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CHAPTER - VI
FINDINGS, SUGGESTIONS AND CONCLUSION OF THE STUDY

6.1 INTRODUCTION

This chapter presents the summary of findings, suggestions and conclusion. This study is conducted with the main objective of finding out the perceptions and preferences of policyholders towards insurance products offered by LIC of India in Tirunelveli District. The factors influencing the policyholders to select the LIC products and the problems faced by them after having purchased the insurance products were found out. This study began with an explanation on the concept of insurance and a brief history of Life Insurance Corporation of India. The approach to the study is both descriptive and analytical. The findings of the study are briefly presented in this part. Purely primary data have been collected through the well structured interview schedule. To prepare the interview schedule, a preliminary survey has been conducted by the researcher. To make it easy to understand, the necessary secondary data have also been collected and included wherever they are needed. Further, suitable suggestions and conclusion are presented in this chapter.

6.2 GENERAL FINDINGS

6.2.1 About 54.5 per cent of the policyholders are in the age group of 20 to 30 years followed by 14.9 per cent of the policyholders are in the age group of below 30 years and 14.4 per cent of the policyholders are in the age group of 31 to 40 years.

6.2.2 Majority of the policyholders are single in the study area.

6.2.3 Majority of the policyholders are female in the study area.
6.2.4 It is identified that majority of the policyholders had studied up to college level.

6.2.5 Majority of the policyholders are private employees in Tirunelveli district.

6.2.6 It is found that majority of the policyholders belong to joint family.

6.2.7 Majority of the policyholders are (57.3 per cent) residing in rural area and the remaining (42.7 per cent) are residing in urban area.

6.2.8 It is identified that majority of the policyholders are residing in owned houses.

6.2.9 A maximum of 46.9 per cent of the total policyholders have a monthly family income of below Rs.10000 followed by 28.4 per cent of the policyholders with a monthly family income of Rs.10000 to 20000. It is found that majority of the policyholders have a monthly family income of below Rs.10000.

6.2.10 It is found that majority of the policyholders have savings up to Rs.3000 per month.

6.2.11 It is identified that 52.9 per cent of the policyholders are paying premium by monthly mode followed by 25.1 per cent of the policyholders are paying quarterly.

6.2.12 About 42 per cent of the policyholders are investing Rs.5000 to 10000 per annum while 26.7 per cent of the policyholders are investing up to Rs.5000 per annum.

6.2.13 It is identified that 77.8 per cent of the policyholders are not tax assessees and the remaining 22.2 per cent of the policyholders are tax assessees.
6.2.14 Almost 59.6 per cent of the policyholders have knowledge about the insurance products of LIC of India and the remaining 40.4 per cent of the policyholders do not have knowledge of insurance products of LIC of India.

6.2.15 It is found that 22.2 per cent of the policyholders are informed by LIC agents, 17.8% by friends, 17.1% by relatives, 16.5 per cent are informed by advertisements.

6.2.16 Around 14.9 per cent of the policyholders having the educational plan followed by 11.1 per cent of the policyholders having term life policy.

6.2.17 It is found that most of the policyholders are satisfied with LIC of India’s policies in the study area.

6.2.18 Majority (50.2 per cent) of the policyholders are satisfied with LIC of India’s policies, while 20.4 per cent of the policyholders are highly satisfied with LIC of India’s policies.

6.2.19 It is identified that majority of the policyholders are investing in life insurance policies for below 5 years.

6.2.20 It is found that majority of the policyholders have no idea of buying more policies in life insurance company.

6.2.21 About 66 per cent of the policyholders have not allowed policies to lapse in LIC of India and the remaining 34 per cent of the policyholders have allowed policies to lapse in LIC of India for some reasons.

6.2.22 Around 8.5 per cent of the policyholders have allowed their policies to lapse due to high premium, 7.5 per cent of the policyholders due to their dissatisfaction with earlier claims.

6.2.23 It is found that 50.4 per cent of the policyholders pay the premium through agents, while 35.4 per cent of the policyholders pay the premium by
directly. It is identified that majority of the policyholders pay the premium through agents in the study area.

6.2.24 It is found that 66.2 per cent of the policyholders have relationship with the insurance advisers and agents and the remaining 33.8 per cent of the policyholders have no relationship with insurance adviser and agents.

6.2.25 About 69.3 per cent of the policyholders could get all the required information in time and the remaining 30.7 per cent of the policyholders could not get all the required information in time.

6.2.26 Around 208 policyholders (37.8 per cent) could get all the required information from LIC agents, while 77 policyholders (14 per cent) from toll free and 10.7 per cent could get all the required information from internet.

6.2.27 About 57.8 per cent of the policyholders are not facing any problems in availing services from LIC of India.

6.2.28 It is found that 64.5 per cent of the policyholders are of the opinion that the approach of life insurance agents is good and 26 per cent of the policyholders opined that approach of life insurance agents is excellent.

6.2.29 About 68.7 per cent of the policyholders have the idea of recommending the LIC of India’s products to others and the remaining 31.3 per cent of the policyholders have no idea of recommending the LIC of India’s products to others.

6.2.30 It is found that 43.1 per cent of the policyholders would definitely recommend the LIC of India’s products to others and 21.4 per cent of the policyholders would more definitely recommend the LIC of India’s products to others.
6.2.31 It is found that the sample policyholders gave first rank to the reason ‘for children’s higher education’ for buying insurance policies from LIC of India.

6.2.32 It is found that the sample policyholders gave first rank to the factor ‘relatives’ as the most important factor influenced them to insure their lives in LIC of India.

6.2.33 It is found that the sample policyholders gave first rank to the problem ‘lack of customer services’ as the foremost problem faced by the policyholders in Tirunelveli district.

6.3 SPECIFIC FINDINGS

Perception towards LIC of India among different socio economic conditions of LIC policyholders-ANOVA

Perception of policyholders towards LIC of India has relationship with many socio-economic variables. In order to find out the relationship between policyholders’ perception towards LIC of India and socio economic conditions of policyholders, ANOVA test is attempted. The findings of ANOVA test result are presented below:

6.3.1 Age is a significant variable in influencing the perception towards LIC of India among policyholders.

6.3.2 Gender is not a significant variable in influencing perception towards LIC of India among policyholders.

6.3.3 It is identified that marital status is not a significant variable in influencing perception towards LIC of India among policyholders.

6.3.4 Educational qualification is a significant variable in influencing the perception towards LIC of India among policyholders.
6.3.5 Occupation is not a significant variable in influencing the perception towards LIC of India among policyholders.

6.3.6 Type of family is not a significant variable in influencing the perception towards LIC of India among policyholders.

6.3.7 It is found that area of residence is not a significant variable in influencing the perception towards LIC of India among policyholders.

6.3.8 Nature of residence is a significant variable in influencing the perception towards LIC of India among policyholders.

6.3.9 It is evident that monthly family income is not a significant variable in influencing the perception towards LIC of India among policyholders in Tirunelveli district.

6.3.10 It is identified that monthly savings is a significant variable in influencing the perception towards LIC of India among policyholders.

6.3.11 It is found that mode of payment is a significant variable in influencing the perception towards LIC of India among policyholders.

**Level of Preference towards insurance products of LIC of India among Policyholders in Tirunelveli District**

6.3.12 Around 358 policyholders have moderate level of preference towards insurance products of LIC, 128 policyholders preferred insurance products of LIC at low level.

6.3.13 It is found that majority of the policyholders belonging to the age group of 20 to 30 have moderate level of preference.

6.3.14 It is identified that majority of the female policyholders preferred insurance products of LIC of India at moderate level in the study area.
6.3.15 It is found that 39.8 per cent of the policyholders are unmarried and they have moderate level of preference towards insurance products of LIC of India and 25.3 per cent of married policyholders have moderate level of preference towards insurance products of LIC of India.

6.3.16 It is identified that 27.6 per cent of the policyholders having the educational qualification of college level preferred insurance products of LIC of India at moderate level.

6.3.17 It is found that 21.3 per cent of the policyholders are private employees and they have moderate level of preference towards insurance products of LIC of India.

6.3.18 It is identified that majority of the policyholders belonging to joint family preferred insurance products of LIC of India at moderate level in the study area.

6.3.19 It is found that majority of the policyholders’ area of residence is rural area and they preferred insurance products of LIC of India at moderate level.

6.3.20 About 43.5 per cent of the policyholders reside in owned house have moderate level of preference and 18.5 per cent of the policyholders reside in owned house preferred insurance products of LIC of India at low level.

6.3.21 Around 29.5 per cent of the policyholders who are in the monthly family income of below Rs.10000 have moderate level of preference towards insurance products of LIC of India.

6.3.22 It is identified that 37.3 per cent of the policyholders who are saving up to Rs.3000 per month have moderate level of preference towards insurance products of LIC of India.
6.3.23 It is found that 32.5 per cent of the policyholders paying premium by monthly mode have moderate level of preference towards insurance products of LIC of India.

Preference towards Insurance products of LIC of India among different socio-economic conditions of LIC policyholders-ANOVA

The findings of ANOVA for preference towards insurance products of LIC of India and socio-economic conditions of policyholders are summarized below:

6.3.24 Age is a significant variable in influencing preference towards insurance products of LIC of India among policyholders.

6.3.25 Gender wise, there is a significant difference in preference towards insurance products of LIC of India among policyholders. It is found that gender is a significant variable in influencing preference towards insurance products of LIC of India among policyholders.

6.3.26 Marital status is not a significant variable in influencing preference towards insurance products of LIC of India among policyholders.

6.3.27 Educational qualification is a significant variable in influencing preference towards insurance products of LIC of India among policyholders.

6.3.28 It is identified that there is no significant difference in preference towards insurance products of LIC of India among different occupational status of policyholders.

6.3.29 Type of family is a significant variable in influencing preference towards insurance products of LIC of India among policyholders.
6.3.30 It is found that area of residence is not a significant variable in influencing preference towards insurance products of LIC of India among policyholders.

6.3.31 Nature of residence is a significant variable in influencing preference towards insurance products of LIC of India among policyholders.

6.3.32 It is found that monthly family income is not a significant variable in influencing the preference towards insurance products of LIC of India among policyholders.

6.3.33 It is identified that monthly savings is a significant variable in influencing the preference towards insurance products of LIC of India among policyholders in Tirunelveli district.

6.3.34 Mode of payment of premium is a significant variable in influencing the preference towards insurance products of LIC of India among policyholders.

Level of Satisfaction towards services of LIC of India among Policyholders in Tirunelveli District

6.3.35 It is identified that out of 550 policyholders, 383 policyholders have moderate level of satisfaction towards services of LIC of India, 100 policyholders are satisfied with the services of LIC of India at low level and 67 policyholders are satisfied with the services of LIC of India at high level. It is found that majority of the policyholders have moderate level of satisfaction towards services of LIC of India.

6.3.36 It is found that majority of the policyholders in the age group of 20 to 30 have high level of satisfaction towards services of LIC of India.
6.3.37 About 36 per cent of the female policyholders are satisfied with the services of LIC of India at moderate level and 33.6 per cent of the male policyholders are satisfied with the services of LIC of India at moderate level.

6.3.38 Around 244 unmarried policyholders (44.4 per cent) are satisfied with the services of LIC of India at moderate level and 139 married policyholders (25.3 per cent) are satisfied with the services of LIC of India at moderate level.

6.3.39 It is found that 161 policyholders (29.3 per cent) having the college level qualification are satisfied with the services of LIC of India at moderate level.

6.3.40 It is identified that majority of the policyholders of private employees are satisfied with the services of LIC of India at moderate level in the study area.

6.3.41 Majority of the policyholders belonging to nuclear family are satisfied with the services of LIC of India at moderate level.

6.3.42 It is found that majority of the policyholders reside in rural area have moderate level of satisfaction towards services of LIC of India in the study area.

6.3.43 It is found that majority of the policyholders reside in owned house are satisfied with the services of LIC of India at moderate level.

6.3.44 About 177 policyholders (32.2 per cent) earning monthly family income of below Rs. 10000 are satisfied with the services of LIC of India at moderate level.
6.3.45 It is identified that majority of the policyholders who are saving up to Rs.3000 per month have moderate level of satisfaction towards services of LIC of India.

6.3.46 It is found that majority of the policyholders paying premium by monthly mode are satisfied with the services of LIC of India at moderate level in the study area.

**Level of Satisfaction towards services of LIC of India among different socio economic conditions of Policyholders**

6.3.47 Age influences the level of satisfaction towards services of LIC of India among policyholders.

6.3.48 It is identified that gender influences the level of satisfaction towards services of LIC of India among policyholders.

6.3.49 It is found that there is a significant difference exists in the level of satisfaction towards services of LIC among different marital status of policyholders.

6.3.50 It is identified that educational qualification influences the level of satisfaction towards services of LIC among policyholders.

6.3.51 It is found that occupation influences the level of satisfaction towards services of LIC among policyholders.

6.3.52 It is identified that there is no significant difference exists in the level of satisfaction towards services of LIC of India among different type of family of policyholders.
6.3.53 It is found that area of residence does not influence the level of satisfaction towards services of LIC of India among policyholders in Tirunelveli district.

6.3.54 It is identified that there is a significant difference exists in the level of satisfaction towards services of LIC of India among different nature of residence of policyholders.

6.3.55 It is found that monthly family income influences the level of satisfaction towards services of LIC among policyholders.

6.3.56 It is identified that monthly savings does not influence the level of satisfaction towards services of LIC among policyholders.

6.3.57 It is found that mode of payment of premium influences the level of satisfaction towards services of LIC of India among policyholders.
6.4 SUGGESTIONS

Based on the above findings, following suggestions are made for incorporating in marketing strategies of LIC of India:

6.4.1 In the present competitive world, customer satisfaction has become an important aspect to retain the customers, not only to grow but also to survive. Customer service is the critical success factor and private insurers through their best services would be able to reposition and differentiate themselves from LIC. In this regard, LIC of India should pay adequate attention on customer retention strategies.

6.4.2 LIC of India should emphasis more on advertising and building brand awareness through different modes of communication. This will help in spreading insurance awareness among the public.

6.4.3 To achieve greater insurance penetration, the healthier competition has to be intensified and LIC of India should come up with new innovative products to offer greater variety or choice to the customers and also make improvement in the quality of services and sell products through appropriate distribution channel to create a win-win situation for both the parties.

6.4.4 LIC of India should devise policies which provide effective risk coverage rather than focusing on the tax benefits and also encourage policyholders for long term investment in insurance.

6.4.5 LIC of India should come up with innovative tailor-made products with high risk cover, more return and low insurance premium to attract more number of customers.
6.4.6 LIC of India should give more emphasis on promotional activities targeted at younger prospective customers to attract them towards its insurance products.

6.4.7 In the wake of intensified competition in life insurance sector, LIC of India has to keep evolving innovative promotion-mix, encompassing advertisements, sales promotional campaigns, and persuasion by agents to increase the level of awareness and to make the information search process for the consumers an easy one.

6.4.8 Image of company is considered to be one of the most important factors by customers of both LIC of India and private insurance companies while choosing an insurance company. So, LIC of India has to pay attention to improve its image by giving due attention to financial management, insurance products, company image and top management.

6.4.9 LIC of India ought to vigorously pursue lower income people for buying policy by making use of various promotional activities and developing insurance products which provide value for money.

6.4.10 LIC of India should take measures continuously to improve customer service. It can make operating hours long and resort to easy modes for payment of premium like e-payment, credit-card, etc. Further, LIC of India should make settlement of claim easier. All these can be facilitated by making use of latest technology in managing its operations.

6.4.11 LIC of India should create more awareness regarding multiple benefits of insurance products, which will help it to attract more customers and increase its business volume.
6.5 SCOPE OF FURTHER STUDY

The potential researchers may select anyone of the following topics to do their research in the years to come:

1) A Study on Perceptions and Preferences of Policyholders towards Insurance Products Offered by LIC of India in Tamil Nadu.

2) Customer satisfaction- A study with reference to Insurance Products Offered by LIC of India in Tamil Nadu.

3) A comparative study on preferences and satisfaction of policyholders of public and private sector insurance companies in Tamil Nadu.

4) Customer satisfaction- A study with special reference to Insurance Products Offered by LIC of India in Tirunelveli district.

5) A Study on marketing performance of Insurance Corporation in Tamil Nadu with special reference to LIC of India.

6.6 CONCLUSION

Life insurance is an important form of insurance and essential for every individual. Life insurance penetration in India is very low as compared to developed nations where almost all the lives are covered and the stage of saturation has been reached. Customers are the real pillars of the success of life insurance business and thus it is important for insurers to keep their policyholders satisfied and retained as long as possible and also get new business out of it by offering need based innovative products. There are many factors which affect customer’s investment decision in life insurance and from the study it has been concluded that demographic factors of the customers play a major and pivotal role in deciding the purchase of life insurance policies.
In the present Indian market, the investment habits of Indian consumers are changing very frequently. The individuals have their own perception towards various types of investment plans. This research work focused over consumer’s perception and preferences towards insurance products offered by LIC of India. The study also focused on the factors underlying consumer perceptions and preferences towards insurance products offered by LIC of India; and also on the differences in policyholders’ perceptions and preferences among socio economic conditions of policyholders.

Insurance is basically a customer-focused concept selling business where a policy is being sold to the customer through appropriate channel of distribution. In the present day, agents and banks are the two wide and important sources of distribution to sell insurance products. With both LIC of India and private players in the fray, Indian life insurance market has undergone significant changes recently. The greatest challenges faced by organizations are the ever–growing competition and the continuous increase in customer expectation. In order to achieve competitive advantage and efficiency, organizations have to seek profitable ways to differentiate themselves. There are many different strategies to reach success, but the delivery of competent service quality is the vital one, especially in this competitive environment. In general, most of the life insurance providers are keen on selling their products only, not on understanding the customers’ need. Moreover, they are also not much concerned about the post-sales services. Since a satisfied customer brings in more customers and carries out word of mouth publicity, life insurers in general and LIC of India in specific need to identify customers’ perceptions and preferences and fulfill them along with selling insurance policies to keep their customers satisfied.