

A Comparative Study On The Perception Level Of The Services Offered By LIC And ICICI Prudential

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INTRODUCTION

The Life Insurance Industry in India

The Life Insurance Industry in India is one of the hard-core parts of the service sector. It not only provides safety against risk for individuals, it also creates the savings and investment habits among the individuals. The life insurance sector by its nature attracts long term funds, which are invested in productive heads for the development of the Indian economy. In spite of its greater importance, the awareness and penetration of life insurance is very low. The penetration of life insurance was less than 1% till 1990-91. During the 90's, it was between 1% and 2% and from 2001, it was over 2%. In 2003-04, it was 2.4% and in the year 2006 it had increased to 4.1%. After opening up of the insurance sector to the private players, the GDP from life insurance and its penetration has increased, which revealed that the insurable population is more and there would be more opportunities for any new entrant.

In the pre-liberalized environment, the term 'Life Insurance' was attributed to the big brother of the life insurance industry, the public monolith, "Life Insurance Corporation of India (LIC)". The parliament of India passed the Life Insurance Corporation Act on 19th June 1956, and the Life Insurance Corporation of India was created on 1st September, 1956. LIC was created with the prime objective of spreading life insurance much more widely and in particular to the rural areas with a view to reach all insurable persons in the country, by providing adequate financial cover at a reasonable cost through the agent force. LIC sold products as a tax instrument, not as a product giving protection. Most customers were under insured by international standards, with no flexibility or transparency in the products. With the entry of private players, the rules of the game have been changed.

LIC still continues to be the dominant life insurer even in the liberalized scenario of Indian insurance and is moving fast on new growth; surpassing its own past records. It still reins the industry by achieving the highest market share (based on premium collection) and number of policies issued were 68.64% and 76.55% respectively. From its incorporation to date, LIC has crossed many milestones and has set unprecedented performance records in various aspects of the life insurance business. Even in the liberalized competitive environment, the three letters- 'LIC', stand as a synonym for insurance services, excellence in strengthening the economic status of the country and above all, creating trust and confidence in the minds of its policy holders.

LIBERALIZATION OF THE LIFE INSURANCE INDUSTRY

The year 1999 saw a revolution in the Indian insurance sector as major structural changes took place with the ending of government monopoly. In line with the global trend of deregulation and the economic reforms in India and based on the recommendations of the Malhotra committee, the Government of India passed the Insurance Regulatory and Development Authority Act in 1999. This Act paved way for the birth of the Insurance Regulatory and Development Authority (IRDA) and resulted in lifting all entry restrictions for private players and allowing foreign players to enter the market with some limits on direct foreign ownership. A burgeoning middle class with high per capita savings and low penetration of insurance are some of the key factors responsible for the tremendous interest of foreign insurance companies to eye the Indian life insurance industry. The industry holds 15 private players with a market share of 18.08 % with respect to premium collection in the year 2006-2007.

Since liberalization, customer awareness has improved. Competition has brought more products, better customer service and has had a positive impact on the economy in terms of income generation and employment growth. The success of private players has been attributed to their innovative offers, customer-centric products, increasing

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awareness levels of consumers through a need-based, structured approach of selling sound risk management practices, enhanced service standards, reach out to the customer through a number of distribution and communication channels and providing advice to the customers.

REVIEW OF LITERATURE

Service permeates every aspect of our lives (John. E.G. Bateson, K. Douglas Hoffman 2000). Globalization, intense competition and extensive application of information and communication technologies has led every service organization to differentiate their business strategy in seeking more profits for their long stay in the market. One such strategy is delivering excellent service quality, for it results in creating brand identity for the organizations. Thus customer service is significantly called as the 'front door' of the organization or its face (Valarie A. Zeithamal and Mary Jo Bitner, 2003). With all the firms offering like products, delivering quality service is the only differentiating factor, for it creates lasting impressions in the minds of the customers. Thus quality service is an enriching tool in the hands of an organization to combat against its competitors.

Measurement of service has always posed as a debated research area in the field of service marketing. Based on the serial research of Parasuraman et.al, service quality has been defined as the degree and direction of discrepancy between customer service perception and expectation. They have developed and redefined SERVQUAL, a multiple-item instrument to quantify the service expectation – perception gap along five generic dimensions: Tangibility, Reliability, Responsiveness, Assurance and Empathy.

It has been identified that to maximize customer satisfaction, different players in the competitive life insurance industry in India need to concentrate on the responsiveness dimension of the service quality (Paromita Goswami 2007). Further, the customers of LIC are not highly satisfied with any of the service quality dimension when compared with the private players like ING Vysya, TATA and HDFC (Gayathiri. H, Vinaya.M.C and Lakshmisha.K, 2005). The survey focused to find out the difference between the expectations and perceptions of the policyholders.

STATEMENT OF THE PROBLEM

The Indian insurance industry has moved into a more competitive arena with the arrival of private players in the market. Even though the Life Insurance Corporation of India (LIC) reigns supreme in terms of market share, private companies are gearing up to woo the consumer. Any new player entering the insurance business would try to differentiate its product offering, but it is the service delivery system which would become the key differentiator. One of the most curious aspects of insurance services is that customers expect quality and customization simultaneously. These two aspects must be tailor made to retain the customers in the long run.

Customer service is the ability of an organization to constantly and consistently give the customer what they want, need and expect. Quality in customer service is critical to success in any liberalized environment. The primary focus of the insurance companies in the liberalized era is in delivering quality service. It is highly essential to bring about quality improvement in the services of the life insurance companies, as the customers' tastes, preferences and requirements are ever changing. Quantifying service quality measurements will help the companies to direct their efforts towards service improvement. This involves an understanding of the customer expectations and perceptions of the services.

In light of the above facts, the highlight of this study is to compare the perception levels of the services offered by LIC and ICICI Prudential.

OBJECTIVES OF THE STUDY

1. To find out the level of expectation and the satisfaction level of the policy holders from the services offered by LIC and ICICI Prudential.
2. To compare the level of perception of the services offered by LIC and ICICI.

HYPOTHESIS

The following hypotheses are framed in tune with the objectives.

1. There is no significant difference between the demographic variables of the respondents and the level of expectation scores.

2. There is no significant difference between the demographic variables of the respondents and the level of perception scores of LIC and ICICI.
3. There is no significant difference between the LIC policy holder and their satisfaction.
4. There is no significant difference between the ICICI prudential policy holder and their satisfaction.

METHODOLOGY

The following methodology is adopted for the study:

Area of the study

The study is restricted to Coimbatore city.

Period of study

The period of study was one year- Sep 2007-Sep 2008.

Life insurance companies taken for the study

The life insurance companies taken for the study are the one and only public player and market leader in life insurance industry – LIC and ICICI Prudential which is the top private player among the 15 private players in the life insurance industry.

Sample size

Convenience sampling technique was administered in the study. 200 questionnaires were distributed to the policyholders of both LIC and ICICI Prudential for easy comparison.

Instrumentation

The questionnaire was constructed based on the SERVQUAL technique designed by Parasuraman, et.al, to record various factors relating to service quality. It consists of 21 questions relating to expectations and perceptions. The responses were measured on a seven point likert scale.

Tools applied

The following statistical tools were applied.

- Percentage analysis.
- Descriptive statistics.
- t- test.
- ANOVA and
- Chi-square test.

All tests were carried out at 5% level of significance.

Limitations of the Study

The findings of the study depend purely on the responses given by the sample respondents.

RESULTS AND DISCUSSIONS

DEMOGRAPHIC PROFILE OF THE RESPONDENTS

The demographic profile of the respondents includes 73.5 % (147) males and 26.5 % (53) females of which 57.5 % (115) were married and 42.5 % (85) were unmarried. For the analysis purpose, the age of the respondents has been classified into four groups namely, less than 30 yrs-25% (96), 30-40yrs-14% (50), 40-50yrs -14% (28), and more than 50yrs-13% (26). Income has been measured as monthly income ranging from less than Rs.10, 000 - 15% (30), Rs10, 000-20,000-53.5% (107), Rs.20, 000-Rs30, 000 – 16% (32) and more than Rs.30, 000 – 15.5% (31). The education level of the respondents has been measured in terms of school level – 5.5% (11), graduation 40% (80), post- graduation 43% (86) and professional courses 11.5% (23). The occupation status of the respondents has been grouped as private 49% (98), government 16.5 % (33), professional/business 22.5 % (45) and the other category 12% (24) includes housewives and students. The number of members in the family of the respondents are grouped as 3-20 %(40), 4-5-8.5 %(117), 5 and above 21.5 %(43).

GENDER AND LEVEL OF EXPECTATION (TABLE: 1.1, 1.2AND 1.3)

It is understood from the tables that policy holder's expectation (39.5% of the males) from the services of life insurance companies is low. Whereas the expectation of 39.6% of the female policy holder's is neither high nor low for they expect medium level of services.

With highest mean value of 134.01, it is understood that, as compared to men, the expectation of women policy holder's is high. By applying t-test, with the significant value of 0.387, the hypothesis is accepted and it has been proved that there is no significant difference between the gender and the level of expectation.

Table 1.1: Cross Tabulation: Gender: Level of Expectation and Perception

		Male			Female		
		Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI
Low	No	58	51	52	14	15	23
	%	39.5	34.7	35.4	26.4	28.3	43.4
Medium	No	44	50	39	21	16	15
	%	29.9	34.0	26.5	39.6	30.2	28.3
High	No	45	46	56	18	22	15
	%	30.6	31.3	38.1	34.0	41.5	28.3
Total	No	147	147	147	53	53	53
	%	100.0	100.0	100.0	100.0	100.0	100.0

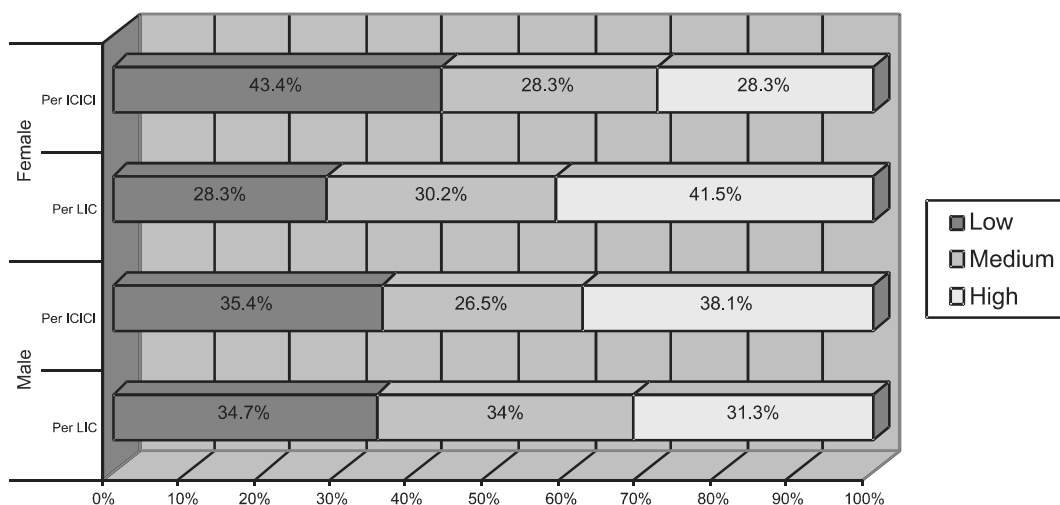
Table 1.2: Group Statistics

		N	Mean	Std. Deviation
Exp	Male	147	133.37	4.72
	Female	53	134.01	4.37
Per LIC	Male	147	57.23	41.19
	Female	53	63.81	36.23
Per ICICI	Male	147	82.20	61.18
	Female	53	70.58	62.69

Table 1.3: Independent Sample Test

	t	df	Sig. (2-tailed)
Exp	-.867	198	.387
Per LIC	-1.028	198	.305
Per ICICI	1.178	198	.240

Chart – 1: Gender and Perception Level



COMPARISON OF THE PERCEPTION LEVEL OF LIC AND ICICI PRUDENTIAL IN CASE OF GENDER (TABLE: 1.1, 1.2, 1.3 AND CHART: 1)

In case of the male policy holders (34.7% and 38.17%) have perceived low and high level of services from LIC and ICICI prudential. While considering the female policy holders, 41.5% and 43.4% of them have perceived high and low level of services from LIC and ICICI prudential.

With the highest mean value of 63.81, the women policy holders of LIC have perceived high level of services when compared to males. By applying t- test, with the significant value of 0.305, the hypothesis is accepted and it is hence proved that there is no significant difference between gender and level of perception. In case of ICICI prudential, with the highest mean value of 82.2, the male policy holders have perceived high level of service when compared to females. With the significant value of 0.240, the hypothesis is accepted proving that there is no significant difference between gender and level of perception.

AGE AND LEVEL OF EXPECTATION (TABLE: 2.1, 2.2 AND 2.3)

Table 2.1 explains clearly that a maximum (37.5%) of the policy holders who are below 30 yrs of age do not have high level of expectations from the life insurance companies. Those policy holders whose ages are between 30-40yrs, 38% of them expect high level of services. In case of the respondents whose ages are between 40-50yrs, 46.4% of them do not have high level of expectations from the life insurance companies. Finally, those policyholders (42.3%) whose ages are above 50 yrs expect high level of services.

With the highest mean value of 134.53, it is understood that those policy holders who are above 50yrs of age expect high level of services than others. With the significant value of 0.155, the hypothesis is accepted and it has been proved that there is no significant difference between age and level of expectation.

Table 2.1: Cross tabulation: Age: Level of Expectation and Perception

		Below 30 yrs			30-40 yrs			40-50 yrs			50 & above		
		Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI
Low	No	36	59	19	13	4	20	13	3	11	10	0	25
%	37.5	61.5	19.8	26.0	8.0	40.0	46.4	10.7	39.3	38.5	0	96.2	
Medium	No	34	19	37	18	28	10	8	15	7	5	4	0
%	35.4	19.8	38.5	36.0	56.0	20.0	28.6	53.6	25.0	19.2	15.4	0	
High	No	26	18	40	19	18	20	7	10	10	11	22	1
%	27.1	18.8	41.7	38.0	36.0	40.0	25.0	35.7	35.7	42.3	84.6	3.8	
Total	No	96	96	96	50	50	50	28	28	28	26	26	26
%	100	100	100	100	100	100	100	100	100	100	100	100	100

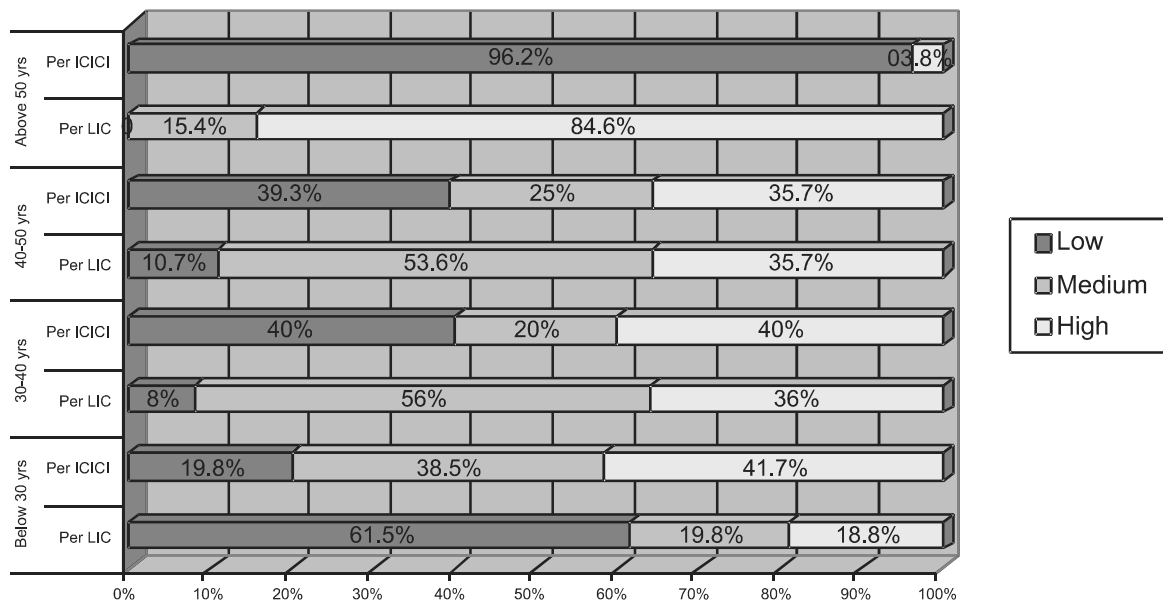
Table 2.2: Descriptive Statistics

Age	Mean			N			Std. Deviation		
	Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI
Below 30 yrs	132.87	33.78	101.36	96	96	96	4.23	40.63	50.89
30-40 yrs	134.46	79.56	75.92	50	50	50	5.15	26.72	62.85
40-50 yrs	133.28	81.39	77.25	28	28	28	4.98	16.27	63.48
50 & above	134.53	88.26	5.19	26	26	26	4.41	2.86	26.47
Total	133.54	58.97	79.12	200	200	200	4.63	39.95	61.64

Table 2.3: ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Exp	Between Groups	112.499	3	37.500	1.764	.155
	Within Groups	4167.096	196	21.261		
	Total	4279.595	199			
Per LIC	Between Groups	118504.355	3	39501.452	38.862	.000
	Within Groups	199222.520	196	1016.441		
	Total	317726.875	199			
Per ICICI	Between Groups	190210.667	3	63403.556	21.955	.000
	Within Groups	566027.208	196	2887.894		
	Total	756237.875	199			

Chart – 2: Age and Perception Level



COMPARISON OF THE PERCEPTION LEVEL OF LIC AND ICICI PRUDENTIAL IN CASE OF AGE (TABLE2.1, 2.2, 2.3 AND CHART: 2)

In case of those respondents who are below 30yrs of age, a maximum of 61.5% and 41.7% have experienced low and high level of services from LIC and ICICI prudential respectively. While considering the age groups of 30-40yrs, 40% of them have experienced both high and low levels of services from ICICI prudential and 56% of them have perceived medium level of services from LIC. In the 40-50yrs age group, 53.6% and 39.3% of them have perceived medium and low level of services from LIC and ICICI prudential respectively. In the 50 and above yrs age group, 84.6% and 96.2% of the policy holders have experienced high and low level of services from LIC and ICICI prudential respectively.

With the highest mean value of 88.26, it has been highlighted that the policy holders of LIC who are in the age group of 50 and above years have perceived high level of services when compared to others. With the significant value of 0.000, the hypothesis is rejected proving that there exists a significant difference between age and level of perception. In the case of ICICI Prudential, with the highest mean value of 101.36, it is found that those policy holders who are in the age group of below 30yrs have perceived high level of services when compared to others. With the significant value of 0.000, the hypothesis is rejected proving that there exists a significant difference between age and level of perception.

MARITAL STATUS AND LEVEL OF EXPECTATION (TABLE: 3.1, 3.2, AND 3.3)

Table 3.1 depicts that 36.5% of the married policyholder's expectation is high. In case of the unmarried policy holders, 37.6% of them expect both low and medium level of services. With the highest mean value of 134.08, it is concluded the married policy holders have more expectation when compared to unmarried ones. By applying t-test with the significant value of 0.054, the hypothesis is accepted proving that there is no significant difference between marital status and level of expectation.

Table 3.1: Cross Tabulation: Marital Status: Level of Expectation and Perception

		Married			Unmarried		
		Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI
Low	No	40	8	60	32	58	15
	%	34.8	7.0	52.2	37.6	68.2	17.6
Medium	No	33	53	24	32	13	30
	%	28.7	46.1	20.9	37.6	15.3	35.3
High	No	42	54	31	21	14	40
	%	36.5	47.0	27.0	24.7	16.5	47.1
Total	No	115	115	115	85	85	85
	%	100.0	100.0	100.0	100.0	100.0	100.0

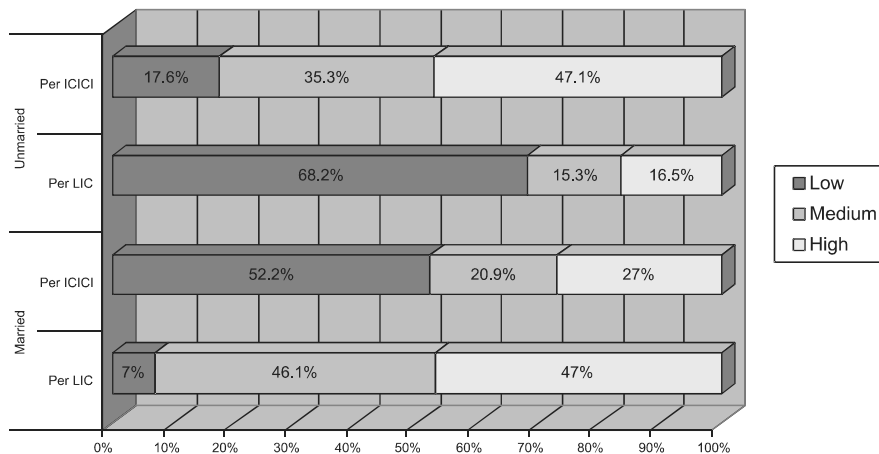
Table 3.2: Group Statistics

		N	Mean	Std. Deviation
Exp	Married	115	134.08	4.749
	Unmarried	85	132.81	4.40
Per LIC	Married	115	81.93	19.77
	Unmarried	85	27.90	39.40
Per ICICI	Married	115	60.39	63.51
	Unmarried	85	104.47	48.96

Table 3.3: Independent Sample Test

	t	df	Sig. (2-tailed)
Exp	1.936	198	.054
Per LIC	12.705	198	.000
Per ICICI	-5.332	198	.000

Chart – 3: Marital Status and Perception level



COMPARISON OF THE PERCEPTION LEVEL OF LIC AND ICICI PRUDENTIAL IN CASE OF MARITAL STATUS (TABLE 3.1, 3.2, 3.3 AND CHART: 3)

In case of those respondents who are married, 74% and 52.2% of them have perceived high and low level of services from LIC and ICICI Prudential respectively. While considering the unmarried policyholders, 68.2% and 47.1% of them have experienced low and high level of services from LIC and ICICI prudential respectively.

With the highest mean value of 81.93, it is understood that the married policy holders of LIC have perceived high level of services when compared to unmarried ones. With the significant value of 0.000, the hypothesis is rejected proving that there exists a significant difference between marital status and level of perception. Whereas in the case of ICICI prudential, with the highest mean value of 104.47, it is found that those who are unmarried have perceived high level of services as compared to married ones, with the significant value of 0.000. The hypothesis is rejected, proving that there exists significant difference between marital status and level of perception.

NUMBER OF MEMBERS IN THE FAMILY AND LEVEL OF EXPECTATION (TABLE: 4.1, 4.2, AND 4.3)

Table 4.1 presents the results of level of expectation with relation to the family size. 35% of respondents (whose family comprised of 3 members) expected low and medium level of services. In case of the policyholders whose family comprises of four members, the expectation of 36.8% of the respondents was low. Those policyholders whose family consisted of more than five members, 37.2% of them expected medium level of services.

With the highest mean value of 134.10, the policy holders whose family comprises of 3 members have more expectation as compared to others. With the significant value of 0.546, the hypothesis is accepted, proving that there is no significant difference between the number of family members and the level of expectation.

Table 4.1: Cross tabulation: No of members in the family: Level of Expectation and Perception

		3			4			5 & above		
		Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI
Low	No	14	15	16	43	45	36	15	6	23
	%	35.0	37.5	40.0	36.8	38.5	30.8	34.9	14.0	53.5
Medium	No	14	11	15	35	40	33	16	15	6
	%	35.0	27.5	37.5	29.9	34.2	28.2	37.2	34.9	14.0
High	No	12	14	9	39	32	48	12	22	14
	%	30.0	35.0	22.5	33.3	27.4	41.0	27.9	51.2	32.6
Total	No	40	40	40	117	117	117	43	43	43
	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 4.2: Descriptive Statistics

No. of members in the family	Mean			N			Std. Deviation		
	Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI
3	134.10	56.90	74.12	40	40	40	4.58	38.84	61.60
4	133.56	53.09	88.05	117	117	117	4.37	41.38	59.16
5 & above	132.97	76.90	59.46	43	43	43	5.38	31.69	64.58
Total	133.54	58.97	79.12	200	200	200	4.63	39.95	61.64

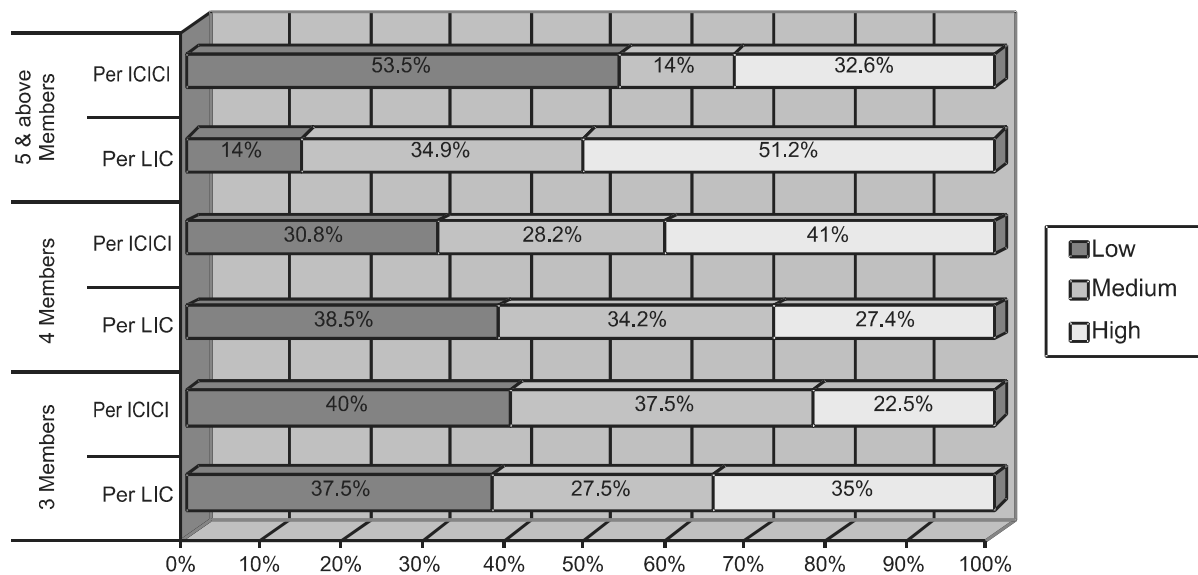
COMPARISON OF THE PERCEPTION LEVEL OF LIC AND ICICI PRUDENTIAL IN CASE OF NUMBER OF FAMILY MEMBERS (TABLE: 4.1, 4.2, 4.3 AND CHART 4)

In case of those respondents whose family comprises of 3 members, 37.5% and 40% of them have perceived low level of services from LIC and ICICI Prudential respectively. While considering the policy holders whose

Table 4.3: ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Exp	Between Groups	26.249	2	13.125	.608	.546
	Within Groups	4253.346	197	21.591		
	Total	4279.595	199			
Per LIC	Between Groups	18045.681	2	9022.841	5.931	.003
	Within Groups	299681.194	197	1521.224		
	Total	317726.875	199			
Per ICICI	Between Groups	26960.221	2	13480.111	3.641	.028
	Within Groups	729277.654	197	3701.917		
	Total	756237.875	199			

Chart – 4: Number of Family Members and Perception level



family consists of four members, 38% and 41% of them have experienced low and high level of services from LIC and ICICI Prudential. With respect to the policy holders whose family comprises of five members, 51.2% and 53.5% of them have perceived high and low level of services from LIC and ICICI Prudential respectively.

With the highest mean value of 76.90, it has been highlighted that the policy holders of LIC whose family comprises of five members have perceived high level of services when compared to others. With the significant value of 0.003, the hypothesis is rejected proving that there exists significant difference between number of members in the family and level of perception. Whereas in case of ICICI Prudential, with the highest mean value of 88.05, it is found that those policy holders whose family consists of 4 members have perceived high level of service as compared to others. With the significant value of 0.028, the hypothesis is rejected proving that there exists a significant difference between number of members in the family and level of perception.

MONTHLY INCOME AND LEVEL OF EXPECTATION (TABLE: 5.1, 5.2, AND 5.3)

Table 5.1 explains that those policy holders whose monthly income falls below Rs. 10, 000, 46.7% of them expect low level of services. In case of the policyholders whose monthly income ranges between Rs.10, 000-20,000, 36.4% of them have expected low level of services. The policyholders whose income ranges between Rs.20, 000-30,000, 77.5% of them expect medium and high level of services. While considering the policyholders whose monthly income lies in the range of more than Rs.30, 000, 35% of them expected low and high level of services.

With the highest mean value of 133.90, the policy holders whose monthly income lies in the range of above Rs.30, 000 have high level of expectation from the services. With the significant value of 0.784, the hypothesis is accepted proving that there is no significant difference between income and level of expectation.

Table 5.1: Cross Tabulation: Monthly Income: Level of Expectation and Perception

		Less than Rs. 10,000			Rs. 10,000 - 20,000			Rs. 20,000 - 30,000			Rs. 30,000 and above		
		Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI
Low	No	14	11	13	39	38	42	8	12	10	11	5	10
	%	46.7	36.7	43.3	36.4	35.5	39.3	25.0	37.5	31.3	35.5	16.1	32.3
Medium	No	10	7	12	34	31	27	12	10	7	9	18	8
	%	33.3	23.3	40.0	31.8	29.0	25.2	37.5	31.3	21.9	29.0	58.1	25.8
High	No	6	12	5	34	38	38	12	10	15	11	8	13
	%	20.0	40.0	16.7	31.8	35.5	35.5	37.5	31.3	46.9	35.5	25.8	41.9
Total	No	30	30	30	107	107	107	32	32	32	31	31	31
	%	100	100	100	100	100	100	100	100	100	100	100	100

Table 5.2: Descriptive Statistics

Monthly Income	Mean			N			Std. Deviation		
	Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI
Less than Rs 10,000	132.76	55.33	69.93	30	30	30	5.42	41.08	62.33
Rs. 10,000 - 20,000	133.62	56.88	77.49	107	107	107	4.50	41.26	62.80
Rs.20, 000 - 30,000	133.65	58.68	87.31	32	32	32	5.41	43.43	60.00
Rs. 30,000 and above	133.90	70.00	85.19	31	31	31	3.38	28.96	59.93
Total	133.54	58.97	79.12	200	200	200	4.63	39.95	61.64

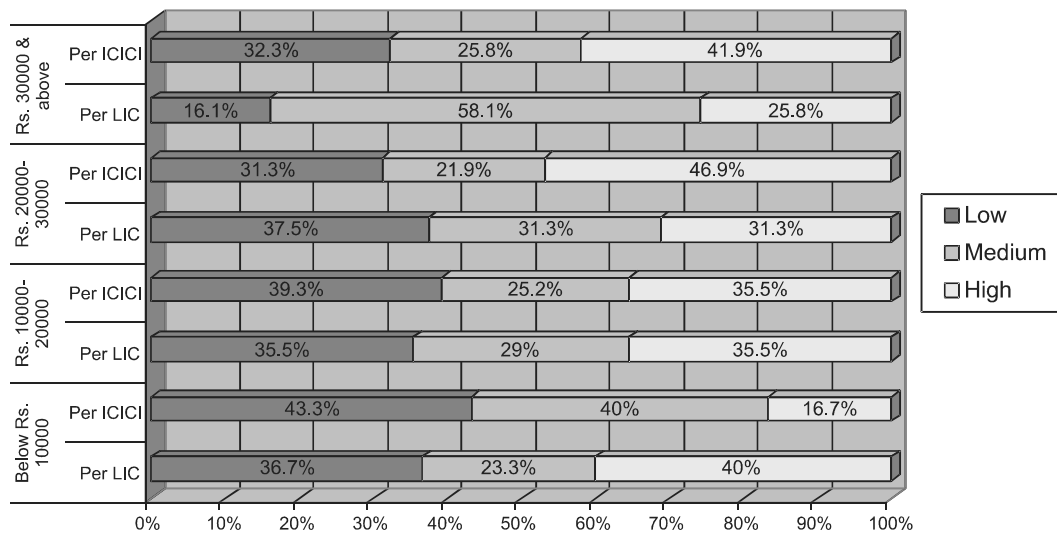
Table 5.3: ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Exp	Between Groups	23.253	3	7.751	.357	.784
	Within Groups	4256.342	196	21.716		
	Total	4279.595	199			
Per LIC	Between Groups	4634.679	3	1544.893	.967	.409
	Within Groups	313092.196	196	1597.409		
	Total	317726.875	199			
Per ICICI	Between Groups	6105.547	3	2035.182	.532	.661
	Within Groups	750132.328	196	3827.206		
	Total	756237.875	199			

COMPARISON OF THE PERCEPTION LEVEL OF LIC AND ICICI PRUDENTIAL IN CASE OF MONTHLY INCOME (TABLE: 5.1, 5.2, 5.3 AND CHART: 5)

In case of those respondents whose monthly income lies in the range of below Rs. 10,000, 40% and 43% of them have perceived high and low level of services from LIC and ICICI Prudential respectively. While considering the income groups of Rs.10, 000-20,000, 35% of them have experienced both high and low levels of services

Chart – 5: Income and Perception level



from LIC and 39.3% of them have perceived low level of services from ICICI Prudential. In the income group of Rs. 20,000-30,000, 37.5% and 46.9% of them have perceived low and high level of services from LIC and ICICI Prudential respectively. In the Rs 30,000 income group, 58.1% and 41.9% of the policy holders have experienced medium and high level of services from LIC and ICICI Prudential respectively.

With the highest mean value of 70.00, it has been highlighted that the policy holders of LIC whose income is above Rs.30, 000 have perceived high level of services as compared to others. With the significant value of 0.409, the hypothesis is accepted proving that there is no significant difference between income and level of perception. Whereas in the case of ICICI Prudential; with the highest mean value of 87.3, it is found that those policyholders whose income range lies between Rs.20, 000-30,000 had perceived high level of service as compared to others. With the significant value of 0.661, the hypothesis is accepted proving that there is no significant difference between income and level of perception.

EDUCATIONAL QUALIFICATION AND LEVEL OF EXPECTATION (TABLE: 6.1, 6.2, AND 6.3)

Table 6.1 clearly lists that 36.4% of the policyholders who have studied up to school level expect both low and medium level of services. Of the graduates, 45% of them expect low level of services. In case of postgraduates, 37.2% of them expect medium level of services. Of the 23 respondents who are professionals, 43.5% of them have high expectations.

With highest mean value of 134.69, the policy holders who are grouped under professional courses have high level of expectation from the services. With the significant value of 0.082, the hypothesis is accepted proving that there is no significant difference between education and the level of expectation.

Table 6.1: Cross Tabulation: Educational Qualification: Level of Expectation and Perception

		School Level			Graduation			Post Graduation			Professional Courses		
		Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI
Low	No	4	0	10	36	20	38	26	45	18	6	1	9
	%	36.4	0	90.9	45.0	25.0	47.5	30.2	52.3	20.9	26.1	4.3	39.1
Medium	No	4	4	0	22	24	22	32	25	26	7	13	6
	%	36.4	36.4	0	27.5	30.0	27.5	37.2	29.1	30.2	30.4	56.5	26.1
High	No	3	7	1	22	36	20	28	16	42	10	9	8
	%	27.3	63.6	9.1	27.5	45.0	25.0	32.6	18.6	48.8	43.5	39.1	34.8
Total	No	11	11	11	80	80	80	86	86	86	23	23	23
	%	100	100	100	100	100	100	100	100	100	100	100	100

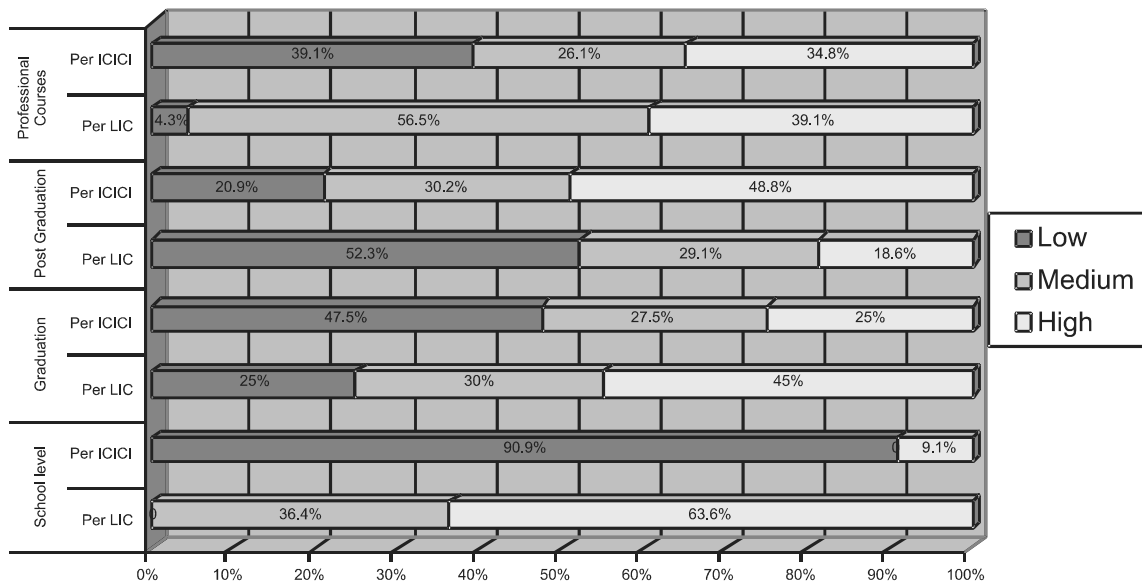
Table 6.2: Descriptive Statistics

Educational Qualification	Mean			N			Std. Deviation		
	Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI
School Level	134.72	90.27	12.00	11	11	11	5.19	8.64	39.79
Graduation	132.55	66.17	65.98	80	80	80	5.80	39.37	63.35
Post Graduation	134.01	42.62	100.55	86	86	86	3.36	41.22	52.28
Professional Courses	134.69	80.08	76.78	23	23	23	3.29	9.30	63.22
Total	133.54	58.9	79.12	200	200	200	4.63	39.95	61.64

Table 6.3: ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Exp	Between Groups	143.75	3	47.91	2.27	.082
	Within Groups	4135.84	196	21.10		
	Total	4279.59	199			
Per LIC	Between Groups	48155.22	3	16051.74	11.67	.000
	Within Groups	269571.65	196	1375.36		
	Total	317726.87	199			
Per ICICI	Between Groups	103003.75	3	34334.58	10.30	.000
	Within Groups	653234.11	196	3332.82		
	Total	756237.87	199			

Chart – 6: Education and Perception level



COMPARISON OF THE PERCEPTION LEVELS OF LIC AND ICICI PRUDENTIAL IN CASE OF EDUCATION (TABLE: 6.1, 6.2, 6.3 AND CHART: 6)

In case of those respondents whose education is up to school level, 63.6% and 90.9% of them have perceived high and low level of services from LIC and ICICI Prudential respectively. While considering the graduates, 45% and 47.5% of them have experienced high and low level of services from LIC and ICICI Prudential. In case of postgraduates, 52.3% and 48.8% of them have perceived low and high level of services from LIC and ICICI

prudential respectively. In case of professionals, 56.5% and 34.8% of them have experienced medium and high level of services from LIC and ICICI prudential respectively.

With the highest mean value of 80.08, it has been highlighted that the policy holders of LIC who are professionals had perceived high level of services as compared to others. With the significant value of 0.000, the hypothesis is rejected proving that there exists significant difference between education and level of perception. Whereas, in the case of ICICI prudential, with the highest mean value of 100.55, it was found that the postgraduates had perceived high level of service. With the significant value of 0.000, the hypothesis is rejected proving that there exists a significant difference between education and level of perception.

OCCUPATION AND LEVEL OF EXPECTATION (TABLE: 7.1, 7.2, AND 7.3)

It is understood from the tables that 35.7% of the private employees have medium level of expectation. In case of the policyholders who are government employees, 42.4% of them expect low level of services. Considering the professionals/business category, 35.6% of them expect medium level of services. Those policy holders who fall under 'others' category; 45.8% of them have low expectations.

With highest mean value of 134.22, the policy holders who are grouped as professional/business have high level of expectations from the services. With the significant value of 0.349, the hypothesis is accepted and it has been proved that there is no significant difference between occupation and the level of expectation.

Table 7.1: Cross Tabulation: Occupation: Level of Expectation and Perception

		Private			Government			Professional/ Business			Others		
		Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI
Low	No	33	49	19	14	1	24	14	9	16	11	7	16
	%	33.7	50.0	19.4	42.4	3.0	72.7	31.1	20.0	35.6	45.8	29.2	66.7
Medium	No	35	33	36	8	8	5	16	21	8	6	4	5
	%	35.7	33.7	36.7	24.2	24.2	15.2	35.6	46.7	17.8	25.0	16.7	20.8
High	No	30	16	43	11	24	4	15	15	21	7	13	3
	%	30.6	16.3	43.9	33.3	72.7	12.1	33.3	33.3	46.7	29.2	54.2	12.5
Total	No	98	98	98	33	33	33	45	45	45	24	24	24
	%	100	100	100	100	100	100	100	100	100	100	100	100

Table 7.2: Descriptive Statistics

Occupation	Mean			N			Std. Deviation		
	Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI	Exp	Per LIC	Per ICICI
Private	133.33	42.56	101.89	98	98	98	4.13	40.11	50.55
Government	134.12	87.15	33.63	33	33	33	4.87	12.93	55.90
Professional/Business	134.22	69.02	83.13	45	45	45	4.81	31.51	62.59
Others	132.33	68.41	41.16	24	24	24	5.77	48.13	59.51
Total	133.54	58.97	79.12	200	200	200	4.63	39.95	61.64

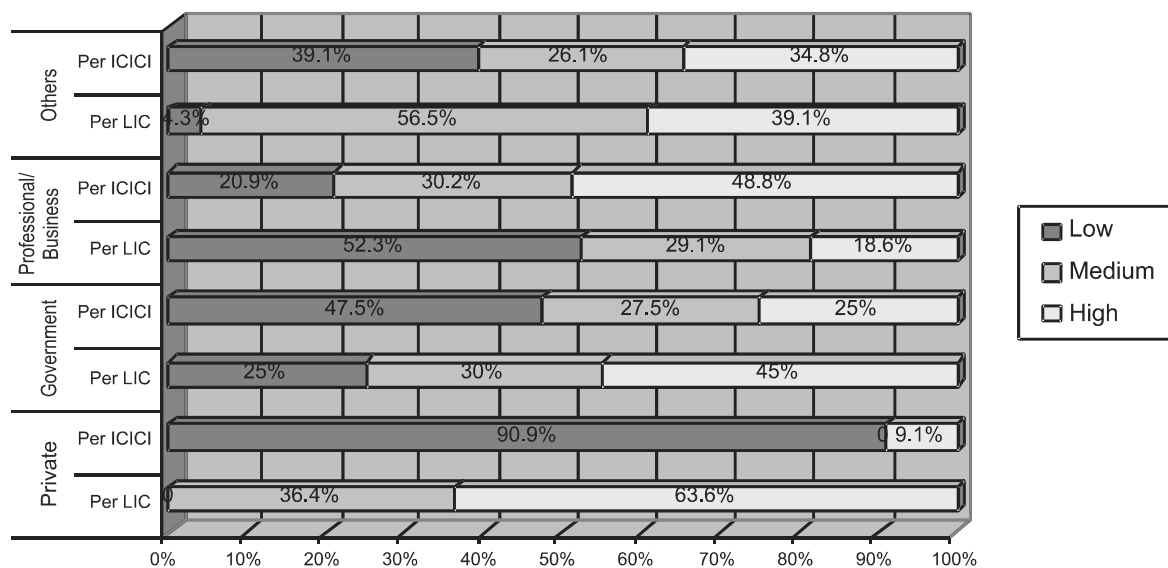
COMPARISON OF THE PERCEPTION LEVELS OF LIC AND ICICI PRUDENTIAL IN CASE OF OCCUPATION (TABLE: 7.1, 7.2, 7.3 AND CHART: 7)

In case of private employees, 50% and 43.9% of them had perceived low and high level of services from LIC and ICICI prudential respectively. While considering the government employees, 75% of them have experienced high and low level of services from LIC and ICICI Prudential. In case of policy holders who are professionals/business, 46.7% of them had perceived medium and low level of services from LIC and ICICI prudential

Table 7.3: ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Exp	Between Groups	71.08	3	23.69	1.10	.349
	Within Groups	4208.51	196	21.47		
	Total	4279.59	199			
Per LIC	Between Groups	59283.68	3	19761.23	14.98	.000
	Within Groups	258443.18	196	1318.58		
	Total	317726.87	199			
Per ICICI	Between Groups	154410.72	3	51470.24	16.76	.000
	Within Groups	601827.14	196	3070.54		
	Total	756237.87	199			

Chart – 7: Occupation and Perception Level



respectively. With respect to the ‘other category’, 54.2% and 66.7% of the policy holders had experienced low level of services from both LIC and ICICI prudential.

With the highest mean value of 87.15, it has been highlighted that the policy holders of LIC who are government employees had perceived high level of services when compared to others. With the significant value of 0.000, the hypothesis is rejected proving that there exists a significant difference between occupation and level of perception. Whereas in the case of ICICI prudential, with the highest mean value of 101.89, it is found that those who are private employees had perceived high level of service when compared to others and with the significant value of 0.000, the hypothesis is rejected proving that there exists a significant difference between occupation and level of perception.

Table 8.1: Chi-square Test: Customer Satisfaction in LIC and ICICI Prudential

	Value		df		Asymp. Sig. (2-sided)	
	ICICI	LIC	ICICI	LIC	ICICI	
Pearson Chi-Square	200.000	22.962	6	6	.000	.001
Likelihood Ratio	242.627	31.774	6	6	.000	.000
Linear-by-Linear Association	155.191	19.798	1	1	.000	.000
N of Valid Cases	200	200				

Satisfaction

Table 8.1 highlights the satisfaction level of the respondents of both LIC and ICICI prudential. By applying chi-square test, with the significant value of 0.000; in both the cases the hypothesis is rejected proving that there exists a significant difference between the policy holders of both LIC and ICICI Prudential and their satisfaction.

SUGGESTIONS

The following are the suggestions that can be inferred from the study:

- The delivery of services is purely based on the human element, hence the employees and agents are needed to be given frequent orientations related to service delivery and customer handling.
- All the customers who enter the office environment must be given due respect, acceptance of their complaints and enquiry irrespective of their demographic status.
- The employees should deliver excellent service in such a way that the customer should feel that they are, by all means, important to the organization. This would make them loyal customers.
- The agents must indulge in creating confidence, trust and spend time to understand the needs of the customer rather than be keen on selling the product.
- In-order to increase the end use of the products, the insurance companies can conduct frequent exhibitions, advertising campaigns in various organisations, institutions etc. regarding their policies, importance and their usage.
- In order to enhance customer satisfaction, the insurance companies must look into all the factors relating to services and frequently intimating the policyholders about the current status of the policies, venture of new policies through mobile alerts, e-mail intimation or directly through telephone. This will have a direct impact on the customer satisfaction.

CONCLUSION

The study revealed that in general, all the respondents/policy holders have certain level of expectations from the services that are to be delivered by an insurance company. Their expectation level varies irrespective of the demographic profile (such as gender, age, marital status, no. of family members, occupation, education and their income) but they look forward to excellent delivery of services. Further, the study gave an insight into the actual experience of services provided by the policy holders of both LIC and ICICI Prudential. The study revealed the true fact that both LIC and ICICI Prudential do not show any difference in delivery of services in case of two factors namely- gender and income of the policy holders. But in case of other demographic factors such as age, marital status, number of members in the family, education and occupation of the respondents, both the insurance companies have shown their variations in delivering the services. This means that the policy holders have experienced different levels of services. As such, all the policy holders of both LIC and ICICI Prudential have shown their satisfaction towards the services of both insurance companies. The forthcoming years will be more dynamic and challenging for these insurance companies as delivering excellent services to all the strata of the economy will ensure their share.

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