

“Association Between Demographic Factors And Overall Customer Satisfaction- a Study with Special Reference to Sbi Life Insurance Co. Ltd. in Navsari City”



Commerce

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ABSTRACT

In this research paper, the effort is made to find out the association between the demographic factors and overall customer satisfaction in Navasari city. 120 respondents of SBI Life insurance co. Ltd. have been considered by applying convenience sampling method. For this purpose, statistical tools such as Mean, Mann Whitney U test, and Kruskal-Wallis Test were used. From the analysis it has been concluded that there is a significant difference in the Mean Rank of overall customer satisfaction level and gender of respondents, age of respondents and income of respondents.

1. Introduction

Risk is found universal, risk cannot be eliminated together but it can be minimized together. Life is full of uncertainties. We face various risk in our day to day life i.e. there is a risk when man travels in a bus, train or an airplane, man walks on the road, when he is engaged in business, profession or trade and when property is destroyed by fire, flood, earthquake etc. The involvement of risk is unpreventable. Security has been a universal desire right from the earliest civilization. This quest for security has led to the concept of insurance. Insurance is a contract in which a sum of money is paid to the assured as consideration of insurer's incurring the risk of paying large sum upon a given contingency. In simple way we can say that insurance is a method by which we can spread over the risk among a large section of persons. Competition has been increased day by day. In today's business world, insurance companies must compete in order to remain profitable. Today, with the increasing recognition of the importance of customer retention and loyalty, companies now understand the importance of service. In today's competitive market customer satisfaction is a key element of business strategy. Demographic factors such as age, gender, education, occupation, marital status and income levels, play a major role in influencing the preference of policy holders.

2. About SBI Life Insurance Company Limited

SBI Life Insurance is a joint venture between State Bank of India and BNP Paribas Cardif .SBI owns 74% of the total capital and BNP Paribas Cardiff the remaining 26%. SBI Life Insurance has an authorized capital of Rs. 2,000 crores and a paid up capital of Rs 1,000 crores. Along with its 5 Associate banks, SBI group has the unrivalled strength of over 18000 branches across the country, arguably the largest in the world. BNP Paribas Cardif is the life and property & casualty insurance arm of BNP Paribas, one of the strongest banks in the world. BNP Paribas Group, having presence in more than 80 countries ranks highly in Retail Banking, Investment solutions and corporate & investment banking. BNP Paribas Cardif is one the world leaders in creditor insurance and its life and non-life insurance units have received an AA rating from Standard & Poor's.

3. Review of Literature

To examine the customer perception towards private insurance companies' policies with reference to Bangalore city **Sudarsana Reddy (2005)** has done research. He found that most of the respondents felt that the policies offered by the private companies were up to customers' expectations.

N.Namasivayam, S.Rajendran and R.Eswaran (2007) studied the influence of socio-economic factors on attitude of policy holders towards SBI's life insurance schemes. The study revealed that socio-economic factors such as age, gender, occupation, nature of family and income levels, play a major role in influencing the preference of policy holders whereas factors like educational

level, caste and marital status of the respondents showed that they do not influence the preference of policy holders.

*To measuring the awareness level of the customers towards Life insurance products and examine the preference of the policy holders, **Basavanthappa et al. (2009)** conducted this study. Their study revealed that majority of the respondents were aware of life insurance, only basic minimum knowledge and knowledge about various life insurance products were lacking. They have also found that most of the respondents have bought life insurance policies for tax savings.*

The purpose of **N.Kathirvel et al. (2013)** to ascertain the socio-economic profile of sample respondents and identify the determinants of satisfaction of policyholders in private life insurance companies. Their study revealed that: 1. Middle aged people were more interested for taking life insurance than youngsters. 2. Illiterate and married people were more interested for taking life insurance policies compare to literate and unmarried people. 3. The daily wages earners have high level of satisfaction compare to salaried people so there was no significant relationship between occupation and level of satisfaction 4. There was a significant relationship between number of policies and satisfaction as who holds two policies have high level of satisfaction and policyholder who holds one policy has low level of satisfaction.

4. Objective

The main objective of the study was to examine the relationships between demographic factors and level of overall customer satisfaction with special reference to Navasari city.

5. Hypothesis of the study

H₀: There is no significance association between demographic factors and level of overall customer satisfaction.

H₁: There is a significance association between Socio-economic factors and level of overall customer satisfaction.

6. Research Methodology

The main purpose of this research is to examine the relationships between Socio-economic factors and level of overall customer satisfaction with special reference to Navasari city. The research conducted shall be of Descriptive and Analytical in nature. A sample of 120 respondents has been taken from Navasari City by using convenience sampling method. In this study, target population (respondents) was life insurance policy holders of SBI life insurance co. ltd. from Navasari city. All the data were collected between the periods of August to November 2015. Statistical tools such as Mann Whitney U test, and Kruskal-Wallis Test were used for data analysis.

7. Data Analysis and Interpretation

7.1 Demographic Characteristics

The demographics of the sample have been used gain a better understanding of the sample under investigation. The descriptive statistics has been used in this study reflect the demographic characteristics of the studied sample. The results are presented below and summarized in Table 1.1

Demographic variable	Particular	Frequency	Percent
Gender	Male	82	68.3
	Female	38	31.7
	Total	120	100.0
Marital Status	Unmarried	14	11.7
	Married	106	88.3
	Total	120	100.0
Age	<25	22	18.3
	25 to 35	50	41.7
	35 to 45	38	31.7
	45+	10	8.3
	Total	120	100.0
Education	Below Graduate	16	13.3
	Graduate	62	51.7
	Post Graduate/Under P. G.	30	25.0
	Others	12	10.0
	Total	120	100.0
Occupation	Employee	86	71.7
	Businessman	22	18.3
	Professional	12	10.0
	Total	120	100.0
Income	<100000	19	15.8
	100000 to200000	24	20.0
	200000 to 300000	47	39.2
	300000 to 400000	19	15.8
	> 400000	11	9.2
	Total	120	100.0

Respondents' gender as displayed in table no. 1.1. Illustrate that males (68.3%) are more than the females (31.7%). Majority of the respondents are married (88.3%). Most of the respondents are in the age group of 25 to 30 (41.70%). Majority (51.7%) of the respondents are graduate followed by post graduate/Under post graduate (25.00%), below graduate (13.3%), others (10.00%). As regards the occupation, most of the respondents (71.7%) are service holders and 18.3% of the respondent's Customers are businessman. Table-1 also illustrate that as high as 39.2% Of the customers fall in the yearly income range of Rs 200000 to Rs 300000 and as low as 9.20% of the customers fall in the income range of above Rs400000.

7.2 Association between Demographic Variables and overall customer Satisfaction

7.2.1 Research Hypothesis:

- **H₀₁**: There is no significant difference in the Mean Rank of overall customer satisfaction level and gender of respondents.
- **H₀₂**: There is no significant difference in the mean rank of overall customer satisfaction level and marital status of respondents.
- **H₀₃**: There is no significant difference in the mean rank of overall customer satisfaction level and Age of respondents.
- **H₀₄**: There is no significant difference in the mean rank of overall customer satisfaction level and Education of respondents.
- **H₀₅**: There is no significant difference in the mean rank of overall customer satisfaction level and Occupation of respondents.
- **H₀₆**: There is no significant difference in the mean rank of overall customer satisfaction level and income of respondents.

7.2.2 Mean Ranks level of overall customer satisfaction as per respondents

Demographic Variables:

Demographic variable	Particular	N	Mean Rank
Gender	Male	82	52.3
	Female	38	78.18
	Total	120	
Marital Status	Unmarried	14	60.25
	Married	106	60.53
	Total	120	
Age	<25	22	41.89
	25 to 35	50	60.33
	35 to 45	38	67.71
	45+	10	74.9
	Total	120	
Education	Below Graduate	16	62.78
	Graduate	62	58.16
	Post Graduate/Under P. G.	30	63.4
	Others	12	62.29
Occupation	Total	120	
	Employee	86	61.74
	Businessman	22	58.23
Income	Professional	12	55.75
	Total	120	
	Employee	86	61.74
Income	Businessman	22	58.23
	Professional	12	55.75
	Total	120	
	<100000	19	45.87
	100000 to200000	24	66.85
200000 to 300000	47	57.46	
300000 to 400000	19	62.74	
> 400000	11	81.05	
Total	120		

The table no. 1.2 exposes the mean rank of demographic variables which clearly implies that-

- The mean rank of the female respondents (78.18) is higher than the male respondents that mean positive attitude has been noticed higher about "overall customer satisfaction" in female respondents.
- The mean rank of the married respondents (60.53) is higher than the unmarried respondents that mean positive attitude has been noticed higher about "overall customer satisfaction" in married respondents.
- The mean rank of the age group of respondents above 45 (74.90) is higher than the other age group respondents that mean positive attitude has been noticed higher about "overall customer satisfaction" in the above 45 age group.
- The mean rank of the respondents in the education level of under P.G. / P.G. group (63.4) is higher than the other group that means the optimistic outlook regarding "level of overall customer satisfaction" is found to be higher among the respondents whose education level was under P.G. / P.G.
- The mean rank of occupation of respondents clearly implies that the mean rank of the respondents in employee category (61.74) is greater than the other respondent's occupation level that means the optimistic outlook regarding "level of overall customer satisfaction" is found to be higher among the respondents in employee category.
- The mean rank of income of respondents which noticeably implies that the mean rank of the respondents in above 4,00,000 category (81.05) is greater than the other income group of respondents that means the optimistic outlook regarding "level of overall customer satisfaction" is found to be higher among the respondents in above 4,00,000 category.

7.2.3 Determinants of policy holder's satisfaction

Table No. 1.3 Determinants of policy holder's satisfaction

Sr. No	Factor	Test	Value	Asymp. Sig	Level of Significant	significant/ not significant
1	Gender	Mann Whitney U - Test	886.000	0.000	0.05	significant
2	Marital Status	Mann Whitney U - Test	738.500	0.975	0.05	not significant
3	Age	Kruskal Wallis Test	11.689	0.009	0.05	significant
4	Education	Kruskal Wallis Test	0.714	0.870	0.05	not significant
5	Occupation	Kruskal Wallis Test	0.518	0.772	0.05	not significant
6	Income	Kruskal Wallis Test	10.224	0.037	0.05	significant

The table no. 1.3 reveals that –

- The value of Mann-Whitney U test reported to 886.000 with significant level of 0.000 which is less than 0.05. Hence, the null hypothesis does rejected by the researcher. There is a significant difference in the Mean Rank of overall customer satisfaction level and gender of respondents.
- The value of Mann-Whitney U test reported to 738.500 with significant level of 0.975 which is greater than 0.05. Hence, the null hypothesis does not rejected by the researcher. There is no significant difference in the mean rank of overall customer satisfaction level and marital status of respondents.
- The value of Kruskal-Wallis Test (chi-square) reported to 11.689 with significant level of 0.009 which is less than 0.05. Hence, the null hypothesis does rejected by the researcher. There is a significant difference in the mean rank of overall customer satisfaction level and Age of respondents.
- The value of Kruskal-Wallis Test (chi-square) reported to 0.714 with significant level of 0.870 which is greater than 0.05. Hence, the null hypothesis does not rejected by the researcher. There is no significant difference in the mean rank of overall customer satisfaction level and education of respondents.
- The value of Kruskal-Wallis Test (chi-square) reported to 0.518 with significant level of 0.772 which is greater than

0.05. Hence, the null hypothesis does not rejected by the researcher. There is no significant difference in the mean rank of overall customer satisfaction level and occupation of respondents.

- The value of Kruskal-Wallis Test (chi-square) reported to 10.224 with significant level of 0.037 which is less than 0.05. Hence, the null hypothesis does rejected by the researcher. There is a significant difference in the mean rank of overall customer satisfaction level and income of respondents.

8. Findings and Conclusion

- From the Mann-Whitney U test and Kruskal-Wallis Test it is observed that-
- There is a significant difference in the Mean Rank of overall customer satisfaction level and gender of respondents.
- There is no significant difference in the mean rank of overall customer satisfaction level and marital status of respondents.
- There is a significant difference in the mean rank of overall customer satisfaction level and Age of respondents.
- There is no significant difference in the mean rank of overall customer satisfaction level and education of respondents.
- There is no significant difference in the mean rank of overall customer satisfaction level and occupation of respondents.
- There is a significant difference in the mean rank of overall customer satisfaction level and income of respondents.

9. Limitation of the Study

- The study was conducted to the customers of Navsari city only. So the findings may not be generalized in a broader perspective.
- This study is restricted to only SBI life insurance company limited, which is Private Sector Company. In making more generalize, reliable and significant conclusions, a study enjoying larger samples from public and another private sector insurance companies are needed
- Some of the respondents did not read the questionnaire carefully and as a result, they may have been marked some answer incorrectly.
- During the study, the data and information furnished by respondents are based on their perception in this field and have to rely on it.

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