

CUSTOMER SATISFACTION ON LIFE INSURANCE SERVICES: AN EMPIRICAL STUDY ON LIC

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Abstract

The banking and insurance industry have changed rapidly in the changing economic environment through out the world. The increased pace of market competition due to liberalization and globalization force Insurance companies to be competitive by cutting cost and serving in a better way to the customers. In today's challenging business environment, customer service and customer satisfaction are emerging as key competitive advantages. LIC enjoyed monopoly in life Insurance sector during the pre-nationalized period. Huge untapped Indian market and unlimited future opportunity lure many foreign players towards Investment in life insurance business. Life Insurance is customer based business where retention of existing customers is the biggest challenge in present-day cut throat market competition. The declining market share is the biggest concern of LIC, after privatization. The study is attempts to measure customer satisfaction level on various Insurance services offered by LIC and also examine the reasons for customer dissatisfaction. The study is empirical based and the primary research conducted through a market survey consisting of 100 respondents of Jabalpur city of Madhya Pradesh. A well structured questionnaire and Interview method were used for primary data collection. Simple statistical tools like percentage and scaling techniques were employed for data analysis. Customer satisfaction, Customer perception and various quality dimensions of LIC are the main focus of the study. LIC is the leading brand in life Insurance sector but its market share is declining after privatization, LIC need to improve its service quality to meet changing demands and expectations of customers are some of the major findings of the study. The study is significant also because it will help LIC to create a positive impact on its customers by working on its lacking qualities. Customers are the main pillars of any business and customer service is the critical success factor in a company and providing outstanding customer service differentiates great customer service from indifferent customer service.

Keywords: Customer satisfaction, Customer Service, LIC, Market Share, Privatization.