THE STUDY ON CUSTOMER SATISFACTION AND TRUST LEVEL TOWARDS LIFE INSURANCE COMPANIES IN INDIA

PRESENTED BY: SRISHTI DEWAN

GUIDED BY: DR. SUSMIT JAIN

INTRODUCTION

Life insurance is a contract between a life insurance company and a policy owner. A life insurance policy guarantees the insurer pays a sum of money to one or more named beneficiaries when the insured person dies in exchange for premiums paid by the policyholder during their lifetime.

India's market of life insurance has grown significantly in recent years. There were 24 life insurance firms operating in the nation as of March 2020. In the fiscal year 2019–20, the industry's total premium revenue climbed as well, hitting Rs. 2.78 lakh crore.

The regulatory body IRDAI, has been working to make the legislative framework stronger. However, India's life insurance penetration is still very low when compared to other nations, suggesting that the industry has room to develop.

There are many suppliers competing for clients' attention in the very competitive field of life insurance. It's essential to distinguish oneself from competitors and have a strong brand identity.

As the cornerstone of every connection between a consumer and a business, trust must be established in order for customers to have faith in the latter's capacity to keep its promises and effectively manage claims.

Building trust of customers has a significant impact on business recognition and identity. Happy consumers are more inclined to share positive remarks about their experiences.

Consumer satisfaction and trust ratings can offer useful information for enhancing current goods and services or creating new ones.

OBJECTIVES

- Analyze the level of customer satisfaction and trust towards life insurance policies in India.

- Identify the factors that influence customer satisfaction, trust, and loyalty towards life insurance policies in India.

METHODOLOGY

RESEARCH QUESTION: What factors influence customer satisfaction, trust, and loyalty towards life insurance policies in India?

STUDY DESIGN: The study will be Descriptive Cross-sectional study as the information will be collected from a sample of Indian residents holding life insurance policies at any point of time.

DATA COLLECTION PROCEDURE: Primary data collection using semi- structured google based questionnaire which includes questions related to demographics, life insurance policy details, customer satisfaction, and trust factors.

SAMPLING TECHNIQUE: Convenience Sampling

SAMPLE SIZE: 60 respondents

DURATION OF THE STUDY: 03.03.2023- 02.06.2023

REVIEW OF LITERATURE

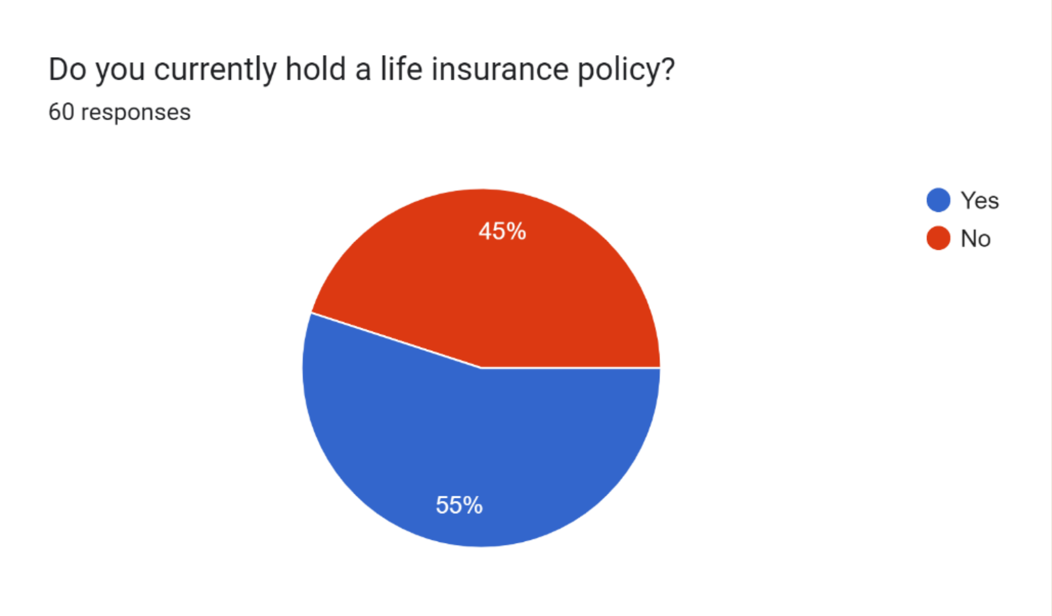
AUTHOR, YEAR	TITLE	SAMPLE SIZE	SAMPLING TECHNIQUE	KEY FINDINGS
Pongsakorn Limna, Tanpat Kraiwanit (2022)	Service quality and its effect on customer satisfaction and customer loyalty	6	Purposive sampling	Highlights the significance of service quality in influencing customer satisfaction and loyalty in the insurance industry. It emphasizes the need for organizations, specifically Muang Thai Insurance Company, to focus on enhancing service quality dimensions such as reliability, assurance, tangibles, empathy, and responsiveness

AUTHOR, YEAR	TITLE	SAMPLE SIZE	SAMPLING TECHNIQUE	KEY FINDINGS
Vishal Kumar and Neha Singh (2020)	Post Purchase Experience Of Consumers In Life Insurance Policies: An Emperical Study	396	Stratified sampling	Emphasises the significance of the after-purchase experience of life insurance policies and its influence on consumer behaviour. The results highlight how crucial it is for insurance businesses to prioritise customer-centric initiatives in order to improve the post-purchase experience and create lasting relationships with clients.

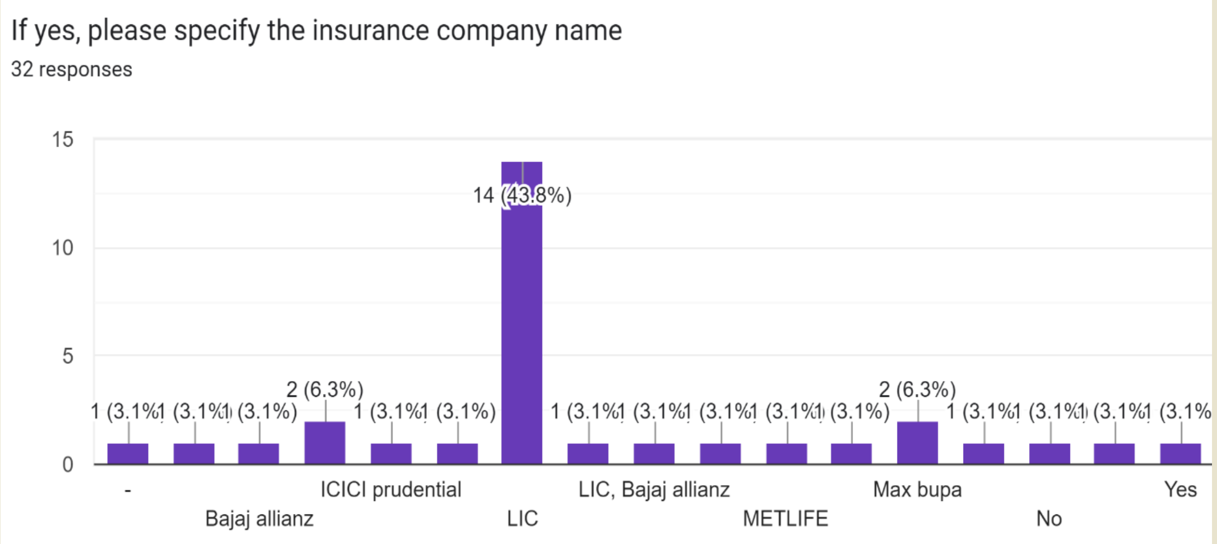
AUTHOR, YEAR	TITLE	SAMPLE SIZE	SAMPLING TECHNIQUE	KEY FINDINGS
Ranganathan Venkatesan and Jayanth Jacob (2019)	Does loyalty and satisfaction support customer retention in life insurance sector? - An empirical study	462	Combination of purposive and snowball sampling techniques	The study aims to shed light on the factors that influence customer retention and the significance of satisfaction in order to forge long-lasting relationships with customers in the insurance business.

RESULTS

The study's findings offer insightful information about Indian consumers' happiness and trust in life insurance products. The survey included 60 participants, covering a range of ages and professional experiences.

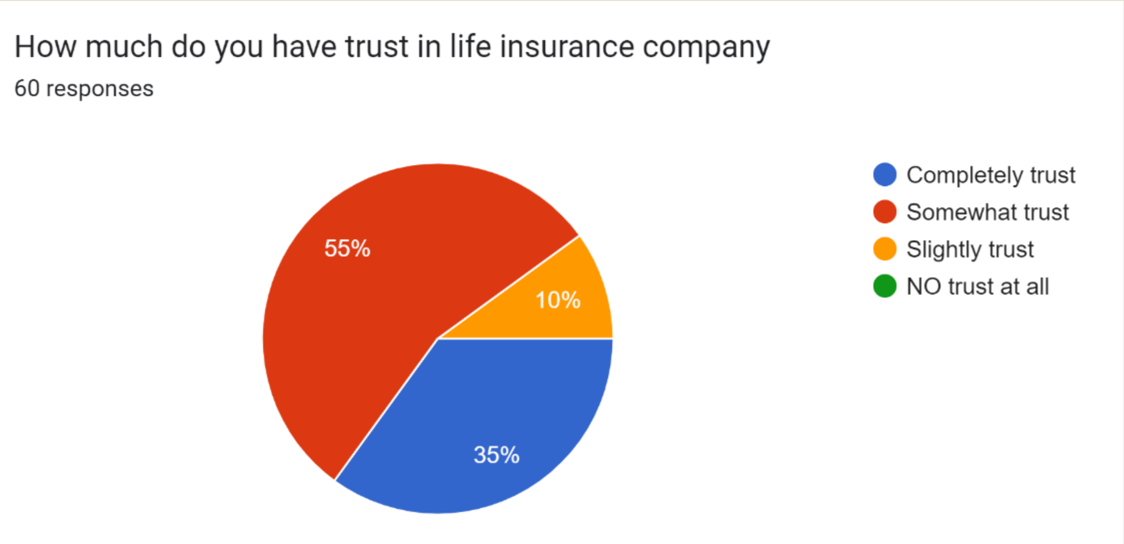


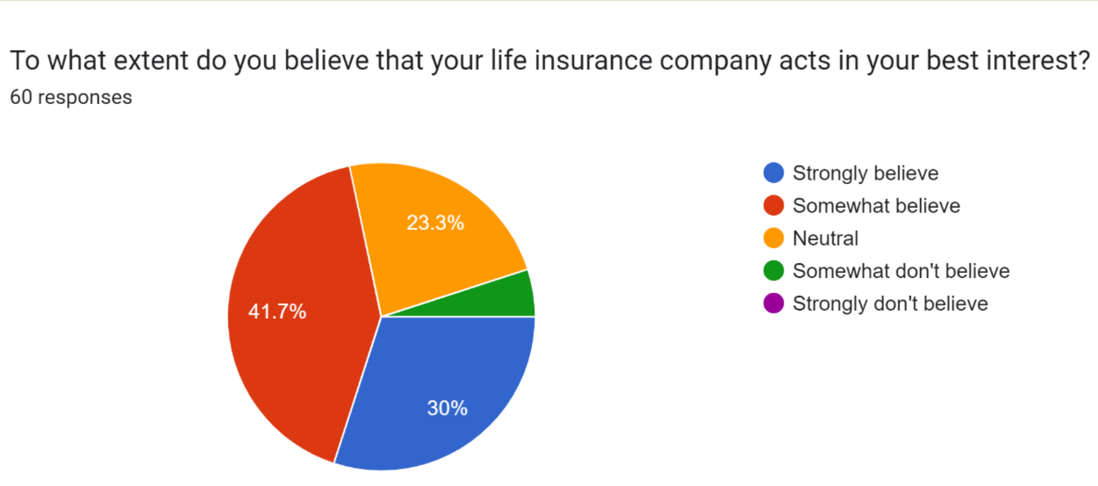
Ownership of a Life Insurance Policy: Of all participants, 55% said they owned a life insurance policy.



India's LIC emerged as the most popular insurer among policyholders which emphasizes LIC's monopolistic market position in India's life insurance market. Additionally, it implies that clients of LIC trust the company and are more inclined to select it as their preferred insurer. It is significant to notice that there are other insurance providers as well, as this shows that there are alternatives and market competition.

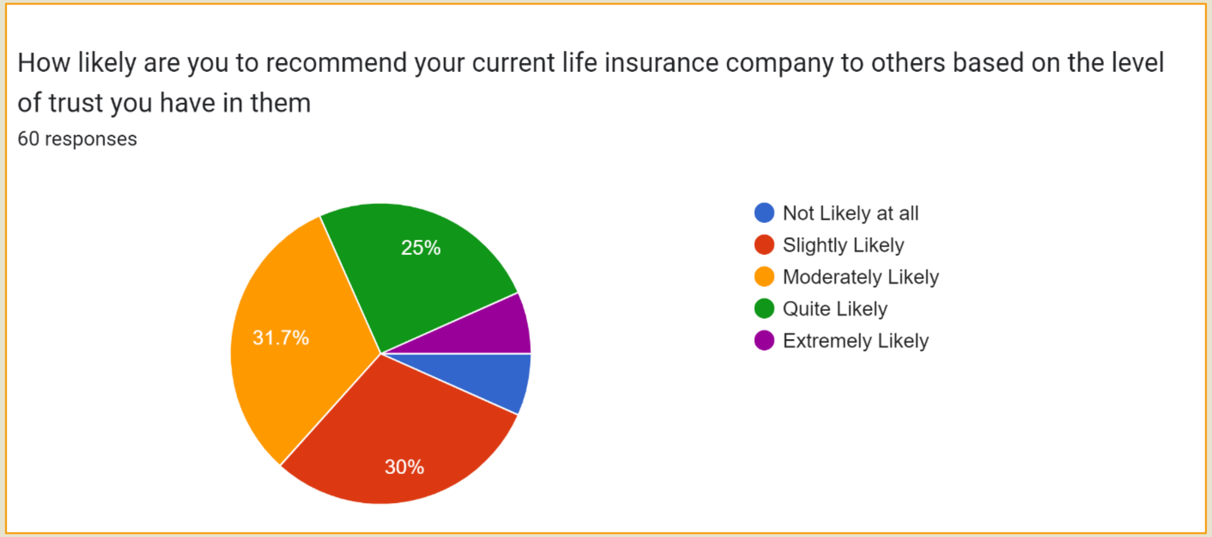
Trust Levels: Regarding trust levels, 35% of respondents said they had complete faith in life insurance plans, while 55% of respondents said they had some faith in them. The fact that none of the respondents said they had little faith in life insurance coverage is noteworthy.

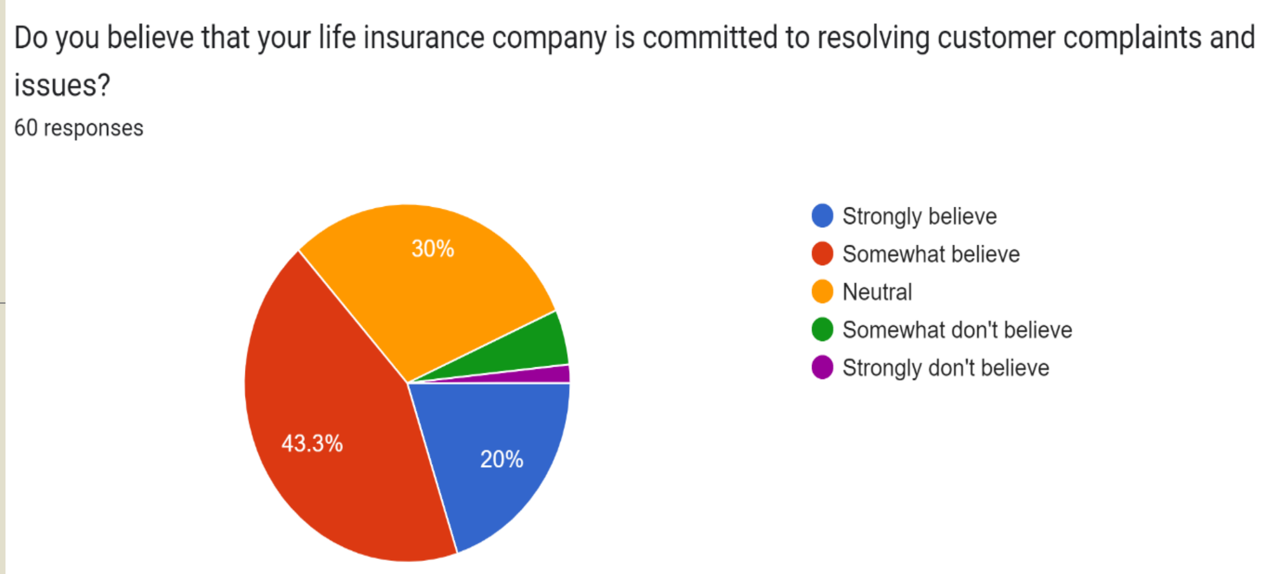




Alignment with Customers' Best Interests: When asked if they think their life insurance business acts in their best interests, 30% of respondents said they definitely believe it, while 55% said they believe it somewhat.
According to this conclusion, there is room for growth in terms of establishing a solid commitment to consumer welfare and fostering confidence in this area

According to the findings, 30% of the 60 respondents said that their level of trust in their current life insurance provider makes them slightly more likely than not to refer them to others. This result implies that even while these respondents have a certain degree of trust, they might not be completely confident or enthusiastic about referring their insurance provider to others.





The combined percentage of those who strongly believe and somewhat believe makes 63.3% which constructs major proportion of respondents.
This outcome demonstrates that a large portion of respondents had favourable levels of confidence in their life insurance company's capacity to keep its commitments. This indicates that some customers may have had mixed experiences or may be uncertain about the company's ability to handle complaints and issues satisfactorily.

CONCLUSION

The outcome of this survey offers significant knowledge and information about customer's satisfaction and trust level in life insurance policies in India.

According to the study conducted, a considerable number of Indian customers are satisfied and have high trust level in their life insurance policies which indicates that customer believe in life insurance policies.

The respondents identified LIC (Life Insurance Corporationof India), India as their most frequent insurer, demonstrating its monopolistic market presence in the Indian life insurance industry. However, the existence of additional insurance providers also shows that clients have a variety of options.

Even though the majority of respondents said they trusted life insurance policies, the study found that there is still space for improvement in how well insurance companies align with the interests of their consumers.

With the insurance business becoming more digitalized and technologically advanced, it is crucial for Indian insurance companies to understand how customers' demands and expectations are changing

The importance of client satisfaction and trust in the Indian life insurance industry is generally highlighted by this research study.

RECOMMENDATIONS

- Increasing transparency
- Obtaining regular feedback
- Employee training
- Collaboration and Industry Standards
- Building Stronger Customer Relationships

REFERENCES

1. Limna P, Kraiwanit T. Service Quality and Its Effect on Customer Satisfaction and Customer Loyalty: A Qualitative Study of Muang Thai Insurance Company in Krabi, Thailand. Journal for Strategy and Enterprise Competitiveness. 2022 Aug 10;1(2):1-6.

2. Kumar V, Singh N. POST PURCHASE EXPERIENCE OF CONSUMERS IN LIFE INSURANCE POLICIES: AN EMPIRICAL STUDY. Skyline Business Journal. 2019 Jul 1;14(2).

3.Venkatesan R, Jacob J. Does loyalty and satisfaction support customer retention in life insurance sector? -An empirical study. International Journal of Business Excellence. 2019;18(4):435-49.Singh M. CUSTOMER’S PERCEPTIONS ABOUT LIFE INSURANCE SERVICE PROVIDER COMPANIES: AN EMPIRICAL EVIDENCE.

4.Yadav B, Tiwari A. A study on factors affecting customers investment towards life insurance policies. International Journal of Marketing, Financial Services & Management Research. 2012 Jul;1(7):106-23.

5.Kaur P, Negi M. A study of customer satisfaction with life insurance in Chandigarh tricity. Paradigm. 2010 Jul 1;14(2):E1.

6. Sidhpuria CK, Siddhpuria MS. IDEES–International Multidisciplinary Research Journal (Peer Reviewed).

7. Basaula D. Customers satisfaction towards life insurance claim settlement in Nepal. Janapriya Journal of Interdisciplinary Studies. 2017;6:29-44.

8. Siddiqui MH, Sharma TG. Analyzing customer satisfaction with service quality in life insurance services. Journal of targeting, measurement and analysis for marketing. 2010 Sep 1;18(3-4):221-38

9. Kannan M. Customer satisfaction towards life insurance corporation with special reference to Chennai City. International Journal of Development and Sustainability. 2018;7(9).

10. Jagannayaki K, Varalakshmi T. Digital Interface-A Paradigm Shift in Insurance Sector. 2022 Aug

11. Chipp K, Nyadzani M. Measuring customer loyalty using perceptions of trust, service quality, and switching costs as well as customer satisfaction in the life insurance industry–a replication study.

THANK YOU