

03.04.2018

**CERTIFICATE**

This is to certify that **Mr. DHANUSH S R.**, Registration No. **1AY16MBA14**. MBA student of **ACHARYA INSTITUTE OF TECHNOLOGY**, Bangalore, has successfully completed his project work titled **“A STUDY OF CONSUMER BEHAVIOR IN RELATION TO IDBI FEDERAL LIFE INSURANCE PRODUCTS”** in our organization for a period of Three months from 15.01.2018 to 23.03.2018 with respect to MBA curriculum under my guidance and supervision. During the project we found his taking good interest in completing the project.

I wish him all the best in future endeavors and career.

For IDBI FEDERAL Life Insurance Company Ltd

  
  
CLUSTER MANAGER



# ACHARYA INSTITUTE OF TECHNOLOGY

(Affiliated to Visvesvaraya Technological University, Belagavi, Approved by AICTE, New Delhi and Accredited by NBA and NAAC)

Date: 25/05/2018

## CERTIFICATE

This is to certify that **Mr. Dhanush S R** bearing USN 1AY16MBA14 is a bonafide student of Master of Business Administration course of the Institute 2016-18 batch, affiliated to Visvesvaraya Technological University, Belagavi. Project report on “**A Study of Consumer Behavior in Relation to IDBI Federal Life Insurance Products**” is prepared by him under the guidance of **Prof. Archana Vijay** in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.

Signature of Internal Guide

Signature of the Head of Department  
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Signature of Principal


PRINCIPAL  
ACHARYA INSTITUTE OF TECHNOLOGY  
Soldevanahalli Bangalore-560

## DECLARATION

I, DHANUSH S R, hereby declare that the Project Report entitled "A Study of Consumer Behaviour in Relation to IDBI Federal Life Insurance Products" at IDBI Federal life insurance co ltd Jaynagar Bangalore, prepared by me under the guidance of Prof. Archana Vijay, faculty of MBA Department, Acharya Institute of Technology and external assistance by Pramod Mohanty, cluster officer, IDBI Federal Jayanagar. I also declare that this Project work is towards the partial fulfilment of the university Regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belgaum. I have undergone a summer project for a period of Ten weeks. I further declare that this Project is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University / Institution.

**Place:** Bangalore

**Date:** 30/5/18

  
**Signature of the Student**

## **ACKNOWLEDGEMENT**

The Internship opportunity I had with IDBI Federal life Insurance co.ltd, was a great chance for learning and professional development. Therefore, I consider myself as a very lucky individual as I was provided with an opportunity to be a part of it.

It's a pleasure to acknowledge with thanks to the people who guided me to complete this Project successfully.

I express my sincere thanks to my external guide Pramod Mohanty, whose guidance and encouragement helped me to complete my Project report successfully.

I'm thankful to my Internal guide Prof. Archana Vijay, Assistant Professor of MBA Department, Acharya Institute of Technology, Bangalore, for his constant support, suggestion, guidance and encouragement in carrying out this Project.

My sincere thanks to Dr. Nijaguna G, HOD - Department of MBA, Acharya Institute of Technology, Bangalore, whose timely suggestions and encouragement supported me to complete this Project.

Finally, I thank my parents and all my friends for helping me during the period of my Project work.

**Place:**

**Date:**

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## **EXECUTIVESUMMARY**

This is an attempt to know how the theories can be applied to practical situation. As a student of MBA, it is a part of study for everyone to undergo Summer Project at some good institute or organization. So for this purpose, I got the opportunity of doing my Internship program at IDBI Federal Life Insurance co Ltd.

In the initial part of the Project report, the general information of the company has been collected. Information is gathered through the primary and secondary source as well.

IDBI Federal Life Insurance Co. ltd., is a joint venture between three monetary companies— Development and Commercial Bank, IDBI Bank, India's private segment Bank, Federal Bank and European back up plan Ageas (in the past Federal).IDBI Federal life Insurance Co. ltd. was framed on March 2008. In this wander, IDBI Bank possesses 48% value while Federal Bank and Ageas claim 26% value each. The Headquarters is situated in Mumbai, India.

As the main purpose of internship is to learn by working in practical environment and to apply the knowledge acquired during the studies in a real world scenario in order to tackle the problems using the knowledge and skill learned during the academic process.

This report also contains my perceptions about the employee's satisfaction, motivation level and the working environment of the organization.

# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 INTRODUCTION ABOUT THE INTERNSHIP PROJECT REPORT**

Internship program main aim is to provide students to consolidate the theoretical foundation in the form of practical experience. Internship helps to gain in depth knowledge about the particular area of study and helps in developing the skills required to work in the particular field. The Internship project work was for a period of 10 weeks i.e. from 15 January 2018 to 24 March 2018.

A major component of this experience is the formation of a professional attitude. The students are likely to develop their personality skills and capacity to adapt and handle challenging situations in the actual business world. Through the Internship program, we could be able to acquire transferable skills such as communication skills, interpersonal skills, technical skills, teamwork skills, management skills and problem-solving skills.

### **1.2 INDUSTRY PROFILE**

The economic reformations started in early 1990 paved the movement for growth or broadening the financial sector that paved a sustained period of growth in economy. The availability of insurance industry was made for private players in 2000, and since then it saw a tremendous growth over past 10 years with the entry of big global insurance companies. India is one among the world's most lively insurance markets with momentous potential and ability.

This sector plays a pivotal role in economic reformation of a country. It channelizes savings, financial intermediaries, promoter to an investment, stabilization of financial market and an effective management of risk tool. The life insurance renders pivotal role in providing risk coverage, investment and tax planning benefits for individuals; the non-life insurance industry provides risk coverage for assets. Health insurance and with pension system schemes are primarily to protect an individual against uncertainty of life, and India, as the second-most populated nation in the world, offers major potential factor for that type of cover. Furthermore, fire and liability insurance are of essential or basic for corporation's to protect infrastructural projects and investment risks. Private insurance system directly complements social security



systems and adds value by matching risk with price element.

India is prone to natural catastrophes of one or other kind, the insurance cover to ease the negative aspects of financial consequences of adverse events remains underdeveloped, leading to significant uncapped possible in different segment of present market. The same holds right for all pension and insurance relating to health, where the insurers can take a major part in minimizing demand with supply gap. The major changes in both the national economic policy and insurance regulation will uphold the prospects of this segment moving forward. Appropriate risk pricing is the major impact tools for setting the appropriate incentives for the effective distribution of resources, these features are the key to a country like India with fast developing economies

## **INDIAN INSURANCE INDUSTRY**

The insurance companies, started their operations from 1818 and 1869, showcased the life of Indians as subnormal and availed additional policy premiums up to 15 - 20 percentages. The Bombay Mutual Life Assurance Society which was the first insurance company commenced its business from 1870 to insure lives of Indians at normal policy premium rates. The Insurance Act, 1938 was the first complete legislation governing life and non-life insurance branches were enacted to provide discipline state control over the present insurance business. This amended insurance Act foresee into expenditures, investment and management of companies. By the mid-1950's there was around 154 Indian insurers, 16 foreign insurers, and included 75 provident societies operating the business of life insurance in India. Insurance businesses rouse and with this flourish paved the way for scams, irregularity and malpractices by scores of companies. As an outcome to theses practices the government concluded by opting to nationalization of the life insurance business in India. The Life Insurance Corporation of India (LIC) was set up in 1956. The nationalization of life insurance was succeeded by general insurance in 1972.

### **1.3 COMPANY PROFILE**

IDBI Federal Life Insurance Co. Ltd., is a joint venture between three monetary companies—Development and Commercial Bank, IDBI Bank, India's private segment Bank, Federal Bank and European back up plan Ageas (in the past Federal). IDBI Federal life Insurance Co. Ltd. was framed on March 2008. In this venture, IDBI Bank possesses 48% value while Federal Bank and Ageas claim 26% value each. The Headquarters is situated in Mumbai, India

IDBI Bank Ltd. keeps on being, since its origin, India's head mechanical improvement bank. Made in 1956 to help India's mechanical spine, IDBI Bank has since advanced into a powerhouse of modern and retail fund.

Today, it is among India's principal business banks, with an extensive variety of creative items and administrations, serving retail and corporate customers in all edges of the nation from 943 branches and 1529 ATMs.

The Bank offers customers with a wider scope and excelled administrations including venture financing, term loaning, working capital offices, rent fund, investment, advance syndication, corporate warning administrations and lawful and specialized warning administrations to its corporate customers and in addition home loans and individual advances to its retail customers. As a major aspect of its improvement exercises, IDBI Bank have been pivotal in promoting the advancement and innovating the key establishments engaged with India's money related part –, for example, SEBI, NSE and NSDL.

Federal Bank is one of India's upfront driving private banks, with a prevailing nearness in major territories of India. It has a well framed system of 708 branches and 749 ATMs stretched all over India. The bank furnishes excess of four million retail customers with a wide assortment of monetary items. Government Bank one among the primary wide Indian banks to have a totally robotized and interconnected branch organizes, the Bank has an extensive variety of administrations like Internet Banking, Mobile Banking, Tele Banking, and Any Where Banking, charge cards, online bill instalment and call focus offices to offer round the clock managing an account accommodation to its customers. The Bank has been a pioneer in giving imaginative mechanical answers for its customers and the Bank has won a few honours and proposals. Federal is a worldwide protection assemble made out of AG Insurance, the general market pioneer

throughout everyday life and non-life coverage in Belgium, dispersing its protection items through the system of BNP Paribas Federal Bank and autonomous protection dealers, and Federal Insurance International with auxiliaries in the UK, France, Hong Kong, Luxembourg (Non-life), Germany, Turkey, Russia and Ukraine, and joint ventures in Luxembourg (life), Portugal, China, Malaysia, Thailand and India.

#### **PLANS OFFERINGS:**

- Term Plans
- Child Plans
- ULIP Plans
- Savings Plans
- Retirement Plans
- Group Plans

## **1.4 VISION MISSION AND VALUES**

### **VISION**

To be the top most providers of wealth management, protection and retirement solutions that compiles the needs of customers and sums up value to their lives.

### **MISSION**

To constantly endeavour to upgrade client encounter through inventive item contributions, committed relationship and better administration conveyance while endeavouring and interact amongst our clients in both advantageous and practical manner. To be straightforward in managing our clients and to act with uprightness. To contribute and assemble quality human capital, keeping in mind the end goal to accomplish our main goal.

### **VALUES**

**Transparency:** Communicating in crystal clear manner amongst Stakeholders and Partners.

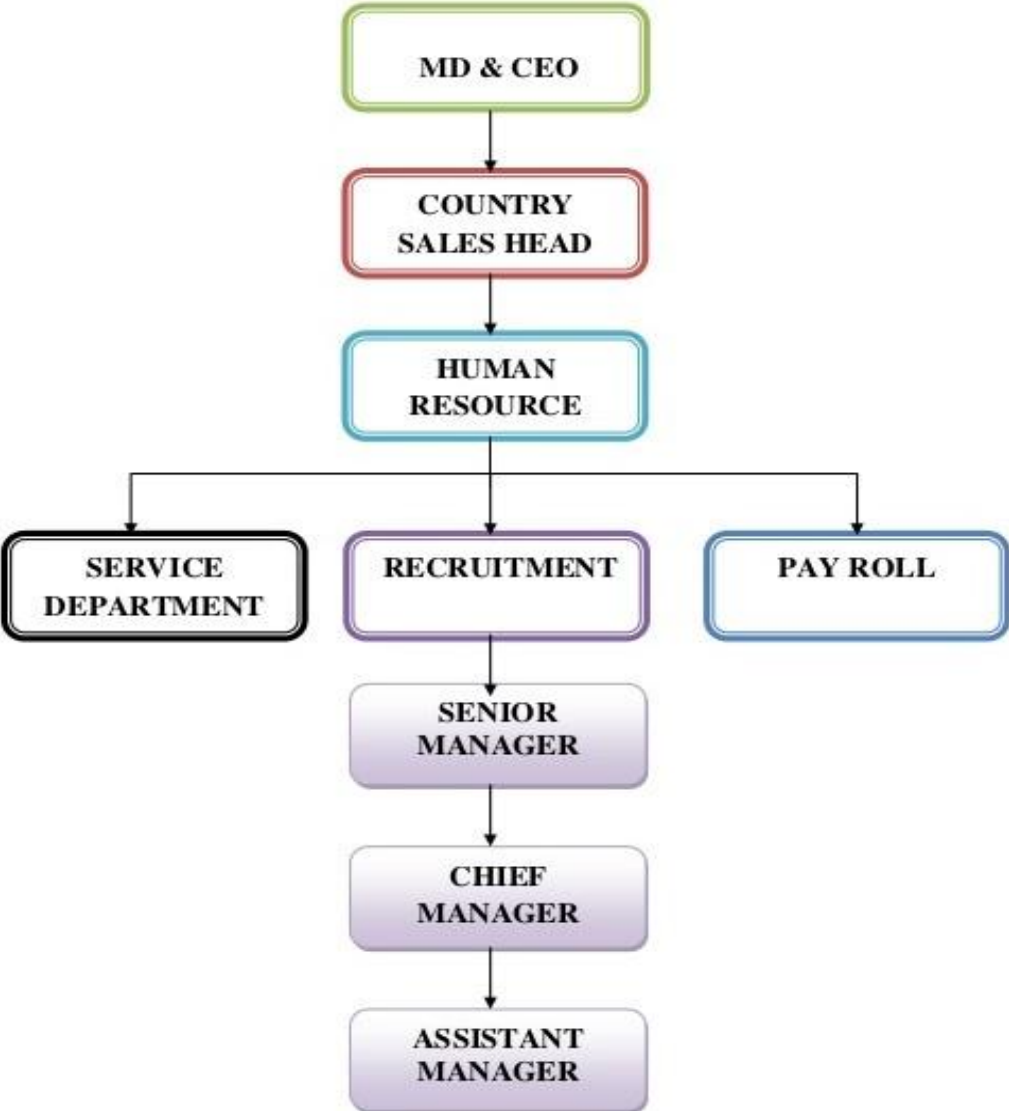
**Value to Customer:** products and services offerings were customer receive value.

**Systematic & Fulfilment of responsibility:** It explains to be monetarily appealing, operational include both clarity regarding to the claim.

**Consumer-friendly:** Advices both customers and stake holder

Non-Executive Director

**ORGANIZATION STRUCTURE**



## **1.5 Product Profile:**

### **1. BONDSURANCE**

Get sure payout against your investment with life insurance at IDBI federal bondsurance +6scheme it is designed for consumers seeking for assured returns which would not get affected by market conditions. It offers assured payouts on investment with life insurance cover.

Investment of this plan comes under the eligibility of deduction under sec 80C of the Income Tax Act and the future maturity amount is set off to be tax-free under Sec 10(10D) of the Income Tax Act.

If you are looking for a safe and steady approach to meet your dreams, you need a plan that will give you steady and assured returns that are not dependent on market conditions. IDBI federal Bondsurance Plan is the deal plan to beat the ups and down around you.

### **2. WEALTHSURANCE**

Wealthsurance is designed for consolidate creation with protection security into one intense budgetary arrangement. unsimiliar to the other venture choices, it enables customer to a guaranteed that objectives of wealth creation and are accomplished even in case of genuine illness and demise.

### **3. TERMSURANCE**

Happiness & security for our family is something all of us strive to achieve. However, there comes times when you have been asked for yourself - What if something was to happen to me? What would happen to my loved ones? Have I secured my family financially is the answers no, they don't? Have to face life's burdens? Different people have different needs and seek different things from an insurance plan. Some look for a large cover option at a low cost, while others look to seek premium at maturity of the policy. There are some who may want their plan to keep in touch with inflation, while others may seek for a very flexible payment premium options.

### **4. INCOMESURANCE**

It allows you to grow your Annual Income with each payment premium where some goals cannot be left for a chance. Like educating your child, or planning for her marriage, or providing

financial security to a loved one, or making sure a very comfortable in terms of retirement income. Or you may just want to ensure a future additional income stream.

## **5. RETIRESURANCE**

This makes anything difficult to forecast the future but if consider with more of us having a longer life, the possibility in terms of outliving with our savings could turn out to be a harsh reality. In fact, you could easily spend almost 20-25% of your life in retirement. This is the time in your life when you will face the retirement challenge. As time goes by, your responsibilities grow as well, increasing your expenses. Also its important not to forget the effect of inflation. Inflation increases the cost of living.

## **6. LOANSURANCE**

Loansurance can be referred to a cost-effective manner to assure the present outstanding debt are settled at times of unfortunate event of death of policy insured member. This terminology assurance scheme provides a cover for a person directly and liable for repayment of loan, as stated by the benefit schedule.

## **1.7 SWOT Analysis**

### **Strengths**

- a) Large pool of technically skilled manpower with in depth knowledge and understanding of the market.
- b) The company also provides the customers new products to distribute to various different needs of unique different buyers.
- c) Prompt and dedicated operations implemented to make a long-term career in the field.
- d) Minimized management costs and administrative expenses.
- e) IDBI Federal Life Insurance Company focuses on the vital distribution networking through its promoters and advisory bodies.
- f) Finance department motivates the organizational system to keep a track on the administration cost and all the other expenses.

## **Weaknesses**

- a) Buyer service staffs must be provided training in relation to the dynamic human behaviour.
- b) Product awareness is low in the market.
- c) Low buyer confidence on the private players.
- d) Centralization within the organizational structure, decisions pertaining to management are taken by top stage of authority which formulates to a significant and unnecessary delays in decisions.
- e) A centralized administration system paves way to inequity with the instigation of more and excessive regulations or the strict conformity to official norms which are moreover redundant or bureaucratic and that hinder decision-making and delays work.

## **Opportunities**

- a) Insurable population: As per the IRDA only 10% of the human population is insured and represent 30% of the insurable population. This provides us more than 300 million people, with the potential to go for insurance, remain uninsured.
- b) International companies will help in building world class expertise in local market by introducing the best global practice.
- c) Fast-track career framing opportunities regarding to an industry basis.
- d) Research centres to formulate opportunities and for developing other techniques to implement value- added services.
- e) We can look through inflow of managerial and expertise of finance from the global leading Insurance players. Further the burden of educating consumers will also be shared among many players.

## Threats

- a) Big public sector insurance companies like Life Insurance Corporation (LIC) of India, National Insurance Company Limited, New India Assurance Company Limited and United India Insurance Company Limited. People trust and go to them more.
- b) Legislation could impact and Great risk involved.
- c) Very high competition prevailing in the industry.
- d) Lack of formal infrastructural facility in rural areas would constrain investment
- e) People generally opt short term investment schemes rather than going for insurance.

### 1.9 Financial Statement of Previous year

#### **BALANCE SHEET ON FOR THE YEAR ENDED MARCH 31, 2017**

<b>Particulars</b>	<b>FY 2016-17</b>	<b>FY 2015-16</b>
<b>Premium Income</b>		
- <b>New Business Premium</b>	793.55	588.40
- <b>Renewal Premium</b>	771.64	651.27
- <b>Total Premium</b>	1,565.19	1,239.67
<b>New business annualized premium equivalent (APE)</b>	434.09	338.12
<b>Profit/ (loss) Before tax</b>	52.06	15.28
<b>Provision for tax</b>	-	-
<b>Profit / (loss)after tax</b>	52.06	15.28
<b>Sum assured in force</b>	31,652	26,740
<b>Assets under managements</b>	6,090	4,893
<b>Expense ratio (*)</b>	16.37%	18.65%

(\*) Expense ratio is calculated as operating cost to gross premium

### **1.10 Corporate Social Responsibility (CSR)**

The Company's CSR Policy frames the Company's duties as a citizen of society and put up the rules and mechanism for undertaking activities for welfare and sustainable development of the large community. Corporate Social Responsibility is followed in its true spirit. The Company has



always been the leader of discharging its Corporate Social Responsibility (“CSR”) as a responsible corporate citizen, chalking out multiple pioneering models on CSR and inclusion.

We have always believed that a business as a entity of society and economy, and plays an important role in building the nation. The Company believes that the real measure of growth, success and progress goes beyond balance sheets figures or dynamic economic indices. It is best reflected in the difference that business and industry make to the lives of people in the society. The Company being a dedicated corporate citizen tries to an advanced social well-being in local communities. The Company believes that CSR is not just a liability or any charity or mere donations but a way of going beyond business as usual, creating shared values and contributing to social and environmental good. The Company takes its responsibility towards society very critically, as it believes that growth of the Company is directly linked with the society where the operations are taken place. The actions of the business and community are highly inter-dependent.

The Company’s CSR contribution focuses to extend its help in different segments of our society. The Company’s objective is to take an active part so as to support socio-economical development in the areas where it operates and enable number of individuals to participate in it and benefit in their social and economic up gradations. This is reciprocated on the only belief that the growth and forward development are positive only when the results turn out be in wider access of opportunities and promotes to benefit a broader segments of society.

By our small contribution we tried to touch base with different section of the society which includes children facing lack of immunization; adolescents suffering from anaemia; cancer patients; building facilities at hospital or ambitious young kids to support best of the training in sports which otherwise is not accessible to them.

Children are the future of the world and hence, nothing can come parallel to their safety and balanced nourishment and care. With this thought, we have focused on providing our helping hand to ensure immunization among children below age of 5 years; reducing prevalence of anaemia amongst children and adolescents; and to cover the cost of medicines, make available affordable/subsidized accommodation for the cancer patients and attendants during the treatment & cost of food and supplements in Mumbai.

Concern for their health and hygiene has prompted us to support program initiated by SAGA Charitable Trust to make contribution to “Training Lives to Save Lives” as mission to create “Social Doctors” by training non-medical persons. By way of our contribution, Trust was helped in procuring certain specific Trauma Care equipments/mobile Van and Laptops/ Computer etc. to generate reports/records etc.

Apart from focusing on health issues, the Company also took ‘Sports’ as serious field which can help the upcoming bright and deserving talents to go ahead, make their career and make the Country proud. Sports is taken up as one of the fields for contribution; since the Country lacks in world class sports facilities and it has been out of reach to the poor section of the society, despite having the talent and willingness. The Company extended its help to such children who cannot afford the fees associated with sports but are bright and talented.

The CSR Committee approved the activities and monitored the progress of projects/activities taken up by the Company on regular basis. The Company made CSR contribution to five Trusts viz. Apnalaya, V Care, Dilip Vengsarkar Foundation, The Voluntary Health Services and Saga Charitable Trust to carry out different CSR activities. The Company been provided to spend the mandatory 2% of the average netprofits of immediately preceding 3 years on various CSR activities.

These projects are in line with the statutory requirements under the Companies Act, 2013, and CSR Policy of the Company. Details of the CSR projects undertaken, their monitoring, Information pertaining on the implementing agencies, amounts spent and the requisite Responsibility Statement are given under the CSR report which is annexed and derivates to be the part of this Directors’ Report.

## CHAPTER 2

### CONCEPTUAL BACKGROUND AND LITERATURE REVIEW

#### 2.1 Theoretical background of the study

##### Consumer Behaviour

Consumer behaviour can be referred to as the process of a customer to buy or regret a product or services based on choice and preferences and the external environmental factors which have an effect on buying behaviour.

#### 2.2 Literature Review with research gap

- **DOS and others. (1993).** He considered the verifiable association between IT spending and execution measure, for instance, advantage or financial specialist. It was found that there is colossal association between IT spending and the measure of advantage, which infers spending on information development of the thing.
- **Koann, Christian, Daniel Von Felten, Schmid Mrjam. (2004).** Open care about office organization. Survey of this work is to make open awareness of pilot testing framework and reputation of business workplaces (FM) organization as a division. It was the arrangement and execution of the national outline that delegate district of masses to choose the level of open care and the reputation of the Service of outside Issues. The results give out and out various pictures and give an idea of eagerness for understanding a collection of mouth.
- **Hoyer, Masenis. (2008).** Mirrors the general decisions of customer usage with respect to the possession and use of items and endeavors, works out, experiences, people and contemplations through the units of (human) fundamental administration direct (additional minutes).
- **Kotler and Armstrong. (2004).** The lead of the customer insinuates buying behavior of unmistakable customer individuals and families that buy items and endeavors for singular use. All these end buyers get together to compensate the customer advertise.

•**Ashfaq Ahmed and Bashir Rubina.** Investigate the level of learning of the client and decisions to use the clients in the Islamic saving cash Administration. This examination investigates the level of customer data about the things and organizations offered by Islamic bank to evaluate the decision to use organizations to customer in Pakistan, a country with a Muslim masses of pretty much 98%. Its point is to think about Ville Promoting model with respect to Islamic dealing with a record is picked urban groups in Pakistan.

•**Peter F Drucker (1988)** was fitting to state. "It is purchaser who makes sense of what it is to work. What does the purchaser think, what he sees as "regard" is fundamental what makes sense of what is working and what it produces and in case it will flourish. "The affirmation of the criticalness of usage even in the early periods in which Adam Smith (1776) determined that "use is the principle outrageous end of all creation".

•**Hanzaa, Kambez haydarzadeh, Yazd and Ronakmirzaa. (1986)** Class check affect, stamp care and cost on two essential issue of customer lead, the customer and estimation of their points. This paper check factors that impact customer direct and regard objectives use auto buying conduct. The makers give an overall structure to the estimation of the customer model and test with the expanded regard things. In perspective of the speculative beginning of officially attempted test structure and drivers, 268 automobiles (206) electronic and evaluated factors were contemplated.

•**Barnes, Bradley Morris + DS. (2001)** Nature of mindfulness investigates through inward promoting: An exploratory examination between French associations and medium sizes English associations. The reports assembles the delayed consequence of exploratory examination is a bit of research program planned to investigate the importance and essentialness of inside publicizing as a framework to upgrade quality inside the medium-sized association. Current composition tends to highlight firm size as an internal promoting variable and total quality organization factors.

•**Schiffman and Cannock. (1978).** Buyer lead is the direct showed up by purchasers in the sweep for things, organizations, contemplations, pick up, use and evaluate that they would

like to address their issues. "For this circumstance, the use of the term" appraisal "by Schiffman and Cannock with respect to the repurchase. Because of the central purchase of the primary appraisal of the client mind in conclusion gathering or thing. Purchaser direct is related with the online purchase.

**Talent-Runnels**, assessed the writing for educating and learning on the web, "Exploration comes about demonstrates a negative relationship between's the effect scores and teacher assessments. The more understudy experienced specialized issues, the lower they evaluated their teachers, exhibiting a requirement for specialized help for the courses.

...**They (Davidson – Shivers, Tanner, and Muilenberg(2000)** “found that talks gave an immediate, prompt condition for reactions, though listserv reactions were postponed however more engaged and intentional. This specialist contemplated that in offbeat discourses, understudies had more opportunity to consider their reactions and that the expanded reasoning time enhanced the profundity and nature of responses.

...**Berge (1999)** called attention to that the instructional plan, instead of the conveyance framework (email talk sessions, listserv, and so forth), influences the nature of online discourses, and discovering that happens... basic to understanding on the web training is to understand that they include a continuum from instructor trotted to understudy jogged cooperation... ."

- **Rooney, 1995**

Brand Equity as defined by Rooney is a combination of assets and liabilities associated to a brand that increases or decreases the value of product or service provided to a consumer. Though a lot of other factors can contribute to the value and image of the brand for example awareness, recognition and recall.

- **Farquhar, 1991**

Brand Equity have had a lot of different perspectives like the financial based perspective, customer based perspective and combined perspectives. Brand equity’s first perspective have been from the point of view of financial market where the asset value is appraised.

- **Harridge & Quinton, 2012**

It was estimated by Harridge and Quinton that through social media more than 400 billion impressions were created by consumers about products and services in 2011. Approximately one-quarter of 400 billion impressions were created because of online advertising of all forms. Those media impressions allowed people to learn and about those products.

- **Barnes, Bradley Morris, 2001**

Nature of awareness explores into advertising: The reports gather the byproduct of exploratory examination is a part of research program projected to explore the importance of advertising as a way to improve quality in a medium sized company.

- **Moise, 2011**

Numerous advertisers trust that the association ought to forcefully advance just a single preferred standpoint in the market concerned and interpersonal organizations in the online condition enables them to seem more alluring to shoppers, the association can investigate the manner by which the objective market has offered an explanation to past correspondence and perceive the channels to which the partner bunches had the best reaction.

- **Kaplan, 2010**

Examines the possibility of online networking being the highest point of the arrangement for business officials. To settle on a firm beneficial chiefs, and additionally advisors are attempting to recognize modes for it through utilization of different online networking. They likewise set forward an unmistakable comprehension of what the expression "Online networking" precisely implies. Finally, they have given with 10 bits of direction for associations which have chosen to utilize Social Media.

- **Keller, 2003**

A powerful brand awareness offers consumers many access points into the brand by drawing them through a combination of functional and emotional qualities.

- **Webster, 2000**

A good brand awareness will make a consumer more inclined towards repurchase from that particular store or brand and will a positive word of mouth to other people they interact. These actually facilitate instore actions related to sales of the product and services with the brand. A strong brand may also shows that manufacturer providing the products will be more dedicated to the in-store promotions.

- **Ranaweera & Prabhu, 2003**

Whether online marketing campaigns will be effective in short term and long term is most of the time an unanswerable estimate. Online marketing is often difficult to implement effectively and measure properly.

- **Bhagwat & Goutam, 2013**

The duo states that social media is connecting users in ways where they can share information and a lot of other items with other active users. Their study have found that Facebook is the leading Social media networking site. It also showed that social media sites are growing and are providing services to the people as well as businessmen and companies. Their reputation in short time have shot up as a result of the requirements of the people.

- **Trusov, Bucklin and Pauwels, 2009**

According to the trio, most of the activities that take place on social media marketing are just a little more than experimental, or simply about visions than metrics.

- **Mangold & Faulds, 2009**

In their investigation indicated web-based social networking as another mixture component of advancement blend. They emphatically set forward that advanced promoting ought to incorporate social media as a special apparatus while creating and actualizing their Integrated Marketing Correspondence systems. As Social media apparatuses achieves a vast mass of gathering of people, the supervisors must mull over buyer dialogs in a way that is depended with the association's central goal and execution objectives.

- **Li & Bernoff, 2008**

Illustrated with help of 25 cases in the matter of how association can build raise their showcase information, make salary, spare subsidizes and systematize their workers utilizing "social advancements". Such associations take after a "groundswell" show, like that of a wave that scopes markets. They likewise feature on the significance of seeing how new connections are made in online networking.

- **Geers & Ferguson, 2011**

Examined the utilization of twitter for advancement and marking utilizing a content investigation. They utilized a strategic and key model of media advancement to look at the Twitter destinations of 488 nearby TV channels in the United States. One finding of their investigation was that news stories were the most generally happening things on the locales and furthermore found that, in any case, stations that offered news things likewise only from time to time advanced their normal broadcasts. In any case, different things in this class, for example, challenge promos, breaking news, or solicitations for client connection did not happen numerous a times. They close their examination by saying that generally speaking, stations did not turn out to utilize Twitter to guide watchers to the station's on-air programming.

- **Kapferer, 1986**

A brand is a combination of aspects, it is both tangible and intangible, it is visible and also invisible under some economically viable conditions for a company.

- **Edosomwan, 2011**

Portray online networking as a reality that has changed the interface and correspondence of people everywhere throughout the world. They have completed a subjective report by portraying the highlights and how online networking has developed after some time. They have too talked about CyWorld, Facebook, Lunar Storm, YouTube, Twitter and MySpace. They additionally talk about the best circumstances where online networking can be utilized viz., to impart appropriately between the administration and the representative, to influence representatives to work proficiently in groups and to share thoughts, and so on.



- **Guba & Lincoln, 1991**

Many marketers want to tick the social media box in the process and show how innovative and cutting edge they are, while the primary forces of their campaign remain surrounded in traditional media.

- **Bajpai & Pandey, 2012**

Inspects how popular advertising as an idea denotes its place through person to person communication locales. They have taken Facebook for their investigation. They have obviously set forward that those immediate advertisers with keen methodologies for Facebook condition will taste achievement. They additionally feature upon the offers given by Facebook for mark advertisers and presume that there are numerous things left to learn and advertisers are still in the beginning times.

- **Jati & Mohanti, 2012**

Emphasized on the current development and patterns in the Social Systems administration Media, for which the nearness of advertisers in web-based social networking is need of great importance. They concentrated on the significance of Social Media Marketing to be a pivotal component for building organization's image and to get achievement. In this article, they have given ten proposals for most ideal elective choice for the organizations that have a tendency to be working in a worldwide domain and furthermore feature on the Reuters' online networking proposals.

- **Castronovo & Huang, 2012**

In their examination had portrayed the part of web-based social networking as an elective showcasing correspondence display. The primary motivation behind their paper was to diagram WOM Marketing, online networking and elective advertising correspondences as would be prudent parts of incorporated advertising correspondences. Furthermore, they have likewise created an incorporated elective advertising correspondence applied model that can be utilized by mechanical professionals to help them in understanding their promoting goals

viz., increment deals, increment customer mindfulness; and increment shopper steadfastness, where in all the unique segments of the model could be coordinated to synergize and make progress.

## **CHAPTER 3**

### **RESEARCH DESIGN**

#### **3.1 Statement of the Problem.**

“To study the characteristics of consumer in relation to buying behaviour of life Insurance products”

#### **3.2 Need for study**

There is a rapid increase in purchase of life insurance products over the past decade and tremendously rapid advancement in promotional activities in terms of advertisements. There are varieties of policies offered and it is the responsibility of the company to understand consumer's behaviour so as to create and retain customers to achieve their future goals and objectives.

#### **3.3 Objectives of the Study.**

The main objective of this project is to study the consumer behavior and various reactions of customers with reference to IDBI Federal Life Insurance Co. Ltd. And suggest ways to improve its marketing efforts.

1. To study the trends in life insurance market
2. To study the profile of IDBI Federal's customers.
3. To study the investors' behavior with respect to IDBI Federal Life Insurance.
4. To analyze the investors' perception about IDBI Federal.

#### **3.4 Scope of the Study.**

The scope of the study is to find out the effectiveness and quality of the life insurance products which influence consumer buying behaviour and help to improve further so as to meet the requirements and objectives of both customer and company.

### 3.5 Research Methodology.

Methodology clarifies techniques used for gathering data to the steps which are as following:

➤ **Type of Research.**

Descriptive Research

**Descriptive research** design has been used. It is evidence based research design where quantifiable information is gathered and used for statistical inference (SI) on target population through data analysis.

➤ **Data collection.**

- **Primary Data:**

The information gathered or collected is through the interactions and discussions with general public.

**Instrument used:** Questionnaire

- **Secondary Data:**

The data which is readily available on public source like articles, reports, and websites and company magazines.

**Instrument used:** company website, report and articles.

### 3.6 Sampling

Sampling Design: Simple Random Sampling

Sampling Frame: General Public

Time Period; 72 Days

Sample Size: 100

### **3.7 Limitations of Study:**

1. The study was conducted in KARNATAKA, Bangalore; hence the results can be biased and hence not exactly accurate.
2. The survey was conducted on 100 respondents due to time constraint.
3. The survey includes more number of responses of people within the age group below 30. Hence, the study may be biased, as, at that age, income is less and people take life insurance lightly.
4. Some of the information was kept confidential

## CHAPTER 4

### ANALYSIS AND INTERPRETATION

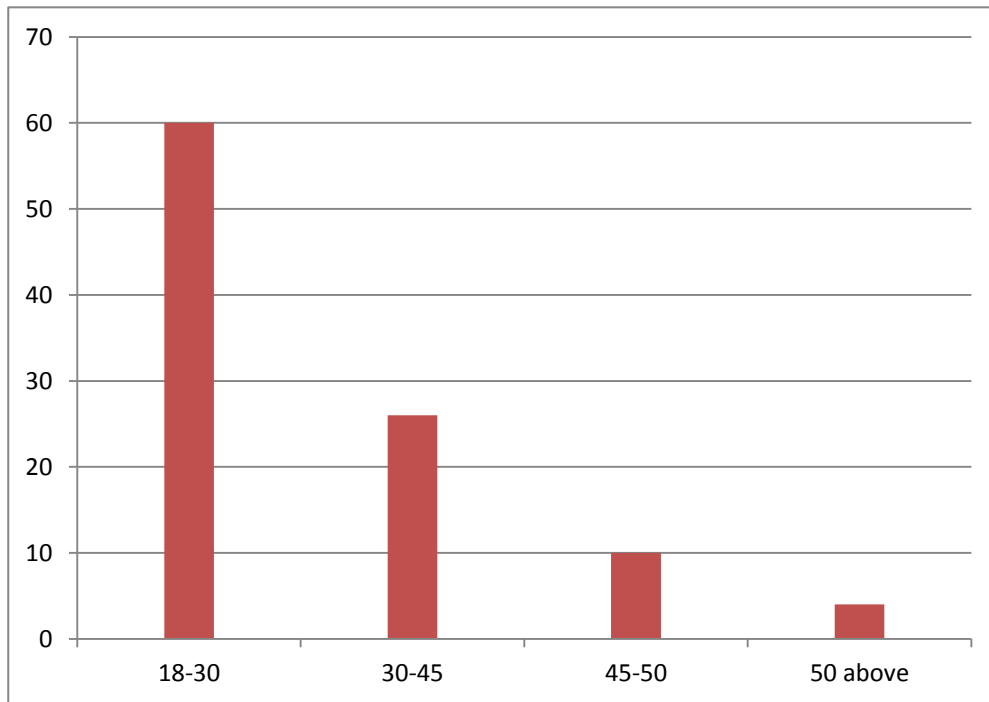
#### 4.1 Table showing Age of respondents

AGE	No of Respondents	% of respondents
18 – 30 years	60	60%
30 – 45 years	26	26%
45 – 50 years	10	10%
Above 50 years	4	4%
Total	100	100%

#### Interpretation:

Analysis: Age distribution class was categories in to three classes.60% represented the age categories of 18-35 years. 26% represented the age categories of 30-45 years. 10% represented the age categories of 45-50 and 4% of them above 50 years.

#### 4.1 Chart showing Age of respondents



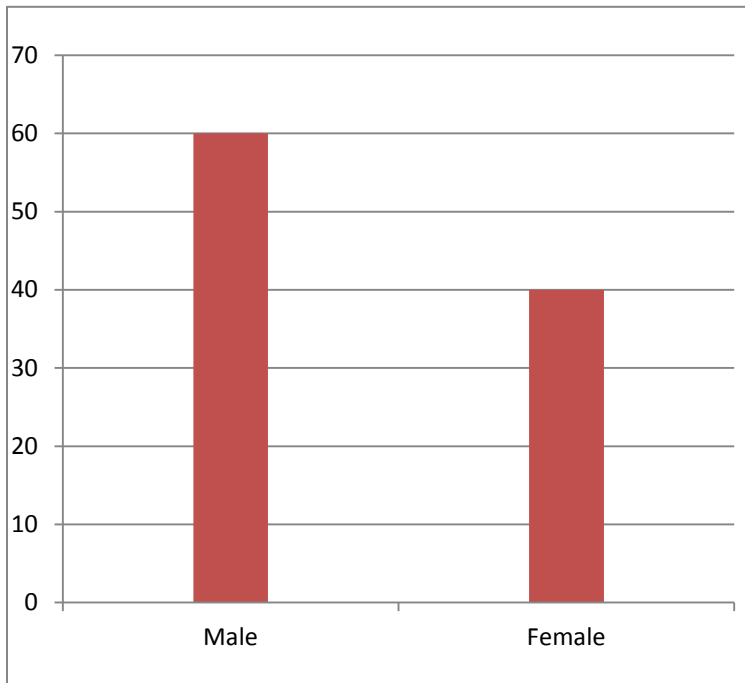
Analysis: we can see a major spike in the age group of 18-30 when compared to other age groups.

#### 4.2 Table showing Gender of the Respondents

Gender	No of resp.	% of resp.
Male	60	60%
Female	40	40%

Interpretation: In this research male representatives were 60% while the female representatives were 40.

#### 4.2 Chart showing Gender of the respondents



Analysis: The male respondents are more in number when compared to female audiences.

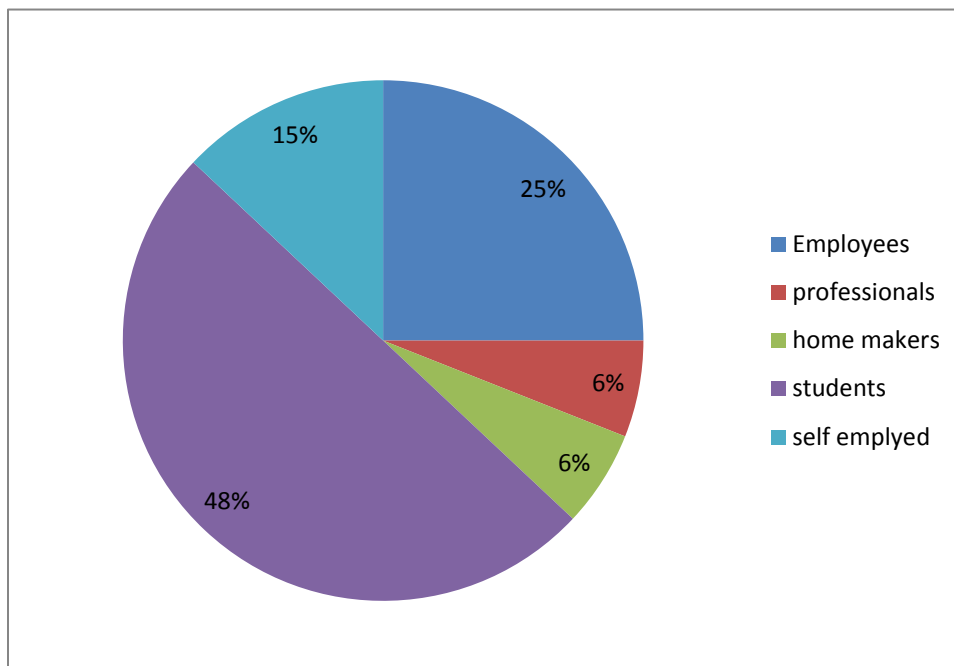
#### 4.3 Table showing occupation of the respondents

Occupation	No of resp.	% of resp.
Employees	25	25%
Professionals	06	6%
Home makers	06	6%
Students	48	48%
Self employed	15	15%



Interpretation: the following shows the occupation of the selected response and we can see that there are more number of students (48%) followed by employees and other occupation.

#### 4.3 chart showing occupation of the respondents



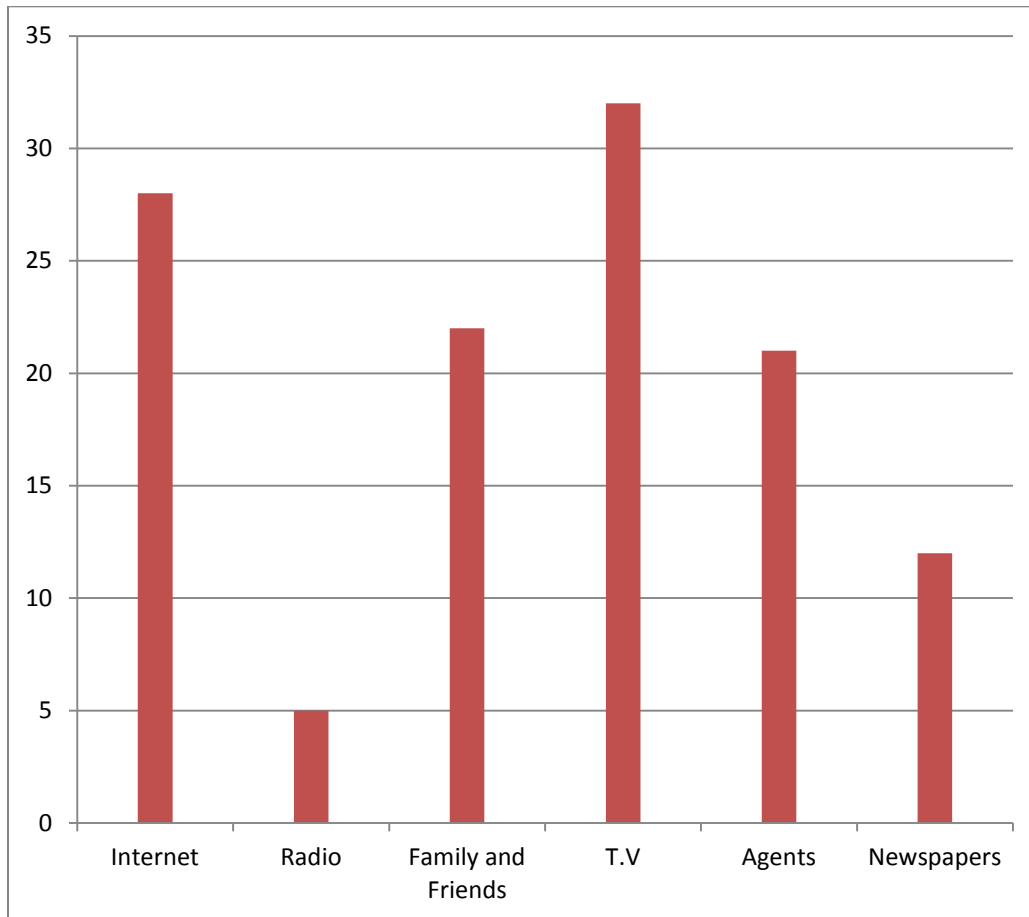
Analysis: As per the above chart we can say majority of respondents to be students. Because the age group of the respondents were also in between 18-30.

4.3 Table showing Source of information regarding insurance product

Source of info	No of resp.	% of respondents
Internet	28	28%
Radio	5	5%
Family and Friends	22	22%
T.V	32	32%
Agents	21	21%
Newspaper	12	12%

Interpretation: this table denotes the source of information which leads to the purchase of the insurance products. The number of information passed through television media is 32% and another major influence is internet with percentage of 28.

4.4 chart showing source of information regarding insurance products



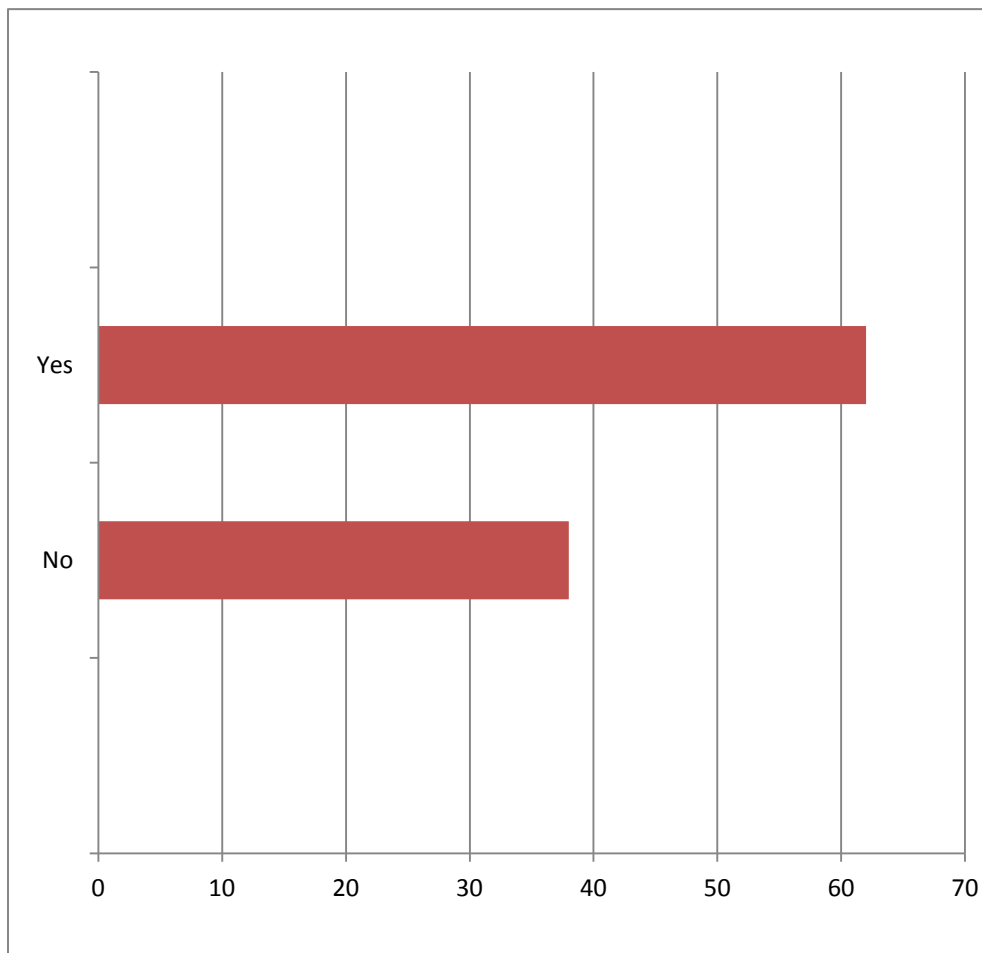
Analysis: 32% respondents expressed their primary information source of insurance to television.

#### 4.5 Table showing Current Insurance Policy holders

Policy holders	No. of Resp.	% of Resp.
Yes	62	62%
No	38	38%

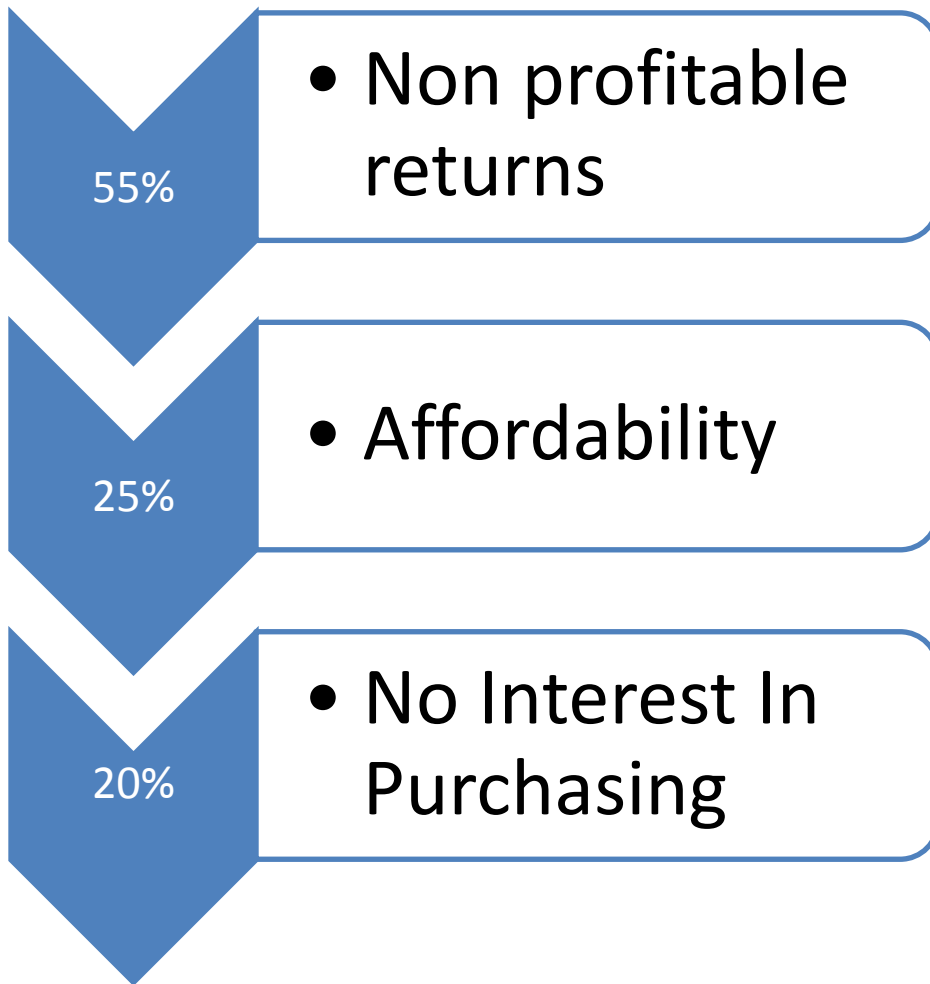
Interpretation: the above table represent the number of current policy holders among 100 respondents. The persons with policy are currently 62% when compared to non policy holders are 38%

#### 4.4 Chart showing current Policy Holders



Analysis:  
Though we can see a major part of people going for insurance still there is 38% not having a insurance policy in hand.

4.6 Chart showing Reason For Not Opting For Insurance



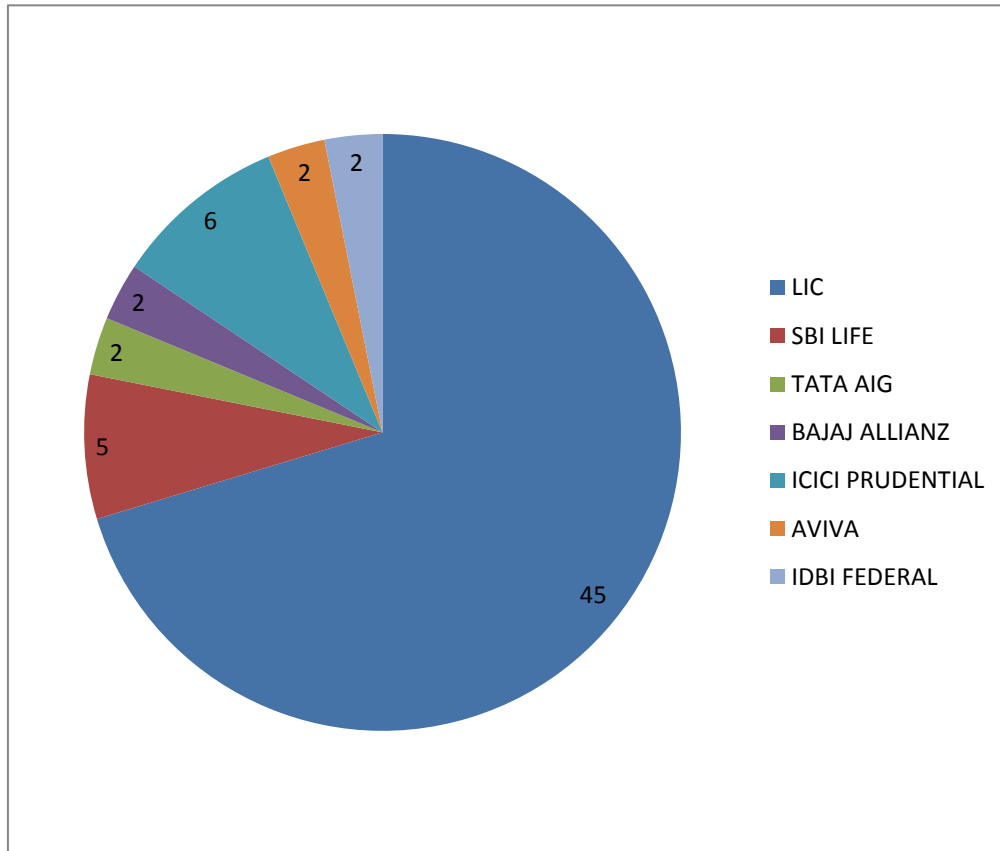
Analysis: It's clear from the above chart people are more attracted for profitable investments. There is almost equal trend with affordability and lack of interest.

#### 4.5 Table showing Current policies in Various companies

Companies	No of resp.	% of resp.
LIC	45	45%
SBI Life	5	3%
BAJAJ ALLIANCE	2	2%
ICICI Prudential	2	2%
AVIVA	6	6%
IDBI Federal	2	2%
TATA AIG	2	2%

Interpretation: the above table shows the number of respondents who already have a current policy in various insurance companies. The number of respondents opting for LIC is 45 where as the other companies have an average of 3-5 policies.

#### 4.6 Chart showing current policies in various companies



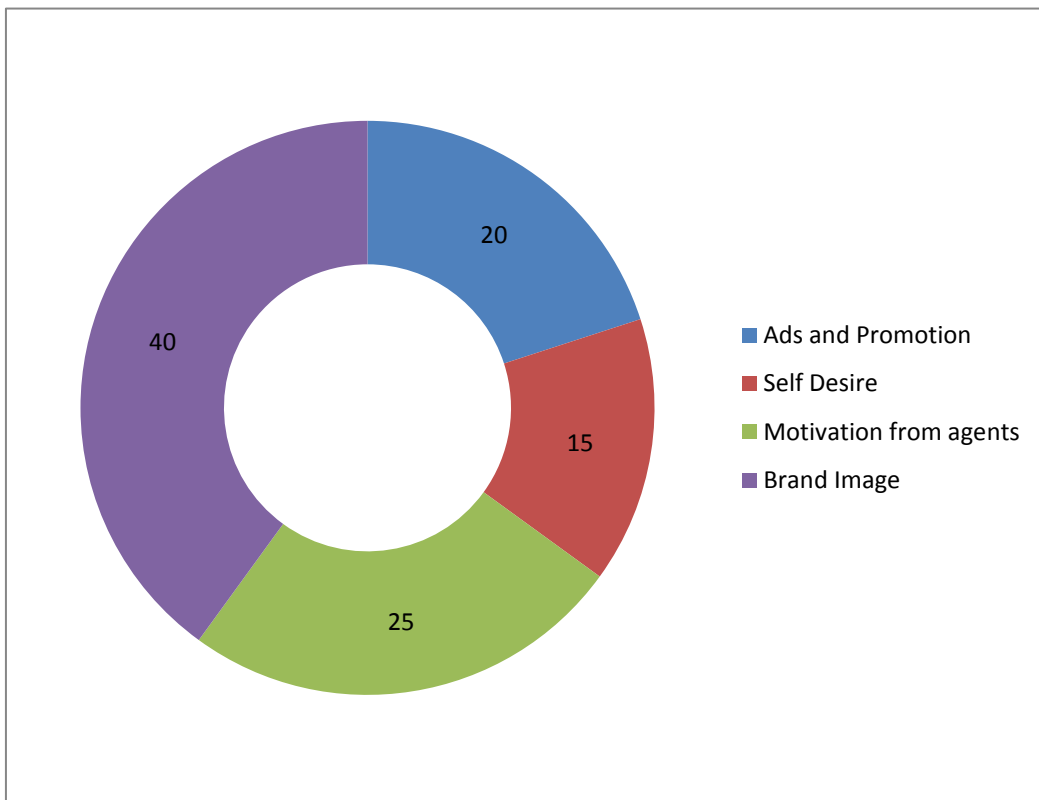
Analysis: It is clear that LIC remains to be the market with impressive margin and IDBI Federal is having 2% share in the selected data size.

4.6 Table showing Driving Factors for the purchase of policy

Medium	No. Of resp.	%of of resp
Ads and Promotion	20	20
Self Desire	15	15
Motivation From agents	25	25
Brand Image	40	40

Interpretation: The above table represents the various mediums that drive an individual for the purchase of policies. We can see that brand image is the primary factor with respondents opting up to 40%.

4.7 Chart showing Driving Factors for the purchase of policy



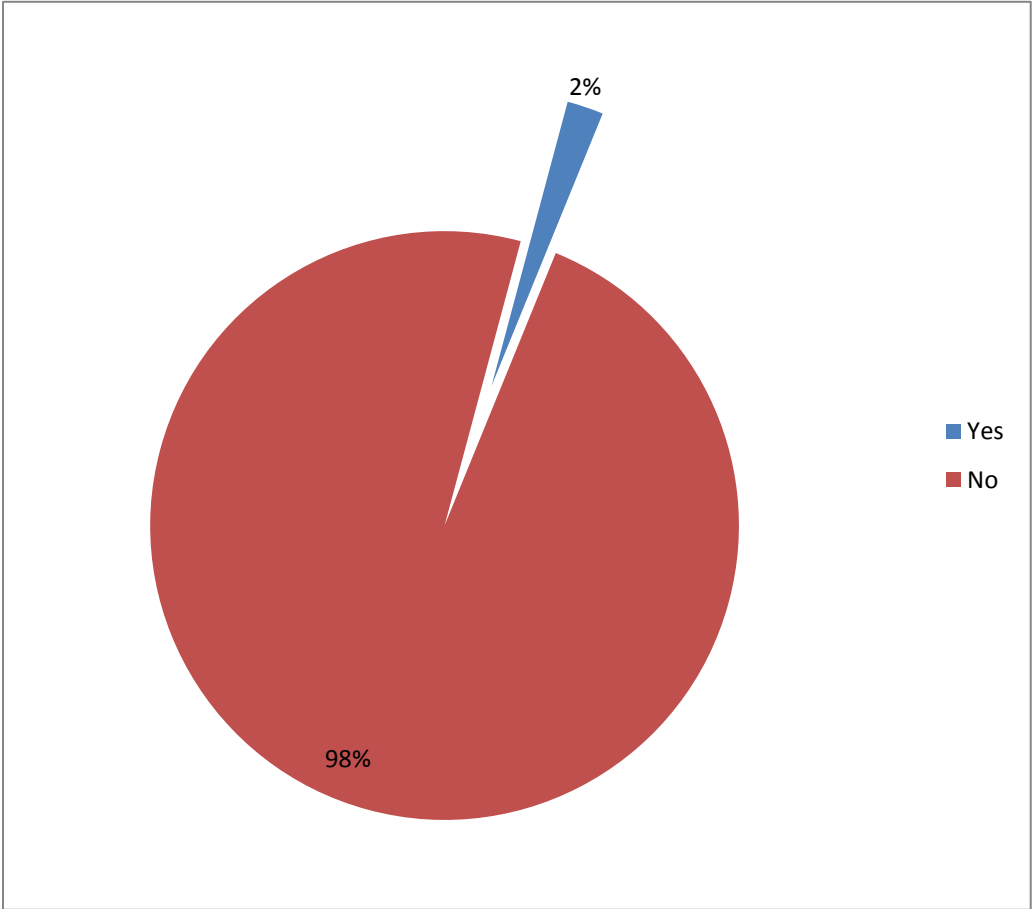
Analysis: On an average people have chosen brand image as their driving force for purchasing an insurance policy.

4.8 Table showing existing idbi federal policy holders

Policy holders	No of rep.	%of rep.
yes	2	2%
No	98	98%

Interpretation:

4.9 Chart showing existing idbi federal policy Holders



Analysis There is only 2% of the selected population can be seen opting of idbi federal product.

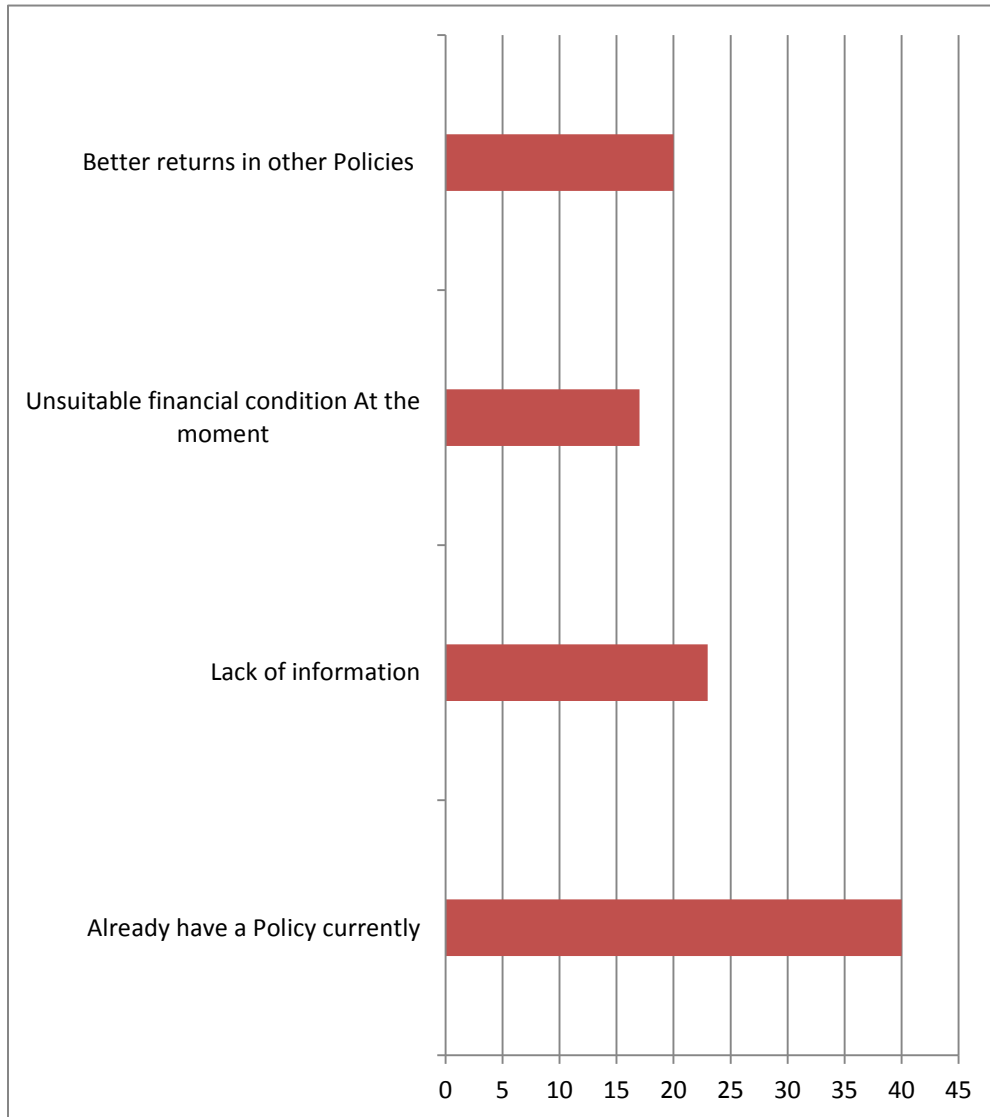


4.9 Table showing why people not opting for IDBI Federal

Reasons	No of resp.	% of resp.
Already have policy	40	40%
Lack of information	23	23%
Unsuitable financial condition	17	17%
Better returns in other policies	20	20%

Interpretation

4.10 Chart showing why people not opting for IDBI Federal



Analysis: As the above chart suggest people are having currently a policy against them forming the major reason behind not opting for IDBI Federal.

4.10 Table showing Suggestions to better our policies

Sl.no	Suggestions	No. of respondent
1	Reduction in premium amount	33
2	Monthly payment Must be made available	42
3	Others	25

4.11 Table showing Suggestions to better operation of IDBI

Sl.no	Suggestions	No. of respondent
1	New policies with productive Schemes	28
2	Promotional activities	55
3	More branches	17

## CHAPTER 5

### FINDINGS, CONCLUSION AND SUGGESTIONS

#### 5.1 Summary of Findings

1. The number of people with the age group between 18 to 30 is more and showed low interest towards getting their life insured. They are under an assumption that they remain hail and healthy without taking risk into equation.
2. People are mostly interested non pure life insurance, as they prefer insurance as an investment.
3. People prefer schemes with less years of payment term.
4. Another main reason which drives people into insurance is to avoid tax benefits.
5. LIC remains to be the market leader in the insurance market.
6. Customer tends to prefer payments through online so as to avoid wastage of time.
7. Monthly premium are preferred more against annual payments
8. Television advertisements are the major influence in buying decision of a life insurance policy.
9. Brand image can be highlighted in buying decision of the customer.
10. A limited reach of IDBI products can be seen against other players in the market.

## 5.2 Conclusion

As there is completion in every sector changes in economies of scale regarding to consumer expectations. The insurance sector has bought in these unique aspects such as customer education and vast changes in the role and responsibility of the intermediaries to the distribution channel. In respect to the life insurance people are driven to the purchase of policies based on the following reasons such as

- Savings
- Investments
- Securing of life

The main challenge faced by the insurance company is to motivate the customer and promote sales. The introduction of private players has paved in a new wave in insurance by stretching the market both in terms of quality and quantity. With the effective norms and regulations of IRDAI we can say the insurance industry is booming with information by providing all the info without disclosure to customers and enhancing consumer buying behavior.

### 5.3 Suggestions

1. Targeting young age group between 18-30 is essential.
2. Various new and innovative plans must be introduced with less policy period
3. We have seen television is the major influencers of customers, our advertisements and promotions should be on that media.
4. Group insurance policies must be introduced as the 2<sup>nd</sup> most influencers are family and friends.
5. Our connectivity needs to be made more through social media (instagram, Facebook, Twitter, and YouTube campaigns)
6. Policies with different range of premium must be made available.
7. Increase in distribution channel must be made meet different kinds of customers.
8. Innovative and effective advertisements with detailed information of policies should be made in crisp format.
9. Targeting the entire market is more suitable.
10. Launching of an app for mobile users effective is a must as per the future trend.

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### **ANNEXURE**

#### **QUESTIONNAIRE**

A Study of Consumer Behavior in Relation to IDBI Federal Life Insurance Products.

Dear respondent,

This questionnaire is aimed at understanding your perception about Idbi federal insurance products .Your response will be dealt with strict confidentiality and it will be used only for academic purpose. Thank you for spending your valuable time to fill this questionnaire.

**1. Name:**

**2. Gender**

Male  Female

**3. Age Group**

a) Below 30

b) 31 to 45 years

c) 46 to 50 years

d) 50 and above

**4. Occupation**

- a) Employee
- b) Professional
- c) Student
- d) Self employed
- e) Home maker

**5. How did you come to know about Life Insurance Policies?**

- a) Newspaper
- b) Agents
- c) Television
- d) Internet
- e) Friends/ Family
- f) Radio

**6. Do you currently have an Insurance Policy?**

- a) Yes
- b) No

**7. If No, why not?**

- a) Not a productive investment
- b) Affordability
- c) Lack of knowledge



**8. If Yes, which company's?**

- a) LIC
- b) ICICI Prudential
- c) Bajaj Allianz
- d) HDFC Standard
- e) TATA AIG
- f) SBI Life
- g) Aviva
- h) Kotak Mahindra
- I) IDBI Federal
- j) Others

**9. What prompted you to buy Policy from that Company?**

- a) Brand Image
- b) Past Record of Performance
- c) My Friends/ acquaintances have bought from there
- d) Agents convinced me to buy
- e) Impressed by ads/ promotion of the company
- f) Desire to try out new company

**10. Are you a customer of IDBI Federal life?**

- a) Yes
- b) No

**11. If Not, what is the reason behind it?**

- a) I get better returns in other policies
- b) I already have 1 or more policies and i am satisfied with them
- c) I am not in the financial condition to invest right now

**12. If Yes, what suggestions would you like give for better products?**

- a) Minimum premium amount should be less
- b) Monthly premium payment option should be available
- c) Other (specify.....)

**13. What do you like about IDBI Federal's policy?**

- a) It gives me good returns
- b) It is short term
- c) Tax benefits are good
- d) Other (specify.....)

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ACHARYA INSTITUTE OF TECNOLOGY  
DEPARTMENT OF MBA

INTERNSHIP WEEKLY REPORT (1AY16MBA14)

**Name of the Student:** Dhanush S R

**Internal Guide:** Prof. Archana Vijay

**USN No:** 1AY16MBA14

**Specialization:** Marketing and Finance

**Title of the Project:** A Study of Consumer Behavior in Relation to IDBI Federal Life Insurance Products.

**Company Name:** IDBI FEDERAL LIFE INSURANCE CO. LTD

Week	Work undertaken	External guide signature	Internal guide signature
15-1-2018 to 20-1-2018	Introduction about IDBI Federal and its operation		
22-1-2018 to 27-1-2018	Learning different operations and products of IDBI Federal		
29-1-2018 to 03-2-2108	Orientation and gathering information about the growth of the company		
12-2-2108 to 17-2-2018	Analysis of market position of the company		
19-2-2108 to 24-2-2018	Research problem identification		
26-2-2018 to 03-3-2018	Preparation of the research instrument for data collection		
05-3-2018 to 10-3-2018	Theoretical background of the study		
12-3-2018 to 17-3-2018	Data collection and analysis Interpretation and data gathering during the survey		



19-3-2018 to 24-3-2018	Final report preparation and submission	<i>Pramesh</i>	<i>Atulya</i>
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