



A Study on Consumer Behavior of Sbi Life Insurance with Special Reference to Tiruchirapalli City

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KEYWORDS :

INTRODUCTION

Insurance may be described as a social device to reduce or eliminate risks to loss of life and property. Insurance is defined as a cooperative device to spread the loss caused by a particular risk over a number of persons who are exposed to it and who agree to ensure themselves against that risk. The risk cannot be averted but loss occurring due to certain risk can be distributed amongst the agreed persons. They share the loss by payment of premium, which is calculated on the probability of loss. Insurance is a system of protection against financial loss in which risk is shifted to a professional risk bearer (an insurance company), in exchange for a certain sum of money (the insurance premium). The insurer agrees to pay the insured if loss occurs.

Insurance is not a commodity. It is a promise to perform in future in return for a present monetary consideration. Such a promise is made in an environment when the customer is absolutely not sure whether the promise will be fulfilled if and when the need arises. But then, if and when the need comes, it is already late for him to evaluate the customer service standards in the insurer. Yet another unique feature of the industry is the peculiar rules of the game such as (utmost good faith), indemnity etc, which underwriters are more aware of than the customers. Insurance being an intangible product, the 'technical quality of the service' depends upon its reliability.

STATEMENT OF THE PROBLEM

Insurance is one of the major segments of financial market. The insurance business is unique in the sense that it is rewarded for managing the risk of other parties. In India insurance sector is not only playing a role within the financial system but also has a significant socio-economic function of providing risk cover to the poor population. With the opening up of Indian insurance market, competition has become intense. Every company is trying to woo customers to have large chunk of the market share but barring a few companies most of the new insurance companies are struggling to survive in the market. This Study will help us to understand the consumer's perception and behavior about SBI life insurance policies. This study will help the companies to understand, How a consumer selects, organizes and interprets the Quality of service and product by life insurance companies.

SCOPE OF THE STUDY

This study is limited to the consumers within the limit of Tiruchirapalli city. The study will be able to reveal the preferences, needs, perception of the customers regarding the life insurance products, It also help the insurance companies to know whether the existing products are really satisfying the customers needs.

NEED FOR THE STUDY

The deeper the company's understanding of consumer's needs and Buying behaviour, the earlier the product is introduced ahead of competition, the greater the expected contribution margin. Hence the study is very important. Consumer markets and consumer buying behavior can be understood before sound product and marketing plans are developed. This study will help companies to customize the service and product, according to the consumer's need. This study will also help the companies to understand the experience and expectations of the existing customers.

REVIEW OF LITERATURE

Outreville (2012) studies the international diversification of successful insurance companies. The results of this study have important implications. First, the results indicate that location-specific advantages such as size, education, regulatory barriers, competitiveness, and cultural distance do provide an explication of the internationalisation of insurance firms in some locations. Second, they show that good governance has a strong impact on the choice of countries by insurance firms.

Ma and Pope (2013) investigate the relationship shared by foreign market characteristics and the participation of international life insurers in those markets. The analysis reveals that the characteristics that are found to be statistically significant with respect to international participation include high levels of trade liberalisation and/or low insurer market share concentration, high levels of national wealth, and high levels of government expenditure on social security retirement benefits.

Ayaliew (2013) examine the determinants of life insurance for a time series data for the period 1991-2000. There is a casual relationship between life insurance sector development and economic growth in the developing country. This study showed that life insurance is determined by per capita income, life expectancy, real interest rate and inflation.

Oke et al (2014) examined the determinants of life insurance consumption in Nigeria during the period 1970- 2005 within an error correction framework. Co-integration technique revealed that real gross domestic product and structural adjustment facility positively and significantly influence life insurance consumption in Nigeria while indigenization policy and domestic interest rate are statistically significant but inversely related to life insurance consumption. On the other hand return on investment, inflation rate, openness of the economy, political instability are insignificant predictors of life insurance consumption in Nigeria

OBJECTIVES OF THE STUDY

- To have an insight into the behaviors of customers of SBI insurance
- To analyses the various factors influencing to consumer behavior of SBI insurance policies holders.
- To give suitable suggestions for improving business volume of SBI insurance

RESEARCH DESIGN:

A research design is a basic plan which guides the researcher in the collection and analysis of data required for practicing the research. In the research design is the conceptual structure which the research is conducted. It constitutes the 'Blue Print' for the collection, measurement and analysis of the data. The study is carried out to understand the Consumer behaviour about SBI life insurance policies in Tiruchirapalli City .For this study the researcher used exploratory research design. This research covers 50 consumers in Tiruchirapalli city, belonging to various age groups.

SAMPLE DESIGN:

The process of drawing a sample from a large population is called

sampling. Population refers to the total of items about which information is defined. Well selected samples may reflect fairly and accurately the characteristics of the population.

Sampling Unit:

The sample unit of this survey was the customers having SBI life insurance policies in Tiruchirapalli City,Tamilnadu.

Sample Size:

The sample size was 50 customers of different life insurance companies, from various parts of the Tiruchirapalli City

Sampling Technique Adopted: Convenient sampling

ANALYSES AND INTERPRETATIONS

Classification of Respondents based On reason for Buying SBI Life Insurance

S.NO	FACTORS	NO. OF RESPONDENTS	RANK
1.	RETURN ON INVESTMENT	30	1
2.	COMPANY REPUTATION	25	2
3.	PREMIUM OUTFLOW	22	3
4.	SERVICE QUALITY	19	4
5.	PRODUCT QUALITY	17	5

Source: Primary Data

From this table it could be infer that consumers give more importance for Return on investment, secondly they prefer company reputation, and then premium outflow followed by service quality and product quality.

Factors which Influenced to Buy SBI Life Insurance Policy

SL.NO	FACTORS	NO. OF RESPONDENTS	RANK
1.	PERSONAL INTEREST	28	1
2.	FAMILY	16	2
3.	FRIENDS	8	3
4.	AGENTS	6	4
5.	ADVERTISEMENT	3	5
6.	OTHERS	1	6

This table is helpful in knowing which media is best suitable for promoting SBI life insurance product. It can be seen that personal interest influences a consumers to buy a life insurance product, followed by family, friends , agents and advertisements.

Ratings of the Services offered by the Respondent’s SBI life Insurance Company

RATINGS	NUMBER OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
EXCELLENT	7	14 %
VERY GOOD	12	24 %
GOOD	20	40%
AVERAGE	11	22 %
POOR	0	0%
TOTAL	50	100 %

Source: Primary Data

From this table it could be inferred that 40% of the consumers have rated service offered as good, 24% of them have rated them as very good, 22% of them have rated as average and 14% of them have rated as excellent.

Consumers Willingness to communicate the Service of-

ferred by their SBI life Insurance Company

RESPONSES	NUMBER OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
YES	39	78 %
NO	11	22 %
TOTAL	50	100%

SOURCE: Survey Data

From this table it can be noted that the majority of consumers (78%) would like to communicate the service offered by life insurance companies and 22% of consumers would not like to communicate the service offered.

FINDINGS

- The majority of respondents belong to the age group of 19 to 28 years with 56% followed by age group of 29 to 38 years with 18%.
- The male consumers capture the Market share with 74%, followed by the female consumers with 26%.
- The majority of the consumers of life insurance policies are private employees with 48% and Government employees with 40%
- The dominant income group having life insurance group belong to the group of 5001 to 10,000 followed by 10,001 to 15,000.
- Majority of consumers are satisfied with the service and quality of products of their life insurance companies.
- Majority of consumers (78%) would like to communicate the service offered by SBI life insurance companies.

SUGGESTIONS

- Improve the quality of agents: Dissatisfaction with agents is not a positive sign for companies because he is the vital link between customer and company.
- In the competitive market where product offerings are more or less same, the companies can excel only if they provide better services through well trained agents.
- Marketing Strategy: Due to the intense competition in the life insurance market, the SBI life insurance company has to adopt better strategies to attract more customers.
- Know their customers: SBI Life Insurance Company should ask for their consumer feedback to know whether the consumers are really satisfied or dissatisfied with the service and product of the companies.
- If they are dissatisfied, then the reasons for dissatisfaction should be found out and should be corrected in future.

CONCLUSION

In earlier days, customers could only buy limited prepackaged products pushed by agents chasing quick sales. Life insurance has today become a mainstay of any market economy since it offers plenty of scope for garnering large sums of money for long periods of time. In present customers have access to more and better products that suit their specific needs and a new breed of insurance advisors has taken birth. These agent advisors build enduring relationships with their clients and help them better understand the value of life insurance and sell customized solutions in a needs-based manner. This higher quality of sales interaction has been among the key benefits of privatization. A well regulated life insurance industry which moves with the times by offering its customers tailor-made products to satisfy their financial needs is, therefore, essential if we desire to progress towards a worry-free future. That’s why now is the time to discover the powerful advantages of Customer Relationship Management for the insurance industry. This comprehensive, fully integrated solution provides everything to build a cutting-edge, customer-centric, and highly profitable organization.

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