



## AN ANALYTICAL STUDY ON PROMOTIONAL STRATEGIES WITH RESPECT LIC INSURANCE SERVICES IN THANJAVUR DISTRICT, TAMILNADU

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### Abstract

The insurance industry as a financial service is considered as one of the most important segments in an economy for its growth and development, particularly in the developing economy like India. The key to insurance growth is through an integrated approach which includes creating promotional strategies about insurance. By and during the 19th century, Indians were generally becoming aware of the benefits and utility of life insurance, though there was widespread apprehension that insuring one's life meant courting death. In the local languages of India, life insurance was often described as Registration for Death despite the inimitable advantages that insurance offered to all types of people. The major objectives of this research are to ascertain the socio-economic profile of sample respondents and identify the promotional strategies level of policyholders in LIC's services. This research has motivated to develop the customer promotional strategies. The data required for the study is of primary nature. Primary data have been selected by making use of interview schedule by adopting simple random sampling method with three hundred policyholders. From the analysis of the study, it is identified that Age and Number of Policies are found to be associated with promotional strategies. To conclude this study, Insurance companies should spread more promotional strategies about life insurance, offer reduction in premium amount and give more attention on need- based innovative products.

**Keywords:** Life Insurance, Policyholder's Promotional strategies, Life Insurance Policies.

### Introduction

Insurance is one major sector which has been on a continuous growth curve since the revival of the Indian economy. Taking into account the huge population and growing per capita income besides several other driving factors, a huge opportunity is in store for the insurance companies in India. Even to this date, Life Insurance Corporation of India dominates Indian insurance segment and significantly contributes to income generation and employment. The huge and ever rising population levels in our country provide an attractive opportunity but still nearly 70% Indian lives are un-insured. Efficient promotional strategies strategy enables the insurer to provide right product, to right person and at the right time. Human life is a most important asset and life insurance is the most important type of insurance which provides financial protection to a person and his family at the time of uncertain risks or damage. Life insurance provides both safety and protection to individuals and also encourages savings among people. Indian life insurance industry has achieved only a little because of the lack of insurance promotional strategies, ineffective marketing strategies, poor affordability and low investment in life insurance products. The study is basically intended to discover and examine the factors affecting promotional strategies in life insurance policy. In an increasingly competitive economy the need for insuring against risk is well recognized.

### Statement of the Problem

In the huge service sector, insurance sector is one of the most important entities which has been growing relatively fast in India and offers abundant growth opportunity to the life insurers. Insurance occupies an important place in the complex modern world since risk, which can be insured, has increased enormously in every walk of life. The insurance sector acts as a mobiliser of savings and a financial intermediary and a promoter of investment activities. The Indian life insurance industry has achieved only a little because of the lack of insurance promotional strategies, poor affordability and low investment in the life insurance products. The huge and ever rising population levels in our country provide an attractive opportunity but still nearly 70% Indian lives are un-insured. The study is basically intended to discover and examine the factors of promotional strategies affecting the policyholder.

### Objectives of the Study

- To ascertain the socio-economic profile of sample respondents.
- To know the level of promotional strategies of LIC's services in selected respondents in Thanjavur district.

### Methodology

The present study was carried out in Thanjavur district. Since the main objective of the study was to analyze determinants of promotional strategies of the life insurance, this study concentrated on the variables like the Age, and no of insurance



policies. Using pretested structured interview schedule, the primary data have been collected by simple random sampling method and randomly chosen three hundred respondents from the study area. The collected data have been analyzed by making use of statistical tools like descriptive statistics, percentages, and Chi-square test to identify the factors determining the promotional strategies of the life insurance.

### Analysis and Interpretation

**Table 1: Demographic Profile of the Respondents**

S. No	Factor	Demographics	No of Respondents	percentage
1.	Gender	Male	147	49.00
		Female	153	51.00
		Total	<b>300</b>	100
2.	Age (in years)	Up to 20	26	8.70
		21 to 40	207	69.00
		Above 40	67	22.30
		Total	<b>300</b>	100
3.	Educational Qualification	Illiterate	09	3.00
		SSLC	35	11.70
		Hsc	22	7.30
		Under graduate	76	25.30
		Post graduate	126	42.00
		Professional	32	10.70
		Total	<b>300</b>	100
4.	Marital status	Married	167	55.70
		Unmarried	133	44.30
		Total	<b>300</b>	100
5.	Area of Residence	Urban	111	37.00
		Semi-urban	85	28.30
		Rural	104	34.70
		Total	<b>300</b>	100
6.	Occupation	Daily wage Earners	06	2.00
		Agriculturist	31	10.30
		Employee	97	32.30
		Business	36	12.00
		Professional	24	8.00
		Student	74	24.70
		Housewife	32	10.70
		Total	<b>300</b>	100
7.	Family income	Up to Rs 15000	34	11.30
		Rs 15000 to Rs 30000	150	50.00
		Above Rs 30000	116	38.70
		Total	<b>300</b>	100

Source: Primary Data

The profile of the respondents is shown in the above table. The profile focuses on the demographics of the respondents. It shows that out of 300 respondents, 153 (51%) are Female and it depicts the domination of Female in the life insurance sector. 69 per cent of the respondents belong to the age group of 21 years to 40 years. As far the educational level of the respondents is concerned, the highest education level attained by most of the respondents was master degree level (42.00%), followed by degree level (25.30 %). It shows that majority of respondents were educated with master degree qualifications. Moreover, 55.70 per cent of the respondents are married. 37.00% of the respondents reside in an urban area. As per the classification occupation is concerned, the majority of the policyholders are employees. Based on family income, 50 per cent of respondents' family income ranges between Rs.15000 to Rs.30000.



**Table2: Showing the Promotional strategies attraction towards policy holder’s age**

Age	Low	Moderate	High	Total
Up to 20	2 (7.70%)	21 (80.80%)	3 (11.50%)	26 (100.00%)
21 – 40	22 (10.60%)	153 (73.90%)	32 (15.50%)	207 (100.00%)
Above 40	17 (25.40%)	39 (58.20%)	11 (16.40%)	67 (100.00%)
<b>Total</b>	<b>41</b>	<b>213</b>	<b>46</b>	<b>300</b>

Df: 4

Calculated  $\chi^2$  Value: 11.234

Table Value: Five per cent level: 9.488

One per cent level: 13.277

**Null Hypothesis:** There is no significant relationship between Age and level of promotional strategies.

**Result:** Chi- square test reveals that the calculated value of chi- square 11.234 is greater than the table value at 5% level ( $\chi^2=11.234 > 9.488$ ) so the null hypothesis is rejected. There is significant relationship between age and level of promotional strategies.

**Table 3: Showing the Impact of Policyholder’s Educational Qualification towards promotional strategies**

Educational Qualification	Low	Moderate	High	Total
Illiterate	2 (22.20%)	6 (66.70%)	1 (11.10%)	9 (100.00%)
SSLC	4 (11.40%)	23 (65.70%)	8 (22.90%)	35 (100.00%)
H.Sc.,	0 (0.00%)	18 (81.80%)	4 (18.20%)	22 (100.00%)
Under Graduate	13 (17.10%)	54 (71.10%)	9 (11.80%)	76 (100.00%)
Post Graduate	19 (15.10%)	85 (67.50%)	22 (17.50%)	126 (100.00%)
Professional	3 (9.40%)	27 (84.40%)	2 (6.30%)	32 (100.00%)
<b>Total</b>	<b>41</b>	<b>213</b>	<b>46</b>	<b>300</b>

Df: 10

Table Value:

Five per cent level: 18.307

Calculated  $\chi^2$  Value: 10.654

One per cent level: 23.209

**Null Hypothesis:** There is no significant relationship between Educational Qualification and Level of promotional strategies

**Result:** Chi- square test reveals that the calculated value of chi- square 10.654 is less than the table value at 5% level ( $\chi^2=10.654 < 18.307$ ) so the null hypothesis is accepted. There is no significant relationship between Educational Qualification and Level of promotional strategies.



**Table 4: Showing the Number of Policies of Policyholder’s with the reach of Promotional strategies**

Policies	Number of Level of reach of Promotional strategies			Total
	Low	Moderate	High	
One	15 (10.60%)	108 (76.60%)	18 (12.80%)	141 (100.00%)
Two	12 (10.50%)	81 (71.10%)	21 (18.40%)	114 (100.00%)
Three	14 (31.10%)	24 (53.30%)	7 (15.60%)	45 (100.00%)
Total	41	213	46	300

**Null Hypothesis:** There is no significant relationship between Number of Policies and level of promotional strategies.

**Result:** Chi- square test reveals that the calculated value of chi- square 15.705 is grater than the table value at5% level ( $\chi^2=15.705 > 9.488$ ) so the null hypothesis is rejected. There is significant relationship between Number of Policies and Level of promotional strategies.

### Findings

- The promotional strategies about life insurance among the respondents is maximum in the age group of above 40 years. It is identified that the chi-square indicates that Age is found to be associated with promotional strategies.
- Education is the driving force for the promotional strategies level. The results indicate that a larger proportion of policyholders posses a high education level. The current study found that the SSLC policyholders have high level of understanding promotional strategies on life insurance policies compared to other literates. The illiterates have low level of understanding towards promotional strategies. There is no significant relationship between Education qualification and level of promotional strategies.
- The business man has high level of impact on promotional strategies compared to other respondents. And professionals have low level of impact on promotional strategies. There is no significant relationship between Occupation and level of promotional strategies.
- As per our study, 50.30% of the respondents who hold more than two policies have high level of impact on promotional strategies. Those who hold less than three policies have low level of impact on promotional strategies. There exists significant relationship between number of policies and level of promotional strategies.

### Suggestions and Recommendations

- It is essential for LIC that promotional strategies creation interventions should be undertaken targeting the above 40 year age group and better prospects should be offered for the people. Insurance needs to take its pride of place in the lives of the people. These People will not have any contradictory view and they will have a good impression about the life insurance.
- The LIC should create a strong interest in life insurance to those who have less than three policies, and also create a considerable promotional strategies of various latest products that are available in the market.LIC has to educate them through the Media like cable and satellite channels that would bring interesting programmes to equip the policyholders well and motivate them to take more policies.
- The factors that may constrain the promotional strategies campaign include social dynamics and attitude variations within the level of education and income. Each and every product launched by the LIC should be in favor of increasing the need of policy holders.LIC can change their attitude through proper promotional strategies campaign.
- Policyholder’s are not viewed as a homogeneous group. Daily wage earners, agriculturist, business men, professionals, students, and housewives have specific problems and specific policies should be placed to educate the policyholders and should be motivated to take policies.

### Conclusion

The insurance sector has come into a sharp focus in India in the recent times due to the phenomenal changes taking place in terms of number of companies offering insurance products, the variety of products in the market and the proliferation of intermediaries selling them. In spite of the healthy growth witnessed in the insurance sector in the recent years and the expansion of the market, the inroads that life insurance has made into the market remains lower in India than in many parts of the world. Developing human force is the need of the hour and also to think out of the box to design new policies which would be able to attract policyholder’s. Innovation in every aspect is required to survive and to increase the penetration level



of insurance and so campaigns should be launched to increase the promotional strategies about the benefits and importance. The LIC should make enormous efforts to create insurance promotional strategies among the people. Since obviously the insurance sector is still in a nascent stage of development, the study has noted that improving insurance promotional strategies requires both structuring and enhancing the penetration of an appropriate promotional strategies creation campaign with a regional and spatial focus. Such a campaign needs to be supported by a stronger information infrastructure for the efficient function in the life insurance market.

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