

AN STUDY ON CUSTOMERS ATTITUDE TOWARDS SERVICE LEVEL AND BRAND LOYALTY - REFERENCE TO BAJAJ ALLIANZ INDIA

Author

Mr. RAVI GANNAVARAVU

Research Scholar
Presidency University

ABSTRACT

This abstract is helpful to make aware the readers about the customer's attitude towards service level and brand loyalty in the Indian insurance sector with special reference to BAJAJ ALLIANZ INDIA- INDORE BRANCH. The first objective of the study is to analyze the DEMOGRAPHIC determinants toward the Service Satisfaction Level, the second objective is to examine the relationship between the customer types (NRI customer, RI customer) and the service satisfaction level and the third objective is to examine the relationship between the customer group and the brand loyalty which are based on analyzed data. After analyzing the data, the conclusion has been made that the service level was beyond the customer's expectation and most of the customers were more loyal towards the BAJAJ ALLIANZ INDIA.

Keywords: FPM, BI, NRI – NRI, RI, NTC.

INTRODUCTION

As at end September 2012, there are fifty two insurance companies operating in India: of which 24 companies are life insurers and the remaining 27 companies are nonlife insurers. General Insurance Corporation (GIC) is the sole national re insurer. The life insurance industry recorded a premium income of Rs.2, 87,072 during 2011 - 2012 as against Rs.2,91,639 in the previous financial year, registered a negative growth of 1.57 percent, while the private insurers registered a 4.52 percent decline in its premium income. Life Insurance Corporation (LIC), a fully state owned insurance company recorded a 0.29 percent decline in its premium underwritten. First year premium registered a decline of 9.85 percent in 2011 - 2012 against of 15.02 percent growth in 2010 - 2011.

PRODUCTS

BAJAJ ALLIANZ INDIA is offering products under two categories which are listed below, Individual Plans:

1. Child, 2. Savings, 3. Retirement, 4. Protection, 5. Health, 6. Rural.

Group Plans:

1. Term 2. EDLI 3. Gratuity, 4. Savings, 5. Credit Protection Plans.

EXISTING CUSTOMER RELATIONSHIP MANAGEMENT

The researcher observed that every 50 to 60 customers have been provided with FINANCIAL PLANNING MANAGER, who takes care of the customer's queries and assist them in 24/7. Apart from this, these FPM are updating the customer's fund status either through mail or phone in a weekly basis and all the customers are updated with the NAV (Net asset Value) of their funds through sms in a daily basis. This FPM greets the customers on his/her special occasions with the help of database management system. Apart from FPM Sales manager is there to monitor all these activities.

(Courtesy: Sales Manager, BAJAJ ALLIANZ INDIA – Madurai Branch).

OBJECTIVES

1. To examine how the demographic profile (age, gender, and income) affects service level towards AI?
2. To examine the relationship between the customer types (NRI customer, RI customer) and the service satisfaction level?
3. To examine the relationship between the customer groups (New to Company, Existing) and the brand loyalty?

HYPOTHESIS

Ho1: There is no significant difference between the age group and service level.

Ho2: There is no significant difference between the genders and the service level.

Ho3: There is no significant difference between the income level and the service level.

Ho4: There is no significant relationship between the NRI customers and the service satisfaction level.

Ho5: There is no significant relationship between the RI customers and the service satisfaction level.

Ho6: There is no significant relationship between the NTC and brand loyalty.

Ho7: There is no significant relationship between the existing customers and the brand loyalty.

LIMITATIONS

1. Due to the internal privacy policy of BAJAJ ALLIANZ life India, researcher was allowed to survey a maximum of 100 customers.

RESEARCH METHODOLOGY

A study has been conducted in the Madurai Branch of "BAJAJ ALLIANZ INDIA". A survey was conducted to identify the Customer service level and the Brand loyalty towards the BAJAJ ALLIANZ INDIA - Madurai Branch Customers.

The sample size of the study was 100 and confidentiality was assured to the respondents.

The respondents were drawn from different age group, education level, different income and different occupation group. A questionnaire was used to collect the data. The questionnaire was designed in order to collect the information about the service level and the brand loyalty among the customers. The questionnaire consisted of open ended and close ended questions. NRI customers we contacted through mail and RI customers were contacted in person.

The analysis was done using descriptive statistics such as frequency, Mean, standard deviation and percentage. Differences between the independent variables such as age, gender, income level, and the customer service level was assessed through ANOVA test the relationship between the independent variables like customer types and customer groups was assessed through Pearson Coefficient Correlation method. "Statistical Package for Social Sciences" (SPSS for windows Version 17) was used to analyze the data.

Findings of Research

1. To examine how the demographic profile (age, gender, and income) affects service level towards ALI.

A. To examine the difference between the age group and service level?

Ho1: There is no significant difference between the age group and the service level. In order to find the difference, ANOVA test was used. The result showed that ($F = 0.362$, $p > 0.05$), there is no significant difference is shown between the age group and the preference towards the company. It is evident that the age groups are heavily influenced by the service level. Hence the Ho1 is rejected.

B. To examine the difference between the genders and the service level?

Ho2: There is no significant difference between the genders and the service level. In order to find the difference, ANOVA test was used. The result showed that ($F = 1.385$, $p < 0.05$), there is no significant difference between the gender towards the service level. It is evident that the gender group is not influenced by the service level. Hence Ho2 cannot be rejected.

C. To find the difference between the occupation group and the service level?

Ho3: There is no significant difference between the occupation group and the service level. In order to find the difference, ANOVA test was used, the result showed that ($F = 0.450$, $p > 0.05$), there is a significant difference between the occupation group and service level. It is evident that the occupation group is influence by the service level. Hence Ho3 is rejected.

2. To examine the relationship between the customer types (NRI customer, RI customer) and the service satisfaction level?

A. To find the relationship between the NRI customers and the service satisfaction level?

Ho4: There is no significant relationship between the NRI customers and the service satisfaction level. In order to find the difference Pearson correlation test was used, the result showed that ($r = 0.210$, $p > 0.05$), there is no significant relationship between the NRI customers and the service satisfaction level. It is evident that the service satisfaction level is not affected the NRI customers, hence Ho4 cannot be rejected.

B. To find the relationship between the Resident customers and service satisfaction level.

Ho5: There is no significant relationship between the RI customers and the service satisfaction level. In order to find the difference, Pearson correlation test was used, the result showed that ($r =$

0.019, $p > 0.05$), there is no significant relationship between the resident customers and the service satisfaction level. It is evident that service satisfaction level is not affected by the resident Indian customers, hence H_05 cannot be rejected.

3. To examine the relationship between the customer groups (New to Company, Existing) and the brand loyalty?

A. To examine the relationship between the NTC and the brand loyalty?

H_06 : There is no significant relationship between the NTC and brand loyalty. In order to find the difference, Pearson correlation test was used, the result showed that ($r = 0.015$, $p > 0.05$), there is no significant relationship between the New to company customers (NTC) and the brand loyalty. It is evident that the brand loyalty is not affected by the New to Company (NTC) customers, hence H_06 cannot be rejected.

B. There is no significant relationship between the existing customers and the brand loyalty.

H_07 : There is no significant relationship between the existing customers and the brand loyalty. In order to find the difference, Pearson correlation test was used, the result showed that ($r = 0.025$, $p > 0.05$), there is no significant relationship between the existing customers and the brand loyalty. It is evident that the brand loyalty is not affected by the Existing customers, hence H_07 cannot be rejected.

CONCLUSION

Two out of six Hypotheses were rejected by using statistical analysis. The first objective is to examine how the demographic profile (age, gender, and income) affects service level towards ALI. The research shows that, there is a significant difference is shown between the age group and the preference towards the company ($F = 0.362$, $p > 0.05$), Hence it is rejected. The research points out that there is no significant difference between the gender towards the service level ($F = 1.385$, $p < 0.05$), Hence it cannot be rejected. The research also shows that there is a significant difference between the occupation group and service level ($F = 0.450$, $p > 0.05$), Hence it is rejected.

The second objective is to examine the relationship between the customer types (NRI customer, RI customer) and the service satisfaction level. According to the research, there is no significant relationship between the NRI customers and the service satisfaction level, ($r = 0.210$, $p > 0.05$), hence it cannot be rejected. The research points out that there is no significant relationship between the resident customers and the service satisfaction level ($r = 0.019$, $p > 0.05$), hence it cannot be rejected.

The third objective is to examine the relationship between the customer groups (New to Company, Existing) and the brand loyalty. The survey result shows that there is no significant relationship between the resident customers and the service satisfaction level ($r = 0.019$, $p > 0.05$), hence it cannot be rejected. The result also points out that there is no significant relationship between the existing customers and the brand loyalty ($r = 0.025$, $p > 0.05$), hence it cannot be rejected.

The survey result showed that most of the customers irrespective of the gender and age group preferred the ALI because of their service followed by brand name and safety. The survey result showed that most of the Higher graduate and vocational level customers rewarded the

quality of FPM in excellent level so most of the customers became the loyal customers even customers were ready to refer the Brand because of the service level. ALI was using the operational CRM and the Collaborative CRM in an efficient and effective manner to maintain the high level of brand loyalty and to gain high competitive advantage. This might be the one of the way to get succeed in the life insurance sector.

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