

CUSTOMER PREFERENCES AND CUSTOMER SATISFACTION TOWARDS LIFE INSURANCE POLICY IN COIMBATORE

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ABSTRACT

Life Insurance Company has the responsibility to safeguard the customer's interest at all times and ensure their continued consultation in the integrity and professional conduct of insurance. The insurance companies to understand the request of their customers. The main object of study is to know about customer preferences and satisfaction towards purchasing of LIC policy. For analyzing the customer preference and satisfaction 150 respondents are selected for the study. The results show that most of the customers preferred LIC policy to reduce the tax purposes and coverage for risks.

Key words

LIC, customer satisfaction, customer preference, insurance industry.

I. INTRODUCTION

The Insurance sector has made possible to cover the risk which is impossible. The main objective of Insurance Corporation is to eliminate the risk on the substitution certain for the uncertain. Customer satisfaction is a business term, it is used to measure the product services supplied by a company meet or surpass customer expectations.

Customer is the king and evolved all activities to satisfy him or her, giving this Idea momentum, it's necessary to know satisfaction of insurance, Customer satisfaction of the policyholders in various aspects trustworthiness, customer retention, repurchase intention is the parameter of business. Increasing competition in the insurance sector and expectation of policy holders, leads to measure the satisfaction level of the customer. LIC started to provide in order to satisfy the requirements of the customer and for their success and survival in the insurance sector. An Insurance company to understand the customer preference and provide services effectively.

II. STATEMENT OF THE PROBLEM

The Customer satisfaction is vital in any Industry. It also plays significant role in Insurance Industry especially Life Insurance. Due to increase in stiff competition, change in the preference of

the customer of LIC, the policymaker should be more aware to frame different products based on the customer expectation. Now-a-days LIC identifies the different tools to satisfy and retain their customer in a longer period. So, the current study based on customer's satisfaction of LIC policy in Coimbatore district.

III. THE REVIEW OF LITERATURE

Dr.A.W. Una's (2015) examined customer satisfaction of LIC policyholders. The result of the study insurance industry increased competition day by day. In this aspect Insurance companies should focus on improving service quality, assurance and tangibility to add strengthens the policyholder's satisfaction.

Dr.Ruchi Jain(2018), in her study about customer satisfaction towards the services of the Life Insurance Corporation (LIC) . She found her study the insurance trade nowadays is experiencing stiff and cutthroat competition and also the major players together with LIC have come back harassed. It may well be steered that Life insurance firms (LIC) retentive a client usually cheaper and profitable than finding new customers.

IV.OBJECTIVES OF THE STUDY

- To examine the demographic factors influencing the policyholders to take the different policy.
- To study the level of satisfaction of policyholders with regard to service quality of the LIC.
- To determine the reason for acquiring the LIC insurance policy.

IV. RESEARCH DESIGN

The present study is based on descriptive research. It aims to examine the factors influencing, customer satisfaction of the Life insurance in relation to investment, the preference of the different policies. In order to find out these the study has conducted 150 policyholders in Coimbatore district.

V. DATA COLLECTION METHODS

The researcher has used both primary and secondary sources to collect data. The Primary data has collected through questionnaire. The secondary data has collected from annual reports of IRDA, life insurance journals, magazines and various websites.

VI. ANALYSIS AND INTERPRETATION

Table-1
Demographic factors of Policyholders

Factors	Classification	No. of respondents	Percentage
Age	21 -30	26	17.33
	30-40	48	32.00
	41-50	36	24.00
	51 above	40	26.67
Gender	Male	65	43.33
	Female	85	56.67
Marital Status	Married	87	58.00
	Unmarried	63	42.00
Education Qualification	Illiterate	25	16.67
	School level	26	17.33
	Degree level	47	31.33
	Professional	52	34.67
Occupation	Employee	34	22.67
	Business & Profession	53	35.33
	Profession	17	11.33
	Agriculturist	46	30.67
Income Level	5000 -10000	10	6.67
	10000 -20000	21	14.00
	20000 – 30000	27	18.00
	30000 – 40000	38	25.33
	50000 above	54	36.00
Family size	Two	31	20.67
	Three	45	30.00
	Four	41	27.33
	Five and above	33	22.00
Awareness	Friends	32	21.34
	Media	24	16.00
	Agents	65	43.33
	Others	29	19.33

Source: Primary data

Table 1 shows that demographic factors of the policyholder of 150 respondents of LIC. The majority (56.67%) of the respondents is belonging to female who are taking LIC policy. It is inferred that 32% of the respondents are taking policy under middle age group. It is observed that 58% of the respondents are married. It is shown that 34.67% of the respondents are professional and well educated. It is observed that most (36%) of them come under the high income group taking LIC policy. It is shown that 30% of the respondents are having three members in a family. Finally observed that 43.33% of the respondents are getting awareness about insurance policy through their agents.

Table- 2
Investment objectives in Life Insurance

Investment Objectives	No. of respondents	Percentage
Regular income	25	16.67
Capital appreciation	9	6.00
Income growth	42	28.00
Tax planning	74	49.33
Total	150	100.00

Source: Primary data

From the above table shows that most of the (49.33%) respondents taking policy to invest in the insurance for the tax planning which shows that preferred insurance for tax purposes. Further, it is observed that 28% and 16.67% of the respondents said the objectives of the investment is for income growth and earning regular income and only 6% of insurance holders said that they invest in life insurance for capital appreciation. So, The Most (49.33%) of the respondents said the main objective of the investment is planning for tax.

Table-3
Reasons for Selecting LIC Policy- Rank Analysis

Reasons	No. of respondents	Percentage	Rank
Shifting investment	17	11.33	IV
Know agent	12	8	V
Prompt services	8	5.33	VI
Savings	23	15.33	III
Tax purposes	38	25.33	II
Own interests	5	3.33	VII
Coverage of risk	47	31.33	I
	150	100	

Source: Primary data

The above table expresses that the percentage analysis for reason to take Life Insurance policy. The coverage of risk has ranked 1st with percent of 31.33. Next tax purposes and savings have ranked 2nd and 3rd with percent of 25.33 and 15.33 respectively. Remaining factors shifting investment, know agent, prompt services and own interests have ranked 4th and so on. Most of the customers are not taken policy with own interest and prompt services. Finally it is concluded that the customers are taking policy for coverage of risks and tax purposes.

Table.4
Level of Satisfaction of LIC Service

Level of satisfaction	Frequency	Percentage
Highly satisfied	78	52.00
Moderate satisfied	43	28.67

Low satisfied	29	19.33
Total	150	100.00

Source: Primary data

From above table show that level of satisfaction of LIC policyholders. 52% of the respondents are highly satisfied with the services of LIC, 28.67 percent of the respondents felt that the service of LIC is at a moderate level and the remaining 19.33 percent of the respondents expressed low satisfaction levels with regard to LIC services. Finally, it is concluded that majority (52%) of the respondents are satisfied the service provided by LIC.

VII. Suggestions:

- To improve the level of satisfaction LIC may center for attention on rural customers
- LIC accelerates the claim settlement and minimize procedure for claim settlement
- Life Insurance Corporations introduce more products to create own interests among the people.
- To improve the service quality of the LIC periodical review can be maintained in the future.

VIII. CONCLUSION

The Life Insurance Company has better competition among the insurance industry. The oldest and leading Public sector LIC has facing tough completion in the market. It provides their insurance products to their new customer at a cheaper price. IRDA also gives more strict rules and regulation to the insurance industry to protect policyholders.

Reference:

1. Dr.A.W.Unas(2015)," A study on policy holders satisfaction to serve of LIC: reference to Coimbatore district,International journal of informative & futuristic Research (IJIFR), Volume II, issue 10, Pg.No 3620- 3626.
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