A COMPARATIVE STUDY ON DIFFERENT MARKETING TECHNIQUES BETWEEN TWO LIFE INSURANCE COMPANIES

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ABSTRACT

Since the establishment and emergence of the life insurance companies in India, there has been an exceptional rise in significance of acquiring life insurance and a gradual escalation in the number of life insurance policy holders, especially considering the contemporary risk that an individual is exposed to encounter. Life insurance has served the purpose of motivating an individual to inculcate saving habits thereby reducing the dependency by his or her family members. In India, the insurance companies have been providing a vast range of insurance schemes to suit the needs of all the Indian economic classes, communities and family groups. But, to enlighten the Indian masses about the policies formulated by various companies that aptly suit their requirements is an essential task, yet a grueling one to accomplish. Therefore, this study attempts to spread awareness about the competence and the relevance of insurance policies offered by two of the leading insurance providers – the Life Insurance Corporation of India and the Bharti AXA Life Insurance Company. The study provides a basic comparison of satisfaction level of the customers, the marketing strategies adopted and general public awareness about the policies offered by Life Insurance Corporation of India and Bharti AXA Life Insurance.

Keywords: Life Insurance, Bharti AXA Life Insurance Company, Life Insurance Corporation, Contemporary Risk, Public awareness, Customer satisfaction.

INTRODUCTION

An insurance policy is an agreement wherein an individual transfers risk to another individual for a consideration called the premium. The person who takes up the policy to cover the risk is called the insured. The person or entity bearing the risk is called the Insurer. Insurer is generally the insurance company.

Insurance can be classified into general insurance and life insurance depending upon the subject matter of the insured. General insurance refers to any insurance other than life insurance, which involves insuring the losses or damages occurring to the insured’s property or belongings, example: vehicle insurance. It is a contract of indemnity, through which the insured is compensated to the extent of the loss or the policy amount, whichever is lesser. The insured is compensated in a manner where he cannot make a profit after the contingency occurs and insurance claim is settled. Life insurance involves insuring the life of a person. It is an exception to the principle of indemnity as the life of a person cannot be measured in the terms of money. Through life insurance, the policy holder (insured) is provided the policy amount in case of the maturity of the policy or his nominee is entitled to the policy amount in case of his/her death. Life insurance helps to eliminate dependency, motivate risk taking and encourages savings habits.

The Life Insurance Corporation of India and Bharti AXA Life Insurance are two prominent life insurance providers in India. The Life Insurance Corporation of India is an Indian state owned insurance company. It is the most famous and commonly availed insurance provider. It has earned national recognition in corporate excellence and has gradually developed as a popular enterprise in insurance field.
Bharti AXA Life Insurance is a life Insurance player that was started in 2006. It brings together strong financial expertise of the Paris-headquartered AXA Group and Bharti Enterprises - one of India's leading business groups with interests in telecom, agricultural business, financial services, and retail. The joint venture has a 51% stake from Bharti and 49% stake from AXA. The company launched national operations in December 2006. Today, Bharti AXA Life has a national footprint of distributors trained to provide quality financial advice and insurance solutions to the large Indian customer base. Bharti AXA Life offers a range of innovative products and services that cater to specific insurance and wealth management needs of customers.

**LITERATURE REVIEW**


**OBJECTIVES**

- To compare the level of public awareness about the policies between the two companies.
- To analyze the satisfaction level of the customers.
- To find out the different marketing strategies adopted by the two companies.

**LIMITATIONS OF THE STUDY**

- The study was conducted focusing on Bangalore city only.
- The sample size was limited.
- The period of study was short.

**RESEARCH METHODOLOGY**

- **SOURCES OF DATA**
  - **PRIMARY DATA** - Primary data was collected by issuing questionnaires to life insurance policy holders. In addition to this 1 questionnaire each was circulated to the offices of Life Insurance Corporation (Indiranagar, Bangalore) and Bharti AXA Life Insurance (Infantry road, Bangalore).
  - **SECONDARY DATA** - Secondary data was collected from the official websites of Life Insurance Corporation of India and Bharti AXA Life Insurance, Google and Wikipedia.

- **POPULATION** - Population refers to the entire set of observations in the study. The population of this study is the total number of life insurance policy holders of Life Insurance Corporation of India and Bharti AXA Life Insurance Company.

- **SAMPLE SIZE** - The sample size for this purpose was 50, out of which 37 people were the policy holders of Life Insurance Corporation, 3 people were the policy holders of Bharti AXA Life Insurance and 10 people had taken policies from other life insurance companies.
DATA ANALYSIS AND INTERPRETATION

- **Table no. 1** - The level of public awareness about the policies between the two companies, i.e., Life Insurance Corporation of India and Bharti AXA Life Insurance Company.

<table>
<thead>
<tr>
<th></th>
<th>Poor</th>
<th>Satisfactory</th>
<th>Good</th>
<th>Excellent</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Insurance Corporation</td>
<td>7</td>
<td>14</td>
<td>15</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Bharti AXA Life Insurance</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Others</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8</td>
<td>20</td>
<td>16</td>
<td>6</td>
<td>40</td>
</tr>
</tbody>
</table>

**Public Awareness Level**

- **Data interpretation**: This table represents the public awareness level of the two companies, i.e., Life Insurance Corporation and Bharti AXA Life Insurance. The level of public awareness for Life Insurance Corporation is 74%, Bharti AXA Life Insurance is 6%, and other insurance companies is 20%.

- **Table no. 2** - The satisfaction level of the customers of Life Insurance Corporation of India and Bharti AXA Life Insurance.

<table>
<thead>
<tr>
<th>Company</th>
<th>Satisfaction level (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Insurance Corporation</td>
<td>70%</td>
</tr>
<tr>
<td>Bharti AXA Life Insurance</td>
<td>12%</td>
</tr>
<tr>
<td>Others</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**Satisfaction level**

- **Data interpretation**: This table represents the satisfaction level of the customers of Life Insurance Corporation of India and Bharti AXA Life Insurance.
Data interpretation - This table represents the satisfaction level of the customers of Life Insurance Corporation and Bharti AXA Life Insurance. The customer satisfaction level of Life Insurance Corporation is 70%, Bharti AXA Life Insurance is 12% and 18% of the customers of other insurance companies prevailing in market.

- To find out the different marketing strategies adopted by two companies: Life Insurance Corporation of India and Bharti AXA life insurance Company.

All insurance companies make marketing strategies to promote their company. A review was taken from Life Insurance Corporation of India and Bharti AXA life insurance Company to know about their marketing strategy.

With the help of the questionnaire circulated to both the companies, it was noted that both the companies adopted marketing through life insurance agents and media advertisements. The public opinion gathered through public questionnaires denotes that Life insurance agents formed the most influential marketing tool adopted by both the companies.

FINDINGS

- In the survey, it was found that majority of the respondents were policy holders of Life Insurance Corporation of India when compared to Bharti AXA Life insurance and other insurance companies. The study denotes that Life Insurance Corporation of India is leading with regard to the public awareness level with a percentage of 74%, followed by other insurance companies with 20% public awareness level and then Bharti AXA Life Insurance with a public awareness level of 6%.
- The study also shows that with 70%, Life Insurance Corporation of India has achieved highest customer satisfaction level while the satisfaction level of customers of Bharti AXA Life Insurance is 12% and other insurance companies is 18%.
- It was noted that insurance agents were the most influential and preferred marketing tool according to both Life Insurance Corporation of India and Bharti AXA Life Insurance Company.

CONCLUSION

Through this research on a comparative study of the public awareness level of the two companies, it was found that the public awareness level of Life Insurance Corporation of India is higher than Bharti AXA Life Insurance Company. This shows the impact that Life Insurance Corporation of India has accomplished to create by its performance in the past years. Similarly, in terms of customers’ satisfaction as well, Life Insurance Corporation of India was found to be leading ahead of Bharti AXA life insurance Company, as it had a higher degree of customer satisfaction level. This could be attributed to the wide range of choices that Life Insurance Corporation of India has been offering to its customers. From the study on different marketing techniques adopted by two life insurance companies i.e., Life Insurance Corporation of India and Bharti AXA life insurance company, it has been concluded that Life Insurance Corporation of India forms the highly preferred and sought after insurance provider. There is scope for improvement of Bharti AXA life insurance Company with regard to its market position, as it was noted that the customers of the company were limited and not easily accessible. Lastly, with regard to the marketing techniques, both the companies, i.e. Life Insurance Corporation of India and Bharti AXA Life Insurance Company opined that Life insurance agents were the most influential in creating awareness about the various policies of the company as they were locally available to market about the company to potential customers.

SUGGESTIONS

- Bharti AXA Life Insurance Company is suggested to make its marketing agents more locally approachable and customer friendly, this could help the company create more public awareness.
- The services offered by Bharti AXA should be made more customers oriented to help increase customer satisfaction.
- More number of agents could be employed and advertisement can be done on a more frequent basis to help the company offer better competition to other companies such as Life Insurance Corporation of India etc.

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