



Illuminating Choices: A Study on Consumer Awareness at HDFC Life Insurance

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Abstract

This research abstract provides an overview of a study focused on consumer awareness in the context of HDFC Life Insurance. Employing a mixed-methods approach, this study combines qualitative insights and quantitative analyses to explore the levels of awareness, understanding, and perceptions among consumers regarding life insurance products offered by HDFC Life. The qualitative aspect of the study involves interviews, surveys, and customer feedback analysis to capture nuanced perspectives on the awareness levels among consumers regarding HDFC Life Insurance. Simultaneously, quantitative data analysis will be utilized to identify trends, correlations, and statistical patterns associated with consumer knowledge and perceptions. Various dimensions of consumer awareness will be investigated, including the impact of financial literacy, communication strategies employed by HDFC Life, and the overall effectiveness of educational initiatives. The study aims to provide insights into how life insurance providers can enhance consumer understanding and engagement. The findings from this research are anticipated to offer valuable insights for HDFC Life Insurance, insurance professionals, and policymakers. By understanding the intricacies of consumer awareness, stakeholders can refine communication strategies, improve educational initiatives, and contribute to the broader goal of enhancing financial literacy in the domain of life insurance. This study serves as a foundation for informed decision-making and future research within the realm of consumer awareness in the insurance sector.

Keywords: Consumer Awareness, HDFC Life Insurance, Insurance Products, Financial Literacy, Customer Perception, Insurance Education, Communication Strategies.

1. Introduction

One of the most important components in financial planning is adequate insurance. The origin of insurance is very old. The time when were not even born; man has sought some sort of protection from the unpredictable calamities of the nature the basic urge is man to secure himself against any form of risk and uncertainty led to the origin of insurance. The insurance came to India from U.K; with establishment of an oriental life insurance

corporation in 1818. The Indian life insurance company act 1912 was the first statutory body that started to regulate the life insurance business in India. "Life Insurance is a part of personal financial planning, which should include investment" [1].

2. Aims and Objectives

The aims of the Marketing Research and Analysis may be stated as follows:

1. To estimate potential buying power in various



areas.

2. To know the company's expected share in the market.
3. To assess the portable volume of future sales.
4. To know about customer acceptance of the product.

3. Need for Insurance

After Privatization there is tremendous increase in the insurance sector

- Analyze the future of insurance sector in India's point of view.
- It results to the value addition of the company.
- Creating awareness of HDFC SLIC Policies.

4. Objectives of the Study

- To know consumer's awareness of insurance policies with reference to HDFC SLIC.
- To Study the Consumer perceptions towards insurance policies.
- To know how many respondents are aware about HDFCSLIC products?
- To study Advertisement made by HDFCSLIC grab the attention of consumers or not?
- To know respondents' ratings on HDFCSLIC products.

5. Scope of the Study

The present study focuses on the consumer awareness on HDFCSLIC insurance policies. The study focuses its attention mainly on marketing management from among different variables of marketing management more attention is devoted to the segmentation in different aspects. The study is confined to the managerial aspect only. It is intended to consider the opinions of the beneficiaries.

6. Life Insurance

(Rajni M. Shah) Consumer awareness as a concept is of universal concern for all economies of the world. In the context of a booming Indian economy and unprecedented growth being witnessed by Insurance industry - specially life insurance -, it would be interesting to examine this concept in depth. Such a study will provide rare insights as to how to harness huge untapped market potential for life insurance to the benefit of vast rural and semi

urban populace, as was envisaged by C.D. Deshmukh when Government of India nationalized life insurance business in 1956. And how to expand the reach of life insurance to every nook and corner of India and provide basic sense of security to masses. Low penetration of insurance in India, as elsewhere, has varied explanations, economic and sociological. One basic factor that puts a brake on growth is low propensity to consume: low propensity for life insurance, not necessarily because of considerations of affordability nor because of inadequate range of insurance products and services. The major determining factor is lack of awareness of life insurance per se. And this phenomenon is not confined to rural and semi-rural segments of society: it pervades urban populace as well. Surprising, isn't it- but true. Consumer awareness is the mainspring of demand creation which runs the wheels of industry – any industry for that matter. To this 'demand' curve, suppliers and service providers respond, by making available to consumers what they want, and meeting their needs and expectations. This is the way two usages 'customer needs' and 'customer satisfaction' emerged. And these later traveled to domains of 'customer delight' and 'customer ecstasy'. Consumer awareness, thus, becomes the genesis for business entities. For life insurers to initiate, expand, grow and sustain by responding to larger and larger volumes of demand emerging with greater awareness, and setting in place supply chain management. For life insurers to penetrate significantly and forge ahead in the emerging market, enhancing consumer awareness becomes the prime focus of all activities. Influence of Brand Name on Consumer Decision by (Hasan, Tanveer) in the present developing and modern day world, consumerism has dominated all the aspects of life. The life in the society follows the pattern of the capitalist culture where the human values have a different measure, 'you are known by what you have not by what you are'. This naturally leads to the life in a society where everyone wants to have a unique place in the society, by possessing the things which



sets them apart from the rest of people in the society. In present society and living way, the Brands not only represent the symbol of the company or product but to a larger extent define the general life of a person. What the person uses can reflect his taste of life, his status in the society, his economic background and many other things. This makes a deep connection between the company and its brand, with the consumer. In this two-way relation both are dependent on each other for various different reasons. In today's time customers are very deeply connected to the brands. When they purchase any product like a car, mobile, items of daily need, brand name influence the consumer's choice. Some customers purchase the specific branded things just due to the brand name. Customers believe that brand name is a symbol of quality. I found this interesting and wanted to find out whether brand name influences the consumer choice when they go for purchasing any product. I chose to for the specific product because This is one of the products which got my attention because of many reasons. Initially the car production was dominated by few companies and one or two countries. With the time, the market started to grow and once considered to be luxurious commodity, cars became a need Rather than a choice. This increased the demand and with that many more companies entered the arena to have their share of profit and exploit the growing market. This made the companies to put more efforts and money to creating brand awareness of their product. With the Huge sum of money and effort invested by the companies to create the awareness of their brand in the market, many questions arise; does this really affect the purchasing decision of the customer? Does the brand awareness somehow influence the sale of the product? Etc. Based on these questions, I formulated my problem as follows: The purpose of this thesis is to create deeper consideration of what influence a brand name can have, when people go for purchasing, choose the products between different brands in automobile industry. Further I want to identify, if there is a connection between brands and the consumer decision-making process.

I conducted this study based on theories and surveys. I analyzed the result of the survey in order to be able to draw conclusions and find answers to my problem. I came to the conclusion that when consumer purchases a car, brand names influence his choice. Customers choose the well-known branded car among other brands which are new or not so known [2]. The study shows that branded cars have a great place in consumer mind, when customers go for purchasing a car, they prefer to purchase a well-known branded car. Customers do not want to try new or unknown branded cars because they have no much information about the lesser-known brand. Usually, people purchase well known branded cars because they might have heard before about brands or they have some information about them from other sources. This makes customer feel more comfortable during the time of decision making as they are not so confident about the knowledge they have gathered about the other brands. The consumers are very conscious about branded and unbranded cars because they have the view that branded cars are more reliable than unbranded car. This study also explains that customers trust the branded cars' quality. Before purchasing a car people do not consider the lesser known brand car, as people are very attached to some specific brands. Some people are loyal to specific brands, over time they want to purchase the same branded car because the specific brand has satisfied the customer's needs and in turn has gained the trust in the brand name. I feel that the purpose of this study has been fulfilled to some extent. The theory describe that brand name has a power, which attracts the customers towards branded products. The reason is that customer gets special connection with specific brands product and become the loyal with brand [3].

7. Theoretical Framework

7.1 Consumer Awareness

Anyone who consumes goods is a consumer. Consumers get exploited in the market. They respond to advertisements and buy goods. Generally, advertisements do not give all the



information that a consumer needs to know or wants to know about a product. Some of the common methods of exploitation are

- Under weight and under measurements - not measured or weighed correctly
- Substandard Quality - defective home appliances and medicines beyond expiry date
- High prices - charging above the retail price
- Duplicate Articles - selling fake items in the name of the original
- Adulteration and Impurity - is done to get higher profits
- Lack of safety Devices - absence of inbuilt safeguards in appliances
- Artificial Scarcity - hoarding and black marketing
- False and Incomplete Information - misleading information on quality, durability, and safety.
- Unsatisfactory after-sales Service - high-cost items like electronics and cars require constant and regular service.
- Rough behavior and Undue conditions - harassment in getting an LPG connection or a telephone connection.

7.2 Factors Causing Exploitation of Consumers

- Limited Information - providing full and correct information will help in the choice
- Limited Supplies - when goods and services are in short supply then price shoots up
- Limited Competition - single producer may manipulate the market in terms of price and stocks.

7.3 Rise of Consumer Awareness

Kantilla was one of the earliest to write in his Arthasastra about the need for Consumer awareness and protection. With the growth of the private sector there is a greater need for discipline and regulation of the market. Consumers must be aware of the sale and purchase of goods, the health and security aspects also. Ensuring the safety of food items sold in the market is essential these days. Legal measures for consumer safety and consumer awareness must be uniform, and transparent in terms of prices,

quality of goods, and stocks. Consumers must have the tools to combat malpractices and protect their rights.

8. Rights and Duties of Consumers

As codified under the Indian Laws the Consumers have the following

8.1 Rights

1. Right to Safety - to protect against hazardous goods
2. Right to be Informed - about price, quality, purity
3. Right to Choose - access to a variety of goods and services at competitive prices.
4. Right to be Heard - consumers interest and welfare must be taken care of
5. Right to seek Redressed - protection against unfair trade practices and settling genuine grievances.
6. Right to Consumer Education - Knowledge about goods and issues related to consumers.

8.2 Duties

1. Get a bill for every important purchase and also the Warranty card
2. Check the ISI mark or Agmark on the goods
3. Form consumer awareness groups
4. Make a complaint on genuine grievances.
5. Consumers must know to exercise their rights.

9. Consumer Protection Measure

9.1 Legislation concerning Consumer Rights

The Consumer Protection Act 1986 provides for consumer disputes redressal at the state and national level. With the help of this law the agencies can solve grievances in a speedy, simple and inexpensive manner. A separate department of consumer affairs was set up at the state and central government. A three tier system of consumer courts at the National, State and District levels were set up. These agencies have done good work by handling lakhs of cases [4].

9.2 Public Distribution System

To protect the poor from price rise and black marketing the government food security to the poor by supplying essentials through the ration or Fair price shops.



9.3 Standardization of Products

These are done to assure the quality of products. The ISI stamp on goods is placed by the Bureau of Indian standards. This caters to industrial and consumer goods. These goods can be trusted to conform to specific standards. Agmark is meant for Agricultural products [5]. At the International level the International Organisation for Standardisation (ISO) located in Geneva sets common standards. The FAO and WHO provide food standards.

9.4 Legal Formalities for Filing a Complaint

The complaint can be written on plain paper. The supporting documents like the warranty card must be attached. A lawyer is not required. We can argue our case.

9.5 Findings

- It was found that more than half of the respondents are aware about HDFCSLIC products.
- Advertisement made by HDFCSLIC did not grab the attention of consumers and hence very few people know about products.
- Many respondents rated HDFCSLIC products as good.
- Many consumers still think that HDFC bank and HDFCSLIC are same.
- More no of consumers is preferring insurance for rate of returns in HDFCSLIC.
- Concerning awareness HDFCSLIC has less awareness compared to LIC and MAX NEWYORK life insurance.

9.6 Suggestions

- To increase awareness of HDFCSLIC products, advertisements should be made timely and properly.
- It is suggested that premiums should be made reasonable.
- The company should indicate that HDFCSLIC is purely insurance.

The company should educate the consumers about the different types of products offered by HDFCSLIC.

Conclusion

Although, HDFCSLIC is trying hard to make a mark in insurance, it is failing to create adequate awareness of its products in the minds of consumers. Further lack of proper advertisement is also a reason for less awareness to consumers. Hence, it should adopt proper practices to create awareness.

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