

A STUDY ON RURAL MARKETING STRATEGIES FOLLOWED BY LIC IN KANNIYAKUMARI DISTRICT

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Abstract

LIC of India plays a vital role in the growth of life insurance sector and also to the economic development of the country. Since economic reforms the life insurance sector is changing rapidly due to the continuous change in the customer needs and preferences. These changes have helped in a great number to both the urban and rural consumers. Life Insurance Corporation of India has worked continuously. In order to facilitate their consumers expediently LIC of India has adopted wide-ranging marketing strategies to acquire reach, frequency and impact onto the panorama of life insurance coverage. LIC of India with a mission to spread the message of life insurance to rural areas. The review of literature helped in understanding the characteristics of the insurance. In order to maintain customer relationship, life insurance companies should provide proper services whenever and wherever it is required. Customer Relationship Management (CRM) is one of the newest innovations in customer service today. Good CRM also helps to grow business and customers stay longer; referrals to new customers. In

the present scenario, insurance companies are facing problem of selling insurance product. The agents have faced various problems in their profession. These papers are covered customer satisfaction towards LIC with special reference to Kanniyakumari District. The overall objective of this project is to analyze the Marketing strategies and level of satisfaction among employees in Life Insurance Corporation. This study would enable to take corrective actions in rural areas where the changes are necessary to attract the employees. For that, the researcher collected 90 samples from the respondents. Percentage, Garret Ranking and t-test used to analysis and conclude this study.

Key words: Life Insurance Corporation, Customer Relationship Management, Insurance Regulatory Development Authority

Introduction

Marketing strategy is a process that allows an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage. A marketing strategy should be centre on the key concept that customer satisfaction is the main goal. Marketing plays a vital role within the insurance industry. It is used to increase sales and sustain marketplace positions for major companies and by smaller companies to build and grow their businesses.

The insurance sector in India has completed a full circle from an open competitive market to nationalization and then back to liberalized open market. LIC of India has been the bystander of the entire transformation from one phase to another. The importance of life insurance companies as part of the financial sector has significantly increased over the last decades, both as provider of important financial services to consumers and as a major investor in the capital

market. The service industry in India has achieved a phenomenal growth in the recent past and among them, Insurance is one sector, which has witnessed high decibel growth thanks to the investor friendly regulator in the name of Insurance Regulatory Development Authority (IRDA). With such a large population and the untapped market area of this population insurance happens to be a very big opportunity in India.

The insurance industry has changed rapidly in the changing economic environment throughout the world. The increased pace of market competition due to the liberalization and globalization force insurance companies competitive by cutting cost and serving in a better way to the customers. Life Insurance Corporation of India enjoyed monopoly in life insurance sector during the pre-nationalised period. Huge untapped Indian market and unlimited future opportunities many foreign players towards investment in life insurance business. In 2000, the Government of India gave the permission to private sector to enter into the insurance industry. As the result of this permission, many private players entered into the insurance industry

Life insurance is designed to protect life and to protect family against financial uncertainties that may result due to unfortunate demise or illness. It can also view as a comprehensive financial instrument, as a part of the financial planning offering savings & investment facilities along with cover against financial loss.

Statement of the Problem

Insurance sector, as a whole has contributed to the development of economy through generation of employment opportunities, acceleration of industrial growth and so on. Although Life Insurance Corporation of India has its own significance and place in the economy, it is not free from problems. Rural customer satisfaction is the true differentiator for the success of any

business and is more so in insurance, where the products are perceived to be intangible. The main aspects including the products & services, price, promotion and problems of policyholders, yet sales promotion, market intelligence, production and development of management studying analyzing the existing marketing strategies of LIC of Kanniyakumari districts rural customers with reference to various products offered by the company along with plans and policyholders satisfaction will be of social relevance in the present study.

Review of Literature

Dr. Krishna Kumar Verma (2022), “Marketing Strategies of LIC of India in the Present Era”, His study concluded that all health insurance policies will have to cover expenses for treating infections/diseases due to the Omicron variant. According to the press release, the regulator clarified that all health insurance policies issued by all general and health insurance companies that cover treatment costs of Covid-19 also cover the costs of treatment towards the Omicron variant of Covid-19 as per terms and conditions of a policy contract. The insurance companies shall put in place an effective coordination mechanism with all their network providers (hospitals) to make available seamless cashless facility to all policyholders in case of hospitalization, if any and render speedy services to all policyholders. The hospitals are also requested to honour the service level agreements entered with insurance companies to provide cashless treatment to health insurance policyholders. With the rise in Omicron cases, a new upsurge of fear and restrictions is developing across the country. Several states, which saw an upsetting second wave of the Covid-19 pandemic, have announced a slew of rules to prevent the transmission of the new variant of coronavirus.

Dr. K. Vijaya Chitra and Dr. V. Ramya (2021), “A Study on Customer Awareness Level and Satisfaction of Health Insurance Policies in Chennai City”, Their study focused on assessing the customer awareness level and Satisfaction of Health Insurance Policies in Chennai city. It is observed from the study; the customers felt that the health insurance policies are essential and also provide the financial protection of medical expenses. The study's outcome also exhibits that the customers are well-aware about the, i.e., hospitalization expenses, daycare procedures, domiciliary expenses, and ambulance charges. The study also originated that the customers are well aware of the Health Insurance products. The study also initiates a significant relationship between awareness about health insurance products and the level of satisfaction.

Dr. R. Savithri and Balakamakshi T Y (2021), “Awareness of Health Insurance - A Study Based on Customer Perception in Chennai, Chengalpet and Kancheepuram Districts”
The study concluded that the Healthcare has become a luxury in today's world. Health Insurance is rapidly moving towards becoming a product from being a concept. It is desirable to treat Health Insurance as an Investment for future unforeseen expenditure. Patronage for Health Insurance is low pertaining to awareness deficiency. Sufficient measures need to be taken to increase the awareness to possess Health Insurance which is capable of delivering peace of mind.

Charlie M. Wray and Meena Khare, MS (2021), “Access to Care, Cost of Care, and Satisfaction With Care Among Adults With Private and Public Health Insurance in the US”
In this survey study, individuals covered by private insurance appeared to experience less access to care, higher costs of care, and decreased satisfaction with care compared with individuals with Medicare or VHA or military coverage. As US policy makers continue to debate health insurance reform, efforts directed at increasing the number of individuals covered by Medicare or improving protections for individuals covered by private insurance against increasing out-of-pocket costs,

high deductibles, and surprise billing may be associated with improved experience of and satisfaction with health care.

Life Insurance Corporation

Life Insurance Corporation is one of the largest life insurance providers in India that provides a wide range of insurance plans such as Term Insurance, Whole Life, Endowment, and Money Back. LIC anticipates our insurance needs and provides with a plan that fulfills our requirements.

Functions of LIC

The major functions of LIC are as follows:-

- ❖ Collect people's savings in exchange for an insurance policy and promote savings in the country.
- ❖ Protect the capital of the people by investing funds into government securities.
- ❖ Issue insurance policies at affordable rates.
- ❖ Provide various loans like direct loans to industries, housing loans, loans to various national projects at reasonable interest rates.

Objectives of the study

- ❖ To know the present rural marketing strategies followed by LIC of India in these Kanniyakumari District
- ❖ To identify the Employees Satisfaction on Promotional Tools adopted by LIC

Sources of Data

The study is based on both primary and secondary data.

Primary Data

The researcher has collected the primary data through the interview schedule. The interview schedule was distributed directly by the researcher himself to the sample, employees for LIC of India. 90 sample collected by the researcher for analyzed the data.

Secondary Data

The secondary data were collected from various sources such as journals, magazines, publications and various websites including the official websites of IRDA & LIC. The published research reports and market studies also helped the researcher to probe into the problem

Use of Statistical Tools

For measuring various phenomena and analyzing the collected data effectively and efficiently to draw sound conclusions, a number of statistical tools including percentage analysis, Garret ranking method and t-test have been used for the testing of hypotheses.

Limitations of the Study

- ❖ Sufficient number of respondents from all the LIC service could not be included.
- ❖ Some respondents tend to given misleading information.

RESULTS AND DISCUSSIONS

Table 1: Demographic Variables of the Respondents

VARIABLES		No of Respondents	Percentage
Gender of the Employees	Male	65	72
	Female	25	28

	Total	90	100
Age of the Employees	Below 25	8	9
	26-35	14	16
	36-45	21	23
	46-55	29	32
	Above 55	18	20
	Total	90	100
Marital Status of the Employees	Married	67	74
	Unmarried	23	26
	Total	90	100
Educational Qualification	Below HSC	8	9
	Graduation	41	46
	Post - Graduation	26	29
	Others	15	17
	Total	90	100
Monthly Income	Up to Rs.15,000	9	10
	Rs.15,001 - Rs.30,000	34	38
	Rs.30,001– Rs.45,000	36	40
	Above Rs.45,000	11	12
	Total	90	100

Sources: Primary Data

Table No.1 shows demographics wise distribution of the respondents. It reveals that male respondents are higher than female respondents. Majority of respondents age group were 46-55

and most of the bank employees married. Graduations were high as compared to other Educational groups. Majority of the respondents Monthly Income were Rs.30,001– Rs.45,000.

Table 2: Category of Employee

Category	No of Respondents	Percentage
Managers	3	3
Development Officers	34	38
Agents	53	59
Total	90	100

Sources: Primary Data

The above table depicts that the company. It shows that the 53 respondents were working as agents category, 34 respondents as Development Officers and 3 respondents were Managers.

Table 3: Employees Satisfaction on Promotional Tools

Variables	Percentage	Rank
Personal Selling/Personal Contact	66.14	I
Television Advertisements	66.08	II
Radio Advertisements	65.97	III
News Papers, Brochures, Magazines	65.15	IV
Posters, Banners, Sign Boards	64.53	V
Web. Internet and E-mail Advertising	64.38	VI
Calendars, Diaries, Gifts for Customers	64.05	VII

Sources: Computed Data

The above table shows that Satisfaction on Promotional Tools of LIC. Most of the respondents were satisfied the Personal Selling/Personal Contact, it is the first rank. Other factors like Television Advertisements, Radio Advertisements, News Papers, Brochures, Magazines, Posters, Banners, Sign Boards, Web. Internet and E-mail Advertising and Calendars, Diaries, Gifts for Customers were following rank.

MARKETING STRATEGIES OF THE INSURANCE COMPANY

The marketing of products or services at present is more complex than ever before, to grow their business. The insurers to construct and manage several emerging approach and tools need to employ to achieve sustainable growth. These trends reflect a fundamental change in the way insurers interact with the customers they have and those they want to acquire. In this study the following variables are used to study the perception of employees in the marketing strategies of insurance business.

Table 4: Marketing Strategies

Variables	Strongly agree	Agree	Neutral	Dis Agree	Strongly Dis agree	Total
Products/Services Strategy	17	38	24	10	1	90
Product Modification Strategy	13	35	31	8	3	90
Company Growth Strategy	15	42	20	9	4	90
Strategy for Expanding the Market Share	9	37	30	9	5	90
Pricing Strategy	5	17	46	17	5	90
Marketing Strategy	12	21	44	9	4	90

Sources: Primary Data

The above table stated that the marketing strategies of insurance business. It is clearly indicates that a maximum of 38 respondents agree for Products/Services Strategy, 35 respondents agree for Product Modification Strategy and 42 respondents were agree to Company Growth Strategy. Expanding the Market Share Strategy followed by the LIC, in which 37 respondents were agree. Pricing Strategy is important factor of the rural places; the 46 respondents were Neutral for this. Some Marketing Strategy followed by the LIC, in which most of the respondents answered Neutral about this Strategy.

COMPARISON OF MARKETING STRATEGIES AND GENDER OF THE EMPLOYEES

The t- test is applied to find the Comparison of Marketing Strategies and Gender of the Employees.

Table 5: Calculation of t-test

Factors	Variables	df	Table Value	Calculated Value	Result
Products/Services Strategy and Gender	Male	88	1.645	0.0161	Accepted
	Female				
Product Modification Strategy and Gender	Male	88	1.645	0.0340	Accepted
	Female				
Company Growth Strategy and Gender	Male	88	1.645	-0.0153	Accepted
	Female				
Strategy for Expanding the	Male				

Market Share and Gender	Female	88	1.645	-0.0069	Accepted
Pricing Strategy and Gender	Male				
	Female	88	1.645	0.0231	Accepted
Market Strategies	Male				
	Female	88	1.645	0.0438	Accepted

Sources: Computed Data

The above table represents the independent sample t-test. It is clear from the table that the Comparison of Marketing Strategies and Gender of the Employees. When researcher compared with the values, its calculated value is less than the table value. There is no significance different between namely Market Strategies and Gender of the Employees. Hence the null hypothesis is accepted.

Findings

- ❖ Male respondents are higher than female respondents.
- ❖ Majority of respondents age group were 46-55
- ❖ Most of the bank employees married.
- ❖ Graduations were high as compared to other Educational groups.
- ❖ Majority of the respondents Monthly Income were Rs.30,001– Rs.45,000.
- ❖ 53 respondents were working as agents category.
- ❖ 34 respondents as Development Officers.
- ❖ 3 respondents were Managers.
- ❖ Most of the respondents were satisfied the Personal Selling/Personal Contact.
- ❖ There is no significance different between namely Marketing Strategies and Gender of the Employees.

Suggestions of the Study

- ❖ The study also presents difficulty of access of branch/agent among the rural policyholders. Hence, the agents or branch should consider approaching the policyholders periodically at their convenient.
- ❖ The lack of communication is also significant problems among the policyholders. It is suggested that to send reminders to the insured regarding renewal premium, expiry date policy, updated products and new products from time to time by email, SMS or over the telephone.

Conclusion

The Present study concludes that the Rural Marketing Strategies followed by LIC. For that, the researcher selected 90 employees from selected district. When researcher compared with the Marketing Strategies and Gender of the Employees, its calculated value is less than the table value. There is no significance different between namely Marketing Strategies and Gender of the Employees. Hence the null hypothesis is accepted. So, they want provide to attractive market in rural area to educate the people more on insurance business. Insurer should emphasize the importance to the rural customer preferences and priorities. The insurance marketers increase the customer awareness for successful marketing of their products, improving customer base by improved services. The marketing of insurance in the rural area are insufficient and insurers expand the insurance business through long-term strategies and necessary to change the marketing structure of insurance company. The insurance business need to show grater emphasize on rural sector to design suitable products for rural health workers and agricultural labour force.

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