

Consumer Buying Behavior towards Life Insurance Products in Coimbatore District

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Abstract:

Life insurance is one amongst the highest growing and rising markets in Republic of India. The important and need of insurance is feel once uncertainty happens within the lifetime of individual. The rationale of life insurance for each individual could diverse; several people in general believe that life insurance as a investments instrument however not as a social task. In India vast variety of life insurance firms having over enough vary of insurance merchandise on the opposite side, customers are confused to that policy and which company to be purchased. The most aspects of the paper are to search out the consumers shopping for behavior for keeps Insurance sector. This paper is an effort to grasp why customers investment in insurance Policy? And additionally know consumers are glad with pre purchase and post purchase sales service provided by insurance Companies.

Keywords: Consumer Buying Behavior, Life Insurance, pre & post sales service, Buying decisions, Investment

Introduction

In today's business and cutthroat world, insurance sector has the most development and potential as compared to the opposite service sectors. Insurance plays key necessary role in each person's life as a result of unsurely and risk for their life. Insurance could be a contract amongst two parties whereby one party agrees to undertake the danger of another in exchange for thought called premium and guarantees to pay a set total of cash to the other party on happening of an uncertain event like death, permanent incapacity or once the completion of term within the case

of life insurance. The two main reason of life assurance policies are taking it for cover and Investment reason. Once somebody takes the policy which means they're client and "Consumer is King". Nowadays the ending of any business organization depends upon the satisfaction of customers. Satisfying the consumers the business organization ought to understand the influencing factors and behavior of the consumers. According to Philip Kotler, Consumer behavior as "all psychological, social and physical behavior of potential customers as they become aware of evaluate, purchase, consume and tell other about products and services". Consumer behavior is solely means that to know when, why, how, and wherever people do or don't get a product and customer higher cognitive process. client behavior is asserted because the behavior that consumer show in looking out for, procuring, using, work of product that they give the impression of being forward to can keep happy their requirements. The study of consumer behavior worries not solely with what customer's purchase, however also with why they purchase it, after they purchase it, approach} repeatedly they purchase it. There's immense inconsistency within the way customers purchase and use products. They will purchase one and the same product however place it completely different uses. Variety of customers can purchase product from luxurious stores wherever as others will purchase identical product from a reticent hold on closed to where they a stay. a number of consumers could purchase a product that's an implication of their social rank whereas others will get the merchandise for strictly set reasons. Consumer's behavior commonly has a great bearing by various aspects of Behavioural sciences. The individual customers thought of as fastened within the center of a series of influences person and non-person. Variety of consumers can purchase a product once a influencing some factors, whereas alternative will create the acquisition call of an equivalent product in complete separation.

Literature Review:

According to Philip Kotler According to their views mutual dependent factors that manipulate consumer's behaviour are product, seller, situation and buyer. Separately from other distinctiveness, a buyer is influenced by psychological characteristics such as motivation, knowledge and beliefs. According to S. Prowse Study explained that changing role of Life Insurance Companies in the private placement market. According to Dr. Vipul Jain and Bhavna Saini Research study discussed about the demographical factor has the major effect in the purchase decision of the customer. Success of insurance marketing depends on understanding the

social and cultural needs of the target population. According to Dhiraj Jain¹, Kunal Talach Greater part of the consumers have the same opinion with the necessitate of insurance as a imply to the protection of people as first preference for greater part of respondents while purchasing an insurance policy. Agent's reference from time to time is influenced just to make the amount of commission which gives a poor impact of insurance sector on their common sense. The necessitate of superior after sales services is found. According to Ashram Imam the customer's perception towards Life Insurance Policies is positive but we have to develop positive mindsets for their investment pattern, in insurance policies. Still some actions are needed for developing insurance market. The major factors playing the role in developing customer's perception towards Life Insurance Policies are Consumer Loyalty, Service Quality, Ease of Procedures, Satisfaction Level, Company Image, and Company-Client Relationship. There are still more areas are vacant now like deep rural penetration and still we not covered all classes of society. Understand how different customer groups have different needs and plan accordingly. Most importantly, regardless of your business plan, interact with a customer as part of a lifetime arrangement, not just as a transaction. According to Harnam Singh &, Dr. Madhurima Lall: - Insurance companies should hire qualitative insurance agents so that they will offer after sale service since it has been seen that insurance agents are only concerned for fresh.

OBJECTIVE OF THE STUDY

The main objective of study is to watch the conception of consumer's shopping for behaviour. It's additionally to measure the consumer's buying behavior, situated in Coimbatore district.

1. To study pre-purchase and post-purchase consumer's buying behaviour towards insurance products.
2. To understand and evaluate investment behaviour and patterns in the buying decisions in life insurance with reference to education

Research Methodology

Research on life assurance purchaser behavior is descriptive research, strategies that deals with use of applied math tools and numbers. Study supported primary information. The first data collected from one hundred fifty consumers, through interview schedule. Customers are hand-picked from Coimbatore district. The sampling technique used for data assortment was convenience sampling method and therefore the secondary data has been collected through books, journals and websites

DATA ANALYSIS AND DATA INTERPRETATION

This research study is mainly based on primary data and for that sample size is that 50 consumers. The age group of 46% respondents is 18-30 and 40% respondents are 31-50. 68% respondent's education is up to HSC and also 76% are married. 38% respondents are Business & Profession related as well as 28% are belonging to Agriculture sector. 58% respondents Annual Income of Family is Up to 1.99 Lac. These features are clearly shows that all kind of consumers are investing in the life insurance policy.

Variables	Particulars	No. of Respondents	Percentage
Age	18-30	85	56.66
	31-50	45	30.00
	Above 50	20	13.34
Education	Up to HSC.	94	62.66
	Graduation	30	20.00
	Post Graduation	26	17.34
Marital Status	Married	114	76.00
	Unmarried	36	24.00
Occupation	Farming	42	28.00
	Business & Profession.	57	38.00
	Service	30	20.00
	Housewife	21	14.00
Annual Income of Family	Up to 1.99 Lac	87	58.00
	2-5 Lac	18	12.00
	5-10 Lac	24	16.00
	More than 10 Lac	21	14.00

Source : Primary data

The following table shows that 90% consumers compare various plans, when acquired life insurance policy. 72 % respondents say that Insurance advisors collect your insurance policy premium as well as 98% consumers satisfied with pre purchase service and 74 % consumers satisfied with post purchase service.

The following table shows for which reasons of consumers purchase in Life Insurance Policy with respondents agree and disagree point. It shows that 34% respondents are agree for Investment and Risk coverage purpose purchase life insurance policy, 28% respondents are disagree for child education purpose purchase insurance and 34% also disagree for Tax benefits and also 36% disagree for Retirement benefits.

S.No.	Factors	Strongly Agree	Agree Moderately	Agree	Disagree	Strongly Disagree
1	Investment	28%	11%	34%	10%	6%
2	Risk Coverage	24%	28%	34%	10%	4%
3	Children's Education	8%	22%	22%	28%	20%
4	Tax Benefits	12%	12%	30%	34%	12%
5	Retirement Benefits	16%	12%	20%	36%	16%
6	Family Safety	28%	24%	34%	10%	4%

With reference to education: type of Life Insurance policies like to be purchased Null hypothesis

(H0): There is no relationship between investment behaviour and buying decisions in life insurance with respect to education.

Alternative hypothesis **(H1):** There is a relationship between investment behaviour and buying decisions in life insurance with respect to education.

Education/Qualification	Type of policy you like the most			Total
	Secured and Low Returns with Low risk	Moderate Returns with Moderate Risk	Secured and High Returns with High Risk	
Below Graduation	34	4	2	40
Graduation	7	12	39	58
Post Graduation	10	23	19	52
Total	51	39	60	150

Calculated value of Chi-square test = 76.285 Degree of Freedom = 4

Tabulated value of chi-square at 5% level of significance = 9.49

The calculated value is greater than the tabulated value, therefore null hypothesis are rejected.

Alternative hypothesis (H1) is accepted.

Therefore we can say that there is a relationship between investment behaviour and buying decisions in life insurance with respect to education.

Findings

A large part of insurance related opportunities is untapped. Therefore, rendering an ocean of opportunities existing in this area as only 30.66% of the total respondents are opting for insurance provide a wonderful avenue for the insurance companies in to tap this untapped market. The market seems very opportunistic for the insurance companies to cover the rest 69.33% of the market. Also in future the government's easy access of international insurance companies through the FDI's will create more options to explore.

Conclusion

The study found that consumers are satisfied with both the pre-purchase and post-purchase service. Respondents agree to investment and risk protection for the purpose of purchasing a life insurance policy and disagree with early childhood education, tax benefits and pension benefits. Most of the respondents see the combination of health and property insurance as a novelty. People are still avoiding purchasing life insurance policies. Even the level of awareness regarding different life insurance policies is very low among the respondents. Majority of the population is not aware and familiar with the terms and conditions of different life insurance plans. It is also explored that education plays a vital role in purchasing of life insurance policies. It is scientifically proved that there is a relationship between buying decisions and education.

This research study has a big scope for further research as it was done in reference to awareness level and likability among respondents regarding life insurance policies as well as the relationship between buying decisions and education has been explored. The researcher had not touched other demographic variables such as age, gender, income, occupation and family size etc. So, further research can be done to explore the relationship among buying decisions and other demographic variables in reference to life insurance.

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