ABSTRACT

Life Insurance Corporation of India is a monolithic company from last few decades. After the successful implementation of economic reforms in life insurance sector in India, LIC of India has made several positive efforts to triumph the hearts of the people. To achieve that LIC of India have adopted a number of new trends in marketing strategies for introducing innovative technologies. This study is an attempt to know about the recent trends followed by LIC of India in order to make their products available to each and every forthcoming customer in the life insurance market. The present research paper is a comprehensive study to know whether the implemented strategies have truly helped LIC of India in the changing trends of the society and will also suggest how these recent trends have helped LIC of India as a whole to manage the existing leading position in the life insurance market.


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INTRODUCTION

The insurance sector in India has completed a full circle from an open competitive market to nationalization and then back to liberalized open market. LIC of India has been the bystander of the entire transformation from one phase to another. In 2000, when Insurance Regulatory and Development Authority was set up in India, 23 more private life insurance companies entered till date into the Indian market other than one already existing public life insurance operator LIC of India.\(^1\)\(^2\)\(^3\)

LITERATURE REVIEW

Kumar highlighted that private insurance players introduced a large range of life insurance products and set brand promotion as a part of their new strategy. These new implemented strategies had flexibility and added benefits to suit the changing needs of the unsatisfied customers. Kulshrestha and Kulshrestha highlighted that demand for life insurance in rural India was expanding at the annual rate of 18 per cent as compared to 3.9 per cent in urban areas which provided good opportunity for life insurers to perform. Reenu have highlighted the different strategies in relation to 3Ps under life insurance market. Vikas have made an effort to analyze a comparative study based on private and public life insurance companies.\(^4\)\(^6\)

OBJECTIVES OF THE STUDY

The research study will be based on two main objectives:

- To know about the recent trends in the marketing strategies adopted by LIC of India.
- To know whether the new adopted marketing strategies have helped LIC of India to increase their business volume.

PURPOSE OF THE STUDY

LIC of India plays a vital role in the growth of life insurance sector and also to the economic development of the country. Since economic reforms the life insurance sector is changing rapidly due to the continuous change in the customer needs and preferences. These changes have helped in a great number to both the urban and rural consumers. Life Insurance Corporation of India has worked continuously hard to grow since 2002. In order to increase its business LIC of India has increased their life insurance offices.

HYPOTHESES OF THE STUDY

In order to achieve the defined purpose of the research study following hypotheses have been considered:
Is the recent trends in marketing strategies adopted by LIC of India are fulfilling the customer’s needs and preferences.

Is the current marketing strategies adopted by LIC of India are helpful in terms of increase business volume.

**RESEARCH METHODOLOGY**

The research methodology adopted for this study is basically related to the evolutionary research method. The research study is based on the secondary sources for collecting data. The secondary data consisted of Annual reports of LIC and IRDA and also some other published journals and magazines of LIC like Yogeashema monthly journal, Pragati quarterly magazines for the concerned topics of related years. The present research study is mainly based on the Annual reports of I.R.D.A. and LIC of India for important data of respective years since 2002 till 2016. The research study has also collected some information from websites of LIC and IRDA.

**DATA COLLECTION AND ANALYSIS**

The research has mainly focused its findings based on the Annual Reports of LIC and IRDA for respective years and also from Life Insurance Today. Besides, a few websites of LIC and IRDA have also been consulted to collect data related to the research study. The data used in the paper covers the period from 2002 to 2016. Based on the collected data analysis has been done with appropriate observation techniques.

**PRODUCT DEVELOPMENT STRATEGIES OF LIFE INSURANCE CORPORATION OF INDIA**

“**Change is the need of the society**”

LIC of India offers certain special plans like Micro insurance plans like Aam Aadmi Bima Yojana, Janshree Bima Yojana and Shiksha Sahjog Yojana. In Micro insurance LIC of India offers insurance policies for people below poverty line. It is a low premium policy where government of India also contributes a proportion of total premium. The Micro Insurance policies are sold through a specialized well placed distribution channel comprising of NGOs, SHGs, MFIs, Corporate Agents, select conventional agents and Section 25 companies.

**MARKETING STRATEGIES ADOPTED BY LIC OF INDIA**

In order to facilitate their consumers expediently LIC of India has adopted wide-ranging marketing strategies to acquire reach, frequency and impact onto the panorama of life insurance coverage. This section of the research study will focus on the diverse marketing strategies adopted by
LIC of India to reduce the competitive pressure and uphold their first position in the Indian life insurance market.

**IMPACT OF NEW MARKETING STRATEGIES ADOPTED BY LIC OF INDIA ON THEIR BUSINESS VOLUME**

We have gone through with the different categories of recent trends in the marketing strategies implemented by LIC of India in past few years at different vicinities. To study the impact of all those marketing strategies adopted by LIC of India on their business volume it is essential for our research study to have an eye on two important pieces of facts. The one to cover is on the count of the number of policies and another on the count of premium earned by LIC of India. According to our research methodology the research study will incorporate the entire period right from 2002 to 2016 which will help us to have an analytical vision on the impact of marketing strategies adopted throughout that entire period.

**Table No.1: No. of Policies and Premium underwritten**

<table>
<thead>
<tr>
<th>Years No. of Policies</th>
<th>Years No. of Policies</th>
<th>Years No. of Policies</th>
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<tbody>
<tr>
<td>2004-05</td>
<td>19673320</td>
<td>36063.28</td>
</tr>
<tr>
<td>2005-06</td>
<td>22491304</td>
<td>49821.91</td>
</tr>
<tr>
<td>2006-07</td>
<td>24545580</td>
<td>54628.48</td>
</tr>
<tr>
<td>2007-08</td>
<td>6968069</td>
<td>63167.60</td>
</tr>
<tr>
<td>2008-09</td>
<td>23978123</td>
<td>75983.37</td>
</tr>
<tr>
<td>2009-10</td>
<td>31590707</td>
<td>90759.20</td>
</tr>
<tr>
<td>2010-11</td>
<td>38229292</td>
<td>127782.26</td>
</tr>
<tr>
<td>2011-12</td>
<td>37612599</td>
<td>149705.59</td>
</tr>
<tr>
<td>2012-13</td>
<td>35912667</td>
<td>157186.55</td>
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<tr>
<td>2013-14</td>
<td>38863450</td>
<td>185985.91</td>
</tr>
<tr>
<td>2014-15</td>
<td>37038751</td>
<td>203358.05</td>
</tr>
<tr>
<td>2015-16</td>
<td>35751238</td>
<td>202802.90</td>
</tr>
</tbody>
</table>

Source: Annual Report of LIC of India since 2002 till 2016

From above table it is clearly observed that there is an overall growth in NOP from 19673320 in 2000-01 to 35751238 in 2015-16 except a small number of down falls in a few years. Despite of few downs in NOP LIC of India has still managed to have a continuous growth in the premium from 36063.28 to 202802.90 from 2002-03 to 2015-16. Those few misses in the count of number of policies have not directly affected the business volume as such. This is a very positive sign for an overall development of the corporation in the changing needs of the society.

**CONCLUSIONS**

The present state of Life Insurance Sector in India is awe-inspiring as far as the awareness of customers is concerned. The customers of today are well aware about the different alternatives that support them the best to fulfill their desires. LIC of India has well managed to take the spirit of competition in a positive way which has helped the corporation to grow further with high strength of
mind in contribution to the growth of the country. There are few more areas where contribution of the corporation in the life insurance sector needs to be updated. The present research study thus reveals those important areas where more contribution on the part of LIC of India is required.

The one is to increase in the number of offices both in urban and rural areas which will help the corporation to increase their business and reach among the customers.

LIC of India should also open more Life- Plus offices and authorized collection centers to make its objectives achieved in true way to spread the life insurance business in every nook and corner of the country.

LIC of India should concentrate on agents’ training to make them updated as per market requirements and professionalism to tackle the queries of customers and doubts raised in their mind by other life insurance competitors of the market.

LIC of India must increase their agent’s base to retain its dominating market share because agents are the backbone of the corporation. The increased number will not only help the corporation to facet their visible presence in the market but also in turn help in increasing their business volume too.

REFERENCES