

Delineation of Customer Satisfaction in LIC Policy, Visakhapatnam

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Abstract

Modern days are modern now with several easy investments which helps people of living and after living are receiving benefits. Under this modern investment this study includes the LIC policy. This study is with the objective to know the way of selection of LIC policy in selected district of Visakhapatnam. and to know the satisfaction of customer in LIC policy in selected district of Visakhapatnam. Under this study satisfaction of customers with age between the age 30-60 are more than other age group classifications. When we analyse the income group classification it is evident that rupees 10,000 to 25,000 are more satisfied and investing more in LIC in Visakhapatnam. Before heavy health issues customers like to invest in LIC insurance.

Under this study sample of forty was taken as pilot study. The population of this study is LIC policy holders in selected district of Visakhapatnam. Stratified purposeful sampling technique is used to analyse the data. Under this method of sampling purposefully the LIC policy customers are selected from Visakhapatnam. It is found that there is significant relationship between Age and LIC policy, it also found that there is significant relationship between income and LIC policy and finally findings with that there is significant relationship between health issues and LIC policy.

Keywords: LIC policy, Age, Income, Health issues, and Visakhapatnam.

Introduction

Customer is the important source and seems to be pedal of growth in all business. Technologies are enhancing with changing customers' demand. Organizations are attempting to attain the changes demands by customer to attain the objective of profit maximization and wealth maximization. According to Kotler, "expectation expectations are created in the mind of customer from past experience, promotional claims, word of mouth and third party information". Anderson et.al. says that high customer satisfaction ratings is the best indicator of a company's future profit. LIC is being a social provision to compensate financial losses of individuals. In India only 20 per cent of the total insurable population has covered under various life insurance schemes.

Review

Miller (1977) identified four types of expectations: ideal, expected, minimum tolerable and desirable. Day (1977) distinguished among expectations about the nature of the product or service, expectations about the cost and efforts in obtaining benefits, and expectations of social benefits or costs. Customer satisfaction is the reaction of customer toward state of the fulfillment and judgment of customer about that fulfilled state is observed by Khayyat & Heshmati, (2012). Customer satisfaction is the expectation before consuming a product regarding quality or it is

a pre-consumption judgment or expectation said by Bae (2012). Satisfaction is an outcome of purchase in which consumer compare cost and rewards with the anticipated consequences explained by Maxham, (2001).

Need / Importance

Study of LIC policy is vital to live have a safety, security and risk covering life. Most of the investors like insurance in these modern days. This is because of security and savings. In India family is the life and life is with family members. Hence protection is required by family members. This protection avails out from insurance. So it is important to study about insurance. Under this study importance of LIC is shown.

Statement of the problems

1. How customer selects the policy of LIC in selected district of Visakhapatnam?
2. What is the satisfaction of customer in LIC in selected district of Visakhapatnam?

Objective

1. To know the way of selection of LIC policy in selected district of Visakhapatnam.
2. To know the satisfaction of customer in LIC policy in selected district of Visakhapatnam.

Hypothesis

1. H₀: LIC policy customers' buying behaviour is independent on age, income and health.
2. H₀: LIC policy customers' satisfaction is independent on age, income and health.

Research Methodology**Area of the study**

District Vishakhapatnam is in the state of Andhra Pradesh with 1865 incorporated town and 1979 incorporated cities. The district has four revenue divisions as such: Anakapalli, Paderu, Narsipatnam and Visakhapatnam. There are 46 mandals which is classified out from revenue divisions said above. Out of this 46 mandals: 11 each in Narsipatnam, Anakapalle and Paderu divisions. 13 mandals are from Visakhapatnam division. This study considers the customer in LIC in selected district of Visakhapatnam.

Sample Description

In these modern days it is important to know about the savings scheme which helps the customer to grow and attain timely help at the time of requirement of funds. Among the savings scheme avails in Indian market it is vital to study about LIC policy most of people who prefer as savings scheme during and after their life periods. Under this study sample of forty was taken as pilot study. The population of this study is LIC policy holders in selected district of Visakhapatnam.

Questionnaire

Questionnaire is classified into two categories as such one is personal profile study and another is with satisfaction level of customer on LIC policy.

In personal profile this study majorly concentrated on age, income and health. Next in satisfaction level of customer further a classification was made in two ways. One is satisfaction before the selection of policy and another is satisfaction after the selection of policy.

Age of the customer is matched with level of satisfaction of customer. For this purpose age is classified into below 20 as one categories, 20 to 40 as another categories and finally above 40 as another categories. Then the level of income is classified into earners of rupees below twenty thousand per month, twenty to fifty thousand rupees earners per month and above fifty thousand rupees earners per month. This level of income is matched with level of customers' satisfaction. Last but not least health of customer is compared with age and satisfaction level of LIC policy.

a. Matching Study Through Questionnaire:

1. Age \longrightarrow Level of satisfaction of customer in LIC policy
2. Income \longrightarrow Level of satisfaction of customer in LIC policy
3. Health \longrightarrow Level of satisfaction of customer in LIC policy
4. Health \longrightarrow Age of the LIC policy customer

b. Level of Customer satisfaction - an analysis through questionnaire

1. Used five point scale of highly satisfied, somewhat satisfied, neutral, somewhat dissatisfied and very dissatisfied.
2. Customers' satisfaction before selection of LIC policy with following some significant factors: claim receipt in future, availability of loan facilities, premium paying mode, safety of policy, paper work, time consumption of policy and interest.
3. Customers' satisfaction after selection of LIC policy with following factors as such: service, additional benefits, goodwill, others.

Sample technique

Stratified purposeful sampling technique is used to analyse the data. Under this method of sampling purposefully the LIC policy customers are selected from Visakhapatnam. Samples are stratified by customers' satisfaction before and after selection of LIC policy. Customers' satisfaction before selection of LIC policy reveals the answer for the problem of research of how the customer selects the policy in LIC and whereas customers' satisfaction after selection of LIC policy reveals the answer for the problem what is the satisfaction level of customer on LIC policy and services made.

Sample Design

This study is designed with the sample of LIC policy holders in the area of Visakhapatnam. In Visakhapatnam there are four divisions as such: Anakapalli, Paderu, Narsipatnam and Visakhapatnam. Randomly each division is further stratified with mandals of one each. Each mandals (4 mandals) again randomly selected with sample of 10 each. Hence 40 samples were selected purposefully to know the satisfaction of customers' in LIC policy.

Methods of data collection

This study is based on primary data and secondary data. From field study primary data were collected and secondary data is out from different sources as such online journals, books, websites and so on.

Statistical tools

Under this study statistical tools used were Annova, Regression and Correlation.

Results and Discussion**Frequencies****Statistics**

	Age	Income Level	Health Issues	Before LIC
N Valid	40	40	40	40
Missing	0	0	0	0
Mean	2.0500	2.4250	1.5750	3.1750
Median	2.0000	2.0000	2.0000	3.0000
Std. Deviation	.78283	1.10680	.50064	1.48302
Skewness	-.089	.140	-.315	-.217
Std. Error of Skewness	.374	.374	.374	.374
Kurtosis	-1.337	-1.292	-2.003	-1.356
Std. Error of Kurtosis	.733	.733	.733	.733

Frequency Table

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid below 30	11	27.5	27.5	27.5
30-60	16	40.0	40.0	67.5
above 60	13	32.5	32.5	100.0
Total	40	100.0	100.0	

Income Level

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid below 10,000	10	25.0	25.0	25.0
10,000-25,000	12	30.0	30.0	55.0
25,000-50,000	9	22.5	22.5	77.5
above 50,000	9	22.5	22.5	100.0
Total	40	100.0	100.0	

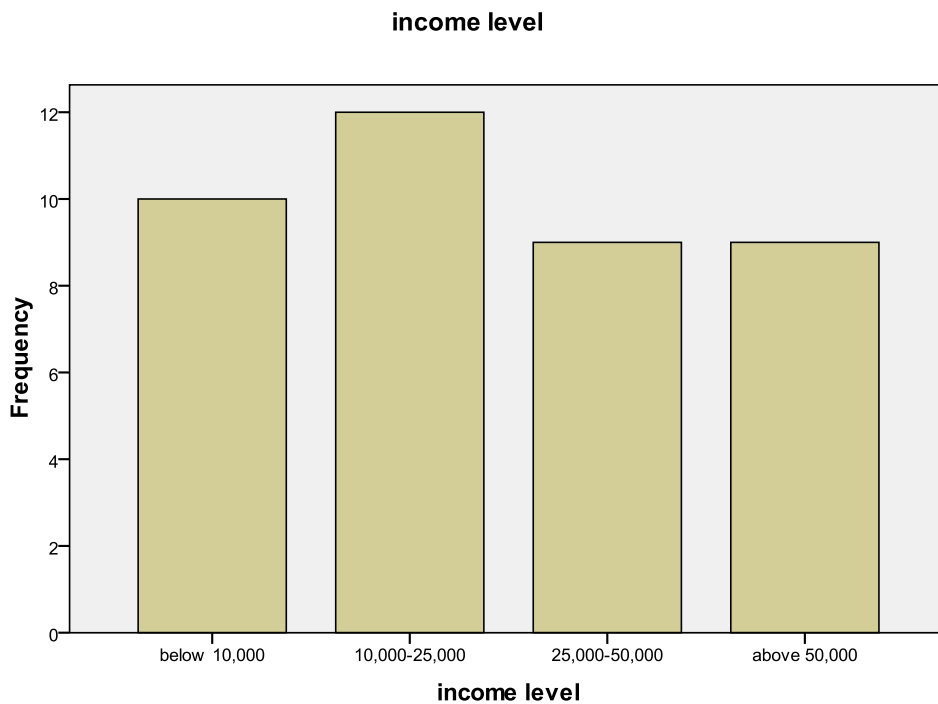
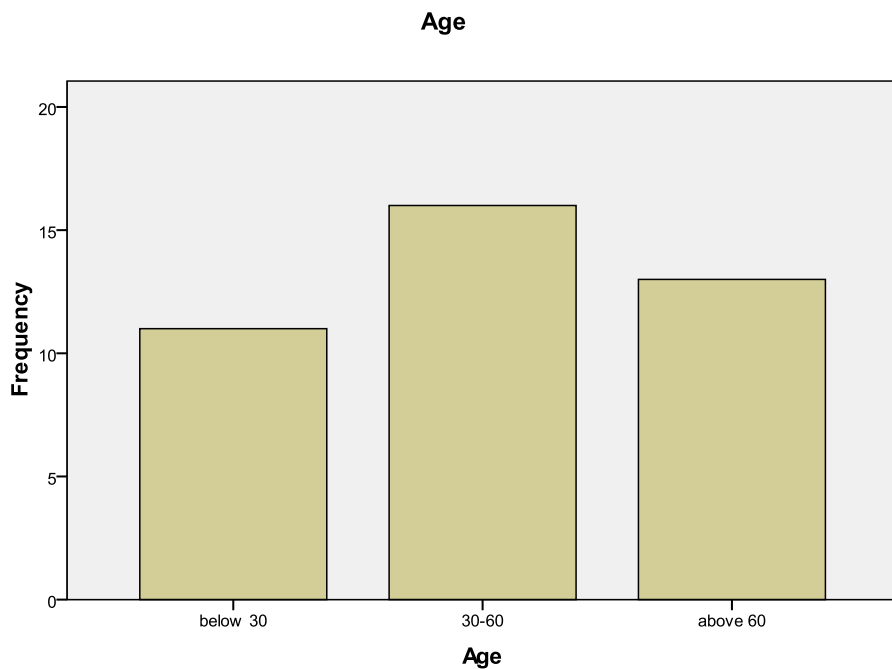
Health Issues

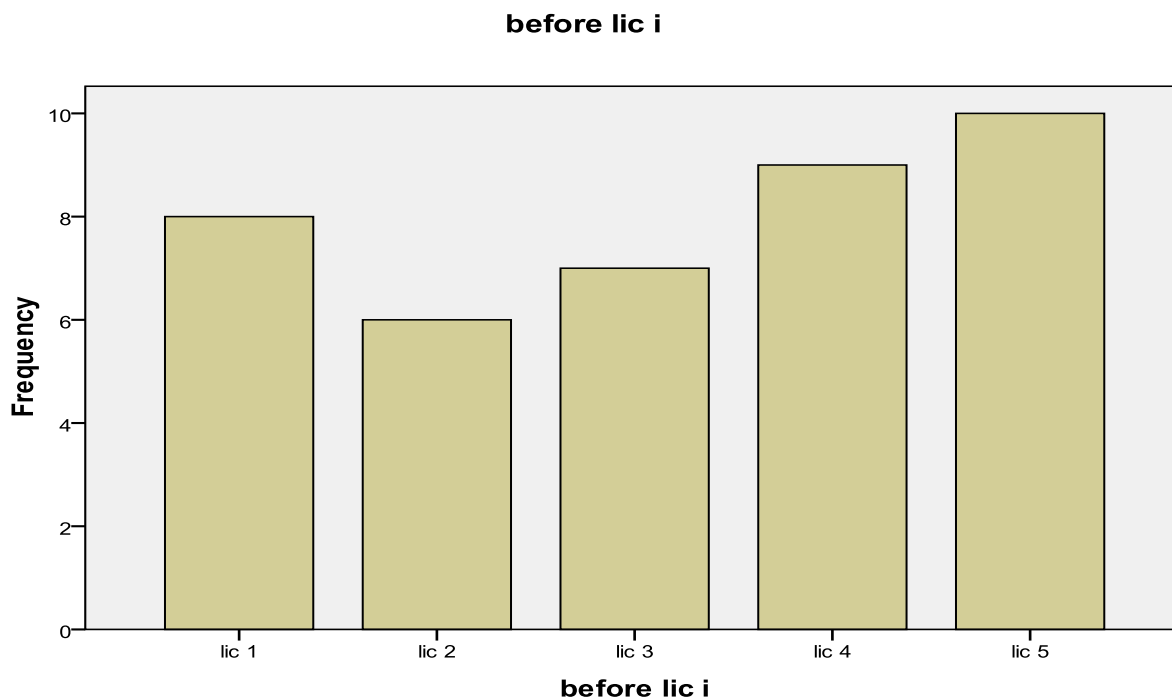
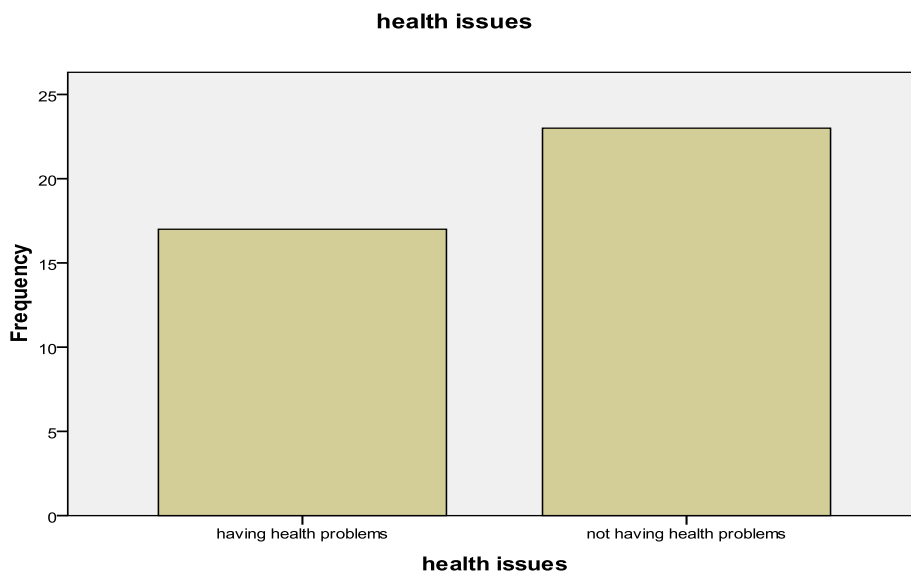
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid having health problems	17	42.5	42.5	42.5
not having health problems	23	57.5	57.5	100.0
Total	40	100.0	100.0	

Before LIC

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid lic 1	8	20.0	20.0	20.0
lic 2	6	15.0	15.0	35.0
lic 3	7	17.5	17.5	52.5
lic 4	9	22.5	22.5	75.0
lic 5	10	25.0	25.0	100.0
Total	40	100.0	100.0	

Bar Chart





Frequencies

Statistics

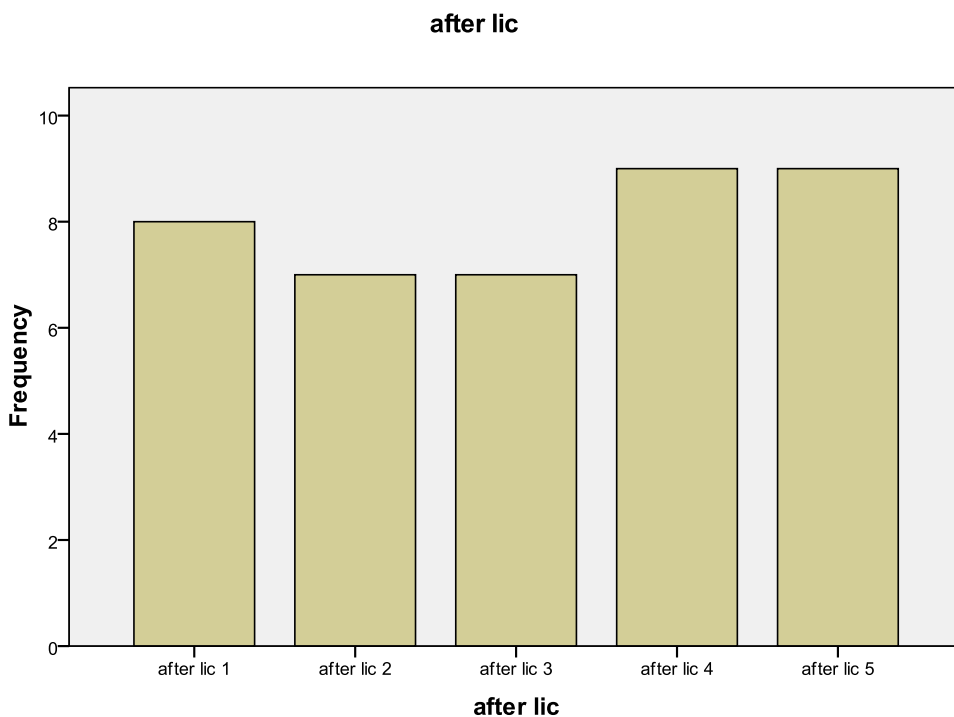
After LIC

N	Valid	40
	Missing	0
Mean		3.1000
Median		3.0000
Mode		4.00 ^a
Std. Deviation		1.46410
Skewness		-.130
Std. Error of Skewness		.374
Kurtosis		-1.364
Std. Error of Kurtosis		.733

a. Multiple modes exist. The smallest value is shown

After LIC

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid after lic 1	8	20.0	20.0	20.0
after lic 2	7	17.5	17.5	37.5
after lic 3	7	17.5	17.5	55.0
after lic 4	9	22.5	22.5	77.5
after lic 5	9	22.5	22.5	100.0
Total	40	100.0	100.0	



Oneway

Age and income level, health issues and before LIC

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
income level	Between Groups	40.659	2	20.330	105.707	.000
	Within Groups	7.116	37	.192		
	Total	47.775	39			
health issues	Between Groups	6.025	2	3.013	29.723	.000
	Within Groups	3.750	37	.101		
	Total	9.775	39			
before lic	Between Groups	72.848	2	36.424	104.254	.000
	Within Groups	12.927	37	.349		
	Total	85.775	39			

Correlations

Correlations

		Age	income level	health issues	before LIC	after LIC
Age	Pearson Correlation	1	.922**	.775**	.920**	.913**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	40	40	40	40	40
income level	Pearson Correlation	.922**	1	.797**	.953**	.970**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	40	40	40	40	40
health issues	Pearson Correlation	.775**	.797**	1	.863**	.864**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	40	40	40	40	40
before LIC	Pearson Correlation	.920**	.953**	.863**	1	.984**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	40	40	40	40	40
after LIC	Pearson Correlation	.913**	.970**	.864**	.984**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	40	40	40	40	40

** . Correlation is significant at the 0.01 level (2-tailed).

Nonparametric Correlations

Correlations

			Age	income level	health issues	before lic	after lic
Spearman's rho	Age	Correlation Coefficient	1.000	.926**	.772**	.921**	.913**
		Sig. (2-tailed)	.	.000	.000	.000	.000
		N	40	40	40	40	40
	income level	Correlation Coefficient	.926**	1.000	.806**	.964**	.977**
		Sig. (2-tailed)	.000	.	.000	.000	.000
		N	40	40	40	40	40
	health issues	Correlation Coefficient	.772**	.806**	1.000	.849**	.852**
		Sig. (2-tailed)	.000	.000	.	.000	.000
		N	40	40	40	40	40

before LIC	Correlation Coefficient	.921**	.964**	.849**	1.000	.983**
	Sig. (2-tailed)	.000	.000	.000	.	.000
	N	40	40	40	40	40
after LIC	Correlation Coefficient	.913**	.977**	.852**	.983**	1.000
	Sig. (2-tailed)	.000	.000	.000	.000	.
	N	40	40	40	40	40

** . Correlation is significant at the 0.01 level (2-tailed).

Regression

Age and Before LIC

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	before lic i ^a	.	Enter

a. All requested variables entered.

b. Dependent Variable: Age

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.920 ^a	.846	.842	.31102

a. Predictors: (Constant), before lic i

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.224	1	20.224	209.069	.000 ^a
	Residual	3.676	38	.097		
	Total	23.900	39			

a. Predictors: (Constant), before lic i

b. Dependent Variable: Age

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.508	.117		4.329	.000
	before lic i	.486	.034	.920	14.459	.000

a. Dependent Variable: Age

Regression

Age and After LIC

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	after lic ^a		Enter

a. All requested variables entered.

b. Dependent Variable: Age

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.913 ^a	.833	.829	.32396

a. Predictors: (Constant), after lic

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.912	1	19.912	189.731	.000 ^a
	Residual	3.988	38	.105		
	Total	23.900	39			

a. Predictors: (Constant), after lic

b. Dependent Variable: Age

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.537	.121		4.432	.000
after lic	.488	.035	.913	13.774	.000

a. Dependent Variable: Age

Reliability

Scale: All Variables

Case Processing Summary

		N	%
Cases	Valid	40	100.0
	Excluded ^a	0	.0
	Total	40	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.950	5

Findings

- It is found that the Age from 30 to 60 was comparatively maximum with 40% which is higher than other age group classification made in this study.
- It is found that income group between 10,000 to 25,000 earners was more than high with per cent of 30.
- Most of the people (57.5%) are without health issue problems before becoming customer of LIC.
- It is found that there is significant relationship between Age and LIC policy
- It is found that there is significant relationship between income and LIC policy
- It is found that there is significant relationship between health issues and LIC policy

Recommendations/Suggestion

It will be best if customer invest under child plan which will benefit more during the age of above 30. When one invests in child plan most of the case is receiving benefits during customers' alive. But in case if any one

invests during the age of above 30 the benefits will be receiving atleast 10 to 15 years after. So benefits receive is probably by nominee. It is suggested that all income earners should invest in LIC for their safety life, tax relief and savings benefits. Health issues today is common to all, to avoid the risk by health issues one should invest in LIC which will helps to minimize loss after health issues.

Conclusion

In this study it is concluded that age group of 30-60 invest in LIC more and investors in LIC is with income group between rupees 10,000 to 25,000 are more. On the basis of the health matters of customer policy demand is increasing which shows the significant relationship between health issues and LIC policy. LIC Policy is part of life and is required to all living life of human beings. It provides savings in one side and in another side it provides compensation on risk bearing life. Policy is an inimitable part of one's financial plan. Even someone passes away his dependents' life is protected with financial coverage which is basis of life.

Limitations

Without limitation there will be no research. Under my study the limitations covers are as follows:

1. The study is limited with the scope of LIC policy and its satisfaction level only.
2. The area coverage is limited to Visakhapatnam only.
3. For time saving and cost savings the study is limited by sample size of 40.
4. Only Personal profile of this study matched with customers' satisfaction level.

Scope of future study

In future it is easy to study with large size of samples. This study also helps to study varieties of Insurance company avails in Indian market as such SBI Life Insurance, ICICI Prudential Life Insurance, etc.

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