FACTORS AFFECTING CONSUMER PURCHASE DECISIONS OF LIFE INSURANCE POLICY : A STUDY OF DELHI NCR

ROSHNI CHAUDHARY

STUDENT(BBA)
GALGOTIAS UNIVERSITY

ABSTRACT :

The main factors that affect consumers' opinions to choose life insurance plans in one of India's most citified and economically different regions are examined in this exploration paper," A Study in Delhi NCR on Factors Affecting Consumer Purchase Decision of Life Insurance Policy." Although life insurance is a pivotal fiscal tool for long- term planning and threat mitigation, a number of social, cerebral, profitable, and particular factors affect its uptake. The study offered a chance to gain a thorough understanding of Delhi NCR consumers' preferences, mindfulness situations, and decision- making processes regarding life insurance programs. The study set up that consumers are primarily motivated by emotional security, family protection, and fiscal stability through a structured questionnaire and an analysis of secondary sources like IRDAI reports, insurance company publications, and scholarly journals and advantages for duty savings when buying life insurance. also, the study discovered that consumer choices are greatly told by factors similar as age, income position, brand trust(especially in public sector associations), and digital exposure. A sizable section of the population still substantially depends on agents and word- of- mouth recommendations, indeed though youngish consumers constantly probe and compare plans online. The study also showed that although people are well- informed about life insurance, they do not completely comprehend its features and benefits. Due to misconstructions, a lack of personalized guidance, or issues with affordability, numerous guests have shy insurance. appreciatively, the study set up new ways for insurers to more engage new- age guests through the use of digital platforms, client education enterprise, and streamlined policy designs. All effects considered, this design not only strengthened my understanding of the Indian insurance assiduity and consumer psychology, but it also gave me the chance to use exploration instruments in a real- world setting to find perceptive information that will help policymakers and insurance companies close the mindfulness and trust gap.

INTRODUCTION

Life insurance has surfaced as a pivotal instrument for people to guarantee their families' long- term safety, stability, and fiscal security in the snappily evolving fiscal geography of moment. Consumers are growing decreasingly apprehensive of the need to cover their future with life insurance programs as income situations rise, mindfulness increases, and fiscal knowledge increases. The decision- making process for buying a life insurance policy is still complicated and told by a number of factors, indeed though there are numerous public and private insurers in India and a growing selection of insurance products are now available. Although the number of programs in India's life insurance request is among the loftiest in the world, the country's insurance penetration rate is still low when compared to advanced nations. This difference shows that although people are apprehensive of life insurance as a conception, their decision to invest in it's told by a number of profitable, cerebral, and demographic factors. guests in civic areas like Delhi NCR which comprises Delhi, Noida, Gurugram, Ghaziabad, and Faridabad — come from a variety of socioeconomic backgrounds, lead different cultures, and work in different professions, all of which influence how they buy insurance. Buying life insurance is n't just a fiscal choice; it's told by a person's threat assessment, fiscal objects, unborn planning, and sense of family duty. This choice is greatly told by a number of variables, including income position, age, education, occupation, peer pressure, perceived insurance provider credibility, duty advantages, and product mindfulness. also, traditional insurance marketing and deals strategies have taken on a new dimension as a result of the growing use of digital platforms for policy comparison and purchase, particularly among youngish consumers. This study offers a thorough analysis of the variables impacting Delhi NCR consumers' opinions when opting a life insurance plan. It seeks to comprehend consumer preferences, driving forces, and obstacles, as well as how their insurance choices are told by their profitable, social, and particular circumstances. The thing of the study is to give useful information to insurance companies, agents, and policymakers in order to more serve the requirements of consumers and increase the vacuity and efficacity of life insurance products in India.

OBJECTIVES OF LIFE INSURANCE POLICY

• Family Financial Protection A life insurance policy's main thing is to give the policyholder's family fiscal stability in the event of their early death. It guarantees that dependents will not witness fiscal difficulty.
• Relief of Income In the event of the insured's death, life insurance helps replace their income, enabling the family to continue living comfortably and covering everyday costs.

• Creating Wealth and Savings A lot of life insurance plans can also be used as an investment and savings tool. ULIPs(Unit Linked Insurance Plans), plutocrat- reverse plans, and talent plans each contribute to the gradational accumulation of wealth.

• Debt prepayment and loan protection Loans and other outstanding debts may be covered by life insurance. The payout assists the family in paying off debts similar as particular or home loans in the event of the policyholder's end.

• Duty Advantages Section 80C of the Income Tax Act allows for duty deductions on life insurance decorations, and Section 10(10D) exempts the maturity proceeds from levies, subject to certain restrictions.

• Planning for Retirement Certain life insurance programs help people maintain their fiscal independence by offering pension or subvention benefits, which offer a harmonious income during withdrawal.

• Mental tranquility Policyholders find emotional and internal comfort in knowing that their loved bones are financially defended.

• Promotes Prudent Savings harmonious decoration payments promote long- term fiscal planning and chastened fiscal practices.

CURRENT MARKET TRENDS IN LIFE INSURASNCE

• **Sturdy Market Development**

Over the coming ten times, the life insurance request in India is anticipated to expand at a composite periodic growth rate(CAGR) of 10.5, which is advanced than the 5 global normal. Thanks to a strong frugality and encouraging government programs, India is poised to catch Japan as the alternate-largest life insurance request in Asia.

• **Technological Integration and Digital Transformation**

Digital tools are being used by insurers more and more to ameliorate the customer experience. For policy operation, client support, and customized immolations, mobile apps, artificial intelligence(AI), and machine literacy(ML) are decreasingly being used. These technological advancements are simplifying processes and adding availability to insurance.

• **Innovation in Products and client- Centric Services**

A perceptible trend is the relinquishment of client-focused products, similar as bite- sized programs and microinsurance, to meet the varied requirements of conditions of the crowd. bettered electronic instruments and Following the epidemic, creative product inventions have surfaced, bolstered by nonsupervisory changes meant to increase effectiveness and translucency.

• **Compliance and Regulatory Oversight Within the insurance assiduity, the Insurance Regulatory and Development Authority of India(IRDAI) is** placing a strong emphasis on fiscal translucency and nonsupervisory compliance. Some life insurance companies have come under fire for allegedly manipulating actuarial hypotheticals in order to instinctively keep their solvency rates above the needed threshold.

• **Strategic Alliances and request connection**

Strategic changes are being in the assiduity, including the dissolution of long- standing common gambles. For illustration, after 24 times of collaboration, Allianz and Bajaj Finserv parted ways, with Bajaj copping Allianz's shares in their insurance companies. This move reflects the evolving dynamics and adding competition in the Indian insurance market.

RESEARCH OBJECTIVES

1. To determine and examine the main determinants that affect consumers' choices to buy life insurance programs in the Delhi NCR area . This involves comprehending how consumer gesteure when opting life insurance is told by factors like income position, age, education, threat perception, fiscal objects, and life preferences.

2. To probe how socioeconomic and demographic factors impact people's opinions to buy insurance. This thing is to probe how people's choice and type of life insurance programs are told by factors similar as gender, occupation, connubial status, and family size.

3. To assess consumer knowledge and mindfulness of the different kinds of life insurance products on the request This involves determining the position of consumer familiarity with ULIPs, term plans, talent programs, and other products, as well as how

4. To estimate how information sources and marketing channels(agents, digital media, advertisements, etc.) affect consumer choice This thing focuses on how guests learn about programs and how online platforms, agent connections, and trust all play a part in their choice.

5. To explore consumer comprehensions of private vs. public insurance companies. The study aims to compare trust situations, client service gests , brand character, and product satisfaction across different insurers.

6. To understand the significance of duty benefits and return prospects in impacting life insurance purchases The ideal is to determine whether duty savings or investment returns are stronger motivators than pure threat protection.

7. To examine the challenges and walls faced by consumers in copping or continuing life insurance programs .This entails being apprehensive of problems like policy complexity, cost, query girding claim agreement, or shy guidance.

8. To offer suggestions to insurance companies for enhancing their client education, communication, and product immolations. Grounded on the findings, the study will suggest ways to enhance consumer trust, simplify immolations, and more align products with client requirements.

RESEARCH DESIGN AND FRAMEWORK FOR THE STUDY

A exploration study is a methodical , planned series of conduct performed to gather and estimate data while maintaining the loftiest norms of quality. The plan for carrying out the study and choosing how to gather, quantify, and estimate the data is known as the exploration design.

The following were stressed in the methodology used to design this study :

• Determining the purpose and explanation behind a superstud's creation is the first step.

• Planning the data collection process(including the system used to collect data). the procedure for opting samples.

• Information collection.

• Analysis and processing of information.

• Data visualization.Resources(like time and plutocrat) are used efficiently because the current exploration design streamlines numerous processes.

PROBLEM BACKGROUND

Although the life insurance assiduity is essential to giving people and their families stability and fiscal security, numerous areas, including Delhi NCR, still have fairly low life insurance policy relinquishment rates. Despite the request's cornucopia of products from both public and private insurers, this difference still exists. numerous prospective purchasers encounter obstacles like ignorance, poor appreciation of policy features, distrust of insurance companies, and confusion brought on by intricate terms and conditions. Consumer opinions are also greatly told by socioeconomic factors, similar as different income situations, educational attainment, and artistic perspectives on insurance. Access to fiscal services has also changed as a result of the digital frugality's explosive growth, but not all guests are inversely at ease with or apprehensive of these new channels. In order for insurers to more meet client requirements and promote lesser insurance penetration, it's imperative that they comprehend the abecedarian rudiments that impact consumers' opinions to buy life insurance. The foundation of this exploration study is an understanding of these openings and challenges in the Delhi NCR region, which has a dynamic and different population.

DATA COLLECTION

Data collection is the process of gathering information from multiple sources. The information gathered should support the pretensions and purpose of the study. The information could come from a number of sources. These are   Primary Sources Questionnaire, Schedule, Observation, and Interview.

The information gathered from the primary source(as mentioned over) is appertained to as primary data. Primary data is information that's gathered originally and needs to be unique. I used interviews, schedules, and compliances for my exploration.

Secondary sources include journals, diurnals, books, magazines, the internet, journals, and more.

DATA ANALYSIS AND INTERPRETATION

DATA ANALYSIS

In order to use the data to address the exploration questions, it must be gutted, arranged, and anatomized after it has been collected. This is pivotal information for the intended comparisons and analyses.

Data must first be gutted, arranged, and presented in a standardized manner(e.g., by rendering, sorting, and tabulating) in order to identify patterns and correlations.

There are multitudinous approaches to data analysis. On the other hand, I examined the data I collected for this assignment using bar and pie maps in an Excel distance. The data acquired for this check- grounded exploration design will be used to produce bar graphs and pie maps, imaging data makes it much easier to comprehend its craft.

DATA INTERPRETATION

After the data is gathered, it needs to be gutted, organized, and examined in order to be used to answer the exploration questions. For the planned comparisons and analyses, this information is essential.

To find patterns and correlations, data must first be gutted, organized, and presented in a harmonious way(e.g., by rendering, sorting, and tabulating).

Data analysis can be approached in a variety of ways. In discrepancy, I used bar and pie maps in an Excel distance to dissect the data I gathered for this assignment. Pie maps and bar graphs will be made using the data gathered for this check- grounded study.

It's important simpler to understand the nuances of data when it's imaged.

CONCLUSION

The results of this disquisition revealed problems that utmost private insurance companies have, similar as a breakdown in the channels of communication between agents FC, operation, and guests. Consumers do not trust private insurance providers. dominance of the business in the LIC sector, because of the inimical comprehensions of private insurance companies, the agency holder is n't living up to client prospects. This misconception still exists in malignancy of our stylish sweats. This may affect from consumers' misconstructions or ignorance with the law.

One of the real problems that private insurance companies have is dealing with all the advertising and marketing accoutrements that are floating around out there. LIC has a monopoly in the studied area of New Delhi, unlike any private companies, because of a language hedge between guests and agents as well as a deficit of staff(FC/ agents). This study will act as a primary check to determine whether the Kotak Life Insurance Company should expand its pool in New Delhi. New Delhi, India, will serve as the company's unborn headquarters.

Other private insurance providers in the area will also gain from the information this design provides, in addition to the Kotak Life Insurance Company. Although LIC's request share is advanced than that of its private sector rivals, the report's conclusions indicate that LIC is falling behind private

companies in the New Delhi neighborhoods it examined because of the latter's wider range of goods and services. The good news is that guests is that

it'll be simpler for them to detect an insurance plan that suits their needs.

SUGGESTIONS

Several recommendations can be made in light of the study's findings to enhance the client experience and boost life insurance policy deals in Delhi NCR. Since numerous consumers still do not completely understand life insurance products, insurance companies should first concentrate on raising mindfulness through straightforward and focused educational juggernauts. Clarity and trust can be increased by streamlining policy documents and using simple language when defining terms. As technology becomes further extensively used, businesses should ameliorate their online visibility by creating websites and mobile apps that make it simple for guests to compare and buy programs. At the same time, insurance can come more applicable and charming by furnishing flexible and individualized plans that align with people's pretensions, life stages, and income situations. private insurance providers, To contend with the lesser public- sector trust, they must specifically enhance their character by guaranteeing openness, prompt claim judgments , and excellent client service. also, insurance agents continue to play a pivotal part, particularly for first- time purchasers, so businesses should train agents to offer foursquare and salutary advice. Marketing

that emphasizes long- term returns and duty advantages may also convert further people to suppose about life insurance as a tool for fiscal planning. Companies should make sweats to reach underserved or low- income groups by offering affordable microinsurance and simple registration processes. Post-sale service should be bettered with regular monuments and easy backing to make lasting client connections. Eventually, establishing a regular feedback system will help insurers understand client requirements better and continuously ameliorate their immolations. These way can help increase the region's consumers' access to, confidence in, and benefit from life insurance.

REFRENCES

• Kiran, R., and Chaudhary, V.(2011). Current Situation of the Indian Life Insurance Industry. 146 – 150 in International Journal of Management & Business Studies, 1(3).

• S. K. Bawa and Ruchita(2011). An analysis of consumer purchasing patterns for life insurance programs. 2(6), 120 – 127, International Journal of Research in Commerce & Management.

• N. Malik(2015). An empirical disquisition into Indian life insurance policyholders' mindfulness situations. Research Review, International Journal of Business and Administration, 3(11), 1 – 7.

• P. K. Gupta(2008). Insurance Basics. Himalaya Publishing House.

• The 2022 – 2023 IRDAI Annual Report. India's Insurance Regulatory and Development Authority. taken from https// www.irdai.gov.in

• Pandey, A.(2017). Indian guests' comprehensions of Life Insurance programs. International Journal of Emerging Research in Management & Technology, 6(1), 21 – 25.

• LIC of India(2023). Performance statistics and the periodic report. taken from https// www.licindia.in.

• Sahoo, S. C., & Das, S. C.(2009). Insurance Management Text and Cases. Himalaya Publishing House.

• Chatterjee, A.(2014). A Study of Consumer geste Towards Life Insurance in Kolkata. International Journal of Business and Management Invention, 3(4), 45 – 53.

• Deloitte(2022). Future of Insurance in India. recaptured from https// www2.deloitte.com

• Singh, S.(2020). A Study on client Satisfaction and Buying geste in Life Insurance programs. Journal of Critical Reviews, 7(13), 3004 – 3011.

• PwC India(2023). Insurance Sector in India Growth, Trends and Challenges. recaptured from https// www.pwc.in

• India Brand Equity Foundation(2023). Insurance Sector Overview. recaptured from https// www.ibef.org

• Statista(2023). Life Insurance Penetration in India- Key Statistics and vaticinations. recaptured from https// www.statista.com

• Rastogi, S., and Jain, M.(2020). An empirical study conducted in Delhi on consumer purchasing gesture in the life insurance sector. 10(5), 45 – 57; International Journal of Marketing and Technology.

• V. Desai(2013). A study comparing the public and private sectors on consumer mindfulness and preferences regarding life insurance. Journal of Marketing & Management Review, Asia Pacific, 2(5), 1 – 10.

• Srivastava, V., and Kumar, S.(2016). An analysis of the variables impacting consumers' opinions to buy life insurance plans. 61 – 64 in Indian Journal of Applied Research, 6(9).

• Mehta, M.(2020). Consumer comprehensions of Life Insurance Products in India's metropolises. 87 – 93 in Journal of Management Research and Analysis, 7(2).

• EY India(2023). Trends, Difficulties, and openings in the Global Insurance Outlook for 2023. taken from https// www.ey.com

• McKinsey & Company(2022). redefining the Insurance Industry in India Strategic pretensions for the Upcoming Decade.
taken from https// www.mckinsey.com

• Pune's National Insurance Academy(NIA). White papers and exploration reports. taken from the website https// www.niapune.org.in

• The Indian Insurance Statistics Handbook(IRDAI, 2022). India's Insurance Regulatory and Development Authority. recaptured from https// www.irdai.gov.in

• Rao, P. L., & Kiran, T. S.(2015). A Study on mindfulness of Life Insurance programs in Andhra Pradesh. International Journal of Academic Research, 2(1), 77 – 83.

• Swiss Re Institute(2023). World Insurance Report. recaptured from https// www.swissre.com .