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## RURAL PARADIGM SHIFT: EXPLORING BRANDING STRATEGIES FOR RURAL INSURANCE INDUSTRY

Sangeetha Natarajan<sup>1</sup> and Dr. S. Poornima<sup>2</sup>

### ABSTRACT

*Today with the paradigmatic shift in the development strategy, the Rural Insurance sector which remained relatively untouched by the reforms also become the part of it and is not exempted. In this way IRDA has initiated steps in order to ensure the transition. Through regulation it compels that after five years of operation every year private and public life insurance companies has to achieve a certain proportion of their business in rural sector. That is duly 15 % of the business in rural sector after 5 years for private and 18% for LIC. Hence with the compulsion for the insurers with IRDA legislations on one side along with low penetration in vast untapped rural market on the other urges the insurance industry to think on revamping existing marketing strategies. Thus choosing a competitive strategy becomes a must for all insurers with respect to rural insurance.*

*The present study is an attempt to introspect the level of expectations from customers of rural India with respect to insurance and thereby to compare the actual performance of insurers with the expectations of the customers for which both quantitative and qualitative analysis was carried out. Quantitative analysis was carried out using already published information and statistics. Qualitative analysis was carried out through schedules covering both service providers and service users including agents, employees, officers and general public in the rural Coimbatore district. The collected data was duly analyzed with help of averages, percentages, standard deviation and Chi-square Analysis. The analysis revealed what actually is lacking and where the gap arises between the two extremes of insurer's perception and customer's expectations, based on which suggestions and conclusions were drawn.*

### RURAL INDIA – THE PARADIGM SHIFT

The Indian census of 2001 shows that the rural India comprises 72 % of the population might be old. But it accounts to 12.2% of the world is new. In addition the statistics shows that every one person in eight on earth lives in rural India. This forms the very core for all the companies to tap this market.

Today, rural India is far from dry land and irrigated agriculture. The high tech and low tech agriculture, new age farming practices, greenhouse cultivation, fertilizer irrigation and hydro phonics resulted in paradigm shift in the economics of farming. All these sharply increased the disposable income of the rural folk along with hike in purchasing power. The proportion of very rich has increased five fold. The growing

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