

CUSTOMER SEGMENTATION: IDENTIFY DISTINCT CUSTOMER GROUPS BASED ON BEHAVIOR AND DEMOGRAPHICS, ALLOWING FOR TARGETED CAMPAIGNS AND CONTENT FOR EACH SEGMENT**UNDER THE GUIDANCE OF: MR. CHAND RASHID KHAN****SUBMITTED BY: RAJAT CHAUHAN****(21GSOB1010403)****MBA 2022-2024****ABSTRACT**

In today's fiercely competitive economic climate, I see the insurance industry as having the most opportunity for growth and success. With growth rates of 70–80% and 12–15% respectively, the insurance and fast-moving consumer goods industries are the world's fastest-growing. I am attracted to this business and its potential for advancement since Life Insurance Corporation of India has given me the opportunity to work and gain experience in a highly competitive and enhancing domain. Distribution channels play a vital role in the success of many market companies that strive for a good market share by making items and services easily accessible to clients. Agents and agency holders are the only distribution channels available in the insurance market. If the correct amount of agents are employed, insurance companies such as MAX, RELIANCE LIFE INSURANCE, and TATA AIG may be able to capture an excessive piece of the market. Agents are the exclusive means by which insurance firms can disperse their benefits and goods. communicating the company's principles and goals to potential customers, particularly those from marginalized communities.

Keyword: Define Your Segmen, Gather Data, emographic, Behavioral, Analysis.

INTRODUCTION

British officials in Calcutta, India, established the Oriental Life Insurance company in 1818. It was India's pioneering insurance company. The Indian Life Assurance Companies Act, passed in 1912, was the initial attempt to regulate the industry. Many amendments were made to this Act prior to its 1938 drafting as the Insurance Act. Some notable features of the Act are the broad public protections it provided through regulation and control and the power it gave the government to collect statistics on insured individuals. Changes to the industry were substantial because of an

amendment to the Act in 1950. To prevent a monopoly and protect the public from the bad policies of any one political group, the new rules imposed stricter regulations on investments, increased scrutiny of businesses in general, and required a minimum amount of equity capital as a matter of law. In 1956, out of 154 life insurance businesses, 16 were global players. Businesses tended to concentrate in urban areas and served the affluent. The Indian government nationalized the sector after describing certain actions as "unethical" and detrimental to consumer interests. All of these companies merged into the Life Insurance Corporation (LIC) in September 1956 as a result of the

nationalization process. The industry was characterized by a feeling of "fairness, solidity, growth, and reach" following secession. Car Insurance

The general insurance industry in India emerged in the 17th century, when foreign trade flourished thanks to the Industrial Revolution. When the British brought general insurance to India, it followed a similar path to life insurance. India was home to several private businesses for quite some time. The government, however, determined in 1971 that nationalizing the sector would serve the public interest. Consequently, the 107 companies were divided into four distinct groups: Marine, Fire, Miscellaneous, and others. These businesses included Calcutta's National Insurance Company Ltd., New Delhi's Oriental Insurance Company Ltd., Bombay's New India Assurance Company Ltd., and Madras's United India Insurance Company Ltd. These four companies were formed in 1972 as divisions of the General Insurance Corporation (GIC), a "holding" business.

LITERATURE REVIEW

Marketers have traditionally employed the traditional demographic segmentation method to categorize customers based on attributes such as gender, age, and socioeconomic status. Oversimplifying customer behavior and neglecting to capture fine-grained subtleties are common criticisms leveled against it.

Although demographic segmentation remains important, there has been a recent uptick in the use of psychographic and behavioral segmentation to improve targeted accuracy (Kotler and Armstrong, 2018). Segmentation Based on Psychographic Factors:

Learn more about your customers' interests, values, and way of life via psychographic segmentation. Marketers can have a better understanding of the thought processes that influence customers' purchasing decisions.

According to study conducted by Wells and Tigert (2018), industries that have significant brand loyalty should prioritize psychographic segmentation for the purpose of developing emotionally engaging marketing campaigns. Consumers can be "behaviorally" segmented according to their purchasing patterns, level of brand loyalty, or other purchasing behaviors. Because it is grounded in real customer actions and reactions to goods and services, behavioral segmentation offers more valuable insights than demographic or psychographic attributes, argue Smith and Colgate (2019). Approaches to Complex Segmentation • With the rise of big data and machine learning, clustering algorithms and other sophisticated segmentation methods have gained popularity. Also, these techniques are becoming more and more popular. A study conducted by Wu et al. (2020) utilized machine learning algorithms and transactional data to enhance the precision and depth of client segmentation. Researchers found this to be more effective than their previous, more traditional methods. Methods that blend demographic, psychographic, and behavioral characteristics to produce comprehensive profiles of consumers are known as hybrid approaches, and they have been supported by multiple research. Kim and Park (2021) suggested a hybrid approach to segmenting e-commerce customers based on demographic, psychographic, and behavioral

characteristics. The results of this paradigm shift would be more precise targeting and personalized advertising. Potential Roadblocks and Solutions: In spite of its usefulness, consumer segmentation encounters challenges such as data privacy concerns, difficulties in integrating various data sources, and the maintenance of segmentation accuracy over time. Looking ahead, we need to think about: (Hartmann et al., 2022) One possible direction for future research is to examine the feasibility of integrating AI and the internet of things (IoT) into segmentation techniques. Another potential future direction is the use of data-driven marketing methods to address ethical concerns.

OBJECTIVES

- Distribute life insurance widely, particularly to rural areas and the socially and economically disadvantaged stratum, so that all insurable individuals have adequate financial protection against death at a reasonable price.
- Make insurance-linked savings more appealing so that more people would put their money into them.
- It must always keep in mind that the policyholders whose money it is investing has the primary obligation. It should, however, take the community's best interests into account and put the money to work in a way that is good for everyone.
- It is important to do this while considering

both national interests and the requirement for appealing returns.

Do your best work while keeping in mind that the policyholders are the rightful owners of the funds.

Do their jobs as trustees for the people who are covered, both individually and collectively.

- As the community's social and economic circumstances change, you should be prepared to meet their unique life insurance needs.

Every member of the Corporation's staff is expected to do their utmost to assist the insured people by providing them with prompt, polite service.

- Motivate all agents and employees to attain the Corporate Objective in a way that makes them happy and makes them look forward to going to work every day.

SCOPE OF THE STUDY

The insurance market has been booming as of late. There are a lot of new players vying for market share in this rapidly evolving business. Life Insurance Corporation of India (LIC) and the several customer subsets it serves are the primary subjects of this research. To paint a comprehensive picture of developments in the insurance business, the study proceeds to examine and analyze the data.

RESEARCH DESIGN

The majority of the studies are exploratory and descriptive in nature. The data is compiled using both primary and secondary sources. A thorough questionnaire and in-person interviews were conducted to collect data regarding the customer's perception and purchasing habits. Approaches to Sampling Sampling Techniques: While outlining the first draft, we kept the research's intended use in mind. Preliminary studies examined the questionnaire's dependability. We finally finished the questionnaire after several major edits. This proves that I was sensible and helpful in my sampling. A sample unit is a group of persons whose participation in a survey was solicited. Government employees, self-employed individuals, and others fall under this category. Participant count: Due to time constraints, we were only able to interview 100 participants from all around KASGANJ. The area of Kasganj in the Indian state of Uttar Pradesh was the site of the research.

LIMITATIONS OF THE RESEARCH

Due to the limited scope of the study, it is premature to draw any conclusions about the entire country.

2. Due to some respondents' reluctance to give personal information, the validity of all responses might be affected.
3. Results from a single day or part of a study can be revised quickly in a dynamic sector. Pay close attention to how your environment has changed in order to fully comprehend the findings.

FINDINGS

Many think that purchasing insurance will allow them to reduce their tax liability and give their families a financial cushion. This data is well-known to them, and they grasp its relevance. There is a lot of unrealized potential in the Indian insurance market, therefore the company should consider building out its presence there.

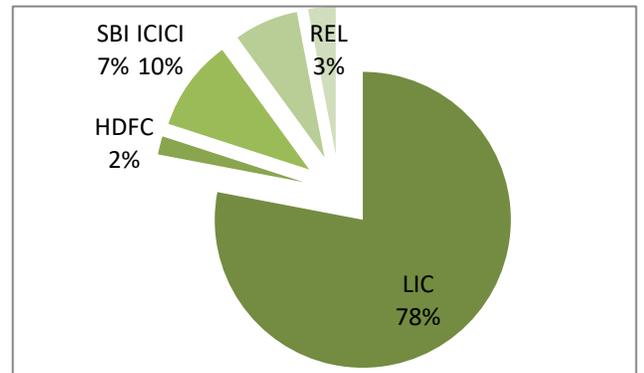
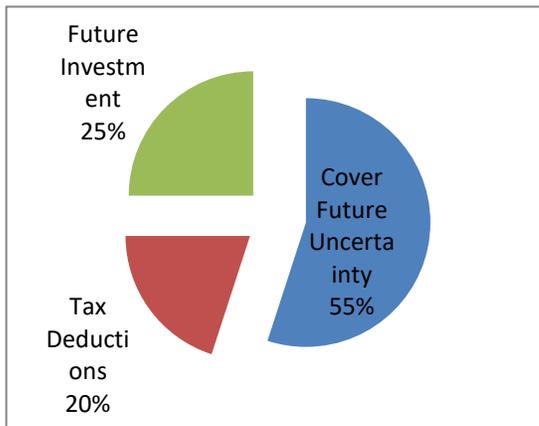
The new sections of the corporation are ready to be launched. In an effort to meet the demands and expectations of the general population. Competition is going to heat up when private companies join the market, making it harder to carve out a dominant position. Given their leadership position with many firms' policies, LIFE INSURANCE CORPORATION OF INDIA LTD should have no trouble breaking into the market and securing a good position if they prioritize customer service and build long-term, trustworthy partnerships. As for the fourth point, the survey reveals that 70% of clients already hold insurance policies and 87.5% are planning to make additional investments. In order to take advantage of what could be a fantastic opportunity, the company should work to win over these customers. If they are away from their home, 5.43 percent of consumers are prepared to go to extreme measures, such changing insurance companies. Goods and services of a high quality should be delivered, nevertheless. In order to keep these customers, the company should try to convince and win them over.

COMPANY'S NAME	NO.OF RESPONDENT	SHARE (%)
HDFC	2	2
ICICI PRUDENTIAL	10	10
SBI LIFE	7	7
RELIANCE LIFE INSURANCE	3	3
TOTAL	100	100

DATA ANALYSIS & INTERPRETATION

DATA GIVES PREFERENCE OF RESPONDENTS OF INSURANCE COMPANIES

BENEFITS	NO.OF RESPONDENTS	SHARE (%)
Cover Future Uncertainty	55	55
Tax Deductions	20	20
Future Investment	25	25
TOTAL	100	100



RECOMMENDATIONS

Many people believe that purchasing insurance is a good way to protect their loved ones and cut their tax bill. This data is well-known to them, and they grasp its relevance. There is a lot of unrealized potential in the Indian insurance market, therefore the company should consider building out its presence there.

- It is necessary for the organization to set up its departments. In an effort to meet the demands and expectations of the general population. Competition will heat up when private companies join the market, making it harder to carve out a dominant position. However, if Life Insurance Corporation Ltd prioritizes customer service above all else, they should have no trouble breaking into the industry and establishing themselves as a trusted leader thanks to the policies offered by several companies. 87 percent of clients are interested in making new investments, and 70 percent hold insurance coverage presently, the survey found. In order to take advantage of what could be a fantastic opportunity, the company should work to win over these customers. Nearly half of all consumers can be convinced to transfer insurance companies, regardless matter how far away their current carrier is. Goods and services of a high quality should be delivered, nevertheless. In order to keep these customers, the company should try to convince and win them over.

CONCLUSION

Our thorough research into the life insurance market revealed several interesting trends, which are detailed in

the report that is attached. One striking aspect of our data collection process was the breadth and depth of customer knowledge about insurance companies and their offerings. Private insurance businesses are rapidly replacing LIC as the preferred provider of many. Numerous individuals have been swayed by the persuasive advertising and marketing campaigns of insurance firms. Print, radio, and television advertising efforts are starting to show their long-term effects. The fact that insurance is being recognized more and more as a tool for both taxation and investment is another encouraging development. Insurance firms have been successful in attracting public money in recent years, as seen by the significant percentage of responders who have chosen insurance for these objectives.

There is certainly room for improvement in the public's satisfaction with both agents and policies.

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