A STUDY ON THE EFFECTIVENESS OF PROMOTIONAL ACTIVITIES WITH SPECIAL REFERENCE TO RELIANCE LIFE INSURANCE IN COIMBATORE

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1. Introduction

Promotion is a form of communication intended to persuade an audience (viewers, readers or listeners) to purchase or take some action upon products, ideas, or services. It includes the name of a product or service and how that product or service could benefit the consumer, to persuade a target market to purchase or to consume that particular brand. These messages are usually paid for by sponsors and viewed via various media. Advertising can also serve to communicate an idea to a large number of people in an attempt to convince them to take a certain action. Commercial advertisers often seek to generate increased consumption of their products or services through branding, which involves the repetition of an image or product name in an effort to associate related qualities with the brand in the minds of consumers. Non-commercial advertisers who spend money to advertise items other than a consumer product or service include political parties, interest groups, religious organizations and governmental agencies. Nonprofit organizations may rely on free modes of persuasion, such as a public service announcement.

1.3 Objectives of the Study
Primary Objective: To analyse the effectiveness of promotional activities carried out by Reliance Life Insurance, Coimbatore.

Secondary Objectives
1. To find out the factors influencing the customers to buy a product/service from Reliance Life Insurance, Coimbatore.
2. To analyze the brand preference of customers towards Reliance Life Insurance, Coimbatore.
   Gathering customer's opinion about the product/service.
3. To provide suggestions.

1.4 Scope of the Study
It is clear from the theoretical perspective that promotional aspects play an important role in selection and demand of products and services and also the preference of customer. This study namely effectiveness of promotional activities in Reliance Life Insurance will help to understand the effectiveness of promotional activities.

The scope of the study is limited to Reliance Life Insurance, Coimbatore. The objectives are fixed on the basis of support of review available and the analysis that has been made. The study has been conducted within a stipulated frame work.

1.5 Research Methodology
Introduction
Research is a common word that refers to the search for knowledge. It can also be defined as a scientific and systematic search for information on a particular topic. In fact, research is an art of scientific information. Some people consider research as a movement, a movement from known to unknown. It is a voyage of discovery.

"Research comprises defining and redefining problems, formulating the hypothesis or suggested solutions, collecting, organising and evaluating data, making deductions and reaching conclusions and at last carefully testing the conclusion to determine whether they fit the formulating hypothesis" – Clifford Woody
Research Type

Descriptive Research is used to carry out the study. Descriptive research includes surveys and fact finding enquiries of different kinds. Descriptive studies attempt to determine the frequency with something occurs or to relationship between them.

This study is an attempt to obtain a complete and accurate description of the situation.

Sources of Data Collection
1. **Primary Source:** Primary source of data collection was from the walk in customers of Reliance Life Insurance.
2. **Secondary Source:** Related books, magazines, journals, company records and the website of the company.

Method of Data Collection: A survey was conducted to gather data. The information was collected through well designed structured questionnaire.

Sampling
Sampling may be defined as the process of obtaining information about an entire population by examining only a part of the population. Data is a study is said to be collected by sampling when the data is collected only from a representative part of the universe. The representative part is called as the universe.

Type of sampling method used to select the representatives i.e. the samples for this study is convenience sampling. A convenience sample is obtained by selecting a convenient sample. This means selecting whatever sampling units are conveniently available. It is the cheapest and simplest method of sampling. The sample size selected for the study is 100 customers.

Tools for Analysis and Interpretation
1. Simple Percentage Method
2. Chi Square Test
3. Correlation Analysis

1.6 Limitations of the Study
1. Time constraints have affected in-depth study of the company profile.
2. Sample size selected is small. Hence generalization to the whole industry cannot be done.
3. The study is limited to Reliance Life Insurance within Coimbatore city

2. Review of Literature
This chapter presents the review of literature to identify and understand the implications of different issues related to consumer behaviour and life insurances in India. A comprehensive review of related past studies helps the researcher to adopt, modify and improve the conceptualisation of framework and provide a link with past approaches. The findings and recommendation of the past literature relating to consumer behaviour towards life insurance services are not many. Only few comprehensive studies exclusively towards consumer behaviour on endowment policy are carried out in India. Based on the review of literature the researcher has enable to identify her source for the present study. The available studies are collected from research articles, committee reports, projects and surveys conducted.

Khan, M.K. (2015) attempts to know the opportunities and prospects in the career of a life insurance sector. He explains about what a good career is and how a good career should be for selling of life insurance products. There is no age barrier and it requires no previous occupational experience but one must be a professional and capable of creating opportunities in building personality. The relationship of life Insurance agent with clients is not temporary and the service rendered has no substitutes. He also observes that life insurance agent remains, in a sense, permanent server to the clients.

3. Life Insurance Industry of India

Nearly 80 per cent of Indian population is without life insurance cover while health insurance and non-life insurance continue to be below international standards. And this part of the population is also subject to weak social security and pension systems with hardly any old age income security. This is an indicator that growth potential for the insurance sector is immense. Life insurance is not bought in India. General insurance is often bought because there are compulsions under the law (motor vehicles, public liability, workmen etc.) or from the financiers asking for insurance as collateral security. In the case of life insurance, there is very little compulsion.
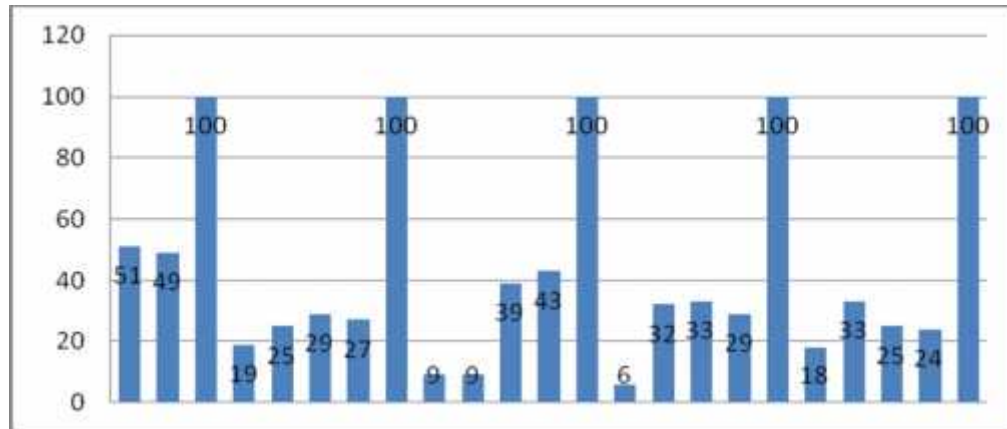
Reliance Life Insurance

Reliance Life Insurance offers products that fulfill savings and protection needs. Reliance Life Insurance aim is to emerge as a transnational Life Insurer of global scale and standard. Reliance Life Insurance is an associate company of Reliance Capital Ltd., a part of Reliance - Anil Dhirubhai Ambani Group. Reliance Capital is one of India's leading private sector financial services companies, and ranks among the top 3 private sector financial services and banking companies, in terms of net worth. Reliance Capital has interests in asset management and mutual funds, stock broking, life and general insurance, proprietary investments, private equity and other activities in financial services.

4.Data Analysis and Interpretation

Table No: 01

Name of the Respondents	Opinion	No. of Respondents	Percentage (%)
Marital Status	MALE	51	51
	FEMALE	49	49
	Total	**100**	**100**
Age group	Less than 25 years	19	19
	25 – 35 years	25	25
	36 – 45 years	29	29
	Above 45 years	27	27
	Total	**100**	**100**
Educational qualification	SSLC	9	9
	Higher Secondary School	9	9
	Graduate	39	39
	Post Graduate	43	43
	Total	**100**	**100**
Monthly salary	Less than Rs 10000	6	6
	Rs 10001 – Rs 20000	32	32
	Rs 20001 – Rs 40000	33	33
	Above Rs 40000	29	29
	Total	**100**	**100**
Awareness	Newspaper	18	18
	Audio & visual media	33	33
	Brochures	25	25
	Others	24	24
	Total	**100**	**100**

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Chart No: 01

Chi-Square Analysis
Introduction
The Chi Square Test is an important test amongst the several tests of significance developed by statisticians. Chi Square Test is used to make useful comparisons between the theoretical populations and the actual data when categories are used.

Chi-square $(X^2) = (O – E)^2 / E$

Degrees of Freedom $= V = (R – 1) (C – 1)$

O = Observed Frequency

E = Expected Frequency

R = Number of Rows

C = Number of Columns

For all the chi-square test the table value has been taken @ 5% level of significance.

Null Hypothesis (Ho): There is no significant relationship between source of awareness and the reason of preference of Reliance Life Insurance.

Alternative Hypothesis (H₁): There is a significant relationship between source of awareness and the reason of preference of Reliance Life Insurance.

Observed Data

Sources of Awareness	Reason for preference of Reliance Life Insurance				
	Newspaper	**Audio and visual media**	**Brochures**	**Other**	**Total**
Premium	10	8	6	4	**28**
Security	2	15	10	10	**37**
Brand Value	5	7	5	4	**21**
Other	1	3	4	6	**14**
Total	**18**	**33**	**25**	**24**	**100**

Degree of Freedom

$= (R – 1) (C – 1)$

$= (4 – 1) (4 – 1)$

$= (3) (3)$

$= 9$

At 5% significance level, table value for the aforementioned degree of freedom (9) is **16.919**.

Calculated Value	Table Value	Level of Significance
15.061	16.919	5%

Interpretation
The calculated chi-square value is less than the table value at 5% level of significance. Hence Ho should be accepted as there is no significant relationship between the source of awareness and the reason of preference of Reliance Life Insurance.

5.Findings, Suggestion and Conclusion
5.1 Findings
1. 29% of the respondents belong to the age group of 36-45 years.
2. 51% of the respondents are male.
3. 43% of the respondents have a post graduate degree.
4. 33% of the respondents belong to the income group of Rs. 20001 – Rs.40000.
5. 33% of the respondents found the source of awareness through audio and visual media.

5.2 Suggestion
1. The company can increase the effectiveness of the promotional techniques by capitalizing on the new opportunities available in the radio medium such as FM.
2. The company can give more thrust to poster advertising.
3. Accurate and timely information should be provided to prospective customers regarding seasonal offers by supplying notice.
4. The information provided in the advertisement should be more accurate and reliable. This will help the customers in building trust on the Company.
5. It is suggested that in order to make advertisements more appealing, celebrities can be used as brand ambassadors of the Company.

Conclusion
The study was done to find out the effectiveness of the promotional activities in Reliance Life Insurance, Coimbatore. The study revealed the customers' opinion regarding the effectiveness of promotional activities undertaken by the Company. Customers' found the promotional activities of the Company to be effective. However, the Company is in necessity of exposure to new medium of promotion. Hence the researcher is in the opinion that the Company needs to initiate specific actions to diversify their promotional activities. The results of the study mainly help the dealer to take necessary steps to improve the present market strategy for the policy.

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