

CUSTOMER PERCEPTION TOWARDS MET LIFE INDIA INSURANCE COMPANY: A STUDY WITH SPECIAL REFERENCE TO TUMKUR DISTRICT, KARNATAKA

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Abstract

Insurance is the safeguard against probable danger. Insurance can be bought against a particular event for its possible occurrence. It is a prevarication tool used as a preventive measure against future losses. This device is applied for minimizing or managing the future contingent risks. It is mode of financially managing instruments through which a person gets the benefits of insurance coverage for particular events. Therefore, a person buys future contentment and pleasure living through insurance. In India there many insurance sectors including Public and private sectors have been giving their services. Private insurance sectors also playing main role in insurance industries, in the list of private insurance sectors MetLife is also one of the leading insurance sector. As such, this paper seeks to know the consumer perception towards MetLife Insurance with special reference Tumkur District. The study is purely depend on primary data and date have been collected through structured questionnaire from 200 respondents thought the Tumkur district, finally the research reveals that Responds Knowledge and confidence about MetLife in Tumkur is good. Further research indicates that awareness about existing policies is fine but preference is average.

Keywords: *Private Insurance, Risk coverage, Perception, Policies.*

I. Introduction

Insurance is a contract between two parties whereby one party called insurer undertakes in exchange for a fixed sum called premiums, to pay the other party called insured a fixed amount of money on the happening of a certain event.” Insurance is a protection against financial loss arising on the happening of an unexpected event. Insurance companies collect premiums to provide for this protection. A loss is paid out of the premiums collected from the insuring public and the Insurance Companies act as trustees to the amount collected. For Example, in a Life Policy, by paying a premium to the Insurer, the family of the insured person receives a fixed compensation on the death of the insured. Similarly, in car insurance, in the event of the car meeting with an accident, the insured receives the compensation to the extent of damage. It is a system by which the losses suffered by a few are spread over many, exposed to similar risks. Insurance companies also earn investment profits, because they have the use of the premium money from the time they receive it until the time they need it to pay claims. This money is called the float. When the investments of float are successful they may earn large profits, even if the insurance company pays out in claims every penny received as premiums. In fact, most insurance companies pay out more money than they receive in premiums. The excess amount that they pay to policyholders is the cost of float. An insurance company will profit if they invest the money at a greater return than their cost of float. An insurance contract or policy will set out in detail the exact circumstances under which a benefit payment will be made and the amount of the premiums. Insurance is desired to safeguard oneself and one’s family against Possible losses on account of risks and perils it provides financial Compensation for the losses suffered due to the happening of any unforeseen event. By taking life insurance a person can have peace of mind and need not worry about the financial consequences in case of any Untimely death. Certain insurance contracts are also made compulsory by legislation. for examples, motor vehicles act 1988, stipulates that a person driving a vehicle in public place should have a valid insurance pertains to the environmental protection act, wherein a person using or carrying hazardous substance (as defined in the act) must hold a valid public liability (act) policy.

II. Background of MetLife

MetLife India Insurance Company Limited (MetLife) is an affiliate of MetLife, Inc. and was incorporated as a joint venture between MetLife International Holdings, Inc., The Jammu and Kashmvvvvir Bank, M. Pallonji and Co. Private Limited and other private investors. MetLife is one of the fastest growing life insurance companies in

the country. It serves its customers by offering a range of innovative products to individuals and group customers at more than 600 locations through its bank partners and company-owned offices. MetLife has more than 50,000 Financial Advisors, who help customers achieve peace of mind across the length and breadth of the country. MetLife, Inc., through its affiliates, reaches more than 70 million customers in the Americas, Asia Pacific and Europe. Affiliated companies, outside of India, include the number one life insurer in the United States (based on life insurance in-force), with over 140 years of experience and relationships with more than 90 of the top one hundred FORTUNE 500® companies. The MetLife companies offer life insurance, annuities, automobile and home insurance, retail banking and other financial services to individuals, as well as group insurance, reinsurance and retirement and savings products and services to corporations and other institutions. Celebrating 140 years, MetLife, Inc. is a leading provider of insurance and financial services with operations throughout the United States and the Latin America, Europe, and Asia Pacific regions. Through its domestic and international subsidiaries and affiliates, MetLife, Inc. reaches more than 70 million customers around the world and MetLife is the largest life insurer in the United States (based on life insurance in-force). The MetLife companies offer life insurance, annuities, auto and home insurance, retail banking and other financial services to individuals, as well as group insurance and retirement & savings products and services to corporations and other institutions.

III. Review of Literature

There are many studies dealing with the services quality, its applications and its contribution to the firms. There are listed here to show to what extent the various areas were explored in services quality and to improve the methods and techniques adopted for the study,

Maire babri et al. (2007); Studied customer preference of insurance services, In this study they examines that how constant changes in consumer services in an increasing competitive environment. In this study insurance is the best form of fortification against risk that has been formulated by man. Since its emergence, insurance has become unavoidable to every aspects of human life health discarded to building properties.

Sourel (2004), Questions whether “quality” is having as much impact in the financial services sector as the evidence of use of quality management techniques in the UK suggests. Explores the context within which “quality” is finding a place in financial services, and presents the findings of a postal questionnaire survey concerned with the extent of usage and the nature of the quality initiatives in the financial services sector.

Kalotychoua and Sotiris (2007): The study delves into the bank–insurance phenomenon in Greece. The paper explores the market-based practices surfacing through the bank–insurance interface and delineates the possible theoretical corporate structures. A review of the various financial ventures in the domestic market is provided aiming to unveil corporate patterns both in a cross-venture and time series framework. As a result of this survey, the existence of de jure limits versus de facto boundaries, as expanded by loopholes and avoidance activities, is established. The "traditional" subsidiary model is complemented by a number of multi-ventures as banks make inroads into the insurance business. The latter is associated with the presence of multinational firms and foreign direct investment in the region. The analysis is further extended by examining the drivers, motives and operational issues pertinent to these financial conglomerates.

Kasturi Sengupta (2002): With the advent of the Internet, online processes are replacing conventional models in our society. The greatest impact in online technology has been achieved by e-commerce. E-commerce is attractive both to buyers and sellers as it reduces search costs for buyers and inventory costs for sellers. In this paper we investigate the impact of e-commerce on the insurance industry in India. The recent growth of Internet infrastructure and introduction of economic reforms in the insurance sector have opened up the monopolistic Indian insurance market to competition from foreign alliances. We study the evolving scenario in the insurance industry in India and identify the features of online insurance that improve the conventional insurance model and thus, make it more attractive for the Indian insurance industry to go online.

Ajaya Mahal: studied that Health Policy Challenges for India: Private Health Insurance and Lessons from the International Experience; Over the last few decades, the Indian population has experienced great advances in its health situation. For instance, life expectancy at birth increased from 50 years in 1970 to an estimated 62 years in 1995 and is possibly even greater now. Infant mortality rates have fallen as well, from 137 per 1,000 live births in 1970 to 69 per 1,000 live births in 1991 (World Bank 1995). These are substantial improvements, but much remains to be done, relative to some its neighbors as well in terms of reducing differences in performance across states and socioeconomic groups. For instance, China has done much better, with its life expectancy at birth hovering around 70 years, and India's neighbour, Sri Lanka, has a life expectancy of nearly 73 years (World Bank 1997). Both countries have much lower infant mortality rates as well, and in the case of Sri Lanka, less than one-quarter that of India. Again, Kerala has infant mortality rates below those in China, but states such as Madhya Pradesh, Orissa and Rajasthan have infant mortality rates of well over 100 per 1,000 live births in rural areas (**Dreze and Sen 1995; Mahal, Srivastava and Sanan 2000**). Similarly, in rural India, the infant mortality rates among the top two income quintiles are nearly 34 - 50 per cent lower than the rates reported for the bottom two quintiles. Substantial differences in life expectancies at birth are present across states and socio-economic groupings (**Dreze and Sen 1995**). Another issue of concern is the growing prevalence of chronic illness in the Indian population, such as obesity, heart disease, diabetes, hypertension and the like. This has partly to do with changing dietary habits, from coarse grain to energy rich diets of meat, milk products, and sugar. It has also to do with an urban population growing at an average annual rate of growth of 3.2 per cent and sedentary lifestyles often characteristic. Author's estimate based on NCAER survey data.

Above studies are all related to customer preference towards life insurance policy, health insurance policy and some are general research related to insurance sector, but no studies covers consumer perception towards a one particular insurance sector. Therefore the researcher would like know that consumer perception towards MetLife India insurance.

IV. Objectives of the Study

The overall objective of this study is to know the perception of customers towards MetLife India Insurance. To attain this overall objective, the study aims at the following specific objectives,

1. To understand concept of Insurance, its importance and different insurance sectors in India.
2. To find out customer purpose of purchasing MetLife.
3. To examine the consumer perception towards MetLife India Insurance.

V. Research Methodology

Data Collection: The nature of the study is descriptive research. The study is mainly based on primary data. Primary data has been collected by interacting with various people getting the questionnaires filled by them. The data was collected by means of questionnaires and was classified and analyzed carefully. Non probability sampling Method is used for collecting the data, i.e., 'convenience sampling method'. And secondary data was also for the study. The data has been collected from company's website, journals, articles etc.

Sample size: Total 200 respondents taken for the study in Tumkur District.

Tools and Techniques of data analysis: The statistical analysis carried out in the study is being done using MS Excel software. The statistical techniques like mean, percentage etc, have been used for analysis.

VI. Data Analysis and Interpretation

Keeping in mind the objectives of the study, the surveys were being done and following interpretation were being drawn.

Table-1: Personal, Demographic and Rational profile of Respondents

		NOR	Percentage (%)
Gender	Male	178	89
	Female	22	11
Age	Below 20	18	9
	20-30	50	25
	30-40	74	37
	40-50	40	20
	Above 50	18	9
Qualification	UG	72	36
	PG	48	24
	Technical	64	32
	Others	16	8
Occupation	Private employees	60	30
	Govt. Employees	46	23
	Businessman	62	31
	Professionals	20	10
	Others	12	6
	Reasons	Tax relief	50
	Savings	100	50
	Security	50	25
Inductor	Agents	122	61
	Friends	50	25
	Neighbors	8	4
	Relatives	20	10

Source: Primary data, Authors calculation.

The above Table-1 shows that the Personal, Demographic and Rational profile of Respondents. Out of 200 respondents 89% percent of respondents belonging to male category and majority of them are business and belongs to UG qualification. Majority of the respondents (50%) preferred this Insurance for savings purpose and they took the policy through agents.

Table-2: Consumer awareness regarding MetLife insurance

Awareness of MetLife		NOR	Percentage (%)	Cumulative (%)
	Yes	152	76	76
No	48	24	100	
Motives for purchasing MetLife	Tax savings	100	52	52
	Risk Cover	56	28	80
	Regular Savings	36	18	98
	Others	8	2	100
	Preference for different Insurance sector	MetLife	40	20
	HDFC Life	30	15	35
	LIC	95	49.75	84.75
	ICICI	5	0.25	85
	Others	30	15	100

Source: Primary data, Author's calculation.

From the Table-2, it can be seen that 76% percent of the respondents have knows about MetLife and they have policy also and most of them have taken policy for gaining tax benefit. Majority of the people considering LIC than MetLife i.e. 49.75% of the respondents preferring LIC.

Table-3: Satisfaction of Respondents towards MetLife

Criteria	NOR	Percentage (%)	Cumulative (%)
Highly satisfied	36	18	18
Satisfied	70	35	53
Moderately satisfied	46	23	76
Dissatisfied	30	15	91
very dissatisfied	18	9	100

The table shows that out of 200 respondents 18 percent are highly satisfied, 35% are satisfied, 23% are average satisfied, 15% people are dissatisfied and 9% are highly dissatisfied.

VII. Findings and Suggestion

1. Responds Knowledge and confidence about MetLife in Tumkur is good. Further research indicates that awareness about existing policies is fine but preference is average.
2. The basic purpose of purchasing policy is to gain tax advantage and to save the money.
3. Only 53% of the respondents satisfied about MetLife services.
4. Most of the respondents preferring LIC instead of other Insurance sector in Tumkur.

Here are some useful suggestions for MetLife India insurance sector which help them to running their business;

1. MetLife Insurance Company should apply new marketing strategies for their product.
2. It should increase the number of branches and no of agents to expand its business.
3. It should also focus on the customer of rural area.
4. Met Life India Insurance Company should lay more stress on advertisements, both in print as well as in other media.

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