

# INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT

I  
J  
R  
C  
M



A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories  
Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A.  
as well as in Open J-Gate, India (link of the same is duly available at Inlibnet of University Grants Commission (U.G.C.))

Registered & Listed at: Index Copernicus Publishers Panel, Poland

Circulated all over the world & Google has verified that scholars of more than 1500 Cities in 141 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

[www.ijrcm.org.in](http://www.ijrcm.org.in)

# CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	THE RELATIONSHIP BETWEEN CAPITAL AND OWNERSHIP STRUCTURES WITH THE CREATED SHAREHOLDER VALUE IN TEHRAN STOCK EXCHANGE <i>MOHAMADREZA ABDOLI, MOHAMADREZA SHORVARZI &amp; SYED NAJIBALLAH SHANAEI</i>	1
2.	IMPACT OF GOOD GOVERNANCE ON THE CORPORATE GOVERNANCE IN BANGLADESH <i>MD. ZAHIR UDDIN ARIF, MD. OMAR FARUQUE &amp; UDAYSHANKAR SARKAR</i>	6
3.	DETERMINANTS OF JOB PERFORMANCE OF ADMINISTRATIVE STAFF IN LADOKE AKINTOLA UNIVERSITY OF TECHNOLOGY, OGBOMOSO, NIGERIA <i>AKANBI F. K. &amp; OJOKUKU R. M.</i>	9
4.	THE NEXUS BETWEEN ORGANIZATIONAL CULTURE AND TOP MANAGEMENT SUPPORT AS AN INFLUENCE TO THE ADOPTION OF INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) IN THE RWANDAN COMMERCIAL BANKS <i>MACHOGU MORONGE ABIUD &amp; LYNET OKIKO</i>	14
5.	THE ROLE OF CORPORATE REPUTATION ON TRAVEL AND LEISURE COMPANIES PERFORMANCE IN MALAYSIA <i>SAHAR E-VAHDATI</i>	20
6.	HR AUDIT: AN EVALUATION OF HR PRACTICES <i>MARIAM AHMED</i>	23
7.	BENEFITS AND CHALLENGES OF CONVERGENCE TO INTERNATIONAL FINANCIAL REPORTING STANDARDS BY PUBLIC ACCOUNTABILITY COMPANIES IN NIGERIA <i>ISHAQ ALHAJI SAMAILA</i>	29
8.	FACTORS INFLUENCING EMPLOYEE ENGAGEMENT IN AN ENTERTAINMENT INDUSTRY <i>A. ANGELINE EMMEMA, N.AJAN &amp; C.KARTHIKEYAN</i>	35
9.	AN INSIGHT INTO XBRL: INDIAN PERSPECTIVE <i>DR. SUMIT GARG &amp; RITIKA AGGARWAL</i>	43
10.	EMPLOYEES' SATISFACTION AND INDUSTRIAL RELATIONS – A STUDY OF SELECTED INDUSTRIAL UNITS OF AHMEDABAD AND ANAND DISTRICTS <i>DR. VIJAYSINH M. VANAR</i>	48
11.	AN EMPIRICAL STUDY ON TALENT MANAGEMENT – AN OUTMOST OPPORTUNITY FOR ORGANIZATION'S SUCCESS <i>NANDINI M. DESHPANDE</i>	61
12.	A STUDY OF HUMAN RESOURCES RELATED CONFLICTS IN SOFTWARE INDUSTRIES IN HYDERABAD <i>RAMAKRISHNA SASTRY GHATTY &amp; DR. V. MADHUSUDHAN PRASAD</i>	65
13.	CAPITAL STRUCTURE (DEBT-EQUITY) OF INDIAN PHARMACEUTICAL INDUSTRY – A STUDY <i>K. PADMINI &amp; C. SIVARAMI REDDY</i>	70
14.	GAINING LEVERAGE FROM SUPPLY CHAIN TO MAXIMIZE PROFITS <i>DR. MADHU JASOLA &amp; SHIVANI KAPOOR</i>	74
15.	BUSINESS CYCLE STAGES AND HUMAN CAPITAL COST – AN EMPIRICAL STUDY OF SERVICE SECTOR COMPANIES IN INDIA <i>DR. YAMINI KARMARKAR &amp; PRACHI JAIN</i>	79
16.	A COMPARATIVE STUDY ON CUSTOMER PREFERENCE ON MOBILE COMMUNICATION WITH REFERENCE TO THE SERVICE PROVIDED BY PRIVATE (AIRTEL) AND PUBLIC (BSNL) SECTOR IN COIMBATORE DISTRICT <i>DR. G.SAKTHIVEL</i>	85
17.	THE BRAND IMAGE & SATISFACTION LEVEL OF DEALERS AND SURROGATE BUYERS OF AMBUJA CEMENT LIMITED IN SAURASHTRA REGION <i>UTKARSH. H. TRIVEDI &amp; JIGNESH. B. TOGADIYA</i>	88
18.	SMALL PACKAGING- MAKING THINGS AFFORDABLE (A STUDY OF RURAL CONSUMERS) <i>RANJEET KAUR &amp; AMANDEEP KAUR</i>	100
19.	A REVIEW OF VIRTUAL LEARNING METHODOLOGY IN THE DEVELOPMENT OF SALES WORKFORCE <i>KETAN KANAUIA &amp; L. R. K. KRISHNAN</i>	106
20.	CLASSIFICATION OF INVESTORS' IN INDIAN SECURITIES MARKET WITH REFERENCE TO TAMILNADU – A DISCRIMINANT ANALYSIS <i>DR. V. DHEENADHAYALAN</i>	115
21.	MARKETING IN ORGANIZED RETAIL ENVIRONMENT: A RETAILERS PERSPECTIVE <i>VASUNDRA</i>	123
22.	A STUDY ON EFFECT OF CSR INITIATIVES OF AUTOMOTIVE COMPANIES ON CONSUMER BUYING BEHAVIOR <i>SHILKI BHATIA</i>	126
23.	EMPLOYEES PERCEPTION ON DAY – SHIFT V/S NIGHT - SHIFT JOBS (WITH SPECIAL REFERENCE TO BPO SECTORS IN HYDERABAD) <i>ANITA D'SOUZA</i>	133
24.	AN OVERVIEW OF THE CHALLENGES FACED BY ITES /BPO EMPLOYEES IN INDIA AND THE NEED FOR NATIONAL LEGISLATURE TO PROTECT EMPLOYEE RIGHTS OF THIS SECTOR <i>ANJALI PASHANKAR</i>	139
25.	INSURANCE BUSINESS IN INDIA - AN OVERVIEW <i>VENKATESH BABU S</i>	143
26.	LEADERSHIP STYLES IN DYEING AND PRINTING INDUSTRY (WITH REFERENCE TO JETPUR CITY OF RAJKOT DISTRICT) <i>ANKITA DHOLARIYA</i>	147
27.	INTEGRATION OF INDIAN STOCK MARKET WITH ASIAN AND WESTERN MARKETS <i>RAKESH KUMAR</i>	153
28.	EFFECT OF SALES PROMOTION ACTIVITIES ADOPTED BY MAHINDRA AUTOMOBILES ON RURAL MARKET OF PUNJAB <i>PRANAV RANJAN &amp; RAZIA SEHDEV</i>	160
29.	IDENTIFICATION OF KEY STRATEGIC FACTORS IN APPAREL SOURCING DECISIONS BY INDIAN RETAILERS; A CASE BASED STUDY <i>PARAGI SHAH</i>	165
30.	GROWTH AND PROSPECTS OF INDIAN MUTUAL FUND INDUSTRY - A REVIEW <i>B. USHA REKHA</i>	171
	REQUEST FOR FEEDBACK	179

**CHIEF PATRON**

**PROF. K. K. AGGARWAL**

Chancellor, Lingaya's University, Delhi  
Founder Vice-Chancellor, Guru Gobind Singh Indraprastha University, Delhi  
Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

**PATRON**

**SH. RAM BHAJAN AGGARWAL**

Ex.State Minister for Home & Tourism, Government of Haryana  
Vice-President, Dadri Education Society, Charkhi Dadri  
President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

**CO-ORDINATOR**

**DR. SAMBHAV GARG**

Faculty, M. M. Institute of Management, MaharishiMarkandeshwarUniversity, Mullana, Ambala, Haryana

**ADVISORS**

**DR. PRIYA RANJAN TRIVEDI**

Chancellor, The Global Open University, Nagaland

**PROF. M. S. SENAM RAJU**

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

**PROF. M. N. SHARMA**

Chairman, M.B.A., HaryanaCollege of Technology & Management, Kaithal

**PROF. S. L. MAHANDRU**

Principal (Retd.), MaharajaAgrasenCollege, Jagadhri

**EDITOR**

**PROF. R. K. SHARMA**

Professor, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

**CO-EDITOR**

**DR. BHAVET**

Faculty, M. M. Institute of Management, MaharishiMarkandeshwarUniversity, Mullana, Ambala, Haryana

**EDITORIAL ADVISORY BOARD**

**DR. RAJESH MODI**

Faculty, YanbuIndustrialCollege, Kingdom of Saudi Arabia

**PROF. SANJIV MITTAL**

UniversitySchool of Management Studies, Guru Gobind Singh I. P. University, Delhi

**PROF. ANIL K. SAINI**

Chairperson (CRC), Guru Gobind Singh I. P. University, Delhi

**DR. SAMBHAVNA**

Faculty, I.I.T.M., Delhi

**DR. MOHENDER KUMAR GUPTA**

Associate Professor, P.J.L.N.Government College, Faridabad

**DR. SHIVAKUMAR DEENE**

Asst. Professor, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

**MOHITA**

Faculty, Yamuna Institute of Engineering & Technology, Village Gadholi, P. O. Gadholi, Yamunanagar

## ASSOCIATE EDITORS

**PROF. NAWAB ALI KHAN**

Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

**PROF. ABHAY BANSAL**

Head, Department of Information Technology, Amity School of Engineering & Technology, Amity University, Noida

**PROF. V. SELVAM**

SSL, VIT University, Vellore

**PROF. N. SUNDARAM**

VIT University, Vellore

**DR. PARDEEP AHLAWAT**

Associate Professor, Institute of Management Studies & Research, Maharshi Dayanand University, Rohtak

**DR. S. TABASSUM SULTANA**

Associate Professor, Department of Business Management, Matrusri Institute of P.G. Studies, Hyderabad

## TECHNICAL ADVISOR

**AMITA**

Faculty, Government M. S., Mohali

**MOHITA**

Faculty, Yamuna Institute of Engineering & Technology, Village Gadholi, P. O. Gadholi, Yamunanagar

## FINANCIAL ADVISORS

**DICKIN GOYAL**

Advocate & Tax Adviser, Panchkula

**NEENA**

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

## LEGAL ADVISORS

**JITENDER S. CHAHAL**

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

**CHANDER BHUSHAN SHARMA**

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

## SUPERINTENDENT

**SURENDER KUMAR POONIA**

## CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the area of Computer, Business, Finance, Marketing, Human Resource Management, General Management, Banking, Insurance, Corporate Governance and emerging paradigms in allied subjects like Accounting Education; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Monetary Policy; Portfolio & Security Analysis; Public Policy Economics; Real Estate; Regional Economics; Tax Accounting; Advertising & Promotion Management; Business Education; Management Information Systems (MIS); Business Law, Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labor Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; Public Administration; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism, Hospitality & Leisure; Transportation/Physical Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Digital Logic; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Multimedia; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic and Web Design. The above mentioned tracks are only indicative, and not exhaustive.

Anybody can submit the soft copy of his/her manuscript **anytime** in M.S. Word format after preparing the same as per our submission guidelines duly available on our website under the heading guidelines for submission, at the email address: [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com).

## GUIDELINES FOR SUBMISSION OF MANUSCRIPT

### 1. COVERING LETTER FOR SUBMISSION:

DATED: \_\_\_\_\_

**THE EDITOR**  
IJRCM

**Subject: SUBMISSION OF MANUSCRIPT IN THE AREA OF**

(e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

**DEAR SIR/MADAM**

Please find my submission of manuscript entitled ' \_\_\_\_\_ ' for possible publication in your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

#### **NAME OF CORRESPONDING AUTHOR:**

Designation:

Affiliation with full address, contact numbers & Pin Code:

Residential address with Pin Code:

Mobile Number (s):

Landline Number (s):

E-mail Address:

Alternate E-mail Address:

#### **NOTES:**

- a) The whole manuscript is required to be in **ONE MS WORD FILE** only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
- b) The sender is required to mention the following in the **SUBJECT COLUMN** of the mail:  
**New Manuscript for Review in the area of (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)**
- c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any specific message w.r.t. to the manuscript.
- d) The total size of the file containing the manuscript is required to be below **500 KB**.
- e) Abstract alone will not be considered for review, and the author is required to submit the complete manuscript in the first instance.
- f) The journal gives acknowledgement w.r.t. the receipt of every email and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.

2. **MANUSCRIPT TITLE:** The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3. **AUTHOR NAME (S) & AFFILIATIONS:** The author (s) **full name, designation, affiliation (s), address, mobile/landline numbers, and email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ABSTRACT:** Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

5. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.
6. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER**. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.
7. **HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
8. **SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.
9. **MAIN TEXT:** The main text should follow the following sequence:

**INTRODUCTION****REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESES****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****SCOPE FOR FURTHER RESEARCH****ACKNOWLEDGMENTS****REFERENCES****APPENDIX/ANNEXURE**

It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed **5000 WORDS**.

10. **FIGURES & TABLES:** These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure. Sources of data should be mentioned below the table/figure.** It should be ensured that the tables/figures are referred to from the main text.
11. **EQUATIONS:** These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.
12. **REFERENCES:** The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per the following:
  - All works cited in the text (including sources for tables and figures) should be listed alphabetically.
  - Use (ed.) for one editor, and (ed.s) for multiple editors.
  - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
  - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
  - The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
  - For titles in a language other than English, provide an English translation in parentheses.
  - The location of endnotes within the text should be indicated by superscript numbers.

**PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:****BOOKS**

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

**CONTRIBUTIONS TO BOOKS**

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

**JOURNAL AND OTHER ARTICLES**

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

**CONFERENCE PAPERS**

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19-22 June.

**UNPUBLISHED DISSERTATIONS AND THESES**

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

**ONLINE RESOURCES**

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

**WEBSITES**

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>



**INSURANCE BUSINESS IN INDIA - AN OVERVIEW**

**VENKATESH BABU S**  
**ASST. PROFESSOR**  
**GOVERNMENT FIRST GRADE COLLEGE**  
**BHARAMASAGARA**

**ABSTRACT**

Insurance has been the back bone of society. For country like India, insurance does serve the need as social security practices that are not present in India compared to some foreign nations. There is no support from the government agencies to the ailing families of India, who have lost their bread winner in past, which resulted in weakening the economic front of the family. The origin of Insurance can be dated in 18th century when for the need of some European sailors the idea of Insurance was discussed and brought in light for the mutual benefit. With emergence of Life Insurance Act in 1912 and provident fund Act, gave the regulation to the business. Many Insurance companies flourished in India and started their operations. Mal Practices became rampant as on every corner new "Insurance Shops" were opened. In 1999, the IRDA was set up under Companies Act., aspiring to carry on insurance and reinsurance business in India. Insurance business in India is growing at the rate of 15.20% annually India's insurance sector is to show an unprecedented progressive growth of more than 200% by the period of 2010-11 the business of insurance is expected to reach at Rs.2000 billions in coming 2 years from the present level of Rs. 500 billion-. With new insurance company coming in India, increase in awareness about Insurance in India and good marketing and advertising campaigns carried out by the marketers will give rise and will grow the Insurance market in future. The tendency and dependency in the product is surely benefitting the industry to achieve its growth targets that they are expecting. With more companies coming up every day and the growing demand of the industry the markets are becoming very Competitive. Until and unless the existing companies makes a mark and create their very own brand name it would be quite tough to sustain their position in the market. There is also a probability of big companies taking over the new emerging companies. With new Distribution channels emerging for the markets, creating and crafting the products for these new intermediaries, surely will cater the Insurance need of the end customer. Fuelled competition, increased awareness will bring the customers on the centre- stage. More Customer awareness, more regulatory frame work and ethical sales practices will be one to look forward in the Insurance Business. This paper discusses the present scenario of Insurance industry, the future developing channels and the perceptions and expectations of end users toward Insurance Industry.

**KEYWORDS**

Insurance industry, services.

**INTRODUCTION**

The Insurance sector in India governed by Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and General Insurance Business (Nationalisation) Act, 1972, Insurance Regulatory and Development Authority (IRDA) Act, 1999 and other related Acts. With such a large population and the untapped market area of this population Insurance happens to be a very big opportunity in India. Today it stands as a business growing at the rate of 15-20 per cent annually. Together with banking services, it adds about 7 per cent to the country's GDP. In spite of all this growth the statistics of the penetration of the insurance in the country is very poor. Nearly 80% of Indian populations are without Life insurance cover and the Health insurance. This is an indicator that growth potential for the insurance sector is immense in India. It was due to this immense growth that the regulations were introduced in the insurance sector and in continuation "Malhotra Committee" was constituted by the government in 1993 to examine the various aspects of the industry. The key element of the reform process was Participation of overseas insurance companies with 26% capital. Creating a more efficient and competitive financial system suitable for the requirements of the economy was the main idea behind this reform. Since then the insurance industry has gone through many sea changes. The competition LIC started facing from these companies were threatening to the existence of LIC. Since the liberalization of the industry the insurance industry has never looked back and today stand as the one of the most competitive and exploring industry in India. The entry of the private players and the increased use of the new distribution are in the limelight today. The use of new distribution techniques and the IT tools has increased the scope of the industry in the longer run. As of now today India is having 23 Life Insurance company serving the need of customers in all parts of India. These are:

**LIST OF LIFE INSURANCE COMPANIES IN INDIA TILL 2011**

1. Life Insurance Corporation of India
2. MetLife India Life Insurance
3. ICICI Prudential
4. Bajaj Allianz Life Insurance
5. Max New York Life Insurance
6. Sahara Life Insurance
7. TATA AIG Life Insurance
8. HDFC Standard Life
9. Birla Sunlife
10. SBI Life Insurance Company Limited
11. Kotak Life Insurance
12. Aviva Life Insurance
13. Reliance Life Insurance Company Limited – Formerly known as AMP Sanmar LIC
14. ING Vysya Life Insurance
15. Shriram Life Insurance
16. Bharti AXA Life Insurance Co Ltd
17. Future Generali Life Insurance Co Ltd
18. IDBI Fortis Life Insurance
19. AEGON Religare Life Insurance 1
20. DLF Pramerica Life Insurance
21. Canara HSBC Oriental Bank of Commerce Life Insurance
22. Star Union Dai-ichi Life Insurance Co. Ltd.
23. India First Life Insurance Company

These companies are not only able to create the awareness about the Insurance in country but also are able to create a good competitive environment needed for any business to flourish. With better Corporate Governance, fair business practices and transparency in business they are now able to break the monopoly of single Insurance provider in Life Insurance business in India.

## THE INDIAN INSURANCE MARKET

### REGULATION OF BUSINESS

With changing economies and open trade barriers, there was also a need for regulation of business is concern. With this need arising a regulator was formalized for the Insurance sector. In 1999, Insurance regulatory development authority (IRDA) was set up under Companies Act. Any Company aspiring to do business either in Life or in Non-life Insurance arena need to register itself with IRDA. They not only look at regulative frame work but also prohibit 100% foreign ownership of an Indian Insurance Company. An Indian Promoter is require to invest either wholly or team up with a foreign insurer, which can own not more than 26% of the shares in a venture. With 26% share capital with the foreign partner and remaining 74% with the Indian player.

### MAJOR PLAYERS AND GROWTH

The Insurance market of India, especially Life Insurance was mainly dominated by Life Insurance Corporation of India (LIC). With other players coming into the market provided a competitive environment to the Industry. LIC (Life Insurance Corporation of India) still remains the largest life insurance company accounting for 64% market share in 2010. Its share, however, has dropped from 74% a year before, mainly owing to entry of private players with innovative products and better sales force. In private players ICICI Prudential Co Ltd is the biggest private life insurance company in India. It experienced growth of 58% in new business premium. In line with expectations, life Insurance industry's new business volumes in the individual new business segment remained strong, growing 36% Y-o-Y and 23% M-o-M, in year 2010.

### INSURANCE PENETRATION AND DENSITY IN INDIA

Year	Density (USD)	Penetration (% age)
2001	9.1	2.15
2002	11.7	2.59
2003	12.9	2.26
2004	15.7	2.53
2005	18.3	2.53
2006	33.2	4.10
2007	40.4	4.00
2008	41.2	4.00
2009	47.7	4.60

Source: Swiss Re, Various Issues.

Insurance density is measured as ratio of premium (in US Dollar) to total population. Insurance penetration is measured as ratio of premium (in US Dollars) to GDP (in US Dollars). With the data, it can be seen that in business arena, the estate owned insurer LIC is still holding its base and position as number one Life Insurance Company in India. At the same way the private players are also leading an upward direction. Due to the competitive environment the awareness, and also due to the marketing activity of all insurers together has surely helped to increase the penetration and increase in the insurance density in India.

### PRODUCTS IN INSURANCE MARKET

Insurance market today consists of multiple products. To have a classification of products they can be mainly classified as;

#### TERM PRODUCT

#### ENDOWMENT PRODUCTS, ANNUITY (PENSION) PLANS

Though today Insurance is projected as an investment product to the customer, the avenues of these investments can be into traditional markets (Been tagged as a traditional products which gives fixed Guaranteed returns) and Unit linked products (Investment made in capital market). Along with need generation new product lines were introduced by many insurers and developed products like children products, short duration products, single payment products, limited period products and many more. With recent societal change also gave rise to products like "Reverse Mortgage "by these insurers. They are now able to developed and market the products depending upon the need and demands of customers. This has indeed helped the customer in form of customization of products at their disposal.

### FOREIGN COMPANY INFLUENCE

Several global insurers are today operating in Indian soil with the Indian partner. Prudential of United Kingdom, Aviva plc the major British insurer, AIG the America, Dutch insurance firm AEGON, French firm AXA and many more has entered the market and are earning now major share in the insurance market. With vast experience about the insurance business and cash rich Pockets these companies have changed the total way of business in India. With expertise in their work they have designed best products and best management practices have helped the customers to have these products at their end. The competition by large has provided an equal opportunity employability in India. With global business practices the cultural changes in working place has been able to seen in India. Best management styles of working today have helped to create best process not only the front end process but also the backed technological driven process. With customer relationship management (CRM) coming into picture the data storage and information sharing became must easier for all the insurers.

### CUSTOMER CENTRIC

A consumer remains the most important centre of the insurance sector. After the entry of the foreign players the industry is seeing a lot of competition and thus improvement of the customer service in the industry is been seen and is also been practiced. Customers have tremendous choice from a large variety of products from pure term (risk) insurance to unit-linked investment products. Customers are offered unbundled products with a variety of benefits as riders from which they can choose. More customers are buying products and services based on their true needs and not just traditional money back policies, which is not considered very appropriate for long-term protection and savings. There is lots of saving and investment plans in the market. Insurance industry is a data-rich industry, and thus, there is a need to use the data for trend analysis and personalization. With increased competition among insurers, service has become a key issue. Moreover, customers are getting increasingly sophisticated and tech-savvy. People today don't want to accept the current value propositions, they want personalized interactions and they look for more and more features and add ones and better service. The insurance companies today must meet the need of the hour for more and more personalized approach for handling the customer. Today managing the customer intelligently is very critical for the insurer especially in the very competitive environment; customer gone is gone forever and will never ever come back to the same insurer. Companies need to apply different set of rules and treatment strategies to different customer segments. With educating the customers by Insurance Regulatory Development Authority (IRDA) and the steps taken by them has been able to help the customers to know many things about the insurance. Also the detailed about their policy, the investment patterns, the charges applied, the expected returns on the policy the benefits and all fine prints about the policy has been provided by the regulator and also by the insurer to the customer, hence making customer a real " King " and keeping him at the center stage. Proper process for his queries, provision of district, state and nation form to clear the ambiguities and anything related by law are now addressed properly by the process came into picture. This has not only safeguarded the interest of the customer but also his involvement in the business by telling him his rights as a customer and the privilege he owns by giving the business to the insures across India.

### DISTRIBUTION AND INTERMEDIARIES

The insurance agents still remain the main source through which insurance products are sold. With growing competitiveness and good marketing strategies has given rise to other is attribution channels. The present channels for insurance sale in India available are:

- Direct Agents



- Direct Selling
- Group Selling
- Bank assurance
- Brokers
- Cooperative Societies

These new channels apart from the direct agents are able to penetrate the market much deeper than the traditional way of selling insurance through the agents. The channel partners are also benefited by this as more value is generated in their business by adding one more product and customer also gets benefited of their valuable and professional advice. These partners for insurance companies have been the major benefit for increase in sale of their products. Also with their wide reach in market and better customer relationship skills has widen the horizon of their business as they are able to get another product at their end to sell to their valued and loyal customers. Thus enhancing their relationships with the customers.

### **FUTURE PLAY**

Insurance industry has witnessed major changes over period of time. The regulator has been keen over the proper functioning of the business, with keen watch over the business capital to be invested with advancement in business also keen over creating awareness about unfair business practices nurtured by the insurer. Not only it has safe guarded the interest of the customer but has also played a keen role in educating the customer. With constant competitive environment the business delivery has been niche and constantly working toward been excellent. The best are the one to survive in the business. We may see big companies taking over the troubled one. Fuelled competition, increased awareness will bring the customers on the centre stage. Customer will be the single most important factor driving change in the life insurance business. Customer experience will be the key differentiator. Service will focus on enhancing the customer experience and maximizing the customer convenience. Apart from the new distribution channels evolved, internet will be another effective media to sell the insurance by effective comparison shopping. Technology will be playing a crucial role in delivering the highest standard of service to both, the end customer and also to the intermediary.

### **REGULATORY FRAME WORK**

The regulator till date has been firm tightening the business. Same would be seen from there end in coming future. While the regulator authority has done a superb job in putting place a framework, it needs to focus now to maintain consistency in the regulations applicable to each provider so as not to create a disadvantageous position for any one provider.

### **SIMPLIFICATION OF LAW**

Another cause of concern is the delay in the formulation of unified Act for issues relating to the insurance. Also with new modules coming in the financial planning arena, it is again necessary to frame out some laws to control the activities in future. With fee regime coming slowly into the market, regulating and controlling over the same will be require as a need of hour.

### **RISK MANAGEMENT**

India has seen an exit of one insurer (AMP Sanmar). The role of regulator in monitoring the risk profile of each participant will be crucial to maintain the good health of the sector. Insurers will need to take appropriate risk mitigation measures to minimize risk, while the regulator will need to strengthen their army of risk measuring tools.

### **THE RURAL MARKET**

Insurance companies have established a presence and extended coverage in the rural areas as well, but there a lot more that needs to be done. The insurance companies need to design products that meet their need. Service delivery mechanisms will be crucial to success in rural areas. Mainly lesser premium a year will be required to explore the market.

### **FOREIGN DIRECT INVESTMENT (FDI)**

One of important reform the industry is looking for. Lobbying has been done for implementing the 49 per cent FDI in insurance sector. This will not only helped the sector but also helped the Indian partner in a big way. The precautionary measures have to be taken for safeguarding the existence of Indian partner if at all it is allowed in the sector.

### **PENSION FUND**

An important area of business which has been a key segment for insurers worldwide and will be critical to the growth and development of the insurance industry of India. Been a pensions fund at most care has to been taken for implementation as will affect many senior citizens.

### **MODERN MARKETING APPROACH**

Marketing strategies for insurance in the emerging scenario could be understood in terms of the following steps:

Having done market research and finalizing on segmentation, targeting and positioning the strategy would focus on the marketing mix namely, Product, Price, Place and Promotion. While determining the implementation methodology, the four characteristics viz. Intangibility, Inseparability, Perish ability and Variability gives rise to certain unique requirements that deserve careful attention while formulating the marketing strategy for insurance. After implementation, the insurers should concentrate on the effective control that would enhance their business.

In India, Insurance is sold and not bought. The agents / Advisors by using various strategies sell the product by convincing the customers. Moreover, they push Policies with the highest premium to pocket a higher commission. The consultative approach to selling is the modern approach, which helps customers and prospects to buy. A consultant makes calls and sells just like any other sales person. The difference is in their attitude, their approach and their commitment. Here, the customer is seen as a person to be served and not a person to be sold. It helps the purchaser to make an intelligent decision. The four-step process includes:

- Need discovery
- Selection of the product
- Need satisfaction presentation, and
- Serving the sale

This approach to selling their products requires understanding of concepts and principles borrowed from the fields of psychology, communications, and sociology and needs a lot of personal commitments and self – discipline from the seller.

The commitments referred are:

- Finding and understanding the needs of the customers.
- Partnering with the customers.
- Helping the customers to achieve his business and other objectives by the purchase of the product or service.
- Believing that your products / services are a great fit with your customer's needs, and

- Believing in yourself and your ability to help the customers in solving their problems.

## CONCLUSION

Since the opening of insurance sector to private players there has been many significant developments like product innovations, introduction of riders, new channels of distribution i.e., banks, corporate agents, group insurance business etc. While these changes are most welcome and will benefit the growth of the industry and the customers, there are some key issues that need to be addressed immediately namely regulating framework, simplification of insurance laws, risk management, the rural market and the pension and role for insurance companies. This market has the potential to grow into one of the largest markets in the world within the foreseeable future. However, if appropriate steps are not taken now to get the structural aspects right, this industry will face many challenges that affect the growth.

## REFERENCES

1. Insurance Journal of India
2. R.K. Mishra Insurance Management
3. <http://www.insurancejournal.com>
4. <http://www.irda.gov.in>
5. <http://www.licindia.com/>

## **REQUEST FOR FEEDBACK**

**Dear Readers**

At the very outset, International Journal of Research in Commerce and Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail i.e. [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com) for further improvements in the interest of research.

If you have any queries please feel free to contact us on our E-mail [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com).

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

**Academically yours**

Sd/-

**Co-ordinator**

## ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

### *Our Other Journals*

