A Study of Investment Habits of The Individual Investors in ADITYA BIRLA CAPITAL LIMITED

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Introduction:-

- Life insurance is a business proposition resting on the combined operation of the law of mortality and interest.
- The science of life insurance revolves around providing financial relief to a person's loved ones in his/her uncertain death
- The first essential step in life insurance is to calculate of risk to decide the amount of contribution/premium to be made by each policyholder according to his/her age, medical history, habits, occupations, etc. so that the fund should be adequate to meet the whole claim.
- In simple words, it means an agreement in which one party agrees to pay a given sum of money upon the happening of a particular event contingent upon the duration of human life in exchange for payment of consideration.
- The event on which the payment is guaranteed to be given may be death or life.
- The consideration is called the premium, and the document evidencing the contract is called Policy.
- There are various types of insurance policies. Often one policy may be a far better option for a particular family or person, while another insurance policy might be good for the same family or a person.

Objective

- To briefly describe all about different investment avenues available in India.
- To find out how the investors get information about the various financial instruments.
- To find out the saving habits of the different customers and the amount they invest in various financial instruments.
- In which type of financial instrument would they prefer to invest.
- How long do they prefer to keep their money invested?
- What is the return that they expect from the investment?
- What are the various factors that they consider before investing?
- To suggest to the company where its funds are lacking in the market and how it should be rectified.
- To evaluate the consumer attitude towards saving and decision-making regarding investments

Literature Review

- **Dr G. Gopalkrishna** in "The Social Security Character of Life Insurance" also states that Life insurance provides replacement of income to the beneficiaries in case of death of the life assured and accumulation of savings to the policyholder/life assured.
- **Narendra and Sampath (2014)** observed that the level of awareness towards the rights and duties regarding insurance is negligible. The study tries to understand the awareness of the people towards the rights and duties towards life insurance products after the privatization of the insurance sector with special reference to Indian insurance sector.
- **Sunil Maheshwari (2005)** in her article entitled "managing insurance and the Agents", pointed out that those quality agents can sell insurance products in the market successfully.
- **Manchanda, S.M. (2005)** in his article entitled "Need to Cover the Death Risk", concluded that insurance companies should educate their customers on different products, which suit their special needs.

Research Questions

- How effective is it to invest in life insurance?
- What is the medium through which investors can invest in Life insurance?
- What will be the outcome of the investment?
- Who are eligible for investing?
- Which Social, economic category did they belong to?

Research Methodology

<u>Sampling Design</u>

- **Sample Area** : Aditya Birla Capital, Thane
- **Sampling Population** : 400
- **Study Sample Size** : 40 (Survey based responses).

<u>Methods</u>

- The method used in the research (survey) is a probability type as we are unaware of the results. It can be either side. The area is Thane city under Mumbai Metropolitan Region, where we will be conducting the research.
- The study has been intended to know the business environment of life insurance in India. The descriptive nature of the study is used to collect some information relating to the business environment of Aditya Birla Capital.

<u>Research Design</u>

- **Data Source:** Primary Data collection is through the survey conducted during the project, and secondary data collection is from the information obtained through the company's portal (CRM and Jarvis)
- **Research Techniques:** Survey Form
- **Type of Questionnaire:** Structured
- **Types of Question** **:** Close & open-ended questions

Analysis Plan

SWOT ANALYSIS

Strength:

- Carry Goodwill of Aditya Birla Brand backed by Sun Life Financial Services.
- Transparent functioning.
- Solid capital base.
- Customer satisfaction.

Weakness:

- Less presence in the rural market.
- The number of advertisements is significantly less.
- No plan for lower-income group.

Opportunity:

- Massive potential in the rural market.
- Create awareness about life insurance.
- Build brand trust through investment in promotional activities.

Threats:

- Stiff competition from LIC.
- Entry of new firms in the insurance sector.
- Government insurance schemes are being launched at meagre rates

Research Study

- Research has shown that most people know about the life insurance industry.
- According to the survey, the main sources of information for consumers are television, newspapers and the Internet, with the fewest magazines, agencies and friends.
- Attractive programs and brand image are the most important factors that influence consumers' buying behavior.
- The majority of respondents will switch to another insurance company.
- People are not happy with the coverage selected.
- The reasons for consumer dissatisfaction were high premiums, delayed resolution of claims, and poor customer service.
- Insurers need to build a dynamic and competitive industry by increasing efficiency, product selection, and value to their customers.

Suggestions & Recommendations

1. Raise awareness by increasing the number of billboards in priority areas such as Bank Square, Railway Station, Bus Station and Industrial Park.
2. Investors should decide based on broker's advice.
3. Assess risk and return before deciding to invest.
4. Investors who want to avoid risk must invest in treasury bills or local and rated local bonds, etc. .
5. Placing ATMs in different areas so that insurance premiums can be collected nationwide.
6. A specific product is required, can be called a fixed deposit insurance product, where life insurance policy can act as a fixed deposit to the customer, which can be locked down whenever required for a certain percentage of the insured amount.
7. The Company also needs to make efforts to advertise through the city's cable channel, because the width of the banners on the highway or other busy area must be shaped .
8. The Company must ensure Covers different risks in a single policy with the same premium.

Conclusion

1. Over the past few years, about 40 companies have expressed interest in entering the industry, and many foreign and Indian companies have joined the planned alliances.
2. The threat of new players taking over the market has been greatly exaggerated.
3. The market potential of private insurers will be greater in the long term, as most Indians believe that private insurers will be able to hold a solid market share and generate profits. future profits.
4. The opening of this sector will inevitably lead to new products, better packaging and better customer service.
5. Potential buyers of most of these types of insurance are middle-class, concentrated in these areas.
6. Private and foreign insurers should act immediately to appoint additional agents and/or advisors in addition to staff, as agents are considered to be the best channel for reaching the public about their insurance policies, their complaints, and insurance products.
7. Financial institutions like ICICI, HDFC or BIRLA intend to reach thousands of customers who have purchased their deposits, consumer loans or housing finance.

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