A Study on Buyer Behaviour with References to Insurance Marketing In Erode

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Abstract: *Wherever there is uncertainty, there is risk. The risk can't be averted. It involves multi-faceted losses. And so, risk is uncertainty of a financial loss. We do not have any command on uncertainties. The insurance is a co-operative device to spread the loss. Further, it is also a social device to accumulate funds to meet uncertain losses. The main function of insurance is to provide protection against the possible chances of generating losses. It eliminates worries and miseries of losses at destruction of property and death. Further it provides capital to the society as the accumulated funds are invested in the productive heads. The product of insurance organisations benefits the industry, the business, an individual and a group of persons. The pace of development of a growing economy like ours depends on the saving-income ratio, which determines the level of investment. Generating domestic savings, particularly from an expanding national income, holds the key to economic prosperity. Changing economic panorama, pragmatic fiscal-cum-monetary policies, rationalization of tax structure, strengthening of agricultural base, liberal industrial development policies, liberal attitude of the government towards welfare activities, generation of important infrastructure facilities are some of the key developments which indicates that Life Insurance business has emerged as the best mode of community savings and a shield against the uncertainties of modern life.*

Key words: *Insurance, LIC, protection, economic, savings.*

I. Introduction

In India, the first Life Insurance was established in the Bengal Presidency in 1818, which was known as the Orient Life Insurance Company. In the channels of Indian Insurance, the year 1870 is a landmark as since then several offices were established and the insurance business gained a rapid momentum. Experiencing so many ups and downs, the Life Insurance business was found in a changed shape, particularly after the attainment of independence in 1947 and to be more specific after nationalization in 1956. Further, the General Insurance was nationalized in 1971. Thus the insurance business, of late, in India is under the ownership and control of the union government, which is managed by a corporation. No doubt, a number of firms have been carrying on the business privately but their small scale and insignificant contribution to the society keep them out of the preview.

Insurance Marketing In Indian Environment

Indian environment, marketing of insurance service needs a rational approach, which means the following:
- ❖ It is meant knowing the market.
- ❖ It is meant needs-oriented development of product.
- ❖ It is meant making of suitable pricing decisions.
- ❖ It is meant designing of sensitive promotional strategies.
- ❖ It is meant scientific approach to the management of agents.
- ❖ It is meant managerial proficiency.
- ❖ It is meant professionalism.
- ❖ It is meant profitable investment.
- ❖ It is meant cost-effectiveness.

It is meant searching an optimal point between social and commercial considerations. The Insurance industry in India is in the process of a silent revolution and the best parts is that all of us are part of this revolution process, contributing to it and influencing the shape of things to emerge; but we can be confident that in the Insurance Industry in India, for quite some time to come, the agency channel is going to dominate the scene, for the simple reason that majority of customers would prefer a one-to-one, eye-ball to eye-ball sale, so far as their savings oriented risk and pension plans are concerned.

Emerging Life Insurance Marketing Scenario - An Outlook

"The opening of the insurance market is a bold experiment and was necessitated by the public perception of a necessity to have a free availability of choice to customers. Hopes were also entertained that the opening up of market will deepen the insurance penetration, bring about a rationalization of premium structure, end cross subsidization, provide covers which were lacking in the market and provide the necessary resources for infrastructure development".

The New Marketing Opportunities

The new paradigm of consumer India in recent year's calls upon us to rewrite the marketing rules: The emerging economic scenario has already thrown up the challenges which threaten LICs exclusive of marketing life insurance.

The five essential factors affecting the Market
- Changing customer behaviour
- Deregulation and government intervention (Regulatory)
- Competition-technology, distribution networks, automation etc.,
- Technological innovations
- Client relationship and quality.

Today LIC is considered amongst the best in the world in its incremental growth and dynamic developments, reach and expansion and is growing at better than average rates in the industry across the world. LIC witnessed expansion and consolidation with enormous reach because of adhering to certain fundamentals in operations and showing a measure of resilience in redefining its market from time to time. Increased customer demand for convenience, personalisation, quality and value added services are the new marketing drivers. There is going to be fragmentation of mass-marketing into micro-markets. However, radical changes are taking place in customer profile due to changing life style and societal perception resulting in erosion of brand loyalty. Product development or diversity is going to be another area requiring serious thinking. Some other notable developments are:
- Flexible packages have become the order of the day
- Higher customer aspirations lead to new expectations.
- Higher ratio of return, much more efficient and ready on demand service expectations

Focus is shifting from the mass-marketing paradigm to a customer centric relationship-a phase of niche markets, mass customisation, alternative distribution channels and technology enabled advertising and interactive media marketing. The incremental growth has been the key theme of the LIC business strategy for almost four decades. It has exhibited continued strength with varying degrees of success from time to time.

Objectives

The following are the objectives of the present study:
- To study and understand buyer behaviour with reference to insurance marketing.
- To study the reasons for taking insurance cover, the sum assured, duration of the policy, the schemes, sources of influence etc.,

II.   Data Analysis And Interpretation

For the purpose of the study age has been studied under four categories, such as below 30 years, from 31 years to 45 years, from 46 years to 50 years and above 50 years.

Income Wise Classification Of The Respondents

S.NO	PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
1	Below 5000	40	40
2	5001-10,000	40	40
3	10,001-15,000	6	6
4	15,001-20,000	2	2
5	20,001-25,000	2	2
6	25,001-30,000	10	10
Total		100	100

Source: Primary data

Inference:

The total no of respondents are 100, out of which 40 respondents come under the income group below 5,000, 40 respondents come under the group from 5,001-10,000, 6 respondents come under the income group 10,001-15,000, 2 respondents come under the group 15,001-20,000 and 20,001-25,000 respondents and the balance 10 belongs to the income group of 25,001-30,000.

Age Wise Classification Of The Respondents

S.NO	PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
1	Below 30 years	34	34
2	31 years-45 years	28	28
3	46 years-50 years	16	16
4	Above 50 years	22	22
Total		100	100

Source: Primary data

Inference:

It is inferred from the above table that 34% of the respondents belong to below 30 years age group. 28% of the respondents belong to 31 years-45 years age group. 22% of the respondents belong to above 50 years age group. 16% of the respondents belong to 46 years-50 years age group.

Showing The Reasons For Taking Insurance Policy

S.NO	PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
1	Protection	66	56.9
2	Savings	40	34.5
3	Tax planning	6	5.17
4	Others	4	3.45
Total		116	100.0

Source: Primary data

Inference:

It is inferred from the above table that 56.9% of the respondents are taking insurance policy for purpose of protection and 34.5% of the respondents are taking insurance policy just for savings purpose and 5.17% of the respondents are taking insurance policy for the purpose of tax planning and nearly 3.45% of the respondents are taking insurance policy for some other purpose.

Showing The Distribution Of The Respondentson The Basis Of The Sum Assured

S.NO	PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
1	Below 30,000	20	20
2	30,001-50,000	25	25
3	50,001-75,000	17	17
4	75,001-1,00,000	16	16
5	Above 1,00,000	22	22
Total		100	100

Source: Primary data

Inference:

It is inferred from the above table that the sum assured is below Rs.30,000 among 20% of the respondents. The sum assured is above one lakh among 22% of the respondents. The sum assured is between 30,001 to 50,000 among 25% of the respondents. The sum assured is between 75,001 to 1,00,000 among 16% of the respondents. The sum assured is between 50,001 to 75,000 among 17% of the respondents.

CHI - SQUARE TEST

Relationship Between Income And Reasons For Taking Insurance Policy

S.NO	INCOME In Rupees	REASONS				
		Protection	Savings	Tax planning	Others	Total
1	Below 5000	15	8	1	1	25
2	5,001 - 10,000	11	10	2	-	23
3	10,001 - 15,000	1	-	-	1	2
4	15,001 - 20,000	-	1	-	-	1
5	20,001 - 25,000	1	-	-	-	1
6	25,001 - 30,000	4	1	-	-	5
Total		32	20	3	2	57

Chi - Square Test

Oij	Eij	Oij - Eij	[Oij - Eij]^2	[Oij - Eij]^2 / Eij
15	14.035	0.965	0.9312	0.0663
8	8.772	-0.772	0.5959	0.0679
1	1.315			
1	0.877	-2.104	4.4268	0.2930
11	12.912			
10	8.070			
2	1.210	1.1913	3.6595	0.3628
0	0.807			
1	1.122			
0	0.701			
0	0.105			
1	0.070			
0	0.5614			
1	0.350			
0	0.052			
0	0.035	0.007	0.000049	0.00005
1	0.561			
0	0.350			
0	0.052			
0	0.035			
4	2.807			
1	1.754			
0	0.263			
0	0.175			
				0.790005

Calculated value $\Rightarrow$ 0.790005
Table value $\quad\Rightarrow$ n-1
$\qquad\qquad\Rightarrow$ 5 –1 = 4
$\qquad$ TV $\Rightarrow$ 9.488

$H_a \Rightarrow$ There is a relationship between income and reasons for taking insurance policy.
$H_o \Rightarrow$ There is no relationship between income and reasons for taking insurance policy.
Inference:
        The calculated value is less than the table value. So, the H_o Hypothesis is accepted. H_a Hypothesis is rejected. So, there is no relationship between income and reasons for taking insurance policy.

III. Findings

- ❖ 34% of the respondents belong to below 30 years age group. 28% of the respondents belong to 31 years - 45 years age group. . 16% of the respondents belong to 46 years - 50 years age group.
- ❖ 40% of the respondents belong to below 5000 rupees in income group. 40% of the respondents belong to 5001 to 10,000 rupees in income group. 6% respondents come under the group 10001- 15000 25 respondents come under the group 15001-20000 and 2001-25000 respondents and the balance 10 belongs to the income group of 25001-30000.
- ❖ There is no relationship between income and reasons for taking insurance policy.
- ❖ There is no relationship between age and reasons for taking insurance policy
- ❖ There is no relationship between income and the policy period.

IV. Conclusion

        The company should take necessary steps to increase the market towards tax benefit purpose also. Majority of the people aware of the bonus schemes due to various attractive factors included by the company. The researcher likes to conclude that the customer satisfaction is essential for building effective marketing. In spite of the marvelous and rapid achievement made by the company these are still greater height and goal to reach.

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