

A study on birla sun life commerce essay



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To achieve partial and concrete results, it is necessary that theoretical knowledge must be supplemented with practical environment. Keeping this view in mind, I have completed my research work regarding “ Performance evaluation of Birla Sun Life Insurance products” By doing this research work I have learnt a lot of things which would be really helpful for me in future. This experience in decision making and practical application of knowledge has contributed greatly to my growth

Executive summary-

Under this term paper I have full studies the services marketing environment, marketing mix, customer requirements and customer’s expectations, services recovery strategies, pricing of services, managing waiting lines and other topic related Birla sun life insurance.

History of BIRLA SUN LIFE INSURANCE

Birla Sun Life Insurance Company Limited (BSLI) is a joint venture between the Aditya Birla Group and Sun Life Financial Inc., a leading international financial services organization.

The local knowledge of the Aditya Birla Group combined with the expertise of Sun Life Financial Inc., offers a formidable value proposition to customers. Sun Life Financial and its partners today have operations in key markets worldwide, including India, Canada, the United States, the United Kingdom, Hong Kong, Philippines, Japan, Indonesia, China and Bermuda.

It was the first player in the industry to sell its policies through the Bank assurance route and through the internet.

It was also the first private Sector player to introduce a pure term plan in the Indian market. This was supported by sales practices, which brought a degree of transparency that was entirely new to the market.

Aditya Birla Group and currently in charge of BSLI expressed, “ The Birla Sun Life Insurance business distribution network is national in nature covering more than 1000 points across the country . We have made our entry in several tier I and tier II towns. It is therefore very important for the brand to connect at the grass root level and create trust.

They believe that our association with Kapil Dev as our brand ambassador will help us create this connects in a shorter period of time. We therefore now have two strong connects — our parent brand Birla and our brand

On 26 November 2006, Birla Sun Life hosted the annual golf tournament at the Chembur Golf Club in Mumbai where Kapil Dev participated.

About the Aditya Birla Group

The Aditya Birla Group has a turnover close to Rs. 38, 000 crore (as on 31 March 2008) and is one of the largest business houses in India. It enjoys a leadership position in all the sectors in which it operates. With over 75 business units spanning the South East Asian belt, Africa, Canada and the UK among others, it is reckoned as India’s first multinational corporation. The group is anchored by 72, 000 employees and has seven lakh shareholders, with a market capitalization of Rs. 53, 400 crore.

Introduction—

When ever there is uncertainty there is risk. We do not have any control over uncertainties which involves financial losses. The risk may certain events like death pension retirement or uncertain events like theft, fire accident, etc.

Birla sun life Insurance is financial services for collecting the savings of public and providing them with risk coverage

The main function of Birla sun life insurance is to provide the protection against the possible chance generating losses. It eliminates the worries and miseries of losses by destruction of property and death. It also provided the capital to society as the fund accumulated to be invested in productive heads.

OBJECTIVES

- >To determine and analyze the Market Potential of the Birla Sun Life Insurance Company.
- >To determine whether the customers are satisfied with the policies of the company.
- >To know the customer awareness regarding the Birla-sun life insurance and its products.
- >To study and determine the competitor position in the market.
- >To know the future plans of the people for buying the policies.
- >Proper understanding and analysis of life insurance industry.

VISION

To be a world-class of financial security to individuals and corporate and to be amongst the top three private sectors life insurance companies in India.

MISSION

To be the first preference of our customers by providing innovative need based life insurance and retirement solutions to individual as well as corporate. Well -trained professionals through a multi channel distribution network and superior technology will make these solutions available. Our endeavor will be to provide constant value addition to customers throughout their relationship with us, within the regulatory framework. We will provide career development opportunities to our employees and the highest possible returns to our shareholders

Problems in the organization,

It is clear that BIRLA SUN LIFE INSURANCE COMPANY is a unit- linked insurance, which is basically involved in the life insurance solutions. There are number of problem which are as follows-

- 1) The main problem of the organization is that the it is not government organization like a life insurance solutions.
- 2) The second main problem is that lack of believes on the organization by the people.
- 3) The third problem assigned by the organization that there are the few branches of the BRILA SUN LIFE INSURANCE SOLUTION.

4) Another problem is that the lack of good quality, good skill insurance advisors.

Competitors:-

- Life insurance corporation

- Max network life insurance

- MetLife insurance

- Aviva life insurance

- Bharathi Axa life insurance

- Bajaj Allianz life insurance

- Tata AIG life insurance

ICICI Prudential Life Insurance

- Reliance life insurance

- Kotak Mahindra life insurance

MARKETING MIX-

PRODUCTS—

Life is unpredictable. But in face of adversity, our responsibilities towards our parents, children and loved ones need not be compromised. Insurance planning equips you to smooth out the uncertainties and adversities that life might send your way, so that the best that life has to offer, secure in the knowledge that your beloved ones are well provided for. BSLI offers a complete range of insurance products

1. Protection Plans

2. Savings Plans

3. Child Plans

4. Investment Plans

5. Retirement Plans

6. Group Plans

7. Rural Plans

PRICING POLICY OF THE COMPANY:

KEEP TRACK OF YOUR POLICY FUND

: Birla sun life insurance sends you an annual policy statement on every policy anniversary to keep you completely informed on the performance of our various funds based on the unit price will be available on our website

ELECTRONIC CLEARING SERVICE (ECS) :

The ECS is a convenient and hassle- free method of paying premiums through an electronic debit to your bank account.

INVESTMENT FUND PORTFOLIO

:

Upper limit of %asset in protector builder enhancer

Government and government approved 85% 70% 55% Securities

Rated corporate bonds (AA 30% 30% 30% and above)

Money market and other 20% 20% 20%

Liquid assets

Infrastructure sectors as 25% 25% 25%

defined by the IRDA

Listed equities 10% 20% 35%

FEES AND CHARGES

: The policy loading fee* is an up-front charge and varies as per the premium payment mode and the policy year as given under

Policy year Single 5-pay 10-pay 15-pay or greater

1 3% 29.9% 54.6% 65%

2 N/A 5.0% 7.5% 7.5%

3 N/A 5.0% 7.5% 7.5%

4+ N/A 5.0% 5.0% 5.0%

As a percentage of premium. The policy-loading fee for top up wills 2.0 percent.

Charges—

. Charges towards the cost of insurance will be deducted by cancellation of units at the prevailing unit price on a monthly basis. The annual insurance charges per thousand-face amount for sample ages for healthy lives are as follows:

Sex/age (yrs) 20 30 40 50 60

Female 0. 90 1. 16 1. 66 4. 03 10. 66

Male 1. 02 1. 17 2. 15 5. 53 13. 73

An investment management fees not exceeding 1. 5% p. a. of the fund will be charged by adjustment of daily unit prices.

Currently this fee is 1% p. a.

The following administration fees will be deducted by canceling units on a monthly basis.

(a) Rs. 22 per month

(b) An annual charge of Rs. 2. 88 per thousand face amount will be deducted in the first 10 years of the policy except in the second year where it will be Rs. 15. 24 per thousand face amount. From the 11th year onwards this annual charge will increase subject to a maximum of 3. 75% per year.

A monthly rider deduction will apply by cancellation of units on a monthly basis based on the equivalent monthly rider premium payable over the entire coverage benefit period. If rider deductions are not guaranteed, then the minimum policy values of your policy might be affected due to any change in the rates of the rider coverage.

FUND SWITCHING CHARGES

In a year, one switch between investment fund options is free. For every additional switch, a charge of Rs. 100 will be levied.

Promotions

Birla sun life promotes the sales through the marketing communications activities like personal selling, advertising, or publicity. The object of sales promotions is to induce the desired result from potential customers, trade intermediaries or the sales people.

The Birla sun life provides——

Training to employees

More incentives to customers, gifts, rebates, direct mail, E-marketing and maintain public relations.

PLACE

Where the agents of Birla sun life insurance is meet to customers and providing the knowledge related services like premium, interest, etc.

SERVICES MARKETING ENVIRONMENT——**POLITICAL LEGAL ENVIRONMENT——**

The services of Birla sun life is more closely regulated than goods like taxes, restrictions on promotions, price discriminations etc.

Economic environment——

Changing the life style, consumer needs, and advancements of technologies also affected the Birla sun life insurance because after changing the new technology the lot of accidents and deaths has adverse affect of insurance.

Due to globalizations the lot of competitors in market so it is very difficult to attract the new customer and gaining the profits.

Socio-culture environment-

Due to change the income and higher education change the mind of consumers then increases the investments in insurance sectors so the private players like Birla sun life insurance growth is very high comparatively previous years.

Technology environment-

Due to change the technology the Birla sun life insurance pattern is also change like insurance of profit and loss account insurance of new machinery etc.

, Blue print of Birla sun life

‡ Physically visits customers—water cooler—washing room—

Explain policy in detail—wait for response — registers to customers with insurance company—check the premium payments—Checks and verifies the portal addresses

Quality concern—

-Hire the right people

-Develop the people through services quality.

-Provided the needed support to customer

-Retain the best employee

The quality of customer servicing, responsiveness, a personal touch, making him feel special are some of the factors that will have a bearing on the relationship with the customer and a happy customer helps open more

doors. Good offerings that meet the customer needs, good advice followed by good service will enhance the business

Integrated marketing communication—

1. Advertising:

The tool can get your messages to large audiences efficiently through such avenues as radio, TV, Magazines, Newspapers (ROP), Internet, Billboards and other mobile technological communication devices. This method can efficiently reach a large number of consumers, although the costs may be somewhat expensive.

2. Sales Promotion:

This tool is used through coupons, contests, samples, premiums, demonstrations, displays or incentives. It is used to accelerate short-term sales, by building brand awareness and encouraging repeat buying.

3. Public Relations:

This integrated marketing communications tool is initiated through public appearances, news/press releases or event sponsorships, to build trust and goodwill by presenting the product, company or person in a positive light.

4. Direct Marketing:

The BIRLA SUN LIFE has direct marketing through email, mail, catalogs, encourage direct responses to radio and TV, in order to reach targeted audiences to increase sales and test new products and alternate marketing tactics.

5. Personal Selling:

Setting sales appointments and meetings, home parties, making presentations and any type of one-to-one communication, to reach the customers and strengthen relationship with Birla sun life,

Employee role in service delivery

Listen to customers

Obtain customer feedback

Provide excellence services to customers

Getting closer to customer

Customer role in services delivery–

Without the contact of customers the services could not deliver so the customer is very important role for services delivery he physical presences and participation is required of customer's . The customer as productive resource;

— The customer as contributor to quality, satisfaction and value; and

— The customer as competitor to the service organization

Word of mouth advertising.– A happy and satisfied customer is much more likely to send more customers your way

Managing waiting lines—

When the demand exceeds the supply then the Birla sun life has managing the waiting lines through different ways—

- (1) How long do your customers expect to wait? Set operational objectives based on what is acceptable.
- (2) This is especially important when the waiting time will be longer than normal. Tell them why the waiting time is longer than normal and what you are doing to alleviate the queue. If a group of customers needs something that can be done very quickly, give them a special line so they do not have to wait for the slower customers.
- (3) Inform customers of times when they usually would not have to wait; also tell them when the peak periods are—this may help to smooth the load.
- (4) Develop plans for alternative ways to serve your customers. Where appropriate, develop plans for automating or speeding up the process in some manner. This is not to say you want to eliminate personal attention; some customers expect this.

Expectation of the consumers

Hence old as well as new insurers will have to offer innovative products to the consumers. The consumers are particularly expecting good pension plans, health insurance, and term insurance and investment products like unit-linked insurance, from the life insurers. Similarly the consumers expect innovative products from the general insurers for managing healthcare, property insurance, accident insurance and other products related to the personal line of insurance. Increase exposure through media (TV, Radio and Internet). In this case, the traditional model is more generic and there is a need to reinvent the messages based on target groups to achieve the business.

Delivering Service through Intermediaries

An insurance intermediary is a person or a company that helps you in buying insurance. Insurance agents, insurance brokers and financial advisers are insurance intermediaries.

On the other hand, a intermediary is someone who solicits tactful business or invites potential customers to enter into tactful contracts with operators.

They are also known as tactful agents and tactful brokers

Reason of delivering services through intermediaries of Birla sun life.

Exhibit good knowledge of the products and services offered by the insurance company or tactful operator. (In addition, insurance brokers and financial advisers are expected to exhibit good knowledge of products available in the market).

Make an effort to understand your insurance or tactful needs and assist you in the choice of insurance or tactful products and services.

Explain to you clearly the nature of information required in the proposal form and also the importance of disclosing material facts.

Explain clearly the main terms and conditions of the proposed insurance contract or tactful plan so as to help you understand what you are buying.

Draw attention to any restrictions and exclusions applicable under the proposed insurance contract or tactful plan.

Follow up and provides continuous service to you, such as renewal of policy and provide updates on relevant new products.

Provide assistance when you are making claims against the insurance company or tactful operator.

It Protect your interests and rights:

Deal only with registered/licensed intermediaries.

Deal with intermediaries with proven track record or those with good referral from friends and relatives.

Be truthful about yourself and declare material facts.

Never be persuaded to sign on blank forms or anything you don't understand.

Never be persuaded to lapse an existing policy to buy a new life policy.

Ensure that you understand the products you are buying.

Read the policy benefits and terms carefully, and compare them with other similar products.

Shop around to get value for money.

Buy only what you need and what you can afford.

Ask for sales materials, for example the sales illustrations, product pamphlets or customer fact find form (for life products only), and keep these documents safely.

When in doubt, always ask for more information from the intermediaries or seek clarification from the insurance company or tactful operator that offers the insurance or tactful products.

Ask for a receipt as the proof of premium payment and keep it safely.

Services Recovery strategies must contain:

- * objective measurable criteria for delisting the species
- * site-specific actions
- * Estimates of the time and cost for implementing the recovery plan.

Under stand there relationship between customer expectation and services recovery actions

Understand the services recovery paradox

Known the elements of an effective services recovery strategy manage the services failure effectively

Factor influences the customer the customer response to services recovery

Design a services recovery strategy

LIMITATIONS OF INSURANCE

Lack of awareness among the people –

This is the biggest limitation found in this sector. Most of the people are not aware about the importance and the necessity of the insurance in their life.

They are not aware how useful life insurance can be for their family members if something happens to them.

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Perception of the people towards Insurance sector –

People still consider insurance just as a Tax saving device. So today also there is always a rush to buy an Insurance Policy only at the end of the financial year like January, February and March making the other 9 months dry for this business.

Insurance does not give good returns –

Still today people think that Insurance does not give good returns. They are not aware of the modern Unit Linked Insurance Plans which are offered by most of the Private sector players. They are still under the perception that if they take Insurance they will get only 5-6% returns which is not true now days. Nowadays most of the modern Unit Linked Insurance Plans gives returns which are many times more than that of bank Fixed deposits, National saving certificate, Post office deposits and Public provident fund.

Lack of awareness about the earning opportunity in the Insurance sector –

People still today are not aware about the earning opportunity that the Insurance sector gives. After the privatization of the insurance sector many private giants have entered the insurance sector. These private companies in order to beat the competition and to increase their Insurance Advisors to increase their reach to the customers are giving very high commission rates but people are not aware of that.

Increased competition –

Today the competition in the Insurance sector has become very stiff. Today each and every company is trying to increase their Insurance Advisors so that they can increase their reach in the market. This situation has created a

scenario in which to recruit Birla sun life insurance Advisors and to sell life Insurance Policy has become very- very difficult.

FINDINGS

- >To be successful in marketing of insurance products, the entire business scenario has to be taken into account.

- >During the study to be found that majority of people are aware of life insurance sector.

- >During the survey it was observed that major source of information for consumer are television and newspaper and least preference are given to magazines, agents and friends.

- >Attractive schemes and brand image are the most important factor that influences the buying behavior of the consumers. Majority of respondents will shift to any other insurance company.

- >People are not satisfied with the opted insurance. It was found that the reason for the dissatisfaction of consumer is high premium, delay in claim settlement and poor after sale service.

- >So to achieve a greater insurance penetration, insurance sector companies have to create a more vibrant and competitive industry, with greater efficiency, choice of products and value for customers.

SUGGESTIONS

-) Information regarding new product should be provided to the customers.

2) The company should find out the no. of people who are not having any of the insurance plans through an intensive market research and motivate them to get insured.

3) At some level Company should provide information to the customers about the charges of the policy.

4) Company should target each and every class of the society.

5) Charges should be low of the policies

. 6) Annual premium should be reasonable. 7) BSLI Company should work in systematic way.

RECOMMENDATIONS

1) Even though most of the policy holders are satisfied with policies, plans they have but some new attractive insurance plans should be introduce to bind them not to switch over to other companies insurance plans.

2) The company should find out the no. of people who are not having any of the insurance plans through an intensive market research and motivate them to get insured.

3) Leveraging technology to service customers quickly, efficiently and conveniently.

4) Developing and implementing superior risk management and investment strategies to offer sustainable and stable returns to our policyholders.

5) Company should target each and every class of the society

6) Company should provide full information to the customers before targeting so they can take interest.

CONCLUSION

The market potential for private insurance companies is found to be greater in the long run as most of the Indians are of the opinion that, private insurance companies would be able to perform well in the future. The private and foreign insurance companies have to take immediate steps in appointing more number of agents and/or advisors in addition to the employees as it has been found out that agents are the best channel to reach the general public regarding selling of insurance products. The private and foreign insurance companies have to concentrate on the factors like ' Prevention of Loss', ' Assured Returns' and ' Long term Investment'. They can also focus on an insurance amount of Rs. 1 - 2 lakhs with ' money back policies'. Hence, the market has potential. The private and foreign insurance companies that are taking immediate steps can tap it easily & rapidly

References —

I am very thankful the teacher of which provides the knowledge related services for completing my term paper. Another data I have collected through —Services marketing book of Ram pal S. K.

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Questionnaire

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Name:

..... Age

: Occupation:

. Ques. 1 which Birla Sun Life Scheme does you have?

(a) Life (b) Retirement (c) Health

Ques. 2 Are you satisfied with the Insurance plan you have?

(a) Yes (b) No

Ques. 3 what attract you towards Birla Sun Life Plans?

Ques. 4 Are you satisfied with the services provided by the company regarding new plans and schemes?

(a) Yes (b) No

Ques. 5 Are you interested to make more investments in Birla Sun Life?

(a) Yes (b) No

Ques. 6 Have you any other Insurance Plan apart from Birla Sun Life?

(a) Yes (b) No

Ques. 7 If yes, then of which Life Insurance Company?

(a) LIC (b) Bajaj Allianz (c) Birla Sun life (d) Reliance

(e) Others

Ques. 8 if you get any attractive plan than are you ready to switch over?

(a) Yes (b) no

Suggestions:

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