



Product Mix of Products of LIC of India- An Analysis

KEYWORDS

Product, Product mix, LIC of India.

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ABSTRACT *The plans of LIC of India are known as the products of LIC of India. A large number of products are there, all products taken together are known as the product mix. A study has been undertaken to understand the basic terms used in product mix. And the study concludes that the products of LIC are plenty in number and with each addition or with each deletion of a product line the product mix will change. With addition or withdrawal of a product from a product line the depth of product line increases or decreases.*

Introduction:

The products of LIC of India are many they keep on changing in number by the addition of a product or by withdrawal of a product by LIC of India. Thus with each change there is a change in the Product Mix.

Review of Literature:

Appraisal of Marketing Strategies of LIC of India was studied by Mishra. M.N.1 The author observes that before 1980 LIC did not give much attention to the objectives of customer satisfaction but from 1980 onwards several remedial measures were taken by LIC to provide better customer satisfaction and service.

The Marketing Challenges was studied by A.K.Shukla2, he observes that the insurance companies need to have a structured system in place of gathering and monitoring information on the customers. He observed that the major challenge is the setting of correct standards of products and services that should be based on requirement of customer and their expectation, these standards currently are based on the internal company goals for productivity, efficiency cost and technical quality, but the same cannot reach market orientation.

Meaning of the term product: The insurance plans are known as the products of insurance. Although the term products is not technically correct expression to describe the various plans of insurance offered by insurance companies as the plans are intangible and do not fit into the traditional marketing definition of the term marketing. Technicalities apart, the term 'product' used for insurance plans has come to stay to facilitate marketing and advertising.

Product Mix

The complete range of products present within a company is known as the product mix. Numerous products are present in any multi brand organization. No organization in today's competitive world can take the risk of being present in the market with a single product. If the company has only a single product then either the demand for the product is too great or the company does not have the resources to expand.

Today all the top companies have multiple products. The companies need to have a wide product portfolio to sustain in the market and to have a sustainable business model. The combination of products that the companies have in their product portfolio is known as the product mix. The various concepts and words used above are explained below:

a) Product Mix:

Product mix is the combination of total product lines within a company. Taking a very common example a company like Hindustan Uniliver has numerous product lines like shampoos, detergents soaps etc. Likewise product mix with respect to LIC of India will be the product lines within the company like the endowment, whole life, term assurance, pension plan, annuity etc. The combination of all these product lines is the product mix.

b) Product Line:

A subset of the product mix is known as the product line. The product line generally refers to a type of product within an organization. Thus the number of different types of products is equal to the number of product lines. If we take a very general example of Nestle Company there are a number of product lines for example milk based product Milkmaid, food products like Maggi and chocolates like Kitkat and such other product lines. The Nestle's product mix is a combination of all the product lines within the company. Likewise LIC of India has also many product lines for example whole life policy for the benefit of the nominee, term insurance where the nominee is benefited only on the death of the life assured during the term of the policy, endowment policy where the life assured is paid only if he survives the term of the policy. The other examples are annuities, pension plan etc.

c) Length of Product Mix:

If a company has 3 product lines and 9 products within each product line then the length of the product mix is 27. Thus the total number of product lines forms the length of the product mix. This equation is known as the product line length. For example if LIC has 5 product lines of endowment, annuity, term, whole life, pension plan and within each are 4 products each then we will say that the length of the product mix will be 20.

d) Width of the Product mix:-

The product line width is a depiction of the number of product lines which a company has. Considering the above example if there are 3 product lines within the company and 9 products within each product line then the width of the product mix will be 3 only. Continuing with the above example if LIC has 5 product lines and within each product line there are 4 products each then width of the product mix will be only 5 that is equal to the

e) Depth of Product Mix:

The depth of the product mix is the total number of products within a product line. Thus if a company has 3 product lines and 9 products in each product line then the product mix depth will be 9. As per above example the depth of product mix will be 4.

f) Product Line Consistency –

The lesser the variation between the products the more is the product line consistency. For example LIC of India has various product lines which are all life insurance related. So the product mix consistency is high. But when a company has many product lines which are completely independent of each other then the product mix consistency will be low.

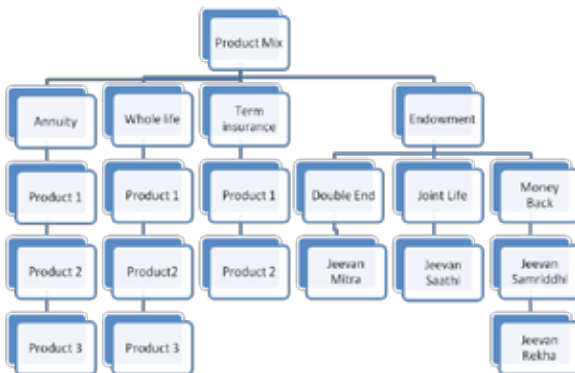


Chart -1 Graphical Presentation of model of Product mix

Product Mix = Product Lines = 4

Product lines – 4 Annuity, whole life, term insurance, endowment.

Product depth – For Annuity is 3. Product 1, 2, 3

A graphical presentation of the product mix for example has been presented. It is just for understanding and includes only bare minimum of the products of LIC of India.

Conclusion :

The product mix is the total of the product lines and it keeps on changing with the increase or decrease in the product lines of LIC of India, with each addition or withdrawal of a type of policy or product as it is popularly known as.

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