

A Study on Customer Satisfaction towards Life Insurance Corporation of India (With Special Reference to Thanjavur Town)

Dr. T. Unnamalai¹, V. Rajinikanth²

¹ Head & Assistant Professor

Department Of Commerce

Bharathidasan University Constituent Arts And Science College
Navalurkuttapattu, Srirangam, Trichirapalli.

² Research Scholar

Bharathidasan University Constituent Arts And Science College
Navalurkuttapattu, Srirangam, Trichirapalli.

ABSTRACT

This paper examines the degree of customer satisfaction with Life insurance Corporation in Thanjavur Town. Growing people's knowledge of life uncertainty and increasing competition in the insurance market makes it necessary for insurance providers to consider the requirement of their customers. The primary objective of this research is to understand the satisfaction of customers with LIC. This study is based on primary data collected from 100 policyholders in Thanjavur Town by questionnaire and data analyzed with statistical methods like percentage, and chi-square was used to classify factors responsible for customer satisfaction with LIC.

Key Words: LIC, Customer Satisfaction, Research

INTRODUCTION

Life Insurance Corporation is one of India's Pioneering institutions offering services to meet the needs of individual people in all fields. LIC faces global competition after globalization and the first private insurance firm was registered with the IRDA in October 2000 and soon began operations by closing the public sector monopoly for 44 years. Since then, many more private companies have been registered to bring a total number to thirteen as on March 31, 2005, all of which are joint ventures between major business houses of banks in India and renowned international insurance giants. Now the insurance sector in India is a challenging one. There is still competition among the different insurance players. The LIC of India is also seriously competing with other private players. In a way, private players are trying to capture the market of the LIC of India, which was enjoying a monopoly position for a long time. Customer satisfaction only attracts many customers and they are in a position to sustain their level. With this background, the study is considered as an important one, and the data haven collected from 100 samples. In this paper, an attempt is made the satisfaction level of the customers in Thanjavur town. Data have been collected from the policyholders their satisfaction level.

IMPORTANCE OF THE STUDY

One of the key tools for any insurance company is customer satisfaction and it focuses on assessing the customer's knowledge and satisfaction level of their money invested in risk-free avenues. Therefore, it is necessary to explore the variables that affect customer satisfaction that will lead to the growth of our economy. Besides, it is essential to identify the reason that prevents one from becoming a life insurance customer. Compared to research carried out based on variables such as policies, costs, and promotion, it is an uncommon viewpoint and this will help strengthen the life insurance industry to provide its clients with good policies according to their requirements.

STATEMENT OF THE PROBLEM

This study explores to reveal the policyholder's level of satisfaction towards services of LIC and their attitude towards Life Insurance Corporation. This study highlights key areas, which the policymakers in LIC have to improve their customer satisfaction. The study, analysis, findings, suggestions, and conclusion proposed by the researcher will also be helpful in future studies in the insurance sector. the significance of the study is that it brings out the differences in various parameters like awareness level, service quality, and the satisfaction level of policyholders.

OBJECTIVES OF THE STUDY

The objectives of the studies as follows as

- ✓ To know the policyholder's satisfaction towards services offered by Life Insurance Corporation
- ✓ To identify the problems faced by the policyholders in the study area
- ✓ To know the socio-economic condition of policyholders

METHODOLOGY

Both primary and secondary data have been collected for the study. Secondary data have been collected from books, websites, journals, etc. primary data have been collected from the 100 respondents. The percentage analysis and chi-square test are used to test of Hypotheses.

REVIEW OF LITERATURE

The review of the literature highlights the study of previous literature on customer satisfaction and Life Insurance Corporation and helps to get an understanding of the various approaches made in the field through earlier studies and also to find the research gap.

Roy(1987) examined the environment and the effect of delivering improved consumer services to policyholders to satisfy their needs by providing reliable service. The author noticed numerous measures to provide the client with better support by supplying their agents and staff with training programmes.

Singh H (2011), states that life insurance is one of the fastest-growing and developing markets in India. Diffusion of insurance in remote areas – the insurance sector has an approval award for socio-economic growth. The analysis aim to determine the prospects for insurers in the rural sector and what new steps can be taken to tap into the extremely underinsured rural region.

Gautam V and Kumar M (2012), the present thesis aims at allegorizing the attitudes of Indian customers towards insurance providers. This analysis was carried out by collecting the customer antiphon on the five-point Likert Scale by way of a standardized questionnaire. The decree of the present study serves as an essential component in the Indian market for insurance companies to introduce marketing strategies focused on socio-demographic and economic factors.

RESULTS AND DISCUSSIONS

The results of the study light on consumer satisfaction with Life insurance Corporation in Thanjavur Town, which enlightens on customer satisfaction and awareness towards the insurance sector.

Table 1 Demographic Profile of the Respondents

	Profile	Frequency	Percentage
Gender	Male	59	59
	Female	41	41
Occupation	Professional	42	42
	Employed	36	36
	Others	22	22
Age	Below 30 years	32	32
	30-35 years	35	35
	36-45 years	24	24
	Above 45 years	9	9
Education	Upto 12 th	6	6
	Graduation	20	20
	Post-Graduation	36	36
	Professional	26	26
	Others	12	12
Annual income	Below Rs.1,00,000	15	15
	Rs.1,00,000-2,00,000	30	30
	Rs.2,00,000-3,00,000	25	25
	Above Rs.3,00,000	30	30
Family	Nuclear	43	43
	Joint Family	57	57
Total		100	100

Source: Primary Data

The demographic characteristics of the respondents are given in table 1. Out of 100 respondents, 59 percent of the respondents were male and the remaining 41 were female. 35 percent of the respondents are under the age group of 30-35 years and 36 percent of the respondents have done their post-graduation which is followed by professional, 36 percent of the respondents were employed. 30 percent of the respondents are falling under the income group of Rs.1,00,000 to 2,00,000, and above Rs.3,00,000, where the remaining 15 percent of the policyholders comes under below Rs.1,00,000.

Table 2 Consumer satisfaction about LIC

Particulars		Frequency	Percentage
Source of awareness	Newspapers	9	9
	Television	8	8
	Friends and Relatives	52	52
	LIC agents	33	33
	Advertisement	18	18
Level of Awareness	High	35	35
	Moderate	22	22
	Normal	33	33
	Low	10	10
Mode of payment	Through agent	16	16
	Direct payment	34	34
	Banks	12	12
	Online Websites	8	8
	Salary Deductions	30	30
Preferred Policies	Endowment policies	33	33
	Children policies	26	26
	Money back policies	16	16
	Women policies	12	12
	Medical policies	13	13
Overall Satisfaction	Satisfied	79	79
	Dissatisfied	21	21
Total		100	100

Source: Primary Data

From the above table 2, out of 100 respondents, 52 percent of the respondents were aware of policies through friends and relatives which were followed by LIC agents. 35 percent of the respondents aware of LIC policies, 34 percent of the respondents prefer to pay the premium directly to LIC, 33 percent of the policyholders were prefer endowment policies followed by children's policies. 79 percent of the policyholders are satisfied with LIC

Table 3 CHI-Square test- Consumer satisfaction on their Gender

H0: There is no relationship between Gender and consumer satisfaction.

H1: There is a relationship between gender and consumer satisfaction

Level of Satisfaction	Gender		Total
	Male	Female	
Satisfied	43	36	79
Dissatisfied	16	5	21
	59	41	100
Calculate Value (Chi-Square Test)			3.24
Table Value			3.84 (5%)
Degree of Freedom			1

Source: Primary Data

Table 3 shows that 43 percent of the male and 36 percent of the female were satisfied with LIC Policies and Schemes, 16 percent of the male and 5 percent of the female were dissatisfied with LIC

The Chi-square test calculated value is 3.24 and the table value is 3.84 at the degree of freedom 1. In the above-obtained result, since the table value is more than the calculated value so the null hypothesis is accepted and the alternate hypothesis is rejected. Hence it concluded that there is no relationship between gender and satisfaction. Gender does not determine the satisfaction level of the respondents.

SUGGESTION AND CONCLUSIONS

The term and conditions of the product should be transparent to the public. The researcher suggests to policymaker to give more importance to design core services rather than allied business services, relax the formalities in renewal at lapsed policies, and periodical review about the service quality required to maintain and improve the service quality.

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