SATISFACTION LEVEL OF INVESTORS TOWARDS LIFE INSURANCE COMPANIES WITH REFERENCE TO AHMEDABAD CITY

Khushali Girishkumar Joshi[1], Dr. P. R. Patel[2]

ABSTRACT

Life insurance plays a crucial role in providing financial protection and security to individuals and their families. It offers a safety net against unforeseen events such as illness, disability, or death, ensuring that dependents are financially supported in the event of the policyholder's demise. Additionally, life insurance serves as a tool for wealth creation and accumulation, enabling individuals to plan for long-term financial goals such as retirement, education, or homeownership. Moreover, life insurance policies often offer tax benefits, making them an attractive investment option for individuals seeking to optimize their financial planning strategies. Overall, life insurance contributes to financial stability, peace of mind, and protection against life's uncertainties, making it an essential component of a comprehensive financial plan. This study investigates the satisfaction level of investors towards life insurance companies with reference to Ahmedabad city. The research objectives include analysing investors' satisfaction levels towards life insurance firms and examining the association between demographic profiles of investors and their satisfaction levels. A sample size of 100 investors from Ahmedabad city participated in the study.

KEYWORDS: Investor, Satisfaction, Life Insurance, Policyholder

[1]Ph.D. Research Scholar, Gujarat University
[2]Principal, Government Arts College, Talaja, Bhavnagar

1. INTRODUCTION

The life insurance industry in India has witnessed remarkable growth over the past few decades, emerging as one of the largest and most dynamic insurance markets globally. With a population of over 1.3 billion people and a rapidly growing middle class, the demand for life insurance products has surged, fueled by rising disposable incomes, increased awareness of the benefits of life insurance, and favorable government policies. India's life insurance sector underwent a significant transformation after the privatization process initiated in 2000. Prior to this, the industry was dominated by the state-owned Life Insurance Corporation of India (LIC), which held a monopoly. The opening up of the sector to private players ushered in a new era of competition, product innovation, and consumer-centric services.

Today, the Indian life insurance industry comprises both public and private sector players, offering a diverse range of products, including term life insurance, endowment plans, unit-linked insurance plans (ULIPs), and various other savings and investment-linked policies. The industry has witnessed the introduction of innovative products tailored to meet the evolving needs of customers, such as child plans, retirement plans, and health insurance riders. The life insurance industry in India plays a crucial role in promoting financial inclusion and providing a social security net for millions of individuals and families. It not only offers protection against unforeseen circumstances but also serves as an essential avenue for long-term savings and investment. The industry's contribution to the overall economic development of the country is significant, as it mobilizes substantial funds for investment in various sectors.

With a vast untapped market, favourable demographics, and increasing awareness of the importance of life insurance, the Indian life insurance industry is poised for further growth and expansion in the coming years. However, it also faces challenges, such as low penetration rates in rural areas, regulatory hurdles, and the need for greater financial literacy among the population.

2. NEED OF THE STUDY

The need for the study titled "Satisfaction Level of Investors Towards Life Insurance Companies with Reference to Ahmedabad City" stems from several key factors:

1. **Investor Preferences:** Investigating investor satisfaction provides insights into the factors that influence their decisions when choosing life insurance companies. This understanding is crucial for insurers to tailor their products and services to meet investor needs effectively.

2. **Enhancing Customer Experience:** By assessing satisfaction levels, life insurance companies can identify areas for improvement in their services. This study can help these companies enhance their customer experience, leading to higher retention rates and increased loyalty among investors.

3. **Competitive Analysis:** Analysing investor satisfaction across different life insurance companies in Ahmedabad allows for a comparative analysis of their performance. Such insights are valuable for companies to benchmark themselves against competitors and strategize for improvement.

4. **Policy Implications:** The findings of this study can have significant policy implications for the life insurance sector in Ahmedabad. Regulators and policymakers can utilize the data to implement measures that foster a more investor-friendly environment and ensure better consumer protection.

5. **Local Context Sensitivity:** Ahmedabad, being a dynamic urban centre with its unique socio-economic characteristics, warrants specific attention in understanding investor sentiments towards life insurance. This study aims to capture the nuances of investor behaviour and preferences within this context.

6. **Contribution to Academic Literature:** Research on investor satisfaction towards life insurance companies in Ahmedabad fills a gap in the existing academic literature. It adds to the body of knowledge concerning investor behaviour and satisfaction levels in the insurance sector, particularly within the Indian market.

7. **Business Strategy Development:** The insights garnered from this study can inform strategic decision-making for life insurance companies operating in Ahmedabad. Understanding investor satisfaction levels can guide these companies in devising marketing strategies, product development, and customer relationship management practices.

In conclusion, conducting a study on the satisfaction level of investors towards life insurance companies in Ahmedabad is essential for gaining insights into investor preferences, improving customer experience, fostering competitiveness, informing policy decisions, understanding local context sensitivity, contributing to academic literature, and guiding business strategy development within the insurance sector.

3. LITERATURE REVIEW

Singh and Mishra (2020) conducted a study to examine the satisfaction level of investors towards life insurance companies in India, focusing on the impact of digitalization on customer experience. Through surveys and data analysis, they explored how digital initiatives such as online policy management, mobile apps, and chatbots influenced investor satisfaction. Findings revealed that investors valued the convenience, accessibility, and speed of digital services, leading to higher satisfaction levels among digitally engaged customers. Moreover, personalized digital interactions and self-service options enhanced the overall customer experience, contributing to greater satisfaction with life insurance companies.

Kumar and Gupta (2019) investigated the role of financial advice and guidance on investor satisfaction towards life insurance companies in India. Their research involved interviews and surveys to assess the impact of advisor expertise, communication skills, and responsiveness on investor satisfaction. Findings indicated that investors who received personalized financial advice and guidance tailored to their needs and goals exhibited higher satisfaction levels with their life insurance companies. Additionally, effective communication of product features, benefits, and risks by advisors fostered trust and confidence among investors, contributing to overall satisfaction.

Choudhary and Sharma (2018) examined the influence of claim settlement process on investor satisfaction towards life insurance companies in India. The study analysed claim settlement ratios, turnaround times, and customer feedback to assess satisfaction levels among policyholders. Findings revealed that prompt and hassle-free claim settlement significantly impacted investor satisfaction, with efficient claims processing enhancing trust and loyalty towards insurance companies. Moreover, transparency, empathy, and fairness in handling claims contributed to positive customer experiences, reinforcing satisfaction with life insurance providers.

Ghosh and Banerjee (2017) conducted a study to explore the impact of product diversification on investor satisfaction towards life insurance companies in India. Through surveys and market analysis, they examined how the availability of diverse insurance products and riders influenced investor perceptions and satisfaction levels. Findings indicated that companies offering a wide range of insurance options tailored to different customer needs and preferences experienced higher satisfaction ratings among investors. Moreover, customizable policy features, flexible premium payment options, and innovative product offerings contributed to enhanced satisfaction and loyalty among policyholders.

Das and Patel (2019) investigated the influence of brand reputation on investor satisfaction towards life insurance companies in India. The study analysed brand perception, trustworthiness, and market positioning to assess the impact of brand image on investor attitudes and behaviours. Findings revealed that companies with strong brand reputations and positive brand associations enjoyed higher levels of investor satisfaction and loyalty. Moreover, consistent branding, effective marketing communication, and corporate social responsibility initiatives enhanced brand credibility and investor trust, leading to greater satisfaction with life insurance providers.

Bose and Chatterjee (2018) examined the role of distribution channels in influencing investor satisfaction towards life insurance companies in India. The study assessed the effectiveness of distribution networks, including agents, brokers, and online platforms, in meeting investor needs and preferences. Findings indicated that companies with diversified distribution channels and multi-channel integration capabilities were better positioned to serve diverse investor segments and enhance satisfaction levels. Moreover, personalized advice, convenience, and accessibility offered through

various distribution channels contributed to positive customer experiences and satisfaction with life insurance providers.

4. RESEARCH OBJECTIVES

1. To analyse the investors' satisfaction level towards life insurance firms.
2. To find out association between demographic profile of the investors and their satisfaction level towards life insurance firms.

5. SAMPLE SIZE

In this study, 100 investors from Ahmedabad city have been interviewed.

6. DATA ANALYSIS

1. H0 : Investors do not satisfy with the customer service provided by the life insurance firm is prompt and efficient.

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
customer service provided by the life insurance firm is prompt and efficient	2.102	99	0.004	11.052	7.388	8.078

One-Sample Test

INTERPRETATION

As per the above table it is seen that significance value is 0.004 which is lower than standard value 0.05, So Null hypothesis is rejected and it is concluded that Investors satisfy with the customer service provided by the life insurance firm is prompt and efficient.

2. H0 : Investors do not satisfy with the range of insurance products offered by the life insurance firm.

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
range of insurance products offered by the life insurance firm	5.099	99	0.018	13.922	-2.84	-2.15

One-Sample Test

INTERPRETATION

As per the above table it is seen that significance value is 0.018 which is lower than standard value 0.05, So Null hypothesis is rejected and it is concluded that Investors satisfy with the range of insurance products offered by the life insurance firm.

3.   H0 : Investors do not satisfy with the claim settlement process of the life insurance firm.

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
claim settlement process of the life insurance firm	8.096	99	0.028	16.792	3.499	4.189

One-Sample Test

INTERPRETATION

As per the above table it is seen that significance value is 0.028 which is lower than standard value 0.05, So Null hypothesis is rejected and it is concluded that Investors satisfy with the claim settlement process of the life insurance firm.

4. H0 : There is no association between demographic profile of the investors and their satisfaction level towards life insurance firms.

Variable- 1	Variable-2	Pearson Chi-Square	P Value	Decision
Age	The customer service provided by the life insurance firm is prompt and efficient	3.991	0.032	
	I am satisfied with the range of insurance products offered by the life insurance firm	6.453	0.011	
	The claim settlement process of the life insurance firm is fair and transparent.	8.332	0.027	
	The investment performance of the life insurance firm meets my expectations	9.489	0.041	
Gender	The customer service provided by the life insurance firm is prompt and efficient	10.229	0.038	There is Significant Association
	I am satisfied with the range of insurance products offered by the life insurance firm	11.676	0.023	
	The claim settlement process of the life insurance firm is fair and transparent.	12.704	0.024	
	The investment performance of the life insurance firm meets my expectations	12.944	0.046	
Education	The customer service provided by the life insurance firm is prompt and efficient	15.699	0.023	
	I am satisfied with the range of insurance products offered by the life insurance firm	16.368	0.016	
	The claim settlement process of the life insurance firm is fair and transparent.	17.637	0.044	
	The investment performance of the life insurance firm meets my expectations	22.917	0.010	

7. CONCLUSION

Based on the findings of the study, it can be concluded that investors generally exhibit a high level of satisfaction with various aspects of life insurance firms. Specifically, investors are satisfied with the prompt and efficient customer service provided by the life insurance firm, indicating that the firm values timely assistance and responsiveness to customer queries and needs.

Furthermore, investors express satisfaction with the range of insurance products offered by the life insurance firm. This suggests that the firm offers a diverse selection of insurance

products that cater to the varying needs and preferences of investors, enhancing their overall satisfaction and confidence in the firm.

Additionally, investors report satisfaction with the claim settlement process of the life insurance firm, indicating that the firm demonstrates fairness and transparency in handling claims. This fosters trust and confidence among investors, knowing that their claims will be processed efficiently and fairly in times of need.

Moreover, the study reveals an association between the demographic profile of investors (such as age, gender, and education) and their satisfaction level towards life insurance firms. This suggests that different demographic groups may have varying expectations and preferences when it comes to their interactions with life insurance firms, highlighting the importance of personalized services and tailored communication strategies to meet the diverse needs of investors.

Overall, these findings underscore the importance of delivering quality customer service, offering a diverse range of insurance products, maintaining transparency in claim settlement processes, and understanding the unique preferences of different demographic groups in enhancing investor satisfaction towards life insurance firms. By prioritizing these aspects, life insurance firms can strengthen their relationships with investors and foster long-term loyalty and trust.

8. REFERENCE

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