Review of Literature provides a critical summary of research already done on the relevant topic. It provides readers with a quick overview of the problem addressed, stresses the need for the new study, and demonstrates how it will contribute to existing evidence. Review of Literature is conducted to generate a theoretical and scientific knowledge about a particular phenomenon and results in a synthesis of what is known and unknown about that phenomenon. The primary purpose of literature is to gain a broad background available related to problems in conducting research. Thus it facilitates selecting a problem and its purpose, developing a framework and formulating a lesson plan. In brief, review of relevant literature is an analysis and synthesis of research sources to generate a picture of what is known about a particular situation and to expose the knowledge gaps that exist in the situation.

Many studies have been conducted from time to time at national and international levels to study the various aspects of the life insurance industry, such as service quality, customer satisfaction, customer retention, customer loyalty, marketing strategies, customer preferences, etc. A critical assessment of literature already available in relation to the point of interest for study, in the form of general literature and specific studies, makes the research effective and useful. The review might be helpful in drawing significant conclusions and serve as a guide for any further study. It facilitates elimination of
duplication of work and provides chances to identify the gaps that exist in the area of research.

This chapter presents a review of available literature relating to marketing life insurance products and services, marketing strategies of the Life insurance Corporation of India, customer satisfaction on the products and services of life insurance companies, and factors influencing the selection of life insurance products and marketing mix in the life insurance industry in India. Insurance industry in India has undergone drastic changes in terms of regulation, product innovation, promotional techniques, pricing norms and distribution means since 1999 after the establishment of IRDA and opening up of the sector to private players. Many studies have been undertaken on the effects of globalisation and privatisation on the marketing strategies of life insurance players. The opening up of the insurance sector has brought in many innovative practices and policies in the sector as to product, pricing, distribution, promotion and standards of service, i.e., process, physical evidence and people services. A review of these studies is presented in this chapter in chronological order.

Edward K. Strong Jr (1922), in the invaluable book, “The Psychology of Selling Life Insurance”, illustrate the psychological principles underlying selling in as non-technical manner as possible, which are directly applied to selling.

John Alford Stevenson (1922), in his invaluable book, “Selling Life Insurance” presents a systematic approach to the process of selling insurance in a lucid style. The comprehensive process of buying, starting from the customer to closing sales inclusive of the basic salesmanship qualities, and customer interview techniques, is illustrated.
Harris (1944) in his book, “Life Insurance Salesmanship”, finds that insurance selling is an art, which is acquired by one through experience and exposure but not through teaching. According to him, planning is essential for an agent to succeed in the job of selling insurance.

David L. Bickelhaupt (1967), in the article “Trends and Innovations in the Marketing of Insurance”, explores some of the trends in service marketing as they relate to strategic vision, operational and organizational changes, and marketing tactics. In terms of strategic vision, examples are provided of companies that have successfully redefined their businesses as broader systems of services built on competitive core competencies. It then goes on to describe the need for a market-driven culture, the use of training and incentives in making the transition, the role of product management in enabling a cross-functional perspective necessary for quality service to become a reality, and the significance of "mood" or climate. Finally, it presents comments on new service development, segmentation, database marketing, channels, and advertising, as these relate to marketing in the service sector.


Rao, B.S.R. (1976) conducted a research study, “Functioning of the LIC – An Appraisal”, wherein he critically appraises the operation of the LIC in India over a period of decades, taking into consideration the objectives set forth and expectations aroused at the time the life business was nationalised in the country.

Rajkumar (1985) in his study “The Role of Insurance Advertisement”, explains the problem involved in insurance advertising and comes to suggest
certain measures to improve the advertising effectiveness in LIC. He urges the use of humour in advertising to capture the attention of prospective customers. He also emphasizes the need for carrying the message of life insurance to the people, without creating unpleasant feelings.

Valarie A. Zeithaml, Parasuraman, & Leonard L. Berry (1985), in their paper “Problems and Strategies in Services Marketing”, compare problems and strategies cited in the services marketing literature and provide a basic framework in forming guidelines for future work in service marketing. The various service marketing problems as referred to by various authors, and strategies recommended to solve these problems, are analysed. The article provides a conceptual framework summarizing the unique characteristics of services, the problems stemming from these characteristics, and the strategies suggested as appropriate to overcome these problems.

Rajan Saxena (1986), in his article entitled “Marketing of Life Insurance Services”, discusses various issues relating to life insurance marketing. The author’s insistence on the importance of applicability of marketing concepts to life insurance and the need for various strategies in the marketing of life insurance is quite emphatic.

Sesha Ayyar, V. (1986), in his article entitled “Product development” discusses various issues in developing new policies such as the importance of developing new products and various problems involved in the development of products in the LIC. He recommends the need for including ancillary benefits in the policies, such as accident benefits, disablement benefits and hospitalization benefits.

Mishra, M. N. (1987) conducted a study to appraise the marketing strategies of the LIC of India. While reviewing, the author expresses the view
that, before 1980 the LIC did not give much attention to the objective of customer satisfaction, but from 1980 onwards it has taken several remedial measures to provide better customer services and to improve customer satisfaction. The author has expressed the weaknesses of the LIC, such as existence of more number of dormant agents, and lack of training and motivation among officials.

Zeithaml (1988) defines value as the consumer’s overall assessment of the utility of a product, based on the perceptions of what is received and what is given. He conjectures that there must be different stages involved in developing a new product, such as need identification, product development, product testing, and finally product launch. Price strategies must be adopted according to the needs of the customers because what we are producing is meant for the doing it for customers. Branding strategies are meant to enhance the market share of products. It is the name and mark which can increase profits by enhancing the perception of quality.

Patki, V.V. (1988), in his article “Rural Marketing”, discusses the problems of selling life insurance in the rural areas and gives many suggestions to penetrate the rural market. The suggestions are participation in village fairs, using audiovisual methods, and explaining the merits of the life insurance to the villagers, etc.

Krirubashni, B. (1991) attempts to know the level of awareness, preference and influencing factors pertaining to policy holdings and the test of the relationship between the influencing factors and policy holdings. The study reveals that the majority of the respondents are aware of the endowment assurance policy and rank it as number one. The study also reveals that there is significant relationship between personal factors and policy holdings.
Arora, R.S. (1992), in his thesis, analyzes the marketing strategies of life insurance services of the LIC in Jalandhar Division. The study conducted by him is three-dimensional in nature. It examines the performance of the LIC for the period from 1980-81 to 1989-1990. The survey sample consists of 425 policy holders and 90 agents. The study reveals that most of the agents find the LIC to be a good employment opportunity, which also gives them a steady income. Also, most of the agents are found satisfied with the premium charged by the LIC and with the bonus declared by it from time to time. However, they are dissatisfied with the mode of functioning of the LIC. The study also observes that although there is a complexity in the range of products and pricing system in the LIC, still it is preferred because of benefits like risk protection and tax benefits.

Appi Reddy and Narasimha Murthy, G. (1996) have attempted to examine the true marketing practices followed by the Life Insurance Corporation in rural areas and the problems involved in providing the services. The organization appoints development officers with responsibility in a specified territory and special promotional efforts like field publicity vans, film shows, exhibitions etc are insisted. The study finds that only 4.55 crore people have been insured against the insurable population of 21 crore, in spite of consistent efforts.

Mikael Gidhagen (1998), in his working paper, “Insurance Marketing- Services and Relationships”, examines the importance of relationship management in the insurance business, particularly in terms of the relationship between insurance companies and corporate customers. In the report he tries to develop a conceptual framework from a relationship perspective for the study of insurance services marketing.
Gregory A. Kuhlemeyer and Garth H. Allen (1999), in their research on consumer satisfaction relevant to the purchase of life insurance products, compare satisfaction in an agent-assisted transaction with satisfaction when no agent is used. The benchmarks identified for consumer satisfaction are the life insurance product, the agent, and the institution. The agent-assisted and direct placement of individual life insurance are compared and it is found that consumers are highly satisfied with their agents, when they believe that their agent is trustworthy, knowledgeable, and selling only the appropriate products. Purchasers who use the agent alone are more satisfied with their insurance company than purchasers who use both an agent and the direct purchase approach. In the same way, the direct sales method is found to score the highest level of satisfaction because purchasers trust their life insurance company very highly. The study has also found that single premium policies secured the lowest level of consumer satisfaction while term insurance, universal life, and whole life insurance give higher levels of consumer satisfaction, in that order.

Kalra, R.K. and Garg, D.K. (1999) observe that successful marketing of life insurance policies is dependent on a combination of good communication and promotional strategies of the insurance companies. They find that the major problems associated with marketing of LIC policies in rural areas include illiteracy, lack of awareness, and negative attitude towards saving and low purchasing power. It is suggested that the LIC should design future strategies so that the customers are able to overcome all the anxieties they have regarding life insurance. It should make the customers aware of the various policies being provided, the benefits of having a policy, and the drawbacks of not having a policy. This would help create a desire in the customers to buy an insurance policy.
Krishna Murthy, G. (1999) in his article, “Life Insurance Corporation – Bracing for Competition”, discusses the Malhotra Committee recommendations and the resultant opening up of the insurance sector. He also explains and elaborates the various measures taken by the LIC in terms of technology upgradation, products and market creation, and training programmes undertaken to meet the competition.

Tom Moormann (1999) has explored how the life insurance industry is addressing the issue of measuring customer satisfaction, as satisfied customers are vitally important to life insurance companies, where retention plays a large role in determining a company’s revenue stream, and ultimately its profitability. The LOMA has conducted a survey of its member companies. A total of 129 responses are received from 709 companies and the survey itself is divided under three general heads, such as companies measuring overall customer satisfaction, companies measuring satisfaction with specific transactions, and evaluation of customer satisfaction information. Ninety per cent of individual life products and seventy per cent of disability products of respondent companies have been considered to measure the customer satisfaction. Companies measure satisfaction with those products which are marketed to individual consumers. Roughly, half of the companies measure customer satisfaction on an irregular basis, and a substantial number of companies do not measure customer satisfaction at all. The general types of information collected in customer satisfaction surveys are data on overall satisfaction (80 per cent of respondents), satisfaction with product features and benefits (61 per cent), and satisfaction with different aspects of the purchase process (58 per cent). It is concluded that customer satisfaction, though an important metric for evaluating business performance, has been paid only insufficient attention by the companies.
Balasubramanian, T.S. and Gupta, S.P. (2000) in their book, “Insurance Business Environment”, explain at length the global and Indian pictures of insurance systems. The impact of globalization and liberalisation on insurance business environment is also discussed analytically to provide a clear understanding of the challenges faced by the insurance industry.

Gupta, P.K. (2000) in his paper, “Exploring Rural markets for Private Life Insurance Players in India”, highlights that insurance products are to be designed keeping the rural complexion in mind, supplemented with systematised and intensified advertising efforts, awareness programmes, association of ethnical and cultural components of product promotion, to gain competitive advantage. He identifies that the key to success in rural areas are accessibility, reasonably priced products, effective communication and after-sales services.

Malliga R. (2000) examines in her study the association between socio-economic status, personality traits of the agents, and the performance in Tirunelveli, Tuticorin and Kanyakumari districts. Further, the impact of marketing strategies and attitude of the agents towards the organization on the performance is studied with a sample of 100 respondents by applying stratified random sampling. The results of the data show that the performance of the agents in terms of numbers of policies, the sum assured and the total commission received is found to be dependent on the socio-economic status. There is a significant correlation between marketing strategies of the agents and their performance.

Sudhkar (2000) in his article, “LIC and the Internet Revolution”, examines the various types of information given in the LIC’s website. He also
discusses the benefits of internet from various dimensions with special emphasis on cost benefit analysis.

*Sankariah, Rudra Saibaba and Pervaram Sreenath* (2001) attempt to articulate objectives like marketing strategies, progress in Life Insurance Companies, and the different facilities to meet risk coverage, and highlights the new policies offered by the insurance companies in the context of privatization, liberalization and globalization. While comparing with private firms, the study elicits that different varieties of policies offered by the Life Insurance Corporation are not available with other insurance companies as they offer only endowment and money back policies. The progress of the Corporation is highly remarkable which recorded only 9.32 lakh new policies in the year 1956, as against 148.43 lakh new policies in the year 2000. There is every possibility in the growth of insurance business, as 57.6 per cent of the insurable population is still uncovered. The LIC intends shifting from mass marketing to target marketing of individuals and extends steps to reach out to customers in the most cost-effective way with target offers.

*Christopher H. Lovelock, Lauren K Wright, and Lauren Wright* (2002), in their book titled “Principles of Service Marketing and Management”, outline the differences in marketing a product from that of various services and gives an integrated approach to service management.

*Madhusudana Rao, et al.*, (2002) in the survey on the satisfaction of the Life Insurance Corporation employees, has revealed that, the majority of the employees were satisfied with the promotional measures adopted by the Corporation, the co-operation rendered by the co-workers, grievance-handling mechanism adopted by the Corporation, and the housing loan facility offered.
The employees have expressed satisfaction as regards the relationship maintained by the management with the employees.

**Patil Kallinath, S. (2002)**, in his thesis on “Life Insurance Corporation of India, Its Products and their Performance Evaluation: A Special Reference to Gulbarga District”, conducts a study which covered a period of five years from 1994-95. During this period, the Corporation launched various new plans. It is found that the incidence of insurance coverage of agricultural groups and agricultural labour is very low and the insurance products with fewer premiums and covering more risk are the most preferred policies by the people. The study further reveals that the entire insurance business is urban-based and the demonstration of product features by the agents is not satisfactory.

**Pradeep Gupta and Sanjay Bhayana** (2002) discuss the challenges and strategies in the insurance industry in India. An attempt is made by them to know the market position of different insurance brands and business practice codes given by the IRDA to maintain some minimum standard. As per the study, after liberalization in November 1999, awareness of LIC brand shows 100 per cent as against ICICI Prudential awareness of 70 per cent, followed by HDFC, with 52 per cent.

**Ramesh Lal Dhanda** (2002), in his thesis on “Divisional Performance Evaluation of LIC Business in the North Zone”, states that the factors affecting policy purchase decisions of the insured are risk cover and the tax benefits. The ratio of management expenses to total premium income, the productivity analysis for agents, the average percentage of death claims settled and the overall outstanding claims ratio are found important yardsticks for measuring the Divisional performance of the LIC.
Rudrasaibaba (2002) has conducted an enquiry on “Perception and attitude of women towards life insurance policies”. The study reveals that seventy percent of the respondents interviewed are satisfied with the services offered by the LIC. An attempt has also been made to know the reasons for dissatisfaction. The study reveals that intensive advertisement is not given by the LIC about new policies with the result that the respondents are not in a position to know which policy highly suits their requirement. Many of the respondents opine that agents are not concentrating on the customer’s service. As a result, they are facing some inconvenience regarding the payment of premiums on due dates and can not avail other benefits from the LIC like policy loan, housing loan, etc. Hence, there is a need to improve customer’s relations by the LIC for the increased satisfaction of the consumers.

Swarnaprabha (2002) in her article, “Public Relation: Good Media Relationship”, discusses the techniques and methods to be employed in public relations so as to retain existing customers and attract new customers. She has also discussed the various public relation programmes undertaken by the LIC.

Alok Mittal and Akash Kumar (2003) conducted the study, “An Exploratory Study of Factors Affecting Selection of Life Insurance Products”, with the objectives of identifying the factors which the consumers take into consideration before selecting a life insurance product and determining the extent to which these factors are taken into consideration for choosing life insurance products. According to the findings of the study, the consumers take into consideration product attributes, customer delight, payment mode, product flexibility, risk coverage, grace period, professional advisor, and maturity period as important factors before selecting a life insurance product. The factor which was considered most important was product attributes, and maturity period was considered least important.
Jawaharlal (2003) elucidates that, historically, distribution of insurance policies in India has been totally agent-based. The agents are found to be always driven by the motive of selling a product and not of really marketing it. They are found compelled to sell products that are best suited to them rather than to the proposer. Most of the products of the LIC of India were bundled ones having no flexibility. Only twenty per cent agents of the Corporation were really professional in their approach. The Corporation must adopt some new channels of distribution like banks, village heads, post offices or the cooperative societies to improve its performance. The total Indian population was 1.05 billion in July 2003, consisting of 72.22 per cent of rural population and 27.78 per cent of urban population. But the penetration level of the life insurance was just twenty per cent.

Lakshmikutty and Baskar (2003) analyse the distribution channels in the life insurance industry from the perspective of the socio-cultural ethos. Challenges posed in managing different channels, to be faced by life insurance companies have been assessed. In defining a distribution model, its cost effectiveness and its capability to reach a large section of population are some of the critical aspects to be addressed by the life insurance companies to be successful in life insurance business, rather than the technology which is only an enabler.

Mony, S.V. (2003) has stated that, direct marketing would continue to play a vital role in promoting the sale of insurance products. Other channels, like alliances with banks and other bodies, would help in capturing the Indian market. Sale of new products such as single premium, unit linked retirement products, money-back and annuity are yet to gain momentum. He has stated that, technology plays an active role in the designing and administering of the
insurance products. He has also stressed the need to cover the non-salaried or self-employed work force by opening up the pension segment.

**Pramod Pathak and Saumya Singh** (2003) examine the effect of the entry of private players into the insurance sector. A study has been conducted on the various marketing strategies adopted by the LIC, and their strengths and weaknesses. The main objectives of the study were to carry out SWOT analysis of the LIC to help it in designing new market strategies and to help increase the market share of the LIC by suggesting measures for increasing competitiveness. A survey of 100 policy holders of the LIC was conducted to determine the customers’ perceptions and expectations towards the LIC. A survey of 60 agents was also conducted to prepare new and effective marketing strategies, to increase market share and to improve customer satisfaction by improving quality of services. It was concluded that although the insurance companies were spending a lot of money on advertisement, not enough money was being allocated for research and development of new products. It has also been suggested that agents’ pre-recruitment training must be ensured to provide efficient and effective customer services.

**Patil Kallinath, S.** (2003) attempts to evaluate the duties of agents and to assess whether the existing products are satisfying the needs of the policyholders in Life Insurance Corporation’s branches in Gulbarga district during the period 1999. The sample size is 1921 (Policyholders and agents) representing 0.20 per cent of the total insured population. The findings of the study reveals that insurance products with fewer premiums and covering more risk are preferred by policyholders, and that demonstration of product features by the agents is not satisfactory. It is found that, in the branches, rapport between the agents and the development officers is not customary and that the
majority of the respondents are dissatisfied with the kind of services rendered by the officials.

**Rama Murthy** (2003) in his article, “Life Insurance Corporation: Advantage of Strong Base”, discusses the organizational structure and performance of the LIC. He also examines the various customer orientation programmes undertaken by the Corporation. He feels that the LIC is invincible due to its strong presence in the market as well as its corporate image.

**Tapen Sinha** (2003), in the paper “Privatization of the Insurance Market in India: From the British Raj to Monopoly Raj to Swaraj”, outlines the origin of insurance sector in India and evaluates the recommendations of various committees on the insurance sector. Indian insurance sector is likely to witness high growth due to two main reasons- financial deregulation and growth in per capita GDP. The effect of joint venture strategies and the need for better regulation of the sector for growth without killing the new comers are highlighted.

**Ziaudeen, A.** (2003) in his dissertation, “Marketing of Life Insurance Services by Life Insurance Corporation of India at Thanjavur district”, has discussed various aspects relating to product line, product development process, product mix, premium fixation, modification, facilities provided to policyholders, accessibility of Life Insurance Company services in Thanjavur location, training, motivation and the problems involved in it. He suggests that the level of awareness among the consumers has to be improved more in order to tap the market entirely. The marketing of the LIC is found satisfactory in Thanjavur district.

addresses the issues involved in marketing strategy formulation, implementation and company performance by developing a framework for the marketing of insurance services in Jordan. The most important finding to come out of the research is that marketing strategy formulation and implementation are not separate parts, rather, they should be incorporated into one process for a company to achieve success in the marketplace. The classic framework of marketing strategy, which is concerned with the traditional elements of the marketing mix framework, is inadequate for the marketing of insurance services. The marketing strategy components for the marketing of insurance services are eight: the seven Ps of the services marketing mix framework, and service quality. These elements are found to have a positive and significant effect on the insurance companies' performance measured by financial and non-financial (marketplace and customer) criteria.

Banumathy and Manickam (2004) in their study conclude that agents offer good services before the policy is issued and while it is in operation, but don’t offer good services at the stage of maturity when a customer approaches for settlement of claims. It, therefore, makes sense to look at wellbalanced, alternative channels of distribution.

Bodla, B.S. and Sushma Rani Verma (2004) have conducted a study to examine the preference of the policy holders towards various types of policies and to probe the reasons behind the insurance purchase in rural areas. Two hundred policy holders were taken for the study. The major findings are: risk coverage and future contingencies are the main reasons for purchasing life insurance policies; Life Insurance Corporation has the major market share among various life insurance players; money back policy is the most preferred, followed by Jeevan Anand; advertisements have not much impact and the women segment is still untapped.
Chenappa (2004) in his article, “Development of Insurance in India – A study”, examines the history of life insurance industry in India and the various acts and legislations passed from time to time. He also examines the reasons for the liberalization of insurance sector and the consequent changes in the sector. However, his study is more general in nature.

Gupta, P.K. (2004) is of the opinion that differential pricing is being adopted by the insurance companies for different policyholders due to the fact that policy holders in general perceive the price in terms of what they have paid for buying the risk and for the cover. According to the author, life insurance pricing is simple, since it is based on the insured’s age and sex, the rigid nature of the mortality rates and the accuracy with which the mortality rates could be calculated.

Jawaharlal (2004) in his article, “Indian Insurance – Market Scenario”, examines the Indian insurance market before and after the liberalisation. He finds that after the liberalisation of the insurance sector, the market share of the public sector giant has shown a declining trend and that it may decline further.

Jawaharlal, U. and Kumar, K.B.S. (2004) have stated that branding insurance is gaining prominence as the insurance companies have realised the inevitability of creating an impression in the minds of the consumers in order to face competition. It is suggested that, to retain and survive in the market, the insurer has to be innovative.

Kumar, R. and Vaidya, K. (2004) in their study discuss the possible strategies that could be used by the insurance companies for providing new and innovative products and services as compared to their competitors. They discuss some of the new offers by various insurance providers, and the
possible innovations in the insurance sector with regard to products, customer services, distribution channels, promotion and brand building. They assert that customer relationship management tools must be used extensively and effectively to identify cross-selling opportunities. They also suggest that use of e-service, i.e., customer service through internet, could play a major role in facilitating the process of servicing insurance products to their policy holders.

Mekala Mary Selwyn (2004) has examined different prospects of distribution channels and has opined that the scope for potential growth in life insurance market is contributed by underinsured market, changing demographic profile, low level of insurance awareness, growth of the economy and changing socio-cultural behaviour of the people. The second factor favouring Bancassurance in India, according to her, would be the special features such as: the product design - a link with loan products, the special rural flavour, and information technology-enabled sales approach, planned sales training to bank staff, and the special staff incentive schemes for motivating bank staff to promote Bancassurance. The author has concluded that, Bancassurance will become the most successful multi-channel distribution strategy adopted by the life insurance companies.

Muralitharan (2004) in his article, “Distribution Strategies”, explains in detail the emerging distribution channels in the insurance sector. He examines the different distribution modes such as brokers, Bancassurance and internet, and also their potential contribution to the growth and development of the insurance industry in India.

Ranjan Kumar and Koushal Vaidya (2004) have discussed various strategies that are to be adopted by the insurance companies to differentiate their products and services from those of the competitors. They have stated
that possible innovations should be made in terms of products, customer service and distribution network. The need to penetrate the rural market, to build up brand image and to increase the sales promotional activities also has been stressed.

Sathya Swaroop Debasish (2004) has devoted his research to the Customer preference for Life Insurance in India. Using the technique of factor analysis, his study identifies the five major factors which are responsible for customer preferences, which are stated as risk-return factor, promotional factor, service quality factor, consumer expectation factor and core product factor. The sample covers six hundred policy holders, across five states in North India. He finds that more and more customers are now identifying the newer dimension attached to life insurance, to match their life-cycle needs. The buying intent of a life insurance product by a small investor can be due to multiple reasons depending upon customers’ risk return trade off. Another important fact is that, due to the reduction in the bank interest rates and high degree of volatility in Indian stock market, investors are looking for an alternative for their short-term as well as long-term investment which will provide them a higher return and also safety to their investment. Thus, life insurance offers the best alternative to small investors in India. He also suggests that prudent product design, by adding the feature expected by investors, will make the new life insurance product more attractive for investors.

Senthil, M.V and Narayanan, A.G.V (2004), in their article, “Insurance marketing-a paradigm Shift”, explain strategies adopted by the players in the market. They pinpoint that a great shift is visible as to products where the entire industry was earlier revolving around investment and savings-oriented plans, whereas now innovative products are being offered.
Srinivasan, K. (2004), in his paper, “Innovative Channel Strategies in Insurance Industry: An Exploration”, concentrates on the innovative channels surfacing in Indian insurance industry. He evaluates multiple channels of distribution like insurance agents or advisors, Medicine Shoppe, a pharma chain store group, Retail assurance, Bancassurance, etc.

Srujan (2004), in his article, “Rural Insurance Market in India”, explains and elaborates the insurance potential in rural markets. He finds that rural India contributes upto 55 per cent of national GDP and hence the success of insurance companies to a great extent depends upon tapping this rich rural market potential.

Subrat Das (2004), in his article, “Life Insurance Sector in India—Significance for the Economy and the Changing Paradigm”, evaluates the performance of the Life Insurance Corporation of India in the pre-post nationalised era and the role of the LIC in the socio economic development of the country.

Tarun Kapoor (2004) has analyzed the various distribution channels used for marketing the insurance products and the role played by the agents in motivating the public. He recalls the role played by Bancassurance, Brokers and Internet, in marketing the insurance products. He has also stated that the insurance companies are opting for direct contact in certain businesses aimed at corporates, since highly specialized knowledge on risk analysis is called for.

Anand Bansal (2005), in his article, "Insurance Sector: Is Privatization on the Right Track”, suggests the measures to improve the functioning of the LIC and evaluates the performance of the insurance industry in the reform period. He attributes the credit for innovation in the field of products to the private players who could tap a greater portion of the market through joint
venture strategy in the distribution of insurance policy. He advocates seeing rural insurance as an opportunity and not as an obligation.

**ABI (2005)** has conducted one of the most extensive surveys ever on customers’ perceptions in late 2005. This survey covers nearly 9,000 customers of 13 insurance companies. The Customer Impact Index has been constructed to measure the issues that matter most to customers. This includes customers’ views on the quality of products, the image of the insurer, the effectiveness of processes, and the quality of service. The Index is far more than a simple measure of customer satisfaction and an authoritative guide to how well the companies serve their customers. The Customer Impact Index scores indicate the solid performance against challenging customer expectations. The Customer Impact Survey measures how well companies were delivering on each of those Commitments. They study finds that companies also need to provide excellent service after the point of sale, working with advisers appropriately. In addition, customers tend to regard their own company more highly than the industry as a whole. This survey concludes that customers are less positive about the return they get on their investment than they are about service.

**Forte (2005)** has conducted a study on Rural Insurance Market. According to the findings of the study, the more educated have higher earning capabilities and are potential insurance customers. The usual scenario seems to be where the chief wage earner insures himself, thus protecting his family and his wife as the beneficiaries. A majority of the respondents were able to name the types of policy but could not recall the actual name of the policy. Most had purchased money-back policies and penetration of whole life policies was very low. Policies with a sum assured of less than Rs. 50,000 accounted for most policies taken. A significant number also opted for a higher value policy of up to Rs. 1,00,000. There was a great deal of similarity between the policy
actually purchased by the respondents and the policy actually recommended by the agent at the time of purchase, which suggests that a great influence is exercised by the agents in the selection of insurance products. Policyholders were found generally satisfied with the overall insurance process, the premium payment process, and their dealings with the agent.

**Krishna Kumar** (2005) highlights the Life Insurance Corporation’s penetration in the rural market, the problems encountered, and the schemes offered for the rural poor. He states that there is significant growth in the total premium income collected from rural areas. He has identified the hurdles faced by the Life Insurance Corporation, as: poor general awareness, lack of proper documents, inadequate market coverage, lapsing of policies and health care problems. However, he has expressed hope that the Life Insurance Corporation, with its huge network, would enhance its spread to cover wider areas especially the rural masses.

**Krishnaveni, M.** (2005), in her article, “Issues and Challenges of Indian Insurance Industry”, illustrates the hidden possibilities for tremendous growth of the Indian insurance sector not only in urban areas but also in semi-urban and rural areas. It is highlighted that, compared to other developed countries, the insurance density and penetration is low in India, which implies that huge untapped market stands ahead.

**Nirjhar Majumdar** (2005), in the paper, “Achievement of Indian Insurers in Covering Uninsured Sectors During Last Five Years”, examines the role played by the insurance operators in making an impact in the uninsured/underinsured sectors such as 1. the rural sector, 2. the socially and economically underprivileged sector, 3. the Individual Pension Sector, and 4. High Net Worth Individuals (HNI). He comments that even after five years
of the under competitive era, the insured population has risen from 22 per cent to 25 per cent only. Rural and social sectors are still grossly underinsured; the premium penetration is only 2.26 per cent despite the fact that the savings rate of the country is now 28.1 per cent and the people are surely more appreciative of the value of insurance as a tool of risk cover, tax planning and future provision. The paper highlights the need for diversified products due to the fact that still 97 per cent of the policies sold are either endowment type or whole life type.

**Nitin Tanted** (2005) in the paper “Growth and Survival Strategy for Indian Insurance Companies in the Era of Emerging Global Completion”, evaluates the state of the insurance sector in India pre-and post-liberalisation. The study presents that the insurance sector showed its growth momentum only after it has been opened up to private players. The paper highlights that the distribution will be a key determinant of success of all insurance companies regardless of age or ownership, and that Indian insurance companies should broaden their distribution network for survival and growth.

**Nitya Kalyani, K.** (2005), in his article, “Getting Closer to the Customer”, opines that Using Plain Language will benefit the insurance industry by increasing insurance awareness about insurance as a product itself and its importance in an individual’s life; better understanding of the products will lead to higher sales which calls for mindset changes and procedure and policy changes. While advertising is happening in regional languages sufficiently, he asserts that awareness creation also has to go the same way. Without making them understand what the product is and stop fearing it, they cannot be expected to start buying products, for which initiative should start from IRDA.
Prakash Vel, K. Ravichandran, K. and Chan Kok Eng (2005), in their study, “An Exploratory study on the role played by Product, Service and Behavioural factors in the purchase of Life Insurance policies, in the Klang Valley, Malaysia”, end up with a model, viz, consumer decision influencers’ model, for the purchase of life insurance policies that can be used by different life insurance companies to understand the parameters influencing the decision-making process of their clients and thereby formulate suitable marketing strategies in the promotion of their policies.

Rajesh, C. Jampala and Venkateswara Rao B.H. (2005) have identified product benefits, competitive premiums, product differentiation through promotion and claim settlement, to be the key success factors of the insurance sector. According to them, claim settlement is the major factor for the success of the Life Insurance Corporation. They have also felt that its claim settlement operations are fair and transparent. The Corporation has been prompt in settling the claims due to excellent corporate image in the insurance sector.

Rajesh, J. Jampala, C. and Venkateswara Rao (2005) have discussed the sales promotional activities undertaken by the Life Insurance Corporation to face competition. According to the authors, the Life Insurance Corporation undertakes the sales promotional activities in three forms: customer-oriented promotion that is tax benefits, payment of bonus, provision of accidental benefits and higher non-medical items; Trade promotion such as salary-saving scheme, and sales force promotion given in the form of commission, gifts, advances for the purchase of cars, club membership, etc.

Rao, B.V (2005) indicates that the performance the LIC of India depends purely on the performance of its agents. The number of agents has increased from 533133 in 1996-97 to 1003241 in 2003-04; the average
business per agent has increased from Rs 1064284 to 2197675 during the same period. The study also reveals that 15 per cent of the agents of the LIC of India are highly productive and the remaining 85 per cent are less productive. In a nutshell, the former agents brought 61 per cent of the new business while the remaining 85 per cent contributed only the remaining 39 per cent.

Sam Ghosh (2005) in the article “Changing Horizons of the Insurance Sector”, observes that Competition will surely cause the market to grow beyond current rates, create a bigger “pie” and offer additional consumer choices through the introduction of new products, services, and price options. Yet, at the same time, public and private sector companies have to work together to ensure healthy growth and development of the sector. Challenges such as developing a common industry code of conduct, contributing to a common catastrophe reserve fund, and chalking out agreements between insurers to settle claims to the benefit of the consumer will require concerted effort from both sectors. The increasingly tough competition has actually changed the rules of the game. The market is flooded with an array of products. In such a scenario, the differentiators among different players are the products, pricing, and service.

Satwalekar, D.M. (2005) in his study, “Opening up of the Insurance Industry-Three Years On”, outlines the recent developments in the life insurance sector as to product, policy and distribution channels. There is clearly a need for a strong partnership approach between the insurers, the regulator and also the consumer.

Sayulu, K. and Sardar, G. (2005), in their article on “Customer Satisfaction with regard to LIC Policies”, submit that customer value and satisfaction are the driving forces in the market for success. The insurance
companies today must develop stronger bonds and loyalty with their ultimate customers and pay close attention to their customer defection rate and undertake steps to reduce it.

**Suri Seeta Ram** (2005), in his article on “Life as a Life Insurance Agent – Difficulties, Challenges and Rewards Galore”, describes clearly his personal growth as an insurance agent while thanking his mentors for honing professional skills. Two basic lessons that almost all the agents are coerced into learning are ‘Rebate’ and ‘Wrong Medicals’. These are lessons that are very hard to unlearn. He emphasizes that the purpose of life insurance is not just tax relief and savings, but a lot more to think and learn.

**ICFAI** (2005), in the case study, examines the marketing strategies, specifically the advertising and promotional measures, adopted by the new private players. According to industry observers, one of the main reasons for low insurance penetration in India was the ineffective distribution and marketing strategies adopted by the Life Insurance Corporation. The advertisements of the Life Insurance Corporation were limited to some print and electronic media advertisements that typically talked about the Life Insurance Corporation’s products being great tax-saving tools for salaried individuals, who came under the income–tax bracket. Analysts commented that the private insurers seemed all set to make the industry marketing – driven, wherein technical and service excellence would be the key factors of success.

**Chandrasekhar, K.S. and Reshmi Augustine** (2006) in their article, “Marketing of Insurance Products in the Indian Context: issues and challenges in the wake of private sector participation”, attempt to draw out the clear picture on Indian life insurance sector emphasising the different strategies adopted by the various private life insurance players. They point out that
consolidation and acquisition strategies will be in front face as there is stiff
competition among existing players, and arrival of new entrants into the field
is expected.

the risks inherent in the sales and distribution strategies of life insurance
companies currently operating India, with a view to highlighting the potential
financial implications of these risks. An overview of current distribution
strategies in respect of life insurance products of insurance companies in India,
the key risks inherent in distribution of insurance products, and the need for
shift to the risk-based capital framework has been attempted.

Hari Govind Mishra (2006), in the article entitled “Product Management
of LIC”, provides a comprehensive review of the product lines offered by the
Life insurance Corporation of India. The conceptual framework of product,
product-related strategies, i.e., positioning, branding, labelling and packaging,
and the need for product support services credit service, warranty and other
services to the policyholders, e.g., nomination, transfer, loan, surrender value,
etc. are highlighted for better product positioning in the competitive market.

Jagannath and Santhosh Singh Bais (2006) observe that customer
satisfaction is of paramount importance to all the insurance companies in
general, and life insurance companies in particular. The authors have
identified and discussed the issues and challenges, such as the regulatory
framework, simplification and rationalization of insurance laws. They
conclude that the success would depend on the LIC of India’s ability to
understand the customer needs and offer the services at the lowest prices with
the best quality.
Nalini Prava Tripathy (2006) has conducted a study on the topic “An Application of factor analysis approach towards designing insurance products in India.” The objectives of the study have been to examine the customers’ preference and priorities towards various insurance products, to identify the key features of insurance products and services attributes that are essential in the purchase decision of the customers, and to suggest some measures to design the products that will satisfy the personal needs of the customers. It is revealed that factors such as awareness of the product, service behaviour, advertisement, product feature and safety of the scheme play a major role in influencing the behaviour of the customers. The researcher has suggested that the insurance companies should concentrate on the personnel procedure and the process in order to lure customers towards them.

Richard Holloway and Rajagopalan Krishnamurthy (2006) are of the opinion that the success of rural insurance business in India centres around innovative product design, increasing penetration, finding effective and lower-cost distribution channels, education, access and affordability. The risks involved and the adverse experience prevailing in rural areas should be considered while intensifying efforts to tackle the rural market. The authors insist on the introduction of suitable products at a right price and the usage of best practice actuarial technique to re-price and redesign the rural products as necessary, taking into account the actual experience that emerges.

Sharma Rajendra Prasad (2006) in his thesis, “A Comparative Study of Marketing Strategies of Selected Public and Private Sector Life Insurance Companies”, finds that there is much innovativeness in the marketing strategies adopted by the private insurance players. The private insurance players are mostly technology-driven and hence they are in the forefront in the area of introducing on-line and mobile marketing strategies.
Shukla, A.K. (2006) in his article, "Effect of Liberalisation on Indian Insurance Market- An Overview", exposes the potential of Indian insurance market to grow. He urges to create additional markets by enhancing the level of risk awareness. He advocates product innovation by highlighting the fact that all the insurance Companies across the globe are fixated on only one line of product named "Defined contribution". There seems to be a dearth of ideas on product innovation on this front. The need for greater role to be played by IRDA in the development rather than regulation is stressed.

Sreedevi Lakshmi Kutty and Sridharan Baskar (2006), in their article “Insurance Distribution In India-A Perspective”, explain that the success of marketing insurance depends on understanding the social and cultural needs of the target population and matching the market segment with the suitable intermediary segment. The companies should have clear demarcation in the marketing strategies, as all intermediaries can’t sell all lines of business profitably in all markets. This paper discusses the distribution channels from the perspective of the socio-cultural ethos of the market and how these channels fit into it, along with suggestions on where the various companies face challenges and bottlenecks.

Tripti Dhote (2006), in his article on “Insurance Advertising – Adding Creativity to Life”, highlights the current trend in insurance advertising. It focuses on the effective advertising strategy of various insurance companies which attracted not only the customer but also even the biggest of the corporates making insurance a prosperous proposition to sell.

Vinayagamurthy, A. (2006) is of the opinion that, in order to achieve a competitive edge over the other life insurance players, the company should standardize the process and bring about quality improvement, and get feedback
from the customers regarding the quality of service rendered. According to the author, the modern approach adopted by the insurance players comprises market research, segmenting, targeting and positioning, focusing on the marketing mix, implementation and control. The service standards vary, based on the intermediary involved in the process. Therefore, providing quality service would help in the customer acquisition and customer satisfaction, he has stated.

**Vytautas Kindurys** (2006), in the paper, “The Experience and Problems of Insurance Marketing Application in Lithuania”, summarises the insurance services marketing application experience in Lithuanian insurance companies. It analyses the necessity and possibilities of insurance services marketing application in Lithuanian insurance companies. The main tendencies identified in insurance marketing in Lithuanian insurance companies are the mission of the insurer as one of the practical directions of insurance marketing application, strategic planning of marketing based on marketing researches, the introduction of marketing department and evaluation of its functions in the organisational managing structure of an insurance company, and the necessity to pay more attention to the objective group of clients.

**Chauhan Monica** (2007), in the thesis entitled “A Study of Factors Affecting Selection of Life Insurance Products”, states that the insurance industry is mostly a customer-oriented industry and that customers are demanding more and more of innovative insurance products to fulfil their needs and obligations. The important factors affecting the selection of life insurance products are identified by the researcher and these are the product characteristics, terms of premium payment, duration of the policy, number of switch-offs in the solution, risk coverage and return on the policies.
Jampala and Rao (2007) have conducted a study on the distribution channels of the LIC. The study finds that although a number of intermediaries or distribution channels like corporate agents, brokers and referrals have emerged over time, the LIC was not able to capitalize on them and hence could not make good business from these channels. The study concludes that unless the LIC uses these new emerging distribution channels effectively and efficiently, it cannot survive in the highly competitive insurance market. The LIC needs to find new measures and apply them to improve its business further.

Joy Chakraborty (2007), in his study “Private Life Insurance Companies in India: Growing Prospects and Challenges”, traces the challenges faced by the private players while marketing their products and the measures they have taken for overcoming them. He critically analyses the prevailing trends in Indian life insurance sector and finds that the private players have been able to increase their market share primarily on account of highly customized products and aggressive marketing strategies.

Murthy Vinayaka (2007) in his research article, “Indian Insurance: Modern Marketing Approach”, says that marketing strategies for insurance in the emerging scenario could be understood in terms of the following steps: R>STP>MM>I>C. Here, R = Market Research, STP = Segmentation, targeting and positioning. MM = Marketing Mix, I = Implementation, C = Control. Having done market research and finalising on segmentation, targeting and positioning, the strategy would focus on the marketing mix. While determining the implementation methodology, the four characteristics viz., intangibility, inseparability, perishability and variability, give rise to certain unique requirements that deserve careful attention while formulating the marketing strategy for insurance. After implementation, the
insurers should concentrate on the effective control that would enhance their business. The agents, by using various strategies, sell the product by convincing the customers. Moreover, they push policies with the highest premium to pocket a higher commission. The consultative approach to selling is the modern approach, which helps customers to buy. The four-step process includes: 1. Need discovery, 2. Selection of product, 3. Need satisfaction presentation, and 4. Servicing the sale. This approach to selling requires understanding of concepts and principles borrowed from the fields of psychology, communications, and sociology and needs a lot of personal commitments and self-discipline from the seller.

Mushtaq Ahmed, R. (2007), in his thesis on “Market Strategies of Public and Private Life Insurance Companies in India: A Comparative Study”, vividly discusses a comparative analysis of the strategies adopted by both the LIC and private insurance players in selling insurance to the customers. Due to the intensity of competition faced by the LIC after liberalization, the Corporation has thought seriously of inculcating innovativeness in the strategies adopted for selling insurance products to the customers.

Prashanta Athama and Ravikumar (2007), in their study, identify the factors which the consumers take into consideration before selecting the life insurance products. They classify those factors into product attributes and non-product attributes. They find that urban policy holders and product attributes like product features, risk coverage, product flexibility, surrender of policy, loan against policy, revival of lapsed policy, grace period, and maturity period, are positively associated. So they suggest that insurers should concentrate on improving the product attributes to have more penetration in urban areas. On the other hand, they find that rural policy holders and non-product attributes like agents and company are positively associated. So they suggest that
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insurers should concentrate on improving the non-product attributes to have more penetration in rural areas.

Rajendra Prasad Sharma & Karunesh Saxena (2007), in their research article, “Life insurance marketing in India: Leveraging the strengths of multi-channel distribution”, hold that the channels for distribution of insurance products in rural areas are the panchayaths, district cooperative banks, agricultural & dairy cooperatives, and, of course, the agents. Since no player is using these channels for effective rural reach, it can be well said that the rural market is not sleeping any longer. These channels have the potential to make the difference as they enjoy the trust of the people.

Ramanathan, K.V. (2007) in his study based on 300 insurance customers from Thanjavur Division of LIC emphasises the role of technology to improve quality and hence customer satisfaction. The study intends to promote a better theoretical understanding and recognition of the complexities in service quality and its measurement with respect to life insurance.

Shilpa Rastogi and Runa Sarkar (2007), in their study, ”Enhancing Competitiveness: The Case of the Indian Life Insurance Industry”, identify the causes and the objectives with which the sector was reformed in 2000, and conclude that only in the last decade, the hybrid model of privatization with regulation adopted by the Government has yielded positive results.

Tamzid Ahmed Chowdhury and Masud Ibn Rahman (2007), in the article, “Problems and Strategies in Service Marketing: Bangladesh Perspective”, present a conceptual framework of the problems and strategies in services marketing that derive from five unique characteristics of services. The framework is based on a review of the growing body of literature in services marketing. The article also reports the findings from a
survey of service firms concerning problems they face and strategies they use. A combination of theoretical aspects and survey results in one article affords the opportunity to make a bridge between the empirical practices and theoretical aspects.

**Anuradha Sharma** (2008), in the study, “Life Insurance Evaluation Current Perspective” observes that the demand for life insurance products is driven by several economic factors like prices of insurance, government tax, the general economic environment, income, inflation and interest rates, etc. The burgeoning insurance market in India has been able to generate considerable interest and awareness among people. The insurance field is creating new vistas for attracting talent and, in this process, has reduced unemployment.

**Chandarana Harish Kumar Muljibhai** (2008), in his thesis, “Performance Evaluation of Life Insurance Corporation of India”, explains the different facets of the performance management of the LIC of India. The impact of liberalization and the entry of new insurers into the industry on the performance of the public sector insurer is also discussed elaborately in his thesis.

**Desai Sneha Rupesh** (2008), in his thesis, “A Comprehensive Study of Indian Life Insurance Industry with a Special Focus on Rural Gujarat”, feels that after the entry of private players into the insurance market, the Regulator has taken elaborate measurers for developing insurance business in rural areas. The Regulator has also fixed targets to insurers with regard to rural business. However, the role played by the LIC in Rural Gujarat is not undermined.

**Girish Kumar, G.S. and Eldhose, K.V.** (2008) have undertaken a case study on the topic, “Customer perceptions on Life Insurance services- A
Comparative study”, with a view to comparing the knowledge level of customers about the insurance products and service quality, to know the problems confronted by the customers across public and private sectors. It was found that the awareness level of the customers on various aspects of insurance products in the public sector is far better than in the private sector; Public sector organization provides better quality services to the customers than the private players; hidden charges, delay in the settlement of claims, and misleading information from the agents, are the problems with the private sector, and dissatisfaction over the grievance redressal mechanism in the public sector organisation. However, it has been pointed out that the rationale behind investments in life insurance policies is the same in both the sectors. The authors suggest that fostering a true service culture, empowerment of customers and adopting a fundamental outside-in approach would enhance the qualitative development of the business.

Jagendra Kumar (2008), in the article “Product Does Not Matter, Service Does”, explains the innovative marketing practices in the Indian insurance industry. The entry of private players brings up the win win situation for customers due to downward price pressure. The study suggests that increased revenue is possible by selling more policies, and selling at lower risks. Insurance companies have to identify the right customer segments (high potential, low risk) and to address the right products.

Manjit Singh and Rohit Kumar (2008), in the paper, “Indian Insurance Industry Outlook in the Post Reform period”, highlight that insurance penetration and density has witnessed an increasing trend in the post reform period, but has a long way to go to even come close to the developed nations. The study also indicates huge unexplored and untapped market in India and shows huge opportunities for insurance companies to capture the business
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from competitive market; the survival of companies will depend on their strategies and efforts to increase their penetration levels and tap the new business positions especially in rural India.

Narayanan, A.G.V. (2008), in his thesis, “Rural Marketing Strategies for Life Insurance Products in Coimbatore District”, reveals that all insurers recognize the vast potential in the rural areas wherein a large percentage of our population lives. He states that rural market for insurance is a challenge to insurers. The existing marketing strategies are discussed and suitable marketing strategies for tapping insurance market in Coimbatore District are suggested at relevant places.

Phani Kumar, B.V.R.D. (2008), in his dissertation on “Changes in Insurance Sector (A Study on Public Awareness)” concentrates mostly on the opinions and satisfaction of investors about life insurance, on the basis of their socio-economic background.

Radha Krishna, G. (2008), in his book, “Marketing of Insurance Services In India”, highlights that marketing insurance services has great relevance today as various companies are adopting different marketing strategies, and there has been a shift from selling orientation to marketing orientation – agents becoming advisors, and relative role shift of seller to marketer. This changed scenario has made the industry adopt different marketing strategies. Customizing the products, pricing, channel strategies as direct selling, E channel, company advisors, company agency channels, cross-selling and Bancassurance are becoming contemporary strategic tools for present Indian insurance scenario. The combination of channel and the promotion strategies has become a dominant strategic tool in the Indian insurance companies. In the competitive market environment, the challenge
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and success for the insurance marketer lie in exploring the market with a balancing marketing strategy among consumers, competitors and the IRDA.

Radhakrishnan, R. (2008) in his PhD thesis “A study on Customers Preferences and selling Practices of Life insurance products in Chennai and Thiruchirapalli, Tamilnadu”, outlines the customers’ preferences and agents’ practices in life insurance selling, based on a survey conducted among 359 customers in the city of Chennai and the city of Thiruchirapalli. The key finding is that customers are grossly underinsured and would like to take the assistance of an agent, who is a friend or one referred by a friend or relative for buying life insurance. Customers face a multitude of difficulties in decision making while buying life insurance products. Sales tools like Pension calculations and Future cost of education/marriage are found to be effective while selling life insurance products. The study also identifies a few agent recruitment criteria for life insurance companies and also recommends appropriate training interventions for different stages of the selling process.

Rajni Kant (2008), in his article “Analysis and Evaluation of ICICI Prudential Media Strategy”, reviews the tools and techniques to measure advertising effectiveness in insurance marketing. The study presents that creative media strategies and their effects on consumer product awareness, building brand image, and creating an emotional connect with the corporate.

Rao, G.V. (2008) has stated that today’s customers are more demanding, seeking lower prices, wider coverage and quicker settlement of claims. Buying insurance is seen as one big option to seek financial protection against uncertain events. Innovations, both in marketing management and in strategic
leadership to guide it, need fresh thinking on retail consumers’ needs. New marketing strategies and introduction of new products to suit the particular needs of broader sections of the retail customers are essential to broaden the customer base. The insurers have to review their current business plans and strategies as to how closer they could come to the retail customers through the agency force, it is suggested.

Sarangi Prakash Kumar (2008), in his thesis on “Customer Delight Management: A Case Study on LIC”, addresses the importance of customer delight in the insurance industry and its role in the business registered by the LIC. Further, the strategic implications of different problems and relevant suggestions are also discussed. Product innovation and availability of a variety of products of the LIC to suit the needs of the customers delighted them to some extent.

Sneha Shukla (2008) has discussed in detail the norms in rural insurance, and has identified various rural insurance needs such as policyholders’ preferences, ability to make premium payments, and so on. The author has opined that the rural buyers view life insurance as a reliable and essential form of saving and the insurance companies in turn offer low-cost term insurance products and small-premium saving products in order to suit their requirements.

Venugopal, R. (2008) has elaborately analyzed the various distribution channels adopted by the life insurance players since privatization. According to him, tied agency channel reigns supreme, followed by the Bancassurance model. Provision of insurance in addition to banking services, has been perceived as a value addition for the customers, and for the banks. The Bancassurance channel offers cost advantage, strategic placements and immense potential, the author has opined.
Basavanthappa, C. and Rajanalkar Laxman (2009), in their article on “Performance of Life Insurance Companies: A Comparative Study”, show that the private insurance companies have made their presence felt and have, over the years, achieved remarkable progress. There is a big opportunity for these companies in the Indian Life Insurance Sector. The companies have to bring out innovative products to suit the different requirements of the public. A healthy competition in the sector would be beneficial to both the players and the public.

Gursharan Singh, P. (2009), in his PhD thesis, probes why the LIC is not going ahead and propose that the basic reason is that their products as well as technology are not upgraded and that there is need to improve the processes and popularise the scheme. With the entry of private insurers in the industry, many new channels of distribution have become available. However, the LIC has not used them to the desired level. So, the author recommends that such channels be used aggressively by the LIC to meet the rising level of competition. He also highlights that advertisements play an important role. Advertisement increases awareness about life insurance products among the masses.

Mrinalini Shah and Shweta Dixit (2009), in their article on “Distribution Channels for Incumbent Rural Insurance Industry Confidence”, conceptualize that the penetration of rural insurance in India requires a fresh approach to sell rural insurance products because of the limitations in insurance business. Since this activity revolves around agriculture, suitable insurance cover of the needs of the targeted rural customers has to be addressed.

Murthy, T.N. et.al. (2009), in their article on “Performance Evaluation of LIC: Ways of Winning Confidence”, conclude that several changes have
taken place since opening up of the insurance sector. After liberalization, insurance industry’s outlook has changed significantly. The number of private players and their innovative products have also been made attractive for every social segment. The healthier competition has intensified insurance density and penetration levels in order to fulfil customer needs.

Prasada Rao, S.S. Satya Sekhar, G.V. and Avnav Prasad (2009), in their article, “Innovate Or Evaporate- Emerging Trends In The Indian Insurance Industry”, illustrate the influence of marketing strategies like “Mid-Office” Automation P&C Systems, Back Office Integration Partner Relationship Management, Customer Relationship Management, Branding and Bancassurance in accelerating the growth of market share, awareness on insurance products, and marketing policies. Effective marketing strategies in tune with the requisites of the environment will be the sole solution for meeting customer needs.

Praveen Sahu, Gaurav Jaiswal and Vijay Kumar Pandey (2009), in their article “A Study of Buying Behaviour of Consumers towards Life Insurance Policies”, focus on consumer’s perception on investment towards Life Insurance Services. It evaluates the factors underlying consumer perceptions towards investment in life insurance policies, and compares the differences in the perceptions of male and female consumers. The major factors identified as playing a great role in developing consumer’s perceptions, towards Life Insurance Policies are Consumer Loyalty, Service Quality, Ease of Procedures, Satisfaction Level, Company Image, and Company-Client Relationship.

potential and emerging challenges for the Indian Life Insurance industry and also covers the global life insurance industry, regulatory regime, and market-friendly practices abroad; as such, it provides a powerful insight into the emerging trends in the Life Insurance industry as a whole.

Sathish, S.V. (2009), in his article entitled “Life Insurance Marketing – A Phenomenon”, contends that insurance marketing requires intriguing creativeness of the insurers, implying updating knowledge on the markets with global perspective, which calls for availability of enough right data or information at the hands of the operating offices.

Singh, Kuldip (2009), examines many products on the basis of common basic constituent elements. According to the author, LIC products are weak as compared to those of private insurers; so he suggests that the Corporation must design stable products strategies with durable elements like private players, which can fulfil the needs of various customers and further build their image and retain their goodwill. He adds that private insurers are advised to improve their age-wise strategies as a whole-life plan to compete with the LIC.

Subodh Gupta (2009), in his paper, “Agency Business Model of Insurance Companies Competitive Strategies”, examines the different marketing strategies adopted by insurance players and the factors that influence the market and demand for insurance products. The study exposes effective marketing strategies for successful existence in the competitive era.

Varaprasad, V. and Murali Krishna, B. (2009), in their article, “Insurance sector: Strategies for Intermediation and Marketing” in Smart Journal of Business Management Studies reveal that the suggestions brought forward by this study are mixed. The contribution of the insurance sector to
economic development hardly affects financial intermediation. They conclude that in order to make the insurance sector a significant component of the financial intermediation process, complete deregulation and increase in the face of reforms are essential at the same time, by adopting proper segmentation to capture a significant share in the market for the overall benefit of the organizations.

Ahuja Alka Harneja Nee Alka (2010) in the thesis titled, “Personal Insurance Decision-making Process in India”, emphasizes that as an economy is developing, the mindset and emotions of the people are also changing at a rapid pace and the decision to buy an insurance product is mainly affected by the advice of the family members, neighbours, and agents and also by a desire to save income-tax. Risk coverage and company’s brand name are commonly considered the most important factors of the advice.

Anand Pejawar (2010), in his article, “Pro-active Customer Service – Key to Success in Life Insurance”, opines that there is an increasing emphasis on prompt customer service and adds that companies have to be imaginative in finding new ways of rendering it. The pre-sale service, though of a different nature, is equally important as the post-sale service is unlike other service industry. In the case of life insurance, the post-sale service is quite unique and attains more importance due to its long nature/tenure of the product as it has to run throughout the tenure of the policy. This can range anywhere between 3-5 years to 40-50 years.

Ashvin Parekh (2010), in his article, “Importance of Training in Insurance – Value creator and Enabler of Performance”, stresses the need to train in human resources in order that corporate goals are achieved. He opines that insurance is a difficult product to sell, owing to the financial complexity,
low financial literacy and lack of awareness among the consumers of the need for such a product. Hence, training modules must be in tune with the organization’s vision, mission and strategic objectives.

**Bishnoi Mahender** (2010), in his thesis, “CRM Strategies in Indian Life Insurance Industry – A Comparative Study of Public and Private Sector”, expresses that the prompt settlement of a genuine claim is an important function of the insurance industry and also a foundation for the CRM Strategies. Further, the CRM strategies are proved to help the company to address the important concerns of the customers and also to build their patronage continuously. The potential competition in the industry has pushed the way of accepting CRM strategies.

**Dutta Subit** (2010), in his thesis, “Marketing Strategy of Life Insurance Corporation of India in the context of Liberalisation of Insurance Sector (A Study with Special reference to Silchar Division)”, makes a study of the insurance marketing strategies of the public sector giant after liberalisation in Silchar Division and finds that customer awareness on insurance products has improved and also the efficiency of marketing of these products by the Corporation is also augmented due to increased competition from private insurance players.

**Garg, M.C and Anju Verma** (2010), in their article, “An Empirical Analysis of Marketing Mix in the Life Insurance Industry in India”, discuss the problems of marketing mix in the life insurance industry in India. After a thorough analysis through various statistical tools, they comment that the insurance firms should focus on the concept of Marketing Mix and implement the concept. They should quantify the level of expenditure for their mix ingredients, study elasticity of the mix ingredients, carry out careful analysis in
order to identify the most effective and economic mix, analyze their competitors’ mix while implementing Marketing Mix, review the whole mix in detail so that each segment gets its own assemblage of mix components, and review their Marketing Mix on a regular basis.

Nagaraja Rao, K. (2010), in his article “Challenges in Designing Need Based Products in Life Insurance for Inclusive Growth in India”, analyses the challenges faced by the insurers in designing need-based products in insurance for inclusive growth, and concludes that the policies of life insurance companies are still not rural-centric, catering to the specific needs of the people. With a view to popularizing life insurance, he recommends that the consumers need to study the rural market, analyse the specific needs of each segment and design innovative products, to suit the requests of the people to the objective of inclusive growth.

Shashidharan Kutty (2010), in his article “Indian Life Insurance – The Millennial Decade”, elaborates the qualitative development in the Life Insurance Industry during the last decade, both in the global and in the Indian context. In his empirical analysis, he finds that the dominant paradigm in sales has been to build the sales infrastructure. Somehow, the growth would automatically materialize and the selling competence will also be enhanced. But, life insurance, as an industry, is mostly built on trust, protection, preservation and long-term opportunity.

Arulsuresh, J. and Rajamohan, S. (2011), in their research paper, conclude that the LIC of India is a service- oriented industry. It is purely dependent on the development officers. The LIC of India provides physical facilities and better services to the development officers, like good percentage of commission, job enrichment, performance appraisal, good reward, and so
According to the survey made, a few development officers are not updated in their knowledge of the benefits of many newly introduced policies. It is also revealed that the important duty of a development officer is to locate markets for life insurance business in the area in which he operates. It is also seen that the development officer works through the agency organization, to achieve the objectives of the LIC of India.

Nagaraja Rao (2011), in his PhD thesis, outlines various practical measures to enhance the volume of life insurance business in the rural area. The objectives of the thesis are to study the expectations of the rural customers, to study the levels of insurance awareness, to unearth the reasons for low insurance coverage in rural areas, to bring out the effects of advertisement and other promotional activities, to identify the factors that influence purchase decisions, to estimate the dimensions of customer satisfaction, to identify the deficiencies in the current marketing techniques and to offer suggestions with the objective of mass rural coverage.

Upadhyaya and Badlani (2011), in their research, attempt to identify the key success factors in the life insurance industry, in terms of customer satisfaction so as to survive intense competition and to increase the market share. The objectives of the study are to identify the factors of customer satisfaction in retail life Insurance in India and to study the importance of technology in fulfilling Customer Satisfaction. Data was collected from 206 insurance customers of the ten public and private sector life insurance companies from the major cities of Rajasthan and Maharashtra state in India. The study concludes that despite high satisfaction levels, there remains a lot to be done by the management of the retail life Insurance companies to maximise their customer satisfaction and improve the quality of service. The satisfaction
of the customer with the services of the Life Insurance Companies was found to be linked with the performance of the service.

**Raja Babu, P.** (2012), in his thesis, “Insurance sector reforms in India”, attempts to provide a comprehensive evaluation of the life insurance sector in India. The study is mainly based on secondary data collected from the records and reports of the IRDA, the LIC, the Life Insurance Council and all 22 private sector insurance companies that cover a period of ten years from 2000 to 2010.

**Vijay Kumar** (2012), in his PhD thesis, “A Contemporary Study of Factors Influencing Urban and Rural Consumers for Buying Different Life Insurance Policies in Haryana”, makes an in-depth study of the factors influencing buyer behaviour for buying life insurance policies in Haryana. The survey was conducted in Haryana on 1000 policyholders. The study outlines that the insurance agent was the most influential factor for selecting the life insurance policy among rural and urban policyholders. The other crucial determinants of buying behaviour were also identified such as income, economic status, product attributes, agent attributes, and price. The result indicates that there was a significant difference in the buying behaviours of rural and urban policyholders.

This review makes it clear that many studies have been undertaken on the marketing strategies of the LIC in multiple dimensions emphasising service marketing mix, implications of liberalisation, evaluation of customer satisfaction on products and services, appraisal of functioning and performance of the LIC, formulation and implementation of strategies, marketing problems in life insurance, customer preferences in life insurance products and services, factors influencing selection of life insurance product, etc. There is no study integrating
the marketing mix strategies with the resources, activities and programmes of
the LIC covering all major issues related to marketing strategies as measuring
level of awareness on life insurance products, evaluation of customer
preference of life insurance products with other financial products, examining
the factors influencing the selection of life insurance product and organisation,
in-depth examination of the seven vital elements of service marketing mix in
terms of customer satisfaction, measuring the satisfaction of policyholders
with services of agents, and their knowledge of products, customer needs and
the organisation, impact of brand factors on customer satisfaction, marketing
problems in life insurance, cross evaluation of the performance of the LIC
with its marketing mix strategies and resources, activities and programmes
and issues of great concern in the marketing of life insurance as a method of
handling objection, methods of canvassing prospective investors, etc. A
comprehensive evaluation of these multidimensional issues will provide a
success mantra to the organisation to survive and grow in the competitive
environment, with strategic advantage.
Chapter 2

References


Review of Literature


Chapter 2


Chapter 2


