

# Customer Satisfaction of LIC Policyholders with Special Reference to Thiruvallur District - A Study

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**Abstract:-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 Indian insurance sector is not only playing a role within the financial system, but also has significant socio-economic functions of providing risk cover to the poor populations. In India, Insurance is a flourishing industry, with several national and international players competing and growing at rapid rates. . It is now experiencing cutthroat competitions because, a number of players have entered into the Indian market in the form of joint ventures with Indian private sector partners. Consequently, Indian Insurance industry is closely integrated with world economy thereby making it imperative for insurance companies to operate outside national boundaries. Consumer satisfaction depends upon the actual performance in relation to buyers expectations. If the products performance matches the expectations, the consumer is satisfied.**

**Keywords:-**Customer Satisfaction Awareness Level, Customer Relationship Activities and Marketing Activities of LIC.

## I. INTRODUCTION TO INSURANCE

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 Indian insurance sector is not only playing a role within the financial system, but also has significant socio-economic functions of providing risk cover to the poor populations. Insurance provides financial protection against a loss arising out of happening of an uncertain event. The major objectives of this research are to ascertain the socio-economic profile of sample respondents and identify the satisfaction level of policyholders in LIC's services. This research has also endeavors to develop the customer satisfaction.

In India, Insurance is a flourishing industry, with several national and international players competing and growing at rapid rates. Thanks to reforms and the easing of policy regulations, the Indian Insurance sector has been allowed to flourish and as Indians become more familiar with different insurance products, this growth can only increase; the period from 2012 to 2017 projected to be the 'Golden Age' for the Indian Insurance industry.

It is now experiencing cutthroat competitions because, a number of players have entered into the Indian market in the form of joint ventures with Indian private sector partners. Consequently, Indian Insurance industry is closely integrated with world economy thereby making it imperative for insurance companies to operate outside national boundaries. During the long monopoly regime, the government attempted minor changes in the procedures without going into the root cause. The deregulation requires the comprehensive changes in the character and basic policies of the industry.

Consumer satisfaction is the key for the success of any business. It refers to the level perception of the buyer resulting from comparing the perceived performance of the product or services in relation to the expectation of the buyer. Consumer satisfaction depends upon the actual performance in relation to buyers expectations. If the products performance matches the expectations, the consumer is satisfied. If the performance exceeds the expectation the consumer is highly satisfied or delighted.

## II. IMPORTANT OF SIX REASONS IN CUSTOMER SATISFACTION

- It's a leading indicator of consumer repurchase intentions and loyalty
- It's a point of differentiation
- It reduces customer churn
- It increases customer lifetime value
- It reduces negative word of mouth

- It’s cheaper to retain customers than acquire new ones

**III. OBJECTIVES OF THE STUDY**

- To study the demographic profile and awareness level of the respondents.
- To understand the perception on Customer Relationship activities of LIC.
- To study the policyholders’ response towards marketing activities of LIC.

**IV. AREA OF THE STUDY**

The location selected is at Chennai Division Thiruvallur District in Tamilnadu. Designing of Questionnaire- To understand the savings preference, bank preference, services taken, time period since becoming customer, and to identify the information sources influencing bank selection, a questionnaire was designed and the respondents were asked to mark their preferences.

**V. DATA COLLECTION**

The report is based on primary data only. Primary data was collected through the above designed Questionnaire using telephone calls, e-mails and also personally interviewing the respondents. The data is analyzed using the correlation analysis, chi-square test and analysis of variance.

**VI. DATA EVALUATION**

The data collected were not simply accepted as it contained unnecessary information and over or under emphasized facts. Therefore only relevant data were included in the report, which helped in achieving the objectives of the project.

**VII. DATA ANALYSIS AND INTERPRETATION**

The chapter deals with the systematic presentation of analyzed data followed by the interpretation of data. Statistical analysis of data enables researchers to organize, valuate, interpret, summarize and communicate numeric information. Descriptive statistics is used to describe data and inferential statistics to draw inferences about a population based on collected sample data.

*A. Demographic Profile and Awareness Level of the Respondents*

Age	Frequency	Percentage
19-30 years	48	32
31-40 years	60	40
41-50 years	23	15
51-60 years	15	10
Total	150	100

Source: Primary Data

Table 1: Age wise Classification of Respondents

- *Interpretations*

It may be inferred from the analysis of age profile of the responded that majority (32) of the policyholders population lies between 19-40 years. The analysis clearly reveals the demographic awareness profile of the respondent on socio economic aspects. The age group of 31-40 years scores the highest of 40 and the least 51-60 records the lowest of 10. This confirm findings by researcher that a typical insurances buyers are not very young persons, with increasing interval of age, the Number of LIC policyholders population is gradually decreasing.

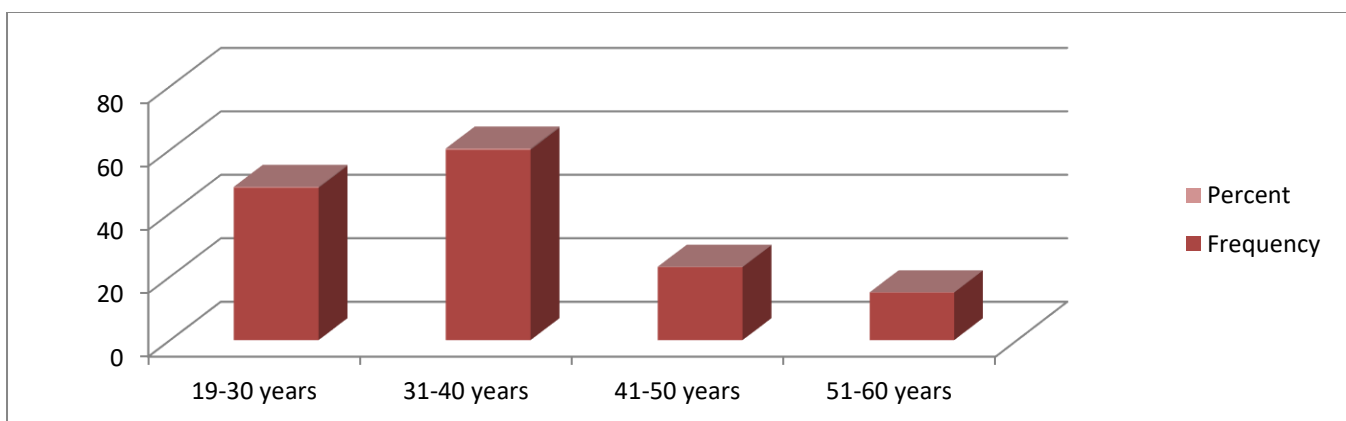


Fig. 1. Age wise Classification of Respondents

*B. Perception on Customer Relationship Activities of LIC*

CSR Irritate	Frequency	Percentage
Impatient	36	24
Not enthusiastic	41	27
Didn't listen carefully	37	25
Unfriendly	23	19
Unresponsive	8	5
<b>Total</b>	<b>150</b>	<b>100</b>

Source: Primary Data

Table 2: Customer Service Representative Responses

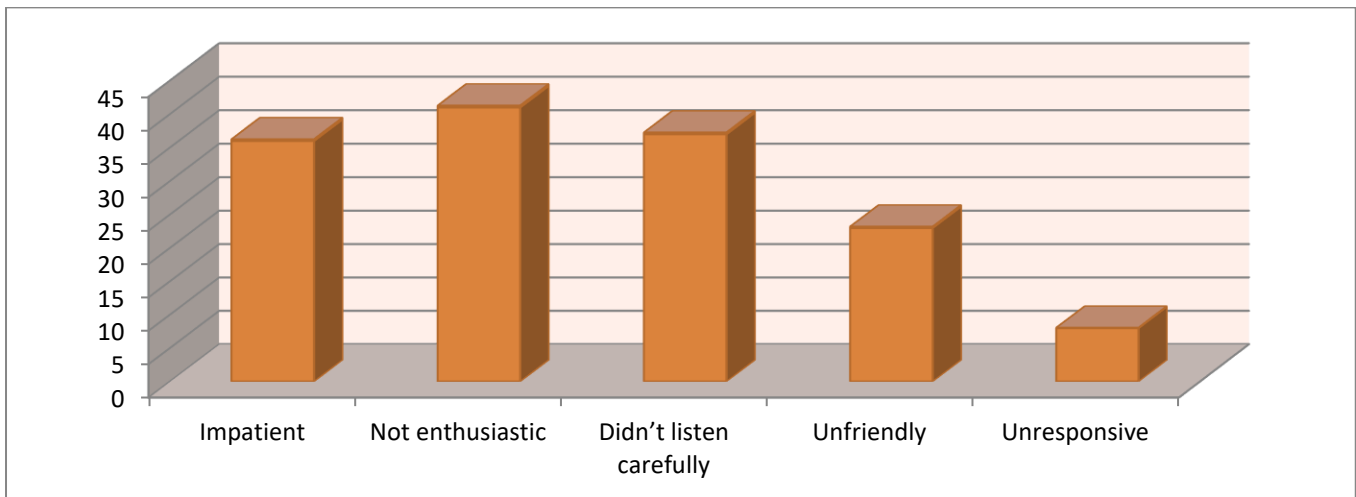


Fig. 2 Customer Service Representative Responses

*C. Policyholders' Response towards Marketing Activities of LIC*

Seen LIC Brochure	Frequency	Percentage
Yes	78	52
No	72	48
<b>Total</b>	<b>150</b>	<b>100</b>

Source: Primary Data

Table 3: Respondents Awareness about LIC Brochure

• *Interpretations*

The study about to understand the perception on customer relationship activities of LIC (CSR response) depicts, 24 are impatient, 27 not enthusiastic, 25 did not listen carefully, 19 unfriendly behavior, and 5 unresponsive. Out of 150 respondent's majority of policyholders said, the customer service representative is not enthusiastic.

• *Interpretations*

As a contractual relationship exists between the insurer and the insured, it is the duty of the insurance company to disclose the policy details. The policy holders are not excused with any ignorance about the contract and it is the policyholders need to get acquainted with the rules and regulations of the policy. From the table it is clear, that 52 of respondents are aware of the company policy terms and conditions details of their policy from LIC Brochure, whereas only 48 of respondents said not at all aware about LIC Company Brochure. Hence it is gratifying to note that LIC is more transparent and divulge concrete details about policy and empower its policy holders in a much better way.

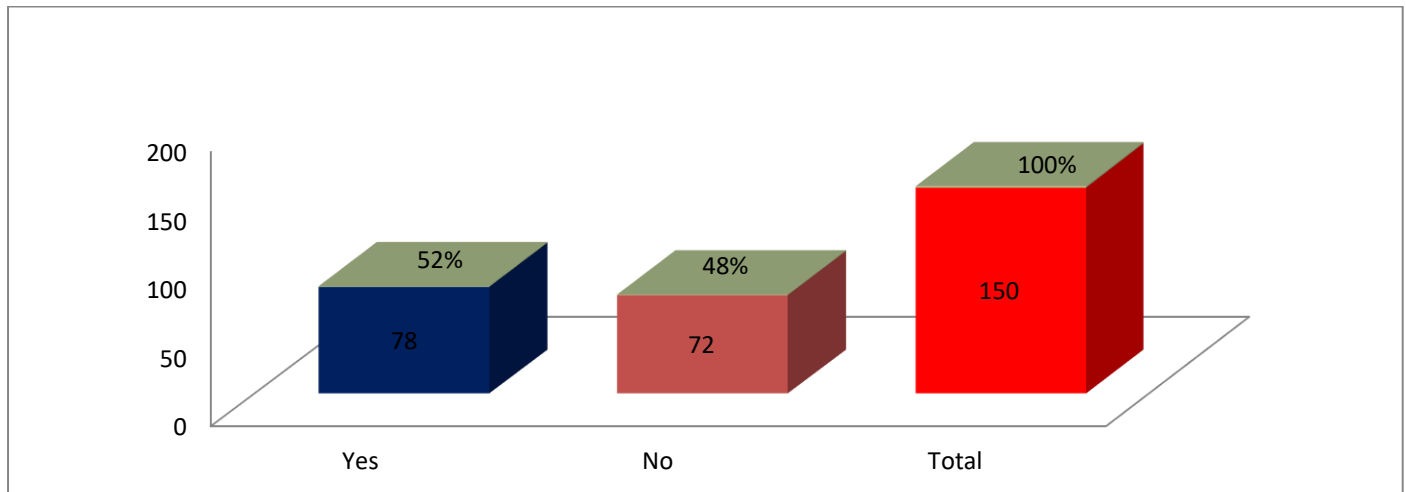


Fig. 3 Respondents Awareness about LIC Brochure

### VIII. CONCLUSION

The research study resulted in the development of a reliable and valid instrument for assessing customer perceived service quality, awareness level, and satisfaction level of customers for life insurance industry. This would help the service managers to efficiently allocate resources, by focusing on important dimensions first. The gap scores show that there is ample room for service quality improvement in life insurance industry in India. In the competitive insurance sector, these findings can be transformed into effective strategies and actions for achieving competitive advantage through customer satisfaction and retention.

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