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“STUDY OF CONSUMERS’ BUYING BEHAVIOUR TOWARDS TERM INSURANCE POLICIES DUE TO COVID19”

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ABSTRACT

Describe how people feel about term life insurance in this survey. We used primary data for this investigation (Questionnaire). Life insurance offers a wide range of advantages. Life insurance has been recommended as a tool for people and families to manage income risk in the uncertain future in the face of increased urbanization, population movement, and formalization of economic linkages between individuals, families, and communities. Furthermore, despite the fact that long-term returns on life insurance investments are relatively low, life insurance products encourage long-term savings and reinvestment of substantial sums in private and public sector projects, because, unlike stock markets, life insurance products provide a means of disciplined contractual saving. Perception of people in Gujarat (Vadodara)

Keyword: covid-19, term life insurance, perception, Gujarat (Vadodara).

INTRODUCTION

There are many hazards and unknowns in life. We all have certain responsibilities as social beings. Indian clients' purchasing decisions are heavily influenced by emotions and rationality. They care more about the future than the present, and they want to live in a better and more secure world. Life insurance services have their own benefit in terms of decreasing risk and uncertainty in this regard. With a big middle-class population and salaried workers, India's economy is rising. Their monetary worth for current demands and future goals moves to the other side, providing the justification for keeping a policy in place. The purpose of this research study is to look into consumer purchasing behaviour when it comes to life insurance services. The insurance industry, according to processes, is one of the fastest growing markets, with a compound annual growth rate (CAGR) of 12 percent from FY14 to FY19.

EY-ASSOCHAM produced a report. India is the 11th largest insurance market in the world, and it ranks 10th in terms of total premium in the life insurance segment as of FY18. There are 24 life insurance firms and 33 non-life insurance companies competing for clients in the Indian insurance industry based on pricing and services. According to a report by the India Brand Equity Foundation, the Indian insurance market is expected to grow to Rs 19,56,920 crore (US\$ 280 billion) by FY2020 (IBEF). The country's strong economic growth and increased personal disposable incomes are to blame for this Overall insurance penetration in India climbed to 3.69 percent in 2017, up from 2.71 percent in 2001. Gross premiums written in India totalled Rs 5,78,000 crore (US\$ 82.8 billion) in FY19, with Rs 4,08,000 crore (US\$ 58.5 billion) in life insurance and Rs 1,69,000 crore (US\$ 24.3 billion) in non-life insurance.

COVID-19 has raised insurance awareness in India. According to the findings of this Policy bazaar survey, unlike in the past, insurance is now a product that clients are likely to purchase without a strong sales pitch. However, one good thing has come out of this epidemic. The importance of having an insurance policy is becoming more widely recognised. During the covid-19 epidemic, 14624 policy bazaar users were polled for an online survey to better understand their views on household finances, investments, and insurance. Unlike in the past, insurance has become a product that customers are more likely to purchase, according to the poll.

LITERATURE REVIEW

Selvavinayagam, K. and Mathivanan, R. (2010) According to the article, the competitive landscape in the Indian insurance sector has shifted considerably in recent years. At the same time, advancements in government policies and technology have occurred. Policyholders' expectations are likewise shifting. Existing insurance businesses must launch numerous new products into the market that have a competitive edge over life insurance company goods.

Gaikwad and Vibhute (2013) The insurance business, according to 29, is in a state of flux. This study will assist insurance businesses in learning about client perceptions of the insurance industry, specifically regarding standard and ULIP policies. Along with this, the company and advisors will have a better understanding of the exact demand for samples, customer satisfaction parameters, factors customers consider when choosing a policy, and advisor advocacy opinions, all of which will help the company and advisors design their sales programme, sales speech, local strategies, and so on. In the Indian city of Kolhapur, research was undertaken among policyholders. According to the findings, the LIC is the most important player among the sample customers. Traditional plans are chosen by clients, followed by ULIPs, while customers' preferences for choosing an insurance company are influenced by service quality, reputation, trustworthiness, and the company's future plans/vision.

Rajavardhan and Jahangir (2015); With 120 responders, the sample was gathered from the Nalgonda district. In their article, they performed a survey in Telangana's rural market to determine which socioeconomic and demographic aspects influence consumer decision-making and, in turn, customer satisfaction. perception. Gender and marital status have relatively little impact on perception, according to the researchers. While education and income have a considerable impact on the outcome. The insurance industry is more popular among the middle class. A person's employment, likewise, has a substantial impact on insurance. Furthermore, insurance is still considered as a way to save money on taxes. This is not a business opportunity.

Suganthamani C.V. and Nagesh Kumari (2016) The life insurance sector has undergone significant changes since it was opened to private insurers, which has aided the development of the Indian economy. Sunita Mal is an Indian actress.

Shilpa Agarwal and A. K. Mishra (2017) 7 opined that life insurance industry has created value for its customers or policy holders and there is huge potential for life insurance to enhance its business in terms of technology innovation, client relationship and quality

Guru and Umamaheswari (2018) In the research concluded that among the various other factors, the major variables that control the insight of the consumer toward life insurance policies positively were quality of the service offered, relationships between the client and company and reputation of the company. The growth rate of insurance industry in India is faster and hence it has become significance for the insurance companies to identify and comprehend the factors that persuade the perception of the consumers and the same can be utilized as the supportive features in developing fresh and pioneering items which meet the consumer's expectations

Study objectives

- To compare and analyse the various current policies available on the market.
- To assist laypeople in understanding various policies.
- To the most trusted term insurance provider.
- Examine the features of term insurance policies that entice people.
- To assess the level of satisfaction with the policy purchased.
- To investigate the benefit for which the policy was purchased.

RESEARCH METHODOLOGY

✚ Research Design

- Questionnaire for customer.
- Who is the surveyed?

□ All people ranging from 18 yrs. & above

- People who have Policy of LIC, ICICI prudential Life insurance, HDFC life insurance etc.

- **Data Collection Method**

- Questionnaire for customers

Target Population: Vadodara city

Sampling Frame: People having policies of LIC or ICICI Prudential life insurance, HDFC life insurance etc.

Sampling Method: Probability – Stratified Sampling supplemented

Sampling unit: People aged 18 & Above

Determining Sampling Size: 100 sample size as per convenience and for accurate analysis and interpretation of data.

Statical Tool

SPSS(Statical Package for Social Science)

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Occupation	Between Groups	1.015	2	.508	.943	.393
	Within Groups	52.767	98	.538		
	Total	53.782	100			
Income P.A.	Between Groups	1.347	2	.673	1.227	.298
	Within Groups	53.782	98	.549		
	Total	55.129	100			
which insurance do you have?	Between Groups	1.851	2	.926	1.112	.333
	Within Groups	81.614	98	.833		
	Total	83.465	100			
Which company do you prefer the most in insurance?	Between Groups	.401	2	.201	.093	.911
	Within Groups	211.559	98	2.159		
	Total	211.960	100			
How many years would you like to covered insurance plan?	Between Groups	.341	2	.170	.271	.763
	Within Groups	61.620	98	.629		
	Total	61.960	100			
What do you think are the benefit of insurance plan?	Between Groups	20.061	2	10.031	2.131	.124
	Within Groups	461.365	98	4.708		
	Total	481.426	100			

HYPOTHESIS

The study's hypothesis is that consumers' perceptions do not change when they choose term life insurance. Furthermore, the data are unaffected by occupation, income, term insurance provider, and its benefit. The

only difference is that people now buy term insurance to protect themselves against future uncertainty rather than to save money.

LIMITATION

The study's limitations include that it is based on people who live in Vadodara, the questionnaire contains only a limited number of replies, and it is a Probability – Stratified Sampling in which the population is separated into subgroups.

FINDINGS

Several factors, such as age, gender, and income level, can influence a consumer's decision to acquire insurance from various insurance providers. According to the findings, respondents aged 20 to 30 years (who account for 61 percent of all respondents) are more interested in purchasing a life insurance policy than those of other ages.

1. Out of 100 policyholders polled, the majority (41.7%) preferred lic, followed by with among private players. As a result, lic has the highest number. SBI life (13.5 percent), icici prudential (11.5 percent), Tata aig life (7.3%), and HDFC standard life (26 percent) are the top five insurance firms in terms of policyholders.

2. The following are the aspects of the insurance that attracted policyholders: corporate reputation, money back guarantee, risk coverage, inexpensive premium, and easy access to agents, ranked first, second, third, fourth, and fifth, respectively. As a result, it can be deduced that the company's goodwill is the most influential factor in policy purchase decisions.

3. According to the results of the study, the majority of respondents (64.6 percent) chose A tool to preserve their future. The majority of policyholders' goals are to save money (29.3 %). The rest, on the other hand, have adopted a tax-cutting strategy (6.1 percent).

4. A high percentage of respondents (33.3%) stated they look for a solid plan in an insurance provider, followed by a trusted name, courteous service, and accessibility, with 38.4%, 24.2 percent, and 4%, respectively.

CONCLUSION

It is a wise decision to purchase a term insurance policy for your family's financial security. If you are your family's sole source of income, this policy is essential. The table above illustrates how delaying the policy purchase will cost you more. As a result, it is preferable to get a term plan sooner rather than later. Keep the information in this article in mind as you begin your term insurance plan comparison. You should take advantage of a term plan to ensure that your family receives the highest possible advantages.

We looked into how people choose between different types of policies and how different elements influenced their decisions. In today's scenario, we discovered that policy is critical in 42.5 percent of cases, partially in 26.5 percent of cases, and highly important in 25.5 percent of cases. This was an unexpected conclusion, but it reflected many customers' lacks of financial education and awareness when it came to their investment and insurance decisions. We investigated the demographic parameters that influenced policy selection. Term policies were more likely to be owned by older people. Younger adults were less likely to purchase endowment insurance, whereas married couples without children were more likely. Finally, males and those with a high income were more likely to have several insurance policies.