A

**PROJECT REPORT ON**

# MARKETING MIX OF IDBI FEDERAL LIFE INSURANCE

IDBI FEDERAL

In association with Ageas

IDBI Federal Life Insurance Co Ltd


**SUBMITTED BY**

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Enrollment No. 1301-031
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A Report submitted in partial fulfillment of the Course- Summer Internship Program (SIP) during Apr-June 2014.

**Under the guidance of**


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I am greatly obliged to Mr Manas das, branch head IDBI federal life insurance for his valuable guidance and unwavering support during our internship period to complete our project. I am truly grateful to him for the timely completion of my project.

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***Regards***
***Arnab Banerjee***
***PGDM 1301-31***
***Institute of management technology, Ghaziabad***

# <u>Certificate of Approval</u>

The following Summer Project Report titled " **IDBI Federal Life Insurance Company Ltd.: A study of Target Customer behavior and Marketing approach**" is hereby approved as a certified study in management carried out and presented in a manner satisfactory to warrant its acceptance as a prerequisite for the award of **Post-Graduate Diploma in Management** for which it has been submitted. It is understood that by this approval the undersigned do not necessarily endorse or approve any statement made, opinion expressed or conclusion drawn therein but approve the Summer Project Report only for the purpose it is submitted to the Summer Project Report Examination Committee for evaluation of Summer Project Report

| | Name | Signature |
|---|---|---|
| 1. Faculty Examiner | ____________________ | ____________________ |
| 2. PG Summer Project Co-coordinator | ____________________ | ____________________ |

## CERTIFICATE FROM SUMMER PROJECT GUIDES

This is to hereby certify that Mr Arnab Banerjee PGDBM course; IMT Ghaziabad having an enrollment no of 1301-031 has completed this project and has worked under our guidance and supervision. The work done has been genuine and nothing has been reproduced from any book, previous papers, monograph or book and to the best of our knowledge has the requisite standard.

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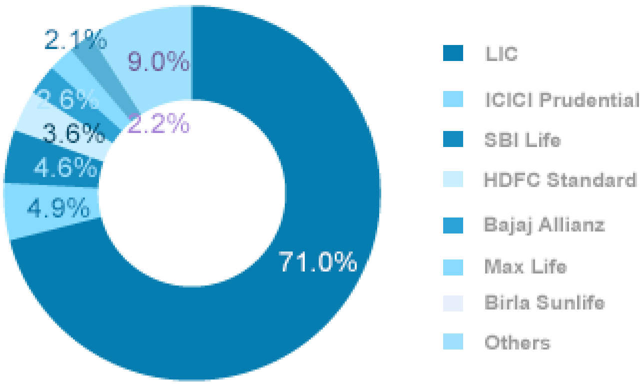
Date:

Date:

## ABSTRACT

The insurance industry of India consists of 51 insurance companies of which 24 are in life insurance business and 27 are non-life insurers. Among the life insurers, Life Insurance Corporation (LIC) is the sole public sector company. Apart from that, among the non-life insurers there are six public sector insurers. In addition to these, there is sole national re-insurer, namely, General Insurance Corporation of India. Other stakeholders in Indian Insurance market include Agents (Individual and Corporate), Brokers, Surveyors and Third Party Administrators servicing Health Insurance claims. Out of 27 non-life insurance companies, 4 private sector insurers are registered to underwrite policies exclusively in Health, Personal Accident and Travel insurance segments. They are Star Health and Allied Insurance Company Ltd, Apollo Munich Health Insurance Company Ltd, Max Bupa Health Insurance Company Ltd and Religare Health Insurance Company Ltd. There are two more specialized insurers belonging to public sector, namely, Export Credit Guarantee Corporation of India for Credit Insurance and Agriculture Insurance Company Ltd for Crop Insurance penetration of India i.e. Premium collected by Indian insurers is 4.10% of GDP in FY 2011-12. Per capita premium underwritten i.e. insurance density in India during FY 2011-12 is US$ 59.0.

**Market Share:**




**IDBI Federal Life Insurance Co Ltd.** is a joint-venture of IDBI Bank, India's premier development and commercial bank, Federal Bank, one of India's leading private sector banks and Ageas, a multinational insurance giant based out of Europe. In this venture, IDBI Bank owns 48% equity while Federal Bank and Ageas own 26% equity each. Having started in March 2008, in just five months of inception, IDBI Federal became one of the fastest growing new insurance companies by garnering Rs.100 Cr in premiums. Through a continuous process of innovation in product and service delivery IDBI Federal aims to deliver world-class wealth management, protection and retirement solutions that provide value and convenience to the Indian customer. The company offers its services through a vast nationwide network 2,308 partner bank branches of IDBI Bank and Federal Bank in addition to a sizeable network of advisors and partners. As on 31st December 2013, the company has issued nearly 5.5 lakh policies with a sum assured of over Rs. 32,110.48 crores.

**Objectives of the Internship:**

1. Analysis of Customer Perception of the insurance industry.
2. To suggest marketing methodologies to increase business of IDBI-Federal Life Insurance.
3. To get hands on experience of doing sales for the company.

## EXECUTIVE SUMMARY

The insurance sector in India is still in its nascent stages. But the Indians are an extremely risk averse race. Thus due to this only the government entities have a good presence and brand recognition in India and the others have a difficult time carving a space out for themselves in the market.

Since the industry is at its early ages even now hence it's constantly changing and evolving. This makes it mandatory for the new players to tow the line and at the same time constantly keep on evolving itself to meet the needs of the consumers.

In this sector the visibility of the brand matters the most and is of utmost importance. Since, insurance is the backup plan for more risky propositions like shares and stocks. Hence the customers who want to go for these propositions too are extremely risk averse. Hence there has to be products specifically for this segment. And then expand furthermore into other segments while keeping their base customers with them.

Keeping in mind the same these paper was done to study the marketing mix of IDBI Federal life insurance solely depending on the current marketing approaches and the expectation of the Indian consumers in the insurance sector.

## INTRODUCTION

This industry thrives mostly on the desire of the individual to reduce the uncertainties of the future. This uncertainty can vary regarding various issues starting from their life to commodities to their child's future as well as their present income. In the current fiscal year the growth of BFSI i.e. the banking financial and insurance sector hovering around 9% and the Gross Domestic Product growth of the country at being around 4.7 % in the fiscal year 2013-2014 the industry is facing a hard time as the lower growth means lower disposable income in the hands of the consumers. The increase in the inflation index also hasn't helped the industry at any level. If anything it has made the returns look less and less lucrative.

## INDUSTRY PROFILE

As already discussed above Insurance is a means of pooling your risks, especially those arising from the uncertainties of the future. Let us take the example of life insurance. In this the insured person is trying to protect the people dependent on him from the unfortunate even of is unforeseen demise. Usually the insurance companies collect premiums from the policy holders and then invest them in low risk ventures, generally with the government sector for boosting the infrastructure of the country. Generally the taxes which are collected are not enough to fuel the growth of the infrastructure. The remaining amount is given to them in the form of investments which come from the insurance companies. The Added returns which are generated are then dispersed to the policy holders in accordance with the terms and conditions earlier agreed upon.

One major factor which is used to calculate the premium for a certain case is the risk associated with it. For example a person suffering from some serious health disorder will have to pay a higher premium than a person with no or lesser serious health conditions. Same goes for other insurances too like car insurance and insurance of assets and properties.

The insurance act of 1938 was the first act to be brought to govern all the institutions governing the insurance sector.

Life insurance was fully nationalised in India in 19th of January, 1956. At this point of time there were around 245 insurance companies operating in India and they were all brought under one banner of Life insurance Corporation (LIC) of India by the life insurance corporation act.

When the then prime minister Mr Narsimha Rao and our very able Economist and Finance minister Mr Manmohan Singh opened up the gates of the Economy for Liberalisation also exposed India to a deluge of Insurance companies. Many private players started to enter the market as there was huge potential in the growing population with growth in disposable income.

As of this year there were 52 insurance companies operating in India out of which 27 were non life insurance companies and 24 were life insurance companies along with General Insurance Company (GIC) of India.

Post liberalisation the insurance sector has grown at a tremendous pace in India. The total premium has grown at a rate of 25% CAGR and reached a total of $67 billion in the year 2010.India has very soon emerged as the 9th largest insurance market in the world. But the penetration(which is the ratio of premium underwritten to GDP) in India is still at a very low percentage of a measly 5.2 %. The other Asian counterparts like South Korea, Taiwan, Japan, Hong Kong boast of a penetration of the insurance sector at around 10%.

This makes the Indian market all the more lucrative for foreign players trying to enter India via the FDI route as there is tremendous potential in the untapped market. Under the present guidelines there is a cap of 26% on the FDI limit. But there are appeals being to increase that share up to 49% as the overall of the Indian insurance sector has increased to 2.45 % of the world insurance industry.

Under section 80C and 10D the government allows tax benefits to the people buying the policies from insurance companies. Insurance companies also get an EEE benefit which gives the insurance companies an advantage over mutual funds.

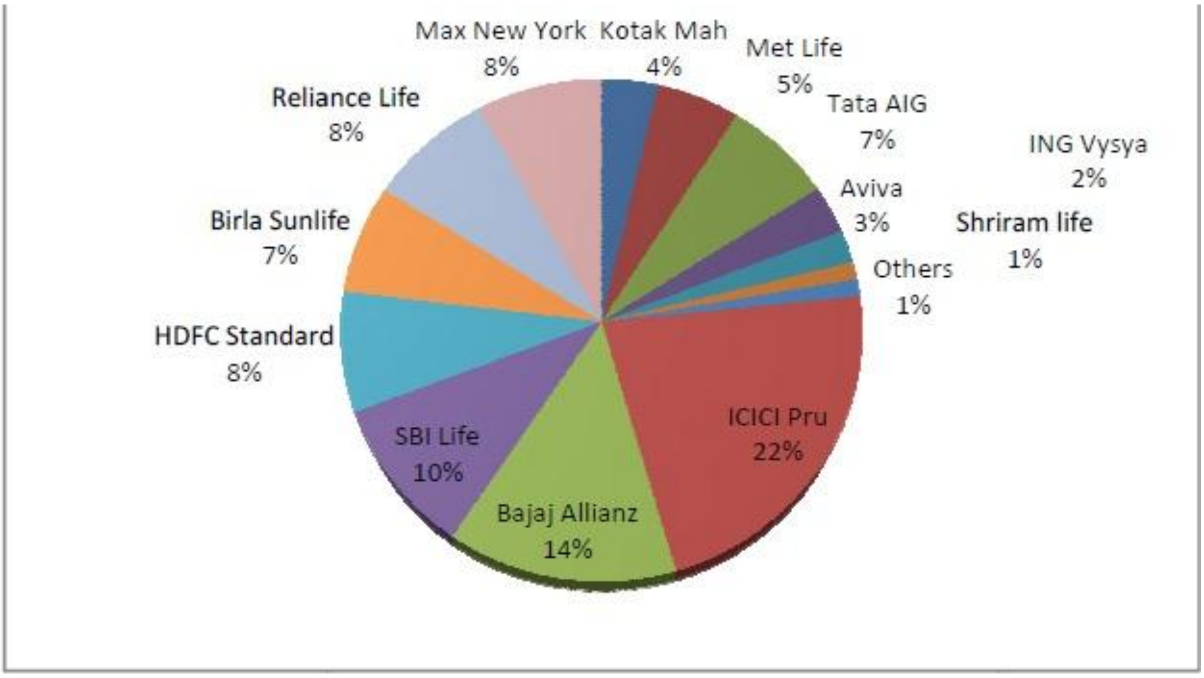
Like all the companies there is a rising focus on the rural market. And this is a more suitable way making the aid to reach the poor.

The Following is a list of the insurance companies in India in the descending order of market share.

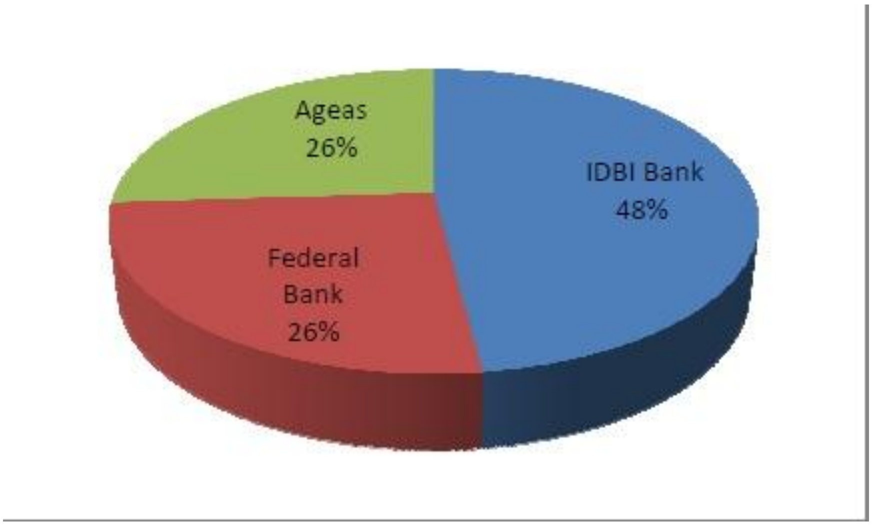
1. Life Insurance Corporation of india
2. ICICI Prudential.
3. SBI Life Insurance company Limited
4. Reliance Life Insurance company Ltd.
5. Max new York Life Insurance
6. HDFC Standard Life
7. Tata AIG Life Insurance
8. Bajaj Allianz Life Insurance
9. Birla Sun life
10. Metlite India Life Insurance
11. ING Vyasa Life insurance
12. Kotak Life Insurance
13. Aviva Life Insurance
14. Bharti AXA life insurance and
15. IDBI federal Life Insurance.

## LIST OF GENERAL INSURERS IN INDIA

1. Bajaj Allianz
2. ICICI Lombard
3. IFFCO Tokio
4. National Insurance Company
5. The New India Assurance Company
6. Oriental Insurance
7. Reliance General Insurance
8. Royal Sundaram Alliance
9. TATA AIG
10. United India Insurance
11. Cholamandalam
12. HDFC ERGO
13. Export Credit Guarantee
14. Agriculture Insurance Co
15. Star Health and allied Insurance
16. Apollo Munich health insurance
17. Future General
18. Universal Sompo
19. Shriram general




LIC has around 70% share in the premium being filed while all the others put together has a share of 30 %.




This tremendous competitiveness of the industry has given rise to high differentiation of the products and services. Innovation is the new buzzword. Companies are trying to innovate across the product life cycle to retain that edge.

# INSURANCE PRODUCTS

There are 2 types of insurance covers. One is Life Insurance and the other is General Insurance. There are various types of life insurance policies in India.

1. Endowment policy
2. Whole Life plan
3. Term Life Policy
4. Money Back policy
5. Joint Life Policy
6. Group Insurance Policy
7. Loan Cover Term Assurance Policy
8. Pension Plan or annuities.
9. ULIP

Then there is the General Insurance, which is used to provide cover to properties in return for the payment of a premium. The various segments being covered under this section are

1. Home Insurance
2. Health Insurance
3. Motor Insurance
4. Travel Insurance

# RECENT TRENDS IN THE INDUSTRY

The strategy that is being followed in the insurance sector in India is the push strategy and not a pull strategy. Agents are used to sell the policies to the customer by showcasing the benefits to the prospective buyers. The policies with higher premium resulting in higher commissions are pushed to the customers as they help the agent in pocketing higher commission.

The new trend that is emerging in India is the consultative approach. This is the modern approach. Few of the preliminary steps are similar to the earlier steps as the call is made to the client as usual, but from then on the customer is seen as a person to be served not a person to be sold to, giving priority to profit motive. Generally, people selling insurance have to do it with a mentality of social service and not with profit motive.

The various steps involved in the process are

Step 1: Need Analysis

Step 2: Product Selection

Step 3: Presentation of the reviewed product

Step 4: Closing of the sale

Not only in the way the products are being sold but there is innovation in the products itself and newer policies are being formulated to full fill the needs of the customer.

At present life insurers are trying to concentrate on the pension schemes where as non life insurers are trying to increase their market share by bringing in more innovative schemes. But with the increase in the presence of the number of insurance companies and the competition intensifying in the near future the companies will have to think of ways to make increase the brand awareness and brand visibility of their products.

The key differentiator for the insurance industry is the quality of customer service and consultancy being provided. Effective CRM has to be employed for the differentiation and getting customer loyalty.

Even in the realm of distribution channels there are innovations taking please. The traditional channels are replaced by newer channels like corporate agency, bank assurance, e-insurance cooperative societies and panchayats. With the advent of information technology newer avenues of comparing and buying policies have emerged.

## ABOUT IDBI FEDERAL LIFE INSURANCE

IDBI federal life insurance is a joint venture of IDBI bank, Federal bank and Ageas Bank which is based in Europe. IDBI bank holds 48 % of the equity where as the 2 other minority stake holders own 26% equity each. The insurance company was established in 2008 with the collaboration of these 3 organizations. The company even though being a late entrant has grown considerably quickly. Within five years it has reached its break even which till now has been the fastest in India. It provides its services through a network of IDBi and federal bank branches. There is also an add on of a vast network of advisors and partners. As on 29$^{th}$ February of the year 2012 the company has a inventory of 3.56 lakh policy with sum assured of over Rs 20000 crores.

IDBI bank since its inception has been the leading bank in financing the industrial development of India. Under the companies act of 1956 it came into existence in 1964. Till then it has been supporting the India's industrial backbone by financing crucial projects. Now it is one of Indias Financial backbone and has around 973 branches and around 1600 ATMs. The various facilities that have been provided by the bank for all these years have been financing of projects. The extensive range of diversified services including project financing, working capital financing etc. IDBI has also played a key role in development of financial sector like NSE, CARE and SHCIL (Stock Holding Corporation of India LTD).

Federal Bank is Indias one of the leading banks in the private sector, based out of Kerala. It has a dominant network of over 940 branches and over 1002 ATMs. Their main client base is the retail customers. They have a wide array of financial services and products like internet, mobile, tele and anywhere banking. They provide round the clock services. The bank has been a proud receive for several awards and recommendations.

Ageas is an international insurance company with e history of almost 180 years. It is ranked among the top 20 insurance companies in Europe. Considering that the competition and market over there is far more intense and already in its matured stage this seems a commendable achievement. This organization has chosen to concentrate on the geographical regions of Europe and Asia, as these two continents put together consist of the biggest market market for the insurance sector. They have divided the whole region into 4 areas which are namely : Belgium, United Kingdom, Continental Europe and Asia.

The working model they follow are that they try to serve the markets through a combination of wholly owned subsidiaries or partnerships with strong financial institutions and key distributors around the world. Ageas operates in Belgium, Italy, Luxemburg, Portugal, Malaysia, Thailand and India. In Hong Kong, France Germany and UK it has wholly owned subsidiaries through which it operates. As far as products like individual life, employee benefits, it is a market leader in Belgium. It is also a leading no life player in the UK market through a company known as AG Insurance. It employs 13,000 people and has an annual cash flow of euro 17 billion.

There are 2 awards and sponsorships received by IDBI federal which are worth mentioning over here.

1. IDBI federal was the title sponsor for the cricket series between India and Srilanka which took place in 2009.
2. Wealthsurance made easy that is WME won the bronze medal in dragon awards for having the best sales force and it was a knowledge aid.

# MISSION, VISION AND VALUES OF IDBI FEDERAL

## MISSION

To be the preferred company of choice for the customers looking for a product service or advise in their financial planning or about their financial investment and add value to the lives of our customers.

## VISION

To continually enhance customer experience and enhance their satisfaction through the delivery of highly innovated products customized according to the needs of the customers

To bring in transparency in their working and operations of the company.

And also to develop a quality human capital to achieve their mission and vision.

## VALUES OF IDBI FEDERAL

The first and foremost value which IDBI federal upholds is the transparency. They believe in clear communication between their partners and stakeholders so that there is no dicrepency between them.

The second most important thing is the value that they are providing to their customer. They believe very strongly that whatever they do should be perceived as a high value product by their customer.

They believe in being rock solid while delivering value to their customers. This results into being financially strong as the profit is spilled over due to good will.

They are extremely customer friendly as they hold this value the highest.

They believe in providing high value to their stakeholder and partners in their business.

# MARKETING MIX FOR IDBI FEDERAL BANK

Before embarking on the journey of understanding the marketing mix of IDBI bank it is imperative for us to understand what a marketing mix is. It consists of the 4 Ps and STP. The 4Ps are the product, price, place and promotion. The important fact to notice is that their importance is in their chronological order in a decreasing way. The most important thing is the product.

The product is the most important of the 4Ps. The product has to be very good to capture the market share.

Next important factor is the price. The pricing has always been a very important factor as far as economists are concerned. There is that famous demand curve and the estimation that tells us the quantity that will be sold depending on what the price that is being charged. But marketing is an extension of the branch of economics. It states that it is not only price which decides the sales but the value that a customer perceives that he will get from the product. In the mind of the customer it has to be more than the price he has paid for the product.

Then the most important component of our marketing strategy is the place. The place has to be appropriate. The famous example that has been quoted so frequently is that there is no point in trying to sell summer wear in Alaska or Greenland or to an Eskimo to be more precise with. Thus it is very important for us to understand the people or place where we are trying to sell our product.

Promotion is the last but certainly not the least most important factor. Promotional event and campaigning helps us in reaching out to our target customer and convey our value proposition. This is the way companies communicate with their target customer and hence is extremely important for their sales process.

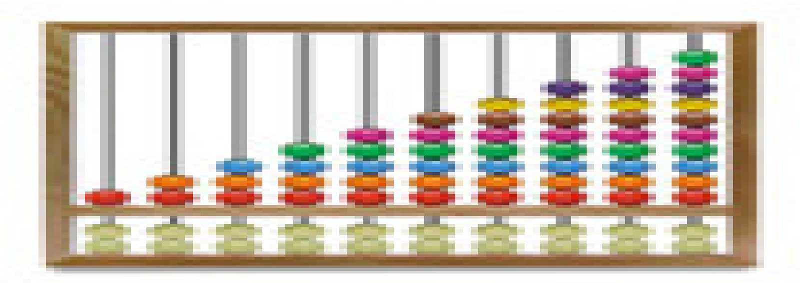
# SEGMENTATION, TARGETING AND POSITIONING

In segmentation we decide which part of the population we want to have as our target customer and whom we want to serve. This depends on generally four parameters, namely: Psychographic, demographic, geographical and behavioural characteristics. All these characteristics generally the classification of the population on the basis of their income, age, gender, attitudes, preferences, and the place where they are reside. This in short decides the target segment of our customers.

## PRODUCTS RANGE

IDBI Federal Life has a wide range of products which include the following which has changed the Indian insurance market drastically.

## INCOMESURANCE:



This policy has many benefits. They guarantee insurance with an annual payout along with it. This is one of the most flexible policies and can be very well customized according to the need of the customer. Especially in these times when there is kind of economic and job uncertainty this is a great product from IDBI.

## HEALTHSURANCE:

The cost of healthcare is increasing exponentially now days. This policy generally helps in managing the extra financial burden that comes with healthcare treatment costs.

## CHILDSURANCE

The tagline for this product is that your kid might look cute while being angry now but he won't look so when he's 18.It makes us think regarding the way we plan our future.The best example is that in today's date a marriage might cost you around 5 lakh but after 18 years the same marriage is going to cost 33 lakh Indian rupees. So, people have to keep in mind the inflation and cannot plan keeping the present value of things in mind. This product takes care of the above fact and hence the future planning efforts are unaffected by unforeseen and unfortunate events.

## HOMESURANCE

Homesurance provides cover for houses even under construction. So that even if something happens to their home which is under construction or have been completed they will be reinsured if something untoward happens to them.

## WEALTHSURANCE

These help in protecting our wealth from unforeseen circumstances and also at the same time they provide 13 investment and 7 insurance benefits.

## BONDSURANCE

This product assures that one gets an assured return even in these times of uncertainty.

## MICROSURANCE

It is a kind of insurance which can be extremely useful to the members of NGOs where even the family members get insurance covers.

## TERMSURANCE

By this product i can increase my term option without actually increasing my premium.

## LOANSURANCE

This product takes care of the fact that just case of an unnatural death or untimely demise of the person who has taken a loan, the loan will be paid back by the insurer which in this case is IDBI fedral.

## MANAGERIAL PROBLEM UNDER STUDY

During the period of my internship in IDBI, while interacting with the interested buyers i came across quite a few questions out of which majority had a recurring phenomenon. These questions were :

1. Brand awareness of IDBI as many asked whether this bank was in the business of selling insurance.
2. Are the products better than that of LIC
3. Gap in patterns across various demography
4. Severe lack of trust.

   All these issues raised questions about the way IDBI bank was segmenting their clientele and the way they approached their clients.

## BENEFITS OF THE PROJECT TO THE COMPANY

Half of the work is simply done by knowing what the problem is at hand and by knowing the weakness. By keeping them in mind the operations and the marketing efforts can be streamlined by customizing them according the needs of target customer.

It is a well known fact that one size doesn't fit all. Before approaching a customer it is always a good idea to know the needs of the customer before approaching them. This project tries to point out the shortcomings and modifications in their marketing approach.

## Problems Formulation

To increase the brand awareness about the company.

To do the need analysis of the customer

To design the marketing mix in such a that the education of the common public happens regarding the financial instrument

Increase the financial education
Increase transparency and increase the trust quotient. The increase in this awareness might lead to increase in customer base.
The economies of scale can be achieved by tapping into the base of wary customers.
Therefore, the objectives of the company as of now should be

1. More differentiation of the product
2. To identify target segments more appropriately
3. To have customized strategies for every segment

   So the major challenges right now in front of IDBI are what the general attitude towards various segments is and how to increase the brand awareness of IDBI.

## LITERATURE REVIEW

Other than the product the place price and promotion depends on the behaviours of the consumer at a certain place. Now days it is extremely important for a company to customize its product according to the needs of the customer.

"“A Study on the Expectations and perceptions of the services in private life insurance companies”. By by **Keerthi, R.Vijayalakshmi(2009)**

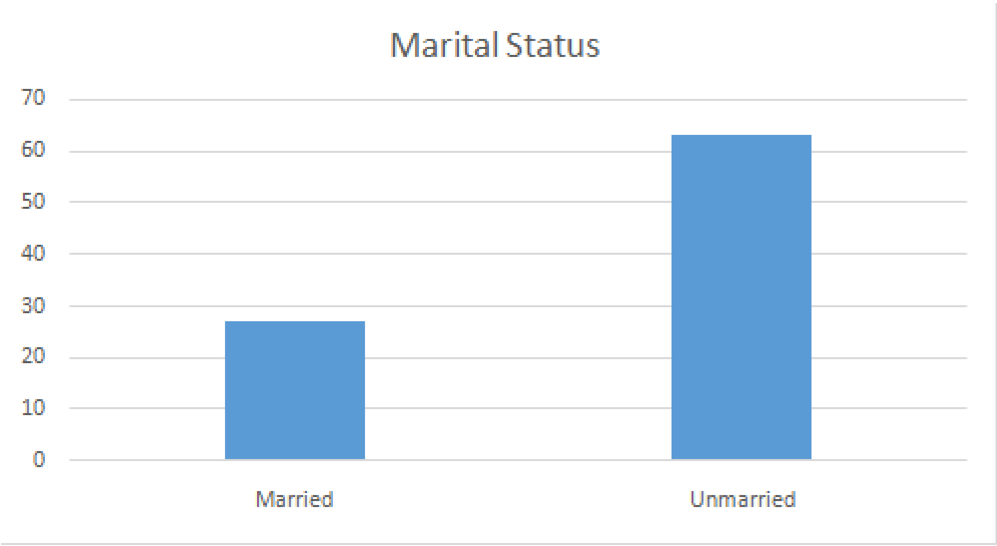
“Customer Preferences in Life insurance industry in India” by **Sunayna Khurana (2008)**

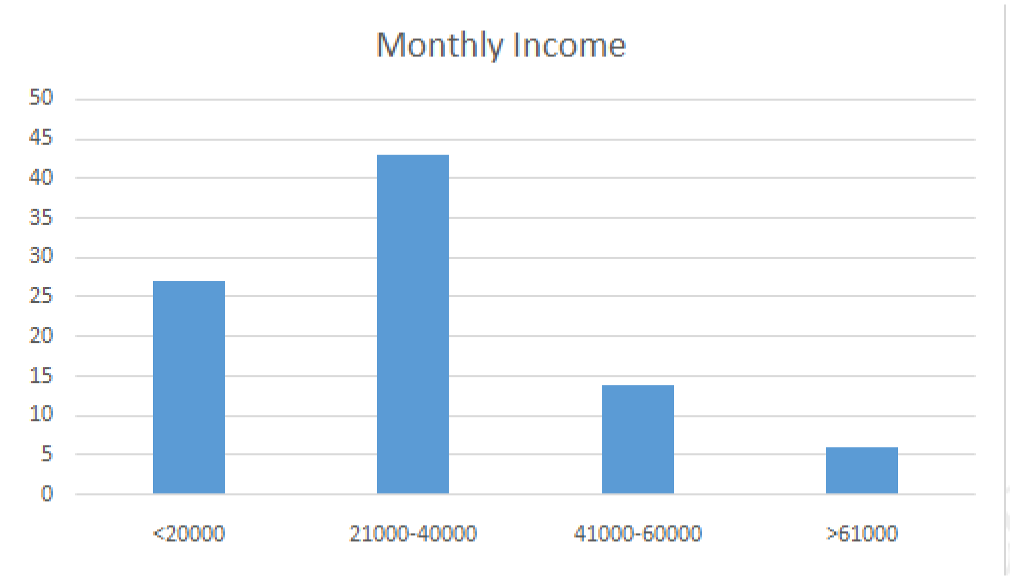
The studies mentioned were the literatures I referred to for going ahead with the project. The major learning from these studies were that by tweaking the products according to the needs of the customer the hearts and mind of the customer can be won.

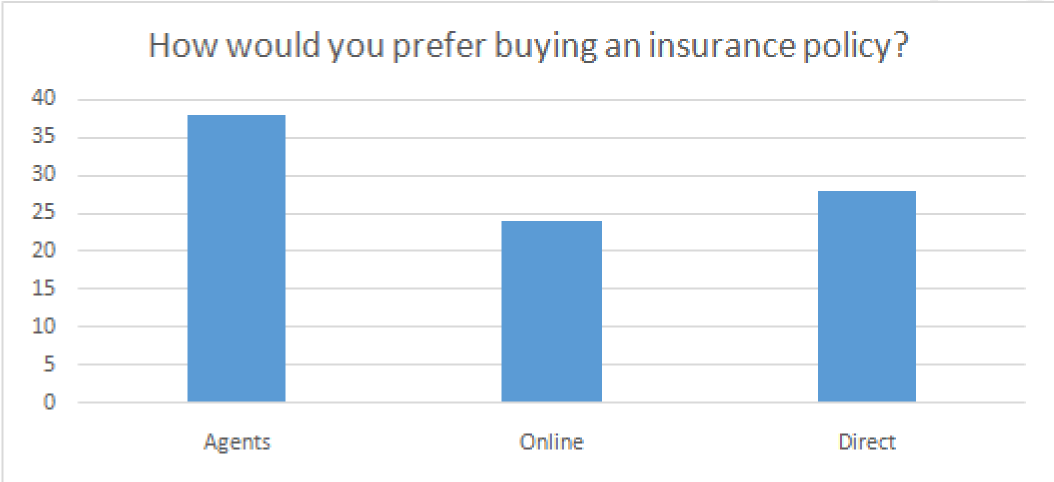
During this age of industrial development the insurance sector is extremely important in helping the development of a country.

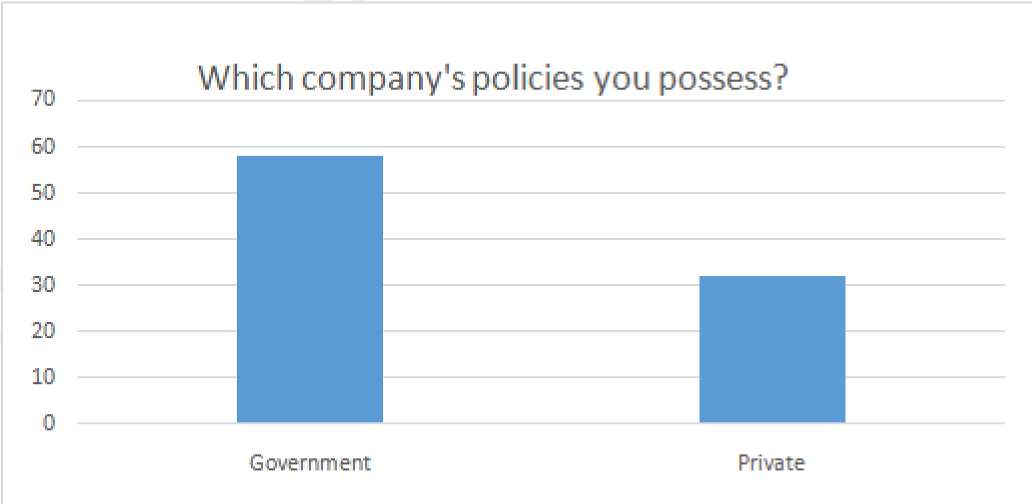
## PRICE, PLACE AND PROMOTION

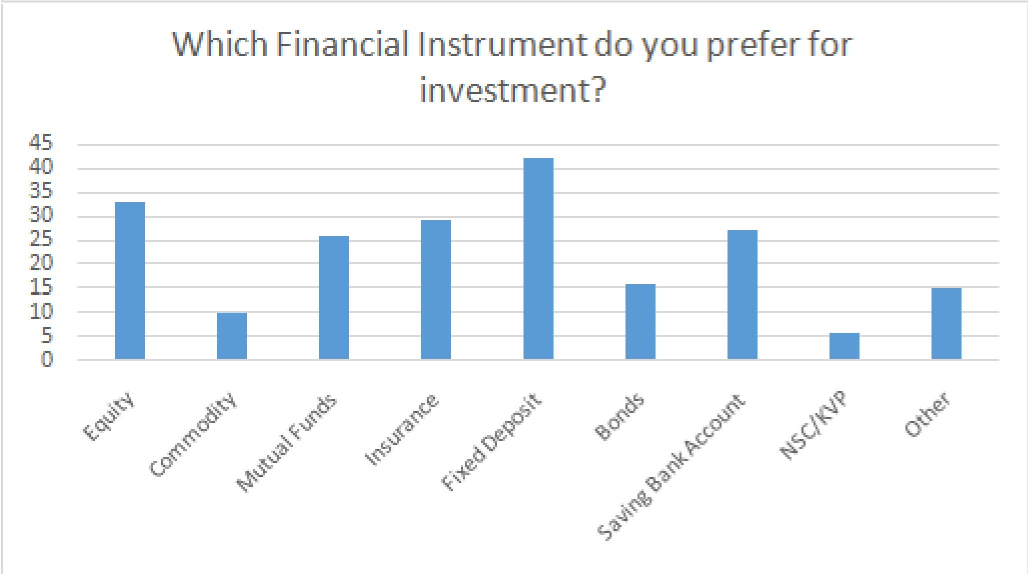
According to the secondary data that I had collected to the supplement the primary study conducted by me a few patterns were noted in the

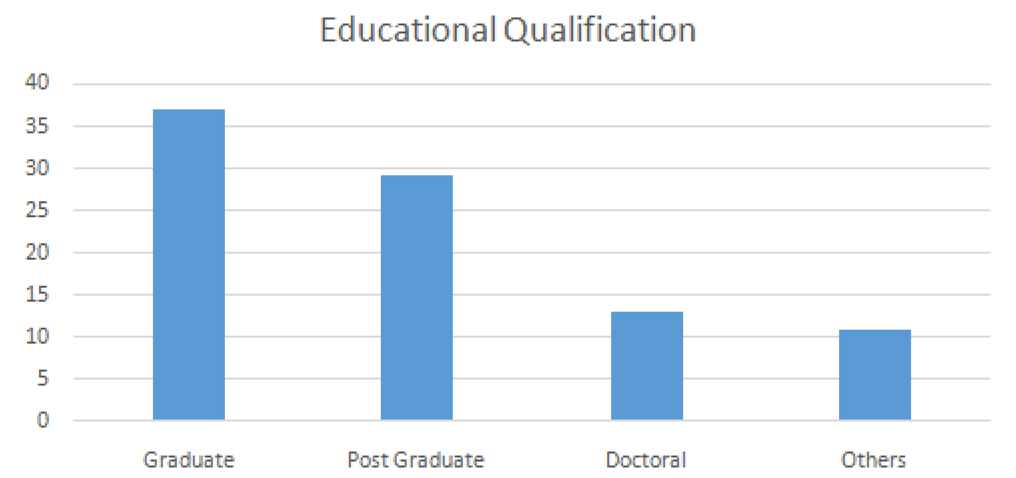



How would you prefer buying an insurance policy?
40
35
30
25
20
15
10
5
0
Agents
Online
Direct


Which company's policies you possess?
70
60
50
40
30
20
10
0
Government
Private


Which Financial Instrument do you prefer for investment?
45
40
35
30
25
20
15
10
5
0
Equity
Commodity
Mutual Funds
Insurance
Fixed Deposit
Bonds
Saving Bank Account
NSC/KVP
Other


Educational Qualification
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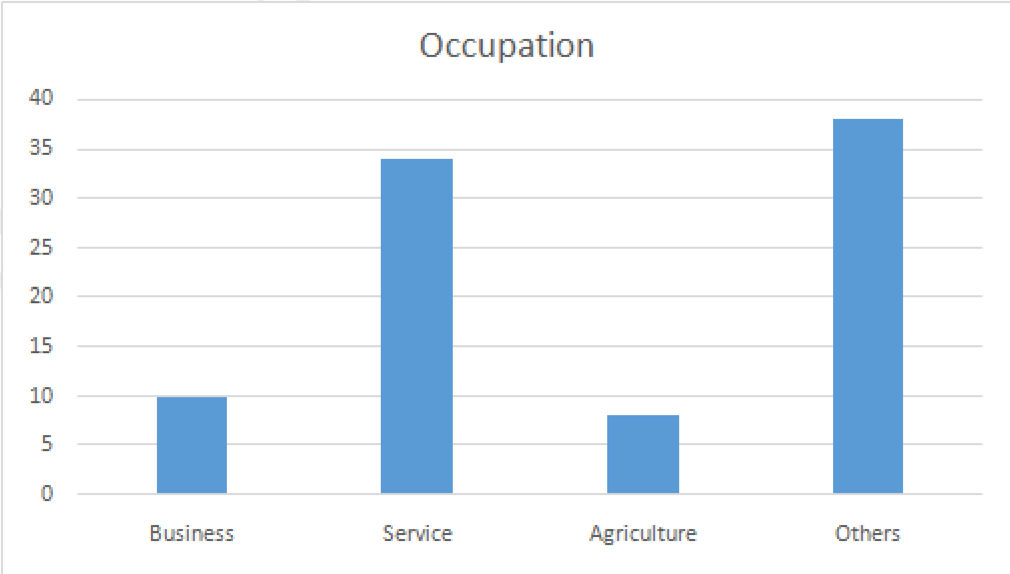
35
30
25
20
15
10
5
0
Graduate
Post Graduate
Doctoral
Others


Occupation
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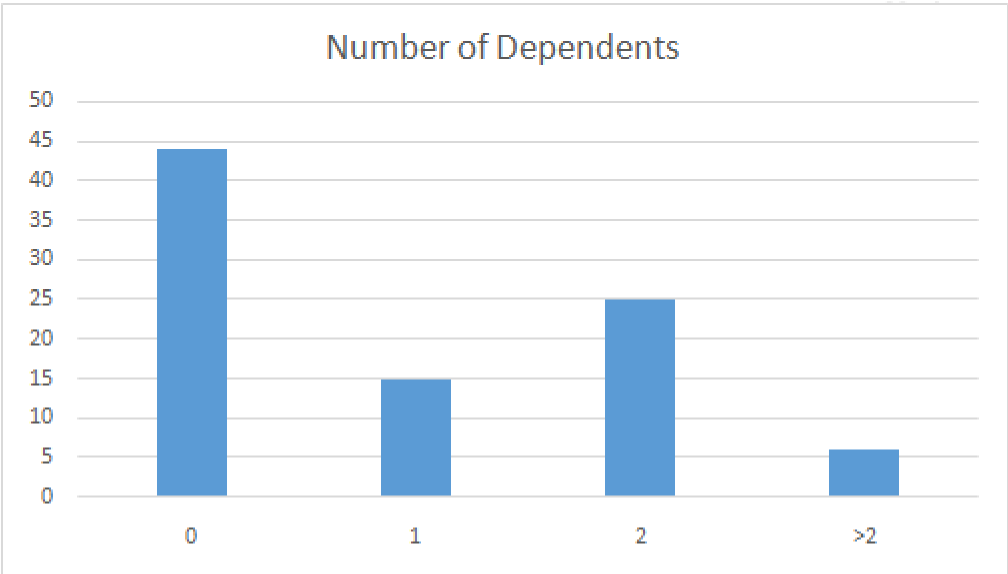
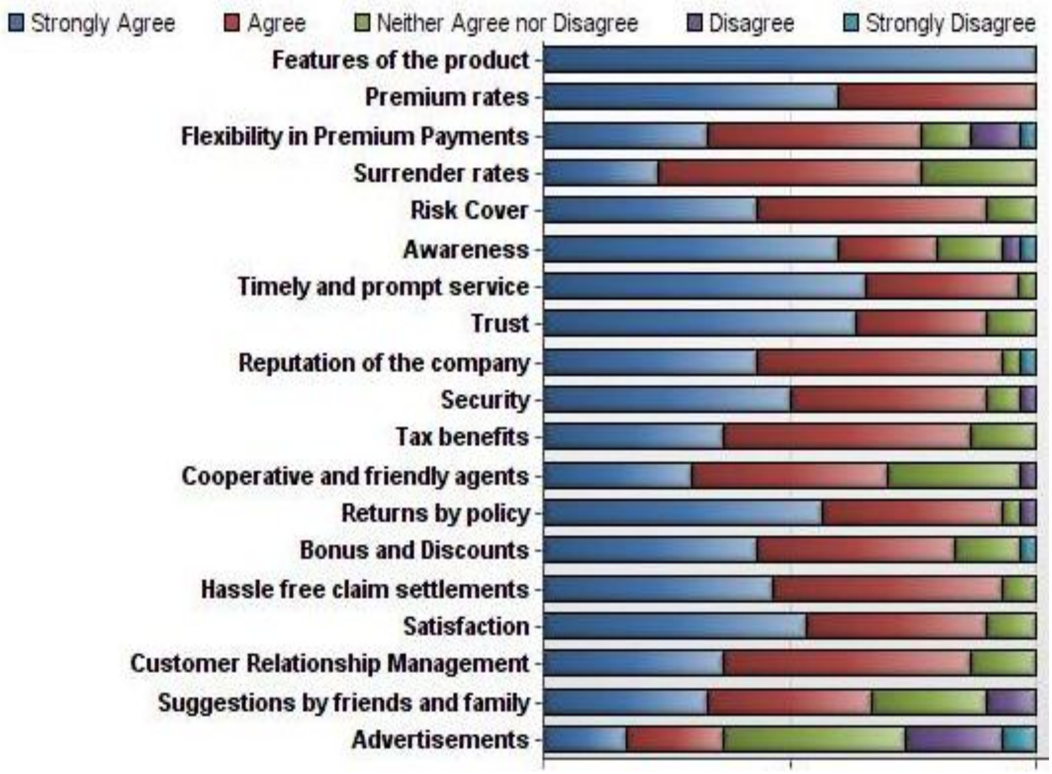
30
25
20
15
10
5
0
Business
Service
Agriculture
Others


Number of Dependents
50
45
40
35
30
25
20
15
10
5
0
0
1
2
>2




The inference that we can draw from these can be that we can try an position and customize our products for ultra high net worth individuals especially in the rural areas where education is low but the no of dependents are high. Insurance penetration in those parts are also very low.

qualtrics

**Age**

**Sex**

Male

Female

**Location**

Urban

Rural

**Marital status**

Married

Unmarried

### Monthly Income

- <=20000
- 21000-40000
- 40000-60000
- >60000

### Number of dependents

- 0
- 1
- 2
- >2

### Occupation

- Business
- Agriculture
- Service
- Others

### Educational Qualification

- Graduate
- Doctoral
- Post Graduate
- Others

### Which Financial Instrument do you prefer for investment?

- Equity
- Commodity
- Mutual Funds
- Insurance
- Fixed Deposit
- Bonds
- Saving Bank Account
- NSC/KVP
- Other

### Which company's policies you possess?

- Government
- Private

### Which type of Life Insurance Policy do you like to buy?

- [ ] Whole Life Policy
- [ ] Limited Payment Life Policy
- [ ] Endowment Policy
- [ ] Joint Life Policy
- [ ] Annuities
- [ ] Pension Plans
- [ ] Others

### How would you prefer buying an insurance policy?

- ○ Agents
- ○ Online
- ○ Direct

### The following attributes have major impact on Insurance Buying Behavior

| | Strongly Agree | Agree | Neither Agree nor Disagree | Disagree | Strongly Disagree |
|---|---|---|---|---|---|
| Features of the product | ○ | ○ | ○ | ○ | ○ |
| Premium rates | ○ | ○ | ○ | ○ | ○ |
| Flexibility in Premium Payments | ○ | ○ | ○ | ○ | ○ |
| Surrender rates | ○ | ○ | ○ | ○ | ○ |
| Risk Cover | ○ | ○ | ○ | ○ | ○ |
| Awareness | ○ | ○ | ○ | ○ | ○ |
| Timely and prompt service | ○ | ○ | ○ | ○ | ○ |
| Trust | ○ | ○ | ○ | ○ | ○ |
| Reputation of the company | ○ | ○ | ○ | ○ | ○ |
| Security | ○ | ○ | ○ | ○ | ○ |
| Tax benefits | ○ | ○ | ○ | ○ | ○ |
| Cooperative and friendly agents | ○ | ○ | ○ | ○ | ○ |
| Returns by policy | ○ | ○ | ○ | ○ | ○ |
| Bonus and Discounts | ○ | ○ | ○ | ○ | ○ |
| Hassle free claim settlements | ○ | ○ | ○ | ○ | ○ |
| Satisfaction | ○ | ○ | ○ | ○ | ○ |
| Customer Relationship Management | ○ | ○ | ○ | ○ | ○ |
| Suggestions by friends and family | ○ | ○ | ○ | ○ | ○ |
| Advertisements | ○ | ○ | ○ | ○ | ○ |

The above questionnaire was floated for the same purpose.

## PROMOTION

Generally the modes used by IDBI for promotion of their products are hoardings, news papers, Pamphlets magazines distributors and local events.
They spend around rs 1040 per sq cm for newspaper advertisements and 4 lakh rupees in hoardings per city.

But they should also target the radio promotions as they should try and acquire more and more customers in the rural sector where the penetration of the electronic and digital media is low.

## SWOT ANALYSIS

### Strength

Reduced work force and reduced operational costs are the strengths of IDBI federal Life Insurance. This helped them reach their break even in just 5 yeras which is a feat achieved by any company in the insurance sector for the first time

### Weakness

There is constant comparison with LIC and hence there is low brand awareness. This is a big weakness and people should be educated about the fact that IDBI is also majority part held by government.

### Opportunities

Penetration in rural areas is low. By moving over there in the preliminary stages it can outrun the others especially icici prudential.

Can increase awareness that it is also a government organization and that will help in increasing the goodwill and trust quotient in the customers.

### Threats

Increase in labour costs and a change in tax regime are going to increase the operational costs and is also going to call for some new methods of customizing the products so that the benefits does not decrease.

From the above analysis we can easily say that IDBI should position itself as government organization customizing products for the rural rich populace. That way it can not only compete with LIC and be ahead in the race but also icici prudential with which it is playing a catching up game right now.

One of the main reasons for the success of ICICI prudential inspite of that being a private organization has been that it has penetrated the rural market well, and have used multiple channels to sell their products.

## CONTACTS DEVELOPED THROUGH NETWORKING

| **Name Of people aproached** | **Phone Number** | Reasons for Rejecting |
|---|---|---|
| Farooq Ahmed | 9999226278 | already has a LIC policy |
| Nasrin Sultana | 7827088529 | already has a LIC policy |
| Kriti Manchanda | 9911198456 | Fixed Deposits are more secure |
| Shailesh Maurya | 9911666572 | Investment in other financial instruments like bonds, equity, etc. |
| Nazia Saleem | 9990310039 | Investment in other financial instruments like bonds, equity, etc. |
| Malobika Sarkar | 9873489506 | Other financial priorities |
| Sayani Basu | 9711210831 | Fixed Deposits |
| Ankhur Tiwari | 9911110602 | Insurance in other private companies. |
| Satya Jaiswal | 9718994756 | Other financial priorities |
| Ajay Singh | 9873825512 | Insurance in other private companies. |
| Sourjo Roy | 7838514344 | already has a LIC policy |
| Faizal Ahmed | 9971718753 | already has a LIC policy |
| Reena Swami | 9910439302 | Insurance in other private companies. |
| Nidhi Jain | 8376009846 | already has a LIC policy |
| Archishman Dhar | 9831219030 | Investment in other financial instruments like bonds, equity, etc |
| Nilanjan Dhar | 8013685443 | Insurance in other private companies. |
| Soumik Datta | 9836819104 | already has a LIC policy |
| Ritumayanti Mondal | 8017895086 | Initially was ready but switched to ICICI. Didn’tdisclose details |
| Akash Banerjee | 9038347241 | Investing in share market |
| Shrinjaya Chakroborty | 9007258258 | Already invested in other firm’s policies |
| Utsav Nayak | 8984010613 | Need short term high returns. Focusing on other type of investment |
| Debareen Chakroborty | 9748378159 | Didn’t disclose the details |
| Abhichana Kundu | 8961390235 | already has a LIC policy |
| Abira Roy | 8800952111 | Fixed Deposit |

| | | |
|---|---|---|
| Prayas Nag | 9433871226 | Investment in shares |
| Arindam Sarkar | 9432440095 | Not interested |
| Abhiraj Goswami | 98319150 | Concerned about after sale services. |
| Anisha Banerjee | 9007532278 | Other financial priorities |
| Arijit Ghosh | 9477135441 | Lack of trust on the private companies |

## RECOMMENDATIONS

It should target the target the rural rich populace first and should try and custumize service with accordance to the needs of the poor

Especially women should be their next target as the penetration in this segment is pretty low.

It should use banc assurance to its fullest use those banks which have a good rural penetration to serve or sell its products.

If it can tie up with SBI then there would be more credibility to its products as people tend to have more trust in the rural segment.

Extremely high class agents should be recruited as at the end of the day they are the brand ambassadors for the organization.

Benchmarking the products against LIC and ICICI are going to bring in the best results.

Companies abroad have started big data in a big way to carry out analysis of which portions to approach in a geographical location and how much to charge for premiums.

To create a pull approach rather than a push approach.

To make smokers and other people aware of the fact that even if they have an earlier ailment that does not prevent them from having a health insurance.

# CONCLUSION

The right service model, a low cost platform, partnership with an Indian PSB, focus on brand building, trust, and good governance along with customized products for the ever expanding client base in India will help them in carving out their own space.

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All The pictures are taken from the site of IDBI Federal life insurance.