

Chapter: 2

Research Methodology and Design

2.1 Introduction:

Methodology is the systematic analysis of the methods applied to a field of study. It acts as a guiding principle for solving a problem. Methodology basically means the theoretical analysis of the methods, techniques and tools applied to research. Keeping in view the objectives of the study, the research methodology was designed.

2.2 Rationality of the study

Though the life insurance concept and usage are widely spread in the developed countries and large number of studies has been done in the consumer behavior and other parts of life insurance marketing, but there is a shortage of image gap studies in the context of India in general and Assam in particular. The Indian Insurance industry has witnessed a paradigm shift in its approach since opening up. In all the service quality dimensions of life insurance industry in India the gap-scores are negative and for each of six factors (Factor 1- Trained and well informed agents, Factor 2 – Provision of flexible payment schedule, Factor 3 – Staff dependable in handling customer’s problem, Factor 4 – Adequate number of branches, Factor 5 – Innovativeness in introducing new products, Factor 6 – Easy online transaction), the gap scores were statistically significant (sig. <.05). This can be interpreted as a gap between what was expected and perceived, thus indicating a Image Gap and failure in service delivery and service quality at all the levels vis-à-vis life insurance industry in India¹²⁹. There is a connection between components of insurance services (perceived benefits of sales promotion, perceived quality, perceived adequacy of premium and

¹²⁹ Measuring the Customer Perceived Service Quality for Life Insurance Services: An Empirical Investigation, Online available at: <http://www.ccsenet.org/journal/index.php/ibr/article/viewFile/5927/5112> by Dr. Masood H Siddiqui and Tripti Ghosh Sharma

perceived adequacy of information about the insurance coverage) and that the perception of one component is reflected in the perception of other components. There is an increase in customer expectations, and that insurance companies do not invest enough in creating innovative approaches to promote sales with perceived benefits. It is important to see insurance services as a whole¹³⁰. Great customer service transcends experience and becomes a memory. Ultimately clients associate these with a brand. If one is able to provide each customer a unique experience that translates into a happy memory, service provider has the potential to turn customers into brand ambassadors.¹³¹ There is a service quality shortfall i.e. perceptions are lower than expectations in service quality dimensions with Personalized financial planning followed by Competence and Assurance being more concerned dimensions¹³². Studies by KPMG¹³³; CII, 2014 reveals that there is lack of (i) awareness about financial products among investors, (ii) innovation in the Product, (iii) Communication between the Investors, and (iv) Customer friendly distribution system and Design. Hence in view of the above discussion, a study about the Image Gap Analysis of Life Insurance Services in Assam is expected to provide solution to already cited riddles that exists in the overall growth of insurance business.

2.3 Review of Literature and Research Gap Analysis

Current section of the thesis is a description of the literature relevant to different to the concepts bearing a direct or indirect impact on the current research work. This is based

¹³⁰ Conceptual Model of Relationship among Customer Perceptions of Components of Insurance Service, by Urban Sebjan, Polana Tominc, South East European Journal of Economics and Business Volume 10 (1) 2015, 32-44., DOI: 10.1515/jeb-2015-0002

¹³¹ Management's Discussion and Analysis Report- online available at <http://www.edelweissfin.com/Annual-Report-Microsite-2014/PdfFiles/2013-2014/MDandA.pdf>

¹³² Javaid Ahmad Bhat and Prof. M. Nasir Zamir Qureshi in the paper "An Assessment of Service Quality, Customer Satisfaction and Customer Loyalty in Life Insurance Corporation of India with Special Reference to Srinagar District of Jammu and Kashmir" - Pacific Business Review International Volume 7, Issue 8, February 2015

¹³³https://www.kpmg.com/IN/en/IssuesAndInsights/ArticlesPublications/Documents/Insurance_industry_Road_ahead_FINAL.pdf

on the vast literature. It gives an overview of prevailing theories and methods and methodologies etc, thus directs the research. The present study is new in its subject treatment and area coverage. However, an attempt is made to put together some of the closely related research findings. The literature surveys on different dimensions are put together in the following sub heads:

2.3.1 Studies related to Life Insurance:

a) Devasenapathi, Saleendran, & Shanmugasundaram ¹³⁴ in their study described how life insurance players have started realizing that their business depends on customer service and customer satisfaction. The study proposed a six dimensional service-quality instrument namely, assurance, personalized financial planning, competence, corporate image, tangibles and technology in life insurance. Using structural equation modeling, a causal model was suggested to investigate the effects of these service quality factors on customer satisfaction. This included satisfaction of the customers with agents, their satisfaction with functional services, satisfaction with their company and the overall satisfaction.

b) **Sandhu & Bala**¹³⁵ Five-factor structure has been refined to seven-factor construct (consisting of 34 items) representing Proficiency; Media and presentations; Physical and ethical excellence; Service delivery process and purpose; Security and dynamic operations; Credibility; and Functionality. Besides, the study also investigates the relationship between each of the generated service quality dimensions and customers overall

¹³⁴ Devasenapathi, T.; Saleendran, P. T. and Shanmugasundaram, A. (2007), "A Study on Consumer Preference and Comparative Analysis of all Life Insurance Companies", *The ICFAI Journal of Consumer Behaviour*, Vol. 2, No. 4, pp. 7-16.

¹³⁵ Sandhu H.S. & Bala, N. (2011). "Customers' Perception towards Service Quality of Life Insurance Corporation of India: A Factor Analytic Approach". *International Journal of Business and Social Science* Vol. 2 No. 18; October 2011

evaluation of life insurance service quality. It reveals that among these seven factors, three viz., Proficiency; Physical and ethical excellence; and Functionality have significant impact on the overall service quality of Life Insurance Corporation of India.

c) **Jain**¹³⁶ revealed that “Waves of liberalization have done wonders to proper the insurance occupation to the status of a career with a bright future. The average mindset particularly of younger generation in India is very amenable to these changes in insurance as an avenue where exhilarating opportunities are opened up in changed environment”.

d) **Sukla**¹³⁷ reviewed the economic measures of liberalization initiated in insurance sector. Six years into competitive market, the Indian insurance industry exhibited a healthy growth trend of new business and market share. From total premium underwritten of Rs.34, 898 crore in the year 2000-01 to Rs.66, 287.93 crore in 2003-04, followed by the aggressive achievement posted at Rs.81301.40 crore in 2004-05, the life insurance industry saw the new players stabilize their operations keenly matched by LIC and the premium numbers bring out the fact that the size of the insurance market grew over the six years of liberalization”.

e) **Hasan**¹³⁸ in the paper “Impact Analysis of FDI on Insurance Sector in India” opined that the fundamental regulatory changes in the insurance sector would be significant for the future growth and would have huge impact on various sectors of economy. Active foreign participation is crucial for the sector as it would bring the best know how and implementing the best practices.

¹³⁶136 Jain, A.K. (2004), “The Journal of Insurance Institute of India”, Vol.XXX, July-Dec.2004, Page No.53.

¹³⁷ Sukla, A.K. (2006), “The Journal of Insurance Institute of India”, Vol.XXXII, Jan.-June 2006, Page No.10.

¹³⁸ Hasan, A. (2015). European Journal of Business and Management www.iiste.org ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online) Vol.7, No.7, 2015

f) **Shrivastava**¹³⁹ reveals that the demographical factor has the major effect in the purchase decision of the customer. The leadership lies not in getting the maximum policy sold but in understanding the demography of the customer and targeting them in their way. It has been found that Life Insurance Corporation of India is market leader in insurance sector and market of insurance is still open for heavy competition. It is recommended that companies dealing in insurance should give emphasis on demographic elements to grab opportunity available in this sector.

g) **Goswami**¹⁴⁰ the insurance industry in India was opened up to private sector participation in the year 2000. Prior to this, Life Insurance Corporation (LIC) of India was the sole player in the life insurance industry in India. In six years since the entry of private players in the insurance market, LIC has lost 29% market share to the private players, although both, market size and the insurance premium being collected, are on the rise.

h) **Sahu P. et al.**¹⁴¹, stated that the consumer's perception towards Life Insurance Policies is positive. It developed a positive mind sets for their investment pattern, in insurance policies. Still some actions are needed for developing insurance market. The major factors playing the role in developing consumer's perception towards Life Insurance Policies are Consumer Loyalty, Service Quality, Ease of Procedures, Satisfaction Level, Company Image, and Company-Client Relationship.

¹³⁹Shrivastava A.,(2007). Effect of Demographical factors in consumer buying behavior: A study with specific reference to Indian Life Insurance Industry http://www.indianmba.com/Faculty_Column/FC604/fc604.html

¹⁴⁰ Paromita Goswami (2007), "Customer Satisfaction with Service Quality in the Life Insurance Industry in India", The Icfai Journal of Services Marketing, Vol.V (1), pp. 25 – 30

¹⁴¹ Sahu, P., et. al., (2009). A STUDY OF BUYING BEHAVIOUR OF CONSUMERS TOWARDS LIFE INSURANCE POLICIES, Article No: NRC301 ISSN 0974 – 9497, August 2009 Volume 3, Issue ¾

i) **Crosby and Stephens**¹⁴² in their research studied the effect of relationship marketing on satisfaction, retention and prices in the life insurance industry. They found that due to lack of incentives, agents were not performing as desired. They were found to be giving negative product information and not providing proper services to the buyers.

j) **Banumathy and Manicham**¹⁴³ conducted a study to examine the customer services provided by LIC at three stages; before the issue of policy, during the operational period of the policy; and at the time of settlement of claims. A sample consisting of 150 policy holders under the LIC branch at Trichy were selected randomly. A well structured questionnaire was prepared to determine the opinion of policy holders towards the various LIC services. The study found that LIC agents provided efficient customer services before the issue of policy and also play a major role in influencing the policy holders. The study concluded that LIC can improve its performance by trying to increase bonus rates, introducing new products at regular intervals and guiding the illiterate and rural folks.

k) **Rajkumari**¹⁴⁴ examined the customer's attitude towards purchase of insurance products and their knowledge on bancassurance which is a channel of distribution of insurance products through banks.

l) **Goswami**¹⁴⁵ in her paper attempted to understand the dimensions of service quality to ensure maximum customer satisfaction in the life insurance industry. The study was done on a systematic sample design. The sample consisted of response obtained from

¹⁴² Crosby, L.A., & Stephens, N. (1987). Effects of relationship marketing on satisfaction, retention, and prices in the life insurance industry. *Journal of Marketing Research*, 24, 404–411.

¹⁴³ Banumathy, S. and Manicham, S. (2004), "Customer Services Provided by Life Insurance Corporation of India- A Case Study", *The Insurance Times*, Vol. 24, No. 6, pp. 30-33.

¹⁴⁴ Rajkumari, M. (2007), "A Study on Customers' Preference towards Insurance Services and Bancassurance", *The Icfai Journal of Risk & Insurance*, Vol. IV (4), pp.49-59.

¹⁴⁵ Paromita Goswami (2007), "Customer Satisfaction with Service Quality in the Life Insurance Industry in India", *The Icfai Journal of Services Marketing*, Vol.V (1), pp. 25 – 30.

232 customers in Kolkata. The questionnaire used for this was based on the SERVQUAL scale. The scores for each dimension of the service quality were averaged to get the score of each individual on that dimension. The results indicated that responsiveness was the key to maximum satisfaction to the customer. Responsiveness includes promptness and timeliness in service as well as willingness to help the customers. She also suggested that Customer Relationship Management must be introduced. She concluded by saying that the challenge before insurance companies was not only to gain new customers but also to retain the existing ones.

m) Kannan¹⁴⁶ in his study attempted to analyze the customer preferences in the life insurance industry based on the plans, purpose of buying the policies by the customers, their satisfaction levels and their future plans to buy new policies. A sample of 200 customers from Hissar city was used for the survey. Out of these 71.9 per cent were males while 28.1 per cent were females. Structured questionnaires were distributed to these respondents and the results were analyzed. The results showed that 34.4 per cent of the respondents have term plan out of which 63.6 per cent were of LIC, 28.1 per cent had money back policy out of which 77.8 per cent were of LIC, 28.1 per cent had ULIP plans out of which 22.7 per cent belonged to LIC, The pension plans and the child benefit plans taken by the respondents were from LIC only.

n) Harvey¹⁴⁷ conducted a study on the distribution channels of LIC. The study found that although a number of intermediaries or distribution channels like corporate

¹⁴⁶ Kannan, N. (2010), "A Study on the Growth of Indian Insurance Sector", International Journal of Management, Vol. 1(1), pp.17-32.

¹⁴⁷ Richard Harvey (2007), "Insurance, Distribution and Customer Satisfaction", Life Insurance Today, Vol.III (3), pp.15-16.

agents, brokers and referrals have emerged over time, LIC was not able to capitalize on them and hence could not make good business from these channels.

o) Bolton and Drew¹⁴⁸ compared the two constructs – customer satisfaction and attitude. Customer satisfaction refers to a customer’s evaluation of a specification transaction, whereas, customer’s attitude corresponds to a global evaluation of the product/service, rather than the evaluation of a specific transaction. Consequently, the study discussed that satisfaction eventually becomes an input to a less dynamic attitude.

p) Naik¹⁴⁹ performed a study to assess the attitude of women towards life insurance. The study was conducted on LIC. An interview was conducted on 120 persons. 70 per cent of them were found to be satisfied with the services provided by LIC and 30 per cent were dissatisfied. The reasons for their dissatisfaction included difficulty in depositing the premium, lack of awareness regarding new policies and lack of proper advertisement. The study also suggested that the reasons for the popularity of insurance were risk coverage, housing loans etc. It was not considered to be a source of getting good returns on investment. It also suggested that improved services, good marketing strategies, high benefit policies need to be introduced by LIC for improving relationship with customers.

q) Reddy and Murthy¹⁵⁰ in their study analyzed the customer services provided by LIC. A sample of 143 customers was selected which included professionals, regular income employees, agriculture labour and self-employed people. They were asked to rate the various services provided on a five point scale. They were given a structured

¹⁴⁸ Bolton, R.N., & Drew, J.H. (1991). A multistage model of customer’s assessments of service quality and value. *Journal of Consumer Research*, 17, 375–384.

¹⁴⁹ Naik Sujit (2011), “Service Quality Image and Customer Experience in Life Insurance Corporation of India”, *Intercontinental Journal of Technology and Business Management*, pp.1011–1024

¹⁵⁰ Appi Reddy.V and Narasimha murthy.G, “Customer services in LIC – A case study”, *Indian Journal of marketing*, Feb-march 1996, Vol.XXV, No.2-3, pp. 18-22.

questionnaire it was found that majority of policy holders were satisfied with services of LIC. It was suggested that LIC must design good publicity campaign, it must collect all the required documents from the policy holders at the time of registration of their policies, open additional enquiry and cash counters and pay cash instead of cross checks to policy holders.

r) **Zeithaml et al.**¹⁵¹ offered a conceptual model of the impact of service quality on certain customer behaviours that suggest whether customers remain with their company or defect from it. The findings showed that customers having no problems with the service quality show the strongest levels of loyalty intentions towards their company and weakest switch and external response intentions. The study also revealed the nature of relationships between quality and intentions of the customers across the various dimensions of behavioral intentions.

s) **Woodruff**¹⁵² in their study analyzed the ripple effect of customers' behavior on customer loyalty for a firm. They introduced the loyalty ripple effect construct and define it as the influence the customer have on their firm.

t) **Nagajothi and Hasanbanu**,¹⁵³ in the article "A Study of the Insurance Perspective in Uthamapalayam Taluk" Indian journal of marketing revealed that in India, the insurance has not been on the main agenda of either individuals or corporate. Hence, reforms encompass not merely regulatory intervention but also promotional effort to develop the market. The steady growth of the industry, as also the consolidation of private

¹⁵¹ Zeithaml, V.A., Berry, L. L., & Parasuraman, A.(1996). The behavioral consequences of service quality. *Journal of Marketing*, 60, 31–46.

¹⁵² Woodruff, R. B. (1993). Developing and applying consumer satisfaction knowledge: Implications for future research. *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 6, 1-11.

¹⁵³ Nagajothi, R.S. and Hasanbanu, S., "A Study of the Insurance Perspective in Uthamapalayam Taluk", *Indian Journal of Marketing*, May 2007, P. 10.

players progressively bears a silent testimony to the proactive regulatory regime in place in India.

u) **Bowen and Shoemaker**¹⁵⁴ conducted a study on 892 guests of luxury hotels who travelled frequently mostly on business. The author developed a model of service relationships based on certain focus groups for studying customer loyalty. The study supported the idea that relationship marketing can benefit luxury hotel marketing.

v) **Raman, and Gayathri**¹⁵⁵ in the article “A Study on Customer’s Awareness towards New Insurance Companies”, Indian journal of Marketing revealed that customers are now looking at insurance as complete financial solutions offering stable returns coupled with total protection. Companies will need to constantly innovate in terms of product development to meet over changing consumer needs. Understanding the customer better will enable insurance companies to design appropriate products, determine price correctly and increase profitability. In the present scenario a key differentiated would be professional customer service in terms of quality of advice on enhancing the customer convenience.

w) **Bihani**¹⁵⁶ observed that Insurance in India has been viewed as a tax-saving instrument and risk cover in life insurance was purely incidental. The mindset continues to be the same, although unit-linked instruments are becoming popular. The emergence of pure risk products has thus taken a back seat. Lapsation is a serious issue.

¹⁵⁴ Bowen, J.; and Shoemaker, S. (1998) “Loyalty: A Strategic Commitment”, *Cornell H.R.A. Quarterly*, Vol. 2, pp. 12-25.

¹⁵⁵ Raman, N. and Gayathri, C., “A Study on Customers Awareness towards New Insurance Companies”, *Indian Journal of Marketing*”, July 2006, P.6.

¹⁵⁶ Bihani (2014)Image of Life Insurance Services – An Expectation – Experience Gap Analysis, *Asia Pacific Journal of Marketing & Management Review--ISSN 2319-2836 Vol.2 (4), April (2013)* Online available at indianresearchjournals.com

x) **Acharya, Mishra and Venkateshaiah**¹⁵⁷ in the article “Customer Preferences in Insurance Industry in India”. The ICFAI journal of marketing services revealed that the purchasing decision of the consumer depends on quality, accessibility, company type, recommendations and promptness of service. India is poised to experience major changes in its insurance markets as insurers operate in an increasingly deregulated and liberalized environment. For consumers, opening up of the insurance sector will mean new products, better packaging and improved customer service.

y) **Oliver**¹⁵⁸ in his study analyzed the interrelationship between customer loyalty and customer satisfaction. The author investigated what aspect of customer satisfaction response has an implication for customer loyalty and similarly what portion of the loyalty response is due to this satisfaction component. The study asserted that customer satisfaction is necessary for building customer loyalty but becomes less significant as loyalty begins to come through other dimensions. The author found that with these additional factors loyalty becomes a combination of perceived product superiority, personal fortitude, social bonding and their synergistic effects.

z) **Ali and Ray**¹⁵⁹ in their paper made an attempt to identify the gap between the available and desired features in terms of existing products and services in life insurance and found that the gaps are very significant.

¹⁵⁷ Tanmay Acharya, Harshita Mishra and Venkata Seshaiya, S., “Customer Preferences in General Insurance Industry in India”, The ICFAI Journal of Marketing, Dec’ 2007, P. 7

¹⁵⁸ R. L.Oliver (Eds.), Service quality: New directions in theory and practice (pp.72–94). Thousand Oaks, CA:Sage.

¹⁵⁹ Subhasis Ray and Shahid Ali (2008), “Gap Analysis between Customer’s Expectations and Current Provisions of Indian Life Insurance Industry”, Journal of Consumer Behavior, Vol. III (3), pp. 33 – 43.

2.3.2 Studies related to Marketing of Life Insurance:

a. **Keerthi and Vijayalakshmi**¹⁶⁰ in the article “A Study on the Expectations and Perceptions of the Services in Private Life Insurance Companies” reveals that the policyholders’ expectations are well met in the case of certain factors reacting to service quality. But in the case of other variables, there exists a significant gap which means that policyholders have experienced low levels of service as against their expectations. If all the players in the Life insurance industry focus on the effective delivery of services, they can win the hearts of customers and anticipate their increased market share.

b. **Rao & Apparao**¹⁶¹, argues that it is an undisputed fact that about 75 to 80% of the insurance population is yet to be covered in India. It is estimated that in terms of lives, the figure could be around 20 crores. Those who are insured also are not adequately insured. We are selling insurance policies but not insuring the people based on needs.

c. **Lochan**¹⁶² in the work, 'Partnering in Sustainable Livelihoods for Rural Youth' says that rural India is going rapid transformation and various markets are awakening to the realization of the potential that exists in the rural and semi urban areas. The distinction between urban, semi urban and rural areas are getting blurred. It is no longer correct to presume that whatever is not urban is rural. However despite such an open market, around 68% of the rural economy still lies untapped due to lack of perceived opportunities by the investors'. (IRDA journal, April, 09).

¹⁶⁰ Keerthi, P. and Vijayalakshmi, R., “A Study on the Expectations and Perceptions of the Services in Private Life Insurance Companies, SMART Journals, Vol. 5, 2009.

¹⁶¹ Rao, B.S.R. and Appa Rao Machiraju, “Life Insurance and Emerging Trends in Financial Services Market”, Yogakshema, 1988, P. 25.

¹⁶² Avinash Kaur Lochan (2009), ‘Partnering in Sustainable Livelihoods for Rural Youth', IRDA Journal April 09, pp. 22-24.

d. **Kumar**¹⁶³, concluded that Insurance agents have been given a wider field to display their professional expertise in risk management, consultancy and claims advice to all consumers and with the brokers continuing to have a choice provided in the code of conduct to collect fees from the client but the brokerage payable will not exceed the current norms.

e. **Prakash et. al.**¹⁶⁴, observed that the Life Insurance Industry of the Asian markets, we felt India to be a wide and growing market for Life Insurance products and given the current competition in India, with both LIC and private operators in the fray, the authors felt that research model and analysis could be useful for the Indian Life Insurance Industry in formulating their Consumer Oriented Marketing Strategies and for future researches in this area

f. **Daes Thomas**¹⁶⁵, in his article, 'India: significant Growth in Foreign Partnerships' published in Insurance Industry Contemporary Issues, 2003 writes that Indian insurance market is suddenly agog with activity. Several universally renowned players have entered into tie up with Indian companies for a fruitful alliance. This has led to the emergence of a vibrant market with the hitherto monopolistic public sector players joining the race with renewed fervor. Whether all this is going to be translated into a victory for the customer is the million dollar question, especially in low thrust areas like rural insurance, pension product etc., the new insurers variously need the government to: i Liberalize distribution, ii Lift foreign ownership restrictions, iii Provide access to the attractive parts of the pensions market, iv Issue longer dated securities, v Deregulate non life tariffs.

¹⁶³ Jagendra Kumar, Success of Indian Insurance Brokers: A Bubble waiting to Burst, The journal of Insurance Institute of India, June 2007, pp. 09

¹⁶⁴ Prakash vel.K, Ravichandran.k. and Chan Kok Eng, The Role Played by Product, Service and Behavioural Factors in the Purchase of Life Insurance Policies, in the Kiang Valley, Malaysia, The journal of Insurance Institute of India, June 2005, pp. 07.

¹⁶⁵ Daes Thomas (2003), 'India: significant Growth in Foreign Partnerships'. Insurance Industry Contemporary Issues, 2003

g. Chandrasekharan¹⁶⁶ opines that the corporate agency, especially where a bank is the corporate agent seems to hold much promise in rural areas. The full potential of this new distribution channel is yet to be fully tapped.

h. Mehrotra¹⁶⁷, says that a noticeable aspect of the Indian market is its rural blend. The Indian population is largely rural and a welcome feature in terms of prospects is that the affluence in our country is on the increase in rural India. It is encouraging to see life insurance companies getting proactive in rural markets. With the momentum building up, most of them are lining up new micro products that exclusively cater to rural clientele. Given the pace of business, estimates suggest that rural sales are likely to account for over 22-25% of the total sales revenue over the next few months. Belying the general perception that it is expensive to do business in rural areas and that insurers just stick to mandatory numbers as per rules, it is cheering news for rural India that many private life insurers are putting in place exclusive marketing initiatives to take on rural business as a vibrant business proposition. And why not, rural is profitable business! Market surveys have indicated that the rural savings to income ratio is around 30%, which is higher than the urban population. Given the vast potential for insurance products in rural India, different techniques are likely to emerge. Segmentation of the rural market, new approaches to leverage extensive rural banking services or savings oriented insurance products to provide flexibility in premium payment could be techniques to tap the vast rural potential.

i. Mishra¹⁶⁸, says that “successful life insurers are always in search of a new way of thinking about the challenge of marketing management. The first step is to be clear

¹⁶⁶ David, Chandrasekharan (2009). Marketing of Life Insurance. IRDA Journal, MaY 2009 pp-19.

¹⁶⁷ Mehrotra, D. K., (2007), MD of LIC in his address to Indian Merchants Chamber, Mumbai on 19th Oct 2007

¹⁶⁸ Mishra, K.C,(2004). Bonding benefits. Asia Insurance Post,November,2004 p. 17 & 18.

about the goal. Marketing management is not an end in itself. Product, operations, investment returns and regulatory compliance to nurture image are few other mutually reinforced areas to bolster marketing management. The strategic goal of marketing management is the more general and important task of helping the insurer achieve its overall objectives. In the business world, that objective is to make money but in life insurance world there is added goal of protection of policy holders by attaining their objectives – for life companies looking to fine-tune their promotions and boost sales, neuro marketing offers the enticing prospect of a quantitative way to test the subconscious effectiveness of ads, jingles, and logos before spending big bucks on media placements. That's a godsend for life insurance marketers wary of the sometimes unreliable results of focus groups and other field testing.

j. **Banerjee**¹⁶⁹ argues that there is excellent opportunity in insurance industry to employ access based positioning by targeting the rural insurance sector. The rural market for life insurance is different from urban market in terms of needs, income levels and distribution, penetration of media and so on. So far, except for LIC, no other player has paid any attention or focus on the rural sector.

k. **Moorthy**¹⁷⁰, in his research article, “Indian Insurance: Modern Marketing Approach”, says, “Marketing strategies for insurance in the emerging scenario could be understood in terms of the following steps: R>STP>MM>I>C. Here, R = Market Research, STP = Segmentation, Targeting and Positioning, MM = Marketing Mix, I = Implementation and C = Control. Having done market research and finalizing on segmentation, targeting and

¹⁶⁹ Banerjee.T.K,(2004). Insurance Regulations in India and Future Direction, The journal of Insurance Institute of India, December 2004, pp. 8.

¹⁷⁰ Vinayagara Moorthy (2007). “Indian Insurance Modern Marketing Approach”. Multivariate Behavioral Research, Volume 25, Issue 1, January 2007.

positioning the strategy would focus on the marketing mix. While determining the implementation methodology, the four characteristics viz., intangibility, inseparability, perish ability and variability give rise to certain unique requirements that deserve careful attention while formulating the marketing strategy for insurance. After implementation, the insurers should concentrate on the effective control that would enhance their business. The agents, by using various strategies sell the product by convincing the customers. Moreover, they push policies with highest premium to pocket a higher commission. The consultative approach to selling is the modern approach, which helps customers to buy. The four step process includes: 1. Need discovery, 2. Selection of product 3. Need satisfaction presentation, and, 4. Servicing the after sale. This approach to selling requires understanding of concepts and principles borrowed from the fields of psychology, communications, and sociology and needs a lot of personal commitments and self-discipline from the seller.

l. Dwivedi¹⁷¹ says that financial awareness is very low in India and therefore buying online will first be restricted to people who have some degree of knowledge about insurance products and prices.

m. Gera¹⁷², argues that distribution in the life insurance industry includes the promotion and personal selling functions. The customer needs to be moved through the stages of awareness, interest, desire, action to generate a sale and then provide after-sale functions viz, policy delivery, premium payment reminder and claims settlements etc.

n. Lahiri¹⁷³, concluded that brand image is something an organization cannot afford to ignore, If it wants to carve a niche for itself in the long run in order to successfully

¹⁷¹ Dwivedi (2007), Online Insurance, Harmony Magazine October 2007. Pp. 3

¹⁷² Gera (2003), Distribution of life insurance in India- a fresh perspective, Insurance Watch, April 2003, pp. 30-32.

¹⁷³ Suranjita Lahiri (2004), Brand identity its influence in customer decision making. The journal of Insurance Institute of India, December 2004, pp. 74.

hold the brand image, a company must ensure to preserve the values of brand. Branding is considered less expensive way of ensuring quality than administrative controls, since a company takes its reputation on the brand.

o. Subramanyan¹⁷⁴ observed that the insurer has to spend very heavily in the initial years to procure a policy by way of payments to intermediaries (in the shape of commissions, incentive bonus to development officers, salaries to administrative employees engaged in processing New Business, establishment expenses etc.), stamp duty, postage, fixed costs, administration costs etc. and it takes quite a while for the insurer to fully recover these initial expenses. If the policies lapse, especially soon after they are issued, the insurer has no way to recover those expenses. Such losses lead to fall in the profitability of the insurer — this leads to a fall in the bonus rates for all policy holders.

p. Brugman and Prahlad¹⁷⁵, while emphasizing the role of Non Government Organisations (NGO) in spreading insurance, argue that while companies have discovered the importance of NGOs as paths to markets, social groups have realized that carefully calibrated business models can unleash powerful forces for good. Their interactions have created new links between business innovation and social development. Companies and NGOs are increasingly going into business together, pursuing scale and profits, social equity, and empowerment as part of an integrated value chain Some NGOs are positively thriving where state-owned or multinational companies have failed. Two years ago, when the Indian insurance giant, Life Insurance Corporation, found it difficult to collect premiums and pay claims in rural areas in the state of Andhra Pradesh, micro credit federations took

¹⁷⁴ Subramanyan.N.V, Lapsation of Life Insurance policies, The journal of Insurance Institute of India, December 2004, pp. 82.

¹⁷⁵ Jeb Brugman and C.K.Prahlad (2007). Cocreating Business's New Social Compact, Harward Business Review, February, 2007, pp. 4-14

over the business. Their extensive knowledge of customers and their superior reach allowed the NGOs to grow the market rapidly. They operate quite profitably, earning an average gross margin of 27%.

q. Gopinath¹⁷⁶, Vice President (Rural & Cooperatives), IFFCO Tokio General Insurance Company Ltd, in his article (IRDA Journal, 66 April, 2009) says that 70% of India lives in rural areas but have no access; or have negligible access to insurance. Due to wide geographical disparity and high distribution costs, insurers have been chary of venturing into this territory. Coupled with a tariff regime which assured them of good profits, they have been concentrating only on urban market. With increasing rural incomes and improving infrastructure, rural and micro insurance offers immense possibilities. But with opportunities, this sector throws various operational challenges as well, for the insurers --- rural and social sector insurance should not be approached as a legal or statutory requirement, but as a business opportunity. With proper safe guards, this sector can contribute immensely to the top line as well as bottom line. Doing well while doing good is very much possible.

r. Maleika & Kuriakose¹⁷⁷ in their research paper “Micro Insurance: Extending Pro-poor Risk Management through the Social Fund Platform” argue that product development has to be client-centered, competition focused and matched to the capacity of the institutions (both insurer and delivery institutions). Micro insurance offers the potential for significant innovation in public – private partnership arrangements, cooperation across voluntary and private sectors, rural and urban service sector development, and the expansion of social protection to underserved population for years to come. They also highlight the

¹⁷⁶ Gopinath, K. (2009). Rural and Social Sector Insurance. IRDA Journal April, 09. P. 17

¹⁷⁷ Marc Maleika & Annee T.Kurikose (2008). Micro Insurance: Extending pro-poor risk management through social fund platform, World Bank Social Funds-Innovation notes of volume 5.p.2.

credit insurance policy offered by Spandana, a micro insurance provider in Guntur district of AP and conclude that credit life insurance is the simplest form of insurance and good one for small groups.

s. **Mishra**¹⁷⁸, in his article, “Bonding Benefits” Presents the feedback obtained from existing bank assurance customers and found that 13% of the customers did not know the details of the policy they have purchased and its future usage or benefits, 19% customers felt they have not got sufficient cover for insurance needs of their family, 96% of customers rated LIC as the best financially stable insurance company and 17% of customers felt private insurers can better service the claims than PSU insurers but rest 83% considered PSU insurers as better in claim paying ability and systems.

t. **Joshi**¹⁷⁹ argues that the general notion that it is expensive to do business in rural areas due to the inaccessibility and other factors, does not hold good due to the institutional infrastructure there, which can be profitably harnessed for reaching out to these areas. The challenge of developing a cost effective delivery system is not insurmountable and there is enough scope for innovative collaborations. The process of penetration in the rural areas could be pushed further through an appropriate use of IT.

u. **Sathe**¹⁸⁰ in his article, “Life Insurance- Recent Developments”, Present Position and Future Prospects (Yogakshema, March, 2009) says, In India only 10% of the market share has been tapped by LIC and the balance 90% remains untapped. This vast population can be tapped only by a large number of insurers to serve the population of more than 100 crores. Indian insurance market offers tremendous opportunities to the new

¹⁷⁸ Mishra, K.C,(2004). Bonding benefits. Asia Insurance Post,November,2004 p. 17 & 18.

¹⁷⁹ Naren N. Joshi (2004). Insurance and rural market-cost effective delivery system holds the key. Business Line,September,2004. P.5

¹⁸⁰Nilesh Sathe (2009). Life Insurance-Recent Developments, present position and future prospects. Yogakshema by LIC of India, March,09. P. 14

insurance companies. Every financial company would like to be a financial conglomerate marketing banking, mutual fund, credit card and insurance as well, through their sister companies.

v. **Kotler**¹⁸¹ has dealt the subject of marketing with reference to life insurance industry in USA which is worth relevant and significant. He says thus: “Marketing entered into the consciousness of different industries at different times, Marketing spread most rapidly in consumer packaged goods companies, consumer durable companies, and industrial equipment companies in that order” Bankers initially showed great resistance to marketing but in the end embraced it enthusiastically.

w. **Chauhan**¹⁸² in her dissertation entitled, “A Dissertation on Comparative and Competitive Analysis of Private Life Insurance Companies in India” since their entry says that LIC is an undoubted leader in the field of average number of policies per year in the last five years. It is seen that private insurance companies are gaining momentum and are trying to defeat LIC in case of new insurances. Main reason behind LIC for having such a large number of policies is the trust of the common man. LIC being a government agency has got a faith of Indian mass. People are not yet prepared to give their savings in the hands of private players.

x. **Shah**¹⁸³, says low penetration of insurance in India, as elsewhere, has varied explanations, economic and sociological. One basic factor that puts a brake on growth is low propensity to consume: low propensity for life insurance, not necessarily because of considerations of affordability nor because of inadequate range of insurance products and services. The major determining factor is lack of awareness of life insurance per se. And this

¹⁸¹ Kotler, P. (2003). Marketing Insights from A to Z. Chicago: John Wiley.

¹⁸² Pooja Chauhan (2009). A dissertation on comparative and competitive analysis of private life insurance companies in India since their entry. International Journal of Business Management. P. 24-25.

¹⁸³ Rajani M.Shah (2007). Creating consumer awareness in life insurance. Bima Quest September,2007. p. 1

phenomenon is not confined to rural and semi rural segments of society: it pervades urban populace as well.

y. Sinha¹⁸⁴ observes that the pension system in India is in its infancy. There are three forms of plans: provident funds, gratuities and pension funds. Most of the pension schemes are confined to government employees and to employees of large companies. The vast majority of the workers are in the informal sector. As a result most workers do not have any retirement benefits to fall back on retirement. Total assets of all pension plans in India amount to less than USD 40 billion. Therefore there is a huge scope for development of pension funds in India

z. Ruchismitha¹⁸⁵, in her article, “Innovations in Insuring the Poor”, has observed in the recent studies undertaken by the Centre for Microfinance in Chennai with members of the MFI the self employed women’s association show that households’ willingness to re-enroll in a commercial insurance program depends largely on trust and the company’s perceived stability and longevity. The risk and trust relationships are reversed from micro lending to micro insurance, making formal investment in client education a critical first step for insurance sales.

aa. Jawaharlal¹⁸⁶ observes, that it is not entirely on account of poverty in the rural areas that there is a lopsided growth in insurance business. If tackled properly, there is vast potential to be tapped.

ab. Sadhak¹⁸⁷ says that marketing of life insurance is not mere selling. It involves trust building, identification of financial knowledge gap and personalized service

¹⁸⁴ Tapan Sinha (2002). Privatisation of the insurance market in India: from the British Raj to Monopoly Raj to Swaraj. Article presented to the University of Nottingham Centre for Risk & Insurance Studies. P. 22

¹⁸⁵ Rupalee Ruchismitha (2009). Innovations in insuring the poor-providing insurance through micro finance institutions -the Indian experience. Article presented to International Food Policy Research Institute, USA. P. 2

¹⁸⁶ Jawaharlal, U. (2009). Opportunities Unlimited. IRDA Journal 2009. P. 10.

content strategy. The approach, the product and the distribution needs to have a different look than that followed for the urban market.

ac. Dikhale¹⁸⁸, Chief (Micro Insurance) of LIC , in her article, —Future Creates the Present – Insurance 2020 attempts to scan the changing insurance landscape, writes that — Insurance will have to overcome its sluggishness, if there is to be a culture of innovation within the industry. Understanding how population change is central to the life insurance industry, and global changes currently underway are providing a once in a century opportunity for life insurers. Major challenges for life insurance companies have been posed by an unprecedented wave of mergers and acquisitions in the insurance industry and the emergence of nontraditional competitors / interlopers such as banks, mutual fund companies, technology service providers and investment advisory firms. Like the dinosaur, the business models of many insurers in the Asia Pacific region must evolve rapidly keeping pace with dramatic market changes to avoid extinction.

ad. Dikhale¹⁸⁹ says that agent friends and those in marketing assignments need to remember to get off the —Sales bandwagon and on to the —helpful friend approach. People buy from people they know and trust, not from salesmen. One’s sales will go up when one change from salesmen to helpful friend.

ae. Dam¹⁹⁰, in his paper, “Role of information technology in increasing penetration of life insurance in India”, observes that the key to increasing penetration of life insurance in India lies in improving the depth and width of the various distribution channels.

¹⁸⁷ Sadhak, H. (2009). Life Insurance in India, opportunities, challenges and Strategic Perspective. Response Books (Business Books from SAGE) p. 188

¹⁸⁸ Saroj S.Dikhale (2009). Future Creates the Present -Insurance 2020. Yogakshema by LIC of India, May,09. P. 12

¹⁸⁹ Saroj S.Dikhale (2009). Future Creates the Present -Insurance 2020. Yogakshema by LIC of India, May,09. P. 12

¹⁹⁰ Shivaji Dam (2002). Role of information technology in increasing penetration of life insurance in India. Article presented in CII 7th insurance summit. P.2

Information technology has a very important role to play here because it can help reduce the cost of distribution. One can improve the depth of the channel by equipping the agents with the latest technology and thus allowing them to contact more prospects.

af. Dercon¹⁹¹ observes that selling insurance to the poor is not without its problems. Studies consistently find that the hypothetical demand for insurance is high, but when insurance products are carefully piloted – as was rainfall-index drought insurance in India and Malawi or health insurance for the informal sector in Kenya—uptake is rarely swift and high, and renewal rates are low, even though these products seem rather attractive to the outside observer. In insurance companies, this phenomenon is well known; it is often said that —insurance is always sold and never bought.

ag. Purdy¹⁹² observes that the Indian population can be demarcated in to three groups on the basis of economic and socio-cultural differences on the basis of which different modes could be adopted for distribution of life insurance products. The up market or changing lifestyle population, the traditions, the rural and social sector population. The last category is predominantly semi-educated with indifference to life insurance. The primary mode of distribution among this section could be rural based banks, the village panchayats or the gram sevaks and the different village based NGOs which have deep network and trust among the village population.

¹⁹¹ Steen Dercon (2009). Innovations in insuring the Poor. 2009-Vision Initiative of International Food Policy Research Institute (IFPRI). P. 2-3

¹⁹² Stuart Purdey (2002). Multi level distribution & life insurance. Article presented in CII 7th insurance summit. P.4.

2.3.3 Studies of Life Insurance by Various Agencies and Experts:

Marketing has begun to attract interest in the insurance industry and the stock brokerage industry although marketing is still poorly understood in these industries". (Shirodkar¹⁹³)

- i) **McKinsey & Company**¹⁹⁴, a global Management consulting firm says, —By 2012 about 10.3 million household with income greater than Rs 2 lakh will control more than 22 percent of rural consumption. Further more rural India will not be one market. Pockets of attractive rural market will emerge in certain parts of India. Players will need to understand their needs, design products to match them and create distribution models to reach a highly fragmented consumer base cost effectively. It further says, although private sector players are dwarfed by LIC's presence some private insurers have reached a meaningful scale. Significantly, these players are entering second and third tier towns and even rural area.
- ii) **Capgemini**¹⁹⁵, while dealing with Indian life insurance, observes that despite recent growth, there is still tremendous untapped potential in the Indian insurance sector. India accounts for 16% of the world population, but accounted for only 1.68% of the world life insurance market in 2006. India is also far behind world averages in terms of insurance penetration, and insurance density. A mere 20% of the insurable population aged 20 to 60 years is currently covered by life insurance.

¹⁹³ Shirodkar, S. M. (1992), Marketing and Public Relations. IC 88 Published by Insurance Institute of India. P- 288-296.

¹⁹⁴ McKinsey & Company published its report on Indian life insurance in 2007: India Life Insurance 2012: *Fortune Favours the Bold*. P.9.

¹⁹⁵ Capgemini - World Insurance Report 2008. <https://www.capgemini.com> retrieved on 12/5/2015

- iii) **Dave**¹⁹⁶ report talks of low insurance coverage and says that the present formal provisions for old age income security in India cover less than 11% of the estimated working population in India. Over 28% of the salaried employees and 89.2% of the workers including self employed farmers are not covered by any pension scheme that enables them to save for economic security during old age.
- iv) **The report published by Celent**¹⁹⁷ says that India's life insurance market is booming and the market has grown at a healthy CAGR of 24% over the past 5 years. Most of this growth is from the urban areas. The increase in competition is forcing insurance providers to look beyond urban centers and take their trade to the more challenging rural hinterlands of the country, where only 3% of the population of more than 720 million people have any form of life insurance coverage.
- v) **Views of Indiacore**¹⁹⁸: The Life Insurance market in India is an underdeveloped market that was only tapped by the state owned LIC till the entry of private insurers. The penetration of life insurance products was 19 percent of the total 400 million of the insurable population. The state owned LIC sold insurance as a tax instrument, not as a product giving protection. Most customers were under- insured with no flexibility or transparency in the products. With the entry of the private insurers the rules of the game have changed. The 12 private insurers in the life insurance market have already grabbed nearly 9 percent of the market in terms of premium income. The new business premium of the 12 private players has tripled to Rs 1000 crore in 2002-

¹⁹⁶ Dave, Surendra. (2008). Indian insurance industry since 2000-a remarkable journey Report of project OASIS (Old age social & income security). P. 7

¹⁹⁷ Celent Report *Selling Life Insurance in rural India*. Celent Report dt. 23 May 2008.

¹⁹⁸ <http://www.indiacore.com/insurance2.html>, Date 25/7/2015 5:15am

03 over last year. Meanwhile, state owned LIC's new premium business has fallen. Innovative products, smart marketing and aggressive distribution, that's the triple whammy combination that has enabled fledgling private insurance companies to sign up Indian customers faster than anyone ever expected. Indians, who have always seen life insurance as a tax saving device, are now suddenly turning to the private sector and snapping up the new innovative products on offer. The growing popularity of the private insurers shows in other ways. They are coining money in new niches that they have introduced. The state owned companies still dominate segments like endowments and money back policies. But in the annuity or pension products business, the private insurers have already wrested over 33 percent of the market. And in the popular unit-linked insurance schemes they have a virtual monopoly, with over 90 percent of the customers. The private insurers also seem to be scoring big in other ways- they are persuading people to take out bigger policies. For instance, the average size of a life insurance policy before privatization was around Rs 50,000. That has risen to about Rs 80,000. But the private insurers are ahead in this game and the average size of their policies is around Rs 1.1 lakh to Rs 1.2 lakh- way bigger than the industry average. Buoyed by their quicker than expected success, nearly all private insurers are fast- forwarding the second phase of their expansion plans. No doubt the aggressive stance of private insurers is already paying rich dividends. But a rejuvenated LIC is also trying to fight back to woo new customers.

vi) **The annual report 2007-08 of IRDA highlights¹⁹⁹**, It wasn't too long back when the good old endowment plan was the preferred way to insure oneself against an eventuality and to set aside some savings to meet one's financial objectives. The traditional endowment policies were investing funds mainly in fixed interest Government securities and other safe investments to ensure the safety of capital. Thus the traditional emphasis was always on security of capital rather than yield. However, with the inflationary trend witnessed all over the world, it was observed that savings through life insurance were becoming unattractive and not meeting the aspirations of the policyholders. The policyholder found that the sum assured guaranteed on maturity had really depreciated in real value because of the depreciation in the value of money. The investor was no longer content with the so called security of capital provided under a policy of life insurance and started showing a preference for higher rate of return on his investments as also for capital appreciation. It was, therefore found necessary for the insurance companies to think of a method whereby the expectation of the policyholders could be satisfied.

The object was to provide a hedge against the inflation through a contract of insurance. Decline of assured return endowment plans and opening of the insurance sector saw the advent of ULIPs on the domestic insurance horizon. Today, the Indian life insurance market is riding high on the unit linked insurance Plans.

¹⁹⁹ Trends in Life Insurance Business—Unit Linked Insurance Plans, IRDA annual report 2007-08, box item 1, page no. 15

- vii)** The opinion of **Imtiyaz.H Ltd.VASI DO**²⁰⁰, Retaining a customer is four times cheaper than acquiring a new one. The retention of the customers is of utmost importance in the insurance industry in specification. Insurance business is of the relationship building process. Here one customer leads to the building of other one. A satisfied customer is like a word of mouth advertisement for the company. The needs of the existing customers should be identified and satisfied well rather than only concentrating at the new accounts. All possible measures needs to taken to retain the customers as it is lesser costlier as well as provides stability to the business.
- viii)** Industry statistics indicates that in February 2006, LIC had 71.65% market share in the Life Insurance industry, followed by ICICI Prudential (7.44%), Bajaj Allianz (7.38%), HDFC Standard (3%) and SBI Life (1.95%). In India, life insurance products are bought more as investments, which give tax-benefits rather than for risk protection and therefore on March, the financial year-end, is the peak selling season for insurances while April, May, and June are the dull months²⁰¹.
- ix)** The opening up of the Insurance Sector to Private Companies, has made available more products and world class service to Indian Customer. “You pay money and you take your chances”; “Let the buyer (customer) beware”, the age-old caveat emptor dicta initially akin to products, is still the buzzword in “insurance sector”. If the public sector insurance companies have to keep their stakes in the business and allow them not to be swept away by the entry of

²⁰⁰ Retention of the Customers is the essence of Insurance business, Imtiyaz.H Ltd.VASI DO, Insurance Times (Pg 20).Feb 2007

²⁰¹ New Business Stats, April to Feb 06, <http://www.saisonindia.com> retrieved on 20/5/2015.

private players, with more responsiveness and convenient attitudes, the only shortcut is 'quality service'. In six years since the entry of private players in the insurance market, LIC has lost 29% market share to the private players, although both, market size and the insurance premium being collected, are on the rise. In 2005, life insurance accounted for 79% of the total insurance market in India.²⁰²

x) **Bala Murugan**²⁰³ in the paper **Globalization and Its Impact on Insurance Industry in India** opined that, The existing insurer, LIC and GIC, have created a large group of dis-satisfied customers due to the poor quality of service. Hence there will be shift of large number of customers from LIC and GIC to the private insurers. LIC may face problem of surrender of a large number of policies, as new insurers will woo them by offer of innovative products at lower prices. The corporate clients under group schemes and salary savings schemes may shift their loyalty from LIC to the private insurers. There is a likelihood of exit of young dynamic managers from LIC to the private insurer, as they will get higher package of remuneration. Intense competition from new insurers in winning the consumers by multi-distribution channels, which will include agents, brokers, corporate intermediaries, bank branches, affinity groups and direct marketing through telesales and internet. The market very soon will be flooded by a large number of products by fairly large number of insurers operating in the Indian market. Even with limited range of products offered by LIC, the consumers are confused in the market. Their confusion will further increase in the face for large number of products in the market. The existing level of awareness of the

²⁰² Impact Of Joint Venture Companies On Innovation And Growth In Indian Insurance Industry By Mohit Anand online available at: <http://pdfcast.org/pdf/impact-of-joint-venture-companies-on-innovation-and-growth-in-indian-insurance-industry>

²⁰³ <http://ezinearticles.com/?Globalization-And-Its-Impact-Of-Insurance-Industry-In-India&id=669312>

consumers for insurance products is very low. It is so because only 62% of the Indian population is literate and less than 10% educated. Even the educated consumers are ignorant about the various products of the insurance.

- xi) Nirmal Bang²⁰⁴** in the Paper ‘**The Real clinchers for SBI Life have been customer loyalty and performance**’ opined that: Insurance in India has been viewed as a tax-saving instrument and risk cover in life insurance was purely incidental. The mindset continues to be the same, although unit-linked instruments are becoming popular. The emergence of pure risk products has thus taken a back seat. Lapsation is a serious issue. Life insurers are striving to design imaginative products to ensure long-term commitments from policyholders. In the process there is a need for distributors to play a key role in identifying the needs of the prospect and then sell insurance so that long-term retention of customers is established. In fact, recently globally it topped the Million Dollar Round Table (MDRT) 2009. This is the first time in the history of MDRT’s existence that an Indian Life insurance company has reached the pinnacle of international coveted league. Of the total 2,677 SBI Life MDRT members, 1,667 Insurance Advisors are from the retail agency channel and 1,010 Certified Insurance Facilitators from bancassurance. Among these, 222 have achieved Court of Table (COT) and 64 Top of Table (TOT) status.
- xii)** The market is already seeing a rise in number of players and in making insurance products, new companies will have to adopt systems which factor in all potential

²⁰⁴http://www.stockmarketsreview.com/extras/the_real_clinchers_for_sbi_life_have_been_customer_loyalty_and_performance_20100119_2413

risks. In such a scenario, it'll be difficult to say what will be the differentiator across the different players — products, pricing or service?²⁰⁵

xiii) Samuel B Sekar, opined that:²⁰⁶ Insurance is one product which is not demanded by a customer, but supplied to him by massive education and drive marketing. Insurance ought to be bought not sold. The new concept of demand side innovation focuses more on customer's social and economic reality striving to deliver maximum value to the customer at an affordable price. Therefore, when the customer becomes the primary focus including him in the invention process becomes mandatory. But, there are certain areas of insurance innovations where the customers cannot be involved. A case in point is the recent insurance product invention called Telematic Auto Insurance. It's a product by the Progressive Auto Insurance, which monitors the driving behaviour of its auto insurance policyholder. The new machine grabs information and automatically transmits it to the insurer. This information received is regularly analyzed to judicially conclude the intensity of risk the person is exposed and the corresponding premium he is eligible to pay. This is an example of supply side innovation, where it is strictly not possible to include the customer in the innovation process. Though, there are instances where the customer is involved in the testing phase, his inclusion in the conception phase makes an innovation demand-driven.

²⁰⁵ <http://www.indiainbusiness.nic.in/whyindia.html>, retrieved on 23/5/2015

²⁰⁶ Customer – driven innovation in insurance products, Insurance Chronicle, page 33, July 2006

xiv) Sampada kapse & D.G kodwani believes:²⁰⁷ At national as at individual level the excess of income after consumption level savings as funds for investment. Surplus funds can be invested in either real asset or in financial assets. Purpose of investment is to protect one's wealth against erosion of value due to inflation and to earn risk adjusted return. There are three motives which drive people to purchase insurance products in India. *Desire to cover risk *Tax benefit *Saving motives

In this paper the survey indicates that it may not be very difficult to win over the confidence of small investors towards insurance policies if good marketing techniques are adopted to educate the targeted population about the uses of insurance policies from investment point of view.

2.3.4 Research Gap

Given the above review of Literature, it may be discerned that very little attention has been given to the image study with respect to life insurance and there seems to be hardly any study conducted so far in respect to Image gap analysis of Life Insurance. Image Gap Analysis of Life Insurance is in effect the function of the "CUSTOMER-SOLUTION", "CUSTOMER COST", "CUSTOMER-COMMUNICATION" and "CUSTOMER-CONVENIENCE" dimensions of 4C based marketing mix. In India, most of the studies had been carried out in northern, central and southern regions; there is a dearth of related study in relation to North Eastern Part of India. Further in Indian context, there is dearth of literature on Image study from 4C based marketing mix. Moreover, no studies have so far been made in the state of Assam about Image Gap Analysis of Life Insurance. Thus, there exists a gap in the study of Image Gap with respect to Life Insurance. Hence research work

²⁰⁷ Sampada kapse & D.G kodwani, Insurance as an investment option, The Insurance Time, May 2003

in the area was proposed under the title “IMAGE GAP ANALYSIS OF LIFE INSURANCE SERVICES IN ASSAM”.

2.4 Scope of the Research Study:

Research is indeed a process of developing and enhancing our knowledge to discover the truth. Given the title of the present thesis, the study focused on the Image Gap Analysis of Life Insurance Services in Assam. Current research applied a mix of both quantitative and qualitative methods. However the current study was undertaken keeping into consideration the following parameters:

- a. The study considered Expectations as a parameter for judging the Experience.
- b. The study investigated the ‘Image of Life Insurance Services’ through the dimensions of (i) 4C Marketing Mix based Expectations, and (ii) 4C Marketing Mix based Experiences.
- c. The study was carried out only in 5 (Silchar, Guwahati, Tezpur, Sivasagar and Jorhat) districts out of 27 District headquarters of Assam.
- d. The study used the information or data collected through questionnaire from May 2012 to March 2014.
- e. The study covers only the Insured respondent or the respondents who are having at least one Life Insurance Policy.
- f. The study is conducted among individual adult respondents of age above 18 years, who may be either consumers or non consumers of life insurance. The electoral list of the state of Assam is the population frame, in second stage the respondents who are not having any life insurance product are excluded from the samples.

- g. The study considered District headquarters as representative of whole district, based on the belief that generally the economic and commercial activities are confined to district Head Quarters.
- h. The study was pursued from the perspectives of Customer as it considered only 4Cs.
- i. The present study has not factored the Image from the Insurance Company's point of view.

2.5 Objectives of the Research Study:

Given the survey of literature the present study was pursued to achieve the following different objectives:-

1. To ascertain the gap between degree of customer solution dimension expected and degree of customer solution dimension experienced of marketing mix with respect to life insurance.
2. To ascertain the gap between degree of customer cost dimension expected and degree of customer cost dimension experienced of marketing mix with respect to life insurance
3. To ascertain the gap between degree of customer communication dimension expected and degree of customer communication dimension experienced of marketing mix with respect to life insurance.
4. To ascertain the gap between degree of customer convenience dimension expected and degree of customer convenience dimension experienced of marketing mix with respect to life insurance
5. To identify the implications of the present study and providing suggestions for improvement.

2.6 Hypothesis of the Study

Given the survey of literature and objectives, the study took into consideration for the verification of the following statistically hypotheses:-

1. There is no significant difference between the 'Degree of Customer Solution Dimension Expected' and the 'Degree of Customer Solution Dimension Experienced' of Marketing Mix with respect to Life Insurance in Assam.
2. There is no significant difference between the 'Degree of Customer Cost Dimension Expected' and the 'Degree of Customer Cost Dimension Experienced' of marketing mix in respect of Life Insurance.
3. There is no significant difference between the 'Degree of Customer Communication Dimension Expected' and the Degree of Customer Communication Dimensions experienced' of marketing mix in respect of Life Insurance.
4. There is no significant difference between the 'Degree of Customer Convenience Dimension Expected' and the 'Degree of Customer Convenience Dimension Experienced' of marketing mix in respect of Life Insurance.

2.7 Theoretical Framework

Expectation and Experience of the customers are always considered important in marketing and have been dealt in the area of service marketing to measure the satisfaction of customers through the gap analysis (Zeithamal, Gremler & Bitner²⁰⁸; Kamaladevi²⁰⁹). Gronroos²¹⁰ developed a model of perceived service quality to analyze the difference between expected and experience service to determine the quality of service by borrowing

²⁰⁸ Zeithamal, V. A., Gremler, D. D., & Bitner, M. J. (2010). *Service Marketing: Integrating Customer Focus Across the Firm* (4th ed.), New Delhi: Tata McGraw-Hill.

²⁰⁹ Kamaladevi, B. (2009). Customer Experience Management. *The Romanian Economic Journal*, 34(4), 31-59.

²¹⁰ Gronroos, C. (1982). *Strategic Management and Marketing in the Service Sector*. Helsinki: Swedish School of Economics and Business Administration.

the idea of disconfirmation of expectation from consumer behavior literature. The basic idea was to measure the 'Level of Expectation' and the 'Level of Perception' to measure the 'Level of Satisfaction'. Bitner²¹¹ developed a model based on disconfirmation of expectations, his model measures satisfaction through gap analysis from pre-attitude, attributions, service quality and satisfaction dimensions. Thaler²¹² suggested that the classification of satisfaction or dissatisfaction is the process of mental compartmentalization. Oliver²¹³ developed a model which is based on the assumption that customers use different comparison standards for satisfaction judgment. Comparison of expectation and performance results in either satisfaction or dissatisfaction (Bloemer & de Ruyter²¹⁴). Dahlsten²¹⁵ viewed customer satisfaction as a functional relationship between customer expectations and customer experience.

Scholars, such as Zaichkowsky²¹⁶, Wilson²¹⁷, Toran²¹⁸ and Tull & Hawkins²¹⁹, developed conceptual models of corporate image formation and corporate identity management. Sunder²²⁰ identified elements of the corporate management process and proposed a Definitive model of the corporate identity management process. This model depicts the differences between, but also the interrelatedness of corporate personality,

²¹¹ Bitner, M. J., (1990). Evaluating Service Encounter: The effects of physical surrounding and employee response. *Journal of Marketing*, 54(April) 69-82.

²¹² Thaler, R. H., (1980). Towards a Positive Theory of Consumer Choice. *Journal of Economic Behavior and Choice*, 1, 39 -60.

²¹³ R. L.Oliver (Eds.), Service quality: New directions in theory and practice (pp.72-94). Thousand Oaks, CA:Sage.

²¹⁴ Bloemer, J., & de Ruyter, K. (1999). Customer Loyalty in Low and High involvement service settings: the moderating impact of positive emotions. *Journal of Marketing Management*, 15, 315-330.

²¹⁵ Dahlsten, F., (2003). Avoiding the Customer Satisfaction Rut. *MIT Sloan Management Review*, 44 (4) 73-77

²¹⁶ Zaichkowsky, J.L. (1985). Measuring the involvement construct. *Journal of Consumer Research*, 12, 341-352.

²¹⁷ Wilson, D. T. (1995). An integrated model of buyer-seller relationships. *Journal of the Academy of Marketing Science*, 23, 335 - 345.

²¹⁸ Toran, D. (1993). Quality service (quality everything!). *LIMRA'S Market Facts*, 12(2),10-11.

²¹⁹ Tull, D. & Hawkins, D. (1990) *Marketing research: Measurement & method*, Macmillan, New York.

²²⁰ Sunder, S. (2002). Management Control, Expectation, Common Knowledge, and Culture. *Journal of Management Accounting Research*, 14(1), 173-187.

corporate strategy and corporate identity within the organisational culture. It also indicates how communication with stakeholders leads to corporate image and corporate reputation. Each company has a corporate personality. This personality is the sum total of the characteristics of the organisation, including the corporate philosophy, core values and corporate mission and is projected by various visual cues (physical and behavioral) to constitute the identity of the company. Through interpersonal communication, as well as with marketing and management communication, stakeholders receive certain messages and cues from the company. The company can be recognised by these cues and can as such be differentiated from others. Stakeholders' perceptions of these messages and cues constitute corporate image and in the long run lead to corporate reputation (Abratt²²¹, Keller²²², Stuart²²³; Varley²²⁴). According to Varley²²⁵, the store and its environment play a major role in the formation and maintenance of corporate image.

The appropriate constructs and the dimensions were identified by review of literature, consultation with experts and a pilot study of a few customers. The Adams equity theory²²⁶, justice theory (Smith & Bolton²²⁷, Smith et al.²²⁸) helped identify the variables for the study.

²²¹ Abratt, R. (1989). A new approach to the corporate image management process. *Journal of Marketing Management*, 89 (5): 63-76.

²²² Keller, K. L., (2008). *Strategic Brand Management* (12th ed.). Upper Saddle River, New Jersey: Prentice Hall.

²²³ Stuart, H. (1999). Towards a definitive model of the corporate identity management process. *Corporate Communications: An International Journal*, 4 (4), 200-207.

²²⁴ Varley, R. (2005). Store image as the key differentiator. *European Retail Digest*, 46, 18-21.

²²⁵ Varley, R. (2005). Store image as the key differentiator. *European Retail Digest*, 46, 18-21.

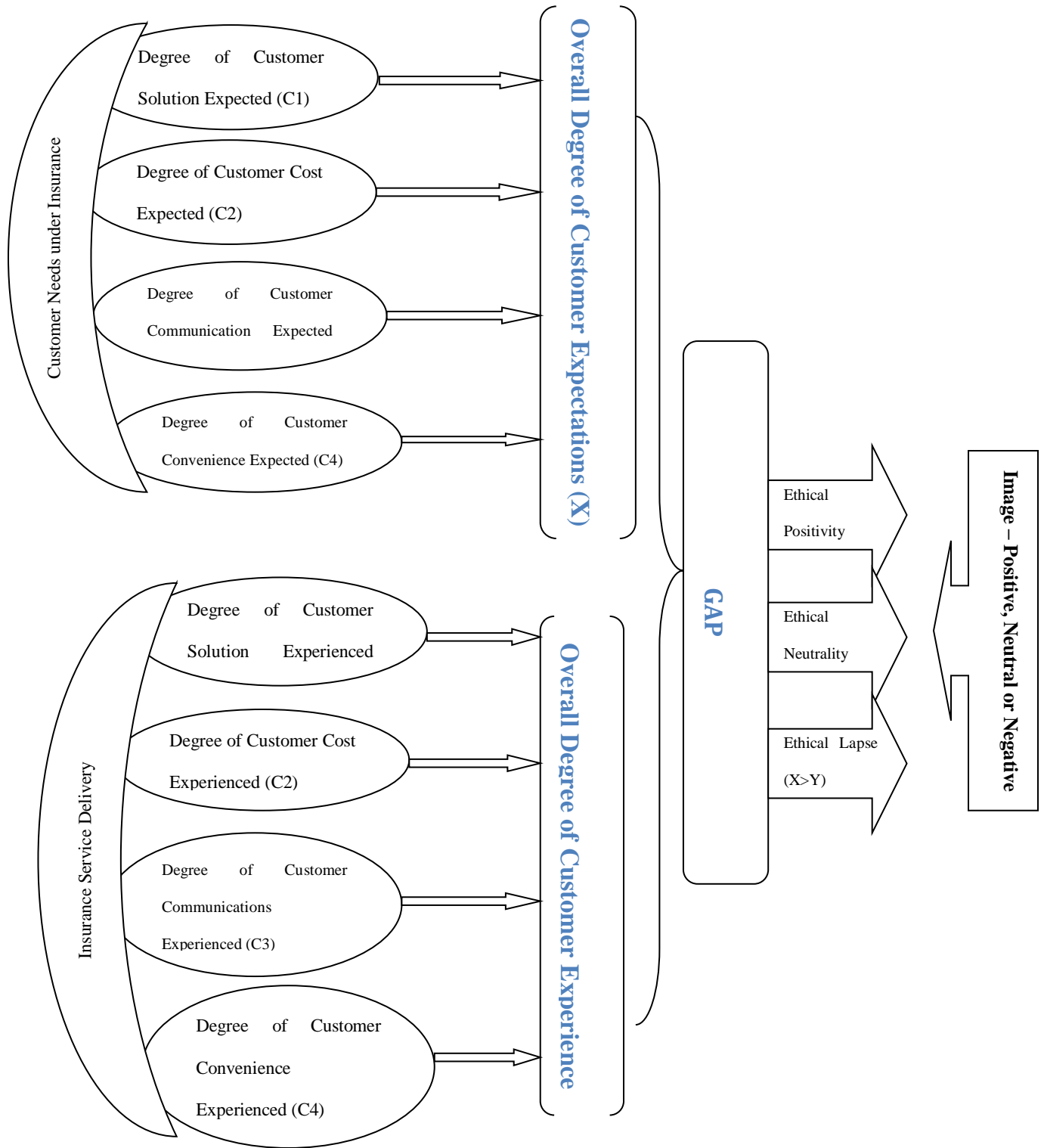
²²⁶ <http://www.businessballs.com/adamsequitytheory.htm>, retrieved on 22/12/2014.

²²⁷ Smith, Amy K., Ruth N. Bolton, (2002), "The Effects of Customers' Emotional Responses to Service Failures on their Recovery Effort Evaluations and Satisfaction Judgments," *Journal of the Academy of Marketing Science*, 30 (1), 5-23

²²⁸ Smith, Amy K., Ruth N. Bolton, and Janet Wagner (1999), "A Model of Customer Satisfaction with Service Encounters Involving Failure and Recovery," *Journal of Marketing Research*, 36 (August),356-72.

In this research, Expected customer solution, Expected customer cost, Expected customer convenience and Expected customer communication are considered as the constructs of Expected level of satisfaction. Customer Needs acts as an intervening variable on all the constructs affecting Expected level of satisfaction. Experienced customer solution, Experienced customer cost, Experienced customer Convenience and Experienced customer communication are considered as the constructs of Experienced level of satisfaction. Actual service delivery acted as an intervening variable on all the constructs affecting experienced level of satisfaction.

Diagram 2.1: Theoretical Framework for the study



Source: Developed by the researcher

2.8 Methodology of the Study

Methodology refers to the systematic analysis of the methods applied to a field of study. It is a comprehensive master plan of the research study to be undertaken, giving a general statement of the methods to be used. It is a framework, a blueprint for the research study which guides the entire research process from collection and analysis of data stating measurement procedure and sampling details. It serves as a guideline for solving a problem with specific components such as methods, techniques and tools, the selection of an appropriate research methodology is crucial to the effectiveness of a research work. Research Methodology in social sciences falls within the categories of positivist, interpretive, and critical. Majority of economics, business and marketing research encompasses with the positivist or quantitative and qualitative methods.

2.8.1 Research Design

The study followed a mixed model Research Design, i.e. a combination of Qualitative Research and Quantitative Research. A quantitative methodology was employed in order to obtain data to address the research objectives. According to Yin²²⁹, qualitative method is suitable to empirical studies. The study has adopted exploratory, conclusive and descriptive study design; it is explanatory in the sense that study tried possible insights that may help in identifying areas of further rigorous study, by adopting a method of survey of existing literature. The exploratory research or formulative research involves flexible research design, non-probability sampling design, and no pre-planned design for analysis and unstructured instrument for data collection. It is conclusive in the sense that it tested hypothesis and insights and examined the relationship among defined variable. Conclusive research is meant to provide information that is useful in decision making. It tends to be

²²⁹ Yin, Robert K. (1994). *Case Study Research: Design and Methods* (2nd ed.). USA: Sage Publications.

quantitative in nature that is to say in the form of numbers that can be quantified and summarised. It relies on both primary and secondary data. Secondary data particularly the existing database that are reanalysed to shed light on a different problem than the original one for which they were constituted, and primary research, or data specifically gathered for the current study. The collected data was further analysed through proper statistical tools to generate overall conclusion.

2.8.2 Profile of the Study Area

The area covered under the study is Assam, which is situated at North Eastern part of India. It is a part of Seven Sisters- Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, and Tripura. Assam is bordering six states of seven sisters and West Bengal as well; also it is bordering two countries viz. Bangladesh and Bhutan. The total geographic area of Assam is 78,438 sq. km. which is about 2.4% of the country's total geographical area. According to Census of India, 2011 the population of Assam stands at 3,11,69,242, the Male Female proportion is 1,59,54,927 and 1,52,14,345 respectively. The density of population of the state is 397 as per 2011 Census. The study covered five district headquarters out of top 10 districts in terms of banking & insurance business and district domestic product as per the data (2007-08) generated by Director of Economics and Statistics, Government of Assam²³⁰.

Table 2.1: Top 10 Districts in terms of Banking & Insurance business and District Domestic Product & Bank Deposits (Rs in Lakh)

Sl No	Districts	Banking & Insurance Business*	Districts	District Domestic Product (DDP)*	Districts	Deposits**
1	Kamrup M)	17,288	Kamrup M)	3,51,607	Kamrup(M)	28,80,230
2	Sivasagar	13,528	Dibrugarh	2,83,932	Dibrugarh	5,48,680
3	Tinsukia	12,784	Kamrup	2,83,870	Cachar	3,79,420

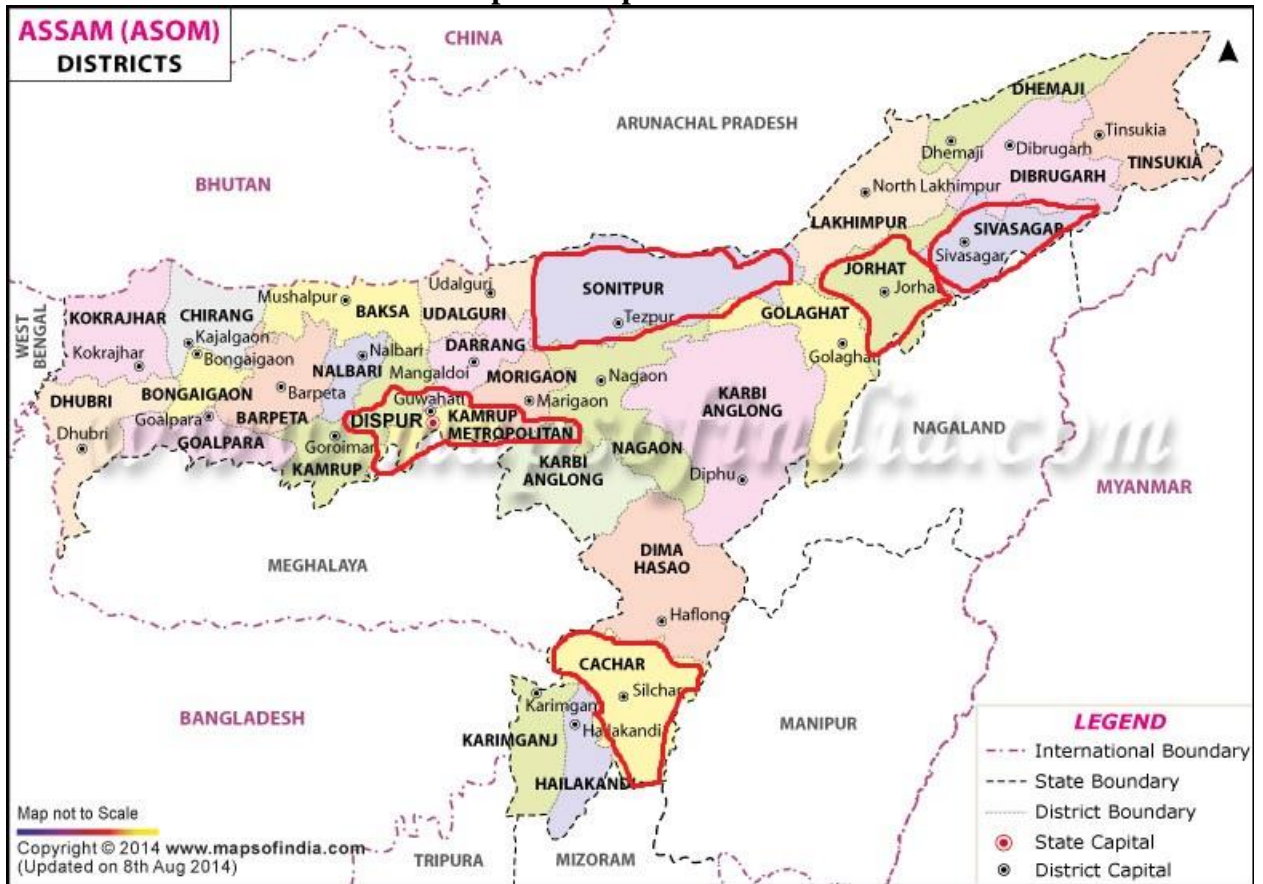
²³⁰ <http://ecostatassam.nic.in/> , Accessed on 12th January, 2012

Sl No	Districts	Banking & Insurance Business*	Districts	District Domestic Product (DDP)*	Districts	Deposits**
4	Dibrugarh	12,352	Tinsukia	2,77,508	Nagaon	2,78,470
5	Kamrup (Rural)	11,557	Sivasagar	2,76,647	Tinsukia	2,78,120
6	Kokrajhar	11,230	Nagaon	2,64,328	Jorhat	2,75,500
7	Nagaon	10,072	Jorhat	2,45,456	Sonitpur	2,33,350
8	Jorhat	9,429	Cachar	2,37,576	Sivasagar	2,01,950
9	Sonitpur	8,225	Sonitpur	2,26,433	Kamrup (Rural)	1,58,370
10	Cachar	7,921	Golaghat	1,76,587	Barpeta	1,45,180

Source: *Director of Economics and Statistics, Government of Assam (<http://ecostatassam.nic.in/>)

** Economic Survey Assam, 2012-13, Chapter-XIV, p-184²³¹

Map 2.1: Map of Assam



Source: www.mapsofindia.com, area highlighted by the researcher

²³¹http://planassam.info/contents_sub.php?username=&status=&q=25&link_name=25&ID=80&link_caption=Economic%20Survey%20&%20Statistics

i) Silchar²³²

Silchar is the Headquarter of Cachar district in the state of Assam. Silchar is located in the southern part of Assam. Situated on the banks of the Barak River, it is a trade and processing centre for tea, rice and other agricultural products. There is limited industry, principally papermaking and tea-box manufacturing. The city has an airport and is connecting to Guwahati, Agartala, Imphal, and Aizawl. Silchar is regarded as an important road junction of the North Eastern India and serves as a major point of connection for Tripura, Manipur and Mizoram. The area of Silchar town is 15.75 km². It has an average elevation of 22 meters (72 feet). As of 2011 India census, Silchar had a population of 178,865. Total number of males were 89,961 and females 88,904. The sex ratio of Silchar was 988 females per 1000 males, which is above the national ratio of 940 females per 1000 males. Silchar has an average literacy rate of 91.74%, higher than the national average of 59.5%, with male literacy of 93.97% and female literacy at 89.50%. Major religions followed are Hinduism, Islam, Christianity and Jainism. There is also a small community of Sikhs residing in the town.

ii) Guwahati²³³

Guwahati, Pragjyotishpura in ancient Assam, Gauhati in the modern era) is the largest city of Assam, a major riverine port city and one of the fastest growing cities in India. The ancient cities of Pragjyotishpura and Durjaya (North Guwahati) were the capitals of the ancient state of Kamarupa under the Varman and Pala dynasties. Many ancient Hindu temples are in the city, giving it the name "City Of

²³² <http://www.cachar.nic.in/> accessed on 9/5/14

²³³ <http://www.kamrup.nic.in/>, accessed on 9/5/2014

Temples". Dispur, the capital of Assam, is in the circuit city region located within Guwahati and is the seat of the Government of Assam. Guwahati lies between the banks of the Brahmaputra River and the foothills of the Shillong plateau, with Lokpriya Gopinath Bordoloi (LGB) International Airport to the west and the town of Narengi to the east. It is gradually being expanded as North Guwahati to the northern bank of the Brahmaputra. The Guwahati Municipal Corporation (GMC), the city's local government, administers an area of 216 square kilometres (83 sq mi), while the Guwahati Metropolitan Development Authority (GMDA) is the planning and development body of Guwahati Metropolitan Area. With an area of 1,528 square kilometres (590 sq mi), Guwahati has the second largest metropolitan area in eastern India after Kolkata. Guwahati is one of the fastest growing cities in India. The city's population grew from just 200,000 in 1971 to more than 500,000 in 1991. In the 2001 census, the city's population was 808,021. By 2012, the population of the rapidly growing metropolitan area had risen to 1.5 million. It is estimated that Guwahati metro will house 2.8 million residents by 2025. The percentage of child population of Guwahati is 9.40%. The average literacy rate is stated to be 91.47% with male literacy at 94.24% and female literacy at 88.50%. The sex ratio has been recorded to be 933 females per 1000 males and child sex ratio to be 940 girls per 1000 boys. According to 2011 census, Hinduism is the majority religion in Guwahati with 84.74% followers; followed by Islam with 12.45% followers. Christianity is followed by 0.93%, Jainism by 0.96%, Sikhism by 0.36% and Buddhism by 0.16%.

iii) Tezpur²³⁴

Tezpur is a city and the administrative headquarters and municipal board of Sonitpur district in the state of Assam in northeastern India. Tezpur is an ancient city on the banks of the river Brahmaputra and is the largest of the north bank towns with a population exceeding 100,000. It is situated 175 kilometres (109 mi) north east of Guwahati, considered to be the "Cultural Capital of Assam". The economy of Tezpur is dependent on its Tea Gardens. There are many tea gardens surrounding the town of Tezpur. The surrounding tea gardens and agriculture contribute to the local economy. Presently Tezpur is a commercial, administrative and educational centre. It also houses a major base of the Indian Army and Airforce (Salonibari). The population is largely heterogeneous. Assamese, Bengali, Nepali, Bihari, Marwari communities form the majority. People from various tribes such as the tea-tribes (brought in by the colonial planters as indentured laborers from the Chhotanagpur plateau region), Bodos, Mishings etc. have also made it their home.

iv) Sivasagar²³⁵

Sivasagar previously spelled Sibsagar ("the ocean of Lord Shiva"), is a town in Upper Assam, about 360 kilometres (224 mi) north east of Guwahati. It is the district headquarters of the Sivasagar district. It is well known for its Ahom palaces and monuments. Sivasagar today is also an important centre for the tea and oil industries. It was formerly known as Rongpur and was the capital of Ahom Kingdom from 1699 to 1788. As of the 2001 India census, Sivasagar had a population of 53,854. Sivasagar has an average literacy rate of 81%, higher than the national

²³⁴ <http://www.sonitpur.nic.in/> accessed on 9/5/2014

²³⁵ <http://www.sivasagar.nic.in/>, accessed on 9/5/2014

average of 59.5%: male literacy stands at 83%, and female literacy at 79%. Most of the inhabitants of the town are Assamese, comprising Ahom, Koch, Assamese Hindus, Assamese Muslims, and other ethnic groups.

v) **Jorhat**²³⁶

Jorhat is a city in the state of Assam in India. Guwahati and Jorhat are underway to become two sunshine cities of Assam as declared by the central government. Jorhat was the first town of the Upper and central Assam installing electricity supply in 1923. The first aeroplane on north-eastern soil was landed in Jorhat in 1928. Jorhat Gymkhana Club is the oldest golf course in Asia and third oldest in the world. The first stadium of Assam was built in Jorhat. The world's oldest and largest Tea Experimental Station is located in Jorhat. The first non-government college of Assam J B College was established in Jorhat. In 2011, Jorhat District Urban population was 219,565 (includes population of Mariani, Titabor and Teok) of which males and females were 113,555 and 106,010 respectively, while the rural population was 871,730, male 444,389 and female 427,341. There was an increase of 9.21 percent in the population compared to the population of 2001. In the previous census of India 2001, Jorhat recorded an increase of 14.69 percent to its population compared to 1991. The average literacy rate of Jorhat in 2011 was 91.39%. If things are viewed gender wise, male and female literacy were 93.63% and 88.99% respectively. The total literates in Jorhat were 182,600 of which male and female were 96,806 and 85,794 respectively. With regards to the sex ratio in Jorhat, it stood at 934 females per 1000 males, according to the Census 2011 Directorate.

²³⁶ <http://www.sivasagar.nic.in/>, accessed on 9/5/2014

2.8.3 Sampling Design

Selection of appropriate design of sampling depends upon the aim of the study (Marshall²³⁷). Sampling design specifies the sampling frame, sample unit, sample size, sampling method etc. (Malhotra²³⁸). The sampling design considered for the study discussed below:

i. Universe of the study

The target population or universe represents the group of elements to which a researcher wants to make inference (Gupta²³⁹). In the current study, all the investors of Life Insurance of Assam constituted the Universe. Since, no exhaustive list of investors of Life Insurance is available, the size of Universe is considered as Unknown.

ii. Sample and Sampling Frame

It is very difficult to collect information from every member of a population as time and costs are the major limitation that the researcher faces. Choosing a sample for a study is an important step in research. Many scholars (e.g. Miles and Huberman²⁴⁰, Ding et. al.²⁴¹, Marshall²⁴², Patton²⁴³) have argued that a qualitative research typically involves small samples. Sampling frame represents the list from which samples may be drawn

²³⁷ Marshall Martin N. (1996). Sampling for Qualitative Research. *Family Practice*, Oxford University Press, 13(6), 320-333. Retrieved from <http://fampra.oxfordjournals.org/cgi/reprint/13/6/522.pdf>. accessed on 25/3/14.

²³⁸ Malhotra, N. K. (2004). *Marketing Research: An Applied Orientation* (4th ed.). Pearson Education, Inc: New Jersey.

²³⁹ Gupta, S. P. (1997). *Statistical Method*. Delhi: Sultan Chand & Sons.

²⁴⁰ Miles, M. B. & Huberman, A. M. (1984). *Quantitative Data Analysis*. A Sourcebook of New Methods. London: Sage Publications.

²⁴¹ Ding, L., Velicer, W. F., and Harlow, L. L. (1995). Effects of Estimation Methods, Number of Indicators per Factor, and Improper Solution on Structural Equation Modeling Fit Indicators. *Structural Equation Modeling*, 2, 119-143.

²⁴² Marshall Martin N. (1996). Sampling for Qualitative Research. *Family Practice*, Oxford University Press, 13(6), 320-333. Retrieved from <http://fampra.oxfordjournals.org/cgi/reprint/13/6/522.pdf>. accessed on 25/3/14.

²⁴³ Patton, M. Q. (2002). *Qualitative research & evaluation methods* (3rd ed.). London: Sage Publications.

(Zikmund²⁴⁴). Thus investors of Life Insurance (irrespective of number of policies & irrespective of number of Insurer where invested) were considered as a single investor. Hence, number of policies was not the determining factor of Sampling Frame.

iii. Sampling Method

The sampling technique used for the study is Snowball sampling. The Snowball sampling method is used when it is difficult to locate the members of the universe²⁴⁵. Snowball sampling technique was originally suggested by Goldman²⁴⁶. Under this technique the researcher identifies the initial set of respondents with the characteristics of the target population. Those initially identified then identify others with the desired characteristics whose cooperation would be solicited (Churchill et. al.,²⁴⁷). Snowball sampling is recommended when population cannot be exactly delimited or reckoned (Dragan & Mainu²⁴⁸). Hackathorn (²⁴⁹) has also suggested the use of snowball sampling for hidden population as standard probability technique produces low response rate for such type of population. The reason of using snowball sampling technique in current research is that the universe of the population was unknown as it could not be exactly determined or recorded.

iv. Sampling Unit

²⁴⁴ Zikmund, W. G. (2003). *Business Research Methods* (7th ed.). London: Thomson Learning, Imprint of Thomson Corporation.

²⁴⁵ <http://sociology.about.com/od/Research/a/sampling-design.htm>, retrieved on 10 10, 2013.

²⁴⁶ Goldman, A. L. (1961). Snowball Sampling. *Journal of Mathematical Statistics*, 32, 148-170.

²⁴⁷ Churchill, G. A., Iacobucci, D., & Isreal, D. (2010). *Marketing Research – A South Asian Perspective* (India ed.). New Delhi: Cengage India Private Ltd.

²⁴⁸ Dragan, I. M., & Mainu, A. (2012). Snowball Sampling Development used in Marketing Research. *International Journal of Arts and Commerce*, 1(6), 214-233.

²⁴⁹ Hackathorn, D. D., (1997). Respondent Driving Sampling – A New Approach to the Study of Hidden Population. *Social Problems*, 44(2). 174-199.

The sample unit or element in the current study is the individual investor of Life Insurance. The sampling unit is a single element or a group of elements subject to selection in the sample (Zikmund²⁵⁰).

v. Sample Size

Onwuegbuzie and Leech²⁵¹ argue that making sampling and sample size considerations is the central to qualitative research. Researcher (Bertaux²⁵², Romney²⁵³, Romney et. al.²⁵⁴, Guest et.al.²⁵⁵, Crouch and McKenzie²⁵⁶, Mason²⁵⁷) mentioned that fifteen is the smallest acceptable and quite sufficient in providing complete and accurate information within a particular segment. Even a small convenience sample would likely render useful information in the case study. Comfrey and Lee²⁵⁸ suggests that “the adequacy of sample size might be evaluated very roughly on the following scale: 50- very poor; 100- poor; 200- fair; 300- good; 500- very good; 1000 or more- excellent.” There are several approaches for determining sample size. These includes- using a sample size of a similar

²⁵⁰ Zikmund, W. G. (2003). *Business Research Methods* (7th ed.). London: Thomson Learning, Imprint of Thomson Corporation.

²⁵¹ Onwuegbuzie, A. and Leech, N. (2002). The role of sampling in qualitative research. *Academic Exchange Quarterly, Fall*. Retrieved from http://findarticles.com/p/articles/mi_hb3325/is_3_9/ai_n29219699, accessed on 12/6/2013.

²⁵² Bertaux, D. (1981). From the life-history approach to the transformation of sociological practice. *Biography and society: The life history approach in the social sciences*, (pp- 29-45). London: Sage Publications.

²⁵³ Romney, A., W. Batchelder and S. Weller (1986). Culture as consensus: A theory of culture and informant accuracy. *American Anthropologist* 88, 313-338.

²⁵⁴ Romney, A., W. Batchelder and S. Weller (1986). Culture as consensus: A theory of culture and informant accuracy. *American Anthropologist* 88, 313-338.

²⁵⁵ Guest, Greg, Bunce Arwen and Johnson Laura (2006). How Many Interviews are Enough? An Experiment with Data Saturation and Variability. *Field Methods*, 18(59). Retrieved from doi:10.1177/1525822X05279903. Accessed on 12/04/2012.

²⁵⁶ Crouch, Mira & McKenzie, Heather (2006). The logic of small samples in interview based qualitative research. *Social Science Information* 45(4), 483-499.

²⁵⁷ Mason, Mark (2010). Sample Size and Saturation in PhD studies using Qualitative Interviews. *Forum Qualitative Social Research*, 11(3), Art. 8. Retrieved from <http://www.qualitative-research.net/index.php/fqs/article/view/1428/3027>. Accessed on 09/06/2012.

²⁵⁸ Comfrey, A. L. & Lee, H. B. (1973). *A First Course in Factor Analysis*. New York: Academic Press.

study, using published table, and using formula to calculate sample size (Isreal²⁵⁹). The formula for determining sampling size was used in the current study. The formula suggested by Gorden²⁶⁰ was used to calculate the required sample size for each geographical area under consideration, given that the population size is unknown or infinite.

Z value for desired level of confidence in this study is 1.96. Confidence level expresses the researcher's confidence within which actual mean will fall. The commonly confidence levels are 90 per cent, 95 per cent and 99 per cent (smith²⁶¹). In this research, 95 per cent confidence level was considered.

The Table value as prescribed by Krejcie & Morgan²⁶² revealed that in case of infinite population the size of sample should be 384. Given the non availability of complete list of population, the snowball sampling method, the general tendency of respondent for non-response and the response to the extent of 384 required, in actual, the Questionnaires/ Schedule were distributed to 500 respondents of each area to compensate non-response (Powell²⁶³) as the pilot survey revealed a response rate of nearly 80 per cent. Thus a sample of 384 from each of the five districts head quarters selected for the study resulted into an overall sample of 1920 respondents.

2.8.4 Profile of the Respondents

The current section presents a demographic profile of the respondents. To be successful in the present competitive environment, the life insurance companies have to

²⁵⁹ Isreal, G. D. (1992). *Determining Sample Size, Fact Sheet POED-6*. Retrieved 12/12/ 2009. From http://www.soc.uoc.gr/socmedia/papageo/metapyxiakoi/sample_size/samplesize1.pdf , accessed on 12/11/2012.

²⁶⁰ Gorden, B. (2004). *Sample Size Formula*. Retrieved on 10/12/2012, from <http://www.williamgodden.com/samplesizeformula.pdf>

²⁶¹ Smith, S. (2013). *Determining Sample Size: How to Ensure You Get the Correct Sample Size*. Retrieved 22/7/2013, from <http://www.qualtrics.com/samplesize>

²⁶² Krejcie, R. V. & Morgan, D. W. (1970). Determining Sample Size for Research Activities. *Educational and Psychological Management Research*, 1(1), 59-63.

²⁶³ Powell, E. T. (1998). *Sampling*. Retrieved on 12/11/2012, from <http://learningstore.uwex.edu/assets/pf/G3658.pdf>

provide the products and services according to the needs of customers. The demands of the customers vary as per their age, income, occupation etc. So, for designing effective marketing strategies companies need to maintain an up-to-date profile of the customers in the form of customer based data. The customers selected for the study belonged to different categories made on the basis of sex, age, occupation, monthly income. The customers belonging to different categories may have different perceptions regarding the same product of a particular company. It may lead to draw wrong conclusions regarding the comparative service quality. The study consists of respondents from all age groups, gender groups, occupation groups, education groups and income groups.

i) Age Profile of the sample respondents:

The study consists of respondents from all age groups. Table no. 2.1 represents the distribution of respondents from age profile. Although researchers (Arunkumar²⁶⁴, Bharathi²⁶⁵) observed that majority of the respondents belonged to young age group and the studies (Banerjee²⁶⁶, Bevenahalli²⁶⁷) reported that majority of the respondents were of middle aged, but the current study the respondents are almost equally from all age groups in totality where as individually district wise it is supporting the studies of Banerjee and Bevenahalli except at Tezpur. From Table No. 2.1 it is pertinent that the respondents from age group 26 to 40 and 41 to 55 years are in majority, almost 30% of the total respondents are from these groups and the same holds good individually for all of the districts except Guwahati (24.22% from 26-40 Years) and Silchar (17.71% from 41-55 Years). At the next

²⁶⁴ Arunkumar, T. D., (2004). Profile of SHGs and their contribution for poverty alleviation. *Kisan World*, 32(3), 49-50.

²⁶⁵ Bharathi, R. A. (2005). Assessment of entrepreneurial activities promoted under NATP on empowerment women in agriculture (Thesis of M. Sc. (Agri), University of Agricultural Sciences, Dharwad, India), Retrieved from <http://etd.uasd.edu> on 13/08/2012.

²⁶⁶ Banerjee, G. D. (2002). Evaluation study on Self Help Group, financing agriculture – in house. *Journal of Agricultural Finance Cooperation*, 34(2), 38-42.

²⁶⁷ Bevenahalli, A. (2005). A critical analysis of Swa-shakti programme in Karnataka (Thesis of M. Sc. (Agri), University of Agricultural Sciences, Dharwad, India), Retrieved from <http://etd.uasd.edu> on 13/08/2012.

level respondents are from the age group > 56 Years (24.9%), but the same is very high at Silchar (48.44%) and very low at Tezpur (8.85%). While study also consists of 15.99% from the age group 18 to 25 Years, where it is the lowest at Silchar (2.6%) followed by Jorhat (5.73%) and highest at Tezpur (33.33%) followed by Guwahati (21.35%). Thus, it is revealed from the study that the age of respondents are fluctuating from place to place and some and all age group has actively participated in the survey.

Table No. 2.2 - Age of Respondents

Area	18-25 Years		26-40 Years		41-55 Years		> 56 Years		Total
	Frequency	Per Cent	Frequency	Per Cent	Frequency	Per Cent	Frequency	Per Cent	
Silchar	10	2.6	120	31.25	68	17.71	186	48.44	384
Guwahati	82	21.35	93	24.22	143	37.24	66	17.19	384
Tezpur	128	33.33	122	31.77	100	26.04	34	8.85	384
Sibsagar	65	16.93	109	28.39	123	32.03	87	22.66	384
Jorhat	22	5.73	120	31.25	137	35.68	105	27.34	384
Total	307	15.99	564	29.38	571	29.74	478	24.9	1920

Source: Compiled from Survey Data

ii) Gender based profile:

Most of the investment decisions are taken by Male. The study consists of respondents from all groups i.e. both male and female. Table 2.2 reveals that out total 1920 respondents 1176 consisting 61% are male and remaining 744 (39%) are female. District wise allocation of gender shows that Guwahati is the only district headquarters where female respondents are more than male respondents followed by Sibsaagar and Jorhat where male female ratio is almost equal. But the same is not holding well while studying Silchar and Tezpur where only 19% and 25% are female respondents. Sincere efforts are given to cover equal number of members from both the genders so that the study is free from gender bias.

Table No. 2.3 - Gender of Respondents

Area	Male		Female		Total
	Frequency	Per Cent	Frequency	Per Cent	
Silchar	308	80.20833	76	19.7916667	384
Guwahati	172	44.79167	212	55.2083333	384
Tezpur	286	74.47917	98	25.5208333	384
Sibsagar	198	51.5625	186	48.4375	384
Jorhat	212	55.20833	172	44.7916667	384
Total	1176	61.25	744	38.75	1920

Source: Compiled from Survey Data

iii) Literacy level based profile:

Researcher (Bharathi, Arunkumar, Bevenahalli²⁶⁸) has reported that majority of the respondents were illiterates while a sizeable percent of the respondents who had primary level and middle school level of education. Below Table No. 2.3 reveals the distribution of the sample respondents by educational level. It is interesting to note from the table that majority of the respondents 704 (36.67%) are from the group Senior Secondary followed by Matriculation group 523 (27.24%) then Graduate group 445 respondents (23.18%) and the least number of respondents are from the group PG with a total 248 respondents (12.92%). But at individual district headquarter level the Matriculation group has maximum respondents from Silchar (186, 48%) followed by Sibsaagar (182, 47%), and least respondents from Tezpur (36, 9%) followed by Jorhat (46, 12%). The Senior Secondary group has maximum respondents at Jorhat (202, 53%) followed by Tezpur (197, 51%) and least respondents from Guwahati (99, 26%) followed by Sibsaagar (100, 26%). Highest graduate respondents are from Guwahati with a frequency of 162 and 42.19% of the total

²⁶⁸ Bharathi, R. A. (2005). Assessment of entrepreneurial activities promoted under NATP on empowerment women in agriculture (Thesis of M. Sc. (Agri), University of Agricultural Sciences, Dharwad, India), Retrieved from <http://etd.uasd.edu> on 13/08/2012.

²⁶⁸ Arunkumar, T. D., (2004). Profile of SHGs and their contribution for poverty alleviation. *Kisan World*, 32(3), 49-50.

²⁶⁸ Bevenahalli, A. (2005). A critical analysis of Swa-shakti programme in Karnataka (Thesis of M. Sc. (Agri), University of Agricultural Sciences, Dharwad, India), Retrieved from <http://etd.uasd.edu> on 13/08/2012.

respondents. An interesting scenario of the respondents can be seen at PG group, in the group almost equal respondents are available from each of the district headquarters.

Table No. 2.4 - Literacy Level of the respondents

Area	Matriculation		Senior Secondary		Graduate		Post Graduate		Total
	Frequency	Per Cent	Frequency	Per Cent	Frequency	Per Cent	Frequency	Per Cent	
Silchar	186	48.438	106	27.604	55	14.323	37	9.63542	384
Guwahati	73	19.01	99	25.781	162	42.188	50	13.0208	384
Tezpur	36	9.375	197	51.302	86	22.396	65	16.9271	384
Sibsagar	182	47.396	100	26.042	55	14.323	47	12.2396	384
Jorhat	46	11.979	202	52.604	87	22.656	49	12.7604	384
Total	523	27.24	704	36.667	445	23.177	248	12.9167	1920

Source: Compiled from Survey Data

iv) Income based profile:

Majority of the respondents of current study are from the lowest Annual Income i.e. Below Rs. 1L group comprising of 674 respondents and 35.1% of the total respondents followed by 485 respondents with 25% from the income group 1 to 2L. Interestingly the income group of >3L consists of 22.44% with a total number of 431 respondents which is almost 5% (100 respondents) more than the immediate lower income group i.e. 2-3L group. Whereas district headquarter level Tezpur (202, 52.6%), followed by Jorhat (153, 39.8%) has contributed positively to the income group < 1L, and Silchar & Sibsagar (96, 25% each) has dragged the income group. In the second income group (1-2L) Sibsagar (152, 39.6%) and Silchar (140, 36.5%) has contributed positively and Tezpur (44, 11.5%) and Guwahati (73, 19%) has dragged the group. All district headquarters except Guwahati (33, 8.6%) has contributed almost equally for the income group 2-3L. Guwahati (with 151 respondents which is 39% of the total respondents responded from the area) is the highest contributor to the income group > 3L, followed by Jorhat, Silchar and Tezpur and Sibsagar the district headquarter of Sivasagar district has minimum respondents from the income group >3L with a frequency of 54 and 14 per cent.

Table No. 2.5 - Annual Income of the respondents

Area	< 1 L		1-2 L		2-3 L		> 3L		Total
	Frequ ency	Per Cent	Frequ ency	Per Cent	Frequ ency	Per Cent	Frequ ency	Per Cent	
Silchar	96	25	140	36.458	75	19.531	73	19.0104	384
Guwahati	127	33.073	73	19.01	33	8.5938	151	39.3229	384
Tezpur	202	52.604	44	11.458	66	17.188	72	18.75	384
Sibsagar	96	25	152	39.583	82	21.354	54	14.0625	384
Jorhat	153	39.844	76	19.792	74	19.271	81	21.0938	384
Total	674	35.104	485	25.26	330	17.188	431	22.4479	1920

Source: Compiled from the Survey Data

v) Occupation based profile:

There are equal respondents from both the business and service community with a minor variation of 3%. There are total 994 respondents from business group and 926 respondents with 48% are from service group. Highest respondents from business group are from the district headquarter of Jorhat district with a frequency of 287 respondents comprises of 75% of the total respondents responded from Jorhat, followed by Silchar with a frequency of 240 respondents comprises of 63% of the total respondents responded from Silchar. Guwahati (118, 31%) followed by Tezpur (169, 44%) are the lowest numbers for the group. The positive contributor for Service group are mainly Guwahati with a frequency of 266 respondents comprises of 69% of the total respondents responded from Guwahati, followed by Tezpur with a frequency of 215 respondents comprises of 56% of the total respondents responded from Tezpur. The negative contribution to the Occupation group – Service has come from the district headquarters of the district Jorhat with a frequency of 97 respondents comprises of 25% of the total respondents responded from the district headquarter to the group, followed by Silchar with a frequency of 144 & 37.5%.

Table No. 2.6 - Occupation of Respondents

Area	Business		Service		Total
	Frequency	Per Cent	Frequency	Per Cent	
Silchar	240	62.5	144	37.5	384
Guwahati	118	30.72917	266	69.2708333	384
Tezpur	169	44.01042	215	55.9895833	384
Sibsagar	180	46.875	204	53.125	384

Area	Business		Service		Total
	Frequency	Per Cent	Frequency	Per Cent	
Jorhat	287	74.73958	97	25.2604167	384
Total	994	51.77083	926	48.2291667	1920

Source: Compiled from the Survey Data

vi. Number of Life Policy based profile:

There are total 1154 respondents from the group 1 policy, 363 respondents are from 2 policy group, followed by 325 respondents from 3 policy group and 78 respondents from 4 & above policy group. Highest respondents to 1 policy group are from the district headquarter of Jorhat district with a frequency of 302, and the lowest respondents to the group are from Tezpur, the district headquarter of Sonitpur district with a frequency of 198 respondents. The positive contributors for 2 policy group are from Silchar with a frequency of 100 respondents and the minimum contributions to the group are from Jorhat, with a frequency of 32 respondents. For 3 policy group, the maximum number has arrived from Tezpur with a frequency of 115 respondents and the minimum contribution received from Silchar with a number of 42 respondents. The group 4 & Above has recorded a highest contribution from Guwahati with a frequency of 31, and the minimum contribution from Tezpur with a frequency of 2 respondents.

Table No. 2.7 – Number of Policies taken by Respondents

Area	Number of Policies				Total
	1	2	3	4 & Above	
Silchar	222	100	42	20	384
Guwahati	203	84	66	31	384
Tezpur	198	69	115	2	384
Sibsagar	229	78	55	22	384
Jorhat	302	32	47	3	384
Total	1154	363	325	78	1920

Source: Compiled from the Survey Data

vii. Insurer (Service Provider) based profile:

There are total 869 respondents who has taken a life policy from LIC, 524 respondents, who have taken a life policy from Private, and, 527 respondents who have taken a life policy from the both. The highest number for LIC group has been recorded as 286 respondents from Jorhat, and the lowest number for the group is from Guwahati with a frequency of 68 respondents. For the group Private the highest contribution came from Guwahati with a frequency of 210 respondents and lowest contribution to the group is from Jorhat with a number of 49 respondents. The group Both has recorded 161 respondents from Tezpur and 49 respondents from Jorhat as highest and lowest contribution to the group respectively.

Table No. 2.8 – Insurer for Life Insurance

Area	Life Insured by			Total
	LICI	Private	Both	
Silchar	172	56	156	384
Guwahati	68	210	106	384
Tezpur	122	101	161	384
Sibsagar	221	108	55	384
Jorhat	286	49	49	384
Total	869	524	527	1920

Source: Compiled from the Survey Data

2.8.5 Data collection design

The research was done based on a combination of both the primary and secondary data sources. For collecting primary data a detailed questionnaire cum schedule containing questions for each C [as developed by Lauterborn²⁶⁹] was used designed specifically for the purpose. The secondary data was collected from Annual Reports of IRDA, all Life Insurance Companies, Insurance Institute of India and Life Insurance Council. Also a detailed survey of past literature relevant to the study was also conducted and the literatures

²⁶⁹ Lauterborn, B. (1990). New Marketing Litany: Four Ps Passes: C takes over. *Advertising Age*, 61(41), 26.

published by different institutions on Life Insurance have been used. The questionnaire was then forwarded to 500 sampling units from each district headquarter selected based on the researcher convenience with respect to time and resources and 5 out of Top 10 districts in terms of Banking and Insurance Business as per data (2007-08) generated by Director of Economics and Statistics, Government of Assam²⁷⁰

i). Pilot Study:

“Wherever possible on impact assessment methodology should be piloted before full implementation” (Hulme²⁷¹). Being a well known phenomenon, a pilot study was carried out in Sibsagar Town (during the period January - May 2012) of the study area to test the response to each of the questions and the questionnaire as a whole. Fifty questionnaires were administered during the pilot test and responses to 32 questionnaires led to further corrections and modification of the research instrument.

ii). Questionnaire cum Schedule Design:-

Adequate questionnaire construction is critical to the success of a survey. Inappropriate questions, incorrect ordering of questions, incorrect scaling, or bad questionnaire format can make the survey valueless, as it may not accurately reflect the views and opinions of the participants²⁷². Questionnaires serve as an objective source of collecting information about people’s knowledge, attitude, belief and behavior (Boynton²⁷³). The purpose of designing an appropriate questionnaire is i) To increase the response rate, ii)

²⁷⁰ <http://www.ecostatassam.nic.in/>, retrieved 06 06, 2014

²⁷¹ Hulme, D. (2000). Impact Assessment Methodologies for Micro Finance: Theory, Experience, and Better Practice. *World Development*, 28(1), 79-98.

²⁷² https://en.wikipedia.org/wiki/Questionnaire_construction, retrieved on 9 11 2013

²⁷³ Boynton P. M. (2004). *Selecting designing, and developing your questionnaire*. Retrieved 19/1/2013, from <http://www.bmj.com/content/328/7451/1312>.

To obtain accurate and relevant data. In order to gain an in-depth understanding on the research topic a specially structured questionnaires cum schedule was prepared consists of questions relevant to each “C” of the 4C based Marketing Mix considered for the study in Objectives as well as Hypothesis. The Questionnaire cum Schedule (Annexure A) dealt with the 4C of Marketing Mix based ‘Degree of Expectations from Life Insurance’ and the ‘Degree of Experiences from Life Insurance’. The 4C considered are ‘Customer Solution’, ‘Customer Cost’, ‘Customer Communication’ and ‘Customer Convenience’. Survey of Literature and pilot survey led to the development of final questionnaire cum schedule used in the study. The statements were identified keeping in mind the objectives of the study. The questionnaire cum schedule and the items developed were served to experts of insurance locally available and then suitably redrafted in the light of their comments. The questionnaire cum schedule includes 4 questionnaire cum schedule, the part A of the Questionnaire cum Schedule – I includes items relating to Demographical profile of the respondents, the Questionnaire cum Schedule was designed to measure the respondents’ expectations of performance regarding the Image of life insurance measuring through expectation- experience gap with responses ranging from “Highly satisfied” to “Highly dissatisfied” on five-point scale and there were four questionnaires pertaining to each of 4Cs. In Questionnaire 1 (Part B), 45 items relating to Customer Solution or Product of 4P are included. Questionnaire 2 includes 27 items related to Customer Cost or Price of 4P. Questionnaire 3 includes 27 items related to Customer Communication or Promotion of 4P, and the Questionnaire 4 includes 27 items relevant for Customer Convenience or Place of 4P. The response was recorded as the degree of Expectation and the degree of Experience. The response of respondents related to items were numerically expressed based on a 5 Point Scale [SA = Strongly Agree (2), A = Agree (1), NAND = Neither Agree Nor Disagree (0),

DA = Disagree (-1), SDA = Strongly Disagree (-2).] The total of the scores of each item in respect of each Questionnaire cum Schedule represented the overall degree of Expectation as well as overall degree of Experience in respect of each of the latent variables. The following latent variables were identified and used in the study:

- i) 'Degree of Customer Solution Dimension Expected' i.e., Customer Solution based 'Degree of Expectation'.
- ii) 'Degree of Customer Cost Dimension Expected' i.e., Customer Cost based 'Degree of Expectation'.
- iii) 'Degree of Customer Communication Dimension Expected' i.e., Customer Communication based 'Degree of Expectation'.
- iv) 'Degree of Customer Convenience Dimension Expected' i.e., Customer Convenience based 'Degree of Expectation'.
- v) 'Degree of Customer Solution Dimension Experienced' i.e., Customer Solution based 'Degree of Experience'.
- vi) 'Degree of Customer Cost Dimension Experienced' i.e., Customer Cost based 'Degree of Experience'.
- vii) 'Degree of Customer Communication Dimension Experienced' i.e., Customer Communication based 'Degree of Experience'.
- viii) 'Degree of Customer Convenience Dimension Experienced' i.e., Customer Convenience based 'Degree of Experience'.

2.8.6 Questionnaire Administration:

The questionnaire was personally administered to the respondents. Some questionnaires were collected directly by the researcher on face-to-face method and some of them were collected by sending the same to respondents via email and courier for filling up

at their leisure time. The questionnaires cum schedule were collected from all of five district headquarters by using the same method during November 2012 to January 2014. The questionnaires were distributed to 500 respondents of each area to compensate non-response (Powell²⁷⁴) as the pilot survey showed a response rate nearly 80%. Actual data was collected from 2114 respondents and completed questionnaires were checked carefully. Out of which only a total of 1920 (i.e. Dibrugarh – 384 respondents, Guwahati - 384 respondents, Jorhat - 384 respondents, Nagaon - 384 respondents and Tezpur – 384 respondents) were taken for analysis which were filled up properly in all respect.

2.8.7 Development and Validating of Instruments:

Validity measures the degree to which an instrument used for a study, measures what it is supposed to measure (Carmines and Zeller²⁷⁵). In the current study, the instrument developed for the study was based on extensive survey of literature, content judges and pilot study. For the purpose of study 126 items in relation to the 4C Marketing Mix based ‘Degree of Customer Expectation’ from Life Insurance and the 4C Marketing Mix based ‘Degree of Customer Experience’ from Life Insurance by Investors were developed initially. These developed instruments were submitted to 5 content judges for review and validating the same. These judges had expertise in Life insurance, Survey design, Investment, Investment Behavior and Financial Market Research. This bench of judges included faculty of local university and experts from insurance industry (Agents, Fund Managers etc.). The panel was requested to check the items for clarity, difficulty in understanding and answering the questions, flow of questions, relevancy of the questions, length of the questionnaires, time requirements, overall utility of the instrument and suggestions for adding, deleting or

²⁷⁴ Powell, E. T. (1998). *Sampling*. Retrieved 12/10/2012, from <http://learningstore.uwex.edu/assets/pf/G3658.pf>

²⁷⁵ Carmines, E. G., & Zeller, R. A. (1979). *Reliability and Validity Assessment*. Beverly Hills, CA: Sage.

changing the survey questions. Based on the recommendations the questionnaire cum schedule was split into four sections- first part of section one includes Demographical variables, second part of the section inculcate the Customer Solution related questions, second section includes Customer Cost related questions, Third section includes Customer Communication related questions and the forth section includes the Customer Convenience related questions. Based on the above, the 126 items related to the 4C Marketing Mix based 'Degree of Customer Expectations' and the 4C Marketing Mix based 'Degree of Customer Experiences' from Life Insurance by Investors were split as below:

- a) Questionnaire 1 Part A consists of questions of Demographic profile of the respondents.
- b) Questionnaire 1 Part B, 45 questions relating to Customer Solution or Product of 4P are included.
- c) Questionnaire 2 includes 27 questions related to Customer Cost or Price of 4P.
- d) Questionnaire 3 includes 27 questions relevant for Customer Convenience or Place of 4P.
- e) Questionnaire 4 includes 27 questions related to Customer Communication or Promotion of 4P.

2.8.8 Data Analysis Design:

Data collection through questionnaire and personnel interview will result into availability of the desired information but these are useless until there are analyzed. There are two types of statistics used for data analysis- (a) Descriptive statistics, (b) Inferential Statistics (Gupta²⁷⁶), a researcher describes what is or what the data shows (Rossiter²⁷⁷).

²⁷⁶ Gupta S. P. (1997). *Statistical Method*. Delhi: Sultan Chand & Sons.

²⁷⁷ Rossiter, D. G. (2006). *An Introduction to Statistical Analysis*. Retrieved on 12/12/2013, from <http://www.itc.nl/~rossiter/teach/stats/sintro.pdf>.

Various steps required for this purpose are editing, coding and tabulating. Data was analyzed, interpret with the help of table, bar chart and pie chart and also various parametric and Non-Parametric Statistical tests were used and also the descriptive statistics. Brief notes of the statistical tests used are enumerated below.

a) Reliability of Scale

Reliability denotes the degree to which the scale produces consistent outcome if repeated measurements are made (Raja and Vasanthi²⁷⁸). In other words, a reliable instrument is that which gives identical scores at all the times (Kerlinger & Lee²⁷⁹). It denotes consistency and stability of a measure (American Education Research Association²⁸⁰). Four types of internal consistency may be examines- inter-item reliability; item-total reliability; Cronbach-Alpha²⁸¹ reliability and split-half reliability (Crocker & Algina²⁸², DeVellis²⁸³, Gregory²⁸⁴). Though there are various measures of internal consistency, the most commonly used measure is Cronbach's coefficient Alpha (Posavac & Carey²⁸⁵). This coefficient varies from 0 to 1 and a value of 0.6 or less generally indicates unsatisfactory internal consistency reliability (Malhotra²⁸⁶). In the social science, acceptable

²⁷⁸ Raja, P. & Vasanthi, P. (2008). An Assessment of Internal Consistency of Measures of Constructs Used to Revise the Innovation Decision Framework. *Academy of World Business, Marketing and Management Decision Making*, 3(1), 989-998.

²⁷⁹ Kerlinger, F. N. & Lee H. B. (2000). *Foundation of Behavioral Research* (4th ed.). Fort Worth, TX: Harcourt College Publishers.

²⁸⁰ American Education Research Association. (1999). Standards for educational and psychological testing. Washington, DC: American Education Research Association.

²⁸¹ Cronbach, L. (1955). Coefficient Alpha and the Internal Structure of Tests. *Psychometrika*. 16, 297-334.

²⁸² Crocker, L. & Algina, J. (1986). *Introduction to Classical and Modern Test Theory*. Philadelphia: Harcourt Brace Jovanovich College Publishers.

²⁸³ DeVellis, R. F. (1991). *Scale Development: Theory and Applications*. Applied Social Research Methods Series 26. Sage: Newbury Park.

²⁸⁴ Gregory, R. J. (1992). *Psychological Testing: History, Principles and Applications*. Allyn and Bacon: Boston.

²⁸⁵ Posavac, E. J., & Carey, R. G. (2007). *Program Evaluation: Methods and Case Studies*, (7th ed.), upper saddle river, NJ: Pearson Prentice Hall.

²⁸⁶ Malhotra, N. K.. (2007). *Marketing Research – An Applied Orientation* (5th ed.). New Jersey: Prentice Hall.

reliability estimates range from 0.70 to 0.80 (Nunnally & Bernstein²⁸⁷). It is reported that if Cronbach Coefficient Alpha is between 0.60 and 0.80, then it will be adequate enough for the instrument to be used in the study (Tavasancil²⁸⁸). Alpha value of less than 0.70 for a group of items should be used with caution (McMillan & Schumacher²⁸⁹). In the present study, reliability of scales [used to measure the latent variables] was performed to ensure consistency of the scales.

- i) The reliability of the scale (Questionnaire 1) was performed and coefficient of Cronbach's Alpha was found out to be 0.834 for 45 items considered as acceptable for the specific study referred to objective one.
- ii) The reliability of the scale (Questionnaire 2) was performed and coefficient of Cronbach's Alpha was found out to be 0.971 for 27 items considered as acceptable for the specific study referred to objective two.
- iii) The reliability of the scale (Questionnaire 3) was performed and coefficient of Cronbach's Alpha was found out to be 0.969 for 27 items considered as acceptable for the specific study referred to objective three.
- iv) The reliability of the scale (Questionnaire 4) was performed and coefficient of Cronbach's Alpha was found out to be 0.967 for 27 items considered as acceptable for the specific study referred to objective four.

b) Test of Normality:

Most of the statistical methods assume that the data follows a specific distribution or normal distribution. By assuming this a researcher takes a serious risk because this

²⁸⁷ Nunnally, J. C. & Bernstein, I. H. (1994). *Psychometric Theory* (3rd ed.). New York: McGraw-Hill.

²⁸⁸ Tavsancil, E. (2005). *Attitude Measurement and Data Analysis with SPSS. Nobel Publishing House, 2, 3-58.*

²⁸⁹ McMillan, J. H. & Schumacher, S. (2011). *Research in Education: A Conceptual Introduction.* New York: Longman.

assumption about the distribution may not hold good and the result obtained may lead to distorted or misleading conclusion (Romeu²⁹⁰). Hence, testing the assumption about distribution is essential to deal with each situation. In the present study, Kolmogorov-Smirnov (KS) one sample test have been used to assess the normality of the distribution of the collected data. The Kolmogorov-Smirnov (KS) one sample statistic measures the distance between the empirical distribution function of the sample and the cumulative distribution function of the reference distribution, or between the empirical distribution functions of two samples. KS test is more powerful alternative to chi-square goodness-of-fit tests when its assumptions are met. Detailed results of the tests are presented in Chapters 3, 4, 5 & 6.

c) Analysis of Variance:

The one-way analysis of variance (ANOVA) is used to determine whether there are any significant differences between the means of two or more independent groups. The one-way Analysis of Variance (ANOVA) is used with one categorical independent variable and one continuous variable. The independent variable can consist of any number of groups (levels). It can be applied when there are no replicated values in the data set, a situation in which it is impossible to directly estimate a fully general non-additive regression structure and still have information left to estimate the error variance. Detailed test scores are presented in Chapters 3, 4, 5, & 6.

d) Wilcoxon Sign-rank Test:

The Wilcoxon Sign-rank test is a non-parametric statistical hypothesis test used when comparing two related samples, matched samples, or repeated measurements on a

²⁹⁰ Romeu, J. L. (2003). Kolmogorov Simrnov- A goodness of fit test for small samples, start. *Selected Topic for Assurance Related Techniques*. 10(6), 1-6.

single sample to assess whether their populations mean ranks differ. It can be used as an alternative to the paired student's t -test, t -test for matched pairs, or the t -test for dependent samples when the population cannot be assumed to be normally distributed. Frank Wilcoxon has developed this test in 1945 (Wilcoxon²⁹¹). It is also known as Wilcoxon Matched pair sign-rank test. The Wilcoxon Matched pair signed-rank test is a measure of difference when it is desired to test the hypothesis that no significant difference exists between means of a dependent pair observation. The test begins with calculating the signed difference for each matched pair of observation. If two observations in a pair are found same, that pair is dropped from the analysis. These absolute differences are then rank-ordered. If there are two pairs with identical absolute difference values, an average score is given to each of the pair. Finally, the positive and negative sign is assigned to each rank score and the score of positive and negative groups are totaled separately. Detailed test scores are presented in Chapters 3, 4, 5, & 6.

e) Bootstrap Analysis:

In general parlance, bootstrapping usually refers to a self-starting process that is supposed to proceed without external input. This technique of bootstrapping was first introduced by Efron²⁹² in 1979. Bootstrapping in statistics is a method through which accuracy of the sample estimates can be measured (Efron & Tibshirani²⁹³). This technique allows estimation of sampling distribution of almost any statistics. Bootstrap uses N data sets each containing N elements by using Monte Carlo sampling in which probability of selection of each item is $1/N$ i.e., sampling with replacement. Bootstrapping is used when (a) Theoretical distribution of a statistics is unknown or complicated; (b) Size of the sample

²⁹¹ Wilcoxon, F. (1945). Individual Comparison by Ranking Methods. *Biometrics Bulletin*, 1(6), 80-83.

²⁹² Efron, B. (1979). Bootstrap methods: Another look at the Jackknife. *Annals of Statistics*. 7, 1-26.

²⁹³ Efron, B. & Tibshirani, R. (1993). *An Introduction to Bootstarp*. Florida: Chapman and Hall/CRC.

is insufficient for drawing statistical inference; and (c) Power calculation have to be done and a small pilot sample is available (Alder, Mellenburgh, & Hand²⁹⁴). In the present study, bootstrapping technique was used, as the size of the population as well as the distribution of the data generated by survey was unknown. This was done using SPSS 20 which automatically regenerated 1000 subsamples at 5 per cent level of significance. Detailed test scores are presented in Chapters 3, 4, 5, & 6.

f) Cross Tabulation (Phi and Cramer's V):

Cross tabulation brings together two variables and displays the relationship between them in a single table. Each column in the crosstab corresponds to a category of the independent variable, and each row corresponds to a category in the dependent variable. Hence the dependent variable goes on the left, and the independent variable goes on the top. Each cell represents a unique combination of categories from each of the variables.

- **PHI:** Used to measure the strength of the association between two variables, each of which has only two categories. (It applies to *2 X 2 nominal* tables only).
- **CRAMER'S V:** Used to measure the strength of the association between one nominal variable with either another nominal variable, or with an ordinal variable. Both of the variables can have more than 2 categories. (It applies to either *nominal X nominal* crosstabs, or *ordinal X nominal* crosstabs, with no restriction on the number of categories.)

Cross tabulation used in the present study to ascertain the 'Level of Gap' (Resulting from the difference between the 4C Marketing Mix based 'Degree of Expectation' and the

²⁹⁴ Alder, H. J., Mellenburgh, D. J., & Hand, D. J. (2008). *Advising on Research Methods: A Consultants's Coppanion*. Washington, DC: American Educational Research Association.

‘Degree of Experience’) of the investors of Life Insurance. Detailed test scores are presented in Chapters 3, 4, 5, & 6. The linkage between gap through Ethical Lapse, Ethical Neutrality and Ethical Positivity has been explained in the Theoretical Framework in section 2.8.

2.9 Ethical Considerations:

Ethics or moral values or doing right is of vital importance in a good research work. In the process of study, the following ethical issues were considered:

- a) In order to obtain an informed consent from the respondent, the purpose of the study was explained clearly.
- b) Permission from the respondents was obtained orally before data collection.
- c) Voluntary Participation- data was collected only from the interested respondents.
- d) Nil risk of harm- respondents was ensured no harm.
- e) Confidentiality- Information obtained was kept confidential.
- f) Anonymity- to reduce personal bias as well as guarantee of privacy.
- g) Intellectual property used in this research was duly honored and cited properly.

2.10 Reporting Design:

The report of the study was presented in seven different chapters as demarcated below:

Chapter- I portrayed a bird’s eye view or helicopter view of the study. It includes an overview of World Insurance Scenario, Position of Indian Life Insurance Industry and Life Insurance in Assam. It also includes the various terms used, reforms and developments of Life Insurance in India.

Chapter- II This chapter is a collection of reviews of the studies already carried out on different aspects of life insurance industry such as service quality, customer loyalty and other insurance related areas. It helps in understanding the current problem in hand and also to draw some important conclusions that can serve as a guide mark for the study. Also the methodology adopted for the purpose of this study has been explained. It encompasses the purpose, data collection techniques, measurement of attributes etc. The hypotheses formulated for testing the objectives are also stated.

Chapter- III includes the description and delineation of Customer Solution based ‘Degree of Expectations’ of investors of Life Insurance and the Customer Solution based ‘Degree of Experience’ of investors of Life Insurance.

Chapter- IV includes the description and delineation of Customer Cost based ‘Degree of Expectations’ of investors of Life Insurance and the Customer Cost based ‘Degree of Experience’ of investors of Life Insurance.

Chapter- V includes the description and delineation of Customer Communication based ‘Degree of Expectations’ of investors of Life Insurance and the Customer Communication based ‘Degree of Experience’ of investors of Life Insurance.

Chapter- VI includes the description and delineation of Customer Convenience based ‘Degree of Expectations’ of investors of Life Insurance and the Customer Convenience based ‘Degree of Experience’ of investors of Life Insurance.

Chapter- VII includes the major findings and recommendations. A part of this is the concluding section gives the details in connection with the subject under study. The major part of this chapter has dealt with the summary of the individual sections of the entire topic under study. The other part contains the generalisation, theoretical framework verification, suggestions, scope for future research, limitations and bibliography, including the references

of various articles, text books, journals, and websites etc. used for the purpose of secondary data collection; following which, there is the questionnaire cum schedule used for the purpose of data collection and an appendix part.

2.11 Conclusion:

This chapter provides a genesis of the problem, rationale for the research, Survey of literature, Scope, Objective, Hypothesis and Research Methodology of the thesis, along with the Demographical profile analysis of the respondents individually district headquarter wise as well as overall. The response collected using the snowball sampling technique from the five district headquarters of Assam are considered, to gather appropriate primary information required to satisfy the objectives of the research. Both primary as well as secondary sources of data were used. Primary data were collected using questionnaire and collected data was analysed in SPSS 20.0. Various statistical tests were applied to the research to test the hypothesis.