



## **A STUDY OF MARKETING PRACTICES OF LIC AGENTS: AGENTS PERSPECTIVE**

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### **Abstract:**

An agent is a primary source for procurement of insurance business and as such his role is the corner stone for building a solid edifice of any life insurance organization. To effect a good quality of life insurance sale, an agent must be equipped with technical aspects of insurance knowledge, he must possess analytical ability to analyze human needs, he must be abreast with up to date knowledge of merits or demerits of other instruments of investment available in the financial market, he must be endowed with a burning desire of social service and over and above all this, he must possess and develop an undeterred determination to succeed as a Life Insurance Salesman.

**Key Words:** Salesman, LIC Agents & Policyholder

### **Introduction:**

Life Insurance Corporation of India (LIC) is a Government of India enterprise, and is said to be the largest life insurance company and also the largest investor of the country. It was founded in the year 1956 and has been serving people ever since. The main objective of this corporation was to spread awareness about the life insurance among the financially backward people as well as the urbanites. It gave you a way to save and buy affordable packages which would eventually be beneficial for you. LIC of India has made its mark in the country from years. The main headquarters of LIC is in Mumbai with approximately eight zonal units and over 2048 branches established across the country. It has subsidiary groups in more than twelve other countries with the same objective in mind. It has helped millions of lives in the past 55 years. This is possible due to continuous effort made by the insurance intermediaries. For life insurance agents play a predominant role in developing the LIC business. They act a limit behavior the company and the policy holder.

LIC agents helps the protect health, life and properties by helping the individuals and families their best Insurance policies available in the market. They recommend policies depending on the policyholder's extant and financial conditions. Insurance sales agents who work exclusively for one insurance company are referred to as captive agents. Independent insurance agents, or brokers, represent several companies and place insurance policies for their clients with the company that offers the best rate and coverage. In either case, agents prepare reports, maintain records, seek out new clients, and, in the event of a loss, help policyholders settle their insurance claims. Increasingly, some are also offering their clients financial analysis or advice on ways the clients can minimize risk.

### **Objective of the Study:**

A Study on Marketing Potential of LIC Agents Agent's Perspective

- To study the LIC agents background doing LIC business.
- To study the agents ideas preference towards LIC business.
- To study the marketing practices of LIC agents.
- To study the problems faced by LIC agents in developing business.
- To study the level of satisfaction among LIC agents regarding LIC business.
- To offer suggestion based on findings of the study.

### **Tools for Analysis:**

The following statistical tools were used in this study.

- Descriptive Analysis
- Chi-Square Analysis

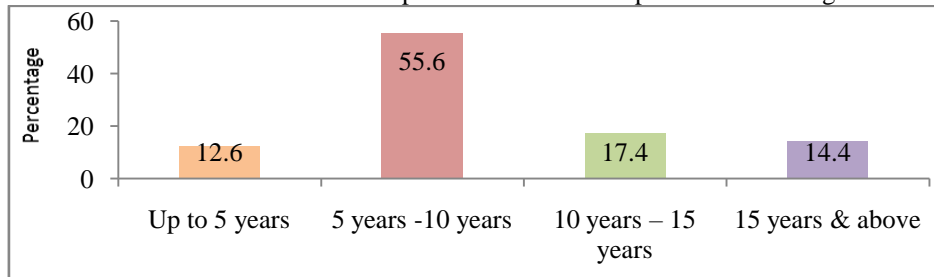
The Percentage/Descriptive analysis is a simple and basis tool to be used in any study involving primary data. It indicates the number of respondents distributed under each category. As it is indicated in percentage it facilitates comparison and suitable chart are drawn in improving the understanding of the reader.

The chi square analysis is an important technique used in social science to test the independence of two attributes. In other words it is used to test whether one factor has significant influence over the other. In this study the factors are classified under two categories such as personal factors and study factors. Each of the personal factors is compared with the study factors and the chi-square test is applied for their significance at 5% level. The result of the study is presented in suitable hypothesis followed by the relevant interpretations

**Experience:**

Chart 1 described the distribution of respondents based on their experience of the LIC agents. It is classified as Up to 5 years, 5 years -10 years, 10 years – 15 years and 15 years & above.

Chart 1: Distribution of the respondents based on Experience as LIC agents

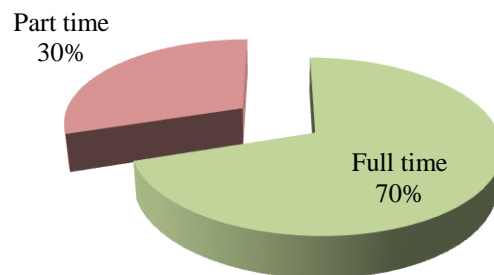


The chart 1 shows that out of the total respondents taken for the study 278(55.6%) of the respondents having 5 - 10 years' experience as a LIC agents, 87(17.4%) of the respondents having 10 -15 years' experience as a LIC agents, 72(14.4%) of the respondents having 15 years & above experience as a LIC agents and 63(12.6%) of the respondents having below 5 years' experience as a LIC agents. The results are presented in Chart 6 for easy understanding. It is concluded that the majority (55.6%) of the respondents having 5 -10 years' experience as a LIC agents

**Nature of Business:**

Chart 2 described the distribution of respondents based on their nature of business. It is classified as full time and part time

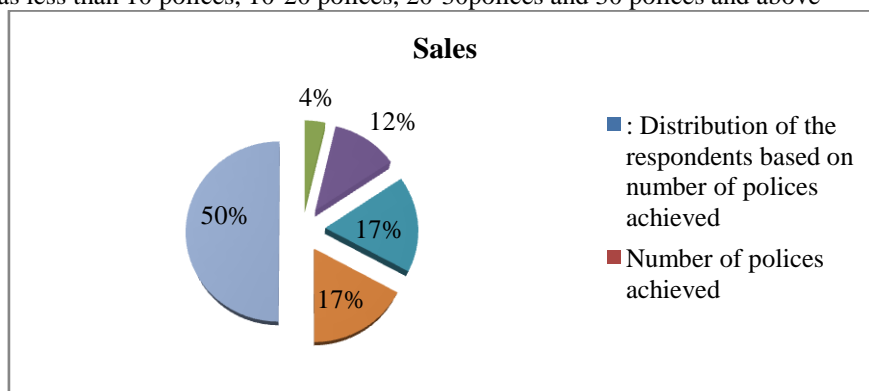
Chart 2: Distribution of the respondents based on nature of business



The chart 2 shows that out of the total respondents taken for the study 350(70.0%) of the respondents are doing full time business and 150(30.0%) of the respondents are doing part time business. The results are presented in Chart 6 for easy understanding. It is concluded that the majority (70%) of the respondents are doing full time business.

**Number of Polices Achieved:**

Chart 3 described the distribution of respondents based on number of polices achieve in financial year. It is classified as less than 10 polices, 10-20 polices, 20-30 polices and 30 polices and above

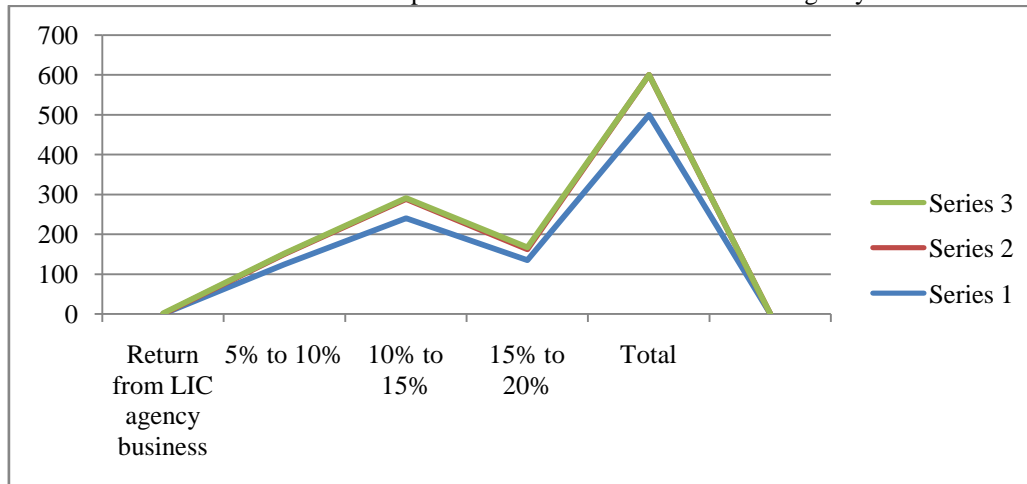


The chart 3 shows that out of the total respondents taken for the study 173(34.6%) of the respondents achieved 20-30 polices in financial year, 171(34.6%) of the respondents achieved 30 and above polices in financial year, 119(23.8%) of the respondents achieved 10-20 polices in financial year and 37(7.4%) of the respondents achieved less than 10 polices in financial year. It is concluded that the most (34.6%) of the respondents achieved 20-30 polices in financial year

**Return from LIC Agency Business:**

Chart 4 described the distribution of respondents based on their return from LIC agency business. It is classified as 5% to 10%, 10% to 15% and 15% to 20%.

Chart 4: Distribution of the respondents based on return from LIC agency business



The chart 4 shows that out of the total respondents taken for the study 240(48%) of the respondents are get 10% to 15% return from LIC business, 135(27%) of the respondents are get 15% to 20% return from LIC business and 125(25%) of the respondents are get 5% to 10% return from LIC business. It is concluded that the most (48%) of the respondents are get 10% to 15% return from LIC business.

**Customers Approach for the LIC Business:**

Chart 5 described the distribution of respondents based on approach a customer for other than LIC business. It is classified as cold canvas, advertisements, friends & relations and referrals from customers.

Chart 5: Distribution of the respondents based on Customers approach for the LIC business

Approaches	Number of Respondents	Percentage
Cold canvas	136	27.2
Advertisements	157	31.4
Friends & relations	176	35.2
Referrals from customers	31	6.2
Trade fairs, Exhibitions	-	-
Others	-	-
Total	500	100.0

The chart 5 shows that out of the total respondents taken for the study 176(35.2%) of the respondents are approach by way of friends & relatives, 157(31.4%) of the respondents are approach by way of advertisements, 136(27.2%) of the respondents are approach by way of Cold canvas and 31(6.2%) of the respondents are approach by way of Referrals from customers. It is concluded that the most 176(35.2%) of the respondents approach by way of friends & relatives.

**Chi- Square Analysis:**

The chi square analysis is an important technique used in social science to test the independence of two attributes or factors. In other words it is used to test whether one factor has significant influence over the other. In this study the factors are classified under two categories such as personal factors and study related factors each of the personal factors is compared with the study related factors and their significance is ascertained. The various study related factors considered are

- Median of advertisement.
- Number of polices achieve in the financial year.
- Return from LIC agency business.
- Approach customer for other than LIC business.
- Approach to the customer in LIC business.
- Customize the customer.
- Reasons for the customers prefer LIC than private players.

The results are presented with suitable hypothesis and relevant interpretation

**Personal Factors and Approach to the Customer in LIC Business:**

**Hypothesis:** The personal factors of the respondents have no significant influence on the approach to the customer in LIC business. The table 1 describes the results of chi-square analysis in terms of personal factors, chi-square values, p values and the significance on the approach to the customer in LIC business.

Table 1: Personal factors and Approach to the customer in LIC business

Personal Factors	Chi-Square Values	p Values	Significant / Not Significant
Gender	34.63	0	S
Age group	92.315	0	S
Educational status	158.346	0	S
Income level	154.175	0	S
Marital status	48.069	0	S
Experience	213.549	0	S
Nature of business	89.079	0	S
Type of Full time business	153.849	0	S

Note: S – Significant (p value  $\leq 0.05$ )      NS – Not Significant (p value  $> 0.05$ )

It is found from the table 1 we observe that the hypothesis is rejected (significant) in all cases. It is concluded that all personal factor of the respondents have significant influence on approach to the customer in LIC business.

**Personal Factors and Reasons for the Customers Prefer LIC than Private Players:**

**Hypothesis:** The personal factors of the respondents have no significant influence on reasons for the customers prefer LIC than private players. The table 2 describes the results of chi-square analysis in terms of personal factors, chi-square values, p values and the significance on reasons for the customers prefer LIC than private players.

Table 2: Personal factors and reasons for the customers prefer LIC than private players

Personal Factors	Chi-Square Values	p Values	Significant / Not Significant
Gender	8.965	0.011	S
Age group	12.343	0.055	NS
Educational status	70.424	00.000	S
Income level	226.493	00.000	S
Marital status	11.841	0.003	S
Experience	86.021	00.000	S
Nature of business	18.654	00.000	S
Type of Full time business	24.921	0.002	S

Note: S – Significant (p value  $\leq 0.05$ )      NS – Not Significant (p value  $> 0.05$ )

It is found from the table 2 that the hypothesis is rejected (Significant) in seven cases and the hypothesis is accepted (Not significant) in one cases. It is concluded that gender, educational status, income, marital status, experience, nature of business and type of full time business of the respondents have significant influence on the reasons for the customers prefer LIC than private players.

**Personal Factors and Type of the Problem from LIC Business:**

**Hypothesis:** The personal factors of the respondents have no significant influence on the type of the problem from LIC business. The table 3 describes the results of chi-square analysis in terms of personal factors, chi-square values, p values and the significance on the type of the problem from LIC business.

Table 3: Personal factors and type of the problem from LIC business

Personal Factors	Chi-Square Values	p Values	Significant / Not Significant
Gender	37.783	00.000	S
Age group	54.473	00.000	S
Educational status	39.985	00.000	S
Income level	65.055	00.000	S
Marital status	4.142	0.126	NS
Experience	76.236	00.000	S
Nature of business	28.059	00.000	S
Type of Full time business	48.131	00.000	S

Note: S – Significant (p value  $\leq 0.05$ )      NS – Not Significant (p value  $> 0.05$ )

It is found from the table 3 that the hypothesis is rejected (Significant) in seven cases and the hypothesis is accepted (Not significant) in one cases. It is concluded that gender, age, educational status, income, experience, nature of business and type of full time business of the respondents have significant influence on the type of the problem from LIC business.

**Findings:**

- Majority (55.6%) of the respondents having 5 -10 years' experience as a LIC agents.
- Majority (70%) of the respondents are doing full time business
- Most (34.6%) of the respondents achieved 20-30 polices in financial year.
- Most (48%) of the respondents are get 10% to 15% return from LIC business

- Most (35.2%) of the respondents are approach by way of friends & relatives.
- All personal factors of the respondents have significant influence on approach to the customer in LIC business.
- Gender, educational status, income, marital status, experience, nature of business and type of full time business of the respondents have significant influence on the reasons for the customers prefer LIC than private players.
- Gender, age, educational status, income, experience, nature of business and type of full time business of the respondents has significant influence on the type of the problem from LIC business

**Conclusion:**

The growth of the insurance business is solely depends on the effective participation of the insurance brokers popularly called as agents. It is evident that these agents act as ambassadors in building confidence to the customers and make them to involve in the insurance process. LIC agents also play a vital role in marketing of LIC policies to the customers. They stand as the bridge between the customers and the company and has played a monopoly role till 1991. After the private players arrival, there were new customer to private insurance but the growth of LIC insurance business is slow. This can be improved by means of identifying the agents need for improving the business. If the suggestion given in the studies is executed with adequate care, then the LIC will reach the new heights and the agents will also progress for the prosperity of them and also for the industry

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