A STUDY ON INVESTOR'S PREFERENCE TOWARDS UNIT LINKED INVESTMENT PLANS WITH SPECIAL REFERENCE TO SALEM DISTRICT

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Abstract
In this paper an attempt was made to get to know about the preference of investors towards unit linked plan, their awareness and satisfaction .The study has been conducted on the basis of primary data and secondary data. Majority of respondents feel that they invested on the basis of recommendations from their banks and financial advisors. They invested and continue to stay invested because of liquidity, tax saving, freedom to choose the investment, goal based planning. Data was collected using questionnaire, the most common tool to evaluate the customers' perception. The sample unit of the study is people living in the city of Salem. The total sample of the study is 50 respondents. Primary research data is collected in the form of structured survey results from various respondents in the city of Salem. The findings from the study indicates that respondents are still not confident in the new age investment options as they do not have adequate knowledge about the investments and people are inclined towards risk free investments.

Index Terms: Unit linked investment plans, Investors.

Introduction
India has emerged best among emerging economies and with high savings and high rate of return, Unit linked plans (ULIP) give investors protection of life cover and wealth creation. In UNIT LINKED INSURANCE PLANSs, a part of your premium is dedicated towards investors Life Cover and the rest is assigned to a common pool of money, called fund, which invests in equity, debt, or a combination of both. The returns on your investments depend upon the performance of the fund opted by investors. The Unit Linked Insurance Plans the investors are allocated units and the units have nest asset Value. The NAV is based on which the rate of return to the investors is calculated. In volatile scenarios unit linked funds are the best avenue to save because they offer high levels of transparency and high returns and are also professionally managed.

Statement of Problem
A number of studies have been conducted in Indian and abroad regarding Unit Linked Insurance Plans and investor awareness and satisfaction regarding investments in unit linked plans. A research survey is needed to assess the customer insights and satisfaction levels of Unit Linked Insurance Plans which not only give benefits of insurance.

Review of Literature
Investor Perception towards Unit Linked Insurance Plan a Select Study on UTI Mutual Fund 2013 by K HanumanthaRao and T Gopi This study clearly says with high competition existing among these companies and advancement of information technology, customers are able to know information from all corners and also have many choices to invest at their behest. Organizations have to move to provide innovative services to attract the customers.

Dr. GeetaKesavaraj The researcher carried out the study with the aim to measure the Customer Perception towards various types of Mutual Funds 2013". It focuses its attention towards the possibilities of measuring the expectations and satisfaction level of more mutual fund products. It also aims to suggest techniques to improve the present level of perception. The study will help the firm in understanding the expectations, future needs and requirements and complaints of the consumers. The study had been dedicated mainly towards the promotion of product or concept in the Chennai Market. The researcher used the Descriptive type of research design in her study. The researcher used the Primary data collection method in her study by framing a structured Questionnaire. The researcher went with convenient type of sampling method in her study. The sample is taken as 204 by the researcher. For the purpose of Analysis and Interpretation the researcher used the following statistical tools namely Simple Percentage Analysis, Chi-Square Test, Karl Pearson's Correlation and One wayAnova. Based on the Analysis and Interpretation the researcher arrived out with the major findings in her study and Suggestions are given in such a way so that the customers can attain the wealth maximization .

A Study on Customers' Perception Towards Lic Health Insurance Plans in Salem City by August 2013 by Akila The actual perception of the customers' is that LIC never lags behind compare to private players' product in health insurance. Majority of the respondents are satisfied after investing in health insurance plans of LIC. Customers rated its product as average since they do not recognize product differentiation in terms of benefits among the plans marketed by LIC.

Clifford Paul S. Joseph Anbarasu D., and Annette Barnabas(2010) conducted a "Study on Socio Economic Status andAwareness of Indian Investors of Insurance" The study uncover customer awareness and customers perception about the true value of life insurance.

Raman and Gayatri (2004) have observed the customers' awareness towards new insurance companies. They found that 53% of the respondents belong to the age group below 30, 24% to the age group 31-40, 2% belong to the age group of 41-50 and the rest of the respondents belong to the group of 'above 50'. They also observed that a large percentage of the insured respondents (32%) are professional, and 56% of the respondents are married. It is also found that 52% of the respondents have taken a policy to cover risk and 44% of them to avoid tax and the remaining to invest their surplus amount.

Dr.P.Sheela and G.Arti (2012) stressed that the insurance companies have to understand the changing needs of customers. They have to develop viable and cost-effective distribution channels, build consumer awareness and confidence which will together contribute in further strengthening the insurance business in India. The study revealed that though majority of the respondents are aware of life insurance and its significance, only 41.7% of them have opted for insurance coverage. The study indicated that saving element was the main element that made them to purchase life insurance policies.

Ms. BabitaYadav (2011) this study is conducted in Jabalpur city of Madhya Pradesh. This research aims to measure customer satisfaction level on various Insurance Policies marketed by LIC and examine the common reasons for customer dissatisfaction.

DebabrataMitra & Piyali Chandra Khan The Unit Linked Insurance Plans involves risks of investors" money because the investments are channelised in capital market and that is why the return is not guaranteed. As we are aware that insurance is a way to manage risk whereas ULIP are not risk free investments, so a dilemma arises whether to avoid risk or to accept risk. In this perspective, the study compares the Traditional policies with Ulip policies catered by the Life Insurance Companies in India in this era of globalization.

J Subhan(2013)The life insurance business in India has witnessed rapid transformation since 1999, when this sector was thrown open to the private sector when the Government allowed private players and FDI up to 26%. Today, we have 23 life insurance companies (1 public sector & 22 private sectors) engaged in this business, many of which are joint ventures involving foreign firms. There is a dramatic change in the numbers and variety of insurance products on offer, and the ways in which they are marketed and distributed. Today, people were very aware about the insurance companies and their products. In India 20 percent of the people invested in the life insurance companies. A universal truth about life insurance is that People do not buy life insurance, it is sold to them. And especially in India this is unfortunate and true. This study deals with the awareness and attitude of the life insurance investors' with reference to the Nilgiris District of Tamil Nadu. This study is based on the primary data for 800 respondents are taken for convenient sampling.

D. Jogish(2014) this study specifies about the Indian insurance industry is in the midst of a churn with the government trying to pass through the Insurance amendment to raise the foreign direct investment to 49%. The spotlight is again on the market related products popularly termed ULIPs since it is combination of security and returns with the latter being given more prominence due to its investments in highly risky securities market. This study aptly looks into the returns generated by all the insurers with regard to their select ULIP schemes and also whether the public sector behemoth LIC is doing well in this sphere. The study also determines the returns generated per unit of total risk which is very important for the insured as it should be able to justify his investment compared to the traditional products which are risk averse. The suggestions are incorporated to make ULIPs popular since it is losing ground steadily in the Indian insurance industry

VinodBhatnagar (2015)The objectives of the study is to design, develop & standardize the measures, to identify factors underlying as to form the perception of customers towards ULIP and to measure perception. The study was exploratory in nature and survey method was used to complete it. Population was user of ULIP within Gwalior region, Individual respondent was the sampling element. Sample Size was 50 individuals including male and female. For the purpose of the study Non Probability Quota Sampling was used. Data have been collected through a self-designed questionnaire. Item to total correlation to check the internal consistency of the questionnaires, Reliability test to check the reliability of the questionnaire with the help of Cronbach Alpha, Factor analysis to find out the factors of perception of customer towards ULIP in India were used as a tool. During the study we found that there are four major factors like Return, Benefit, Switching and Comparison which determine the perception of investors to invest in ULIP. Our study also revealed that there is no difference in male and female perception towards the investment in ULIP in Gwalior region. Key words: Insurance, ULIP, Investors' Perception.

Dr. Sudhansu Sekar Nayak and Dr Anil Kumar Sahu (2016) Life insurance need of a person is the functions of his age, income, number of dependants, supporting bread winners and above all his physical status. The life insurance plans are of many kinds and designed to meet the varied needs. One plan alone may not meet all the needs but appropriate judicious mix of plans gives better result. In order to go for a judicious mix the awareness of insured about the life insurance fundamentals and products is inevitable. All the groups of insured under different socio-economic profile are ignorant to the pure life insurance products, as their term plan awareness level is extremely poor and ranges from 12% and 33%. The awareness level of insured is very strong on the savings oriented life insurance products like endowment and money back. The level of awareness is high and ranges from79% to 100%. The new age products like pension plans and ULIPs are known only to the high profiles like Insured of high income, highly qualified and high occupational status.

Objectives of the Study
1. To study the awareness level regarding UNIT LINKED INSURANCE PLANSs in Salem district
2. To find out the reasons for the selection of UNIT LINKED INSURANCE PLANS as an investment option Salem district
3. To study about the customer satisfaction level of investors in UNIT LINKED INSURANCE PLANS investment in Salem district

Scope of the Study
This study is very useful for understanding the customers' perception towards unit linked plans and will be helpful in framing new plans as per customer requirements.

Research Methodology
The Research method used is descriptive research method and non-probability sampling purposive technique is used where the sample is choosing so the research purpose is fulfilled. The sample size is 105 respondents; Primary research data is collected in the form of structured survey results from various respondents in the of Salem distict. Secondary research data is collected in the from Journals, articles, books and websites. Mathematical tools like. Chi square technique was used to test the hypothesis

Data Analysis and Interpretation
Chi Square Analysis
Null hypothesis (H_o): There is no significant difference between the education of the investor and the level of awareness regarding the Unit Linked Insurance Plans.

Alternate hypothesis (H_1): There is no significant difference between the education of the investor and the level of awareness regarding the Unit Linked Insurance Plans.

Qualification * Awareness regarding UNIT LINKED INSURANCE PLANS Investments				
Count				
		Awareness regarding ULIPinvestments		**Total**
		yes	**No**	
Qualification	12th	21	21	42
	Graduate	11	21	32
	Post graduate	21	10	31
Total		53	52	105
Chi-Square Tests				
		Value	**Df**	**Asymp. Sig. (2-sided)**
Pearson Chi-Square		7.019[a]	2	.030
Likelihood Ratio		7.158	2	.028
Linear-by-Linear Association		1.700	1	.192
N of Valid Cases		105		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 15.35.				

Since p is less than 0.05 . Reject null hypothesis (H_0)

Inference: there is no significant difference between the education of the investor and the level of awareness regarding the UNIT LINKED INSURANCE PLANSinvestments.

Correlation Analysis
To study the relationship between satisfaction level of the investor and investment level.

Correlations			
		Savings	**How many times to you investment in a year**
Satisfaction	Pearson Correlation	1	-.073
	Sig. (2-tailed)		.458
	N	105	105
How many times to you investment in a year	Pearson Correlation	-.073	1
	Sig. (2-tailed)	.458	
	N	105	105

Inference: There is negative correlation between the variables.As the satisfaction level of the investor decrease, the investment is also found to be decrease.

One Way Anova Analysis
Null Hypothesis (H$_o$): There is no significant difference between the income level of the investor and purposing of investing in UNIT LINKED INSURANCE PLANS
Alternate Hypothesis (H$_1$): there is no significant difference between the income level of the investor and purposing of investing in UNIT LINKED INSURANCE PLANS

ANOVA					
Purpose of Buying					
	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	17.552	3	5.851	3.071	.031
Within Groups	192.448	101	1.905		
Total	210.000	104			

Since p is less than 0.05. Reject null hypothesis (H$_0$)

Inference: there is no significant difference between the income level of the investor and purposing of investing in UNIT LINKED INSURANCE PLANS

Findings from the Study
1. 100% of the respondents knew about life insurance policies
2. 74% of the respondents were aware of UNIT LINKED INSURANCE PLANS
3. 64% of the respondents felt they needed timely and personalized service from insurance companies
4. 72% of respondents prefer to choose Insurance Company with better reputation.
5. 54% of the respondents gave importance to effective service quality.
6. 82% of the customers expect tangible benefits from UNIT LINKED INSURANCE PLANS investments like tax savings, good returns on investments.
7. 78% feel that easy methods to pay premium and good cover for risk are important.
8. Customers should be advised about the charges that come along with investment. And the investment should be cost effective.
9. The companies should ensure that the customers are aware about all the features of the investment (risk, charges etc)
10. There is negative correlation between the variables. As the satisfaction level of the investor decrease, the investment is also found to be decrease.

Suggestions
1. The company also time and again monitors the conduct of the agents with customer.
2. The customers should be intimated about the lapsed policies and documentation work should be very easy.
3. The grievances handling process should be easy for customer to reach.
4. Many investors had invested to meet some family expenses later, and they would like to have a easy and accessible redemption process.
5. Customers have also moved from traditional investments and diversified their investments expecting good returns which should be fulfilled by the organizations

Limitations
1. The above study was conducted on the basis of primary data and it has the following limitations
2. The un willingness of the respondents to answer the questions
3. The sample size was 105 and specific to Salem district
4. The time for research was limited and more factors could not be included
5. The respondents could have given a biased opinion

Conclusion

India has the second fastest growing service industry growing at a average of 9 % a year and most important contributor for the service industry is insurance industry. To conclude all the respondents knew about the insurance policiesbut only 75% of the respondents knew about the existence of Unit linked plans. Thechanges made by the regulator IRDA have seen some positive results and the there was 10% increase in the premium received. The insurance companies can follow a aggressive campaign to promote the awareness level of unit linked products.

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