



A STUDY ON "AFTER SALES SERVICES PROVIDED BY THE AGENTS OF LIFE INSURANCE CORPORATION OF INDIA WITH SPECIAL REFERENCE TO CHENNAI CITY"

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Abstract

Companies find it harder to differentiate their physical products, they turn to develop a reputation for superior performance in on-time delivery, better and faster answering of inquiries, and quick resolution of complaints, service becomes; the mantra and many books have been written to print out the superior profitability of the companies that manages to deliver superior service. Yet not all companies have invested to provide superior service at least not to all of their customers. In former times, service companies held out a welcoming hand to all customers, but these companies have so much data on individuals that they are able to satisfy the customers into profiteers. Companies assign large staff's to handle their more profitable customers. The organization must, therefore undertake aggressive selling and promotion effort to maintain its position against its competitor's position in the market by increasing its market share. This study assumes that consumer's typically showing buying inertia or resistance and must be coaxed in to buying. Selling the right policy i.e., the policy that correctly answers the individual's needs and circumstances. Selling the right policy i.e., explaining its benefits in such a way that the policyholder would consider it necessary to maintain the policy, inculcating the habit of saving i.e., ensuring that the policyholder saves regularly from his income so that he has the amount necessary to pay the premium readily available in cash when the premium falls due. The agent's responsibilities to the policyholder are not over with the closing of the sales. It is essential that the sale be followed up with good after sales service and regular contact with the policyholders.

Key Words: After Sales Services, Agents, Policy Holders.

1. Introduction

According to the U.S. Life Office Management Association Inc. (LOMA), Life Insurance is defined as follows: "Life Insurance provides a sum of money if the person who is insured dies whilst the policy is in effect." Anybody who has knowledge about Life Insurance will be tempted to say "yes but." In other words, surely this is far too brief an explanation for a financial service that provides a very sophisticated range of savings and investment products, as well as mere compensation for death.

2. Need for the Study

Every organization wants to maintain its position against its competitor's position in the market by increasing its market share. So it is important to be vigilant about the present condition of the market.

3. Objectives of the Study

The objectives have been broadly classified into two categories, Primary Objective and Secondary Objectives.

Primary Objectives

1. To find out the awareness and perception of respondents about the after sales services rendered by agents of LIC of India.
2. To ascertain the proportion of respondents who own insurance policy, their types of policy and perception of whether insurance is a safe investment.

Secondary Objectives

1. To know the preference of different insurance companies.
2. To ascertain the likelihood of respondents investing in a new policy and type of policy preferred.
3. To ascertain the opinion of respondents about LIC of India as the market leader in Life Insurance.

4. Research Methodology

Sources of Data

Primary Data were collected from the Policyholders through the personal interview and questionnaire method. Secondary Data were collected from Magazines, Journals, Newspapers, Internet web sites and other published materials as prepared by govt. of India.

5. Sampling Plan

Sample Size

For this research 150 Customers, who has undertaken life insurance in Chennai city determined the sample size.



Sampling Method

Convenience sampling technique was followed for this study.

6. Statistical Tools Used

1. Percentage Analysis
2. Analysis of Variance (One way and Two-way ANOVA)
3. Chi square test

7. Limitations of the Study

1. The study has been restricted to life insurance policy only.
2. Only 150 customers in Chennai city has been selected for this study.
3. The study is confined to the agents in Chennai city only.

8. Findings

1. There is no significant relationship between the genders and in their opinion about Insurance as a safe mode of Investment.
2. There is a significant relationship between the Educational Qualification of the respondents and their Reasons for not buying an Insurance Policy.
3. There is no significant relationship between the Income Level of respondents and the Reasons for selecting the Insurance Policy.
4. There is no significant relationship between the Age group of the respondents and investment period.
5. There is a significant relationship between the Ratings of the respondents given to insurance companies.
6. There is a significant difference in the preference for various Insurance companies.
7. There is a significant difference in the preference of the Respondents for Opting an Insurance Policy.
8. There is no significant relationship between occupation and the awareness of the respondents regarding liberalization of insurance sector.
9. Out of the total 150 respondents surveyed, 16.67% of them having only one Policy, 19.33% of them having only two or three policies, 20% of them having three or four policies, 18% of them having four or five policies, 13.33% of them having five or six policies, 12.67% of them having more than 6 policies.
10. Out of the 150 respondents interviewed, 19.33% are continuing their policy from 0 to 3 years, 20.67% continuing from 4 to 7 years, 25.33% continuing from 8 to 10 years and 34.66% continuing from 10 years and above.
11. Out of 139 respondents, 20.14% have taken Endowment policy, 19.42% have taken Whole Life policy, and 7.19% have taken Term Life policy, 13.67% have taken Money-Back policy, 5.75% have taken Joint Life policy, 9.35% have taken Children's insurance policy, 5.75% have taken Pension plan, 8.63% have taken Women's policy, 7.19% have taken Group Insurance policy, and only 2.88% have taken other policies.
12. Out of 150 respondents, 68% of the respondents have taken policy from single agent. The remaining population has taken policy from multiple agents.
13. Out of the 150 respondents, 68.67% of the respondents receive after sales services from the agents. The remaining population does not receive any type of service from their Agents.
14. With reference to 103 respondents, Only 11.65% have taken loan with the help of their agent, 17.48% have received a reminder for their premium payment from their agent, 26.21% have taken help to receive their policy, 16.50% have received service to get their claims settled, 28.15% have received services in other forms.
15. With reference to 103 respondents, 69.90% are satisfied with services, against 30.10% who are not satisfied.
16. Out of 72 respondents 16.67% ranks the services as Excellent, 45.83% ranks them good, 25% of them ranks Average and 12.5% ranks them fair.
17. Out of 103 respondents, 66.99% of the respondents are interested to buy a new policy. The remaining 33.01% of the respondents are not interested in buying a new policy.
18. Out of 103 Respondents, 62.14% would buy their new policy from the same agents, 37.86% would buy their new policy from the new agents.
19. Out of the 103 Respondents, 63.11% feel more norms must be implemented on the agents for rendering services promptly and properly so that they satisfy the customers more easily and in huge numbers. 36.89% feel more norms must not be implemented.
20. Out of 103 Respondents, 62.14% of the respondents are not aware of various plans of LIC, 37.86% of respondents are aware of various plans of LIC.
21. Out of 103 Respondents, 91.26% of the sample size is aware that LIC are Market leader, While 8.74% are not aware about LIC is the market leader for life Insurance.



22. Out of 103 Respondents, 15.53% of the respondents were not aware of OMBUDSMAN and only 84.47% of the respondents were aware of OMBUDSMAN.

9. Suggestions

1. Even though majority of the Respondents have taken insurance policies the remaining population size has to be educated on the advantage and necessities of taking policy.
2. More options and information pertaining to insurance policy can be provided to the public. So that they can select their own policies.
3. The company can advertise their products either through social media or direct agents to reach the customer by awareness programs in schools, colleges, universities etc.
4. Only very few respondents are aware of the liberalization of the insurance sector. This is the area where the company can focus more.
5. Respondents feel that there is very less profit and longer maturity period and this is the reason for not buying an insurance policy. It can be better, if the insurance company puts in more effort in these areas to increase the sales.
6. Even though majority of the respondents are satisfied by their after sales service the remaining population have to be satisfied by rendering better and prompt service and educate on the advantage and necessities of taking an insurance policy.
7. Stress must be laid on better one-to-one relationship. For this to save time the agents must be provided with online systematic and intensive training periodically, to boost their aggressive selling skills, developing their personality traits and make them more customer oriented.
8. Building an effective online feedback system is very important and customer's grievances must be taken care of more adequately by the agents.

10. Conclusion

Nowadays the education level of the population shows an upward trend, this leads to many questions. Unless and until people get satisfied with the reasons they will not accept it. Since "Insurance is a matter of acceptance, this study helps to analysis the idea about insurance's after sales services rendered by agents. Demographic factors such as growing middle class, young insurable population and growing awareness of the need for protection and retirement planning will also support the growth of Indian life insurance. It has been observed that the life insurance industry does behave in a counter cyclical manner in many cases, e.g., in a situation where the economic growth is slowing down, due to other factors such as high current account and fiscal deficits, currency depreciation, high interest rates, savings rate will continue to be high, leading to higher demand for life insurance.

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