CUSTOMERS' SATISFACTION TOWARDS JEEVAN MADHUR PRODUCT OF LIC IN KERALA

Limna. M[1] & P. V. Basheer Ahammed[2]

[1]*Research Scholar, Pocker Sahib Memorial Orphanage College, University of Calicut, Tirurangadi, India*

[2]*Associate Professor(Retd) & Research Guide, Pocker Sahib Memorial Orphanage College., University of Calicut, Tirurangadi, India*

ABSTRACT

The insurance industry is the promising financial services in India. It has gone through big changes over the past decades. LIC of India vision 2020 is to have a 'policy in every pocket'. Micro-insurance is one of the key elements of financial service package of Government of India. Promising satisfaction to a rural and urban people in the weaker section is a difficult task. Satisfaction is an important highlight in insurance products and it leads to the growth of the business. In this context, the study aims at finding out the satisfaction level of Jeevan Madhur policyholders of LIC in Kerala. The primary data was collected by using the structured interview schedule.

KEYWORDS: *Customer Satisfaction, Financial Inclusion, Life Micro Insurance*

INTRODUCTION

In India, many of them face uncertainty and risk and it is spreading widely throughout a group of people mainly the world's poorest people living in rural and urban areas. An unexpected disaster, such as an illness or natural disaster, can strike at any time. In the case of poorest people, the vulnerability to these shocks is very serious. Because of these situations, they do not have interest and ability to take advantage of income-generating opportunities which could be way out of poverty.

Financial inclusion is an important agenda of the Government of India and it enacted a number of schemes for the improvement of rural and urban poor's in India. Micro-insurance is one of the elements in the financial service package for the upliftment of rural people under the financial inclusion scheme.

LIC nationalized in 1956 and enjoyed the monopoly till the 1990s. Insurance Regulatory and Development Authority of India (IRDA) incorporated as a statutory body on 1st April 2000 by the recommendation of Malhotra Committee. IRDA regulation insists insurance companies should follow the obligations towards the rural and social sectors. Regulations on micro-insurance were officially gazetted by the IRDA on 30 November 2005. IRDA issued various regulations for the smooth running of the micro-insurance business in India. Hence LIC introduced individual life micro-insurance in 2006 with Jeevan Madhur policy. Later it has introduced many life micro-insurance products.

But Jeevan Madhur captured the market than other products of LIC. At present LIC's micro-insurance policies in a growing stage and it has a huge scope for future.

A comprehensive definition of Customer satisfaction in term of agreeable fulfillment is given by Oliver. Satisfaction is the Customer's fulfillment response. It is a sentence that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under-or over fulfillment.

Jeevan Madhur has been introduced by LIC on 28th September 2006. It was the first product introduced as an individual case in the micro-insurance product. It is a simple saving insurance policy. Customers can pay premium regularly at weekly, fortnightly, monthly, quarterly, half-yearly or yearly intervals. Rs. 25 is the minimum premium amount per week, Rs. 50 per fortnightly, Rs. 100 per month and Rs. 250 per quarterly pay by the policyholder to the company. Rs. 5000 is the minimum amount of cover and Rs. 50000 is the maximum amount of coverage.

STATEMENT OF THE PROBLEM

A census report 2011 shows that around 70% of Indian populations is living in rural areas. In an effect to ensure a balanced and speedy expansion of insurance coverage, the IRDA has put in place the regulatory framework laying down the obligation of insurers to the rural or social sectors. These regulations impose an obligation on insurers towards the rural population. So many companies are launching a micro-insurance product to fulfill their social obligation. In Kerala, majority of the people are living in rural areas. Hence, their upliftment is a very important thing. LIC is having the monopoly power of micro-insurance products in Kerala. Private insurance companies are not active in a good manner in product selling. In LIC's case, the micro-insurance products are growing in a positive way but in a slow manner. In this context, it is very important to know about the customer's satisfaction towards the one of the active product i.e., Jeevan Madhur of LIC. Customer satisfaction is a must to the sustainability of the company. In this context, following question has been raised from customer' perspective

- What is the level of customers' satisfaction towards Jeevan Madhur products of LIC?

IMPORTANCE OF THE STUDY

The risk is pervasive in the lives of poor and low- income groups. Uninsured risk leaves many poor households more vulnerable to the losses from negative shocks. Micro-insurance has drawn the attention of policymakers, insurers, business leaders and others in recent years. The satisfied customers create mouth advertisement and keep loyalty. Hence, insurer wants to know customers are satisfied or not. It creates a potential market for business and it leads to the upliftment of weaker sections. Hence, the study will benefit the insurers. In this context, the study is very important.

REVIEW OF LITERATURE

- Nidhi (2013), in her study, mentioned that micro-insurance expected to play a crucial role in mitigating risks arising out of unforeseeable natural calamities and other disasters and thus help in poverty reduction in rural India.

- Amrutha (2016), examined the life micro-insurance satisfaction among policyholders in Karnataka. It showed that policyholders satisfied with the services provided by the company. Because of unavailability of the loan in life insurance, the policyholders did not recommend this to others.

- Ratna (2013), stated that micro-insurance boost resources for the rural poor, governments and the private sector. The study declared that micro-insurance play a very important role in India's poverty reduction strategy, investment, savings and as a measure of social security.

- Namrata Anand (2013), focused micro-insurance at the macro level and found out the reason for slow growth of micro-insurance in rural areas. The study revealed that very low number of insurance branches worked in rural areas and the companies didn't establish in rural areas in a good manner. So the low number of branches in rural areas created the demand-supply gap in the case of micro-insurance. This leads to the low growth of micro-insurance in rural areas and it affected the people growth potential in a high manner.

SCOPE OF THE STUDY

The scopes of the study contain the LIC's Jeevan Madhur product only. This policy is an individual life micro-insurance of LIC. Hence, individual customers are included. The study is restricted to Kerala state.

OBJECTIVE OF THE STUDY

- To examine the customers' satisfaction towards Jeevan Madhur product of LIC.

HYPOTHESES OF THE STUDY

The following hypotheses were developed and tested with the help of suitable statistical tools.

- There is no significant relationship between customers' satisfaction and their amount of cover.

- There is no significant difference between male and female respondents with regard to the customers' satisfaction of Jeevan Madhur products of LIC.

- There is no significant difference between rural and urban respondents with regard to the customers' satisfaction of Jeevan Madhur products of LIC.

METHODOLOGY AND DATABASE

The study was conducted in descriptive in nature and using both primary and secondary data. The stratified random sampling method was used for the collection of data. Kerala state is divided into three zones; South, Central and Northern region. From each region, one district was selected at random. Seventy respondents each are taken from selected districts. The survey sample consists of LIC's Jeevan Madhur customers in Kerala. A structured interview schedule was used to collect data. The sample size is 210. Different statistical tools used for the study like correlation, regression, and independent sample t-test.

ANALYSIS OF DATA AND INTERPRETATION

Correlation between Customers' Satisfaction and their Amount of Cover Decision

The intention behind correlation is to check whether there is any relation between customers' satisfaction and their amount of cover decision making. For this purpose following hypothesis was formulated:

Ho: There is no significant relationship between customers' satisfaction on their amount of cover decision.

Table 1: Correlation of Customers' Satisfaction with Sub Dimensions

Sub Dimensions	Correlation
Premium	0.777**
Risk protection	0.663**
Savings & Return	0.450**
Safety & Liquidity	0.758**

**Significant at 0.01 levels.
Source: Computed from Primary Data

It is clear from the table 1 that, the premium is the most influencing factor of customers' satisfaction with a correlation coefficient of 0.777 followed by safety and liquidity (correlation coefficient 0.758). Savings and return is the least influencing factor of customers' satisfaction with a correlation coefficient of 0.450. It denotes that customers are not satisfied with the return of the policy.

In order to understand the influence of customers' satisfaction towards Jeevan Madhur product on their decision in the amount of cover, regression analysis was used to test the hypothesis. In order to conduct the analysis, the mean score of each dimension was calculated by adding the mean scores of corresponding statements in each dimension. The following table depicts the results.

Table 2: Influence of Satisfaction on Amount of Cover Decision

Independent Variable	Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
Perception of Customers	634.423	25.967	0.861	24.432	0.000
Adjusted R^2 = .740					

** Significant at 0.01 levels.
Source: Computed from Primary Data

From the regression analysis (table 2), it is clear that the amount of cover of customers is much influenced by their satisfaction at 1 percent level of significance. The standardized regression coefficient is 0.861 and adjusted R^2 is 0.740. The significant value is 0.000 and it is less than0.01 and rejects the null hypothesis. Hence, it can conclude that there is a positive relationship between investors satisfaction on the amount of cover decision.

Overall Satisfaction with Jeevan Madhur Product of LIC

The customers' satisfaction on Jeevan Madhur product of LIC is analyzed by focusing on 4 variables: Premium, Risk protection, Savings & Return, and Safety & Liquidity. Following table consolidates the customers' satisfaction on these variables.

Table 3: Overall Satisfaction with Jeevan Madhur Product of LIC

Sub Dimension of Satisfaction	N	Mean	S.D.
Premium	210	3.10	1.030
Risk protection	210	1.76	0.915
Savings & Return	210	2.17	0.969
Safety & Liquidity	210	2.95	1.100
Overall Satisfaction	**210**	**2.50**	**0.669**

Source: Computed from Primary Data

Table 3 reveals that a summary of the analysis of satisfaction on Jeevan Madhur product of LIC. The aggregate value of satisfaction on Jeevan Madhur product of LIC denotes that customers are not satisfied with the product. The variable-wise analysis shows that the respondents are satisfied with the premium variables (Mean Score 3.10).

Their satisfaction level is low about the safety and liquidity variable, savings and return, and risk protection variables. It means, insurers can take more steps to increase policy satisfaction (Mean Score 2.50, Std. Deviation 0.669).

Gender-wise Comparison on Customers' Satisfaction of LIC

The intention behind gender-wise comparison is to check whether there is any difference in the male and female respondents' satisfaction. For this purpose following hypothesis was formulated:

Ho: There is no significant difference between male and female respondents with regard to their product satisfaction.

The Independent sample t-test was used for testing the hypothesis, and the result is presented in the following table.

Table 4: Gender-wise Comparison on Customer Satisfaction of LIC

Variables	Gender	N	Mean	S.D.	t value	P value
Premium	Male	77	1.67	.881	-1.122	.217
	Female	133	1.82	.933	-1.139	
Risk protection	Male	77	2.28	1.054	1.229	.026
	Female	133	2.11	.914	1.183	
Savings & Return	Male	77	2.97	1.106	.252	.986
	Female	133	2.93	1.101	.252	
Safety & Liquidity	Male	77	2.9643	1.04874	-.627	.249
	Female	133	3.0545	.97766	-.616	
Customer Satisfaction	**Male**	**77**	**2.4716**	**.64160**	**-.072**	**.351**
	Female	**133**	**2.4784**	**.67015**	**-.073**	

Source: Computed from Primary Data

From the table 4, it is observed that the P values of all the variables are greater than 0.05 (at 5% significance level) except risk protection. The overall satisfaction of Jeevan Madhur products of LIC is greater than 0.05 (at 5% significance level). Therefore, the null hypothesis was accepted and the alternative hypothesis was rejected. So, it is found that there is no significant difference between male and female respondents with regards to their product satisfaction.

Area-wise Comparison on Customer Satisfaction of LIC

Area-wise comparison of will help to understand whether there is any difference in the satisfaction of Jeevan Madhur products of LIC in rural and urban areas. For this purpose following hypothesis was formulated:

Ho: There is no significant difference between rural and urban respondents with regard to their product satisfaction.

The Independent sample t-test was used for testing the hypothesis, and the result is presented in the following table.

Table 5: Area-wise Comparison on Customers' Satisfaction of LIC

Variables	Area	N	Mean	S.D.	t value	P value
Premium	Rural	168	3.02	1.045	-2.196	.051
	Urban	42	3.41	.915	-2.379	
Risk protection	Rural	168	1.65	.850	-3.791	.014
	Urban	42	2.23	1.027	-3.385	
Savings & Return	Rural	168	2.14	.973	-.988	.835
	Urban	42	2.30	.951	-1.002	
Safety & Liquidity	Rural	168	2.88	1.086	-1.917	.782
	Urban	42	3.24	1.123	-1.878	
Customer Satisfaction	**Rural**	**168**	**2.42**	**.647**	**-3.311**	**.607**
	Urban	**42**	**2.79**	**.681**	**-3.209**	

Source: Computed from Primary Data

From the table 5, it is observed that the P values of all the variables are greater than 0.05   (at 5% significance level) except risk protection. The P values of overall satisfaction are greater than 0.05   (at 5% significance level). Therefore, the null hypothesis was accepted and the alternative hypothesis was rejected. So, it is found that there is no significant difference between rural and urban respondents with regards to their product satisfaction.

CONCLUSIONS

Micro-insurance penetration is low in India. The success of life micro-insurance business mainly depends on the satisfaction level of customers regarding the products. This study found that the customers are satisfied with the policy premium only. The proven hypotheses say that there is a positive relationship between investors satisfaction on their amount of cover decision. There is no significant difference between customers' satisfaction with regard to their gender-wise and area wise. LIC roper should take more concentration of policy making and should take proper strategies and adopting for increasing customer satisfaction.

REFERENCES

1. *Nidhi Choudhari (2013), Micro-insurance concept, Performance and challenges, The Indian Banker, Vol. VII, No. 8.*

2. *Amrutha Varshini V. (2016), Performance of micro-insurance schemes in Karnataka, Ph. D Thesis, Department of Studies in Commerce, Manasagangotri, Mysore.*

3. *N. Ratna Kishore (2013), Micro Insurance in India- Protecting the poor, ISSN No: 2319- 5614, Vol- 2, No- 3, Journal of Business Management and Social Sciences Research (JBM and SSR).*

4. *D. Shreedevi & D. Manimegalai, A Comparative Study of Public and Private Non- Life Insurance Companies in India, International Journal of Financial Management (IJFM), Volume 2, Issue 1, January-February 2013, pp. 13-20*

5. *Namrata Anand (2013), "Micro Insurance And Vulnerable Section Of Society: An Analytical Study", Masters of Philosophy, Department of Economics, Dayalbagh Educational Institute (Deemed University), Dayalbagh, Agra-282005.*

6. *www.irda.gov.in*

7. *www.licindia.com*

8. *www.microinsuranceacademy.com*

9. *www.microinsurancenetwork.org*

10. *www.microsave.org*

11. *www.google.com*

12. www.censusindia.gov.in