customize service offerings than for manufactured goods.

Alreck and Settle (1999) felt that the principle objective of the marketer's is not simply to have a simple sale relationship with buyer but also build relationship with buyer in the form of linking the brand/product/service to a particular need.

Kotler (2000), in his book, mentioned that a company practicing market segmentation realizes that buyers differ in their needs and wants, purchasing behavior, demographic characteristics, product/service usage patterns, geographic locations, buying habits and other characteristics.
The insurance business is based on customers’ trust and confidence and it deals with the finances of the customer. The basis for a well-planned and well-executed marketing strategy is effective market segmentation (ICMR, 2004).

Further, according to Dhananjayan (2005), the service sector has fueled worldwide economic growth and it now accounts for 58% of the worldwide GNP. However, along with this tremendous growth comes the challenge to the service industry to live up to the growing demands and changing tastes and preferences of the customers, who are continuously benchmarking one experience against another and are expecting improved services in every area. They have also become least tolerant to failures in services.

The Indian industry, taking advantage of positive conditions in the economy, has seen a spectacular growth in recent years. Against this backdrop, the insurance industry in India has undergone a significant transformation and emerged with noticeable trends. However, it faces increasingly tremendous challenges because of changing customer demographics, technology etc. Previously, the main objective of buying insurance was protection for dependents. However, insurance now has become more than just a hedge. Customers are now beginning to incorporate insurance plans while drawing up their financial plans. Companies should plan and offer products which can assist their customers in fulfilling their exact set of needs. Hence, insurance companies must move from selling insurance to changing need identification and offering suitable products to satisfy those (Rao, 2006).

Chandok (2007), in his study related to the opportunities in rural market stated that there is huge gap between the urban and rural insurance market. From life insurance perspective, statistics show that rural population has lower reach in comparison to the urban market. This is because of the reason that most the insurance companies started operating from metros and urban areas. As a result the, urban population got more attention which led to poor concentration in the semi urban and rural areas. Hence, very effective market
segmentation strategies have to be adopted to explore the vast potential of these untapped markets.

In Indian insurance market, the new entrants have a tendency to target the business of the existing companies rather than expanding the market. Thus, much of their effort is lost in capturing the existing customers rather than providing better and innovative products/services. They should indeed develop new products and target the potential niches, which are poorly served or not served at all (Jawaharlal and Rath, 2007)19.

Wang and Guicheng (2007)20, suggested that more attention should to be paid to understanding the different preferences and demands of each group of insurance customers.

According to Kumar and Eldhose (2008)21, the Life insurance business has shown a rapid growth throughout the country during the last two decades. Since the entry of private insurers, the insurance penetration has increased from 1.39% in 1999 to nearly 4%. Products with quality support services both in terms of international standards and competitiveness have entered into our country. As a result, the life insurance sector has experienced a stiff competition. Customer satisfaction has emerged as a key differentiator and defining attribute. Life Insurance Corporation of India (LIC) enjoyed a monopoly during the pre-nationalized period. Consequent to the implementation of government policies on globalization and liberalization, the consumers have become more critical to the customized and quality services. Consumers are now aware of alternatives available in relation to services and their expectations are rising hence, the provider organizations should be aware of these expectations. In such an environment, it is time that the industry pays attention to the untapped market opportunities. The insurance industry is estimated to be a Rs. 400 billion business in India and gross premium collected is around 2% of country’s GDP. The industry is
growing at a rate 15% to 20% per annum. The total investible funds with LIC alone are almost 8% of GDP. Yet, more than three-fourths of India’s populations have no life insurance cover. Therefore, it is the need of the time to adopt appropriate market segmentation strategies to explore this vast potential market.

Although lifestyle and marketing research has succeeded in solving the marketing segmentation dilemma, the problem of linking segments with specific customers in the population still lingers (Ruck and Mende, 2008).  

1.4 GAP IN THE EXISTING LITERATURE

Though, there are good numbers of research in the area of market segmentation. However, researches specifically related to market segmentation in life insurance are limited and hence, there is ample scope for improvement and improvisation, as evident from the survey of literature. So, the present study is conducted to further explore and develop effective techniques of segmentation in the area of life insurance in our country.

All the above studies focus on need and requirement of market segmentation strategies at higher levels to explore the vast and potential market of insurance services. Most of the related literatures have stressed on the importance of segmentation in insurance services but, very few or almost none of them has focused on market segmentation strategies in a detail manner. Hence, there is a wide scope to carry out a detail research on this aspect and come out with some solutions which would largely help in bringing more and more segments of the population under the cover of life insurance.
1.5 **OBJECTIVES OF THE STUDY**

The study has following objectives:

1) To study the trends and patterns of ongoing Life Insurance business in Barak Valley with respect to the market segmentation strategies.

2) To identify the factors acting as barriers towards growth of life insurance market in Barak Valley.

3) To formulate models/suggest policy prescription for better market coverage and penetration.

1.6 **DATA SOURCE AND METHODOLOGY**

The present study is based on primary as well as secondary sources of information. To satisfy the first objective and in order to understand the present trend of market segmentation, literature, print as well as electronic, have been studied. The segmentation of eleven life insurance companies in the study area was studied.

Further, with relation to the first objective and to ascertain the level of satisfaction of customers regarding life insurance in Barak valley a multi stage stratified convenience sampling approach has been adopted. In the first or primary stage, out of the total numbers of life insurance companies operating in Barak valley, those companies were selected which have been established in Barak valley on or before 2008. In the second stage, the companies which are having branch establishment for life insurance were chosen. In the third stage, those companies were selected which have branches in more than one district in Barak valley for life insurance business.

Finally, from the third stage companies’ three strata were formed namely, companies having two branches, companies having three branches and companies having more than three branches. For the purpose of policy
holders' interviews, one life insurance company and its branches from each stratum is selected, keeping in mind the year of establishment of the company (as, customers of recently established company are likely not be able to answer certain questions) in Barak Valley, number of segments, sub-segments and product, totaling to three companies namely, LICI (having four branches), TATA- AIA (having three branches) and ICICI (having two branches). From the branch records, contact numbers of customers suggested by branch managers were collected and contacted. Accordingly, depending upon the response of the customers, schedule was administered. In this process, customers with adequate knowledge were selected as respondents by asking some preliminary questions. 100 numbers of customers from each of the company were selected and interviewed through properly designed schedule. The schedule was administered by the researcher himself to 150 numbers of respondents and rest by duly briefed and appointed enumerators. In first stratum, 50 customers from Silchar and 50 customers from Karimganj of ICICI Prudential were interviewed. In stratum two, 50 customers from Silchar branch, 25 customers from Karimganj branch and 25 customers from Hailakandi branch of TATA AIA are interviewed and in stratum three, 25 customers from Silchar branch 1, 25 customers from Silchar branch II, 25 customers from Karimganj branch and 25 customers from Hailakandi branch of LICI are interviewed.

Out of the total 300 respondents 83 were between 25- 35 years of age, 118 were between 35- 45 years of age, 82 were between 45- 55 years of age and 17 were above 55 years of age. Further, 208 were males and 92 were females. The annual income of 74 respondents, out of total, was below 2 Lakhs, income of 177 respondents were between 2 to 5 Lakhs, 41 were having income between 5 to 10 Lakhs and 8 respondents were having annual income above 10 Lakhs.

The questions that need responses in ‘yes’ or ‘no’ and questions that allow multiple responses have been analyzed using percentage variation, mean,
standard deviation and Chi-square test. Mean scores for responses on five point rating scale are calculated. Also Standard Deviation is calculated for judging the consistency of each method.

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 etc. were listed and respondents were asked to rate them in terms of importance they attach to the attributes and also the level of satisfaction they have on a rating scale of 1 to 5.

GAP analysis focused on ‘TOP BOX’ with the above six attributes is done to find out the gap between percentage of customers rating the attributes as ‘extremely important’ and the percentage of customers who reported to be ‘very satisfied’ with these attributes. This technique is extensively used by “Hospital care quality information from the consumer perspective” (HCQICP) in many countries, for comparing quality of Medicare services. In the present research, the analysis is done on three bases namely, on the basis of age group, on the basis of gender and on the basis of income group. Further, the analysis is done company wise and then on aggregate basis.

Also, to compare the responses of customers related to satisfaction among the three selected life insurance companies (LICI, TATA AIA and ICICI Prudential) with the above six attributes, the mean score, standard deviation and variance are calculated and compared.

Average score is calculated by arithmetic mean

\[ x = \frac{\sum f_i x_i}{N} \]

Where, \( x_i \) = Level of satisfaction measured in 5 point scale

\( f_i \) = Number of respondents in each category of satisfaction

\( N = \sum f_i \) = Total number of respondents
To satisfy the second objective i.e. to find out the factors which are acting as barriers towards even growth of life insurance market in Barak valley, sales managers of various life insurance companies were interviewed. The sales managers of LIC are designated as Development Officer and TATA AIA and ICICI Prudential as Unit manager. A schedule is developed and the same sampling procedure (convenience sampling) like customer has been adopted to collect responses of managers through personal interview. Convenience sampling is adopted depending on availability and willingness of the managers to give response to the questions.

Out of total managers, number of sales Managers working in these companies under stratum I, II and III were found out and a sample of 25% of Managers from each stratum (total 45 numbers) were selected through convenience sampling method for direct personal interview to know the factors acting as barriers towards even and distributed development of life insurance market in 'Barak valley', Assam.

Finally, to satisfy the third objective i.e. to analyze the existing models of market segmentation related to life insurance products and propose a suitable model, various existing models have been analyzed and a three dimensional model is suggested.

1.7 CHAPTER SCHEME

The study report is presented in the following chapters:

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1.1 Introduction.

1.2 Statement of the problem.

1.3 Survey of literature.

1.4 Gap in the existing literature.

1.6 Objectives of the study.
1.7 Data source and methodology.

1.8 Chapter scheme.

1.9 Limitations of the study.

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2.2 Meaning of market segmentation

2.3 Need for market segmentation

2.4 Issues in market segmentation

3. Trends of life insurance across the globe and India

3.1 Introduction

3.2 Leading insurance companies across the globe and market segments

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4. Market segmentation strategies and life insurance companies in Barak valley

4.1 Introduction

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4.3 Satisfaction level of customers related to life insurance

5. Barriers to even and distributed growth of life insurance market in Barak valley

5.1 Introduction

5.2 Factors acting as barriers towards even and distributed growth of life insurance market in Barak valley

6. Models for segmenting life insurance customers

6.1 Analysis of existing models

6.2 Proposed model
7. Findings, suggestions and conclusion

7.1 Findings

7.2 Suggestions

7.3 Conclusion

1.8 LIMITATIONS OF THE STUDY

The following are the limitations of the study:

1. The study is limited to the geographic area of Barak valley. The socio cultural background of people may not exactly match with the rest of the country and hence, their views and preferences.

2. Life insurance companies in India are large in number and the companies which are not having presence in Barak valley are not included in the study.

3. Limitations of sampling and use of statistical tools inherent in such studies will also be present in this study.
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