

Consumer Satisfaction Towards LIC During Covid-19

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Abstract

The purpose of this research paper is to study the consumer behavior that provides marketers to understand and predict the future market behavior. In this paper, role of IRDA, role of Indian banks, role of private insurance companies, function of insurance company, various factors influencing consumer behavior, observing changes between pre and amid Corona virus pandemic, factors influencing buying decision and model of consumer decisions making process have been considered. Also, the types of insurance policy taken by consumer, the total sum assured of life insurance, the total sum assured of life insurance for the spouse, the share of public insurance in insurance sector, share of LIC in life insurance in insurance sector and the reasons for invested in life insurance have been studied.

Keywords: Consumer Behavior, Market Predictions, IRDA, Indian Banks, Private Insurance Companies

Introduction

1.1 Introduction (About the topic):

Human life may be a most precious plus and insurance is one amongst the ways in which provides protection to an individual and his family at the time of any disaster. Insurance provides each safety similarly as protection to people. Insurance play a crucial role within the welfare of human well-being by providing protection to life risks like unsure death or accident.

LIC is that the trustiest and the oldest in insurance sector. The private players provide several new policies as well. They are increasing the attention level among customers by mistreatment innovative and new techniques of promotion, introducing new policies, increasing penetration of insurance of customers in the uncovered markets. The competition among public and private players has helped to extend the diameter being offered from pure risk primarily based on few of the policies they offer. In today's market, it becomes necessary for LIC to produce client satisfaction, to give additional awareness, have more dynamic policies and reasonable costs. The analysis talks regarding customers perception towards LIC. It focuses on position and of LIC before and through the Coronavirus pandemic. The analysis shows LIC is doing well amid pandemic.

The study focuses on the issues and difficulties faced by LIC agents and how they are managing the work load with lesser field force.

Need for the study:

Insurance plays a crucial role within the welfare of human well-being by providing protection to individuals against life risk like a mishap or accident. Insurance focuses on preservation of the measure of the human plus if there could be a loss through unexpectedly premature death or through illness and special needs caused by accidents.

The analysis focuses at knowing the perception towards the LIC and the difficulties faced, having a clear communication method for the customers to make them familiar regarding any changes in policies and procedures throughout COVID-19.

The study tells us about the provided extra coverage and fast pace services to those who are exposed to

the threat of COVID-19. An attempt has been created to determine a relationship between person's realization for the requirement for keeps insurance and the time once he purchases the policy.

Statement of problem:

The analysis is to search out the shift of customer's perception moving from non-public corporations to LIC. In the initial days of Corona virus pandemic there was a drop discovered within the market share of LIC. A significant market share moved towards the private insurers,

Though LIC has its own significance and a stable online network. Having a complete of 12,00,000 field force and with only 30% of the field force working amid pandemic. The private life insurers have their own online payment systems like ECS.

Scope of the study:

1. The study covers secondary information of LIC of India. Besides, the data provided by LIC have been combined and included for the analysis.
2. The study aims at having an in-depth study of LIC amid the pandemic. The analysis of performance was done by knowing the customers behavior towards the LIC.

Objectives of the study:

1. To check the general performance of LIC of India before and amid the Coronavirus pandemic.
2. To look at the present standing, volume of competitions and challenges faced by the LIC of India.
3. To grasp the work of LIC throughout the Coronavirus pandemic.
4. To measure the expansion of LIC throughout the Coronavirus pandemic.
5. To understand the newest policies introduced by LIC.
6. To investigate the market share change in LIC throughout the Coronavirus pandemic.

Limitations of study:

1. The analysis covers 119 respondents.
2. Many of us aren't aware of what policies are they holding.
3. Generally, elders choose LIC.
4. The study is restricted to only LIC

About the Company:

Life Insurance Corporation of India is associate degree Indian state-owned insurance group and Investment Corporation in hand by the Government of India.

The LIC of India was supported on September one, 1956, once the Parliament of India passed the life assurance of India Act that nationalized the insurance business in India. Over 245 insurance firms and provident societies were incorporated to form the state-owned life assurance Corporation of Republic of India.

As of 2019, life assurance Corporation of Republic of India had total life fund of ₹28.3 trillion. the entire worth of oversubscribed policies within the year 2018-19 is ₹21.4 million. LIC of India settled 26 million claims in 2018–19. it's 290 million policy holders.

The home base of LIC relies out of Mumbai that sits The Chairman, all four Managing administrators, and every government administrator (Department Heads). LIC has a total of 8 zone offices pan India.

All the 2048 branches across the country are coated underneath front-end operations. Thus, all the

hundred divisional offices have achieved the branch mechanization. LIC has the main market share within the insurance sector in India. 12,00,000 agent's area unit operating for LIC throughout India, the equivalent word of LIC stands for trust and confidence amongst the shoppers as they need helped the economy grow. LIC pays dividend to the govt. within the month of September. They offer Sovereign guarantee and that they have created investments in railways, banks and road constructions.

Literature Review

To carry the research, work the researcher has gone through a few reports, books, journal and websites. The details regarding LIC, its history, origin and growth of the industry is also taken from some books, articles, reports, website and newspapers. The reviews of related research presented in this chapter are the overall perception and preference of policy holders towards LIC of India. As per the report the impact of covid-19 on LIC normally deals with pure risk. Term policies, investment link policy and saving policies with guaranteed or semi guaranteed long term returns. There will be an impact across the board, but the reason will be different for each category. The necessity of review of any study is to find out the issues that had been taken by the past researchers.

Customers are more likely to place a high value on their agent's integrity and advisors. Customer satisfaction in insurance is more difficult to measure and ascertain. Research has indicated the key parameters for e.g. Word of mouth, past experiences, external communication, personal needs and active clients significantly influence service quality of insurance sector increased interaction level (agents and customers), product innovation, digitalization, computerization and technological updating affect the service quality perception of life insurance policy holder India. Lynch and Mackay 1985 (service quality of life insurance) The "socioeconomic factors influencing the decision in taking life insurance policies" the intention is to examine the preference of the policy holders towards the various types of policies of LIC of India by retrospection the socioeconomic factors that are responsible for taking LIC policies. For the decision of taking LIC policy, the demography such as age, sex, educational level of policy holders is insignificant, but the occupation income level and family size are significant N. Namasivayam. S. Ganesan and S. Rajendran (2006) From the analysis, it is observed that the age group between 31-40 years are very much interested in taking LIC policy. The role of IRDA for life insurance industry has concluded that the social, political, cultural, personal, psychological and the demographic factors influences the consumer behavior and perception. This study reveals that the demographic factors has a major impact on the decision of purchasing the LIC policy by the customers. The leadership does not lie in getting the maximum number of policies sold but in understanding the demography of the customer and targeting them in their way. Finally, being they considered the success of insurance marketing dependent on understanding their social and cultural needs of the targeted population (barkur et al, 2007) The 5 stages i.e. need recognition, search of alternative, evaluation of alternative, purchase decision and post purchase evaluation tell us the consumer decision making process in LIC (chawla 2009) The special considerations pertaining to insurance industry are perceived risk, risk and standardization and risk and information. It is even formulated certain stages to improve customer awareness about benefits of life insurance products like focusing on marketing techniques. Thus, it is concluded that the consumer's perception towards Life Insurance Policies is positive. There is a positive mind sets developed for their investment pattern, in insurance policies. Still some actions need to be for developing insurance market (Jain and Saini 2012) The survey on 119 respondents and they found factors namely as responsiveness and assurance factor, convenience factor, tangible factor and empathy factors. It was even found that only age of respondent has significant impact on choice of insurance product. Wadikar Ashok Laxaman (2001) Whereas various demographic factors such as gender, education, and annual income did not have significant impact on choice of insurance product.

LIC has announced that it would extend premiums due for the month of March and April 2020 by another month. The insurer said this was considering the Coronavirus pandemic and was to address the problems faced by policyholders in payments of premiums. LIC also extended the grace period to pay the premium.

Since the outbreak of the COVID-19 pandemic, LIC has announced a host of measures to reduce the effects of the coronavirus pandemic. The insurer assured policyholders that death claims due to COVID-19 would be treated equivalent with other causes of death and that payments would be settled on a critical basis. LIC also added that it has thus far settled death claims due to COVID-19 under 16 policies. According to data it had settled more than 7.5 lakh death claims in the year 2020.

Research Methodology

This chapter tells about the research and the detailed method used to conduct this study. The nature of data which is collected and used for this research article is secondary. The relevant and required data are collected from secondary sources such as journals.

Research procedure:

Qualitative as well as Quantitative methods are used to support the research findings. For the quantitative respect of findings, a questionnaire was prepared and circulated amongst the people. It is also supported by various journals, articles of the LIC.

The research has a mixed method of data collection which helps to wider a framework of people and gathers a mix of responses.

Sampling Size and Technique:

Stratified Sampling –

This sampling method is appropriate when the population has every characteristic, and you want to ensure that every characteristic is represented in the sample.

This technique has been used and the 119/120 sample size is taken for the data analysis.

Data and sources of Data Collections:

For the study both the primary and secondary data, are explored-

Primary Data:

In the present research work the Primary Data is collected largely through Questionnaire, Open ended questions. The primary data includes the questionnaire which has 119 respondents and these questionnaires were distributed among all age group and employment.

The method of data collection is quite popular and is being adopted by researchers, private individuals and organization.

Secondary Data:

The secondary data is collected from the published sources and in the present research work the secondary data is collected through the Annual Reports, Newspapers and the literature papers.

In addition, the information is also collected through the available internet website of LIC i.e. www.licindia.com Data collection method use for the study:

The sampling method is used to collect the data for the Research Study. The sampling method is appropriate when the population has every characteristic represented in the sample. This are divided into subgroups called strata based on relevant characteristics that is age, gender, employment, income, needs,

services, improvements and problems faced by the customers.

Data Analysis:

The data has been analyzed from the collected questionnaires. Attributes are used to find out the customers perceptions towards investing in LIC. The parameters are used to find out the expectations of the investors. The satisfaction level of investors is measured through the services offered the services offered by LIC.

4: DATA ANALYSIS AND INTERPRETATION

AGE	0-20 (9.25%), 11	21-40(64.2%), 77	41-60(24.2%), 29	>60(2.35%), 30	Total count=120
GENDER	Male=62	Female=58			
ANNUAL INCOME	<1 lakh (18%)	1-5 lakh (33%)	5-10 lakh (34.5%)	10-15 lakh (10%)	>15 lakh (4.2%)
EMPLOYEMENT	Private service (40%)	Student (15.8%)	Government service (12.5%)	Self-employed/ Business (31.7%)	

Interpretation:

1. From the above graph we can conclude that 11 respondents belong to the age group of 0-20, 77 belong to the age group of 21-40, 29 belong to the age group of 41-60, whereas the rest 3 are above 60 years of age. It is evident that most of the respondents belong to the age group of 21- 40.
2. From the graph above we can conclude that out of 120 respondents, 62 are male and the rest 58 are female who liked to answer their perception towards the brand LIC.
3. From the above graph it is evident that out of all the respondents, 18% have an income below 1 Lakh rupees, 33% have an income between 1-5 Lakh rupees, 34.5% have an income between 5-10 Lakh rupees, 10% have an income between 10-15 Lakh whereas the rest 4.2% have an income of above 15 lakh rupees.
4. From the above graph it is evident that out of all the respondents, Business is the source of income for 31.7% of them, Private organization service is the source of income for 40% of them, Government service is the source of income for 12.5% of them, whereas the rest 15.8% are students. We can conclude that most of the respondents work for a private organization.

	YES	NO
1. During coronavirus pandemic, is the company providing promised services as per the set standards?	75.6%	24.4%
2. Does the enhancement of technological capabilities help you get better services from the company?	83.3%	16.7%
3. Did you ever find any policies/plans of other private insurance companies better than LIC policies/plans?	71.4%	28.6%
4. During the coronavirus pandemic, was any kind of relaxation for the payment of premium given out?	55.1%	44.9%
5. Would you prefer complete digitalization of LIC services over the offline services?	72.5%	27.5%
6. Did you find any difference in the quality of services provided by the LIC?	70%	30%

Interpretation:

It is observed that the LIC has always served the services as per there set standard and, in this report, we can observe that 75.6% consumer believe that the LIC has provided the promise services as per there set standards and rules even during the COVID-19 whereas 24.4% consumer says no that they haven't got the promised service by the LIC.

1. In today era we have seen that there are lots of technological advances happening in every sector including Insurances, and people find it much better and comfortable than paper or field work. As we know that LIC provides their service more throughout field word but During the Coronavirus Pandemic it is found that 83.3% consumer found that computerization have helped them to get better services while 16.7% found that they were more comfortable with paper work
2. There are many Private Companies who have their own Plans and Policies but here 71.4% consumer find that the policies or plan served by LIC is better than any other Private companies. 28.6% consumer says no that LIC does not provide better policies and plans.
3. Premium is an amount paid periodically to the insurer by the insured for covering his risk.
4. During the Coronavirus Pandemic, 55.1% feels they got the relaxation for the payment of premium whereas 44.9% says no for it.
5. Digitization is the process of converting information into a digital format and Offline services are those who do not require internet connection to perform action. 72.5% consumers prefer the complete digitalization of LIC services over the Offline services provided by the LIC agents and 27.5% still prefer the offline services that are provided by LIC agents 6.70% consumers found the difference in the service provided by the LIC before and during the coronavirus pandemic whereas 30% says that the did not find any change in the services provided by the LIC during COVID-19.

1. Does LIC emphasizes high quality services than the volume?	Strongly Agree	Agreed	Neutral	Disagree	Strongly Disagree
2. What made you choose LIC over those Private Insurance companies?	Premium Rates	Trust	Policies/plans	others	Customer services
3. How hectic was the claim settlement procedure?	Very Hectic	Hectic	Neutral	Easy	Very Easy

Interpretation:

1. Most of the consumer that is 10.9% strongly agree that the LIC has served the better-quality services over the volume of sales. 35.3% agreed for that the LIC has emphasized for better service, while 13.4% disagree that LIC has less emphasized and 4.2% strongly disagree that LIC has not served the high-quality services during the COVID-19.
2. Many consumers feel LIC gives more benefits than any other private Companies. 37% consumers preferred LIC on Trust bases while 19.3% chose on Premium Rates base. Better policies and plan are being served by LIC is said by 13.45% consumers. 23.5% says that they provide better consumers services.
3. 9.5% and 30.2% agree that the Claim Settlement process were hectic to them whereas 45.7% find there was no change or difficulty in claim settlement process while 10.3% and 5.4% found the process easy.

4. 56.3% consumer having LIC policies feel satisfied with the customers service while 11.8% consumers are unsatisfied and 15.1% are neutral.

FINDINGS, SUGGESTIONS AND CONCLUSIONS

Findings

- Even though India is a diversified country with different types of people with major differences in many aspects like income, education, employments, etc., LIC has made sure that it has the highest market share of 72% for its business in the insurance sector.
- Like all the other insurance companies, LIC was also affected by the coronavirus pandemic. There was a downfall in LIC at the start of the pandemic due to the lockdown seeing a sharp fall off 44%, but then since then the business has started reviving itself as Insurance was considered as an essential service after the initial days of the lockdown.
- New private insurers have used innovative distribution channels to reach a broader range of the population. Private insurance companies are also using banks, micro finance institutions and co-operatives to increase their market share and compete LIC.
- From the research it is evident that the insurance policy holders belong to the age group of 21 - 40.
- Even during this coronavirus pandemic, LIC policy holders think that LIC emphasizes on its quality if the service more than the volume of sale. LIC has made sure that the customers get the same services even during the coronavirus pandemic.
- The policy holders feel that LIC is providing services of the set standards even during the coronavirus pandemic. They were highly satisfied by the fact that LIC did not let the coronavirus pandemic affect the satisfaction level of its customers.
- The company's technological enhancements over the years helped the policy holders a lot during the coronavirus pandemic as it was easy to connect with the company even while staying home.
- A relaxation period of 30 days was given out to the policy holders for the payment of premium. This helped the policy holders a lot because their financial condition was affected due to the lockdown.
- Trust on LIC was the driving factor for majority of the customers when it came to choose LIC over private companies.
- Majority of the policy holders found that there were differences in the service quality of LIC during the pandemic and before the pandemic. But, majority of them also rated the services given by LIC during the lockdown as 4 out of 5 in terms of quality.

Suggestions

LIC can focus more on its digital platforms of connecting to its customers. LIC is supported by digitalization, but enhancements in that field will help LIC give out much good quality services and ease to the customers.

- LIC can come up with more dynamic plans and policies to drive the attention of new customers and to attract the existing customers to upgrade their policies and plans, to compete with the private insurers. Having dynamic plans for the customer will give an upper hand to LIC.
- LIC needs to develop new products addressing the new challenges in society. LIC will need to constantly innovate in terms of product development to meet ever-changing consumer needs. Understanding the

customer better will enable LIC to design appropriate products, determine price correctly and to increase profitability. Since a single policy cannot meet all the insurance objectives, LIC should have a portfolio of policies covering all the needs. Product development is made possible by integrating actuarial, rating, and claims. Moreover, with increased commoditization of insurance products, brand building is going to play a vital role.

- The rural sector has potential for life insurance. To realize this potential, designing suitable products is important. LIC will need to pay special attention to the characteristics of the rural market as that is a market with great potential.
- LIC has a lot to work on when it comes to customer education. Creating awareness and having campaigns promoting the right use and suitable products for the customers.

Conclusion

- Despite losing the most productive year to COVID-19 included lockdowns, the national insurer LIC achieved a healthy 25.2% growth in the first-year business premium in 2019-20, while private players collectively achieved just 11.64%.
- According to the IRDAI report, the life insurance penetration was at 4.6% in 2009 but visibly showed a downward trend after that. The new business premium for life insurance has increased from Rs. 9,707.4 crore in FY 2000-01 to Rs. 19.41 trillion in FY 2017-18. If we compare the overall performance of the LIC before the pandemic and during the pandemic, it has been affected by the pandemic, but the company is doing better than private insurers since the time life insurance is being considered as an essential service.

When it comes to customer satisfaction and customer perception towards itself during the coronavirus pandemic, LIC has worked hard to stay on the same level as before the pandemic. Majority of its policy holders are satisfied by the level of support and services they received.

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