

# International Journal of Advance Research in Computer Science and Management Studies

Research Article / Survey Paper / Case Study

Available online at: [www.ijarcsms.com](http://www.ijarcsms.com)

## *Customer Satisfaction of LIC and Bajaj Allianz Life Insurance in India*

**Quaseem Anwar**Department of Management,  
Magadh University, Bodhgaya, Gaya,  
Bihar, India.

**Abstract:** *This study analyzes the customer satisfaction of public and private life insurance company by using their marketing strategy. In this paper the researcher focus mainly on all the important aspects of life insurance marketing activity from a services perspective and highlights the contemporary marketing strategies and customer satisfaction adopted by the life insurance companies in India.*

**Key Words:** *Life Insurance, Bajaj Allianz Life Insurance, Marketing Strategy, IRDA, Customer Satisfaction.*

### I. INTRODUCTION

Marketing is a place; where the companies are plays an important role to attract the customer towards the product. The marketing managers utilize their skill to attract the customer and full fill their demand and desire. If company fulfil the customer's desire, the loyal customer must have retained towards satisfied service providers. Marketing strategies of Bajaj Allianz improve their market position and increase their sales numbers.

Every human being has the tendency to save, as protection against risks, losses or future events. Insurance is one form of saving. People can save their earnings in the form of gold, fixed assets, or in banking and insurance. All these savings represent a country's gross domestic savings. In India, although the savings rate is high, people prefer to invest either in gold or fixed assets in the hope of appreciating value. Hence the insurance sector is still virtually untapped in India.

At present, insurance is not only confined to the selling of products, advertisements and sales promotions it include consumer satisfaction. Marketing is a phenomenon which emphasizes making new customers and keeping existing customers.

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 centred on the key concept that customer satisfaction is the main goal.

Because of marketing's boundary orientation between the organization and its customers, channel members, and competition, marketing processes are central to the business strategy planning process. Strategic marketing provides the expertise for environmental monitoring, for deciding what customer groups to serve, for guiding product specifications, and for choosing which competitors to position against. Successfully integrating cross-functional strategies is critical to providing superior customer value. Customer value requirements must be transformed into product design and production guidelines. Success in achieving high-quality goods and services require finding out which attributes of goods and service quality drive customer value.

There are various insurance marketing strategies that can take any insurance company from ordinary level to success when utilised efficiently and effectively. It is quite difficult to enter into a new business climate and finding customers in hard work, but when equipped with effective marketing strategies, ideas and innovative techniques, can become extremely successful. There is need to contact sales intermediaries from time to time in order to make a vital connection with the business.

## II. LITERATURE REVIEW

The literature review analyzed various aspects of marketing strategies and attitude of the life insurance service providers. Our present study is going to discuss about the significance and impact of the marketing strategies with respect to customer awareness, creating new customer, creating value of the product and customer satisfaction, in other words seven P's. There is a lot of research done in the area of marketing strategies of life insurance companies with respect to financial performance premium collection and impact on the overall profitability of the company but research done in the area of marketing strategies of life insurance companies with respect to financial performance, premium collection and impact on the overall profitability of the company but I have not found work done in respect of customer awareness, creation, customer relevance and customer retention i.e. seven P's specifically.

Mossin (1968) and Pratt (1964) year 1985 Zilch and Karni, Lewis in the year 1989, In 1995, a scholar Berry, Rao in 2000, Tripti, in the same year in 2000, has analysed the level of insurance purchase. Mony in the year 2003 has provided the different perspective of insurance communities. Chadhak in the year 2004 has pointed out the importance of dynamic business strategies. Sharma has strongly argued about having companies and dynamic marketing strategies. Kapoor in the year 2004 has discussed the position of marketing and agents. Brown and Anderson in 2005 analyzed about the pooling factor. In the year 2005, a relevant scholar named as Salvi has examined the various merits of the life insurance companies as well as the customer. Ravichandran et.al in the year 2005, he argued about the Asian market. In the year 2007 has focused on the level of domestic condition and circumstances with an external factor which modifies and influenced the insurance companies. In the year 2008, Rao, has focused upon the level of the customer's choice. In the year 2008, Krishna has further examined in his article "Marketing of Insurance Services in India". He has traced to the history of the marketing and its relations between the growth of the public and private sector in the insurance market. However, in the year 2008, Krishna in his book has focused on the service sector which is related to the insurance corporation. However, in the year 2008, Krishna in his book has focused on the service sector which is related to the insurance corporation. However, in the year 2008, Krishna in his book has focused on the service sector which is related to the insurance corporation. In the year 2009, Gupta in his writing, has claimed that "Agency Business Model of Insurance Companies Competitive Strategies" he has examined the different mechanism of marketing strategy which has been adopted by the public as well as the private sector in the insurance market.

## III. SCOPE OF THE STUDY

The proper is directed towards life insurance industry, its operational strategies area covered, and the new market strategies adopted by the industries for increasing the volume of their business.

The scope of the study is restricted to the life insurance sector only. There are 24 life insurance companies present in the market. The Life Insurance Corporation (LIC) holds 64 percent of the market share. The business environment of the 21st century is changing drastically and needs more skilled, focused, professionals, self-motivated and goal oriented work force especially in insurance industry. The marketing in today's era is the backbone of the company and others department are dependent on this directly and indirectly. It is now a watchword in service industry and more and more focus is given to marketing strategies. The effective marketing strategies are directly correlated with the customer satisfaction. The better the marketing strategies will be adopted, the higher will be customer satisfaction level of the concerned company.

## IV. NEED OF THE STUDY

1. There is a need to understand the importance of marketing strategies adopted by life insurance companies in India.
2. The companies are designing various marketing strategies with the help of various promotional tools and try to create awareness among the potential customers for their insurance products.
3. There is a need to formulate effective marketing strategies to target potential customer and try to create new customers for the life insurance companies in India.

4. The life insurance companies are developing and implementing brand image and trying to stimulate their target audience to buy their products or services.
5. Due to various dynamic marketing strategies measures taken by life insurance companies, the customer is largely affected. It is important to find out the extent of impact on customer and his reaction due to such measures.
6. There is a need to find out the effect of marketing strategies and to study how they help to increase positive customer's satisfaction.

#### **V. OBJECTIVE OF THE STUDY**

1. To analyze the impact of Marketing Strategy on customer satisfaction of Bajaj Allianz Life Insurance and Life Insurance Corporation of India.
2. To study the causes of shifting of consumer preference for public to private companies.

#### **VI. HYPOTHESIS**

1. 1: There is no significant difference in customer satisfaction between Bajaj Allianz and LIC.
2. 2: There is no significant impact of elements of Marketing Strategy on customer satisfaction for Bajaj Allianz Life Insurance and Life Insurance Corporations of India.

#### **VII. CONCEPTUAL RESEARCH FRAMEWORK OF THE STUDY**

The basis of research paper is laid down by the help of conceptual framework of the study. The researcher has taken two life insurance companies to check the effectiveness of their marketing strategies in respect to customer satisfaction. The marketing mix is used by every company for their existence and to reach out to the customers. The 7 P's plays an important role in sustaining of the business organisation. With the help of five different independent variables based on 7P's, Customer Awareness, Customer Orientation, Customer Creation, Customer Relevance and Customer Retention, an attempt has been made to check the effectiveness of marketing strategies in respect of customer satisfaction, which is dependent variable. Each of the five independent variables consists of 22 different components which help in achieving the goal of the marketing strategies.

#### **Concept of Marketing**

There many definitions of marketing. Some of the better definitions are focused upon customer orientation and satisfaction of customer needs:-

According to Philip Kotler – Marketing is the social process by which individuals and groups obtained what they need and want through creating and exchanging products and value with others.

**According to P.F Drucke** – Marketing is not only much broader than selling, it is not a specialised activity at all it encompasses the entire business seen from the point of view of the final result, that is, from the customer's point of view. Concern and responsibility for marketing must therefore permeate all areas of the enterprise.

#### **VIII. FINDING**

The present study confirms that customer satisfaction is the most important aspect in the service industry in life insurance sector. The customer can be satisfied if the service provided is of qualitative nature. In terms of customer awareness and customer relevance, the customers are more satisfied with Bajaj Allianz. The customer orientation, customer creation and customer retention strategies of LIC are better than Bajaj Allianz Life Insurance. LIC customers are more satisfied than Bajaj Allianz customers in this respect.

According to combined every single dimension, the mean rating of the gap between customer perception and expectation of Bajaj Allianz is more than LIC which shows that the various marketing strategies adopted by LIC are satisfying more customers

than Bajaj Allianz . The overall satisfaction level can be judged from the three important dimension from life insurance markets point of view i.e., customer orientation, customer creation and customer retention. The Bajaj Allianz is adopting effective marketing strategies in respect of customer awareness and customer relevance as marketing strategies by adopting innovative technologies such as social media marketing, e-marketing, mobile apps marketing to capture the potential customers in the market. Bajaj Allianz Prudential is increasingly leveraging digital capabilities across the sales and marketing interactions with customers such as social media, internet and mobile.

There is a positive correlation between customer orientations, customer creation, and customer retention with customer satisfaction. So, the researcher has tested the better product orientation, effective ways of customer creation and increasing retention level of the customer and it ensures that the customer are satisfied with products and services of LIC then the private player Bajaj Allianz .The Bajaj Allianz is adopting various effective marketing strategies more aggressively day by day to capture the un-tapped life insurance market.

#### **IX. SUGGESTION**

- LIC and Bajaj Allianz Life insurance are having around 62 percent of life insurance market share; both should jointly start such a program to reach rural insurable peoples and insure them at low rate of premium with the help of government subsidy to increase the penetration and density level of Indian life insurance industry at the global scenario.
- Innovative products should be designed by Bajaj Allianz Life insurance according to the need of different segmentation of the customers through financial engineering to tap rural and social sectors.
- To retain existing customers and to attract potential customers, new product category should be offered by Bajaj Allianz Life insurance with new adds-on features to meet the changing demand of the customers and should also adopt attractive advertisements.
- LIC must adopt the technological dominance and electronic prevalence in the life insurance industry because the mobile, social media, electronic media and internet devices opens many new ways to interact with the customers effectively and efficiently.
- Bajaj Allianz Life insurance must adopt effective marketing strategies to capture the un-tapped rural market by providing life insurance at a nominal rate of premium by adopting relevant social/electronic media for wider penetration.
- Bajaj Allianz Life insurance must adopt customer retention strategies with persistency by fulfilling the expectations of the existing customers.
- To reach out maximum customers, LIC and Bajaj Allianz Life insurance should tie-up with different sectors like manufacturing, financial services and information technology to cover the life insurance needs of the customers.
- As the awareness level among the government officials for some life insurance policies like ULIP, Money back plan, Endowment plan, Children's plan, Term plan are very low, periodical awareness programs including seminars and conferences in the respective government officials with concurrence of higher officials should be conducted by LIC and Bajaj Allianz Life insurance.
- To improve the satisfaction level of existing customers and to avoid losing the potential customers. Periodical market surveys should be conducted from time to time by LIC and Bajaj Allianz Life insurance.

**X. CONCLUSION**

The present study is being conducted to examine the impact of marketing strategies on customer satisfaction of LIC and Bajaj Allianz. The study further examined the different marketing strategies adopted by LIC and Bajaj Allianz. The study is an attempt to identify the prevalent marketing strategies scenario then discuss issues that may arise for a specific life insurance company in marketing the LIC and Bajaj Allianz Life Insurance products. This study has been divided into seven broad chapters in order to summarize the entire research work. Each chapter has given information with respect to its title. The following are the summary information of each chapter.