Abstract
ABSTRACT

Rural India, having 12% of the world population with it, has attracted the attention of the consumer products majors, as well service majors like never before. The saturation in the urban market has fuelled the fire in the marketers to tap the untapped market in rural India by leaving no stone unturned. The well-diverged nature of rural India doesn’t stop the marketers from moving further with their unstinted effort to bring the rural consumers into their fold. Apart from the consumer products majors, even service sectors like insurance, banking and financial services are sparing no efforts in taking their new services to the rural markets. There is a concerted effort by them to educate and persuade the rural customers on the necessity and benefits of going for insurance and other financial services. The obligations (stipulated by the regulator – IRDA – Insurance Regulatory and Development Authority) to be met by the insurers in rural and social sectors have made it mandatory to reach rural to survive in the market.

In this context, this study titled “Rural marketing strategies for life insurance products in Coimbatore District” is carried out with the following objectives.

1. To understand rural customers attitude towards the concept of insurance and insurance products
2. To ascertain their awareness and current level of knowledge regarding insurance products and the features
3. To understand their preferences with reference to product type, premium amount, mode of premium payment and the State versus private insurers
4. To identify their general savings pattern

5. To determine the potential rural customers’ acceptance and willingness to purchase insurance policies

6. To devise a broad marketing approach to target the potential segment in terms of products, pricing of insurance policies, promotion and development of communications relevant to rural markets.

7. To devise a broad distribution strategy and identification of delivery systems relevant to rural markets

8. To ascertain the impact of agents in insurance business distribution

9. To understand the differences between the policyholders and policy non-holders on various parameters.

The study falls under the descriptive study as it tries to describe the characteristics of the respondents. It also makes an attempt to map the profile of the policyholders and policy non-holders, analyse their investments pattern, their predisposition towards buying insurance and insurance products, and their attitude towards the marketing strategies widely followed by the insurers.

The individual family forms the unit of analysis for this research. The families living in the villages in Coimbatore District define the population for this study. The families living in the villages in Coimbatore District as defined by the census data form the study population for the research. This is in accordance with the amendments made by IRDA (Insurance Regulatory Development Authority) in defining “rural” to monitor the compliance of the insurers with rural obligations. The sample size chosen for the study is 397, which include 257 policy non-holders and 140 policy non-holders.
Convenience Sampling method, which is a non-probability sampling method has been used to select the samples from the population. The samples were chosen from the population according to the convenience of the researcher as well the respondents in terms of accessibility, their availability and time.

The primary data is collected through a structured questionnaire using schedule method. Necessary changes are incorporated in the questionnaires based on the observations made during the pilot survey. The data are tabulated and analysed using appropriate statistical techniques to arrive at a sensible interpretation.

The study revealed the huge potential existing in the rural market both in terms of rebuy by the policyholders and first time buy by the policy non-holders. While the market is so receptive to basic product types like endowment and moneyback policies, it would be too early to take advanced products like pure protection policies and unit linked insurance policies to the rural market. Even the existing products could be redesigned according to the preferences evinced by the potential customers. The trust reposed by the potential customers in the insurance agents could well be utilized to the advantage of the insurers.

The agents network could be expanded to cover more rural areas. The village youth who are literate can be roped in as the agents/insurance advisors whose local knowledge could be capitalized to influence the people to go for insurance. In addition to the agents force, the institutions of repute like post offices and nationalized banks, which enjoy commendable reputation among the rural people, could well be roped in to strengthen the distribution. The integrated communication strategy should take into account the media habits of the potential customers. Possible suggestions have been made based on the findings to target the potential customers in rural market.