

Vol 4 Issue 11 Aug 2015

ISSN No : 2249-894X

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*Monthly Multidisciplinary  
Research Journal*

*Review Of  
Research Journal*

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**RNI MAHMUL/2011/38595**

**ISSN No.2249-894X**

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## RECENT TRENDS IN THE MARKETING STRATEGIES OF SBI LIFE INSURANCE



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### ABSTRACT

Insurance offers protection from financial crisis. The insurance industry in India was estimated to touch a figure of Rs. 3.8 lakh crores in the year 2014. In the life insurance business, India ranked 11th among the 53 countries. India stood at 11th rank in global nonlife premium income. There are fifty-three insurance companies operating in India. The life insurance companies settled 8.57 lakh claims on individual policies, with a total payment of Rs. 10860.59 crores and life insurers issued 408.72 lakh new policies during 2013-14.

SBI Life Insurance is a joint venture between State Bank of India and BNP Paribas Cardif. When compared to the other private insurance companies the best services with least premium was available in SBI Life Insurance. With a large network it has the capability to cover crores of insurance holders' needs in India and abroad. The mission of SBI Life Insurance is to emerge as the leading company offering a comprehensive range of life insurance and pension products at competitive prices, ensuring high standards of customer service and world class operating efficiency. The objective of the research paper is to assess the status and development of the Indian insurance industry and to evaluate the performance of SBI Life Insurance. For the purpose of evaluation,

**KEYWORDS :** *Marketing Strategies , SBI Life Insurance , insurance industry .*

### INTRODUCTION :

The insurance sector in India has completed a full circle from an open competitive market to nationalization and then back to liberalized open market. LIC of India has been the bystander of the entire transformation from one phase to another. In 2000, when Insurance Regulatory and Development Authority (IRDA) was set up in India, 23 more private life insurance companies entered till date into the Indian market other than one already existing public life insurance operator LIC of India. Table 1 gives details about total number of life insurance companies operating in India after execution of Economic Reforms in the country. The table includes the entire growth in number of life insurers since 2000-2001 till 2013-2014.

Table1: 1  
Total number of life insurance companies operating in India since 2000

YEAR	PUBLIC SECTOR	PRIVATE SECTOR	TOTAL
2001	1	10	11
2002	1	12	13
2003	1	12	13
2004	1	13	14
2005	1	14	15
2006	1	15	16
2007	1	17	18
2008	1	21	22
2009	1	22	23
2010	1	22	23
2011	1	23	24
2012	1	23	24
2013	1	23	24
2014	1	23	24

Source: Annual reports of IRDA 2000-2001 to 2013-14

Insurance Regulatory and Development Authority (I.R.D.A.) come into function on 19th April, 1999 as an autonomous body in the life insurance sector in India. The main objective of IRDA is to regulate and register the life insurance companies operating in India. With the advent of competition,

## 2. LITERATURE REVIEW

While earlier studies on Life Insurance sector has altogether been a general study on overall view of SBI Life Insurance. It is relevant to refer briefly to the previous research studies in the related areas of the present study in order to avoid repetition and also to search out the different dimensions of the study. Among earlier studies, Arora (2002) highlighted that LIC was likely to face tough competition from private life insurers in spite of having large conventional network and their skilled intermediaries throughout India. Kumar and Taneja (2004) highlighted the opportunities and challenges before life insurance industry in India due to liberalization, globalization and privatization. Bhattacharya (2005) advocated that bancassurance provided the best opportunities to tap the large potential in rural and semi urban areas. He suggested that the insurers should focus on Single Premium policies, Unit Linked Insurance, Pension Market and Health Insurance. Kumar (2005) highlighted that private insurance players introduced a large range of life insurance products and set brand promotion as a part of their new strategy. These new implemented strategies had flexibility and added

## 3. SIGNIFICATION OF THE STUDY

SBI Life Insurance plays a vital role in the growth of life insurance sector and also to the economic development of the country. Since economic reforms the life insurance sector is changing rapidly due to the continuous change in the customer needs and preferences. These changes have helped in a great number to both the urban and rural consumers. SBI Life Insurance has worked continuously hard to grow since 2000. In order to increase its business SBI Life Insurance has increased their life insurance offices. Table2 gives statistical SBI Life Insurance plays a vital role in the growth of life insurance sector and also to the economic development of the country. Since economic reforms the life insurance sector is changing rapidly due to the continuous change in the customer needs and

preferences. These changes have helped in a great number to both the urban and rural consumers. SBI Life Insurance has worked continuously hard to grow since 2000. In order to increase its business SBI Life Insurance has increased their life insurance offices. Table2 gives statistical data related to the contribution of SBI Life Insurance to total industry growth in terms of life insurance offices since 2009-10.

#### 4. OBJECTIVES OF THE STUDY

The research study will be based on two main objectives:

3.1 To know about the recent trends in the marketing strategies adopted by SBI Life Insurance

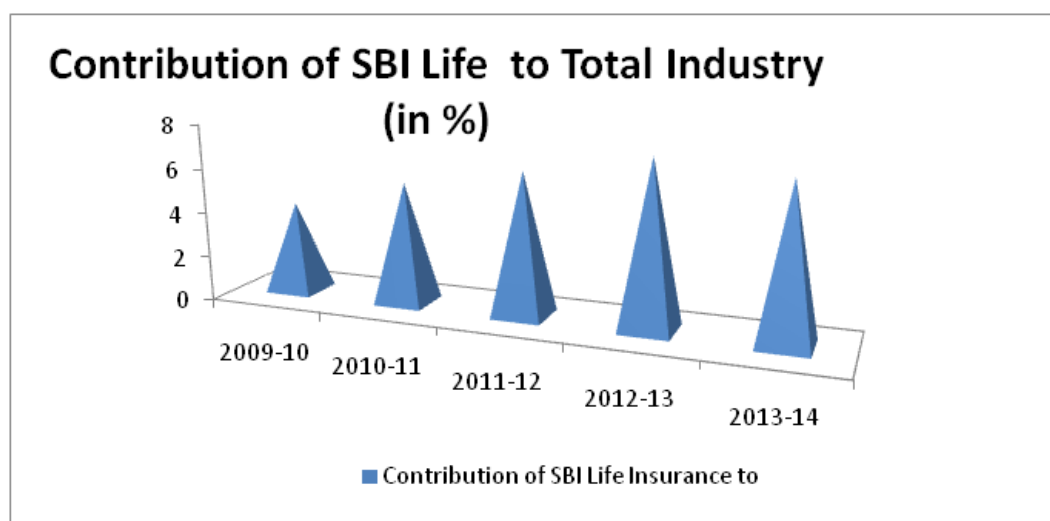
3.2 To know whether the new adopted marketing strategies have helped SBI Life to increase their business volume.

Table 2  
Comparison SBI offices & Offices of Total Industry

Years	Offices of SBI Life Insurance	Offices of Total Industry	Contribution of SBI Life Insurance To Total Industry (in %)
2009-10	494	12018	4.11
2010-11	629	11546	5.44
2011-12	714	11167	6.39
2012-13	758	10285	7.37
2013-14	762	11032	6.9

Source: Annual reports of SBI Life Insurance 2009-10 to 2013-14

From table 2 it is clear that though the life insurance offices are increasing continuously but as far as the contribution of SBI Life Insurance, it is Highest increasing in 2012-13 7.37%



## 6. RESEARCH METHODOLOGY

The research methodology adopted for this study is basically related to the evolutionary research method. The research study is based on the secondary sources for collecting data. The secondary data consisted of Annual reports of SBI Life Insurance and IRDA. The present research study is mainly based on the Annual reports of I.R.D.A. and SBI Life Insurance for important data of respective years since 2009-10 to 2013-14. The research study has also collected some information from websites of SBI Life Insurance and IRDA.

## 7. DATA COLLECTION AND ANALYSIS

The research has mainly focused its findings based on the Annual Reports of SBI Life Insurance and IRDA for respective years and also from Life Insurance Today. Besides, a few websites of SBI Life Insurance and IRDA have also been consulted to collect data related to the research study. The data used in the paper covers the period from 2009-10 to 2013-14. Based on the collected data analysis has been done with appropriate observation techniques.

### 7.1 Product Development Strategies of SBI Life Insurance

#### "Change is the need of the society"

According to the changing demand of the society SBI Life Insurance has changed a lot in the nature of products they offer to their customers. SBI Life Insurance today has many new innovative products spread over a large canvas. SBI Life's products and services are scattered in various dimensions right from the basic Insurance plans to special plans for special people. All these varied products give a strong marketing orientation to SBI Life Insurance. The product line of SBI Life Insurance includes products like several Endowment plans, pension plans, unit link plans, money back plans, health insurance plans etc.

### 7.2 Marketing Strategies Adopted by SBI Life Insurance

#### "Individual satisfaction leads to Group satisfaction"

In order to facilitate their consumers expediently SBI Life Insurance has adopted wide-ranging marketing strategies to acquire reach, frequency and impact on to the panorama of life insurance coverage. This section of the research study will focus on the diverse marketing strategies adopted by SBI Life Insurance to reduce the competitive pressure and rich first position in the Indian life insurance market.

#### 7.2.1 Facilities to their existing employees

SBI Life Insurance believes and functions on the principle that if they have to continue as a market leader then it is imperative that the employees of the organization should be satisfied. SBI Life Insurance have worked thoroughly and introduced many new strategies as a part of marketing tool to satisfy their employees

#### 7.2.2 Increasing the number of individual Agents

SBI Life Insurance is the number one service provider and agents are a pioneer field force in the procurement of the SBI Life Insurance business. SBI Life Insurance have more than 110000 authorized Agents across the country, which can collect the premium (including ULIP but excluding HI Policies) in CASH or CHEQUE and can issue a valid receipt instantly.

Table3:  
Number of Employees in SBI Life Insurance Various categories

YEAR	Employee s Total Number	Graduates	Post Graduates	Legal Qualifica tion	Engin eering	CA	Other s	MB A
<b>2009-10</b>	<b>5977</b>	<b>4102</b>	<b>1591</b>	<b>69</b>	<b>120</b>	<b>30</b>	<b>65</b>	
<b>2010-11</b>	<b>7292</b>	<b>4157</b>	<b>2826</b>	<b>78</b>	<b>126</b>	<b>32</b>	<b>73</b>	
<b>2011-12</b>	<b>7893</b>	<b>4657</b>	<b>1105</b>	<b>79</b>	<b>158</b>	<b>78</b>	<b>80</b>	<b>1736</b>
<b>2012-13</b>	<b>8278</b>	<b>4884</b>	<b>1168</b>	<b>83</b>	<b>157</b>	<b>82</b>	<b>83</b>	<b>1821</b>
<b>2013-14</b>	<b>9114</b>	<b>6046</b>	<b>1004</b>		<b>160</b>	<b>122</b>	<b>90</b>	<b>1692</b>

Source: Annual Report of SBI Life Insurance

From table 3 it is clear that though the SBI life insurance Employee are increasing continuously.

### 7.2.3 Corporate Communication

SBI Life Insurance always has a thrust to fortify "SBI Life" and to reinforce the brand connect with emerging market segments. In order to achieve that SBI Life Insurance has made a consistent media presence in national and regional media. SBI Life Insurance has also sponsored many programs of National and International regimes. SBI Life Insurance has conducted many activities such as campaigns in newspapers, consistent coverage of products in several magazines, Radio jingles on FM channels and radio stations on All India Radio, TV channels and on websites like Facebook, Orkut, Twitter, You tube etc.

### 7.2.4 International

marketing strategies adopted by SBI Life Insurance on their business volume We have gone through with the different categories of recent trends in the marketing strategies implemented by SBI Life Insurance of India in past few years at different vicinities. To study the impact of all those marketing strategies adopted by SBI Life Insurance of India on their business volume it is essential for our research study to have an eye on two important pieces of facts. The one to cover is on the count of the number of policies (NOP) and another on the count of premium earned by SBI Life Insurance. According to our research methodology the research study will incorporate the entire period right from 2009-10 to 2013-14 which will help us to have an analytical vision on the impact of marketing strategies adopted throughout that entire period.

Table4

Table4:  
Premium Received by SBI life insurance

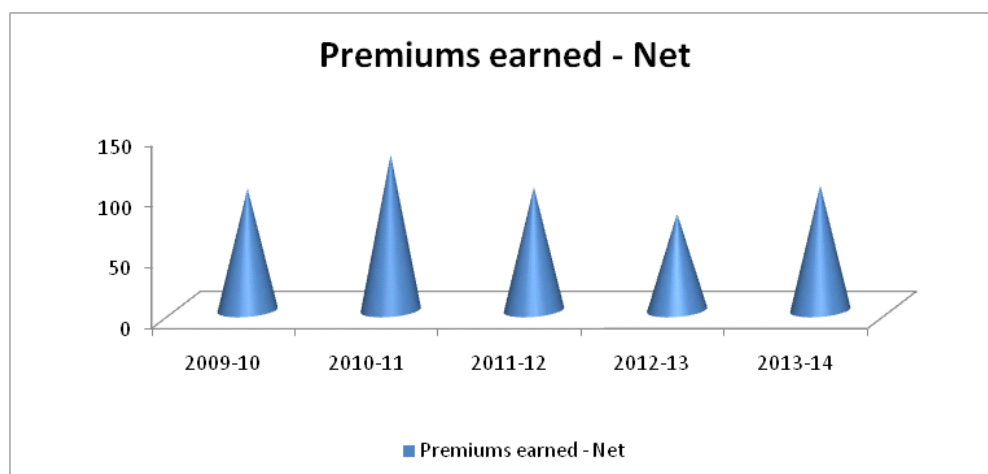
Rs(000)

Years	First year Premiums	Renewal Premiums	Single Premiums	total	Premiums earned - Net (Reinsurance ceded)	% base on 2009-10
2009-10	62,818,157	30,632,840	7,589,269	101,040,265	100,804,813	100
2010-11	33,898,175	53,557,103	41,997,588	129,452,866	129,091,662	128.06
2011-12	21,928,001	66,024,211	43,385,172	131,337,384	130,808,410	101.32
2012-13	26,181,777	52,671,500	25,647,051	104,500,329	103,821,138	79.37
2013-14	29,975,057	56,731,261	20,679,710	107,386,027	106,571,051	102.65

Source: Annual Report of SBI Life Insurance since 2000 till 2012

From table 4 it is clearly observed that there is an overall growth in Net Premium in 2009-10 to 2013-14 96486238.

2012-13 & 2013-14 down falls in only two & Rest of year continuous growth in the premium overall development of the corporation in the changing needs of the society.



Premium graph is constantly increasing throughout the period with few falls in last two years. This clearly indicates that the marketing strategies adopted by SBI life insurance is helpful in increasing their business volume but a lot have to be done in the areas of increasing number of lives which will certainly affect the overall performance of the corporation.

## 8. CONCLUSIONS

The present state of Life Insurance Sector in India is awe-inspiring as far as the awareness of customers is concerned. The customers of today are well aware about the different alternatives that support them the best to fulfil their desires. SBI Life Insurance has well managed to take the spirit of

competition in a positive way which has helped the corporation to grow further with high strength of mind in contribution to the growth of the country. There are few more areas where contribution of the corporation in the life insurance sector needs to be updated. The present research study thus reveals those important areas where more contribution on the part of SBI Life Insurance is required. The one is to increase in the number of offices both in urban and rural areas which will help the corporation to increase their business and reach among the customers. SBI Life Insurance should also open more Life-Plus offices and authorized collection centers to make its objectives achieved in true way to spread the life insurance business in every nook and corner of the country. SBI Life Insurance should concentrate on agents' training to make them updated as per market requirements and professionalism to tackle the queries of customers and doubts raised in their mind by other life insurance competitors of the market. SBI Life Insurance must increase their agent's base to retain its dominating market share because agents are the backbone of the corporation. The increased number will not only help the corporation to facet their visible presence in the market but also in turn help in increasing their business volume too.

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