Volume 4 Issue No. 2 April 2016 ISSN: 2320-4168

A STUDY ON CUSTOMER SATISFACTION OF LIFE INSURANCE POLICIES WITH SPECIAL REFERENCE TO SBI LIFE INSURANCE, CHEYYAR TOWN

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Introduction

We live in a risky world. Forces, largely outside our control, that makes threats our financial well-being, constantly surround us. Thus, some of us will experience the premature and dreadful death of a beloved family member; others will experience the loss or destruction of their property from natural disasters. Still others will experience poor health from cancer, heart attacks, and other diseases. In addition, some of us will be totally and permanently disabled from a crippling automobile accident or a catastrophic illness. Finally, others will experience the traumatic effects of a liability lawsuit. They're all built into the working of the Universe, waiting to happen. Therefore Risk is pervasive conditions of human existence. It has a simple meaning in every day usage but sometime it has a specialized connotation when used in particular fields.

"The Business of Insurance is related to the protection of the economic values of the assets".

Every human being has the tendency to save to protect them from risks or events of future. Insurance is one form of savings where in people try to assure themselves against risks or uncertainties of future. It is assurance against risks or events or losses. People can save their earnings either in the form gold, fixed assets like property or in banking and insurances. All the savings of people of a country account for gross domestic savings. In India, although savings rate is high but people prefer to invest either in gold or fixed assets so that they can make money out of it. Hence insurance sector is still untapped in India.

Definition of Risk

Risk is defined as "a condition in which there is a possibility of an adverse deviation from a desired outcome that is expected or hoped for". Thus risk is a combination of circumstances, and in this combination there is possibility of loss. An adverse even is possible and it has a probability from a zero to one. This it is neither possible nor definite. We may or may not be able to measure the degree of risk but the probability of the adverse outcome must be between zero and one. The undesirable even is known as deviation.

A pure & perfect technique for handling risk is by insurance. For most individuals, this is the most practical method for handling a major risk. First, risk transfer is used since a pure risk is transferred to the insurer. Second, the pooling technique is used to spread the losses of the few over the entire group so that average loss is substituted for actual loss. Finally, the risk may be reduced by application of the law of large numbers, whereby an insurer can predict future loss experience with some accuracy.

Insurance

The insurance is related to the protection of the economic value of assets. Every asset has a value. The asset would have been created through the efforts of the owner, in the expectation that, either through the income generated there from or some other output, some of his needs would be met. In the case of a motorcar, it provides comfort and convenience in transportation. There is no direct income. There is a normally expected lifetime for the asset during which time it is expected to perform. The owner, aware of this, can so manage his affairs that by the end of that lifetime, a substitute is made available to ensure that the value or income is not lost. However, if the asset gets lost earlier, being destroyed or made non-functional, through an accident or other unfortunate event, the owner and those deriving benefits there from suffer. Insurance is a mechanism that helps to reduce such adverse consequences.

Insurance is a contract between two parties - the insurer (the insurance company) and the insured (the person or entity seeking the cover) - wherein the insurer agrees to pay the insured for financial losses arising out of any unforeseen events in return for a regular payment of "premium". These unforeseen events are defined as "risk" and that is why insurance is called a risk cover. Hence, insurance is essentially the means to financially compensate for losses that life throws at people - corporate and otherwise.

Insurance Companies are active in the field of Life, Health & General Insurance. The major part of insurance business is life insurance, the operation of which depends on the law of the morality.

Review of Literature

Assimilation Theory: Festinger's (1957) dissonance theory forms the basis of assimilation theory. Dissonance theory posits that consumers make some kind of cognitive comparison between expectations about the product and the perceived product performance. If there is a discrepancy between expectations and perceived product performance, then dissonance arises. This view of the consumer post-usage evaluation was introduced into the satisfaction literature in the form of assimilation theory (Anderson, 1973). According to Anderson (1973), consumers seek to avoid dissonance by adjusting perception about a given product to bring it more in line with expectations. Consumers can also reduce the tension resulting from a discrepancy between expectations and product performance either by distorting expectations so that they coincide with perceived product performance or by raising the level of satisfaction by minimizing the relative importance of the disconfirmation experienced (Olson & Dover, 1979).

The confirmation model treats satisfaction as a meeting of customer expectation **(East, 1997; Oliver, 1989)** and is generally related to habitual usage of products (East, 1997). However, research on customer satisfaction has moved towards the disconfirmation paradigm which views satisfaction with products and brands as a result of two cognitive variables: pre purchase expectations and disconfirmation (Churchill and Surprenant, 1982; Peter and Olson, 1996).

Thus, both service quality and customer satisfaction share a close relationship, though they are normally conceptualize as unique (or separate) constructs (Bitner and Hubbert, 1994; Cronin and Taylor, 1992; Patterson and Johnson, 1993; Taylor and Baker, 1994).

TICSS Service Quality Model uses the 5 P's- Policy, Processes, People, Premises and Product/Service, as well as performance measurement. The implementation of a customer service standard should lead to higher levels of customer satisfaction, which in turn influences customer retention and customer loyalty.

Objectives

- To find out the customer satisfaction level on investment in SBI Life Insurance.
- To know the parameters that satisfies the customers of SBI Life Insurance.
- To know about the various Investment alternatives that mostly preferred by the people.
- To evaluate the awareness level of Consumer towards SBI Life Insurance.

Research Design

Research design is connection between what has been established and what is to be done in the conduct of the survey for the realization of the objective. This is a copy for collection and measurement of data. The research design used in this study is Descriptive research design.

Selection of Study Area

Cheyyar Town was selected for conducting this survey.

Sample Size

The sample for the survey was conducted in who are living in Cheyyar town. The total sample is 100.

Sampling Technique

The sampling technique used in was Non-Probability sampling. This type of sampling does not afford basis for estimating the probability that each item in the population has chance of being included in the sample. Here Random sampling techniques has been adapted.

Primary Data

Primary data are those, which collected for the first time. The researcher collected the data from the respondent by contacting them using questionnaire prepared for the study.

Secondary Data

Secondary data are those, which have already been collected by someone else. For the study secondary data were selected from documents provided by the firm.

Data Analysis

Table 1: Satisfying Factors in SBI Life Insurance

Factors	HS	S	N	DS	HDS	Total
Premium	10	45	40	5	0	100
Charges	5	30	61	4	0	100
Policy term	7	41	47	4	1	100
Bonus & interest	6	51	40	3	0	100
Services	7	50	31	8	4	100
Accessibility	15	49	26	7	3	100
Company image	2	40	57	1	0	100

Interpretation

The above table shows 45% of peoples are satisfied in the premium, 61% of peoples are neutralized in the charges, 47% of people are neutralized in the policy term, 51% of peoples are satisfied in the bonus & interest, 50% of peoples are satisfied in the service, 49% of peoples are satisfied in the accessibility, 57% of peoples are neutralized in the company image.

Table 2: Investment Level of Satisfaction in SBI Life Insurance

Satisfaction level	HS	S	N	DS	HDS	Total
Safety	70	16	13	1	0	100
Capital growth	2	65	25	8	0	100
Liquidity	10	63	17	8	2	100
Return	12	70	10	8	0	100
Tax benefit	95	5	0	0	0	100
Company profile & brand name	80	20	0	0	0	100

Inference

The above table shows 70% of peoples are satisfied in the highly safety, 65% of peoples are satisfied in the capital growth, 63% of people are satisfied in the liquidity, 70% of peoples are satisfied in the returns, 95% of peoples are highly satisfied in the Tax benefit, 80% of peoples are highly satisfied in the company and brand name.

Table 3: Reasons for Selecting Particular Policy

Factors	No. of Respondents	Percentage
Its Features	33	33%
Recommended by Agents	41	41%
High Risk Coverage	8	8%
Low Premium	18	18%
Total	**100**	**100%**

Inference

From the above table it is inferred that 41% of the respondents have invested in life insurance because it was recommended by agents which show agents play a key role in insurance investments. 33% of the selected the particular policy because of its features, which shows features of a particular policy influence people more. 18% of the people have selected the particular policy as it has low premium while 8% of the people have said that high risk coverage influenced them in selecting the particular policy.

Findings of the Study

- 99% of the respondents have said that they feel insuring life is necessary, which shows people are more interested in taking life insurance policies.
- 47% of the people have said that they came to know about insurance through agents, which shows that the agents play a key role in life insurance business.
- The respondents are Satisfied with the factors of Premium, Bonus & Interest, Service and Accessibility.
- The respondents are Highly Satisfied with the factors of Safety, Tax benefits and Company profile and brand name and satisfied with the factors of Capital growth, Liquidity and Returns.
- 80% of the respondents have stated that they are satisfied with the Overall satisfaction level in the company.
- 83% of respondents prefer to continue their investment in SBI Life Insurance.

Suggestions

- Company should publish their performance by comparing it with their competitors.
- Company should improve their level of services to the customers. The number of agents working for the company is less when compared with others.
- A good and active Customer Care Department should be maintained.
- Company has to create more awareness about the short term investment policies also to the customers, to increase the revenue.

Conclusion

The Indian insurance sector has adopted the path of liberalization and consequently both the positive and negative impacts of globalization on the economy have been felt. The business environment for the insurance sector is changing fast, bringing new opportunities as well as posing challenges. Thus the study also comprise company image is the highly important criteria that consumers consider before taking up a life insurance. This is mainly because people expect safety and secure for their money which they invest, followed by the factor Premium which we pay to the insurer and then Bonus and Interest paid by the company, services etc.

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