

A Study on Consumer Perception Towards Life Insurance Products in Raipur, Chhattisgarh

- Dr. Suresh Pattanayak – Associate Professor, Amity Business School, Amity University Chhattisgarh, E-MAIL : skpattanayak@rpr.amity.edu

-Palak Artani, Student, Amity Business School, Amity University Chhattisgarh, E-MAIL : palakartani0908@outlook.com

ABSTRACT

Marketers of life insurance products must discount all those variables affecting consumer awareness, perception, behaviour and satisfaction. The current research is an empirical one and employs secondary as well as primary data. The secondary data has been gathered from official reports, magazines and journals, books and official websites. All the public and private life insurance companies of Raipur and their customers form population of study. Primary data were obtained by using questionnaire. 103 customers were approached for sampling to collect primary data. The consumer behavior towards life insurance products was analyzed and found that most of the respondents possessed either one or two life insurance policies. It was found in the study that regardless of the several socio-economic factors, most of the respondents chose the insurance company based on brand image and personal relationships. The research revealed that urban consumers were found to be more affected by the advertisement of life insurance companies compared to rural and semi-urban consumers. The consumer satisfaction analysis towards life insurance products revealed that in terms of risk coverage, bonus, premium, and other features of the product, LIC customers were found to be more satisfied than private life insurance company customers.

The analysis also illustrates that there is great variation between LIC and private companies as far as agent's visit, help in procuring policy documents and help in premium notices are concerned. The analysis demonstrates that there is great variation in the after sales services of LIC and private life insurance companies. The limited awareness and availability of the innovative modes of service delivery are also highlighted to the concern.

KEYWORDS :

Life Insurance Product, Consumer Satisfaction, Consumer Perception, LIC, Urban and Semi-Urban Customers.

INTRODUCTION

Consumer Behaviour is a trend of the entirety of consumers' choice regarding the acquisition, usage and disposal of goods, services, time and ideas by (human) decision making units. Consumer behaviour is a process of decision and physical action of an individual undertaking when considering, purchasing, consuming or disposing of goods and services. Consumer behaviour is defined by American Marketing Association (AMA) as "the dynamic interaction of cognition, behaviour and environmental events by which human beings conduct the exchange aspect of their lives".

Perception is "the process by which an individual selects, organizes and interprets stimuli into a meaningful and coherent manner". Consumer perceptions are crucial to marketers and more often than not are the cause of success or failure of products. Not even life insurance escapes this rule. Three ideas go closely with perception: exposure, attention and sensation. Selective exposure, selective attention, perceptual defense, selective sensitization, and selective interpretation of possibilities are issues of interest to the marketers, that is a tendency of people to attend to information/stimuli of interest to them and ignore information/stimuli that is not relevant.

Consumer decision making is a rational and conscious process. It is of crucial value for a marketer to have a clear understanding of consumer behaviour. It has become necessary for better marketing strategies and effective marketing functions. Attitude is a major factor that affects the consumer behaviour. Attitude refers to the learned dispositions, which are not usually innate and they have unbelievable power to influence the decisions on which one then acts upon.

The second influential factor is personality that also has a critical role in the process of consumer behaviour.

It is the aggregate total of the traits that distinguish individuals and is the consistency of the attributes in an individual's behaviour in varying situations. All the efforts of a marketer will go in vain if he fails to detect this and make a difference between what an individual thinks himself to be and what he wishes others to see him as.

Therefore, in the increasingly expanding field of marketing particularly that of intangible services such as life insurance and also in the field of social marketing, knowledge of Consumer Behaviour becomes highly significant while making plans, formulating strategy and in its actual implementation.

During the time when life insurance was a monopoly business, the customer had to choose from the product mix of an organization i.e., Life Insurance Corporation of India alone.

So, it was a case of „Limited Problem Solving“ for the consumer. Where the sector has now been opened up, the choice making for picking from established as well as generic product level turned into a complex issue after which. This implies that, the hugely transformed scenario has forced a consumer to use an „Extensive Problem Solving“ with various kinds of information on the product as well as brand category. Insurance Regulatory and Development Authority (IRDA) Act, 1999 was enacted by Indian Parliament in December 1999, through which the Life Insurance Corporation Act, 1956 and the General Insurance Business (Nationalization) Act, 1972 were repealed to negate the monopolistic right of nationalized insurance companies to conduct life and general insurance business and facilitate the entry of players from the private sector into the insurance industry.

For the firm, utmost care should be taken regarding the consumer's behaviour and attitude in designing insurance products. With increasing incomes and investment psychology, insurance products are purchased repeatedly by consumers, not only for insurance protection but also as a secure investment vehicle.

1.2 Importance of the study

Risk is an integral part of our lives. Insurance is the pillar of a nation's risk management system. The insurance corporations provide several products to businesses and people in order to indemnify them against risk and provide financial protection.

Life insurance is of crucial significance in the industry particularly in a nation with the second largest population of the world. With the liberalization of insurance business to private players and the IRDA Act, 1999 foreign and national companies have begun operations in India. There is intense attack of competition in the Indian insurance industry. In order to provide a better service to consumers and to make profits, innovative marketing approaches must be evolved. Consumer perception and behavior are to be analyzed while making products. In spite of having

high relevance, till now no particular study has been conducted which associate the notion of Consumer Behaviour and Perception in the marketing of life insurance products. A study in the field will be extremely beneficial to the organizations which are capable of creating products with respect to consumers' behaviour, perception and satisfaction towards life insurance products.

1.3 Scope of the study

The current research is concerned with the performance of the life insurance industry in India under the post liberalized economic environment. It analyzes the awareness and perception of consumers towards different insurance products and the services of insurance companies, consumers' behavior towards different insurance products and customer satisfaction towards different life insurance products and firms. The research concerns specifically the life insurance companies of Raipur and its clients.

1.4 Statement of the problem

While LIC, with being major stakeholder of the industry, is working hard to hold the first position, private players are competing against each other to create an impressive presence. On this point it was realized as necessary to find solutions for the following research issues:

1. How is the performance of the life insurance industry in India in the post-liberalized economic environment?
2. What was the awareness and perception of the consumers towards the life insurance products and services of the life insurers?
3. How do the consumers conduct themselves towards the life insurance products of various companies?
4. To what extent are the customers satisfied with the products of the different companies of life insurance?

1.5 Objectives of the study

The present study would explore the different parameters of Consumer behaviour and Perception towards life insurance policies in the current economic environment of Raipur context based on the following specific objectives:

To analyze the performance of Indian life insurance industry in post liberalized economic environment.

1. To research and investigate the consumer awareness concerning products and services of life insurance offered by various life insurers.
2. To investigate and assess the customer satisfaction level towards the product of various life insurance companies.

1.6 Limitations

Notwithstanding the fact the highly reliable findings which can also be generalized have been achieved, the researcher would like to indicate some unavoidable limitations that have crept into the study.

The pursuit of objectivity has necessarily been bounded by the level of the respondent's willingness to provide accurate information, though utmost attempts have been made to gather original information.

Awareness, perception, behaviour and satisfaction of current consumers/policyholders are measured only in this research.

The concerned attributes of future consumers are not included under the research. Despite these limitations, a sincere effort has been made to reach reasonably objective and representative findings by interpreting the data judiciously and tactfully.

Literature Review

2.1 Introduction

A thorough examination of existing research in the international, national, and regional domains is needed to comprehend consumer perception in the insurance industry. Developments in life insurance are characterized by changes in digital uptake, policy needs, service demand, and levels of awareness. The current section aggregates and reviews literature from different reputable sources to achieve a theoretical underpinning of the ongoing study.

2.2 International Studies (2021–2025)

A range of international reports suggest a global transformation in how life insurance is perceived and consumed:

- Capgemini's World Insurance Report (2021–2024) documented the rising preference for a “phygital” model—consumers initially research insurance policies online but finalize their decisions through human agents. This highlights the importance of integrating tech convenience with trust-based interactions.
- Deloitte's Global Insurance Outlook (2022) unveiled how the COVID-19 pandemic nudged customers to value flexibility, custom-premiums, and on-demand insurance offerings. Insurers from developed and emerging economies started providing health-oriented, lifestyle-inclusive policy plans.
- PwC's Global Insurance Survey (2023) highlighted that insurers who exhibited Environmental, Social, and Governance (ESG) principles gained greater customer loyalty. This survey associated ethical practices and clear communication with increased policyholder trust.
- McKinsey & Company (2023) analyzed how insurers were using artificial intelligence (AI) and big data for faster underwriting and better customer service. Those firms that embraced these technologies saw enhanced customer retention.
- LIMRA International (2024) researched global trends of ownership, which saw a decline in developed countries owing to saturation of the market but an increase in developing countries led by digital literacy and focused publicity campaigns.

4.3 National Studies (India Focus)

In India, the industry of insurance has been drastically modernized on the strength of regulation, consumer awareness, and digital revolution:

- Insurance Regulatory and Development Authority of India (IRDAI) Reports (2021–2024) brought forth the government's efforts such as e-KYC, Bima Sugam (an e-market of insurance), and dematerialization of policies. These actions increased transparency and accessibility, especially in Tier-2 and Tier-3 cities.
- Sharma & Rao (2023), in the Journal of Insurance and Risk Management, examined post-pandemic consumer behavior and discovered an increase in awareness of term insurance owing to affordability and targeted coverage.

- Singh & Bhattacharya (2024), in the Indian Journal of Marketing, explored Tier-2 cities such as Raipur. According to them, even though LIC continued to have traditional trust, private firms were making inroads through digital services and flexible features. This is very much in line with our Raipur-based findings.
- EY Future Consumer Index (India Edition, 2022–2025) stated that young professionals were considering life insurance as not only a tax-saving tool but an investment for the long term, reflecting increasing demand for hybrid products such as ULIPs.
- The Economic Times (2022) mentioned an increase in online policy buying. Speed, convenience, and simplicity in purchase were identified as core drivers to boost customer satisfaction and market penetration.

4.4 Regional Analysis (Chhattisgarh and Central India)

Regional studies provided more insight into the distinct consumer behaviors in Raipur:

- Choudhary & Patel (2023) carried out research in Raipur that discovered elderly customers continued to prefer LIC, while younger purchasers were more interested in online products from private players.
- The Raipur Chamber of Commerce (2024) emphasized salaried staff and small business owners' insurance preferences. They discovered that ease of communication with agents, proximity to insurance offices, and simplicity of policies were main satisfaction drivers.
- Anand & Rao (2025), in the Chhattisgarh Business Journal, underscored the value of quick and responsive customer service in maintaining policyholder satisfaction levels in Central India.
- Verma & Tiwari (2022), in Central India Financial Studies, reported that although digital awareness has increased, trust in local agents prevails in semi-urban areas.
- Naik & Das (2023), in Bilaspur Management Journal, observed that community workshops and extension programs significantly enhanced life insurance penetration, especially among semi-literate groups.

MATERIAL AND METHODS

3.1 Research Methodology

This chapter deals with the approach taken in conducting the study and achieving its aims. It has a comprehensive account of the research design, data collection procedure and sampling technique, procedure in preparing the questionnaire and scaling techniques employed followed by the instruments used for analyzing the data collected through field survey. Formulating a research methodology for determining solutions to a research problem is one of the main considerations for a researcher.

Research methods are the theoretical protocols, numerical plans, statistical methods which assist a researcher in gathering samples, data and thus determine a solution to a problem.

Methodology is the scientific approach to how to conduct a specific research inquiry. It is the procedure which enables a researcher to describe, explain and predict a particular trend in relation to the subject of the study. In other words provides the work plan of the research.

3.2 Research Design

The research design is exploratory followed by descriptive design. Easwaran and Singh (2010) says that exploratory research is most commonly conducted in an effort to learn about the research problem so that one can be more specific regarding the definition and scope of the problem.

It is most commonly conducted in the early stage of research and is greatly reliant on secondary sources of information and expert opinion.

At the early stage of the research inquiry, the researcher has widely gone through literature in order to familiarize himself with the topic.

Subsequently, informal interviews with consumers, staff and agents of insurance companies were conducted in order to procure valuable information regarding the present scenario of Life Insurance business in Raipur, thus conceptualization of research inquiry was the outcome of an exploratory study.

When different dimensions of a problem or a situation are considered for the sake of intensive and comprehensive investigation it is called descriptive research. Descriptive studies are concerned about descriptions of market characteristics i.e., the „who“, „when“, „where“, „how“ and „what“ of a decision problem. The following step of the research inquiry is descriptive in nature because it is simply trying to explain the data and attributes regarding the population of interest. It involves fact-finding research attempting to reach concrete conclusions pertaining to the decision-making process and factors that affect an insurance buying decision. Descriptive study was conducted to establish some attributes of the population exhibiting similar/ different behavior.

Through the descriptive research the researcher tries to meet the research goals with regard to who needs to be surveyed (Life Insurance Policy Holders), What is to be researched (Factors Affecting their Behaviour), when i.e., at what time (Pre purchase, during purchase and post purchase), where (Raipur) and how (Data collection methods, tools of analysis). Descriptive research can again be a cross sectional study or a longitudinal study. The present research question is a cross sectional study since it entails gathering data on the sample population at a single point of time.

2.3 Nature of data

The nature of the information being gathered by the researcher in the present research question can be generally classified under four heads viz. facts, knowledge, opinions and motives.

All data pertaining to demographics, sociological, psychological and behavioral.

Knowledge relates to awareness levels, opinions relate to perception and motives/intentions are the internal forces that drive consumer behaviour.

In this research question, facts would be the consumer groups i.e. age bracket, gender etc.; sociological and psychological variables would be income level, occupation, marital status of consumers and behaviour facts in terms of what consumers do or how they react to marketing stimuli.

The researcher would like to know consumer awareness levels on some life insurance benefits, this would be knowledge data.

Again data regarding perception towards life insurance or satisfaction on some pre identified parameters could be opinionistic data and data regarding purpose of purchasing life insurance and probability of recommending life insurance products to others could be intention/motive related. It has been extensively used in the introductory chapter to justify the subject of the current research enquiry and also in the process of making conclusive remarks on the findings relating to the specific objectives addressed in the study.

3.3 Method of data collection

There are mainly two approaches of collecting information on population characteristics. Both are census survey and sample survey. In the census survey all the members of a population are considered for study purposes. A census survey is time consuming and expensive and usually not feasible if the population is too large. Hence census survey is unpopular for the studies related to consumer behaviour. The researcher has used sample survey approach of data collection to carry out the research inquiry.

3.4 Sample Survey Method

The technique through which the whole population is not investigated but certain specific aspects of the population are chosen for study purposes is referred to as sample survey method. Inferences relating to the population characteristic are made based on the study of the sample. Thus, the researcher's subsequent task was to choose carefully which category of people are to be sampled.

SAMPLING PLAN	
Sampling Plan:	Simple Random Sampling
Tools used for Data Collection:	Questionnaire
Data Collection:	From Primary sources
Sample Size:	103

RESULT AND DISCUSSION

The empirical study undertaken in this research has provided a number of findings regarding the awareness, perception, and behavior of consumers towards life insurance products in Raipur. A well-structured questionnaire filled by 103 respondents formed the foundation of the following interpretations:

1. Insurance Provider Preference

A vast majority (86.3%) of the respondents stated that they bought their life insurance products from the Life Insurance Corporation of India (LIC), reflecting a greater level of trust and brand loyalty in LIC compared with private insurance companies.

2. Factors Affecting Company Choice

Respondents cited various factors that determine their insurance company choice, headed by the company's image (76.5%), followed by maturity value, good marketing, low premiums, and relationships.

3. Purchase Decision Influencers

The findings indicated that insurance agents were the single biggest drivers (29.1%) of policy buys. Friends and family members (27.2%) and self-convincing (24.3%) were also influential motivators, while ads had little bearing (7.8%).

4. Preferred Policy Term

A large percentage (44.7%) of the respondents had a choice of short-duration life insurance policies with a term of five years or less. Another 38.8% had a choice between policies for 6 to 10 years, revealing a general preference for shorter term commitments.

5. Willingness to Recommend LIC

Upon being asked whether they would recommend LIC to others, 72.8% of the respondents said that they would "sometimes recommend" LIC, while 26.2% confirmed they would "always recommend" LIC. A negligible percentage (1%) said they would never recommend it.

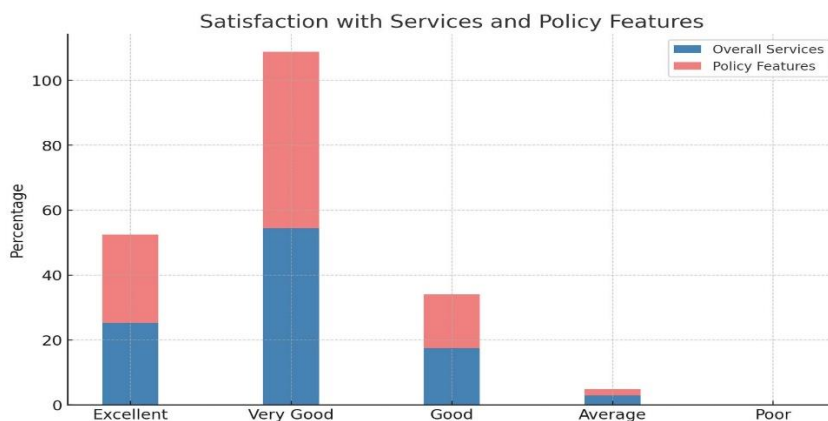
6. Future Outlook of Life Insurance Sector

Respondents also showed a generally optimistic view of the future of the life insurance industry in India. Nearly 57.3% of them saw the future as "bright," and 25.2% saw it as "very bright," indicating optimism regarding the prospects of the industry.

7. General Service Satisfaction

Overall satisfaction with services offered by insurance organizations was mostly positive, with 54.4% of respondents judging their experience to be "very good" and 25.2% as "excellent."

8. Satisfaction with Policy Features



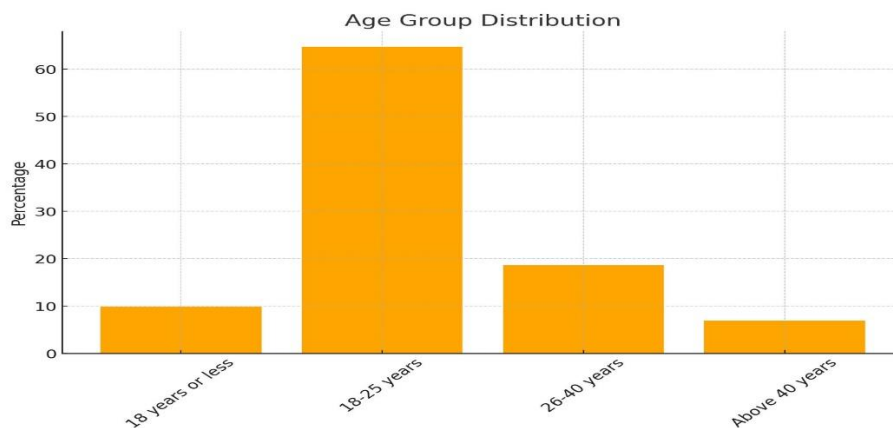
In terms of the particular features of their insurance policies—premiums, coverage, and maturity benefits—54.4% of the respondents were "very good" about it, while 27.2% were "excellent."

9. Gender Breakup



Out of the entire sample, 66.7% were male and 33.3% were female, reflecting a gender disparity in insurance coverage, with male customers more actively participating in buying life insurance products.

10. Composition of Age Groups



Most of the participants (64.7%) fall under the age group of 18–25 years, indicating an increased level of interest and consciousness among youth towards life insurance as a wealth-planning tool.

11. Educational Qualification

Most respondents (57.3%) were undergraduates, followed by postgraduates (29.1%), indicative of people with higher levels of education being interested in investing in life insurance plans.

12. Occupational Background

Occupationally, employed persons (26.2%) and businessmen (35%) constituted the largest category of policyholders, which means that those with stable or entrepreneurial sources of income are more inclined towards insurance.

13. Number of Dependent Family Members

The majority of the respondents (68.3%) had three or fewer family members dependent on them, reflecting a lesser financial burden which can provide a higher disposable income for insurance investment.

14. Monthly Income Distribution



Respondents' income distribution revealed that most (39.2%) were in the ₹1,00,000 to ₹1,50,000 monthly range, while 33.3% were in the ₹40,000 to ₹1,00,000 bracket. The statistics imply that middle- and upper-middle-income groups are the more frequent insurance purchasers.

15. Annual Saving Behavior

Over half of the respondents (53.5%) indicated saving less than 10% of their annual income, reflecting a relatively low saving propensity even among those who are insured.

16. Insurance Service Awareness

A promising 89.2% of the respondents reported knowing the different services provided by insurance companies, including online premium payment, loan against policies, and other customer service features.

17. LIC Product Perception

Respondents perceived LIC's insurance policies very favorably. Almost half (46.6%) evaluated their perception as being "very good," while 33% evaluated it as "excellent," which supports LIC's strong market image.

CONCLUSION

The findings of the study are discussed in various dimensions starting from the findings regarding the performance of insurance industry in India during post liberalized period. The findings of empirical analysis of survey data are discussed as regarding consumer awareness, perception, behavior and satisfaction; and other related findings. Insurance sector in India has now passed through one cycle of high growth and relatively more recent moderation. The subsequent growth wave will be of a different kind and degree, spearheaded by players who reshape the market dynamics with innovation.

Consumer attitude and perception towards life insurance products were researched and it was found that consumers from the employed category and business category favored LIC.

It was observed through analysis that agents influenced most of the respondents in buying life insurance products. But the role of agents was weaker among the respondents belonging to the category of higher education level. When the perception was examined, it was also revealed that the primary reason for poor coverage for life insurance was the other investment preference. Awareness and access to bancassurance and new channels of delivery will improve and thus contribute to policyholder satisfaction.

Most of the respondents belonged to the age group of 18- 25 years with 3 or less dependent members in their family whose overall monthly income varies between Rs.100000 to Rs.1500000.

Most of the individuals have knowledge regarding the services rendered to the policyholders and with a total percentage annual saving of less than 10%.

Practically everyone has a positive attitude towards the Life Insurance Corporation (LIC) while buying a life insurance policy. The majority are opting for LIC for life insurance policies compared to Pvt. Companies and the reason behind selecting the company was largely the company's image and marketing aspect. The majority of the respondents believed that they recommend LIC always and few private life insurance customers replied that they would recommend private companies. A very small percentage of customers replied that they would not recommend life insurance company policies at all. A large percentage of customers opined that LIC has a promising future in India.

There were numerous suggestions given by the respondents to enhance the services of life insurance companies and the suggestions were prioritized. The most prominent recommendation of the customers was that the different forms to be filled up by the customers are to be kept simpler and the other vital recommendation was that the policy service procedures are to be kept simpler. The customers recommended that the policies are to be framed giving more return. In order to have all the services at the single point of contact, making IT enabled services strong, making premium points popular were some more recommendations put forward by the customers.

REFERENCES

- Capgemini. (2021–2024). World Insurance Report Series. Capgemini and Efma. Retrieved from <https://worldinsurancereport.com>
- Deloitte. (2022). Global Insurance Outlook. Deloitte Touche Tohmatsu Limited. Retrieved from <https://www2.deloitte.com>
- PwC. (2023). Global Insurance Survey. PricewaterhouseCoopers. Retrieved from <https://www.pwc.com>
- McKinsey & Company. (2023). Insurance 2030: The Impact of AI on the Future of Insurance. McKinsey Global Institute. Retrieved from <https://www.mckinsey.com>
- LIMRA International. (2024). Global Trends in Life Insurance Ownership. LIMRA. Retrieved from <https://www.limra.com>
- Insurance Regulatory and Development Authority of India (IRDAI). (2021–2024). Annual Reports. IRDAI, Hyderabad. Retrieved from <https://irdai.gov.in>
- Sharma, A., & Rao, S. (2023). Changing Consumer Attitudes toward Life Insurance Post-Pandemic. *Journal of Insurance and Risk Management*, 12(1), 45–62.
- Singh, V., & Bhattacharya, R. (2024). Technology and Trust in Life Insurance: A Study in Tier-2 Indian Cities. *Indian Journal of Marketing*, 54(3), 22–36.
- EY India. (2022–2025). Future Consumer Index – India Edition. Ernst & Young LLP. Retrieved from https://www.ey.com/en_in
- The Economic Times. (2022, May 5). Online Policy Sales Surge Post COVID, Customer Satisfaction Hinges on Speed and Simplicity. *The Economic Times*. Retrieved from <https://economictimes.indiatimes.com>
- Choudhary, S., & Patel, A. (2023). The Shift in Consumer Preferences Toward Life Insurance in Raipur. *Raipur Economic Review*, 18(2), 33–48.
- Raipur Chamber of Commerce. (2024). Insurance Access and Satisfaction Survey Report – Raipur Urban Sector. Raipur: RCC Publications.
- Anand, R., & Rao, M. (2025). Service Delivery and Customer Satisfaction in the Life Insurance Sector of Central India. *Chhattisgarh Business Journal*, 9(1), 14–29.
- Verma, N., & Tiwari, D. (2022). The Role of Agent-Led Distribution in Semi-Urban Life Insurance Markets. *Central India Financial Studies*, 11(3), 71–85.
- Naik, U., & Das, P. (2023). Community-Based Financial Education and Life Insurance Uptake: A Case Study in Bilaspur. *Bilaspur Management Journal*, 6(2), 50–64.