



Attitude of Insured on Agents and Promotional Activities of Life Insurance Companies

(A Study in East Godavari District, Andhra Pradesh)

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Abstract

*Life Insurance is conceptual and intangible in its nature and it is not understood by majority of the Indian population. Even though every insurer knows that it is not bought and it has to be sold, there is a lot of gap among promotional activities and advisors (agents). Hence it caused complications in marketing its products. Making the uneducated, rural and economically backward people to understand the insurance concept is a challenging task. Insurers may succeed if they develop separate strategies for each segment. **Promotional activities** and **agents** of life insurance companies is all about to inform, bringing awareness, develop belief, to reinforce trust etc. in the minds of the consumers by using tools such as advertising, public relations, displays, word of mouth, sales promotion, personal selling etc. Promotion bring positive attitude or may cause negative attitude so knowing the feelings of respondents found essential. Today customers are more informed with number of options, even still majority of the customers trusts only LIC. Therefore it is the duty of all insurers to study the **attitudes** of customers on their agents and promotional activities to **reinforce trust** in the customers.*

Key words: *Life Insurance, Product Awareness, Agents, Promotional Activity*

Introduction

Every consumer has a vast number of attitudes towards products, services, advertisements etc. We are being asked to express our attitudes i.e. whether we like it or not. Within the context of consumer behaviour an appreciation of prevailing attitudes has considerable

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strategic merit. In order to get the heart of what is driving consumer behaviour; attitude research has been used to study a wide range of strategic marketing questions. Consumer researchers assess attitudes by asking questions or making inferences from behaviour. It is a hypothetical construct that represents an individual's like or dislike for an item. Attitudes are positive, negative or neutral views of an "attitude object": i.e. a person, behaviour or event. People can also be "ambivalent" towards a target, meaning that they simultaneously possess a positive and a negative bias towards the attitude in question.

The quest for security has been a major motivating force in the progress of mankind. The early societies looked up to their families and tribes for providing the security, which resulted in cohesive units. Gradually life style has changed and man progressed into a more modern industrialized setup, as a result this cohesiveness of the family vanished. One had to look for other ways of providing economic security and for that led to the invention of "insurance". The drive towards globalization in the insurance industry shows no signs of slowing. Faster growth in emerging markets when compared to industrialized countries shows a decline in protectionism world wide and the privatization of pension plans are among the factors leading insurance companies to invest internationally. Modern day insurance has evolved into a multifaceted and complex industry involving an array of divergent products and services. The current insurance industry landscape is characteristically hybrid in nature, offering everything from health and life insurance to property and casualty. Life insurance is one of the most popular savings/ investment vehicles. Ironically it's probably the least understood too. An insurance policy offers much more than just tax planning and investment returns. Once a company sells a Life insurance then the company remains legally entitled to make payment to the beneficiary after the death of the policy holder and also it offers the ability to plan for unforeseen events that could affect the policyholders' family's financial problem adversely.

Life Insurance

Insurance is as old as human civilization and thousands of years ago people in a community pooled a part of their resources to be used by the member who suffered loss. Moses told the people of Israel to contribute periodically for “The alien resident and the fatherless child and the widows” much before Moses, the code of Hammurabi of Babylonia talked about a form of insurance for ship owners who took loans to finance their voyages. The first known welfare programs with elements of life insurance are the Roman Collegia which dates back to 133 AD. In 12 AD Century the basic concept of insurance was born in the marine class in Italy, so the origin of personal insurance is mostly attributes to the Greek societies. In 1660 AD London met with a great fire accident and it was named as ‘The Great Fire of London’ from the ashes the concept of insurance was born in London. In 17th century the concept of insurance began in US. Where as, in India the British company named ‘The Oriental Life Insurance Company’ setup in 1818 AD. Before insurance act there were three types of insurance players:

- a) Indian insurance companies operating in India.
- b) Foreign insurance companies operating in India and
- c) Indian insurance companies operating in foreign countries.

In 1912 the Indian Life Insurance Company Act was formed and only Indian insurance companies remained. All life insurance companies were merged and nationalized in 1956 and named as ‘Life Insurance Corporation’. In 1993 Malhotra committee conducted a study and suggested IRA, which passed a Bill in parliament on December 1999, and renamed it as IRDA. In April 2000, IRDA body was incorporated. Again from 2001 private insurance players started selling its policies. India is having a history of more than 180 years. Only from few years ‘term’ policies are available. Still the companies are not promoting this product and even agents also not preferring to sell these products as it is not giving high commission when compared to endowment and money back policies. Before privatization Indian market penetrated by 5 per cent and by 2005-2006 it is under penetrated by 25-27 percent and now it is in between 27-29 percent. In the 2009 GDP the share of life insurance sector is 4.1 percent.

Contemporary Strategies of Life Insurance Companies

Life insurance industry in India is now growing at a fast pace from the last decade. Out of 22 players in the life insurance industry 18 players have taken the path of **strategic alliance** to achieve competitive superiority and to retain the gained competitive advantage. Even though all the companies are coming with innovative product strategies, pricing strategies, promotional strategies, distribution strategies and services still they are grappling with the right marketing strategies for reaching potential customers. Some of the contemporary strategies of Indian life insurance companies are Price Bundling and Product Bundling, Product Advertisement, Channels, Service etc. among which Price Bundling and Product Bundling are prominent among different sales strategies. **Price Bundling** offers multiple related products at a price less than the combined price offering price advantage to the consumer. **Product Bundling** offers increased value to the base component. Inseparable and dependent supplementary benefits such as accelerated death benefit or premium waiver represent Product Bundling, whereas additional Riders like accidental death benefit and critical illness are that of Price Bundling. Individual companies are designing composite products within broad parameters and branding as micro-insurance products. A single agency system can sell these packaged composite products. To meet the varying needs of various individuals, the insurance players have a vast variety of products in their bouquet. Almost all the companies are combining features of a number of products together and offering to customers to choose the most suitable product for themselves. Thus the products are customized to suit the customer as per their needs.

The promotional activities of life insurance companies are classified as **Institutional Advertisements** and **Insurance Advertisements**. The success of sales communication depends on public confidence and the faith. All the insurers are trying to adopt honest and fair practices in the market-place and avoid practices that tend to impair the confidence of the public. The concept of insurance and various insurance products are very difficult for the public to understand and evaluate. Hence they are trying to use transparent, fair and relevant publicity material in their advertising. The code of conduct of life insurance

companies is prescribed by the Advertisement Standards Council of India.

The distinction of channels in the developed markets is: personal distribution systems and direct response systems. **Personal distribution systems** include all channels like agencies of different models and brokerages, bancassurance, and work site marketing. **Direct response distribution systems** are the method whereby the client purchases the insurance directly. This segment, which utilizes various media such as the Internet, telemarketing, direct mail, call centers, etc., is just beginning to grow. To reach out to the consumers, the companies in the industry today have widened their distribution channels by approaching prospective customers through agents, brokers and **bancassurance**. With Information Technology revolutionizing the financial sector, another channel has been made available for selling which is the internet. ICICI Prudential offers Insta-insurance through which a client can chose an insurance policy in mere 10 minutes. Similarly other players have also been pushing their products through the internet.

Need for the Study

Even though insurance industry was privatized and with the immense competition around, the Indian market remains under penetrated with 27-29 per cent. It means the insurers do not identify the factors' influencing the buying behaviour of the consumers. There are so many factors, which affect the consumer behaviour besides, which attitude plays a vital role in influencing the buying behaviour of consumers. The attitude varies with age, gender, education, social class, geographical area, etc. If the attitudes of the consumers are assessed by the insurer properly he can change or promote his products efficiently according to the needs and wants of the consumers. The common attitude of the people towards insurance is, insurance is only a urban phenomenon, it is only meant for the rich, it is a form of saving and investment, and it is a product which gives money after death only etc. The insurer has to plan and design his products and promotional strategies to change the attitudes, which will definitely help in increasing the sales of policies Every person needs insurance to

overcome the any unforeseen financial problems to the family, but so many people in the urban, rural and tribal areas are deceived by the private banks, agents etc, due to these factors customers are having negative attitude towards private organizations. These are the few things, which made me to do a study on attitude of Customers towards life insurance.

Scope of the Study

This study aims to forge the way in relation to how future studies are conducted on the affect of attitude of insured on promotion and agents on buying behavior of life insurance products, in terms of depth and content. Specifically this study contributes to know the inner feelings of insured people of East Godavari District in Andhra Pradesh. For this study the selected geographical regions are Urban, Rural, and Tribal, where this topic is studied for the first time in Coastal area of Andhra Pradesh.

Objectives of the Study

The study examines the issues relating to the promotion and agents activities. The study designed with the following objectives.

- ❖ To evaluate the attitudes of insured towards the promotional activities of private insurers and LIC
- ❖ To evaluate the attitudes of insured towards the complexity of the advertisements in understanding
- ❖ To evaluate the performance of Media in creating awareness and need
- ❖ To evaluate the attitudes of insured towards the Personal selling of private insurers and LIC
- ❖ To know the level of grievances with agents
- ❖ To evaluate the attitudes of insured on level of the insurance agents' competency and training
- ❖

Methodology of the Study

This research is embodied with both primary and secondary data. As far as secondary data is concerned they were sought from various books, journals, magazines, news papers, periodicals, unpublished

sources, internet etc. The study also embodied a sizeable primary data, which was collected by way of canvassing a questionnaire amongst selected sample of respondents through personal interviews. The data was collected in Urban, Rural and Tribal areas of East Godavari District in Andhra Pradesh. The selection criteria are based upon the data availability, convenience to access and the level of participation.

Sample Selection

The Multi stage sampling technique was used in selecting respondents. The respondents were interviewed in person and were asked to respond to the questionnaire. The field survey for primary data collection was conducted in three different phases. In the first phase, a pilot survey was conducted to prepare a prototype questionnaire, in the second phase, questionnaire was tested and finalized. In the third phase, final field survey had been conducted by administering the finalized questionnaire to the sample respondents. Besides field survey for primary data, literature surveys were also conducted simultaneously along with field surveys and there by sought required secondary data. It is essential that the individuals included in the survey are representatives of the total population from which they are taken as this helps to generalize the findings of the study. For the present study a total sample size of 1200 was taken in which, 400 respondents were covered in each of the geographical segments. The sample selected was to know the attitudes of insured and uninsured people. Almost equal number of respondents in the age group, across different income levels, employment and education were taken. This was done to make sure that it was a representative sample.

Table 1.1
Particulars of Sample

Area	Towns/Villages	Objective	Selection	Sample
Urban	1.Kakinada 2.Rajahmundry	To know the urban people	Multi stage sampling	400

		attitude towards life insurance		
Rural	1.Korukonda 2.Jaggam peta 3.Malkipuram 4.Razole	To know the rural people attitude towards life insurance	Multi stage sampling	400
Tribal	1.Rampachodavaram 2.Addateegala 3.Maredumilli 4.Y.Ramavaram	To know the Tribal people attitude towards life insurance	Multi stage sampling	400

This paper gives meticulous attention on the attitudes of insured towards the promotional activities and competencies of agents of life insurance companies.

Method Adopted for Statistical Data Analysis

Primary data were entered using SPSS (spell out acronym) software and STATISTICA. Uni-variate and bi-variate tables were generated and F-tests, mean scores and percentage were carried out for testing the hypotheses.

A. The F-test or the variance ratio test

The F- test is named in honor of the great statistician R.A. Fisher. The object of the F- test is to find out whether the two independent estimates of population variance differ significantly, or whether the two samples may be regarded as drawn from the normal populations having the same variance. For carrying out the test of significance, the F ration is calculated. F is defined as

$$F = \frac{S_1^2}{S_2^2}, \text{ where } S_1^2 = \frac{\sum_{i=1}^{n_1} (X_i - \bar{X}_1)^2}{n_1 - 1},$$

$$S_2^2 = \frac{\sum_{i=1}^{n_2} (Y_i - \bar{Y})^2}{n_2 - 1}$$

It should be noted that S_1^2 is always the larger estimate of variance, i.e., $S_1^2 > S_2^2$

$F = \frac{\text{Larger estimate of variance}}{\text{Smaller estimate of variance}}$

$V_1 = n_1 - 1$ and $V_2 = n_2 - 1$

V_1 = Degrees of freedom for sample having larger variance.

V_2 = Degree of freedom for sample having smaller variance.

The calculated value of F is compared with the table value for V_1 and V_2 at 5% or 1% level of significance. If the calculated value of F is greater than the table value, then the F ratio is considered significant and the null hypothesis is rejected. On the other hand, if the calculated value of F is less than the table value the null hypothesis is accepted and it is inferred that both the samples have come from the population having the same variance. ANOVA test have been used to state the relationship between the attitudes of respondents in urban, rural and tribal areas. Likert's five point scaling technique has been applied to find out the opinions of respondents. Semantic differential scale was used to measure the agents' training and competency level.

Hypothesis of the Study

H₁ : The promotional activities of private insurers are better than LIC.

H₂ : The advertisements of insurance companies are easy to understand.

H₃ : Media creates awareness of insurance need.

H₄ : Personal selling of private insurers is better than LIC.

H₅ : The services of Insurance agent are good.

Review of Literature

A.M. Best the international rating agency for the Insurance companies worldwide noted the shift characterized by the use of multiple distribution channels, which helped achieve a significant improvement in the life business and a contributed to the relative success of the industry. The new models of distribution like independent producers, the Internet, and non-traditional groups have helped insurers to reach new customers, grow their existing product bases, and become less dependent on one distribution method.

Life insurance selling is all about managing long term relationships with the clients on professional lines. Whatever may be the management model for sales and distribution, client relationship management is the key to its success(see, **Sheth and Sobel, 2000**)

Erickson (1956) deals with some of the primary issues of the insurance sales person's performance and productivity that gives rise to the debate for the need of lack of it for developing new models of distribution for life insurance products.

Sarma (1998) provides interesting insights into all aspects of performance of insurance agents working for the state monopoly organization, the Life Insurance Corporation of India.

Vaidyanathan (1984) conducted one of the most comprehensive surveys of the life insurance agency system by collecting feedback across the agency network of LIC and compiled them to present a very detailed analysis of what works with the agency model and what does not.

Attitude towards Promotional Activities

Promotion is all about bringing awareness in the minds of the consumers by using tools such as advertising, public relations, displays, word of mouth, sales promotion, personal selling etc. Promotion bring positive attitude or may cause negative attitude so knowing the feelings of respondents found essential.

Table-2.1
The promotional activities of life insurance companies

SCALE	URBAN	RURAL	TRIBAL
Excellent	28 (9.76)	12 (6.06)	0
Good	182 (63.41)	153 (77.27)	6 (5.08)
Average	73 (25.44)	26 (13.13)	55 (46.61)
Bad	2 (0.70)	4 (2.02)	24 (20.34)
Poor	2 (0.70)	3 (1.52)	33 (27.97)
Total	287 (100.0)	198 (100.0)	118 (100.0)

Source: Survey report

Numbers in parentheses are percentages

Table-2.1 shows the opinion regarding the promotional activities of life insurance companies. Out of the total urban respondents 9.76 per cent rated them as excellent, 63.41 per cent stated good and 25.44 per cent rated as average. Among the total rural respondents 6.06 per cent stated that the promotional activities of life insurance companies are excellent, 77.27 per cent had stated good and 13.13 per cent stated it as average. Out of the total tribal respondents 27.97 per cent stated that the promotional activities of life insurance companies are poor, 20.34 per cent had stated bad and 46.61 per cent had stated average. The above analysis shows that in urban and rural areas respondents feel that the promotional activities of life insurance companies are good, whereas the tribal area respondents feel bad as the promotional activities are not reaching them.

The promotional mix should be used based on the customers. They have to give meaning to the receiver, and have to create exposure and attention to the viewer, listener and reader. If the advertisements are understood by the respondents they form an attitude.

H₁ : The promotional activities of private insurers are better than LIC.

Table-2.2
The promotional activities of private insurers are better than LIC

SCALE	URBAN	RURAL	TRIBAL
Strongly Disagree	74 (25.78)	41 (20.71)	34 (28.81)
Disagree	100 (34.84)	23 (11.62)	0
Neither Agree Nor Disagree	34 (11.85)	7 (3.54)	44 (37.29)
Agree	47 (16.38)	102 (51.52)	28 (23.73)
Strongly Agree	32 (11.15)	25 (12.63)	12 (10.17)
Total	287 (100.0)	198 (100.0)	118 (100.0)

Source: Survey report

Numbers in parentheses are percentages

Table-2.2 shows the opinion of respondents regarding the promotional activities of private insurance companies and LIC. Out of total urban respondents, 25.78 per cent strongly disagreed, 34.84 per cent disagreed and 11.85 per cent were neutral with the statement. Among the total rural respondents, 20.71 per cent strongly disagreed, 11.62 per cent had disagreed and 3.54 per cent were neutral with the statement. Out of the total tribal respondents, 10.17 per cent strongly agreed, 23.73 per cent are agreed and 37.29 per cent are neutral with the statement. The above analysis shows that in urban areas 60.62 per cent of the respondents feel that the LIC's promotional activities are better than private insurers, in rural area 64.15 per cent of the respondents feel that the promotional activities of private insurers are better than LIC, and in tribal area 28.81 per cent feel that the promotional activities of LIC is better than private insurers.

Table-2.2 (a)

Mean, Standard deviation and 95 per cent Confidence Interval for Mean

Particulars	N	Mean	Std. Deviation	Std. Error	95 per cent Confidence Interval for Mean	
					Lower Bound	Upper Bound
Urban	287	1.72	1.128	.067	1.59	1.85
Rural	198	1.79	1.152	.082	1.63	1.95
Tribal	118	1.70	1.108	.102	1.50	1.90
Total	603	1.74	1.131	.046	1.65	1.83

Table-2.2 (a) explains about the mean differences of different areas respondents' about the promotional activities of private insurers and LIC. The mean score of urban, rural and tribal respondents are 1.72, 1.79 and 1.70 respectively. And the standard deviations are 1.128, 1.152 and 1.108 respectively.

Table-2.2 (b)
ANOVA TEST for the Table - 2.2

ANOVA					
Particulars	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.859	2	.429	.335	.715
Within Groups	768.783	600	1.281		
Total	769.642	602			

The generated f-value is 0.335 and not significant as there is no significant difference in the mean scores of insured respondents in three areas. **Hence the hypothesis is rejected.**

H₂: The advertisements of insurance companies are easy to understand.

Table-2.3
The advertisements of insurers is easy to understand

SCALE	URBAN	RURAL	TRIBAL
Strongly Disagree	30 (10.45)	59 (29.80)	36 (30.51)
Disagree	28 (9.76)	23 (11.62)	8 (6.78)
Neither Agree Nor Disagree	38 (13.24)	74 (37.37)	54 (45.76)
Agree	84 (29.27)	13 (6.57)	6 (5.08)
Strongly Agree	107 (37.28)	29 (14.65)	14 (11.86)
Total	287 (100.0)	198 (100.0)	118 (100.0)

Source: Survey report

Numbers in parentheses are percentages

Table-2.3 measures the opinion of the respondents in urban, rural and tribal areas, on a given statement i.e. the advertisements of insurers are easy to understand. Out of the total urban respondents, 37.28 per cent strongly agreed, 29.27 per cent agreed and 13.24 per cent were neutral with the statement. Out of the total rural respondents, 29.80 per cent strongly disagreed, 11.62 per cent were disagreed and 37.37 per cent were neutral with the statement. Out of the total tribal respondents, 30.51 per cent strongly disagreed, 6.78 per cent are disagreed and 45.76 per cent were neutral with the statement. The above analysis shows that in urban area (66.55 per cent) of the respondents feel that the advertisements are easy to understand, whereas the rural (41.42 per cent) and tribal (37.29 per cent) feel that the advertisements of insurers

are difficult to understand. But the rural (37.37 per cent) and tribal (45.76 per cent) don't know the difference.

Table-2.3 (a)
Mean, Standard deviation and 95 per cent Confidence Interval for Mean to the

Particulars	N	Mean	Std. Deviation	Std. Error	95 per cent Confidence Interval for Mean	
					Lower Bound	Upper Bound
Urban	287	1.91	1.244	.073	1.76	2.05
Rural	198	2.03	1.051	.075	1.88	2.17
Tribal	118	1.98	1.098	.102	1.78	2.18
Total	603	1.96	1.155	.047	1.87	2.05

Table-2.3 (a) explains the mean differences of different areas respondents' on a given statement i.e. advertisements of insurers is easy to understand. The mean score of urban, rural and tribal samples are 1.91, 2.03 and 1.98 respectively. And the standard deviations are 1.244, 1.051 and 1.098 respectively.

Table-2.3 (b)
ANOVA TEST for the Table 2.3

ANOVA					
Particulars	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1.745	2	.872	.653	.521
Within Groups	801.300	600	1.336		
Total	803.045	602			

The generated f-value is 0.653 and not significant because there is no significant difference in the mean scores of insured sample in three areas. **Hence the hypothesis is rejected.**

H₃ : Media creates awareness of insurance need.

Table-2.4
Media and insurance awareness

SCALE	URBAN	RURAL	TRIBAL
Strongly Disagree	50 (17.42)	98 (49.49)	40 (33.90)
Disagree	52 (18.12)	15 (7.58)	18 (15.25)
Neither Agree Nor Disagree	63 (21.95)	30 (15.15)	44 (37.29)
Agree	56 (19.51)	27 (13.64)	0
Strongly Agree	66 (23.0)	28 (14.14)	16 (13.56)
Total	287 (100.0)	198 (100.0)	118 (100.0)

Source: Survey report

Numbers in parentheses are percentages

Table-2.4 shows the opinion of sample respondents among urban, rural and tribal areas on a given statement i.e. because of media only every one identified the need of insurance. Out of the total urban respondents 23.0 per cent strongly agreed, 19.51 per cent agreed and 21.95 per cent were neutral with the statement. Out the total rural area insurance holders 49.49 per cent strongly disagreed, 7.58 per cent were disagreed and 15.15 per cent were neutral with the statement. Out of the total tribal respondents 33.90 per cent strongly disagreed, 15.25 per cent are disagreed and 37.29 per cent were neutral with the statement. The above analysis shows that in urban area majority (42.51 per cent) believe that, because of media only every one identified the need of insurance. Whereas the rural (57.07 per cent) and tribal (49.15 per cent) respondents are not believed this.

Table-2.4 (a)

Mean, Standard deviation and 95 per cent Confidence Interval for Mean to the Table 2.4

Particulars	N	Mean	Std. Deviation	Std. Error	95 per cent Confidence Interval for Mean	
					Lower Bound	Upper Bound
Urban	287	.54	1.743	.103	.34	.75
Rural	198	1.14	1.645	.117	.91	1.37
Tribal	118	.08	1.641	.152	0.22	.38
Total	603	.65	1.733	.071	.51	.79

Table-2.4 (a) explains about the mean differences of among urban, rural and tribal respondents on a given statement i.e. because of media only every one identified the need of insurance. The mean score of urban respondents is 0.54 and the standard deviation is 1.743. The mean score of rural respondents is 1.14 and the standard deviation is 1.645. And the tribal respondents mean is 0.08 and the standard deviation is 1.641.

Table-2.4 (b)
ANOVA TEST for the Table 2.4

ANOVA					
Particulars	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	89.594	2	44.797	15.649**	.000
Within Groups	1717.574	600	2.863		
Total	1807.167	602			

The generated f-value is 15.649** and significant at 0.01 level because there is significant difference in the mean scores of insured sample in three areas. **Hence the hypothesis is accepted.**

Personal selling is nothing but, selling a product one to one. It involves face to face interaction with customers. As attitudes are influenced by object, human and event it is essential to know the feeling of respondents towards life insurance companies personal selling. Insurance agents play a major role in insurance business. Majority of the insurance policies are purchased through agents.

H₄: Personal selling of private insurers is better than LIC.

Table-2.5

Personal selling of private insurers is better than LIC

SCALE	URBAN	RURAL	TRIBAL
Strongly Disagree	49 (17.07)	56 (28.28)	32 (27.12)
Disagree	64 (22.30)	16 (8.08)	34 (28.81)
Neither Agree or Disagree	57 (19.86)	55 (27.78)	10 (8.47)
Agree	54 (18.82)	32 (16.16)	26 (22.03)
Strongly Agree	63 (21.95)	39 (19.70)	16 (13.56)
Total	287 (100.0)	198 (100.0)	118 (100.0)

Source: Survey report

Numbers in parentheses are percentages

Table-2.5 shows the respondents' opinions regarding personal selling of private insurers and LIC. Out of the total urban area respondents 21.95 per cent strongly agreed, 18.82 per cent agreed and 19.86 per cent were neutral about the statement. Out of the total rural respondents 28.28 per cent strongly disagreed, 8.08 per cent has disagreed and 27.78 per cent were neutral with the statement. Out of the total tribal respondents 27.12 per cent strongly disagreed, 28.81 per cent are disagreed and 8.47 per cent were neutral with the above statement. The above analysis shows that in urban area majority of the

respondents believe that the private insurers personal selling is better than LIC. Where as, the rural and tribal respondents Believe that LIC's personal selling is better than that of private insurers.

Table-2.5 (a)
Mean, Standard deviation and 95 per cent Confidence Interval for Mean

Particulars	N	Mean	Std. Deviation	Std. Error	95 per cent Confidence Interval for Mean	
					Lower Bound	Upper Bound
Urban	287	.38	1.703	.101	.18	.58
Rural	198	1.02	1.659	.118	.78	1.25
Tribal	118	.19	1.650	.153	0.11	.49
Total	603	.55	1.708	.070	.42	.69

Table-2.5 (a) explains the mean differences of urban, rural and tribal respondents on the given statement i.e. 'personal selling of private insurers are better than that of LIC. The mean score of urban respondents is 0.38 and the standard deviation is 1.703. The mean score of rural respondents is 1.02 and the standard deviation is 1.659. And the tribal respondents mean is 0.19 and the standard deviation is 1.708.

Table-2.5 (b)
ANOVA TEST for the Table 2.5

ANOVA					
Particulars	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	66.684	2	33.342	11.834**	.000
Within Groups	1690.421	600	2.817		

Total	1757.104	602			
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The generated f-value is 11.834** and significant at 0.01 level because there is significant difference in the mean scores of insured sample in three areas. **Hence the hypothesis is accepted.**

The life insurance business mainly depends on agents and they act as an intermediary between the company and the customers. He gives information to the suspects, prospects, and customers. He will remind the premium schedule, collects premium from the customers and remits to the companies.

H₅ : The services of Insurance agent are good.

Table-2.6
Opinion regarding the service of agent

SCALE	URBAN	RURAL	TRIBAL
Excellent	27 (9.41)	21 (10.61)	32 (27.12)
Good	179 (62.37)	92 (46.46)	34 (28.81)
Average	74 (25.78)	54 (27.27)	24 (20.34)
Bad	7 (2.44)	31 (15.66)	22 (18.64)
Poor	0	0	6 (5.08)
Total	287 (100.0)	198 (100.0)	118 (100.0)

Source: Survey report

Numbers in parentheses are percentages

Table-2.6 shows the respondents' opinion regarding the service of agents in urban, rural and tribal areas. Out of the total urban respondents 9.41 per cent stated excellent, 62.37 per cent stated good and 25.78 per cent stated that the service of agents was average. Out of the total rural respondents 10.61 per cent stated excellent, 46.46 per

cent has stated good and 27.27 per cent stated that the services of agents were average. Out of the total tribal respondents 27.12 per cent stated excellent, 28.81 per cent has stated good and 20.34 per cent stated average about the services of agents. The above analysis shows that in urban, rural and tribal areas agents' services are satisfactory.

Table-2.6 (a)

Mean, Standard deviation and 95 per cent Confidence Interval for Mean to the Table 2.7

Particulars	N	Mean	Std. Deviation	Std. Error	95 per cent Confidence Interval for Mean	
					Lower Bound	Upper Bound
Urban	287	0.09	1.743	.103	0.29	.12
Rural	198	.37	1.837	.130	.11	.62
Tribal	118	0.21	1.634	.151	0.51	.09
Total	603	.04	1.767	.072	0.10	.18

Table-2.7(a) explains the mean differences of urban, rural and tribal area insured samples about the services of agents. The mean score of urban area insured respondents' is 00.09 and the standard deviation is 1.743. The mean score of rural area respondents' is 0.37 and the standard deviation is 1.837. And the tribal area respondents' mean is 00.21 and the standard deviation is 1.634.

Table-2.6 (b)

ANOVA TEST for the Table 2.7

ANOVA					
Particulars	Sum of Squares	Df	Mean Square	F	Sig.

Between Groups	33.421	2	16.711	5.429**	.005
Within Groups	1846.702	600	3.078		
Total	1880.123	602			

The generated f-value is 5.429** and significant at 0.01 level because there is significant difference in the mean scores of insured sample in three areas. **Hence the hypothesis is accepted.**

Table-2.7
Respondents grievances with agents

Having grievances with agents	URBAN	RURAL	TRIBAL	TOTAL
Yes	5 (1.74)	19 (9.60)	85 (72.03)	109 (18.07)
No	282 (98.26)	179 (90.40)	33 (27.97)	494 (81.92)
Total	287 (100.0)	198 (100.0)	118 (100.0)	603 (100.0)

Source: Survey report

Numbers in parentheses are percentages

Table-2.7 shows the opinion of the respondents regarding the grievances with agents in urban, rural and tribal areas. Out of the total urban respondents 98.26 per cent had no grievance with agents and 1.74 per cent had. Out of the total rural respondents' 90.40 per cent did not have grievance with agents and 9.60 per cent had. Out of the total tribal respondents' 72.03 per cent stated that they had grievance with agents and 27.97 per cent said that they have grievance with agents. The above analysis shows that urban and rural areas respondents did not have grievance with agents. Where as, in tribal respondents have grievance with agents. Out of the total respondents 81.92 per cent did not have any grievance with the agents where as, 18.07 per cent have

grievance with the agents. This shows that the agents provide better service to their customers.

Agents are considered as insurer by the customer as he is the intermediary between the customer and the company. Agents' competency plays a dominant role in creating a positive or negative attitude among the customers. Assessing the agents competency and training is done based on certain factors like knowledge, competency, expertise, training, intelligence, etc, by taking five point scale i.e. -2, -1, 0, 1, 2 and each factor was derived and mean scores are formulated.

Table-2.8 (Urban) explains the urban respondents' assessment about the insurance agents' competency and training to provide better service. The assessing mean scores of respondents on agents knowledge is 0.91, on competent it is 1.02, on expert it is 0.80, on training it is 1.36, on experience it is 0.80, on intelligent it is 1.20, on information it is 0.74, on bright it is 1.06, on regularity it is 1.26 and on perfect feeding the mean score is 0.95. Among above all the policyholders' assessing mean scored better at competent, training, intelligence, brightness and regularity of policy agents.

Table-2.8 (Rural) explains the rural respondents' assessment about the insurance agents' competency and training.. The assessing mean scores of respondents on agents knowledge is 1.47, on competent it is 1.14, on expert it is 1.06, on training it is 1.39, on experience it is 1.25, on intelligent it is 1.33, on information it is 1.52, on bright it is 1.50, on regularity it is 1.33 and on perfect feeding the mean score is 00.23. Among all the respondents assessing competency and training factors of gents' mean scores, except perfect feeding, all the remaining factors are found to be better in their performance.

Table-2.8 (Tribal) explains the tribal respondents' assessment about the insurance agents' competency and training. The assessing mean scores of respondents on agents knowledge is 0.04, on competent it is -0.16, on expert it is -0.08, on training it is 0.07, on experience it is -0.14, on intelligent it is -0.01, on information it is 0.00, on bright it is -0.12, on regularity it is 0.02 and on perfect feeding the mean score is 00.35. Among all the respondents' assessing competency and training factors of gents' mean scores found to be very poor in their

performance. This means that the respondents' are not satisfied with the agents in tribal area.

Table-2.8 (Urban)
The insurance agents' competency and training

Competency and training	(0) Negative		0	(+) Positive			
	02	01	0	1	2	Score	Mean
N=287							
Knowledgeable	0	0	102	109	76	261	0.91
Competent	0	0	65	150	72	294	1.02
Expert	0	0	115	113	59	231	0.80
Trained	0	0	54	76	157	390	1.36
Experienced	0	0	109	126	52	230	0.80
Intelligent	0	0	60	111	116	343	1.20
Informed	0	22	104	87	74	213	0.74
Bright	0	0	43	183	61	305	1.06
Regular	0	0	59	93	135	363	1.26
Perfect feeding	0	0	104	93	90	273	0.95

Source: Survey report

Table-2.8 (Rural)
The insurance agents' competency and training

Competency and training	(0) Negative		0	(+) Positive			
	02	01	0	1	2	Score	Mean
N=198							
Knowledgeable	0	0	0	104	94	292	1.47
Competent	8	6	14	93	77	225	1.14
Expert	19	0	0	110	69	210	1.06
Trained	0	0	0	121	77	275	1.39
Experienced	0	0	19	99	74	247	1.25
Intelligent	5	3	22	60	108	263	1.33
Informed	0	0	0	96	102	300	1.52

Bright	0	0	0	99	99	297	1.50
Regular	0	0	17	99	82	263	1.33
Perfect feeding	54	48	32	18	46	046	00.23

Source: Survey report

Table-2.8 (Tribal)
The insurance agents' competency and training

Competency and training	(0) Negative			(+) Positive				
	N=118	02	01	0	1	2	Score	Mean
Knowledgeable		27	15	22	27	27	12	0.04
Competent		42	22	18	12	24	046	00.16
Expert		27	24	33	12	22	022	00.08
Trained		24	24	15	18	37	20	0.07
Experienced		24	33	33	15	13	040	00.14
Intelligent		30	12	18	27	21	03	00.01
Informed		27	22	27	9	33	01	0.00
Bright		33	24	24	18	19	034	00.12
Regular		18	33	16	27	24	6	0.02
Perfect feeding		40	48	10	12	8	0100	00.35

Source: Survey report

Insured respondents have awareness and knowledge of insurance than uninsured. In the insured respondent's attitude is important than attitude of uninsured as they form an attitude towards insurance. In early days marketers used to concentrate on getting a new customers but today the concentration shifted to retaining an old customer, and also retaining an old customer is cheaper than getting new customers. The awareness of customers towards types of insurance, types of policies, features of the policies etc, and their satisfaction level towards the product are analysed. It is essential because, if they have positive feeling they may go with the repurchase or they may advice their friends and relatives, peers etc. Agents are the main source of information and service. Most of the people buy the policy because of agent only so they should be selected and trained properly in order to

provide better service to the customers. The comparative analysis of LIC and private reveals that the customers have more positive towards LIC.

Findings

- Urban (63.41 per cent) and rural (77.27 per cent) area respondents feel that promotional activities of life insurance companies are good, whereas the tribal (48.21 per cent) respondents feel bad as they are not reaching them. The rural (41.42 per cent) and tribal (37.29 per cent) respondents are unable to understand the advertisements of insurers.
- In urban 98.26 per cent and rural 90.40 per cent the insured respondents do not have grievances with agents. Where as, in tribal areas (72.03) insured respondents have grievance with agents.
- Among the urban policyholders' assessing mean scored better at competent, training, intelligence, brightness and regularity of policy agents. Among the rural respondents assessing competency and training factors of agents' mean scores, except perfect feeding, all the remaining factors are found to be better in their performance. Among the tribal respondents' assessing competency and training factors of agents' mean scores found to be very poor in their performance. This shows that agents in urban and rural area are competent, trained, intelligent, bright and regular in providing service. Where as the agents of tribal area were incompetent.

Suggestions

- In rural and tribal areas enormous promotional activities have to be taken for bringing the awareness regarding different types of insurance and their uses. All the life insurers should develop promotional activities in such a way that it should reach to the tribal and interior areas in an easy and understandable manner. LIC has to increase its promotional activities in tribal area. In rural and tribal areas they have to

use a different type of promotion, to make them understand the various policies and their benefits.

- Most of the insured people select policies based on the agent's advice. Companies should advertise about their policies, as the agents suggest the policies that fetch more commission to them, and this creates a negative attitude among the customers.
- In tribal areas agents services should be improved. Agents in the tribal areas must be trained how to deal with tribal customers. In rural and tribal areas companies should appoint local people as agents because they do not believe the strangers. Agents should be encouraged and provided incentive when they cover the rural and tribal areas. Most of the insured respondents from rural and tribal areas are not satisfied with the service of agents, staff, intermediaries etc. To eliminate these obstacles insurance companies have to take necessary action to gain the trust of the consumer.
- Irrespective of the occupation, age, marital status, caste, religion and educational qualification every one has to feel the need of life insurance. Hence Government should bring awareness about the insurance and its importance and need. The unfavourable feeling of illiterates, daily wage workers etc., can be washed out by educating the households extensively. Government should create awareness about insurance among people. Most of the uninsured have negative attitude as they don't have knowledge about insurance. Generally insurance is considered as only for high income people. This notion must be changed, through social marketing among the low income people.

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