

# CUSTOMER PREFERENCE TOWARDS TRADITIONAL AND ULIP PRODUCTS WITH RESPECT TO SHRI RAM LIFE INSURANCE

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**Abstract:** The main aim of the study is to identify the factors influencing consumer preference towards the traditional products and ulip products with respect to Shri Ram Life Insurance. For that study has made on the basis of consumer behaviour with a focus on mainly factors affecting the customer preference for choosing the traditional products and ulip products. The variables are selected on the company offered factors like risk, return, consumer income, tax exemption and security will influence to prefer the traditional products and ulip products. To study this research report 100 respondents queried through phone calls and questionnaire links in the limits of Hyderabad city. The responses were analyzed by using the statistical tool one way Anova test. Findings are discovered on the basis of product features, premium, risk, returns and security of the organization are the factor that influences to prefer the traditional product and ulip product.

## INTRODUCTION:

"Protection that pays out an amount of money either on the passing of the individual or after a gathering time frame" In straightforward words, "extra security might be an agreement between a backup plan and a policyholder during which the safety net provider ensures installment of an advantage to named recipients upon the passing of the safeguarded. The non safe monetary establishment guarantees an advantage regarding the installment of premium by the safeguard. The primary protection guarantor was situated in South Carolina and opened in 1732 to supply fire inclusion. Researcher began a company inside the 1750s, which gathered commitments for keeping grievous flames from annihilating structures.

## OBJECTIVES OF THE STUDY:

- To understand the factors that influence the choice of life insurance.
- To compare the preference between traditional and ulip products.
- To study the influence of demographic factors on choosing of insurance products.

## NEED AND IMPORTANCE OF THE STUDY:

As the Shriram insurance company increasing the products. The understanding of customer preference will help in developing of higher products and methods.

## SCOPE OF THE STUDY:

The scope of study covers preference, factors that influence towards traditional and ulip products.

## RESEARCH METHODOLOGY:

As my objective is to grasp the preference of the patron towards traditional and ulip products so it requires primary and secondary data.

### Primary Data

Prepared a questionnaire to gather the specified data.

### Secondary Data

The secondary data has got to collect from the magazines, websites, and journals.

## LIMITATIONS OF THE STUDY

- Sample size 100.
- The area is proscribed to Hyderabad
- Time constraint is 30 days

## REVIEW LITERATURE

Akula, R. and Kanchu, T.,(2011), conducted a study on growth of ULIP Policies in insurance sector of India by comparing traditional (Life Fund + Pension & General Annuity + Group Fund) and ULIP Policies. the target of the study was to

appear at the evolution of ULIPs in India, the expansion of ULIPs over traditional Policies, risk factors involved in ULIPs over traditional policies and to suggest various measures to develop and stabilize the expansion of ULIPs. the quantity from 2007 to 2009 was covered within the study. The study considered 5 companies to match growth, namely, LIC, HDFC Standard Life, ICICI Prudential Life, SBI Life and Bajaj Allianz Life. it had been revealed from the study that there was remarkable growth in ULIP compared to traditional policies because the new private entrants targeted ULIPs for penetration.

**Venugopalan, K.,V.**(2011), directed an examination on worldwide monetary emergency and protection area in India by attempted a near investigation of LIC with Private Sector. The effect of the overall Financial Crisis of 2007 to the Indian Life Insurance Sector is estimated by utilizing the accompanying factors protection entrance, protection thickness, number of protection strategies gave, number of protection expenses gathered, absolute charge gathered, benefit acquired. the amount covered inside the investigation was from 2004 - 05 to 2010-11. The investigation proposed protection area to be an arising and undiscovered area in our country with great development possibilities. a combination of customary and ULIP Policies was likewise proposed inside the examination.

**Sinha, R.P.**(2009) compared the public and personal sector insurance companies on the premise of assets. the number covered within the study was from 2002 -03 to 2006-07. The study revealed that the private sector insurance companies collected more funds from unit-linked plans than LIC then, were more exposed to exchange. During the years 2005-06 and 2006-07 the return on investment was found to be higher for the private players compared to LIC due to buoyant exchange conditions. The study also suggested that the private players won't repeat this in later years because of stock exchange meltdown.

**Nair, K.K.**(2009), conducted a study on Unit Linked insurance plans (ULIP) supported secondary data available on its emergence, concepts, parameters, benefit, current position and future outlook. The study suggested that India contains a plethora of opportunities for insurance companies because three -fourth of the population was uninsured also majority of the investing population were small and medium investors and majority of the investors lacked the expertise to directly enter the exchange and earn good returns. The Study emphasized the about facts to be the explanations for increased importance of ULIP. The study observed that ULIP will still be an honest investment option for the investors because it combines the multi aspects of insurance, investment and deduction.

## INDUSTRY PROFILE

Life coverage is one of the quickest developing areas in India since 2000 as Government permitted Private players and FDI up to 26% and as of late Cabinet affirmed a proposition to expand it to 49%. In 1955, mean danger per strategy of Indian and unfamiliar life guarantors summed separately to ₹2,950 and ₹7,859 (worth ₹15lakh and ₹41lakh in 2017 costs). Disaster protection in India was nationalized by consolidating Life Insurance Corporation (LIC) in 1956. All private extra security organizations around then were taken over by LIC. In 1993, the Government of India designated RN Malhotra Committee to set out a guide for privatization of the life coverage area.

## COMPANY PROFILE

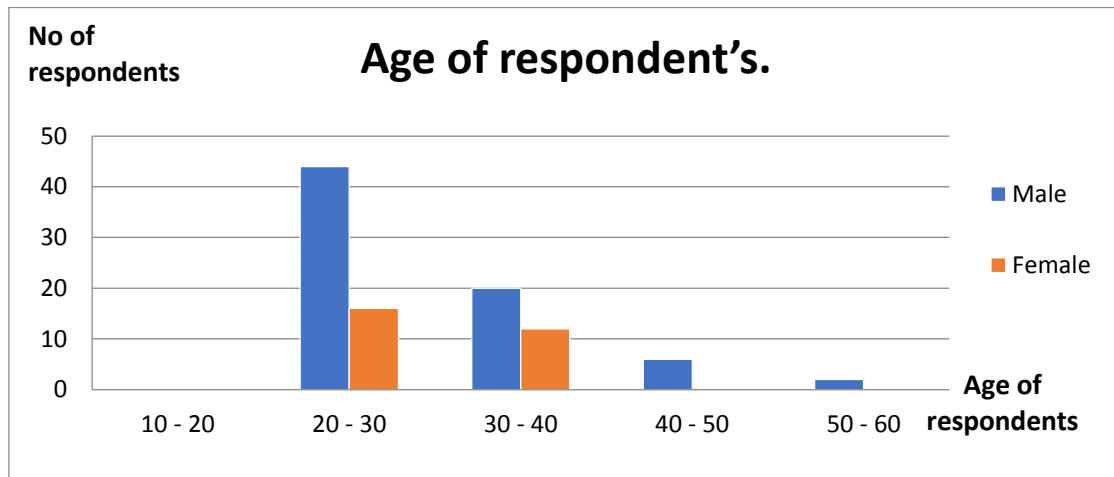
Shriram Group is an Indian aggregate established on 5 April 1974 by Ramamurthy Thyagarajan, AVS Raja and T. Jayaraman. They have their central command in Chennai, Tamil Nadu, India. The gathering had its start in chit supports business and later on entered the loaning business through Shriram Transport Finance (Commercial Vehicle Finance) and Shriram City Union Finance Consumer and MSME Finance). In 2018, the organization forayed into metallurgy by setting up a unit in Odisha. Shriram Life Insurance Company capitalization is 2000 crores INR.

## MISSION & VISION

The Shriram Life Insurance Company was established with the target of contacting the "average person" with items and administrations that would be useful to him as he shows out the way to "thriving". Operational proficiency, respectability and a solid spotlight on obliging the requirements of the normal Indian, by offering him top caliber and financially savvy items and administrations, are the guiding principle that drive the association. These qualities have been firmly clung to throughout the long term and are presently a fundamental piece of the association's DNA. The organization values its profound comprehension of the client. Every item or administration is customized to explicitly suit the necessities of the client. It is this controlling way of thinking of putting individuals first that has brought the gathering organization nearer to the grassroots and has settled on it the favored decision for all truck financing necessities among the clients.

**DATA ANALYSIS AND INTERPRETATION****TABLE-1:** Table of male and female respondents according to their age.

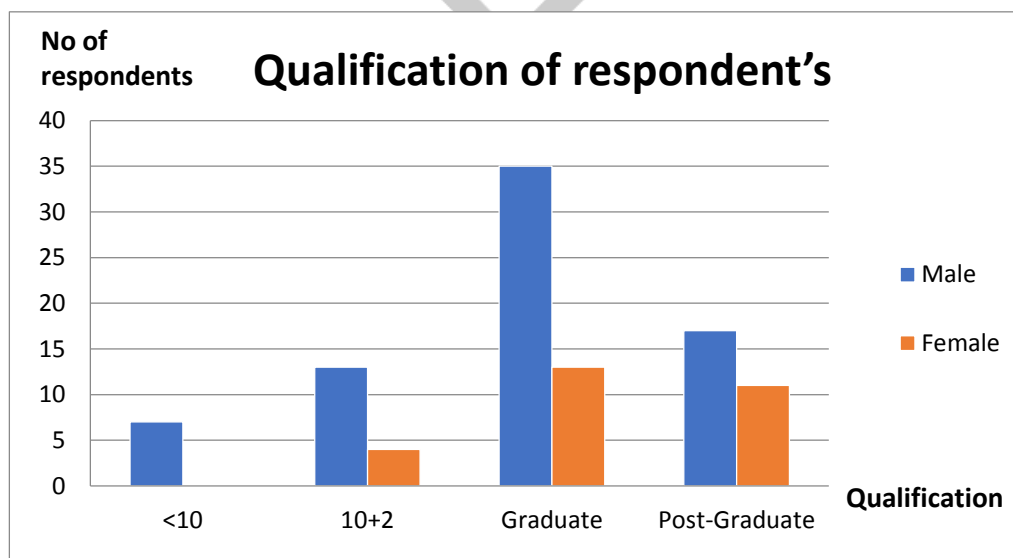
Age	Male	Female	Total	Percentage
10 – 20	0	0	0	0
20 – 30	44	16	60	60
30 – 40	20	12	32	32
40 – 50	6	0	6	6
50 – 60	2	0	2	2

**FIGURE-1****INTERPRETATION**

- Respondents of age 20-30 interval are 60 %
- Age 30-40 interval are 32%

**TABLE-2:** Table of qualification of respondent's

Qualification	Male	Female	Total
<10	7	0	7
10+2	13	4	17
Graduate	35	13	48
Post-Graduate	17	11	28

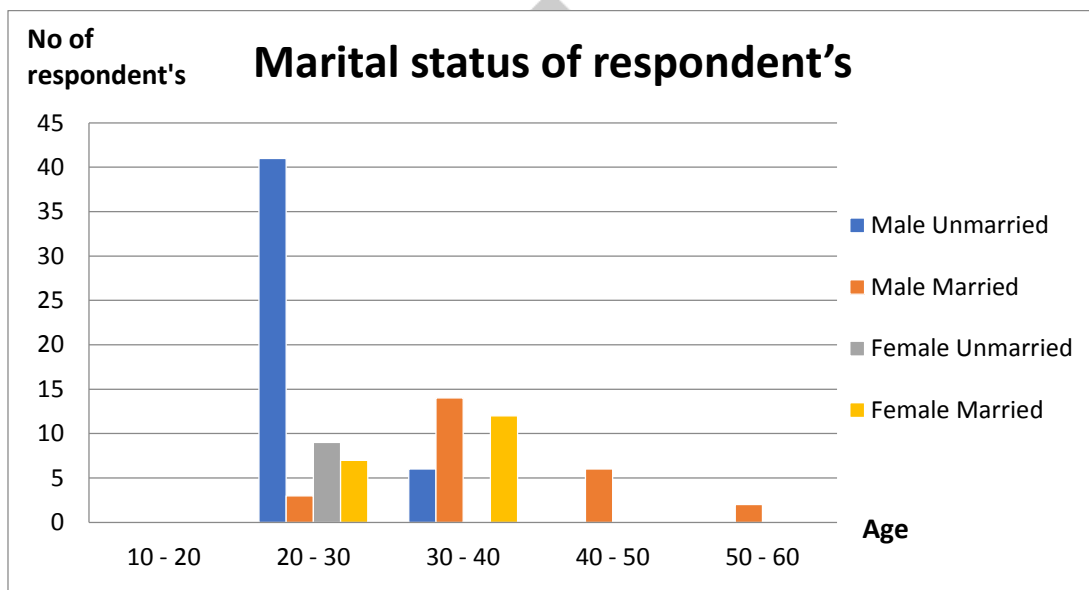
**FIGURE 2:**

**INTERPRETATION**

- 48% responses are Graduates.
- 28% responses are Post-Graduate, 17% responses are 10+2.
- 7% responses are <10.

**TABLE-3:** Table of respondent's marital status

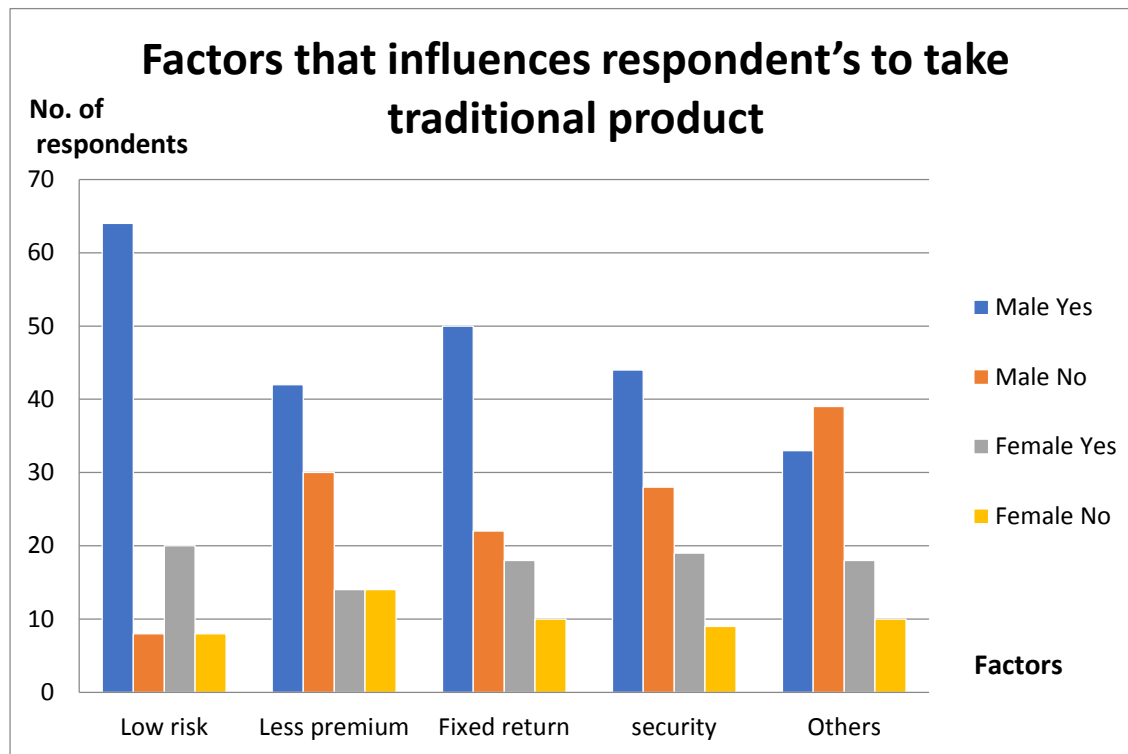
Age	Male		Female		Total
	Unmarried	Married	Unmarried	Married	
10 - 20	0	0	0	0	0
20 - 30	41	3	9	7	60
30 - 40	6	14	0	12	32
40 - 50	0	6	0	0	6
50 - 60	0	2	0	0	2

**FIGURE-3:****INTERPRETATION**

- Age 20-30 interval are 60%.
- Age 30-40 interval are 32%.

**TABLE-4:** Table of factors that influences respondents to take traditional product

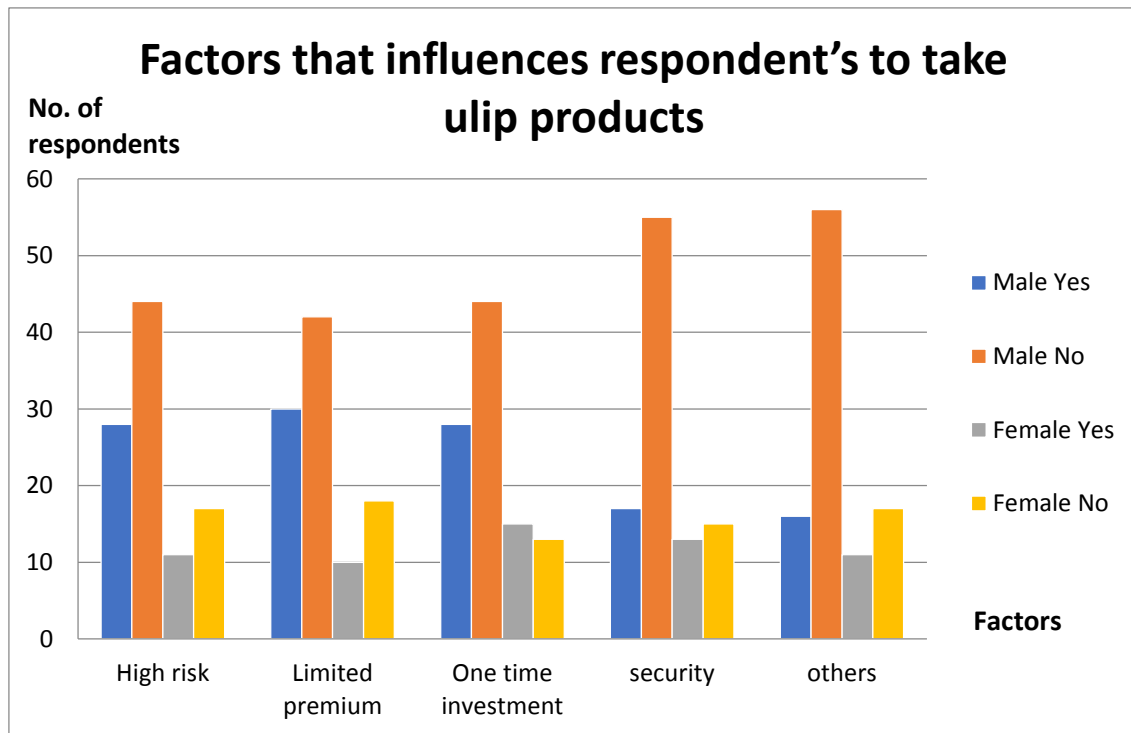
	Male		Female	
	Yes	No	Yes	No
Low risk	64	8	20	8
Less premium	42	30	14	14
Fixed return	50	22	18	10
Security	44	28	19	9
Others	33	39	18	10

**Figure-4:****INTERPRETATION**

- 84% responses chosen **yes**, 16% responses chosen **no** for low risk.
- 56% responses chosen **yes**, 44% responses chosen **no** for less premium.
- 68% responses chosen **yes**, 32% responses chosen **no** for fixed return.
- 63% responses chosen **yes**, 37% responses chosen **no** for security.
- 51% responses chosen **yes**, 49% responses chosen **no** for others.

**TABLE-5:** Table of factors that influences respondent's to take ulip products

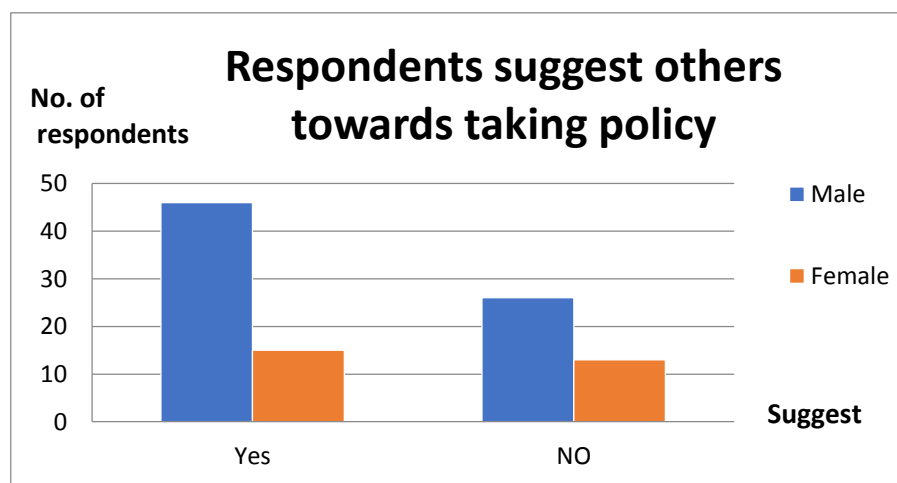
	Male		Female	
	Yes	No	Yes	No
High risk	28	44	11	17
Limited premium	30	42	10	18
One time investment	28	44	15	13
Security	17	55	13	15
Others	16	56	11	17

**FIGURE-5:****INTERPRETATION**

- 39% responses chosen **yes**, 40% responses chosen **no** for high risk.
- 43% responses chosen **yes**, 30% responses chosen **no** for limited premium.
- 27% responses chosen **yes**, 61% responses chosen **no** for one time investment.
- 60% responses chosen **yes**, 57% responses chosen **no** for security.
- 70% responses chosen **yes**, 73% responses chosen **no** for others.

**TABLE-6:** Table of no of respondents who suggest others towards taking policy

Suggest	Yes	NO
Male	46	26
Female	15	13

**FIGURE-6:**

**INTERPRETATION**

- 61% responses chosen **Yes** to suggest others.
- 39% responses chosen **No** to suggest others.

**FINDINGS:**

- Age 20-30 interval is having more awareness and likes to take the policies.
- Graduates preferred to take the policies when compared to others.
- 83% respondent's preferred to take Traditional product.
- 84% respondent's are having Traditional product.
- Low risk and fixed return are the key factor which influences to take Traditional product.
- Limited premium and one time investment are the key factors which influences to take Ulip product.
- Security is the main reason which percepts towards traditional product.

**SUGGESTIONS:**

- Organization should focus more on uneducated and low income people and motivate them to take product.
- Most of the customers are not choosing the Ulip product because of high risk and security. So organization should concentrate on these factors to improve Ulip product sales.
- Females are choosing fewer products when compared to males and also the organization should give awareness to females about these products.
- Customers preferred to invest 20K-30K per annum so organization should involve more customers at this range.

**CONCLUSION:**

Organization has major market in India in the field of life insurance, in India when compared with foreign countries. So the organization can take advantage by providing the information of insurance to the consumer effectively and efficiently. The consumers are mostly influenced to prefer the traditional product because of the factors like fixed return, low risk, limited premium and security. So if the organization gives more security on ulip product then there may be chance of increase of sales in ulip product.

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