

**REVIEW OF LITERATURE PARAMETERS RELATED TO BEHAVIOURAL STUDY
OF LIFE INSURANCE CUSTOMERS IN DISTRICT NAGARKURNOOL,
TELANGANA (INDIA)**

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Abstract:

The customer market is very vital in the business world. Now today, each and every business tries to capture the relevant market through the modern marketing concept. As per modern marketing concept 'Maximum satisfaction to the Customer' which is differ from traditional marketing concept. In insurance business there are wide array of customers in the market because today very much risk associated to the activities under operation. The individual for life and businessman for business try to reduce the said risk through better insurance service provider in the business world. Time to time insurance player devote more efforts to aware the behavior of customer before launch the product so the aim can be achieved. There are wide range of research have been conducted to find the customer behavior by researcher from different states in the world.

Keywords: REVIEW OF LITERATURE, BEHAVIOURAL, LIFE INSURANCE CUSTOMERS

Introduction:

The insurance sector is seeking to maintain a balance between acquiring customers and developing existing ones, customer acquisition is vital, as no retention strategy will entirely stem customer defection. An insurance company is experiencing unacceptable levels of customer churn, thanks to which they are focusing on keeping the customers they already have in a bid to ensure a net growth in their customer base. Today, the focus is on selling more products to existing customers to improve profitability. A couple of years ago, LIC dominated the insurance market with the help of its sales force and channels and margins were reasonably high. Today, there are close to 20 companies offering (DEC, 2000) both life and general insurance products. All of them have equally strong international and local partners; all are focusing upon similar geographies and target audiences. The new firms selling life insurance and non-life insurance [pensions, insurance as saving, etc] have failed to emulate the LIC model because margins are getting squeezed. There are several pain areas that new insurance firms face—acquiring new customers, retaining them, cross-selling products and controlling rising costs while providing comprehensive support.

Life insurance is a must for everyone because life is very precious. With a population of over one billion, national and international life insurance companies, see india as a land of opportunities and a market for big business. Until 1999, the business of life insurance in india was the monopoly of life insurance corporation of india (lic). Privatization witnessed dynamic changes in the insurance industry and most of the private insurance companies are joint ventures with recognized foreign players across the globe. Customers are the main pillar of life insurance business. Every company tries to attract and retain existing customers to keep their profits high. The proper understanding of customers, their needs and expectations help insurance providers to bring improvement in product as well as services offered. When compared with the developed foreign countries, the indian life insurance industry has achieved only a little because of low consumer awareness, poor affordability, delayed customer services, lack of suitable products. In today's cut throat competition, it becomes essential for life insurers to provide better customer services, spread more awareness, emphasis on need based innovative products and reasonable price. So that, every individual may avail the benefits of insurance and protect their lives against future uncertainties.

Review of literature

Van, Horstman, Schepers (2006) revealed that one of the most discussed topics in policy debates on genetics has been the use of genetic testing in insurance. Many of these debates have been rather speculative and abstract. In a recent contribution to this journal, Kaufert therefore urged for “a proper research agenda” to study the issue, arguing for the need of anthropological and sociological research of the insurance world. Based on ethnographic fieldwork in two Belgium insurance companies, the study analysed the ways insurers account for predictive medicine (lifestyle, genetics) during underwriting. Individual responsibility for health risks becomes the golden standard for assessing one's fitness for membership of the insurance pool. Moreover, these developments imply a changed concept of “normal standard” in insurance, increasing the conditions to fulfill to be part of the insurance group. Predictive medicine constitutes new ground in the old debates about individual control, responsibility and blame for health. This goes to the heart of the basis for citizenship and how this articulates with membership—or, if you want, exclusion—of the insurance pool.

Noor, Azli (2005) informed that The topic of customer-orientation has increasingly attracted interest in both academic marketing research and practice. One major factor which has been increasingly discussed as an important driver of a salespeople's customer orientation is individual factor. In this study we examine the influence of three individual factors; namely, organizational commitment, self-monitoring and intrinsic motivation on salespeople customer-orientation behaviour. Data gathered from 445 life insurance agents were used to test the hypothesized relationship. They suggested that organizational commitment and intrinsic motivation positively influence sales people to perform customer-orientation behaviour in their selling activities. Self-monitoring however, was found to be unrelated to the adoption of customer-orientation behaviour.

Peter C. Verhoef (2004) stated that many companies collect stated preference data (SP) like intentions and satisfaction as well as revealed preference data (RP) like actual purchasing behavior. It seems relevant to examine the predictive usefulness of this information for future revealed preferences, that is, customer behavior.

Dr Anastasia Constantelou (2002) indicated that companies in the travel and tourism sector are just beginning to experiment with e-CRM applications and to explore the business opportunities they entail. So far, these have remained largely untapped as witnessed by the fact that traditional sales methods still account for over 90% of their revenues. Some companies are pioneers in adopting e-CRM solutions, while others feel they must follow as they do not want to lose ground against their competitors. The competitive pressure to keep up with the new business environment appears to be a major factor driving e-CRM developments in the industry.

Leading actors in the travel and tourism industry, including airlines and tour operators, have increasingly started to offer a variety of customer services online and are particularly successful in attracting this customer group.

Sarwade (2002) had conducted a study on the emerging dimensions of buyer behavior in rural area. It is observed that the role of husband in family purchasing decisions in various items was comparatively less than of house wife. The study reveals that, the consumer purchase the convenience goods in rural market was mostly did once a week and it is monthly for daily consumption good such as toothpaste with the increase in real income of rural peoples, a shift was found to have taken place in the items consumed by the rural consumers. It was also found in the study that most of the consumers from rural area developed brand familiarity with brand names, which are heavily known in urban areas. The buying behavior in general and buying decisions in particular in rural area in influenced by the factors like price, availability of products. It is very interesting finding from the survey of that most of the consumers from higher income group generally purchase the products, which are highly popular in urban area. It also conducts that majority of the customers get the new product information from the

shopkeeper as against the television and price is the most influencing factor, which influence the purchasing decision as compared to quality.

Rodge (2001) conducted a study on influence of advertisement on consumer of different age group and areas. It was concluded from the study that the rural respondents gave more importance to the advertisement as compared to urban respondents and has significant impact on their behavior. According to urban respondents, the reading and watching of advertisement helped them in purchasing more as compared to rural respondents. Whereas both groups found that all the advertising media were equally important and effective.

Sayulu and Ramana Reddy (1998). Conducts a study on socio-economic influence of rural consumer. It reveals that the frequency of purchasing not only, different consumer goods, was different, but it differed among respondents of different income levels. Products like toothpaste were purchased by majority of consumer on weekly or monthly basis. On the other hand, cash purchase dominated for all the categories of goods and among all the respondents of different income levels, credit purchases were also noticed in case of lower income group. A more direct influence on every day buying behavior is in one's family procreation, i.e. one's spouse and children wife plays the dominant role in purchasing the toiletries goods in rural sector. Rural consumers as compared to urban consumers considered easily availability and use by neighbor. It can be concluded that rural consumer are apathetic to their problems as consumers owing to higher levels of illiteracy ignorance and low purchasing power.

Sadar and Dhawale (1997) Conduct a study to analyst's how slogans influence the buying behavior. It was concluded that consumers were found to be greatly influenced by the slogans in case of consumer non-durables goods but in case of consumer durable goods, consumers main emphasis is on quality, availability and price. The respondents also had a feeling that a good slogan had establish a high degree of association between the market share and the popularity of the slogans in case of non-durables in comparison to durables goods.

Venkateswarlu and Reddy (1997) conducted a study of external and internal influence's on the consumer behavior relating to the purchase of TV sets. It reevaluated that husband and wife acted as decision maker and buyers of TV set. The intensity of use of T.V. was more in the case of old persons and the women. The influence of wealth, income and saving is almost negligible in the purchase of TV sets. There was no impact of the level of education on the purchase of T.V. The popular advertisement media for TV sets were newspapers, pamphlets showroom display, radio, magazines, wall-papers and TV's.

Kulkarni and Murali (1996) asserts that the source of information used by consumers for purchasing, mode of payment factors preferred by consumers while purchasing selected items of household use. It was conclude that television was the common source of information used by the consumers and followed by neighbors and newspapers. Husband's and joint participation was more in the purchase of various items. It was also found that majority of the consumer's were buying goods from the retail shops on cash payments.

Shukla and Bang (1994) Conducted a survey on buying behavior for two-wheelers. It reveals that personal experience and mechanic's advise and word of mouth were playing vital role in information search which they purchase a two-wheelers for their personal convenience. It was also concluded that the people who are over 30 years of age and having lower income, prefer scooter, whereas the motorcycle are more popular in the age group of below 30 years, having higher income. It was also found that mileage, price, required maintenance and acceleration are the factors which they consider when purchasing a two wheelers.

Shergill and Kour (1993) found that the socio-economic background of consumers influence their buying behavior. The high income group respondents were more quality conscious, although for most of the consumers, price is the main consideration. A major role in the preventing brand switching is played by the loyalty of the consumer towards a

particular brand. Moreover, the buying decisions were influenced by the media particularly TV advertising.

Grover (1991) investigated the preference to obtain information about the store for purchasing toothpaste from personal sources was quite limited in all social classes. With the upward movement in the level of social class, the amount of interpersonal search about the store to be patronized for purchasing toothpaste generally declined. However, the buyers in the lower upper social class did not engage in any interpersonal search. In both the lower lower and upper lower social class also, friends and neighbors were the major sources of information, though friend were consulted more often than the neighbors. In the upper middle social class, unlike other social classes, spouse was an important provider of information about the store. In the upper social class, friends were the only provider of information about the store.

Lee (1991) had conducted a study of the influence of shopper type and mood on impulse purchasing behavior. It found that earlier studies had factored on the non-personal aspects of this consumer behavior, but this study has shifted their attention to the psychological content of consumers under considered two influential factors. Shopper type (Recreational Vs. Economic) and mood (Positive vs. negative) Both have shown a close relationship with impulse purchasing behavior. It revealed that comparing shopper type and mood, shopper type was found to be more influential than mood on impulse purchasing behavior. Recreational shoppers who entered in a positive mood and economic shoppers who entered in a negative mood, relatively higher impulse purchasing rates. In comparing existing mood, only recreational shoppers who existed in a positive mood showed the higher impulse purchasing rates than those it found that interruption effect between shopper type and mood found marginally significant.

Dass and Reddy (1990) conducted that the educational level of smokers significantly influences the formation of brand loyalty on the basis of price, quality and easy availability of cigarettes, whereas the educated smokers also consider company image, filter, packaging, influence of friends fire holding capacity of cigarettes to form their brand loyalty.

It also found that the income level of smokers considerably influences their smoking habits. By and large, smokers with a monthly income of below Rs. 800 smoke cheaper brand but with higher intensity whereas, smoker with a monthly income of Rs. 800 or more smoke costlier brands but with low intensity. It revealed that the occupation of a person does not influence his cigarette smoking on account of change in income, change in price irregular supply of their brand, availability of a cheaper brand with equivalent factors of satisfaction and change in their own taste.

Venketshwarlu, Kumar, Rajnath (1987) conducts a study of different influencing factors which effects the decisions making process and examine the reasons for being brand loyal. It was derived that the consumer were by and large loyal to one brand or the other.

The perceived quality and taste were two important variables that determine brand loyalty. The existence of brand loyalty was quite significant, however a small section of consumer switch over to other brands mainly due to the influence of reference groups or non availability of the desired brand with regard to decision making though both parents and children are more or less equally involved, the influence in majority of the cases was the child. It also reveals that taste, freshness and brand name, the three together would influence the decision making process. The other factors like availability variety and price got negligent position comparatively (venketshwarlu, Kumar and Rajnath, 1987)

Lawrence A, Crosby, Nancy (1984) found highly intangible services such as life insurance consist largely of credence properties. Insurance providers engage in relationship-building activities that emphasize buyer-seller interaction and communication. Economists contend consumers are prone to make quality generalizations based on the strength of these relationships, perhaps to the detriment of price competition. The authors report contrary results

suggesting that, though relationship marketing adds value to the service package, it is not a substitute for having a strong, up-to-date core service.

Singh (1983) analyzed the consumer behavior's store loyalty and their preference. It was revealed that among the reasons for their store selection, nearness of the store, reputation of the store and acquaintance with the store owner, are the factors that play an important role in store selection. It was also concluded that the existence of store loyalty was found more among educated families. It was quite possible that some more distinguishing character spice could be identified by studying the loyalty behavior of educated versus uneducated consumers.

Raj (1982) empirically investigated different advertising effect on purchase behavior of consumer of varying brand loyalty. In a frequently purchased product class, high loyalty consumer increase brand and product purchase, while advertising for brand increase. At low loyalty there was a little impact effects of increasing advertising carry over for a few months after advertising was reduced back to normal levels.

Verma and Verma (1979) conducted a study on buying behavior and brand switching in or cell batteries. It was found that there was no evidence of correlation between income and purchase of dry cell batteries. On the other hand, education affects the buying behavior. Good quality and durability were major in buying a brand. It was also revealed the reference groups, shopkeepers, news papers and magazines are major sources of information about the existence of a brand. Majority of respondents agreed to change the brand on quality ground and other few are change on price ground. So it is concluded that usually people don't switch to other brands till they are convinced with the quality of brand they are using.

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