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A Study on Customer Satisfaction towards LIC with Special Reference to Nagercoil City

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ABSTRACT

Life Insurance is a social security tool. It provides the much needed security and when the income of the head of the family ceases owing to the unexpected risk, the family is protected to the extent of insurance coverage. It is the largest insurance company in India. It is a contract

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between an insurance policy holder and an insurer or assurer, where the insurer promises to pay a designated beneficiary a sum of money in exchange for a premium, upon the death of an insured person. The Government of India has nationalized life insurance industry established in 1956. LIC of India with a mission to spread the message of life insurance to rural areas. The review of literature helped in understanding the characteristics of the insurance. In order to maintain customer relationship, life insurance companies should provide proper services whenever and wherever it is required. Customer Relationship Management (CRM) is one of the newest innovations in customer service today. Good CRM also helps to grow business and customers stay longer; referrals to new customers. In the present scenario, insurance companies are facing problem of selling insurance product. The agents have faced various problems in their profession. These papers are covered customer satisfaction towards LIC with special reference to nagercoil city. The overall objective of this project is to analyze the level of satisfaction among customers in Life Insurance product. This study would enable to the management to know about the level of customer satisfaction and it helps the management, to take corrective actions in areas where the changes are necessary to attract the employees.

Key words: Customer Satisfaction, Customer life time, Consumer behavior, GST, CRM

I- INTRODUCTION

The Life Insurance Corporation of India came into existence on 1st September, 1956, with the objective of spreading life insurance more widely and in particular to the rural areas with a view to reach all insurable persons in the country, providing them adequate financial

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cover at a reasonable cost . From then to now, LIC has crossed many milestones and has set unprecedented performance records in various aspects of life insurance business. LIC continues to be the dominant life insurer even in the liberalized scenario of Indian insurance and is moving fast on a new growth trajectory surpassing its own past records. In its 60 years of existence, LIC has grown from strength to strength be its customer base, agency network, branch office network, new business premium and has a significant role in spreading life insurance widely across the country.

Organizational Structure as on 31.03.2017 Zonal Offices 8
Divisional Offices 113 Branch Offices 2048 Satellite Offices 1408 Mini Offices 1238 Employees
1, 15,394 Agents 11, 31,181

Geographical representation of Region and Zones of LIC

List of Regions-Zone-wise, Division-wise, & State-wise				
S.N O.	REGION	No. of Divisions	of Zonal Headquarters at	States
1.	EASTERN REGION	12	Kolkata	West Bengal, Assam, Meghalaya, Sikkim, Arunachal Pradesh, Nagaland, Tripura,
1		11	Patna	Bihar, Jharkhand, Odisha
2	SOUTHERN REGION	13	Chennai	Tamil Nadu, Kerala, Pondicherry

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3	SOUTH CENTRAL REGION	17	Hyderabad	Telangana, Andhra Pradesh & Karnataka
4	WESTERN REGION	22	Mumbai	Maharashtra, Gujarat, Goa, Dadra & Nagarhaveli(UT), & Daman & Diu (UT)
5	NORTHERN REGION	17	Delhi	Delhi, Haryana, Rajasthan, Punjab, Himachal Pradesh, Jammu & Kashmir & Chandigarh (UT)
		12	Kanpur	Uttar Pradesh, Uttaranchal
		8	Bhopal	Madhya Pradesh, Chhattisgarh

Source: Computed from Secondary Data

II- OBJECTIVES OF THE STUDY

- ❖ To study the customer satisfaction towards LIC customers.
- ❖ To study the factors influence the customer buying behavior towards LIC products.

III- RESEARCH DESIGN

Descriptive research design used this study. The major purpose of descriptive has made use of both primary and secondary data. Here structured questionnaire is used to collect primary data. Under secondary source of data will be collected using company journal, records,

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websites, magazines, books. For the purpose of this study 100 samples selected from Nagercoil city by using judgment sampling method. The judgment criteria was the respondents those who are using LIC customers. Percentage analysis used for the analysis.

IV-REVIEW OF LITERATURE

Arulsuresh (2011) suggested that the success of the life insurance business depends on the awareness of the policyholders about the products and satisfaction of the policyholders regarding the service rendered by LIC of India. Life insurance being a service sector is no exception to this principle. The basics of Customer Relations Management (CRM) include a business strategy that focuses on developing and retaining the relationships existing between customer and organization. CRM also provides the customer with a much needed avenue to find expression for his problems, ideas and suggestions. Hundreds of sales leads are lost yearly as disinterested employees pay slack attention to customer suggestions. A venue is required for these suggestions. This is supplied by CRM implementation.

Bhattacharjee and Dey (2012) observed that life insurance being a social provision to partially compensate for financial losses of an individual needs up gradation and innovation to suit the complex needs of customers in 21st century. The growth of life insurance market is directly linked to the present perception and satisfaction of customers with their life insurance policies. It is always wise to periodically judge the changing needs and requirements of customers to further innovate products. Previously, the main objective of buying insurance was protection for dependents. However, insurance now has become more than just a hedge. Customers are now beginning to incorporate insurance plans while drawing

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up their financial plans. Companies should plan and offer products which can assist their customers in fulfilling their exact set of needs. Hence, insurance companies must move from selling insurance to changing need identification and offering suitable products to satisfy those. The present empirical study is an attempt made to find the satisfaction level of Customers towards their present life insurance policies.

Borah (2012) explained that the modern concept of marketing emphasizes on the satisfaction of customers. Marketing begins and end with the customers. Customers are the King in business. The study analysis the service quality perception of 50 customers in Jorhat, Assam chosen from Kotak Mahindra Life Insurance Company to access their satisfaction level and also identify service factors which have the maximum impact on customers' satisfaction. For choosing the sample, non-probabilistic judgment-cum-convenience sampling technique was used. The finding of the study shows that most of the customers are satisfied.

Rao (2014) explained that liberalization of the financial services sector has led to insurance companies functioning increasingly under competitive pressures; so companies are consequently directing their strategies towards increasing customer satisfaction and loyalty through improved service quality. With the opening of insurance industry to private players, the competition has intensified and it has become very difficult for the companies to attract and retain the policyholders. Every company has recognized the need for shifting from a traditional strategy to survive in the market. It is in this context, the process of CRM has been adopted by all private and public sector insurance companies as well. CRM technologies and campaign management tools are maturing and finding wider adoption with large insurance companies. This study is an endeavour to examine and evaluate the various CRM initiatives

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in life insurance companies and compare the strategies used by public sector LIC with private sector companies.

V- ANALYSIS AND INTERPRETATION

Table1.CLASSIFICATION BASED ON THE OCCUPATION

Occupation	Respondents	Percentage
Employed	50	50
Self employed	30	30
Unemployed	20	20
Total	100	100

Source:
Primary
data

The table 1 shows we know that, 50 percentages of respondents are employed, 30% of respondents are self employed, and 20 percentages of respondents are unemployed.

Figure .1 CLASSIFICATIONS BASED ON THE OCCUPATION

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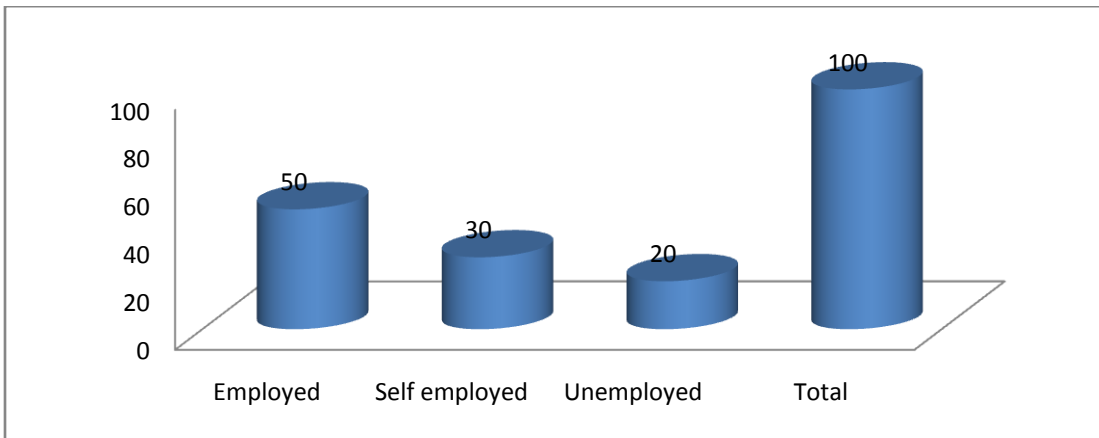


Figure 1.1 shows we know that, 50 percentages of respondents are employed, 30 percentages of respondents are self employed, 20 percentages of respondents are unemployed.

Table2. INCOME LEVEL OF THE RESPONDENTS

Income level	Respondents	Percentage
5000-10000	38	38
10000-15000	23	23
15000-20000	13	13
Above 20000	13	13
Total	100	100

Source: Primary data

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The table 2 shows we know that, 38 percentages of respondents are receiving 5000-10000 of income, 23 percentages of respondents are receiving 10000-15000 of income, and 13 percentages of respondents are receiving 15000-20000 and above 20000.

Figure.2. INCOME LEVEL OF THE RESPONDENTS

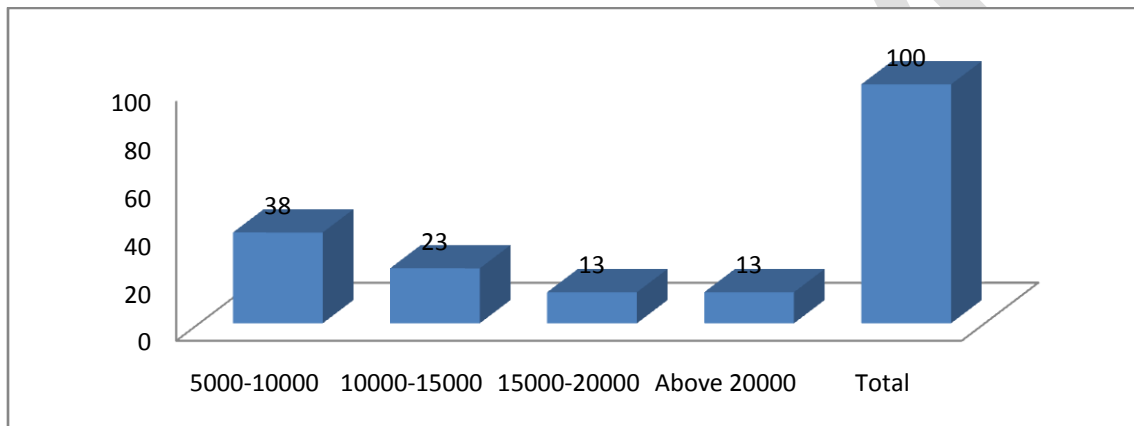


Figure 2 shows we know that, 38 percentage of respondents are receiving 5000-10000 of income, 23 percentage of respondents are receiving 10000-15000 of income, 13 percentage of respondents are receiving 15000-20000 and above 20000.

Table 3. Classification based on the Importance of insurance

Essential	Respondents	Percentage
Yes	87	87
No	13	13
Total	100	100

Source: Primary data

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Tamilnadu-636121, India

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NUMBER
INTERNATIONAL CENTRE

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The table 3 shows we know that, 87 percentages of respondents are the insurance policies are very essential for our life, 13 percentages of respondents are the insurance policies are there is not much important for our life.

Figure.3. Classification based on the Importance of insurance

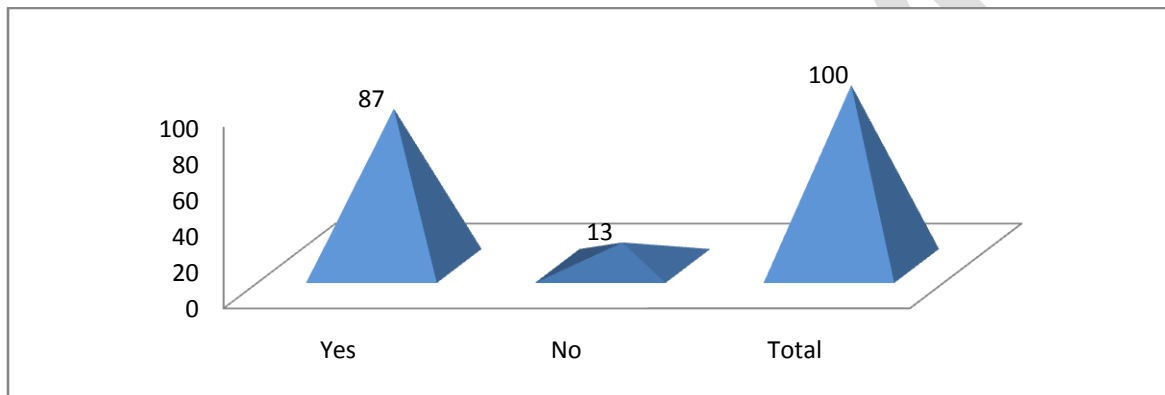


Table 4. Classification based on the Reason for importance of insurance

Reason	Respondents	Percentage
Premium	29	29
Tax	25	25
Security	34	34
Others	12	12
Total	100	100

Source: Primary data

The table 4.shows we know that, 29 percentage of respondents are the premium payment mode is very easy that is one the reasons , 25 percentage of respondents are the tax

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deduction benefits are one the reasons,34 of respondents are security basis choose in the LIC policies 12 percentage of the respondents are other personal reasons.

Figure .4. Classification based on the Reason for importance of insurance

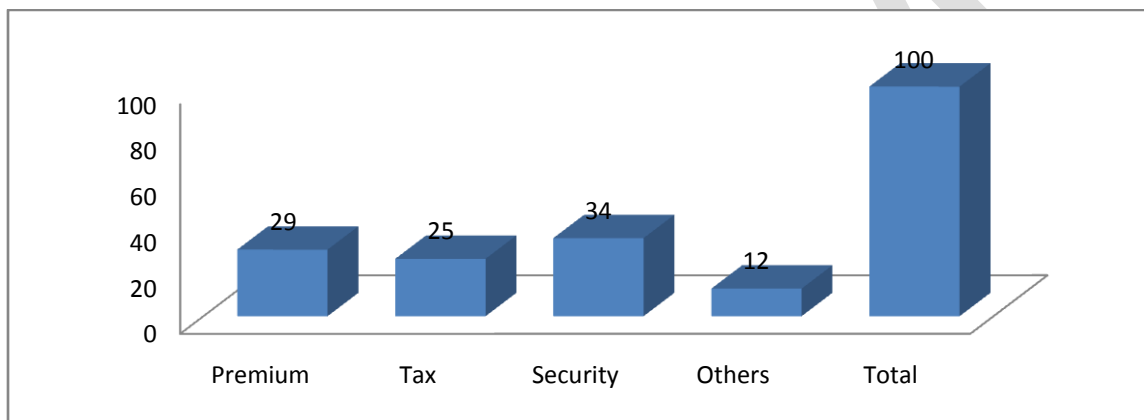


Table5. Classification based on the Media through awareness of LIC

Response	Respondents	Percentage
Below 3years	8	8
3-5Years	38	38
5-10Years	14	14
Above 10 years	40	40
Total	100	100

Source: Primary data

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The table 5. Shows we know that, 8 percentages of respondents are the policy taken period is below 3 years, 38 percentages of respondents are the policy taken period is 3-5 years, 14 percentages of respondents are the policy taken period is above 40 years.

Figure.5 Classification based on the Media through awareness of LIC

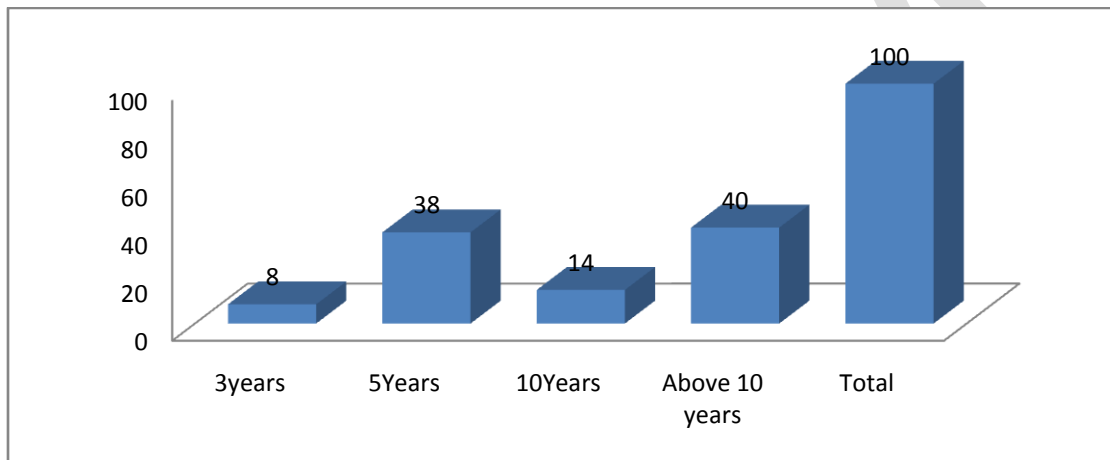


Table.6 Classification based on the services provided by LIC

Service	Respondents	Percentage
Yes	57	57
No	43	43
Total	100	100

Source: Primary data

The table.6 shows we know that, 57percentage of respondents are very satisfied the service providing by LIC to customers is very satisfied, 43 percentages of respondents are the service providing



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Figure. 6. Classification based on the services provided by LIC

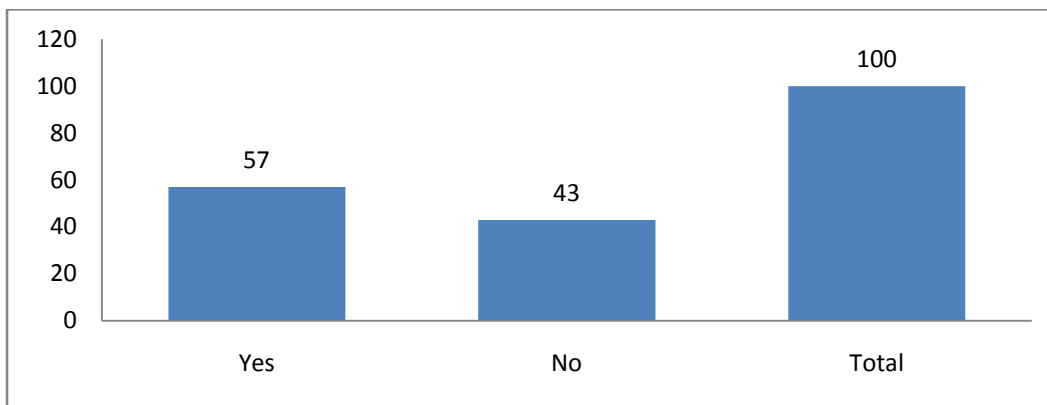


Table.7. Classification based on customer preference of insurance companies

Insurance companies	Respondents	Percentage
LIC	33	33
Bajaj Allianz	29	29
ICICI	31	31
HDFC	12	12
Total	100	100

Source: Primary data

The table 7 shows we know that, 33 percentages of respondents are prefer LIC, 29 percentage of respondents are prefer Bajaj Allianz Insurance, 31 percentage of respondents are prefer ICICI Insurance, 12 percentage of respondents are prefer HDFC Insurance

Figure .7. Classification based on customer preference of insurance companies

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Tamilnadu-636121, India

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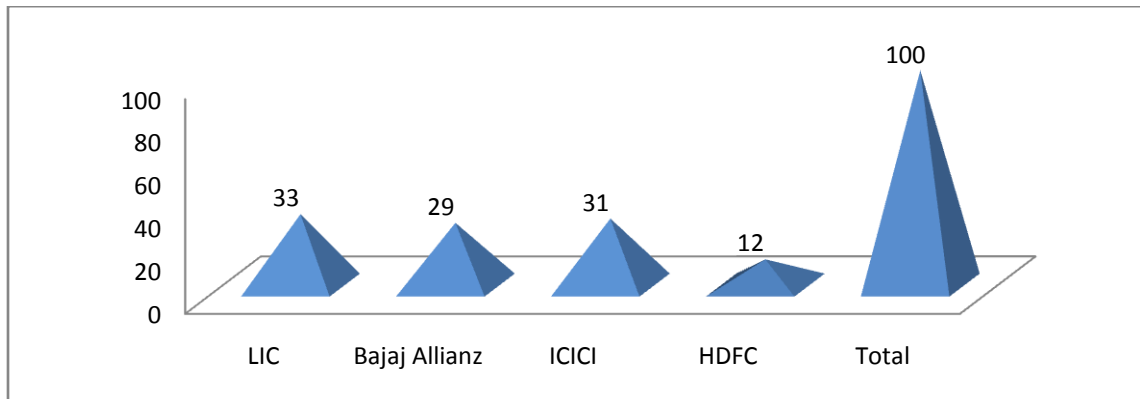


Table.8 Classification based on factors influenced by the customers

Media	Respondents	Percentage
Newspaper	22	22
Television	55	55
Radio	14	14
Hoarding	9	9
Total	100	100

Source: Primary data

The table 8 shows we know that, 22 percentages of customers are the news paper is influenced, 55 percentages of customers the factors influenced by television, and 14 percentage of customers the factors influenced by radio,9 percentage of customers the factors influenced by hoarding.

Figure .8 Classifications based on factors influenced by the customers

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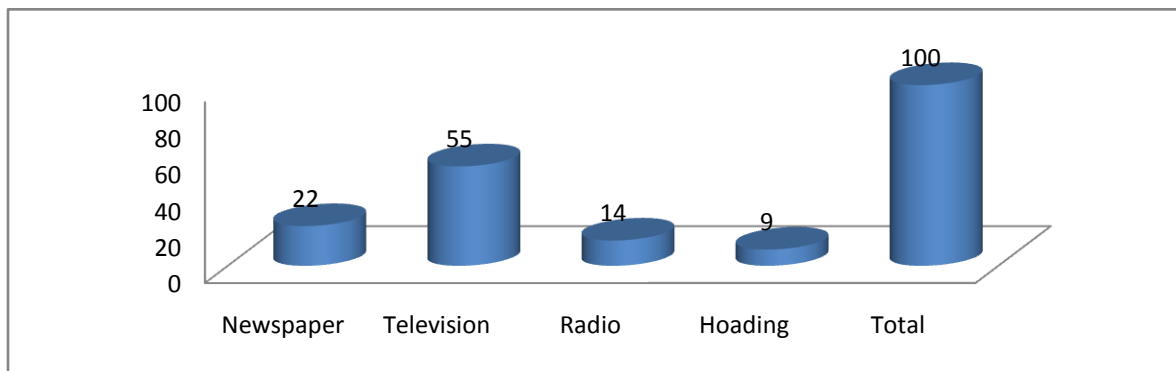


Table.9. Classification related to source influenced by customers

Source	Respondents	Percentage
Insurance consultants	34	34
Friends & Relatives	16	16
Advertisement	26	26
Newspapers	19	19
Others	5	5
Total	100	100

Source: Primary data

The table 9 shows we know that, 34 percentages of customers are sources influenced by Insurance consultants, 16 percentages of customers are source influenced by friends & Relatives, 26 percentage of customers are the source influenced by advertisement, 19 percentage of customers are the source influenced by newspapers, 5 percentage of the respondents are other related source influenced.



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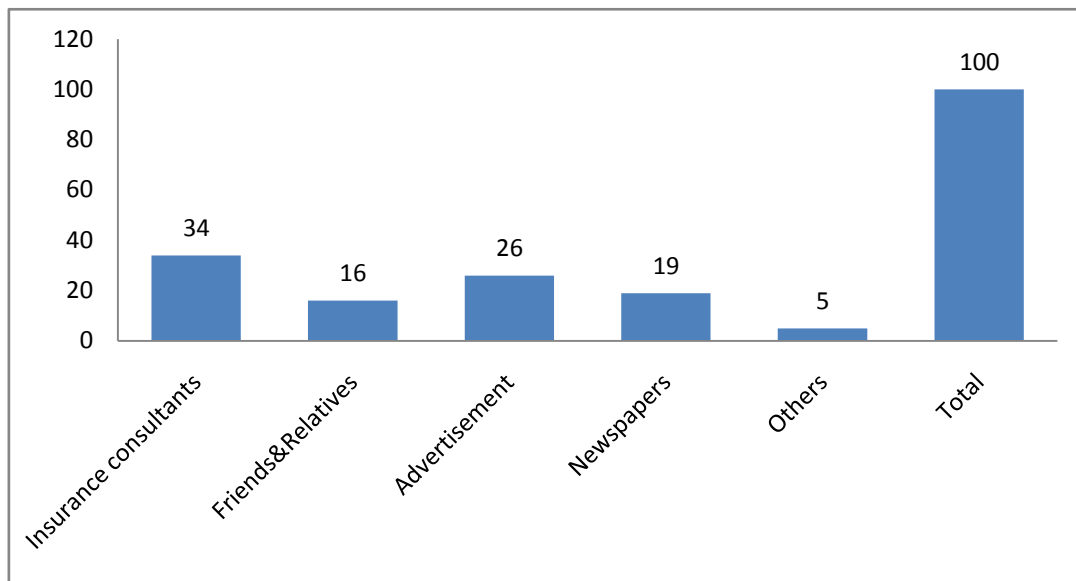
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Figure .9. Classification related to source influenced by customers



VI- FINDINGS

- ❖ 50 percentages of respondents are employed, 30 percentages of respondents are self employed, 20 percentages of respondents are unemployed.
- ❖ 38 percentage of respondents are receiving 5000-10000 of income, 23 percentage of respondents are receiving 10000-15000 of income, 13 percentage of respondents are receiving 15000-20000 and above 20000.
- ❖ 87 percentages of respondents are the insurance policies are very essential for our life, 13 percentages of respondents are the insurance policies are there is not much important for our life.

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- ❖ 8 percentages of respondents are the policy taken period is below 3 years, 38 percentages of respondents are the policy taken period is 3-5 years, 14 percentages of respondents are the policy taken period is above 40 years.
- ❖ 57percentage of respondents are very satisfied the service providing by LIC to customers is very satisfied, 43 percentages of respondents are the service providing to customers is dissatisfied
- ❖ 33 percentages of respondents are prefer LIC,29 percentage of respondents are prefer Bajaj Allianz Insurance ,31percentage of respondents are prefer ICICI Insurance ,12 percentage of respondents are prefer HDFC Insurance
- ❖ 22 percentages of customers the factors influenced by news papers, 55 percentages of customers the factors influenced by television, and 14 percentage of respondents are of respondents are unemployed.
- ❖ 34 percentages of customers are sources influenced by Insurance consultants, 16 percentages of customers are source influenced by friends& Relatives, 26percentage of customers are the source influenced by advertisement, 19 percentage of customers are the source influenced by newspapers,5 percentage of the respondents are other related source influenced.

VII- SUGGESTIONS

Having summarized the findings the following suggestion are offered
As consumer preference the products fluctuate from time to time, a market analysis should be carried out at regular intervals to monitor the changing needs and wants of the consumers.

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GST is one of the current issues for the insurance sector. The rural area people were affected in this tax. So the Life Insurance Company's better awareness activities provided to the customers.

VIII- COCLUSION

The study regarding 'Customer Satisfaction Towards LIC with special reference to Nagercoil city' is in satisfaction level. The suggestion given by the researcher will definitely help the organization to maintain better satisfaction among the customers and it help to develop the Industry. However they expect improvement in certain factors such as income, advertisement, health factors, and sources. The researcher is fully confident that if the suggestion given by the researcher will be implemented in the organization. It will reduce the rate of dissatisfaction level of customers to the great extent definitely.

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