



A Study on Consumer Behavior Towards Life Insurance Products With Reference To Idbi Fortis Company Limited, Dindigul District

KEYWORDS

Customer Behaviour, Financial Services Industry, Strategies, Service Quality.

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ABSTRACT *Understanding customer is central to effective marketing, and yet our understanding of how customers buy financial services is rather limited. The ever increasing pressure for better competitiveness in the insurance industry calls for models, methods and tools that can improve the analysis and understanding of insurance consumer behaviour. This paper explain the behaviors of customer for purchasing service and attempts to explore the effect of customers' behaviour in financial services especially in Life Insurance Industry. It identifies elements of customer satisfaction and its behaviors, which are to be very important for survival of business using case studies in Life Insurance Industry. Customer satisfaction and to understand their needs is an important element of competitive quality. The purpose of this study is to explore Consumer behaviour and satisfaction from life insurance products depends upon various attributes like search, experience and credence factors. Firms strive to identify customer requirements and develop strategies that allow them to meet or beat the service level provided by their competitors. This exploratory research is an attempt to study the customer behaviour and services rendered with reference to IDBI Fortis Life Insurance Industry. The results derived from data analysis reveal significant results with respect to Consumer behaviour. The study has wide implications for industry in particular.*

INTRODUCTION

The study of any subject is made easier by examining it in an organized fashion. Therefore, we should determine the general classes of variables influencing consumer's behavior, understand the nature of these variables, and learn how to make inferences based on this knowledge. In reading what follows, it may be useful to the reader to keep in mind.

Three classes of variables are involved in understanding consumer behavior stimulus, response, and intervening variables. Stimulus variables, such as advertisements, products, and hunger pangs, exist in both the individual's external and internal environment. These generate the sensory inputs to consumers. Response variables are the resulting mental and physical reactions of individuals who are influenced by stimulus variables.

Stimulus variables such as the accompanying advertisement for Dinty Moore stew often do not influence responses directly. Instead, they influence a third class of variables called "intervening variables" because these variables literally intervene between the stimulus and response variables. That is, they act to influence the effect of stimulus variables on response variables.

Many of the variables affecting consumers (such as personality, learning, etc) cannot be directly observed. Those who want to learn about the variables affecting consumers must often make inferences to determine the extent to which a given variable is having an influence. If we observe the effects of the variables at two different points in time we might draw different inferences about its characteristics. We must be ready to accept this ambiguity because of the difficulty of studying unobservable behavior.

The insurance industry is faced with increasing internationalization and globalization, and with increased competition. Phenomena such as ageing populations or the increasing opportunities in certain markets further complicate insurance

entrepreneurship. This makes that insurance companies face major challenges. To face such challenges they have to continuously innovate, the creation of new products and services and the improvement of their competitiveness

This clearly states that insurance companies need to understand the relations of their customers to insurance services. Obtaining this knowledge requires detailed and thorough analysis of data and information about consumer awareness, attitude, expectations, etc.

CONCEPTUALISING INSURANCE CONSUMER BEHAVIOUR

The concept of insurance consumer behaviour is an integrated derivative of the concept of insurance and consumer behaviour. When evaluating insurance consumer behaviour one should get the gist of its constitutional concepts. The essence of insurance is defined as the obligation of exchanging the consumer's risk with the financial and psychological safety provided as an insurance service by the insurer. The concept of insurance is manifold and of interdisciplinary nature. It can be analyzed from the point of view of different scientific areas including, law, economics, history, etc. Here, we briefly go through some of these before elaborating on the concept of insurance consumer behaviour and a possible underlying model. Solomon, Bamossy, Askegaard and Hogg point out that consumer behaviour reflects consumer efforts to satisfy their needs. The notion that consumer behaviour is a process of consumer decision making is similarly supported by Loudon and Della Bitta. Consumer behaviour is a path in which consumer decisions get formed. It is a process composed of stages requiring the optimal combination of resources that are available to the consumer in a certain situation. A possible definition of insurance service consumer behaviour, the formulation of the object studied in this work, can thus be provided: insurance consumer behaviour is the mental considerations and physical actions of the insured which are directed so as to satisfy the needs for insurance service consumption and to solve problems related with the search, evaluation, choice, purchase, etc.

Insurance consumer behaviour is based on one's endeavor or refusal to consume insurance services. This behaviour is reflected by the whole of the insured's considerations, decisions and actions that are related with the satisfaction of needs for insurance services. Insurance consumer behaviour can be embedded as a continuous sequence of elements of the decision process when satisfying one's insurance needs.

OBJECTIVES

OBJECTIVE

To Study the Consumer Behavior on the products offered by IDBI Fortis Life Insurance Company limited.

SECONDARY OBJECTIVE

To know about the Services provided by IDBI Fortis.

To find the effective policies to create consumer behavior about the products of IDBI Fortis Life Insurance.

SCOPE OF THE STUDY

The study aims to find out awareness level and effectiveness of services provided to the consumers by IDBI Fortis life insurance. This was done by preparing a questionnaire, which questions the respondents on their awareness and usage on various services and facilities provided to them by various insurance providers.

LIMITATIONS OF THE STUDY

Any research has its own limitation. The limitation is due to time and source of information and knowledge. The limitation which I had undergone during this study, were:

It is not sure that the sample which were selected for collecting data may represent the whole population

No scientific method was used in choosing the samples for the study

The time specified for the duration for the study was very limited

The data collected from the respondents may not be true or correct. But these data was taken for the analysis. So it may affect the accuracy of the result of this study

REVIEW OF LITERATURE

CONSUMER BEHAVIOR:

"The decision process and physical activity individuals engage in when evaluating acquiring, using, or disposing of goods and services"

An Application of the Theory of Reasoned Action to Consumers' Attitudes and Purchase Intention:

This study done by Omar, Ogenyi Ejeje, and Owusu-Frimpong, addresses that relatively low penetration of the life insurance sector indicates that there is still a considerable unexploited potential. Many Nigerians do not take up life cover for reasons like conflict with cultural belief, negative word-of-mouth, fraudulent practices of life insurance brokers, lack of purchasing power, lack of interest in insurance, lack of knowledge of life insurance cover.

On the other hand, the weakness of the Nigerian welfare system, increasing awareness and consciousness of Nigerians about life insurance, and increase in disposable income are likely to signal the expected future purchases. However, life insurance companies' bad reputation, and the socio-cultural characteristics of Nigerian society, such

as being fatalistic and relying on family for help in emergencies, are the reasons for negative attitude towards life insurance.

A Study on Consumer Preference and Comparative Analysis of All Life Insurance Companies:

This study was done by Devasenathipathi, Saleendran and Shanmugasundaram. This paper addresses consumer preference as the insurance industry in India has seen an array of changes in the past decade. Major structural changes took place with the ending of the government monopoly and the route of the **Insurance Regulatory and Development Authority (IRDA)** Bill lifting all entry restrictions for private players and foreign players. With the fast changing policies, the changing and growing needs and demands of people have made the insurance industry more competitive. Players now offer greater choice in terms of products and services. They also make valuable efforts to create awareness about the benefits and significance of insurance among the people.

A Study of Consumer Behavior towards Life Insurance in Kolhapur City

This study was done by Thakkar and Deep K. Life insurance is a protection against unforeseen death of an individual. His/her family is financially protected against such risk. Insurance companies offer wide range of insurance products. So, consumers are confused as to which policy and company has to be purchased. So marketers are interested to know the buying behavior of life insurance consumers in order to form their marketing strategies.

RESEARCH METHODOLOGY:

The methodology of this research is based on the following marketing research process. The type of research here carried here is exploratory research. It helps the researchers to develop concept more clearly, establish priorities, develop operational definitions and improve the final research design. It also saves time & money. The required data for the study was collected both from the primary and secondary sources. The primary data was collected from the interview schedule. The secondary data was collected from various sources like books, magazines, journals and websites. The primary data was collected through the interview schedule which was carefully designed and tested to analyze the degree of consumer behavior towards the life insurance. Sampling technique used here is non probability convenience sampling method, which is purposive or deliberate reflection of a particular unit of the universe for constituting a sample. The sample size of this study is 40 respondents conducted among the customers of IDBI. The data thus collected are then plotted in the master table and then they are edited, coded, and tabulated. Statistical tools such as percentage analysis, graph measures are used for analysis.

DATA ANALYSIS AND INTERPRETATION

CHART NO: 1

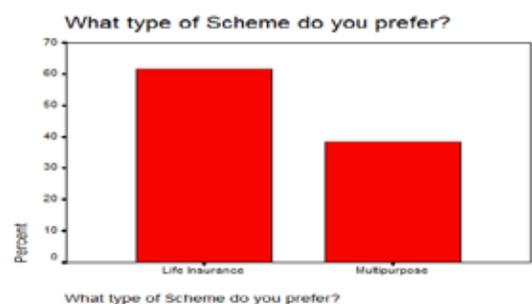


CHART NO: 2



CHART NO: 3

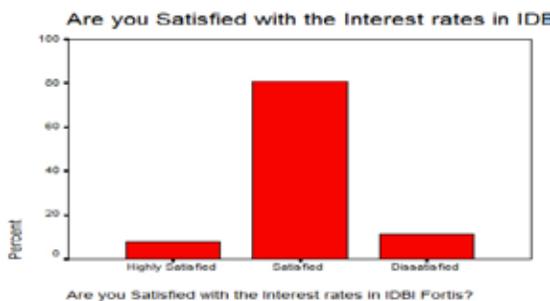


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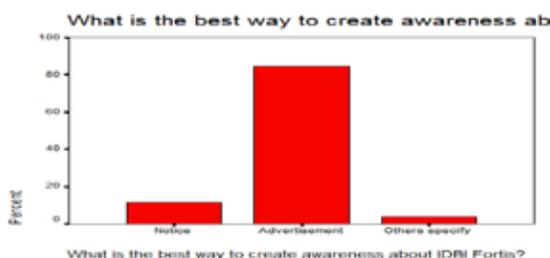
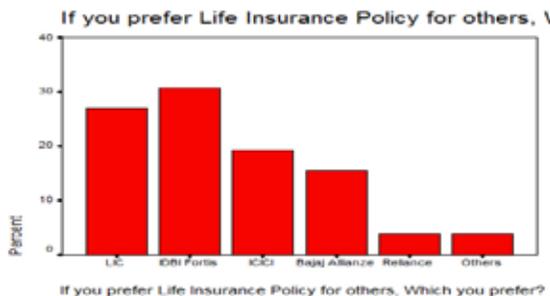


CHART NO: 5



FINDINGS:

This study shows 46.2% of respondents knew IDBI Fortis through Advertisement.

This study shows 30.8% of respondents knew IDBI Fortis through Friends. 65.4% of respondents told that they can pay only a premium of not more than 10000 per year.

This study shows 50% of respondents can pay the premium on Quarterly basis. 80.8% of the respondents are satisfied with the interest rates of IDBI Fortis.

This study shows 84.6% of respondents are satisfied with the service provided by the IDBI Fortis. 15.4% of the re-

spondents have chosen the premium term more than 15 years.

This study shows 80.8% of respondents are much satisfied with the information provided by the Executives. 50% of the respondents told that the reason for the dissatisfaction were the executives don't provide sufficient data. 84.6% of respondents told that the organization has to create awareness through Advertisement. 30.8% of the respondents referred IDBI Fortis Life Insurance Policy to Others.

SUGGESTIONS:

It is found out from the research that, only about 65% of the respondents are aware about IDBI Fortis Life Insurance. Though, 65% of the respondents are aware about IDBI Fortis Life Insurance, it is not a reasonable consumer behavior for a life insurance company. So the organization can go for intense consumer behavior programs to acquire consumers and gain stability in the market.

As most of the consumers are aware about IDBI Fortis life insurance through advertisements, the company can go for repeated and more attractive advertisements to create awareness.

Most of the consumers opinioned that incomplete knowledge for the advisors about the product is a main drawback. It shows that the insurance agents/advisors are not well trained. In spite of strict regulations by the IRDA, they still lack knowledge in the product. Thus, there is a need for effective training programs.

The sales person who comes to promote their product needs more knowledge to sell their product. The sales person should go for proper training to avoid bad comments from the consumer.

CONCLUSION:

To conclude, the consumers are satisfied with the service provided by the IDBI Fortis, still they have to improve the service facility. IDBI Fortis Consumers give first preference to Wealthsurance.

The project is an eye opener towards the practical side of the business scenario. The first hand experiences of the corporate atmosphere and the cultural practice gave an insight in to the true professional attitude. It was a good experience for me to get real knowledge and experience in corporate level.

This study will be useful to the management for knowing their pitfalls and act accordingly. The suggestion given by the researcher to develop the effectiveness of agents will help the organization to attract more clients. This study benefited my career by providing real facts existing in an organization. It helped to understand various expectations of the clients and the organization.

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