

A Study on Customer Satisfaction Towards LIC Products and Services in Vellore

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ABSTRACT

Financial institutions achieve success and sustain their operations by how well they satisfy their customers particularly within the insurance sector. A study investigates how Life Insurance Corporation of India (LIC) customers evaluate their satisfaction with company products through evaluation of experience-influencing factors. This investigative research combines structured surveys with secondary data to examine customer opinions about Life Insurance Corporation of India products and their difficulties with services. The research examines vital elements which include policy advantage delivery, affordable premiums, efficient claims processing, high-quality service delivery, transparent policy wording and online access as well as effective complaint resolution programs. The research investigates how demographic characteristics including age and income level together with occupation type affect the satisfaction levels of policyholders. The research detects areas where LIC operates effectively and presents zones which require betterment to enhance customer satisfaction. The research uses analysis to create strategic guidelines that will improve LIC's service quality and increase customer trust and enhance its competitive strength in the insurance market. These findings will become useful assets for LIC to improve both its policies and its methods of customer interaction.

KEYWORDS

Customer satisfaction, LIC, insurance services, policy benefits, premium affordability, claims processing, service quality, digital access, grievance redressal, demographics, strategic improvement.

INTRODUCTION

Insurance policies supply financial stability while giving peace of mind while protecting people and providing investment benefits. Since its establishment in 1956 the Life Insurance Corporation of India (LIC) became a trusted market leader through providing multiple insurance policies for various customer requirements. Customer satisfaction has taken center stage as private insurers enter the market to compete against LIC Insurance Corporation's leading market position. Customer satisfaction among insurance policyholders depends significantly on their experience with policy benefits along with premium costs combined with ease of claim settlement and levels of service quality and digital accessibility.

The digital transformation requires LIC to deliver excellent online service performance alongside valuable human support and efficient complaint resolution. The assessment of customer satisfaction becomes essential to discover service gaps which lead to better performance improvement in this developing market structure. The research evaluates LIC's customer

satisfaction by analyzing both the positive aspects and the necessary improvement areas detected through the feedback from policyholders. The collected data will support LIC to improve service quality while increasing customer loyalty and preserve its market leaders position.

OBJECTIVE OF THE STUDY

1. The evaluation of LIC's insurance product satisfaction levels becomes the primary objective. The objective involves evaluation of customer contentment regarding LIC insurance products. The assessment tests how customers view their products through reliability measurements and market relevance and monetary worth.
2. The analysis investigates how customers trust LIC products and demonstrate loyalty toward their services. The evaluation examines the psychological nature of customer-emotional ties toward LIC. The research examines both customer expectation fulfillment consistency at LIC and its effects on extended customer trust.
3. The study focuses on determining factors that contribute to customer satisfaction levels when interacting with LIC services. The objective serves to determine which elements hold most significance regarding customer satisfaction. Customer satisfaction with LIC products depends on how affordable policy premiums are together with how quick they settle claims and the quality of service that their team provides and clear policy understanding and convenient digital access points.
4. The assessment of LIC agents examines their contribution to customer satisfaction levels. The researcher seeks to explore LIC agents' impact on policyholder interactions through this objective. The research reviews how LIC agents participate in policy explanation tasks as well as provide support services from onboarding through claims processing operations. The research evaluates what customers think about agent helpfulness and information provision and availability.
5. The evaluation of LIC's customer service will assess their ability to address customer concerns together with handling their inquiries. The objective examines whether LIC offers quick resolutions along with efficient service to its customers. The evaluation process measures the simplicity of getting assistance alongside the duration of issue resolution and complete service quality assessment.
6. The research investigates policyholder satisfaction within the Vellore area of Tamil Nadu. The second objective defines the analysis scope to a particular geographical region. The research evaluates customer reception of LIC's services and products throughout Vellore. Analysis at the local level provides information about how customer requirements differ from area to area along with their satisfaction levels.

SCOPE OF THE STUDY

This study examines LIC's product and service quality across multiple domains including policy specifications as well as service delivery standards and claims settlement systems and digital reachability together with general user satisfaction. The analysis includes all regions of India including cities and rural areas with its focus on different types of policies such as term plans endowments ULIPs and pensions.

The study investigates the four core drivers of satisfaction which consist of agent conduct and staff responsiveness in addition to policy clarity and digital service simple use. The research examines population groups based on their age groups together with income level and education achievements and professional status. This research examines policyholders who have registered since 2015 because LIC has initiated digital enhancements in its operations.

The research deepens the evaluation of customer satisfaction based on insurance product types along with an analysis of how LIC's online systems affect satisfaction levels. The study identifies how agents influence customer trust elements

which subsequently affects loyalty levels. The research findings will enable LIC to advance service delivery while reinforcing customer connections to sustain its market dominance.

REVIEW OF LITERATURE

Dr. T. Unnamalai and V. Rajinikanth (2020) conducted a study titled “*Customer Perception in LIC Policies – A Study in Thanjavur*” which explored how policyholders perceive LIC’s offerings. The research highlighted that awareness of LIC products is high, especially in semi-urban regions, but there is still a need for better communication regarding policy features and benefits.

S. Suthakar and Dr. T. Ragunathan (2020), in their study “*Service Quality and Customer Behavior towards LIC*”, emphasized the role of service quality in shaping customer attitudes. They found that courteous staff behavior, responsiveness, and promptness in service delivery significantly influence customer loyalty and continued policy subscription.

Mrs. G. Anjappa and Dr. M. Prathapan (2024), through their article “*Consumer Preferences in Life Insurance*”, examined factors guiding consumer choices in the insurance market. The study revealed that affordability, policy returns, and company reputation are the main drivers behind customer preferences, and LIC was preferred for its reliability and legacy.

Khan and Ali (2019), in “*Impact of Digital Services on Insurance Satisfaction*”, analyzed how technological integration affects satisfaction in the insurance sector. Their findings showed that digital tools like mobile apps and online platforms greatly improve customer convenience, leading to higher satisfaction levels, provided they are user-friendly and accessible.

Bose and Dutta (2019), through their study “*Claim Settlement and Customer Trust in LIC*”, stressed the importance of efficient and transparent claim processes. The research found that delays or lack of clarity in claim settlement adversely impact customer trust, highlighting the need for LIC to strengthen its grievance redressal and claims tracking systems.

Sharma and Kapoor (2021), in “*Post-Pandemic Changes in Insurance Expectations*”, explored how the COVID-19 pandemic has reshaped customer expectations in the life insurance industry. Their study concluded that customers now place greater value on digital accessibility, flexibility in premiums, and health-linked policy features.

Yadav and Joshi (2020), in their work “*Impact of Demographic Variables on Customer Satisfaction in LIC*”, analyzed how factors such as age, income, and education influence satisfaction levels. The study found that younger policyholders tend to prefer digital channels and more flexible plans, while older customers value traditional service and trust in LIC’s legacy.

Tripathi and Goel (2021), in the article “*Mobile App Usability and Customer Experience in LIC*”, emphasized the usability of LIC’s digital platforms. The study highlighted that although LIC has launched several digital initiatives, the user interface and app functionality require improvements to meet modern customer expectations.

Verma and Rani (2018), through their study “*Rural Awareness and Satisfaction in LIC Insurance Plans*”, focused on the rural insurance market. Their research found that while LIC has wide penetration in rural areas, there is a need for more awareness campaigns and simplified policy explanations to improve satisfaction and inclusivity in remote regions.

RESEARCH METHODOLOGY

The investigation focuses on LIC products and services by merging qualitative research methods with quantitative research practices. Technical staff members at the Life Insurance Corporation will serve as participants of this research through structured questionnaire surveys that target satisfied LIC product and services customers. The questionnaire has

a purpose to gather data about customer demographics together with their usage patterns along with satisfaction measures and their views regarding advantages and disadvantages of products and services. The research will use secondary data from customer reviews and ratings to complement the existing information collected through primary sources. The study team will perform regression analysis and factor analysis on statistical data to determine the main customer satisfaction factors alongside their potential areas of improvement.

OVERVIEW OF THE STUDY

The Life Insurance Corporation of India (LIC) stands as a well-known insurance brand throughout the nation because it maintains its longstanding roots alongside a wide range of insurance offerings. This research details an analysis of customer satisfaction with Life Insurance Corporation's offerings among Vellore district customers in Tamil Nadu. Any service-based organization needs high customer satisfaction to thrive because trust and reliability stand as fundamental imperative factors in the insurance sector. The research collects quality and statistical information from Vellore-based LIC policyholders. The researchers need to comprehend how clients evaluate insurance policies and premiums and provider interaction and claim management as well as service availability. Data collection will delve into how population statistics of age alongside income level together with occupational status and educational attainment link to customer satisfaction levels. The study evaluates LIC's service delivery to provide functional recommendations which will strengthen customer relationships and brand loyalty.

KEY BENEFITS OF THE STUDY

- a. Insights into Customer Behavior and Preferences The study enables LIC to gain profound knowledge about the actual priorities of customers in Vellore by quantifying their importance among affordability and policy selection along with service quality and claims processing capability.
- b. Evaluation of Service Quality The study will show how well LIC fulfills its guarantees through customer responses. The evaluators will assess critical performance indicators including customer response duration together with support team conduct as well as service operational state.
- c. Strategic Decision-Making LIC will develop more efficient strategy decisions by using study findings to refine their Vellore region offerings and improve their marketing tactics as well as enhance their service delivery system.
- d. Improvement in Customer Retention Since satisfied customers tend to renew their policies they also enthusiastically recommend LIC to others. The research results will facilitate the discovery of problems which a subsequent remediation process helps to strengthen customer retention numbers.
- e. Benchmarking Against Competitors Results from this research enable competitive performance evaluation between LIC and competing private and public insurance operators in Vellore to reveal LIC's distinct advantages in the market.
- f. Contribution to Academic and Market Research This study serves LIC in developing better solutions but simultaneously provides insightful data that will benefit both academic research in insurance customer satisfaction and future market analysts working on insurance customer satisfaction in the market.

MAJOR OBSTACLES OF THE STUDY

- a. Difficulty in Reaching Diverse Respondents

Both urban and rural residents share the population of Vellore. The logistical challenge of reaching respondents spans across different demographics and areas throughout this selection.

b. Low Response Rate

The reluctance of customers stem from the time limitations they face alongside their disinterest in surveys or their uncertainties regarding data utilization.

c. Language and Literacy Barriers

People living in rural areas possess limited proficiency with English and formal Tamil making it difficult to comprehend survey questions thus impacting their survey response accuracy.

d. Response Bias

The feedback collected from customers will be misdirected since they evaluate their experience based on one encounter instead of weighing multiple interactions.

e. Limited Access to LIC Internal Data

The study depends exclusively on customer perspectives because researchers do not have access to LIC's internal data about performance metrics or service records.

f. Time and Resource Constraints

Running in-depth research throughout an academic timeframe turns out to be challenging for studies dealing with extensive operational samples spanning remote locations.

SUGGESTIONS

- The LIC should optimize its website together with its app interface to ensure simpler user navigation.
- The organization should work on upgrading its claim settlement system along with developing better tracking capabilities.
- The company needs to provide training programs for agents which include both soft skills and transparent policy communication protocols.
- The company should create micro-insurance policies along with inexpensive student plans.
- The organization should maintain customer feedback mechanisms to enhance continuous service improvement.
- A focused awareness initiative should target rural locations to teach people about the features included in policy offerings.

CONCLUSION

This study explores how satisfied customers are with LIC's products and services, focusing on what really shapes their experience, things like the variety of policies, how helpful the agents are, how smooth the claim process is, and how easy it is to use LIC's digital tools. While LIC still holds a strong place in people's hearts with its trusted name, the research shows there's room to grow, especially when it comes to making online services quicker and easier to use. Today's policyholders want convenience, speed, and clarity, and improving how agents communicate and solve problems can make a big difference in how customers feel.

In the end, what keeps customers happy with LIC comes down to quality service, clear information, and easy access. By focusing on these areas, LIC can not only hold onto its loyal customer base but also appeal to newer generations who

expect seamless digital experiences. The findings point to a clear path forward one where LIC continues to lead the life insurance market by putting customer needs at the center of everything it does.

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