COMPLIANCE FOR THE COMMENTS OF THE FIRST EXAMINER

1. In the page number 2, line number 4, I have corrected the sentence. The corrected sentence is as follows: “The distribution costs, product designing to the needs of the rural people, the viability of opening offices in the rural areas are preventing major life insurance companies to opt out of this market. In this thesis an effort is made to study the rural life insurance market and tried to identify the major factors inhibiting the insurance companies leading to ignore this market.

2. The source is stated for Section 1.3.1 as ibid: Jayaramaiah, 1988.

3. For the comment 3, I humbly submit that the Sections 1.3.4 and 1.3.5 relate to Indian context. In Section 1.4.1, I talked of 13th century concepts in general and in 1.4.2, the 17th century concepts are discussed. Since the history of development of insurance is being discussed, the chapter is intertwined with Indian and contemporary developments outside India. I humbly request the honourable Professors to kindly consider this deviation in this context and close the query.

4. I own the mistake. The lines 3 &4 in page no 33 are corrected and the revised sentence is as follows: “The agreement of WTO (World Trade Organization) arrived at in 1997 by 102 countries across the globe for removal of entry barriers and liberalization of markets helped in boosting the insurance sector by paving the way for flow of funds from developed countries to the developing countries (ibid: Sadhak, H, 2009).
5. I acknowledge the mistake. The title of the Section 1.22 which is now duly corrected runs as follows: “Number of registered life insurance companies in India as on 31/03/2008.

6. I own the mistake. I have now redrafted the objectives under 3 broad heads and all the objectives are stated as sub objectives. The objectives under Section 1.25 are now as follows:

Objective 1: To study the rural customer vis-à-vis the life insurance under the following sub-objectives:

- 1.1. To study the awareness levels of rural people with regard to life insurance and their perceptions of private companies with regard to safety aspects.
- 1.2. To study the expectations of the rural customers with regard to type of products and frequency of payment of premiums.
- 1.3. To study the factors that influence customer satisfaction in rural areas.
- 1.4. To study whether the life insurance is equally sought after by both genders in rural areas.
- 1.5. To study the factors that influences the purchase decisions of rural customers with reference to life insurance.

Objective 2: To study the marketing techniques of life insurance companies in rural areas under the following sub-objectives:

- 2.1. To study the knowledge levels of the agents and the motivational factors for the agents in selling rural policies.
- 2.2. To study the effectiveness of advertisement and other promotional activities of life insurance companies
• 2.3. To study whether the life insurance companies really show interest in rural areas.
• 2.4. To study the pattern of life insurance canvassing in rural areas.
• 2.5. To study the utilization of IT initiatives of the life insurance companies by the customers.
• 2.6. To study the awareness of government subsidized schemes of life insurance and their popularity in rural areas.
• 2.7. To study the rural centric marketing techniques adopted by the life insurance companies in rural areas.

Objective 3: To suggest suitable rural centric marketing management techniques to the life insurance companies for wider rural coverage.

I have suitably incorporated the above corrections under “objectives” in Section, 1.25, Section 3.3 and Section 5.1.

7. I abide by the comments and humbly bring to your kind notice that the agents of all private insurance companies are spread in many rural areas of these two rural districts of Bangalore rural and Kolar rural because of the presence of the offices in the district head quarters. I suitably incorporated the following sentence after the third line under Section 1.26 line no. 4 which is as follows: “The agents of these companies spread across major rural centers of these two districts which is not the case for the far off districts”. Hence the people of these two districts are better exposed to all insurance players………etc.

8. For comment number 8, I submit that the reason for choosing Bangalore rural district is due to the presence of all private
players in this district. The agents of these private insurance players spread across major village centers. It is felt that exposure to many life insurance agents give ample opportunity to study the canvassing pattern and also the customer behavior. This is difficult with other far off districts.

9. As per the advice of the professor, the title of the Chapter 1 is suitably changed as “Introduction” instead of “Theoretical Overview”.

10. I humbly agree with the comments of the evaluating Professor and suitably changed the title under Section 2.2 as “Definitions of rural areas by the census 2001, NABARD, Planning Commission and others”.

11. For the comment 11, I agree that I had dwelt with product marketing rather than services marketing under the Section 2.4 in pages 50 to 54. This is done to bring forth the characteristics of rural markets in general. Under Sections 2.5 and 2.6 in pages 54 to 81, I dwelt the rural services marketing with special focus on life insurance. Hence I appeal for the closure of the comment.

12. Since the quote of Rangachary is under the head “literature survey”, I thought of not elaborating the point in page 62. line no. 5 to 8. Now with due respects to the comments of the Professor, I added the following explanation: “By partnering with customers (MLM pattern) of BOP and by partnering with NGOs, life insurance companies can sell policies at relatively cheaper rates by cushioning the commissions that would have been paid to agents”.
13. The comment 13 under page no. 64 line no.7 refers to the literature survey and the figures provided are that of D.K.Mehrotra, the then Managing Director of LIC of India and now appointed as the interim Chairman of LIC of India. I admit my mistake of not putting the entire para in inverted commas. Now I suitably inserted inverted commas for the entire quote of D.K. Mehrotra.

14. The Comment no 14 is general observation. I regret for the lapse on my part.

15. For the comment no 15, I submit that the sentence, “using yesterday’s techniques to today’s problems” is used in Chapter 2 in 3 places- K.Swaminathan’s quote in page 61 line no.8, in Section 2.5 ( page no 60), in Section 2.6 under the heading “The following points emerged from the review of literature” (Page no.82, last line) and again in Section 2.7. (Line 6, Page no.83) I wish to submit that it is taken from the literature survey, and hence I did not elaborate the point in the 2nd Chapter itself. “The one size fits all” technique used by the insurance companies as referred in 2.7 is one such strategy of yesterday’s technique being used without investigating the rural needs. The point is however elaborated in Chapter 4 and Chapter 5. Anyhow I regret the mistake on my part.

16. The percentage contribution of primary sector to NDP for the districts of Kolar, Tumkur, Mysore and Bangalore rural districts are 26.86, 24.08, 23.46 and 25.65 respectively. Analysis for Table 3.1 is now suitably drafted incorporating the percentages. I regret for the mistake.

17. The comment 17 is only an observation of the Professor.
18. I regret the mistake. The tables 3.11 and 3.12 are now corrected with source as “secondary data”.

19. The mistake is regretted. Now I changed the title of the 4th Chapter as “Secondary Data Analysis”.


21. The sentence under Section 4.4 (page 123) Line no.6 is now corrected. The corrected sentence reads as follows: “The sector wise composition of GDP as per Economic Survey 2005-06: Primary sector 22.2%, Secondary sector 25.8% and Tertiary sector 52% (including service sector life insurance).”

22. I regret for the wrong assumption made by me in the last sentence of Section 4.4, page no 124 line no.8 to 10 with the given data. The last sentence in Section 4.4 is now corrected and it reads as follows: “These statistical figures clearly indicate the state of affairs with respect to rural India and indicate how vibrant the rural India represents to the Indian economy as a whole”.

23. I regret the mistake. I made the wrong spelling in 5 places. Now they are corrected as YOGAKSHEMA- Section 3.13, line number3, Section 4.5, line number 5th from the last, (page 126)Section 4.11, last line in page 187, under bibliography in all places.

24. For the comment 24, the source of the data in the last para of Section 4.7.a is the article, entitled, “Bank Assurance In India-
Problems and Potential” by R.Venugopal, Professor (Life Insurance), National Insurance Academy, Pune, extracted from the magazine, Yogakshema, March, 08, page no 10. Since it is a quotation, further elaboration is not done. I regret the mistake for not inserting inverted commas. Now I have inserted the inverted commas for the source data (line numbers 3 to 7, page 132). I also would like to explain that insurance is being sold as a means of investment in India (Bostan Consulting Group Report, 2007). When this is the case, as a competitor, life insurance industry should try to capture the market share of household savings. When the market share of life insurance from household savings is only 12.1% and other competitors have larger slice in the cake, the insurance sector is not aggressive enough to capture the available potential. I quoted the article in view of this context only.

I regret the lapse. Now I have incorporated the sources against each Para in page no 135 and 136 under Section 4.7.b.

The lines 1 to 5, P.139, “While the numbers have gone up, the quality of life has come down. Industrialization, migration, urbanization, disintegration of joint families, intrusion of westernization etc have taken a toll on the natural support systems and added miseries to the lives of elderly persons” are taken from OASIS report, 2008. The line 23, page no.139 “Over the past few decades between 1950 and 2000, the rural economy in India has graduated from being a barter economy to a cash rich economy” in Section 4.7.d is taken from page number 28 of the Rural Marketing book, 2009 by Pradeep
Kashyap and Siddhartha Raut. I deeply regret for not acknowledging the sources in both cases. Now rectified.

27. The answers are provided vide the Appendix 3 which is now newly inserted. (p.410)

28. The answers are provided vide the Appendix 3 which is now newly inserted. (p.410-411)

29. The heading under 4.7.f is now changed from “The quality of recruitment of agents” to “Attrition rates of agents - Low attention by the companies”. The first sentence under 4.7.f is now rewritten as: “The analysis also reveals that the insurance companies are not successful in arresting the attrition rates of agents”.

30. I regret the lapse for not inserting inverted commas for the source. As mentioned in the third line of page 158, the source is from the book, “Marketing and Public Relations”, 1992 by S.M. Shirodkar. Now inverted commas are put for the paras 1 to 3 under 4.10.1. The sources for the fourth para under Section 4.10.1 in page 158 starting from “some private companies like HDFC.............. without mentioning the name of the insurer on the pamphlets” are from the leaflets of HDFC Std Life & Tata AIG Life Insurance companies.

31. Page 169, line 22-23, convergence in financial services. By this I mean a financial company doing business other than its core activity. For example banks doing insurance business, insurance companies doing mutual fund business or doing credit card business etc to gain synergies. It can be had from www.oecd.org/dataoecd/9/23/1915267.pdf.
32. For the paras 1 and 2 under 4.10.7, the source is http://www.social.marketing.com/whatis.html. For the para 3 under 4.10.7, the source is the e-paper of the Hindu dated 2nd Sept, 2008 under the heading- “LIC Insurance Week Celebrations Begin”. For the last para in 4.10.7 under page 175, the source is from “New Horizons in Planning: Path to Progress, 1990 published by LIC of India. I deeply regret for not incorporating the sources. Now rectified.

33. The source for the second para under Section 4.10.9, P.179 is http://www.licindia.in/join_our_team_guidelines.htm and the source for the third para under section 4.10.9 P.179 is from the website of ICICI Life Insurance Company. I regret for not incorporating the source. Now rectified.

34. The thirteen sub objectives are now grouped under 3 broad objectives as per the compliance for the comment 6 above and incorporated uniformly at Section 1.25, Section 3.3 and Section 5.1. The first 2 objectives with 12 sub objectives are discussed in Chapter 5 and the third objective is dealt with in the Chapter 6.

35. Kindly refer the compliance for comment 34 as above.

36. I acknowledge the mistake of classifying incomes in to less income groups and middle income groups in the 2nd and 3rd paras of Table 5.1 analysis. I have rewritten the paras as follows: “The income groups with annual incomes above Rs 1 lakh and below Rs 5 lakh constitute 44.4% and 47.2% of population in Bangalore rural and Kolar rural. Since the population constituting less than Rs 1 lakh is nearly 50%(50.4% for Bangalore rural and 48% for Kolar rural), it is
required by the insurance companies to design low ticket premium policies in the rural areas.

37. The wordings in page 198, 4th line from the last are altered as per the compliance for the comment 36 as above. The wording, “Less income Group” is now deleted.

38. I regret for the mistake. I changed the sentence in the second para of Analysis under table 5.2. The new line under page 200 runs as follows: “As majority of the respondents are literates there is ample scope for generating awareness levels and spread insurance message across the rural hinterlands”.

39. I humbly submit that one of the objectives of the research is to study the insurance awareness levels of the rural customers. I tried to study whether the customers equate government prefix companies (State Bank of India is a Nationalized Bank) as government companies. SBI Life is a private life insurance company unlike LIC of India which is a public sector company. As majority of the customers equate SBI Life Insurance Company as a government owned company, it speaks volumes of low level of insurance related awareness in the rural customers.

40. I corrected it as Bangalore rural and Kolar rural in all the places of the thesis. I regret for the mistake. Now rectified.

41. I humbly request to go through the compliance for the comment 39 as above. The testing of hypothesis conclusively proved that the customers go by nomenclature and any company with government prefix is treated as Government Company only. It indirectly helped in analyzing that the insurance awareness levels in rural India are low.
42. The comment 42 is only an observation by the evaluating Professor.

43. I wish to clarify that policies at cheaper rates are not available even if they are purchased directly from the insurance company by avoiding the distribution channel of agents. My intention here is that the insurance companies need to think of offering comparatively cheaper policies by cushioning the commissions that would have otherwise been payable to agents. Hence I have now added one para (second para) under Analysis for table 5.8 which reads as follows: “Though the policies taken directly from life insurance companies do not offer cheaper premiums as compared to policies taken through agents, insurance companies can think of devising their marketing techniques to devise products with cheaper rates of premiums for direct policies by suitably cushioning the commissions that would have been paid had they been sold through the agents”.

44. The difference between Bangalore rural and Kolar rural are compared for a more thorough analysis and also with a view to find out whether a significant number of people respond differently in Bangalore rural and Kolar rural districts. I humbly request to kindly ignore this if it is viewed as a mistake by the evaluating Professor.

45. Kindly see my compliance for the comment 44 as above which holds good for the comment 45 also.

46. Chi Square test done in this case as it is believed to be more precise. However I wish to clarify that I fully abide by the view point of the Professor.
47. Chi Square test is done in this case as it is believed to be more precise. However I wish to clarify that I fully abide by the view point of the Professor.

48. The comment is only an observation. In view of the comments I added a line under 6.2.2 Para 2, Page 203 with sub heading ‘suggestions for generating awareness towards IRDA’. The line is as follows: “The improved awareness about IRDA can help the rural life insurance customers to develop faith in the deliverability of IRDA”.

49. In view of the comments, I added a para under Section 6.2.3 in page no 306, line no.3 to 8 which runs like this: “One reason for low level of trust with regard to private players could be that LIC of India has been operating for the last fifty plus years (since 1956) where as the private players are recent entrants and hence they could have been viewed with apprehension. The second reason could be the natural tendency of viewing the private companies with mistrust (table 5.5).

50. I humbly agree my mistake in coming to a conclusion that agents want high reward policies for sale in rural areas. But in view of the analysis from table 5.16, I modified the para in page 350 line no.9 to 12 as follows: “From the above 2 paras in 6.2.12 and more specifically from the analysis of table 5.16, it can be concluded that agents tend to promote policies in rural areas if incentives in the nature of extra rewards are made available to them”.

51. The answers are provided vide the Appendix 3 which is now newly inserted.
52. I used the reference style as prescribed by JNTUH in its website. The relevant portion is pasted below:

**Bibliography or References:**

The following format may be used for the Bibliography/References:

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Author(s)</th>
<th>Book</th>
<th>Publisher</th>
<th>Year</th>
<th>Pages (PP)</th>
</tr>
</thead>
</table>

I humbly request you to kindly close the comment.

53. Kindly look into the compliance for the comment 52.

54. I have incorporated all the corrections in the thesis as stated above. I once again regret for the mistakes committed by me. I am deeply indebted to the learned Professor who evaluated my thesis and provided me an opportunity to revise/update/prepare a flawless thesis.
a. It is a general observation of the professor.
b. I fully agree with the observations of the professor. The first examiner also pointed out the same mistake. I have now redrafted the objectives under 3 broad heads and all the objectives are stated as sub objectives. The objectives under Section 1.25 are now as follows:

Objective 1: To study the rural customer vis-à-vis the life insurance under the following sub-objectives:

1.1. To study the awareness levels of rural people with regard to life insurance and their perceptions of private companies with regard to safety aspects.

1.2. To study the expectations of the rural customers with regard to type of products and frequency of payment of premiums.

1.3. To study the factors that influence customer satisfaction in rural areas.

1.4. To study whether the life insurance is equally sought after by both genders in rural areas.

1.5. To study the factors that influences the purchase decisions of rural customers with reference to life insurance.

Objective 2: To study the marketing techniques of life insurance companies in rural areas under the following sub-objectives:

2.1. To study the knowledge levels of the agents and the motivational factors for the agents in selling rural policies.
2.2. To study the effectiveness of advertisement and other promotional activities of life insurance companies
2.3. To study whether the life insurance companies really show interest in rural areas.
2.4. To study the pattern of life insurance canvassing in rural areas.
2.5. To study the utilization of IT initiatives of the life insurance companies by the customers.
2.6. To study the awareness of government subsidized schemes of life insurance and their popularity in rural areas.
2.7. To study the rural centric marketing techniques adopted by the life insurance companies in rural areas.

Objective 3: To suggest suitable rural centric marketing management techniques to the life insurance companies for wider rural coverage.

I have suitably incorporated the above corrections under “objectives” in Section, 1.25, Section 3.3 and Section 5.1.

I used two questionnaires – one for the customers and another for the agents. While it is a stratified sampling for the customers, the method of simple random sampling is adopted for the agents. I owe the mistake for not making this fact explicitly clear in the thesis.

The hypotheses are tested by subjecting the results to SPSS analysis.

As pointed by the evaluating professor, the title of the 4th chapter is changed from Theoretical Analysis” to “Secondary Data Analysis”. 
I humbly wish to submit that from the factor analysis, I found high significance correlation between 5 variables and I appropriately named them and interpreted them vide Section 5.29, page no 291.

I submit that the third objective as stated above vide comment “b” addresses insurance company related objective.

c. The comments with regard to introductory chapter are the general observations of the evaluating professor. I also humbly submit that it was felt appropriate to have a lengthy chapter to introduce the major concepts of insurance, the reading of which helps in general appreciation of the thesis work.

The objectives are now redrafted under 3 heads for consistency.

With regard to references, I agree with the comments of the professor. I humbly submit that in the end of the thesis, I followed the general guidelines of the JNTUH while dealing with bibliography.

Logic behind Appendix 3, 4, 5: Since the guidelines of JNTUH prescribe inserting the published articles of the research scholar, I incorporated the articles in the word format. I agree the comments of the professor. Now Appendix 3 is inserted afresh as per the compliance for the comments 27, 28 and 51 of the first evaluating professor. The published articles are photo copied and inserted as Appendix 4, Appendix 5 and Appendix 6.

d. While agreeing fully with the comments of the evaluating professor, I incorporated the changes as suggested and inserted the compliance in the thesis itself before the first
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chapter. I am deeply indebted to the learned Professor who evaluated my thesis and provided me an opportunity to revise/update/prepare a flawless thesis.