

Marketing Strategies Activities in SBI Life Insurance at Kurukshetra

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Abstract – This paper has been an attempt to study the marketing strategies activities in SBI Life Insurance at Kurukshetra. Life Insurance in its modern form came to India from England. All the insurance companies established during that period were brought up with the purpose of looking after the needs of European community and Indian natives were not being insured by these companies. Starting as Indian enterprise with highly patriotic motives, insurance companies came into existence to carry the message of insurance and social security through insurance to various sectors of society. In the year 1912, the Life Insurance Companies Act, and the Provident Fund Act were passed. The Life Insurance Companies Act, 1912 made it necessary that the premium rate tables and periodical valuations of companies should be certified by an actuary. Both primary as well as secondary data have been taken to achieve the objectives.

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INTRODUCTION

SBI Life Insurance is registered with an authorized capital of Rs 1000 crore and a paid up capital of Rs 350 crore. SBI owns 74% of the total capital and Cardiff the remaining 26%. State Bank of India enjoys the largest banking franchise in India. Along with its 7 Associate Banks, SBI Group has the unrivalled strength of over 14,000 branches across the country, the largest in the world. Cardiff is a wholly owned subsidiary of BNP Paribas, which is The Euro Zone's leading Bank. BNP is one of the oldest foreign banks with a presence in India dating back to 1860. It has 9 branches in the metros and other major towns in the country. SBI Life Insurance's mission is to emerge as the leading company offering a comprehensive range of Life Insurance and pension products at competitive prices, ensuring high standards of customer service and world class operating efficiency. The company plans to make the insurance buying process quick, simple and based on well-informed judgment. In 2004, SBI Life Insurance became the first company amongst private insurance players to cover 30 lacks lives. The company expects to carve a niche in the Indian insurance market through extensive product innovation and aims to provide the highest standards of customer service through a technological interface. To facilitate this, call centers have been already installed and help lines will be installed and customers will have access to their accounts through the Internet or through SBI branches. The company proposes to make available ready liquidity to its Life Insurance policies by way of loans at SBI counters. This will make Life Insurance a liquid asset in the financial portfolio of households. SBI Life Insurance is uniquely placed as a pioneer to

usher bank assurance into India. The company hopes to extensively utilize the SBI Group as a platform for cross-selling insurance products along with its numerous banking product packages such as housing loans, personal loans and credit cards. SBI's access to over 100 million accounts provides a vibrant base to build insurance selling across every region and economic strata in the country.

Group Corporate

SBI Life extensively leverages the SBI Group as a platform for cross-selling insurance products along with its numerous banking product packages such as housing loans and personal loans. SBI's access to over 100 million accounts across the country provides a vibrant base for insurance penetration across every region and economic strata in the country ensuring true financial inclusion.

Vision

"To be the most trusted and preferred life insurance provider"

Mission

"To emerge as the leading company offering a comprehensive range of life insurance and pension products at competitive prices, ensuring high standards of customer satisfaction and world class operating efficiency, and become a model life insurance company in India in the post liberalization period".

Values

Trustworthiness

Ambition

Innovation

Dynamism

Excellence

REVIEW OF LITERATURE

Hemant Katole (2015) in his study made on the association of the age and amount of premium paid association of the income and the savings, association on the employment and the number policies, concluded that the higher income group tends to save more. Age of an individual does not influence about the ideal risk cover.

Babita et. al. (2016) made a study on factors affecting customer investment towards life insurance products, the factors such as age, gender and income levels. Majority of the policy holders preferred money back policies cutting across the age, gender and income levels.

Divya Nagi (2017) in their study on demographic factors influencing purchase of life insurance state the followings: Product quality and brand image rule the market, smooth and hassel free settlement of claims is the basic needs for insurance investment. Age group of 40 to 50 educated and married and individuals have opted for life insurance in large numbers.

Mustaq Ahmed (2018) made an observation that delay in formulating the appropriate marketing mix will lead to the loss of business by the life insurance companies. Life insurance income has come to state as major constituents of market economy and extensive research needs to be done by the life insurance companies.

Sandeep (2018) in his paper on consumer perception regarding life insurance policies, has mentioned the need for insurance for the families financial requirement, for repayment of loan and expenses, investment options and protections against critical illness, draw loans and tax, saving mechanism as concluded from the study.

OBJECTIVES OF THE STUDY

1. To analysis the product details of SBI life Insurance Company limited.
2. To know the Marketing Strategies Activities in SBI Life Insurance at Kurukshetra Branch.

3. To find conclusion and make some suggestions.

RESEARCH METHODOLOGY OF THE STUDY**NATURE OF STUDY:**

The study used a descriptive research design for the purpose of getting an insight over the issue. It is to provide an accurate picture of some aspects of market environment. Descriptive research is used when the objective is to provide a systematic description that is as factual and accurate as possible. For achieving this purpose, the study has used the primary and secondary data from various internal and external source of company which include annual financial statement of company and various internal source of SBI life insurance include Report and journal of company

SIGNIFICANCE OF THE STUDY

This study will help in identify the profitability and financial of the SBI Life Insurance, so that their financial soundness and weakness can be determine successfully. The study will give opportunity to learn about the financial practices of SBI life Insurance so its result would be beneficial to academician research and students.

TYPE OF DATA COLLECTED

There are two types of data used. They are primary and secondary data. Primary data is defined as data that is collected from original sources for a specific purpose. Secondary data is data collected from indirect sources.

PRIMARY SOURCES

These include the survey or questionnaire method, telephonic interview as well as the personal interview methods of data collection.

SECONDARY SOURCES

These include books, the internet, company brochures, product brochures, the company website, competitor's websites etc., newspaper articles etc.

SAMPLING

Sampling refers to the method of selecting a sample from a given universe with a view to draw conclusions about that universe. A sample is a representative of the universe selected for study.

SAMPLE SIZE

The sample size for the survey conducted was **270 respondents**. This sample size was taken on 95% confidence level and 6 significant levels.

SAMPLING TECHNIQUE

Random sampling technique was used in the survey conducted.

PLAN OF ANALYSIS

Tables were used for the analysis of the collected data. The data is also neatly presented with the help of statistical tools such as graphs and pie charts. Percentages and averages have also been used to represent data clearly and effectively.

STUDY AREA

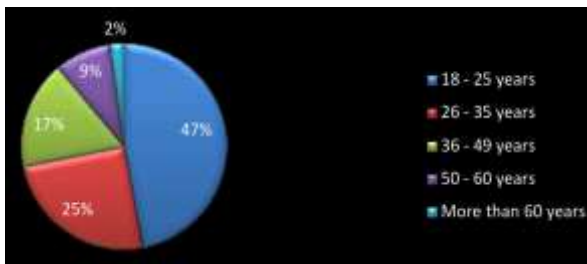
The samples referred to were residing in Kurukshetra City.

DATA ANALYSIS AND INTERPRETATIONS AGE GROUP OF SURVEYED RESPONDENTS

TABLE 4.1

Age group	No. of Respondents
18 - 25 years	127
26 - 35 years	67
36 - 49 years	46
50 - 60 years	24
More than 60 years	6

CHART 4.1



INTERPRETATIONS

From the above table and chart it has been found that 47% of the respondents fall in the age group of 18 – 25 years, 25% fall in the age group of 26 – 35 years and 17% fall in the age group of 36 – 49 years.

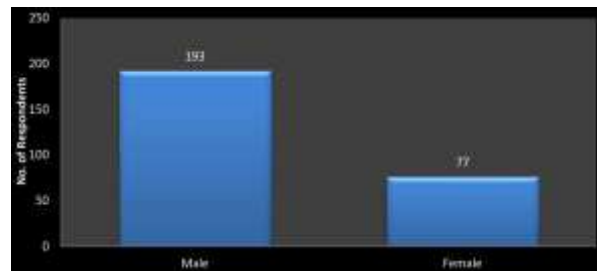
Therefore most of the respondents are relatively young (below 26 years of age). These individuals could be induced to purchase insurance plans on the basis of its tax saving nature and as an investment opportunity with high returns.

GENDER CLASSIFICATION OF SURVEYED RESPONDENTS

TABLE 4.2

Particulars	No. of Respondents
Male	193
Female	77

CHART 4.2



INTERPRETATIONS

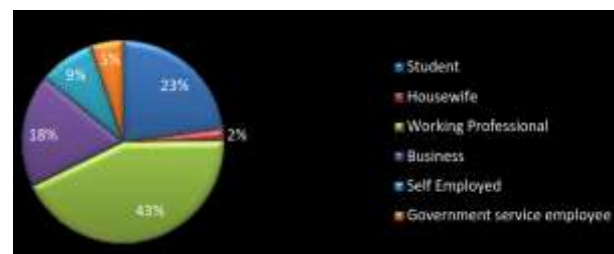
The above table and graph show that there were 193 male and 77 female.

CUSTOMER PROFILE OF SURVEYED RESPONDENTS

TABLE 4.3

Customer Profile	No. of Respondents
Student	62
Housewife	5
Working Professional	116
Business	49
Self Employed	24
Government service employee	14

CHART 4.3



INTERPRETATIONS

From the table and chart it can clearly be seen that 43% of the respondents are working professionals, 23% are students and 18% are into business. Therefore the target market would be working individuals in the age group of 18 – 25 years having

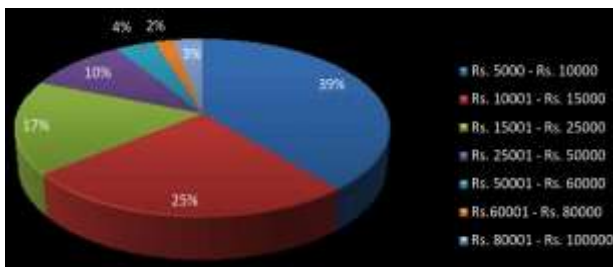
surplus income, interested in good returns on their investment and saving income tax.

ANNUAL PREMIUM PAID BY INDIVIDUALS FOR LIFE INSURANCE

TABLE 4.4

Premium Paid (p.a.)	No. of Respondents
Rs. 5000 - Rs. 10000	40
Rs. 10001 - Rs. 15000	26
Rs. 15001 - Rs. 24900	18
Rs. 25000 - Rs. 50000	10
Rs. 50001 - Rs. 60000	4
Rs.60001 - Rs. 80000	2
Rs. 80001 - Rs. 100000	3

CHART 4.4



INTERPRETAIONS

From the chart above we find that, 39% of the respondents surveyed pay an annual premium less than Rs. 10001 towards life insurance. 25% of the respondents pay an annual premium less than Rs. 15001 and 17% pay an annual premium less than Rs. 25000. Hence we can safely say that HDFC SLIC would be able to capture the market better if it introduced products/plans where the minimum premium starts at Rs. 5000 per annum.

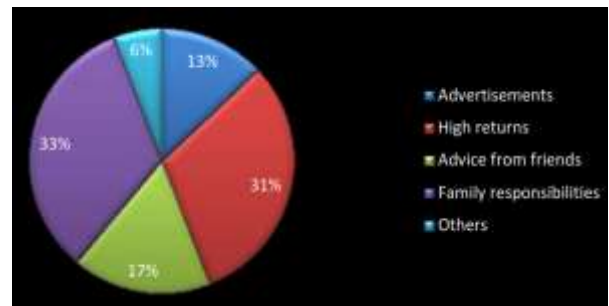
Only 19% of the respondents pay more than Rs. 25000 as premium and most products sold by HDFC SLIC have Rs.12000 as the minimum annual premium amount. They should introduce more products like Easy Life Plus and Safe Guard where the minimum premium is Rs.6000 p.a. and Rs. 12000 p.a. respectively. This would definitely increase their market share as more individuals would be able to afford the policies/plans offered.

FACTORS MOTIVATE RESPONDENTS TO PURCHASE INSURANCE

TABLE 4.5

Parameter	No. of Respondents
Advertisements	35
High returns	84
Advice from friends	46
Family responsibilities	89
Others	16

CHART 4.5



INTERPRETATIONS

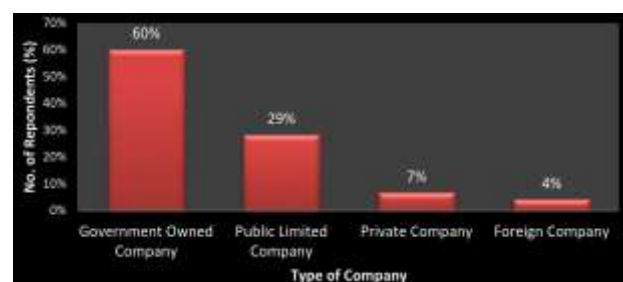
From the chart above it can be seen that 33% of the respondents purchase life insurance to secure their families, 33% take life insurance to get high returns, 17% purchase insurance on the advice of their friends and 13% purchase insurance because of the influence of advertisements.

PREFERRED COMPANY TYPE OF THE RESPONDENTS

TABLE 4.6

Type of Company	No. of Respondents	Percentage
Government Owned Company	127	47%
Public Limited Company	62	23%
Private Company	49	18%
Foreign Company	32	12%

CHART 4.6



INTERPRETATIONS

From the graph above we find that 60% of the respondents preferred to purchase insurance from a government owned company, 29% of the respondents preferred to purchase insurance from a public limited company and only 4% of the respondents preferred a foreign based company. Heavy advertising through television, newspapers, magazines and radio is required.

CONCLUSION

The main findings are as follows:

- It has been found that 47% of the respondents fall in the age group of 18 – 25 years, 25% fall in the age group of 26 – 35 years and 17% fall in the age group of 36 – 49 years. Therefore most of the respondents are relatively young (below 26 years of age).
- There were 193 male and 77 female.
- 43% of the respondents are working professionals, 23% are students and 18% are into business. Therefore the target market would be working individuals in the age group of 18 – 25 years having surplus income, interested in good returns on their investment and saving income tax.
- out of total 270 respondents only 103 or 38% respondents have life insurance policy in their name. Rest all don't have a single policy in their name. So there is a very big scope for life insurance companies to cover these people. So in future business of life insurance will grow further.
- 39% of the respondents surveyed pay an annual premium less than Rs. 10001 towards life insurance. 25% of the respondents pay an annual premium less than Rs. 15001 and 17% pay an annual premium less than Rs. 25000. Hence we can safely say that HDFC SLIC would be able to capture the market better if it introduced products/plans where the minimum premium starts at Rs. 5000 per annum. Only 19% of the respondents pay more than Rs. 25000 as premium and most products sold by HDFC SLIC have Rs.12000 as the minimum annual premium amount.
- 45% of the respondents hold endowment plans and 39% of the respondents hold term insurance plans. Endowment plans are very popular and serve two purposes – life cover and savings.

- 57% of the respondents are aware of unit linked life insurance plans and 43% are not aware of such plans. These plans should be promoted through advertising.
- We can clearly see that 41% of the respondents would be willing to spend between Rs. 10001 – Rs. 25000 for life insurance. 27 % would be willing to spend between Rs. 6001 – Rs. 10000 per annum. Only 15% would be willing to spend more than Rs. 25000 per annum as life insurance premium.
- It can be seen that 35% of the respondents prefer a policy term of 10 – 15 years, 19% prefer a term of 3 – 5 years and 15% prefer a term of 6 – 9 years.
- It can be seen that 33% of the respondents purchase life insurance to secure their families, 33% take life insurance to get high returns, 17% purchase insurance on the advice of their friends and 13% purchase insurance because of the influence of advertisements.
- 60% of the respondents preferred to purchase insurance from a government owned company, 29% of the respondents preferred to purchase insurance from a public limited company and only 4% of the respondents preferred a foreign based company..
- 18% of the respondents would like 16 – 20% returns, 17% would like returns between 21 – 25% and 17% would like returns of 11 – 15% on their investments. Therefore the average return on investment should be at least 16 – 20 %.

SUGGESTIONS

Following are suggestions made for the benefits and augmentation of the sound working of the company –SBI life insurance:

- Need to train and develop life insurance agents with more comprehensive knowledge and skills to counter every queries of the customer.
- It is suggested that company should not leave any stone unturned towards sound advertisement and promotional measures on every section whether it is printed, media or air via radio.
- The advisors should be made aware and educated so that they can extend their services not only in terms of collection of

premium checks from the customer but also to educate them about the insurance and the latest nontraditional plans.

- All the company should come out of a unit link product that should aid every selection of the society.
- It is also suggested that skilled management graduates need to be placed on sales and marketing of financial services that can render their best ideas for the accomplishment of the company goals and objectives to the best extent.
- Also, care need to be taken that every customer's grievance should be met with delight whether before purchase or after sales.
- There should be an expansion measure for more offices and location of more centers for offices of the company is established so that company may grow its network.

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