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## **PERCEPTION OF LIFE INSURANCE AGENTS TOWARDS MARKETING STRATEGIES OF LIFE INSURANCE CORPORATION OF INDIA IN MADURAI DISTRICT**

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### *Abstract*

*Understanding the Life Insurance Agent's perception towards marketing strategies of Life Insurance Companies is essential in facilitating the success of insurance services. The study aims to find out relationship of demographic characteristics of the respondents like Gender, Age and years of experience with marketing mix strategies of Life Insurance Corporation of India in Madurai district. Statistical tools like descriptive statistics, MANOVA are used for analysis.*

**Keywords:** Perception, Marketing strategies, Agents, Life Insurance.

### **Introduction**

Life is never free from risk. There are risks of theft, outbreak of war or fire, natural calamities like cyclone, earth-quake and flood, accidents, death and so on. The primary function of insurance is to substitute certainty for uncertainty as regards the economic cost of loss-producing events. Life insurance provides a mean by which people can collectively seek protection against possible uncertainty of life. Not only risk coverage, life insurance also provides certain other benefits namely tax savings, investments, loan facility and so on.

At present, there are 24 Life Insurance Companies operating in India

with 1 (Life Insurance Corporation of India) as public sector and the balance 23 Life Insurance Industry is private sectors.

### **Statement of the Problem**

During the first decade of insurance sector liberalization, this sector reported consistent increase in life insurance penetration from 2.15 per cent in 2001 to 4.60 per cent in 2009. Since then, the level of penetration has been declining. However, there was a slight increase in 2015 reaching 2.72 per cent compared to 2.6 per cent in 2014. (IRDA Annual Report 2015-16).

In spite of all this, the growth statistics of the penetration of the insurance in the country is very poor. With a large

population and untapped market area of this population, insurance happens to be a very big opportunity in India. There are huge potential to tap the insurance and for this, life insurance industry needs to frame marketing strategies that will help to capture the market. The sub mixes of marketing strategy are the product mix, the price mix, the place mix, the promotion mix, the people mix, the physical evidence mix and the process mix.

The life insurance agents have to diversify their activities to meet the complex needs of the customers. Spreading of education, economic activities and social awareness have made the job agents more challenging and complex.

Here the researchers aim to analyse the perception of life insurance agents towards marketing strategies of Life Insurance Corporation of India.

**Research Methodology**

For the study questionnaire method was used. Sample size of 90 life insurance agents was randomly selected from Madurai District. The data was collected through personal contacts the agents selected for the study from Life Insurance Corporation of India.

**Objectives of Study**

1. To study the demographic profile of the agents in LIC of India.
2. To analyse the perception of agents towards the various elements of marketing mix of LIC of India.

**Review of Literature**

Muthukumar, Rajesh Sathiskumar (2014) in their article titled, “Marketing Mix of Life Insurance Companies in Thrissur District - A Study” have concluded that brand image was the important factor considered by majority of the respondents in selecting a life insurance company. Agents played a pivotal role in providing information about the policies and were undoubtedly the major intermediaries in the life insurance market.

Išoraitè, M, (2016) in his article entitled, “Marketing Mix Theoretical

Aspects” has tried to analyze the mix theoretical aspects of the marketing mix. From the analysis the study concludes that the marketing mix measures are the actions and measures necessary to achieve marketing goals. Marketing elements, namely, product, price, place and promotion are used for marketing objectives. These instruments operate most efficiently when all the elements are combined and work together.

Dadzie, K.Q, Amponsah, D.K., Dadzie, C.A., and Winston, E.M., (2017) in their research article titled, “How Firms Implement Marketing Strategies in Emerging Markets: Empirical Assessment of the Marketing Mix Framework” have studied a sample of middle managers and senior executives of firms located in Accra, the industrial and administrative capital of Ghana. The objective of the study was to evaluate the applicability of the 4As marketing mix activities (affordability, accessibility, acceptability, and awareness) in emerging market conditions. Two-thirds of firms in the sample report medium-to-high all the 4As. Only affordability and accessibility to marketing mix activities lead to market share performance, while all activities lead to financial performance.

**Analysis and Interpretation**

**Profile of Respondents**

Particulars		Agents	%
Gender	Male	80	88.89
	Female	10	11.11
	Total	90	100.00
Age	< 25	3	3.34
	25-34	20	22.22
	35-44	18	20.00
	45-54	29	32.22
	> 54	20	22.22
	Total	90	100.00
Years of Experience	< 5 Years	20	22.22
	5-10 Years	30	33.33
	11-15years	25	27.78
	> 15 Years	15	16.67
	Total	90	100.00

Source: Primary Data

The above table shows that majority(88.89 per cent) of the agents are male, (32.22 per cent) are the age group of 45-54 years and (33.33 per cent) of the agents have a service experience of 5-10 years.

Multivariate analysis of variance (MANOVA) is simply an ANOVA with several dependent variables. That is to say, ANOVA tests for the difference in means between two or more groups, while MANOVA tests for the difference in two or more *vectors* of means.

**Multivariate Tests on Gender and Marketing Mix**

MANOVA is used to explore taking Gender as independent variable and Marketing mix elements like Product mix, Price mix, Place mix, Promotion mix, People mix, Physical evidence mix and process mix solving as dependent variables to find the interactions among the dependent variable and also among independent variable.

**Ho: There is no significant difference across the Gender and marketing mix**

**Multivariate Tests<sup>a</sup> on Gender and Marketing mix**

	Effect	Value	F	Hypothesis df	Error df	Sig.
Intercept	Pillai's Trace	.985	758.644 <sup>b</sup>	7	82	.000
	Wilks' Lambda	.015	758.644 <sup>b</sup>	7	82	.000
	Hotelling's Trace	64.762	758.644 <sup>b</sup>	7	82	.000
	Roy's Largest Root	64.762	758.644 <sup>b</sup>	7	82	.000
Gender	Pillai's Trace	.090	1.157 <sup>b</sup>	7	82	.337
	Wilks' Lambda	.910	1.157 <sup>b</sup>	7	82	.337
	Hotelling's Trace	.099	1.157 <sup>b</sup>	7	82	.337
	Roy's Largest Root	.099	1.157 <sup>b</sup>	7	82	.337

a. Design: Intercept + Gender  
 b. Exact statistic

**Tests of Between-Subjects Effects on Gender and Marketing mix**

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Result
Gender	Product Mix	.070	1	.070	.204	.653	Accepted
	Price Mix	.068	1	.068	.209	.649	Accepted
	Place Mix	.044	1	.044	.202	.654	Accepted
	Promotion Mix	.031	1	.031	.202	.654	Accepted
	People Mix	.412	1	.412	1.401	.240	Accepted
	Physical Evidence Mix	.826	1	.826	2.697	.104	Accepted
	Process Mix	.711	1	.711	1.724	.193	Accepted

a. R Squared = .002 (Adjusted R Squared = -.009)  
 b. R Squared = .002 (Adjusted R Squared = -.009)  
 c. R Squared = .002 (Adjusted R Squared = -.009)  
 d. R Squared = .001 (Adjusted R Squared = -.010)  
 e. R Squared = .016 (Adjusted R Squared = .004)  
 f. R Squared = .030 (Adjusted R Squared = .019)  
 g. R Squared = .019 (Adjusted R Squared = .008)

The hypothesis is tested using the Gender of the respondents as independent measure (Fixed Factor) and product mix,

price mix, place mix, promotion mix, people mix, physical evidence mix and process mix as dependent variables.

MANOVA procedure is applied to the data. The table of multivariate tests table displays four tests of significance for each model effect.

The entire four tests show insignificant difference. The significance value of the main effect is more than .05. Accordingly, the null hypothesis is accepted. The effect of gender does not contribute to the model.

**Multivariate Tests on Age Groups and Marketing Mix**

MANOVA is used to explore taking Age group as independent variable and Marketing mix elements like Product mix, Price mix, Place mix, Promotion mix, People mix, Physical evidence mix and Process mix solving as dependent variables to find the interactions among the dependent variables and also among independent variable.

**Ho: There is no significant difference across the Age and marketing mix**

Multivariate Tests<sup>c</sup> on Age and Marketing Mix

Effect		Value	F	Hypothesis df	Error df	Sig.
Intercept	Pillai's Trace	.989	974.711 <sup>b</sup>	7	79.000	.000
	Wilks' Lambda	.011	974.711 <sup>b</sup>	7	79.000	.000
	Hotelling's Trace	86.367	974.711 <sup>b</sup>	7	79.000	.000
	Roy's Largest Root	86.367	974.711 <sup>b</sup>	7	79.000	.000
Age	Pillai's Trace	.393	1.277	28	328.000	.162
	Wilks' Lambda	.651	1.293	28	286.261	.153
	Hotelling's Trace	.471	1.303	28	310.000	.145
	Roy's Largest Root	.258	3.017 <sup>c</sup>	7	82.000	.057

a. Exact statistic

b. The statistic is an upper bound on F that yields a lower bound on the significance level.

c. Design: Intercept + Age

Source: Computed Primary Data.

**Tests of Between-Subjects Effects on Age and Marketing Mix**

Source	Dependent Variable	Type III Sum of Square	df	Mean Square	F	Sig.	Result
Age	Product Mix	1.062	4	.265	.776	.544	Accepted
	Price Mix	2.936	4	.734	2.415	.055	Accepted
	Place Mix	.252	4	.063	.281	.889	Accepted
	Promotion Mix	2.253	4	.563	2.348	.061	Accepted
	People Mix	1.056	4	.264	.889	.474	Accepted
	Physical Evidence Mix	.708	4	.177	.556	.695	Accepted
	Process Mix	2.163	4	.541	1.320	.269	Accepted

a. R Squared = .035 (Adjusted R Squared = -.010)

b. R Squared = .102 (Adjusted R Squared = .060)

c. R Squared = .013 (Adjusted R Squared = -.033)

d. R Squared = .099 (Adjusted R Squared = .057)

e. R Squared = .040 (Adjusted R Squared = -.005)

f. R Squared = .025 (Adjusted R Squared = -.020)

g. R Squared = .058 (Adjusted R Squared = .014)

The hypothesis is tested using the Age of the respondents as independent

measure (Fixed Factor) and product mix, price mix, place mix, promotion mix,

people mix, physical evidence mix and process mix as dependent variables. MANOVA procedure is applied to the data. The table of multivariate tests table displays four tests of significance for each model effect.

The entire four tests show insignificant difference. The significance value of the main effect is more than .05. Accordingly, the null hypothesis is accepted. The effect of age does not contribute to the model.

**Multivariate Tests on Years of Experience and Marketing Mix**

MANOVA is used to explore taking years of experience as independent variable and Marketing mix elements like Product mix, Price mix, Place mix, Promotion mix, People mix, Physical evidence mix and process mix solving as dependent variables to find the interactions among the dependent variables and also among independent variable.

Multivariate Tests<sup>c</sup> on Years of Experience and Marketing Mix

Effect		Value	F	Hypothesis df	Error df	Sig.
Intercept	Pillai's Trace	.990	1164.837 <sup>b</sup>	7	80.000	.000
	Wilks' Lambda	.010	1164.837 <sup>b</sup>	7	80.000	.000
	Hotelling's Trace	101.923	1164.837 <sup>b</sup>	7	80.000	.000
	Roy's Largest Root	101.923	1164.837 <sup>b</sup>	7	80.000	.000
Years of Experience	Pillai's Trace	.628	3.103	21	246.000	.000
	Wilks' Lambda	.460	3.407	21	230.267	.000
	Hotelling's Trace	.989	3.704	21	236.000	.000
	Roy's Largest Root	.761	8.920 <sup>c</sup>	7	82.000	.000
a. Exact statistic						
b. The statistic is an upper bound on F that yields a lower bound on the significance level.						
c. Design: Intercept + Years of Experience						

Source: Computed Primary Data.

Tests of between Subjects Effects on Years of Experience and Marketing Mix

Source	Dependent Variable	Type III Sum of Square	df	Mean Square	F	Sig.	Result
Years of Experience	Product Mix	4.765	3	1.588	3.531	.018	Accepted
	Price Mix	18.228	3	6.076	12.302	.000	<b>Rejected</b>
	Place Mix	10.967	3	3.656	12.302	.000	<b>Rejected</b>
	Promotion Mix	3.033	3	1.011	3.756	.014	Accepted
	People Mix	1.315	3	.438	1.524	.214	Accepted
	Physical Evidence Mix	7.146	3	2.382	5.253	.002	<b>Rejected</b>
	Process Mix	5.339	3	1.780	3.856	.012	Accepted
a. R Squared = .127 (Adjusted R Squared = .120)							
b. R Squared = .212 (Adjusted R Squared = .206)							
c. R Squared = .102 (Adjusted R Squared = .095)							
d. R Squared = .051 (Adjusted R Squared = .043)							
e. R Squared = .036 (Adjusted R Squared = .028)							
f. R Squared = .144 (Adjusted R Squared = .137)							
g. R Squared = .115 (Adjusted R Squared = .108)							

The hypothesis is tested using the years of experience of the respondents as independent measure (Fixed Factor) and

product mix, price mix, place mix, promotion mix, people mix, physical evidence mix and process mix as dependent

variables. MANOVA procedure is applied to the data. The table of multivariate tests table displays four tests of significance for each model effect.

The entire four tests show significant differences. The significance value of the main effect is less than .01, indicating that the effect of years of experience contributes to the model. The Descriptive Statistics table provides the summary of the analysis and the mean scores of various dependent measures across the years of experience of the Agents.

There is a difference between the years of experience and marketing mix on price mix, place mix and physical evidence mix at 1% level of significance, product mix, promotion mix and process mix at 5% level of significance.

Further it is observed that the mean score shows product mix, price mix, place mix and physical evidence mix is higher among 'less than 2 years of experience' and rest of the marketing mix is higher at 'above 15 years of experience'.

### Summary

This study deals with the primary data collected from the agents. It includes demographic profile of agents such as Gender, Age and Years of experiences.

This study also discusses the results of MANOVA show that the mean score of price mix is higher among males and rests of the marketing mix are higher among females.

The mean score of product mix and place mix are higher among the age group of 'below 25 years' and rests of the

marketing mix are higher among the age group of 'above 54 years'.

The mean score shows product mix, price mix, place mix and physical evidence mix is higher among 'less than 2 years of experience' and rest of the marketing mix is higher at 'above 15 years of experience'.

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