

Summer Internship Project Report

On

CUSTOMER PERCEPTION OF THE PRODUCT OF INDIAFIRST AND RELIGARE

By

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(Submitted in partial fulfillment of the requirements for BBA degree)

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DECLARATION

I, the undersigned solemnly declare that the project report, 'CUSTOMER PERCEPTION OF THE PRODUCT OF INDIAFIRST AND RELIGARE', is based on my own work carried out during the tenure of my Summer Internship Program in Investosure Pvt. Ltd. under the supervision of my company mentor, Mr. Manish Yadav and faculty mentor, Dr. Sameer Mittal.

I assert the statements made and conclusions drawn are an outcome of my research work. I further certify that

1. The work contained in the report is original and has been done by me under the general supervision of my supervisor.
2. The work has not been submitted to any other Institution for any other degree/diploma/certificate in this university or any other University of India or abroad.
3. I have followed the guidelines provided by the university in writing the report.
4. Whenever I have used materials (data, theoretical analysis, and text) from other sources, I gave due credit to them in the text of the report and giving their details in the references.

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CERTIFICATE

It is certified that the Summer Internship Report titled **CUSTOMER PERCEPTION OF THE PRODUCT OF INDIAFIRST AND RELIGARE** submitted by **DIVYANSHU GUSAIN** is an original piece of research work carried out by the candidate under my supervision.

Name of the Faculty Guide

Dr. Sameer Mittal

Sign. Of the Faculty Guide

ACKNOWLEDGEMENT

In the accomplishment of this project successfully, many people have bestowed upon me their blessings and the heart pledged support, this time I am utilizing to thank all the people who have been concerned with this project.

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PROJECT SUMMARY

Economic performance of insurance companies is the outcome of customer's satisfaction and their perception on service quality of the insurance service provider. The growth has been considerably sluggish and irregular, due to many factors such as product design, distribution, customer service, government & regulatory issues with a considerable factor being limited financial awareness and literacy among the masses.

The youth in India are the future consumers. The awareness levels among the youth, specifically newly joined personnel is abysmally low, which is a state of concern. Insurance is a push-based product and selling such as product becomes even more difficult, when the awareness level of the prospective buyer is lower.

The present study has focused on finding customer perception towards product offered by IndiaFirst Life Insurance Co. and Religare Health Insurance Co. as the research questions aims to understand the attitude of selected respondents in terms of awareness, brand recall and investment preference.

Mainly there are two objectives involved in this study, i.e, to find the customer perception specifically for 'IndiaFirst Maha Jeevan Plan' and 'Religare Care – NCB Super Health Plan'.

Primary data is collected in the form of questionnaire from a sample of 24 policyholders across various age groups residing in Uttarakhand.

OVERVIEW

INDUSTRY:

Insurance in India refers to the market for insurance in India which covers both the public and private sector organisations. It is listed in the Constitution of India in the Seventh Schedule as a Union List subject, meaning it can only be legislated by the Central Government only.

The insurance industry of India consists of 57 insurance companies of which 24 are in life insurance business and 33 are non-life insurers¹. Among the life insurers, Life Insurance Corporation (LIC) is the sole public sector company. Apart from that, among the non-life insurers there are six public sector insurers. In addition to these, there is sole national re-insurer, namely, General Insurance Corporation of India (GIC Re). Other stakeholders in Indian Insurance market include agents (individual and corporate), brokers, surveyors and third-party administrators servicing health insurance claims.

The insurance sector has gone through a number of phases by allowing private companies to solicit insurance and also allowing FDI (Foreign Direct Investment). India allowed private companies in insurance sector in 2000, setting a limit on FDI to 26%, which was increased to 49% in 2014. Since the privatisation in 2001, the largest life-insurance company in India, Life Insurance Corporation of India has seen its market share slowly slipping to private giants like HDFC Life, ICICI Prudential Life Insurance and SBI Life Insurance Company.

Government's policy of insuring the uninsured has gradually pushed insurance penetration in the country and proliferation of insurance schemes.

In FY20 (till February 2020), private sector insurers saw a 17% growth in premium collection, the state-owned non-life insurers registered a 9% growth in the same period².

The market share of private sector companies in the non-life insurance market rose from 13.12% in FY03 to 55.70% in FY20 (up to April 2019)³.

INDIAFIRST LIFE INSURANCE CO. LTD.:



IndiaFirst Life Insurance Company is a joint venture between Bank of Baroda, Andhra Bank and Legal and General (UK).

Bank of Baroda is one of the largest public sector banks in the country, operating for more than 100 years, with an enviable network of 3060 branches that spreads across the geography of India and 78+ branches across 25 countries globally⁴.

Andhra Bank has been serving the Indian customer for over 85 years and currently has a network of over 1557 branches.

Both the banks are nationalized and provide best in class products and services to every Indian citizen.

Legal & General is one of UK's leading financial institutions with a heritage of over 150 years. It provides life assurance, pensions, investments and general insurance plans to over 5.5 million customers across UK.

RELIGARE HEALTH INSURANCE CO. LTD.:



Religare Health Insurance is an Indian health insurance firm established in June 2012, by Religare enterprise limited, Union Bank of India and Corporation Bank. The company is headquartered in Gurgaon, Haryana and operates out of 146 offices across India with 6000+ employees.

The company currently offers products in the retail segment for Health Insurance, Critical Illness, Personal Accident, Top-up Coverage, International Travel Insurance and Maternity along with Group Health Insurance and Group Personal Accident Insurance for corporates⁵.

On April 9th 2017 Religare Enterprises Ltd announced the sale of its 80% stake in Religare Health Insurance Co. Ltd (RHI) to a group of investors led by True North⁶.

OBJECTIVES

The overall objective is to study the perception of consumers specifically towards IndiaFirst Life Insurance Company's 'Maha Jeevan Plan' and Religare Health Insurance Company's 'Care – NCB Super Health Plan' amongst the policyholders of various age groups residing in Uttarakhand.

The specific objectives are as follows:

- Identification of consumers having a life insurance.
- Identification of consumers having a health insurance.
- Identification of customers' brand recall for these firms' products.
- Identification of customer's preference to invest in the products of these two companies .

RESEARCH METHODOLOGY

RESEARCH DESIGN:

This study has utilized survey research methodology. A structured questionnaire was developed based on discussions with university faculty and industry professionals. The survey was circulated to respondents through E-mail. The population for this study are working professionals residing in Uttarakhand, both males and females, having one or both the policies.

The respondents are in the age group from 24 years to 65 years. A total of 24 respondents from the population have been selected residing in Uttarakhand.

***Dehradun is the only Tier 2 city in Uttarakhand, rest all of them are in the Tier 3 group.**

RESEARCH QUESTIONS:

Research questions have been determined after reviewing contexts of consumer demographics. In the process of setting the research questions the prospective future contribution of this research work also has been considered. The research questions aim to understand the attitude of selected respondents in terms of awareness, brand recall and investment preference.

PRIMARY SOURCES:

This study focuses on primary data collected through questionnaire. A primary survey has been conducted to identify the perception of consumers towards 'IndiaFirst Maha Jeevan Plan' and 'Religare Care – NCB Super Health Plan'.

The survey was conducted across various age groups living in Uttarakhand between June, 2020 and July 2020.

DATA ANALYSIS

SAMPLE PROFILE:

The population of the study comprises of people who are both working professionals as well as already hold a policy residing in Uttarakhand.

***Dehradun is the only Tier 2 city in Uttarakhand, rest all of them are in the Tier 3 group.**

Demographic Variable	Categories	No. of Respondents	Percentage (%)
Gender	Male	18	75
	Female	6	25
Age (in years)	20 – 35	19	79.2
	35 – 50	2	8.3
	50 – 65	3	12.5
Marital Status	Married	9	37.5
	Unmarried	15	62.5

Table 1. **DEMOGRAPHIC VARIABLES**

1. 79.2% of respondents belonged to the age group of 20 - 35 years. Majority of respondents (75%) were male and 62.5% of them were unmarried. (Table 1)
2. The lowest percentage of respondents (8.3%) belonged to the age group of 30 – 50 years, 25% were females and 37.5% respondents were married. (Table 1)

Variables	No. of Respondents	Percentage (%)
Life Insurance	19	79.2
Health Insurance	24	100
Both	19	79.2

Table 2. **POLICYHOLDERS (sample size=24)**

IndiaFirst Maha Jeevan Policy

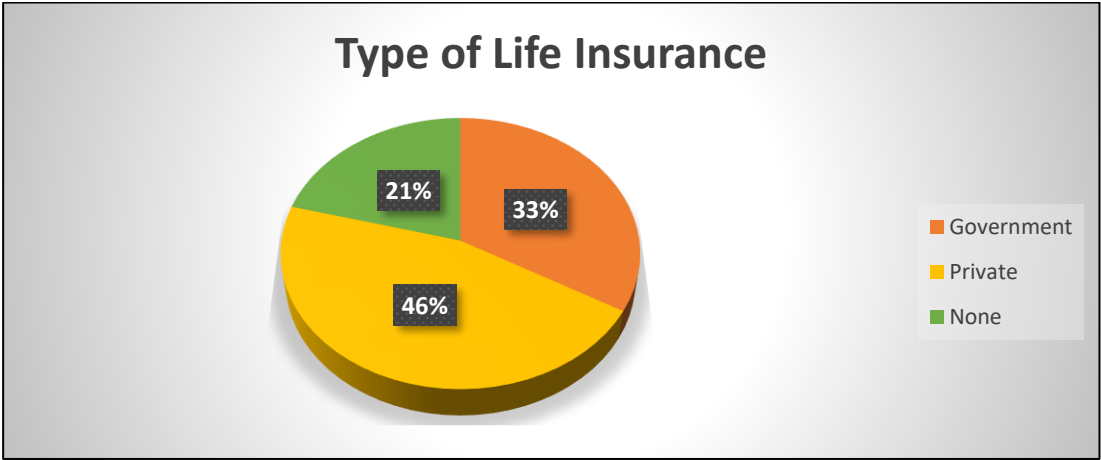


Figure 1. Type of Insurance of the surveyed respondents

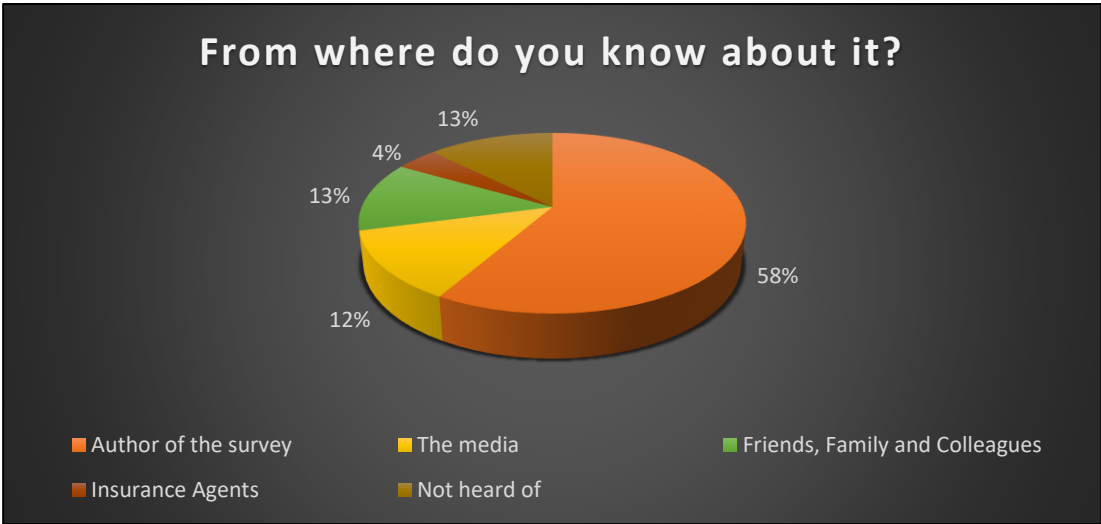


Figure 2. Brand Awareness of surveyed respondents

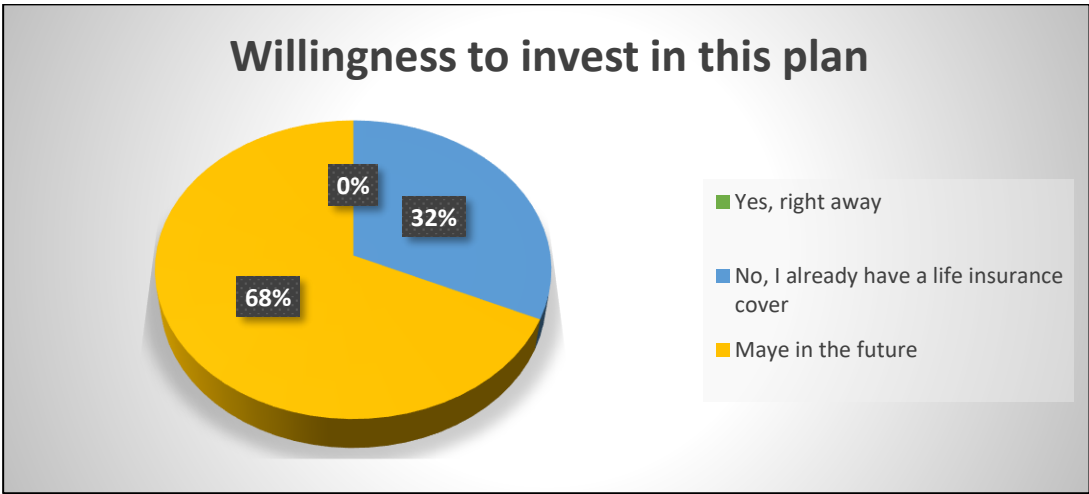


Figure 3. Investment Preference of surveyed respondents

Religare Care – NCB Super Plan

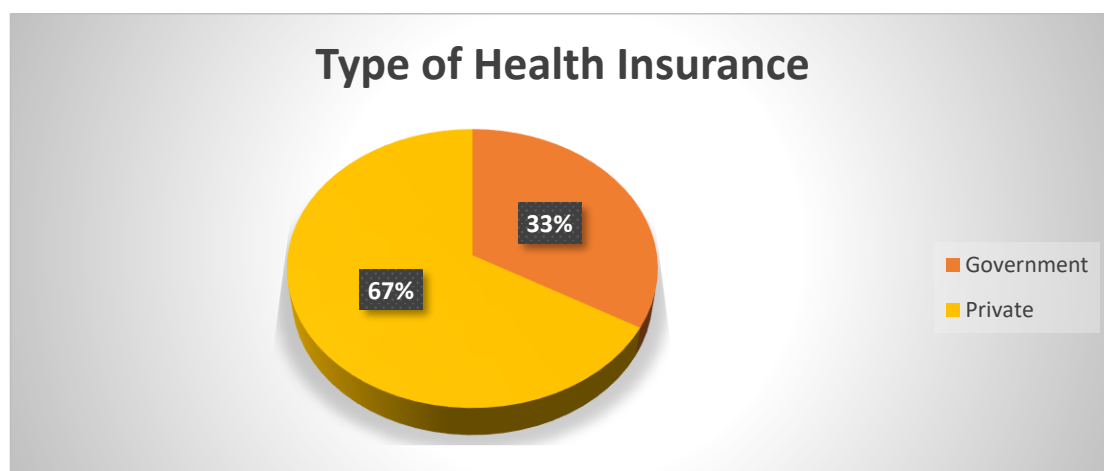


Figure 4. Type of Insurance of the surveyed respondents

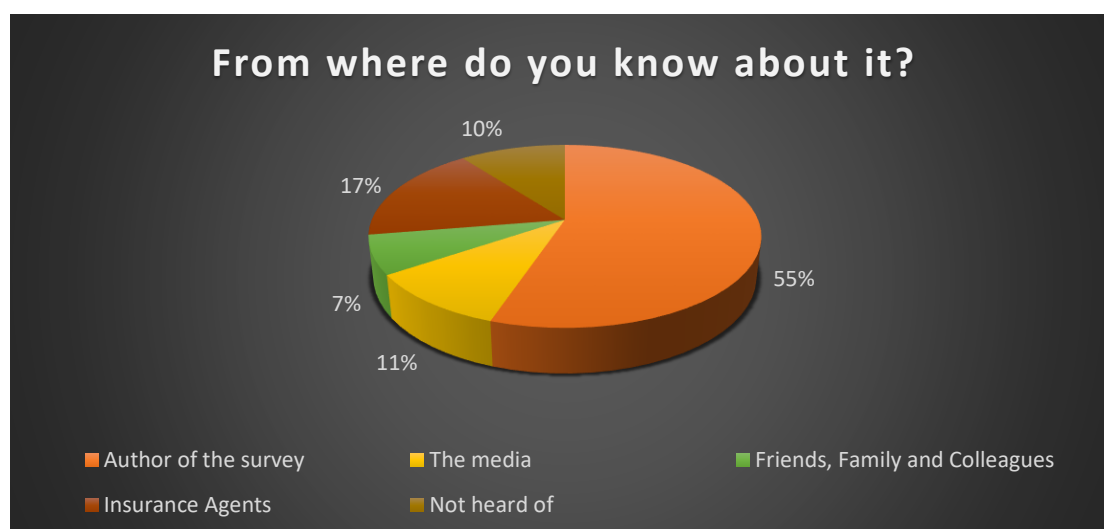


Figure 5. Brand Awareness of the surveyed respondents

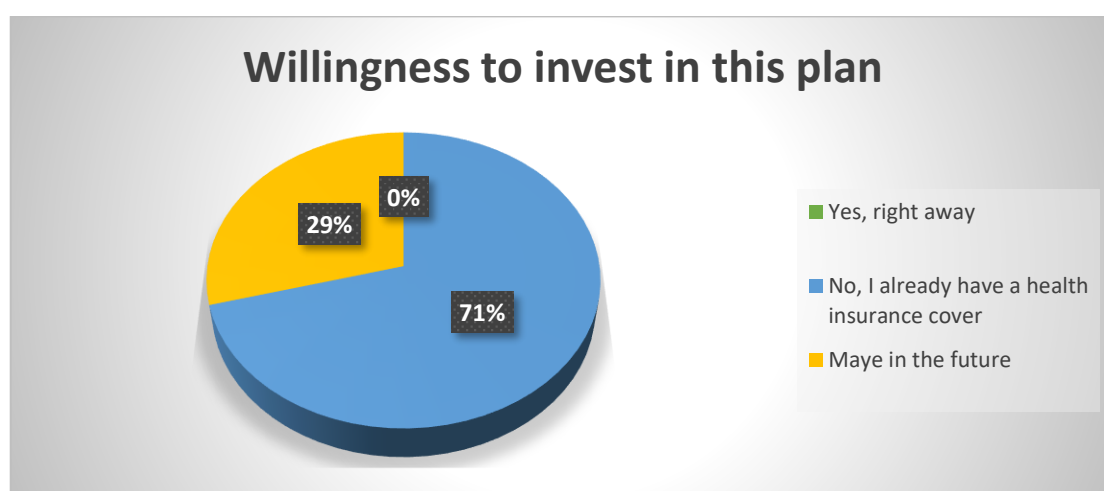


Figure 6. Investment Preference of the surveyed respondents

OBSERVATIONS and RECOMMENDATIONS

INDIAFIRST MAHA JEEVAN POLICY:

- ❖ Majority of respondents, i.e, 46% have their life insured from private insurance companies.
It shows that private companies are gaining more preference than the government ones.
- ❖ As the brand awareness goes, 58% of the respondents (sample size=24) heard it from the author of the survey, i.e, myself, when I approached them with the plan while other sources like the media, insurance agents and family, friends and colleagues were 12%, 4% and 13% respectively.
There were 13% respondents who were not aware of such plan.

Suggestion: More promotion needs to happen in majority of Tier 2 cities and all of Tier 3 cities in order to increase the brand awareness. Product is good, it's just that people go with the common names like SBI, ICICI, HDFC etc.

- ❖ For investment preference, majority of respondents, i.e, 68% agreed to think upon investing in the plan in the future.
It can safely be assumed that on getting to know about the plan, its benefits and procedures in detail, they liked it and can purchase the plan as an investment in the near future.

RELIGARE CARE – NCB SUPER HEALTH PLAN:

- ❖ Majority of respondents, i.e, 67% have their health insured by a private insurance company.
It shows that private companies are gaining more preference than the government ones, even in the health sector.
- ❖ As the brand awareness goes, 55% of the respondents (sample size=24) heard it from the author of the survey, i.e, myself, when I approached them with the plan while other sources like the media, insurance agents and family, friends and colleagues were 11%, 17% and 7% respectively.
There were 10% respondents who were not aware of such plan.

Suggestion: More promotion needs to happen in majority of Tier 2 cities and all of Tier 3 cities in order to increase the brand awareness. Product is good and it needs to be aggressively pushed in this competitive industry.

Religare Health Insurance Co. has a claim settlement ratio of 93% and it has 5420+ hospitals for cashless treatment. These points should be emphasized upon.

- ❖ All the respondents had purchased the health policy for them. For investment preference, majority of respondents, i.e, 71% rejected to buy another health policy while 29% opted to think about investing in it in the near future.

Suggestion: Respondents did like the policy but either they are not aware of such plans or sometimes these plans are too complicated for them to understand. With the right sales push and promotions which could easily be understood by masses, I am confident those who already have the policy could still be converted into potential customers.

***Recommendation:** Such surveys should be conducted in intervals so that the company is aware of its position in the market. Its product is good but people are hesitant to invest in the plan because either they already have the insurance cover or didn't know about it to buy it in the first place.

Majority of Tier 2 cities are overlooked but have huge untapped potential customers which should be focused upon.

CONCLUSION

Insurance is a push-based product and it needs to be appealing to the consumers. The product has to be good and prove beneficial for the policy buyer but beside that brand awareness needs to be given importance.

It's not always the best product wins but the most popular one. Hence, both the companies, IndiaFirst and Religare group, needs to increase their presence through more promotions either through media, be it newspapers, magazines, social media etc. or pushing it through their insurance agents.

Based on the study, the plans (by both companies) impressed the respondents and scope of future investment in the plans is high. Only negative point was the lack of brand awareness, which could be overcome by reaching to more potential customers and gaining competitive advantage in the market through the benefits they are offering as we already know that it is a very crowded and competitive industry.

On other note, insurance companies, in order to retain their customers, should issues error free bills, statements, receipts, contracts, claims and other documents and could give individual attention to each customer, which would further increase their customer loyalty.

LIMITATIONS

- Due to COVID-19 pandemic, lockdown was placed all over the country and travelling was strictly restricted because of which personal interviews could not be conducted with the respondents.
 - Face-to-face (F2F) interviews would have allowed me to get more in-depth data collection and comprehensive understanding of the subject.
- Due to the lockdown, large number of people lost their jobs across all the industries and the economy of the country declined. People who still had their jobs faced salary cuts and the overall purchasing decreased in the market. Only essential items, like food and groceries, remained in demand.
 - **Some answers may have been influenced because of this situation, especially the investment preference ones. Since people have just enough money to go through their life on daily basis, they might not be looking for any investment for now, even if they wanted to.**

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