

MAJOR PROJECT REPORT ON

Formulating Pan India Marketing Strategies

for

BIRLA SUN LIFE INSURANCE



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2K22/EMBA/15

UNDER THE GUIDANCE OF:
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CERTIFICATE

This is to certify that **Miss. Pallavi Singh** has completed the project titled
“**FORMULATING PAN INDIA MARKETING STRATEGIES FOR BIRLA SUN LIFE INSURANCE**”
under the guidance of **Dr. P.K. SURI** as a part of the Master of Business Administration (MBA)
curriculum of Delhi School of Management, New Delhi. This is an original piece of work and
has not been submitted elsewhere.

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DECLARATION

I, Pallavi Singh student of the MBA (Executive) 4th Semester 2022-24 batch declare that the project work entitled “**FORMULATING PAN INDIA MARKETING STRATEGIES FOR BIRLA SUN LIFE INSURANCE**” being submitted to Delhi School of Management (DTU). This is an original work done solely by me and best of my knowledge and has not been submitted, in part or full, to any other university or institute for the award of any degree or diploma.

PALLAVI SINGH

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Pallavi Singh

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CHAPTER 1

INTRODUCTION

Introduction to Insurance Industry

Insurance may be described as a social device to reduce or eliminate the risk to life and property. Under the plan of insurance, a large number of people associate themselves by sharing risk, attached to individuals. The risk can be insured against fire, the peril of sea, death, incident, & burglary. Any risk contingent upon these may be insured against at a premium commensurate with the risk involved.

Definition of Insurance

“Insurance is a contract between two parties whereby one party called insurer undertakes in exchange for a fixed sum called premium to pay the other party happening of a certain event.”

Insurance is a contract whereby, in return for the payment of premium by the insured, the insurers pay the financial losses suffered by the insured as a result of the occurrence of unforeseen events. With the help of insurance, a large number of people exposed to a similar risk make contributions to a common fund out of which the losses suffered by the unfortunate few, due to accidental events are made good in this particular era of insurance area.

General definition:

In the words of John Magee, "Insurance is a plan by which a large number of people associate themselves and transfer to the shoulders of all, risks that attach to individuals."

Fundamental definition:

In the words of D.S. Hansel, "Insurance may be defined as a social device providing financial compensation for the effects of misfortune, the payment being made from the accumulated contributions of all parties participating in the scheme.

Insurance companies may be classified into two groups:

Life insurance companies sell life insurance, annuities, and pension products.

Non-life, General, or Property/Casualty insurance companies, which sell other types of insurance.

General insurance companies can be further divided into these subcategories.

- Standard Lines
- Excess Lines

Life insurance has no competition from any other business.

- It is the only and best possible way for family protection. There is no other way
- The terms of life are hard, and terms of insurance are easy
- It enhances the existing standards of living
- Helps people live financially solvent lives
- It perpetuates life, liberty, and the pursuit of happiness
- It is not surpassed by any other savings or investment instrument

CHAPTER 2

LITERATURE REVIEW

There are several insurance companies in India offering various types of insurance policies ranging from life insurance to health insurance, motor insurance, and more. Some of the prominent insurance companies in India include:

1. Life Insurance Corporation of India (LIC) - One of the oldest and largest insurance companies in India, offering various life insurance products.
2. ICICI Prudential Life Insurance - A joint venture between ICICI Bank, a leading private sector bank in India, and Prudential plc, a leading international financial services group headquartered in the UK.
3. HDFC Life Insurance - Another major player in the Indian insurance market, HDFC Life is a joint venture between Housing Development Finance Corporation Limited (HDFC), one of India's leading housing finance institutions, and Standard Life Aberdeen plc, a global investment company.
4. SBI Life Insurance - A joint venture between State Bank of India, the largest state-owned bank in India, and BNP Paribas Cardif, a global insurance provider.
5. Max Life Insurance - A joint venture between Max India Ltd. and Mitsui Sumitomo Insurance Co. Ltd., offering a range of life insurance products.
6. Bajaj Allianz Life Insurance - A joint venture between Bajaj Finserv Limited and Allianz SE, one of the world's leading insurance companies.
7. Reliance Life Insurance - A part of the Reliance Capital group, offering various life insurance products.
8. Tata AIA Life Insurance - A joint venture between Tata Sons Ltd., a leading business group in India, and AIA Group Limited, one of the largest insurance companies in Asia.
9. Bharti AXA Life Insurance - A joint venture between Bharti Enterprises, one of India's leading business groups, and AXA, a global insurance and asset management company.

These are just a few examples, and there are many other insurance companies operating in India, both in the public and private sectors, catering to the diverse insurance needs of individuals and businesses.

Insurance companies in India employ various marketing strategies to reach their target audience and promote their products and services. Some of the common marketing strategies include:

1. **Digital Marketing**: With the increasing penetration of the internet and smartphones, insurance companies leverage digital marketing channels such as social media, search engine optimization (SEO), pay-per-click (PPC) advertising, email marketing, and content marketing to reach a wider audience and generate leads.
2. **Direct Sales**: Insurance companies often engage in direct selling through their sales agents or representatives who directly approach potential customers to explain the benefits of their insurance products and facilitate the purchase process.
3. **Advertising**: Insurance companies invest in advertising campaigns across various media channels such as television, radio, newspapers, magazines, outdoor billboards, and digital platforms to create brand awareness and promote their products.
4. **Strategic Partnerships**: Many insurance companies form strategic partnerships with banks, financial institutions, corporate entities, and online marketplaces to cross-sell or bundle their insurance products with other financial products or services, thereby expanding their customer base.
5. **Customer Education**: Insurance companies conduct educational seminars, workshops, and online webinars to educate consumers about the importance of insurance, the different types of insurance products available, and how insurance can help them mitigate financial risks and secure their future.
6. **Customized Product Offerings**: Insurance companies tailor their products and services to meet the specific needs and preferences of different customer segments, such as offering specialized insurance plans for different age groups, professions, lifestyles, and risk profiles.
7. **Customer Relationship Management (CRM)**: Insurance companies focus on building long-term relationships with their customers by providing excellent customer service, personalized assistance, timely claim settlement, and regular communication to keep customers informed about policy updates, renewal reminders, and new product offerings.
8. **Corporate Social Responsibility (CSR)**: Many insurance companies engage in CSR activities such as community development programs, disaster relief initiatives, health camps, and educational scholarships to demonstrate their commitment to social welfare and gain the trust of customers and stakeholders.

By employing these marketing strategies, insurance companies in India strive to enhance their brand visibility, attract new customers, retain existing customers, and drive business growth in a competitive market environment.

GAPS IDENTIFIED:

1. No publicly available data on how effective the marketing strategies are.
2. No guidelines regarding what marketing techniques work best and which are most preferred.
3. No clear indicators of how well the policies were communicated and how “aware and literate” the policy takers are concerning the benefits of the policy.

CHAPTER 3

METHODOLOGY

The specific procedures are applied to study the overall validity and reliability of the Questionnaire by applying a quantitative approach. Research design is a process that gives an appropriate framework to a study. A critical decision in research design is the right choice for conducting a research approach since it determines how to get useful information from a review.

Research Approach : Convenience Sampling

The deductive approach focuses on the development of a hypothesis from an existing theory and planning a research plan to check the explanation. The usefulness of the deductive approach is in business research during the following stages:

- Develop a hypothesis from a theory.
- Planning out the hypothesis in working terms and suggesting relationships between two variables.
- Assessing the hypothesis with the help of various methods, which are quantitative methods like regression and correlation analysis.
- Studying the outcome, thus resulting in confirming or rejecting the theory.

Questionnaire Approach

The questionnaire was designed to gain insight into people's different perspectives of insurance policies. The questionnaire was prepared through a survey method designed online via Google Forms and sent across to people through social media platforms.

There are 3 questions on the demographics of the respondents, 5 questions on the ease of opting insurance policy, 2 questions on the saving policies that are opted and other questions on external influence.

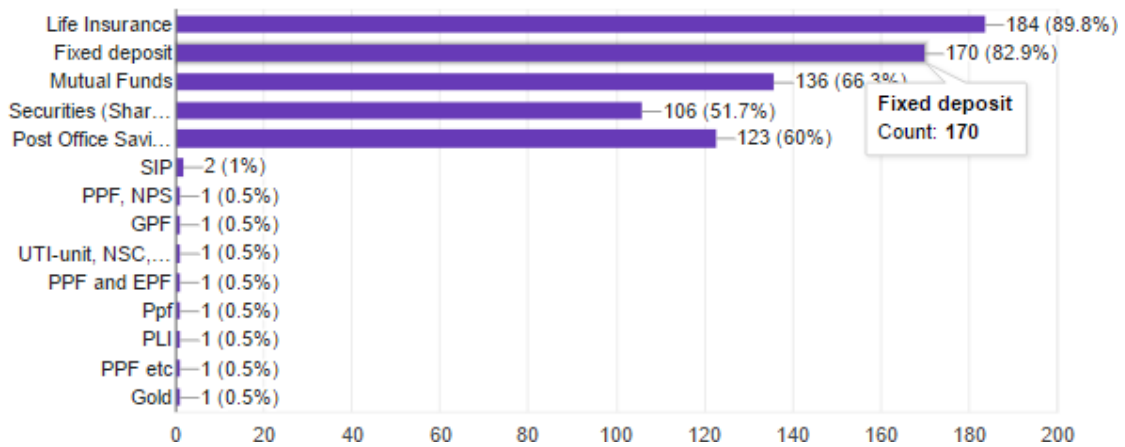
Therefore, for the concept of this questionnaire, the questions were designed based on multiple choices and Likert scale questions. In the multiple-choice, the respondents can answer all the questions or answer one based on their relevance, and in the Likert, scale questions, the rating scale ranges from 1-5 where 1 strongly agrees, and 5 strongly disagrees.

SURVEY COLLECTION

Survey on consumer behavior toward life insurance

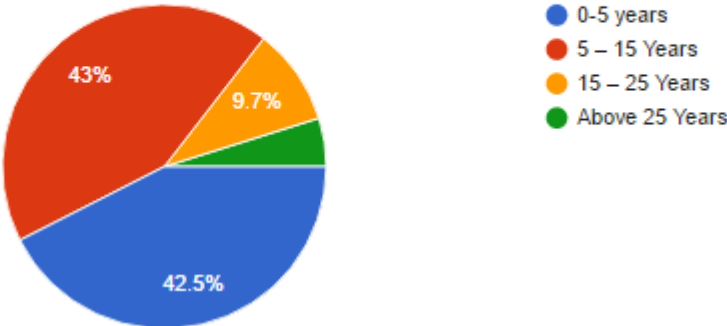
Which of these long-term savings you are aware of?

205 responses



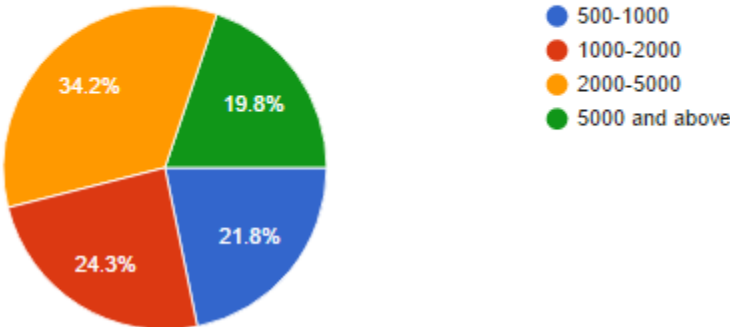
Duration for which you would like to invest your money in insurance?

207 responses



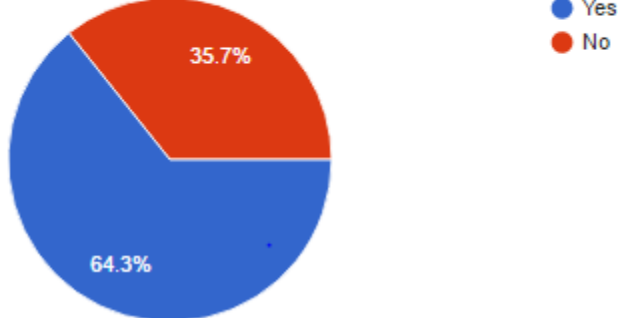
How much amount would you like to invest monthly?

202 responses

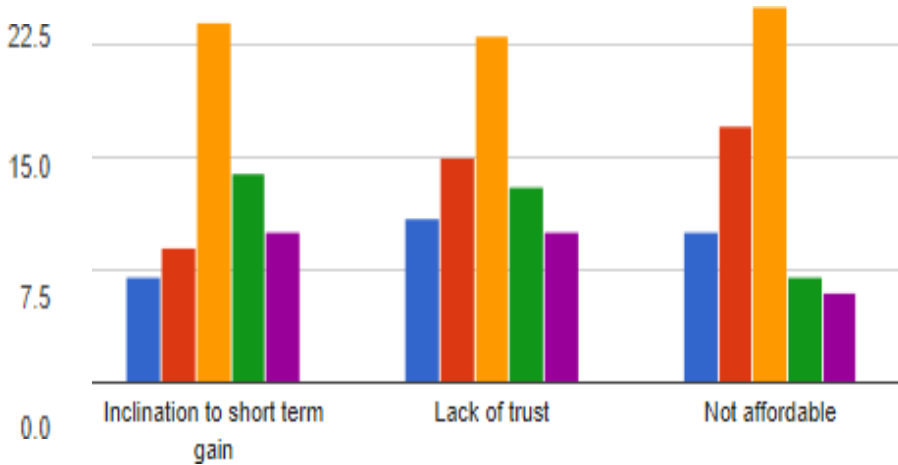
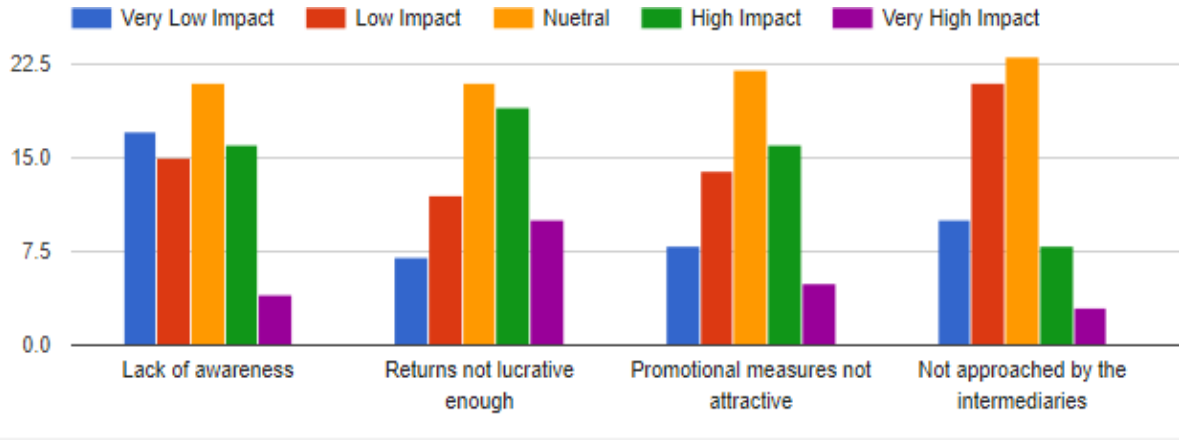


Have you taken any life insurance policy

207 responses

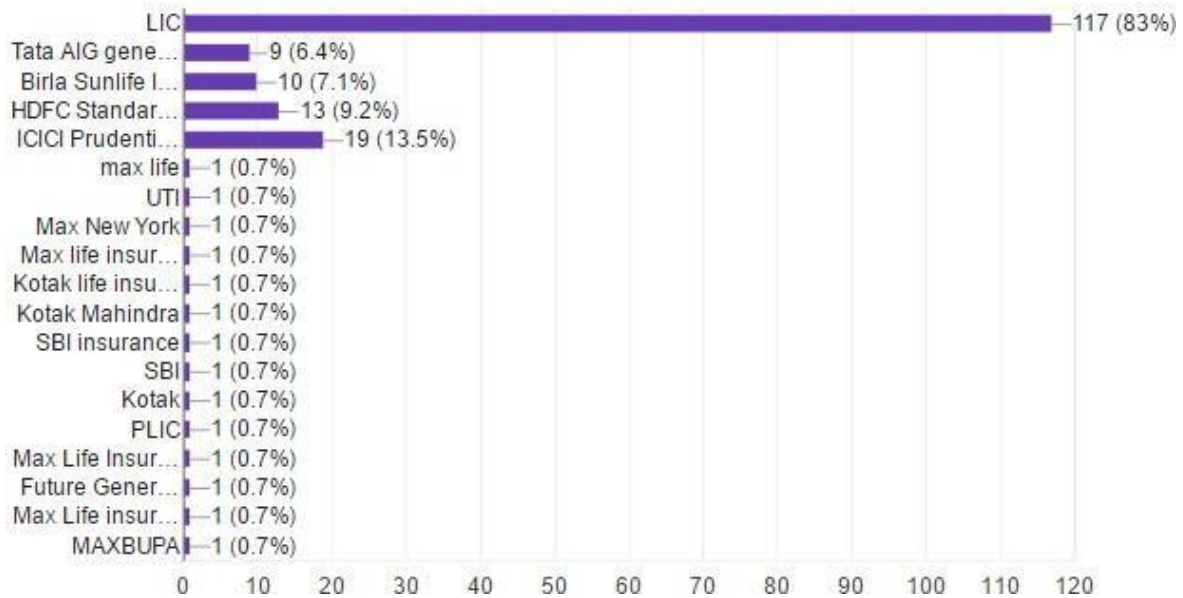


If "No" What are the reasons that may have held you back from investing in life insurance products? (Please rate them on extent of impact)

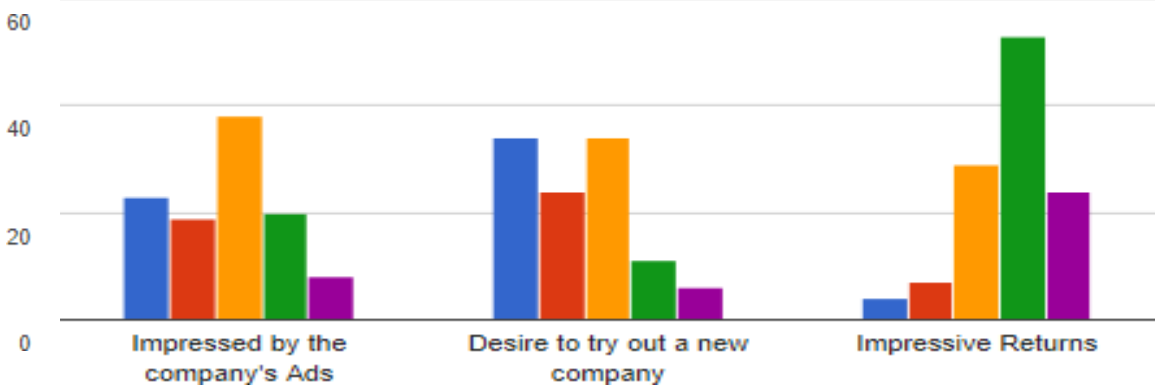
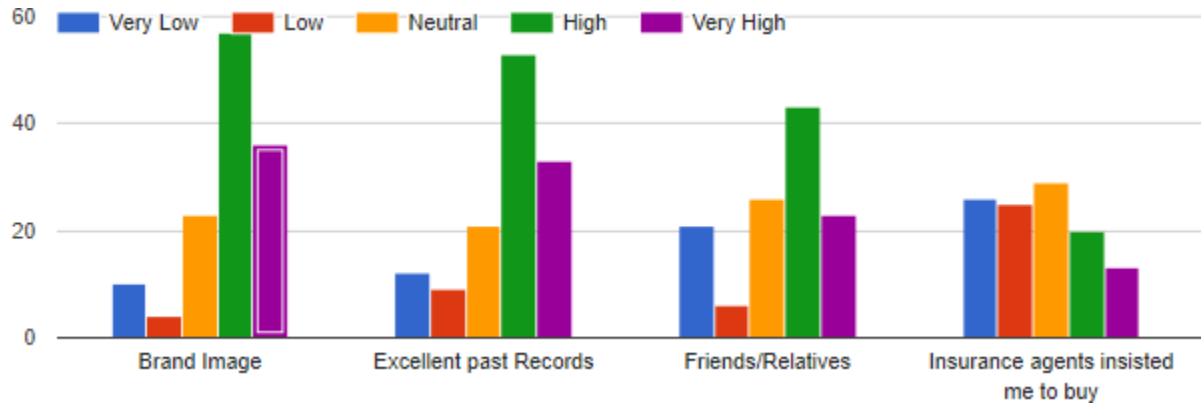


If you are holding a life insurance policy, please mention the name of the company?

141 responses

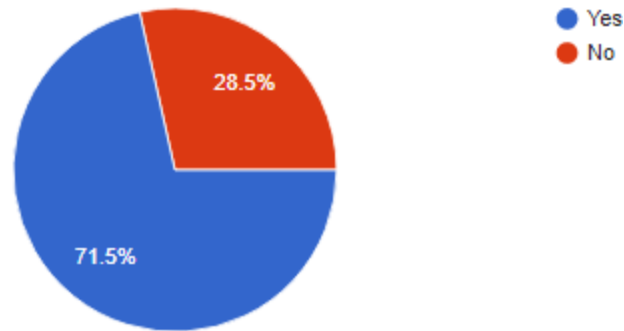


What prompted you to buy the life insurance policy from the company named by you? (please rate them on scale of importance)



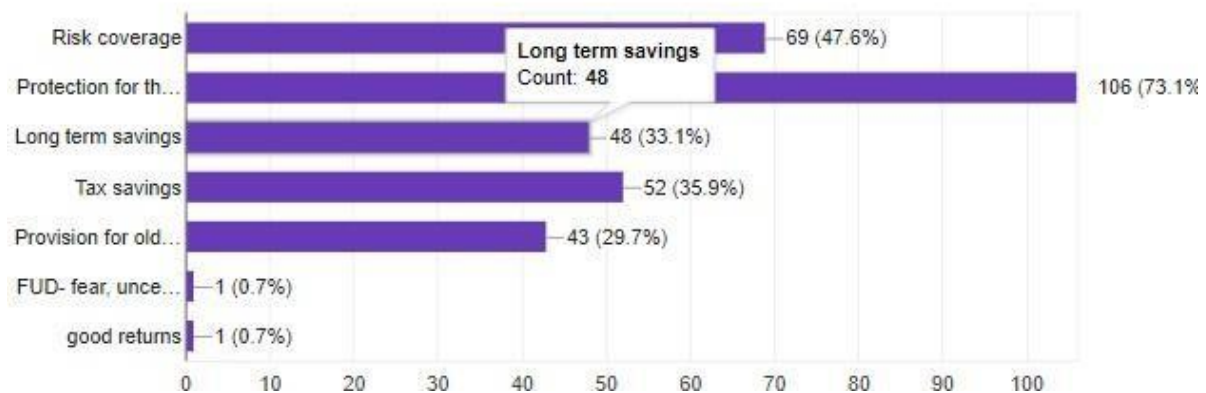
Are you able to recall any "Ad" about life insurance ?

207 responses



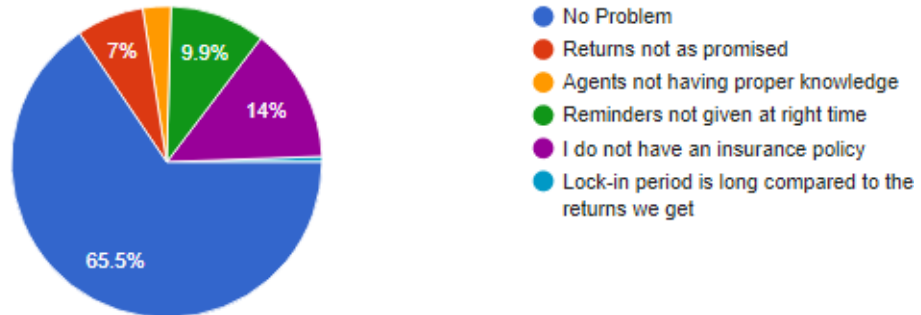
If "Yes" What was the main message that you got from the "Ad"?

145 responses



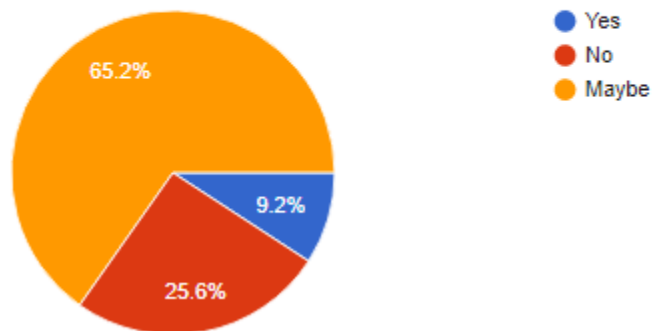
What problems are you facing with your current insurance policy?

171 responses



If you buy a new policy would you like to go for Birla Sunlife Insurance?

207 responses



HYPOTHESES ANALYSIS

The level of Significance is defined at 5% or 0.05.

if p-value > 0.05 then accept the null hypothesis stating no significant association.

if p-value < 0.05 then accept the alternative hypothesis stating significant association.

a. The influence of gender on respondents' preferences for the longevity of saving options.

The below result shows the chi-square analysis conducted to determine the influence of gender on selecting the longevity of the saving policy.

p-value 0.000991

As the p-value is < 0.05 we are rejecting the Null Hypothesis (Ho)

that

There is no significant association b/w gender and respondents' preference for long-term saving options.

And we are accepting the alternate hypothesis that

There is a significant association b/w gender and respondents' preference for long-term saving options.

b. The influence of age on respondents' preferences for the longevity of saving options.

The below result shows the chi-square analysis conducted to determine the influence of age on selecting the longevity of saving policy.

p-value 0.521678675

As the p-value is > 0.05 we are accepting the Null Hypothesis (Ho)

that

There is no significant association b/w the age group and respondents' preference for long-term saving options.

c. The influence of age on respondents' preferences for the periodicity of policy.

The below result shows the chi-square analysis conducted to determine the influence of age on selecting the periodicity of policy.

p-value 0.065085518

As the p-value is > 0.05 we are accepting the Null Hypothesis (Ho)

that

There is no significant association b/w age group and respondents' preference for the periodicity of policy

d. The influence of gender on respondents' preferences to the periodicity of policy.

The below result shows the chi-square analysis conducted to determine the influence of gender on selecting the periodicity of policy.

p-value 0.471786

As the p-value is > 0.05 we are accepting the Null Hypothesis (Ho)

that

There is no significant association b/w gender and respondents' preference to the periodicity of policy

e. The influence of age on respondents' preferences for the amount of monthly savings.

The below result shows the chi-square analysis conducted to determine the influence of age on selecting the amount of monthly investment.

p-value 0.928356613

As the p-value is > 0.05 we are accepting the Null Hypothesis (Ho)

that

There is no significant association b/w age group and respondents' preference for monthly investment

f. The influence of gender on respondents' preferences for the amount of monthly savings.

The below result shows the chi-square analysis conducted to determine the influence of gender on selecting the amount of monthly investment.

p-value 0.819245

As the p-value is > 0.05 we are accepting the Null Hypothesis (Ho)

that

There is no significant association b/w gender and respondents' preference for monthly investment

g. The influence of age on respondents' preferences for purchasing a Life Insurance Policy

The below result shows the chi-square analysis conducted to determine the influence of age on purchasing a life insurance policy.

p-value

0.298192975

As the p-value is > 0.05 we are accepting the Null Hypothesis (Ho)

that

There is no significant association b/w age group and respondents' preference for life insurance policy

h. The influence of gender on respondents' preferences for purchasing a Life Insurance Policy

The below result shows the chi-square analysis conducted to determine the influence of gender on purchasing a life insurance policy.

p-value

0.264068

As the p-value is > 0.05 we are accepting the Null Hypothesis (Ho)

that

There is no significant association b/w gender and respondents' preference for purchasing a life insurance policy

i. The influence of age on respondents' preferences for a source of media selection.

The below result shows the chi-square analysis conducted to determine the influence of age on selecting the source of media.

p-value

0.322640701

As the p-value is > 0.05 we are accepting the Null Hypothesis (Ho)

that

There is no significant association b/w age group and respondents' preference for a source of Media selection

j. The influence of gender on respondents' preferences for a source of media selection.

The below result shows the chi-square analysis conducted to determine the influence of gender on selecting the source of media.

p-value

0.260011

As the p-value is > 0.05 we are accepting the Null Hypothesis (Ho)

that

There is no significant association b/w gender and respondents' preference for a source of Media selection

CONCLUSION

The project helped the company to improvise its processes. New insights were drawn from the outcome of the study. Few of the outcomes which helped the company are discussed below:

- The study helped a lot to understand the influencing factors in buying life insurance products.
- It helped the company to understand the role of brand awareness and brand trust in the insurance industry.
- It was found that males and females react differently to certain factors like attractive advertisements, and inclination toward short-term gains.
- This study helped the researcher explore the latest techniques in advertising and design marketing campaigns for BSLI in a systematic manner. Thus, these marketing campaigns will help to increase brand awareness and brand trust.

LIMITATIONS

- The survey of consumers was based on a random basis, so the results might not come true.
- Complete internal information was not shared completely due to which few parameters could not be studied.
- Due to the paucity of time, the study could not be done extensively. So, any extrapolation of the inferences should be done with extra caution.
- Some respondents were reluctant while filling the survey. It was felt very often that the respondents do not express their true feelings. In such cases, accurate judgment and evaluation is difficult.
- The survey was limited to a few cities due to paucity of time and resources.

RECOMMENDATIONS

The survey helped the researcher gain knowledge about the prevailing processes and realized the fact of adopting various techniques in order to change the current scenario. A few of the suggestions that the researcher intends to give are mentioned below:

- There are very few plans for low-income groups. BSLI should introduce plans for low-income groups. It will help BSLI to tap potential rural markets effectively.
- As BSLI is using social media for customer communications, they should also take up customer grievances effectively in social media to attain higher customer satisfaction.
- A company should give some extra benefits like club memberships, and discount coupons to potential customers who can invest more money in the plans.
- An increase in outlets and agents in the company will help increase the sales of the company.
- A better focus should be given to the rural sector to enhance the customer base.
- Extensive promotion through social media like Facebook Page, Groups, etc. might help the company to grab the attention of the mass market present online.
- The company does not tie up with banks and other institutions, which can be a major source of sales. It should try contacting the big corporate houses and banks where people take up policies for their employees and customers as well.
- The company does not have a Mobile Application. It still depends on the website which was created way back when the company was formed. The application should be developed as soon as possible as it gives ready access to the current customers as well as the prospective customers.

APPENDIX

Questionnaire

Name: Gender: Male..... Female

Contact No.....

1. Age Group

- a) Below 30
- b) 31 – 40 years
- c) 41 – 50 years
- d) 51 – 60 years
- e) 60 years and above

2. Annual Income

- a) 0 Lac – 5 Lac
- b) 5 Lac – 10 Lac
- c) 10 lac – 15 lacs
- d) Above 15 lacs

3. Which of these long-term savings you are aware of?

- a) Life Insurance
- b) Fixed Deposit
- c) Mutual Funds
- d) Securities (Shares and Debentures)
- e) Post Office Savings
- f) Any other

4. Most Likely Periodicity of Policy

- a) 0-5 years
- b) 5 – 15 Years
- c) 15 – 25 Years
- d) Above 25 Years

5. How much amount would you like to invest monthly?

- a) Rs 500-1000
- b) Rs 1000-2000
- c) Rs 2000-5000
- d) Rs 5000 and above

6. Have you taken any life insurance policy?

- a) Yes
- b) No

7. If "Yes" From which source, did you come to know about life insurance?

- a) News Papers and Magazines
- b) Television, Radio
- c) Agents/ Field sales
- d) Friends
- e) Internet
- f) Others (pl. Specify)

8. If you are holding a life insurance policy, please mention the name of the company.

- a) LIC
- b) Tata AIG general insurance
- c) Birla Sun Life Insurance
- d) HDFC standard life insurance
- e) ICICI Prudential Life Insurance
- f) Other (Please specify)

9. Are you able to recall any "Ad" about life insurance in general and/or life insurance product in particular?

- a) Yes
- b) No

10. If "Yes" What was the main message that you got from the "Ad"?

- a) Risk coverage
- b) Protection for the family
- c) Long-term savings
- d) Tax savings
- e) Provision for old age
- f) Any other (Please Specify)

11. What problems are you facing with your current insurance policy?

- a) No Problem
- b) Returns not as promised
- c) Agents not having proper knowledge
- d) Reminders not given at the right time
- e) I do not have an insurance policy.
- f) Others, please specify

12. If you buy a new policy, would you like to go for Birla Sun Life?

- a) Yes
- b) No
- c) Maybe

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