

# POLICY HOLDERS BUYING BEHAVIOUR TOWARDS LIFE INSURANCE PRODUCTS IN RURAL MARKET 'A CASE STUDY OF SANKARI TALUK

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## ABSTRACT

India is a country where the buying of Life protection items is still not exactly industrialized nations. This has prompted a huge new forthcoming of life coverage in India. Number public and private suppliers offering life coverage items, one keeps on astonishing why most of Indians doesn't have any disaster protection strategy. This came about into find what variables assume vital part in acquisition of life coverage strategies. The targets of the investigation were to assess the components impacting shopper perception, disposition towards extra security and to assess levels of mindfulness among various segment factors gatherings of clients. Complete 500 example respondents utilized for this investigation; thing to add up to connection was applied to check the consistency of the survey. The discoveries of this investigation give significant bits of knowledge to the insurance agencies in planning their item blend. Along these lines, purchasers who expect to purchase the protection items will have a rundown of elements and accordingly can take an educated choice in choosing a protection item. The investigation will likewise help with improving the market share of organizations and further assistance in the improvement of the protection area. The suggestions are that the insurance agencies should focus on customers' security highlights, data, advertising exercises and interaction.

**KEYWORDS** - Customer Preferences, Consumer behavior, Life insurance, Purchase decision.

## INTRODUCTION:

Life is brimming with dangers and vulnerabilities since, we are social people, and we have certain obligations also to limit these dangers. Indians are passionate and reasonable in their purchasing Choices. They have confidence in future instead of the present and want to have a superior and made sure about future. Toward this path, disaster protection administrations have its own an incentive regarding filling in as investment funds, Venture and danger security.

Writing inspected has demonstrated that life coverage business has a high development rate in India then again; generally low infiltration of the area shows that there is as yet an impressive new potential. Expanding mindfulness and awareness of Indians about existence confirmation and the improvements in the account area are the fundamental triggers of the normal future buys. Then again, life coverage organizations are having an awful standing regarding dependability and the socio-social qualities of Indian culture, for example, being fatalistic and depending on family for help in crises are the fundamental assets of negative mentality towards purchasing disaster protection. The capacity of protection in its different structures is to secure against the hefty monetary effect on foreseen adversity by spreading the misfortune among numerous who are presented to the danger of comparative nature.

While it is preposterous to expect to foresee which people among the numerous members are probably going to be the casualties of disasters. It is frequently conceivable to conjecture the quantum of the misfortune which the gathering all in all may endure. All in all, individuals who are presented to similar dangers meet up and concurred that in the event that one of the individuals endures a misfortune, at that point others will share the misfortune and make great the misfortune to the individual who lost. Life coverage is the matter of influencing the agreements of protection upon human existence including any agreement whereby the installment of cash is guaranteed on death or the occurrence of any possibility reliant on human existence and any agreement which is dependent upon the installment of expenses for a term subject to human existence. In any case, almost no exploration has been directed and distributed on one or the other client or the stock side of the Indian extra security market. This investigation centers on the client side of the Indian extra security market and their buying behavior.

## REVIW OF LITRETURE

**Praveen Sanu, Gaurav Jaiswal and Vijay Kumar Panday (2009)** in their article, "A Study of Buying Behavior of Consumers towards Life Insurance Company", Prestige organization of Management and Research, Gwalior, uncovered that in present Indian market, the speculation propensities for Indian purchasers are changing much of the time. The people have their own insight towards different sorts of speculation plans.

**Vijay Srinivas (2000)** in his article named, "How Returns Linked Insurance Products can be promoted?" underlined that the backup plans should interface protection items with different advantages. Low salaries, social construction, absence of comprehension among the general population, absence of accessibility of new plans are the fundamental purposes behind low profitability for protection in India.

**Ramanathan, K.V. (2011)** research has brought about the advancement of a solid and substantial instrument for evaluating client saw administration quality, mindfulness level, and fulfillment level of clients towards life coverage industry. Here, administration quality should be estimated utilizing a six dimensional hierarchal construction comprising of confirmation, skill, customized monetary arranging, corporate picture, effects and innovation measurements.

## OBJECTIVES OF THE STUDY

- To examine the effect of different elements influencing the provincial shopper Purchase goal towards life security product.
- To assess the circumstances and logical results relationship among discernment, disposition, awareness and Purchase aim of the clients in rural market and develop structure condition model.

## RESEARCH METHODOLOGY

The present study is an exploratory and descriptive type of research study. The study aims to find out the factors influencing customer's life insurance investment decision and their preferences at the time of policy buying decision. In order to conduct this study, 500 policyholders of Salem district have been surveyed for a period of one year from July 2019 to July 2020 and questionnaire method was used for data collection.

## SOURCES OF DATA

The information for the learn has been composed from together primary and secondary sources. The primary data has been composed through a well-drafted interview schedule. The secondary information has been composed as of IRDA annual reports, insurance journals, magazines and insurance website.

## DATA COLLECTION METHODS

The data collection technique used to obtain the preferred information from primary sources has been from side to side direct interview, and questionnaire has been used as an instrument.

## RESEARCH PLAN

**Target populace and creation:** Salem district

**Sampling unit:** Life insurance policyholders

**Sampling method:** Purposive sampling Sample size: 500

**TABLE SHOWS THE CLASSIFICATION ON THE BASIS OF GENDER, AGE, NO. FAMILY MEMBERS, MARITAL STATUS, OCCUPATION, QUALIFICATION, INCOME LEVEL, AND RESIDENTIAL AREA OF THE RESPONDENTS OF LIC POLICY HOLDERS**

Basis of Classification	Particulars	No. of respondents	Percentage
Gender	Male	296	59
	Female	204	41
	<b>Total</b>	<b>500</b>	<b>100</b>
Age Group	Below 25 years	115	23
	25 to 35 years	95	19
	35 to 45 years	216	43
	45 to 55 years	40	8
	Above 55 years	34	7
	<b>Total</b>	<b>500</b>	<b>100</b>
Marital Status	Married	424	85
	Unmarried	76	15
	<b>Total</b>	<b>500</b>	<b>100</b>
	2 members	43	9

<b>No. of Family Members</b>	3 members	158	32
	4 members	151	30
	5 members	36	7
	More than 5	112	22
	<b>Total</b>	<b>500</b>	<b>100</b>
<b>Occupation</b>	Government employees	156	31
	Private employees	38	8
	Business people	138	28
	Agriculturist	32	6
	Professionals	72	14
	Others	64	13
	<b>Total</b>	<b>500</b>	<b>100</b>
<b>Qualification</b>	School levels	96	19
	UG holders	158	32
	PG holders	126	25
	Professionals	85	17
	Others	35	7
	<b>Total</b>	<b>500</b>	<b>100</b>
<b>Income level</b>	Below Rs.15,000	34	7
	Rs.15,000- 25,000	52	10
	Rs.25,000- 35,000	102	20
	Rs.35,000- 45,000	198	40
	Rs.45,000- 55,000	114	23
	<b>Total</b>	<b>500</b>	<b>100</b>
<b>Residential Area</b>	Urban	263	53
	Rural	141	28
	Semi-Urban	96	19
	<b>Total</b>	<b>500</b>	<b>100</b>

Source: Primary data

The above table shows the order of the respondent of 500 LIC strategy holders based on close to home and demographical data. 59% respondents have a place with male and 41% respondents are female. Most of the respondent 59% were male.

The age astute arrangement shows that 43% of the respondents have a place with the age bunch between 35 – 45 years and 23% of the respondents are under 25 years, 19% of the respondents 25 - 35 years, 8% of the respondents 45 - 55, and 7% of the respondent's above 55 years. In the five degree old enough savvy arrangement 43% are in the age bunch between 35 – 45 years.

Most of the respondents are hitched. The wedded populace of this examination was 424 that are 85% of 500 respondents, and 76 that is 15% of the respondents unmarried.

Out of 500 respondents of this investigation, 32% of the respondents have multiple their relatives, 30% of the respondents have fewer than 4 their relatives. 22% of the respondents have in excess of 5 individuals in their family, 9% of the respondents have 2 individuals and 7% of the respondents 5 individuals.

The above table mirrors the occupation, capability; Income and nature of the zone that the respondents have a place are clarified. Concerning control of the investigation respondent of 500, 31% of



the respondents are doing government workers and 28% of the respondents are in Business individuals, 14% of the respondents Professionals, 13% of the respondents others and 8% of the respondents Private workers. Most of the respondents are doing Government workers

As to five degree of instructive status of the respondents are given in the above table. 32% of the respondents are instructed up to UG holders. The 25% of the respondents are instructed up to PG holder's level of education. 19% of the respondents in the examination test are up to class level, 17% of the respondent's experts and 7% respondents obtained others level of education. It is obvious from the table Majority of 32% of the respondent are up to UG holders level of instruction.

The month to month pay of the respondent is likewise arranged into five levels. It mirrors that 40% of the respondents procure Rs. 35,000 to 45,000. It is 198 out of 500 respondents. 23% of respondent's salaries are in the middle of Rs. 45,000 to 55,000, 20% of the respondents Rs.25, 000 to 35,000, 10% of the respondents beneath Rs.15, 000 to 25,000, and 7% of the respondents underneath Rs.15, 000.

Out of 500 respondents 53% of the respondents have a place with the urban regions, though 28% of the respondents are in rural zones and 19% of the respondent's semi-urban territories.

**TABLE SHOWS THE CLASSIFICATION ON THE BASIS OF THEIR PREFERENCE TO INVEST, INFLUENCE OF PERSONS, PURPOSE OF TAKING INSURANCE POLICY AND BUYING AN INSURANCE OF THE RESPONDENTS**

Basis of Classification	Particulars	No. of respondents	Percentage
<b>Preference to invest</b>	Insurance Company	220	44
	Bank	180	36
	Both	100	20
	<b>Total</b>	<b>500</b>	<b>100</b>
<b>Purpose of taking insurance</b>	Company Reputation	185	37
	Product Quality	102	20
	Premium Outflow	50	10
	Service Quality	80	16
	Return on Investments	83	17
	<b>Total</b>	<b>500</b>	<b>100</b>
<b>Influence of person</b>	Personal interest	38	8
	Family	68	14
	Friends	122	24
	Advertisement	97	19
	Agents	175	35
	<b>Total</b>	<b>500</b>	<b>100</b>
<b>Purpose of Buying an Insurance</b>	A life risk coverage	251	50
	Family need	164	33
	Purpose of saving	85	17
	<b>Total</b>	<b>500</b>	<b>100</b>

Source: Primary data

The above table mirrors the resources hold by the respondents. Four degrees of grouped. Out of 500 respondents 44 % respondents favor interest in the insurance agency and 36% of the respondents incline toward Bank speculation and staying 20% lean toward both Bank and protection venture. The respondents are asked to offer their input for what good reason they need put resources into LIC.

Out of 500 respondents, 37% are putting resources into LIC for the Reputation of LIC name. 20 % are Product Quality, 17% are Return on speculation, 16% are Service quality, and 10% of respondent worry about premium.

Additionally 35% respondents are inspired by their LIC representatives to take Insurance Policy. 24% of the respondents are friends by the companions. 19% of the respondents are inspired advertisement, 14% of the respondents are roused family, and simply just 8% of the respondents taking strategy on their very own attention.

The motivations behind taking protection strategy are arranged into three levels. Out of the three levels half of the complete respondents worried for their life hazard inclusion. 33% of the respondents are taking protection due to Family require. Simply 17% are taking insurance for saving purpose.

## **FINDINGS AND RECOMMENDATIONS**

The discoveries of the investigation uncovered that income has no connection with the purchasing behavior of Protection strategy. Indeed it was discovered that throughout research that at extremely undeniable level, individuals will in general try not to buy protection strategies. As the age group of more wealth is corresponded with greater security, thusly the craving to take a protection strategy is less, due to decreased danger level.

Essentially individuals with less income and lesser abundance see themselves as and the family at hazard, consequently the reliance on protection strategy is considered as a protected medium.

## **CONCLUSIONS**

From the more than examination it is reasoned that the main considerations like service quality, simple of methods and friends faithfulness are having critical effect on the shopper's purchasing conduct on life security strategies. Moreover this shows that every one of these factors makes a huge effect on the buy behavior. The life coverage organizations need to zero in on these viewpoints to upgrade the buyer's purchasing behavior on the life coverage products.

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