A STUDY ON CUSTOMERS’ PERCEPTION TOWARDS LIFE INSURANCE CORPORATION PRODUCTS WITH REFERENCE TO CHENNAI CITY

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\textbf{ABSTRACT}

\textbf{Purpose:} The objective of this study is to assess the level of customer perception towards Life Insurance Corporation in the city of Chennai. The study aims to identify the factors influencing customers’ decision-making process in selecting life insurance products.

\textbf{Theoretical Framework:} Life insurance is a crucial aspect of financial planning, providing protection to individuals and their families against unforeseen events such as accidental death or disability. In the current scenario, there are numerous insurance companies offering life insurance products, with public limited companies being the preferred choice for investment due to their ability to safeguard both the amount invested and the policyholder's life. Insurance companies play a vital role in promoting the well-being of individuals by offering protection against life risks.

\textbf{Design/Methodology/Approach:} The data for this study was collected using a well-structured questionnaire and statistical techniques such as descriptive and percentage analyses were used to analyze the data.

\textbf{Findings:} The study showed that research finding brings practical value in improving customer perception in Chennai. The Article identifies the key elements to enhance the customer perception.

\textbf{Research, Practical & Social implications:} The study has fused the theory of service quality and customer perception. In addition, the study has systematized the relationship between the factors measuring the service quality of life insurance and customer satisfaction.

\textbf{Originality/value:} The paper's originality and value assist policy providers to regulate and weigh the measure they have been using and adjust into a set of observed variables measuring the customers’ perception of Life Insurance Corporation in Chennai. This study provides new roadmap to a future study on customer Perception towards life insurance Corporation, a document for other research in the life insurance field.

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UM ESTUDO SOBRE A PERCEPÇÃO DOS CLIENTES EM RELAÇÃO AOS PRODUTOS DA CORPORAÇÃO DE SEGUROS DE VIDA EM RELAÇÃO À CIDADE DE CHENNAI

RESUMO
\textbf{Objetivo:} O objetivo deste estudo é avaliar o nível de percepção do cliente para a Life Insurance Corporation na cidade de Chennai. O estudo visa identificar os fatores que influenciam o processo de tomada de decisão dos clientes na seleção de produtos de seguro de vida.

\textbf{Estrutura teórica:} O seguro de vida é um aspecto crucial do planejamento financeiro, fornecendo proteção aos indivíduos e suas famílias contra eventos imprevistos, como morte acidental ou incapacidade. No cenário atual,
existem numerosas companhias de seguros que oferecem produtos de seguros de vida, sendo as sociedades anônimas a opção preferida para o investimento, devido à sua capacidade de salvaguardar tanto o montante investido como a vida do tomador de seguros. As companhias de seguros desempenham um papel vital na promoção do bem-estar dos indivíduos, oferecendo proteção contra riscos de vida.

**Design/Metodologia/Abordagem:** Os dados para este estudo foram coletados por meio de questionário bem estruturado e técnicas estatísticas, como análises descritivas e percentuais, foram utilizadas para analisar os dados.

**Descobertas:** O estudo mostrou que a descoberta da pesquisa traz valor práctico na melhoria da percepção do cliente em Chennai. O artigo identifica os principais elementos para melhorar a percepção do cliente.

**Pesquisa, implicações práticas e sociais:** O estudo fundiu a teoria da qualidade do serviço e a percepção do cliente. Além disso, o estudo sistematizou a relação entre os fatores que medem a qualidade de serviço do seguro de vida e a satisfação do cliente.

**Originalidade/valor:** A originalidade e o valor do artigo ajudam os fornecedores de políticas a regular e pesar a medida que têm usado e ajustar em um conjunto de variáveis observadas que medem a percepção dos clientes da Life Insurance Corporation em Chennai. Este estudo fornece um novo roteiro para um estudo futuro sobre a percepção do cliente em relação a Corporação de Seguros de Vida, um documento para outras pesquisas na área de seguros de vida.

**Palavras-chave:** Percepção do Cliente, LIC, Seguro de Vida, Chennai.

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**INTRODUCTION**

The life insurance industry in India is experiencing growth as a result of a relatively low number of individuals being insured. Despite the challenges presented by the entry of new players in the market, this situation also offers opportunities for companies that can effectively tailor their products to meet customer expectations. Therefore, it's crucial to identify any gaps between the customer's expectations and the actual services provided by Life Insurance Corporation.
Corporation (LIC) products. In business, gap analysis is a useful tool that enables companies to compare their actual performance against their anticipated performance. With life insurance policies, the beneficiaries receive a significant payout upon the death of the insured individual, as per the terms of the contract. The policy owner has the option to modify the beneficiaries according to the agreement.

THEORETICAL FRAME METHODOLOGY

Review of Literature

Numerous studies have explored the connection between service quality and customer satisfaction in the insurance industry. For example, Fauziah Binti Sheih Ahmad (2012) surveyed 384 residents of Melbourne, Australia and discovered a positive association between service excellence and customer satisfaction in an Australian insurance company. Sharma (2012) investigated the influence of service quality on customer perception in the insurance industry among 300 respondents and found that service quality had a favorable impact on customer satisfaction. Haresh Barot (2012) explored the correlation between service quality components and customer approval in the Indian insurance sector, analyzing a sample of 333 customers, and revealed that insurance companies that prioritize empathy, approachability, and corporate image attract more customers. Nandhini et al. (2014) conducted a study on the impact of knowledge management on customer relationship management and highlighted the significance of enhancing customer assimilation, retention, and quality to achieve effective CRM.

Objectives of the Study

The aim of this research is to gather customer perceptions regarding the service quality of Life Insurance Corporation (LIC) products, which is the leading insurance company in India with a significant market share. By utilizing the Gap Model, the research seeks to identify any gaps between the respondents' perception levels and the actual service quality of LIC products.

The objective of this research may be as follows:

- To understand the demographic profile of the policyholder
- To study the perception of customer towards products offered by LIC of India.
Research Design

In order to gather primary data for this research, a structured questionnaire with both open-ended and close-ended questions was utilized. A random sample of 120 respondents was chosen for the survey. Additionally, secondary data was collected from various sources such as journals, the internet, and other documents. Simple percentage analysis was used to analyze the primary data. The sampling technique used in this study was judgmental sampling, where the researcher used their judgement to select population members who were likely to provide accurate information. The survey method was utilized to conduct the research, utilizing a well-structured questionnaire that included ranking questions. This method was deemed suitable for gathering primary data due to its flexibility. Inferences were drawn using both the questionnaire method and the Garrett ranking technique.

Limitations of the Study

- The sample size for this study was limited to 150 respondents.
- It should be noted that the study does not encompass private life insurance corporations.
- Additionally, while every insurance policy was not included in the sample, the findings can still be applied to the broader context of insurance policies. This was done to streamline the research and simplify the findings.

DATA ANALYSIS

The data for this study was gathered through a well-structured questionnaire that was distributed to the respondents. The questionnaire provided answer choices, allowing respondents to select the option that they felt was most appropriate.

Table 1: The Demographic Factors of the Respondents

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Demographic Attributes</th>
<th>Category</th>
<th>No. of Respondents</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sex</td>
<td>Male</td>
<td>93</td>
<td>62</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>57</td>
<td>38</td>
</tr>
<tr>
<td>2</td>
<td>Age</td>
<td>Below 30 years</td>
<td>10</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>31 – 40 years</td>
<td>56</td>
<td>37.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>41 – 50 years</td>
<td>40</td>
<td>26.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>51 – 60 years</td>
<td>24</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Above 60 years</td>
<td>20</td>
<td>13.3</td>
</tr>
<tr>
<td>3</td>
<td>Education</td>
<td>Undergraduate</td>
<td>60</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Postgraduate</td>
<td>34</td>
<td>22.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ITI/Diploma</td>
<td>10</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others</td>
<td>16</td>
<td>10.7</td>
</tr>
</tbody>
</table>
Table 1 describes the demographic profiles of the respondents in Chennai city. It consists of demographic attributes, category, number of respondents, and their percentage. The demographic attributes consist of gender, age, education, occupation, marital status and annual income of the respondents. The total number of respondents is 150.

Table 2: Perception Level of Respondents on Life Insurance Products

<table>
<thead>
<tr>
<th>Perception of Respondents</th>
<th>%</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loyalty</td>
<td>45</td>
<td>II</td>
</tr>
<tr>
<td>Service quality</td>
<td>56</td>
<td>I</td>
</tr>
<tr>
<td>Ease procedures</td>
<td>35</td>
<td>V</td>
</tr>
<tr>
<td>Attractive products</td>
<td>43</td>
<td>IV</td>
</tr>
<tr>
<td>Security</td>
<td>24</td>
<td>VI</td>
</tr>
<tr>
<td>Goodwill</td>
<td>44</td>
<td>III</td>
</tr>
</tbody>
</table>

Source: Primary Data*

**FINDINGS**

- The analysis of the collected data revealed the perception level of respondents towards LIC products.
- The study measured the respondents' perception of LIC's service quality based on six dimensions that were ranked. As a result, 56% of the respondents selected LIC products based on their service quality.

**SUGGESTIONS**

Based on customer feedback in this study, it has been determined that LIC is meeting customer expectations to a large extent, but there are some areas that need improvement. To enhance customer perception, certain suggestions can be made, including:

- Emphasizing customer trust, as it is of utmost importance to customers.
- Making LIC services more user-friendly so that customers can easily access them with minimal effort.
● Addressing customer grievances promptly and resolving them to increase customer satisfaction.
● Providing customers with all necessary information to make them feel confident about investing in LIC services.
● Accommodating customer plans and schedules to make interactions with agents more convenient.
● Making it easier for customers to revive funds after maturity.
● Ensuring that customer inquiries and issues are resolved quickly.

CONCLUSION

Based on the feedback from customers in this study, it appears that LIC, a leading insurance company in India, is meeting customer expectations to a significant extent. The majority of customers reported being satisfied with LIC's products and services, which they feel meet their requirements adequately. However, there are still some areas where LIC could improve its offerings to better align with customer preferences. It's worth noting that customer perceptions of LIC's services may vary, and while the gap between customer expectations and LIC's current offerings is relatively small, it does not imply that LIC is faultless. There are still opportunities for LIC to enhance its offerings to better cater to customer needs and preferences. The authenticity of customer feedback is vital in influencing the findings of this study.

REFERENCES


