A study on consumer attitudes toward life insurance products concerning Life Insurance Corporation of India, Kakinada.

1 P. HARI KUMAR.,

Research Scholar,

School of Management Studies, JNTU- Kakinada

E – Mail: hari_kumarp@yahoo.com

2.Dr. P.V.V. Satya Narayana.,

Assistant Professor and Research Supervisor,

School of Management Studies, JNTU- Kakinada

E – Mail: dr.pvvs@gmail.com

3.Dr. P. VIJAYA KUMAR.,

DIRECTOR, and Co- Research Supervisor,

School of Management Studies, JNTU- Kakinada

Kakinada.

E – Mail: padishalavk@yahoo.co.in

Abstract:

In the context of consumer behaviour, acquisition, use, and disposal may occur in a dynamic sequence throughout time. Individuals' choices to spend their available resources (money, time, effort) on consumption-related things are the focus of the study of consumer behaviour. Customers of LIC of India in Kakinada were asked to fill out a survey on their attitudes, values, beliefs, and behaviours. This research examined the micro-variables and drivers of policyholder behaviour in great detail. The study's primary goal was to determine what factors influence policyholders' decisions on purchasing insurance. The study's primary goal is to understand better the different external and internal effects on policyholder decision-making.' For this research, the Life Insurance Corporation of India, a well-known corporation in India and worldwide, serves as the universe. The researcher decided to study Kakinada's branches in light of the aims above. After conducting pilot research, the Questionnaire/schedule was administered. The pilot study's participants have been included in the actual sample size for statistical analysis. Schedules/Questionnaires were printed in

quantities of 450 and handed to survey participants, who completed them in person at various branches of the chosen organization at the various locations previously indicated. The researcher determined that just a tiny fraction of all attempted interviews were completed. This study had a 96.6 per cent response rate. Four hundred fifty blank questionnaires were sent to the participants, and 400 completed questionnaires were returned to the researcher.

INTRODUCTION

No matter how big or small a nation is, marketing is critical to its growth and development, and since the ideas are so intertwined, one without the other is doomed to failure. Marketing has continually progressed in lockstep with the country's economic prosperity.

For contemporary marketing to be successful, it has to know what people want and need from its goods and services and how they think and feel about them. A multibillion-dollar industry, network marketing now employs millions of people.

A Life Insurance Policy Is Essential

Insurers should follow these five simple rules when it comes to life insurance.

According to the income rule, individual insurance coverage should be at least eight to 10 times one is gross yearly income, which is the most fundamental thumb rule. When it comes to life insurance, those who make less than $150,000 a year should have somewhere between $85,000 and $105,000.

Assuming an individual's gross yearly income is five times his or her basic costs, this rule states that an individual should have insurance equivalent to five times the sum of these expenses.

Premiums are calculated as a percentage of disposable income under this regulation.

• To put it another way, the amount of insurance to purchase should be determined after the average wage expenses have been met. One may get an idea of the bare minimum in insurance coverage using the first two guidelines.

To ensure that one's family can cover different expenditures in the case of the loss of a critical earner, one should obtain adequate life insurance. Family requirements may be divided into two primary categories: urgent needs after death (monetary needs) and long-term needs that will continue beyond death (net income needs).

Consumer Behaviour - An Explanation

Decision-making and physical activity in the acquisition, evaluation, use, and disposal of products and services is consumer behaviour. This concept makes it apparent that consumers' attention is focused on more than simply the acquisition or purchase of products or services; instead, the process begins far before any such acquisition or purchase has taken place. The purchasing process begins in the consumer's thoughts, which leads to the discovery of alternatives between things that may be purchased with their respective pros and drawbacks in consideration.

The buyer's model of behaviour.

There are a variety of models that attempt to explain the behaviour of consumers. These models deal with a wide range of stimuli, variables that influence decision-making, and the results of those decisions. It is widely accepted that consumer behaviour is a complex combination of mental and physical activity (purchase decision). Decision-making and physical activity are two aspects of consumer behaviour that people participate in while deciding whether to buy, use, or dispose of products and services.

They must now take into account their particular traits in order to make the best possible choice. Ideally, a marketer's goal is to have the customer purchase.

THE METHODOLOGY OF RESEARCH

Design and methods in this study. It also details the creation of tools while confirming their validity and reliability via scientific testing. Statistical methods were used to analyse data quantitatively where appropriate. Detailed information on the research design, sample, creation of research tools, extraction of variables, instruments, data collecting process and statistical techniques used for analysis are all included in this study. The findings are also discussed. Next, the data analysis, the study's outcomes, and the study's ramifications for both the industry and the stakeholders and future research are examined in great detail. Customers of LIC of India in Kakinada were asked to fill out a survey on their attitudes, values, beliefs, and behaviours.

REASON FOR THE RESEARCH

There is a need to perform a new study to better understand the buying habits of insurance policyholders, particularly in the case of life insurance plans. This study's purpose may be stated as follows from the literature review:

FORMAT OF THE RESEARCH

This research examined the micro-variables and drivers of policyholder behaviour in great detail. The study's primary goal was to determine what factors influence policyholders' decisions on the kind of insurance to purchase. Understanding the many external and internal factors in policyholder decision making is the study's primary goal. Several sub-goals have been established in order to achieve the primary goal.

It identifies additional elements that affect life insurance buyers' decisions.

Customer and LIFE Insurance Corporation of India's long-term contractual interactions must be understood.

Kakinada city residents' attitudes on life insurance company investments are being examined.

Determine the discrepancy between what policyholders believe they would get from a life insurance policy and what they receive in Kakinada City.

Sampling

The Life Insurance Corporation of India, a well-known supplier of life insurance services in India and abroad, is the subject of this research. The researcher decided to undertake a study in Kakinada's branches based on the aims described above.
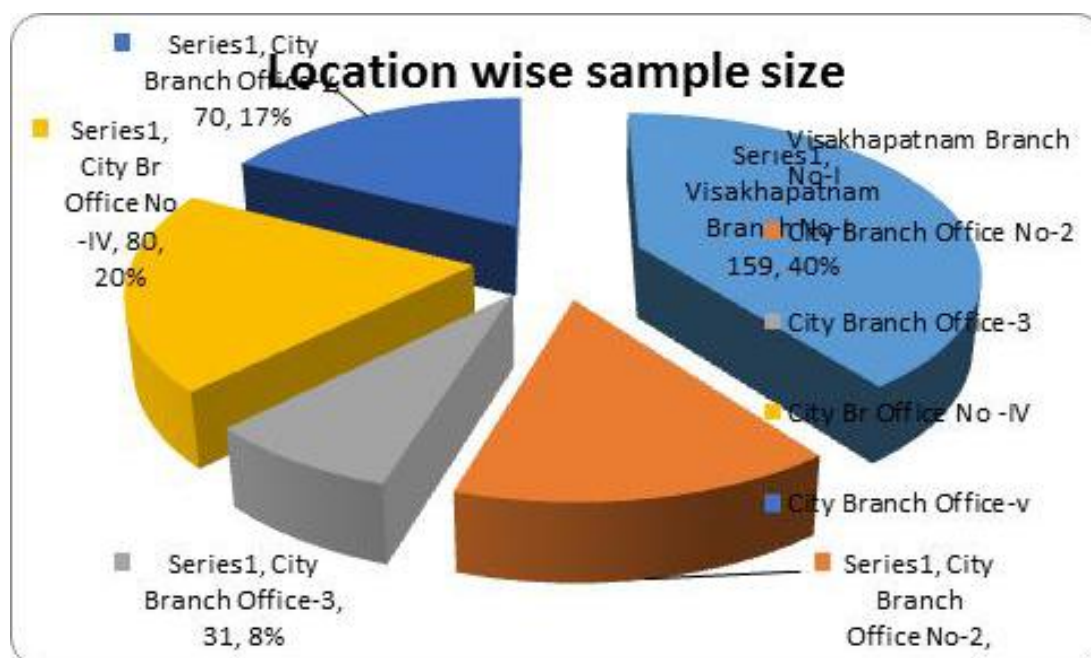
The researcher computed the survey response rate to estimate the proportion of the total number of completed interviews. This study had a 96.6 per cent response rate. Four hundred

fifty blank questionnaires were sent to the participants, and 400 completed questionnaires were returned to the researcher.

Scheduling reliability

A sequence of statements covers every facet of consumer behaviour in the life insurance industry. A couple more questions were posed to make sure that everyone had a chance to express their thoughts and to make them pause before responding. As required, the researcher has used suitable statistical methods, such as the chi-square test.

The χ^2 test:

The Chi-square (χ^2) test is one of the simplest and most widely used non-parametric tests in statistical work. The

symbol ^{2} is the Greek letter chi; Karl Pearson first used the χ^2 test in 1900. The quantity χ^2 describes the magnitude of the discrepancy between theory and observation.

$$\text{It is defined as: } \chi^2 = \Sigma \frac{(O - E)^2}{E}$$

Recommendation of books

Many studies in the literature have focused on different aspects of the insurance market, such as cost, value, customer satisfaction and delivery patterns of various products. There is a dearth of research on consumer behaviour in life insurance. Hence an effort is made to investigate the factors that influence customer behaviour. The purpose of this research was to examine the variables that influence the purchasing decisions of life insurance policies by policyholders. "A Study of Consumer Behaviour towards Life Insurance in Kolhapur City," by Deep K. Thakkar (2012), concluded that life insurance serves as a means of protecting people' lives. Essentially, it is a kind of insurance against the untimely death of a person. In this way, his/her family is financially secure in such an event. Sridevi (2012) "A Research of Consumer Buying Behaviour towards Life Insurance Policies in Perambalur District" is an effort to study the buyer behaviour of life insurance policies in the rural Perambalur district region. The investigation was conducted in Perambalur, a Tamilnadu agricultural area. The study's findings are presented based on a field survey of 150 participants who were selected

using a purposive sample technique. According to Kavita Mahajan's (2013) "Analysing Consumer Decision Making Process in Life Insurance Services," Customer satisfaction is the belief in a service's ability to meet the demands and expectations of its consumers. Quality of service, demographic and psychological characteristics, sense of equality, pricing, product quality and situational circumstances all affect customer satisfaction. Attributions for service success or failure are also necessary.
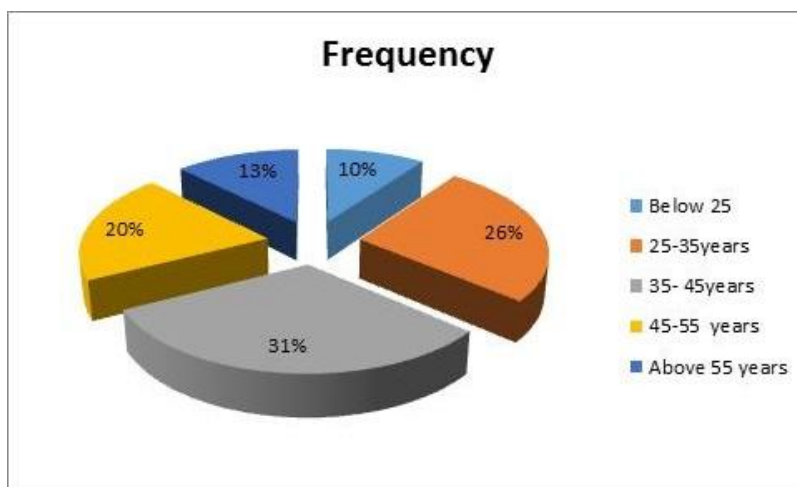
customer satisfaction. attributions for service success or failure are also important.
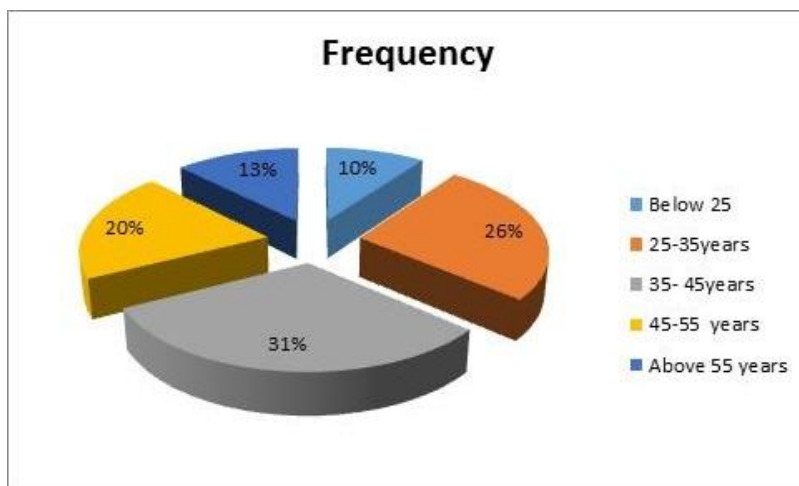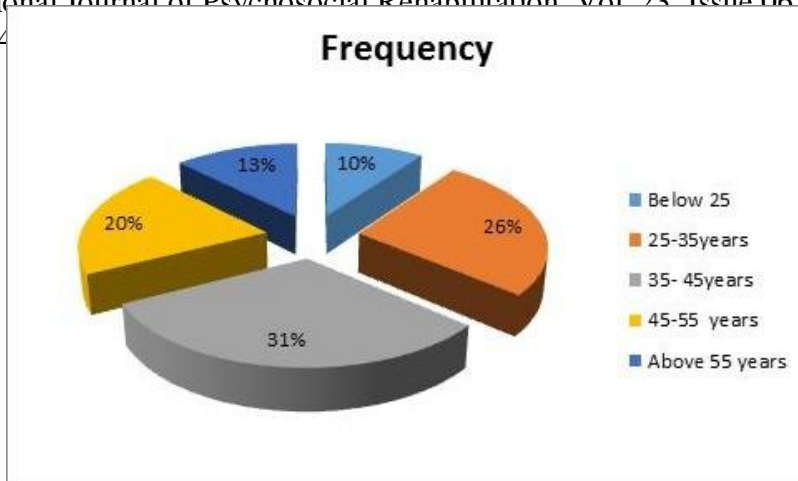
Age Classification of Respondents

Gender -wise distribution of the respondents

GENDER	Frequency	Per cent
Male	290	72
Female	110	28
Total	400	100.0

Source: Field Survey
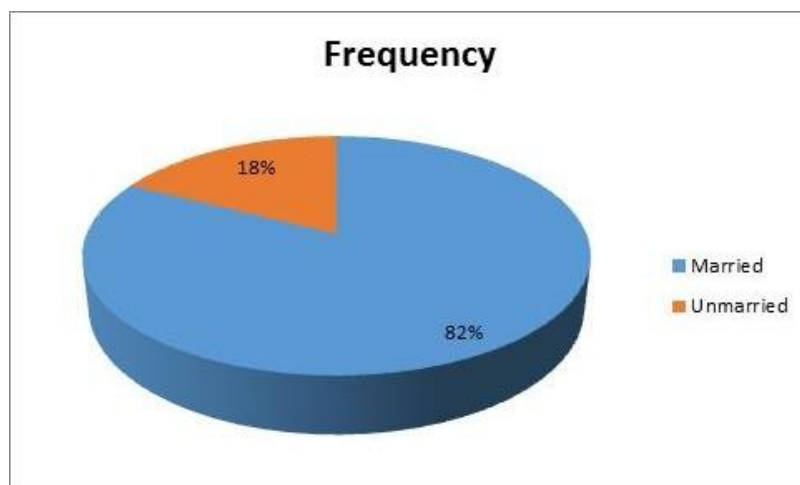
Marital Status of Respondents

Children wise Distribution of the respondents

Children	Frequency	per cent
1	190	47
2	130	32
3<	50	13
None	30	8
Total	400	100

Source: FieldSurvey
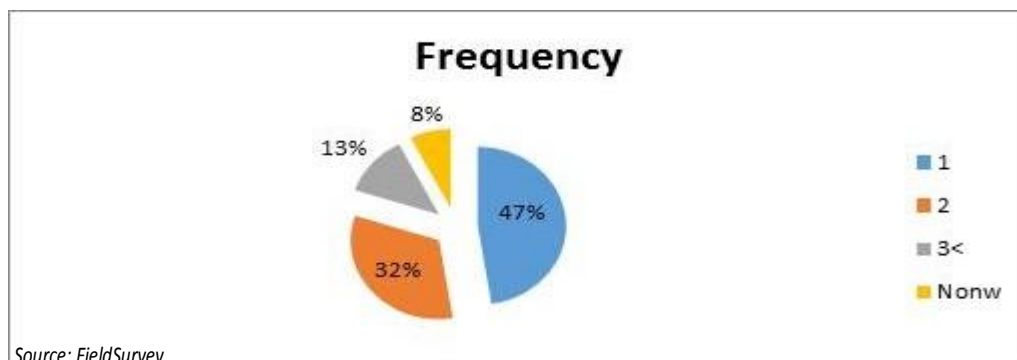
Source: Field Survey

Qualification wise Distribution of the respondents figured in the sample

Qualification	No. of Respondents	per cent
Under Graduate	20	5
Graduate	70	17
Post-Graduation	210	55
Others	100	25
Total	400	100

Graph Educational Qualifications of respondents

Source: Field Survey

Occupation wise Distribution of the respondents figured in the sample
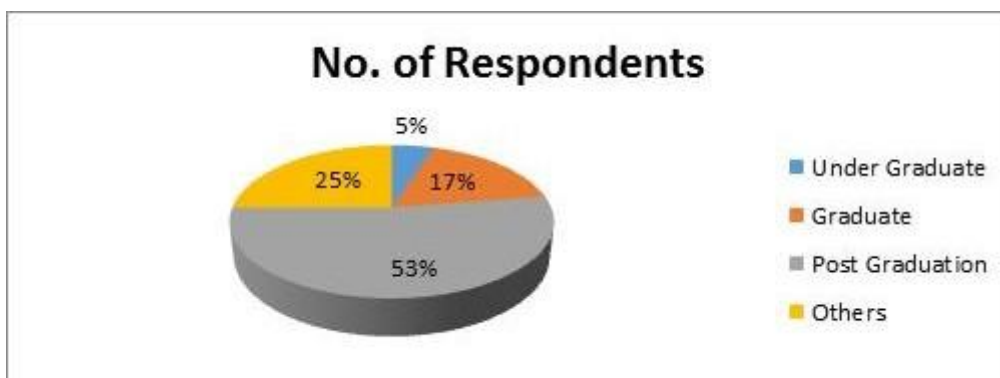
Occupation	Frequency	per cent
Government	40	10
Private Service	180	45
Self employed	60	15
Professional	40	10
Others	80	20
Total	400	100

Occupations of Respondents
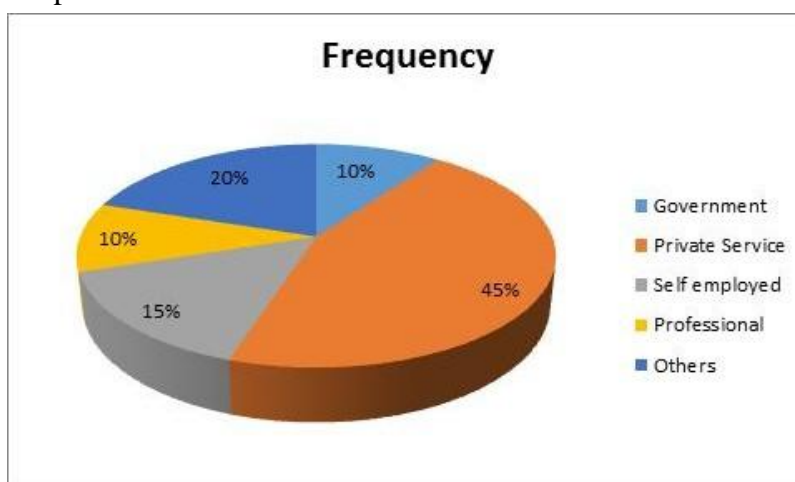
Source: Field Survey

Annual Income wise distribution of the respondents figured in the sample

Income in rupees	Frequency	Per cent

Below 1,50,000	30	28
1,50,000 to 2,50,000	112	28
2,50,000 to 3,50,000	100	25
3,50,000 to 4,50,000	58	15
4,50,000 and above	100	7
Total	400	100
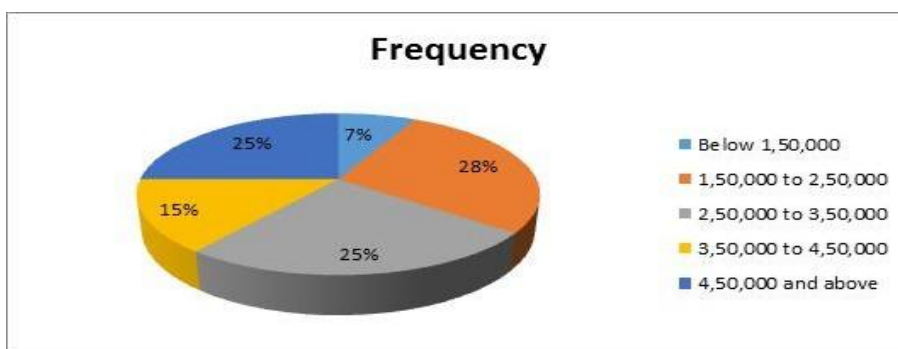
Income levels of Respondents

Source: Field Survey

Opinion of respondents the nature of Consumer behaviour

Consumer	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Chi-square
1.Consumers prefer	6	50	87	195	62	400	

mainly investment in UnitLinked Insurance.	(1.5)	(12.5)	(21.8)	(48.8)	(15.5)	(100.0)	43.19
2. Life insurance returns in the back ground of bullish stock market, a part of ULIPs depend on the behaviour of the stockmarket.	6 (1.5)	50 (12.5)	87 (21.8)	195 (48.8)	62 (15.5)	400 (100.0)	43.19
3. Equity share capital of private companies is giving new challenges to LIC of India.	6 (1.5)	69 (17.3)	148 (37.0)	121 (30.3)	56 (14.0)	400 (100.0)	16.35
4. Policyholder understands and is able to determine the benefits of the product.	18 (4.5)	70 (17.5)	158 (39.5)	142 (35.5)	12 (3.0)	400 (100.0)	13.47
5. It is important to look at theprofile of the life insurance in long term Policy where the companyis underwriting the risk.	32 (8.0)	46 (11.5)	189 (47.3)	91 (22.8)	42 (10.5)	400 (100.0)	43.19
6. Consumer is aware of the basic concepts of life insurance.	18 4.5	60 15.0	154 38.5	121 30.3	47 11.8	400 (100.0)	17.66
7. Basic life insurance policy protects the bread-	6	88 (22	180 (45.0	111	15	400 (100	17.2

earner andhis loved ones.	(1.5)	.0)	)	(27.8)	(3.8)	.0)	7
8. There is no difference in professional men and women and they both have the same earning power and both contribute to the family.	26 (6.5)	115 (28.8)	109 (27.3)	140 (35.0)	10 (2.5)	400 (100.0)	19.96
9. Insurance traditionally targets at the earning member of the family.	7 (1.8)	23 (5.8)	123 (30.8)	189 (47.3)	58 (14.5)	400 (100.0)	13.48
10. Current insurance products not only provide security for family, but also help in savings, investment towards creating a golden future.	18 (4.5)	60 (15.0)	172 (43.0)	127 (31.8)	23 (5.8)	400 (100.0)	20.48
11. Currently there is a strong need for women to also insure and invest and, insurance companies are also targeting women with specially- designed policies.	24 (6.0)	109 (27.3)	146 (36.5)	121 (30.3)	-	400 (100.0)	19.84
12. Insurance provided by life insurance income replacement for premature	24 (6.0)	53 (13	178 (44.5	101 (25.3)	44 (11.0)	400 100.	24.75

death and long-term savings.		.3)	)			0	

Source: Field Survey

Factors Influencing Policy holders in Selecting the Life Insurance Policy

Decision making by Consumer	N	Mean	Standard Deviation	t-value	p-value
Influenced by Some One at decision.	400	11.11	3.44	1.425	0.155
Employer's suggestion.	400	6.38	1.96	0.534	0.593
Influenced by family members.	400	6.77	2.03	3.315	0.001
Friend's suggestion	400	10.98	3.97	0.214	0.831
Insurance agent's advice.	400	7.76	3.01	2.896	0.004
Influence of an advertisement	400	5.78	2.52	1.569	0.118

Source: Field Survey

Usefulness of sources of information on Life insurance

Sl.	Sources of information on	Not very	Not usefu			Very Usef	Chi-squar evalv

N o	Life insurance advantage	useful	l	Neut ral	Useful	ul	e
1	Life Insurance Agent information	33 (8.3)	123 (30.8)	112 (28.0)	120 (30.0)	12 (3.0)	46.77
2	Relatives, Friends words	33 (8.3)	124 (31.0)	122 (30.5)	91 (22.8)	30 (7.5)	42.77
3	Insurance company mails, Messages, Phone,	32 (8.0)	46 (11.5)	189 (47.3)	91 (22.8)	42 (10.5)	43.19
4	Advertisements in Magazines, Newspapers, Print Media etc.,	46 (11.5)	44 (11.0)	149 (37.3)	125 (31.3)	36 (9.0)	7.53
5	Internet	71 (17.8)	61 (15.3)	123 (30.8)	105 (26.3)	40 (10.0)	13.26
6	Information during Seminar at office and others	25 (6.3)	71 (17.8)	156 (39.0)	116 (29.0)	32 (8.0)	18.71
7	TV or Radio programmes	35 (8.8)	103 (25.8)	162 (40.5)	80 (20.0)	20 (5.0)	28.13

Source:

Field Survey

Need for Purchase of LIC policy

Need for Buying	Strongly Disagree	Disagree	Cant Say	Some what Agree	Strongly Agree	Chi-square	P-value
To provide with some extra money at the time ofretirement.	-	-	26.7	35	38.3	214.406	0.000
To provide dear ones with someextra money at the time of retirement.	-	-	26.7	3.3	70	80.03	0.000
To provide with some extra money in case of emergency (illness, accident).	-	-	32.3	10.3	57.3	47.634	0.000
To avoid incurring unnecessary costs of insurance future	-	-	15.3	12.7	72	74.598	0.000
To invest/save money to maintain same life style	-	-	50	25.3	24.7	157.024	0.000
To provide death protection for						56.06	0.00

family members in case of any untoward incident	-	-	34	9	57	3	0
To provide financial support to spouse	-	-	43	6	45.3	156.537	0.000
To save tax	-	-	18	5.7	68	125.308	0.000

Source: Intention behind the purchasing the insurance product

Field Survey

Purpose of buying the insurance product	Ranking
1, Insurance cover	1.88
2. Savings for Children's education and Marriage etc	2.78
3 Income Tax benefit	3.21
4 Savings for Old age, Pension	3.76
5 Agent's recommendation	4.83
6 Recommendation from Friends/Relatives	5.07
7 Housing Loan Cover	5.29

Source: Field Survey

Complications in decision while buying life insurance

Sl. No	Difficulties encountered when buying a policy	Mean Score
1	what type of Insurance to buy	2.59
2	On the Sum assured	2.94
3	Life insurance company	2.97
4	Understanding the policy details, benefits	3.00

FINDINGS

Results from this study aid in forming a reliable conclusion for evaluating factors affecting the policyholder behaviour in Kakinada. After the data was processed, analysed, and summarised, the study's core findings were revealed in this chapter. It was necessary to conduct statistical tests on the research instrument and several statistical procedures to arrive at the study's conclusions.

The data analysis revealed that, of the 400 total respondents, 31% are between the ages of 35 and 45, 26% are between the ages of 25 and 35, 20% are between the ages of 45 and 55, and the remaining 13% and 10% are between the ages of 55 and under 25 years. The remaining respondents are evenly distributed. Gender was an essential demographic feature for marketers since it affects marketing efforts in several ways. An insurance policyholder's demographic features include their name and address; their socio-economic characteristics include their employment and net worth; and their ethnicity and religious affiliations are all part of their socio-demographic profile. At least one state has banned charging a policyholder extra for protection based on a policyholder's gender rating. Gender is an issue that Indian customers are concerned about when purchasing life insurance. According to the research, married men spend more money on life insurance than single men, and insurance firms may use this information to understand better the purchasing habits of single earners, whether male or female. Modifications in marital status need an evaluation of one's life insurance policy to see whether it remains

necessary or if changes should be made. Personal income and financial obligations and the name of the beneficiary in the case of death should be included in the evaluation. If one's spouse has passed away or is no longer a part of one's life, it is essential to update the policy to reflect this fact. Analysis of the 400-person sample reveals that 47% of respondents have one kid, 32% have two children, 13% have three or more children, and the other 8% have no children. The remaining 8% of respondents have no children. Life insurance demand has been proven to be significantly influenced by factors such as the size of the family and the number of children. Therefore Insurance LIC of India may focus on this factor. According to the statistics, 55% of respondents are post-graduates, 25% are others, 17% are graduates, and the last 5% are undergraduates, as can be seen from the findings. We go into great depth on how consumers make decisions, what they purchase, and what has known as "the black box." The many phases of life are connected to the various stages of consumer decision making. Young buyers, women, and children are seen as emerging consumer groups in competitive markets. The breakdown of respondents' occupations. According to this study, there are 45 per cent private service workers, followed by 20 per cent from other groups, and 15 per cent from self-employed workers and 10 per cent from professionals. In addition, the remaining 10% of respondents are employed by the federal government.

The most significant discoveries

According to responses, most agents and development officers are mainly concerned with generating new business and keeping current policyholders happy, lacking a human touch.

Life insurance is becoming more popular among families, mainly because they invest in Unit Linked Insurance Products.

Respondents said that since life insurance is a contract, it is necessary to check out the firm underwriting it.

Respondents believe that the basic life insurance policy protects the breadwinner and his loved ones. They further believe that there is no difference between professional men and women in today's society and that they both have the same earning power and both contribute to the family's income.

The vast majority of people surveyed believe that insurance products protect families and enable them to save and invest for their future requirements, such as retirement. Respondents are

confident that life insurance provides income replacement in the event of early death and long-term savings devices.

Being the most knowledgeable source, the agents have the most significant effect on policyholders, particularly in rural areas, compared to other sources. The policyholders are also influenced by the insurance company's ads while settling on coverage.

Compared to other dimensions, the average value of advertisements in newspapers and magazines is higher, indicating a more positive attitude among respondents. In contrast, the scaled item mentioning agents and advisors as potential sources of immediate response shows a lower average value.Advertisements in newspapers and magazines, according to respondents, are a convenient way to get information.

Most people who took the survey agreed that Insurance Experts and financial experts are valuable resources for getting accurate insurance information.

Every piece of information regarding Life Insurance's Sources of Information had an average score and a standard deviation that was statistically significant. A simple way to learn about the average cost per advertising in a newspaper or magazine.Customers love LIC because of the hassle-free application process, quick claim resolution, and helpful customer care provided by the company's representatives and other employees.Savings in a nation are constantly affected by inflation, and insurance firms do not provide any information about long-term financial objectives for a family that is adjusted for inflation.

CONCLUSION

Every company's foundation is built on the needs of its customers. In order to fine-tune their marketing offerings and attain high levels of consumer approval and happiness, marketers pay close attention to what customers see, think, prefer, and purchase. Micro variables/determinants of customer behaviour were the focus of this investigation. The researchers set out to conduct a study to find out why people in Kakinada City choose and acquire insurance policies. The data was gathered, analysed, edited, tabulated, and then interpreted to summarise the findings. In order to get to the base of the problem, appropriate statistical methods such as percentages, averages, frequency distributions, mean scores, correlations, regressions, t-tests, chi-square tests, and confirmatory factor analyses were utilised. When the sample frame was finalised, it was chosen to draw responders from the various LIC branches in Kakinada. The purpose of the study was to examine the effect of external and internal variables on policyholders' decision making.

Every firm relies on a customer as its primary source of revenue. In order to fine-tune their marketing offerings and attain high levels of consumer approval and happiness, marketers pay close attention to what customers see, think, prefer, and purchase. As a result, it is critical to understand what insurance is and how it might benefit a person or company. A company's marketing mix should consider the preferences of its target audience while creating it.

REFERENCES

Prentice-Hall of India, 2005, "Principles of Marketing," pp. 35-89. Kotler

5th Edition of "Consumer Behaviour" (Cengage Learning), pp.5-29.

From Dreamtech Press: "Consumer Behaviour A Strategic Approach," pp.19-39.

Consumer Behaviour and Marketing Strategy, 7th Edition, Illustrated, McGraw-Hill Companies, pp.76-123, 2005, Peter. J. P. and Olson. C. J.

Jim Blythe., (2013), "Consumer Behaviour," SAGE, pp.357-367. SAGE.

Routledge, 2012, pp.38-89. Peng Sheng and Aziz Guergachi, "Exchange Behaviour in Selling and Sales Management."

CN Krishna Naik, (1999), "Consumer Behaviour," Discovery Publishing House, p.5-78.

p.34-89 in C.L. Tyagi and Arun Kumar, "Consumer Behaviour," Atlantic Publishers and Dist., 2004).

"Insight from Indian Markets: Consumer Behaviour" by Ramanuj Majumdar, PHI Learning Pvt Ltd, pp.178-257, is titled "Consumer Behaviour".

A Decision Making Approach to Consumer Behaviour," South Western Publications, pp. 10-11. Walters C. Glenn and J. Bergiel Vlaise.

G Radha Krishna, my dearest (2006). Consumer Behaviour, The ICFAI University Press, 2006, pp. 50-51

Singh Jagdeep, (1988), "Consumer Complaint Intentions and Behaviour," Journal of Marketing, American Marketing Association, pp. 52–58.

The Journal of Marketing Research published "Consumer pricing and promotion expectations: an experimental study" in 1992.

E. N. Zietz, "An Examination of the Demand for Life Insurance," Risk Management and Insurance Review, Vol. 6, 2003, pp. 159-191.

In Indian Journal of Marketing, (34), pp. 6-8, Raman, N. and Gayatri, C. (2004), "A Study on Customers' Awareness towards New Insurance Companies,"

An investigation of the impact of relationship quality and service quality on the value, satisfaction, and behavioural intentions of customers in the life insurance industry was conducted by Srinivas Durvasula, Steven Lysonski, Subhash C. Mehta and Tang Buck (2005) in publications and page 30-32.

Vijay Kumar Panday and Dr Praveen Sanu (2009), "A study of purchasing behaviour of customers towards LIC," Prestige Institute of Management Gwalior Vol 3, number 34, P 1.

The Global Journal of Finance and Management, 'ISSN 0975-6477 Volume 2, Number 1 (2010), pp. 19-33, "An Empirical Study of Indian Individual Investors Behaviour."

International Journal of Modeling and Optimization, Vol. 1, No. 3, pp. 250- 256.

Journal of Database Marketing and Customer Strategy Management, 19, 120–133, Arpita Khare et al. (2012), "Customer behaviour toward internet insurance services in India."

The Millennium Edition of Prentice-Marketing Hall's Management by Peter Kotler, p. 161.