

A Comparative Study Between Advertising and Salesmanship on the Effect of Selling Life Insurance Products with Reference to LIC of India Thrissur Region

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Abstract

Insurance is a contract, represented by a policy, in which an individual or entity receives financial protection or reimbursement against losses from an insurance company. The company pools client's risk to makes payments more affordable for the insured. Advertisements are the index of our society. In the case of Insurance, advertisements have a direct impact on the profit of the company, because it is through the advertisements, general public gets information about the new policies and products of insurance. At the same time, salesmanship is also an essential tool in marketing the products of an insurance company. Because salesmanship helps the insurance companies to persuade and assist a prospective customer to buy their product. This paper makes an attempt to study and compare the effect of both personnel selling and advertisement in selling life insurance products.

Keywords: Advertising; Salesmanship.

Introduction

Insurance is a contract by which the insurer, for a specified consideration called premium promises to pay the insured or his beneficiary some specified amount of money in the event that the insured suffers loss through the occurrence of a contingent event covered by the insurance contract or policy.

A way to consider the different kinds of insurance is to view them in terms of objects insured, contingencies insured against, payment methods for premiums and possible benefits. Objects insured can be of two kinds: either property or person including the object "corporate person". Property insurance covers all individual, business and non business properties as contingent to the contract. Such properties include buildings, fixtures,

machinery, equipment and personal properties for which the owner is responsible. Indemnity is the principle in property insurance. Life insurance is mainly related to a person's death or in the case of a pension plan, the date on which he or she reaches a certain age and retires. Life insurance consists of a plan for distribution of funds under which the larger group of individuals can balance the burden of loss from death for the insurance beneficiaries. LIC is almost a monopoly of life insurance sector in India. Every product needs to be marketed and promoted for its smooth selling, so are insurance products. This work makes an attempt to study and compare the effect of both personnel selling and advertisement in selling life insurance products.

Objectives of the Study

- ❖ To study the impact of both salesmanship and advertisement on life insurance product selling.
- ❖ To compare the intense at which growth in sales witnessed as the results of both salesmanship and advertisement.
- ❖ To observe the awareness of public regarding life insurance products.

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Received on 28.11.2018, **Accepted on** 31.12.2018

Significance of the Study

Sales promotions are being increasingly used to influence the purchase behaviour of consumers in a desired way. These provide information's regarding the product like benefits, price, need for having the product etc. Having realized the significance of sales promotion LIC has vigorously undertaken it and made a significant benefit out of it. It contributes a major part of promotion hype in life insurance policy sales and awareness helps in finding out the major techniques that made the change and also helps in the future continuation of the techniques if feasible. It also helps to find the rate at which people respond against the promotional factors.

Scope of Study

This study covers distinct parts of Thrissur, which mainly comes under the LIC of India. Shakthan Tampuran Nagar branch office policy holders are used for the study and the necessary data is collected from LIC office also.

Research Methodology

Type of data: Primary data is collected by direct interview or personal contact

Sampling technique: Convenient sampling is used to get reliable data from known policy holders.

Research design: It is a casual research which is aimed at finding out the cause for the promotion or the increased sales of life insurance products.

Limitations of the Study

- ❖ The area covered is very short as it reveals only a particular areas effect.
- ❖ Promotional hype or increased sales may be due to factors other than advertisement and salesmanship.

Analysis And Discussions

Table 1: Advertisement is only a good source of information to me

Response	Agree	Disagree	Total
No. of people	50	0	50
%	100	0	100

Source: Primary Data.

Table 1 shows that All the respondents agreed that advertisements are a good source of information.

No one disagreed with the informative aspect of advertisements. Every single respondent is agreeing upon the informative nature of advertisements.

Table 2: Too many advertisements by different companies create confusions

Response	Agree	Disagree	Total
No: of people	33	17	50
%	66	34	100

Source: Primary Data

Table 2 reveals the fact that, regarding the confusions on buying resulting from advertisements of many companies, 66% of the total respondents opined that they have had confusions watching those. On the other hand 34% disagreed to this. They haven't had confusions due to advertisements of other companies while buying life insurance policies.

Table 3: Advertisements sometimes make high promises than actually experienced later on

Response	Agree	Disagree	Total
No. of people	40	10	50
%	80	20	100

Source: Primary Data.

The analysis of table 3 shows that, According to 80% of the sample population, advertisements many a time make empty promises. Experiences are such and so for them. The remaining 20% disagreed to this. All the promises shown in advertisements are keeping up by the companies providing policies. There are no empty promises through advertisements according to this group.

Table 4: Even with so much advertising it is difficult to know which brand is the best

Response	Agree	Disagree	Total
No: of people	33	17	50
%	66	34	100

Source: Primary Data.

Table 4 indicates: Advertisements make it difficult for the 66% of the respondents to sort out the best brand. On the other side 34% population are not confused to select the best brand due to advertisements. Advertisements are not a measurement scale for them to sort the best one out.

Table 5: Advertising tempts people to think seriously about their 'ourselves' and their family

Response	Agree	Disagree	Total
No: of people	50	0	50
%	100	0	100

Source: Primary Data.

Table 5 shows that, Advertisements by life insurance companies tempt people to think about their families and ourselves. All the respondents agreed to this. They have been tempted to think so. Such an induction has been experienced by all the respondents.

Table 6: Salesmanship provides more information in detail about policies

Response	Agree	Disagree	Total
No: of people	50	0	50
%	100	0	100

Source: Primary Data.

Table 6 reveals that, According to all the 50 recipients' salesmanship provide more information in detail about the product. All the respondents agreed to the informative nature of salesmanship.

Table 7: Salesmanship made more influence to buy a policy

Response	Agree	Disagree	Total
No: of people	38	12	50
%	76	24	100

Source: Primary Data.

Table 7 indicates that, the influence made by salesmanship is much more than advertisements in buying the policies according to 76% of the sample size. The remaining 24% disagreed to this. They are not tempted more to buy a product through salesmanship.

Table 8: Direct contact helps in bringing a positive relationship

Response	Agree	Disagree	Total
No: of people	43	7	50
%	86	14	100

Source: Primary Data.

Table 8 shows that, direct contact brings a positive relationship as per the opinions of the 86% of the sample population. Interaction is promoted by this group. While the remaining 14% disagreed with the same. They do not believe in persuading effect of interaction.

Table 9: Salesmanship is found more reliable and trustworthy as it brings the product to your doors with adequate proofs for qualifications

Response	Agree	Disagree	Total
No: of people	45	5	45
%	90	10	90

Source: Primary Data.

Table 9 shows the fact that, as per the opinions of the 90% of the population sampled, salesmanship is reliable and trustworthy as it brings the product to

the doors with all necessary proofs. Remaining 10% disagreed to this. Bringing the product to the doors simply not creates a trust and the qualifications might be false as per these people.

Table 10: Advertisements of LIC are informative and promising

Response	Strongly	Agree	Disagree	Strongly	Total
No: of	16	22	10	2	50
%	32	44	20	4	100

Source: Primary Data

Table 10 says that, 32% of the sample strongly agrees upon the promising and informative nature of the advertisements of LIC of India. 44% just agreed to the context the disagreement to the same came from 20% of the population. They do not find the advertisements much informative and promising. 4% totally disagreed to the same context.

Table 11: Agents of LIC are well qualified and capable of properly informing the clients about the policies

Response	Strongly	Agree	Disagree	Strongly	Total
No: of	11	28	7	4	50
%	22	56	14	8	100

Source: Primary Data.

Table 11 shows that, Agents of LIC are well qualified and capable of informing the clients about the policies as per the opinions of 56% of the sample, and they strongly agree with this. 22% sample also agreed upon the same. This is not quoted by a total of 22% remaining, of them 8% strongly disagreed the same.

Table 12: In your perspective which tools of marketing is effective in selling life insurance policies

Response	Advertising	Salesmanship	Publicity	Total	Response
No: of	28	17	5	50	28
%	56	34	10	100	56

Source: Primary Data.

Table 12 indicates that, According to 56% of the population, the most effective tool of selling life insurance policies is advertising. For another 34% it is salesmanship. And from the opinions of the remaining 10% it is publicity. The highest opted one is advertising, as the most efficient tool of marketing life insurance policies.

Findings

1. Advertisements are a good source of information.

2. Advertisements in plenty create confusions while buying a policy to 66% respondents.
3. Around 80% of the sample opined that, advertisements make high promises which are not exactly experienced later on. The remaining holds an opposite opinion.
4. Knowing the best brand is difficult even with too much advertisement.
5. Advertisements make a sense of concern about family and oneself in the minds of people.
6. Salesmanship is informative than advertisements.
7. As per the opinion of majority of respondents, the persuading power is high for salesmanship than advertisements.
8. Direct contact helps in bringing a positive relationship between buyer and salesman.
9. Salesmanship is more reliable and trustworthy as it brings the products to ones doors with adequate proofs.
10. Advertisements of L.I.C of India are promising and informative than competitors according to majority of the population sampled.
11. Agents of L.I.C of India are also qualified and capable of informing about products than that of other life insurance companies to the major portion of sample.
12. 56% of sample opted advertising as the effective tool for selling life insurance policies. 34% to salesmanship and 10% opted publicity for the same.

Suggestions

1. Create realistic and promising advertisements which will in turn win the minds of customers.
2. Promote salesmanship as its informing ability and persuading power is high.
3. Make advertisements more emotional.
4. Provide proper training for sales executives as their way of approach determines the selling process.
5. Concentrate a little more on advertising in the promotional mix as the respondents voted high for advertising as the effective tool of selling life insurance policies.

Conclusion

This study was aimed at studying the effect of advertising and salesmanship in selling life insurance products and comparing them. The data collected is primary in nature and the samples chosen are holders of life insurance policies particularly of L.I.C of India Thrissur region. Sample size is 50 and the data's were collected using a questionnaire. Data analysis has been done using percentage analysis and graphical representations.

The respondents were kind enough to mark their opinions. They support both salesmanship and advertising in a simple view. Advertisements are informative and handy for them and salesmanship is reliable and influencing according to the respondents. The respondents were knowledgeable enough to understand various aspects of both of the promotional tools and rate the same using various scales of responds.

Even though the respondents agreed and disagreed to the aspects of both these tools of promotion, they marked advertising a little higher as the effective tool for selling life insurance policies. And the objective of this project has been accomplished by studying both the tools and its aspects, comparing them and arriving at a result. Therefore the life insurance is promoted mainly by advertisements and the companies should take high concentration on the same while marketing their products.

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