

Study of Customer Behaviour towards the different distribution channels of Life Insurance products of Shriram Life Insurance.

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Submitted To



Shree Chanakya Education Society's

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Affiliated To

An Autonomous Institute affiliated to SPPU

Certificate of completion (By Organisation)



Certificate of Internship

This is to certify that Mr. Jay Rajesh Dixit from Indira Institute Of Management, Pune has successfully completed the Internship with Shriram Life Insurance Company – DSO Channel for a period of 60 days from 17th May to 17th July 2021

During this Internship his performance was satisfactory and best to the industry. We wish him all the best for future endeavors.

For Shriram Life Insurance Company.



Bhanu Prathap
DGM-S & D
Shriram Life Insurance Company Limited

Student's Declaration

I, **Jay Rajesh Dixit**, undersigned a student of Indira Institute of Management, Pune MBA 3rd semester, declare that summer internship project titled “**Study of customer behaviour towards the different distribution channels of Life Insurance products of Shriram Life Insurance.**” is a result of my/our own work and my/our indebtedness to other work publications, references, if any, have been duly acknowledged. If I/we are found guilty of copying any other report or published information and showing as my/our original work, I understand that I/we shall be liable and punishable by Institute or University, which may include ‘Fail’ in examination, ‘Repeat study & re- submission of the report’ or any other punishment that Institute or University may decide.

Name of Student: Jay Rajesh Dixit

Enrolment Number: BA-03

Signature

Acknowledgement

The project titled “**Study of Customer Behaviour towards the different distribution channels of Life Insurance products of Shriram Life Insurance.**”

which is part of the summer internship program of the MBA course has been successfully completed. I would thank to all the people involved directly or indirectly in making this project a success.

Firstly, I would like to thank my external project guide Ms. Pranita Bhavar for giving me an opportunity to showcase my skills and talent by contributing to favor of the organization. I would also like to thank her for providing all the necessary facilities and support within the organization during the internship tenure.

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Executive summary

For an organisation or an institution, which sells products or services, distribution is one of the essential functions. For Life Insurance Companies, selling of Insurance Policies and its services constitute an important function. Life Insurance products/services are an intangible or non-perceivable form of investment, which can be for long term or short term. Hence the distribution channels of Life Insurance products are essential.

The study is focused on customer's perception towards various product distribution channels of Shriram Life Insurance and their preference is to select suitable insurance distribution channel. It is observed that policyholders' perception in purchasing of insurance policy is based on income, education qualification and occupation.

Keywords: Distribution Channels, Life Insurance, Preference.

Title of project:

Study of customer behaviour towards the different distribution channels of Life Insurance products of Shriram Life Insurance.

Organization: Shriram Life Insurance

Importance of project:

This project aims at determining the product distribution method most preferred by the customers in order to avail the products. This project can be used by the company to find out the customer behaviour towards these channels. Also some of the factors such as Income, occupation, education, Investment capacity of an individual can play an important role in preferring the product distribution channel

Objectives of the project:

- 1) To study the customers' perception towards the selection of a distribution channel.
- 2) To study certain factors which can influence the customers towards buying the products through the distribution channel.

Methodology adopted:

Research methodology helps to know the research methods use in the context of our research study and explain why we are using a particular method or technique. Mix Research methodology used in this proposal at both the qualitative and quantitative aspects. It focuses on the numerical data as well as the exploratory nature of the mixed methodology. The qualitative data would help us in aspects such as individual behaviour, factors etc. Whereas the quantitative aspects like age, prices, etc. with the numerical side of the research. The methodology that is followed includes primary data collection. Primary data collection is including a simple questionnaire. This questionnaire helps to reach various awareness products and services as a platform for investment and customer preference regarding life insurance companies.

Learning from the project:

One can learn from this project that, how a distribution medium of a product (life insurance) can play an important role in profitability of an organisation.

Utility to the organisation:

This project can be utilised by the Shriram Life Insurance to understand the sales of product by distribution channel. An organisation can also analyse its sales by observing the study and decide on the suitable distribution channel for increase in the sales. This study can also be utilised to understand the performance of other distribution channels and to increase their reach.

Conclusion:

It is concluded that distribution channels act as a means to sell the products/services, in order to reach maximum number of customers and provide information about various life insurance policies and assist them to select suitable insurance policies. In order to increase business/sales it is necessary to study the product distribution channels of an organisation and their reach.

CHAPTER I: INTRODUCTION AND RATIONALE OF THE STUDY

INTRODUCTION OF TITLE:

The Human life is the most valuable asset. Life Insurance is one of the methods, which can provide a financial security to an individual and his family at the time of disaster or calamity. Life Insurance can be defined as a contract between an insurer (company) and a Life Insurance policyholder. This contract states that the Insurer pays the policyholder, a sum of money upon the death of the insured person. For availing this service/benefit, a policyholder pays a premium, which can be on the regularly basis or Lumpsum (a single payment made at one time). With the privatisation in India, Life Insurance Industry has experienced huge changes. In order to be successful, the key objective of any insurer (Life Insurance Company) is to provide effective distribution channels of products, so that the potential policyholders can avail it. The distribution channels can be beneficial to an organisation to gain profit with the virtue of its different methods to reach and approaches towards the customers. (policyholders).

SIGNIFICANCE OF THE STUDY:

A Company provides its services to customers in order to satisfy the needs in return to gain profits and income. A company ensures that its products should be availed by as many customers. Hence in order to reach its customers, company introduces different business channels to sell its products and services. This study can be helpful for evaluating the customer behaviour towards various distribution channels, which a Life Insurance Company possesses. This can also be helpful to the organisation to evaluate different factors (income, occupation, education etc) to develop strategies to reach the customers through these distribution channels.

CHAPTER II: INDUSTRY/ SECTOR PROFILE:

Overview of Industry/Sector:

Life Insurance is a contract between an insurance policy holder and an insurance company, where the insurer assures to pay a sum of money in exchange for a premium (sum of money) upon the death of an insured person or after a set period.

Insurance sector plays a important role in the wellbeing of a country's economy. Life insurance sector is one of the fastest growing sectors in India since 2000. Life Insurance increases the opportunities for savings among the individuals, safeguards their future and helps the sector to form massive pool of funds. These massive funds are utilised for contribution in capital markets, thus increasing, large infrastructure developments in India.

The Life Insurance Corporation of India (LIC) is the sole public sector company.

The Government of India appointed the "R N Malhotra "committee, to allow the private players in the Insurance sector, in 1993. With the report submitted by committee in 1994, and another six years for enabling the legislation i.e. in 2000, amended the Insurance Act of 1938 and legislating the Insurance Regulatory and Development Authority Act of 2000. In the same year, the Regulatory body for Insurance sector in India was established: IRDA (Insurance Regulatory and Development Authority).

The Insurance sector in India has 57 insurance companies, in which:

- i. Life Insurance business: 24
- ii. Non-Life Insurance: 34

Types of Insurance:

There are two types of insurance:

- a) **Life Insurance:** An insurer promises to pay a certain sum of money to the insured individual for the uncertainties of life.
- b) **General Insurance:** An insurer promises to pay an insured individual or an entity for a financial loss or any damage caused due an unfortunate event. In short, General Insurance gives protection for all the valuable things. Eg. Health insurance, Vehicle insurance, Property insurance, Marine Insurance etc.

Features of Life Insurance:

Policyholder: Policyholder is the individual who pays the premium for availing the life insurance policy and signs a life insurance contract with a life insurance company/agency.

Premium: A premium is the amount paid by the policyholder to the life insurance company for covering his/her life.

Maturity: Maturity is the stage at which the policy term is completed and the life insurance contract comes to an end.

Insured: Insured is the individual whose life is secured via the life insurance. After his/her death the insurance company is liable to provide a financial amount to the dependents.

Sum Assured: The amount the insurance company pays the dependents of the insured person assuming those events occur, which are specified in the life insurance contract.

Policy Term: Policy term is the specified duration (listed in the life insurance contract) for which the insurance company provides a life cover within the contract period.

Nominee: A nominee is an individual listed in the life insurance contract who is entitled to receive the compensation, as mentioned in the policy.

Claim: On the insured person's demise, the nominees can file a claim with the insurance provider in order to receive the predetermined pay out amount.

Benefits of Life Insurance:

- Having a Life Insurance ensures that your immediate family has some financial support in the event of your demise
- Life Insurance finances your children's education and other needs
- Life Insurance provides extra income when your earnings are reduced due to serious illness or accident
- Life Insurance can provide for other financial contingencies and life style requirements

Life insurance can give a person financial confidence that his/her family will have financial stability in the insured person's absence. But generally, the more life insurance one has, the more benefits it will provide to his/her family when needed.

Market size:

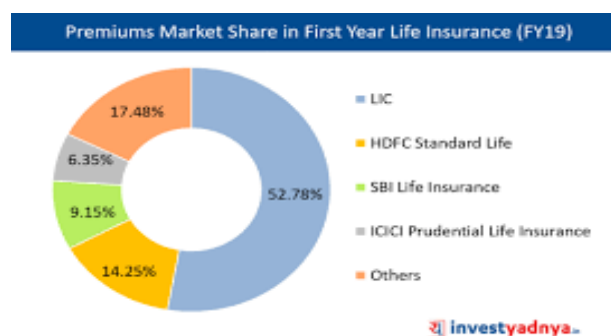
In Life Insurance business, India stands 10th in the world. India's share in global life insurance market was 2.73% during 2019. Compared to the previous year, the life insurance premium in India increased by 9.63%. The life insurance industry in India is expected to increase at a CAGR of 5.3% between 2019 and 2023. India's insurance penetration was held at 4.2% in FY21, with life insurance penetration at 3.2% and non-life insurance penetration at 1%.

The market share of private sector insurance companies in the general and health insurance market increased from 47.97% in FY19 to 48.03% in FY20. In the life insurance segment, private players held a market share of 33.78% in premium underwritten services in FY20.

According to S&P Global Market Intelligence data, India is the second-largest insurance technology market in Asia-Pacific, accounting for 35% of the US\$ 3.66 billion

Major Players:

Life Insurance Corporation (LIC) is largest player in the market, which also stands high in market share. Others are the private players who have made a joint venture with foreign insurance companies, to establish their business in India. Some of the major players after LIC, are HDFC standard life insurance, SBI life insurance, ICICI prudential life insurance.



Life Insurance Corporation of India (LIC):



LIC is an Indian statutory Insurance agency owned by the Ministry of Finance, Government of India. The Life insurance Corporation of India was established on 1 September 1956, when the Parliament of India passed the Life Insurance of India Act that nationalized the insurance industry in India. Over 245 insurance companies and provident societies were merged to create the state-owned Life Insurance Corporation of India.

HDFC Standard Life



HDFC Life Insurance Company Ltd. is a long-term life insurance provider with its headquarterd in Mumbai, offering individual and group insurance services and incorporated on 14 August 2000. This company is a joint venture between Housing Development Finance Corporation Ltd (HDFC), one of India's leading housing finance institutions and Abrdn, a global investment company.

SBI Life Insurance:



SBI Life is an joint venture between State Bank of India (SBI) and French financial Institution BNP Paribas. The company got incorporated as a public limited company in

Mumbai on 11 October 2000 and received Certificate of Commencement of Business on 20 November 2000

ICICI Prudential Life Insurance:



ICICI Prudential Life Insurance Company Limited a Private Life insurance Company in India is a joint venture between ICICI bank Limited and Prudential Corporation Holdings Limited, a London based Insurance Company. ICICI Prudential Life Insurance started its operations in 2001.

Regulatory Framework:



The Insurance sector in India is regulated by IRDA (Insurance Regulatory and Development Authority). IRDA is formed for the overall supervision of the Insurance activities in India. It came under the Act of Parliament, i.e., Insurance Regulatory and Development Authority Act, 1999 (IRDAI Act 1999). The key objectives of IRDAI include promotion of competition, to enhance customer satisfaction, through increased customer choice and fair premiums. This ensures the financial security of market.

The Insurance Act, 1938 is the principal Act governing the Insurance sector in India. It provides the powers to IRDAI: To frame regulations which lay down the regulatory framework for supervision of the entities operating in the sector.

The duties of IRDAI are:

- Registering and regulating insurance companies

- Protecting policyholders' interests
- Licensing and establishing norms for insurance intermediaries
- Promoting professional organisations in insurance
- Regulating and overseeing premium rates and terms of non-life insurance covers
- Specifying financial reporting norms of insurance companies
- Regulating investment of policyholders' funds by insurance companies
- Ensuring the maintenance of solvency margin by insurance companies
- Ensuring insurance coverage in rural areas and of vulnerable sections of society

The IRDAI regulates:

- 1) Life Insurance companies: Both public and private.
- 2) General Insurance companies: Both public and private.
- 3) Re-Insurance companies.
- 4) Agency Channel
- 5) Intermediaries such as:
 - Insurance Brokers
 - Individual Agents
 - Corporate Agents
 - Surveyors and Loss assessors
 - Third Party administrators
 - Referral providers
 - Web Aggregators
 - Insurance Repositories
 - Insurance Marketing Firms

CHAPTER III:

COMPANY OVERVIEW

- ***History***

Shriram Group, established in 1974, is among the leading corporate houses in India and is a major player in the Indian financial services sector. Shriram Group's focus is on financial services that reach out to a large number of common people providing them opportunities to improve their prosperity.

Shriram Group entered the insurance business with a long term focus and to provide better value and wider range of services to its customers. Sanlam, a leading financial services group and one of the largest insurers in South Africa has partnered Shriram Group in both its Life and Non-Life Insurance ventures. The effective leveraging of the network and brand equity of Shriram Group and strategic guidance by Sanlam Group have facilitated a steady growth of the insurance companies.

- ***About Shriram Life Insurance and Sanlam***



Shriram Life Insurance was incorporated in 2005 and it commenced business in 2006. Since the first year of operations, the company made profits in the first three consecutive years- becoming the only private life insurer to have achieved the distinction. Compared to industry peers after 7 years of operation, Shriram Life insurance was the most profitable life insurance company in the country. The company's performance stands out in efficient use of capital and low cost of operations.



Sanlam is a leading financial services group, originally established as a life insurance company in 1918. Their head office is in Bellville near Cape Town in South Africa and they have offices throughout South Africa and business interests elsewhere in Africa, Europe, India, the USA and Australia. The relationship started in 2005 with emergence of Shriram Life Insurance Company (SLIC), a part of diversified Shriram Group, where SANLAM has 26% stake.

• ***Mission, visions etc.***

The Shriram Life Insurance Company was founded with the objective of reaching out to the “common man” with products and services that would be helpful to him as he sets out on the path to “prosperity”.

Operational efficiency, integrity and a strong focus on catering to the needs of the average Indian, by offering him high quality and cost-effective products and services, are the core values that drive the organisation. These values have been strongly adhered to over the decades and are now an integral part of the organisation’s DNA.

The company prides itself on its deep understanding of the customer. Each product or service is tailor-made to specifically suit the needs of the customer. It is this guiding philosophy of putting people first that has brought the group company closer to the grassroots and has made it the preferred choice for all truck financing requirements amongst the customers.

• ***Registered Address/ Number of branches***



Shriram Life Insurance is registered as:

Shriram Life Insurance Company Limited, Ramky Selenium, Plot No: 31 & 32, Beside Andhra Bank Training Centre, Financial District, Gachibowli, Hyderabad, TG, India – 500032.

Shriram Life Insurance has a wide network of offices across the country. The Company has more than 550 offices to serve its customers. The policyholders can approach the nearest branch for availing services and addressing grievances.

• *Composition of Board*

Board of directors:

Designation	Name
Chairman	Mr K.S. Krishnamurthy 
Managing Director and CEO	Mr. Casparus Jacobus Hendrik Kromhout 
Managing Director	Mr Manoj Jain

	
Director	Smt Akhila Srinivasan 

Management team:

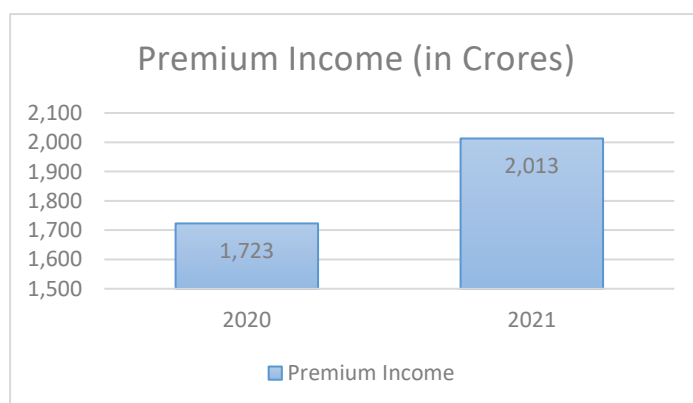
Designation	Name
Managing Director and CEO	Mr. Casparus Jacobus Hendrik Kromhout 
Managing Director	Mr Manoj Jain

	
Executive Director	Mr G Vaidyanathan 
Chief Underwriter	Mr S.P. Raghunathan 
Appointed Actuary & Chief Risk Officer	Mr. Johannes Gilliam van Helsdingen 
Chief Investment Officer	Mr. Ajit Banerjee

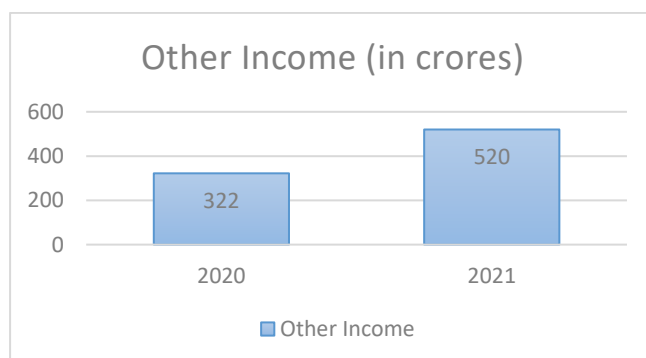


• ***Financial performance***

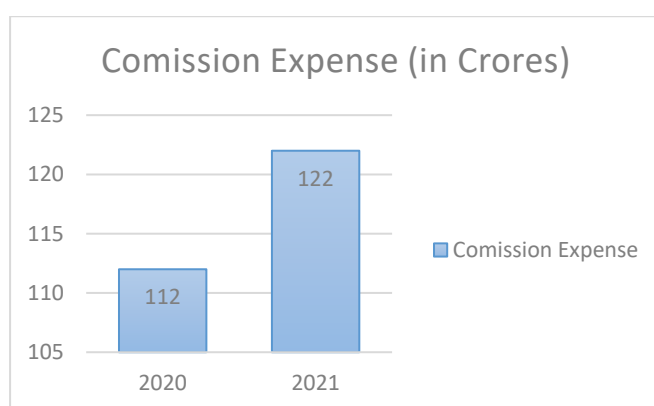
- (i) Premium income has increased from 1723 Crores to 2013 Crores in FY21. Jump of 17%.



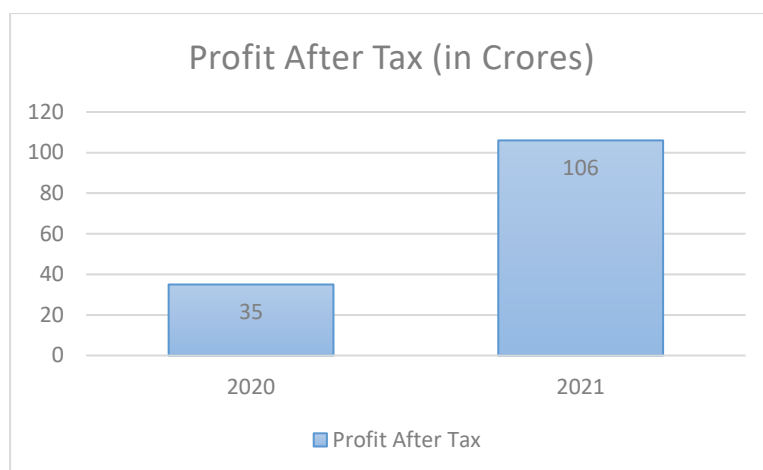
- (ii) Other Income has increased from 322 Crores to 520 Crores in FY21.



- (iii) Commission expense has increased 112 Crores to 122 Crores in FY21.



- (iv) PAT of 106 Crores in FY21 which was just 35 Crores in FY20.



• *Achievements*

Shriram Life insurance has acquired many achievements, over the time.

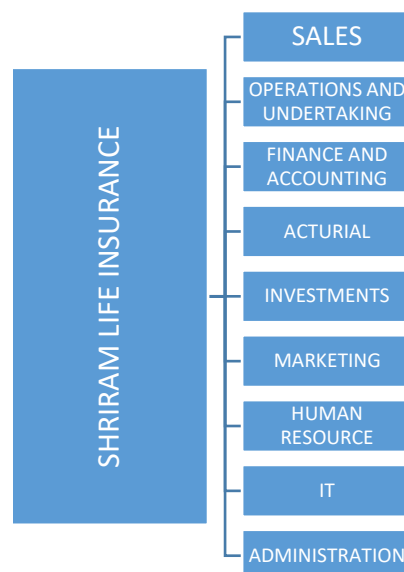
Some of the achievements include:

- 1) Gold Award for Customer Service Handling –CLAIMS during the 8 th Excellence Competition on Best Practice Sharing Fest conducted by Confederation Of Indian Industry on 28 & 29 August-2020.

- 2) Gold Award for Morale Boosting HR Practices during the 8 th Excellence Competition on Best Practice Sharing Fest conducted by Confederation Of Indian Industry on 28 & 29 August-2020.
- 3) Best Customer Experience in Financial Sector – Non Banking, 2020 by Kamikaze B2B Media
- 4) Recognition for Active Customer Engagement 2019 from Confederation of Indian Industry.
- 5) Shriram Life Insurance Company Limited MD Mr. Manoj Kumar Jain ranked amongst the ‘Topmost Influential BFSI Leaders’ – World BFSI Congress & Awards, 13th February 2018, Mumbai
- 6) Shriram Life receives ‘India’s Greatest Brands Award 2017-18’ (3rd edition) – Pride of the Nation Series Awards & Business Summit.
- 7) Shriram Life MD Mr. Manoj Jain received the ‘India’s Greatest Leaders Award 2017-18’ (3rd edition). Mr. Arvind Shivhare (Exec Director- Direct Channel) & Dr. R Radhakrishnan (CMO) were also present – Pride of the Nation Series Awards & Business Summit.

• ***Functional overview***

Shriram Life Insurance has various departments which carry out different functions.



• ***Products***

Shriram Life Insurance provides Individual plans, Group Plans, Online Plans and some featured plans.

Let us take a look at these plans:

Individual plans: These plans can be availed by an individual for himself or for his family, based on his needs and requirements. These include:

- Savings plans
- Investment plans
- Protection plans
- Retirement plans
- Micro-insurance plans
- Riders

Group plans: These plans provide insurance cover for all the members of the scheme with one policy document issued. These include:

- Protection plans
- Employee benefits plan
- Special plans
- Micro-insurance plan

Online plans: These plans includes:

- Shriram life comprehensive cancer care
- Shriram life online term plan

Featured plans: These includes four plans:

- Shriram Life Assured Income Plan
- Shriram Life Super Income Plan
- Shriram Life Genius Assured Benefit Plan
- Shriram Life Golden Premier Saver Plan

• *Business segment- income, asset size and profitability.*

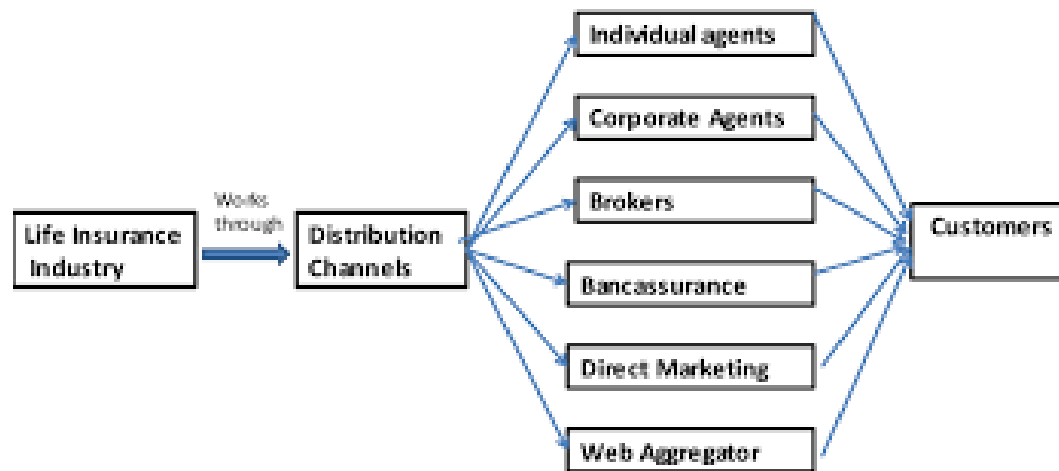
Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Number of new policies (Including Group)	295985	274750
Premium Income: (Rs. in Crores)	2018	1729
- New Business Premium	880	700
- Renewal Premium	1138	1029
Sum Assured in force (Rs. in Crores)	122866	105770
Funds under Management (including Share holders' Funds) (Rs. in Crores)	6261	4801
Expense ratio #	30%	36%
Sales and distribution strength :		
Geographical Spread (No. of Offices)	455	529
Number of Insurance Agents	3784	4436
Profit Before Tax (Rs. in Crores)	111	26
Profit After Tax (Rs. in Crores)	106	35
Cumulative Profits (Rs. in Crores)	579	471
Share Capital (Rs. in Crores)	179	179

CHAPTER IV: LITERATURE STUDY

Banana, K et al (2018) has stated that insurance is a protection against economic losses arising due to an unexpected event. Manohar Giri (2019) in his study has stated that life insurance plays a predominant role in securing the life of the individual as well as protect their family/dependants at the time of death of the policyholder. Robert L. Carter et al (2009) examined that the key success of insurer is based on the ability to establish cost effective in distribution channels to make contract with new policyholder for sale of insurance products, and also discussed about various innovation to reduce distribution costs in life insurance business. The traditional method of distribution channels is replaced by many new modern channels like Bancassurance, Direct selling, Online Marketing, Micro Insurance and Web aggregators. PR Chang et al (2011) has opined that traditional sales channels are performing well with compare to Bancassurance channels, Salesperson of traditional channels sell policy by diversified financial products, where the bancassurance need more training about the insurance products. Sumnider Kaw Bana et al (2016) the life insurance need to improve the perceive of the clients regarding various channels by providing awareness, knowledge and guiding to the policyholder about the policy and procedure of distribution channels. Sanketh (2017) stated in his article that in India the life insurance industry is dominated by the individual agent (41%).

Nowadays awareness about insurance policies is created through social media which make policyholder to select right policies and choose right distribution channels by comparing all the channels using technologies. They concluded that selecting of distribution channels is based on the perception of the customers. Chattha. S et al (2018) stated that advancement in technology and increasing demands of customer helped insurance sector to become more competitive in market. When it comes to influencing customer to purchase the policies of a particular life insurance policy, their perception of the distribution channels is taken into account. The perception varies from customer to customer based on certain demographic factors. Perception about the particular policies can be developed from a variety of things which includes their own need, experience about the product. Likewise the perception on selecting distribution channels is based on certain factor like price, time, service, accessibility, technology etc

Let us discuss some of the Distribution channels of Life Insurance in India:



<https://www.semanticscholar.org/paper/Performance-Evaluation-of-the-Intermediary-Channels-Bawa-Chattha/412ab1e2cc46fab068e7686b5a4bab8e66fd057a#cite-papers>

Bancassurance: Bancassurance is an arrangement between a bank and an Insurance Company, allowing the latter to sell the Insurance products to the Bank's Client. This arrangement can be profitable for both the institutions. Banks can earn additional revenue by selling insurance products, and insurance companies expand their customer bases without increasing their sales force or paying agents and broker commissions.

Corporate Agents: Corporate agents address an insurance agency/company and sell its products. Usually they are engaged in a particular business and sell insurance policies to their existing customers based on the situation. Corporate Agents can represent one life insurer, one non-life insurer and one standalone health insurer. In addition they can represent the two different insurance companies.

Direct Business: This refers to selling of Insurance products directly to the customers without any intermediaries. The insurance company/agency can directly approach the customers without any intermediary.

Individual Agents: Individual Agent or Independent agent is a person who sells insurance products on his behalf. Insurance agents also provide customer service for existing policyholders such as: offering insurance advice, reviewing policy details, processing policy changes and renewals, or anything else the client needs.

Brokers: An insurance broker is a person from whom you can buy insurance. Brokers can sell Insurance products but they do not work for an Insurance Company. A Broker can sell/suggest for multiple Insurance Products and Companies to buy insurance products from for client requirements.

Web Aggregators: Web Aggregator is company which compiles and provides information about insurance policies of various companies on a website. Thus, a web aggregator maintains or owns a website and provides information on insurance products of different insurers. It works as an intermediary, maintaining and supervising the website along with comparing the price and features of different insurance products being offered by the different insurers available in the market. Being an online service, this is easy to access and compare plans as per one's convenience.

**CHAPTER V:
APPLICATION OF
MANAGEMENT
FRAMEWORK
(MANAGEMENT MODELS
AS APPLICABLE)**

We study 'Shriram Life Insurance Company' with respect to different management models.

1) SWOT Analysis:

SWOT Analysis is a proven management framework which enables an organisation to relate its business performance in comparison with its competitors. SWOT analysis assesses internal and external factors, as well as current and future potential.

STRENGTHS <ol style="list-style-type: none">1. Life protection approach for all layers of society2. Approach of providing policies to create a social impact3. International proficiency of Sanlam group4. Spread of 750 offices across India5. More than 75,000 loyal and committed agents and customer base of 30 lacs chit supporters and investors	WEAKNESS <ol style="list-style-type: none">1. Restrained I.T infrastructure as compared to big brands.2. Low Marketing and brand presence when contrasted with different contenders.3. Insurance Companies have a helpless picture with regards to instalment of levy
OPPORTUNITIES <ol style="list-style-type: none">1. Scope of growth in rural market2. Acquiring Urban Youth searching for investments.3. Cross selling through financial institutions such as banks.	THREATS <ol style="list-style-type: none">1. Rigid Economic rules and measures by Government and RBI2. Entry of new Non-Banking Financial companies (NBFCs) in the sector

2) PESTLE Analysis:

A PESTLE analysis is an acronym for a tool used to identify the macro (external) forces facing an organization. 'PESTLE' stand for Political, Economic, Social, Technological, Environmental and Legal.

Let us discuss this factors:

Political: Business processes heavily depend on type of the government in the nation. An open-minded government and stable political environment present promising

opportunities for business and growth. The Government of India has taken number of initiatives to boost the insurance industry.

Economic: This includes economic factors such as interest rate, employment and unemployment rate, savings, low return, inflation rate. Some uncontrollable factors include earthquakes, monsoons and other natural calamities.

Social: Factors include population, lifestyle, and education. Shriram life Insurance serve people in bottom of the pyramid and provide better value and wider range of services to its customers.

Technological: This includes technological tools such as digital, mobile and social media to provide services to the customers.

Legal: An organization must understand what is legal and allowed within the region they operate. They also must adhere to the changes in legislation and its impact on business operations. Shriram Life Insurance partnership with Sanlam has increased the scope of growth.

Environmental: Recycling and waste management and the growing environmental pollution has adopted business to adopt innovative recycling and waste management. Shriram Life Insurance has adopted these methods in concern for environment.

CHAPTER VI: OBJECTIVES AND SCOPE OF PROJECT

Objectives of the project:

- 3) To study the customers' perception towards the selection of a distribution channel.
- 4) To study certain factors which can influence the customers towards buying the products through the distribution channel.

Scope of the project:

This project can help evaluate:

- 1) The most preferred Product distribution channel by the respondents/customer.
- 2) How factors such as Occupation, Education, Annual Income, Type of Insurance plan and amount invested in buying them, can be considered in order to increase the reach of distribution channel towards the customers

**CHAPTER VII:
METHODOLOGY
FOLLOWED FOR THE
PROJECT**

- ***Rationale for the study***

The main aim of the study to determine the customer behaviour towards the various distribution channels of the products of Shriram Life Insurance. Factors such as Annual income, Investment capacity of individual, Education and occupation are studied for fulfilling the aim of study.

- ***Statement of problem***

When it comes to selling of a product, the method of selling or the way it is being sold is to be considered. In case of a Life Insurance, a product is sold in many ways, through different channels. So, which channels help in maximum sales of Life Insurance product is studied.

- ***Significance of the Problem***

It is important to understand which media to be used to sell the product, through which a company can attain maximum sales/profit. This problem can be utilised by an organisation to determine proper channel for product distribution.

- ***Research Objectives***

Primary objective: To understand the customer behaviour towards a product distribution channel.

Secondary objective: To study certain factors which can influence the customers towards buying the products through the distribution channel.

- ***Scope of the study***

This project study is helpful in following aspects.

- It will be helpful to the professionals of Shriram life insurance co. ltd. to know the awareness of distribution channels among the people.
- It will be helpful in knowing awareness about the other Life Insurance companies preferred by customers.

- ***Research design (Research Type)***

Research type is survey research.

- ***Data sources (Primary and secondary sources)***

The primary data was collected through questionnaire. The respondents were asked to fill the Google Forms. Secondary data was collected through various sources such as websites, reports etc.

- ***Data Collection Instrument (for e.g. Questionnaire)***

Data is collected through a questionnaire which was circulated using Google Forms. It includes basic questions such as name of respondent, age group, education, occupation, Annual Income etc

- ***Sampling Design***

- o Sample Size: 110
- o Sampling Method: Convenience Sampling
- o Sampling Unit: An individual person

- ***Outline of analysis (a brief outline of tools and techniques to be used for analysis, statistical tools and tests to be used)***

The data was collected through online questionnaire circulated through Google Forms. This data was maintained in the form of an excel sheet (a feature of Google Forms to compile the responses into excel sheet). Thus a dataset was created through the responses.

This dataset was further subjected to visualisation through Tableau (a data visualisation tool). This tool is easy to visualise the data with the feature of applying filters to plots. This creates an easy way to look at the data and its implications. Charts (worksheets in Tableau) were made based on the data collected. These charts were further utilised to make a dashboard, which compiles all the worksheets. One of the chart from the worksheet was used as a filter and changes can be observed in other charts accordingly.

- ***Limitations of the Project***

This project contains majority of respondents of same age group, it is difficult to analyse the results on the basis of age factor.

CHAPTER VIII: DATA ANALYSIS

• **Data Analysis and Interpretation**

This part focuses on the outcome generated through the analysis done on the dataset.

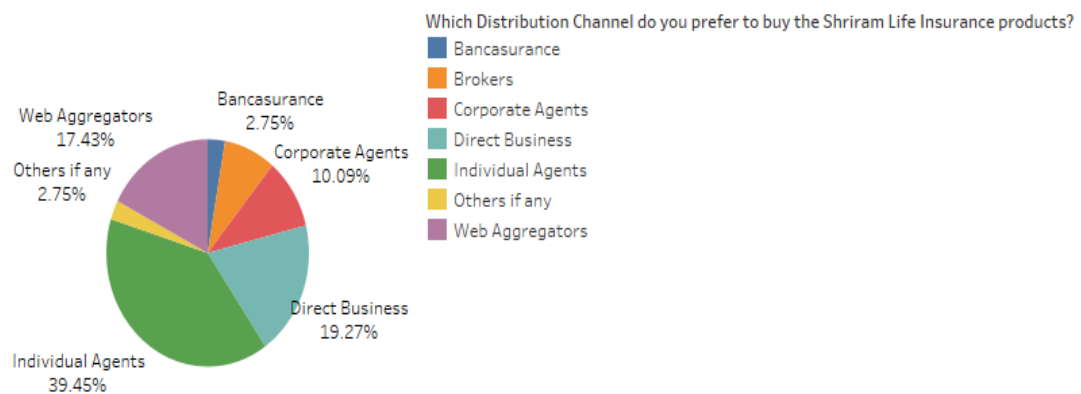
The dataset obtained from Google form provides the insights which justify the research objectives.

• **Charts**

The Dashboard created on Tableau consists of various charts. These individual charts are called as ‘worksheets’. The study mentioned in the project can be reflected through the charts:

1) **Distribution Channels**

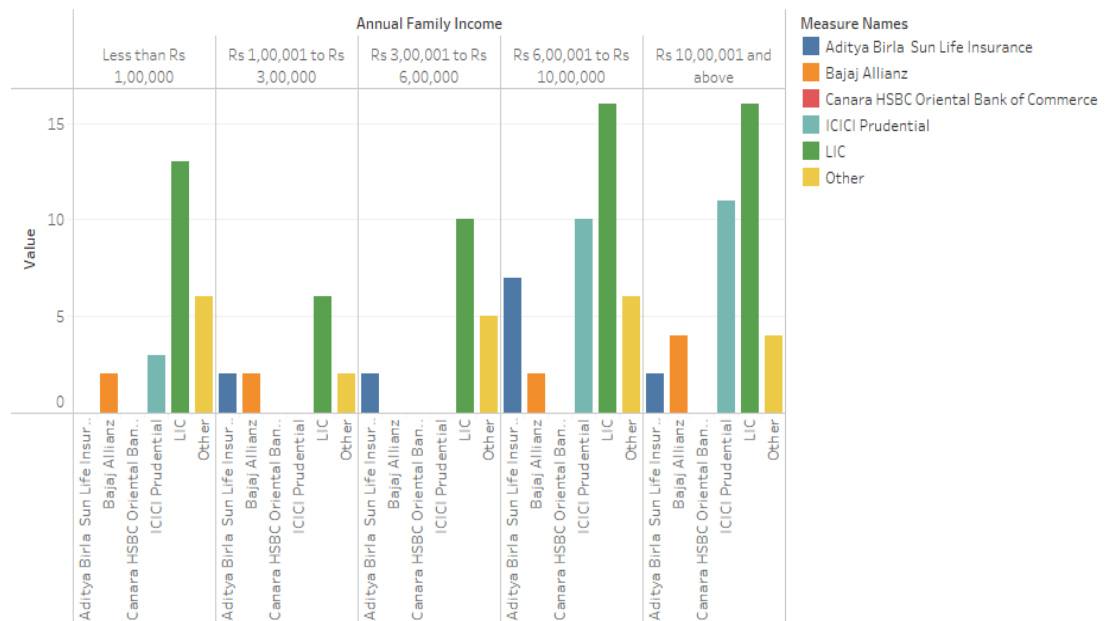
Distribution Channels



Which Distribution Channel do you prefer to buy the Shriram Life Insurance products? and % of Total Count of Timestamp. Color shows details about Which Distribution Channel do you prefer to buy the Shriram Life Insurance products?. The marks are labeled by Which Distribution Channel do you prefer to buy the Shriram Life Insurance products? and % of Total Count of Timestamp.

2) **Income and Income and Insurance Company preferred:**

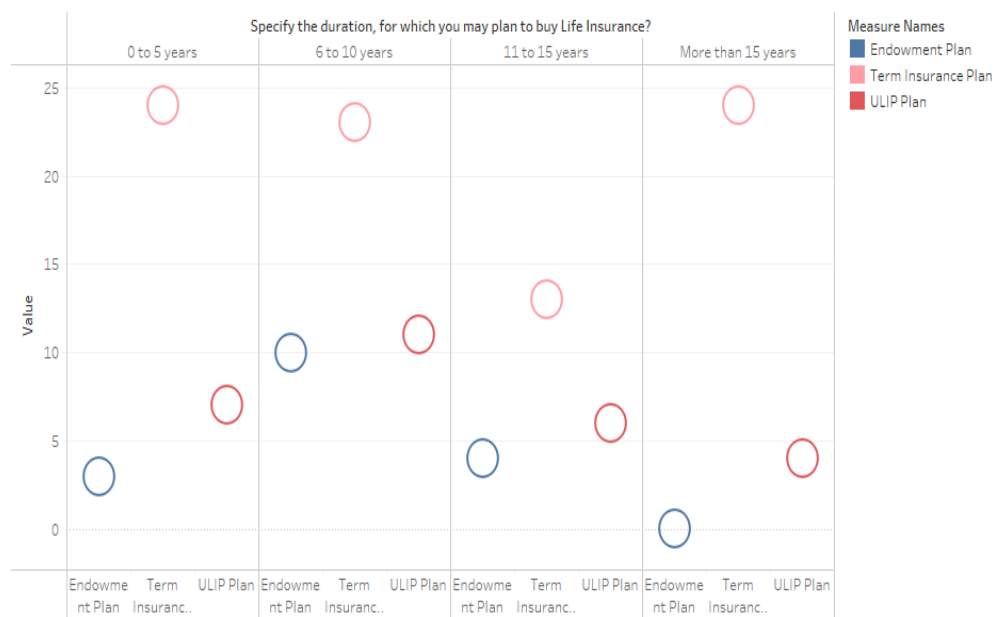
Income and Insurance company preferred



Aditya Birla Sun Life Insurance, Bajaj Allianz, Canara HSBC Oriental Bank of Commerce, ICICI Prudential, LIC and Other for each Annual Family Income. Color shows details about Aditya Birla Sun Life Insurance, Bajaj Allianz, Canara HSBC Oriental Bank of Commerce, ICICI Prudential, LIC and Other. The data is filtered on Action (Which Distribution Channel do you prefer to buy the Shriram Life Insurance products?), which keeps 7 members.

3) Plans and duration

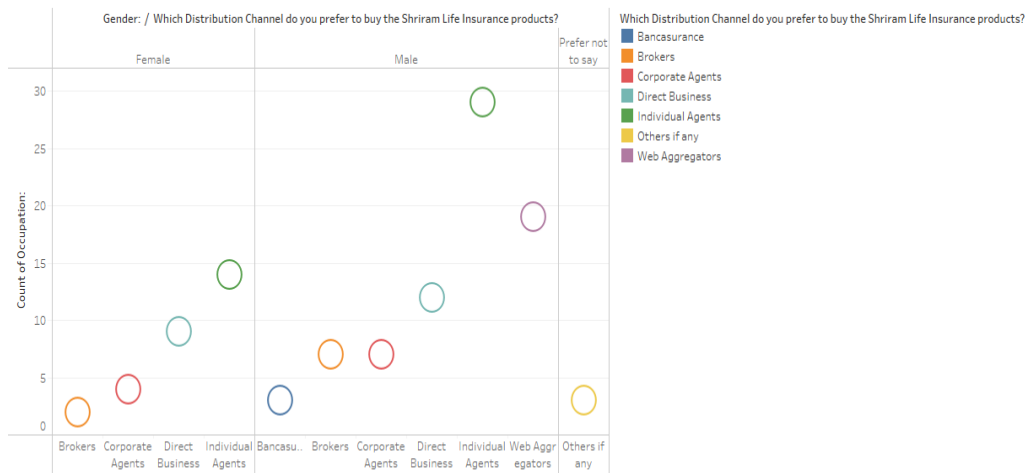
Plans and duration



Endowment Plan, Term Insurance Plan and ULIP Plan for each Specify the duration, for which you may plan to buy Life Insurance?. Color shows details about Endowment Plan, Term Insurance Plan and ULIP Plan. The data is filtered on Which Distribution Channel do you prefer to buy the Shriram Life Insurance products? and Action (Which Distribution Channel do you prefer to buy the Shriram Life Insurance products?). The Which Distribution Channel do you prefer to buy the Shriram Life Insurance products? filter keeps 7 of 7 members. The Action (Which Distribution Channel do you prefer to buy the Shriram Life Insurance products?) filter keeps 7 members.

4) Gender wise Channel preference:

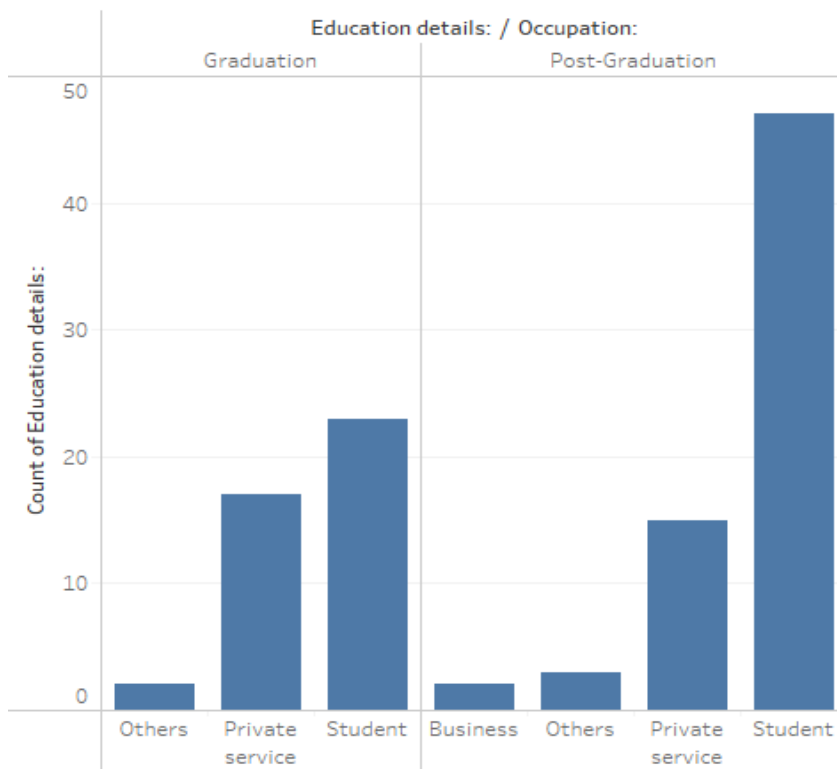
Gender wise channel preference



Count of Occupation: for each Which Distribution Channel do you prefer to buy the Shriram Life Insurance products? broken down by Gender: Color shows details about Which Distribution Channel do you prefer to buy the Shriram Life Insurance products?. The data is filtered on In your opinion, how much can be invested in buying a policy? and Action (Which Distribution Channel do you prefer to buy the Shriram Life Insurance products?). The In your opinion, how much can be invested in buying a policy? filter keeps multiple members. The Action (Which Distribution Channel do you prefer to buy the Shriram Life Insurance products?) filter keeps 7 members.

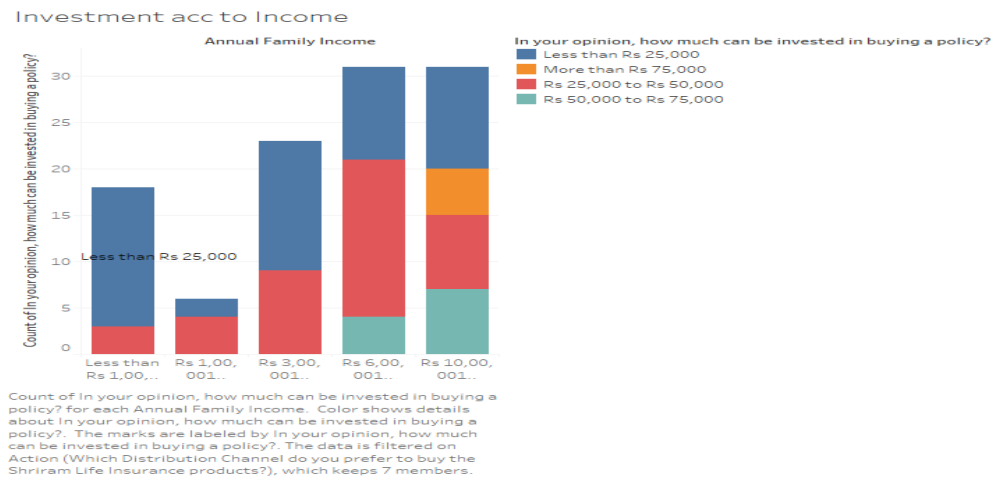
5) Education details and Occupation:

Education details and occupation

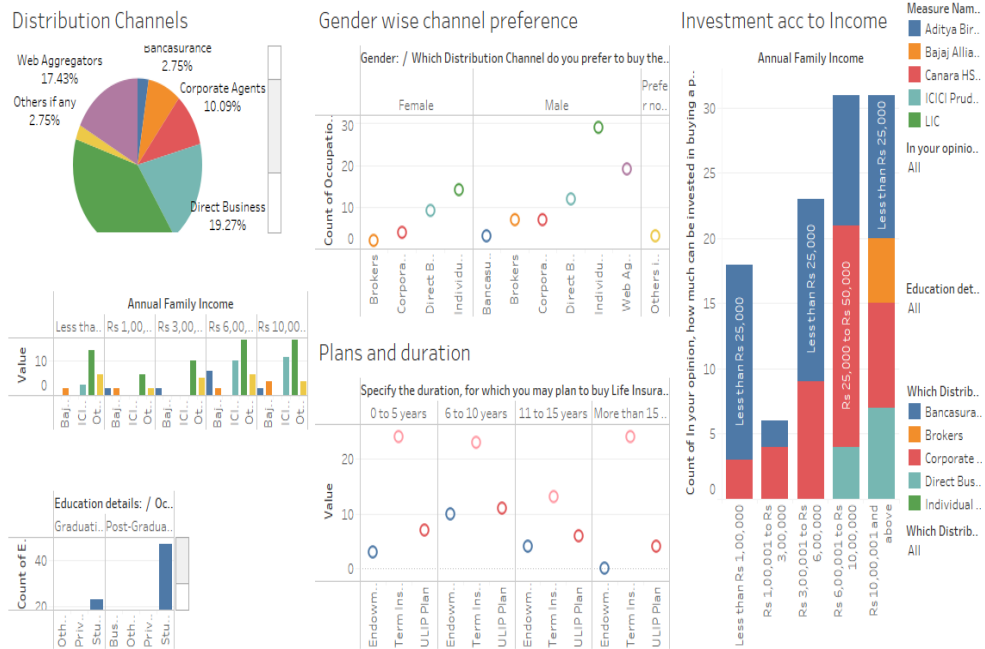


Count of Education details: for each Occupation: broken down by Education details: The data is filtered on Action (Which Distribution Channel do you prefer to buy the Shriram Life Insurance products?), which keeps 7 members. The view is filtered on Education details:, which keeps multiple members.

6) Investment according to income:



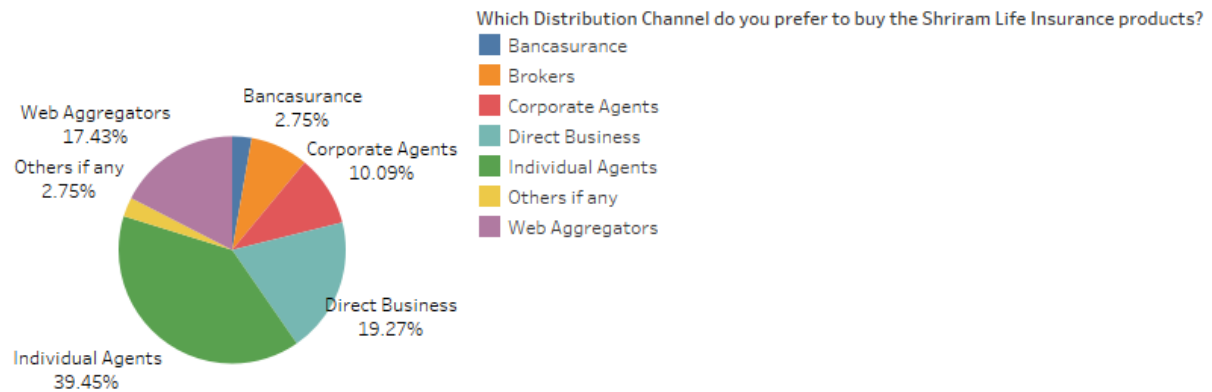
7) Dashboard:



• *Analysis and Interpretation*

From the above charts and dashboard, we can interpret the following results:

Distribution Channels

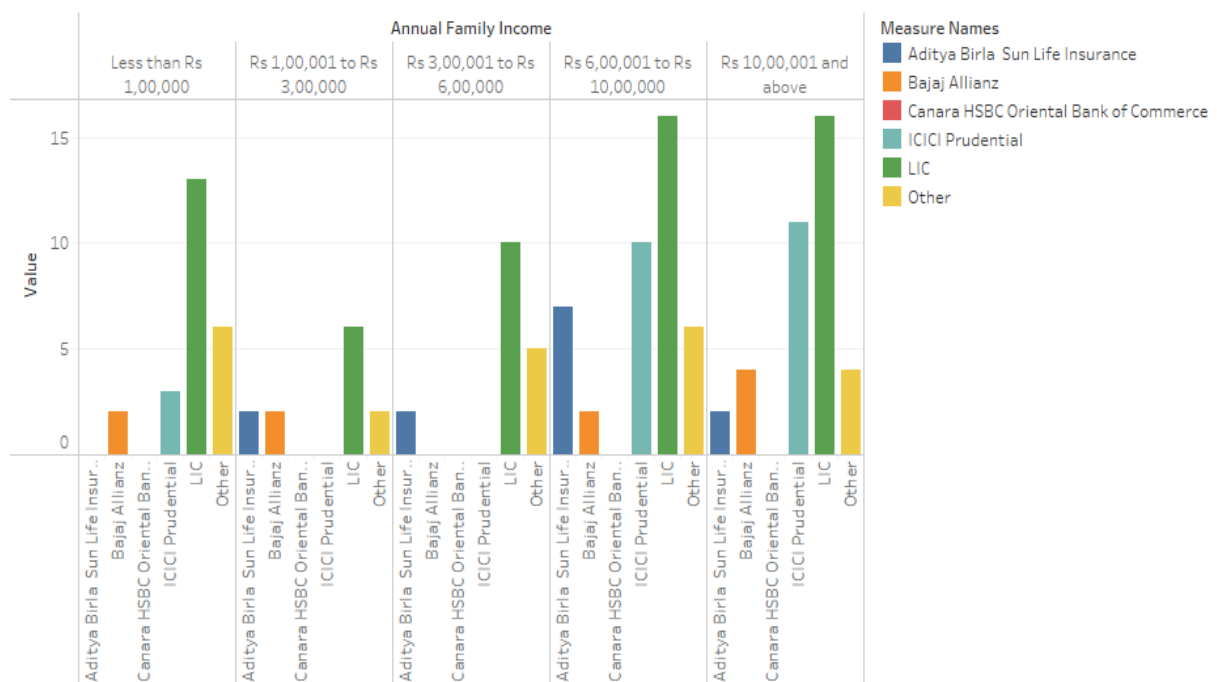


Which Distribution Channel do you prefer to buy the Shriram Life Insurance products? and % of Total Count of Timestamp. Color shows details about Which Distribution Channel do you prefer to buy the Shriram Life Insurance products?. The marks are labeled by Which Distribution Channel do you prefer to buy the Shriram Life Insurance products? and % of Total Count of Timestamp.

The response is demonstrated in pie-chart as the percentage of respondents preferring the distribution channel:

Distribution Channel	Respondents	% of Respondents
Bancassurance	3	2.75%
Brokers	9	8.26%
Corporate Agents	11	10.09%
Direct Business	21	19.27%
Individual Agents	43	39.45%
Web Aggregators	19	17.43%
Others	3	2.75%

Income and Insurance company preferred

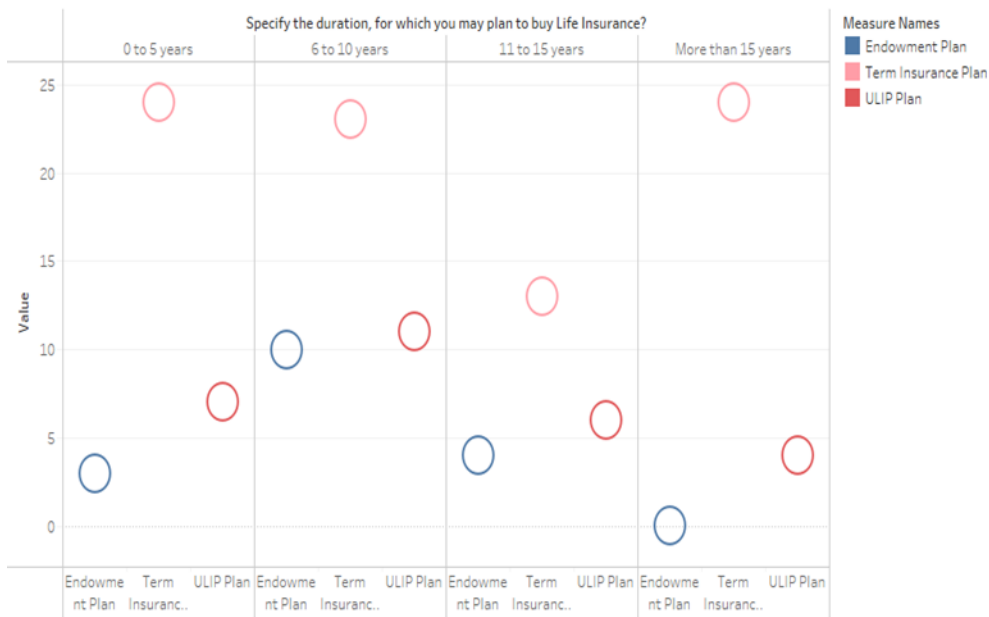


Aditya Birla Sun Life Insurance, Bajaj Allianz, Canara HSBC Oriental Bank of Commerce, ICICI Prudential, LIC and Other for each Annual Family Income. Color shows details about Aditya Birla Sun Life Insurance, Bajaj Allianz, Canara HSBC Oriental Bank of Commerce, ICICI Prudential, LIC and Other. The data is filtered on Action (Which Distribution Channel do you prefer to buy the Shriram Life Insurance products?), which keeps 7 members.

This graph shows Annual Income and Insurance Company preferred by the respondents.

Annual Family Income	Aditya Birla Sun Life insurance	Bajaj Allianz	Canara HSBC Oriental Bank of commerce	ICICI Prudential	LIC	Others
Less than Rs 1,00,000	0	2	0	3	13	6
Rs 1,00,001 to Rs 3,00,000	2	2	0	0	6	2
Rs 3,00,001 to Rs 6,00,000	2	0	0	0	10	5
Rs 6,00,001 to Rs 10,00,000	7	2	0	10	16	6
Rs 10,00,001 and above	2	4	0	11	16	4

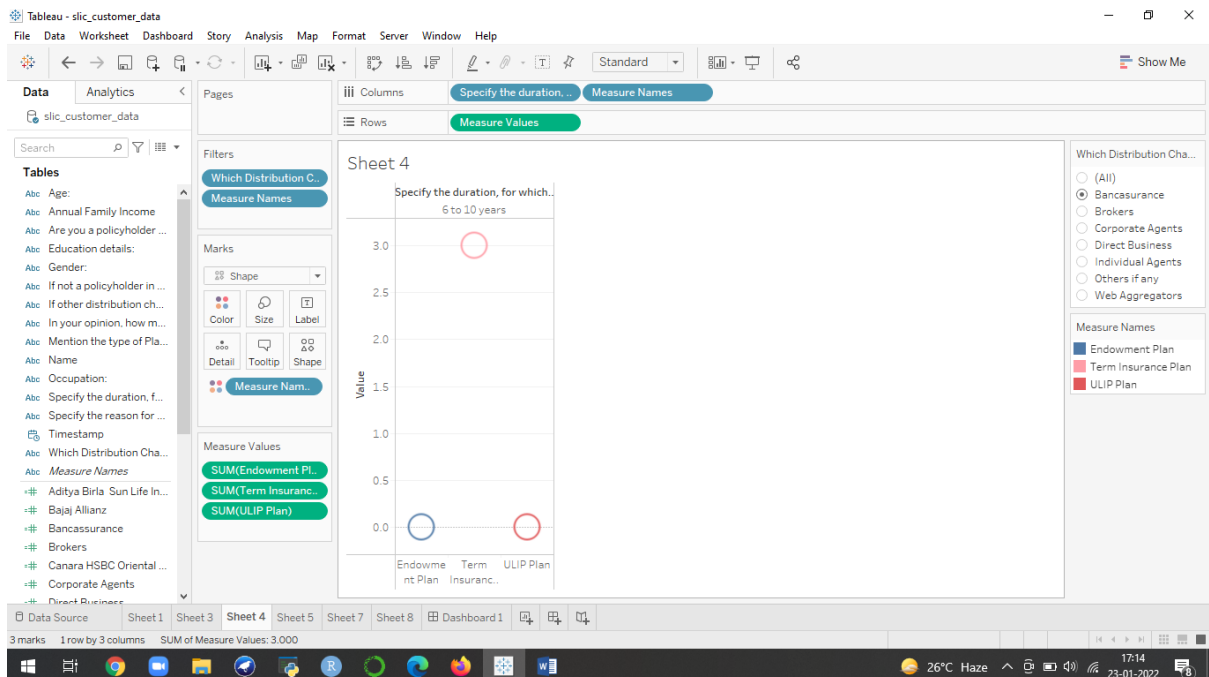
Plans and duration



Endowment Plan, Term Insurance Plan and ULIP Plan for each Specify the duration, for which you may plan to buy Life Insurance?. Color shows details about Endowment Plan, Term Insurance Plan and ULIP Plan. The data is filtered on Which Distribution Channel do you prefer to buy the Shriram Life Insurance products? and Action (Which Distribution Channel do you prefer to buy the Shriram Life Insurance products?). The Which Distribution Channel do you prefer to buy the Shriram Life Insurance products? filter keeps 7 of 7 members. The Action (Which Distribution Channel do you prefer to buy the Shriram Life Insurance products?) filter keeps 7 members.

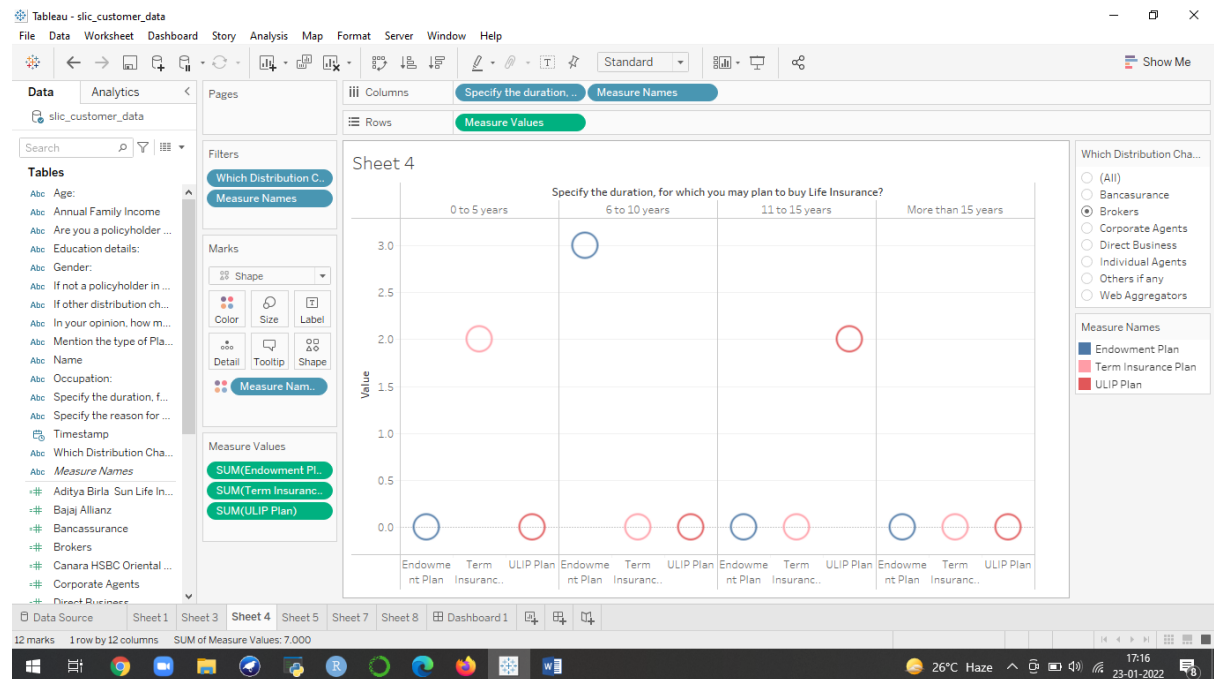
Types of Insurance Plans and their Duration

Bancassurance:



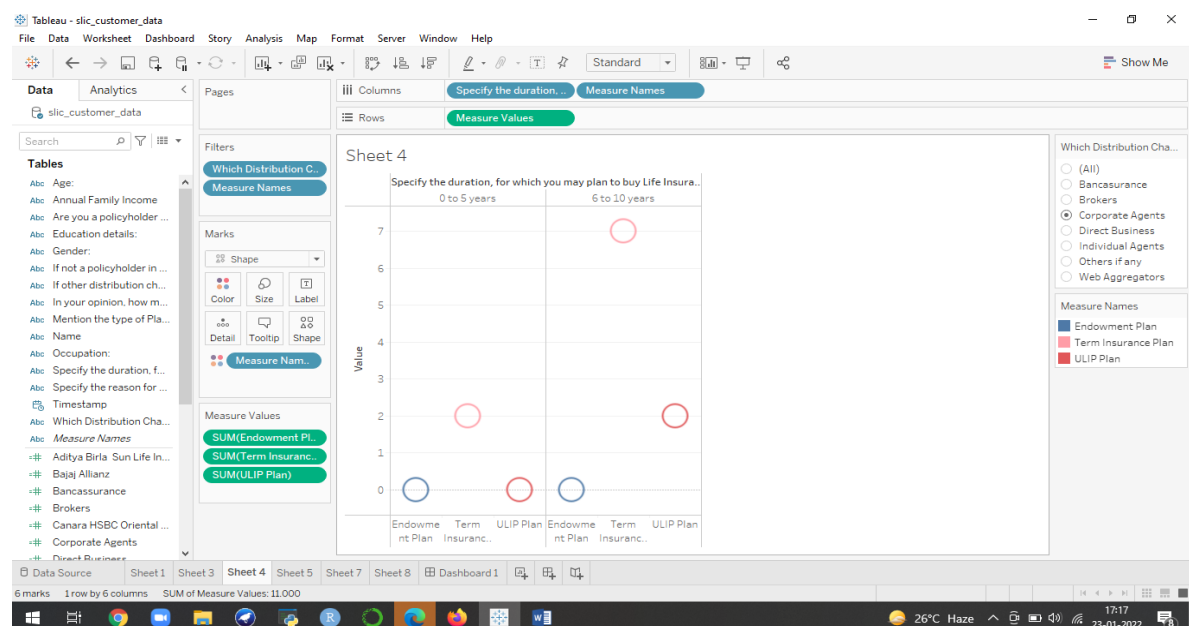
Duration	Endowment Plan	Term Insurance	ULIP Plan
6 to 10 years	0	3	0

Brokers:



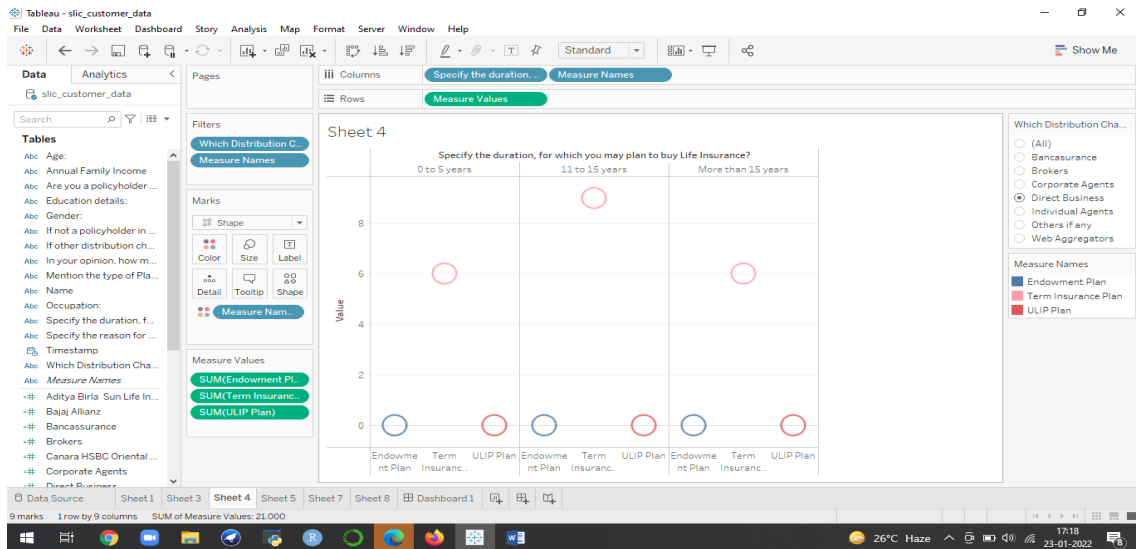
Duration	Endowment Plan	Term Insurance	ULIP Plan
0 to 5 years	0	2	0
6 to 10 years	3	0	0
11 to 15 years	0	0	2
More than 15 years	0	0	0

Corporate Agents:



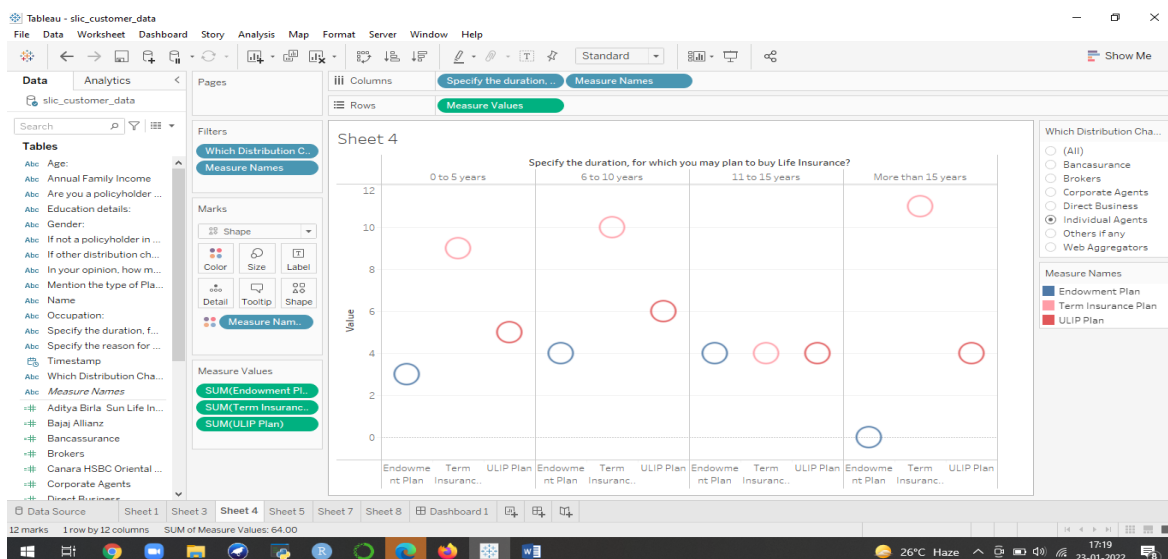
Duration	Endowment Plan	Term Insurance	ULIP Plan
0 to 5 years	0	2	0
6 to 10 years	0	7	2

Direct Business:



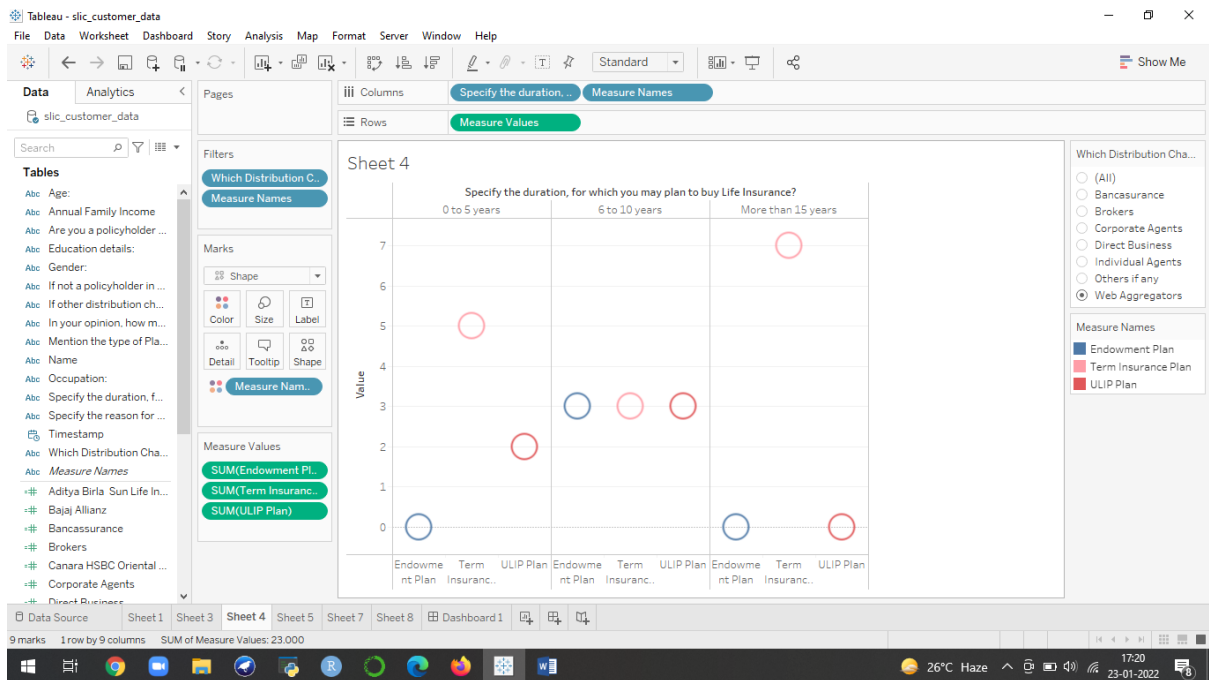
Duration	Endowment Plan	Term Insurance	ULIP Plan
0 to 5 years	0	6	0
11 to 15 years	0	9	0
More than 15 years	0	6	0

Individual Agents:



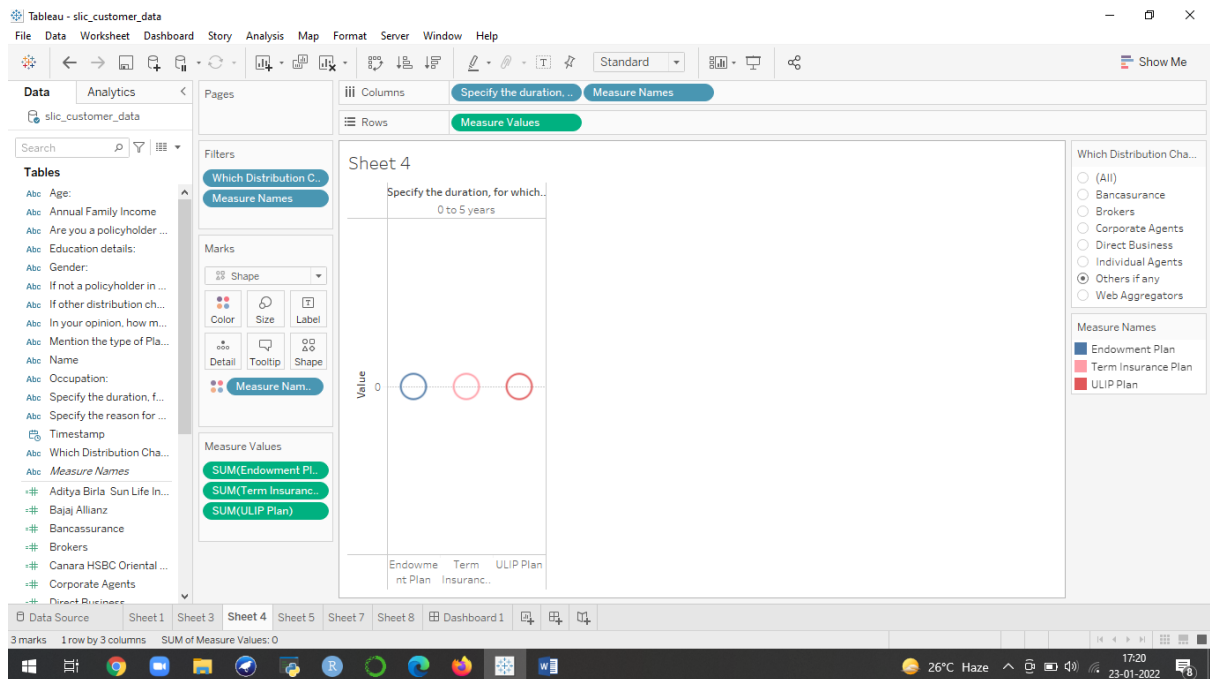
Duration	Endowment Plan	Term Insurance	ULIP Plan
0 to 5 years	3	9	5
6 to 10 years	4	10	6
11 to 15 years	4	4	4
More than 15 years	0	11	4

Web Aggregators:



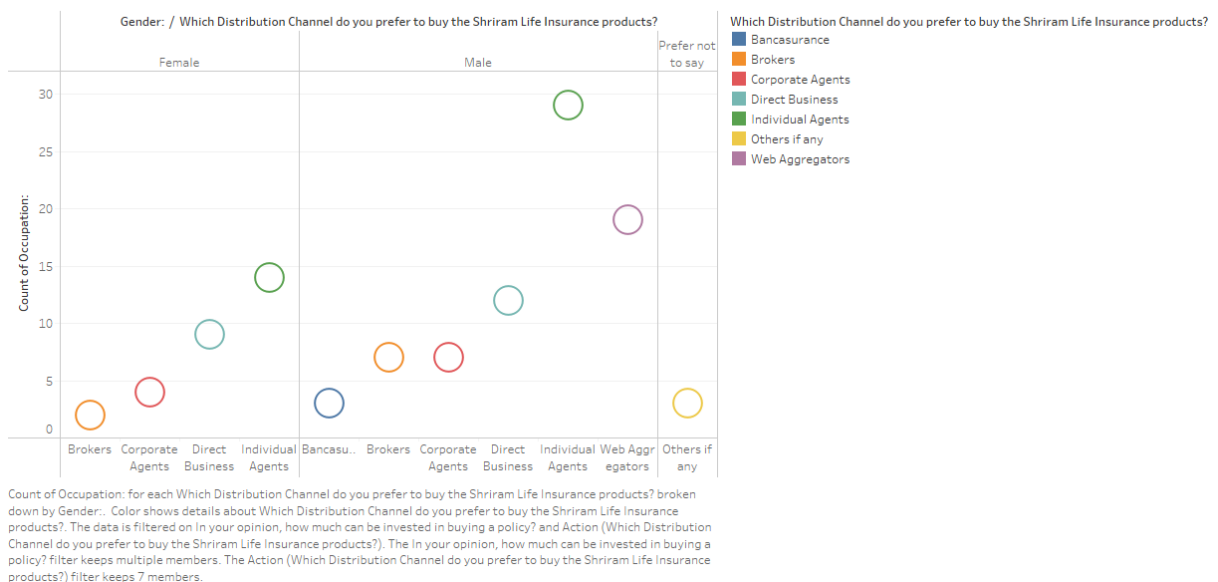
Duration	Endowment Plan	Term Insurance	ULIP Plan
0 to 5 years	0	5	2
6 to 10 years	3	3	3
More than 15 years	0	7	0

Others:



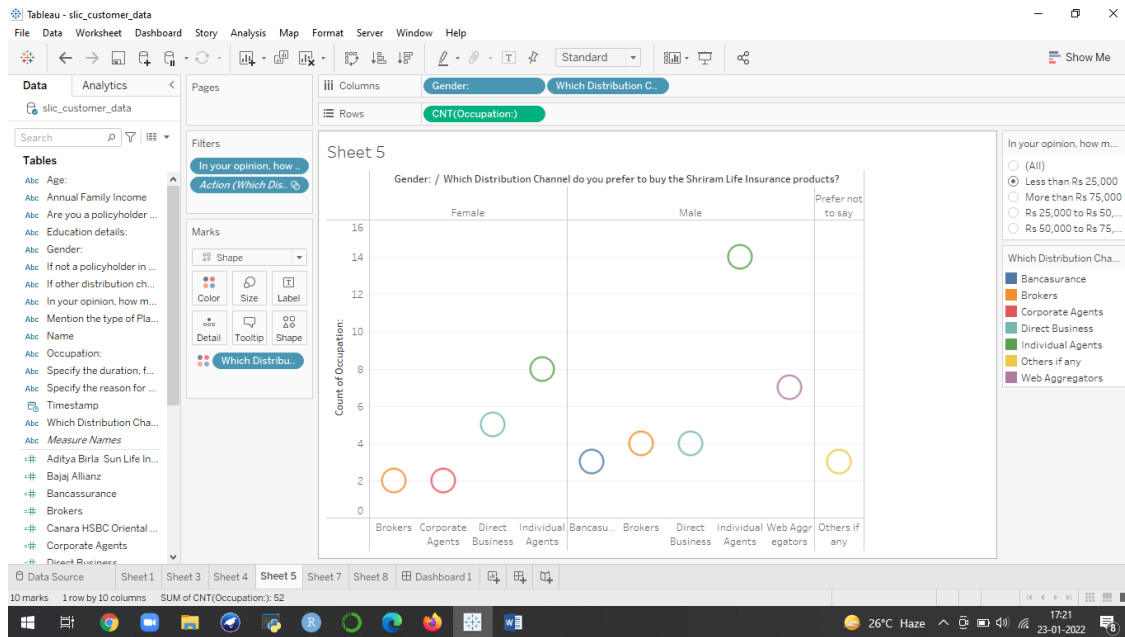
Duration	Endowment Plan	Term Insurance	ULIP Plan
0 to 5 years	0	0	0

Gender wise channel preference



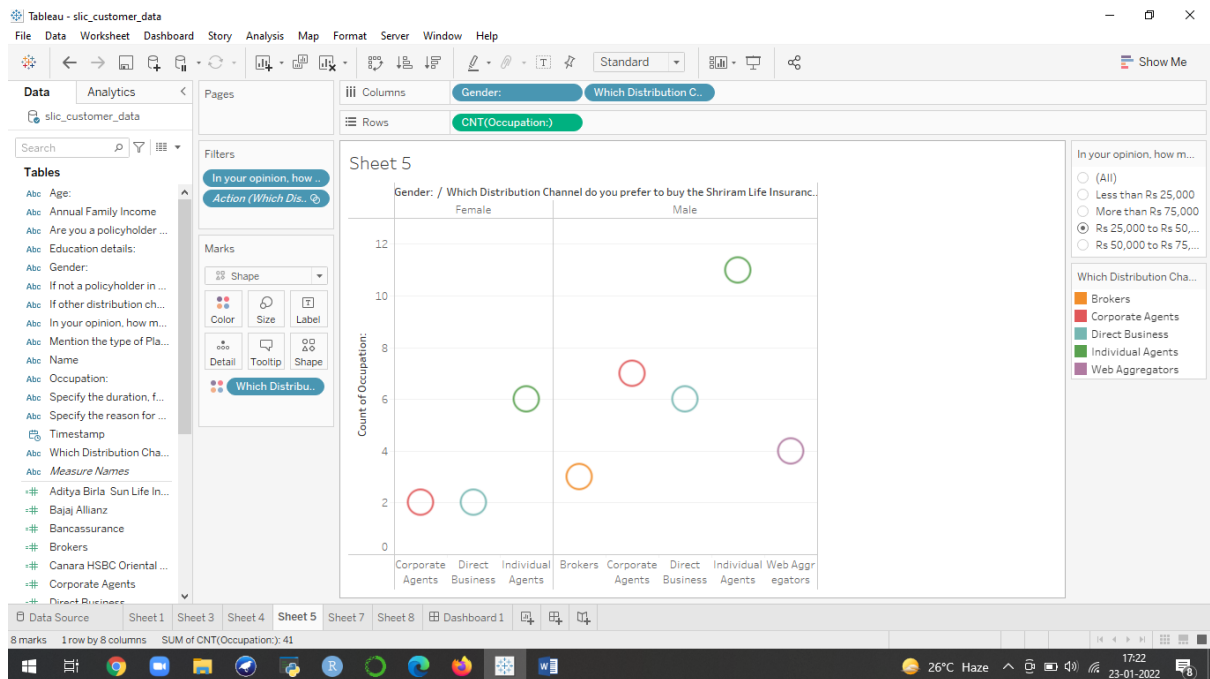
This chart shows Gender wise preference towards the distribution channel. This is based on the money invested in buying the policy:

Less than Rs 25,000:



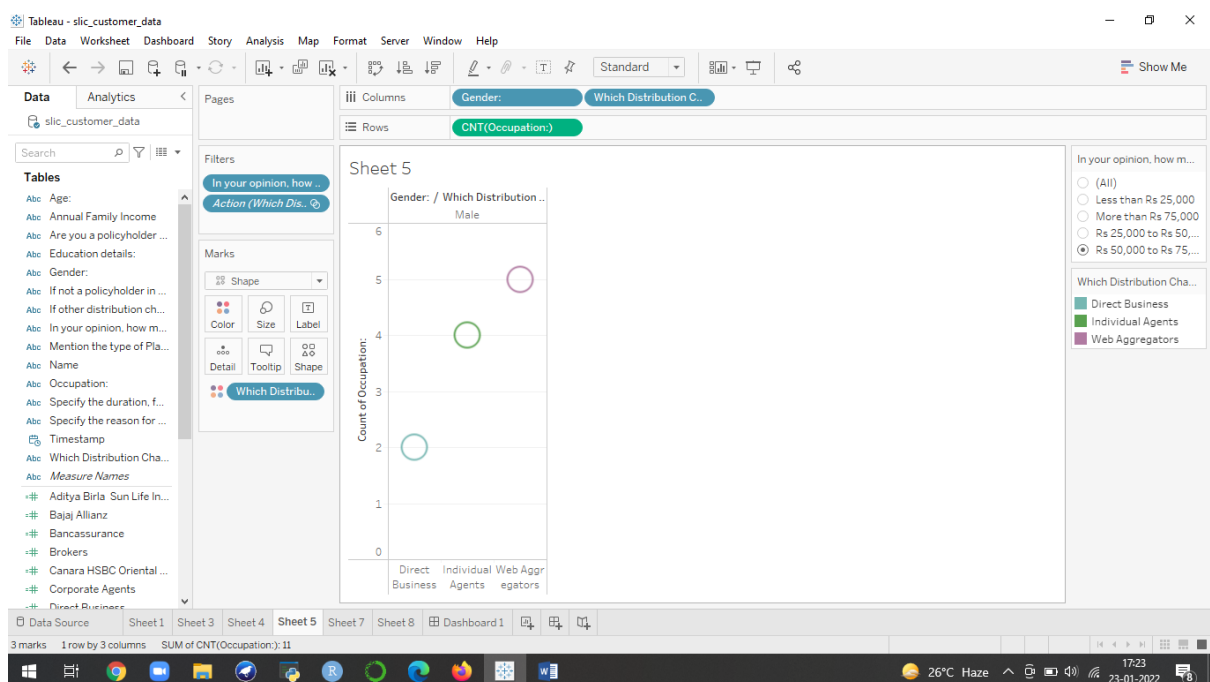
Gender	Banccasurance	Brokers	Corporate Agents	Direct Business	Individual Agents	Web Aggregators	Others
Male	3	4	0	4	14	7	0
Female	0	2	2	5	8	0	0
Prefer not to say	0	0	0	0	0	0	3

Rs 25,000 to 50,000:



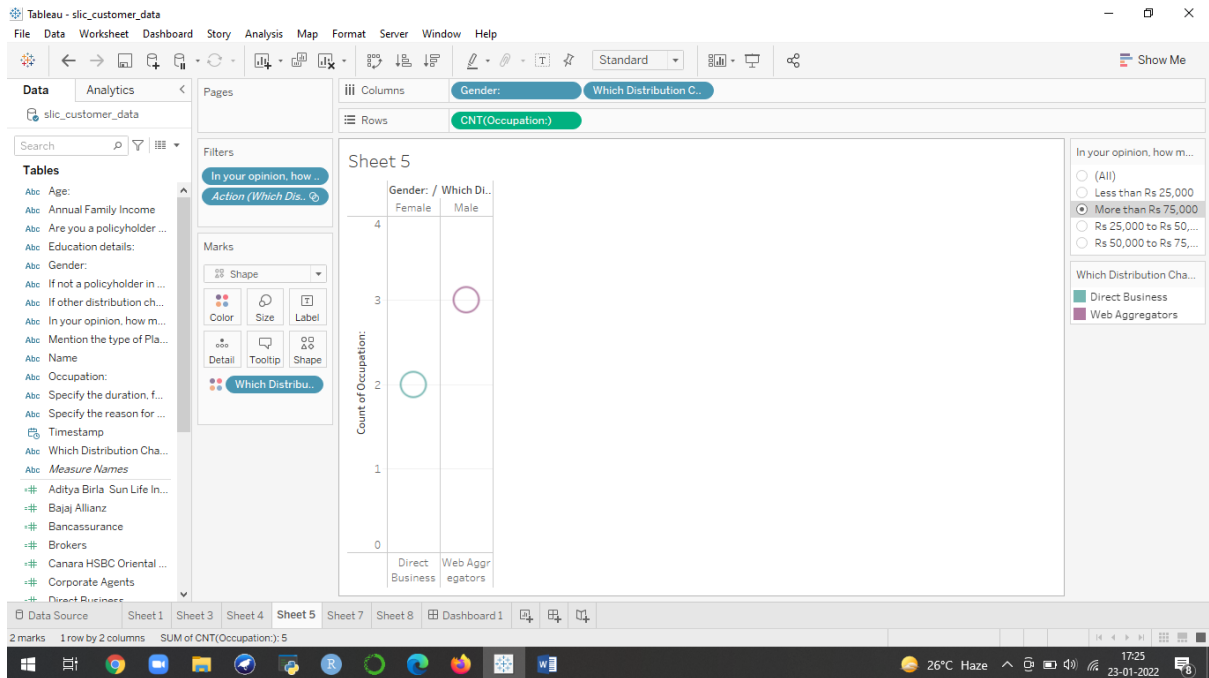
Gender	Bancassurance	Brokers	Corporate Agents	Direct Business	Individual Agents	Web Aggregators	Others
Male	0	3	7	6	11	4	0
Female	0	0	2	2	6	0	0

Rs 50,000 to Rs 75,000:



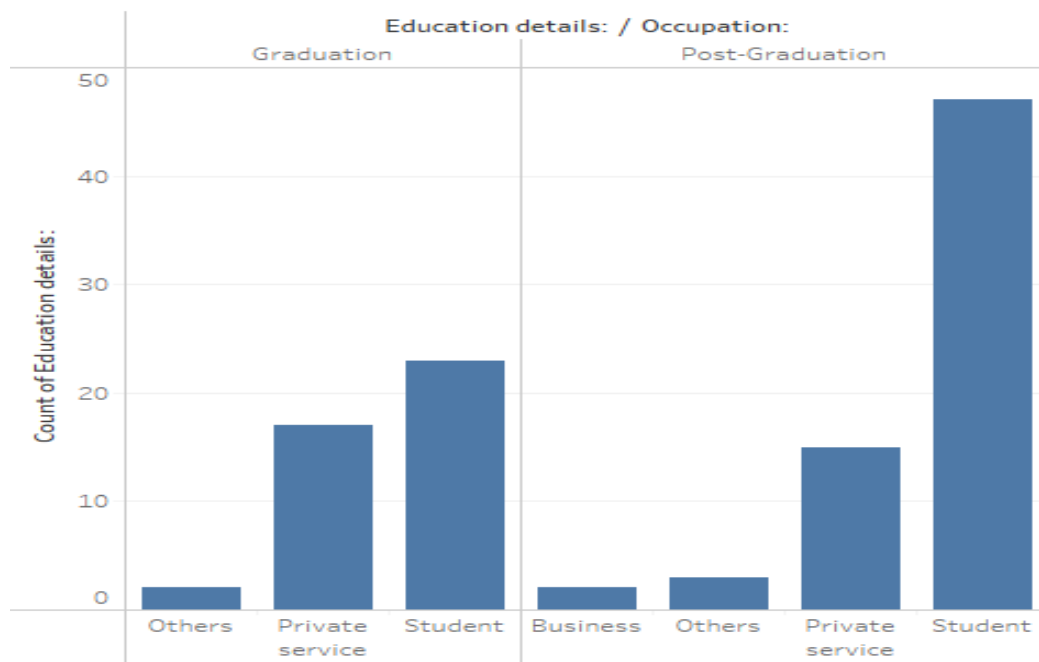
Gender	Direct Business	Individual Agents	Web Aggregators
Male	2	4	5

More than Rs 75,000:



Gender	Direct Business	Web Aggregators
Male	0	3
Female	2	0

Education details and occupation

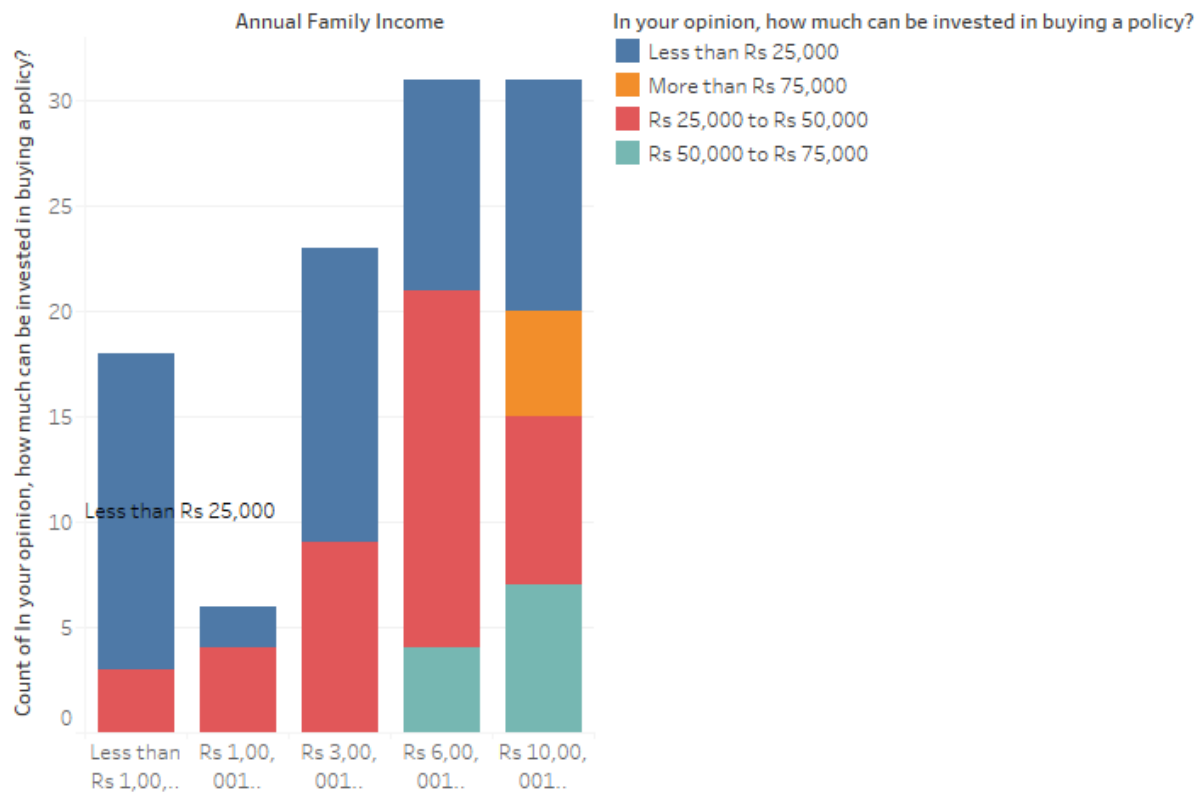


Count of Education details: for each Occupation: broken down by Education details:.. The data is filtered on Action (Which Distribution Channel do you prefer to buy the Shriram Life Insurance products?), which keeps 7 members. The view is filtered on Education details:, which keeps multiple members.

This chart shows the Education and occupation details:

Education	Student	Private service	Business	others
Graduation	23	7	0	2
Post-Graduation	47	15	2	3

Investment acc to Income

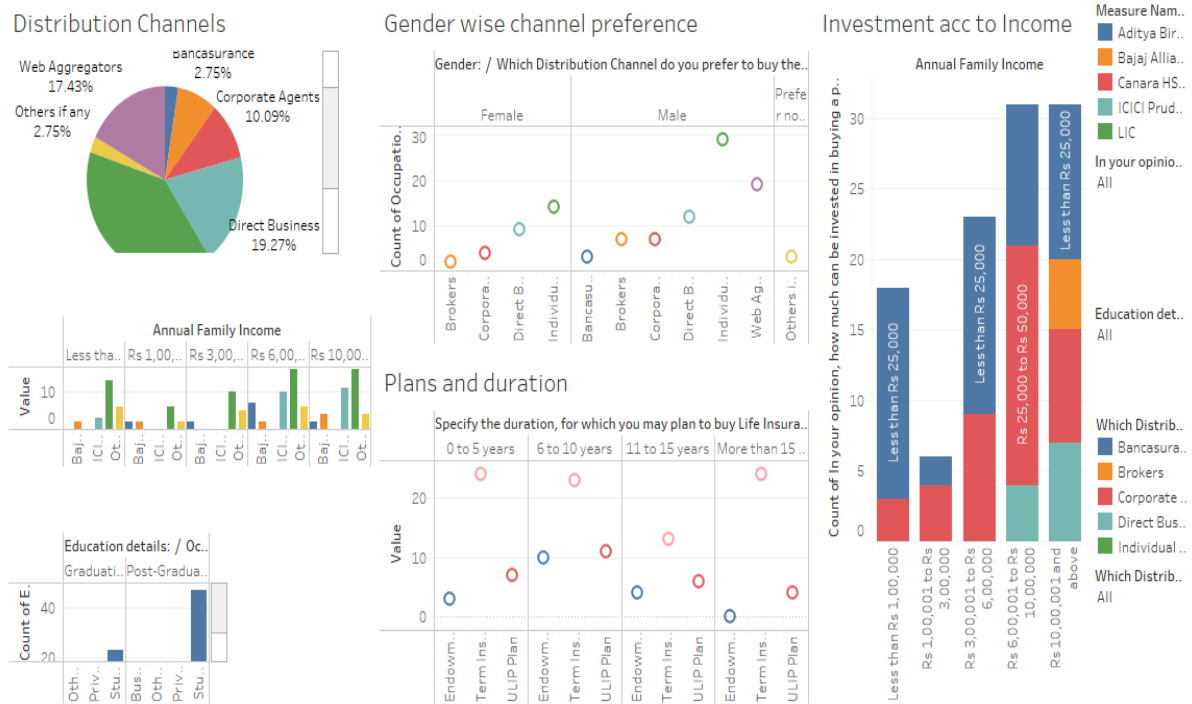


Count of In your opinion, how much can be invested in buying a policy? for each Annual Family Income. Color shows details about In your opinion, how much can be invested in buying a policy?. The marks are labeled by In your opinion, how much can be invested in buying a policy?. The data is filtered on Action (Which Distribution Channel do you prefer to buy the Shriram Life Insurance products?), which keeps 7 members.

This chart demonstrates the investment done according to annual income:

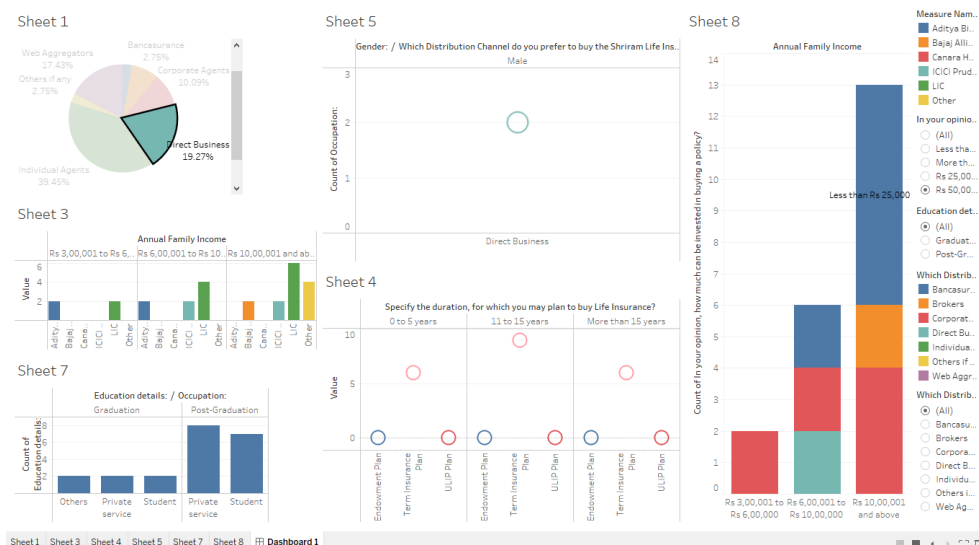
Annual Income	Less than Rs 25,000	Rs 25,000 to Rs 50,000	Rs 50,000 to Rs 75,000	More than Rs 75,000
Less than Rs 1,00,000	15	3	0	0
Rs 1,00,001 to Rs 3,00,000	0	2	4	0
Rs 3,00,001 to Rs 6,00,000	14	19	0	0
Rs 6,00,001 to Rs 10,00,000	10	17	4	0
Rs 10,00,001 and above	11	8	7	5

Now we take a look at the dashboard made from the above the charts:

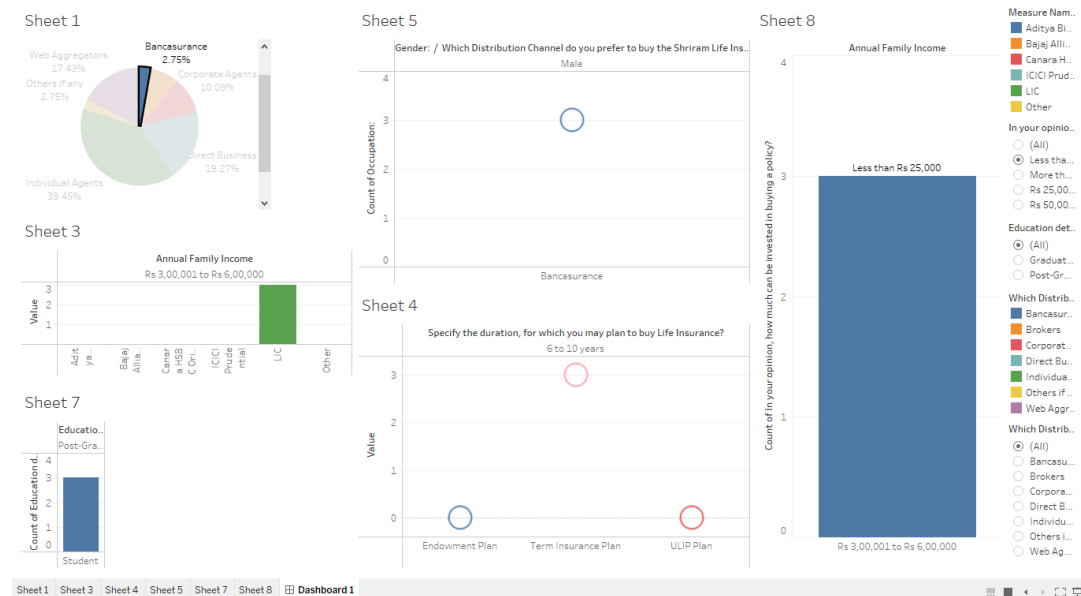


Here we have used the distribution Channels pie-chart as the filter. This will enable the parameters in other charts to change accordingly:

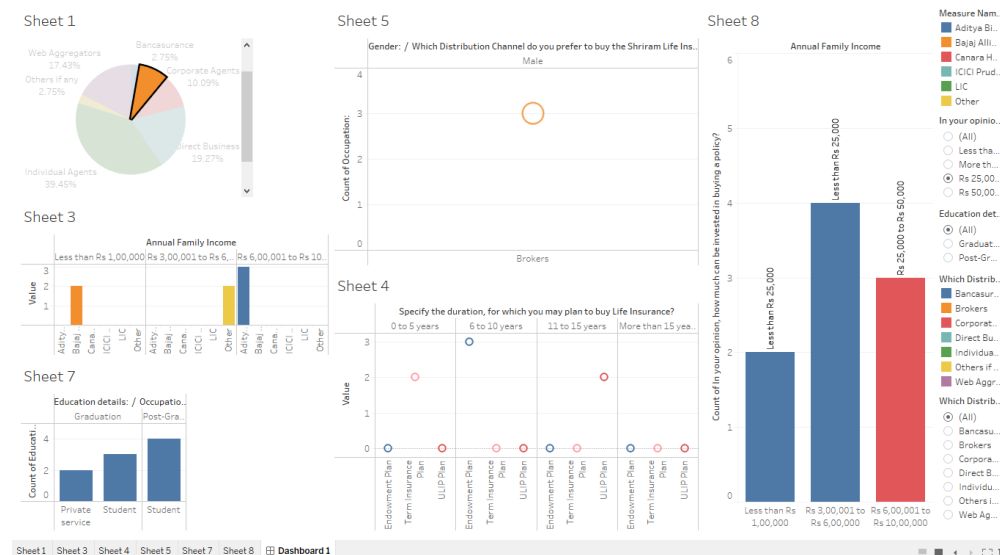
1) Direct Channels:



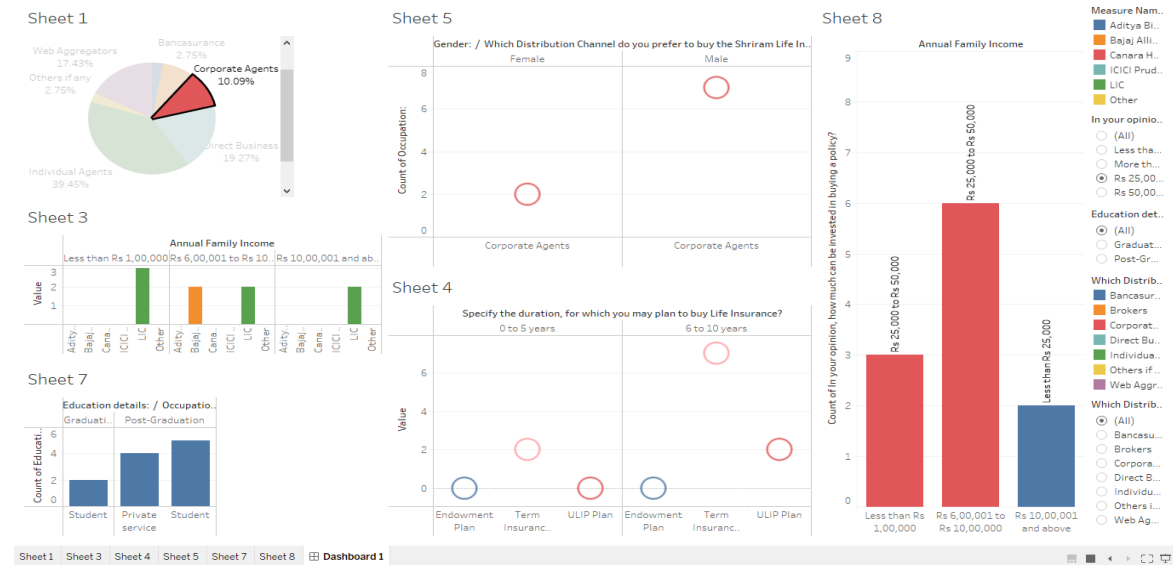
2) Bancassurance:



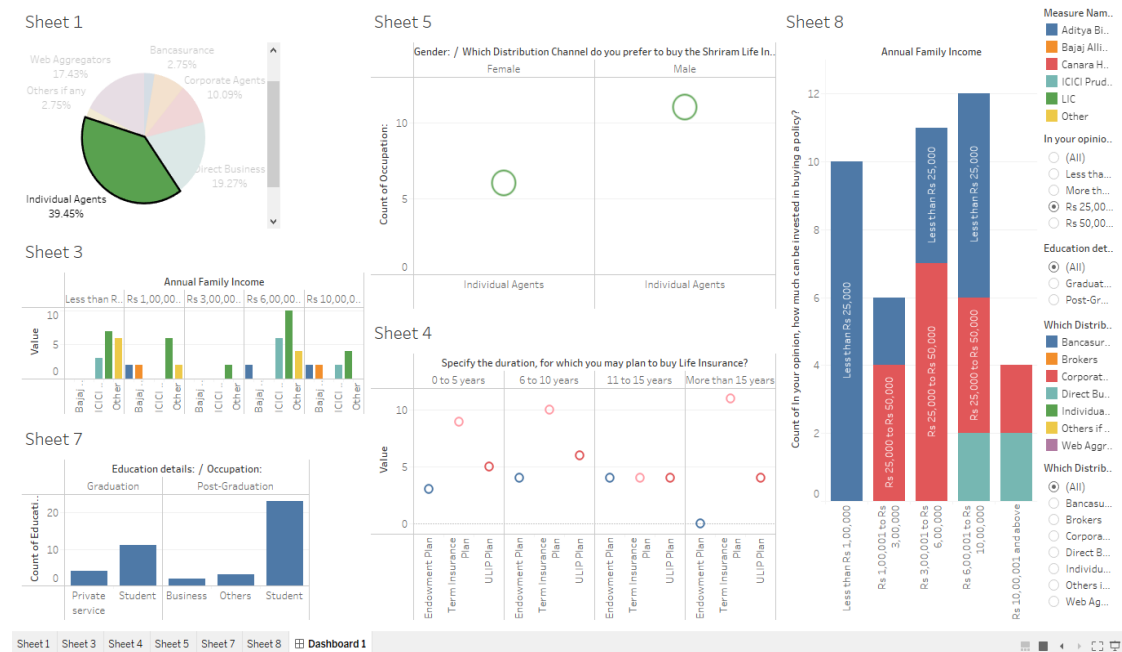
3) Brokers:



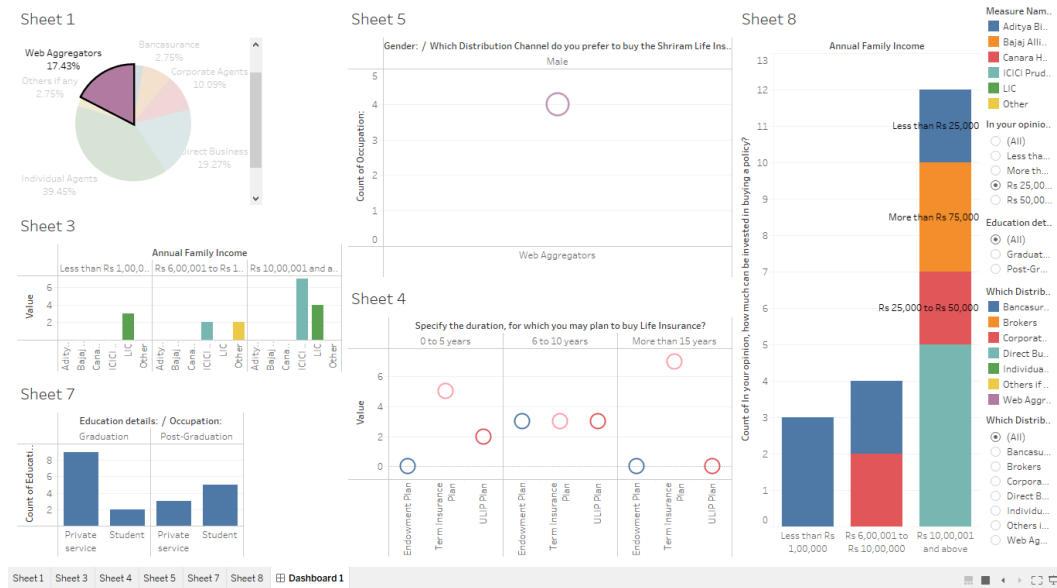
4) Corporate Agents:



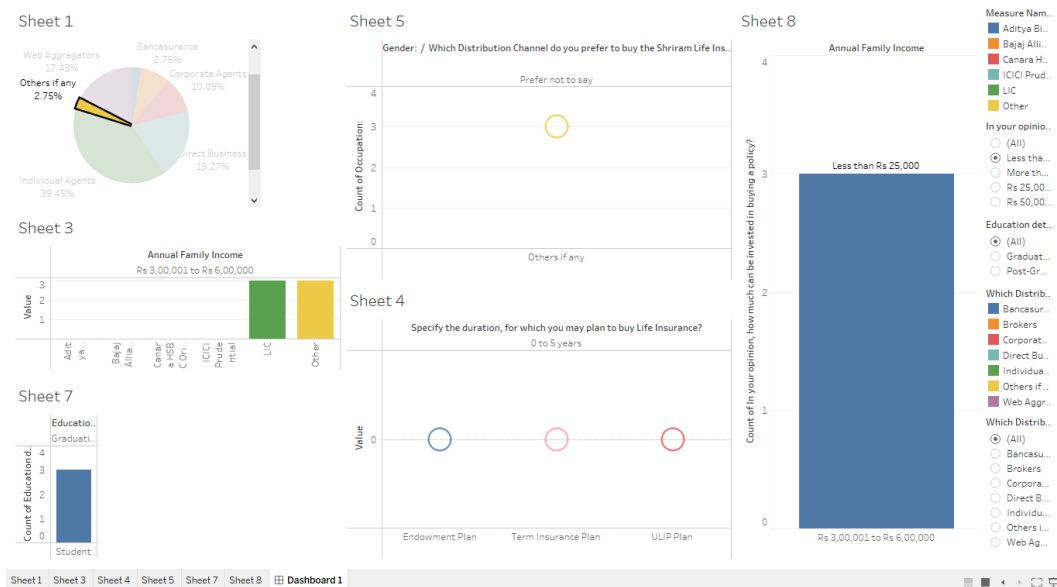
5) Individual Agents:



6) Web Aggregators:



7) Others if any:



CHAPTER IX: FINDINGS

From the above charts and dashboard, we can see the parameters change according to the pie-chart as the filter

- 1) As discussed earlier, the respondents prefer the 'Individual agents' channel most to avail the Life Insurance products.
- 2) Followed by 'Individual agents' channel, we have 'Direct Business' and 'Web Aggregators' channels. And 'Bancassurance' as the least preferred.
- 3) Respondents have shown interest to buy the insurance products the most from 'LIC' followed by 'ICICI Prudential' and the least from 'Canara HSBC Oriental Bank of Commerce Life Insurance'.
- 4) Respondents tend to purchase the 'Term Insurance' policy the most among the others.
- 5) We can see most of the respondents are 'Students' who are 'Post-Graduates'.
- 6) Most of the respondents wish to invest 'less than Rs 25,000' and 'Rs 25,000 to Rs 50,000' in buying the Insurance Policy. Very less respondents wish to invest more than Rs 75000'

CHAPTER X: CONCLUSIONS & SUGGESTIONS

- 1) It can be deduced from the above visualisations that 'Individual Agents' distribution channel is most preferred. Thus this channel helps in maximizing the sales.
- 2) Different factors/parameters can be examined in case of 'Individual Agents' such as:
 - a) Gender-wise preference is higher.
 - b) Preference for buying the insurance policies such as Term Insurance, Endowment plans and ULIP plans according to the duration are higher.
 - c) Annual Income and investment amount in this case is majority in number.
 - d) Preference for buying the insurance products from other insurance companies is also higher in case of 'Individual Agents'

Suggestions:

- 1) Shriram Life Insurance should consider the above demographic factors and financial (income and investment) in order to increase the spread of distribution channels to reach customer demand.
- 2) Apart from 'Individual Agents' channel, company can focus on the next most preferred channels and formulate strategy to increase their reach based on the above mentioned factors.

CHAPTER XI: ANNEXURE

Questionnaire:

- 1) Name *
- 2) Age: *
 - a) 20 to 30
 - b) 31 to 40
 - c) 41 to 50
 - d) 51 to 60
 - e) 61 and above
- 3) Gender: *
 - a) Male
 - b) Female
 - c) Prefer not to say
- 4) Education details: *
 - a) Matriculation
 - b) Diploma
 - c) Graduation
 - d) Post-Graduation
 - e) Doctorate
- 5) Occupation: *
 - a) Business
 - b) Government service
 - c) Private service
 - d) Student
 - e) Others
- 6) Are you a policyholder in Shriram Life Insurance? *
 - a) Yes
 - b) No
- 7) If not a policyholder in Shriram Life Insurance, mention which company's Life Insurance you would like to purchase?
 - a) Life Insurance Corporation (LIC)
 - b) Bajaj Allianz
 - c) Aditya Birla Sun Life Insurance
 - d) Canara HSBC Oriental Bank Of Commerce
 - e) ICICI Prudential
 - f) Others
- 8) Annual Family Income *
 - a) Less than Rs 1,00,000

- b) Rs 1,00,001 to Rs 3,00,000
- c) Rs 3,00,001 to Rs 6,00,000
- d) Rs 6,00,001 to Rs 10,00,000
- e) Rs 10,00,001 and above

9) In your opinion, how much can be invested in buying a policy? *

- a) Less than Rs 25,000
- b) Rs 25,000 to Rs 50,000
- c) Rs 50,000 to Rs 75,000
- d) More than Rs 75,000

10) Specify the duration, for which you may plan to buy Life Insurance? *

- a) 0 to 5 years
- b) 6 to 10 years
- c) 11 to 15 years
- d) More than 15 years

11) Mention the type of Plan you are willing to purchase: *

- a) Term Insurance Plan
- b) ULIP Plan
- c) Endowment Plan
- d) Other

12) Which Distribution Channel do you prefer to buy the Shriram Life Insurance products? *

- a) Individual Agents
- b) Bancassurance
- c) Corporate Agents
- d) Brokers
- e) Direct Business
- f) Web Aggregators
- g) Others if any

13) If other distribution channel, please specify:

14) Specify the reason for selecting the Distribution Channel which you prefer from above (Bancassurance, Individual Agents,.....others) *

CHAPTER XII: BIBLIOGRAPHY

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- 5) L.Terina Grazy, 2020, 'Life Insurance Policyholders Perception towards Insurance Distribution Channels', South African Journal of Economic and Management Sciences 23(10)
- 6) <https://www.ibef.org/industry/insurance-sector-india.aspx>
- 7) <https://blog.investyadnya.in/insurance-sector-analysis/>
- 8) <https://financialservices.gov.in/insurance-divisions/Insurance-Regulatory-&-Development-Authority>