

Buyers' Perception towards Life Insurance Policies Offered in Insurance Industry: A Study

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ABSTRACT

The aim of this paper is to examine the buyers' perception towards life insurance policies offered by the public and the private sector organizations while focusing on some important factors viz. knowledge, information, awareness, literacy and views about life insurance policies among buyers. This paper is an attempt to investigate the overall perception of the life insurance buyers targeting pre and post buying behavior. This research study was surveyed on a variety of buyers of Indore city (Madhya Pradesh) based on various demographic factors. The research findings revealed that still people do not pay due importance to life insurance policy, they prefer other financial instruments, such as- bank deposit, mutual funds, stock market and some others. The study also found that the policies which are propagated by agents, and endorsed by organizations, have been in higher demand. The buyers treated life insurance as an investment and tax saving instrument instead of risk coverage instrument. The buyers have less knowledge, information and literacy about life insurance. The views of illiterate people were not contingent due to technical issues such as, physical absence of inquirers, language problem, pre-inquiry orientation, etc. If those were contingent to admit, the result would have been more valuable.

Keywords: awareness, literacy, information, knowledge, views

I. INTRODUCTION

Life insurance policy selection behavior denotes about the behavior dealt by the individual buyers at the time of getting a life insurance policy. It includes searching, evaluating and selecting a suitable policy among available one. It also includes the factors influenced to the insurance policy holders while selecting life insurance policy and their required preferences. The factors considered by buyers at the time of getting life insurance policies are known as pre buying behavior of life insurance policy holders. This behavior is constituted by life insurance policy selection behavior and required preference of policy holder. The influencing factors for life insurance buyers while getting life insurance policies are- returns on investment, partial withdrawal, risk coverage, saving, premium, sum assured, tenure, fund value, claim settlement, additional features like-riders, loan facility against the life insurance policy and concerned factors, etc. Buying behavior of the buyers is driven by fear impulse in life insurance. Being a human, a person as a buyer, has a lot of insecurity apprehensions. What will happen in the future regarding money, wealth, health, working capacity; latently apprehends in human mind always. An individual wishes to seek answer of these apprehensions. For their apprehension, the solution comes as life insurance which is of compensatory nature and compensates against any of the above explained disruptions. One severe apprehension, a man does occupy that what will happen of the family and dependents after his death. An individual at least wishes of a financial coverage to his family and dependents after his death. The same; life insurance is the answer of this fierce full apprehension.

Life Insurance Policies Attributes

To ascertain the key attributes of life insurance policies influencing the selection behavior of life insurance buyers, some variables have been identified from the outcome of the earlier research studies, feedback of questionnaire enquiry, and suggestions from academicians and expert from insurance industry. These identified variables areas; brand name, quality of services Maturity benefits, Partial withdrawal, Product popularity, Loan facility, Tenure/period, Mode of payment, Saving, Tax benefits, Risk coverage, Security, Premium, Wealth creation, Human life value and Investment.

Preferred Factors of Life Insurance Buyers

The second factor considered under life insurance policy behavior is the required preferences of life insurance buyers. In order to assess the required preferences of the life insurance buyers; various schemes and category of life insurance policies. Here, the study for the purpose of research has been attempted by prioritizing to the factors by which life insurance buyers prefer to select to a policy. For this, the specific need and concerned product to fetch the need, time duration, returns, and details about risk coverage is overviewed by a life insurance customer. Risk coverage is the most important variable among the mentioned, which affects the selection process much. Attributes of required preferences of Life insurance customers are lock in period, minimum operating charges, human life value, surrender value, and exclusions

Buyers' Perception: Life Insurance Perspective

Buyers' perception may be different from the objective reality; It implies with the life insurance buyers, too. Most of the buyers percept that it as an instrument of tax saving, investment, provision for old age, saving, wealth creation rather to percept it as an instrument of risk coverage. In fact, buyers' perception is influenced and affected by a lot of factors like-market condition, purposive intention, corporate competition, and regulatory framework, etc. These all factors truly cause a buyer to act within. These factors may impact positive or negative regarding concerned phenomenon at a certain extent, thus the insurance products can be not spared from the market-mechanism. Life insurance industry is also doing the same. Life insurance as a mere instrument of risk coverage of life is treated minimally in this regard, as it is a fact that the role of life insurance agents is the most primal factors in the perception inclination of a life insurance customers. Agents take advantage of their fiduciary relationship what they say or communicate to the life insurance customers, exactly accepted by them (life insurance buyers). The studies show that agents explain life insurance as the instrument of life risk coverage at the last in the communication process to the life insurance customers with not due priority in general. Agents exaggerate about returns of life insurance policies in terms of money rather than the main features of it. The same has been proved as the protagonist, to not establishing insurance as the mere instrument of life risk coverage. Buyers' perception in the perspective of life insurance is different. Advent of private organizations in the life insurance sector has changed the scenario into different dimension and direction than they had to cover the market. They focused towards capturing strategy, fascinating clients; based on impulse mechanism, ad war, unfair inclination, obligatory and forced insistence, etc. These all, did not provide ample time to the customers to actualize about products. This approach discharged the actuality. Due to, it happened in the very neo-natal stage and changed the scenario. Numerous products having plenty of characteristics truly confused the life insurance customers-What to opt, How to opt, Why to opt, when to opt.

Thus, only formalities are paid and nothing is looked into about the actual need or requirement of the buyers. till the date this phenomenon has been neither crossed across in the market nor have been inclined or implemented with a buyer on individual level.

II. LITERATURE REVIEW

The service quality has become a highly instrumental co-efficient in the aggressive competitive marketing. For success and survival in today's competitive environment, delivering quality service is of paramount importance for any economic enterprise. Life Insurance Corporation of India, the leading insurance company has set up 'benchmarks' in enervating the whole concept of service quality.

Perceived service quality is defined as, global judgment or attitude, relating to the superiority of the service (Parasuraman et al., 1988).

Delivering quality service is considered an essential strategy for success and survival in today's competitive environment (Dawkins and Reichheld, 1990; Parasuraman et al., 1985; Reichheld and Sasser 1990; Zeithaml et al., 1990)

The liberalization of Indian economy ushered in an era of competitive marketing leading to the radical changes in the entire gamut of products and services. The service sector, hitherto limited in nature and scope, changed into an aggressive mode appropriating the front stage touching almost every sphere of human activity, viz., banking, insurance, information technology, welfare, etc. and accounted for approximately two-thirds of worldwide GNP right from the beginning of the twenty first century (Kara et al., 2005).. In the literature, the construct of quality is conceptualized based on perceived service quality (Hishamuddin et al., 2008)

Deepika Upadhyay, Ajmer (2009), depicted in her an empirical analysis of consumer perception that companies involved in the insurance industry offer a wide variety of products. With increased globalization and presence of a large number of players in the market place, the very definition of customer relationship and satisfaction is in danger of being proved incomplete.

So the rank of the factors according to importance the consumer reckon can be written in the descending order as- Pricing > Employee Competence > Product & Service > Technology > Physical Appearances > Trust > Service Delivery > Advertising > Service Management. It implies that customers go for better priced life insurance policy.

Pricing with quality of service was ranked the highest in terms of participant satisfaction with life insurer, while the natural tendency of many life insurance companies to better price the product and services so as to increase the market share.

More specifically the "service cost" was found to lead to the policy of "efficiency pricing" regarding the pricing behavior of companies operating in different service industries. Insurance companies are mainly endeavoring to offer unique services in their market. Moreover, they are bound to place an emphasis on their broader social and political environment due to their social character and the high regulation. They are also endeavoring to incorporate their pricing strategy into their overall marketing strategy and, thus, formulate a cohesive marketing strategy. This might be attributed to the fact that most life insurance companies operating in India have established well-organized marketing departments. It is also interesting that, while they use some standard list prices, they are also negotiating their prices individually with some key customer. When combined with the findings that are related to the service and organizational characteristics, it seems that "the cost of the service" along with "competitors' prices" are the two most important characteristics that trigger pricing decisions. These findings are consistent with those put forward by in the literature review section. Other important characteristics are the "service quality", "market strategy", "customer orientation", "intensity of competition among the existing companies" and the "type of the service", which indicate that the companies in our sample tend to place their emphasis on service and organizational rather than environmental characteristics when they set their prices.

Highest in terms of participant satisfaction with life insurer- researcher examines satisfaction at the encounter level rather than overall satisfaction, primarily because overall satisfaction is a cumulative evaluation resulting from multiple experiences over time. When customers are processing the encounter at the peripheral level, they rely on peripheral cues to evaluate the encounter. Customer satisfaction, then, may be the result of things not remotely connected to the service encounter, such as pre-encounter stimuli (e.g., audio, visual). When a more central processing cognitive evaluation is tapped, however, customers may focus on evaluating the service based less upon fuzzy and possibly irrelevant criteria and more on the core, technical elements of the service employee, dismissing peripheral cues as unimportant. Thus, we expect to see that perceived service quality will explain more of the customer's satisfaction with the encounter for socialized and competent employees.

Products with quality of service for customer satisfaction were ranked the third highest in terms of participant satisfaction with life insurer. Once it is recognized that competition takes place between companies' offerings and not the companies themselves, it becomes apparent that a "market" focus is appropriate. As most life insurance companies would recognize, the offering, which is presented to potential customers through the market, is the primary focus of competitive strategy. While accepting that the resources and reputation of a company may add value to an offering, this does not alter the fact that customers choose between offerings. Although the two ways split works well for product offerings and some service offerings, for many financial services the advice and assistance are core parts of the service and are in many cases indistinguishable from the "product" being offered. However, the distinction remains useful in that it highlights the fact that both product features and advice and assistance provide options for differentiation. These options are developed by introducing the concepts of content or image differentiation for merchandise or personalized differentiation for support.

Technology with quality of service for customer satisfaction was ranked the fourth highest in terms of participant satisfaction with life insurer. The most prominent contribution of this discussion is proposing a way to the role of sales force automation (SFA) technology in contributing to customer satisfaction. Technology integration allows improvement in interpersonal interactions and enhances personal relationships, which is especially critical in high level financial services. In fully integrated SFA systems, customers might not even think about the technology at all, because it becomes simply a routine part of their interpersonal interaction. This is critical, as is the need for the salesperson him/herself to play an important role in this integration. SFA integration, then, is about salespeople using SFA to enhance relationships with customers, not about using technology to replace the salesperson's role in the customer interaction.

Physical appearances with quality of service for customer satisfaction were ranked the fifth highest in terms of participant satisfaction with life insurer. This empirical study has shown that there is a positive relationship between the level of tangible components like physical appearance of branch office and staff in a service industry and the importance of the other tangible dimension. Although intangibility is certainly a key characteristic of services, tangibility performs an important role, particularly in service industries which have high tangible components. A certain degree of tangibility and intangibility exists in both service process and service output. Even in service industries involving less prominent tangible elements, tangibility cannot be completely ignored. In particular, the more a service has tangible components, the more important are these tangible dimensions in service quality. During the service process, if there are tangible actions physically involving people, security and reliability are perceived as being more important than in those services which predominantly involve intangible actions directed at people's minds. In addition, if tangible actions directed at goods and other physical possessions are involved,

customers perceive tangible dimension as being more important. Finally, with respect to service output, if a service involves the making of a tangible product or providing added value to a tangible product; the importance of perceived value increases.

Trust with quality of service for customer satisfaction was ranked the sixth highest in terms of participant satisfaction with life insurer. Quality of service increases customers' satisfaction with the encounter, their trust in the service provider and anticipation of future interaction. Researcher found that the customers' overall satisfaction, trust and anticipation of future interaction seem to decline as they are socialized toward their role in the service production process. (International Conference on Technology and Business Management. March 28-30, 2011).

In other words, as customers are provided with information about the service provider's expectations of them (the customer), customer perceptions of service outcomes may initially decline. The findings suggest that caution is necessary when attempting to increase the customer's involvement in the production of the service. This is not necessarily negative, if for no other reason than the sentiments are much more enduring. It does, however, make it more critical that the service provider become more adept at delivering service quality as customers become more socialized and knowledgeable about their role in service provision.

Service delivery with quality of service for customer satisfaction was ranked the seventh highest in terms of participant satisfaction with life insurer. The processes, procedures, systems and technologies that would make a service a seamless one. Customers would always like and expect the service delivery processes to be perfectly standardized, streamlined, and simplified so that they could receive the service without any hassles, hiccups or undesired/inordinate questioning by the service providers. Advertising with quality of service for customer satisfaction was ranked the eighth highest in terms of participant satisfaction with life insurer consumers buy a certain brand because it is preferable to competing brands; they have implicitly or explicitly anticipated that the selected brand will yield more satisfaction than the other brands and that it will respond more appropriately to the relevant set of felt needs. Hence, the amount of satisfaction consumers anticipate they will receive from a certain brand constitutes the expectations raised by the selected brand. Service management with quality of service for customer satisfaction was ranked the ninth highest in terms of participant satisfaction with life insurer. It is only recently that service quality management has begun to receive substantial attention from human resource management.

A major contribution of this study is the provision of an approach for the managers to identify the factors of service quality and customer satisfaction in retail life insurance in India. Although the satisfaction levels are on the higher side, yet there remains a lot to be done by the management of the retail life Insurance companies to maximize their customers' satisfaction and improve the quality of service. The satisfaction of the customer with the services of life insurance companies is linked with the performance of the service. Further, many customers who are strongly familiar with interpersonal services may never be satisfied with purely technology-based services. This is probably even more important in the relationship-based cultures of India. Customers seem to want technology to be integrated into interpersonal relationships, not to replace them, regardless of their own personal technology readiness. The perception of customers is that salespeople can use technology to solve their problems, helping to develop a sense of trust and satisfaction that is likely to extend their relationship. The sales people are the critical element in the interaction and relationship, and technology's role is a support element that helps them develop their relationships.

Neeta bala, (2010), focused that **Life** Insurance Corporation of India, the capital intensive business, provides the most important financial instrument to customers aimed at protection as well as long term savings. The Corporation reaches out to the people through the main traditional route of the agency model for the selling processes of the numerous complex need-based products. The agents in marketing its policies by spreading the message of life insurance among the masses, they serve as the kingpin for insurance companies seeking to provide traditional and innovative products, and focal point for customers seeking to procure insurance coverage and long-term savings.

The present paper investigates the factors influencing agents' perception life Insurance Corporation of India. The study is based on a sample of 225 respondents taken from three cities of Punjab. Factor Analytic Approach has been performed for data analysis. The results of the factor analysis reveal that Staff co-ordination is the most important factor to influence agents' perception followed by other six factors namely:

(i) Customer target; (ii) Competitive advantage predicates; (iii) Material hallmarks; (iv) Promising products and process; (v) Service enhancement; and (vi) Exclusive attention. Moreover, analysis of one way classification has also been performed to test the significant differences among the various groups of respondents across the 23-item perception scale. The results demonstrate that no significant differences exist among various groups of respondents with respect to their perception towards Life Insurance Corporation of India.

The findings of the study show that the above discussed seven factors play a vital role influencing the perception of agents toward LIC. Staff co-ordination is the key factor having impact on agents' perception. Therefore, staff should be more efficient to provide enough support in agents selling activities. In addition, other factors that agents are concerned at life insurance sector are Customer target, Competitive advantage predicates, Material hallmarks, Promising products & process, Service enhancement, and Exclusive attention. Life Insurance Corporation of India must specify the weight of each factor

having impact on agents' perception. Based on the relevance of each of these factors, life insurance industry can propose appropriate action plans to improve agents' performance as well as its profitability

Success and overall growth potential of the insurance business depend on the efforts being added by the insurance companies in selling insurance products and services to the policyholders. Selling insurance products is a smart strategy and the real challenge is to retain and service the customer in the vibrant multiplayer competitive industry. Agents serve as the kingpin for insurance companies seeking to provide traditional and innovative products, and local points for customers seeking to procure insurance coverage and long-term saving. The actor analytic result of the present study reveals that there are seven factors influencing the perception of agents towards their organization. Agents perceive Staff co-ordination as the most important factor followed by other factors, viz., Customer target, Competitive advantage predicates, Material hallmarks,

Promising products & process, Service enhancement, and Exclusive attention. Hence, the agency system and its agents are vital actors to a company's performance and its long-term survival in the face of increased competition (Annual, 2004). Firms that want their salespeople to engage in customer oriented selling must be certain that their salespeople are committed to the organization and must be intrinsically motivated (Noor and Muhamad, 2005). If agents are satisfied with their organization in every respect (efficiency of supporting staff and their behaviour, running refresher courses, working environment, etc.) then they can provide efficient services to the policyholders and which would increase the brand image of the Corporation. So, LIC should consider its agency system as the most crucial distribution channel and should make efforts to provide them efficient facilities to improve its business performance to a great extent.

Dr. H. S. Sindhu (2011), depicted about the service quality and to measure customers' perception towards life insurance service quality by applying a framework developed by Suresh Chandar et al. (2001). An advocated procedure has been used to develop, refine and validate a scale. Data has been collected from 337 customers from the three cities of Punjab (a progressive state of India). The findings of the study demonstrate that five-factor structure as proposed by Suresh Chandar et al. (2001) has been refined to seven-factor construct (consisting of 34 items) representing Proficiency; Media and presentations; Physical and ethical excellence; Service delivery process and purpose; Security and dynamic operations; Credibility; and Functionality. Besides, the study also investigates the relationship between each of the generated service quality dimensions and customers overall evaluation of life insurance service quality. It reveals that among these seven factors, three viz.; Proficiency, Physical and ethical excellence, and Functionality have significant impact on the overall service quality of Life Insurance Corporation of India. Managerial implications and directions for further research have also been discussed.

In the huge service sector, insurance sector is one of the most important entities which has been growing relatively fast in India. At present there are twenty three players in the Indian life insurance industry out of which Life Insurance Corporation is one of the leading public companies, holds largest number of policies in the world to suit different financial requirement of an individual. With a greater choice and an increasing awareness, there is a continuous increase in the customers' expectations and they demand better quality service. Therefore, to sustain in the market, service quality becomes the most critical component of competitiveness for Life Insurance Corporation of India.

Firstly, this study was carried out mainly in Punjab; therefore, the results obtained may not be pertinent to the country as a whole. of course, the study can be extended to other states of India. Secondly, the present study has been conducted by taking a sample of 337 customers of Life Insurance Corporation (a public company), ignoring the private life insurance companies. This cannot lead to the generalizability of the findings and the results may not be implied conclusively to the whole life insurance industry. Additional studies are recommended to fill this gap. Thirdly, in the current study, exploratory factor analysis using principal component method with varimax rotation has been used. Moreover, the results of this study may further be validated by employing confirmatory factor analysis technique. Fourthly, other variables (like future purchase intention, and overall satisfaction level etc.) having impact on customers overall evaluation of service quality should be taken into account in future research. Finally, these limitations may decrease the ability of generalizing the results of this study to other life insurance companies' settings. Therefore, the conceptual and methodology limitations of this study need to be considered when designing future research.

III. RESEARCH METHODOLOGY

Objectives of the Study

The objectives of this research study are as follows -

- To present the account of Indian insurance sector.
- To critically examine buyers' perception towards long-term policies offered by selected organizations of insurance industry

Significance of the Study

Life insurance covers 4 % in the GDP in India. This percentage is substantial and remarkable. Still life insurance has not taken place as life line financial instrument/product in India in the financial sector. In many of the reports produced by IRDA and such concerned agencies, have already pointed out about the essentiality of life insurance in people's life. It has been lot of times prescribed that life insurance ought to be made mandatory in India. But due to some technical reasons it has not been made mandatory as yet. The main focus of IRDA has been there to conduct regulatory framework for the insurance companies and thus IRDA hardly has spared its attention towards other activities which are a must. The undone areas are consumer awareness, making educational framework for customers to acknowledge technical knowhow about products, to act as whistleblower to the government regarding policy making of insurance products.

This research work is very significant, path-finding and demonstrating in the field of life insurance. In this research work a breakthrough focus has been given to such products which may prove its worth in the economic value of human life.

As, somehow the importance has been given to such products which cover strategic financial security in life. This work will be important for those who wish to accelerate their research work in the concern area or discipline. This will prove as a platform of knowledge regarding suitability of strategic life insurance products for human life. Apart from this, this research work will prove great help and advantage for consultants working in this field. The outcome of this research work can be used for framing consumer awareness programs.

Scope of the Study

Due importance has been given to such life insurance products which prove the best and creates broader scalability in human life. In this research work, life insurance products have been referred to as a tool- to secure economic value of life, not as a tool of investment. From the academic and pragmatic point of view, this research work is very unique and conducive which has proved it as a tool of financial security in life and after death and vice versa.

Consumer behavior towards selection of life insurance products have been described in detail in this current study. Details of products profile of selected life insurance companies have been described. Buyer's perception regarding long- term life insurance policies which is the central of this research work; has been explained very systematically. The outcome of buyer's perception has very vast academic and research scope for the next-generation research scholars in the field of life insurance. This research work will be of great help for life insurance companies to modify, customize, and innovate new products according to the outcome of this research work. Feedback of buyer's perception will act as a demonstrator to re-launch long- term life insurance products. This research work may aware policy holders to distinguish between life insurance products and other financial instruments. The potential customers may compare strategic advantages between both- the life insurance products and other financial instruments.

Data Collection & Interpretation

The data for present study have been collected from both- primary and secondary sources. This present study is based on descriptive and empirical research design, led by survey method to study "Buyer's perception towards long-term policies offered in insurance industry with reference to public & private organization". The primary data have been collected by a well-structured questionnaire; consisting of multiple option questions (objective type), to complete this research study. The secondary data and concerned information have been collected from the various reports, magazines, journals, news-papers, editorials, periodicals and websites.

1255 samples were considered to create a proper scalability for the research outcomes. Respondents' Survey Instruments are 1. Long term means of investment/savings, 2. Awareness, 3. Preferred life insurance sector-public/private, 4. Preferred source of information- ad, agents, DSE, 5. Promotional offers, 6. Participation of, 7. Objectives of obtaining life insurance policy, 8. Brand loyalty, 9. Views about promotional activities of companies, 10. Brand endorsement, 11. Culture/sub-culture, 12. Impact of ethical advertising, 13. Advantages offered by company, 14. Factors affecting purchase decision making, 15. Tending to stick to the same company's insurance policy & remain loyal to the same company and its products, 16. Sticking an insurance policy which is usually bought rather than to try of a new product about which one is not sure of, 17. Switching to try new one if an insurance policy of a company is liked, 18. Getting bore even after having good product 19. Demographical factors, 20. Types of life insurance policies, 21. Dissonance, 22. Life insurance as an investment, security, saving, 23. No. of insurance companies known.

Life Insurance Companies under study are Life Insurance Corporation of India (LIC) from Public Sector and SBI Life Insurance, HDFC Life Insurance, Bajaj Allianz, Aviva Life Insurance & ICICI Prudential Life Insurance from private sector. The sample size of 1255 buyers taken into account from Indore City. Analysis of Buyers' Profile on Demographical factors is as follows:

Demographic Factors	Data	Sample Size (1255)
Gender	Male	793
	Female	462
Age	18-25	212
	26-35	335
	36-45	262
	46-55	237
	Above 55	209
Marital status	Married	891
	Unmarried	364
No of dependents in the family	Less than 2	189
	3-4	378
	5-6	368
	More than 6	320
Education	Under graduate	275
	Graduate	464
	Post graduate	328
	Doctorate	188
Occupation	Govt Employee	245
	Pvt. Employee	437
	Self-employed	168
	Professional	140
	Businessmen	265
Annual income	Less than 2 lakhs	205
	2.01-4 lakhs	357
	4.01-6 lakhs	341
	6.01-8 lakhs	188
	More than 8 lakhs	164

Diagnostic Tools for Data Collection

The basic pro-forma and model of the questionnaire consisting three sections, namely- A, B and C; having multiple option questions, was developed in English to know and acknowledge views through survey with customers. The questions under the questionnaire are closely related and associated with this research study so that outcomes of the questionnaire should be analyzed for the said purpose. The Likert Scale was chosen and adopted as the survey instrument in the questionnaire, as follows-

1. Strongly Disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

The questions framed in the questionnaire deserve very qualitative and quantitative approach to be a standard questionnaire for the sake of research. Questions were dimensional, so all purposive aspects have been touched. Thus, the protocol was completed. The participants were inquired to indicate their level of answer with their choices from the above five alternatives (although the same has not been applicable in each of the questions). Pilot survey was conducted to validity the questionnaire.

The linear regression was used to test the research hypotheses. Based on this approach, a regression analysis was conducted through SPSS version 16.0 and the significance of the co-efficient and t-values were examined in order to accept or reject the hypotheses. We have t-value is significant when the calculated value of t is more than the table value of $t = 2.58$ based on two-tailed test for $p < 0.01$ and **p-value has been ascertained** for testing a statistical hypothesis. Before the test is performed, a threshold value is chosen, called the significance level of the test, traditionally 5% or 1% and denoted as α . If the p-value is equal to or smaller than the significance level (α), it suggests that the observed data are inconsistent with the assumption that the null hypothesis is true and thus, that hypothesis must be rejected (but this does not automatically mean the alternative hypothesis can be accepted as true). Since p-value is used in frequent inference (and not Bayesian inference), it does

not in itself support reasoning about the probabilities of hypotheses but is only as a tool for deciding whether to reject the null hypothesis.

Hypotheses

A sincere attempt has been made to prove the following hypotheses-

H_{a1}	Sub-culture of buyers plays an important role in purchase decision process.
H_{o1}	Sub-culture of buyers does not play an important role in purchase decision process.
H_{a2}	There is much awareness about insurance policies for long term amongst people.
H_{o2}	There is less awareness about insurance policies for long-term amongst people.
H_{a3}	Brands endorsement assist in enhancement of sales of brands remarkably.
H_{o3}	Brands endorsement assist in enhancement of sales of brands marginally.
H_{a4}	Demographic factors affect the purchase decision considerably.
H_{o4}	Demographic factors do not affect the purchase decision considerably.

Limitations of the Study

Firstly, this study was carried out in Indore city; therefore, the results obtained may not be pertinent to the country as a whole. Of course, the study can be extended to other cities /states of India. Secondly, the present study has been conducted by taking a sample of 1255 buyers. This cannot lead to the generalization of the findings and the results may not be implied conclusively to the whole life insurance. This study has been focused on buyer’s perception towards long-term policies offered in insurance industry with reference to public and private organizations. The study includes single company from public sector- Life Insurance Corporation of India (LIC), because in public sector there exists only one. Due to, there is no another counterpart in the government sector; broader and comparative conclusions of public sector was impossible. On the other hand, five companies namely- SBI Life Insurance, HDFC Standard Life, Bajaj Allianz, Aviva Life Insurance India and ICICI Prudential Life Insurance from private sector; thus broader and comparative conclusions of this sector have been made possible.

Testing of Research Hypotheses

Testing of first hypothesis

H_{a1}: Subculture of buyers plays an important role in purchase decision process.

H_{o1}: Subculture of buyers does not play an important role in purchase decision process.

Table 1 presents the regression estimation for subculture of buyers, plays an important role in purchase decision process of life insurance policy. The study considered - community, peer group/co-workers, agents, relatives and friends’ influences, as independent variables and, buy the same life insurance product as a dependent variable from the survey questionnaire. The numbers used with variables in the brackets denotes the question’s coding in questionnaire of “section C”.

As seen in the table 1 , the statement is statistically significant because calculated value of t is greater than the table value (t-value = 5.021, p < 0.01).

Thus, we reject the null hypothesis and accept the alternative one i. e. subculture of buyers’ plays an important role in purchase decision process. Among the five independent variables, agents have a greater influence on customers’ purchase decision process of life insurance policy followed by friends and peer group/co-workers.

Table 1: Regression Estimation for Subculture of Buyers’ Role in Purchase Decision Process

Independent Variables	Standardized Coefficients (Beta)	t-value	Sig.
Constant		5.021*	.000
Community	.15		
Peer group/co-workers	.45		
Agents	.77		
Relatives	.21		
Friends	.50		

Note: *t-value is significant for p < 0.01

Testing of second hypothesis

Ha2: There is much awareness about insurance policies for long term benefits amongst people.

H₀2: There is less awareness about insurance policies for long term benefits amongst people.

Table 2 presents the regression estimation for awareness about insurance policies. The study considered family protection, mental peace and satisfaction, tax savings, risk coverage and express affection for family as independent variables and long- term benefits of life insurance policy as a dependent variable from the survey questionnaire. As seen in the table 2, the statement is statistically not significant because calculated value of t is less than the table value (t-value = 0.38, p > 0.01).

Thus, we reject the alternative hypothesis and accept the null one i.e. there is less awareness about insurance policies for long term benefits amongst people.

Table 2: Regression Estimation for Awareness about Insurance Policies

Independent Variables	Standardized Coefficients (Beta)	t-value	Sig.
Constant		0.38**	.14
Family protection	.06		
Mental peace and satisfaction	-.05		
Tax savings	-.32		
Risk coverage	.12		
Express affection for family	.02		

Note: ** t-value is not significant for p < 0.01

Testing of third hypothesis

Ha3: Brands endorsement assist in enhancement of sales of brands remarkably.

H₀3: Brands endorsement assist in enhancement of sales of brands marginally.

Table 3 presents the regression estimation for brand endorsement assistance in sales. The study considered well-known brand, brand ambassador iconic, high promises of endorsement and same endorsed product as independent variables and brand endorsement makes more sales as a dependent variable from the survey questionnaire. As seen in the table .3, the statement is statistically significant because calculated value of t is greater than the table value (t-value = 3.216, p < 0.01).

Thus, we reject the null hypothesis and accept the alternative one i. e. brands endorsement assists in enhancement of sales of brands remarkably. Among the independent variables, well -known brand has a major impact on enhancement of sales of brands and followed by brand ambassador iconic.

Table 3:Regression Estimation for Brand Endorsement Assistance in Sales

Independent Variables	Standardized Coefficients (Beta)	t-value	Sig.
Constant		3.216*	.000
Well- known brand	.63		
Brand ambassador iconic	.27		
High promises of endorsement	.18		
Same endorsed product	.13		

Note: *t-value is significant for p < 0.01

Testing of fourth hypothesis

Ha4: Demographic factors affect the purchase decision considerably.

H₀4: Demographic factors do not affect the purchase decision considerably.

Table 4 presents the regression estimation for demographic factors affecting on purchase decision of life insurance policy. The study considered age, education, income, marital status and number of dependents as independent variables and

level of interest to purchase as a dependent variable from the survey questionnaire. As seen in the table 4, the statement is statistically significant because calculated value of t is greater than the table value (t-value = 25.484, $p < 0.01$).

Thus, we reject the null hypothesis and accept the alternative one i.e. demographic factor affects the purchase decision considerably. Among the independents variables, income has a major impact on purchase decision of a life insurance policy, followed by number of dependents, marital status and age.

Table 4: Regression Estimation for Demographic Factors Affecting on Purchase Decision

Independent Variables	Standardized Coefficients (Beta)	t-value	Sig.
Constant		25.484*	.000
Age	.44		
Education	.09		
Income	.61		
Marital status	.52		
Number of dependents	.58		

Note: *t-value is significant for $p < 0.01$

Consolidated Report of Testing of Hypotheses

It can be concluded that all the alternative hypotheses of the study are accepted except second, based on the regression analysis.

Thus, H1, H3 and H4 are accepted and H2 is rejected, as shown in table 5.

Table 5: Consolidated Report of Testing of Hypotheses

Hypotheses (H)	t-value	p-value	Results
Ha1: Subculture of buyers' plays an important role in purchase decision process.	5.021*	.000	Accepted
Ha2: There is much awareness about insurance policies for long term amongst people.	0.38**	.14	Rejected
Ha3: Brands endorsement assist in enhancement of sales of brands remarkably.	3.216*	.000	Accepted
Ha4: Demographic factors affect the purchase decision considerably.	25.484*	.000	Accepted

Note: *implies t-value is significant for $p < 0.01$ & ** implies not significant.

IV. FINDINGS OF THE STUDY

- 1) In the life insurance selling process, agents/advisors have the most important role, as they are the persons who frequently interact with the buyers. They create ample potentiality to provide essential information to their prospect buyers.
- 2) Endorsement makes high promises, under the study it has been found that people buy the same product as endorsed. In the same it was found that those products do not meet the actual and desired requirement of buyers.
- 3) This study finds that the buyers of life insurance products consider the same as the tool of investment, saving and tax-saving.

- 4) It has been found that due to not having proper awareness and literacy, they do not consider life insurance as the risk coverage instrument.
- 5) The finding reveals that still people do not pay due importance to life insurance products, they prefer other financial products, such as- bank deposit, mutual funds, stock market and also some other products.
- 6) It has been found that the agents/advisers do not have somehow such an adequate knowledge of products which can prove and cater compatibility with the need of the buyers.
- 7) Finding indicates trend-shift; the shift towards online life insurance buying.
- 8) The major inclination of the buyers' preference has been for the LIC in the public sector, while in the private sector, the most preferred insurance company is ICICI Prudential Life Insurance.
- 9) Overall finding under the rating among both sectors- public and private, as first to sixth goes respectively to LIC, ICICI Prudential, HDFC Standard Life, SBI Life Insurance, Bajaj Allianz Life Insurance and Aviva India Life Insurance.
- 10) Lack of awareness about insurance concept among general public is not good. The insurance literacy levels are very low, so people do not understand what insurance is, what exactly it covers, what it does not cover. Therefore, insurance is given least priority in the financial planning among the people even among the literates. Increasing the literacy levels is one way of removing the so-called trust deficit.
- 11) Lack of better communication on the part of the agents misdirects information. If the agent is professionally qualified, he can sell bouquet of insurance products on need-based to the customers. The qualified person with product knowledge can only provide the solutions on need-based as per the customer's personal budget. The customer should know the exact purpose of buying the insurance policy.
- 12) Some hefty amount is deducted from the premium, collected from the customers on the name of charges like- fund allocation charges, fund management charges, annual maintenance charges etc. are imposed on policy holders. Ultimately these deductions affect wealth of policy holders. Deduction due to these charges shows very negative impact in unit linked policies (ULIPs).
- 13) This study also analyzed about the life insurance policy preference between male and female. Differences of gender preferences due to knowledge, information, understanding, inculcation regarding financial need, requirement, number of dependents, tax benefits have been found under the research. Most of the female respondents have given preference to saving and returns while male respondents have given preferences to risk coverage and tax benefits. The difference between the preferences of both- male and female might be due to the difference in the psychological built up of both.

V. SUGGESTIONS

The current phenomenon of life insurance in India is going through competitive edge, hence the companies working in the life insurance sector or overthrown in the scenario. Due to, competition is in the role of antagonist in the market; every company has to apply some unjustifiable activities, which always go unfavorable for the customers. To save the interest of customers should be the top regulatory and functional priority of IRDA, as it has been established for. IRDA should be very strict to enforce regulation and functions. IRDA should check the post effect phenomenon, and if finding not effective it should crosscheck and reformulate the effect. Still insurance industry lacks talented and honest agents.

The life insurance market has been prey of misleading, luring and misguiding information so the foundation of this market is laid upon such information latently. This approach has eloped a lot of concerned directives which are very vital. Create trust at the end the day in financial well being to a customer, and the customer should feel that the solutions provided by the life insurance industry are properly regulated by the regulator. It needs customer's welfare rather than growth in industry. Customer-friendly and industry-friendly distribution reforms are definitely the need of the hour.

Life insurance companies should be ethical safeguard for their own. They should formulate products based on the directive and principles of life insurance. In spite of turning them (products) complex, they should formulate such products which can cater the life insurance proposition of the policy holders.

The need of insurance varies person to person. A particular product may be suitable to one while unsuitable for other. Hence the most suitable product should go to the buyers.

Companies should maintain such a system, which can ensure that the purchase and claim processes and the products themselves are as transparent and straightforward as possible. Quite rightly, customers want to interact with their insurer in the most convenient way. Organizations with the help of enhanced information technology system can make it possible by electronic interfacing process.

The Life Insurance companies must ensure that customers feel confident in their purchase decisions and secure that the product they have chosen meets their needs. This means making sure products, service and communications are simple and transparent, and enable customers to feel in control of their financial future. Advertisement, being the strongest means of marketing communication; puts very depth and prompt effect on human mind, must not be misleading because human mind is

very much vulnerable to be fascinated by the impulse effect of advertisement. IRDA must propose a code of conduct in this regard.

VI. CONCLUSION

Day by day the need of insurance for an individual as well as the society as a whole is growing due to the risk factor which staples with an individual in this race. As an individual, one cannot spare oneself from risk. The risk may be of life issues, health issues and there are so many causes which arise risk to an individual.

This is the only financial instrument which accompanies and facilitates in the both situation- while in life and even after life, too. In a country like India, where an individual is hardly covered by any social security system generated by the government or the society itself, unlikely to developed countries; insurance becomes more essential and relevant. In developed countries, though they have very strong social support system for the society as well as the individuals, they have made life insurance as a compulsion. In our country, the social support system is just absent; life insurance must be declared as a compulsion.

The Life Insurance Corporation of India (LIC) has been given top priority amongst ICICI Pru, HDFC Standard Life, SBI Life Insurance, Bajaj Allianz Life Insurance and Aviva India Life Insurance.

Life insurance is the only financial instrument/ product which cover financial security against uncertainty of life. Life today is full of uncertainties; in this scenario life insurance ensures that the insured person and family continue to enjoy the good quality of life against any unforeseen event.

Life Insurance not only provides financial support in the event of untimely death but also acts as a long-term investment. One can meet one's goals, be it one's children's education, their marriage, building one's dream home or planning a relaxed retired life, according to one's life stage and risk appetite.

To optimize the wider benefits of life insurance customers, the life insurance companies are now offering innovative facilities at-large and have started providing additional benefits like riders, switches, accidental benefits, partial withdrawal facilities, bonuses, etc.

Life Insurance is a long-term contract where as a policyholder; one has to pay a fixed amount at a defined periodicity.

This builds the habit of long-term savings. Regular savings over a long period ensures that a decent corpus is built to meet financial needs at various life stages.

Life insurance is one of the best instruments for retirement planning. The money saved during the earning life span is utilized to provide a steady source of income during the retired phase of life. Since traditional policies are viewed both by the distributors as well as the customers as a long-term commitment; these policies help the policyholders meet the dual need of protection and long-term wealth creation efficiently.

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